

5:15 p.m. Board and Commission Interview Session.

7:30 p.m. Call to Order.

Invocation: Pastor Ron Hansen of Pathfinder Church of Portage.

Pledge of Allegiance.

Roll Call.

Proclamation:

- A. Approval of the Committee of the Whole and Regular Meeting Minutes of April 28, and Budget Review Session of May 5, 2015.
- * B. Approval of Consent Agenda Motions.
- * C. Communication from the City Manager recommending that City Council approve the Accounts Payable Register of May 12, 2015, as presented.
- D. Public Hearings:
 - 1. Public Hearing regarding the Fiscal Year 2015-2016 proposed city budget and the proposed 2015 tax levy:
 - a. Communication from the City Manager recommending that City Council hold a Public Hearing on the Fiscal Year 2015-2016 proposed Budget and the tax rate of 10.9256 mills required to support the proposed budget.
- E. Petitions and Statements of Citizens:
- F. Reports from the Administration:
 - * 1. Communication from the City Manager recommending that City Council approve a professional services contract with All City Management Services, Inc., for school crossing guards for a two-year period in the amount of \$56,084.40 annually and authorize the City Manager to execute all documents related to the contract.
 - * 2. Communication from the City Manager recommending that City Council approve the expenditure of an amount not to exceed \$30,000 for services to outfit three Chevrolet Caprice vehicles as police patrol vehicles by Emergency Vehicle Products, a sole source vendor.
 - * 3. Communication from the City Manager recommending that City Council renew a contract to lease space on radio towers from State Systems Radio, Inc., for a period of five years with a monthly lease payment of \$1,420 for the first year and a three percent annual increase thereafter, and authorize the City Manager to execute all documents related to the contract.
 - * 4. Communication from the City Manager recommending that City Council approve the three-year pricing agreement with ADP, Incorporated, for electronic time and attendance software and hosting on behalf of the City of Portage at a cost of \$54,772 for the first year, \$34,095 for the second year and \$34,776 for the third year and authorize the City Manager to execute all documents related to the contract on behalf of the city.
 - * 5. Communication from the City Manager recommending that City Council approve the Community Development Block Grant (CDBG) Program FY 2015-16 Annual Action Plan element of the Consolidated Plan and authorize the City Manager to submit the application to the Department of Housing and Urban Development.
 - * 6. Communication from the City Manager suggesting that City Council forego setting a Committee of the Whole (COW) Meeting on Tuesday, May 26, 2015 – Information Only.

G. Communications:

H. Unfinished Business:

* I. Minutes of Boards and Commissions Meetings:

1. Portage Park Board of March 4, 2015.
2. Portage Human Services Board of March 5, 2015.
3. Portage Public Schools District Advisory Council of April 16, 2015.
4. Portage Planning Commission of April 16, 2015.

J. Council Committee Reports.

K. New Business.

L. Bid Tabulations:

M. Other City Matters:

1. Statements of Citizens.
2. From City Council and City Manager.

* 3. Reminder of Meetings:

- a. Wednesday, May 13, 7:00 p.m., Environmental Board, City Hall Room No. 1.
- b. Wednesday, May 20, 2:30 p.m., Senior Citizen Advisory Board, Portage Senior Center.
- c. Thursday, May 21, 7:00 p.m., Planning Commission, Council Chambers.
- d. Thursday, May 21, 7:00 p.m., Portage District Library Board, Portage District Library.

N. Materials Transmitted of April 24, April 28 and May 5, 2014.

Adjournment.

CITY COUNCIL MEETING SUMMARY

April 28, 2015

PROCLAMATIONS

- ◆ Mayor Strazdas issued a National Children's Mental Health Awareness Day Proclamation and a Parkinson's Disease Awareness Month Proclamation.

ACCOUNTS PAYABLE REGISTER

- ◆ Approved the Check Register of April 28, 2015, as presented.

PUBLIC HEARINGS

- ◆ Adopted the 2015 sewer and water rate resolutions establishing sewer and water utility rates, sewer and water franchise area fees, service fees and charges outlined in the 2015 Utility Rate Financial Study as recommended by the City Administration and the City Council Water and Sewer Rate Study Committee, with rates to be effective October 1, 2015.
- ◆ Approved Ordinance Amendment #14/15-A, Auto Repair and Vehicle Fueling Station Regulations with the deletion of Sec. 42-262 (C)(4)(b) general business district and any reference to Sec. 42-262 (C)(4)(b) in Sec. 42-262 (C)(4)(d) and the deletion of the words, "used tires" in Sec. 42-262 (B)(4)(c) and replace them with "excluding used tires."
- ◆ Deeded the easement rights located in Lexington Green, Lexington Green No.1 and Lexington Green No. 3 plats, to the Lexington Green Drain #319 Drainage District; granted an easement to the Lexington Green Drain #319 Drainage District on city-owned property for the construction, operation and maintenance of storm drainage facilities located at 6775 Quality Way, 6401 Corporate Avenue and 4550 Quality Court; approved a license agreement to perform drainage work in Lexington Green Park; transferred jurisdiction and ongoing maintenance of the storm drainage systems in Commercial Avenue, Environmental Drive, Quality Way, Quality Court as well as drain crossings at Meredith Street and Bishop Avenue to the Kalamazoo County Drain Commission; and authorized the Mayor to execute all documents related to the above action on behalf of the city.

REPORTS FROM THE ADMINISTRATION

- ◆ Received the proposed amendment to Section 38-35 of Chapter 38, Historical Preservation, of the City of Portage Code of Ordinances with final action to approve the amendment to take place on May 26, 2015.
- ◆ Approved the contract with Kalamazoo County for household hazardous waste collection for the period of January 1, 2015, through December 31, 2015, in the amount not to exceed \$26,000 and authorized the City Manager to execute all documents related to the contract on behalf of the city.
- ◆ City Council decided to forego setting a Committee of the Whole (COW) Meeting on Tuesday, May 12, 2015.
- ◆ Received the communication from the City Manager regarding the March 2015 Summary Environmental Activity Report as information only.
- ◆ Received the Department Monthly Reports.
- ◆ Adopted a Resolution authorizing the City Manager to sign all documents with the Michigan Department of Transportation related to Contract No. 2014-0194 on behalf of the City.
- ◆ Adopted the Resolution setting a public hearing on May 12, 2015 for the fiscal year 2015-2016 proposed city budget and proposed 2015 tax levy.

COUNCIL COMMITTEE REPORT

- ◆ Received the report from Councilmember Reid regarding the Public Media Network.

STATEMENTS FROM MAYOR AND CITY COUNCIL

- ◆ Councilmember Ford said he received an invitation to the Governor's Office to attend Urban and Metro Initiatives, a research presentation on Kalamazoo "walk-up" that compares the walkability of cities as it relates to higher real estate values and higher GDP of these walkable areas and expressed his appreciation for the interest in growing the walkable area in Kalamazoo. On April 17th he said he volunteered to work on the Pretty Lake Farm as a part of the Spartans.WILL Day of Service. He said he attended the Senior Center Volunteer Breakfast with Councilmember Ansari, Councilmember Randall, City Manager Larry Shaffer and Parks, Recreation & Senior Citizens Services Director Kendall Klingelsmith to honor the volunteers and he expressed his appreciation that the Treasury Office is accepting credit cards.
- ◆ Councilmember Randall expressed her appreciation for the fantastic food provided by Michelle's Restaurant to thank over one hundred volunteers. She said that Bike Week is May 9 – May 16, the local website is kalamazoobikeweek.com for information regarding Bike Week events.
- ◆ Councilmember Reid said she attended the Greenathon where she received a lot of great information from a lot of good-spirited individuals, despite the weather, including the Council Youth Advisory Committee Members.

- ◆ City Manager Shaffer indicated that he attended the Portage District Library Board Meeting last evening where he offered collaboration on a host of issues. He said he also learned of the penetration of electronic books and extolled the e-services provided by the Library. He said they also discussed the implication that the Portage 2025 Study and the City Center Concept might have with the Library in terms of how the Library would contribute to and support that vision.
- ◆ Mayor Strazdas reiterated the opportunity to get out and bike as mentioned by Councilmember Randall, that he was honored to be a judge for the 2015 Kalamazoo Starr Awards and humbled by the amount of time a number of volunteers and their extraordinary contributions each year to the community. He said he had just returned from San Antonio, Texas, and spoke favorably about the present condition of Portage Roads and optimistically about the future of Portage Roads when compared to other cities. He mentioned that next week he would be in Baltimore, Maryland, and expressed his appreciation for one of the best Public Safety Offices in the State of Michigan, which received CALEA reaccreditation, and for the level of civility in Portage.

COMPLETE MINUTES OF EACH CITY COUNCIL MEETING ARE AVAILABLE ON THE CITY WEBSITE AT PORTAGEMICHIGAN.GOV, IN CITY HALL AND IN THE DISTRICT LIBRARY. MINUTES OF CITY BOARDS AND COMMISSIONS ARE AVAILABLE ON REQUEST FROM VARIOUS DEPARTMENTS.

MINUTES OF THE COMMITTEE OF THE WHOLE WORK SESSION OF APRIL 28, 2015

Mayor Strazdas called the meeting to order at 6:00 p.m. The following Councilmembers were present: Nasim Ansari, Richard Ford, Patricia M. Randall, Claudette Reid and Terry Urban, and Mayor Peter Strazdas. Mayor Pro Tem Jim Pearson was present via teleconference. Also present were City Manager Larry Shaffer, Deputy City Manager Rob Boulis, Community Development Director Vicki Georgeau, Finance Director Bill Furry and City Clerk James Hudson. City Attorney Randy Brown arrived at 6:05 p.m.

Mayor Strazdas reviewed the progress of the Committees of the Whole and the need to plan the pace of the remaining COW topics. Discussion followed. City Manager Shaffer introduced Finance Director Bill Furry and the topic of roads, and deferred to Community Development Director Vicki Georgeau and asked her to talk about housing and the status of our neighborhoods.

Ms. Georgeau reviewed her communication to the City Manager dated April 17, 2015 regarding the three part Neighborhood Revitalization summary. She discussed part one conducted in 2010-11, neighborhood enhancement activities, neighborhood strategy recommendations, community quality code amendments, part two in 2011-2012, home-based businesses, work/live accommodations, mixed-use developments, and part three in 2012-13, crime preventions, neighborhood stabilizations activities/programs, rental housing and concerns about house foreclosure monitoring. She explained the two attached maps, the three charts and two Tables. Discussion followed regarding foreclosures, new house construction.

Ms. Georgeau summarized that things are looking up; however, the Administration is still looking to do more to keep things going, and mentioned her request to fill the position that was cut in 2008 to do more proactive monitoring instead of only responding to complaints. This would also help balance the work load in the Department in order to do more housing improvement, and process grant opportunities with MSHDA. She reviewed some of the neighborhood strategies and enhancements in the Capital Improvement Program (CIP) in the areas of street lighting, sidewalks, local road improvements and crime enforcement. Discussion followed.

In light of the need to protect the aging housing stock in Portage, Ms. Georgeau reviewed the strategy of the targeting different low income neighborhood areas based on the Department of Housing and Urban Development (HUD) guideline of at least 51% low income, but in Portage, the percentage is 43%, so the Portage formula is different from the City of Kalamazoo, for example, and discussion followed.

Councilmember Reid referenced the proposal to fill the position of Code Enforcement Inspector and noted that where there is high level of blight, there should also be a strong interest in preserving the housing stock in that area to let the homeowner know that there is a real concern for that neighborhood. She mentioned that the City can help by replacing the sidewalks, improving the streetscape, planting trees, etc., especially the small neighborhoods where our children are going to be able to afford a house. She cited the example from the April 14, 2015 Regular City Council Meeting where Gary Wager and Mary Torres, 5936 Concord Street, expressed a concern for pedestrians owing to semi-trucks and through traffic traversing Concord Street in violation of posted signs,

“No Thru Traffic” and “No Trucks” and a lack of enforcement of the speeding on Milham Avenue, and his comment that, “Maybe because we have small houses we don’t get much attention from the City.” She stressed that if the City is going to do more code enforcement, there needs to be more improvement from the City in the area, also.

In an attempt to educate and resolve conflicts, Ms. Georgeau discussed the practice of providing blight notices prior to the Spring Clean-up effort to allow the homeowner a convenient opportunity to take advantage of the Spring Clean-up service. Where there are housing maintenance concerns, such as broken windows or a roof that is failing, the Department always includes information about the City CDGB Program should they be eligible to take advantage of it. She indicated her work with the Police Department to form neighborhood watch groups, including apartment complexes and mobile home parks. Discussion followed.

Mr. Shaffer indicated that next year, prior to the discussion about the Capital Improvement Program (CIP), staff will solicit input from the neighborhoods to determine what the people would like to see in terms of enhancements as a proactive measure that should help us shape our CIP and explained. He indicated that it should be possible to measure the impact of the investment by tracking the property values and checking the success of the effort toward stabilization. Next, he indicated that the new zone enforcement officer is not intended to be a position where we will “beat our citizens into submission with a flurry of tickets” since the principle job is education and the objective is enforcement through friendly tickets. Councilmember Ansari interjected that he concurred with this approach and gave an example on point. Mr. Shaffer explained communication is the key, how it contributes to their well-being, not only their quality of life, but also the protection of their assets.

Councilmember Randall recognized that not all people have the same standards and asked how does one approach a neighbor who has been parking the camper or a boat in violation of the ordinance for seven years, for example, and now that there is a new code enforcement officer, feels singled out. Mr. Shaffer indicated that this is a good point, and that is why it is important to hear from the balance of the neighborhood because many of the issues come from citizen complaints and explained. He said it is about mentoring and about education, so it is important that the people feel they have some control of and input into the matter, and that there is some value to them and to everyone else in the neighborhood. He admitted that there will be some people who are not happy with the process, but from the philosophical perspective, we have to take the mentoring approach, the education approach and we have to try to bring people along, rather than bullying them. Discussion followed.

Mr. Shaffer indicated that the Public Safety Director Richard White has taken the initiative to meet with the managers of the apartment complexes to determine the needs of the apartment complexes and to share the approaches to take to meet those needs. Discussion followed.

Mr. Shaffer introduced the topic of streets by discussing local roads. He revealed that there are 147 miles of local roads, and about fifty miles of them have a 3, 2, 1 or 0 PASER rating, or about a third of Portage local roads are in the reconstruction stage at a cost of \$149,000 a mile, or \$7.4 – 7.5 million. He analyzed the chart attached to the communication from Chris Barnes to Deputy City Manager Brian Bowling dated November 27, 2015. He indicated that there are 221 miles of major roads which will cost

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\$2.4 million. He indicated that he will be offering some alternatives during the budget session that will allow for the construction of more roads. Discussion followed with regards to holding the proposed Stabilization Fund as cash or as a hard asset such as roads. Mr. Shaffer expressed his optimism with how the community is progressing financially. He mentioned the November audit and that he may very well come in and give Council a list of roads that need attention that would be pulled from the CIP in sequence and invest upwards to \$1.2 million during Spring 2016 while still retaining a 24% Fund Balance and explained. Discussion followed regarding the Fund Balance.

Councilmember Reid asked what can be done to stretch out the road “bubble” because everything was built at the same time, so everything has to be rebuilt at the same time. Discussion followed.

Councilmember Ansari spoke to the quality of the roads and asked if there is accountability, or whether there is a warranty against breakdown from the contractor who builds the roads, and mentioned I-94 and Centre Avenue. Mr. Shaffer indicated that warranties are not out of the question. Councilmember Urban referred to the discussion last week and indicated that Portage puts warranties in its contracts while MDOT does not, unless the vote on May 5, 2015 passes. He said MDOT is not required to put warranties in its contracts, and they could do it now, but they choose not to. Mayor Strazdas indicated it would be prudent and discussion followed.

Councilmember Ford concurred that preparing for future generations is a good point, that the streets of Portage are excellent, and complimented the planning of past Administrations for their efforts. He also explained that taking care of local roads is important, and that he was in favor of investing in infrastructure. Councilmember Ansari concurred and indicated that roads provide the first impression of a community and Councilmember Reid pointed out that a person does not notice if the roads are good, but that a person does notice if the roads are bad. Discussion followed.

STATEMENTS OF CITIZENS: Tom Haroldson, 6941 Rothbury Street, indicated that he participates in his Neighborhood Watch Program that has been in existence for about three years now. Discussion followed.

ADJOURN: Mayor Strazdas adjourned the meeting at 7:02 p.m.

James R. Hudson, City Clerk

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CITY COUNCIL MEETING MINUTES FROM APRIL 28, 2015

The Regular Meeting was called to order by Mayor Strazdas at 7:35 p.m.

At the request of Mayor Strazdas, Elder John Medema of the First Reformed Church gave the invocation and Cub Scouts from Pack 288 led everyone in reciting the Pledge of Allegiance.

At the request of Mayor Strazdas, the City Clerk called the roll with the following members present: Councilmembers Nasim Ansari, Richard Ford, Patricia M. Randall, Claudette Reid and Terry Urban, and Mayor Peter Strazdas. Mayor Pro Tem Jim Pearson was absent with excuse. Also in attendance were City Manager Laurence Shaffer, City Attorney Randy Brown and City Clerk James R. Hudson.

PROCLAMATIONS: Mayor Strazdas issued a National Children's Mental Health Awareness Day Proclamation and a Parkinson's Disease Awareness Month Proclamation.

APPROVAL OF MINUTES: Councilmember Reid asked for corrections to the April 14, 2015 Regular City Council Meeting Minutes on page 7 with her report on the Kalamazoo County Dispatch Authority to reflect that, "She said that the Authority also selected a Task Group to develop a budget. Lastly, she indicated that the Kalamazoo County Commission has agreed to provide some funding...." and, under Statements of City Council, to add the term "Therapy" to reflect that it is "Occupational Therapy Month." Motion by Ansari, seconded by Reid, to approve the Regular Meeting Minutes of April 14, 2015, as amended. Upon a voice vote, motion carried 4 to 0 with Councilmember Urban and Mayor Strazdas abstaining.

Motion by Reid, seconded by Ansari, to approve the April 14, 2015 Committee of the Whole Meeting Minutes and the Budget Session Meeting Minutes of April 21, 2015, as presented. Upon a voice vote, motion carried 6 to 0.

* **CONSENT AGENDA:** Mayor Strazdas asked Councilmember Ford to read the Consent Agenda. Motion by Ford, seconded by Ansari, to approve the Consent Agenda motions as presented. Upon a roll call vote, motion carried 6 to 0.

* **APPROVAL OF ACCOUNTS PAYABLE REGISTER OF APRIL 28, 2015:** Motion by Ford, seconded by Ansari, to approve the Accounts Payable Register of April 28, 2015. Upon a roll call vote, motion carried 6 to 0.

PUBLIC HEARINGS:

2015 UTILITY RATE FINANCIAL STUDY: Mayor Strazdas opened the public hearing and deferred to City Manager Shaffer, who introduced Interim Director of Transportation & Utilities Kendra Gwin, who reported on the results of the 2015 Utility Rate Financial Study. Ms. Gwin explained the Fixed Charge, or Base Charge, saying that it is the basic quarterly charge that is designed to cover the fixed costs of providing service. She mentioned the approval by City Council in November of 2010 of a contract with Utility Financial Solutions to perform a comprehensive analysis to determine the cost of providing water and waste water services for the public. She explained the study using charts depicting water production, utility commodity rate, historical utility rate adjustments, cost of service, the sewer comparison, the water comparison, sewer utility rate comparison and water utility rate comparison of cities of similar size in the State, both of which place Portage roughly at the median and a comparison of city taxes and fees for cities of similar size in the State where Portage is third from the bottom. Because Portage obtains its water from the city aquifers, Ms. Gwin stressed the importance of

protecting the ground water, so these activities are also funded by the water fund. Lastly, she indicated that the 2015 Utility Rate Financial Study recommends that the rates be effective October 1, 2015. Discussion followed.

Councilmember Ansari voiced his objections to the increase because the savings from privatization has never been passed on to the citizens of the City of Portage; the increase causes hardship to seniors and the economically challenged more than others; and rate increases by the City of Kalamazoo are passed on to the City of Portage, but the City of Portage does not pass the increases on to the townships to the south. For these reasons, he said he could not support the proposed increases.

Councilmember Ford indicated that in 2008, the State indicated that the fund was not operating with a positive cash balance, so water rates were increased, but the past few years, the increases have been stable and in line with the rate of inflation. He stressed the importance of keeping these funds healthy so they do not have to be subsidized with other funds, and he said that he considers the rate increase as reasonable.

Councilmember Reid mentioned the additional cost incurred by the construction of the arsenic removal facility which was mandated as a result of the change in the allowable arsenic levels from the Federal Government that placed more pressure on the water and sewer rates. She also mentioned that funds had to be taken out of the water fund for the water main portion of the South Westnedge Avenue improvements from Mall Drive to Dawnlee Avenue. When she asked Ms. Gwin how much affect this would have on the water and sewer funds, she responded that the extra funds needed for the replacement of the water main on South Westnedge will be funded from the \$2.1 million cash balance in the water fund, so it may take another year or so extra, if the rates are kept lower, to bring the fund up to \$2.9 million, and this will be spread over several years. She said that the projected rate increase is 0.12% to 1.06 % over the next four years, or a 1% inflationary increase over the next four years. Mayor Strazdas spoke in support of the rate increases and the South Westnedge Avenue project.

City Manager Shaffer explained that there is a difference of \$550,000 between the staff estimate and Mr. Hoffman's estimate to cover the water component for the South Westnedge project, which he said would have come from the water fund regardless. He offered the following alternatives: to borrow the money or take it from cash; and, even though \$2.9 million is desirable, there is adequate cash in the water fund based on the fact that there is a 23-24% fund balance after taking \$550,000.

In response to Councilmember Reid, Ms. Gwin indicated that senior citizens who are 65 or older may apply for a 10% discount through the Treasury Department for the water portion of the bill only. For people who have difficulty paying their water bill, there is assistance through the Portage Community Center (PCC), and the City of Portage does provide funds to PCC for this purpose.

Mayor Strazdas opened the public hearing to the audience. There being no comments, motion by Reid, seconded by Urban, to close the public hearing. Upon a voice vote, motion carried 6 to 0.

Motion by Ford, seconded by Reid, to adopt the 2015 sewer and water rate resolutions establishing sewer and water utility rates, sewer and water franchise area fees, service fees and charges outlined in the 2015 Utility Rate Financial Study as recommended by the City Administration and the City Council Water and Sewer Rate Study Committee, with rates to be effective October 1, 2015. Upon a roll call vote, motion carried 5 to 1. Yeas: Councilmembers Reid, Ford, Urban and Randall and Mayor Strazdas. No: Councilmember Ansari.

ORDINANCE AMENDMENT #14/15-A, AUTO REPAIR AND VEHICLE FUELING STATION REGULATIONS: Mayor Strazdas opened the public hearing, introduced the item and deferred to City Manager Shaffer, who introduced Community Development Director Vicki Georgeau for her report. She reviewed the efforts of the Planning Commission in the review of the proposed ordinance. She explained the difference between minor and major auto repair and indicated that staff reviewed the auto repair facility activities within the City. She referred to page 2 of the Communication from the City Manager regarding this ordinance dated March 24, 2015, located in the City Council Agenda Packet, and explained the proposed amendments to the Ordinance regarding vehicle repair activities, parts storage, auto body repair, zoning requirements, screening, vehicle fueling stations, and

air compressors and vacuum stations. She discussed protections for existing stations and discussion followed.

Councilmember Urban asked for a clarification of why the air compressors and vacuum stations should no longer be allowed on the front of the property along with the fueling stations. Ms. Georgeau indicated that these areas are not always well-maintained and may cause conflicts with vehicles accessing and exiting the site, so the preference of staff was to have them more on the side of the property or towards the rear so they are out of sight and not in the position to pedestrian or vehicular conflicts. Councilmember Urban asked whether this is better handled at the site plan review stage. Ms. Georgeau concurred where the site is big enough, but she stressed the issue of aesthetics as a goal. Discussion followed.

Councilmember Urban noted his observation that auto body shops in the area are better maintained than the repair shops and asked for a distinction. Ms. Georgeau indicated that the repair shops were not much different than shops providing tires, oil changes, etc., whereas the body shops are more associated with industrial use, with the use of spray paints, numerous wrecked vehicles, etc., so additional standards were sought to provide more protection to adjacent property owners.

Councilmember Ford asked what the approach would be for a station on a corner lot, in effect having two front yards, with respect to the air compressors and vacuum stations not allowed on the front of the property along with the fueling stations. Ms. Georgeau provided an explanation and used the station on a triangular-shaped lot on the corner of Oakland Avenue and Centre Avenue with no developed area in the rear of the property as an example. Discussion followed regarding screening.

Councilmember Reid asked why storage of parts has to be in the rear yard since some stations are built up to the property line in the back. In response to Councilmember Reid, Ms. Georgeau answered that if an owner did not have space in the rear of the facility, he or she would have to find a way to store parts and other similar items indoors and, if the options within the ordinance could not be met, then a variance from the Zoning Board of Appeals would be necessary.

In answer to Councilmember Ansari, Ms. Georgeau cited some of the protections within the ordinance and explained that current businesses are being grandfathered with the exception of storage of parts, especially discarded parts, because they are not covered in the current ordinance.

In response to Councilmember Randall, Ms. Georgeau indicated that the sale of a business would not trigger the 25% investment clause requirements because it only applies when there is a 25% investment in the business. With regard to her concern about Sec. 42-262 (B)(4)(b) and the number of vehicles being stored outside for 14 days, Ms. Georgeau said that there is no number limitation that attaches. She explained that the intent is not to have vehicles sitting on the property for extended lengths of time and the opinion of the auto repair shop owners was that 14 days was reasonable.

Councilmember Ford asked about religious institutions that move into strip malls, and what happens to those shops that are now non-conforming? Ms. Georgeau answered that religious use, child care use, etc. would impact the location, but the existing business would be afforded the protections and could expand. City Attorney Randy Brown concurred unless the City can prove that they intentionally abandoned the use for more than ninety (90) days which is difficult to prove.

Councilmember Urban asked for an explanation of why the City would want to start storing tires outdoors when, on a large scale, they are considered a fire hazard and a breeding area for mosquitos, so why would Portage consider doing this since this is probably the reason outdoor storage of tires has never been allowed before. Ms. Georgeau explained that this is an attempt to recognize that some auto repair facilities have no outdoor storage capacity; others have constructed a building addition; still others have limited storage areas for parts, tires, used parts, etc.; and, a need to regulate these activities is warranted in order to keep them in a confined area and to ensure there is no negative impact on adjacent properties. Councilmember Urban still asked for better reasons for allowing tires to be moved outside in a screened area for an unlimited amount of time when they can be a fire hazard and a breeding area for mosquitos. She provided the example of a tire shop that had a surge in business before the winter season that resulted in their having a large stack of tires next to the building that were gone within less than a week and explained. Councilmember Urban took exception with her example since

all business owners are not necessarily going to be as responsible as the one she mentioned and explained his reasoning.

Mayor Strazdas opened the public hearing to the audience. There being no comments, motion by Reid, seconded by Ansari, to close the public hearing. Upon a voice vote, motion carried 6 to 0.

Motion by Randall, seconded by Ansari, to approve Ordinance Amendment #14/15-A, Auto Repair and Vehicle Fueling Station Regulations.

Councilmember Ford said he trusted the vetting efforts of the Planning Commission with regard to the 300 foot requirement which is his main concern with the proposed ordinance.

Discussion followed. Motion by Urban, seconded by Reid, to amend the proposed ordinance to read “to remove any provision that allows the outdoor storage of tires and to remove the requirement for air compressors and vacuum stations in any zoning district to be not located in the front yard.”

City Attorney Brown indicated that the outdoor tire storage issue could be addressed in other parts of the ordinance if the proposed “used tires” language in Sec. 42-262 (B)(4)(c), B-3, general business district, is adopted as part of the ordinance since there are sections that speak to “infestation, unsanitary or unclean conditions,” for example. He indicated that this issue is not a zoning issue, but a public health, safety or welfare issue that is more appropriately handled under other sections of the ordinance. Councilmember Urban indicated that businesses are storing tires outdoors, but because they are not allowed to do this, the City can enforce this section of the ordinance as well as the “infestation, unsanitary or unclean conditions” sections of the ordinance. When he also indicated that many businesses have made accommodations necessary to not store tires outdoors, Mr. Brown responded that enforcement is more appropriate under the sanitation sections rather than under a zoning exception. Discussion followed.

Councilmember Reid concurred with Councilmember Urban and expressed her concern that these changes make enforcement more difficult.

City Manager Shaffer suggested that if City Council is inclined to accept the proposed amendment, it may be appropriate to send the ordinance back to the Planning Commission with a request to have them evaluate how those proposed conditions might interact with other aspects of the ordinances and how they may or may not wish to feather these considerations into the ordinance. With this in mind, Mr. Brown reminded City Council how tough it is to change language of an ordinance on the floor, especially a couple of provisions. He said it can be done, but it is not the best way of doing things, so he recommended that it be sent back to the Planning Commission for review with direction as the proper course to take.

Ms. Georgeau said removing the term “used tires” or the section on “air compressors and vacuum stations” was not a significant concern expressed by the Planning Commission since it was initiated by staff and suggested the language that could be used instead.

Mayor Strazdas gave his opinion that the Planning Commission should be given the opportunity to review this with the business community, and that he is not in favor of the amendment to the motion.

Councilmember Randall provided her reasons for being in favor of the original motion, but not the amendment. Councilmember Ansari concurred with Mayor Strazdas. Councilmember Ford concurred with changing the language as suggested by Ms. Georgeau and to go forward with the ordinance tonight. Discussion followed.

Councilmember Urban asked Ms. Georgeau whether she knew if storage of tires outdoors is allowable under State Law. He indicated that there are regulations regarding what can be done with even one tire and regulations about how many tires can be accumulated by a retailer and what records they have to keep. Ms. Georgeau responded that she did not know the State Law references and reiterated that removing the term “used tires” was not a significant concern and explained. Discussion followed and Councilmember Urban indicated that he did not specify sections in his amendment to the motion and that he trusted staff to write the language to the ordinance as needed to make it work. Discussion followed regarding the amendment motion. At the suggestion of Mr. Brown,

Councilmember Urban withdrew his amendment in favor of a new one and Councilmember Reid concurred.

Motion by Urban, seconded by Reid, to amend the proposed ordinance, with the removal of the term, "used tires" any place it appears in the ordinance and to add the phrase "excluding used tires" after the word "material" in the first sentence in Sec. 42-262 (B)(4)(c), B-3, general business district, and to delete Sec. 42-262 (C)(4)(b), B-3, general business district, and any reference to Sec. 42-262 (C)(4)(b) in Sec. 42-262 (C)(4)(d), B-3, general business district, and any place it appears in the ordinance. Discussion followed. Upon a roll call vote, motion carried 6 to 0.

Mayor Strazdas called for the vote on the original motion as amended. Upon a roll call vote, motion carried 6 to 0.

LEXINGTON GREEN DRAIN #319 EASEMENT VACATION AND WORK

AGREEMENTS: Mayor Strazdas opened the public hearing and deferred to City Manager Shaffer, who again introduced Interim Director of Transportation & Utilities Kendra Gwin. Ms. Gwin indicated that the purpose of the public hearing is to transfer the City's rights to the Lexington Green Drain to the Office of the Drain Commissioner. She described the location of the drain as being in the Lexington Green area, Lexington Green Park and areas east of Portage in Pavilion Township, and discharges into the Davis Olmstead Drain #69 at the intersection of Sprinkle Road and Meredith Street.

Ms. Gwin referred to the Communication from the City Manager in the City Council Agenda Packet, Item D.3, dated April 28, 2015, as she described the history of the process utilized to transfer the drain to the Drain Commissioner over the years. She outlined the easements that have to be granted, the license agreement to perform drainage work in Lexington Green Park, the necessity to transfer jurisdiction and ongoing maintenance of the storm drainage systems on certain public streets. She summed up and if there were any questions, that she or Assistant Drain Commissioner Justin VanBelle could answer any questions or concerns of City Council.

Councilmember Urban asked whether the City has ever transferred underground infrastructure to the County Drain Commissioner where maintenance or street reconstruction had to be done in the past and Ms. Gwin indicated that the City has never done this before. Mr. VanBelle concurred, and indicated that the County Drain Commissioner holds easements by definition and for the purpose of future maintenance. He discussed the industrial nature of the area and the desire to correct drainage issues in the area such as the large ponds by Stryker which some neighbors would like to see smaller. He agreed that this is unique to the County of Kalamazoo and inferred that he has never experienced this before. He pointed out that the attorneys drafted a maintenance agreement where the City of Portage can still provide minor maintenance, and the County would take care of major maintenance.

In response to Councilmember Ansari, Mr. VanBelle said the maintenance costs are shared by the benefiting property owners which usually means 65% of the cost goes to the benefiting property owners and the other 35% goes to the other municipalities such as Portage, the Kalamazoo County Road Commission or the County. He distinguished minor and major maintenance and discussion followed regarding assessments and how much each entity would contribute toward the improvements and the basis for the assessment costs. He provided further analysis of the project and the benefits to be derived from proper management of this wetland and said that the estimates to residential property owners are not available at this juncture.

In answer to Mayor Strazdas, Mr. VanBelle indicated that Kalamazoo County would be doing the special assessment and, in answer to Councilmember Randall, he said there will be cost sharing from Kalamazoo County, Pavilion Township and Kalamazoo County Road Commission. He indicated that this is not an expensive project and Chris Barnes set aside funds to assist and offset some of the costs of the Portage portion. Discussion followed.

Mayor Strazdas opened the public hearing to the audience. There being no comments, motion by Urban, seconded by Ford, to close the public hearing. Upon a voice vote, motion carried 6 to 0.

Motion by Randall, seconded by Ansari, to deed the easement rights located in Lexington Green, Lexington Green No.1 and Lexington Green No. 3 plats, to the Lexington Green Drain #319

Drainage District; grant an easement to the Lexington Green Drain #319 Drainage District on city-owned property for the construction, operation and maintenance of storm drainage facilities located at 6775 Quality Way, 6401 Corporate Avenue and 4550 Quality Court; approve a license agreement to perform drainage work in Lexington Green Park; transfer jurisdiction and ongoing maintenance of the storm drainage systems in Commercial Avenue, Environmental Drive, Quality Way, Quality Court as well as drain crossings at Meredith Street and Bishop Avenue to the Kalamazoo County Drain Commissioner; and authorize the Mayor to execute all documents related to the above action on behalf of the city. In answer to Councilmember Urban, City Attorney Brown indicated that he doubts that there is a way to “back out” of granting these easements once the City Council grants them, unless there is a special meeting called tomorrow for the purposes of changing the motion. Mr. Brown followed up that the agreement does provide that when the City does the work that the City can bill the Drain Commissioner for the cost. Discussion followed. Upon a roll call vote, motion carried 6 to 0.

REPORTS FROM THE ADMINISTRATION:

* **AMENDMENT CODE OF ORDINANCES – HISTORIC DISTRICT MODIFICATION: 3821 WEST MILHAM AVENUE:** Motion by Ford, seconded by Ansari, to receive the proposed amendment to Section 38-35 of Chapter 38, Historical Preservation, of the City of Portage Code of Ordinances and take final action to approve the amendment on May 26, 2015. Upon a roll call vote, motion carried 6 to 0.

* **HOUSEHOLD HAZARDOUS WASTE PROGRAM – INTERGOVERNMENTAL COOPERATION:** Motion by Ford, seconded by Ansari, to approve the contract with Kalamazoo County for household hazardous waste collection for the period of January 1, 2015, through December 31, 2015, in the amount not to exceed \$26,000 and authorize the City Manager to execute all documents related to the contract on behalf of the city. Upon a roll call vote, motion carried 6 to 0.

* **COMMITTEE OF THE WHOLE MEETING ON TUESDAY, MAY 12, 2015 – INFORMATION ONLY:** Motion by Ford, seconded by Ansari, to forego setting a Committee of the Whole (COW) Meeting on Tuesday, May 12, 2015. Upon a roll call vote, motion carried 6 to 0. Upon a roll call vote, motion carried 6 to 0.

* **MARCH 2015 SUMMARY ENVIRONMENTAL ACTIVITY REPORT:** Motion by Ford, seconded by Ansari, to receive the March 2015 Summary Environmental Activity Report as information only. Upon a roll call vote, motion carried 6 to 0.

* **DEPARTMENTAL MONTHLY REPORTS:** Motion by Ford, seconded by Ansari, to receive the Departmental Monthly Reports. Upon a roll call vote, motion carried 6 to 0.

* **MICHIGAN DEPARTMENT OF TRANSPORTATION CONTRACT NO. 2014-0194 – OAKLAND DRIVE (I-94 TO KILGORE ROAD):** Motion by Ford, seconded by Ansari, to adopt a Resolution authorizing the City Manager to sign all documents with the Michigan Department of Transportation related to Contract No. 2014-0194 on behalf of the City. Upon a roll call vote, motion carried 6 to 0.

* **PUBLIC HEARING ON FISCAL YEAR 2015-2016 BUDGET:** Motion by Ford, seconded by Ansari, to adopt the Resolution setting a public hearing on May 12, 2015 for the fiscal year 2015-2016 proposed city budget and proposed 2015 tax levy. Upon a roll call vote, motion carried 6 to 0.

DRAFT

* **MINUTES OF BOARDS AND COMMISSIONS MEETINGS:** City Council received the minutes of the following Boards and Commissions:

Portage Public Schools Board of Education Regular Business of February 23, Committee of the Whole Work Session and Special Meeting of March 9 and Regular Business of March 23, 2015.

Portage Youth Advisory Committee of March 9, 2015.

Portage Zoning Board of Appeals of March 9, 2015.

Portage Planning Commission of March 19, 2015.

COUNCIL COMMITTEE REPORT:

PUBLIC MEDIA NETWORK (PMN): Councilmember Reid indicated that there was a PMN Board Meeting last week. She said that PMN is working on setting up a system for live streaming of all programming on all PMN channels; the contract with Charter Communications has been dealt with and the bandwidth is now available, so what they are working on right now is having the tech contactor, Cybermind, set up the system and make sure they are working; programming should be on line fairly soon; the musical video production where all of the partners will have the same video equipment in the various jurisdictions and the legal agreement is being developed. An RFP for hardware to be purchased and for installation with the anticipation of the legal agreement will get to the municipalities by April 17, 2015.

Nest, she discussed the AT&T audit that was done jointly by the City of Kalamazoo and the City of Portage because AT&T wanted to withhold franchise fees because they said they had overpaid us, so a group of municipalities statewide were going to be asking for an audit, so Kalamazoo and Portage as the larger municipalities in the (PMN) group put in some funds and participated in the audit. She indicated that the audit found that AT&T had not overpaid and, in fact, they had underpaid us, so we will be getting funds back from the audit. The original agreement indicated that any legal fees would come out of the settlement before the funds were distributed, but the PMN Board voted not to retake those legal fees out because Kalamazoo and Portage supported the rest of the group by going forward, so they are not deducting the legal fees and we will be getting the full amount of the money.

She said the PMN Board is reviewing the preliminary budget and, at the next meeting, will be doing the full budget.

She indicated that PMN picked up a new Regional film festival called North by Northwest with films from all over the Midwest in several different categories and promises to be an annual event that will bring attention to the area. Councilmember Ansari indicated that there is also a local contest of local films where prizes will be awarded, also. He mentioned that there is a timeline for Charter Communications regarding this by the end of June or July. Discussion followed.

Motion by Ford, seconded by Randall, to receive the report regarding the activities of the Public Media Network as presented by Councilmembers Reid and Ansari. Upon a voice vote, motion carried 6 to 0.

OTHER CITY MATTERS:

STATEMENTS OF CITY COUNCIL: Councilmember Ford said he received an invitation to the Governor's Office to attend Urban and Metro Initiatives, a research presentation on Kalamazoo "walk-up" that compares the walkability of cities as it relates to higher real estate values and higher GDP of these walkable areas and expressed his appreciation for the interest in growing the walkable area in Kalamazoo. On April 17th he said he volunteered to work on the Pretty Lake Farm as a part of the Spartans.WILL Day of Service. He said he attended the Senior Center Volunteer Breakfast with

Councilmember Ansari, Councilmember Randall, City Manager Larry Shaffer and Parks, Recreation & Senior Citizens Services Director Kendall Klingelsmith to honor the volunteers and he expressed his appreciation that the Treasury Office is accepting credit cards.

Councilmember Randall expressed her appreciation for the fantastic food provided by Michelle's Restaurant to thank over one hundred area volunteers. She indicated that Bike Week is being celebrated May 9 – May 16 and the local website is *kalamazoobikeweek.com* for those who wish to obtain more information regarding Bike Week events.

Councilmember Reid said she attended the Greenathon where she received a lot of great information from a lot of good-spirited individuals, despite the weather, including the Council Youth Advisory Committee Members.

City Manager Shaffer indicated that he attended the Portage District Library Board Meeting last evening where he offered collaboration on a host of issues. He said he also learned of the penetration of electronic books and extolled the e-services provided by the Library. He said they also discussed the implication that the Portage 2025 Study and the City Center Concept might have with the Library in terms of how the Library would contribute to and support that vision.

Mayor Strazdas reiterated the opportunity to get out and bike as mentioned by Councilmember Randall, that he was honored to be a judge for the 2015 Kalamazoo Starr Awards and humbled by the amount of time, the number of area people who volunteer and their extraordinary contributions each year to the community. He said he had just returned from San Antonio, Texas, and spoke favorably about the present condition of Portage Roads and optimistically about the future of Portage Roads when compared to other cities. He mentioned that next week he would be in Baltimore, Maryland, and expressed his appreciation for one of the best Public Safety Offices in the State of Michigan, which received CALEA reaccreditation, and for the level of civility in Portage.

ADJOURNMENT: Mayor Strazdas adjourned the meeting at 9:35 p.m.

James R. Hudson, City Clerk

*Indicates items included on the Consent Agenda.

MINUTES OF THE BUDGET WORK SESSION OF THE PORTAGE CITY COUNCIL
May 5, 2015

Meeting was called to order by Mayor Strazdas at 4:30 p.m. The following members of Council were present: Councilmembers Nasim Ansari, Richard Ford, Patricia Randall, Claudette Reid and, Mayor Pro Tem Jim Pearson and Mayor Peter Strazdas. Also in attendance were City Manager Laurence Shaffer, Deputy City Manager Rob Boulis, Finance Director Bill Furry, Deputy Finance Director Lauren VanderVeen and City Clerk James Hudson. Councilmember Terry Urban arrived at 4:35 p.m. and Councilmember Nasim Ansari left at 6:20 p.m.

At the request of Mayor Strazdas, City Manager Larry Shaffer introduced Community Development Director Vicki Georgeau, who indicated some of the grant applicants were present, and directed City Council to the Human Services Fund outlined in the 2015-2016 Budget Document. She reviewed the information found in sections 1, 2 and 3 of the Supplemental Budget.

Ms. Georgeau stated that the total funds available for fiscal year 2015-2016 is \$168,135 with \$125,625 derived from the 0.55% from the General Fund Revenues and \$42,510 allocated from CDBG Funds which is the maximum 15% permitted. She discussed the method of selection of applicants, some of the applicant requests in detail and the funds available for disbursement.

Ms. Georgeau briefly described the process utilized by the Human Services Board (HSB). She referred City Council to the Human/Public Service Funding Applications. Using the Supplemental Budget, she then outlined the Fiscal Year 2015-16 General Fund and Community Development Block Grant (CDBG) funds available for human/public services. She discussed the method of selection of applicants in more detail, listed some of the applicants and explained their requests and reviewed the funds available for disbursement.

Ms. Georgeau reviewed the suggested funding increases for the existing applicants and the funding for a new applicant, Kalamazoo Anti-Human Trafficking Coalition (KAHTC). She outlined the progress of the Portage Community Center (PCC) as a result of the diversification of its funding base.

Because he serves on the Board of Directors of PCC, Councilmember Ansari indicated a conflict of interest and will not be discussing this portion of the budget nor voting on it when it comes before Council for consideration.

Ms. Georgeau explained how the increases were made possible under the formula requirements of the CDGB funding model, the City Council General Fund allocation and increased program income.

In answer to Mayor Pro Tem Pearson, Ms. Georgeau indicated there were six applicants and the recommendation is to provide funds to each of them; that last year there were five applicants and they were all funded; and Goodwill Industries applied last year, were funded, but did not apply this year. She also indicated that staff reaches out and provides the information to all applicants who have applied for funding the last five years, to the Affordable Housing Partnership, the United Way of the Battle Creek and Kalamazoo Region and the Kalamazoo County Multi-purpose Collaborative Body.

Mayor Strazdas recognized Human Services Board Chair Sandra Sheppard, and discussion followed regarding the application review strategy, the planned subcommittee review of the evaluation process and a summary of conflicts with agency requests with Board guidelines. In response to Councilmember Randall, Ms. Sheppard discussed the reasons for the funding level proposed for KAHTC.

PCC Director Chris Buckley expressed his appreciation for the funding and the increases and gave the example of a need for assistance with requests for Consumers Energy assistance which was up 52% over last year and is expected to go even higher. PCC President Roy Dangel expressed the need to get the information into the hands of the public so those in need can be serviced. Discussion followed regarding the levels of some of the other services in the areas of holiday assistance, food, clothing, tax preparation, financial literacy and financial planning, Head Start and the Strategic Plan.

Mayor Pro Tem offered support that is not financial from the City of Portage to get information out to the public; for example, he offered the use of the *Portager* which is currently used by Portage Public Schools and the Portage District Library as part of the collaborative effort among the public bodies. Discussion followed.

Kelli Swiatkowski, YWCA, indicated her amazement to find an increase in the funding for the YWCA because year after year there have been cuts in the awarded amounts, and expressed her sincere appreciation for the support of the YWCA Program.

Gryphon Place Assistant Director Lacey Lyons was present and expressed her appreciation on behalf of Gryphon Place and mentioned that the funds would help with the 211 Program and Crisis Services. She echoed the concerns of PCC President Dangel and the need to get the information into the hands of those who are in need of services. Discussion followed. Mr. Dangel paid a special tribute and appreciation to the City of Portage employees who collected and donated over a ton of food to the PCC pantry. Discussion followed.

Next, Mayor Strazdas opened the discussion of the Fund Balance and indicated the need to stay around 24% and indicated any excess could be used to lower the debt or do more with roads. He also disclosed that City Manager Shaffer has discarded the increase in the leaf pick-up millage.

Mayor Strazdas deferred to Mr. Shaffer, who acknowledged the hard work by Deputy City Manager Rob Boulis, Finance Director Bill Furry and Deputy Finance Director Lauren VanderVeen, who were able to "Crunch" the numbers and make this possible.

At the request of Mayor Strazdas, Mr. Shaffer referred City Council to his FY 2015-2016 Proposed Budget - Information Only Communication, dated May 5, 2105, received via Materials Transmitted. He provided an overview of the eight topics covered in the communication and indicated that the attachments were supporting documents that helped lead him to the conclusions in his communication.

Even though he indicated that he does not want to abandon the concept of a Stabilization Fund forever, Mr. Shaffer asked to postpone the conversation until next fiscal year. He indicated after an analysis, Mr. Furry projected a fund balance of 35%, or \$7.7 million, by the close of the FY 2014-2015, and the actual amount will not be known until the close of books and audit in November. If this projection is correct, \$2.4 million would be available in order to achieve the 24% fund balance City Council threshold. Mr. Shaffer proposed that 50%, or \$1.2 million, of the amount above 24% be appropriated for debt avoidance and the other 50%, or \$1.2 million, be appropriated to complete local streets not funded for 2015-2016, and pull them from the FY 2016-2017 CIP sequentially into FY 2015-2016 year. Council shared some their thoughts regarding the uncertainty of the effects of eliminating the personal property tax, debt avoidance, retiring debt, loss of large corporate tax bases, doing more with roads, and the appropriate amount of debt. Discussion followed.

Mr. Shaffer continued with his overview of the rest of the items in his communication, including: PASER Ratings of local roads in Portage; and the elimination of the proposed millage increase in the Leaf Pickup Fund. Deputy City Manager Rob Boulis reviewed using the Recycling Fund for single stream recycling and some of the options available to citizens. Discussion followed.

Mr. Shaffer indicated that a Request for a Proposal (RFP) to outsource Assessing went out Friday, May 1, 2015; there is no impact on the budget and the RFP's are due in the summer and Council will be considering the results at that time; and, if an increase in the effectiveness and efficiency of the Assessing function can be realized, a corresponding recommendation will be presented to City Council. He said a recommendation on a direction to take would be presented for consideration regardless. As a change agent, he said he will continue to push for efficiency and effectiveness in the organization, and that he is not afraid to change. Mayor Strazdas indicated that Mr. Shaffer apologized for not sharing this with Council ahead of time, that he accepted his apology, and Mr. Shaffer promised to give everyone a "heads up" next time. Councilmember Reid asked in the interim, what is happening as far as stabilizing the Assessing Department. Mr. Shaffer responded that serendipitously, two

individuals in the Department have already taken on another job, not as a result of this action, however. One made the announcement on Monday that she would be taking the Deputy Assessor position in Kentwood for which she applied much before the RFP had been released. The other person is taking a promotion with the Kalamazoo County Road Commission, so that leaves two other individuals along with the Assessor and two vacancies. He reasoned that the windshield assessments of twenty percent of the properties each year will be discontinued because it is a complete waste of time and resources, since no information can be gleaned relevant and pertinent to assessing. He also indicated that the profile for Personal Property Tax has been truncated dramatically with the change in the law and that topically the responsibilities have decreased, and procedurally there will be change. He intimated regardless of whether the City goes with an RFP, the Assessor is going to do things differently.

Even though it is a State recommendation, Mr. Shaffer said that a person cannot assess or appraise a property by driving by it and filming it, so there is no connection between the activity and the value it creates in terms of creating accurate assessments. In his estimation, he said that he believes that a much better procedure is looking at building permits, sales and the other statistical data rather than driving around. Mayor Strazdas concurred and explained. Mr. Shaffer indicated that assessing is a mass appraisal process based upon evaluating sales against an existing set of criteria, the Cost manual; so, when there is a fixed cost standard that is established, then the Assessor utilizes the sales to derive a statistical comparison. He said the cross correlation of the two allows the understanding of where the equity and inequity is and where the strengths and weaknesses are based upon those correlations; so, he advocated the use of the standards in the industry like the price related differential, the correlation of variances, the coefficient of dispersions, for example. Discussion regarding the differing opinions on privatizing the assessing process followed.

Mr. Shaffer continued with his overview and reviewed the Senior Center subsidy history and discussion followed regarding cemetery planning using the calculations provided by Deputy City Clerk Adam Herringa. Mr. Shaffer offered to ask Community Development to produce five lots that might be suitable for cemetery use to get the City out 50 years and put these properties on a "watch list" and discussion followed.

Finally, Mr. Shaffer discussed Senior Center trip planning. Councilmember Ansari interjected that he advocated a public private partnership to expand the Portage Senior Center and explained. Discussion followed.

Councilmember Ansari left at 6:20 p.m.

RECESS: 6:20 p.m.

RECONVENE: 6:40 p.m.

City Clerk Jim Hudson cited some of the services provided by the City Clerk staff in the areas of elections, Freedom of Information Act Requests, City Attorney and Department service requests, Youth Advisory Committee, the Portage Public Schools District Advisory Council, Boards and Commissions recruiting and processing, website updates, liquor license application processing, research, legal notices, record keeping, cemeteries, Portage Ordinance Codification and matters before City Council. Discussion followed.

Information Technology Services (IT) Director Devin Mackinder expressed his gratitude that 2014 was truly a transformational year for the Technology Department with a lot of advancements (and late nights) and he indicated that the proposed budget provides for the continued operation using PC Mall (PCM), which increased costs savings. He indicated that with PCM, the City gets competitive pricing for hardware and software purchases, consulting services, computer expertise and a new offsite hosting data center services option in Ohio for offsite processing or future disaster recovery if necessary. He mentioned the fiber connection being installed between Portage and Kalamazoo that will also be an option for low cost disaster recovery if necessary for either city.

Mr. Mackinder noted that we are in the fifth and final year of the third five-year contract with PCM and continue to realize cost and operational efficiencies with this program; he noted that the contract is scheduled for renewal in June. He said the contract has been held at 0.5% increase annually for the past fifteen years; and, the new proposed contract calls for a 3.8% increase applied in increments over the next five-year period. Mr. Mackinder said that under the new contract, he asked that two additional services be included that will provide real savings: network assessment and security health check, which is valued at \$22,000 to \$40,000 per year. He listed some of the other coverages under the contract that will require an 11.5% in additional funding.

Mr. Mackinder summed up and handed out a listing of the projects completed in 2014 and a second listing of the 2015 proposed projects and provided an overview of the smooth implementation of the technology plan. He introduced Operations Manager Maurice Hudson and recognized his tremendous contributions and the contributions of his team to make all of these projects happen for a strong technology footprint for the City. He also thanked the City Council and City Manager for their support.

Mr. Mackinder continued to review the 2015 list, then proudly revealed the two communicator awards recently received by the Portage IT Department, one for the *Media Center* and one for the *My Portage App*. Mr. Shaffer and Council expressed their appreciation and discussion followed.

In reviewing the Cable Television Fund, Mr. Mackinder indicated that the City has a nonexclusive franchise agreement with Charter and

AT&T and discussed Cable activities, cable-related activity and infrastructure. He noted that the budget reflects a continuation of 40% of the franchise fees received from Charter and AT&T go to Public Media Network (PMN) for cable services, 60% of the fees go to the city to maintain the technology and infrastructure projects, and 100% of the public service fees go to PMN, specifically for equipment purchases only. He reflected that the agreement signed four years ago does include the cable casting equipment, but there is some discrepancy whether that is accurate or not. He said that this formula will continue to be implemented in FY 2015; that revenues are projected to be relatively the same as in previous years; and he reviewed some possible initiatives and uses of the revenue. Discussion followed.

Mr. Mackinder addressed the problems with service delivery with the use of Interns who are trying to learn and implement the cable system in Portage Council Chambers. He indicated that PMN sends a full time employee, Nick Eppinga, who is very astute, as evidenced by the error free meetings of late, although he could not make it to the last meeting where there were problems with the monitors on the dais. He indicated that a procedure has been established for the entire operation and is charted on a checklist for use by the PMN representatives; that he touches bases with Nick every week to anticipate any problems that may arise; and, that he will be meeting with Nick this week to solve the monitor or multiplexer issue. Discussion followed. He reviewed the online agenda software implementation which will include replacing the monitors with laptops with split flat screens and explained. Discussion followed.

Ms. Georgeau reviewed the Community Development budget, both the Operating portion in the General Fund and the Community Development Block Grant (CDBG) Program as it relates to Human Services. She indicated that the Department has oversight responsibility for all private development and planning for community growth and redevelopment and maintaining quality of life with special emphasis on neighborhoods.

Ms. Georgeau reviewed the Department goals and objectives are achieved through long term and short term planning such as the 2014 Comprehensive Plan, the Capital Improvement Program (CIP), the Consolidated Plan, Development Review by the Planning Commission or Zoning Board of Appeals, Construction Plan Review and Economic Development. She indicated that the Department serves as liaison to various Boards and Commissions and is involved in neighborhood and protection efforts and administering housing assistance programs for low income residents.

Ms. Georgeau reviewed the Building and Housing Services, Department service indicators, and the number of inspections performed per year, the Planning, Development and Neighborhood Services segment of the budget and the Building Maintenance. Discussion followed.

Ms. Georgeau predicted an increase in revenue from permits, highlighted some of the positive trends in the residential, office, commercial and industrial areas and quantified the projections and reviewed some of the specific projects. She explained the request for a Zoning Code Administrator to fill the vacancy; she explained that the Department has had a long term relationship with Associated Government Services whose services are enlisted when staff is out on vacations or extended periods of time, and the budget accounts for a slight increase for this service and explained. Discussion followed regarding the desirable types of construction for Portage.

In answer to Mayor Pro Tem Pearson, Ms. Georgeau indicated that the revenue numbers were close to being commensurate with the current revenue numbers in 2005-2006. In answer to Mayor Pro Tem Pearson, Mr. Shaffer agreed to provide projections of the amount of tax revenue to be realized in six months, around the month of November. Discussion followed.

Ms. Georgeau advised City Council that they would be asked on May 12, 2015, to approve the FY 2013-2014 Community Development Block Grant Program and authorize the Administration to submit the FY 2015-2016 One-Year Action Plan to the Department of Housing and Urban Development on May 15, 2015. Ms. Georgeau referred City Council to Sections 2 and 3 of the Supplemental Budget Book of 2015-2016 and outlined the services that are provided in the FY 2015-2016 One-Year Action Plan, and detailed the program funding breakdowns Section 2. Discussion followed.

Mr. Furry indicated he is joined by Deputy Finance Director Lauren VanderVeen and began to review the Finance division of the operation, including: General Ledger, cash outflows, including Accounts Payable, payroll, debt services and other payments, financial reporting and assistance with the annual audit. He listed some of the activities of the division and changes in the budget.

Mr. Furry reviewed the annual operating budget, the Finance and Budget division which provides assistance in preparing the annual Capital Improvement Program (CIP) budget, the Utility Rate Study and assistance with the audit, management of debt issues and refinancing, cash and investment management, administration of the General Ledger software, analysis and advisory duties, and fiscal compliance with various rules and regulations. He noted that changes in this budget increased owing to the inclusion of the salary and fringes of the new Finance Director here and explained. He also mentioned that this division is responsible for the Comprehensive Annual Financial Report (CAFR) preparation which was outsourced last year to the auditors owing to personnel changes and the need to allow staff to acclimate and adjust to the new BS&A Software and changes in personnel and the structure of the Department.

Mr. Furry said that the Treasury Division accounts for the costs associated with billing, collection and accounts receivable for 36,000

tax bills, over 15,000 quarterly utility bill accounts, and approximately 1,300 annual special assessment bills. He discussed information and services available online and reviewed the Debt Service Funds found on pages 196-7 in the budget document which has been reduced over the years since 2008 as evidenced by the Chart. Discussion followed regarding the CIP debt practices and broad scope items handled by Finance.

Mr. Furry also reviewed the City Attorney budget and indicated that the City Attorney provides general legal services to the City Council and all departments regarding municipal matters. He pointed out that specialized areas of labor counsel and bond counsel are budgeted in the specific departments or programs for which the services are provided.

Mr. Furry indicated that the City Council Budget primarily represents the stipends for the Mayor and City Councilmembers, Michigan Municipal League membership fees, and costs associated with training, various meetings and seminars.

Mr. Furry reviewed the City Manager Department responsibilities, including: oversight responsibility for all phases of city operations, the implementation of City Council policy directives, general supervision and oversight of all departmental operations and oversight of economic initiatives, promotion of city interests, development of administrative procedures intended to improve organizational effectiveness, and administrative responsibility for all city goals and objectives.

Finally, Mr. Furry indicated that on May 12, 2015, a budget hearing will take place to fulfill City Charter state law requirements, all written comments will be accepted from the public and questions proposed will be addressed. On May 26, 2015, City Council will be asked to adopt the General Appropriations Act Resolution to adopt the FY 2015-2016 Budget Resolution, inclusive all of the components, such as the Capital Improvement Program, along with the Salary and Wage Resolution.

Mayor Strazdas summed up and Mr. Shaffer highlighted the major changes in the organization and the effects on the budget, and Deputy Director Rob Boulis explained the details. Discussion followed.

Ms. Georgeau explained the process used to develop the Capital Improvement Program (CIP) Budget, explained that the 10-year plan provides essential services such as streets combined with sidewalks & bikeways, water and sewer, police, fire, public facilities, parks & recreation and debt service. She mentioned that changes were planned to get input from the Planning Commission and citizens on the front end for a more engaged process. She reviewed the guiding principles, and focused on the new strategies with the streets, sidewalks and bikeways segments and on the new initiative and with local streets. She reviewed a few of the bikeway projects in detail for Council,

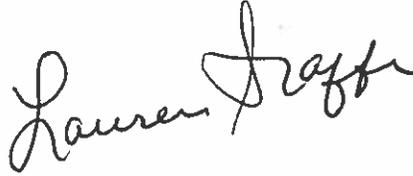
renewed investment in public safety, Senior Center, Public Facilities Building, hybrid vehicles, energy efficiencies with the City facilities, Eliason Nature Preserve, and a dog park in Lakeview Park. She referred to the Revenues and Expenditures chart on page i and the pie graphs on pages ii & iii and the map on page iv to explain expenditures as compared to revenues in the CIP Budget. Discussion followed.

ADJOURNMENT: Mayor Strazdas adjourned the meeting at 8:53 p.m.

James R. Hudson, City Clerk

TO: Honorable Mayor and City Council

FROM: Laurence Shaffer, City Manager



SUBJECT: Accounts Payable Register

SUPPORTING PERSONNEL: William Furry, Director of Finance

ACTION RECOMMENDED: That City Council approve the Accounts Payable Register of May 12, 2015 as presented.

Bi-weekly, the City Council reviews and approves the Accounts Payable Register, including checks issued to vendors and the electronic funds transfer register. Attached please find the Accounts Payable Register for the period April 12, 2015 through April 26, 2015. The time period noted includes \$357,558.76 for electronic transfers and \$491,130.04 for checks issued to vendors for a total of \$848,688.80.

FUNDING: N/A

Attachments: Accounts Payable Register

CITY OF PORTAGE CHECK REGISTER

Page: 1/4

Check Date From: 4/12/2015 1 TO 4/26/2015 1

Check Date	Check	Vendor Code	Vendor Name	Amount
04/24/2015	3943(A)	0109	ALL-TRONICS, INC.	78.00
04/24/2015	3944(A)	2934	ALRO STEEL CORPORATION	722.43
04/24/2015	3945(A)	3428	ANIMAL REMOVAL SERVICE, LLC	395.00
04/24/2015	3946(A)	1253	APOLLO FIRE EQUIPMENT COMPANY	1,052.64
04/24/2015	3947(A)	1732	BCHS-HELPNET	1,223.25
04/24/2015	3948(A)	0678	BLUE CARE NETWORK-GREAT LAKES	65,444.52
04/24/2015	3949(A)	4466	BREATHING AIR SYSTEMS	1,285.00
04/24/2015	3950(A)	3545	BRENNER OIL CO.	12,896.03
04/24/2015	3951(A)	2690	C D W GOVERNMENT, INC.	974.41
04/24/2015	3952(A)	0191	CONTINENTAL LINEN SERVICES	55.89
04/24/2015	3953(A)	0712	DELTA DENTAL PLAN OF MICHIGAN	17,634.18
04/24/2015	3954(A)	0211	DEPATIE FLUID POWER CO., INC.	5,136.38
04/24/2015	3955(A)	3367	ELECTION SYSTEMS & SOFTWARE, INC.	2,477.20
04/24/2015	3956(A)	0959	EMPLOYMENT GROUP, INC.	2,702.56
04/24/2015	3957(A)	2973	ENGINEERED PROTECTION SYSTEMS, INC.	293.79
04/24/2015	3958(A)	0692	ETNA SUPPLY, INC.	204.37
04/24/2015	3959(A)	4507	FURRY, WILLIAM	212.45
04/24/2015	3960(A)	2071	GAIL ANDRUS TRAVEL	923.00
04/24/2015	3961(A)	4483	GREAT LAKES CHLORIDE, INC.	4,931.45
04/24/2015	3962(A)	4439	HARTFORD LIFE INSURANCE COMPANY	7,540.77
04/24/2015	3963(A)	4103	HURST MECHANICAL, INC.	9,277.00
04/24/2015	3964(A)	0063	INDUSCO SUPPLY CO., INC.	893.09
04/24/2015	3965(A)	4750	LAND & RESOURCE ENGINEERING, INC	235.00
04/24/2015	3966(A)	4746	MAURER'S TEXTILE RENTAL SERVICES	572.04
04/24/2015	3967(A)	4724	MEJEUR ELECTRIC LLC	162.00
04/24/2015	3968(A)	4852	PCM SALES, INC.	40,280.43
04/24/2015	3969(A)	1199	PEAVEY COMPANY	187.90
04/24/2015	3970(A)	1738	PREIN & NEWHOF	24.50
04/24/2015	3971(A)	0339	ROAD EQUIPMENT PARTS CENTER	188.36
04/24/2015	3972(A)	0349	SAFETY SERVICES, INC.	2,421.64
04/24/2015	3973(A)	1505	SNELL, DEBRA	216.00
04/24/2015	3974(A)	4609	UNITED WATER ENVIRONMENTAL SERVICES	167,775.40
04/24/2015	3975(A)	2503	VERPLANK TRUCKING CO.	1,385.89
04/24/2015	3976(A)	4164	VISION SERVICE PLAN (OH)	2,079.52
04/24/2015	3977(A)	4995	WARNER NORCROSS & JUDD LLP	3,766.67
04/24/2015	3978(A)	0425	WIGHTMAN & ASSOCIATES, INC.	1,910.00
SUBTOTAL:			36 CHECKS	357,558.76
04/17/2015	293069	0743	CONSUMERS ENERGY	37,228.39
04/17/2015	293070	5058	FARRELL AUDIO VIDEO LLC	2,026.99
04/17/2015	293071	3487	GLOBUS & COSMOS	8,314.00
04/17/2015	293072	3487	GLOBUS & COSMOS	9,210.40
04/17/2015	293073	999999	GUILLES, MELVIN J.	8,426.00
04/17/2015	293074	4476	MML UNEMPLOYMENT FUND	1,750.26
04/17/2015	293075	999999	NATIONAL HOSPITALITY INSTITUTE	195.00
04/17/2015	293076	999999	STATE TAX COMMISSION	500.00
04/17/2015	293077	999999	STATE TAX COMMISSION	500.00
04/24/2015	293078	999999	61ST DISTRICT COURT	300.00
04/24/2015	293079	999999	7TH DISTRICT COURT	200.00
04/24/2015	293080	0635	A NEW LEAF	170.00
04/24/2015	293081	4060	A T & T LONG DISTANCE	239.15
04/24/2015	293082	2873	A-1 SIGNS	1,788.78
04/24/2015	293083	3675	ACTION PIANO SERVICE	125.00
04/24/2015	293084	3305	ADP, INC.	1,639.93
04/24/2015	293085	0977	AIR GAS GREAT LAKES	982.08
04/24/2015	293086	0533	ALLEGRA PRINT & IMAGING	1,974.65
04/24/2015	293087	0112	AMERICAN BUSINESS EQUIPMENT, INC	555.23
04/24/2015	293088	3718	AMERICAN MESSAGING	35.47
04/24/2015	293089	2416	APPLIED IMAGING	4,226.48
04/24/2015	293090	0849	AT&T	997.22
04/24/2015	293091	5046	AT&T YELLOW PAGES	52.80

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Check Date	Check	Vendor Code	Vendor Name	Amount
04/24/2015	293092	999999	AUTISM SOCIETY OF KALAMAZOO/BC	100.00
04/24/2015	293093	4399	AUTOMOTIVE CONCEPTS CARSTAR	561.70
04/24/2015	293094	0124	B L HARROUN & SON INC.	1,550.43
04/24/2015	293095	4168	BEACON ATHLETICS	1,050.00
04/24/2015	293096	1573	BEST BUY CO, INC	519.99
04/24/2015	293097	0642	BLUE CROSS/BLUE SHIELD OF MICH	116,623.11
04/24/2015	293098	999999	BRINDLEY, KIMBERLY	150.00
04/24/2015	293099	0153	BRINK'S, INC	285.40
04/24/2015	293100	4813	BRONSON HEALTHCARE GROUP	500.00
04/24/2015	293101	4380	BRONSON WELLNESS SERVICES	75.00
04/24/2015	293102	0068	BYHOLT INC.	1,161.31
04/24/2015	293103	4768	C T S TELECOM, INC.	680.34
04/24/2015	293104	999999	CALHOUN COUNTY JUSTICE COMPLEX	50.00
04/24/2015	293105	999999	CAUDELL, EMILY	100.00
04/24/2015	293106	999999	CBCS	56.60
04/24/2015	293107	0636	CEREAL CITY WINDOW CLEANING	510.00
04/24/2015	293108	3080	CHARTER COMMUNICATIONS	87.15
04/24/2015	293109	999999	CHICAGO TITLE OF MICHGAN	127.74
04/24/2015	293110	0189	CONSUMERS ENERGY-BILL PMT CNT	2,270.00
04/24/2015	293111	0189	CONSUMERS ENERGY-BILL PMT CNT	1,000.00
04/24/2015	293112	0189	CONSUMERS ENERGY-BILL PMT CNT	49,910.41
04/24/2015	293113	0195	CROSSROADS CAR WASH	544.00
04/24/2015	293114	0203	D L GALLIVAN INC.	41.24
04/24/2015	293115	999999	DAVIS, DAVID	50.00
04/24/2015	293116	4839	DIGITAL HIGHWAY WIRELESS SOLUTIONS	1,823.08
04/24/2015	293117	0532	DMOCH, ADAM	500.00
04/24/2015	293118	999999	DYKSTRA, RICHARD	77.00
04/24/2015	293119	2948	EMERGENCY VEHICLE PRODUCTS	14,588.35
04/24/2015	293120	999999	ESSENHAUS RESTAURANT	537.50
04/24/2015	293121	0985	F D LAKE COMPANY	725.74
04/24/2015	293122	1144	FABRICATED FLEX & HOSE	456.84
04/24/2015	293123	0833	FARM N GARDEN	718.00
04/24/2015	293124	0384	FERRELLGAS, LP	12.00
04/24/2015	293125	1399	FLETCHER ENTERPRISES	350.00
04/24/2015	293126	999999	FOLEY, WILDA	92.00
04/24/2015	293127	MISC-MR	FOLEY, WILDA	92.00
04/24/2015	293128	1271	GANNETT MICHIGAN NEWSPAPERS	995.00
04/24/2015	293129	0532	GIPSON, TERESA	450.00
04/24/2015	293130	0517	GORDON WATER SYSTEMS	323.00
04/24/2015	293131	0598	GRIFFIN PEST SOLUTIONS, INC.	125.00
04/24/2015	293132	4119	GWAVA TECHNOLOGIES INC.	1,794.00
04/24/2015	293133	999999	HOLIDAY INN & CONFERENCE CENTER	401.25
04/24/2015	293134	0691	HOME DEPOT	1,157.74
04/24/2015	293135	999999	I.A.P.E.	50.00
04/24/2015	293136	4180	INFO TECH RESEARCH GROUP	2,235.00
04/24/2015	293137	0559	INSTITUTE OF CONTINUING EDUCATION	103.50
04/24/2015	293138	1048	INT'L PERSONNEL MGMNT ASSOC	408.50
04/24/2015	293139	4444	J-AD GRAPHICS, INC	1,605.00
04/24/2015	293140	5023	J. F. NEW & ASSOCIATES, INC.	2,350.00
04/24/2015	293141	4448	JOHN DEERE LANDSCAPES	25.00
04/24/2015	293142	999999	JOHN SCHURING JR. CO.	50.00
04/24/2015	293143	999999	JONES, JEANNINE	44.00
04/24/2015	293144	3201	JONS TO GO PORTABLE RESTROOM	380.00
04/24/2015	293145	1414	KALAMAZOO CONSERVATION SERVICE	344.00
04/24/2015	293146	0087	KALAMAZOO COUNTY ROAD COMMISSI	4,547.31
04/24/2015	293147	0514	KALAMAZOO COUNTY TREASURER	34,581.24
04/24/2015	293148	999999	KALAMAZOO KLASH	100.00
04/24/2015	293149	0090	KALAMAZOO LANDSCAPE SUPPLIES	709.90
04/24/2015	293150	4511	KALAMAZOO OIL COMPANY	68.40
04/24/2015	293151	999999	KLOOSTER, FRAN	199.00
04/24/2015	293152	1066	KUIPER BROTHERS MOVING INC.	188.00
04/24/2015	293153	999999	KUZMITOWICZ, JOYCE & ED	144.00
04/24/2015	293154	5134	KZOO KIDS LLC	60.00

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Check Date	Check	Vendor Code	Vendor Name	Amount
04/24/2015	293155	0240	LAWSON PRODUCTS, INC	2,311.41
04/24/2015	293156	2701	LEXISNEXIS/MATTHEW BENDER	356.50
04/24/2015	293157	2630	LOWE'S HOME CENTER	56.68
04/24/2015	293158	0728	MCDONALD'S TOWING & RESCUE, INC.	70.00
04/24/2015	293159	0532	MCDONNELL, JOSEPH	496.98
04/24/2015	293160	0256	MCNALLY ELEVATOR CO.	489.91
04/24/2015	293161	5001	MED EXPRESS	80.00
04/24/2015	293162	5027	MEEKHOF TIRE SALES & SERVICE INC.	1,056.92
04/24/2015	293163	0258	MENARDS, INC	137.78
04/24/2015	293164	2157	MI ASSOC. OF CHIEFS OF POLICE	100.00
04/24/2015	293165	4777	MICH MUNICIPAL POLICE & FIRE REPAIR	407.05
04/24/2015	293166	4515	MICHIGAN MUNICIPAL LEAGUE	315.70
04/24/2015	293167	999999	MICHIGAN NENA	300.00
04/24/2015	293168	0279	MISS DIG SYSTEM, INC.	522.00
04/24/2015	293169	0089	MLIVE MEDIA GROUP	3,604.23
04/24/2015	293170	999999	NATIONS TITLE AGENCY OF MICHIGAN	14.33
04/24/2015	293171	0299	NYE UNIFORMS	1,125.76
04/24/2015	293172	0860	O'BOYLE-COLWELL-BLALOCK & AS.	35,453.00
04/24/2015	293173	999999	OCONNOR, TERRY	87.00
04/24/2015	293174	1721	OFFICE DEPOT, INC.	1,215.54
04/24/2015	293175	2923	OFFICETEAM	885.93
04/24/2015	293176	5019	OMM ENGINEERING, INC.	5,280.36
04/24/2015	293177	4329	ONSTAFF USA INC	8,177.88
04/24/2015	293178	3819	ORIENTAL TRADING CO.	342.73
04/24/2015	293179	999999	PAPIERZ, BETTY	82.00
04/24/2015	293180	1171	PEERLESS, INC.	270.00
04/24/2015	293181	999999	PETERSON, BOB	44.00
04/24/2015	293182	0890	PETTY CASH-POLICE DEPT.	485.87
04/24/2015	293183	0537	PETTY CASH-SENIOR CENTER	161.74
04/24/2015	293184	1415	PORTAGE CLEANERS & LAUNDRY	1,376.06
04/24/2015	293185	MISC-MR	PRICE, ANDREW	82.00
04/24/2015	293186	1214	PRINTING SYSTEMS, INC.	634.54
04/24/2015	293187	4526	PUBLIC SAFETY CENTER	80.16
04/24/2015	293188	2351	RANDALL L BROWN & ASSOC. PLC	20.00
04/24/2015	293189	0327	RATHCO SAFETY SUPPLY, INC.	3,838.25
04/24/2015	293190	3664	RED THE UNIFORM TAILOR	3,871.39
04/24/2015	293192	4686	RENEWED EARTH, INC.	7,916.66
04/24/2015	293193	4443	REPUBLIC SERVICES OF WEST MICHIGAN	44,381.74
04/24/2015	293194	0438	RIDGE AUTO NAPA	2,046.04
04/24/2015	293195	999999	ROCKROHR, BEV	77.00
04/24/2015	293196	0532	ROSE, VICTORIA	500.00
04/24/2015	293197	0532	ROSE, VICTORIA	100.00
04/24/2015	293198	0346	ROWLEY BROTHERS, INC.	2,907.37
04/24/2015	293199	5021	RTC AGILITY TEST	100.00
04/24/2015	293200	999999	SEARS-LASH, BETTY	150.00
04/24/2015	293201	999999	SEPANIK, LOUISE	187.00
04/24/2015	293202	999999	SEPANIK, LOUISE	360.70
04/24/2015	293203	2064	SIMMONS FORD	522.68
04/24/2015	293204	0532	SIMMONS, JOSHUA	91.62
04/24/2015	293205	3721	SPRINT	267.89
04/24/2015	293206	4825	STALKER RADAR	5,511.57
04/24/2015	293207	0820	STATE OF MICHIGAN (MDEQ)	100.00
04/24/2015	293208	0369	STATE SYSTEMS RADIO, INC	4,855.88
04/24/2015	293209	3222	STEENSMA LAWN & POWER EQUIPMENT	326.38
04/24/2015	293210	0393	SYNERGISTIC ONLINE SOLUTIONS	1,865.00
04/24/2015	293211	4134	THE COMMON GRILL	460.00
04/24/2015	293212	1704	TODD ARBANAS ENTERPRISES INC.	3,900.00
04/24/2015	293213	999999	TRAGER, JEANETTE	77.00
04/24/2015	293214	0545	UNITED PARCEL SERVICE	28.60
04/24/2015	293215	4929	VARIPHY INC.	850.00
04/24/2015	293216	4594	VOLOGY DATA SYSTEMS	198.92
04/24/2015	293217	2034	W W WILLIAMS	13.11
04/24/2015	293218	999999	WALTER, MAX	82.00

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Check Date	Check	Vendor Code	Vendor Name	Amount
04/24/2015	293219	0413	WEST MICHIGAN OFFICE INTERIORS	1,233.00
04/24/2015	293220	999999	WILLACKER, JEANNINE	82.00
04/24/2015	293221	2684	XEROX CORPORATION	430.74
04/24/2015	293222	4435	ZERO WASTE USA, INC.	1,820.00
04/24/2015	293223	4709	ZOLL DATA SYSTEMS, INC.	2,507.06
04/24/2015	293224	0532	BURKE, GREG	492.78
			SUBTOTAL:	
			155 CHECKS	491,130.04
			TOTAL:	
			191 CHECKS	848,688.80

** (A) DENOTES ACH PAYMENTS

TO: Honorable Mayor and City Council

FROM: Laurence Shaffer, City Manager



SUBJECT: Public Hearing on Fiscal Year 2015-2016 Budget

SUPPORTING PERSONNEL: William K. Furry, Director of Finance

ACTION RECOMMENDED: That City Council hold a Public Hearing on the Fiscal Year 2015-2016 proposed Budget and the tax rate of 10.9256 mills required to support the proposed budget.

On April 14, 2015, City Council was presented with the proposed 2015-2016 Fiscal Year budget in accordance with Section 7.2 of the City Charter. City Council held two budget work sessions with the next step being the conduct of a public hearing. As a result of the budget work sessions, several changes have been incorporated into the proposed budget, the details of which are attached for the information of the Council. The proposed budget was developed in conformity with the Goals and Objectives adopted by the City Council. Highlights of the proposed budget include:

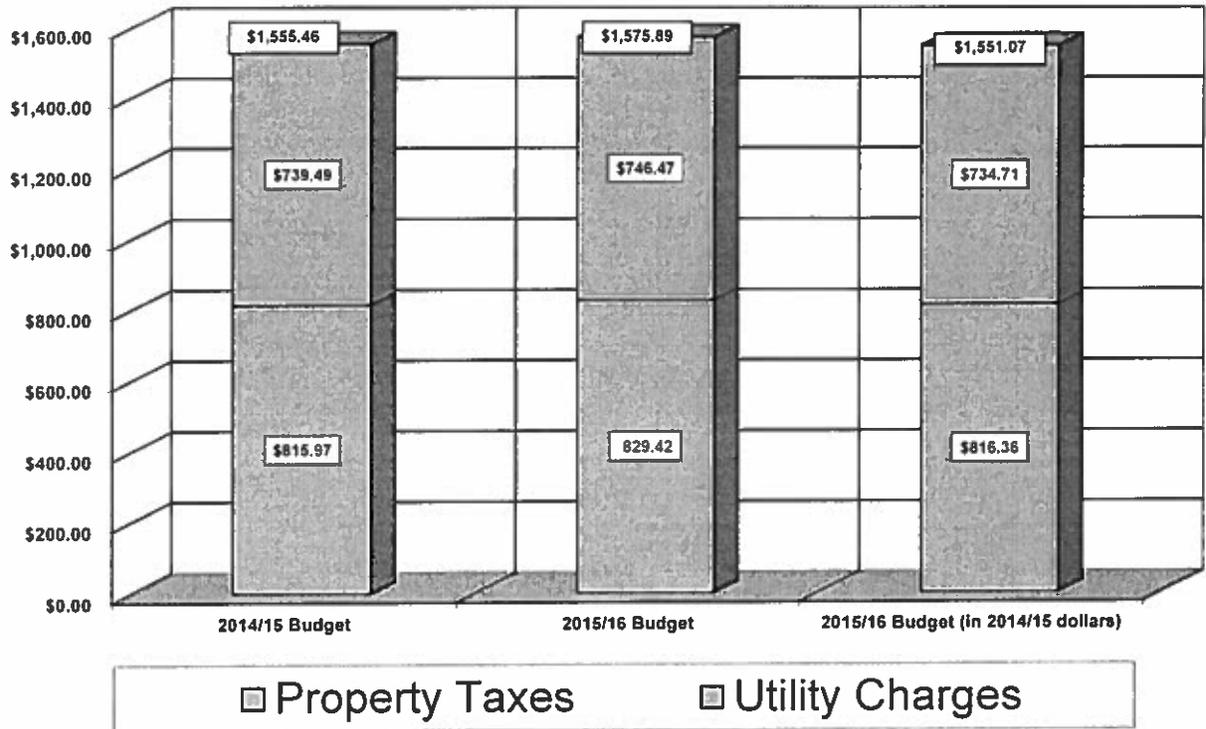
- Maintenance of the overall city tax rate (millage) at 10.9256 mills;
- Incorporation of an approximate 2.9 percent increase in property tax revenue, and an approximate 3.3 percent increase in State Revenue Sharing;
- Continuation of General Fund support for the Capital Improvement Program, the Major Street Fund and the Local Street Fund;
- Continuation of the City Council prescribed fund balance for the General Fund at 24 percent of General Fund expenditures;
- Maintenance of the City of Portage position in the lower 25 percent of all Michigan cities with populations greater than 25,000 in terms of millage level.

The City Charter and state law requires that notice of public hearing be published and a public hearing be held prior to adoption of the proposed budget. The Notice of Public Hearing appeared in the May 1, 2015 edition of the Kalamazoo Gazette. Given that the proposed tax rate of 10.9256 mills for the 2015-2016 budget does not exceed the 2014 base tax rate, a Truth in Taxation Hearing and Resolution for 2015 is not required. The tax levy for 2015 is the same as for 2014. (A copy of the Resolution to Adopt a Millage Rate Above the Base Tax Rate for 2014 is attached.) The adoption of the Fiscal Year 2015-2016 proposed budget will be considered by City Council at the regular Council meeting of May 26, 2015.

Changes to Proposed 2015-2016 Budget book:

Page	Description	Transmittal Letter 2015 Taxable Value - \$75,914	2015 Inflation Adjusted Taxes
2	First table, change FY16 Tax Rate to 10.9256		
2	See changes (in red) to bottom chart to the right		
3	Column headings should be 2014-2015 and 2015-2016		
	Last sentence under Leaf Pickup/Spring Cleanup Fund needs to be edited, as the millage is no longer increasing. Suggestion "Despite the addition of pickup services to private streets, the recommended levy of 0.3455 will not increase from prior year."		
7	Odd square bullet - previously used a thick border around the text " <i>Portage was originally founded by settlers.</i> "		
17	Updates to chart & text to reflect no change in Leaf millage	7.5000 \$ 569.36	7.5000 \$ 560.39
42	Updates to chart & text to reflect no change in Leaf millage	2.0000 151.83	2.0000 149.44
47	Updates to table to reflect no change in Leaf millage	0.3049 23.15	0.3049 22.79
49	Updates to table to reflect no change in Leaf millage	0.3455 26.23	0.3455 25.82
55	Updates to table to reflect correction of expenditures, Swim Program		
69	Updates to table to reflect correction of expenditures, Swim Program		
71	Update Description to reflect recent information on fund balance levels		
73	Updates to table to reflect correction of expenditures, Swim Program		
	Correct entry error, increase to Personnel Services for part time employees replacing previously used temp help at Ramona Park, \$20,664		
111	Chart had row hidden		
126	Chart had row hidden		
157	Chart had row hidden, 202-4226 Signals & Crossings		
210	Update to Property taxes revenue due to no change in millage, only TV Increase		
214	Chart had row hidden, 2013-2014 Actuals		
225	Correction to YWCA Agency Request amount		
239	Updates required - table alignment & arithmetic totals		
240	Updates required - table alignment, arithmetic totals, add Major Streets and CDBG		
	Total	10.9256 \$ 829.42	10.9256 \$ 816.36

Cost of City Services to the Typical City of Portage Residence



The chart above depicts the property tax and utility costs of a typical residence in the City of Portage.

Given that:

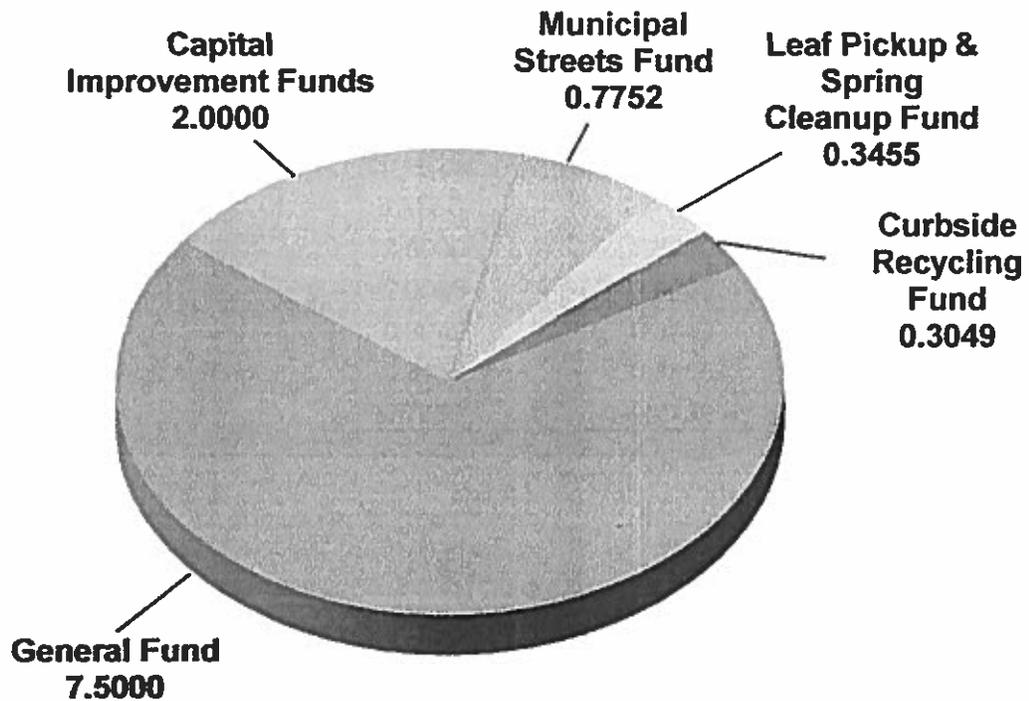
- taxable value increase approximately 2.9% for 2015,
- the city tax rate for services remained the same, and
- there is a necessary increase in city utility rates, primarily to maintain adequate working capital,

The total cost of city service to the typical city resident will increase by \$20.43 in the upcoming year. After adjusting for inflation, this change actually represents a decrease of \$4.39 in 2014/2015 dollars.

**MILLAGE RECAP
2015/16 BUDGET**

	2014/15 RATES	2015/16 Recommended RATES	CHANGE FROM 2014/15 RATES
General Fund	7.5000	7.5000	0.0000
Capital Improvement	2.0000	2.0000	0.0000
Curbside Recycling	0.3049	0.3049	0.0000
Leaf Pickup/Spring Cleanup	0.3455	0.3455	0.0000
Municipal Streets Fund	0.7752	0.7752	0.0000
	10.9256	10.9256	0.0000

City Millage Breakdown by Fund Category



**SUMMARY OF REVENUES
ALL FUNDS
FISCAL YEAR 2015 - 2016**

	2012-2013 <u>Actuals</u>	2013-2014 <u>Actuals</u>	2014-2015 <u>Amended Budget</u>	2014-2015 <u>Adopted Budget</u>	2015-2016 <u>Admin Recommend</u>
GENERAL FUND	22,840,322	22,603,015	22,517,374	22,497,740	23,497,014
STREET FUNDS					
Major Streets	3,278,661	4,142,681	3,266,680	3,048,180	3,059,744
Local Streets	1,424,212	1,147,202	1,131,220	1,112,720	1,129,563
Municipal Streets	1,076,379	1,224,151	1,526,800	1,526,800	1,577,400
UTILITY FUNDS					
Sewer Operating	8,233,774	8,621,045	8,865,700	8,865,700	8,927,600
Water Operating	6,943,475	6,791,871	6,942,600	6,942,600	7,022,700
PUBLIC IMPROVEMENT FUNDS					
Capital Improvement	8,822,419	9,606,568	12,548,001	12,305,000	14,164,000
Lakes-Weed Management	10,762	10,643	10,450	10,450	23,600
DEBT SERVICE FUNDS					
General Obligation Debt	6,894,508	3,039,822	3,064,600	3,064,600	2,991,300
MTF 1997	132,000	128,002	122,135	122,135	117,100
MTF 2008	258,066	272,052	274,400	274,400	217,500
MTF 2010 Refunding	556,991	823,011	935,565	935,565	1,027,400
Building Authority Debt Service	644,326	650,654	575,443	575,443	617,713
DDA Debt Service	311,439	303,259	358,100	358,100	390,700
LDFA Debt Service	487,399	487,513	492,600	492,600	501,900
Special Assessment Debt Service	92,835	130,472	191,465	191,465	175,065
OTHER FUNDS					
Curbside Recycling	663,551	596,597	602,400	602,400	621,300
Leaf Pickup/Spring Cleanup	792,842	677,123	681,600	681,600	703,500
Community Development Block Grant	187,388	199,236	378,815	218,672	221,442
Cable Television	782,041	806,406	765,700	765,700	765,800
Cemetery Permanent Fund	39,439	49,721	43,700	43,700	44,100
CDBG Program Income	32,289	79,517	25,000	25,000	135,000
TOTAL REVENUE	<u>64,505,118</u>	<u>62,390,561</u>	<u>65,320,348</u>	<u>64,660,570</u>	<u>67,931,441</u>

Additional information is available in the respective detailed departmental budget.

**SUMMARY OF EXPENDITURES
ALL FUNDS
FISCAL YEAR 2015 - 2016**

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Amended Budget	2014-2015 Adopted Budget	2015-2016 Admin Recommend
GENERAL FUND	22,629,772	23,066,188	24,489,466	24,148,815	25,234,419
STREET FUNDS					
Major Streets	2,961,717	4,043,793	3,880,248	3,593,911	3,298,988
Local Streets	1,401,687	1,137,899	1,194,145	1,118,629	1,195,742
Municipal Streets	1,043,400	1,229,400	1,529,000	1,529,000	1,604,330
UTILITY FUNDS					
Sewer Operating	7,046,956	7,066,579	8,991,595	8,721,705	7,844,078
Water Operating	4,185,689	4,151,316	5,061,401	5,003,782	5,123,687
PUBLIC IMPROVEMENT FUNDS					
Capital Improvement	7,024,025	8,055,649	16,076,838	8,828,000	14,164,000
Lakes-Weed Management	21,170	5,300	41,200	35,000	40,000
DEBT SERVICE FUNDS					
General Obligation Debt	6,751,416	2,994,463	3,048,010	3,048,010	2,990,335
MTF 1997	132,131	127,131	122,135	122,135	117,060
MTF 2008	258,475	271,763	274,300	274,300	216,980
MTF 2010 Refunding	556,475	820,525	935,925	935,925	1,027,225
Building Authority Debt Service	645,765	610,812	577,130	577,130	613,992
DDA Debt Service	404,750	429,859	384,695	384,695	430,145
LDFA Debt Service	548,475	515,013	504,775	504,775	490,330
Special Assessment Debt Service	352,382	178,700	328,281	328,281	302,618
OTHER FUNDS					
Curbside Recycling	635,671	636,239	604,991	604,991	684,225
Leaf Pickup/Spring Cleanup	736,701	729,283	674,868	674,868	717,806
Community Development Block Grant	187,388	199,237	379,315	218,672	221,442
Cable Television	646,985	820,407	769,707	749,307	882,083
Cemetery Permanent Fund	3,724	4,000	3,500	3,500	4,100
CDBG Program Income	32,289	79,548	60,000	60,000	135,000
TOTAL EXPENDITURE	<u>58,207,043</u>	<u>57,173,104</u>	<u>69,931,525</u>	<u>61,465,431</u>	<u>67,338,585</u>

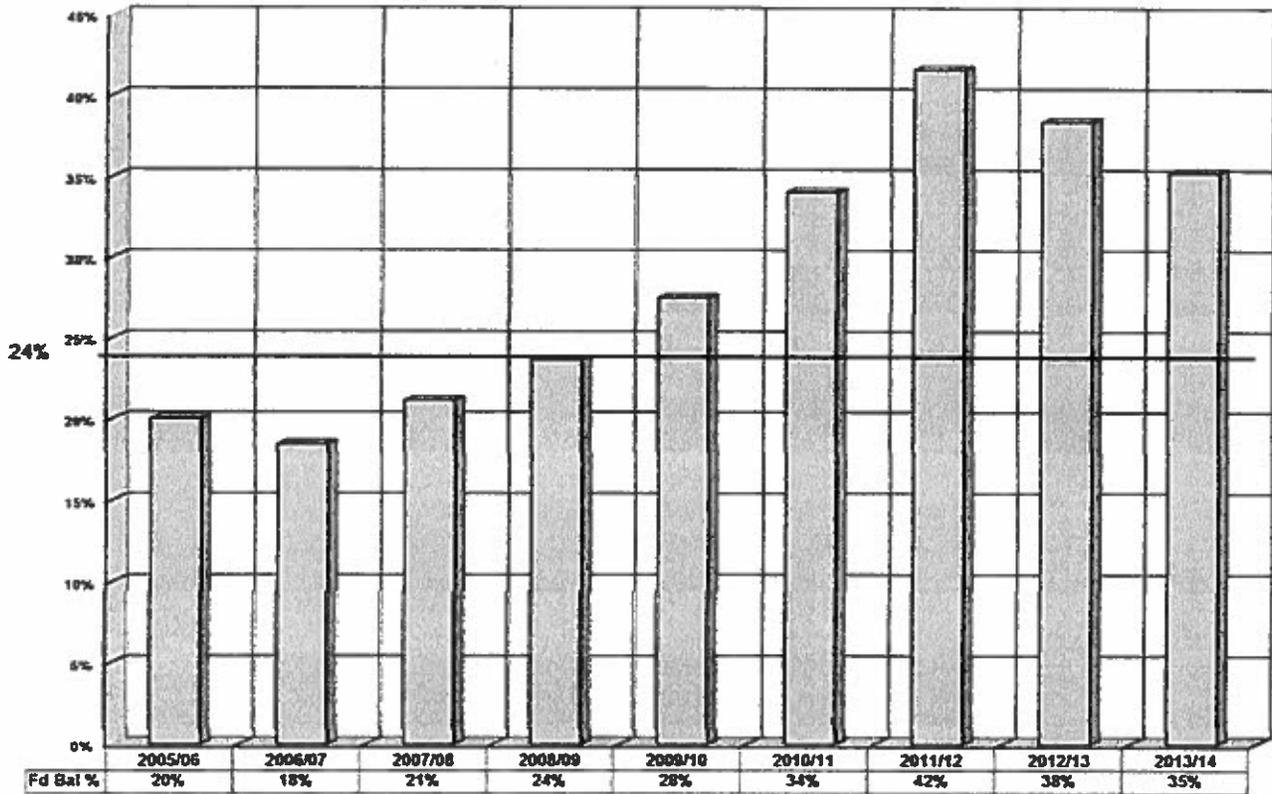
Additional information is available in the respective detailed departmental budgets.

General Fund Expenditures by Department or Function

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Amended Budget	2014-2015 Adopted Budget	2015-2016 Admin Recommend
City Council	63,829	89,318	140,658	67,100	66,300
Human Service Funding	117,563	121,237	123,090	123,090	125,625
District Court Facility	51,475	50,224	70,318	67,355	67,818
City Manager	510,946	417,963	594,866	593,154	495,234
Finance	711,890	650,213	769,095	753,972	884,194
Information Technology	711,228	722,486	819,571	783,215	870,571
City Assessor	489,741	528,146	597,496	574,872	561,367
City Attorney	201,041	226,076	226,728	226,728	226,728
City Clerk	380,185	336,339	409,137	407,220	435,223
Human Resources	751,406	772,054	953,587	948,355	594,077
Purchasing	127,866	132,688	136,535	151,385	105,745
Parks & Recreation	2,281,025	2,321,334	2,525,410	2,458,568	2,680,745
Police Department	8,146,812	8,248,029	8,766,466	8,741,905	9,017,112
Fire Department	4,237,307	4,274,752	4,806,008	4,737,861	4,930,940
Community Development	1,006,951	1,010,239	1,131,952	1,120,035	1,203,090
Street Lighting	482,287	535,454	589,549	565,000	519,650
Transfers Out	2,358,220	2,629,636	1,829,000	1,829,000	2,450,000
Total Expenditures	<u>22,629,772</u>	<u>23,066,188</u>	<u>24,489,466</u>	<u>24,148,815</u>	<u>25,234,419</u>

Additional information is available in the respective detailed departmental budgets.

GENERAL FUND UNRESERVED FUND BALANCE
As a % of Combined General Fund Expenditures + Interfund Transfers



Formula:

$$\left[\frac{\text{(Unreserved Fund Balance)}}{\text{((Expenditures) + (Inter-fund Transfers))}} \right] \times 100$$

Note: Fund balance is the difference between the cumulative revenues and cumulative expenditures of the fund since its inception. The unreserved fund balance is that portion of the fund balance which is not legally set aside for a specific purpose.

Description:

Although positive fund balances can also be thought of as reserves, the fund balance on a local government's annual report is not always synonymous with "available for appropriation." The size of a local government's fund balance affects its ability to withstand unforeseen financial emergencies. Fund balance is an indicator of financial soundness. It provides a hedge against inflation and a reserve for emergencies. In 2014, the City Council adopted a resolution of intent to maintain the fund balance in the General Fund at a level of 24 percent of general fund expenditures plus inter-fund transfers. To achieve top bond ratings, Standard & Poors requires an available fund balance as a percentage of expenditures to exceed 15 percent. The Government Finance Officers Association recommends, at a minimum, that general-purpose governments incorporate in its financial policies that unrestricted fund balance in their general fund be no less than two months of regular general fund operating revenues or expenditures, which equates to 17 percent. However, the adequacy of unrestricted fund balance in the general fund should be assessed based upon a government's specific circumstances. Given the likelihood of significant loss of tax revenue when personal property is removed from the tax base, 24 percent is required for the ability to cope with the loss.

Analysis:

Since 2009/10, the fund balance of the General Fund has remained above the level prescribed by the City Council.

GENERAL FUND - OVERVIEW

The General Fund accounts for governmental activities that are not reported in other funds. In the City of Portage these functions include the Legislative, Administration, Parks and Recreation, Police, Fire, Community Development and Portage Senior Center activities.

Budget Overview: Public safety expenditures account for 60 percent of the total General Fund operating expenditures, which reflects the City's commitment to providing quality services. In addition to this commitment, and furthering Council's mission statement of 'promoting the highest level of quality of life in all aspects for all residents', the next highest General Fund expenditure category is Parks and Recreation (including Senior Citizen Services) at 12 percent of the budget.

The estimated fund balance at June 30, 2015 is at least 24 percent of fund expenditures.

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Amended Budget	2014-2015 Adopted Budget	2015-2016 Admin Recommend
REVENUE:					
Property taxes	15,809,073	15,563,371	15,677,100	15,677,100	16,192,200
Fees and permits	783,962	673,380	523,900	523,900	667,900
Federal revenue	79,094	58,839	1,000	1,000	1,000
State revenue	23,341	9,864	22,000	22,000	8,000
State shared revenue	3,655,738	3,752,809	3,881,220	3,881,220	3,972,124
Other grants	12,465	11,060	21,644	13,000	22,000
Charges for services	1,644,393	1,623,702	1,611,100	1,611,100	1,448,030
Interest and rents	150,042	310,501	272,100	272,100	293,000
Other revenue	558,490	565,489	503,810	492,820	888,760
Transfers In	123,724	34,000	3,500	3,500	4,000
TOTAL REVENUE	22,840,322	22,603,015	22,517,374	22,497,740	23,497,014
EXPENDITURES:					
Personnel Services	15,441,067	15,165,150	16,268,159	16,348,063	16,503,930
Operations & Maintenance	2,979,122	3,230,118	4,151,101	3,778,650	4,013,764
Administrative Charges	1,851,363	1,961,631	2,087,902	2,087,902	2,090,000
Capital Outlay	-	79,653	153,304	105,200	176,725
Transfers Out	2,358,220	2,629,636	1,829,000	1,829,000	2,450,000
TOTAL EXPENDITURES	22,629,772	23,066,188	24,489,466	24,148,815	25,234,419

RECREATION - SWIMMING PROGRAM 101-2886

This program accounts for the costs associated with Ramona Park beach and gatehouse operation. Participation numbers and program expenditures are influenced by the weather and lake water levels.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Beach visitations	31,253	35,000	35,000
Daily beach permits	5,372	6,000	5,500
Annual beach permits	702	800	700

	<u>2012-2013 Actuals</u>	<u>2013-2014 Actuals</u>	<u>2014-2015 Amended Budget</u>	<u>2014-2015 Adopted Budget</u>	<u>2015-2016 Admin Recommend</u>
EXPENDITURES:					
Personnel Services	40,251	27,509	24,861	24,861	48,139
Operations & Maintenance	7,790	9,013	35,375	34,400	11,350
TOTAL EXPENDITURES	<u>48,041</u>	<u>36,522</u>	<u>60,236</u>	<u>59,261</u>	<u>59,489</u>

RECREATION – SPECIAL EVENTS 101-2887

This program accounts for the costs associated with various City special events which are influenced by the weather. The City has not budgeted for special events since fiscal year 2010-2011 and therefore, service indicators are not applicable at this time.

	<u>2012-2013 Actuals</u>	<u>2013-2014 Actuals</u>	<u>2014-2015 Amended Budget</u>	<u>2014-2015 Adopted Budget</u>	<u>2015-2016 Admin Recommend</u>
EXPENDITURES:					
Personnel Services	-	-	-	-	5,680
Operations & Maintenance	-	-	-	-	8,320
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,000</u>

PUBLIC SAFETY DISPATCH, 101-3030/31/35

This activity accounts for the costs associated with receiving police and fire emergency telephone calls and dispatching the appropriate units. In addition, the Central Communications activity is responsible for processing emergency calls for road and utility problems and referrals after normal hours. The Central Communications staff operates the central communications console, the Computer Aided Dispatch (CAD) system that integrates the Law Enforcement Information Network (LEIN), Secretary of State (SOS) and National Crime Information Center (NCIC) systems with the in-house database.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>
Calls for service (police and fire)	25,718	26,000	26,000
*9-1-1 wireline calls & "other"	5,457	5,500	5,500
9-1-1 cell calls	24,700	24,000	24,000
Warrants processed	1,684	1,600	1,600

*includes VOIP, unknown and ANI Failure calls

DISPATCH / TECHNICAL SERVICES, 101-3030

	<u>2012-2013</u>	<u>2013-2014</u>	<u>2014-2015</u>	<u>2014-2015</u>	<u>2015-2016</u>
	<u>Actuals</u>	<u>Actuals</u>	<u>Amended</u>	<u>Adopted</u>	<u>Admin</u>
			<u>Budget</u>	<u>Budget</u>	<u>Recommend</u>
REVENUE:					
State revenue	13,882	-	14,000	14,000	-
Other revenue	-	-	-	-	18,000
TOTAL REVENUE	13,882	-	14,000	14,000	18,000
EXPENDITURES:					
Personnel Services	643,786	686,846	742,240	742,240	706,414
Operations & Maintenance	194,628	242,784	206,127	206,127	209,472
TOTAL EXPENDITURES	838,414	929,630	948,367	948,367	915,886

SIGNALS AND CROSSINGS, 202-4226

This program consists of contractual cost sharing with Kalamazoo County Road Commission and MDOT for the operation and maintenance of shared traffic signal devices on the major road system, as well as contractual service agreements on traffic signals throughout the City.

<u>Service Indicators</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Budget Year</u>		
Signal locations shared with:					
Kalamazoo County Road Commission	5	5	5		
Michigan Department of Transportation	4	4	4		
	<u>2012-2013 Actuals</u>	<u>2013-2014 Actuals</u>	<u>2014-2015 Amended Budget</u>	<u>2014-2015 Adopted Budget</u>	<u>2015-2016 Admin Recommend</u>
EXPENDITURES:					
Operations & Maintenance	137,723	160,676	183,700	183,700	208,100
Capital Outlay	-	-	-	-	20,000
TOTAL EXPENDITURES	<u>137,723</u>	<u>160,676</u>	<u>183,700</u>	<u>183,700</u>	<u>228,100</u>

ROADSIDE MAINTENANCE, 202-4228

This program primarily consists of roadside mowing - mowing, trimming, etc. along all major streets and intersections to maximize visibility and appearance. These costs have been segregated to enhance accountability for the use of State of Michigan METRO funds. METRO funds must be expended "...solely for rights-of-way related purposes..." (PA 48 of 2002).

	<u>2012-2013 Actuals</u>	<u>2013-2014 Actuals</u>	<u>2014-2015 Amended Budget</u>	<u>2014-2015 Adopted Budget</u>	<u>2015-2016 Admin Recommend</u>
EXPENDITURES:					
Operations & Maintenance	291,788	209,150	227,000	223,400	252,650
TOTAL EXPENDITURES	<u>291,788</u>	<u>209,150</u>	<u>227,000</u>	<u>223,400</u>	<u>252,650</u>

TRANSFERS OUT, 202-9610

Inter-fund transfers are as follows: To the Capital Improvement Fund for Major Street related expenditures, \$936,000; a transfer to the Sewer Fund for a share of the street sweeping costs, \$23,000.

	<u>2012-2013 Actuals</u>	<u>2013-2014 Actuals</u>	<u>2014-2015 Amended Budget</u>	<u>2014-2015 Adopted Budget</u>	<u>2015-2016 Admin Recommend</u>
EXPENDITURES:					
Transfers Out	1,132,267	1,092,000	1,700,000	1,500,000	959,000
TOTAL EXPENDITURES	<u>1,132,267</u>	<u>1,092,000</u>	<u>1,700,000</u>	<u>1,500,000</u>	<u>959,000</u>

LEAF PICKUP/SPRING CLEANUP FUND

This fund is now part of the Department of Parks, Recreation and Public Services.

This fund accounts for the costs associated with the Fall Leaf Pickup, Leaf/Branch Removal/Management, Spring Cleanup and Quarterly Brush Pickup programs.

Goals and Objectives: The Leaf Pickup/Spring Cleanup budget supports the following goals and objectives.

<u>Activity/Program</u>	<u>Description</u>	<u>Goal/Objective</u>
Administration	All programs	<i>Community Development</i> Promote quality of life
		<i>Service Delivery</i> Evaluate service provision options
		<i>Financial Health</i> Maintain financial health

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Amended Budget	2014-2015 Adopted Budget	2015-2016 Admin Recommend
REVENUE:					
Property taxes	792,737	674,551	680,000	680,000	702,000
Interest and rents	105	2,261	1,600	1,600	1,500
Other revenue	-	311	-	-	-
TOTAL REVENUE	792,842	677,123	681,600	681,600	703,500
EXPENDITURES:					
Personnel Services	95,069	64,442	84,367	64,367	85,919
Operations & Maintenance	470,772	510,271	504,755	519,455	492,680
Administrative Charges	150,998	134,708	85,746	91,046	139,207
Transfers Out	19,862	19,862	-	-	-
TOTAL EXPENDITURES	736,701	729,283	674,868	674,868	717,806

The responsibilities of the various activities are outlined as follows.

CDBG FUND, continued

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Amended Budget	2014-2015 Adopted Budget	2015-2016 Admin Recommend
REVENUE:					
Federal revenue	187,388	150,862	378,815	218,672	221,442
Transfers In	-	48,374	-	-	-
TOTAL REVENUE	187,388	199,236	378,815	218,672	221,442
EXPENDITURES:					
Personnel Services	110,624	111,538	121,895	121,895	153,855
Operations & Maintenance	76,764	87,699	257,420	96,777	67,587
TOTAL EXPENDITURES	187,388	199,237	379,315	218,672	221,442

The responsibilities of the various activities are outlined as follows.

HUMAN SERVICES, 296-6624

These funds were awarded to the Portage Community Center, which is a primary provider of human service related activities within the City of Portage.

	2012-2013 Actuals	2013-2014 Actuals	2014-2015 Amended Budget	2014-2015 Adopted Budget	2015-2016 Admin Recommend
EXPENDITURES:					
Operations & Maintenance	36,000	34,844	37,972	37,972	42,510
TOTAL EXPENDITURES	36,000	34,844	37,972	37,972	42,510

APPENDIX A

CITY of PORTAGE
 Contributions to Outside Agencies
 Fiscal Year 2015-2016

	2014-2015 Original Budget	2015-2016 Agency Request	2015-2016 Admin Recommend
General Fund			
Legislative:			
Michigan Municipal League	9,100	9,100	9,100
	<u>9,100</u>	<u>9,100</u>	<u>9,100</u>
Human Services:			
Portage Community Center	83,535	100,000	80,475
YWCA	8,915	8,915	11,130
Housing Resources, Inc.	18,110	20,000	19,780
Catholic Charities (Ark)	9,433	11,137	11,100
Gryphon Place	2,077	7,000	2,340
Goodwill Industries	1,020	0	0
Kalamazoo Anti-Human Trafficking Coalition	0	2,500	800
	<u>123,090</u>	<u>149,552</u>	<u>125,625</u>
Parks:			
Kalamazoo in Bloom, Inc.	6,000	6,000	6,000
	<u>138,190</u>	<u>164,652</u>	<u>140,725</u>
Other Funds			
CDBG Fund:			
Portage Community Center	37,972	35,000	42,510
	<u>176,162</u>	<u>199,652</u>	<u>183,235</u>
Total, All Funds	<u>176,162</u>	<u>199,652</u>	<u>183,235</u>

APPENDIX F

City of Portage - Capital Outlay
Fiscal Year Ending June 30, 2016

General Fund

Police

Scheduled replacement of Tasers	8,900
Scheduled replacement of old protective vests	8,800
Fingerprint dusting station for police lab	3,700
Fuming hood replacement for lab	9,800
Ducted fume hood for lab	2,300
Solar powered speed monitoring trailers	4,000
New lab tech cameras	7,300
	<hr/>

44,800

Fire

Range and hood for Station #1 kitchen	4,500
Replace mobile air cart for SAR system	6,500
Replace 12 100' SAR hoses	5,500
Fire hose storage cart	3,200
Extrication shoring and stabilization (2)	13,250
Technical Rescue - annual hardware and software updates	5,000
Replacement of 4 Automated External Defibrillators	14,900
SCBA packs and spare bottles (6)	47,625
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100,475

Parks

Bicycle racks for parks	5,000
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General Public Services

Austin Lake Assessment	3,750
New street lights	7,700
LED upgrades	10,000
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21,450

Senior Center

Table replacement	5,000
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Total General Fund

176,725

APPENDIX F

City of Portage - Capital Outlay
Fiscal Year Ending June 30, 2016, continued

Equipment Fund		
Building Services hybrid sedans, replace two '00 Chevys w/ 93,500 mi	44,000	
Parks maintenance van, replace '01 Chevy van w/ 90,000 mi	24,000	
Parks pickups, replace two '02 Chevys w/ 122,000+ mi	54,000	
Streets skid steer, replace '99 New Holland w/ unknown hours	48,000	
Streets front end loader, replace Hyundai w/ 9600 hours	136,000	
Mini Excavator (Bob Cat), replace backhoe	58,000	
		364,000
Major Streets Fund		
Replacement of backup batteries		20,000
Cable TV Fund		
Cable Access equipment management with PMN	75,000	
Unified messaging (Jabber)	20,000	
Intranet site rebuild	5,000	
Internet site rebuild	50,000	
Centralized storage	50,000	
Various hardware & software replacements & upgrades	20,000	
City Wi-Fi components	10,000	
		230,000
Sewer Fund		
Lift station rehabilitation	75,000	
Electrical updates	15,000	
Landscaping	10,000	
Manhole reconstruction	50,000	
		150,000
Water Fund		
Brush removal	40,000	
Sediment removal	20,000	
Fence replacements	20,000	
		80,000
CDBG Program Income Fund		
Sidewalk improvements	50,000	
Unsafe structure demolition	10,000	
		60,000
Total Capital Outlay Requested		1,080,725

RESOLUTION TO ADOPT A MILLAGE RATE ABOVE THE BASE TAX RATE
AS DEFINED BY PUBLIC ACT 5 OF 1982
FOR FISCAL YEAR JULY 1, 2014 to JUNE 30, 2015

Moved by Urban
Supported by Reid

WHEREAS, Public Act 5 of 1982 requires that any millage rate above the base tax rate as defined by Public Act 5 of 1982, be adopted by a separate resolution of the City Council;

NOW, THEREFORE, BE IT RESOLVED that a millage of not to exceed 0.0789 mills over the base tax rate as defined by Public Act 5 of 1982 for the fiscal year ending June 30, 2015 be levied on all real and personal property in the City for the fiscal year beginning July 1, 2014 and ending June 30, 2015.

BE IT FURTHER RESOLVED that should the City be notified by the State of Michigan that the applicable provisions of State Law require the City to levy a lower millage over the base rate, the City Assessor shall only levy the smaller amount above the base tax rate.

YES: Ansari, Ford, Pearson, Randall, Reid, Strazdas, Urban
NO: None.
ABSENT: None.


James R. Hudson, City Clerk

CERTIFICATION

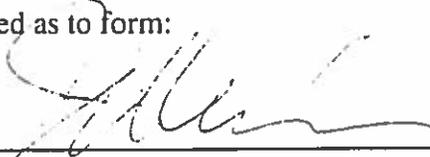
STATE OF MICHIGAN)
)SS
COUNTY OF KALAMAZOO)

I, the undersigned, the duly qualified and acting City Clerk of the City of Portage, Kalamazoo County, Michigan, do hereby certify that the foregoing is a true and complete copy of a resolution adopted at a regular meeting of the City Council of said City, held on the 13th day of May, 2014, the original of which resolution is on file in my office.

IN WITNESS WHEREOF, I have hereunto affixed my official signature this 13th day of May, 2014.


James R. Hudson, City Clerk

Approved as to form:



John R. Axe, Axe and Ecklund PC

TO: Honorable Mayor and City Council

FROM: Laurence Shaffer, City Manager



SUBJECT: Professional Services Contract – School Crossing Guards

SUPPORTING PERSONNEL: Richard White, Director of Public Safety - Police/Fire Chief

ACTION RECOMMENDED: That City Council approve a professional services contract with All City Management Services, Inc. for school crossing guards for a two-year period in the amount of \$56,084.40 annually and authorize the City Manager to execute all documents related to the contract.

The Michigan Vehicle Code gives the City of Portage authority to establish school crossings for the safety of school children. The locations of the crossings are determined by a joint review process identified by the vehicle code involving the Traffic Engineer, Department of Public Safety and the school district. Traffic studies are conducted on a regular basis and have identified nine crossings to be staffed by a crossing guard. These posts are staffed with morning and afternoon assignments.

During the last several years, the city has found it increasingly difficult to maintain a staffing level sufficient for all nine crossing locations. Sworn police officers and other staff have been used to cover posts, which is an ineffective use of valuable resources. A private vendor can provide school crossing services and eliminate the administrative duties associated with this service. Vendors guarantee coverage of all crossings.

A good faith review of available sources indicated two nationwide providers of this service: Park, Inc. quoted an annual price for these services of \$78,800 and All City Management Services quoted an annual price of \$56,084. All City Management Services specializes in the professional service of providing school crossing guards. Two other local municipalities currently contract with All City Management Services: the City of Wyoming and the City of Grand Rapids. Both municipalities reported success with All City Management Services and recommended the company's services to the City of Portage. Therefore, it is recommended that Council approve a professional services contract with All City Management Services, Inc. to provide school crossing guards for a two-year period beginning with school year 2015-2016 in the amount of \$56,084 annually and authorize the City Manager to execute all documents related to the contract.

FUNDING: Funds have been budgeted in the FY 2015-2016 Police Division operational budget for this expenditure.

TO: Honorable Mayor and City Council

FROM: Laurence Shaffer, City Manager



SUBJECT: Equipping of Three Police Patrol Vehicles

SUPPORTING PERSONNEL: Richard J. White, Public Safety Director – Police/Fire Chief

ACTION RECOMMENDED: That City Council approve the expenditure of an amount not to exceed \$30,000 for services to outfit three Chevrolet Caprice vehicles as police patrol vehicles by Emergency Vehicle Products, a sole source vendor.

The FY 2014-2015 Capital Improvement Program budget included the purchase of several vehicles for the Department of Public Safety Police Division. As part of this project, three Chevrolet Caprice vehicles were purchased in October 2014 and must be equipped with radios, emergency lights, siren, mobile video recorders, laptop computers, citation printers and numerous other items.

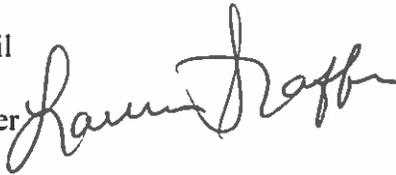
A good faith review of available vendors revealed that Emergency Vehicle Products is the sole source provider for these services. Emergency Vehicle Products is the only vendor found who is an authorized installer of the Arbitrator 360 video and Panasonic computer systems. Therefore, it is recommended that City Council approve the expenditure of an amount not to exceed \$30,000 for services to outfit three Chevrolet Caprice vehicles as police patrol vehicles by Emergency Vehicle Products, a sole source vendor.

FUNDING: Funds are available in the FY 2014-2015 Police Division operational budget to cover this expense.

Attachments: N/A

TO: Honorable Mayor and City Council

FROM: Laurence Shaffer, City Manager



SUBJECT: Contract Renewal – State Systems Radio

SUPPORTING PERSONNEL: Richard J. White, Public Safety Director – Police/Fire Chief

ACTION RECOMMENDED: That City Council renew a contract to lease space on radio towers from State Systems Radio, Inc. for a period of five years with a monthly lease payment of \$1,420 for the first year and a three percent annual increase thereafter, and authorize the City Manager to execute all documents related to the contract.

State Systems Radio, Inc. owns and operates a radio tower located at 1723 Romence Road. The Portage Department of Public Safety has rented space on this tower for a number of antennas for the public safety communications system since May of 2004. The decision to rent this space was predicated on the age and antenna load on two towers located at the Police Division headquarters, which was insufficient for communication needs. Renting this space from State Systems Radio eliminated the need for the Public Safety Department to construct new towers at substantial cost.

State Systems Radio has continued to meet the requirements of the current contract, which expired on April 30, 2015. State Systems Radio has agreed to a five-year contract renewal at an 11 percent increase in cost for the first year over the current year contract costs. It is recommended that the contract renewal to lease space from State Systems Radio be adopted and the City Manager be authorized to execute all documents related to the contract.

FUNDING: Funds have been programmed in the FY 2015-2016 Police Division operational budget for this contract.

Attachments: Lease Agreement



State Systems Radio

5066 S. SPRINKLE ROAD, PORTAGE, MI 49002
269-349-1935

April 3, 2015

Ms Tory Rose
Portage Public Safety
7810 Shaver Rd
Portage MI 49024

Dear Ms Rose,

Enclosed please find the lease agreement for the space on the tower site at 1723 Romence Rd. The monthly lease payment will be \$1420.00 with a 3% yearly increase on the anniversary. The lease term is for 5 years with one 5 year renewal.

Please let me know if you have any questions.

Thank you,

Charles Agosti
President

LEASE AGREEMENT

This Lease is entered into and made this _____ day of _____, 2015 by and between STATE SYSTEMS RADIO, INC, (hereinafter referred to as "Lessor" and City of Portage, Michigan, (hereinafter referred to as "Tenant").

Recitals

Whereas, Lessor owns and operates a radio tower located at 1723 Romence Road, at the geographic coordinates North Latitude 42-12-55 West Longitude 85-36-37 and FCC Reg. No. 1005423 (hereinafter referred to as "the Tower"); and

Whereas, Lessor owns and operates an enclosure, constructed adjacent to the Tower for the housing and operation of telecommunications equipment (hereinafter referred to as "the Enclosure"); and

Whereas Lessor owns and leases to others the real property upon which the Tower and the Enclosure are located (hereinafter collectively referred to as "the Premises"); and

Whereas Tenant desires to lease space on the Premises, including exclusive space within the shared Enclosure and upon the Tower for the operation of public safety radio, receive and transmission equipment and the mounting of 4 primary antennas for the operation of the station ; and

Therefore, the Parties hereby enter into this Lease, intending to be legally bound to al of the terms and conditions stated herein.

Terms and Conditions

I. SPACE: Tenant hereby agrees to lease such space as is necessary to operate its transmitting and receiving equipment within the Enclosure. Tenant hereby leases space on the Tower for the mounting of its antennas to be used in association with its transmission/receive equipment, with the position of said antennas to be mounted as follows: three (3) VHF transmit/receive antennas at the one hundred fifty (150) foot level A.G.L. and one (1) VHF receive antenna at the two hundred and twenty (220) foot A.G.L. level. Tenant further leases use of 10 x 20 x 8 foot insulated air conditioned building in the associated Enclosure which shall be constructed, maintained, repaired and kept in a good and safe condition by the Lessor at its own expense.

A Tenant shall bear all costs arising in the construction and operation of its telecommunications equipment, without limitation. The Lessor will bear the costs of obtaining any and all electrical power to be employed by Tenant for the operation of same, in addition, an automatic stand-by power generator will be provided and maintained by Lessor.

B. All equipment and hardware provided by Tenant and related to Tenant's use of the Premises shall be the sole and exclusive property of Tenant, regardless of whether such equipment and hardware is attached or affixed to the Premises.

C. Tenant agrees that no portion of the Premises shall be used as an office or residence during the term of the lease, or for any purpose other than that specifically described herein.

D. During the term of this Lease, Tenant shall use the site solely to install and operate its transmitting and receiving equipment including, but not limited to, radio fixtures and related equipment, cable accessories and improvements along with other electronic equipment which may be active or passive (equipment). Tenant may further use the site for the following:

- i. Transmission and reception of communication signals.
- ii. To construct, install, operate, maintain, repair, replace, protect and secure its equipment including the right to place antennas and cabling on the tower.
- iii. To use and occupy the enclosure and building and to perform such work on the enclosure and building necessary to the success and secure operation of the above equipment
- iv. Any activities related to the foregoing.
- v. Install and operate transmission cable from the enclosure to the antennas, electric lines from the main feed to the enclosure and telephone lines from the main telephone entry point to the enclosure.
- vi. To erect, construct or make improvements, alterations or additions appropriate for Tenant's use and for no other purpose or purposes unless Lessor has given prior written consent which may not be unreasonably refused.

E. Tenant shall, at its own expense, maintain all equipment and other personal property installed upon the premises by Tenant in good working order, condition and repair. Title of all of Tenant's equipment shall be held by Tenant. All of Tenant's equipment shall remain Tenant's personal property and are not fixtures. The parties shall also keep the premises free of any debris and anything of a dangerous, obnoxious or offensive nature of which could create a hazard or undue vibration, heat, noise or interference.

F. Lessor shall maintain the premises so as not to interfere with Tenant's use of the premises and rights under this Lease.

II. RENTS: Tenant agrees to pay to Lessor rents equal to One Thousand four hundred twenty dollars (\$1420.00) per month, commencing on the date first shown above (hereinafter referred to as "the Commencement Date"). Commencing on the anniversary

of the Commencement Date and on each anniversary date thereafter, including renewal periods, rents shall be increased by an amount equal to three percent (3%) of the immediately preceding monthly rent.

A. All rent payments for a portion of any month shall be charged and paid on a pro rata basis.

B. All rent payments shall be made in advance and in a timely manner on the first day of each calendar month during the term of this Agreement, time being of the essence. Tenant's obligation to pay rents is not subject to objection, offset or escrow for any purpose and all rents paid shall become the sole and exclusive property of Lessor, not subject to refund for any purpose.

C. Tenant's failure to make timely rent payments, such that any payment is more than ten (10) days past due, shall create in Lessor the right to charge and receive from Tenant late fees in an amount equal to Fifty Dollars (\$50.00) or the greatest amount allowed by law, whichever is less. Tenant's failure to make timely rent payments, such that any payment is more than sixty (60) days past due, shall be deemed a material breach of this Agreement, which breach shall entitle Lessor, in addition to all other remedies contained herein (including termination of this Agreement), to charge and collect from Tenant an amount equal to six (6) months rent as liquidated damages, provided, however, Lessor shall provide to Tenant ten (10) days' prior written notice of such breach and allow Tenant to cure within such time.

III. TERM: This lease shall be deemed binding upon its execution. The term of this Lease shall be for a period equal to five (5) years beyond the Commencement Date. In the event that Tenant has not breached the terms of this Lease, this Lease may, at the sole option of Tenant, be renewed for one (1) additional five (5) year term. This Lease will renew automatically in the event that either party does not notify the other party in writing of its intent to terminate the Lease at the end of the then-current term at least ninety (90) days prior to the expiration date.

IV TERMINATION: Tenant agrees that the Premises are suitable for its intended occupancy and use, however in the event that due to Acts of God, riot, legislative action or rule, act of war, or other circumstances which are outside of the reasonable control and expectation of Tenant, Tenant is unable to use the Premises to produce a suitable radio signal, Tenant may declare this Lease terminated. Any such declaration by Tenant must be in writing, specifically setting forth the reasons and factual and/or technical support for such declaration, including a promise to vacate the Premises within thirty (30) days following the date of such declaration.

A. Tenant shall employ its reasonable best efforts to obtain all permits and authority to enable it to construct and operate its equipment at the Premises and hereby warrants that it shall timely prosecute any applications and associated requests before any forum, court or agency to obtain any and all such authority or

permits. Following grant of any such permit or authority, Tenant agrees and warrants that it will timely renew and diligently defend all such authority. During the time that Tenant occupies the Premises Tenant warrants that its operation of telecommunications equipment shall be in strict accord with all laws, statutes, rules and regulations for any and all relevant forums and agencies having jurisdiction over same except as provided herein. Tenant's failure to act in accord with the foregoing shall result in a breach of this Lease.

B. Lessor does not warrant that Tenant's intended use of the Premises shall result in profits, revenue or economic advantage of any kind to Tenant and Tenant may not terminate this Lease based on any economic results of Tenant's decision to enter into this Lease or occupy the Premises.

C. In the event that the Premises are taken by eminent domain, this Lease shall terminate as of the date title to the premises vests in the condemning authority. In the event a portion of the premises is taken by eminent domain so as to materially hinder effective use of the premises by Tenant, either party shall have the right to terminate this lease as of said date of title transfer by giving thirty (30) days written notice to the other party. In the event of any taking under the power of eminent domain, Tenant shall not be entitled to any portion of the award paid for the taking and the Lessor shall receive full amount of such award. Tenant shall hereby expressly waive any right to claim to any portion thereof although all damages, whether awarded as compensation for diminution in value of the leasehold or to the fee of the premises, shall belong to Lessor. Tenant shall have the right to claim and recover from the condemning authority, but not from Lessor, such compensation as may be separately awarded or recoverable by Tenant on account of any and all damage to Tenant's business and costs or expenses incurred by Tenant in moving/removing its equipment, personal property and leasehold improvement.

D. In the event that this Lease is terminated for any reason, Tenant shall immediately remove all of its personal property from the Premises, returning the Premises to the condition in which they were prior to Tenant's occupancy, reasonable wear and tear excepted. Tenant shall remove all of its equipment within thirty (30) days after expiration of the Lease and failure to do so, shall entitle Lessor to charge Tenant for storage of Tenant's equipment at a rate equal to one hundred fifty dollars (\$150.00) per day for each day that Tenant's equipment is located upon the Premises, commencing on the date of expiration unless any action, omission, or negligence of Lessor or its agents has caused or impeded removal of the equipment. Tenant shall be entitled to an additional ten (10) day period for removal of equipment, without obligation to pay storage fees, in the event that the reason for termination is outside of Tenant's control and is not reasonably foreseeable by Tenant. Equipment deemed stored hereunder shall not be entitled to the receipt of electrical power for operation.

E. Notwithstanding either party's remedies available in law or equity, either party may terminate this Lease if either party is in material breach of the terms and conditions stated herein, provided, however, that the non-breaching party shall first provide breaching party written notice of any such breach and provide thirty (30) days notice from the date of making such notification to cure such breach, including without limitation the following:

1. Either party shall be deemed to have materially breached this Lease if it is adjudged insolvent, files for bankruptcy protection, is placed involuntarily within bankruptcy, or a receiver is appointed to manage the business of the party.
2. Either party shall be deemed to have materially breached this lease if that party causes any lien or encumbrance to be placed upon the Premises or any personal property constructed, stored or operated thereon, which lien impedes the use of the Premises by the other party or third party tenants.
3. Either party shall be deemed to have materially breached this lease if due to the other party's negligence or willful misconduct, it fails to maintain any and all permits and authority necessary lawfully to continue to occupy the Premises and operate telecommunications equipment thereon.
4. Tenant shall be deemed to have materially breached this lease if Tenant fails to make timely and complete rent payments and all other payments required by the terms contained herein, including without limitation, insurance premiums.

F. In the event Lessor determines to abandon its current use of the tower for reasons other than casualty, this Lease may be terminated by Tenant at Tenant's discretion. Tenant shall not be obligated to make any further payment in this event. Further, Tenant may terminate this Lease without further liability if an FCC ruling or regulation renders the tower unusable for purposes under the Lease

G. If Tenant deems it necessary due to requirements of Tenant's communication operations, zoning regulations, potential claims or lawsuits brought by third parties as a result of this Lease or findings by a governmental agency that there are health risks associated with wireless communication systems, Tenant may terminate this Lease without further liability to Lessor by giving Lessor thirty (30) days prior written notice of the termination.

H. If the Tower or Tenant's antenna facility is totally destroyed or damaged so as to materially hinder effective use of the tower by Tenant, Tenant may elect to terminate this Lease by giving written notice of the termination to the Lessor

within thirty (30) days after discovering such destruction or damage, in which event Tenant shall have no further liability to Lessor. If Lessor elects to restore or reconstruct the property and/or tower and Tenant has not elected to terminate this Lease within the time provided, the rent shall be abated until the property or tower has been repaired or reconstructed to a usable condition.

I. In the event tenant is unable to obtain (or same is revoked) any required license permit or approval which may be required for the construction, operation of Tenant's installation or tenant's use of the premises is no longer consistent with the operation of Tenant's communications network based upon either technical or economic considerations, including interference, Tenant may terminate this agreement without further obligation or liability to Lessor.

V. INDEMNIFICATION:

A. Disclaimer of liability. Tenant shall not at any time be liable for injury or damage occurring to any person or property from any cause whatsoever arising out of Lessor's construction, maintenance, repair, use, operation, condition or dismantling at the Premises, unless such injury or damage is caused by the acts, omissions or sole negligence of Tenant. In addition, Tenant shall not be liable for indirect, special, incidental or consequential damages, including, without limitation, loss or profits, income of business opportunities to Lessor unless such injury or damage is caused by the acts, omissions or sole negligence of Tenant.

B. Indemnification. Lessor and Tenant each agree to indemnify and hold harmless the other party from and against any and all claims, damages, liabilities, obligations, costs and expenses, (including, without limitation, reasonable attorney fees), actions and causes of action (collectively "claims") to the extent caused by or arising out of (a) the negligent acts or omissions or willful misconduct in the operations or activities on the premises by the indemnifying party or the employees, agents, contractors, licensees, Tenants and/or subtenants of the indemnifying party, (b) the construction, installation, operation, maintenance use or condition of the premises; (c) the failure to comply with any federal or state statute or regulation and (d) a breach of any obligation of the indemnifying party under this Lease.

C. Any and all liabilities, obligations, damages, penalties, claims, liens, costs, charges, losses and expenses (including, without limitation, reasonable fees and expenses of attorneys, expert witnesses and other consultants), which are imposed upon, incurred by or asserted against the Tenant by reason of any claim or lien arising out of work, labor, materials or supplies provided or supplied to Lessor, its contractor or sub-contractors for the installation, construction, operation, maintenance or use of the premises, upon the written request of Tenant, Lessor shall cause such claim or lien covering Lessor's property to be discharged or bonded within thirty (30) days following such request.

D. Lessor shall indemnify and hold harmless Tenant, its agents, officers, employees and contractors from and against any loss of liabilities, claims, damages, payments, actions, recovery, settlements, judgments, orders, costs, attorney fees, penalties, fines, encumbrances and liens arising out of the presence on or beneath Lessor's land and the ground water underlying such land of contaminants, hazardous waste, hazardous substances or constituents or toxic substances as currently are hereinafter defined in CERCLA RCRA TSCA NREPA or any other similar existing or future statutes caused by the acts or omissions of Lessor or the Lessor's violation or alleged violation of any federal, state or local law related directly or indirectly to its use of Lessor's land. Neither Lessor nor Tenant will generate any hazardous substances on or about the Site except in compliance with applicable hazardous substance laws.

E. Notwithstanding the preceding paragraphs of this section, the indemnification, hold harmless and reimbursement obligations shall not extend to (i) Claims arising out of the willful misconduct or gross negligence of the indemnified party or (ii) indirect, special, incidental or consequential damages, including, without limitation, loss or profits, income or business opportunities to the indemnified party (including Lessor's Users).

F. The Parties agree that no claim shall be made against each other for any loss or damage which is covered by any insurance policy described herein and that all such claims shall be satisfied solely from any insurance proceeds available therefrom.

G. Under no circumstances shall Lessor be liable to Tenant and Tenant shall indemnify Lessor from any and all claims of economic loss or loss profits arising out of Tenant's inability to transmit or receive a suitable radio signal to or from the Premises.

VI. Insurance. Tenant shall obtain and maintain during the term of this Lease comprehensive public liability and property damage insurance in an amount equal to One Million Dollars (\$1,000,000.00) from an insurance company legally qualified to do business in the State of Michigan, covering Tenant's equipment, operations and activities on the Premises, naming Lessor as an additional insured. Upon reasonable demand by Lessor, certificates of insurance demonstrating Tenant's compliance with this Section VI shall be delivered to Lessor by Tenant.

A. Tenant shall obtain and maintain Worker's Compensation Insurance for any and all employees used to construct, operate and maintain Tenant's equipment on the Premises.

VII. Maintenance. Tenant shall be solely responsible for maintaining any and all of its equipment, personal property and associated hardware located on the Premises, at no cost to Lessor. Lessor shall be solely responsible for maintaining the Premises, at no additional cost to Tenant, including without limitation all necessary and required

compliance with all painting and lighting regulations promulgated by any federal or local agency or forum. In the event that Tenant, by virtue of its occupancy of the Premises is found to be in violation of any painting or lighting rules regarding the Tower, Lessor agrees to pay for all fines or forfeitures arising out of such finding, provided however, that Tenant shall have defended itself against such finding.

VIII. Access: Tenant shall have a non-exclusive access easement to access the Premises throughout the term of this Lease, including unrestricted ingress to and egress from the Tower, the Enclosure and all portions of the Premises necessary for Tenant's operation and maintenance of its personal property. Nothing contained herein shall be interpreted to be a guarantee that Tenant shall be able to enter the Premise for reasons or impediments outside of Lessor's dominion and/or control. Further, Lessor shall maintain any existing access roadway on the premises from the nearest public roadway to the premises in a manner that is sufficient for pedestrian and vehicular access at all times. Lessor shall be responsible for maintaining and repairing such roadway at its sole expense with the exception of any damage to a roadway caused by Tenant or its agents.

IX. Interference: Lessor shall correct any interference to Tenant's authorized use caused by Lessor or direct Lessor's other tenants to immediately correct any interference to Tenant's authorized use caused by Lessor's other tenants' use of the Premises or any adjoining property owned by Lessor, whether the other tenants' use pre-dated or post-dated Tenant's use.

A. In the event that Tenant's operation is made to suffer electrical interference from Lessor's use or Lessor's other tenants uses which tenants come onto the Premises at a time later than the commencement of Tenant's occupancy and said interference is not corrected within a period of thirty (30) days from the date that written notification of the problem is delivered to Lessor by Tenant , then Tenant shall have the right, as its sole remedy, to terminate this Lease in accord with section IV herein.

B. The telecommunication purposes of Tenant are for public health and safety. The continued, uninterrupted, error free transmission of radio signals for these purposes are paramount. Lessor agrees not to interfere with radio transmission or reception equipment owned or operated by Tenant or to knowingly permit other uses of the tower to do so. Lessor shall be responsible at its own expense to eliminate any such interference caused by its equipment or equipment of other users of the Tower. If Lessor's antenna facilities or other equipment at any time causes interferences to Tenant's telecommunication service operations or equipment, Lessor shall immediately cease operating its communications equipment upon receipt of notice of such interference by Tenant. Any such interference shall be eliminated by the Lessor at its expense in a prompt manner consistent with the nature, extent and effects of the interference. If the interference is disrupting or substantially reducing the continuous nature and required quality of Tenant's public safety communications, the Lessor shall immediately suspend its operations upon receiving written notice from Tenant

until the interference has been eliminated or remedied. If Lessor is unable to eliminate such interference within 48 hours of such written notice or within such other prior of time thereafter as the party may reasonably agree, then tenant may terminate this Agreement and have no further obligation hereunder. If such interference can only be eliminated by modifications to Tenant's equipment and if Tenant agrees to such modifications, Lessor may, at its option, pay for such modifications, including reasonable reimbursement to Tenant for any of Tenant's staff time and overhead as may be associated with the investigation of the cause of the interference and the making of any modifications. Tenant is not obligated to make any changes in its operations or equipment by virtue of this clause until payment in full of all accumulated costs have been paid. In the event Tenant is the cause of interference with Lessor's equipment and Tenant does not eliminate such interference, Lessor may terminate this Agreement.

C. As to other tenants that may have facilities on the tower or who may from time to time co-locate on the tower, Tenant and Lessor recognize the potential for broadcast and electronic interference inherent in multiple use of the tower and the need to cooperate with each other in preventing the occurrence of interference and promptly eliminated, if it occurs to the extent there is no conflict with Lessor's obligation to correct any interference with Tenant's authorized use in IX (A) and (B) above.

i. As used in this Agreement, "interference" shall mean a material impairment of sound, picture or data signals on any broadcasting activity or electronic equipment use as compared with that which would be obtained if no other broadcaster were using or had equipment on the tower different than what existed on the date of this Agreement. To the extent applicable, the existence of interference and procedures for preventing or eliminating it shall be according to rules and regulations of the FCC and the recommended practice of the Electronic Industries Associate (EIA).

ii. Lessor acknowledges that it has expertise, knowledge, experience and resources on the subject of interference and the recommended practices of EIA and the rules and regulations of the FCC. Lessor shall operate and only enter into agreements that will not cause interferences to Tenant, Lessor and other Users who are authorized users of the tower. All operations by Lessor, Tenant and other users shall be in compliance with all FCC requirements.

iii. In order to prevent the occurrence of interference and allow the parties to promptly identify possible sources of interference if it occurs, Lessor and Lessor's other tenants shall provide the other tenant with written notice of the day, time and nature of all equipment placed or work performed on the tower as part of installations, repairs, maintenance, movement or replacement, with technical specifications for all new equipment Except for emergencies or situations that require more

immediate activity, for which no notice is required, the written notice shall be provided at least seven (7) days before the activity.

iv. Lessor shall assure that all users of the tower agree to promptly notify the other of any interference experienced within their respective broadcasting activities believed to be attributable to others, including the date and time it was first experienced and a description of the interference.

v. If interference with Lessor's or other existing users' transmission and reception of communication activities or electronic equipment is caused by a change in Tenant's installations and operations from those which existed on the date of this Agreement, Tenant agrees to immediately cooperate in taking steps to correct the condition causing the interference.

vi. Claims regarding interference and any disagreements regarding the existence and sources of interference shall be resolved consistent with the following general principles or as may be otherwise agreed by the parties involved in the claim or disagreement.

a. Time is of the essence.

b. Interference claimed should be specifically described, and whenever possible, specify the alleged or potential sources and proposed or requested corrective measures.

c. Parties alleged to be causing interferences shall voluntarily implement requested corrections whenever possible, consistent with their analysis of the claim.

d. Unless otherwise stated, users causing interference shall be responsible for the cost of correction.

e. Where requested or suggested corrections are voluntarily implemented and do not correct the interference, the cost of implementation and restoration to the prior condition shall be the responsibility of the party who made the request or suggestions.

f. Where a dispute cannot be resolved, Lessor shall eliminate the interference to Tenant's radio transmissions or reception within 48 hours of its discovery.

X. Construction: Any construction, modification or major repair to be made on the premises which might reasonably disturb the operation of Tenant's telecommunications equipment or operation, shall be performed following written notification to Tenant at least fifteen (15) days prior to the commencement of such activity by Lessor. Lessor

shall bear all costs of such activities including the cost of comprehensive public liability and property damage insurance to cover all such activities. Lessor warrants that Tenant's equipment shall not be removed or repositioned on the Premises, unless Tenant provides prior written approval to Lessor or Tenant is found by a court of competent jurisdiction to have materially breached this Lease.

XI. Assignment: Tenant agrees not to mortgage, assign, or encumber this Lease. Tenant shall not sublet or permit Premises to be used by third parties in any way or for any purpose except as is necessary to assist Tenant in its performance hereunder. Any assignment of Tenant's rights or obligations under this Lease will be deemed ineffective and void, unless made pursuant to Lessor's written consent to such assignment, which consent shall not be unreasonably withheld.

XII. Attorney's Fees: The parties agree that in the event one of the parties brings suit to compel the performance of the other or to seek damages arising out of breach of the terms and conditions stated herein, the prevailing party will be entitled to receive, in addition to all other remedies available in law or equity, repayment for all reasonable attorney's fees and costs borne in bringing or defending said suit.

XIII. Entire Agreement: Including those Exhibits attached hereto and fully incorporated herein, this is the entire agreement between the parties, making void all previous negotiations, agreements, warranties and statements between the parties regarding the subject matter hereof. This agreement may not be modified except in writing, signed by both parties. This agreement may be signed in counterpart, with the effect being as though both parties had signed the same document.

XIV. Waiver: A party's failure to demand performance of any portion of this Lease shall not be deemed a waiver of that portion or a party's duty there under for any purposes.

XV. Exhibits: Tenant warrants that the description of the equipment shown on the Exhibits is accurate and reflects the manufacturer's specification for same. Tenant agrees that during the term of this Lease and any renewal thereof, Tenant will provide to Lessor a current copy of any permit or authorization issued by the Federal Communications Commission for operation of Tenant's radio equipment.

XVI. Governing Law: This agreement shall be governed and interpreted in accord with the laws of the State of Michigan. The Parties agree that the sole and proper venue for bringing any action related to the parties' performance hereunder shall be the court located closest to the Premises, to which the parties agree to submit for personal jurisdiction.

XVII. Other:

A. Emergency Contact. Each party shall identify one or more persons as a 24 hour, seven day a week, 365 days per year as an emergency contact person. The emergency contact information must be updated immediately of an changes.

For Tenant: Dispatch Supervisor
269-329-4567

For Lessor: Charles Agosti 269-349-1935 Days
269-217-4188 Cell
269-232-1639 Pager

B. Nature of Relationship. The nature of the relationship between Tenant and Lessor is governed by this Lease. In no event shall the lease be interpreted to create a partnership or joint venture of any kind. This License shall not be deemed or construed as transferring to Leessor any interest in the personal property of Tenant or any right in the nature of any interest in any personal property of Tenant, in whole or in part, irrespective of any expenditure by Lessor for the preparation or use of the premises.

C. Representations. Tenant and Lessor represent to each other that each has full power and authority to enter into this Lease Agreement in accordance with all of its terms.

D. Notices and Payments. All notices, demands, and payments required by this Agreement shall be delivered personally by overnight delivery service with receipt, or by United States mail, first class, postage pre-paid, and addressed to the appropriate party, with the respective address for each as indicated below. Any party to this Agreement may change their addresses for notice by giving written notice of the change to the others in the manner prescribed by this Section. A party may list up to two addresses to which notices may be sent.

For Tenant: City of Portage City Manager
7900 South Westnedge Ave
Portage MI 49002

With a copy to: City of Portage
Chief of Public Safety
7810 Shaver Rd
Portage MI 49024

For Lessor: State Systems Radio Inc
5066 S Sprinkle Rd
Portage MI 49002

With a copy to: Charles Agosti
1723 Romence Rd
Portage MI 49024

E. Severability. If any provision of this Lease shall be held invalid, illegal, or unenforceable, the remaining provisions shall be binding upon the parties and shall be enforceable as though the invalid, illegal, or unenforceable provision was not there; provided, however, that if the invalid, illegal or unenforceable provision goes to the heart of this Lease, the Lease is terminated.

F. Interpretation. No provision of this Lease is to be interpreted for or against any party because that party or that party's legal representative drafted the provision.

G. Immunity. Lessor acknowledges that Tenant is a municipal corporation and, as such, may have certain immunities to certain laws and local ordinances. To the extent that Tenant may claim immunity or the right to not comply with any such law or ordinance shall not be grounds for a breach of this Lease. Nothing in this Lease shall be interpreted as a waiver of any immunity granted by law to Tenant.

H. Quiet Enjoyment. Lessor covenants and agrees that upon payment by the Tenant of the rent under this Lease and upon the observance and performance of all the covenants, terms and conditions on Tenant's part to be observed and performed, Tenant shall peaceably and quietly hold and enjoy the property, the rights, and privileges granted for the term demised without hindrance or interference by Lessor or any other person, and Lessor shall perform all of its obligations under this Lease.

XVIII. Binding: This Lease shall bind the parties and their heirs, assigns, successors, agents, parent corporation, affiliates, employees and any person seeking anything of value as a result of the existence of this Lease of the parties' performance hereunder.

Wherefore, intending to be legally bound to the foregoing, the parties set forth their signatures below, warranting that the persons so acting on behalf of the parties possess all actual and necessary authority to bind the party which they each represent.

LESSOR:

TENANT:

State Systems Radio Inc

City of Portage

By: Charles Agosti

By: _____

Its: President

Its: _____

TO: Honorable Mayor and City Council

FROM: Laurence Shaffer, City Manager



SUBJECT: ADP Workforce Now Hosted Time and Attendance Services Pricing Agreement

SUPPORTING PERSONNEL: Rob Boulis, Deputy City Manager
Devin Mackinder, Director of Technology Services &
Community Marketing

ACTION RECOMMENDED: That City Council approve the three-year pricing agreement with ADP, Incorporated for electronic time and attendance software and hosting on behalf of the City of Portage at a cost of \$54,772 for the first year, \$34,095 for the second year and \$34,776 for the third year and authorize the City Manager to execute all documents related to the contract on behalf of the city.

The city currently uses a manual, paper-based time and attendance process. Migrating to the ADP automated electronic time and attendance system will improve productivity, increase payroll accuracy and reduce associated paper costs and staff time. The ADP time and attendance system integrates with the ADP payroll module already used by the city.

The year-one cost, which includes implementation, three physical biometric time clocks and training, is \$54,772. The second-year cost which includes software maintenance and data hosting on ADP tier-four secure servers, is \$34,095; and the third-year cost of \$34,776 includes a contractual two percent cost increase. Annual costs may fluctuate slightly as a result of employee count changes. Implementation is expected to take approximately 16-20 weeks, with an expected completion date of fall 2015.

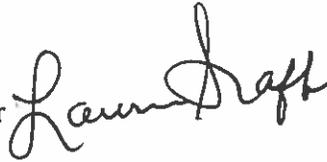
It is recommended that Council accept the three-year pricing agreement with ADP, Incorporated for electronic time and attendance software and hosting on behalf of the City of Portage at a cost of \$54,772 for the first year, \$34,095 for the second year and \$34,776 for the third year and authorize the City Manager to execute all documents related to the contract on behalf of the city.

FUNDING: Funds have been allocated in the Finance Department operating budget in the FY 2015-2016 budget, with the balance to be programmed in future General Fund budgets.

Attachments: None

TO: Honorable Mayor and City Council

FROM: Laurence Shaffer, City Manager



SUBJECT: FY 2015-16 Community Development Block Grant Program

SUPPORTING PERSONNEL: Victoria Georgeau, Director of Community Development

ACTION RECOMMENDED: That City Council approve the Community Development Block Grant (CDBG) Program FY 2015-16 Annual Action Plan element of the Consolidated Plan and authorize the City Manager to submit the application to the Department of Housing and Urban Development.

The fiscal year 2015-16 CDBG budget has been developed based on the 2015-16 annual entitlement, estimated program income and available unexpended funds/program income, which together provide a total CDBG program budget of \$356,442. In addition, the fiscal year 2015-16 Annual Action Plan element of the Consolidated Plan is presented that identifies activities and programs to be funded through the CDBG that fulfill identified community needs as outlined in the fiscal year 2011-2015 Consolidated Plan. The Consolidated Plan and Annual Action Plan element are required in order to apply for certain federal funds, such as the CDBG entitlement program.

The FY 2015-16 Annual Action Plan addresses:

- 1) Owner-occupied housing assistance programs, including housing rehabilitation loans and grants, and a first time homebuyer down payment assistance program;
- 2) Neighborhood improvement activities including code enforcement, sidewalk enhancements and unsafe structure demolition to aid in the prevention and elimination of blight and to promote the quality of low and moderate income neighborhoods throughout the city;
- 3) Human/public service agency activities to assist Portage residents in need; and
- 4) Fair housing activities, including support for the enforcement and education programs of the Fair Housing Center of Southwest Michigan.
- 5) Grant planning activities including an update to the five-year Consolidated Plan and Fair Housing Assessment (also known as Analysis of Impediments to Fair Housing).

FY 2015-16 COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM BUDGET

The proposed FY 2015-16 CDBG Program Budget has been prepared by the City Administration based on funding levels, demonstrated community needs and compliance with federal goals and objectives. As shown in the attached Five-Year Comparative Analysis, the CDBG entitlement grant increased slightly in FY 2015-16 compared to the prior year funding level. The entitlement grant,

anticipated program income for FY 2015-16, together with available unexpended funds/program income is as follows:

FY 2015-16 Revenue

FY 2015-16 Annual Entitlement	\$221,442
FY 2015-16 Estimated Program Income to be Received During Program Year	\$ 35,000
Available Unexpended Funds and/or Program Income Received in Prior Program Years That Exceeded Estimated Program Income	\$100,000
TOTAL FUNDS AVAILABLE	\$356,442

The four key components of the FY 2015-16 CDBG Program Budget are highlighted below. The recommended activities are consistent with the Consolidated Plan and complement General Fund activities:

1. **Housing Programs (\$161,097):** Upgrade of housing stock in the city is recommended as a high priority activity to be continued as the cornerstone of the block grant program. During the life of the program, approximately 530 owner-occupied houses have been rehabilitated. Owner-occupied housing upgrades for FY 2015-16 are accomplished through the:
 - Housing Rehabilitation Program (\$151,097) - Zero or low-interest deferred loans for housing rehabilitation, façade improvements, water/sewer hook-up, accessibility improvements, and Emergency Repair Grants for repairs that are a threat to the health and safety of occupants.
 - Homebuyer Down Payment Assistance Program (\$10,000) - Zero-interest deferred loans for down payment assistance to first-time homebuyers in targeted neighborhoods.

2. **Neighborhood Improvement (\$111,487):** The ongoing effort to maintain and improve low-moderate income neighborhoods is recommended as a high priority activity and remains a vital component of the recommended comprehensive community development strategy. The budget will fund the following activities:
 - Code Enforcement (\$51,487) - Activities include efforts that aid in the prevention and elimination of blight and deterioration. Administration of the Community Quality Code, Housing/Property Maintenance Code, Zoning Code and/or Building Code in low-moderate income neighborhoods will be ongoing throughout the program year.
 - Sidewalk Enhancements (\$50,000) - This activity involves the repair of existing sidewalks in the Lexington Green and Deerfield/Roanoke neighborhoods and on New Hampshire Drive.
 - Unsafe Structure Demolition (\$10,000) - This activity involves the demolition of vacant unsafe structures in low-moderate income neighborhoods. CDBG Program funds will be used when unsafe structures exist on abandoned properties and there is a risk that city expenditures to carry out demolition will not be repaid through liens against the property.

3. **Human/Public Services (\$42,510):** Portage Community Center (PCC) is recommended to receive funding to provide human services identified as a medium priority activity in the Consolidated Plan. Per HUD, the maximum amount of human/public service funding is 15 percent of the annual entitlement grant plus 15 percent of the program income received in the prior program year. For many years the City of Portage has allocated 15 percent of the annual CDBG Program budget toward human/public services to ensure consistency with the intent of the federal

regulations that funding be provided for core programs such as housing and neighborhood improvement activities.

- 4. Administration (\$41,348):** The maximum administration expenditure is limited to 20 percent of the FY 2015-16 entitlement grant plus anticipated FY 2015-16 program income. The funds will be utilized for program planning, administration, reporting and program expenses. In particular, significant resources will be allocated towards planning efforts involving the update of the five-year Consolidated Plan and the Fair Housing Assessment (also known as the Analysis of Impediments to Fair Housing). Finally, a portion of the budget includes \$2,000 for fair housing services, educational programs and complaint referrals to the Fair Housing Center of Southwest Michigan.

The City of Portage held two public hearings and a 30-day comment period per federal regulations to ensure opportunities are provided for public comment. It is recommended that City Council approve the CDBG Program FY 2015-16 Annual Action Plan and authorize the City Manager to submit the application to HUD to continue successful community development programs.

FUNDING: FY 2015-16 CDBG Program budget of \$356,442, including a CDBG entitlement grant of \$221,442, \$35,000 of anticipated program income and \$100,000 of unexpended/reprogrammed prior year funds.

Attachments: Five-Year Comparative Analysis of CDBG Program
Human Services Board meeting minutes: January 8, 2015, January 22, 2015 and
April 2, 2015
FY 2015-16 Annual Action Plan

**CITY OF PORTAGE CDBG PROGRAM
FIVE YEAR COMPARATIVE ANALYSIS
FY 2011-12 THROUGH 2015-16**

	2011-12	2012-13	2013-14	2014-15	2015-16
ENTITLEMENT AMOUNT	\$192,254	\$214,178	\$218,364	\$218,672	\$221,442
ESTIMATED PROGRAM INCOME TO BE RECEIVED DURING PROGRAM YEAR	\$40,000	\$30,000	\$25,000	\$25,000	\$35,000
SUB-TOTAL	\$232,254	\$244,178	\$243,364	\$243,672	\$256,442
AVAILABLE UNEXPENDED FUNDS AND/OR PROGRAM INCOME RECEIVED IN PRIOR PROGRAM YEARS THAT EXCEEDED ESTIMATED PROGRAM INCOME	\$50,000	\$40,000	\$35,000	\$35,000	\$100,000
TOTAL	\$282,254	\$284,178	\$278,364	\$278,672	\$356,442
HOUSING (Percent of Total Budget)	48%	61%	61%	59%	45%
Housing Rehabilitation Loan Program	\$126,190	\$165,839	\$161,610	\$157,225	\$149,097
Emergency Repair Grant	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Homebuyer Downpayment Assistance	\$6,000	\$6,000	\$6,000	\$6,000	\$10,000
TOTAL HOUSING	\$134,190	\$173,839	\$169,610	\$165,225	\$161,097
HUMAN/PUBLIC SERVICES ¹	15%	15%	15%	15%	15%
Human/Public Services	\$43,294	\$36,000	\$34,844	\$37,972	\$42,510
TOTAL HUMAN/PUBLIC SERVICES	\$43,294	\$36,000	\$34,844	\$37,972	\$42,510
NEIGHBORHOOD IMPROVEMENT (Percent of Total Budget)	23%	19%	19%	19%	31%
Code Enforcement	\$66,224	\$52,993	\$52,563	\$53,661	\$51,487
Sidewalk Enhancements	\$0	\$0	\$0	\$0	\$50,000
Unsafe Structure Demolition	\$0	\$0	\$0	\$0	\$10,000
TOTAL NEIGHBORHOOD IMPROVEMENT	\$66,224	\$52,993	\$52,563	\$53,661	\$111,487
ADMINISTRATION ²	15%	8%	10%	9%	16%
General Administration ³	\$36,546	\$19,346	\$19,347	\$19,814	\$39,348
Fair Housing Services	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
TOTAL ADMINISTRATION	\$38,546	\$21,346	\$21,347	\$21,814	\$41,348
TOTAL	\$282,254	\$284,178	\$278,364	\$278,672	\$356,442

¹ Funding for human/public services must not exceed 15% of the FY 2015-16 CDBG entitlement grant and program income received in FY 2014-15 through December 31, 2014.

² Funding for administration and fair housing must not exceed 20% of the FY 2015-16 CDBG entitlement grant and estimated FY 2015-16 program income.

³ Funding for administration is increased in FY 2015-16 to cover planning expenses associated with updating the HUD-required Consolidated Plan and Fair Housing Assessment.

CITY OF PORTAGE HUMAN SERVICES BOARD
Minutes of Meeting, January 8, 2015

CALL TO ORDER: 6:32 p.m.

MEMBERS PRESENT: Diane Durian, Shawn Havens, Ray LaPoint, Nadeem Mirza, Edward Morgan, Sandra Sheppard, Amanda Woodin.

MEMBERS EXCUSED: Effie Kokkinos, Elma (Pat) Maye, Sharat Kamath (Youth Advisory)

STAFF PRESENT: Elizabeth Money, Neighborhood Program Specialist

APPROVAL OF MINUTES: Morgan approved and Durian supported approval of the December 4, 2014 minutes as submitted. Motion passed 7-0.

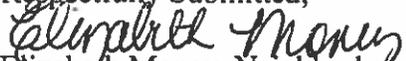
NEW BUSINESS:

1. Memorandum regarding Human/Public Service funding. Human/Public Service Funding Application Booklet, and Evaluation Criteria Forms: Sheppard referenced the memo, asked if there were any questions, and the Board briefly discussed when their ranking/review needed to be submitted. Money indicated agendas for the January 22, 2015 meeting will be mailed on January 16, 2015 and the Board would need to email staff their scores prior to that date.
2. Presentation by Applicants: Representatives from Catholic Charities, Housing Resources, Inc., Kalamazoo Anti-Human Trafficking Coalition, YWCA, and Portage Community Center all made presentations regarding their grant requests from the General Fund and CDBG Fund. They Gryphon Place could not make the meeting due to weather conditions. The Board had a number of questions and comments for the applicants that included clarification on projects, procedures and policies, and funding sources.
3. Public Hearing – Community Development Block Grant (CDBG) Program: Sheppard opened the hearing. Due to weather conditions, LaPoint moved and Mirza supported adjourning the Public Hearing until January 22, 2015. Motion passed 7-0. Public hearing adjourned.
4. Kalamazoo Transit Authority LAC update – Maye: Maye was not present to provide an update.

STATEMENT OF CITIZENS: Cassandra Vaughn was present and stated she was interested in participating in city government. The Board thanked her for coming and indicated there were many opportunities to volunteer and participate in city government.

ADJOURNMENT: Woodin moved and Durian supported adjournment of the meeting at 8:15. Motion passed 7-0.

Respectfully Submitted,


Elizabeth Money, Neighborhood Program Specialist

CITY OF PORTAGE HUMAN SERVICES BOARD
Minutes of Meeting, January 22, 2015

CALL TO ORDER: 6:33 p.m.

MEMBERS PRESENT: Diane Durian, Shawn Havens, Effie Kokkinos, Ray LaPoint, Sandra Sheppard, Amanda Woodin.

MEMBERS EXCUSED: Elma (Pat) Maye, Nadeem Mirza, Edward Morgan, Sharat Kamath (Youth Advisory)

STAFF PRESENT: Elizabeth Money, Neighborhood Program Specialist

APPROVAL OF MINUTES: Durian moved and Haven supported approval of the January 8, 2015 minutes as submitted. Motion passed 6-0.

OLD BUSINESS

1. Public Hearing - Community Development Block Grant (CDBG) Program – Overview of Housing and Community Development Needs for Annual Action Plan update: Chair Sheppard opened the public hearing and staff provided an overview of the HUD planning and reporting requirements for CDBG program grantees, including completion of a Consolidated Plan update every five years (including an Analysis of Impediments to Fair Housing study), an Annual Action Plan and grant application, and a Consolidated Annual Performance Evaluation Report. Staff provided a detailed overview of housing and community development needs included in the FY 2011-15 Consolidated Plan, key CDBG program activities, and performance measures from FY 2013-14. In addition, an overview of the projected budget and timeline to develop the Annual Action Plan was reviewed. A draft budget and Annual Action Plan would be prepared by mid-February, and a 30-day public comment period would follow with a public hearing on the plan in either late March or early April 2015. As no further comments from the Board and no public comments were received, the public hearing was closed.

NEW BUSINESS:

1. Memorandum regarding Human/Public Service funding. Human/Public Service Funding Application Booklet, and Evaluation Criteria Forms: Sheppard referenced the memo and highlighted funding amounts. Staff added that CDBG funds were still estimated as HUD had not provided an exact amount but that the program income had increased revenue due to loan repayments.
2. FY 2015-16 Human/Public Service Funding Board application scores and ranking: Staff indicated that she had a conflict with the Kalamazoo Anti-Human Trafficking Coalition (serves as volunteer) and did not review/rank this application. The Board was provided a breakdown of individual member scores, the Board average scores, the Board ranking of applicants based on average scores, and staff ranking of applications. It was noted that the Board's ranking and the staff ranking were closely aligned. The Board then discussed on the new application from the Kalamazoo Anti-Human Trafficking Coalition, a comparison of new

applications verses programs that had been supported for years, what constituted basic human needs, how the application process had improved over the previous years due to recent changes to the application and scoring method, and how it could be altered to better address new applicants. A lengthy discussion took place on if there was enough information provided in the Kalamazoo Anti-Human Trafficking Coalition application and presentation to recommend funding and if funds should be awarded to educational programs verses programs that provide a direct service that addresses a basic need. The Board noted that this applicant ranked last and that the average score was significantly lower than the other applicants. The Board was unresolved if the Kalamazoo Anti-Human Trafficking Coalition met the criteria for funding. Sheppard made a motion, supported by LaPoint, to exclude the Kalamazoo Anti-Human Trafficking Coalition from funding - with an aye vote providing funding and a nay vote indicating no funding would be provided. Upon roll call vote: Havens- aye, Sheppard – nay, Kokkinos – aye, Woodin – aye, Durian – nay, LaPoint – aye. Motion to exclude funding the Kalamazoo Anti-Human Trafficking Coalition failed.

Woodin moved to accept the following rank for each applicant based on the Board's average scores as provided, LaPoint supported: the rank/score for applicants is as follows – General Fund: 1) Portage Community Center/203, 2) YWCA/194, 3) Catholic Charities/177, 4) Housing Resources, Inc./176, 5) Gryphon Place/156, 6) Kalamazoo Anti-Human Trafficking Coalition/97; CDBG Fund 1) Portage Community Center/204. Motion passed 6-0.

3. Kalamazoo Transit Authority LAC update – Maye: Maye was not present to provide an update.

ADJOURNMENT: Woodin moved and Kokkinos supported adjournment of the meeting at 8:02. Motion passed 6-0.

Respectfully Submitted,



Elizabeth Money, Neighborhood Program Specialist

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CITY OF PORTAGE HUMAN SERVICES BOARD
Minutes of Meeting April 2, 2015

CALL TO ORDER: 6:30 p.m.

MEMBERS PRESENT: Effie Kokkinos, Ray LaPoint, Elma (Pat) Maye, Edward Morgan, Sandra Sheppard, Amanda Woodin.

MEMBERS ABSENT: Diane Durian, Shawn Havens, Nadeem Mirza.

MEMBERS UNEXCUSED: Sharat Kamath (Youth Advisory Representative)

STAFF PRESENT: Elizabeth Money, Neighborhood Program Specialist

APPROVAL OF MINUTES: Kokkinos moved and Maye supported approval of the March 5, 2015 minutes. Motion passed 6-0.

NEW BUSINESS:

1. Public Hearing - Community Development Block Grant (CDBG) Program: FY 2015-16 Annual Action Plan: Chair Sheppard opened the public hearing. Maye indicated she would abstain from any discussion since her employer, the Fair Housing Center of Southwest Michigan, is a sub-recipient. Staff provided an overview of the plan and summarized proposed activities with the funds available next fiscal year including a breakdown of funds, which included money for sidewalk enhancement and demolition. Woodin asked if the demolition was going to be a Kalamazoo County tax foreclosure and, if it was, the County typically partnered with the local municipality to share demolition costs. Money indicated that a variety of options had been researched and one particular property would likely go into tax foreclosure and then be demolished. As no further comments were received, the public hearing was closed.
2. Proposed FY 2015-2016 Goals – Board Discussion: The Board reviewed the proposed goals and memo regarding Board activity in FY 2014-2015. No comments or changes were suggested. Maye moved and Woodin supported accepting the proposed FY 2015-2016 Goals and FY 2014-2015 update. Motion passed 6-0.
3. Human/Public Service Application/Process Review – Board Discussion: Maye again abstained from the discussion. The Board discussed how to best proceed with further streamlining the Human/Public Service application and review process. Money informed the Board that there were no pending items for the May 7, 2015 agenda. If the Board wanted, they could meet as a whole or appoint a sub-committee of four or fewer members to work on the changes and present to the Board during the regularly scheduled August meeting. After a brief discussion on who to appoint, LaPoint moved and Morgan supported appointing Sheppard, Woodin, LaPoint, and Havens to a subcommittee to meet on May 7, 2015 to review and recommend changes to the Human/Public Service application and review process. Motion passed 5-0 (Maye abstained).

4. Kalamazoo Transit Authority LAC Update – Maye: Maye indicated that the LAC has had problems obtaining a quorum. As a result, little action has taken place the last few meetings. However, they are working on attendance and a vote is pending on accepting the results from the disability study completed in the fall of 2014.
5. Summer Meeting Schedule – Board Discussion: Woodin moved and Maye supported canceling the regularly scheduled May, June, and July Human Services Board meetings. Motion passed 6-0.

STATEMENT OF CITIZENS: Maye invited the Board to the Fair Housing Center of Southwest Michigan education program on April 22, 2015. A flyer was passed out to all the Board members.

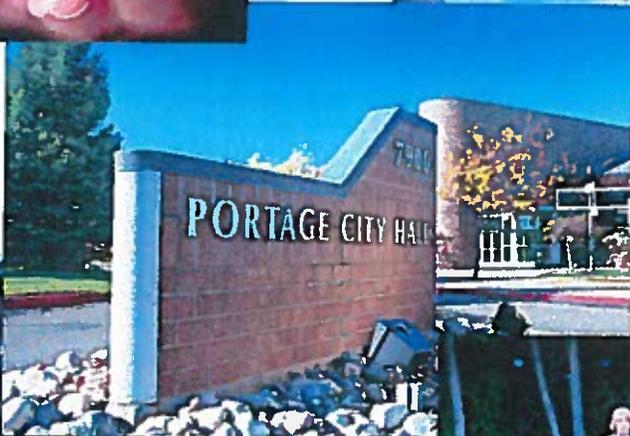
ADJOURNMENT: Maye moved and Woodin supported adjournment of the meeting at 7:00. Motion passed 6-0.

Respectfully Submitted,

Elizabeth Money, Neighborhood Program Specialist

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City of Portage CDBG Program Annual Action Plan FY 2015-16



**CITY OF PORTAGE
FY 2015-16 ANNUAL ACTION PLAN**

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**APPLICATION FOR
FEDERAL ASSISTANCE**

OMB Approved No. 3076-0006

Version 7/03

1. TYPE OF SUBMISSION: Application <input type="checkbox"/> Construction <input checked="" type="checkbox"/> Non-Construction		<input type="checkbox"/> Pre-application <input checked="" type="checkbox"/> Construction <input type="checkbox"/> Non-Construction	2. DATE SUBMITTED	Applicant Identifier
			3. DATE RECEIVED BY STATE	State Application Identifier
			4. DATE RECEIVED BY FEDERAL AGENCY	Federal Identifier
5. APPLICANT INFORMATION				
Legal Name:		Organizational Unit:		
City of Portage		Department: Community Development		
Organizational DUNS: 09-5943411		Division:		
Address:		Name and telephone number of person to be contacted on matters involving this application (give area code)		
Street: 7900 South Westnedge Avenue		Prefix: Ms.	First Name: Vicki	
City: Portage		Middle Name L.		
County: Kalamazoo		Last Name Georgeau		
State: MI	Zip Code 49002	Suffix: AICP		
Country: United States		Email: georgeav@portagemi.gov		
6. EMPLOYER IDENTIFICATION NUMBER (EIN): 38-600626		Phone Number (give area code) 269-329-1280	Fax Number (give area code) 269-329-4506	
8. TYPE OF APPLICATION: <input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision If Revision, enter appropriate letter(s) in box(es) (See back of form for description of letters.) Other (specify)		7. TYPE OF APPLICANT: (See back of form for Application Types) Municipal, entitlement grantee Other (specify)		
10. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER: 14-218		9. NAME OF FEDERAL AGENCY: US Department of Housing and Urban Development		
TITLE (Name of Program): Labor Management Cooperation Program		11. DESCRIPTIVE TITLE OF APPLICANT'S PROJECT: City of Portage Community Development Block Grant Program: Activities include: 1) Owner-occupied housing rehabilitation and emergency repair; 2) Down Payment Assistance Program; 3) Human Services; 4) Code Administration and Enforcement; 5) Grant Program Administration and Fair Housing activities.		
12. AREAS AFFECTED BY PROJECT (Cities, Counties, States, etc.): City of Portage		14. CONGRESSIONAL DISTRICTS OF: a. Applicant MI-006 b. Project MI-006		
13. PROPOSED PROJECT Start Date: 7/1/2014 Ending Date: 6/30/2015		16. IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS? a. Yes. <input type="checkbox"/> THIS PREAPPLICATION/APPLICATION WAS MADE AVAILABLE TO THE STATE EXECUTIVE ORDER 12372 PROCESS FOR REVIEW ON DATE: b. No. <input checked="" type="checkbox"/> PROGRAM IS NOT COVERED BY E. O. 12372 <input checked="" type="checkbox"/> OR PROGRAM HAS NOT BEEN SELECTED BY STATE FOR REVIEW		
15. ESTIMATED FUNDING:		17. IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT? <input type="checkbox"/> Yes If "Yes" attach an explanation. <input checked="" type="checkbox"/> No		
a. Federal	\$ 221,442. ⁰⁰			
b. Applicant	\$. ⁰⁰			
c. State	\$. ⁰⁰			
d. Local	\$. ⁰⁰			
e. Other	\$ 100,000. ⁰⁰			
f. Program Income	\$ 35,000. ⁰⁰			
g. TOTAL	\$ 356,442. ⁰⁰			
18. TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL DATA IN THIS APPLICATION/PREAPPLICATION ARE TRUE AND CORRECT. THE DOCUMENT HAS BEEN DULY AUTHORIZED BY THE GOVERNING BODY OF THE APPLICANT AND THE APPLICANT WILL COMPLY WITH THE ATTACHED ASSURANCES IF THE ASSISTANCE IS AWARDED.				
a. Authorized Representative				
Prefix Mr.	First Name Laurence	Middle Name		
Last Name Shaffer		Suffix		
b. Title City Manager		c. Telephone Number (give area code) 269-329-4400		
d. Signature of Authorized Representative 		e. Date Signed		

**CITY OF PORTAGE
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)
FY 2015-16 ANNUAL ACTION PLAN**

Executive Summary

The FY 2015-16 Annual Action Plan, Strategy for Housing and Community Development Needs, includes activities and programs to fulfill identified needs outlined in the FY 2011-15 Consolidated Plan. The Consolidated Plan and the Annual Action Plan element are required in order to apply for certain federal funds, such as the U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) entitlement program, which has been awarded to the city since the mid-1970s. The FY 2015-16 Annual Action Plan includes proposed activities and expenditures of CDBG funds must meet three national objectives: 1) benefit low and/or moderate income persons, 2) aid in the prevention or elimination of blight, and 3) meet urgent community development needs. Furthermore, per the HUD Outcome Measurement System, the Annual Action Plan identifies objectives, outcomes and common indicators for each activity, resources available during the plan year, and addresses performance evaluation as part of the annual planning process.

Section A. Activities to Be Undertaken During the Program Year: This section of the Annual Action Plan lists activities to be carried out during the program year. The table below lists the program activity, an activity description, and the planned objectives and outcomes.

CDBG PROGRAM ACTIVITIES			
Activity	Description	Objective	Outcome
Owner-Occupied Housing Rehabilitation	Interior and exterior rehabilitation assisted through emergency repair grants and no or low-interest deferred loans.	Decent housing.	<u>Sustainability</u> for the purpose of providing decent affordable housing.
Down Payment Assistance	First time homebuyer no interest deferred loans for down payment and closing costs.	Decent housing.	<u>Affordability</u> for the purpose of providing decent affordable housing.
Public Services	Funding for Portage Community Center for emergency assistance, transportation assistance and youth recreation.	Economic opportunity.	<u>Sustainability</u> for the purpose of creating economic opportunities.
Neighborhood Improvement – • Code Enforcement; • Sidewalk Enhancements; • Unsafe Structure Demolition	Neighborhood improvement in low-moderate income neighborhoods. Activities including code enforcement, existing sidewalk repairs and demolition of unsafe structures.	Suitable living environment.	<u>Sustainability</u> for the purpose of creating suitable living environments.
Program Planning and Administration	Consolidated Plan, Analysis of Impediments to Fair Housing, general grant administration, performance reporting, and fair housing activities.	Not applicable.	Not applicable.

Section B. Priorities: This section of the Annual Action Plan lists priority affordable housing and community development needs, consistent with the Consolidated Plan, and the number of households, housing units and/or persons expected to be assisted with each of the activities during the program year, as provided in the table below.

PRIORITY NEED: HOUSING AND AFFORDABLE HOUSING	
SPECIFIC OBJECTIVES	<ul style="list-style-type: none"> Assist 13 households with housing rehabilitation loans in order to improve housing conditions.
	<ul style="list-style-type: none"> Assist 2 households with emergency repair grants to improve housing conditions and arrest further housing deterioration.
	<ul style="list-style-type: none"> Assist 2-3 households with down payment assistance to affordably purchase a home in a target city neighborhood.
	<ul style="list-style-type: none"> Indirectly assist approximately 3,000 households via the General Fund and CDBG program by financing non-profit agencies that provide emergency assistance to low/moderate income persons with a housing crisis.
	<ul style="list-style-type: none"> Affirmatively further fair housing by carrying out and supporting fair housing education and services within the community.
PRIORITY NEED: COMMUNITY DEVELOPMENT	
SPECIFIC OBJECTIVES	<ul style="list-style-type: none"> Promote neighborhood improvement by: responding to approximately 350 code enforcement cases; repair of existing sidewalks; and demolition of unsafe structures.
	<ul style="list-style-type: none"> Provide human service assistance to approximately 3,000 persons by funding the Portage Community Center.

Section C. Geographic Distribution: This section of the Annual Action Plan provides maps and rationale for targeting certain program activities to key areas of the city throughout the program year.

Section D. Homeless and Other Special Needs Activities: This section addresses homeless, and special needs housing activities. As noted in the Consolidated Plan, the City of Portage actively participates in the Kalamazoo LISC Affordable Housing Partnership, which comprises the HUD-required Continuum of Care annual planning process, and provides General Fund monies to support agencies that provide homeless prevention and housing assistance.

Sections E through G. Other Actions Proposed, Lead-Based Paint Hazards, Coordination: These sections address efforts to combat poverty, address barriers to affordable housing, reduce lead-based paint hazards, and coordinate activities internally within the City of Portage and with other governmental and non-profit agencies.

Section H. Allocation of Funds: The Annual Action Plan outlines proposed projects that will be undertaken with the \$356,442 anticipated to be available to the City of Portage during the program year. For FY 2015-16, the following projects/expenditures are proposed:

CDBG RESOURCES AND EXPENDITURES	
Housing Programs (loans and grants)	\$151,097
Down Payment Assistance Program	\$10,000
Neighborhood Improvement-Code Administration & Enforcement	\$51,487
Neighborhood Improvement-Sidewalk Enhancements	\$50,000
Neighborhood Improvement-Unsafe Structure Demolition	\$10,000
Human/Public Services	\$42,510
Grant Administration and Fair Housing Activities	\$41,348
TOTAL	\$356,442

Section I. American Dream Downpayment Initiative (ADDI) Funds: This section verifies the City of Portage receives no federal funds for such activity.

Section J. Monitoring: This section discusses monitoring efforts undertaken annually by the city of sub-recipients and contractors through the housing rehabilitation program to ensure compliance with HUD regulations.

With regard to City of Portage self-evaluation and monitoring, review of expenditures and program income receipt expenditures (including timeliness of expenditures), program activity accomplishments, and staff evaluation occurs at least quarterly, or more frequently as appropriate. In addition, grant performance is evaluated through the preparation of bi-annual Labor Standards Enforcement reports, the annual Contractor and Subcontractor report, annual and project specific Environmental Review, and annual Consolidated Annual Performance Evaluation Report (CAPER).

Section K. Citizen Participation: This section explains that the City of Portage has followed the Citizen Participation Plan as provided in the Consolidated Plan, which outlines efforts to obtain broad public participation. A summary of public comments received on the Annual Action Plan is provided in Appendix C.

Section L. Affirmatively Promoting Fair Housing: This section outlines annual Fair Housing activities, which are carried out in accordance with the 2011 Analysis of Impediments to Fair Housing study. Included in efforts to promote Fair Housing is the preparation of a new Analysis of Impediments to Fair Housing.

Section M. Certifications: HUD required certifications are provided in Appendix A of the Annual Action Plan.

FY 2015-16 CDBG PROGRAM ANNUAL ACTION PLAN

The City of Portage CDBG FY 2015-16 Annual Action Plan includes activities and programs to fulfill identified needs outlined in the FY 2011-2015 Consolidated Plan. The programs have proven to be well received and effective throughout the city in preserving and upgrading the quality of existing housing stock and the livability of low/moderate income target neighborhoods.

With regard to Federal resources, the city will receive \$221,442 in CDBG entitlement funds in FY 2015-16 from the U.S. Department of Housing and Urban Development (HUD). In addition to the entitlement grant, it is estimated that \$35,000 in Program Income will be received in FY 2015-16, and \$100,000 of unexpended funds from prior program years will be utilized during FY 2015-16 for a total CDBG Program budget of \$356,442. Additional details regarding CDBG funding are provided in Section H, Allocation of Funds, on page 16. Additionally, in-kind professional and staff resources are devoted to community-wide housing planning initiatives where monetary support is not available. Finally, City of Portage General Fund resources are designated to support human/public services.

Utilizing the Outcome Measurement System developed by the U.S. Department of Housing and Urban Development (HUD), each City of Portage CDBG activity is intended to meet one of three HUD-established objectives: 1) a Suitable Living Environment, 2) Decent Housing, or 3) Creating Economic Opportunity. In addition, each activity is intended to have one of three HUD-established outcomes: 1) Availability/Accessibility, 2) Affordability, and 3) Sustainability. For each activity common indicator data will be collected throughout the year for reporting in the Consolidated Annual Performance Evaluation Report (CAPER), which include: funds leveraged, number of persons, households, or housing units assisted, income level of persons, households or areas assisted, and race, ethnicity and other socio-economic indicators. The CAPER also reports annual progress on meeting objectives, outcomes and established indicators and/or goals.

A. Activities To Be Undertaken During Program Year

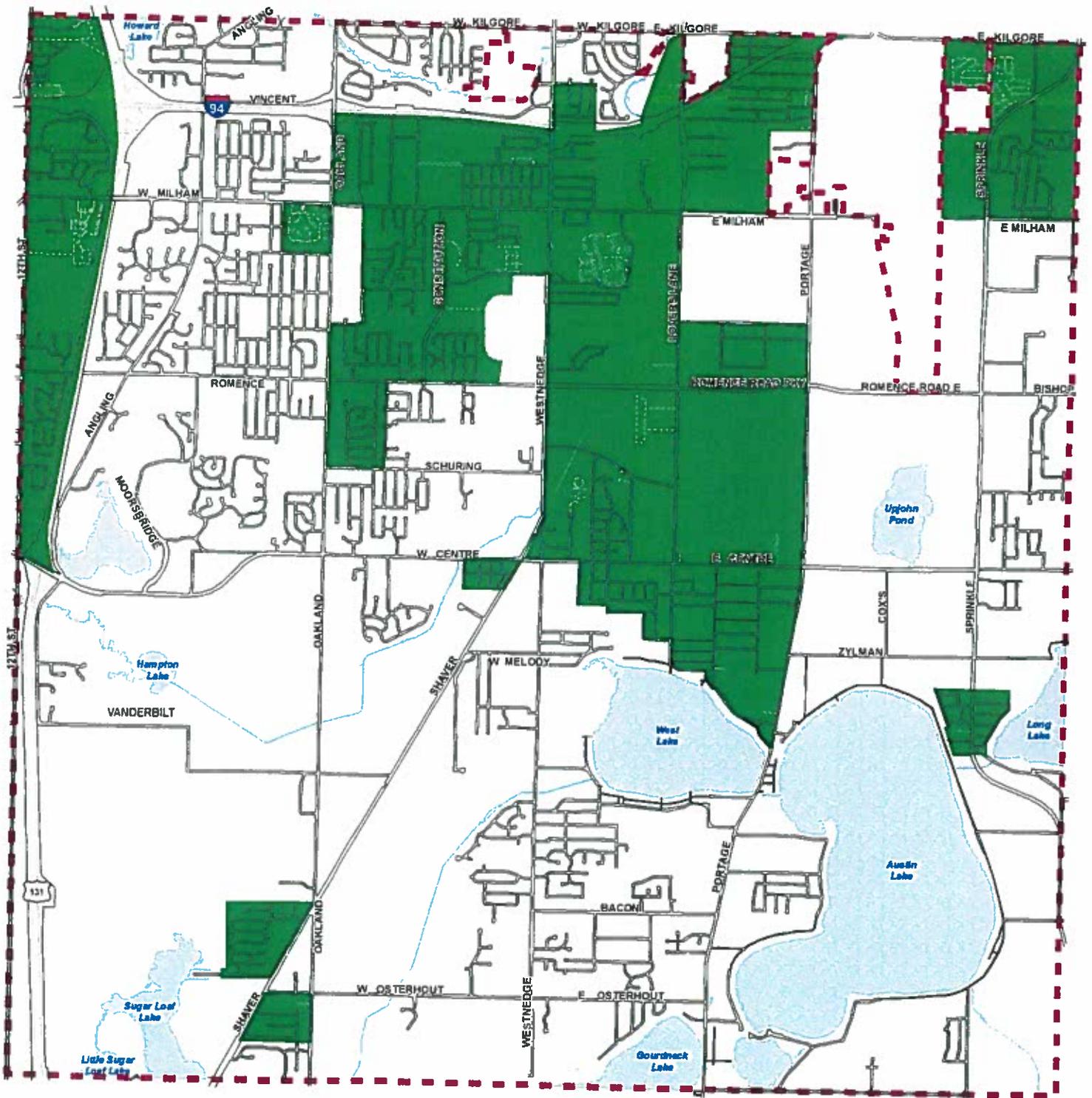
The specific projects that will be implemented in FY 2015-16 are outlined in the following paragraphs. Strategies pertaining to the CDBG Program are detailed in the required Consolidated Plan Table 3 on pages 6-12.

- Activity 1 - Owner-Occupied Housing Rehabilitation: This activity is undertaken on a citywide basis, and supplements neighborhood improvement code enforcement efforts. To qualify, households must meet the income requirements set by HUD, which are based on regional-area median family income, adjusted for the number of members in the family. The goal is to provide low and moderate income residents with the means to upgrade, improve and maintain their housing. Rehabilitation may involve up to \$1,000 for an Emergency Repair Grant or up to \$15,000 per housing unit through a zero interest or low-interest deferred loan for accessibility, weatherization, plumbing, electrical and other interior and exterior improvements to owner-occupied dwellings. To the extent possible, grant and loan programs offered through other nonprofit and governmental agencies will be used to supplement CDBG resources for housing rehabilitation activities.

Examples include the Michigan State Housing Development Authority (MSHDA) Property Improvement Program, accessibility improvements through the Disability Network Southwest Michigan, home-repair services through Community Homeworks, Senior Services, and the Kalamazoo County Weatherization Program. In addition to funds budgeted for FY 2015-16, additional projects may be undertaken utilizing unanticipated program income and unexpended funds available at the end of the FY 2014-15 program year, provided expenditures do not constitute a substantial change in use of funds (i.e., not more than 10 percent of the total FY 2015-16 CDBG Program budget). Per the Outcome Measurement System, the *objective* of this activity is to provide decent housing, while the anticipated *outcome* is to assist home owner with sustaining decent affordable housing.

- Activity 2 - Down Payment Assistance Program: This activity promotes home purchases for first-time home buyers by providing no interest deferred loans to cover up to 50 percent of the required down payment and closing costs within target neighborhoods shown on Map 1 on page 3. The target neighborhoods include current or former HUD-designated low/moderate income neighborhoods and other areas with affordable owner-occupied median house values. Per the Outcome Measurement System, the *objective* of this activity is to provide decent housing, while the anticipated *outcome* is to the affordability of decent affordable housing.
- Activity 3 – Human/Public Services Program: This activity provides funding to the Portage Community Center (PCC), a local human service agency. Funds assist low/moderate income city residents with the following services through the CDBG program: Emergency Assistance, Transportation Assistance, and Youth Recreation Scholarship Assistance. CDBG funds are supplemented with General Funds to provide an even wider array of human services to the community. Per the Outcome Measurement System, the *objective* of this activity is to provide economic opportunity, while the anticipated *outcome* is to assist Portage residents with sustaining economic opportunities.
- Activity 4 - Neighborhood Improvement-Code Enforcement: This activity supplements a city-wide code enforcement effort. This Neighborhood Improvement effort targets areas where low and moderate-income residences make up at least 43.6 percent of the households of the neighborhood and where deteriorated conditions exist which includes, but is not limited to, violations of the Community Quality Code, Housing/Property Maintenance Code, Zoning Code and/or Building Code. These Neighborhood Strategy Areas (census tract/block groups) are listed in the table below and illustrated on the Low/Moderate Income Neighborhoods, Census Tract/Block Group Map (Map 2 on page 5).

Map 1 Downpayment Assistance Areas



	Homes located in shaded areas are eligible for the Downpayment Assistance Program.
	Homes located within Portage City limits are eligible for all other CDBG Housing Programs. Manufactured homes located in Manufactured Home Communities eligible for Emergency Repair Grant Program only.



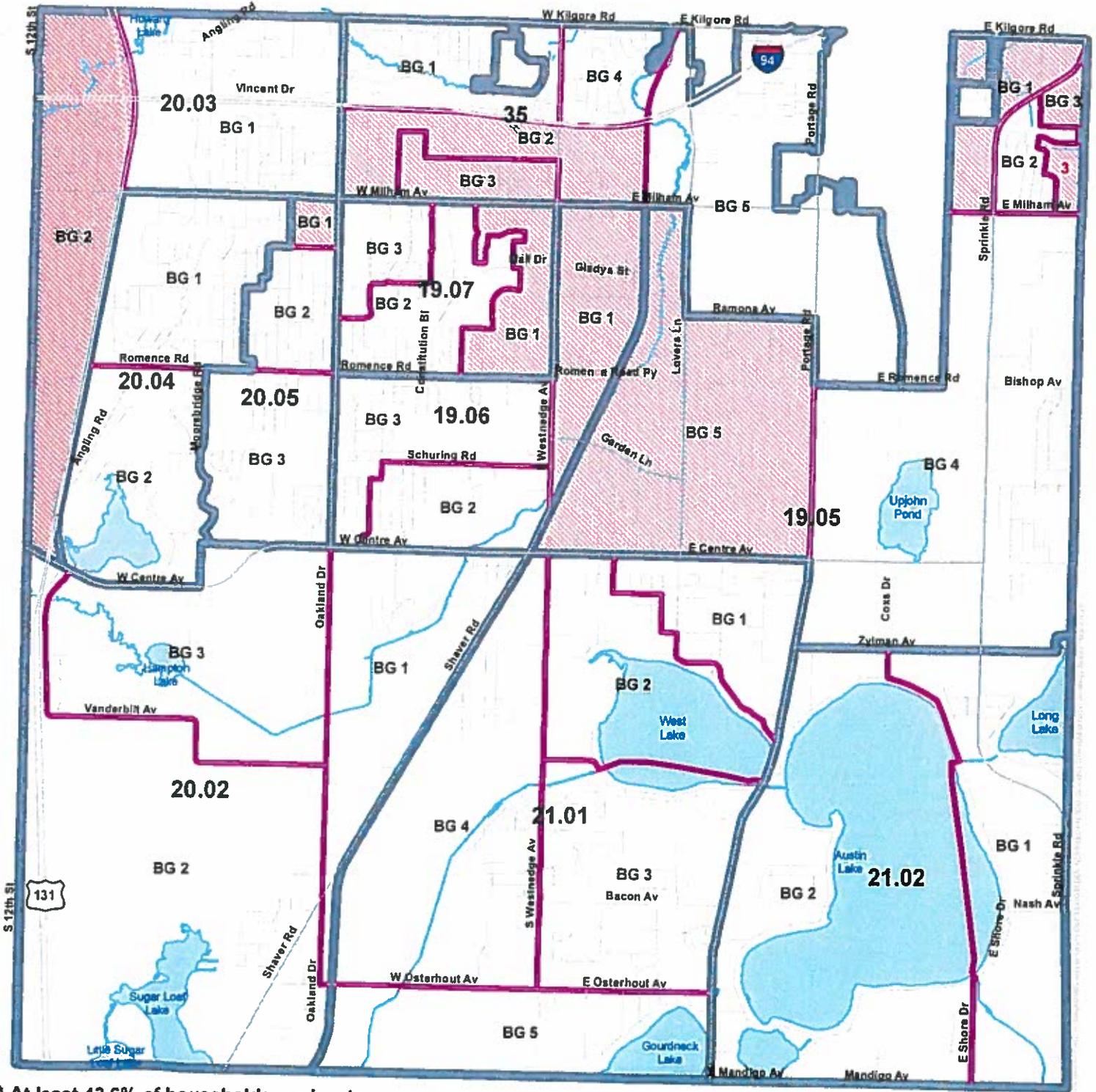


LOW/MODERATE INCOME NEIGHBORHOODS	
Census Tract 35.00	Block Groups 2 & 3
Census Tract 19.05	Block Groups 1, 3 & 5
Census Tract 19.06	Block Group 1
Census Tract 19.07	Block Group 1
Census Tract 20.03	Block Group 2
Census Tract 20.05	Block Group 1

The City of Portage provides a variety of Neighborhood Support activities funded primarily from the General Fund, which are carried out by numerous full-time staff within the Department of Community Development and other departments involved in infrastructure maintenance and health/safety clean-up programs in residential neighborhoods. The combined efforts of the citywide General Fund program and the targeted CDBG program help ensure neighborhood property values and quality of life are preserved. Per the Outcome Measurement System, the *objective* of this activity is to provide a Suitable Living Environment, while the anticipated *outcome* is to assist neighborhoods with sustaining suitable living environments.

- Activity 5 - Neighborhood Improvement-Sidewalk Enhancements: In addition to housing improvements, home buyer assistance and code compliance efforts, improvements to the existing sidewalk infrastructure are proposed within Neighborhood Strategy Areas during FY 2015-16. Existing sidewalks with significant deterioration and/or heaving will be replaced in the Lexington Green neighborhood (Census Tract 19.05, Block Group 3); the Deerfield/Roanoke neighborhood and on New Hampshire Drive (Census Tract 35, Block Group 2).
- Activity 6 – Neighborhood Improvement-Unsafe Structure Demolition: To supplement the above neighborhood improvement activities, funding is allocated to demolish vacant and unsafe structures or buildings within low-moderate income neighborhoods, which may be necessary for abandoned buildings.
- Activity 7 - Administration: This activity includes administration of the CDBG Program including oversight of the activities described above, preparation of various reports to HUD such as the Annual Action Plan, Consolidated Annual Performance Evaluation Report, semi-annual Labor Standards Enforcement reports, annual Contract and Subcontract report, CDBG program budget and citizen participation process, Environmental Review Record, expenditure and program income oversight and reporting to HUD in the Integrated Data Information System (IDIS), participation in the Kalamazoo County LISC Affordable Housing Partnership (Continuum of Care), and support of fair housing activities and services. During FY 2015-16, the five-year Consolidated Plan and Analysis of Impediments to Fair Housing will be updated and will require additional planning resources. To assist staff with the preparation of these two planning documents, the annual budget also includes \$20,000 to obtain professional consulting services. While the Administration budget is increased for FY 2015-16, expenditures remain under the maximum 20% cap established by federal regulations.

Neighborhood Strategy Areas Census Tract / Block Group Map*



* At least 43.6% of households are low to moderate income in shaded areas, based on 2006-2010 American Community Survey Data.

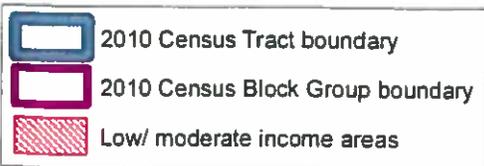


Table 3
Consolidated Plan Listing of Projects

Applicant's Name City of Portage, Michigan

Priority Need
Owner-Occupied Housing

Project Title
Owner-Occupied Housing Rehabilitation

Project Description
Housing rehabilitation for extremely, very-low and low-income homeowners. Rehabilitation may involve emergency repair grants, and no or low-interest deferred loans for exterior and interior repairs, accessibility, weatherization, plumbing, electrical and mechanical, and other improvements to address code deficiencies for owner-occupied dwellings.

Location
City-Wide

Objective Number	Project ID
HUD Matrix Code	CDBG Citation
Type of Recipient	CDBG National Objective
Local Government	Low income households
Start Date (mm/dd/yyyy)	Completion Date (mm/dd/yyyy)
Performance Indicator	Annual Units
Housing Units	Units Upon Completion
Local ID	
NA	

Funding Sources:

CDBG	\$151,097
ESG	
HOME	
HOPWA	
Total Formula	
Prior Year Funds	
Assisted Housing	
PHA	
Other Funding	
Total	\$151,097

The primary purpose of the project is to help: the Homeless Persons with HIV/AIDS Persons with Disabilities Public Housing Needs

Table 3
Consolidated Plan Listing of Projects

Applicant's Name City of Portage, Michigan

Priority Need
Owner-Occupied Housing

Project Title
Down Payment Assistance

Project Description
Down payment assistance for home purchases for first-time home buyers by providing no interest deferred loans to cover up to 50 percent of the required down payment and closing costs within target neighborhoods.

Location
Target Neighborhoods

Objective Number	Project ID
HUD Matrix Code	CDBG Citation
Type of Recipient	CDBG National Objective
Local Government	Low income households
Start Date (mm/dd/yyyy)	Completion Date (mm/dd/yyyy)
Performance Indicator	Annual Units
Households	Units Upon Completion
Local ID	
NA	

Funding Sources:

CDBG	\$10,000
ESG	
HOME	
HOPWA	
Total Formula	
Prior Year Funds	
Assisted Housing	
PHA	
Other Funding	
Total	\$10,000

The primary purpose of the project is to help: the Homeless Persons with HIV/AIDS Persons with Disabilities Public Housing Needs

Table 3
Consolidated Plan Listing of Projects

Applicant's Name City of Portage, Michigan

Priority Need
Public Services

Project Title
Human/public Services – Portage Community Center

Project Description

Funding to the Portage Community Center (PCC), a local human service agency, will assist low/moderate income city residents through the following services through the CDBG program: Emergency Assistance, Surplus Commodity and Food Distribution, Transportation Assistance, Youth Recreation Scholarship Assistance. CDBG funds are supplemented with General Funds to provide an even wider array of human services to the community.

Location

City-Wide Residents To Be Assisted at the PCC facility

Objective Number	Project ID
HUD Matrix Code	CDBG Citation
Type of Recipient	CDBG National Objective
Start Date (mm/dd/yyyy)	Completion Date (mm/dd/yyyy)
Performance Indicator	Annual Units
Local ID	Units Upon Completion

Funding Sources:

CDBG	\$42,510
ESG	
HOME	
HOPWA	
Total Formula	
Prior Year Funds	
Assisted Housing	
PHA	
Other Funding	
Total	\$42,510

The primary purpose of the project is to help: the Homeless Persons with HIV/AIDS Persons with Disabilities Public Housing Needs

Table 3
Consolidated Plan Listing of Projects

Applicant's Name City of Portage, Michigan

Priority Need

Other

Project Title

Neighborhood Improvement- Code Enforcement

Project Description

This activity supplements a citywide code administration and enforcement effort. The Neighborhood Improvement effort targets areas where low and moderate-income residences make up at least 43.67 percent of the households in that neighborhood.

Location

HUD-designated low/moderate income census tract block groups

Objective Number	Project ID
	4
HUD Matrix Code	CDBG Citation
15	570.202(c)
Type of Recipient	CDBG National Objective
Local Government	Low income households
Start Date (mm/dd/yyyy)	Completion Date (mm/dd/yyyy)
07/01/2015	06/30/2016
Performance Indicator	Annual Units
Households	350
Local ID	Units Upon Completion
NA	350

Funding Sources:

CDBG	\$51,487
ESG	
HOME	
HOPWA	
Total Formula	
Prior Year Funds	
Assisted Housing	
PHA	
Other Funding	
Total	\$51,487

The primary purpose of the project is to help: the Homeless Persons with HIV/AIDS Persons with Disabilities Public Housing Needs

**Table 3
Consolidated Plan Listing of Projects**

Applicant's Name City of Portage, Michigan

Priority Need
Other

Project Title
Neighborhood Improvement- Sidewalk Enhancements

Project Description

This activity involves improvements to the existing sidewalk infrastructure within Neighborhood Strategy Areas. Existing sidewalks with significant deterioration and/or heaving will be replaced in the Lexington Green neighborhood (Census Tract 19.05, Block Group 3); the Deerfield/Roanoke neighborhoods and on New Hampshire Drive (Census Tract 35, Block Group 2).

Location

HUD-designated low/moderate income census tract block groups

Objective Number	Project ID 5
HUD Matrix Code 03L	CDBG Citation 570.201(c)
Type of Recipient Local Government	CDBG National Objective Low income households
Start Date (mm/dd/yyyy) 07/01/2015	Completion Date (mm/dd/yyyy) 06/30/2016
Performance Indicator Households	Annual Units 3,530 square feet of sidewalk
Local ID NA	Units Upon Completion 3,530 square feet of sidewalk

Funding Sources:

CDBG	\$50,000
ESG	
HOME	
HOPWA	
Total Formula	
Prior Year Funds	
Assisted Housing	
PHA	
Other Funding	
Total	\$50,000

The primary purpose of the project is to help: the Homeless Persons with HIV/AIDS Persons with Disabilities Public Housing Needs

Table 3
Consolidated Plan Listing of Projects

Applicant's Name City of Portage, Michigan

Priority Need
Other

Project Title
Neighborhood Improvement- Unsafe Structure Clearance and Demolition

Project Description
This activity involves demolition of vacant and unsafe structures to remove blight within Neighborhood Strategy Areas. CDBG Program funds will be used when unsafe structures exist on abandoned properties and there is a risk that city expenditures to carry out demolition will not be repaid through liens against the property.

Location
HUD-designated low/moderate income census tract block groups

Objective Number	Project ID 6
HUD Matrix Code 04	CDBG Citation 570.201(c)
Type of Recipient Local Government	CDBG National Objective Low income households
Start Date (mm/dd/yyyy) 07/01/2015	Completion Date (mm/dd/yyyy) 06/30/2016
Performance Indicator Households	Annual Units 1-2 unsafe structure demolitions
Local ID NA	Units Upon Completion 1-2 unsafe structure demolitions

Funding Sources:	
CDBG	\$10,000
ESG	
HOME	
HOPWA	
Total Formula	
Prior Year Funds	
Assisted Housing	
PHA	
Other Funding	
Total	\$10,000

The primary purpose of the project is to help: the Homeless Persons with HIV/AIDS Persons with Disabilities Public Housing Needs

Table 3
Consolidated Plan Listing of Projects

Applicant's Name City of Portage, Michigan

Priority Need
Planning/Administration

Project Title
Program Planning and Administration

Project Description

This activity includes significant resources allocated towards preparation of the HUD-required five-year Consolidated Plan and Analysis of Impediments for Fair Housing. This activity also include administration of the CDBG Program including oversight of program activities, preparation of various reports to HUD such as the Consolidated Annual Performance Evaluation Reports, semi-annual Labor Standards Enforcement reports, annual Contract and Subcontract report, preparation of Annual Action Plan and CDBG program budget and citizen participation process, Environmental Review Record, expenditure and program income oversight and reporting to HUD in the Integrated Data Information System (IDIS), participation in the Kalamazoo County Continuum of Care and other county-wide housing initiatives, and support of fair housing activities and services.

Location

HUD-designated low/moderate income census tract block groups

Objective Number	Project ID
HUD Matrix Code	CDBG Citation
Type of Recipient	CDBG National Objective
Start Date (mm/dd/yyyy)	Completion Date (mm/dd/yyyy)
Performance Indicator	Annual Units
Local ID	Units Upon Completion
21A	570.202(c)
Local Government	Administration
07/01/2015	06/30/2016
NA	NA
NA	NA

Funding Sources:

CDBG	\$41,348
ESG	
HOME	
HOPWA	
Total Formula	
Prior Year Funds	
Assisted Housing	
PHA	
Other Funding	
Total	\$41,348

The primary purpose of the project is to help: the Homeless Persons with HIV/AIDS Persons with Disabilities Public Housing Needs

B. Priorities

The table below summarizes the objectives intended to implement the goals of the Consolidated Plan with regard to housing and community development needs.

During the FY 2015-16 program year, the goal is to assist approximately 20 low/moderate income households through a combination of the Owner-occupied Housing Rehabilitation Program and the Downpayment Assistance Program. In addition, a goal has been established to address 350-400 city code violations to aid in the prevention and elimination of blight. Finally, the goal is to assist 3,000 low-income persons with human services primarily in the form of emergency assistance through the Portage Community Center.

PRIORITY NEED: HOUSING AND AFFORDABLE HOUSING	
SPECIFIC OBJECTIVES	<ul style="list-style-type: none"> Assist 13 households with housing rehabilitation loans in order to improve housing conditions.
	<ul style="list-style-type: none"> Assist 2 households with emergency repair grants to improve housing conditions and arrest further housing deterioration.
	<ul style="list-style-type: none"> Assist 2-3 households with down payment assistance to affordably purchase a home in a target city neighborhood.
	<ul style="list-style-type: none"> Indirectly assist approximately 3000 households via the General Fund and CDBG program by financing non-profit agencies that provide emergency assistance to low/moderate income persons with a housing crisis.
	<ul style="list-style-type: none"> Affirmatively further fair housing by carrying out and supporting fair housing education and services within the community.
PRIORITY NEED: COMMUNITY DEVELOPMENT	
SPECIFIC OBJECTIVES	<ul style="list-style-type: none"> Promote neighborhood improvement by: responding to approximately 350 code enforcement cases; repair of existing sidewalks; and demolition of unsafe structures.
	<ul style="list-style-type: none"> Provide human service assistance to approximately 3,000 persons by funding the Portage Community Center.

C. Geographic Distribution

Neighborhood Improvement activities, Code Enforcement, Sidewalk Enhancements, and Unsafe Structure Demolition are limited to HUD-designated low/moderate income census tract block groups. Similarly, the Downpayment Assistance Program is targeted to current or previously designated low/moderate income census tract block groups and neighborhoods with affordable owner-occupied median home values. The Housing Rehabilitation Program, while often utilized to address issues identified through Neighborhood Improvement activities, is offered citywide to income-eligible homeowners. The Human Services activity is provided at the Portage Community Center facility centrally located within the community. Services are offered to city residents regardless of their geographic location of residence.

Where activities are geographically targeted, such areas include census tract block groups with a minority population concentration, which is discussed in more detail in the FY 2011-2015 Consolidated Plan.

D. Homeless and Other Special Needs Activities

Homelessness. As outlined in the FY 2011-2015 Consolidated Plan, the City of Portage actively participates on the Kalamazoo LISC Affordable Housing Partnership, which comprises the HUD-required Continuum-of-Care organization, and assists with the preparation of planning documents with regard to homeless needs. While the Consolidated Plan provides information regarding emergency, transitional and permanent supportive housing facilities and services for homeless and chronic homeless persons within Kalamazoo County, the annual Continuum of Care planning document, submitted to HUD annually, should be referenced for an updated inventory of such services, and prioritization of homelessness needs.

The City of Portage will also address homelessness by funding agencies that provide housing and related services to homeless persons in the effort to shelter those individuals and families who have lost their home and prevent homelessness of those individuals and families experiencing a housing crisis.

In May 2008, City Council awarded the Kalamazoo County Public Housing Commission a grant of \$100,000 for the Local Housing Assistance Fund to provide tenant-based rental subsidies to homeless persons and for homelessness prevention programs. In 2011, the Public Housing Commission utilized the remaining funds from the city to purchase a single-family dwelling for affordable rental housing, and the city granted a tax exemption and Payment in Lieu of Taxes (PILOT) to facilitate the project. In addition, while funding awards have not yet been finalized, City Council will allocate approximately \$125,625 in General Fund monies, and \$42,510 in CDBG Fund monies to human/public service agencies to provide homeless and other special needs services, which will include:

- Emergency assistance to low income families (utility shut-off payments, eviction preventions, food, clothing, etc.), youth development and program coordination with other service agencies at the community center.
- Emergency shelter, homeless prevention programs and permanent supportive housing for families.
- Emergency shelter, counseling and outreach for runaway youth and their families.
- Emergency shelter and counseling for victims of domestic and/or sexual abuse, and mentoring programs for adult women.
- Support for the 2-1-1/Help-Line that provides crisis intervention and human services information and referral 20 hours per day.
- Support for education and training programs to raise the awareness and response to human trafficking.

Special Needs Populations. There are no specific programs targeted towards special needs populations. However, whenever possible the City of Portage works with special needs housing providers on programs to create affordable housing opportunities for persons with special needs. This is evidenced by the following: 1) granting of a Payment in Lieu of Taxes (PILOT) for Residential Opportunities, Incorporated to purchase and rehabilitate a 32-unit apartment development, 12 units

of which will be rented to special needs households; 2) a CDBG program grant to the LIFT Foundation for site clearing and connection to utilities for an 11-unit apartment for persons with disabilities; 3) availability of housing rehabilitation and emergency repair funds for persons with special needs who require accessibility improvements, including potential partnership opportunities with the Disability Network Southwest Michigan Ramp-Up program (CDBG housing rehabilitation funds cover materials and the Disability Network provides volunteer labor); 4) active participation on the Kalamazoo County LISC Affordable Housing Partnership, which facilitates the Kalamazoo County Continuum-of-Care for local agency housing program grant applications to MSHDA and HUD.

The table below summarizes the objectives intended to implement the goals of the Consolidated Plan with regard to homeless and special needs populations.

**SUMMARY OF SPECIFIC HOMELESS AND
SPECIAL NEEDS POPULATIONS OBJECTIVES (CP Table 1C)**

PRIORITY NEED: HOMELESSNESS	
SPECIFIC OBJECTIVES	<ul style="list-style-type: none"> Funding agencies that provide homelessness prevention and emergency housing in Kalamazoo County to assist with the implementation of the 10-year Plan to End Homelessness.
	<ul style="list-style-type: none"> Funding agencies that provide rapid re-housing (transitional and permanent housing and support services) for homeless individuals and families experiencing homelessness.
	<ul style="list-style-type: none"> Participate in the annual preparation of the HUD-required Continuum-of-Care planning document, which monitors the provision of services to homeless individuals and prioritizes needs and programs.
PRIORITY NEED: SPECIAL NEEDS	
SPECIFIC OBJECTIVES	City of Portage programs are not directly targeted at assisting special needs populations.

E. Other Actions Proposed

Anti-Poverty Strategy, Under-served Needs, and Barriers to Affordable Housing

As discussed in the FY 2011-2015 Consolidated Plan, due to limited funding, the city will not directly undertake programs to combat poverty. However, the above described programs provided through the CDBG program and General Fund monies for human/public services will indirectly address poverty related needs.

In addition, continuation of CDBG programs and efforts to partner with for-profit and non-profit developers will assist in providing additional affordable housing over the FY 2015-16 program year. Examples may include consideration of tax exemptions from General Fund revenues to facilitate affordable housing construction and rehabilitation, and utilization of CDBG funds for pre-development activities (connection to public utilities, etc.) for affordable housing construction and/or rehabilitation. Funding may be derived from unanticipated program income and unexpended funds available at the end of the FY 2014-15 program year, provided expenditures do not constitute a substantial change in use of funds (i.e., not more than 10 percent of the total FY 2015-16 CDBG Program budget).

F. Lead Based Paint Hazards

All CDBG housing projects will be carried out in accordance with federal and state regulations pertaining to lead-based paint hazards over the FY 2015-16 program year.

G. Coordination

As necessary, and to the extent of limited personnel and monetary resources, the City of Portage coordinates available programs, services and special resources to best serve the citizens of Portage. The Department of Community Development often works with other city departments and outside agencies to meet the special needs of residents. As discussed in the Lead Agency and Consultation/Coordination section of the Consolidated Plan, the city will continue to implement the CDBG program and work with other countywide housing and anti-poverty initiatives throughout the FY 2015-16 program year.

H. Allocation of Funds

The planned allocation of funds for FY 2015-16 are shown in the following table:

FUNDING SOURCES		
Entitlement Grant (Includes reallocated funds)		
CDBG	\$221,442	
ESG	\$0	
HOME	\$0	
HOPWA	\$0	
Total		\$221,442
Prior Years' Program Income NOT previously programmed or reported ¹		
CDBG	\$0	
ESG	\$0	
HOME	\$0	
HOPWA	\$0	
Total		\$0
Reprogrammed Prior Years' Funds		
CDBG	\$100,000	
ESG	\$0	
HOME	\$0	
HOPWA	\$0	
Total		\$100,000
Total Estimated Program Income		
Program Income Fund	\$35,000	
Revolving Fund	\$0	
Total		\$35,000
Section 108 Loan Guarantee Fund		
	\$0	
		\$0
TOTAL FUNDING SOURCES		\$356,442
Other Funds		\$0
Submitted Proposed Projects Totals		\$356,442
Un-Submitted Proposed Projects Totals		\$0

In addition to the CDBG-funded activities in the table above, additional state and federal resources are available either directly to the City of Portage, or within the community serving Portage residents during the program year.

OTHER FEDERAL, STATE AND LOCAL RESOURCES	
City of Portage General Fund-Payment in Lieu of Taxes (PILOT) for affordable rental housing – estimated annual subsidy	\$65,000
Housing Choice Vouchers (Tenant-based rental assistance for low income and homeless households) Utilized in Portage – Variable Monetary Value – Administered by MSHDA	100 (estimated)
McKinney-Vento Supportive Housing Program Funds awarded to Kalamazoo County governmental and non-profit agencies via HUD funding that may serve Portage residents	\$1,857,125
Emergency Solutions Grant Funds awarded to Kalamazoo County governmental and non-profit agencies via MSHDA funding that serve Portage residents	\$274,176

Finally, the City of Portage and sub-recipients of CDBG funds leverage CDBG dollars from City General Fund, federal and state grants, and private funds. The amount of leveraged funds will be reported annually in the CAPER document submitted to HUD.

I. American Dream Down Payment Initiative (ADDI) Funds

The City of Portage does not receive ADDI funding from HUD. However, as discussed above, the city does have a Downpayment Assistance Program through the CDBG Program.

J. Monitoring

The City of Portage regularly contracts with sub-recipients for human/public services, fair housing services and for single-family housing predevelopment. The Department of Community Development receives reports from human/public service and fair housing agencies on a biannual or quarterly basis and makes periodic monitoring visits. Housing contractors are monitored regularly while a project is underway and thereafter to ensure compliance with HUD regulations. Any new programs developed as a result of the Consolidated Plan or individual Annual Action Plan which will utilize sub-recipients will also be monitored in a similar manner.

With regard to City of Portage self-evaluation and monitoring, review of expenditures and program income receipt expenditures (including timeliness of expenditures), program activity accomplishments, and staff evaluation occurs at least quarterly, or more frequently as appropriate. In addition, grant performance is evaluated through the preparation of bi-annual Labor Standards Enforcement reports, the annual Contractor and Subcontractor report, annual and project specific Environmental Review, and annual Consolidated Annual Performance Evaluation Report (CAPER).

K. Citizen Participation

The City of Portage will follow the Citizen Participation Plan as provided in the FY 2011-2015 Consolidated Plan, and the table below outlines the steps to be taken in the development of the FY 2015-16 Annual Action Plan.

PLAN DEVELOPMENT PROCESS AND CITIZEN PARTICIPATION	
December 4, 2014	Receive and review requests for funding from human/public service agencies.
January 8, 2015 and January 22, 2015	Human Services Board holds public hearing to receive comments regarding FY 2015-16 applications for funding for human/public services, and to gather comments on CDBG program performance and receive input on housing, community development needs, housing priorities and fair housing issues in relation to drafting the Annual Action Plan.
January 23, 2015 – February 6, 2015	Preparation of proposed recommendation for proposed CDBG budget and CDBG human/public service funding.
February 23, 2015	Recommend CDBG budget and complete draft of FY 2015-16 Annual Action Plan; submit to City Manager for review.
February 28, 2015	Publish summary of FY 2015-16 Annual Action Plan, including projected use of funds and notice for public hearing in the Kalamazoo Gazette.
April 2, 2015	City of Portage holds public hearing on the draft Annual Action Plan.
April 3, 2015	Final draft of FY 2015-16 Annual Action Plan and CDBG budget to City Council for review.
May 12, 2015	City Council approves CDBG budget and FY 2015-16 Annual Action Plan.
May 14, 2015	Mail FY 2015-16 Annual Action Plan to HUD by May 15 th deadline.
May-June, 2015	Prepare FY 2015-16 Environmental Review Record.
July 1, 2015	Begin new grant program year, FY 2015-16.

A summary of public comments received to date on the FY 2015-16 Annual Action Plan is provided in Appendix B.

L. Affirmatively Promoting Fair Housing

Concurrent with the FY 2011-15 Consolidated Plan update, an update to the *Analysis of Impediments to Fair Housing (A/I)* study was also accomplished. The updated A/I study recommends activities that will be undertaken to eliminate the identified impediments to fair housing choice within the community. The City of Portage will allocate \$2,000 within the CDBG Administration budget for the following fair housing activities in FY 2015-16, which are intended to assist with addressing impediments identified in the A/I study:

1. Provide assistance to the Fair Housing Center of Southwest Michigan to host a minimum of two fair housing presentations to property owners/managers, realtors and/or financial institutions. **Target Deadline:** June 2015. **Estimated Budget:** \$0, in-kind professional services, completed on fee-for-service basis by Fair Housing Center.
2. Sponsor a fair housing education event during Fair Housing Month. This event will be conducted by the Fair Housing Center of Southwest Michigan, but may be in participation with other partners. **Target Deadline:** April 2015. **Estimated Budget:** \$500.
3. The city will pass a fair housing resolution in recognition of National Fair Housing Month. **Target Deadline:** April 2015. **Estimated Budget:** \$0.

4. Support fair housing activities of the Fair Housing Center of Southwest Michigan including information and referral, education and outreach, and Fair Housing enforcement services. **Target Deadline:** June 2015. **Estimated Budget:** \$1,500.
5. Participate as an Advisory Board member on the Partnership for Fair Housing Center of Southwest Michigan, and in the efforts to address fair housing issues on an area-wide basis. This includes efforts to strategically plan for the implementation of education, testing and enforcement of fair housing complaints by the Fair Housing Center of Southwest Michigan. **Target Deadline:** Ongoing. **Estimated budget:** \$0, in-kind professional services; attendance at monthly Board meetings, assistance on subcommittees.

M. Certifications

Certifications are provided in Appendix A.

APPENDIX A
CERTIFICATIONS

CERTIFICATIONS

In accordance with the applicable statutes and the regulations governing the consolidated plan regulations, the jurisdiction certifies that:

Affirmatively Further Fair Housing -- The jurisdiction will affirmatively further fair housing, which means it will conduct an analysis of impediments to fair housing choice within the jurisdiction, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting that analysis and actions in this regard.

Anti-displacement and Relocation Plan -- It will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and implementing regulations at 49 CFR 24; and it has in effect and is following a residential antidisplacement and relocation assistance plan required under section 104(d) of the Housing and Community Development Act of 1974, as amended, in connection with any activity assisted with funding under the CDBG or HOME programs.

Anti-Lobbying -- To the best of the jurisdiction's knowledge and belief:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and
3. It will require that the language of paragraph 1 and 2 of this anti-lobbying certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

Authority of Jurisdiction -- The consolidated plan is authorized under State and local law (as applicable) and the jurisdiction possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations.

Consistency with plan -- The housing activities to be undertaken with CDBG, HOME, ESG, and HOPWA funds are consistent with the strategic plan.

Section 3 -- It will comply with section 3 of the Housing and Urban Development Act of 1968, and implementing regulations at 24 CFR Part 135.

Signature/Authorized Official

Date

Specific CDBG Certifications

The Entitlement Community certifies that:

Citizen Participation -- It is in full compliance and following a detailed citizen participation plan that satisfies the requirements of 24 CFR 91.105.

Community Development Plan -- Its consolidated housing and community development plan identifies community development and housing needs and specifies both short-term and long-term community development objectives that provide decent housing, expand economic opportunities primarily for persons of low and moderate income. (See CFR 24 570.2 and CFR 24 part 570)

Following a Plan -- It is following a current consolidated plan (or Comprehensive Housing Affordability Strategy) that has been approved by HUD.

Use of Funds -- It has complied with the following criteria:

1. Maximum Feasible Priority. With respect to activities expected to be assisted with CDBG funds, it certifies that it has developed its Action Plan so as to give maximum feasible priority to activities which benefit low and moderate income families or aid in the prevention or elimination of slums or blight. The Action Plan may also include activities which the grantee certifies are designed to meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community, and other financial resources are not available);
2. Overall Benefit. The aggregate use of CDBG funds including section 108 guaranteed loans during program year(s) _____, _____ (a period specified by the grantee consisting of one, two, or three specific consecutive program years), shall principally benefit persons of low and moderate income in a manner that ensures that at least 70 percent of the amount is expended for activities that benefit such persons during the designated period;
3. Special Assessments. It will not attempt to recover any capital costs of public improvements assisted with CDBG funds including Section 108 loan guaranteed funds by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements.

However, if CDBG funds are used to pay the proportion of a fee or assessment that relates to the capital costs of public improvements (assisted in part with CDBG funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds.

The jurisdiction will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108, unless CDBG funds are used to pay the proportion of fee or assessment attributable to the capital costs of public improvements financed from other revenue sources. In this case, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. Also, in the case of properties owned and occupied by moderate-income (not low-income) families, an assessment or charge may be made against the property for public improvements financed by a source other than CDBG funds if the jurisdiction certifies that it lacks CDBG funds to cover the assessment.

Excessive Force -- It has adopted and is enforcing:

1. A policy prohibiting the use of excessive force by law enforcement agencies within its

jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and

2. A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within its jurisdiction;

Compliance With Anti-discrimination laws -- The grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 USC 2000d), the Fair Housing Act (42 USC 3601-3619), and implementing regulations.

Lead-Based Paint -- Its activities concerning lead-based paint will comply with the requirements of 24 CFR Part 35, subparts A, B, J, K and R;

Compliance with Laws -- It will comply with applicable laws.

Signature/Authorized Official

Date

Title

APPENDIX TO CERTIFICATIONS

INSTRUCTIONS CONCERNING LOBBYING:

A. Lobbying Certification

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

**APPENDIX B
SUMMARY OF CITIZEN COMMENTS**

January 8, 2015 and January 22, 2015 Public Hearing on Housing and Community Development Needs:

1. January 8, 2015 Public Hearing - CDBG Program - Overview of Housing and Community Development Needs for Consolidated Plan update: Sheppard opened the hearing. Due to weather conditions, LaPoint moved and Mirza supported adjourning the Public Hearing until January 22, 2015. Motion passed 7-0.
2. January 22, 2015 Public Hearing – CDBG Program – Overview of Housing and Community Development Needs for Consolidated Plan update: Chair Sheppard opened the public hearing and staff provided an overview of the HUD planning and reporting requirements for CDBG program grantees, including completion of a Consolidated Plan update every five years (including an Analysis of Impediments to Fair Housing study), an Annual Action Plan and grant application, and a Consolidated Annual Performance Evaluation Report. Staff provided a detailed overview of housing and community development needs included in the FY 2011-15 Consolidated Plan, key CDBG program activities, and performance measures from FY 2013-14. In addition, an overview of the projected budget and timeline to develop the Annual Action Plan was reviewed. A draft budget and Annual Action Plan would be prepared by mid-February, and a 30-day public comment period would follow with a public hearing on the plan in either late March or early April 2015. As no further comments from the Board and no public comments were received, the public hearing was closed.

30-day Public Comment Period: February 28, 2015-April 2, 2015 Public Hearing on draft FY 2015-16 Annual Action Plan:

Public Hearing - Community Development Block Grant (CDBG) Program: FY 2015-16 Annual Action Plan:

Public Hearing - Community Development Block Grant (CDBG) Program: FY 2015-16 Annual Action Plan: Chair Sheppard opened the public hearing. Maye indicated she would abstain from any discussion since her employer, the Fair Housing Center of Southwest Michigan, is a sub-recipient. Staff provided an overview of the plan and summarized proposed activities with the funds available next fiscal year including a breakdown of funds, which included money for sidewalk enhancement and demolition. Woodin asked if the demolition was going to be a Kalamazoo County tax foreclosure and, if it was, the County typically partnered with the local municipality to share demolition costs. Money indicated that a variety of options had been researched and one particular property would likely go into tax foreclosure and then be demolished. As no further comments were received, the public hearing was closed.

APPENDIX C
PROOFS OF PUBLICATION

December 24, 2014 Notice of Public Hearing on housing and
community development needs on January 9, 2014

February 28, 2015 publication of Notice of Availability of Draft
FY 2015-16 Annual Action Plan and Notice of Public Hearing on April 2, 2015

ss. *Sharon Sattory*

Being duly sworn deposes and say he/she is Principal Clerk of



THE KALAMAZOO GAZETTE
DAILY EDITION

a newspaper published and circulated in the County of Kalamazoo and otherwise qualified according to Supreme Court Rule; and that the annexed notice, taken from said paper, has been duly published in said paper on the following day(days)

December 24 A.D. 20 14

Sworn to and subscribed before me this 24th day of December 20 14

MARIETTA FOLEY
Notary Public, State of Michigan
County of Kent
My Commission Expires: December 23, 2016

PORTAGE
A Natural Place to Move

NOTICE OF PUBLIC HEARING

The City of Portage will hold a public hearing on Thursday, January 8, 2015 at 6:30 p.m. in Conference Room #1, City Hall, 7900 South Westnedge Avenue, Portage, Michigan to receive comments on the Community Development Block Grant (CDBG) Program, community development needs, fair housing issues, housing priorities and funding for human/public services within the City of Portage. The city anticipates receiving approximately \$210,000 in Federal CDBG funding in 2015-16, and an estimated \$25,000 of program income.

All interested persons are encouraged to attend. Comments can be submitted in writing on or before January 8, 2015 to the City of Portage, Department of Community Development, or may be presented in person at the public hearing. Citizens desiring additional information should contact the City of Portage Department of Community Development, (269) 329-4477 for additional information.

Department of Community Development
Vicki Georgeau, Director

December 24, 2014

STATE OF MICHIGAN)
County of Kalamazoo

ss Dija Mahmon

Being duly sworn deposes and say he/she is Principal Clerk of



THE KALAMAZOO GAZETTE

DAILY EDITION

a newspaper published and circulated in the County of Kalamazoo and otherwise qualified according to Supreme Court Rule; and that the annexed notice, taken from said paper, has been duly published in said paper on the following day(day) _____

February 28 A.D. 15

Sworn to and subscribed before me this 2 day of March 2015

MARIETTA FOLEY
Notary Public, State of Michigan
County of Kent
My Commission Expires: December 23, 2016



February 28, 2015

Notice of Availability of the draft FY 2015-16 Annual Action Plan and Notice of Public Hearing

The draft Community Development Block Grant (CDBG) Program FY 2015-16 Annual Action Plan, has been prepared as required by the U.S. Department of Housing and Urban Development (HUD) for communities receiving federal funding through the CDBG Entitlement grant program. The draft FY 2015-16 Annual Action Plan outlines proposed projects that will be undertaken with the \$356,442 in CDBG funding expected to be available to the City of Portage for FY 2015-16 from HUD. For FY 2015-16, proposed projects/expenditures are:

Housing Rehabilitation Assistance Program (loans and grants)	\$144,067
Down Payment Assistance Program	\$10,000
Neighborhood Improvement-Code Administration and Enforcement	\$58,005
Neighborhood Improvement-Sidewalk Enhancements	\$50,000
Neighborhood Improvement-Unsafe Structure Clearance and Demolition	\$10,000
Human/Public Services	\$42,510
Grant Administration and Fair Housing Activities	\$41,860
TOTAL	\$356,442

The draft document is available for review at the following locations:

- Department of Community Development, City of Portage, 7900 South Westnedge Avenue, Portage, MI 49002
- Portage District Library, 300 Library Lane, Portage, MI 49002
- Portage Senior Center, 320 Library Lane, Portage, MI 49002
- Portage Community Center, 325 East Centre Avenue, Portage, MI 49002
- City of Portage web site (www.portagemi.gov) under: Department of Community Development, Planning, Development and Neighborhood Services, Documents

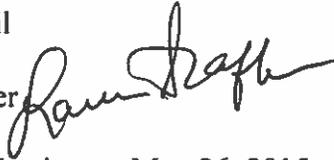
Comments can be submitted in writing on or before noon on Thursday, April 2, 2015 to the City of Portage, Department of Community Development, 7900 South Westnedge Avenue, or may be presented in person at a Public Hearing that will be held on Thursday, April 2, 2015 at Portage City Hall at 6:30 p.m. For additional information, please contact the Department of Community Development at 269-329-4477 or 269-329-4466.

Vicki Georgeau, Director
Department of Community Development

Saturday, February 28, 2015

TO: Honorable Mayor and City Council

FROM: Laurence Shaffer, City Manager



SUBJECT: Committee of the Whole Meeting on May 26, 2015 – Information Only

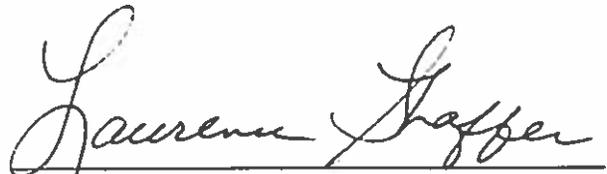
Due to my planned time away from the office and absence from the May 26, 2015 regularly scheduled City Council meeting, it is suggested that a Committee of the Whole (COW) meeting NOT be scheduled on this date.



MATERIALS TRANSMITTED

Friday, April 24, 2015

1. Revised Budget Review Session #2 Schedule for Tuesday, May 5, 2015—Information Only.

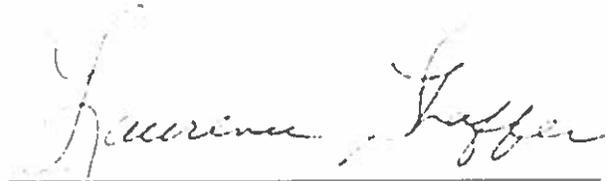

Laurence Shaffer, City Manager

cc: Rob Boulis, Deputy City Manager

MATERIALS TRANSMITTED

Tuesday, April 28, 2015

1. **TO BE ADDED TO THE APRIL 28, 2015 CITY COUNCIL AGENDA AS ITEM F.6:**
Communication from the City Manager recommending that City Council adopt a Resolution authorizing the City Manager to sign all documents with the Michigan Department of Transportation related to Contract 2014-0194 on behalf of the city.
2. **TO BE ADDED TO THE APRIL 28, 2015 CITY COUNCIL AGENDA AS ITEM F.7:**
Communication from the City Manager recommending that City Council adopt the Resolution setting a public hearing on May 12, 2015 for the fiscal year 2015-2016 proposed city budget and proposed 2015 tax levy.



Laurence Shaffer, City Manager

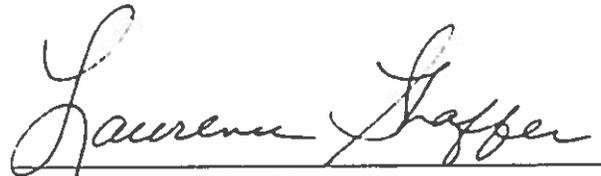
cc: Rob Boulis, Deputy City Manager



MATERIALS TRANSMITTED

Tuesday, May 5, 2015

1. Communication from the City Manager concerning the FY 2015-2016 Proposed Budget – Information Only.


Laurence Shaffer, City Manager

cc: Rob Boulis, Deputy City Manager