

CITY COUNCIL MEETING MINUTES FROM OCTOBER 20, 2015

The Regular Meeting was called to order by Mayor Strazdas at 7:30 p.m.

At the request of Mayor Strazdas, Pastor Paul Naumann of St. Michael Lutheran Church gave an invocation, and City Council and the audience recited 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, Mayor Pro Tem Jim Pearson and Mayor Peter Strazdas. Also in attendance were City Manager Laurence Shaffer, City Attorney Randy Brown and City Clerk James R. Hudson.

PROCLAMATIONS: Mayor Strazdas issued a National Red Ribbon Week Proclamation and a National Community Planning Month Proclamation.

APPROVAL OF MINUTES: Motion by Ansari, seconded by Reid, to approve the Special and Regular Meeting Minutes of October 6, 2015, as presented. Upon a voice vote, motion carried 7 to 0.

* **CONSENT AGENDA:** Mayor Strazdas asked Councilmember Ford to read the Consent Agenda. Councilmember Reid asked that Items F.2, City Assessor Appointment, and L.1, Leaf Pickup Equipment Rental – Bid Tabulation, be removed from the Consent Agenda. Councilmember Ford asked that Item F.6, Street Parking on Rainbow Court Response, be removed from the Consent Agenda.

Motion by Ford, seconded by Reid, to approve the Consent Agenda motions as amended. Upon a roll call vote, motion carried 7 to 0.

* **APPROVAL OF ACCOUNTS PAYABLE REGISTER OF OCTOBER 20, 2015:** Motion by Ford, seconded by Reid, to approve the Accounts Payable Register of October 20, 2015. Upon a roll call vote, motion carried 7 to 0.

PETITIONS AND STATEMENTS OF CITIZENS:

* **PETITION IN FAVOR OF CREATING A SPECIAL ASSESSMENT DISTRICT ON MOZART STREET:** Motion by Ford, seconded by Reid, to refer the special assessment petition in favor of creating a special assessment district on Mozart Street (North of Beethoven Avenue to dead end) in the Maestro Acres Plat to the City Administration for review and report. Upon a roll call vote, motion carried 7 to 0.

JOE GESMUNDO, 11550 EAST DE AVENUE, RICHLAND: As a Portage business for almost 50 years, Joe Gesmundo, 11550 East DE Avenue, Richland, of American Village Builders, 4200 West Centre Avenue, thanked City Council for the fine work they are doing and for appointing Larry Shaffer as City Manager. He mentioned that all great cities have certain things in common, including: jobs and a culture of jobs, great infrastructure and a responsible government to keep the millage rate low and explained. Discussion followed.

KALAMAZOO COUNTY PUBLIC HOUSING COMMISSIONER JOE SCHMITT, 623 LA SALLE STREET: Joe Schmitt, 623 La Salle Street, Kalamazoo County Public Housing Commissioner, spoke in favor of the Kalamazoo County Local Housing Assistance Fund Millage ballot question on the November 3, 2015 City General Election. He pointed out that Portage Public Schools is the only school system in the County that has had an increase in the number of homeless children. He added that the cost to the average person is two pennies to put homeless children in a place where they feel secure and able to study, that the problem is countywide and that the Kalamazoo County Public Housing Commission is planning to establish an Advisory Committee that will work with the United

Way and other significant nonprofit people to help to determine who should be providing the services necessary.

REPORTS FROM THE ADMINISTRATION:

* **MICHIGAN DEPARTMENT OF TRANSPORTATION CONTRACT 15-5179 FOR IMPROVEMENTS ALONG HIGHWAY US131 (SOUTH CITY LIMITS TO INTERSTATE 94):** Motion by Ford, seconded by Reid, to approve Contract 15-5179 between the Michigan Department of Transportation and the City of Portage for the city share of improvements along Highway US131 (south city limits to Interstate 94); adopt a Resolution authorizing the City Manager to sign Contract 155179, and authorize the City Manager to sign all other documents related to this project on behalf of the city. Upon a roll call vote, motion carried 7 to 0. Resolution recorded on page 51 of City of Portage Resolution Book No. 46.

CITY ASSESSOR APPOINTMENT: Councilmember Reid asked for more information about Mr. Edward VanderVries, his schedule as a part time worker and his pay range. City Manager Larry Shaffer introduced Mr. VanderVries, a Portage resident with a significant amount of assessing service and Level 4 status as an Assessor in the State of Michigan. Mr. Shaffer disclosed that he also provides instruction to other Assessors who are seeking certification throughout the State and is one of the preeminent Assessment Professionals in the State of Michigan. He also noted that Mr. VanderVries will be in the office four hours a week and provide the service necessary to oversee our tax rolls, manage all of our tax accounts and will be ensuring all of the taxes for large taxpayers are calculated as they should be. Finally, Mr. Shaffer indicated that he will be establishing the values, procedures and processes going forward; is a BS&A expert and helped write many of the programs this premier software provider uses throughout the State which is the foundation for assessment practices throughout the State; and will be paid \$60,000 per year and be considered a part time employee. Mr. Shaffer explained the Request for Proposal process, described the Deputy Assessor position candidate and discussion followed.

Councilmember Urban found it incomprehensible how the Assessor function would be supported since the City Assessor would work four hours per week, the Deputy Assessor is not familiar with the State of Michigan, and with the current Assessor in the Department having no commercial or industrial experience which is 50% of the tax base. He contended that the Administration and the City Council has created a climate where no one wants to work in Portage and indicated that he cannot support this action and explained other actions need to be taken first.

In answer to Councilmember Ford, Mr. Shaffer indicated that Mr. VanderVries would be in the office for four hours but would work the number of hours necessary to meet all of the duties in the contract.

Councilmember Randall welcomed Mr. VanderVries and recognized him for some past assistance he provided her to help her understand how the tax law was supposed to work. She expressed total disagreement with Councilmember Urban saying that the Assessor Office has had many problems, but have not been made public because of pressure to keep things under wraps. She offered a Committee of the Whole Meeting where the Council can be educated on what happened and gave the example of the confidential settlements of the Michigan Tax Tribunal where thousands of dollars have been refunded. She cited changes to the Assessment Roll on the residential side that were not in compliance with Proposal A or the law. She asked for fact-based information from Mr. Shaffer and thanked both of them for working on this matter. Discussion followed.

Motion by Ansari, seconded by Randall, to confirm the appointment of Edward VanderVries as the City Assessor, and authorize the City Manager to execute an employment agreement, to be effective October 21, 2015. Mayor Pro Tem Pearson reviewed the history of assessing in Portage, discussed some of the options and expressed optimism that the City Council will get educated on assessing.

Councilmember Reid shared her experiences in speaking to officials from other municipalities and indicated that Assessors are difficult to find, so many of them are hiring part time Assessors to meet

the requirements of their respective Charters. She agreed with Councilmember Urban that at a time when the Department is being reconfigured, it is also the time to show commitment to that Department. She disagreed that Portage has a history of inappropriate assessing, expressed her support for the appointment and considered it one piece of rebuilding the Assessment function within Portage.

As a former Board of Review Member, Councilmember Ford pointed out that there will be efficiencies that will be gained with the repeal of the personal property tax law and a BS&A expert to further capitalize on those efficiencies.

Councilmember Urban indicated that the City has spent over \$200,000 since the election of Councilmember Randall in an attempt to convince her that there was not an issue with the Assessor's Office, and noted that through both State audits and private audits, there was never an issue found and brought forward. In fact, at one point she voted to end any further investigation or audit of the Assessor's Office, and within a few weeks moved on with requiring more work, more information and more money spent with nothing found. In answer to Mayor Pro Tem Pearson, Mr. Urban indicated that he has been employed by an assessing firm in the past and has more experience than Mayor Pro Tem Pearson does in the assessment area.

Mayor Strazdas indicated that Mr. VanderVries has excellent credentials, is a Portage resident and a Level 4 Assessor. He expressed his support for the City Manager who has expressed his commitment to assembling an in-house team and explained.

In answer to Councilmember Ansari, Mr. Shaffer indicated that no savings have been booked and none are anticipated as yet since the goal has been to provide stability and leadership in the Assessor's Office and improve the assessing function to provide the highest quality of assessments to the citizens we serve. He acknowledged that there has been a long standing debate about the quality of the assessments in Portage and that he discussed this with Mr. VanderVries at length. He outlined a plan to do an extensive review of what has been happening in the Assessor's Office and to ensure that the practices are in place, including public education regarding the appropriate methodologies that should be utilized to assess properties in this City, including updates for City Council. Discussion followed.

Mayor Strazdas called for the question. Upon a roll call vote, motion carried 6 to 1. Yeas: Councilmembers Randall, Reid, Ansari and Ford, Mayor Pro Tem Pearson and Mayor Strazdas. No: Councilmember Urban. Discussion followed.

* **MODIFICATION OF THE IAFF LABOR AGREEMENT:** Motion by Ford, seconded by Reid, to authorize the City Manager to modify the current labor agreement between the City of Portage and the International Association of Firefighters as detailed. Upon a roll call vote, motion carried 7 to 0.

* **2016 CITY COUNCIL MEETING SCHEDULE:** Motion by Ford, seconded by Reid, to establish the 2016 schedule of regular City Council meetings. Upon a roll call vote, motion carried 7 to 0.

* **PROPOSED BUDGET AMENDMENT:** Motion by Ford, seconded by Reid, to receive the Communication from the City Manager regarding allocation of the excess funds identified in the General Fund as information only. Upon a roll call vote, motion carried 7 to 0.

STREET PARKING ON RAINBOW COURT RESPONSE: City Manager Larry Shaffer indicated that he met with Ms. Voss the day after the last Council Meeting and discussed the issue Ms. Voss raised related to parking on the street, and asked that Police Department representatives meet with her. He indicated that there was also a meeting with the individual who owns the parked vehicle in question and that he understood the vehicle is being moved off of the road and feels the concerns of Ms. Voss have been answered. Motion by Urban, seconded by Randall, to receive the communication from the City Manager regarding the concerns of Carol Voss, 1104 Rainbow Court, as information only. Ms. Voss reiterated her concerns, listed some of the services provided by the City, indicated that she pays over \$3,400 a year in property taxes, and asked which is the appropriate Department to contact in

the event the parking situation surfaces again. Mr. Shaffer offered to address each of these issues as they arise on an individual basis within the purview of the applicable City Ordinance and offered to be flexible should an ordinance change be indicated. Mayor Strazdas explained further. Discussion followed. Upon a roll call vote, motion carried 6 to 1 with Councilmember Ford abstaining.

* **SEPTEMBER 2015 SUMMARY ENVIRONMENTAL ACTIVITY REPORT:** Motion by Ford, seconded by Reid, to receive the September 2015 Summary Environmental Activity Report as information only. Upon a roll call vote, motion carried 7 to 0.

* **DEPARTMENTAL MONTHLY REPORTS:** Motion by Ford, seconded by Reid, to receive the Departmental Monthly Reports from the various departments. Upon a roll call vote, motion carried 7 to 0.

COMMUNICATIONS:

ELEANOR BECK, 10632 OAKLAND DRIVE: City Manager Shaffer explained that the water charge is two parts – one is based on use while the other is based upon demand or a utility fee. He recognized the water cost can be difficult for some people and the best the City can do is to manage the water budget as efficiently and effective as possible and create as much economy as possible going into that budget. However, he responded directly to Ms. Beck’s request, and indicated that there are no known options with the Water Fund and where it could fund itself based upon a recommendation, so on the surface he cannot respond positively to her request.

Councilmember Ansari suggested at least talking to the City of Kalamazoo for a rate reduction, and Mr. Shaffer acknowledged ongoing discussions with the City of Kalamazoo, and discussion followed.

Councilmember Randall asked whether a person who leaves and shuts his or her water off for six months, still has to pay a \$50 per month water charge? Mr. Shaffer indicated he would get that answer for her. Discussion followed.

Motion by Reid, seconded by Ford, to receive the communication from Ms. Eleanor Beck, 10632 Oakland Drive, regarding the minimum water and sewer utility charge. Upon a voice vote, motion carried 7 to 0.

PRESENTATION AND ANNUAL UPDATE FROM THE SENIOR CITIZEN ADVISORY BOARD: At the request of Mayor Strazdas, City Manager Shaffer indicated how proud he is of the Senior Citizens Advisory Board and that they are working through the reaccreditation process and the future of the Senior Center.

Senior Citizens Advisory Board Member Mary Lou Petruccio, 1490 Sarasota Trail, provided an update of the goals of the Board, including: an outline of the increased membership efforts; funding efforts; innovative programming identified to reach the senior population of 50 years of age and older; City Council and Portage Senior Center Management advice on issues and projects pertaining to seniors and the Portage Senior Center; assistance with the accreditation process for the Portage Senior Center; and exploration of opportunities for interaction and partnership with the Portage Community Center and Portage Public Schools. She summed up with the need to expand the space and the staffing to meet the needs of senior citizens in the future. Discussion followed.

Motion by Reid, seconded by Ford, to receive the presentation and annual update from the Senior Citizen Advisory Board. Upon a voice vote, motion carried 7 to 0.

CLOSED SESSION: Motion by Pearson, seconded by Randall, to hold a closed session immediately following the regularly scheduled City Council meeting of Tuesday, October 20, 2015, to discuss a personnel matter. Upon a voice vote, motion carried 7 to 0.

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

Portage Park Board of September 2, 2015.

Portage Youth Advisory Committee of September 14, 2015.

Portage Public Schools District Advisory Council of September 17, 2015.

BID TABULATIONS:

LEAF PICKUP EQUIPMENT RENTAL – BID TABULATION: In response to Councilmember Reid, Department of Public Services Director Rod Russell indicated the standard bidding process was utilized, but only one company bid on the request owing to the size and type of equipment involved. He explained that one part of the request was to have newer packers as they are an integral part of the process and we could ill afford breakdowns. He responded that this is a good bid financially because it falls in line with what we are already paying them for the service, so there was no big increase. Discussion followed.

City Manager Shaffer indicated that the City is risk adverse and the concern was that rejecting the bid and putting it back out could result in an increase in the cost once they realize there was only one bid and explained. Discussion followed.

Motion by Reid, seconded by Pearson, to approve a five-year contract with Premier Truck Sales & Rental, Incorporated, of Valley View, Ohio, to provide compactor trucks for the Fall Leaf Pickup Program and the Spring Bagged Leaf Pickup Program in a total amount not to exceed \$469,000, with the option for three one-year renewals, and authorize the City Manager to execute all documents related to this contract on behalf of the city. Councilmember Reid indicated that in the future where there is a continuation of a contract, it would be helpful to have that cost figure of the current or previous contract to scrutinize the bid better. Upon a roll call vote, motion carried 7 to 0.

* **FIRE STATION #1 GENERATOR – BID TABULATION:** Motion by Ford, seconded by Reid, to approve the purchase of a Generac 80-KW building generator from Wolverine Power Systems of Zeeland, Michigan, in the amount of \$39,600, installation of the Generac generator by Moore Electrical Services, Inc., of Kalamazoo, Michigan, in the amount of \$45,112, and authorize the City Manager to execute all documents related to this matter on behalf of the city. Upon a roll call vote, motion carried 7 to 0.

RECESS FOR CLOSED SESSION: 8:51 p.m.

RECONVENE: 9:47 p.m.

COMMUNICATIONS (Continued):

CITY MANAGER EVALUATION: Mayor Strazdas indicated that the purpose of the Closed Session was to discuss the evaluation of the City Manager. He referred to the City Manager Evaluation Committee consisting of Mayor Pro-tem Jim Pearson, Councilman Richard Ford and himself who reviewed the instrument used by City Council to weigh in with their opinion and explained how to use the instrument as a scoring mechanism. With that, the data received from the City Council revealed an intent to keep his salary increase in line with the other employees at 2 per cent increase of his base salary effective November 19, 2015, and to award a one-time meritorious bonus of \$1,000. Discussion followed.

Motion by Pearson, seconded by Ansari, to approve the unanimous decision of the City Manager Evaluation Committee. Councilmember Urban indicated that he would not be supporting the motion owing to the negative aspects in handling situations in personnel which outweighs any benefits

and positives, so he would not be supporting the recommendations of the Committee. Upon a roll call vote, motion carried 6 to 1. Yeas: Councilmembers Randall, Reid, Ansari and Ford, Mayor Pro Tem Pearson and Mayor Strazdas. No: Councilmember Urban. Mayor Strazdas announced a news release would follow the meeting. Discussion followed.

OTHER CITY MATTERS:

STATEMENTS OF CITIZENS: In response to Monifa Jumanne, 6286 Silver Fir Street, who asked about the topic concerning the possible Morehouse College Glee Club performance in February 2016. Mayor Strazdas indicated that the matter was discussed at the earlier Committee of the Whole Meeting of City Council from 6 p.m. to 7 p.m., and will be a part of the next Committee of the Whole Meeting of City Council at 6 p.m. on November 3, 2015, Conference Room #1, which gives City Council time to further discuss the designation of excess funds, including funding for cultural events such as the Morehouse College Glee Club. He indicated that the matter could be brought up at the Regular City Council Meeting later at 7:30 p.m., but that he could not be assured of that. Discussion followed.

Ms. Jumanne shared an experience some years ago when the Senior Center Trip bus driver announced that George Zimmerman was acquitted of the killing of Trayvon Martin, and the majority of the passengers applauded, but she and her passenger mate did not applaud. She did report the incident to the Travel Coordinator, and the bus company instructed the bus driver that his job was not to announce the evening news, but to drive the bus and get the passengers safely to their destination and back. She indicated that those same people who applauded are still members of the Senior Center and asked City Council to think about the fact that no one has taken the opportunity to address the behavior of those citizens on the bus that evening. Discussion followed and Mayor Strazdas called for more discussion and conversation in the City and in the Region regarding diversity topics.

STATEMENTS OF CITY COUNCIL CANDIDATE: Tim Earl, 6862 Shallowford Way, indicated that he enjoyed talking to citizens while on his campaign for Portage City Council regarding their issues and concerns as it was refreshing to find them versed on City matters. He expressed satisfaction with the campaign with regard to the mutual respect for one another and the spirited debate over the issues. He indicated he will be campaigning hard for the next two weeks, and will continue to serve whether it is on the Park Board or the City Council.

STATEMENTS OF CITY COUNCIL AND CITY MANAGER: Councilmember Ford thanked Joe Gesmundo for his expression of approval of City Council and the Administration over the past 50 years as a developer in Portage. He congratulated Ed VanderVries on his appointment as the City Assessor and Michigan State for their victory over the University of Michigan in the last 10 seconds of the game.

Councilmember Randall indicated that Halloween is on Saturday, October 31, 2015, and asked citizens to be aware that the City of Portage does not specify date and time of Trick or Treating as this is determined by each neighborhood, so drivers should exercise special caution this weekend. She mentioned the plan for three fall leaf pickups and asked citizens to check their schedules for dates of pickup.

Councilmember Urban shared that one of the best ways to observe the fall colors is during a free fall sky dive which he experienced on Sunday and encouraged all of his fellow Councilmembers to join him.

Councilmember Ansari congratulated City Manager Larry Shaffer, saying he has turned the City around on many levels. He indicated that he is very dependable, extremely accessible and remains one of the city's assets; and, that he has demonstrated creativity, innovative thinking and problem solving; and, that he is adaptable to change. He listed some of his many achievements and accomplishments, and he thanked Mr. Shaffer for his efforts.

Councilmember Reid congratulated and welcomed Ed VanderVries on his appointment as City Assessor. She also quoted Councilmember Randall when she stated at the *MLive* Forum, Portage District Library, that there is no question that there are inequities and unfairness in our industrial, commercial and residential tax rolls (and) that has been proven time and time again; our new City Manager agrees with that; you can call the County Treasurer; the MTT (Michigan Tax Tribunal) refunds by Portage far exceed other areas; those are just indicators that something is not exactly right. She questioned this statement and followed Councilmember Randall's advice by obtaining a report of the refund from all of the jurisdictions in Kalamazoo County from 2000 through 2009 from County Treasurer Mary Balkema. She noted that Portage was the third highest in refunds from the Board of Review and from the State Tax Commission (STC). She noticed the Portage Board of Review results were being compared to those of smaller municipalities with much lower tax bases, so she compared the refunds as a percentage of the State Equalized Values (SEV's) of the properties in these municipalities for the year 2004, as it was in the middle of the date range she had been checking, and found that this put Portage in the middle of the graph in both the STC and the MTT. She affirmed that this was more in line with her understanding of the property tax situation in Portage and stated that she felt it was important to have trust in past assessments.

City Manager Shaffer thanked City Council for their performance evaluations and thanked them for their candid comments in closed session as he found it energizing and enlightening. He said he wanted the public to know that he is deeply committed to moving with City Council and Mayor Strazdas in the best interests of Portage in a positive and productive fashion.

Mayor Pro Tem Pearson thanked Mr. Shaffer for his service over the year and indicated in his door-to-door campaign, Portage citizens love single stream recycling and the Farmer's Market. To his surprise, citizens asked him what Council was going to do with the \$3.7 million. He answered that they would probably fix some streets and pay down debt; and, everyone wanted to know where their street was on the list.

Mayor Strazdas thanked Mr. Shaffer for his performance, that the majority of the Council has spoken, and we move forward. He also said that there is always diversity in thought, in the way we see things and the way we act and explained. He reviewed the Committee of the Whole that took place earlier at 6:00 p.m. He explained that seven years of roll up produced \$3.2 million in the General Fund, plus \$400,000+ from the State and warned that that will not be a repeat next year, especially when considering a low projected Consumers' Price Index (CPI) for next year. He spoke in favor of this opportunity to improve our roads, to bolster our Fund Balance, to stabilize our funds for emergencies and to lower our debt and explained. Discussion followed.

ADJOURNMENT: Mayor Strazdas adjourned the meeting at 10:17 p.m.

James R. Hudson, City Clerk

***Indicates items included on the Consent Agenda.**