

# City of Portland

Portland, Michigan

## Minutes of the City Council Meeting

Held on Tuesday, July 5, 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 Officer Thomas

Guests: Kathy Parsons; 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 DDA/Main Street Director Reagan.

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

Yeas: Clement, Fabiano, VanSlambrouck, Calley, Barnes

Nays: None

Adopted

Under the City Manager Report, City Manager Dempsey presented information on the action items for consideration on the Agenda as well as information on policies in various communities with local bidder preference policies.

City Manager Dempsey stated that he does not recommend adopting a local bidder preference policy because he believes non-local bidders will not go to the trouble of submitting a bid if they know that a local bidder will get the work with a higher bid or will be allowed to match their low bid. He further stated that the current economic climate is difficult and the City's revenues demand that the Council be fiscally responsible. If, at some point, the Council believes it is in the City's best interest to award a contract to a local bidder that has bid more than the low responsible bidder it can do so without a formal policy. When projects are advertised for bid language is already included to allow this.

City Manager Dempsey gave an update on the street projects. Work on Grand River Ave., Bridge St., Albro and Church Sts. began today. There will be intermittent lane closures on Grand River Ave. from Water St. to Grove St, and on Bridge St. from Grant St. to Maple St. from July 5<sup>th</sup> through July 9<sup>th</sup> as these areas are being milled and repaved. Temporary traffic controls will remain until the pavement markings are repainted. The painting subcontractor is scheduled to be in on Monday, July 11<sup>th</sup>, weather permitting.

Albro St. from Center St. to Detroit St. and Church St. from Center St. to Detroit St. will be closed to through traffic from July 5<sup>th</sup> through August 4<sup>th</sup> as water main is installed or replaced and the streets are repaved. The contractor is working on Church St. between Carl St. and Lyons Rd. preparing for curb replacement in advance of the milling and repaving operation.

Under New Business, the Council considered Resolution 11-60 confirming appointments to various City Boards and Commissions made by the Mayor.

Motion by Clement, supported by Calley, to approve Resolution 11-60 confirming the Mayor's appointments to City Boards and Commissions.

Yeas: Clement, Calley, VanSlambrouck, Fabiano, Barnes

Nays: None

Adopted

The Council considered Resolution 11-61 for Pay Request No. 1 to Davis Construction for work completed on the Wastewater Treatment Plant Improvement Project through June 30<sup>th</sup> in the amount of \$463,475.41. The City's Engineer on the Project has reviewed the pay request and is recommending its approval.

Motion by Fabiano, supported by Clement, to approve Resolution 11-61 approving Pay Request No. 1 to Davis Construction for work done on the Wastewater Treatment Plant Improvement Project.

Yeas: Fabiano, Clement, VanSlambrouck, Calley, Barnes

Nays: None

Adopted

The Council considered Resolution 11-62 approving Change Order No. 2 to the Wastewater Treatment Plant (WWTP) Improvement Project Contract with Davis Construction. After exposing buried air piping at the WWTP it was determined the existing connection point on the outside of the aeration tank was severely corroded and a new connection point was needed. The cost of revising the location of the air piping connections, providing the additional pipe fittings, wall cores, and seals and increasing certain pipe sizes and the size of the manual bar screen will increase the price of the contract by \$7,959.00.

Motion by Clement, supported by VanSlambrouck, to approve Resolution 11-62 approving Change Order No. 2 to the WWTP Contract with Davis Construction.

Yeas: Clement, VanSlambrouck, Calley, Fabiano, Barnes

Nays: None

Adopted

Under the Discussion of Proposed Donation of Property, City Manager Dempsey explained that a former resident and current property owner of the City would like to donate their former residence to the City of Portland. The question is whether this would be good or bad for the City as this property has been neglected and is currently a code issue. Summer tax bills have just been mailed; therefore there will be approximately \$2,000 in taxes due on the property this year. The property would not be able to be taken off the tax roll until next year. The property has been deemed unsafe by the Fire Department as they had considered using it for training purposes. There would be approximate costs of \$7,500 to demolish the property and clean the lot. In the end, the City could have up to \$10,000 - \$12,000 invested in this property with the potential of selling the lot for around \$15,000. This also brings into question whether the City wants to set the precedent of taking on foreclosed or neglected properties.

Council Member VanSlambrouck asked if there is any benefit to the City.

City Manager Dempsey stated that there is no benefit to the City aside from reselling it.

Mayor Barnes stated his greatest concern is with the possibility of setting a precedent with the current state of the housing market.

City Manager Dempsey stated another possible scenario. If the property owner becomes delinquent on its taxes, the property wouldn't go to tax sale for up to 3 years. This would also be expensive to the City. The question is what is most cost effective for the City.

City Manager Dempsey suggested checking with the property owners to see if they would be willing to pay the current year taxes if the City were to take the property.

Mayor Pro-Tem Clement suggested contacting the adjacent property owners and offering it to them for the cost of the demolition, etc.

After further discussion, the Council directed City Manager Dempsey to contact the adjacent property owners to determine their interest in the property and the current property owners to check their willingness to pay the current year taxes.

Under the Discussion of Proposed Power Purchases, City Manager Dempsey gave an explanation of and an update on the proposed power purchases through the partnership with the MPPA. The first power purchase would be with Next Era which is an already active nuclear power plant. Benefits of this proposed transaction are that the amount of load subject to market fluctuations would be reduced, the load served by this purchase is expected to be only minimally impacted by any future carbon legislation, it offers diversification in supply sources, and Next Era is a financially solid company with a proven track record for this type of transaction.

The second proposed power purchase is with American Municipal Power (AMP). This is a new project, about 95% complete. This project is a natural gas combined cycle facility. No debt would be issued for the City of Portland. The cost of the power from this plant is expected to "beat the market" by a wide margin. Independent assessments say power purchase is a good investment.

At the last meeting of the Board of Light & Power they made a recommendation to move forward with these power purchases. The Council will have a resolution to consider at its next meeting.

Under the Consent Agenda, Council Member Fabiano inquired about the invoice for cleanup of a meth lab.

City Manager Dempsey explained the Police Department had to call in CMET and an environmental cleanup company to dispose of an active meth lab reported in a dumpster on private property. There are no longer federal funds available for this cleanup. The City is exploring how to recover these cleanup costs. They are not covered by City insurance. This is an area of uncertainty for all municipalities.

The Council further discussed this issue.

Motion by Fabiano, supported by Clement, to approve the Consent Agenda which includes the Minutes and Synopsis from the Regular City Council Meeting held on June 20, 2011, payment of invoices in the amount of \$49,220.82 and payroll in the amount of \$122,598.32 for a total of \$171,819.14. There were no purchase orders over \$5,000.00.

Yeas: Fabiano, Clement, VanSlambrouck, Calley, Barnes

Nays: None

Adopted

Under Council Comments, the Council decided to discuss the bidding process at a future meeting after reviewing the information provided by City Manager Dempsey.

Council Member VanSlambrouck commented on the great parade and fireworks on the 4<sup>th</sup> of July.

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

Yeas: Clement, Fabiano, VanSlambrouck, Calley, Barnes

Nays: None

Adopted

Meeting adjourned at 8:20 P.M.

Respectfully submitted,

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James E. Barnes, Mayor

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Monique I. Miller, City Clerk