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## PROCEEDINGS OF THE MANISTEE CITY COUNCIL – November 5, 2014

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A regular meeting of the Manistee City Council was called to order by her honor, Mayor Colleen Kenny on Wednesday, November 5, 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, City Assessor – Julie Beardslee, DPW Director – Jeff Mikula, Finance Director – Ed Bradford, and Public Safety Director – Dave Bachman.

### CITIZEN COMMENTS ON AGENDA RELATED ITEMS.

Julie Beardslee – City Assessor submitted a letter to City Council regarding her separation agreement; 01/30/2015 is her planned retirement date; asked Council to contact her with any questions regarding replacing the City assessor; thanked the citizens of Manistee, stating they have been very kind to her.

### CONSENT AGENDA.

- Minutes - October 21, 2014 - Regular Meeting
- Payroll - October 13-26, 2014 - \$ 117,115.10
- Cash Balances Report - September 2014
- Notification Regarding Next Work Session – December 9, 2014  
There is no work session in November. A Council work session has been scheduled for Tuesday, December 9, 2014 at 7 p.m. A discussion will be conducted on the Recycling Contract; and such business as may come before the Council.
- Consideration of Annual Victorian Sleighbell Parade and Old Christmas Weekend  
The Manistee Main Street Downtown Development Authority requests authorization to conduct the 26<sup>th</sup> Annual Victorian Sleighbell Parade and Old Christmas Weekend on December 4-7, 2014. The Committee has requested various street closures and other assistance from City personnel. This annual event includes a parade along River Street on Saturday, followed by a fireworks display. Many other activities throughout the weekend highlight our Victorian heritage. Public Safety Director David Bachman supports approval of this request.
- Consideration of Salvation Army Kettle Drive  
The Salvation Army would like authorization to ring their bell for their annual Kettle Drive in the downtown district this year. Specific dates are December 6 from 11 a.m. to 5:30 p.m.; December 15 from 5:00 p.m. to 8 p.m. and December 18 from 5:00 p.m. to 8 p.m.

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

With a roll call vote this motion passed unanimously.

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

NAYS: None

**CONSIDERATION OF A NOTICE OF INTENT RESOLUTION, WATER AND SEWER REVENUE BOND.**

The 2014-2015 budget and recently completed utility rate study included bond financing of a number of capital projects for the Water and Sewer Utility. These projects were discussed in a City Council work session on October 13, 2014. The Notice of Intent Resolution is the first step in issuing these bonds.

MOTION by Hornkohl, second by Zaring to adopt a Notice of Intent for the issuance of Water and Sewer Revenue Bonds in the principal amount not to exceed \$3,500,000. Bradford explained the current bond debt and where the funds come from to meet those obligations. Discussion followed including a request to revisit the rate study, doing the projects incrementally, how our water rates compare to other communities, and cost of issuing bonds. Bradford and Mikula responded.

With a roll call vote this motion passed, 4-3.

AYES: Kenny, Hornkohl, Zaring, and Gustad

NAYS: Cote, Goodspeed, and Wittlieff

**CONSIDERATION OF A SETTLEMENT AGREEMENT, KELLEY v. CITY LAWSUIT.**

A lawsuit was filed against the City of Manistee by Shawn and Kelly Kelley, Steven and Karen Cote, Robert and Joyce Brenner, Manistee Businesses, Inc. and the Boat House Grill regarding a May 2011 sewer backup that occurred during the last phase of the Combined Sewer Separation as the result of a seven inch plus rain event in the City. In September 2013 the Boat House Grill was removed from the lawsuit by entering into a separate agreement with the City of Manistee.

Over the past three plus years the City has been meeting with the Plaintiffs in and out of the court system in an effort to resolve this lawsuit. The terms of the settlement agreement has the City agreeing to pay \$106,335 to the Plaintiffs in return for the Plaintiff's releasing all claims against the City of Manistee regarding the May 2011 flooding event.

MOTION by Hornkohl, second by Gustad to approve the terms of the settlement agreement between the City of Manistee and the plaintiffs; and to authorize staff to make payments in accordance with the terms of the agreement. Deisch briefed the Council and public on the background of this lawsuit and how it came to this point. Saylor stated that the City's attorney - Ms. Olson, from Plunkett & Cooney, recommends we accept this settlement.

With a roll call vote this motion passed unanimously.

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

NAYS: None

**PRESENTATION OF FIRST QUARTER FINANCIAL REPORT BY FINANCE DIRECTOR ED BRADFORD.**

**PRESENTATION OF FIRST QUARTER INVESTMENT REPORT BY FINANCE DIRECTOR ED BRADFORD.**

**A REPORT FROM THE HARBOR COMMISSION AND THE MSDDA.**

Chief Dave Bachman/Harbormaster reported on the activities of the Harbor Commission and responded to questions the Council had regarding their activities.

Mr. Patrick Kay reported on the activities of the Manistee Main Street Downtown Development Authority and responded to questions the Council had regarding their activities.

**CITIZEN COMMENT.**

*None received.*

**OFFICIALS AND STAFF.**

Wright stated that the City had a very good turnout at the election yesterday – 45%; congratulated those that ran for office, those who won, and wished those who are moving on to other endeavors well.

Deisch thanked Councilmember Hornkohl and Mayor Pro-Tem Zaring for their time on the Council; looking forward to working with Mr. Smith and Mr. Zielinski, newly elected Councilmembers.

Mikula stated the Public Works is starting their leaf pick up program and gave an explanation how it is working this year; also stated that the daytime alternate parking for leaf pick up started October 15<sup>th</sup> and begins on November 15<sup>th</sup> for overnight parking.

**COUNCILMEMBERS.**

Several Councilmembers thanked Hornkohl and Zaring for their service on the Council, wished them well, and congratulated the new incoming members.

Hornkohl thanked the City Manager and staff for all their help during his 14 years on the Council.

Wittlieff requested the Ready To Serve charge be brought up for discussion at a future meeting.

**CONSIDERATION OF ADJOURNING INTO AN EXECUTIVE SESSION.**

City Manager Mitchell D. Deisch has requested an Executive Session this evening as permitted by the Open Meetings Act, Section 8 (a) for discussion on the City Manager's annual evaluation.

MOTION by Zaring, second by Hornkohl to adjourn to Executive Session. Time: 8:15 p.m.

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## PROCEEDINGS OF THE MANISTEE CITY COUNCIL – November 5, 2014

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MOTION by Zaring, second by Hornkohl to return to Regular Session. Time: 9:20 p.m.

### **CONSIDERATION OF CITY MANAGER EMPLOYMENT AGREEMENT.**

Following completion of the City Manager's annual evaluation, City Council could consider a revised employment agreement with City Manager Mitchell D. Deisch. The amendment to the agreement was to allow a 1.6% cost of living increase, retroactive to 7/1/14, for the 2014-2015 fiscal year.

MOTION by Hornkohl, second by Zaring to approve an amended employment agreement with City Manager Mitchell D. Deisch and authorize the Mayor and City Clerk to execute the agreement.

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

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

NAYS: Wittlieff

### **ADJOURN.**

MOTION to adjourn was made by Zaring, second by Hornkohl. Meeting adjourned at 9:22 p.m.

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