

City of Portland

Portland, Michigan

Minutes of the City Council Meeting

Held on Monday, October 3, 2011

In Council Chambers at City Hall

Present: Mayor Barnes; Mayor Pro-Tem Clement; Council Members VanSlambrouck; City Manager Dempsey; City Clerk Miller; Police Chief Bauer

Absent: Council Members Calley and Fabiano

Guests: Stacy Krause; 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.

Motion by Clement, supported by VanSlambrouck, to approve the revised Agenda.

Yeas: Clement, VanSlambrouck, Barnes

Nays: None

Absent: Calley, Fabiano

Adopted

Motion by VanSlambrouck, supported by Clement, to excuse Council Members Calley and Fabiano from the meeting.

Yeas: VanSlambrouck, Clement, Barnes

Nays: None

Absent: Calley and Fabiano

Adopted

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

City Manager Dempsey also stated that new phone installation is underway at City Hall. The City is piggybacking on the Portland Public Schools system which is providing a cost savings to the City. He further informed residents there may be temporary "bugs" in the system until the installation is complete.

City Manager Dempsey noted that Church and Albro Streets and the areas where water main repairs were done were paved today.

City Manager Dempsey stated that the Fire Department responded to a structure fire at 12020 Okemos Rd. in Danby Township on Saturday morning. Because of the quick response and training on positive pressure attacks, the structure was saved with minimal smoke and water damage. Portland received mutual aid from the Roxand Township Fire and Looking Glass Fire Departments.

Well No. 4 is now back in service after the preventative maintenance done on it. City Manager Dempsey presented before and after photos of the inside of the well. The electric service was upgraded on the well which allows it to run more efficiently and use less electricity.

City Manager Dempsey stated he had received a letter from Portland Township residents Herb and Eileen Schrauben in regard to the condition of Ionia Road. He stated that he will be sending them a letter that the jurisdiction of this section of road is under Portland Township and the Ionia County Road Commission. He further stated that he recently had a discussion with Portland Township Supervisor Jerry Tiemann who stated that repairs to the road are planned for next year.

Under New Business, Council held the 2nd Reading of Ordinance 101J to amend Sections 40-214, 40-215, 40-216, and 40-220 of the Code of Ordinances of the City of Portland to provide for surcharges required to recover Energy Optimization costs required by Public Act 295 of 2008. The MPSC in Case No. U-15878; approved the Board of Light & Power's REP and EO Plans. This Ordinance implements the monthly EO surcharge. Sue Warren of the Lansing Board of Water and Light (LBWL) assisted with the rates for the various classifications based on the revised Energy Optimization program that was put together for a consortium of MPPA utility members. Sue used the same formula that she applies to LBWL programs. This information was passed on to Glenn Wrightson of Utility Consulting Group who monitors and suggests Portland's rates. Electric Superintendent Mike Hyland also weighed in on the behalf of the utility customers.

The initial formula had the Commercial rates doubled, an increase for the Residential Customer, and very little change for the Large Users. Mr. Wrightson did not recommend doubling the Commercial and suggested that we bring up the Residential rates a little to offset it. Mr. Hyland argued that the Commercial Customers could always raise store prices to recover the increase but noted that the residential customer will pay the store owner's increase anyway. The parties compromised by lowering the Residential Rate from where Glenn suggested it, to where it is set, and raising the Commercial Rate from where he suggested it to where it is currently set. The plan was sent to the MPSC for review and approval.

City Manager Dempsey presented a PowerPoint presentation to illustrate some of the EO programs available to City of Portland residential customers.

Council Member VanSlambrouck asked if increases in the electric purchase power will cause the EO costs to go up as well.

City Manager Dempsey stated that it would. The statute requires that 2% of the gross sales be spent on EO programs.

Motion by Clement, supported by VanSlambrouck, to approve Ordinance 101J to amend Sections 40-214, 40-215, 40-216, and 40-220 of the Code of Ordinances of the City of Portland to provide for surcharges required to recover Energy Optimization costs required by Public Act 295 of 2008.

Yeas: Clement, VanSlambrouck, Barnes

Nays: None

Absent: Calley, Fabiano

Adopted

The Council held the 2nd Reading of Ordinance 175DD to amend Chapter 42, Article IV, of the City Code of Ordinances by adding Section 42-317 to prohibit outdoor boilers. The Planning Commission held a public hearing on the proposed Ordinance on September 14th. After the hearing they voted to recommend the Council approve this ordinance.

Motion by Clement, supported by VanSlambrouck, to approve Ordinance 175DD to amend Chapter 42, Article IV, of the City Code of Ordinances, City of Portland, Michigan, by adding Section 42-317 prohibiting outdoor boilers.

Yeas: Clement, VanSlambrouck, Barnes

Nays: None

Absent: Calley, Fabiano

Adopted

The Council considered Resolution 11-94 to approve the recommendation of the Board of Light & Power's recommendation to approve a Hedge Policy and other services from the Michigan Public Power Agency. The Board of Light and Power reviewed the terms of the MPPA's Hedge Policy at its meeting on September 27th. The Hedge Policy would utilize the Stability Plan with a 60-month hedging horizon and would accept all of the other hedging services provided by MPPA. The Policy would not prevent the City from entering transactions like the AFEC purchase of the Combined Cycle gas plan in Ohio or the ten-year contract with the nuclear power plant in Illinois. It merely provides guidance for actions outside of those types of purchases.

Motion by Clement, supported by VanSlambrouck, to approve Resolution 11-94 approving the Board of Light & Power's recommendation to approve a Hedge Policy and other services from the Michigan Public Power Agency.

Yeas: Clement, VanSlambrouck, Barnes

Nays: None

Absent: Calley, Fabiano

Adopted

The Council considered Resolution 11-95 to approve the Board of Light & Power's recommendation to approve the purchase of a digger derrick truck from Altec Industries. The city sent out requests for bids to Altec Industries out of Indiana and Dueco out of Wisconsin (the two remaining U.S. manufacturers of digger derrick trucks) seeking bids for a new digger derrick truck to replace the 16-year old truck currently in service. The bids were opened on September 18th. The Altec bid was \$241,260 (including a \$15,000 trade-in) and Dueco chose not to bid.

Motion by VanSlambrouck, supported by Clement, to approve Resolution 11-95 approving the Board of Light & Power's recommendation to approve the purchase of a digger derrick truck from Altec Industries.

Yeas: VanSlambrouck, Clement, Barnes

Nays: None

Absent: Calley, Fabiano

Adopted

The Council considered Resolution 11-96 to approve, authorize, and direct the City Manager to cast a ballot for the MML Liability and Property Pool Board of Directors Election. Both candidates are incumbents including Jason Eppler from the City of Ionia.

Motion by Clement, supported by VanSlambrouck, to approve Resolution 11-96 approving, authorizing, and directing the City Manager to cast a ballot for the MML Liability and Property Pool Board of Directors Election.

Yeas: Clement, VanSlambrouck, Barnes

Nays: None

Absent: Calley, Fabiano

Adopted

Motion by Clement, supported by VanSlambrouck, to approve the Consent Agenda which includes the Minutes and Synopsis from the Regular City Council Meeting held on September 19, 2011, payment of invoices in the amount of \$580,706.73 and payroll in the amount of \$139,136.96 for a total of \$719,843.69. There were no purchase orders over \$5,000.00.

Yeas: Clement, VanSlambrouck, Barnes

Nays: None

Absent: Calley, Fabiano

Adopted

Under Council Comments, Council Member VanSlambrouck extended congratulations to Mayor Pro-Tem Clement on becoming a grandmother.

City Manager Dempsey stated the Executive Session to discuss the Fire Authority scheduled on the original Agenda will be deferred to the next Council Meeting due to the absence of Council Members Calley and Fabiano.

Mayor Barnes stated that on September 20th the City of Portland lost Ann Rademacher, President of the Historical Society. Thoughts and prayers are with the family.

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

Yeas: Clement, VanSlambrouck, Barnes

Nays: None

Absent: Calley, Fabiano

Adopted

Meeting adjourned at 7:31 P.M.

Respectfully submitted,

James E. Barnes, Mayor

Monique I. Miller, City Clerk