

# City of Portland

Portland, Michigan

## Minutes of the Special City Council Meeting

Held on Monday, January 3, 2011

In Council Chambers at City Hall

Present: Mayor Barnes; Mayor Pro-Tem Clement; Council Members VanSlambrouck, Calley and Fabiano; City Manager Dempsey; City Clerk Miller; Police Chief Bauer and Camera Operator Cummins

Guests: Tom Thelen of the Review & Observer; Jon Szerlag of the Sentinel Standard

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

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

Yeas: Clement, VanSlambrouck, Calley, Fabiano, Barnes

Nays: None

Adopted

Under the City Manager Report, City Manager Dempsey reviewed the Special Meeting of the City Council held on Monday, December 27<sup>th</sup> where Glen Burkhardt, of C2AE, presented and provided information on why the bids received on the WWTP project were higher than anticipated.

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

City Manager Dempsey stated that the City's switch in natural gas suppliers is already paying dividends. Border Energy's price for January is \$5.13 per Mcf for commercial and industrial customers, compared to \$6.926 at Consumer's Energy saving the City 26%.

The Planning Commission will meet on January 12<sup>th</sup> to review a tabled sign variance request for Tom's Food Center.

The Portland Winter Run and the Portland Art's Council Plunge are scheduled to take place on January 15<sup>th</sup>.

Mayor Barnes stated that at the Council's Special Meeting on December 27<sup>th</sup> the Council conveyed their displeasure with Mr. Burkhardt and C2AE with the result of the underestimated project costs.

Council Member Fabiano stated that he didn't vote no because he doesn't support the project. The City hired C2AE for a project estimate which was way off. He further questioned why the options on the project changed and who gave the authority. He further stated that the City should look at another firm and a new proposal.

Council Member VanSlambrouck stated that he is not happy with C2AE and the communications from them. He further stated that Wastewater Superintendent Sherman did not exercise any authority in how the engineering for the project was done. C2AE did not communicate the changes in the scope of the project and the needed change in financing. The Wastewater Treatment Plant needs to be upgraded. He

further stated that he does not believe there will be a better opportunity for financing in the near future. The improvements need to be made so the City doesn't have to deal with a disaster.

Mayor Barnes stated at issue is the credibility of the Council in assuring the costs and scope of the project is correct. If the Council had known the more accurate costs then the wastewater rates would have been set accordingly without needing further adjusting for more financing. While the project was under design, the engineers found that with the needed changes in the locations of equipment it made sense to change the plant to UV Disinfection. He further stated the options are the City facing legal action if the funds due to C2AE for work completed are not paid and moving forward with the project at excellent financing rates. The USDA has worked extremely hard during the holidays to ensure the City could secure additional financing at the same rate for the \$840,000 as the \$2.9 million borrowing. The USDA has also allowed the City to increase the wastewater rates at a lesser increment for the \$840,000 borrowing than the \$2.9 million borrowing. There will be a \$.93 increase for the additional borrowing.

City Manager Dempsey stated that after the 45 days on the Notice of Intent expires, the wastewater rate increase will be brought back to Council for approval. He is currently considering possible offsets for the additional rate increase.

Council Member Fabiano stated that the change to UV disinfection from chlorine doesn't seem to be needed as chlorine doesn't seem unsafe. He doesn't agree with forging ahead on the project when it came in almost \$1 million over budget.

Under Presentations, DDA/Main Street Director Reagan gave an update on Downtown activities. The DDA is now accepting applications for the 2011 "Sign Incentive Grant". This is a 50/50 matching grant for up to \$1,000 for the creation and installation of new commercial signage in the Main Street district geared towards helping business and building owners promote their businesses through the use and development of creative signage.

The Economic Revitalization Committee of the Portland Main Street program is currently looking into the feasibility of revitalizing the historic Opera House located about PCMI and Jerry's in downtown Portland. The Opera House dates back to the late 19<sup>th</sup> century and has been shuttered since around 1920. The ER Committee is currently working on determining the amount of community support that exists for this type of revitalization project.

Under New Business, The second reading of Ordinance 76A to amend Section 2-100 of the Code of Ordinances was held. A previous Council had made this amendment to change the number of Planning Commission members from nine to seven members to be appointed by the Mayor and confirmed by the City Council. This amendment was not reflected in the Code of Ordinances.

Motion by Clement, supported by Fabiano, to approve Ordinance 76A to amend Section 2-100 of the City of Portland Code of Ordinances.

Yeas: Clement, Fabiano, VanSlambrouck, Calley, Barnes

Nays: None

Adopted

The second reading of Ordinance 175BB to amend Chapter 42, Article III of the Code of Ordinances by adding Division 8 Sections 42-280 through 42-288 to create an Office/Research Form Based District. This amendment would affect the vacant land at Cutler Rd. and Grand River Ave. and will

implement what was previously adopted in the Master Plan for the property. This Form Based District will expedite the approval process and will hopefully attract development.

Motion by Clement, supported by Fabiano, to approve Ordinance 175BB to Amend Chapter 42, Article III of the Portland City Code by adding Division 8 Sections 42-280 through 42-288 to create an Office/Research Form Based District.

Yeas: Clement, Fabiano, VanSlambrouck, Calley, Barnes

Nays: None

Adopted

The second reading of Ordinance 175CC to amend Section 42-6 by adding definitions for Marihuana, Marihuana Collective or Cooperative, Marihuana Dispensary or Dispensary, and Medical Use of Marihuana and to amend Section 42-302 regarding home occupations. This ordinance will implement the State's Medical Marihuana Act as a home occupation in the City of Portland. It does not allow a commercial business as a marihuana dispensary, marihuana collective or cooperative.

Motion by Fabiano, supported by VanSlambrouck, to approve Ordinance 175CC to amend Section 42-6 by adding definitions for Marihuana, Marihuana Collective or Cooperative, Marihuana Dispensary or Dispensary, and Medical Use of Marihuana and to amend Section 42-302 regarding home occupations.

Yeas: Fabiano, VanSlambrouck, Clement, Barnes

Nays: Calley

Adopted

Motion by Clement, supported by Fabiano, to approve Resolution 11-01 to confirm the Mayor's appointments to City Boards and Commissions.

Yeas: Clement, Fabiano, VanSlambrouck, Calley, Barnes

Nays: None

Adopted

The Council considered Resolution 11-02 approving a contractual rate increase for residential trash pick-up. The City entered a contract for residential trash pick-up with Granger Contrainer Service that allows the contract to be increased based on the Consumers Price Index (CPI) capped at 3% for the service years February 1, 2010 through January 31, 2014. Residential trash pick-up rates were not increased in 2010 because the CPI index for the Midwest urban area from 2008 to 2009 was -0.2%. The CPI index for the Midwest urban area from November 2009 to November 2010 is 1.2% resulting in rate increases.

Motion by Clement, supported by VanSlambrouck, to approve Resolution 11-02 approving a contractual rate increase for residential trash pick-up.

Yeas: Clement, VanSlambrouck, Calley, Fabiano, Barnes

Nays: None

Adopted

The Council considered Resolution 11-03 to revise Council Policy 94-2 concerning the Family and Medical Leave Act of 1993. The City Manager worked with Legal Counsel to update Council Policy 94-2 and recommends its approval.

Motion by Fabiano, supported by Clement, to approve Resolution 11-03 to revise Council Policy 94-2 concerning the Family and Medical Leave Act of 1993, as amended.

Yeas: Fabiano, Clement, VanSlambrouck, Calley, Barnes

Nays: None

Adopted

Motion by Clement, supported by Fabiano, to approve the Consent Agenda which includes the Minutes and Synopsis from the Regular City Council Meeting held on December 20, 2010 and the Special Meeting held on December 27, 2010, payment of invoices in the amount of \$57,792.60 and payroll in the amount of \$97,743.05 for a total of \$155,535.65. There were no purchase orders over \$5,000.00.

Yeas: Clement, Fabiano, VanSlambrouck, Calley, Barnes

Nays: None

Adopted

Under Council Comments, Council Member Calley suggested that in looking at offsets for the second wastewater rate increase the 1 mil levied on property taxes, which is designated for roads, be used in some manner.

Mayor Pro-Tem Clement commented that the Portland Plunge, the annual fundraiser for the Portland Community Arts Council, will be held on January 15<sup>th</sup>.

Mayor Barnes extended congratulations to newly appointed Lieutenant Governor Brian Calley from Portland.

City Manager Dempsey acknowledged Mike Hyland's 41 years of service with the Portland Fire Department, 20 years as the Chief, who retired from the Fire Department effective December 31<sup>st</sup>.

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

Yeas: Clement, Fabiano, VanSlambrouck, Calley, Barnes

Nays: None

Adopted

Meeting adjourned at 7:45 P.M.

Respectfully submitted,

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James E. Barnes, Mayor

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Monique I. Miller, City Clerk