

AD HOC STREET COMMITTEE

WEDNESDAY, SEPTEMBER 10, 2014

The Ad Hoc Street Committee met on Wednesday, September 10, 2014 at 4 p.m. in the Council Chambers, City Hall.

PRESENT: Colleen Kenny, Lynda Beaton, Gerald Haw, Joseph Maxey, Jeremy Nowak, Mitch Deisch, Ed Bradford, Jeff Mikula, Roger Zielinski

ABSENT: Bob Hornkohl, Ed Cote, Shawn Middleton

OTHERS PRESENT: PEG-Tom Geoghan

PURPOSE: City Council directed staff to advertise for applications to this new committee and appointments were made at the July 1, 2014 meeting. The purpose of this new committee will be to discuss upgrading the City street network and help educate the public on upcoming millage request. The committee will consist of members of City Council, City Staff, and 3-5 ad hoc committee members (must be a registered voter or property owner in the City of Manistee).

DISCUSSION: At the previous meeting consensus to continue various discussions on creating alternate plans if the millage request does not pass. Committee members were asked to bring their suggestions for other budgeting opportunities to this meeting.

City Manager encapsulated discussion from last meeting: It is the committee's belief that it would be exceedingly difficult to ask for a millage in November; there is a need for Plan B. The purpose of today's meeting was to talk about Plan B and various ways that revenue could be generated.

- Discussed the budget recently adopted by City Council for the 2014-2015 fiscal year. Noted funds in this budget are already obligated.
- \$600,000 is a lot to find, basically would eliminate a department.
- What are the challenges and how do we explain them to the citizenry?
- Clear consensus that we would be looking at the budget and this is the time to explore concepts.
- A start is the bond debt that would expire in 2015.
- Nowak suggested cherry picking smaller amounts from the budget.
- Haw suggested doing one block this year as an example to the public that the City is working toward repairs. However, too late for a project yet this Fall.
- Twelfth Street is one project that is ready to go but City does not own the property.
- Mikula noted that the City has applied for an MDOT grant in 2015-2016 to begin preliminary design work and would use the money in this year's budget as grant match.
- Would take \$600,000 to make a meaningful contribution to street upgrades; anything less and the streets will continue to deteriorate.

- Maxey felt streets and sidewalks are a public safety issue and should come before some of the nice things like the Marina, Ice Skating Rink, Ramsdell, Launch Ramps, etc. City should do no more until streets are addressed.
- Nowak noted that the City does have to pay the bills already incurred. However he still feels there are areas that could be cut like DPW recycling, let people take their recycling to the school. Move brush pickup to only once a month.
- Mikula noted that the DPW does apply efficiencies when they arise.
- Mayor Kenny asked the committee to look at long term funding opportunities. We need to make it a sustainable source of revenue.
- Beaton asked if any kind of incentive is given to the Ramsdell Director to reduce the amount allocated to the Ramsdell.
- Bradford discussed subsidy to the Ramsdell and advised that this is included in Ramsdell Director goals, the Ramsdell is working on a better governance structure; he expects to see more progress in year two. The Ramsdell has undertaken a strategic planning process. Level of support to the Ramsdell will need to decline over time.
- Maxey again noted that Council needs to put more emphasis on streets.
- Mikula noted that Council has been very proactive on streets. Money is budgeted (almost a million dollars annually) for maintenance but that doesn't include rehab. The City has completed 10 million dollars in past water and sewer projects. Those projects included street reconstruction and repairs. A lot of water and sewer funds were used to reconstruct streets.
- Discussed what could happen as Council changes in the future. However, Mayor Kenny felt that any voted millage dedicated to streets would be used for streets by future Councils.
- Beaton felt that City Council has a PR problem. Public perception is that Council has not done their job and should pull out every nickel and dime out of the current budget. You have to start taking some stuff out to satisfy the public.
- Discussed Appropriations Budget. Funds are discretionary but important. These funds total almost a mill but they provide services that municipalities traditionally provide.
- Maxey we need to find some way to take money out of the General Fund and some money out of the Oil and Gas Fund.
- Beaton requested a written opinion from the investment advisor, let them work more like a partner, structure investments so we have additional money.
- Bradford noted that the Oil and Gas Investment Board has visited this many times. Discussed the spending rule policy. The rate of return is not sustainable and taking out additional funds at this time would affect that. Discussed pledge by Council to use oil and gas funds to subsidize water and sewer. Council changed that outlook and started weaning off water and sewer and it now goes to capital improvement.
- Bradford noted that it is entirely possible that the State of Michigan will take a proactive approach and budget additional funds to municipalities for street repairs.

We can all look at the budget and pull something different out, something that another person would feel is important. City Manager requested a consensus of the committee to look at three pots for a hybrid approach: a millage percentage, a percentage from general fund budget, and a percentage from capital improvement funds (oil and gas revenues); and task staff to look at various routes to get there. No specific amounts/percentages were set.

Continued discussion on concept to do something in the first year, before a millage request is made, with internal money so citizens would be more willing to approve a millage.

COMMITTEE SUGGESTIONS:

- Hybrid approach needed.
- Remove \$55,000 in current Capital Improvement Fund and not fund items.
- Dedicate \$150,000 from future retired debt.
- Dedicate \$40,000 (or a portion) of Community Pool payments once the 10 year agreement is expired.

CONCLUSION – Stronger likelihood of passing a millage request if efforts were first made by the City. We have to have skin in the game to raise the confidence level of the citizenry. Committee members will look at the budget and make suggestions on where cuts may be possible and submit to City staff. Staff will put together possible recommendations and then schedule another meeting of the committee.

This meeting was televised by the PEG Commission and can be viewed at ManisteeTV.org.

Adjourned at approximately 5:45 p.m.



Cynthia J. Lokovich, CAP-OM