

# City of Portland

Portland, Michigan

## Minutes of the City Council Meeting

Held on Tuesday, September 6, 2011

In Council Chambers at City Hall

Present: Mayor Barnes; Mayor Pro-Tem Clement; Council Members VanSlambrouck, and Calley; City Manager Dempsey; City Clerk Miller; DDA/Main Street Director Reagan; Wastewater Superintendent Sherman; and Police Officer Thomas

Guests: Ernie West of C2AE; 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 Doug Sherman.

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.

City Manager Dempsey also reported that MDOT held their public meeting on I-96 over the Portland River Trail on Monday, August 29<sup>th</sup>. They had minimal turnout.

The pump for Well No. 4 was reinstalled. D&E Electric is working on the electric panel upgrades. Once that is complete the Well will be sampled twice with the samples being taken at least 24 hours apart. If both samples test negative for bacteria the Well will be put back in service; probably late next week.

The Electric Department has filed its updated Energy Optimization plan with the Michigan Public Service Commission. Copies of which are available on the City website. The City's EO Plan complies with PA 295 of 2008, and requires the City to spend 2% of its gross sales on Energy Optimization efforts. All costs associated with the implementation of the Energy Optimization Plan will be recovered consistent with Section 89(2) of Public Act 295. Residential customers will be charged on a volumetric basis; Commercial and Large Power customers will be charged on a per meter basis. The City is working on an Ordinance to incorporate the required surcharges into the electric rates. These charges will need to take effect in January of 2012 and will be reflected on the utility bills sent out in February for January usage.

Paul Galdes of Fleis & VandenBrink will be out tomorrow to get measurements for the drawings for the dam repair plans which must be submitted to FERC for approval and MDEQ for permits. FERC would like the plans in by September 26<sup>th</sup>. Mr. Galdes will also take a look at the base course for Church and Albro Sts. and will make a recommendation on when to pave the top course.

Under Presentations, Ernie West of C2AE gave an update and presented photos on the progress of the Wastewater Treatment Plant Improvement Project. The mechanical phase including piping, valves and equipment has begun.

Mr. West also went over the proposed changes to the contract with Davis Construction listed in Change Order No. 4 proposed to the Council in Resolution 11-81. The change order results in an overall decrease to the project cost of \$4,334.96. C2AE is doing whatever they can to realize further savings on the project.

Council Member VanSlambrouck confirmed with Mr. West that the Project is meeting all of the USDA requirements.

Mayor Barnes thanked Mr. West and C2AE for all of their efforts on this complex process.

Mr. West stated that the project wouldn't be going so smoothly without the cooperation of City Staff, and Davis Construction. It has been a team effort.

DDA/Main Street Director Reagan gave his monthly report. The Portland Pay Day prize drawing will be held on September 8<sup>th</sup> at 7:00 P.M. at City Hall. The "Wine the Walk" event was held on Saturday, August 20<sup>th</sup> from 4:00 P.M. – 10:00 P.M. as part of the Riverfest celebration. The event featured craft beer and wine tasting along with live music on the Boardwalk. It was a fantastic event with approximately 400 people attending. The Economic Revitalization Committee held a seminar entitled the "Fundamentals of Business Legal Issues" on Tuesday, August 16<sup>th</sup>. This workshop was led by local attorney Pat Duff and covered tax and liability issues, basic elements of contract, collections, licenses, and registrations, employment and property issues, as well as leasing and insurance issues. The next seminar is scheduled to be held Tuesday, November 8<sup>th</sup> and is entitled "Using Social Media" with information to be presented by Nicole Sunstrum.

Director Reagan stated that he and City Manager Dempsey met with the property owner of 136 and 140 Kent St. and the contractor last week in regard to the CDBG Project. Construction should begin in late September or early October.

Oktoberfest will be held Saturday, October 29<sup>th</sup>. The event will include the Big Beer Run, crafters, food and live entertainment. AT&T is the signature sponsor.

Under New Business, the Council considered Resolution 11-81 for Change Order No. 4 to the Wastewater Treatment Plant Improvement Project Contract with Davis Construction. This resolution approves various changes to the Contract including value engineering recommendations for C2AE and replacing a natural gas service line that was discovered to have a number of pinhole leaks.

Motion by VanSlambrouck, supported by Clement, to approve Resolution 11-81 approving Change Order No. 4 to the WWTP Contract with Davis Construction.

Yeas: VanSlambrouck, Clement, Calley, Fabiano, Barnes

Nays: None

Adopted

The Council considered Resolution 11-82; the Park and Recreation Board's recommendation to approve a proposed detour route and wing wall design for MDOT's Bridge Removal Project. The City has been working with MDOT on its plans to replace the existing I-96 east bound and west bound structures over the Portland River Trail (formerly the CSX Railroad right-of-way) and preserve the

trail with a box culvert. MDOT would like to complete the project in 2012 and is requesting approval of a proposed pedestrian detour while the trail is closed and aesthetic treatments of the wing walls on either side of the box culvert are completed. The Park and Recreation Board met on August 18<sup>th</sup> and reviewed the proposed detour and aesthetic treatments and approved a recommendation that the City Council approve the proposed detour route and wing wall design number 3 which has a design with stones above and grass on the bottom.

Motion by Clement, supported by Calley, to approve Resolution 11-82 approving the Park and Recreation Board's recommendation to approve a proposed detour route and wing wall design for MDOT's Bridge Removal Project.

Yeas: Clement, Calley, VanSlambrouck, Fabiano, Barnes

Nays: None

Adopted

The Council considered Resolution 11-83 to approve the Board of Light & Power's recommendation to approve Farabee Mechanical, Inc.'s request for payment on the installation of emission reduction equipment on the generators at the Electric Plant. The Council previously approved Resolution 11-39 approving Farabee Mechanical's proposal to modify the City's generators to comply with the EPA's National Emissions Standards for Hazardous Air Pollutants for Reciprocating Internal Combustion Engines that requires a 70% emission reduction for carbon monoxide (CO) for the diesel and dual fuel generating equipment. Farabee has completed the installation on Generator 3 which achieved an emission reduction of 94-95% and Generator 4 which achieved an emission reduction of 93%. The Board of Light & Power met on August 20<sup>th</sup> and is recommending the City Council approve payment for these 2 units.

Mayor Barnes stated that noise levels were also reduced with these installations.

Council Member VanSlambrouck stated that his business is across the street from the Plant and confirmed the significant reduction in the noise level when the generator running and stated that the emissions were visibly reduced.

Motion by VanSlambrouck, supported by Fabiano, to approve Resolution 11-83 approving the Board of Light and Power's recommendation to approve Farabee Mechanical, Inc.'s request for payment for installing emission reduction equipment on the generators at the Electric Plant.

Yeas: VanSlambrouck, Fabiano, Clement, Calley, Barnes

Nays: None

Adopted

The Council considered Resolution 11-84 authorizing signatures by the Mayor and Clerk on the Joint Funding Agreement for the operation of a Stream Gauging Station. The City's FERC license requires it to jointly fund the operation of a stream gauging station on the Grand River in Portland with the U.S. Geological Survey, U.S. Department of the Interior. This resolution approves the agreement for 2011-2012 at the same cost as the current contract.

Motion by VanSlambrouck, supported by Clement, to approve Resolution 11-84 approving, authorizing, and directing the Mayor and City Clerk to sign the joint funding agreement for the operation of a stream gauging station.

Yeas: VanSlambrouck, Clement, Calley, Fabiano, Barnes

Nays: None

Adopted

The Council considered Resolution 11-85 to approve the Board of Light & Power's recommendation to approve and MPPA Energy Services Agreement and designate the City's Electric Superintendent or the City Manager as the member authorized representative. The City of Portland as a member of the MPPA's Energy Services Project Committee has opportunities to enter into transactions to meet a portion of its load requirements by purchasing power that MPPA will purchase on the open market as described in the Energy Services Agreement. The Board of Light & Power met on August 30<sup>th</sup> and reviewed the terms of the proposed Energy Services Agreement and approved a recommendation to the City Council to approve the agreement and authorize, and direct the City's Electric Superintendent to sign it. They also recommended Council approve designating the City's Electric Superintendent or City Manager to act as the City's Member Authorized Representative.

Motion by Fabiano, supported by Calley, to approve Resolution 11-85 approving the Board of Light & Power's recommendation to approve and MPPA Energy Services Agreement and designate the City's Electric Superintendent or the City Manager as the Member Authorized Representative.

Yeas: Fabiano, Calley, Clement, VanSlambrouck, Barnes

Nays: None

Adopted

The Council considered Resolutions 11-86, 11-87 and 11-88 addressing health care coverage for City employees. Resolution 11-86 would approve an amendment to the collective bargaining agreement between the City of Portland and The Police Officers Labor Council Portland Police Department Unit. Resolution 11-87 would approve an amendment to the collective bargaining agreement between the City of Portland and the City of Portland Employees Chapter of Local 1910.02 Michigan AFSCME Council #25, AFL-CIO. Resolution 11-88 would approve the same health insurance on the same terms for non-union City employees.

City Manager Dempsey explained that on September 1<sup>st</sup> the City's health coverage increased 11-14.9% for employees and 12.4-16.2% for retirees. The 2011-2012 Budget planned for an increase of 13.5%. In response to the increase the City looked into alternatives that would be less expensive and provide similar benefits. After reviewing a number of plans the City presented the employees a proposal to switch to a BCBS Simply Blue plan with a \$1250/\$2500 Health Savings Account (HSA). The estimated saving over the current plan would be \$30,608.

City Manager Dempsey further explained that the issue becomes even more complicated when the recent passage of SB 7, the Publicly Funded Health Insurance Contribution Act which was approved by both the House and the Senate on August 24<sup>th</sup>, is considered. The law takes effect January 1, 2012 and applies to all public employers. However, any collective bargaining agreements or other contract executed on or after September 15<sup>th</sup> must comply. SB 7 creates a "hard cap" on the amount a public employer may contribute to a medical benefit plan, which includes but is not limited to hospital and physician services, prescription drugs and related benefits. SB 7 provides an option to elect an 80% contribution cap rather than the hard cap, and it contains a provision to allow a local unit but not a school district to opt-out entirely by a 2/3 vote.

City Manager Dempsey stated that Resolution 11-88 would need to pass by a 2/3 vote in order to exempt it from SB 7. Resolutions 11-86 and 11-87 only need to pass in order to make the change effective through the end of the contracts on June 30, 2013.

There was discussion between the Council and City Manager Dempsey in regard to how this might affect or if it would exempt the City from any Economic Vitality Payments.

Motion by Clement, supported by VanSlambrouck, to approve Resolution 11-86 approving an amendment to the agreement between the City of Portland and the Police Officers Labor Council Portland Police Department Unit.

Yeas: Clement, VanSlambrouck, Calley, Fabiano, Barnes

Nays: None

Adopted

Motion by VanSlambrouck, supported by Clement, to approve Resolution 11-87 approving an agreement between the City of Portland and the City of Portland Employees Chapter of Local 1910.02 Michigan AFSCME Council #25, AFL-CIO.

Yeas: VanSlambrouck, Clement, Calley, Fabiano, Barnes

Nays: None

Adopted

Motion by Clement, supported by Fabiano, to approve Resolution 11-88 approving the same health insurance for non-union City employees that union employees receive.

Yeas: Clement, Fabiano, 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 August 15, 2011, payment of invoices in the amount of \$380,930.34 and payroll in the amount of \$228,314.60 for a total of \$609,244.94. A purchase order to Resco in the amount of \$38,401.60 for transformers, wire, junctions, elbows and bases is also included.

Yeas: Clement, Fabiano, VanSlambrouck, Calley, Barnes

Nays: None

Adopted

Under Council Comments, Mayor Pro-Tem Clement verified with City Manager Dempsey that the communication from the local resident requesting a dog park had been forwarded to the Park and Recreation Board.

Council Member Calley requested that City Manager Dempsey follow up with the City Council regarding who would pay for repairs that need to be done to Grape, Albro and Church Streets.

City Manager Dempsey stated that he would keep the Council apprised of the situation. He further stated he doesn't feel the City is at risk for any great exposure.

Council Member VanSlambrouck expressed his thanks to all of the volunteers who made Riverfest a successful event.

Mayor Barnes stated the Chamber of Commerce held a Ribbon Cutting Ceremony for the Grand Hearing Center owned by Doug Logel, Jr.

Mayor Barnes commented that local Eagle Scout, Tyler Cherrette, was honored in Portland. There are a wide spectrum of activities that must be achieved to earn the Eagle Scout achievement.

Mayor Barnes stated that the Portland Fire Department will hold a 9/11 Memorial at 2:00 P.M. at Two Rivers Park on Sunday, September 11<sup>th</sup>.

Mayor Barnes also stated that Mayor Joe Scholtz, of the City of St. Louis, recently passed away. The City of Portland and the City of St. Louis held a Mayor Exchange in June. He extended his condolences to the City of St. Louis.

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

Yeas: Clement, Fabiano, VanSlambrouck, Calley, Barnes

Nays: None

Adopted

Meeting adjourned at 8:10 P.M.

Respectfully submitted,

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James E. Barnes, Mayor

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Monique I. Miller, City Clerk