

# City of Portland

Portland, Michigan

## Minutes of the City Council Meeting

Held on Monday, January 16, 2012

In Council Chambers at City Hall

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

Absent: Mayor Barnes and Council Member Fabiano

Guests: Kathy Parsons, Robert Torp-Smith, Board of Light & Power Member; Ernie West and Jim Minster of C2AE; Jon Szerlag of the Sentinel-Standard; and Tom Thelen of the Review & Observer

The meeting was called to order at 7:00 P.M. by Mayor Pro-Tem VanSlambrouck with the Pledge of Allegiance.

Motion by Krause, supported by Calley, to approve the Agenda as presented.

Yeas: Krause, Calley, VanSlambrouck

Nays: None

Absent: Fabiano, Barnes

Adopted

Motion by Krause, supported by Calley, to excuse the absence of Mayor Barnes.

Yeas: Krause, Calley, VanSlambrouck

Nays: None

Absent: Fabiano, Barnes

Adopted

Motion by Krause, supported by Calley, to excuse the absence of Council Member Fabiano.

Yeas: Krause, Calley, VanSlambrouck

Nays: None

Absent: Fabiano, Barnes

Adopted

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

City Manager Dempsey stated the closing on the DDA refunding of the City Hall bonds was held on January 12<sup>th</sup>. There will be a savings of \$55,846.17 in interest over the next 5 years.

City Manager Dempsey informed the Council that the "Welcome to Portland" sign on Grand River Ave. at I-96 was knocked over by wind last fall. Mark Braun's Portland Middle School Tech Ed class repaired the sign. City Manager Dempsey read all of the student's names and presented before and after photos of the sign. He thanked Mr. Braun, the students, Royal Thomason and the other DPW employees for their assistance in repairing and reinstalling the sign.

City Manager Dempsey acknowledged Mayor Barnes for his record of attending 312 consecutive City Council meetings; not including Special Meetings. This record has taken over 13 years to accomplish.

Under Presentations, Ernie West of C2AE presented photos and gave an update on the WWTP Improvement Project. The project is currently on schedule to meet the project completion dates.

Mayor Pro-Tem VanSlambrouck inquired if the new UV system completely removes chlorine from the wastewater treatment process.

Mr. West stated that it does.

Mayor Pro-Tem VanSlambrouck commented that the transformation at the Wastewater Treatment Plant has been amazing.

DDA/Main Street Director Reagan gave his monthly report. The Design Committee will host a “Building Basics Webinar” on Tuesday, January 31<sup>st</sup> at 8:30 a.m. at City Hall by Kelly Larson, the Michigan Main Street Center historic architect. The Design Committee will choose up to three buildings to receive design services through the MMSC, worth approximately \$5,000 each. This is also the kickoff for the DDA’s façade grant program; there will be two matching grants up to \$5,000 for façade improvement in downtown Portland. This is also the starting point for Portland Main Street’s “Sign Incentive Grant” which is a 50/50 matching grant up to \$1,000 for the creation and implementation of creative signage in the downtown.

Director Reagan also reported that Portland Main Street is a semi-finalist for the 2012 Great American Main Street Award. 10 communities across the nation are semi-finalists, with ultimately only 5 to receive the award and designation that go along with it. This selection demonstrates that what is being done in Portland, working to make a great downtown, is being noticed across the United States. The Portland Main Street application has been sent to the National Trust’s Main Street Center.

Director Reagan presented the 5-minute video which was part of the application about the Portland Main Street program. The video was produced by Eric Proctor of Quarterline Media, a member of the Organization and Finance Committee.

Council Member Krause asked when work would begin on the façade grant program and how many participants would be chosen?

Director Reagan stated that work should begin in April or May with 2 being chosen; depending on the project costs. This program has been in place for several years.

Mayor Pro-Tem VanSlambrouck recognized all of Director Reagan’s hard work and thanked Mr. Proctor for his efforts in producing the video.

Mr. Torp-Smith was recognized for Public Comment as his comments were in regard to Resolution 12-06.

Mr. Torp-Smith, a member of the Board of Light and Power, stated that although the Electric Fund has a Fund Balance of over \$1 million there are several issues that could come up quickly and deteriorate this figure. He stated his disagreement with increasing the administrative fees and payment in lieu of taxes in the proposed budget amendments in Resolution 12-06. He gave a description of the recent purchase power contracts that have been put in place and further listed potential expenses to the

Electric Department including issues with the dam that will need to be addressed, a needed roof repair to the diesel plant, the purchase of a new truck that is underway, the proposed mandate from the State for low income heat fees, the obligation to operate the diesel plant under peak loads which is very expensive to run. In addition, the Electric Department must always be prepared for weather damage that would require expensive repairs to electric infrastructure. There is also a fuel tank that is mandated to be changed.

Mr. Torp-Smith stated that all of these issues have potential to negatively affect the Electric Fund Balance. He requested the Council defer their decision or action on the administrative fee increases until the Board of Light & Power has had an opportunity to discuss the proposal.

Mayor Pro-Tem VanSlambrouck thanked Mr. Torp-Smith for his input.

City Manager Dempsey stated that a decision to defer action on the proposed administrative fee increases would impact spending from the General Fund as there has to be a plan in place before money can be spent. There are payments that need to be made; if a decision is not made then these payments will not be able to be made. The administrative services are a small part of the proposed budget amendments.

City Manager Dempsey stated that he concurs with the Electric Department issues presented by Mr. Torp-Smith but doesn't feel the proposed amendment would be a detriment. The proposed amendment for administrative services would take \$6,844 and the payment in lieu of taxes would take \$5,300 totaling only \$12,144.

City Manager Dempsey stated that one of the payments that will be made from the General Fund when the amendments are approved is for Revenue Sharing to Portland Township. When this property was brought into the City it benefited the utilities as it added more customers to their base. Less than half of the \$45,000 Revenue Sharing payment will be paid by the administrative service fee increases and the payments in lieu of taxes. The rest of the budget amendments have come from cuts to services in the General Fund.

City Manager Dempsey further stated his respect for the Board of Light & Power and their right to analyze this issue. He encouraged the Council to adopt the proposed budget amendments knowing they can make revisions based on recommendations by the Board of Light & Power.

Mayor Pro-Tem VanSlambrouck confirmed with City Manager Dempsey the payments that will be made out of the General Fund based on the proposed budget amendments. He stated it seems fiscally responsible to adopt the amendments knowing an adjustment can be made later if needed.

Council Member Krause stated that 9 other departments in the entire budget would be higher administrative fees with the proposed budget amendments. It is not only the utility funds that would be paying higher administrative services fees. There were many other cuts made all through the budget.

Under New Business, the Council considered Resolution 12-06 to amend the Budget for Fiscal Year 2011-2012.

Motion by Krause, supported by Calley, to approve Resolution 12-06 to amend the Budget for Fiscal Year 2011-2012.

Yeas: Krause, Calley, VanSlambrouck

Nays: None

Absent: Fabiano, Barnes

Adopted

The Council considered Resolution 12-07 to approve a contractual rate increase of 3% for residential trash pick-up provided by Granger Container Service effective February 1, 2012. The contract allows the rate to be increased based on the Consumers Price Index (CPI) capped at 3% for the service years February 1, 2010 through January 31, 2014. The residential trash pick-up rates were increased 1.2% in 2011 because the CPI for Midwest urban areas from 2009 to 2010 was 1.2%. The CPI index for Midwest urban areas from November 2010 to November 2011 was 3.3%.

Motion by Krause, supported by Calley, to approve Resolution 12-07 approving a contractual rate increase for residential trash pick-up.

Yeas: Krause, Calley, VanSlambrouck

Nays: None

Absent: Fabiano, Barnes

Adopted

The Council considered Resolution 12-08 to approve engineering invoices for payment on the Wastewater Treatment Plant Improvement Project.

Motion by Krause, supported by Calley, to approve Resolution 12-08 approving engineering invoices for payment on the Wastewater Treatment Plant Improvement Project.

Yeas: Krause, Calley, VanSlambrouck

Nays: None

Absent: Fabiano, Barnes

Adopted

The Council considered Resolution 12-09 to approve Pay Request No. 7 to Davis Construction for work done on the Wastewater Treatment Plant Improvement Project through December 31, 2011 in the amount of \$310,465.83. The Engineers on the project are recommending Council approve this payment.

Motion by Krause, supported by Calley, to approve Resolution 12-09 approving Pay Request No. 7 to Davis Construction for work done on the Wastewater Treatment Plant Improvement Project.

Yeas: Krause, Calley, VanSlambrouck

Nays: None

Absent: Fabiano, Barnes

Adopted

The Council considered Resolution 12-10 a resolution of intent to sell surplus real property owned by the City of Portland. Staff has reviewed the parcels at 628 Canal St., Island #7, 307 Looking Glass Ave., and Cherry Hill Condominium Project #2 and determined they are not essential for the provision of City services and is recommending that they be offered for sale.

Motion by Krause, supported by Calley, to approve Resolution 12-10 a resolution of intent to sell surplus real property owned by the City.

Yeas: Krause, Calley, VanSlambrouck

Nays: None

Absent: Fabiano, Barnes

Adopted

Motion by Krause, supported by Calley, to approve the Consent Agenda which includes the Minutes and Synopsis from the Regular City Council Meeting held on January 3, 2012, payment of invoices in the amount of \$218,339.13 and payroll in the amount of \$125,520.03 for a total of \$343,859.16. Included was a purchase order to the Michigan Municipal Electric Association in the amount of \$6,110 for 2012 Membership Dues.

Yeas: Krause, Calley, VanSlambrouck

Nays: None

Absent: Fabiano, Barnes

Adopted

Under Council Comments, Council Member Krause extended her thanks to the Tech Ed students at the Portland Middle School for their excellent work on the Welcome to the City of Portland sign.

Council Member Calley confirmed that the residential trash pick-up rate increase approved by Resolution 12-07 is still a lower rate than most other communities.

City Manager Dempsey stated that he is not aware of any other contracts besides the City of Ionia with as good of rates as the City of Portland.

Mayor Pro-Tem VanSlambrouck also extended his thanks to the Tech Ed students at the Portland Middle School for their excellent work on the Welcome to the City of Portland sign. He also thanked the DDA for getting the application for the Great American Main Street Award done and out.

Council Member Krause reminded residents that the Annual Portland Plunge and Portland Winter Run will both be held this Saturday, January 21<sup>st</sup>.

City Manager Dempsey stated that the Chamber of Commerce will hold their dinner on Thursday, January 26<sup>th</sup>.

Motion by Krause, supported by Calley, to adjourn the meeting.

Yeas: Krause, Calley, VanSlambrouck

Nays: None

Absent: Fabiano, Barnes

Adopted

Meeting adjourned at 8:02 P.M.

Respectfully submitted,

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James E. Barnes, Mayor

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Monique I. Miller, City Clerk