

City of Portland

Portland, Michigan

Minutes of the City Council Meeting

Held on Monday, December 5, 2011

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; and Police Chief Bauer

Guests: Bill Tucker of Abraham & Gaffney; Joe Fedewa; Kathy Parsons; Jon Szerlag of the Sentinel-Standard; Tom Thelen of the Review & Observer

The meeting was called to order at 7:00 P.M. by City Clerk Miller with the Pledge of Allegiance led by Bill Tucker.

Motion by VanSlambrouck, supported by Fabiano, to approve the Agenda with the deletion of the presentation by DDA/Main Street Director Reagan and changing the title of Proposed Resolution 11-120 to Accepting and Rejecting Ownership of 2011 Foreclosed Properties for Non-Payment of Taxes.

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.

There was discussion with the Council in regard to Resolution 11-120 to accept and reject ownership of 2011 foreclosed properties for non-payment of taxes.

City Manager Dempsey stated that whether the properties are accepted or rejected the City will have to refund the tax funds back to the County. The question to consider is whether the holding costs are worth the City holding the property.

City Manager Dempsey stated that the power outage early on Sunday, November 27th was caused by Consumers Energy's loss of a transmission line between Grand Ledge and Sunfield.

The freezing rain and snow this past Tuesday caused a number of trees to fall on electric lines and broke a pole north of town at Maynard and Barnes Rds. The City was able to get in to replace the pole and transfer the line without anyone losing power. There was one outage in the City at Bill's Party Store caused when some tree branches caused a fault on the line serving the store. The fault caused some fuses to blow preventing a larger outage. Service was restored within 30 minutes after the call.

Portland is extremely well served during events like this because of the quick response from its own electric utility and the proactive steps that have been taken to bury most of the electric lines on the system.

City Manager Dempsey acknowledged the efforts of the Electric Department, DPW, and the public safety personnel that have to respond to calls for service in all types of weather to keep City residents on the freshly plowed and salted streets and with electricity to homes and businesses.

City Manager Dempsey noted the spreadsheet included in the Communications detailing the Safety Awards for the prior three-year period. The City will hold a Safety Meeting in the afternoon of December 22nd and has arranged for Al Arens to speak about Legendary Customer Service.

City Manager Dempsey reported that the Portland Main Street Program was awarded a grant for branding the downtown and the Portland Main Street Program. A steering committee, which City Manager Dempsey is a member of, will work with Cindy Williams, a marketing consultant that works with the National Trust for Historic Preservation, for the next 24-26 weeks. A community visioning session on branding the downtown was held last Thursday night.

Portland Main Street has been selected as a semifinalist for the Great American Main Street Award for 2012. Ten communities nationwide were chosen in all, with only five to ultimately receive this designation/award.

On November 29th the members of Fight Crime: Invest in Kids Michigan recognized Governor Snyder with “Michigan’s Champion for Children” award and the Early Childhood Investment Corporation (ECIC) with the “Champion Crime Fighter” award. The ECIC was recognized for its tremendous effort to align state and federal early childhood development, care and education in every county across the State of Michigan through a system of Great Start Collaboratives that include a cross-section of community leaders and parents.

Governor Snyder was honored for his leadership to build upon the work of the ECIC through his vision for a Prenatal to 20 (P-20) System that supports the social, emotional, and education development of children as a priority to ensure student success by grade 4 and beyond. Further, the Governor’s creation of the Office of Great Start at the Michigan Department of Education is charged to administer the P-20 alignment for success.

In addition, the law enforcement leaders also saluted the Governor for signing legislation to require all school districts have bullying prevention policies and presented “Champion Crime Fighter Awards” to Sen. John Moolenaar, Sen. Gretchen Whitmer, and Sen. Glenn Anderson, and a “Crime Fighter Award” to Portland Police Chief Bob Bauer for their distinguished leadership to garner funding and programs that help kids with early care and education, good schools, and bullying prevention.

City Manager Dempsey reminded everyone that a free Christmas Concert is being organized by the Ionia-Maple Valley Community Band on December 10th at 7:00 P.M. at the Portland Civic Players Play House.

Under Presentations, Bill Tucker of Abraham & Gaffney presented the Fiscal Year 2010/2011 Audit of the City. The audit resulted in a clean opinion, the best that can be received, on the financial position of the City. The fund balance of the General Fund at the Fiscal Year End was \$92,881; an increase of \$23,059 over last year. This figure represented 4.2% of the General Fund Expenditures; it is recommended to hold 15-20% as the Fund Balance. The reason for the low fund balance is the reporting of a loan from the Water Fund to the General Fund which saved over \$200,000 in interest but the reporting standards show this as a liability.

Council Member Fabiano questioned the adjustment for the Ambulance Department noted in the financial statement.

Mr. Tucker explained the adjustment was for understated Accounts Receivable discovered by Finance Officer Schrauben.

Mr. Tucker presented charts displaying information on the Five-Year Analysis of the General Fund Revenues and Expenses and Fund Balances, the Total Tax and State Share Revenues and the Revenue and Expense Detail.

Mr. Tucker also presented information on the Single Audit Report which was required this year because of over \$500,000 in federal expenditures related to the Wastewater Treatment Plant Project. This audit also resulted in a clean opinion.

Mayor Barnes inquired if it is common for audits to result in clean opinions.

Mr. Tucker stated that it is very unique to find no material weaknesses in an audit. Approximately 60-70% of audits have some kind finding; typically on internal controls. Abraham & Gaffney enjoy working with the City of Portland.

Mayor Barnes commended the staff for the great jobs they do and further commended Finance Officer Schrauben for her work in investigating the Ambulance issues and discovering the understated receivables.

Mayor Barnes also thanked Mr. Tucker and Abraham & Gaffney for their work with the City of Portland.

City Manager Dempsey stated that the Ambulance billings are contracted out to MHR Billing. We now have a better, more clear representation of what the Ambulance Receivable are because of Brenda's investigation.

Joe Fedewa joined the meeting at 7:30 P.M.

Joe Fedewa of the Cherry Hill Condo Association addressed the Council about the foreclosed property the City will be considering for acceptance or rejection. If accepted, the City would own the property but the association would retain control. If the City were to accept the property they would pay association dues of \$1.54 per month per lot and would be responsible for mowing. Due to other costs to the association they do not have the funds to hold the property.

City Manager Dempsey stated that he recommends the Council accept this property as it does not require a tremendous investment. Development will not take place soon, but at some time in the future. There are already water and sewer lines in place to serve the properties.

Council Member Fabiano stated that he doesn't believe the City needs to be involved in the real estate business. That is the purpose of the Ionia County Land Bank.

Mayor Pro-Tem VanSlambrouck stated that local control of the property may be better than the Ionia County Land Bank. The City will have to pay for the property whether it has control of it or not. If the City holds the property it would be taking the "middle man" out of the development process.

Council Member Fabiano stated there may be more costs to the City if it has to hold it. He further stated that of all the properties in question this is the best consideration.

Council Member Calley clarified that the City will be returning the taxes the County did not collect on the property regardless if it accepts or rejects it. He also clarified the amount of association dues the City would be responsible for.

Mayor Barnes stated his concern that many communities have properties in the Ionia County Land Bank in the same situation. He further stated his doubt they would have the best resources to market the property as well as the City could do it itself.

Council Member Fabiano inquired if the City would have to consider taking the house down on the property located on Canal St. due to blight.

City Manager Dempsey stated that he would recommend taking the house down. Cook Brothers provided a quote of \$10,084 and Pitsch provided a quote of \$6,220 to take the house down. He further stated that the house on this property is the worst structure in the area; taking it down would help the value of the surrounding properties. There is potential to split this lot as it is a through lot and was originally two different parcels. Vacant lots in the City limits are going for over \$15,000.

There was further discussion of the Land Bank process and possible options.

Mayor Pro-Tem VanSlambrouck asked if the EDC could take on this issue.

City Manager Dempsey stated they could be charged with taking on this issue.

Mayor Barnes commented that if the property is in the City there is some responsibility to administer the issue; the goal is not to get into the real estate business.

Council Member Krause commented that the City has a responsibility to increase the values of surrounding properties at a cost of only \$6,220. She stated that if the condo property is accepted there would be limited control for development as it would be controlled by the condo association.

Council Member Fabiano stated he believes the opposite of Council Member Krause.

Mr. Fedewa stated that the condo property is the last piece of property in the original City limits to be developed.

Under New Business, the Council considered Resolution 11-116 to amend the Budget for Fiscal Year 2011-2012. The City is now receiving State Revenue Sharing payments based on the 2010 Census and must begin sharing the funds with Portland Township based upon 351 people residing in the transferred areas. This resolution will add \$45,000 to the General Fund expenditures.

Motion by Fabiano, supported by Calley, to approve Resolution 11-116 to amend the Budget for Fiscal Year 2011-2012.

Yeas: Fabiano, Calley, VanSlambrouck, Krause, Barnes

Nays: None

Adopted

The Council considered Resolution 11-117 to approve AECOM's proposal for Annual Water Level, Downstream Fish Passage and Nuisance Plant Monitoring and Reporting for 2012 and 2013 for the Portland Municipal Dam. The City is licensed by the Federal Energy Regulatory Commission (FERC) to operate a municipal dam as part of its hydroelectric plant. The City has previously employed

AECOM (formerly known as Earth Tech) in consulting matters pertaining to its FERC license. The Board of Light & Power met on November 29th and recommended the City Council approve AECOM's proposal. AECOM engineers have been doing this work for the City since 2002.

Motion by Krause, supported by VanSlambrouck, to approve Resolution 11-117 approving AECOM's proposal for Annual Water Level, Downstream Fish Passage and Nuisance Plant Monitoring and Reporting for 2012 and 2013 for the Portland Municipal Dam.

Yeas: Krause, VanSlambrouck, Calley, Fabiano, Barnes

Nays: None

Adopted

The Council considered Resolution 11-118 to approve a contractual rate increase for biosolids management services. This resolution would approve a 3% cost of living increase for Synagro per the contract. The index referenced in the Contract would have permitted a greater increase but the Contract also capped increases at 3%.

Motion by VanSlambrouck, supported by Fabiano, to approve Resolution 11-118 approving a contractual rate increase for biosolids management services.

Yeas: VanSlambrouck, Fabiano, Calley, Krause, Barnes

Nays: None

Adopted

The Council considered Resolution 11-119 to approve a contract for additional biosolids management services. Synagro has provided pricing for all necessary equipment and labor for confined space cleaning services, when requested by the City. The pricing is attractive and provides an opportunity to negotiate a negative change order with Davis Construction who must clean some tanks to install improvements at the Wastewater Treatment Plant.

Motion by Krause, supported by Fabiano, to approve Resolution 11-119 approving a contract for additional biosolids management services.

Yeas: Krause, Fabiano, VanSlambrouck, Calley, Barnes

Nays: None

Adopted

The Council considered Resolution 11-120 to accept and reject ownership of 2011 foreclosed properties for non-payment of taxes.

Mayor Pro-Tem VanSlambrouck stated he felt it would be a benefit to the City to accept the island property.

City Manager Dempsey stated it would cost the City \$659. The island is located near the Wastewater Treatment Plant and would be kept in its natural state. The only question is whose name will be on the title to the property.

A vote was held on each individual property to either accept or reject it.

City Manager Dempsey explained that Resolution 11-120 could be amended to reflect the votes on the individual properties.

Motion by VanSlambrouck, supported by Krause, to accept the properties belonging to the Cherry Hill Condo Association.

Yeas: VanSlambrouck, Krause, Calley, Barnes

Nays: Fabiano

Adopted

Motion by Krause, supported by VanSlambrouck, to accept the property at 628 Canal St.

Yeas: Krause, VanSlambrouck, Calley, Barnes

Nays: Fabiano

Adopted

Motion by Krause, supported by Calley, to accept the property at 326 E. Grand River Ave.

Yeas: None

Nays: Krause, Calley, VanSlambrouck, Fabiano, Barnes

Not Adopted

Motion by Krause, supported by VanSlambrouck, to accept the Grand River island property.

Yeas: VanSlambrouck, Calley, Barnes

Nays: Krause, Fabiano

Adopted

City Manager Dempsey explained that votes on the individual properties reflected the way Resolution 11-120 was written so it does not need to be amended but does need to be voted on.

Motion by Krause, supported by VanSlambrouck, to approve Resolution 11-120 accepting and rejecting ownership of 2011 foreclosed properties for non-payment of taxes.

Yeas: Krause, VanSlambrouck, Calley, Barnes

Nays: Fabiano

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 November 21, 2011, payment of invoices in the amount of \$108,798.22 and payroll in the amount of \$145,744.40 for a total of \$254,542.62. There were no purchase orders over \$5,000.00.

Yeas: Krause, VanSlambrouck, Calley, Fabiano, Barnes

Nays: None

Adopted

Under Council Comments, Mayor Pro-Tem VanSlambrouck recognized the VFW post for serving 163 Thanksgiving meals to area residents. WION held its Annual Food Drive on Friday, November 25th at the Fire Station; two local food banks in Portland received food from the drive.

Mayor Pro-Tem VanSlambrouck stated that he recently attended the Michigan Economic Development Authority (MEDA) conference in Lansing. It was a very energetic conference that covered using a Farmer's Market as an economic development tool and coaching.

Mayor Barnes suggested Portland's involvement in a Reader's Digest competition to receive a grant to raise awareness of your City. St. John's was the recipient of a \$10,000 grant through Reader's Digest.

Mayor Barnes stated that the Annual Breakfast with Santa will be held on Saturday, December 10th at the Portland Nazarene Church.

Council Member Fabiano stated that he and City Manager Dempsey had met with the proposed Fire Authority committee that afternoon. The meeting was very productive. Solutions to some of the issues were resolved. A proposed agreement should be available by the end of January.

Council Member Krause recognized the Main Street Program for working hard to spur economic development and for being awarded the branding program grant. She extended congratulations for all their hard work.

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

Yeas: VanSlambrouck, Krause, Calley, Fabiano, Barnes

Nays: None

Adopted

Meeting adjourned at 8:25 P.M.

Respectfully submitted,

James E. Barnes, Mayor

Monique I. Miller, City Clerk