
PROCEEDINGS OF THE MANISTEE CITY COUNCIL – December 5, 2017

A regular meeting of the Manistee City Council was called to order by his honor, Mayor James Smith on Tuesday, December 5, 2017 at 7:00 p.m. in the City Hall Council Chambers, 70 Maple Street, followed by the Pledge of Allegiance.

PRESENT: Dale Cooper, Lynda Beaton, Roger Zielinski, Robert Goodspeed, James Smith, James Grabowski, and Erin Pontiac.

ALSO PRESENT: City Manager – Thad Taylor, City Attorney – George Saylor, City Clerk – Michelle Wright, City Assessor – Molly Whetstone, DPW Director – Jeff Mikula, Finance Director – Ed Bradford, Planning & Zoning Director – Denise Blakeslee, Public Safety Director – Tim Kozal, and City Engineer – Shawn Middleton / Spicer Group.

CITIZEN COMMENTS ON AGENDA RELATED ITEMS.

Lee Wyatt, Amptech CEO, voiced concerns on sale of lots in the Industrial Park, opposed to the sale.

CONSENT AGENDA.

- Minutes - November 21, 2017 - Regular Meeting
- November 28, 2017 - Work Session
- Financial Reports - October 2017
 - Cash Balances
 - Revenue & Expenses
- Notification Regarding Next Work Session – December 12, 2017
A discussion will be conducted on FEMA Flood Plain Mapping and the annual RRC process to Identify and Prioritize Redevelopment Sites; and such business as may come before the Council.

MOTION by Zielinski, second by Beaton to approve the Consent Agenda as presented.

With a roll call vote this motion passed unanimously.

AYES: Cooper, Beaton, Zielinski, Goodspeed, Smith, Grabowski, and Pontiac

NAYS: None

CONSIDERATION OF ESTABLISHING 2018 POVERTY EXEMPTION GUIDELINES AND NEW FEDERAL INCOME GUIDELINES AS APPROVED BY THE STATE TAX COMMISSION.

The adoption of a resolution establishing poverty exemption guidelines for exemption from property tax contributions is required in order for the Board of Review to grant poverty exemptions. The homestead of persons who the Board of Review determines by reason of poverty to be unable to contribute to the public charge, is eligible for exemption in whole or in part from taxation under Public Act 390, 1994 (MCL 211.7u). The State Tax Commission requires that the City of Manistee adopt this

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resolution every year and approve the income guidelines. They have also made this approval part of the criteria in the new Audit of Minimum Assessing Requirements. The resolution states we used the Federal Income Guidelines and is substantially the same as last year's resolution.

MOTION by Goodspeed, second by Zielinski to approve a resolution establishing 2018 Poverty Exemption Guidelines.

With a roll call vote this motion passed unanimously.

AYES: Cooper, Beaton, Zielinski, Goodspeed, Smith, Grabowski, and Pontiac

NAYS: None

CONSIDERATION OF A RESOLUTION WAIVING PENALTY, FEES, AND INTEREST FOR FAILURE TO FILE A PROPERTY TRANSFER AFFIDAVIT.

The State of Michigan is now requiring municipalities to pass a resolution if they do not collect the \$200 fee for failure to file a Property Transfer Affidavit. This has not historically been done in the City of Manistee due to a high rate of compliance and the unfavorable economics of collecting the fee.

MOTION by Zielinski, second by Goodspeed to approve a resolution waiving penalty, fees, and interest for failure to file a Property Transfer Affidavit.

With a roll call vote this motion passed unanimously.

AYES: Cooper, Beaton, Zielinski, Goodspeed, Smith, Grabowski, and Pontiac

NAYS: None

CONSIDERATION OF A TAX EXEMPT PARCEL REVIEW POLICY.

The State Tax Commission is requiring that the City of Manistee have a Tax Exempt Parcel Review Policy to audit our tax exempt parcels. A draft policy has been prepared for the Council's consideration. The State Tax Commission has made this a part of the criteria in the new Audit of Minimum Assessing Requirements.

MOTION by Zielinski, second by Cooper to approve a Tax Exempt Parcel Review Policy.

With a roll call vote this motion passed unanimously.

AYES: Cooper, Beaton, Zielinski, Goodspeed, Smith, Grabowski, and Pontiac

NAYS: None

CONSIDERATION OF AMENDING A DEVELOPMENT AGREEMENT FOR THE SOUTH WASHINGTON AREA REDEVELOPMENT PROJECT BETWEEN THE CITY, CITY OF MANISTEE BROWNFIELD REDEVELOPMENT AUTHORITY, RIVER PARC PLACE II, LLC AND NORTH CHANNEL INVESTORS, LLC.

On February 16, 2016 the City of Manistee approved a development agreement for the South Washington Area redevelopment. Since that time, the developer changed the plan on the Edgewater building and elected to remove the two commercial spaces on the first floor and return them to garage space. The developer has secured all necessary local and State approvals for this change. The final step is amending the development agreement.

MOTION by Zielinski, second by Beaton to approve an amendment to the development agreement for the South Washington Area redevelopment project between the City, City of Manistee Brownfield Redevelopment Authority, River Parc Place II, LLC and North Channel Investors, LLC; and further authorize the Mayor and City Clerk to execute the agreement.

With a roll call vote this motion passed unanimously.

AYES: Cooper, Beaton, Zielinski, Goodspeed, Smith, Grabowski, and Pontiac
NAYS: None

CONSIDERATION OF APPROVED DEPOSITORIES FOR CITY FUNDS.

The City Charter, Section 7-8, requires that Council designate the depositories for City funds. The Finance Director requests that the following financial institutions be approved as designated depositories: Charles Schwab, Chemical Bank, Flagstar Bank, Honor State Bank, Huntington Bank, MBIA Michigan CLASS, PNC Bank, Shelby State Bank, UBS, and West Shore Bank.

MOTION by Zielinski, second by Goodspeed to approve designated depositories for the City of Manistee.

With a roll call vote this motion passed unanimously.

AYES: Cooper, Beaton, Zielinski, Goodspeed, Smith, Grabowski, and Pontiac
NAYS: None

CONSIDERATION OF CP-10 CITY COUNCIL GUIDELINES POLICY UPDATE.

At the November 14, 2017 Organizational Meeting, Council reviewed CP-10 City Council Guidelines Policy. Several changes were made and have been incorporated into the policy. The list of changes is included in the minutes from that meeting.

MOTION by Zielinski, second by Cooper to adopt Council Guidelines Policy CP-10, as amended. Smith questioned the necessity of five affirmative votes on budgetary bonds.

MOTION TO AMEND original motion by Zielinski, second by Cooper to stricken any language regarding budgetary bonds in CP-10.

With a roll call vote the motion to amend passed unanimously.

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AYES: Cooper, Beaton, Zielinski, Goodspeed, Smith, Grabowski, and Pontiac
NAYS: None

Roll call vote on the original motion, with the removal of any language regarding budgetary bonds, was taken. Motion passed unanimously.

AYES: Cooper, Beaton, Zielinski, Goodspeed, Smith, Grabowski, and Pontiac
NAYS: None

CONSIDERATION OF DTE SETTLEMENT OFFER.

The City owns and maintains a portion of our water system along Maple Road within the Charter Township of Filer. Numerous leaks have occurred in the vicinity of a gas main operated by DTE Energy. DTE has installed Cathodic Protection where the pipelines cross and has offered to settle the issue for the documented expenses the City has compiled relative to repairing the leaks. The City Attorney has reviewed and approved the Release and Waiver of Liability.

MOTION by Zielinski, second by Grabowski to approve the Release and Waiver of Liability for consideration of a payment of \$32,715.21; and further authorize the Mayor and City Clerk to execute the documents.

With a roll call vote this motion passed unanimously.

AYES: Cooper, Beaton, Zielinski, Goodspeed, Smith, Grabowski, and Pontiac
NAYS: None

CONSIDERATION OF AMENDING COUNCIL POLICY CP-3 SALE OF CITY OWNED PROPERTY.

While reviewing city-owned property, some properties were identified that should be marketed by a Real Estate Broker. Changes to CP-3 Procedure for the Sale of City-Owned Property are needed. The proposed changes were reviewed with City Council at the November 28, 2017 work session. The City Attorney has reviewed the amended policy and it is ready for Council consideration.

MOTION by Zielinski, second by Cooper to amend Council Policy CP-3 Procedure for the Sale of City-Owned Property.

With a roll call vote this motion passed unanimously.

AYES: Cooper, Beaton, Zielinski, Goodspeed, Smith, Grabowski, and Pontiac
NAYS: None

CONSIDERATION OF ESTABLISHING RENEWAL RATES FOR RIVERFRONT LEASES.

On December 31, 2017 the current five-year riverfront leases will expire. On November 28, 2017 City Council held a work session to discuss establishing the fees for the renewal of riverfront leases. The

rates set at the work session are as follows:

- \$24.04 per foot of frontage for year 2018 (3% increase)
- \$24.77 per foot of frontage for year 2019 (3% increase)
- \$25.51 per foot of frontage for year 2020 (3% increase)
- \$26.27 per foot of frontage for year 2021 (3% increase)
- \$27.06 per foot of frontage for year 2022 (3% increase)

New leases have been drafted and reviewed by the City Attorney.

MOTION by Zielinski, second by Grabowski to establish rates for the five-year riverfront leases; and further authorize the Mayor and City Clerk to execute the necessary documents.

With a roll call vote this motion passed unanimously.

AYES: Cooper, Beaton, Zielinski, Goodspeed, Smith, Grabowski, and Pontiac
NAYS: None

CONSIDERATION OF THE SALE OF LOTS 12 AND 13 IN THE CITY’S INDUSTRIAL PARK.

The City received an offer to purchase Lots 12 and 13 in the city’s Industrial park for \$16,200 per lot. The price is based on the City Assessor’s opinion that a fair and reasonable price for the property is \$6,000 per acre. The purchaser is interested in the property to construct a facility to grow medical marihuana and possibly pursue other medical marihuana licenses.

MOTION by Zielinski, second by Beaton to sell Lots 12 and 13 in the City’s industrial park for a total purchase price of \$32,400. Beau Parmenter, proposed buyer, gave a background of his experiences and his intentions for the property. Discussion followed.

A roll call vote was taken. This motion passed unanimously.

AYES: Cooper, Beaton, Zielinski, Goodspeed, Smith, Grabowski, and Pontiac
NAYS: None

CONSIDERATION OF COMMITTEE APPOINTMENTS.

Mayor Smith made the following Council Committee appointments:

- Alliance for Economic Success - Beaton
- Alternatives for Area Youth - Smith
- Audit Committee - Zielinski/Chair, Pontiac, Beaton
- Local Revenue Sharing Board - Zielinski
- MRA Board - Goodspeed
- 911 Board Authority - Goodspeed
- Oil & Gas Investment Board - Smith, Pontiac, Bradford
- Ordinance Committee - Grabowski/Chair, Goodspeed, Cooper

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- Sands Park Control Board - Pontiac, Mikula
- Utilities Committee - Cooper/Chair, Grabowski, Beaton

MOTION by Zielinski, second by Goodspeed to support the Mayor's appointments.

With a roll call vote this motion passed unanimously.

AYES: Cooper, Beaton, Zielinski, Goodspeed, Smith, Grabowski, and Pontiac
NAYS: None

City Manager Taylor made the following appointments to the Council Personnel Committee:

- Zielinski, Goodspeed, Grabowski

MOTION by Goodspeed, second by Zielinski to support the City Manager's appointments.

With a roll call vote this motion passed unanimously.

AYES: Cooper, Beaton, Zielinski, Goodspeed, Smith, Grabowski, and Pontiac
NAYS: None

A REPORT FROM THE COUNTY PROSECUTOR AND THE CITY CLERK.

Mr. Jason Haag reported on the activities of the County Prosecutor's Office and responded to questions the Council had regarding their activities.

Ms. Michelle Wright reported on the activities of the City Clerk's Department and responded to questions the Council had regarding their activities.

CITIZEN COMMENT.

Tyler Leppanen, DDA Director, invited Council to the 2nd MSU environmental sustainability initiative meeting to be held on Thursday at 7 p.m. at the Ramsdell.

OFFICIALS AND STAFF.

None received.

COUNCILMEMBERS.

Beaton stated, in regards to the medical marihuana facilities, that it is important for the business owners to become a part of the community and get involved.

Zielinski commented on his experience touring a medical marihuana facility in Detroit.

Goodspeed, Pontiac, and Smith commented on the success of the Sleighbell Parade weekend.

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Grabowski thanked the DPW for fixing the water leak in his neighborhood.

ADJOURN.

MOTION to adjourn was made by Beaton, second by Zielinski. Meeting adjourned at 8:12 p.m.

Michelle Wright MMC / CPFA, MiCPT
City Clerk/Chief Deputy Treasurer