
PROCEEDINGS OF THE MANISTEE CITY COUNCIL – July 15, 2014

A regular meeting of the Manistee City Council was called to order by her honor, Mayor Colleen Kenny on Tuesday, July 15, 2014 at 7:00 p.m. in the City Hall Council Chambers, 70 Maple Street, followed by the Pledge of Allegiance.

PRESENT: Colleen Kenny, Edward Cote, Robert Hornkohl, Robert Goodspeed, Catherine Zaring, Mark Wittlieff, and Eric Gustad.

ALSO PRESENT: City Manager – Mitch Deisch, City Attorney – George Saylor, City Clerk – Michelle Wright, Finance Director – Ed Bradford, Public Safety Director – Dave Bachman, Planning & Zoning Administrator – Denise Blakeslee, and City Engineer – Shawn Middleton/Spicer Group.

CITIZEN COMMENTS ON AGENDA RELATED ITEMS.

Eric Eagin, attorney on behalf of Ed Seng, commented on the development agreement for Mr. Seng at 200 River Street; asked Council to 1) approve the amending of the 2008 development agreement to allow commercial storage on the property, and 2) recommend that the Planning Commission amend Section 601 of the Zoning Ordinance to allow shipping as a permitted use to enable using his property as a deep water port.

CONSENT AGENDA.

- Minutes
 - July 1, 2014 - Regular Meeting
 - July 8, 2014 - Special Meeting
 - July 8, 2014 - Work Session
- Payroll
 - June 23 – July 6, 2014 - \$ 137,094.78
- Monthly Bills
 - June 11, 2014 - \$ 342,444.36
 - June 30, 2014 - \$ 305,769.28
 - June 30, 2014 EFT - \$ 3,126.79
- Notification Regarding Next Work Session – August 12, 2014
 - A discussion will be conducted on Deer Herd Management, Board and Commission Application Process, Project Updates; and such business as may come before the Council.
- Consideration of Adopting Ordinance 14-06, Chapter 1040 Combined Water Supply and Sewage Disposal System Ordinance Amendments.
 - The City commissioned a water and sewer rate study by Burton & Associates to review the water and sewer utility rate structure and financial needs. It was conducted in accordance with recommended practice by the American Water Works Association. The study recommended implementing a new rate structure.

In order to implement the study's recommendations, as well as address other areas of concern, the water and sewer ordinance needed to be revised. Staff reviewed the

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ordinance and drafted recommended changes. The amendment codifies the new rate structure, establishes all rates, fees and charges by Council resolution rather than in ordinance, clarifies and places additional restrictions on landlord affidavit program, adds freeze-up and run water section, and adds section on private wells and septic in City.

This ordinance was reviewed and recommended by the Council Ordinance Committee at their meeting of July 1, 2014. As an ordinance two separate readings are required. This ordinance was first introduced at the special meeting of July 8, 2014 and could be adopted at this time.

- Consideration of Chamber Grapes on the River Event.
The Manistee Area Chamber of Commerce is requesting the use of public property and a street closure on River Street between Water and Pine Streets on Saturday, July 26, 2014 from 2 p.m. to 6 p.m. for their annual Grapes on the River event. Set up will begin at 9 a.m. and cleanup will be completed by 9 p.m. All trash will be cleaned up and the area will be left in the same condition as prior to the event.
- Consideration of Monster Mania Fishing Tournament.
Organizers of the Monster Mania Fishing Tournament have requested the use of public property adjacent to the Lions Pavilion at First Street Beach to set up a tent, have an RV on site, and provide a static display of boats. This event is scheduled for September 5-7, 2014.
- Consideration of DAV Forget Me Not Sale.
The Manistee Salt City Post 43 of the Disabled American Veterans has requested authorization to conduct their annual Forget Me Not fundraiser. They are requesting the dates of August 15, 16 and 17, 2014.

MOTION by Hornkohl, second by Cote to approve the Consent Agenda as presented.

With a roll call vote this motion passed, 6-1.

AYES: Kenny, Cote, Hornkohl, Zaring, Wittlieff, and Gustad

NAYS: Goodspeed

CONSIDERATION OF DISCUSSION ON THE REQUEST BY MR. ED SENG TO AMEND THE 2008 DEVELOPMENT AGREEMENT REGARDING THE PROPERTY AT 200 RIVER STREET, PARCEL #51-448-735-01.

During the February 18, 2014 Council meeting a motion to amend the 2008 Development Agreement between the City of Manistee and Mr. Ed Seng failed on a 2-3 vote.

At the meeting of July 1, 2014 Mayor Pro-Tem Zaring requested that this item be placed on an upcoming Council agenda for reconsideration. This request was supported by the majority of City Council.

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Should Council decide to amend the 2008 Development Agreement with Mr. Ed Seng, it is both the City Manager's and City Attorney's recommendation it be contingent upon a determination by the Manistee County Circuit Court that Rieth-Riley's consent is not required.

MOTION by Cote, second by Zaring to direct staff to negotiate amendments to the 2008 Development Agreement with Mr. Ed Seng; and to file the necessary legal documents with the Manistee County Circuit Court to determine if Rieth-Riley's consent is required to amend the 2008 Development Agreement.

After a lengthy discussion regarding the zoning, MOTION by Hornkohl, second by Gustad to table this motion for two months (approximately 9/16/14) for the Planning Commission to look at the Zoning Ordinance on the Peninsula District.

With a roll call vote this motion passed, 5-2.

AYES: Kenny, Cote, Hornkohl, Goodspeed, and Gustad

NAYS: Zaring and Wittlieff

CONSIDERATION OF BUDGET AMENDMENT 2014-1 FOR FISCAL YEAR END JUNE 30, 2014.

The City of Manistee is required by State law to ensure that actual expenditures do not exceed budgeted amounts. Over the course of the current fiscal year, unanticipated and unbudgeted events and/or Council approved expenditures have occurred. The proposed budget amendment addresses the expenditures associated with these events and attempts to project what final year-end expenditures will be to avoid any year-end negative budget variances.

MOTION by Hornkohl, second by Gustad to adopt budget amendment 2014-1 for fiscal year ending June 30, 2014.

With a roll call vote this motion passed unanimously.

AYES: Kenny, Cote, Hornkohl, Goodspeed, Zaring, Wittlieff, and Gustad

NAYS: None

CONSIDERATION OF A RESOLUTION AND MEMORANDUM OF UNDERSTANDING, MEDC REDEVELOPMENT READY COMMUNITIES PROGRAM.

The City of Manistee has been selected for participation in the statewide Michigan Economic Development Corporation (MEDC) Redevelopment Ready Communities (RRC) program. On July 1, 2014 a kickoff presentation was made to City Council that provided an overview of the program and evaluation process. Within 30 days of the presentation the City must sign a Memorandum of Understanding and adopt a resolution authorizing participation in the program. Planning & Zoning Administrator Denise Blakeslee will serve as the staff liaison for this project.

MOTION by Hornkohl, second by Gustad to adopt a resolution authorizing the City of Manistee to fully

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participate in the Michigan Economic Development Corporation Redevelopment Ready Communities program; and authorize the Mayor to sign the Memorandum of Understanding.

With a roll call vote this motion passed, 6-1.

AYES: Kenny, Cote, Hornkohl, Zaring, Wittlieff, and Gustad

NAYS: Goodspeed

CONSIDERATION OF ADOPTING A REVISED WATER AND SEWER UTILITY SCHEDULE OF FEES.

Earlier tonight Council considered adopting a new water and sewer ordinance. Amongst other changes, the new ordinance removes the setting of specific charges and fees in the ordinance and instead sets them via Council resolution. The attached fee schedule was prepared in conjunction with the ordinance review and updates the fee schedule that was included as part of the budget.

MOTION by Gustad, second by Hornkohl to adopt a revised water and sewer utility schedule of fees.

With a roll call vote this motion passed, 6-1.

AYES: Kenny, Cote, Hornkohl, Zaring, Wittlieff, and Gustad

NAYS: Goodspeed

CONSIDERATION OF LAND AND WATER CONSERVATION FUND PROJECT AGREEMENT, ROTARY PARK PLAY AREA.

The Land and Water Conservation Fund (LWCF) approved the City of Manistee's request for a \$48,000 grant to assist in funding the Rotary Park Play Area. A Council resolution is required as an attachment to the LWCF Development Project Agreement.

MOTION by Hornkohl, second by Zaring to adopt a resolution accepting the terms of the Land and Water Conservation Fund Development Project Agreement; and authorize the Mayor and City Clerk to execute the necessary documents.

With a roll call vote this motion passed unanimously.

AYES: Kenny, Cote, Hornkohl, Goodspeed, Zaring, Wittlieff, and Gustad

NAYS: None

CITIZEN COMMENT.

Comments were received by:

- Ed Seng – 448 Kott Road / impact of 2 month delay and possible jobs
- Tom Geoghan – 286 Dunes Drive / Dunes Dr. parking lot, pets on leashes, fires on beach

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OFFICIALS AND STAFF.

Wright reminded anyone that is interested in running for City Council that petitions are due next Tuesday, July 22, 2014 at 4 p.m.

Deisch stated the First Street boat launch parking issues are being addressed; some leveling is being done at Fifth Avenue beach; and a meeting is being set up with M/M Willet regarding water freeze up.

COUNCILMEMBERS.

Hornkohl is getting lots of opinions from a lot of people in regards to City projects, encouraged them to come to a Council meeting to express their concerns.

ADJOURN.

MOTION to adjourn was made by Goodspeed, second by Hornkohl. Meeting adjourned at 8:35 p.m.

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