City of Manistee

# Exploring Department of Public Works Services

## March 19, 2012

City of Manistee

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Dear Mayor Colleen Kenny and Members of City Council:

Several months ago Administration recommended and City Council supported drafting a study that explored and reviewed various Department of Public Works options for Manistee's future.

Clearly Council, Administration and the Community have and will continue to face significant financial challenges. The intent of the study is to provide unbiased information that was researched and compiled by Administration and representatives from Fishbeck Thompson Carr & Huber, to allow City Council to make an informed and educated, albeit difficult, decision regarding these services. Without conducting another professional study, City Council has the best and most complete information Administration has available.

This report has been compiled by DPW Director Jack Garber, Finance Director Edward Bradford, and City Manager Mitchell Deisch; Community Development Director Jon Rose served in a reviewer role.

Sincerely,

Jack Garber, DPW Director

Edward Bradford, Finance Director

Jon Rose, Community Development Officer

Mitchell Deisch, City Manager

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## INTRODUCTION

The purpose of this report is to research and document the various options for providing Public Works (including Parks) and Utility Services in the City of Manistee.

The information presented is an objective look at various options that are available to the City to provide public works / utility services. The document is a collaborative effort between the City Manager, DPW Director, Finance Director, Community Development Officer and Fishbeck Thompson Carr & Huber (FTCH). The completed document has been reviewed by all parties who had a role in compiling, preparing and reviewing the information.

This document will not suggest a specific course of action, but will instead provide City Council and the public a resource from which to draw as service level, staffing and budgeting decisions for these services are made in the future.

## WHY THIS REPORT HAS BEEN CREATED

The topic of the Public Works Department was discussed during the 2010-2011 fiscal year budget process. At the start of the budget process a large general fund deficit was projected. In response to this deficit and the City Manager's belief that a more technically trained DPW Director was necessary, a reorganization of the entire DPW was proposed. This would have resulted in not replacing the Utility Supervisor and instead hiring a new DPW Director with skill sets including general DPW knowledge, engineering/construction background and a high level of knowledge of utilities. The current DPW Director would have been placed in an Assistant DPW Director position.

To say the least this proposal was controversial. Ultimately Council chose to accept the recommendation to not replace the Utility Director position, requiring daily operation of the utilities to be handled by unionized Lead Persons, but did not support hiring a new DPW Director. Rather, Council elevated the current DPW Director to supervise all functions including utilities.

The reorganization of the utility department has not been successful. Having unionized lead persons supervise and manage their fellow union employees has proven to present an insurmountable obstacle for both utility departments. That is, the utility department has been left without strong day to day management that is necessary to effectively operate the department. **It is our combined professional belief this dynamic must be addressed and changes must be made based upon the information contained in this report.**

Any discussion of reorganizing departments or potentially eliminating employees tends to be emotional for people. The key is to focus on the facts and information and not emotions. It is hoped this paper will provide objective information needed to make an informed and educated decision about the Department of Public Works. This white

paper report is intended to provide Council with sufficient information to evaluate options for the future management and operation of the DPW services.

Finally, this report must also serve as a succession plan for the current DPW Director Jack Garber who has more than 41 years of service with the City. Jack started on June 30, 1971 with the City of Manistee and was appointed DPW Director in 1995 by City Manager R. Ben Bifoss.

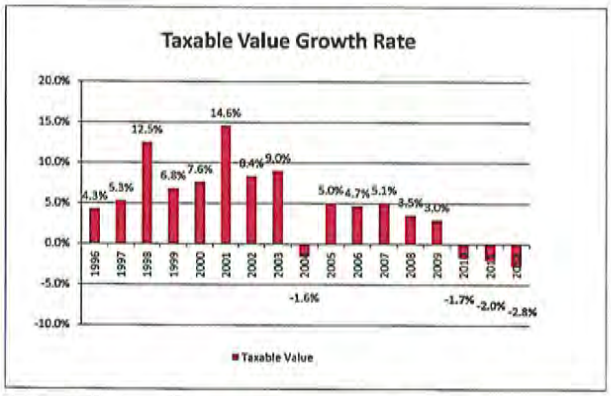
As we saw with the previous Utility Director who retired with 38+ years of experience in 2010; there is a tremendous amount of knowledge about City systems and infrastructure that is housed solely with long term employees. We have to remember that these long term employees started in a timeframe before personal computers, databases and smart phones and thus much of their knowledge is carried only with them. Losing this information due to lack of succession planning and an appropriate transition period would be unwise, imprudent and potentially dangerous.

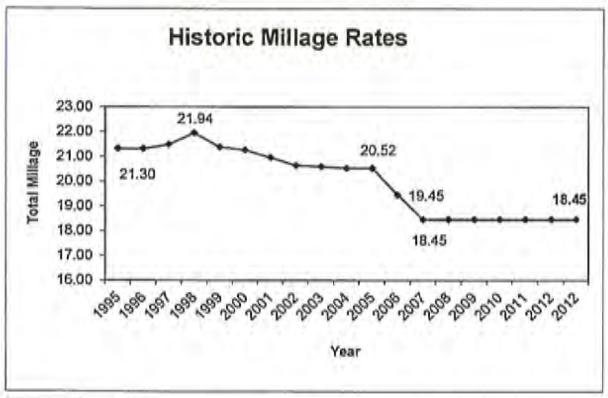
It will be important to chart a course that allows the current DPW Director to impart the knowledge he has compiled over 40 years to his eventual successor. The time is right to start the process of allowing a successor to work with the DPW Director for multiple years before assuming the reigns as DPW Director. As Council reviews this white paper it will be important that they keep this issue at the forefront of their thoughts.

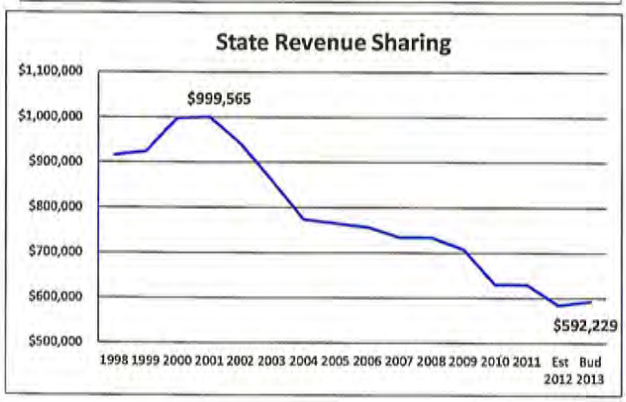
## NEED FOR EVALUATION OF CITY SERVICES

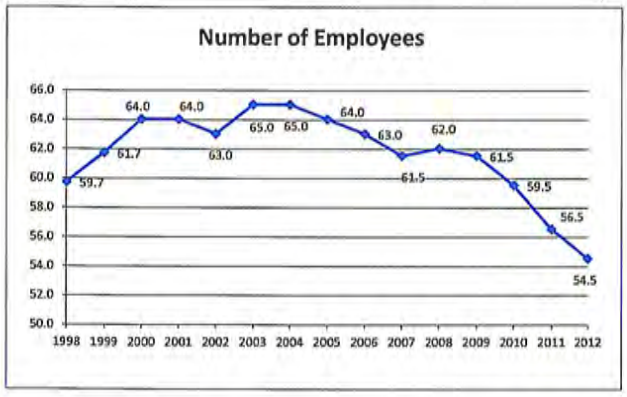
As is typical in most communities across Michigan (and the rest of the country too), budgetary constraints are forcing a top to bottom evaluation of how and what type of services they should provide. Manistee is not immune from these budgetary pressures. We are experiencing a shrinking tax base, permanently reduced state revenue sharing and increases in personnel, utility and commodity costs. The operating millage rate has also declined by 1.2 mills or 6.5% since 2001. This has put the City in an extremely difficult position despite solid financial management by Administration and Council.

Previous cost containment measures have included reducing the number of employees by 8.5 or 13% from 2004 to 2012, implementing significant healthcare reforms through cost sharing, addressing pension costs by moving to MERS, controlling wages, cutting benefits and reducing operational budgets.



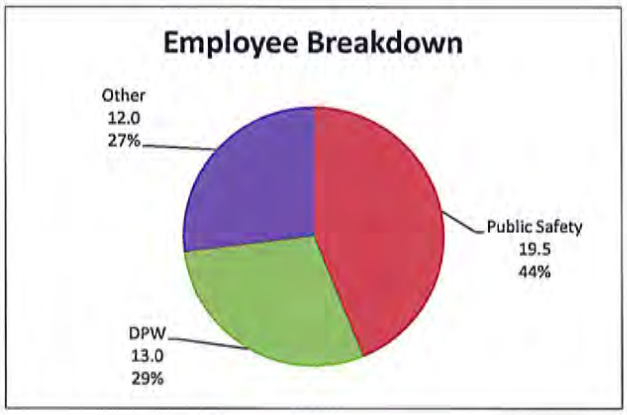

The conclusion from all of this is inescapable: The City's existing revenues can no longer support the service delivery model of the past. Manistee must reinvent how it delivers services so it can maintain the high quality of life enjoyed by residents, yet balance that with financial realities and respect for employees. Without doing this or; alternatively, finding significant new revenue, the City will not be able to continue to function effectively.

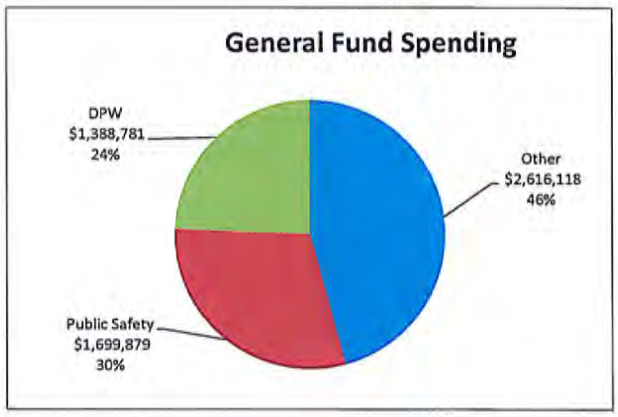
## WHY THE DEPARTMENT OF PUBLIC WORKS

Reorganizing and privatizing the Department of Public Works / Utilities function was identified in the January 2010 Operational Service Assessment (OSA) Report as an opportunity to maintain a base service level and reduce general fund cost. In researching the various City departments it is the City Manager's, Finance Director's and DPW Director's belief that there are acceptable, yet limited, alternative methods to providing public works / utility services other than how the City of Manistee currently provides these services. Based upon the fact that there are alternative organizational options, that utilizing these options is recommended in the OSA report, and that Council previously discussed the issue; the Department of Public Works White Paper Report is being completed at this time.

As with the Public Safety and Assessing White Paper Reports this review is not intended to single out or balance the budget on the back of the Department of Public Works / Utility Department, nor is it to be the last comprehensive review of City departments.

DPW services currently consume 24% of the City's general fund budget and makes up 29% of the general fund employees. The utility department has ten full time employees including the administrative assistant.




This review should be viewed as a starting point. In these challenging economic times, every service provided by the City, and how these needs are delivered, needs to be scrutinized. Taxpayers and utility customers are tightening their own belts and prioritizing their own budgets and should expect no less from the City of Manistee.

## CURRENT PUBLIC WORKS / UTILITY SERVICE LEVELS

In revisiting the City of Manistee's service levels and delivery methods for these services there are several fundamental questions that must be answered. By answering each of these, the community and Council can arrive at the model that is best for Manistee.

- What service levels are desired by the community?
- What service levels are needed by the community?
- What level of service is necessary to maintain the public health and sustain the environment of the community?
- What level of service can the community afford?
- Is the current service delivery method the most effective & efficient?
- Is there an alternative service delivery method that will provide a more sustainable path for the City of Manistee?
- Is the community willing to make a change?

In order to evaluate these questions, it is imperative to understand what the current service levels are, how they are delivered and what it costs to deliver these services. This information is critical in evaluating alternatives so one can intelligently gauge what the real and perceived trade-offs for various options are versus the status quo. It is also important to document these service levels to address any misperceptions that citizens may have. Equally important is a discussion of internal and external constraints on the City through laws, regulations, policies, and financial condition.

In evaluating the level of public works / utility services, one can look at high level statistical data compiled by the department. However, to really understand this data (and thus the services provided) requires a closer look at the details. Drilling down into the data and looking at the component pieces is crucial. Summary data can often be misleading. It should also be noted that it is difficult to look at public works / utility services and make objective judgments of their relative "quality" versus other communities, as this is a complex question.

Current departmental information and a discussion of the service levels and constraints are provided on the following pages.

### DEPARTMENT OF PUBLIC WORKS

**DPW Staffing**

The City currently operates with 13 fulltime employees (including the Director and Administrative Assistant) in the DPW. The annual DPW budget is $1,379,532.

**DPW Work Schedule**

- Monday through Friday, 7:00 a.m. to 3:30 p.m.
- Winter schedule for two employees 3:00 p.m. to 11:00 p.m.

**DPW Services Provided**

- Street maintenance
- Snowplowing
- Tree trimming
- Festival assistance
- Parks maintenance
- Bridge operation
- Sidewalk replacement
- Tree City program

**DPW Departmental Statistics**

For the period of January 1 to December 31, 2011; the public works / utility department had the following activity level:

- 100 ton in cold patch for maintenance / repair of 55 miles, 3,360 gallons of dura-fill used on 3.5 miles of city roads.
- 275 gallons of paint used for white direction/turn/parking, yellow parking/curb, and blue handicap.
- Approximately 30,000 yard waste bags.
- 75 trees removed with stumps.
- 1,200 Christmas trees picked up.
- Approximately 600 hours in brush pick up / storms.
- Replaced 80 yards of black dirt for Blossom Boulevard.
- Street sweeping three times a week for six months.
- Removed or replaced 150 signs.
- 397 bridge openings.
- Storm sewers – 35% cleaned on a yearly basis.
- 122 cross connections removed/closed.
- Annually remove 400 squares of sidewalk.
- Put up and take down 1.5 miles of snow fence.
- 73 city vehicles and pieces of equipment maintained / repaired as needed.
- Beach cleaning twice a week from mid-June to Labor Day.

**DPW Budgeting Challenges / Responses**

The DPW department has been proactive in dealing with the City's current financial challenges.

- Staff reduced from 17 to 13 since 2001.
- Budget only increased 6.2% from 2005 to 2012 or less than 1% per year.
- Abated longevity for FY 10/11 and 11/12.
- Department Head took two furlough days in FY 10/11.
- Reduced fleet size by two vehicles in past few years.

## UTILITIES DEPARTMENT

**Utilities Staffing**

The City currently operates a Water Department and a Wastewater Treatment Department that comprise the Utilities Department. Sewer collection is a subset of the DPW but is paid for by the Utility Department. The annual Utilities Department Budget is $1,776,629. Staff for the department (including sewer collection is 9 fulltime employees (excluding the Director and Administrative Assistant) as indicated below:

1.0 – WWTP Lead Person
1.0 – WTP Lead Person
2.0 – WTP Operators
3.0 – WWTP Operators
2.0 – Sewer Collection Maintenance

**Utilities Work Schedule**

- WWTP - Monday through Friday, 6:00 a.m. – 4:00 p.m.
- WWTP – Saturday and Sunday, 6:00 a.m. – 2:00 p.m.
- WTP – Monday through Friday, 7:00 a.m. – 3:30 p.m.
- WTP – Saturday and Sunday, check wells once per weekend.

**Utilities Services Provided**

- Operation and maintenance of WWTP and collection lift stations.
- Operation and maintenance of water wells, above ground tanks and distribution lines.
- Maintenance of collection lines.

**Utilities Departmental Activities**

For the period of January 1 to December 31, 2011; utility departments had the following activity level:

Water Department

- Gallons Pumped = 375 million gallons annually.
- Improved wireless radio communication between towers and wells.
- Upgraded transformers at Well 8 & 9.
- Upgraded Well House windows at 6, 8 & 9.
- Installed new flow meters at Well 10.
- Installed lightning protection at all wells.
- Implemented water valve exercising program.
- Water well generator upgrades.
- Implemented a valve insertion / hydrant replacement program.
- Water main upgrades associated with Cedar Street CSO work.
- Radio reads for 4,080 meters a month.

WWTP

- In the past year the WWTP has treated 347.8 million gallons of raw sewage.
- Solids removal efficiency = 96.0%
- B.O.D. removal efficiency = 98.2%
- Phosphorus removal efficiency = 93.4%
- The City of Manistee did not have any NPDES permit violations in the past year.
- Smoke tested the entire town.
- A WWTP contract service supplier land applies approximately 1.2 million gallons of biosolids each year.
- Man-Made Lake beach sampling weekly for three months. State of Michigan samples the two Lake Michigan beaches on a weekly basis.
- Replaced the guide rail system for the pumps in the influent wet well at the plant.
- Major rebuild of the vortex grit separator.
- Upgraded the SCADA system.
- Installed VFD's on three influent pumps.
- Boiler replaced in August 2011.
- Operated and maintained 13 lift stations throughout the collection system.
- The WWTP staff handles approximately 75 afterhours emergency situations per year associated with the plant and pump stations.

**Utilities Budgeting Challenges / Responses**

The utility department has been proactive in dealing with the City's current financial challenges.

- Staff reduced from 12 to 10 since 2005.
- Operating budget reduced by 3% in 2012, reduced staff.
- Abated longevity for FY 10/11 and 11/12.
- Department Head took two furlough days in FY 10/11.
- Replacing leased circuits with wireless telemetry to save thousands each year.

## TRADITIONAL DPW SERVICES – BENCHMARK REVIEW

As with previous studies, an information gathering survey was sent to various benchmark communities. The DPW White Paper contains several elements that are different than either the Public Safety or Assessing White Papers. Based upon the numerous activities that are part of the DPW responsibilities, the Administrative Team also completed in depth phone interviews with eleven benchmark communities. Each phone interview took approximately 1½ hours to complete. Notes of each phone interview were taken by Executive Secretary Cindy Lokovich. The City Manager, Finance Director and DPW Director participated in the phone interviews. The primary purpose of conducting these interviews was to look for commonalities among how communities provide services to residents and to identify best practices on service delivery to determine if the City of Manistee needs to amend current practices on how services are provided.

The eleven communities that participated were:

| | | |
|---|---|---|
| Albion | Alpena | Big Rapids |
| Cadillac | Charlevoix | Ludington |
| Marshall | Petoskey | Saint Joseph |
| Springfield | Traverse City | |

Each community was asked how they provide services for the following DPW activities:

| | |
|---|---|
| Street Maintenance | Snowplowing |
| Street Asset Management | Bridge Maintenance |
| Complete Street Ordinance | Sidewalks |
| Tree Planting & Trimming | Refuse/Yard Waste/Annual Trash Haul |
| Motor Pool | Parks, Beaches, Public Restrooms |
| Sewer Collection | Water Utility |
| DPW Employee Reductions | Service Areas They Excel In |

Each service area will be discussed based upon the responses from the benchmark communities. The narratives will not address how each benchmark community provides the particular service; but rather look for commonalities of how services are provided, identify best practices, and highlight if a community provides a service in an unusual or unique way.

### Street Maintenance

The vast majority of communities interviewed maintained a traditional role of street maintenance that included pothole replacement (hot and cold patch), street sweeping and general maintenance. Most of the communities took responsibility for road repairs due to utility extensions or repairs in a similar manner. Smaller openings were handled in-house. Once the patch got beyond a small opening, they contracted out the service to a private company. One community located directly adjacent to a larger community contracted with the larger community to perform general street maintenance. Eight out of eleven communities contracted out crack sealing with a

private contractor or neighboring community. Ludington, Traverse City and Big Rapids all performed crack sealing in-house.

*Manistee* – The City of Manistee compares very similarly with these communities on street maintenance. The City contracts with the Manistee County Road Commission to perform crack sealing annually on designated streets; assisted by DPW.

*Common Practice* – Outside of normal maintenance, there was no truly unique best practice identified through the interviews.

**Snowplowing**

All of the benchmark communities provided normal snowplowing in their respective communities with in-house DPW staff.

For those communities that had traditional downtowns there was a common approach to snow removal which included windrowing all of the snow into the middle from both sidewalks and road; and then trucking the snow out of the downtown area. The vast majority of communities contract out hauling of the snow. For several communities including Ludington, Cadillac and Alpena it can take several days to remove all of the snow out of the downtown area. However due to the configuration of their downtowns the delay in removing snow does not negatively impact the downtown area.

In several other communities including St. Joseph, Petoskey and Alpena the local downtown authority financially contributes to the plowing and removal of snow within the boundaries of the downtown.

*Manistee* – The City plows snow throughout the community in a similar manner to all of the benchmark communities. Plowing and removal of snow in the downtown is also completed in a similar manner as the other communities. Except for snow events on weekends the City traditionally removes all snow accumulations on the same day.

Last winter (2011) we discussed weekend snow; and as a way to minimize overtime costs we piled snow at key locations on River Street. These snow piles were removed the following Monday. This trial/experiment was developed at a meeting between City staff and DDA representatives and has proved to be successful. So far this winter, based upon a lack of snowfall accumulation, the stockpiling on weekends has not been necessary.

*Common Practice* – Based upon the interviews there was a common approach by all the communities for snowplowing and downtown snow removal services.

**Street Asset Management Plan**

Over the past five years there has been a push by the State of Michigan for communities to develop and get approved by the State an Asset Management Plan. It was a mixed bag among the benchmark communities as to whether they have invested the time to develop plans. Of the surveyed benchmark communities seven had developed Street Asset Management Plans and four had not. Out of the seven communities that had a plan, six updated it annually with Paser ratings of streets.

Based on budget constraints, one community had not performed any updates since the plan was created. Of the seven communities that had plans, three communities indicated that they have or are in the process of including GIS data into their plans.

*Manistee* – Manistee was one of the first communities to be recognized by the State of Michigan for developing a Street Asset Management Plan and in 2009 was recognized by the Street Asset Management Council for those efforts. Manistee is on the leading edge for development and use of a Street Asset Management Plan in the state.

*Common Practice* – While Street Asset Management Plans are still new, the best practice is for communities to develop and have the State of Michigan approve these plans. It also makes sense that communities, to the extent they can afford to, incorporate GIS data in their annual updates.

The greatest obstacle faced by the benchmark communities and Manistee is that the annual Act 51 funding (used to maintain and repair streets) is woefully inadequate. Currently, with all the street projects the City has undertaken over the past 3-5 years, we only have a balance of $65,000 in both local and major street funds. This fund balance is very low for the City and will inhibit the City from future street projects.

**Bridge Maintenance**

Only three of eleven benchmark communities had city-owned bridges. Out of the three communities, only Alpena had a bascule/lift bridge. The other communities that owned fixed bridges have not and are not budgeting for upgrades to the bridges.

Prior to last year, Alpena's lift bridge was only raised three or four times each year; most often just to ensure that it was still working. DPW employees operate their lift bridge. Last year with the development of a glass bottom boat tour to visit the Thunder Bay National Shipwreck Museum, the bridge was being raised four or five times a day. The bridge has no current operational issues and no upgrades are being budgeted for.

*Manistee* – Manistee has owned and operated the Maple Street Bridge since 1965. The Michigan Department of Transportation (MDOT) requires structural review every two years. Over the past five years the City has invested $200,000 to leverage over two million dollars for updating the Maple Street Bridge.

*Common Practice* – Not enough communities owned a bascule/lift bridge to establish a common practice. However, with a complete renovation of the Maple Street bridge nearly complete, it is clear that our bridge is one of the best maintained of the peer communities.

**Complete Streets Policy / Ordinance**

Like Street Asset Management Plans, Complete Streets Policies / Ordinances are a new area being supported by MDOT. Complete street legislation gives project planning and coordination responsibility to city, county and state transportation agencies across Michigan. The legislation defines a complete street as, "roadway planned, designed and constructed to provide appropriate access to all legal users...whether by cars,

trucks, transit, assistance device, foot or cycle." Out of the eleven benchmark communities only four have a Complete Streets Policy or Ordinance.

*Manistee* – For the past six months we have been discussing all construction projects utilizing complete streets concepts. Currently the Community Development Office is working with the State of Michigan District Health Department #10 to prepare a Complete Streets Ordinance. Once drafted the ordinance will be presented to the City Council Ordinance Committee and ultimately to the City Council.

*Common Practice* – Whereas Complete Streets Ordinances are not yet common among the benchmark communities; there is the potential that they will be required or at least provide more points for state transportation grants. Therefore, the City of Manistee is working in that direction.

**Sidewalks**

All of the benchmark communities either had a formal or informal sidewalk maintenance / replacement program. Six out of the eleven communities pay 100% of the replacement of sidewalk squares, with the majority of the six communities budgeting less than $20,000 annually toward sidewalk replacement. Saint Joseph, Traverse City and Albion budget $100,000 annually, the most by the benchmark communities. The remaining five communities have different match amounts with residents for sidewalk replacement costs. The breakdown is as follows:

| Community | Resident Match | City Match |
|---|---|---|
| **Alpena** | 60% | 40% |
| **Albion** | $50 per parcel (10 year assessment) | Generates $150,000+ annually |
| **Big Rapids** | 20% | 80% |
| **Ludington** | 50%<br>50%<br>75% | 50% new sidewalk<br>50% voluntary replacement<br>25% complaint oriented |
| **Saint Joseph** | 50% | 50% |

Every benchmark community except one contracts out all aspects of sidewalk removal and replacement. The one community completed all sidewalk replacement in-house with DPW staff. However, they only complete $5,000-$10,000 annually in replacements.

Five out of eleven communities do plow sidewalks during the winter months throughout the community, as time allows. Depending on the miles of sidewalks and the number of plows, it appears that it takes most communities an average of two or three days to plow all the sidewalks in the city. The City of Alpena used to plow sidewalks until about three years ago. They now only focus on school routes and their bike paths. Marshall only plows downtown sidewalks. The remaining four communities do not plow sidewalks during the winter months.

Most of the communities that plow sidewalks also have ordinances that require homeowners to clear snow from sidewalks in front of their property. However, most aren't actively enforcing this ordinance.

*Manistee* – Over the past ten years the City has replaced thousands of squares of old and damaged sidewalks. On average, $20,000 - $40,000 is budgeted every year for the replacement of sidewalks. City Council currently has a policy that requires the City to be 100% responsible for all replacement of sidewalks; while the ordinance requires property owners to be responsible for repair and replacement of damaged sidewalks. Copies of the ordinance and policy are included in the Supplemental Information section at the end of this report.

The City also has a tractor and blower that it uses during the winter months to remove snow from the sidewalks. The primary routes for the sidewalk plow are the school routes to ensure our children are able to get to school safely. On average, depending on snowfall amount and frequency, it takes the DPW operators three days to get through the entire town.

*Common Practice* – It is almost split 50/50 between those communities who pay 100% of replacement costs and those communities that require resident financial contribution for replacement. Albion was the most unique in that they passed a ten year sidewalk assessment ($50 annually per parcel) that generates approximately $150,000 a year for sidewalk replacement. Their goal is to replace all sidewalks in the City within this ten year period of time.

**Tree Planting and Trimming**

Nine out of the eleven communities have tree replacement programs. Of the nine communities that have a tree replacement program, five of them will replace a specific number of trees each year in the right-of-way at no cost to the residents. In two of the communities with a tree replacement program; Big Rapids requires a $25.00 resident contribution and Alpena will reimburse property owners up to $125.00 for trees planted in the right-of-way.

Charlevoix has discontinued their tree replacement program for the past three years due to budget constraints.

Most of the benchmark communities perform some level of tree trimming annually. Charlevoix does minor tree trimming in-house and bids out larger trimming projects. Petoskey bids out their entire tree trimming needs.

*Manistee* – Manistee has been a Tree City USA for a very long time and annually invests in replanting trees in the right-of-way. Residents contact the DPW and sign up for a tree which costs the resident $25.00. The City will plant the tree and the resident is responsible for watering. Like other benchmark communities, Manistee has at times struggled with residents watering the newly planted trees, thus we have begun discussing the use of water bladders.

*Common Practice* – Based on responses the most common practice is to have a tree replacement program and that watering is a problem; thus the need to look at water bladders.

With its affordable tree replacement program, an active Tree Commission, and annual recognition as a Tree City USW; Manistee is a leader in this field.

**Motor Pool**

All of the eleven benchmark communities operate a typical Motor Pool Department that is very similar to the City of Manistee. The motor pool is the purchasing and maintenance department that services the municipal fleet. Each department pays rent based upon type and number of vehicles in the motor pool. The motor pool uses these funds to maintain and purchase new vehicles.

The primary difference in the benchmark communities is to what level repairs and maintenance is done in-house with mechanics as opposed to what is contracted out to private businesses. Eight of the eleven communities do normal maintenance on vehicles in-house; while sending out larger, more complicated repairs to private businesses. Based upon their proximity, Springfield contracts with the City of Battle Creek to perform normal maintenance on equipment.

Both Ludington and St. Joseph perform almost all of their repairs on equipment in-house. In addition, Ludington and St. Joseph have fuel storage tanks on site, with Ludington actually selling fuel to the school district and adjacent townships as a revenue generating tool.

Berrien County contracts with St. Joseph to maintain county equipment (the only benchmark community to do so).

*Manistee* – The City operates a typical motor pool with 1.5 mechanics that provide routine maintenance on City vehicles (excluding fire equipment) in-house. All larger and more complicated repairs and warranty work is performed by private businesses.

*Common Practice* – The research indicates that how Manistee operates and funds our motor pool is very common with the benchmark communities. We could consider discussing using the Manistee County Road Commission (MCRC) to assist the City on equipment maintenance. The question would be what level of priority could the MCRC give to the City and at what cost? The City would then need to evaluate the cost benefit rationale and decide if it makes financial sense to pursue.

**Refuse / Trash Haul / Brush / Yard Waste**

Communities handle their garbage disposal in a very wide variety of ways as shown below.

| COMMUNITY | REFUSE | TRASH HAUL | BRUSH | YARD WASTE |
|---|---|---|---|---|
| **Albion** | No exclusive contract. | Yes, but residents must drop trash off at a designated location. | Only uses chipper after a storm. Residents can drop off brush at a designated location. | Collection site is open two weekends a month, costs $5. |

| COMMUNITY | REFUSE | TRASH HAUL | BRUSH | YARD WASTE |
|---|---|---|---|---|
| **Alpena** | Residents hire private contractors, no exclusive contracts. | No spring trash haul. | No longer picks up brush, residents drop off at compost area, city chips at compost area. | Part of refuse contract, drop off site also open, must remove yard waste from bags. |
| **Big Rapids** | Exclusive contract, includes commercial and recycling. No millage. Billed for service on utility bill. | No annual trash haul, bulky items picked up with no tag or limits, this replaced annual trash haul. | No real brush chipping program, operates at drop off compost site. | Picked up by contractor. |
| **Cadillac** | Exclusive contract, 5 year agreement. | No annual spring trash haul. | No residential chipper program, residents responsible to dispose of brush. | Part of refuse agreement, collected by contractor. |
| **Charlevoix** | Exclusive contract, refuse millage is .9, twice a month collection. | No annual spring trash haul. | DPW employees provide brush chipping services. | DPW employees pick up yard waste. |
| **Ludington** | Exclusive contract, levies 2.76 mills. | Yes, done in spring, covered under millage rate. | On demand, done by DPW crews. | Picked up by contractor, resident provided yard waste sticker. |
| **Marshall** | Four private haulers in area, no exclusive contract. | Yes, contracted out. | On demand, done by DPW crews. | Yard waste part of contract. City does pick up fall leaves. |
| **Petoskey** | 4-5 approved haulers, pay as you throw, $2.50 per bag. | No annual trash haul. | Contract out to private company, twice a month, resident can also haul to compost site. | City picks up in spring and fall. Resident can use compost area rest of the year. |
| **St. Joseph** | Exclusive contract funded by millage. City owns compactor/collects 180 commercial customers. | 3 times a year residents can put out bulky items up to 9 yards total. | Minor piles are chipped by DPW, contractor takes care of chipping at compost site. | Resident contracts with contractor. Fall leaf pickup done by city. |
| **Springfield** | Exclusive contract, contractor bills residents. | No spring trash haul but residents can put out as many bulky items as they want. | Pickup as part of refuse contract, DPW does not pick up brush. | Part of refuse contract, must use craft paper bags. |
| **Traverse City** | Exclusive contract, contractor bills residents, contractor takes all calls. | Eliminated, allows for monthly bulky item in place. | Only as needed, Christmas trees, large jobs, citizen billed for service. | Residents can drop off or contractor will collect for extra $2.00. |

| COMMUNITY | REFUSE | TRASH HAUL | BRUSH | YARD WASTE |
|---|---|---|---|---|
| **Manistee** | Exclusive contract, five year agreement. | Biannual spring trash haul. | Chipped weekly by DPW crew, call in list. Also picks up Christmas trees. | $3.50 for ten bags, picked up weekly by contractor. Full leaf collection. |

*Common Practice* – Seven out of the eleven communities have exclusive agreements for one hauler, reducing the number of compactor trucks driving up and down city roads. Those communities that did not have exclusive agreements, wished they did.

Spring/annual trash haul appears to be one service area that communities are eliminating all together or at least are requiring citizens to drop off materials to reduce costs. Many communities are expanding monthly trash collection to allow bulky items to be disposed of as a way to eliminate the annual trash haul and still provide opportunities for residents to get rid of waste. This appears to have some promise as an alternative if desired.

As for brush chipping, it appeared that only one community provided the same, very high level of service that Manistee provides; which is weekly for six months of the year. We are way ahead of this service level curve.

Yard waste is provided for in the private contract, the city picks it up, or residents are required to transport their yard waste and dispose of bags at a compost site.

**Parks / Beaches / Public Restrooms**

The benchmark communities vary significantly in the size and scope of their parks, beaches and restroom areas as shown below.

| COMMUNITY | PARKS | BEACHES | BOAT LAUNCHES | RESTROOMS |
|---|---|---|---|---|
| **Albion** | Two FTE in parks with seven PTE. Maintains all parks with DPW staff. Has recreation dept., levies 1.5 mills. Parks dept. assists with field maintenance. | One beach on inland lake. | No launch. | Three restrooms, two with heavy use, cleaned daily. |
| **Alpena** | Twelve parks maintained by DPW. DPW does mowing and weed whip. Contracts cemetery work as needed. Has extreme bike/non-motorized trail maintained by DPW. | Four beaches, gave up lifeguards 4-5 years ago. Cleans beaches three times a week during prime summer season with surf rake. | Three on Lake Huron, one on inland lake. | Two public restrooms, cleaned daily, contracted out. |

| COMMUNITY | PARKS | BEACHES | BOAT LAUNCHES | RESTROOMS |
|---|---|---|---|---|
| **Big Rapids** | Fifteen parks, maintained by Parks Dept. 2FTE & 4-5 seasonal. Four miles of Riverwalk, city responsible for all maintenance. 1 FTE recreation dept. runs sports programs. | No beaches. | No launches. | Public restrooms are cleaned daily by seasonal employees. |
| **Cadillac** | Parks maintenance is at a minimum. Four primary parks, DPW does mowing and trimming. No private contracts, 12 seasonal employees. | Beach maintenance is a minimum. Lifeguard program partnership with CAPS. | Two boat launches on Lake Cadillac, no charge/no staff. | Cleaned daily by DPW staff. |
| **Charlevoix** | Five main parks, lots of seasonal (14-15). Recreation dept. June –Aug. for kids. Recreation Director also takes care of ski hill. Parks & DPW employees maintain all parks. | Four beaches, lifeguards on two beaches. Beaches cleaned once a month. | Launch on Lake Charlevoix. No fee to launch, fee to park with different rate for resident/non-resident. | Restroom cleaning is contracted out. Cleaned as needed, flexible. |
| **Ludington** | Mowing of parks was contracted out several years ago. Has recreation dept. that runs pool and summer sport programs. | One large Lake Michigan beach, no lifeguards. Cleaned almost daily with surf rake. Installed safety devices recently. Instituted beach patrol with seasonal employees. | Two boat launches paid for by general fund. $10 daily, $30 resident, $60 non-resident trailer parking fee. Uses a pay tube. | Downtown restrooms cleaned by mental health contract. Beach restrooms cleaned by concessionaire. Cleaned daily or more as needed. Uses porta-potties for events. |
| **Marshall** | Maintained by parks, DPW and seasonal staff. Fulltime recreation dept. with 3½ FTE. Riverwalk maintained by DPW. | No beaches. | Two boat launches on Kalamazoo River, very little use. | All restrooms are cleaned daily by seasonal staff. |

| COMMUNITY | PARKS | BEACHES | BOAT LAUNCHES | RESTROOMS |
|---|---|---|---|---|
| **Petoskey** | Parks, marina, campground & winter sports park maintained by DPW staff. Recreation dept. 1 FTE, to provide programming assisted by other organizations. Annual transfer from electric utility offsets park costs. | No beaches. | Boat launch under marina operation. | Five public restrooms maintained by seasonal & DPW staff. DDA assists with cost for cleaning restrooms. |
| **St. Joseph** | Parks staff and 10-12 seasonal employees maintain parks. Requires parking pass for most parks, uses auto-attendant to generate revenue. Parks annual budget $500K, $100K comes from parking fees. | Lake Michigan, no lifeguards. | One launch ramp, $5 to launch. | Restrooms cleaned by 1 FTE & seasonal at least twice daily. |
| **Springfield** | Five total parks, mowed weekly during summer months. No irrigation. Farmers Market facility big draw. Uses Battle Creek recreation dept. | No beaches. | No boat launches. | Closed most of the time unless an event is scheduled due to vandalism. |
| **Traverse City** | Use seasonal employees from Manpower. All mowing/trimming done in house. City has a Recreation Dept. Provides 8-10 day camps, other recreational opportunities provided by other organizations. | Four beaches, approximately two miles, ready by Memorial Day, cleaned twice weekly June – Labor Day. Paid lifeguards on one beach. | Three boat launches, $5.00 to launch, uses a pay tube. | Five restrooms, contracted cleaning, not satisfied with results. |
| **Manistee** | Eleven parks maintained by 2 FTE and 6 seasonal employees. Mowing, trimming and restrooms | Three beaches cleaned weekly, twice weekly between June and August. | Two launches, pay to launch, $5 daily and $35.00 seasonal. | Nine public restrooms cleaned twice daily, 7 days a week, all summer long. Daily the rest of the year. |

*Common Practice* – There was limited common practice among benchmark communities in regards to parks / restrooms and beaches. For those communities that are located on Lake Michigan, maintaining beaches is a priority. In reviewing how Manistee compares to the benchmark communities it appears for our size we have a larger number of public amenities than the other communities: eleven parks, three beaches, three boat launches and nine public restrooms. For example both Petoskey and Traverse City have five public restrooms to maintain. The sheer number of Manistee's public use assets with limited staff and funds is becoming problematic.

**Sewer Collection System**

Out of the eleven benchmark communities, two communities (Alpena and Traverse City) contract out WWTP operations with a private consultant. Both communities are pleased with the operation. Whereas Traverse City believes there is not a great cost savings over in-house staff, they are convinced that it is managed better. Alpena believes they have saved significant funds since privatizing and believes the system is very well managed.

The remaining nine benchmark communities consist of two sewer collection authorities (St. Joseph and Petoskey) and seven communities who operate their wastewater treatment facility with in-house personnel.

Of the eleven communities two contract out cleaning, televising and maintenance of the sewer collection system. Eight communities maintain their own collection system. Springfield contracts directly with Battle Creek to treat waste and to clean the collection system that is owned by Springfield.

*Manistee* – The City operates and maintains a 1.3 mgd Wastewater Treatment Plant and is responsible for all operation and maintenance of the collection system.

*Common Practice* – For those communities that have contracted out the service; they are satisfied with the value of the service and the management of their system. Other communities continue to operate and maintain their wastewater service utility. Some are looking at privatization as a method to control costs associated with providing their wastewater utility service. Actual cost savings would only be realized through a competitive bidding process. Of the communities FTCH surveyed for delivery of utilities, the majority did not use contract operations services.

**Water Treatment System**

There was a pretty even split between those communities that operated Water Treatment Plants (drawing water from the Great Lakes) and those communities that relied upon municipal wells to supply potable water. The five communities operating Water Treatment Plants are Traverse City, Ludington, St. Joseph, Alpena and Charlevoix. The six communities that operated well systems were Springfield (contracts with Battle Creek for water), Marshall, Albion, Petoskey, Cadillac and Big Rapids.

Interestingly only Petoskey and Manistee were Great Lakes communities that did not operate a Water Treatment Plant. Six of the eleven communities provided water to

neighboring townships. All of the communities owned and maintained their water distribution lines.

Almost all of the communities had annual hydrant flushing programs, with some communities doing it annually and some semi-annually. Valve exercising ranged from community to community.

| COMMUNITY | HYDRANT FLUSHING | VALVE EXERCISING | PROVIDES UTILITY TO TOWNSHIPS |
|---|---|---|---|
| **Albion** | Annually | No | No |
| **Alpena** | Annually / contracted | No | No |
| **Big Rapids** | Annually | Yes | Yes |
| **Cadillac** | Annually | No | Yes |
| **Charlevoix** | Annually | Yes | Yes |
| **Ludington** | Annually | Yes | Yes |
| **Marshall** | Annually | Yes | No |
| **Petoskey** | Twice a Year | No | Yes |
| **St. Joseph** | Yes, not entire system | Yes | Yes |
| **Springfield** | Annually | No | No |
| **Traverse City** | Annually | Yes | Yes |
| **Manistee** | Twice a Year | Yes (Started in 2010) | Yes |

*Common Practice* – For those communities located on Lake Michigan, operating a Water Treatment Plant is the most common practice. This is not practical for the City of Manistee due to cost of construction and operation. Manistee has won awards for the quality of its water.

Almost all communities have a hydrant flushing program and those proactive communities have also incorporated a valve exercising program. However, exercising valves almost guarantees that you will discover some valves that don't operate or break during exercising and will need to be replaced. This can drive up maintenance cost, perhaps significantly, depending on the age of the system.

**Department of Public Works Staff Reductions**

| COMMUNITY | NUMBER OR PERCENT OF DPW STAFF REDUCTIONS |
|---|---|
| **Albion** | Down 4 DPW positions over past few years; 40% city-wide over past few years. |
| **Alpena** | Down 4 DPW positions. Last 5-10 years city is down 20%. |
| **Big Rapids** | No |
| **Cadillac** | Down to 7 man DPW crew. Felt they are falling behind on maintenance. |
| **Charlevoix** | Down 1 through attrition |
| **Ludington** | Maintained DPW positions. |
| **Marshall** | Down several positions over the past 5-10 years. |
| **Petoskey** | DPW is down 12 positions from 1998 to present. |
| **St. Joseph** | Down 3 positions in DPW over past 5 years. |
| **Springfield** | Down 1 DPW employee, very small DPW Department. |
| **Traverse City** | Down 21% |
| **Manistee** | Down 2 over the past 5 years. |

*Common Practice* – Almost all communities have reduced personnel in all areas including the Department of Public Works. Tax revenue is declining, state revenue has been slashed and expenses (gas, utilities, health care, etc.) are rising creating the perfect storm of events which have brought communities to the breaking point. The result is less employees and reduced service levels. So far Manistee has lost approximately 16% of our total work force but has been able to maintain our minimum service levels. We are at the tipping point.

**Unique Trends in the Department of Public Works**

| COMMUNITY | UNIQUE ITEMS |
|---|---|
| **Albion** | Lot of effort goes into downtown snow removal. Sidewalk millage assessment $50 per parcel, per year, for 10 years. |
| **Alpena** | Contracts for WTP & WWTP services. Believes this contract for services has saved very large amounts of money. Impressed by amount of responsibility local service clubs have taken on due to budget cuts. |
| **Big Rapids** | No reduction in DPW over the past 5-10 years. Lots of festival involvement, all events held downtown. Does not bill for festival/event costs. Use of college students for some programs. |
| **Cadillac** | State pays for snowplowing on US-31. Lifeguard partnership with Cadillac schools. Unique / good relationship with Cadillac Area Sports Association. |
| **Charlevoix** | Very involved in festivals, set up, trash removal, cleanup. Has not billed for these services. |
| **Ludington** | More special events / festivals than most communities, a dozen a year. Council has not requested reimbursement for services. Use of porta-potties during festivals, rather than use of regular public restrooms. |
| **Marshall** | Goes all out with Christmas decorations. Manages an electric utility. Residents love fall leaf collection program. |
| **Petoskey** | 3.858 Right-of-Way millage that generates 1.5 million dollars for work performed within the ROW. Voted millage since early 90's. Still not enough funds, half is used to cover personnel and equipment. Contract out a considerable level of DPW services (striping, sidewalks, trees, sewer cleaning, etc.). |
| **St. Joseph** | High service level to citizens and summer traffic. Auto-attendant in parks to help generate revenue. Contract to maintain Berrien County equipment. Lots of festival and event assistance, not billed back for these services. |
| **Springfield** | Contracts with Battle Creek for several DPW services. Keeps and maintains equipment longer than most communities. Looks to buy used/well maintained equipment. |
| **Traverse City** | Shares IT support and storage with county. Lots of crossover sharing of duties. Bills for services for festivals and events. |

## OPTIONS FOR PROVIDING PUBLIC WORKS/UTILITY SERVICES IN THE FUTURE

There are several different options for providing DPW and utility services. Communities across the State deliver many different levels of these services through a variety of organizational structures, partnerships, and collaborative efforts. Whatever the structure is, each community has chosen it based on their community's unique needs. There is no cookie cutter approach to delivering these services. However, with that said, there are several models that are widely used and generally accepted as viable. This paper explores the main options and a few others, that are unique to the financial, political and geographical environmental of Manistee.

One of the hardest things to do is to make decisions under uncertainty. Any time change is contemplated; a move from the known to the unknown; there can be trepidation, fear and reluctance. No matter the situation, there are always facts that are unknown, impacts that are unforeseen and hurdles that are unanticipated. The best you can do is research and plan to the best of the organization's ability and work through issues as they arise. Risk is present in any service delivery model, including the status quo. The way to handle risk is to quantify it to the degree possible, establish mitigating procedures, and then decide on whether the level of risk is acceptable.

The important point to keep in mind when reviewing each option is that no one service delivery method is necessarily "right" or "wrong;" "superior" or "inferior;" "safe" or "dangerous." The reality is each approach has its advantages and disadvantages; pros and cons; challenges and opportunities. In the final analysis, it comes down to the questions posed earlier:

- What service levels are desired by the community?
- What service levels are needed by the community?
- What level of service is necessary to maintain the public health and sustain the environment of the community?
- What level of service can the community afford?
- Is the current service delivery method the most effective & efficient?
- Is there an alternative service delivery method that will provide a more sustainable path for the City of Manistee?
- Is the community willing to make a change?

This report explores several options for delivering these services.

1. **Status Quo** – DPW Director oversees both water production and wastewater treatment. United Steelworkers Union lead persons hold licenses to operate both facilities.

2. **Private Services Provider** – Operates and maintains the water treatment and distribution utility and/ or wastewater treatment and collection utility. These services would be provided through a multi-year, term limited agreement with the City of Manistee.

3. **Utility Supervisor** – Model that recreates the position that was eliminated following the retirement of the Supervisor in 2010. The Utility Supervisor holds licenses necessary to operate both the water and wastewater utilities.

4. **WWTP Superintendent / WTP Manager** – Creates a WWTP Superintendent (department director) position that reports directly to the City Manager. WTP Manager reports to WWTP Superintendent.

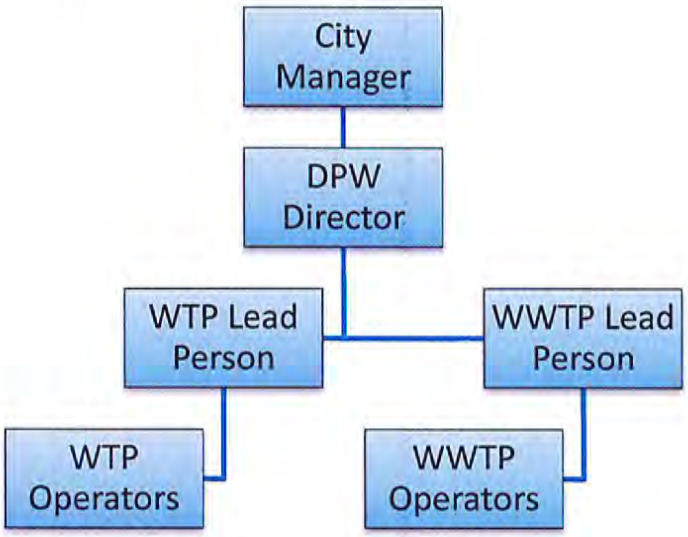
5. **Utility Managers** – Operates under the direction of the DPW Director as nonunion day to day manager of each utility operation.

## STATUS QUO

DPW Director oversees both water production and wastewater treatment. USW lead persons hold licenses to operate both facilities.

**Description:** The Status Quo Option maintains the DPW Director, who does not hold either WTP or WWTP required licenses. The DPW Director supervises USW union lead persons who have the required water or wastewater utility license. Delineation of day to day operation and management of personnel responsibilities has been a challenge. This system has been used since 2010. The 2010-2011 USW contract requests that permanent lead person positions be eliminated based upon the friction it is has created for the union members as they perform the day to day operations and maintenance tasks for the water and wastewater utilities. The City is currently working with two consulting firms (FTCH and Doug Hill) to provide necessary technical assistance for operations of these services. Based upon union contract language, this option is no longer viable unless renegotiated in the USW contract.

Organizational Chart for the Status Quo:




**Assumptions:** For the purpose of reviewing this option, current staffing and equipment levels are maintained so as to maintain service levels that are safe for the public health of citizens and the environment. **This does not assume that the current model is reasonably efficient, rather just the opposite.** The assumption is that although this model has been adequate for the short term, the friction created for the staff does not provide confidence that this model is sustainable. This model does not provide the requisite attention necessary for the long term operation and maintenance of each utility.

**Service Level Impacts:** With the Status Quo Option, service levels to the citizens would remain the same. In absence of Council direction, future opportunities for increased departmental collaboration under this model are limited.

**Pros and Cons Review:**

| PROS | CONS |
|---|---|
| Current service levels maintained | USW contract requires elimination of permanent lead person position |
| Maintains current cost structure | Not providing enough managerial support to facilities |
| | Conflicts among union employees |
| | Does not consolidate services |
| | Not planning for future by considering succession planning for DPW Director |

**Financial Implications:** With maintaining the current status quo the 2011-2012 fiscal year budget will be used as a baseline for establishing financial implications. The current water & sewer utility operating budget is $1,776,629. Unlike the general fund budget, much less of the utility budget is personnel, so it is more difficult to save money through headcount reduction. The utility budget will continue to come under inflationary pressure due to electricity and maintenance needs.

**Similar Communities:** The City of Manistee was the only community within the benchmark research that used union personnel as the primary day to day manager of the various utilities. Several communities have the DPW Director responsible for their utilities; however these communities have elevated the day to day management to nonunion managers. These managers were given the day to day authority to manage their separate utilities. The difference on paper may seem subtle; however in practice the difference in maintaining cooperative relationship among the staff is very significant. Because of the vital nature of these services for both public health and the environment, maintaining cooperation among the staff is the key to the long term success of these services.

## PRIVATE SERVICES PROVIDER

Operates either the water or wastewater utility, or both, under an agreement with the City of Manistee. The City maintains ownership and ultimate responsibility for proper operation for the safety of public health and the environment.

**Description:** Privatizing one or both of the utility departments with a private contractor through a Request for Qualifications / Proposal process. The City would enter into a contract with a private firm to operate and maintain one or both of the City's utilities. The contractor would be responsible for all aspects of operating the facility including employing licensed operators. If the City chose this option, the City would no longer employ staff in the privatized department(s). The City would remain responsible for costs related to non-contract maintenance, replacement of equipment and improvements due to regulatory requirements.

Organizational Chart for Private Contractor:

**Assumptions:** For the purpose of reviewing this option the assumption is that privatizing services in either utility would provide a similar level of service to City residents at the same or lower short term and long term cost.

**Service Level Impacts:** Based upon the details of the agreement, it should be assumed that all the current service levels would be maintained. The agreement will need to be very specific as to service level expectations. Significant time and effort will need to be spent to draft RFQ/RFP specifications as well as review qualification, references and financial proposals. We would anticipate the need for outside third party assistance.

**Pros and Cons Review:**

| PROS | CONS |
|---|---|
| Maintain high service level | Any savings do not impact the General Fund |
| Complies with State directives to explore privatization options | Loss of authority in operating our own system |
| City employees might be hired by private contractor | Layoff of City employees |
| Potential to reduce total operating costs, based upon actual bids | Not planning for future by considering succession planning for DPW Director |
| Privatized service as recommended in OSAC report | |

**Financial Implications:** The primary reason for considering the privatization option is to reduce costs while maintaining service levels. The 2011-2012 fiscal year budget for the water and wastewater departments only is $1,193,343. It is anticipated that an annual escalator would be negotiated in the agreement. For the purposes of this discussion we assume 4.0% annually.

*Water Department* – The budget for the Water Department is $508,638. The actual increase of the Water Department budget from 2005 to 2012 was $130,000 or about 5% per year. The increase in employee costs over the same period was $20,000 or 1.6% per year. Water department costs are determined largely by the amount of repairs and maintenance performed and electricity costs.

Based upon limited information from other benchmark communities that have privatized their Water Department, it is not feasible to estimate any potential cost savings associated with privatizing this service. Although savings may be available through this approach, it should be noted that the City has contained costs very well in these departments. In addition, the City would likely be responsible for the cost of any repairs and maintenance as this would not be part of the contract.

The only way to determine an exact cost would be to work with a qualified engineering firm (FTCH) to develop very detailed specifications that could be used to bid out this service. The key area that the City will need to be vigilant on if this organizational model is explored, is to ensure the operational agreement identifies as many costs as possible to reduce unforeseen add on costs not covered by an agreement.

*Wastewater Treatment Department* - The budget for the Wastewater Treatment Department is $679,715. The actual increase of the Wastewater Treatment Department from 2005 to 2012 was $61,000 or 1.4% per year. Employee costs decreased over the same period by $39,000 or -2.0% per year.

Based upon information from other benchmark communities that have privatized their Wastewater Treatment Department, it is not feasible to estimate any potential cost savings associated with privatizing this service. Although savings may be available through this approach, it should be noted that the City has contained costs very well in these departments. In addition, the City would likely be responsible for the cost of any repairs and maintenance as this would not be part of the contract.

The only way to determine an exact cost would be to work with a qualified engineering firm (FTCH) to develop very detailed specifications that could be used to bid out this service. The key area that the City will need to be vigilant on if this organizational model is explored, is to ensure the operational agreement identifies as many costs as possible to reduce unforeseen add on costs not covered by an agreement.

**Similar Communities Table:** Other communities that operate a privatized Water and/or Wastewater Treatment Departments are:

| COMMUNITY | POPULATION | WATER | WWTP |
|---|---|---|---|
| Alpena* | 11,304 | ✓ | ✓ |
| Filer Township | 2,325 | ✓ | |

*Alpena estimates that they have saved more than a million dollars over the past decade, due to privatizing both utility operations.

One comparison that can be made is between the City of Manistee and Filer Charter Township (FCT) as both operate a water distribution system. Before a comparison can be made it must first be understood that the City water production and distribution system is considerably older than Filer's (1950's) and requires more maintenance. The interesting comparison between the two systems is that FCT has privatized the operation/maintenance of their water production/treatment and distribution system to a private contractor. Within FCT they maintain .75 employees to bill and monitor their system. Conversely, the City maintains and operates our water production/distribution system in-house with City employees. Again, recognizing the difference between the two systems, a comparison between them would be as follows:

| | CITY OF MANISTEE | FILER CHARTER TOWNSHIP |
|---|---|---|
| **Firm Capacity** | 6.0 mgd | 1.7 mgd |
| **Annual Gallons Pumped** | 375 million (used to be well over 400 million) | 120 million |
| **Number of Wells** | 4 active wells (1 reserve well) | 3 active wells |
| **Number of Hydrants** | 330 | 72 |
| **Number of Elevated Towers** | 2 | 2 |
| **Number of Meters/Customers** | 4,080 | 400 |

| | CITY OF MANISTEE | FILER CHARTER TOWNSHIP |
|---|---|---|
| **Organizational Model** | City Owned & Operated 3.5 FTE | Privatized Operation & Maintenance<br>.75 FTE Township Employee |
| **Annual Budget** | 2011-2012<br>$500,000 Operations<br>$120,000 Administration<br>$ 50,000 Capital<br>$ 30,000 Interest Payment<br>$700,000 Total | $260,000 |
| **Cost Per Million Gallons Pumped** | $1,866 | $2,166 |

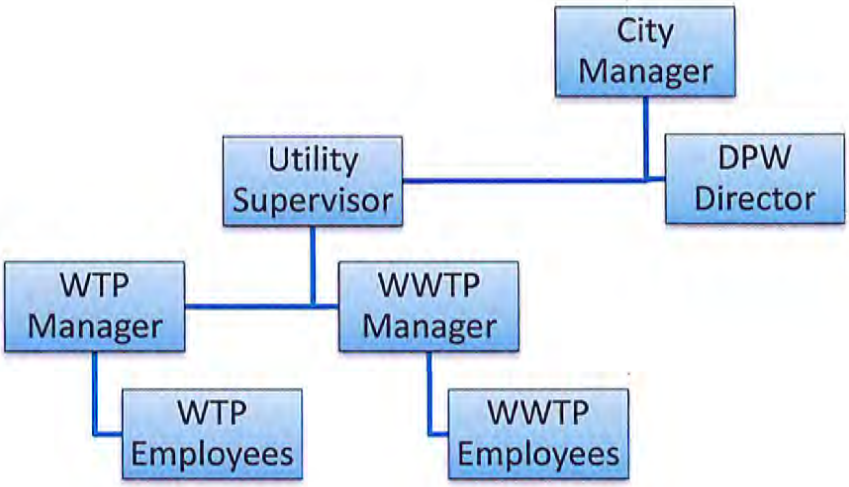
The intent is not to draw a direct comparison between the two systems, rather to simply look at two adjacent systems and their costs to operate. **Rather than contemplating privatizing our system, maybe we should be discussing with FCT the possibility of contracting with them to operate their system.**

## UTILITY SUPERVISOR

This model recreates the position that was eliminated when the former Utility Supervisor retired in 2010. The Utility Supervisor previously held the necessary licenses to operate both the water production and wastewater treatment plant.

**Description:** This organizational model option recreates the Utility Supervisor option previously used by the City. Under this option the Utility Supervisor held both Water Treatment and Wastewater Treatment licenses. The Utility Supervisor would be a department director and oversee both utility departments and work cooperatively with the DPW Director to maintain a high quality of service for the community. While desirable, It is not assumed that a new Utility Supervisor will hold both licenses necessary to operate both utilities; rather that the individual would work to obtain both licenses. It is assumed that the WTP and WWTP Managers would hold the licenses and not be members of the USW.

Organizational Chart for Utility Supervisor:




**Assumptions:** The assumption for this option would be to add one new position of Utility Supervisor to the City, maintaining the current staffing level of both the WTP (3 FTE) and WWTP (4 FTE). This would be a new position.

**Service Level Impacts:** The service level to the community would be returned to the pre-2010 levels. Increased management supervision over both departments would stabilize the management of these services to the public and ensure a reliable and well- managed utility.

**Pros and Cons Review:**

| PROS | CONS |
|---|---|
| Stabilize service management to pre-2010 levels | Increases cost to the utility department budget |
| Improved reliability of utility services | Difficult to find qualified individuals with both WTP and WWTP licenses |
| Complies with USW contract requiring permanent lead persons be eliminated | Will require USW negotiations allowing managers to perform some traditional union functions |
| Could ultimately reduce private consultant costs | |
| Serve as project manager | |
| Creates succession plan for DPW Director | |

**Financial Implications:** By adding the Utility Supervisor position the cost to the utility departments would be approximately $90,000 - $100,000 with salary and benefits. The cost of this new position would be split between the two department budgets. However, with a new Utility Supervisor we could allow for the eventual reduction of private consultant costs. Along with creating this new position, utility manager positions would also need to be created to manage day to day operations of the utilities. The approximate cost would be an additional $5,000 (above the current lead person base wage and average annual overtime allotment) for each position.

In 2010 when we placed all responsibilities for both departments under the DPW Director, that position's wages were increased by 2%. By removing these responsibilities it is anticipated that the DPW Director salary could be reduced by 2% or approximately $1,500.

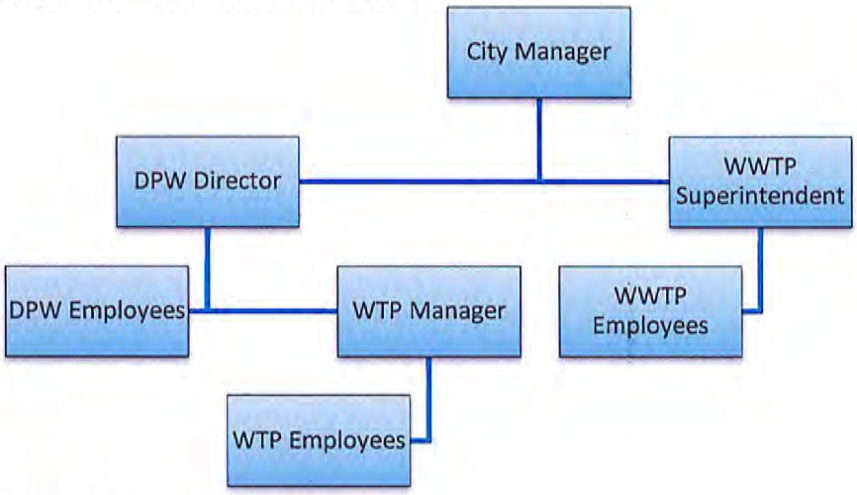
**Similar Communities Table:**

| COMMUNITY | POPULATION |
|---|---|
| Cadillac | 10,355 |
| Ionia | 11,394 |
| Mackinaw City | 806 |
| St. Johns | 7,865 |
| St. Louis | 7,482 |

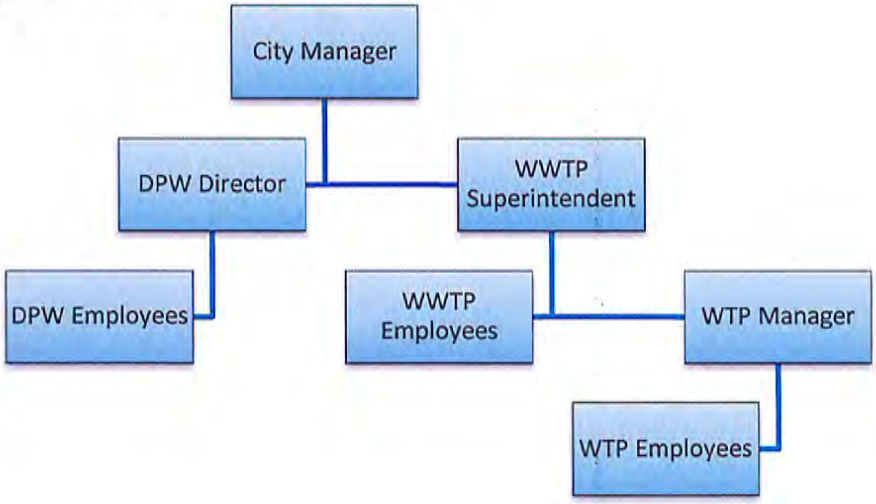
## WWTP SUPERINTENDENT / WTP MANAGER

**Description:** Through the utility survey conducted by Fishbeck Thompson Carr & Huber it was identified that most benchmark communities that operate a full service wastewater treatment plant (as Manistee does) and a full service water treatment plant (Manistee uses wells); utilize a two department director level positions to supervise each department. When a city operates a water well / chemical injection system like the City of Manistee, the water treatment manager position commonly falls under the DPW Director. The slight variation could be that the City creates a WWTP Superintendent (department director) position that reports directly to the City Manager. This position could be created from within the existing WWTP pool of employees. The water treatment nonunion manager position could report to the WWTP Superintendent or the DPW Director but would have day to day operational / management oversight over the water treatment process. This organizational model is very similar to the Utility Superintendent model.

Organizational Chart Alternate #1




Organizational Chart Alternate #2



**Assumptions:** The alternate Wastewater Treatment Plant Supervisor and the Water Treatment Manager positions could be created from within the existing pool of employees and hold the necessary licenses to operate both utilities. The assumption would also be that the WWTP Supervisor would act as a department director and both positions would be nonunion. It is assumed that one additional utility employee would need to be created, preferably a cross-trained employee.

**Service Level Impacts:** The service level impact, even with the same number of employees, should be improved based upon providing greater authority and management oversight in both departments. Dedicated management oversight should improve both department operations. With an additional cross-trained employee (both WTP/WWTP) it should improve service levels.

**Pros and Cons Review:**

| PROS | CONS |
|---|---|
| Increased management oversight to both utility departments | Will require changes to be negotiated in the USW agreement to allow for working managers |
| Maintained / increased high level of service | Not planning for future by considering succession planning for DPW Director |

**Financial Implications:** Currently the Water and Wastewater Lead Persons have a base salary of $42,328 annually; plus overtime. To elevate the Wastewater Lead Person to a department director position the salary increase would be approximately $22,000. To increase the Water Lead Person to a nonunion manager position the approximate increase would be $5,000 (above the current lead person base wage and average annual overtime allotment). If the positions came from within there would be minimal benefit increases. The total approximate salary increases would be $27,000 - $30,000. A new cross-trained utility department employee cost would be an additional $52,000-$55,000.

**Similar Communities Table:** Other communities that operate with a WWTP Superintendent and Water Treatment Manager positions are:

| COMMUNITY | POPULATION |
|---|---|
| Gaylord* | 3,645 |

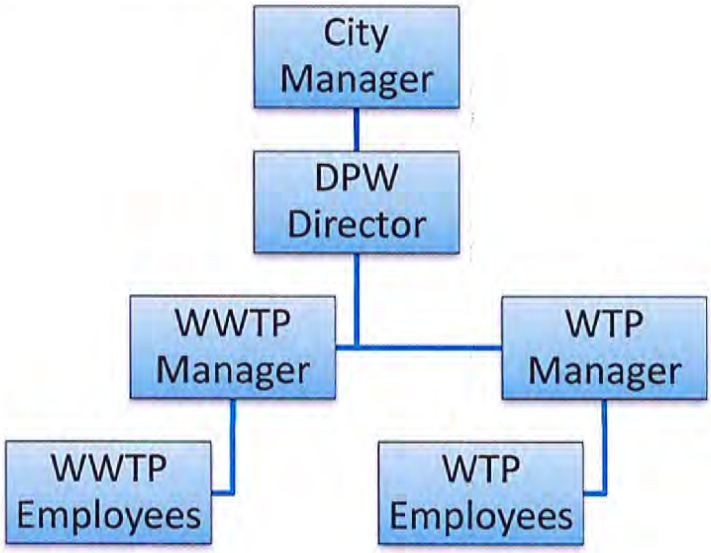
*Gaylord organizational model was slightly different in that the Water Supervisor oversaw the Wastewater Operation.

## UTILITY MANAGERS

Under this model, the utility operates under the direction of the DPW Director using a nonunion day to day manager of each utility operation.

**Description:** This option would create a Water and Wastewater Treatment Manager position to oversee the day to day operation of both utilities. Both positions would still report to the DPW Director position and would be nonunion. Both positions would maintain the proper licenses to operate their department.

Organizational Chart for Utility Managers:




**Assumptions:** Both positions would be created from the existing number of utility employees and when necessary would work hand in hand with union employee. This may require changes to the existing USW contract.

**Service Level Impacts:** Maintain and improve current level of service to the public.

**Pros and Cons Review:**

| PROS | CONS |
|---|---|
| Increase direct day to day management oversight in both departments | Increases current costs in both departments by increasing salary costs |
| Maintains / improves high level of service | Will require USW contract negotiations |
| Complies with USW contract requirements | Not planning for future by considering succession planning for DPW Director |
| | Maintains the current issue of lack of technical managerial support |

**Financial Implications:** By creating two new manager positions rather than the two lead person positions it will increase the cost based upon increasing responsibilities for these two positions. Currently the two lead person positions salary is approximately $42,300; plus overtime.

Creating new nonunion manager positions would increase the salary cost by approximately $5,000 (above the current lead person base wage and average annual overtime allotment) annually for each position or a total approximate increase of $10,000-$12,000.

**Similar Communities Table:** Other communities that utilize the DPW Director / Utility Manager positions:

| COMMUNITY | POPULATION |
|---|---|
| Charlotte | 9,074 |
| Hastings | 7,350 |
| Reed City | 2,425 |
| Marshall | 7,088 |

## CONSULTANT UTILITY OPERATIONS RESEARCH

Fishbeck Thompson Carr & Huber (FTCH) were hired to assist the City with drafting the DPW White Paper, specifically to assist with the utility sections. The goal was to receive a private sector review of the utility departments to ensure all viable options were being considered. FTCH have worked with many municipal clients on design and operation of their utilities. They were able to provide this practical insight on how other communities operated their utility systems. FTCH was asked to assist by:

1. Researching other similar community water and wastewater treatment operations.

2. Develop comparative data that would identify how Manistee compared to the benchmark communities.

3. Review and comment on the entire White Paper, paying particular attention to the utility organization models.

The communities that were surveyed by FTCH were: Iona, Sparta, Alpena, St. Louis, Gaylord, Hastings, St. Johns, Cadillac, and Mackinaw City. Based upon their research, several conclusions were drawn by FTCH:

1. Staff pay level within the Water and Wastewater Departments is comparable to other communities surveyed.

2. The staff level of the Water and Wastewater Departments appears to be comparable to other communities employing similar treatment systems.

3. Budgets are very difficult to compare based upon the variance of capital projects that are being undertaken and their impact upon the utility budget. Because of the significant amount of capital improvements taken on to primarily the wastewater collection and treatment system in Manistee, the total water and sewer budget looks relatively higher than other communities. However, this is somewhat misleading because points one and two above (staffing levels and salaries) are very similar to other communities using similar systems for water and wastewater.

4. Finance Director Ed Bradford relayed information to FTCH that Manistee water and sewer rates are comparable to other comparable communities. This data, while not in the scope of the survey, seems to support that Manistee does not have too many employees running the water and wastewater utilities. They are not paid higher than others performing similar work and the costs for running these services are comparable to other communities. This supports that the utility portion of the paper accurately focuses on how to best deliver these services now and in the long term.

## Manistee White Paper Normalized Staffing and Budget Values

| | Treatment Process | | Flow | | Staffing | | Budget | | Budget $/MGD | | Staff/MGD | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Water | Wastewater | Water | Wastewater | Water | Wastewater | Water | Wastewater | Water | Wastewater | Water | Wastewater |
| Ionia | 1 | 2 | 6.56 | 4.0 | 3 | 6 | 3.628 | 3.875 | 0.55 | 0.97 | 0.46 | 1.50 |
| Petoskey | 1 | 1 | 3.0 | 2.5 | 2 | 5 | 2.384 | 2.831 | 0.79 | 1.13 | 0.67 | 2.00 |
| Alpena | 2 | 1 | 6.0 | 5.5 | 8 | 8 | 2.152 | 2.399 | 0.36 | 0.44 | 1.33 | 1.45 |
| Gaylord | 1 | 1 | 4.5 | 1.13 | 2 | 5 | 0.542 | 0.946 | 0.12 | 0.84 | 0.44 | 4.42 |
| Hastings | 3 | 1 | 2.0 | 2.0 | 1.5 | 3.6 | 1 | 1.3 | 0.50 | 0.65 | 0.75 | 1.80 |
| St. Johns | 1 | 3 | 3.2 | 1.9 | 4.5 | 5.5 | 1.6 | 2.3 | 0.50 | 1.21 | 1.41 | 2.89 |
| St. Louis | 1 | 3+ | 3.6 | 1.6 | 2.5 | 2.5 | 0.83 | 1.26 | 0.23 | 0.79 | 0.69 | 1.56 |
| Sparta | 4 | 1 | 4.1 | 4.1 | | 3 | *0.909* | *0.904* | 0.22 | 0.22 | | 0.73 |
| Mackinaw City | 1 | 4 | 2.2 | 2.0 | 1.5 | 1.5 | *0.453* | *0.454* | 0.21 | 0.23 | 0.68 | 0.75 |
| Reed City | 1 | 1 | | 0.95 | | 4 | *0.807* | 0.861 | | 0.91 | | 4.21 |
| Cedar Springs | 1 | 1 | 4.2 | 2.4 | | | 0.357 | 0.755 | 0.09 | 0.31 | | |
| Cadillac | 1 | 1+ | 5.4 | 3.2 | 7 | 7 | 1.7 | 2.1 | 0.31 | 0.66 | 1.30 | 2.19 |
| Ludington | 2 | 4 | 3.2 | 7.5 | 8 | 5 | 1.1 | 1.1 | 0.34 | 0.15 | 2.50 | 0.67 |
| Charlotte | 1 | 2+ | 4.3 | 1.8 | 2 | 5 | 1.2 | 2.4 | 0.28 | 1.33 | 0.47 | 2.78 |
| Middleville | 1 | 1 | 1.21 | 0.4 | 5 | 1 | 0.285 | 0.758 | 0.24 | 1.90 | 4.13 | 2.50 |
| Belding | 1 | 4 | 3.9 | 1.5 | 1 | 1 | *0.759* | *1.293* | 0.19 | 0.86 | 0.26 | 0.67 |
| **Average** | | | **3.8** | **2.7** | **3.7** | **4.2** | **1.23** | **1.60** | **0.33** | **0.79** | **1.2** | **2.0** |
| **Minimum** | | | **1.2** | **0.4** | **1.0** | **1.0** | **0.29** | **0.45** | **0.09** | **0.15** | **0.3** | **0.7** |
| **Maximum** | | | **6.6** | **7.5** | **8.0** | **8.0** | **3.63** | **3.88** | **0.79** | **1.90** | **4.1** | **4.4** |
| **Manistee** | **1** | **1** | **6** | **1.3** | **3** | **4** | **1.20** | **2.40** | **0.20** | **1.85** | **0.50** | **3.08** |

**Treatment Process Numeric Codes**

Water;

1 - Groundwater Wells, Elevated and/or ground storage tanks, No treatment, Limited chemical addition (chlorination, flouride, and/or phosphate)

2 - Surface water supply, conventional water treatment (coagulation, settling, chlorination, flouride)

3 - Groundwater Wells, Filtration for iron removal, Elevated storgae tank, Chlorination

4 - Groundwater wells, Ion exchange, Elevated Storage, Chlorination

Wastewater;

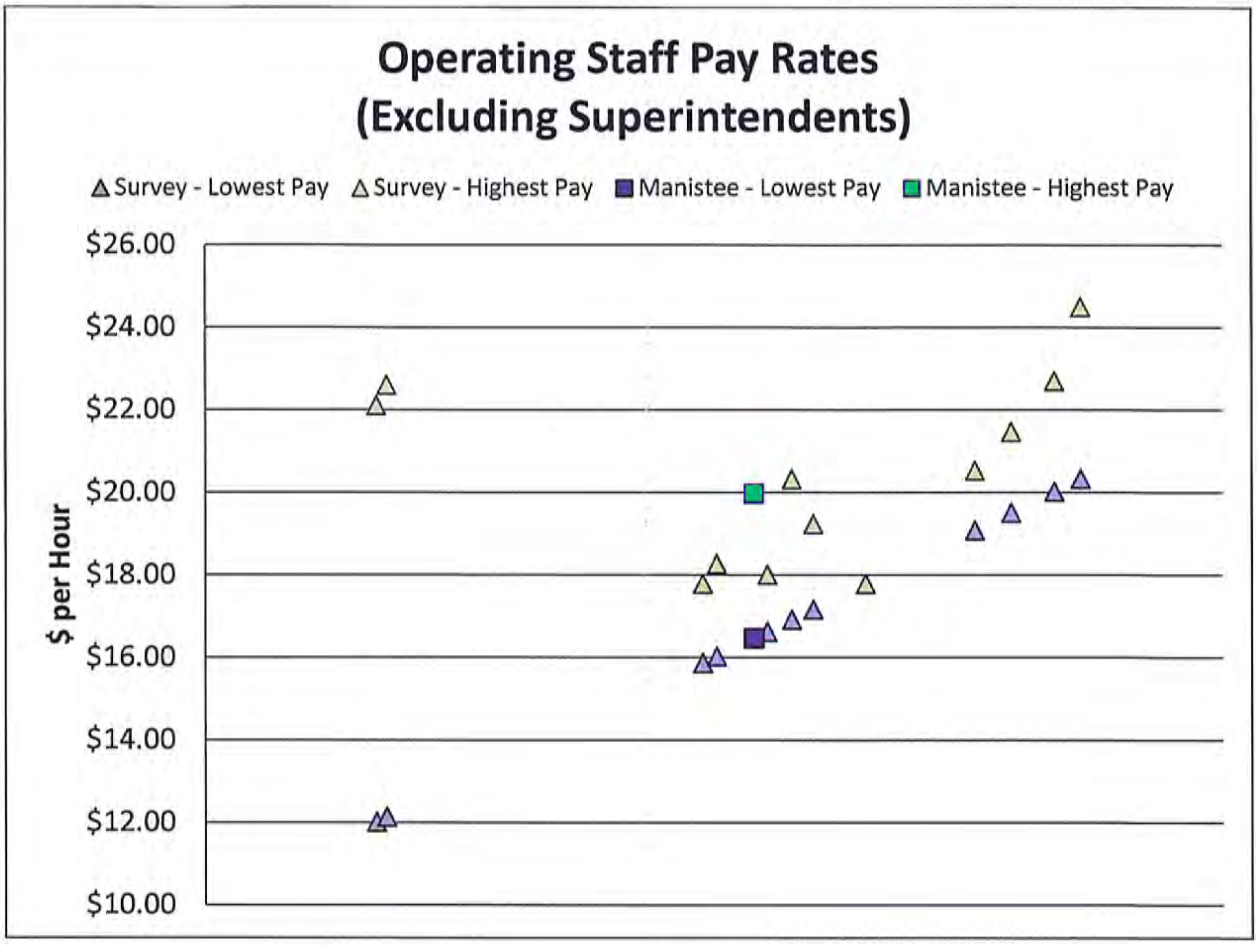
1 - Activated sludge (Conventional, SBR, or oxidation ditch)

2 - Trickling filter based treatment

3 - Rotating biological contactor based treatment

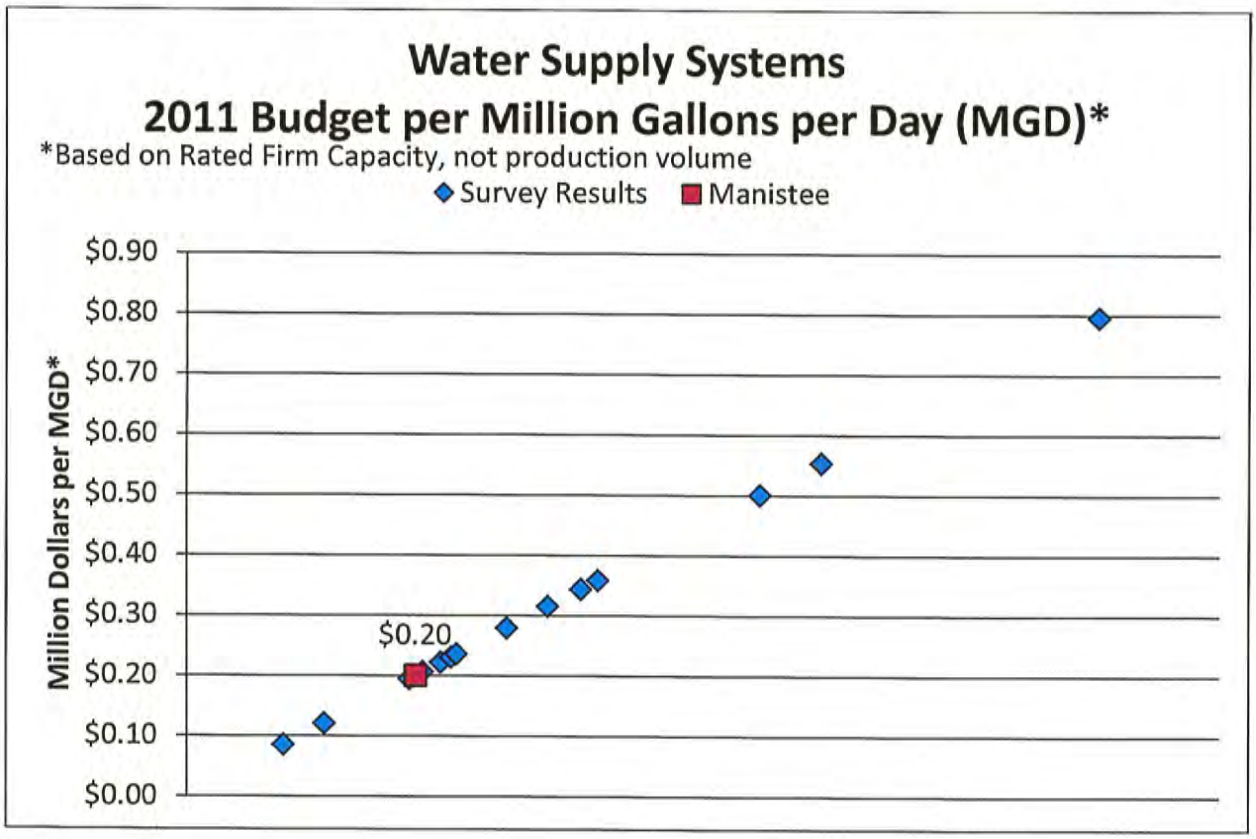
4 - Aerated lagoon based treatment with or without final clarification

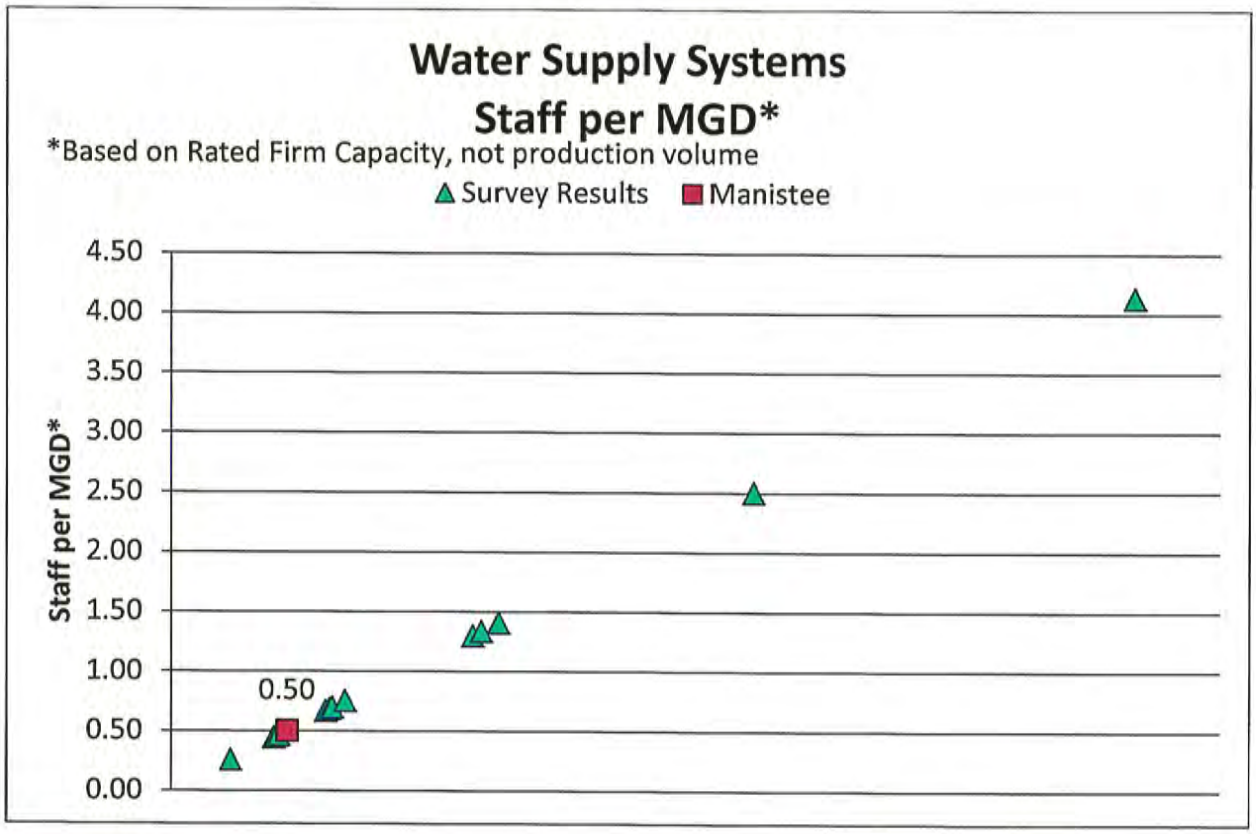
+ - Final filtration prior to discharge

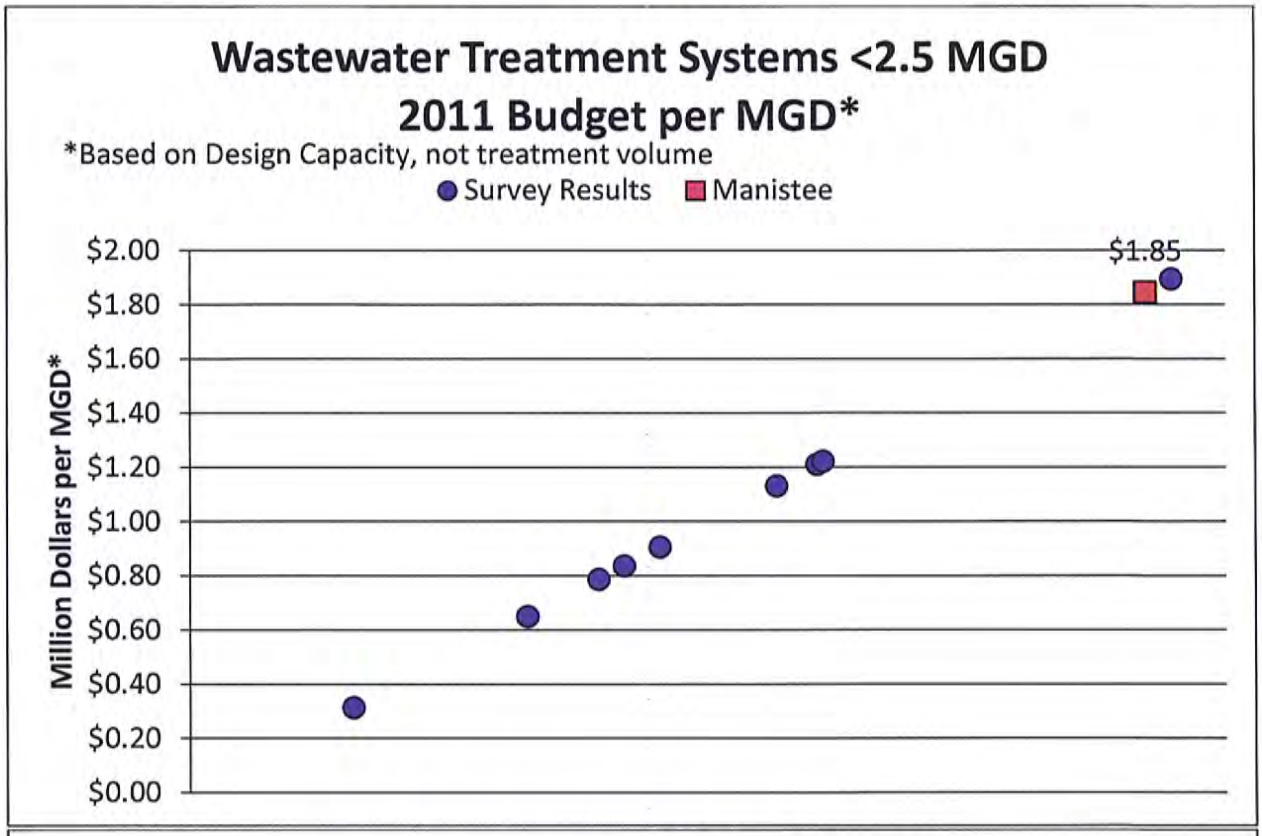


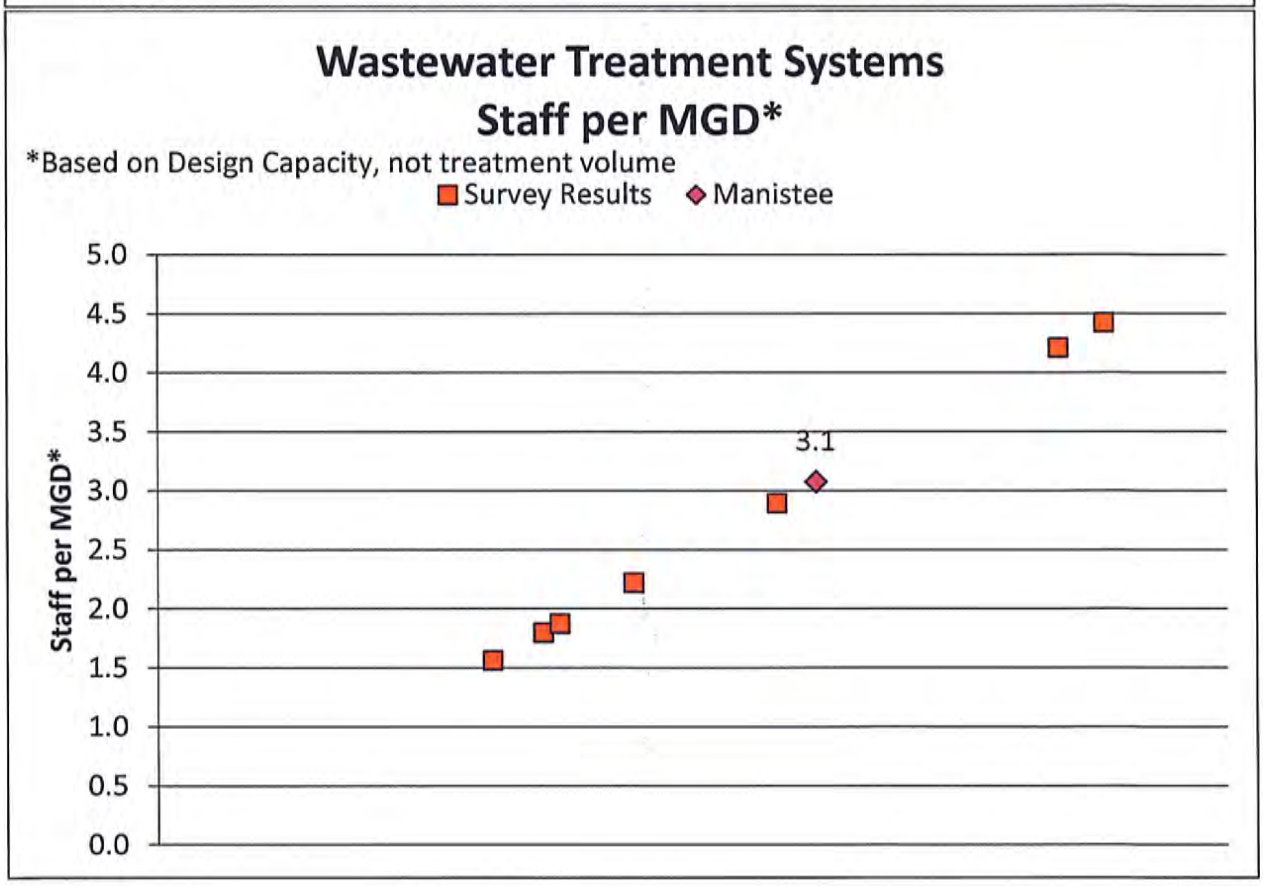

SALARIES - ALL COMMUNITIES

| | | Salaries* Staff Low | |
|---|---|---|---|
| Alpena | $12.02 | $12.02 | $22.12 |
| Charlotte | $12.14 | $12.14 | $22.61 |
| Cadillac | $15.87 | $15.87 | $17.79 |
| Hastings | $16.03 | $16.03 | $18.27 |
| **Manistee** | $16.47 | **$16.47** | **$19.97** |
| Ludington | $16.63 | $16.63 | $18.01 |
| Reed City | $16.92 | $16.92 | $20.32 |
| Middleville | $17.17 | $17.17 | $19.24 |
| St. Johns | $17.79 | $17.79 | $17.79 |
| St. Louis | $19.08 | $19.08 | $20.53 |
| Gaylord | $19.51 | $19.51 | $21.47 |
| Ionia | $20.02 | $20.02 | $22.70 |
| Petoskey | $20.33 | $20.33 | $24.50 |


Water Supply Systems
2011 Budget per Million Gallons per Day (MGD)*
*Based on Rated Firm Capacity, not production volume
Survey Results
Manistee
Million Dollars per MGD*
$0.90
$0.80
$0.70
$0.60
$0.50
$0.40
$0.30
$0.20
$0.10
$0.00
$0.20


Water Supply Systems
Staff per MGD*
*Based on Rated Firm Capacity, not production volume
Survey Results
Manistee
Staff per MGD*
4.50
4.00
3.50
3.00
2.50
2.00
1.50
1.00
0.50
0.00
0.50


Wastewater Treatment Systems <2.5 MGD
2011 Budget per MGD*
*Based on Design Capacity, not treatment volume
Survey Results
Manistee
Million Dollars per MGD*
$2.00
$1.80
$1.60
$1.40
$1.20
$1.00
$0.80
$0.60
$0.40
$0.20
$0.00
$1.85


Wastewater Treatment Systems
Staff per MGD*
*Based on Design Capacity, not treatment volume
Survey Results
Manistee
Staff per MGD*
5.0
4.5
4.0
3.5
3.0
2.5
2.0
1.5
1.0
0.5
0.0
3.1

## UTILITY SECTION CONCLUSION

Although this report has presented several different options for delivery of public works / utility services; it is ultimately a balancing act between the level of service provided and the cost to deliver that service. Nothing can change this basic fact. Any changes made to the status quo, whether incremental or wholesale, will result in a different service/cost relationship; but nonetheless, one that must be managed and affordable for the community. The difficulty is in gauging the desires of the community, and ultimately finding the correct balance between utility services and affordability.

Any changes will likely result in impacts to the existing employees. Whatever decision Council ultimately makes will impact the employees in some fashion.

Again, the intention of this report is to emphasize to City Council the importance of increasing direct supervision / management of the City utilities. The current model of the existing DPW Director overseeing both utilities with the assistance of USW lead persons is not working and will have long term detrimental effects to both utilities. The primary reasons it is not functioning properly are:

1. DPW Director responsibilities are spread too wide, not allowing sufficient time to dedicate to the utilities.

2. The DPW Director has no practical/working experience in either wastewater treatment or water production. No operators' licenses are held by the DPW Director.

3. USW lead persons managing day to day operation, including assigning daily tasks to fellow USW members simply does not work. This has led to considerable friction among USW employees.

4. We have given responsibility to lead persons to use licenses to operate the facilities, yet we have not given them the authority to truly manage the operation. This has not been fair to those employees who have stepped up to assist the City during the past two years as we transitioned away from a Utility Supervisor management model as a result of a retirement.

## STAFF PREFERRED UTILITY ORGANIZATIONAL MODEL

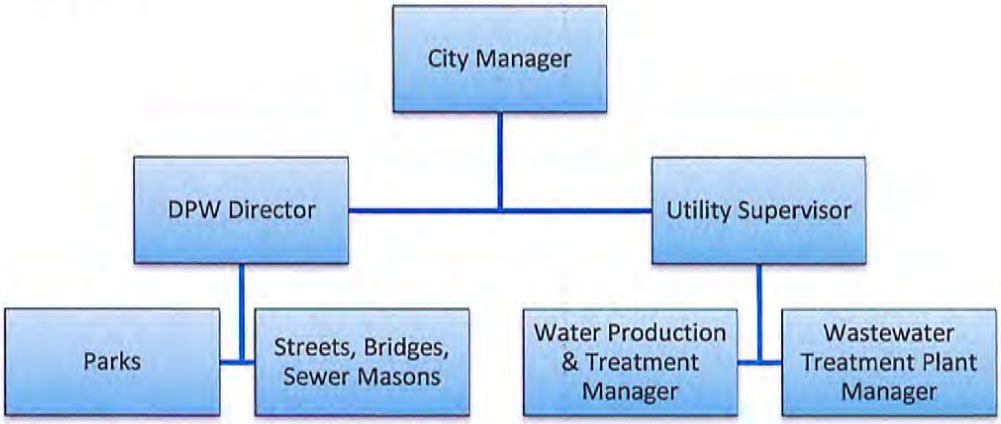
As we discussed previously in the study, this white paper needs to not only identify organizational options but must also serve as a succession plan for DPW Director Jack Garber.

The preferred staff option for reorganizing the Utility Department would be to hire a Utility Supervisor to directly oversee both the Water and Wastewater Departments; while also eliminating lead person positions.

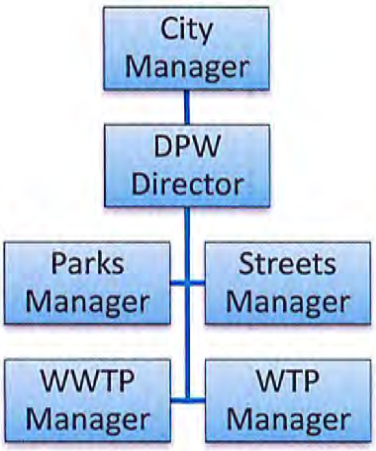
The Utility Supervisor position will be hired to work closely with the DPW Director with the intent when the current DPW Director retires the Utility Supervisor would be appointed as DPW Director overseeing both departments. Under the reorganized DPW Department the DPW Director would have nonunion manager positions running the individual areas.

The organizational models would look as follows:

Short Term Model:




Future Long Term Model:



The key to the short term plan is that during this transition we must have both the DPW Director and Utility Supervisor working closely together so that the Utility Supervisor can learn key information that the current DPW Director has accumulated over the past 40 years working for the City.

In the long term the key to the organizational model will be that the new DPW Director will have had several years to work closely with the current DPW Director to learn as much knowledge on City operations and infrastructure as possible. Another key issue will be the nonunion departmental managers. We believe we have extremely competent current employees that would serve the City very well in the Manager positions.

However, it is also our professional opinion that the new DPW Director will need a unique set of skills that include but are not limited to:

1. Bachelor's Degree or higher.

2. Engineering Degree or practical experience.

3. Project Manager experience.

4. Excellent verbal and written skills.

5. Budgeting experience.

It is the City Manager's professional opinion that these unique skill sets will require the City to seek an employee from outside the current City employment pool.

## DPW SERVICE OPTIONS / OPPORTUNITIES

Based upon the review of our benchmark communities, there are not as many organizational options for the Department of Public Works.

While looking at the previous two white paper reports, there have been several organizational options to consider (Public Safety: status quo, public safety option, contract for service, regionalization) (Assessing: status quo, privatize assessing, contract with Manistee County). However, with the DPW numerous factors including county population, lack of full service neighboring municipalities, and geographical location really limits the available options for consideration.

Geographically when you look at the City of Manistee the closest full service municipalities are Ludington 30 miles to the south, Cadillac 45 miles to the east and Traverse City 65 miles to the north (not including Frankfort). This geographical separation essentially negates the ability to enter into an intergovernmental agreement to provide or assist with providing DPW services with neighboring municipalities. This leaves us to look internally within Manistee County. The 2010 census population for Manistee County is 24,733. Within Manistee County there is only one full service DPW that performs the complete range of DPW services (streets, parks, brush, festivals, utilities, etc.) and that is the City of Manistee.

The closest governmental entity that provides some traditional DPW services, specifically road maintenance, is the Manistee County Road Commission. Based upon the reasons mentioned, it appears that the option for privatizing or entering into an intergovernmental agreement to provide all DPW services is not realistic.

However, options for contracting out specific services could include winter street maintenance, summer street maintenance, parks maintenance, restroom cleaning, brush collection, etc.; all viable options for consideration.

The service areas that could be investigated to see if privatizing or contracting with the Road Commission while providing an acceptable level of service and still reduce costs would be the following:

1. Winter Snow Maintenance
   - Downtown snow plowing (removal already contracted out)
   - Local and major street snow plowing
   - Parking lot snow plowing and snow removal
   - Winter vehicle maintenance (plows, blades, etc.)

2. Summer Street Maintenance
   - Crack sealing (already contracted out to MCRC)
   - Pothole repair
   - Street sweeping (city has the only street sweeper in the county)

Looking at the other services provided by the DPW, options to bid out or privatize other services could include the following DPW services:

1. Parks Maintenance
   - Mowing and weed whipping (bid out in 2011)
   - Restroom cleaning (bid out in 2011)
   - Beach cleaning
   - Spring beach maintenance efforts
   - Festival assistance

2. Maple Street Bridge operations (previously contracted out, recently brought back use of seasonal employees and saved approximately $10,000 annually)

3. Brush / Yard Waste
   - Brush collection and chipping
   - 100% yard waste collection (DPW currently collect 33% of community yard waste)
   - Tree trimming

The areas that we need to focus on are an acceptable service level (what level of services does the community expect and what can we afford) and personnel numbers to perform the operations. The DPW is a relatively small group of employees who all perform a variety of services. Simply put, they all work in all areas as needed to get the job done. Those services change from season to season.

For the City there is only one way to reduce costs and that is reducing people; which ultimately reduces our ability to perform desired citizen services. This is the balance that must be considered.

Making it more difficult in the DPW is the crossover of responsibilities. For example, you may be able to contract out brush chipping and other yard waste activities, which during the summer months <u>could</u> reduce the number of FTE's in the DPW. The problem lies in the winter months when you need the full complement of DPW FTE's to perform winter snow plowing and maintenance.

**Manistee County Road Commission (MCRC) Service Opportunities:**

While exploring options for traditional DPW services, the MCRC was contacted about potentially providing winter maintenance to determine if it makes financial sense to explore contracting with the MCRC to perform this service. The information provided was for a typical snow plowing event of all City streets, but does not include downtown snow removal.

For an average snow removal the Road Commission would propose the following which is compared to a traditional DPW response to an average snow removal event.

| Entity | # of Plows | # of Loaders | # of Sanders | Estimated Cost Per Event |
|---|---|---|---|---|
| **Manistee County Road Commission** | 3 | 1 | 0 | $3,820 |
| **City of Manistee** | 4 | 2 | 1 | $1,713* |

*Figure was calculated by the DPW for an average snow fall that takes approximately three hours to clear. The figure includes wages, fuel and vehicle expense. The state vehicle rate was used.

The main issue is what is an acceptable service level? Currently the City does a good job at keeping streets clear of snow, which some citizens believe is the correct level of service, while some residents feel the snow plowing is excessive. What we know for sure, the current service level provided by the DPW is quite expensive and with rising fuel costs, will only increase based upon the severity of the winter. It is fair to say that the MCRC would have difficulty offering the same or enhanced level of snow plowing service as is currently provided by the DPW.

**DPW Service Option Conclusion:**

As previously discussed, the isolation of both the City of Manistee and Manistee County limits options. However, the research has identified several important areas for consideration:

1. The staff preferred the option of creating a succession plan for current DPW Director Jack Garber's retirement. The current plan of creating a Utility Supervisor to work closely with the DPW Director for several years and then stepping into this position addresses the need for this succession planning.

2. Need to continue to explore opportunities with the Manistee County Road Commission to partner on providing services. One example would be the City provides vactor services to the MCRC when needed and in return the MCRC provides beach leveling / spring maintenance for the City. What used to take the City weeks to complete takes the Road Commission days. In return the MCRC does not own a vactor or a street sweeper. So when this specialized piece of equipment is needed by the MCRC, it is made available. Both organizations benefit by this sharing of equipment and personnel.

In addition, the City is able to contract directly with the MCRC to perform crack sealing at a reduced rate from contracting with a private business. Thus, the City is able to either reduce the annual cost for crack sealing or more likely, complete more miles of crack sealing annually.

We need to explore if there are other areas where the MCFC and City can share both equipment and personnel.

3. Continue to explore opportunities to contract with neighboring jurisdictions for operating their municipal utilities. The best example is the current agreement between the City and Filer Charter Township (FCT) on expanding the sewer collection system south into FCT. Could or should the City negotiate with FCT to operate their water production system? Could we do it more economically for FCT and still make it profitable for the City? These discussions should occur.

4. Recognize that the City's utilities (water and wastewater) are the City's primary economic development tools for the future. The City is mostly built out and lacks tracks of property for new developments and annexation is a very difficult and challenging proposition. Thus, our utilities and expansion of these utilities becomes the City's primary economic development tool to ensure increased revenue into the City.

5. Routinely explore privatizing DPW services as it was suggested in the Operational Services Assessment report.

## SUPPLEMENTAL INFORMATION:

- Sidewalk Replacement Policy
- Sidewalk Replacement Ordinance
- Bridge Opening Policy
- Snow Removal Policy

## CITY COUNCIL POLICY ON SIDEWALK REPAIR

**WHEREAS**, on September 7, 1993 the City Council adopted a policy on new municipal infrastructure, and

**WHEREAS**, in Section C.3. that policy includes certain provisions regarding the reconstruction of sidewalks and the City Council wishes to modify that policy.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Manistee that the following procedures and standards shall apply for sidewalk repairs.

**CONSTRUCTION STANDARDS**. All sidewalk shall be constructed of concrete, four inches in depth except driveway approaches which shall be six inches in depth. Sidewalks shall be constructed to a five foot width unless a different width exists as current construction on adjacent, contiguous sidewalks. All sidewalks shall be constructed in the public right-of-way and shall be straight and parallel to the street. The sidewalk shall be cut and grooved every five feet with expansion joints as necessary. The grade shall not exceed a twenty to one slope either lengthwise or crosswise unless a special exception is authorized by the Sidewalk Inspector based on site specific topographic conditions.

**REPAIR REQUIRED**. Sidewalk repair shall be required for any sidewalk contiguous to a major street that has vertical breaks/separations greater than one inch or if cracks or spalls cover more than 30% of the section of sidewalk. Sidewalk repair shall be required for any sidewalk contiguous to a minor street that has vertical breaks/separations greater than two inches or if cracks or spalls cover more than 50% of the section of sidewalk.

**BOULEVARD TREES**. If the need for sidewalk repair is caused by a boulevard tree, the Tree Commission shall evaluate whether the tree should be removed, or whether exceptions to the construction standards should be authorized (exceptions limited to sidewalk width or required straight and parallel construction).

Property owners may request that a Tree Commission exception to width or the required straight and parallel construction be authorized for trees on private property. The Tree Commission may recommend root cutting on either private or boulevard trees as an alternative to tree removal.

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## PROCEDURES

The City Manager shall appoint a Sidewalk Inspector. The Sidewalk Inspector shall annually complete an inspection of all municipal sidewalk and mark those sections which require repair prior to April 30th of each year. The number of sections to be marked shall be determined based on budgetary recommendations for the following fiscal year.

Following adoption of the annual budget, the Sidewalk Inspector shall solicit bids from qualified individuals for the city's annual sidewalk repair program. Work to be included shall be specified. Removal and disposal of existing sidewalk may (but is not required to be) undertaken by city personnel.

Priorities for the city's sidewalk repair program shall be as follows:

1. Sidewalks adjacent to major streets.
2. School routes.
3. Local street.

## COST

The entire cost of the program shall be borne by the city in its Street Improvement Fund. The city shall only bear the cost of sidewalk repair when that repair has been required by the Sidewalk Inspector as part of the annual sidewalk improvement program.

If property owners wish to undertake sidewalk repair on their own not as part of the city's program, the city will participate in the removal and disposal of the old sidewalk. The new sidewalk shall be the responsibility of the property owner.

## SPECIAL PROVISIONS - CENTRAL BUSINESS DISTRICT CAVITIES

Certain sidewalks in the Central Business District are constructed over cavities or vacant storage areas used by the adjacent properties. During the Streetscape 2000 Project, all cavities within the public right-of-way shall be filled. The City shall pay the entire cost of eliminating the cavity including the construction of retaining walls and door closures where necessary. Each property owner is responsible for ensuring that all building related utilities which are not customarily buried are properly relocated out of the cavity.

Exceptions may only be approved by the City Council at regular meetings based on unusually severe circumstances. Property owners requesting such an exception must do so in writing in a timely manner.

This policy represents the City of Manistee's standards and procedures for sidewalk repair, as established by the Manistee City Council on Tuesday, August 16, 1994, as amended January 2, 1996 and April 20, 1999.

Lorraine G. Conway 4/29/99
Mayor Lorraine G. Conway Dated

ATTEST:

Kenneth J. Oleniczak 4/29/99
Kenneth J. Oleniczak, Clerk/Treasurer Dated

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# Chapter 1024
# Sidewalks


| | | | |
|---|---|---|---|
| 1024.01 | Maintenance and repair by owners; notice by City | 1024.04 | Liability of owners for defects |
| 1024.02 | Failure of owners to construct or repair; action by City | 1024.05 | Maintenance of area between gutter line and line of lots abutting streets; injury to vegetation. |
| 1024.03 | Service of notices | 1024.99 | Penalty |


| CROSS REFERENCES |
|---|
| Failure of property owner to keep sidewalks free of obstructions - see M.C.L.A. Sec. 103.4 |
| Liability of City re sidewalks - see M.C.L.A. Secs. 691.1401 et seq. |
| Animals on sidewalks - see GEN. OFF. 606.08 |
| Obstruction of sidewalks by building materials and firewood - see GEN. OFF. 674.05 |
| Snow and ice removal from sidewalks - see GEN. OFF. 674.07, 674.08 |
| Restoration of pavement upon completion of excavations - see S.U. & P.S. 1022.02, 1022.04 |

**1024.01 MAINTENANCE AND REPAIR BY OWNERS; NOTICE BY CITY**

All sidewalks in the City shall be kept in good repair by the owner, agent or occupant of the premises adjoining or fronting such sidewalks, and whenever any sidewalk in the City needs repair, does not conform to the established grade or otherwise conflicts with any ordinance of the City, it shall be the duty of the City Manager or his or her designee to notify the owner, agent or occupant of the premises adjoining or fronting such sidewalk needing repair to repair the same within forty-eight hours after receiving such notice. If the owner or agent thereof cannot be found in the City or is unknown, the notice may be served by posting the same in a conspicuous position upon said lot or premises for a period of ten days.

**1024.02 FAILURE OF OWNERS TO CONSTRUCT OR REPAIR; ACTION BY CITY**

If any owner, agent, occupant or person in charge of any lot or premises in the City shall neglect or refuse to build any sidewalk ordered by the Council within the time specified in a notice served upon such owner, occupant or person in charge of such lot or premises by the City Manager or his or her designee, as provided in Section 1024.01, or shall allow any sidewalk constructed in front of or adjacent to any such lot or premises to become out of repair for forty-eight hours, the City Manager or his or her designee may proceed forthwith to build or repair such sidewalk, as the case may be, and the reasonable and necessary cost thereof, or such portion or amount as shall be determined by the Council, shall be a lien upon such lot or premises and be collected the same as other taxes are assessed and collected within the City.

**1024.03 SERVICE OF NOTICES**

All notices provided for in this chapter or required herein to be served by the City Manager or his or her designee may be served by the City Manager or his or her designee or by any police officer of the City.

**1024.04 LIABILITY OF OWNERS FOR DEFECTS**

Whenever a sidewalk is in a state of disrepair or in a defective condition, the abutting landowner has the duty of repairing such sidewalk as provided for in this chapter, and the City shall not be liable for any such sidewalk defects, even though no notice of defect or order to repair was given as provided in Section 1024.01.
(1973 Code §93.33)

**1024.05 MAINTENANCE OF AREA BETWEEN GUTTER LINE AND LINE OF LOTS ABUTTING STREETS; INJURY TO VEGETATION**

The portion of every street lying between the gutter line and the line of lots abutting on any street will be regarded and treated as City walks for the purpose of entry thereon, and such walks shall be used by the City for the purpose of public improvements. However, where the owner of any abutting property, on a street devoted to residences, shall properly grade the space between the line of his or her lot and the sidewalk, and the gutter line, such space shall be, in fact, lawn, and such owner shall keep the grass thereon properly trimmed and mowed. Further, such lawn shall be deemed to be public property and any defacement thereof or injury thereto is hereby prohibited. The driving of animals or vehicles thereon or the use of any portion thereof as places upon which to walk, causing injury to the grass or flowering plants growing thereon, or any act which shall cause any defacement or injury to any such lawns, is hereby prohibited. (Ord. Unno. Passed 6-3-14.)

**1024.99 PENALTY**

(EDITOR'S NOTE: See Section 202.99 for general Code penalty if no specific penalty is provided.)

City of Manistee

# CITY OF MANISTEE
# BRIDGE OPENING BILLING POLICY

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The City of Manistee is proposing to make a fundamental change to the operation of the Maple Street Bridge. The change will center around billing commercial operations for the time and expenses associated with opening of the Maple Street Bridge during off hours. Off hours are defined as any hours the bridge is not operated by the contracted firm or when City employees are called in to operate the bridge.

**Background**

Last year the Maple Street Bridge was opened approximately 250 times.

Approximately 75% (188) of these opening occurred during off hours, requiring a DPW employee call in. Each of these openings resulted in a 4-hour call in pay or approximately $90-100.00 (including benefits) per employee.

In the past these call in overtime hours were absorbed by the DPW budget.

**Purpose**

The purpose of this new policy is to recapture the cost for opening and maintaining the Maple Street Bridge during off hours. The revenue generated will go toward present and future maintenance needs of the Maple Street Bridge.

**Policy**

Each commercial vessel that requires the Maple Street Bridge be opened during off hours will be billed $150.00 per opening.

M Deisch 1-3-03

Mitchell D. Deisch, City Manager Dated

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City of Manistee

# SNOW PLOWING POLICY GP-27

By: Mitch Deisch, City Manager
August 16, 2007

## SNOW PLOWING PROCEDURES AND GUIDELINES

**PURPOSE:**

It is the primary goal of the Department of Public Works (DPW) to clear snow and ice during the winter months to allow for safe vehicular passage on all City roads. Primary emphasis will be given to US-31, school bus routes, and work related traffic.

**PLOWING, BLADING and SANDING & SALTING DEFINITIONS:**

Recognizing that each snowfall is different depending on the time of the year, temperature and other related weather conditions, the basic guidelines are as follows:

**Blading** - Blading of snow is done with undercarriage plows that do not fully remove snow and ice from the road surface. Blading clears the snow to the right-hand side of the road.

**Plowing** - Plowing of snow is done with a front mounted plow that removes the snow and ice from the road surface. Plowing of snow or ice relocates the material onto the City right-of-way off of the road.

**Sanding & Salting** - Winter operation for sanding and salting occurs when hazardous conditions are present with less than 2" of accumulation on roads.

**Day Hours**

The DPW Director is responsible for determining when plowing or blading is required. Plowing or blading will generally commence when the following conditions occur.

1. Two (2) or more inches of snow or slush has made driving conditions hazardous. When this occurs blading will be done to remove the material from the driving lanes. Traditionally sand and salt is placed on the road surface at this time.

2. Freezing rain will result in sanders being deployed with a mix of sand and salt.

3. Drifting snow in excess of four to six inches will be plowed in order to remove the snow from the road surface.

**Night Hours**

The Manistee City Police Department will notify the DPW Director when road conditions warrant inspection due to hazardous conditions. It will be the DPW Director's responsibility to assess the condition of the roads and what, if any, resources need to be deployed.

**Downtown**

When snow conditions necessitate removal in the downtown, DPW crews will start wind-rowing snow between 4:00 a.m. and 5:00 a.m. Once wind-rowed, snow is blown into trucks for removal of snow. Snow must be removed by 7:00 a.m.- 8:00 a.m. before businesses open downtown.

**Downtown Sidewalks**

Downtown sidewalks are cleared as needed (typically daily) during the winter months. If at all possible, the DPW night crew will clear downtown sidewalks before 1:00 a.m. If snow falls after 1:00 a.m. or the night crew is unable to clear the downtown sidewalks, DPW staff is called in early to clear sidewalks. Sidewalks must be cleared by 7:00 a.m. - 8:00 a.m.

**Parking Lots**

Parking lots are plowed as needed (typically 3 - 4 times a week) during the winter months. Snow is piled at certain locations and then hauled away as time allows. Downtown parking lots are used by residents that live in the downtown as permanent parking spots. During winter months parking lots are signed odd / even days for snow removal purposes.

**City Sidewalks**

The primary responsibility of the sidewalk plow is to ensure safe passage for students heading to and from school. Based on this, school routes on major streets are cleared first, with the goal to complete daily or as needed. After these areas are cleared, the sidewalk plow continues through the City.