

**PROCEEDINGS OF THE MANISTEE CITY COUNCIL – February 15, 2011**

A regular meeting of the Manistee City Council was called to order by his honor, Mayor Richard Mack on Tuesday, February 15, 2011 at 7:00 p.m. in the City Hall Council Chambers, 70 Maple Street, followed by the Pledge of Allegiance.

PRESENT: Colleen Kenny, Ed Cote, Robert Hornkohl, Ilona Haydon, Catherine Zaring, Richard Mack, and Alan Marshall.

ALSO PRESENT: City Manager – Mitch Deisch, City Attorney – Bruce Gockerman, City Clerk – Michelle Wright, City Assessor – Julie Beardslee, DPW Director – Jack Garber, Finance Director – Ed Bradford, Acting Fire Chief – Timm Smith, Police Chief – Dave Bachman, and City Engineer – Jeff Mikula, Abonmarche.

**CITIZEN COMMENTS ON AGENDA RELATED ITEMS.**

Craig Patterson, WODA Group, commented on their being the acquisition company purchasing Chalet West Apartments; looking forward to working with staff; being funded by MSHDA; estimate their investment to be \$2.6 million in hard costs and \$600,000 in soft costs; and stated they will be subcontracting locally.

**#11-18 CONSENT AGENDA.**

- Minutes - February 1, 2011 - Regular Meeting  
- February 8, 2011 - Work Session
- Payroll - January 31 – February 6, 2011 - \$ 49,744.56  
- February 7 – 13, 2011 - \$ 48,891.63
- Cash Balances Report - January 2011
- Notification Regarding Next Work Session  
The special Council work session previously scheduled for **Tuesday, February 22, 2011 at 7:00 p.m. has been cancelled.** The regularly scheduled work session for March will still be held.
- Consideration of Manistee World of Arts & Crafts Use of Red Szymarek Park.  
The Manistee World of Arts & Crafts is requesting use of Red Szymarek Park for their 40<sup>th</sup> Annual Arts & Crafts Show to be held on July 2-3, 2011. They would like Council approval to use the park starting June 30 through July 3 to allow them time for set up.
- Consideration of Proclaiming April as Parkinson’s Disease Awareness Month.  
The local Parkinson’s Support Group has requested a proclamation to be granted and observed for the month of April 2011.

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

With a roll call vote this motion passed unanimously.

AYES: Kenny, Cote, Hornkohl, Haydon, Zaring, Mack, and Marshall  
NAYS: None

**#11-19 CONSIDERATION OF A TENTATIVE CONTRACT AWARD TO LIVINGSTON POWER COMPANY LLC FOR LIGHTNING PROTECTION SYSTEM IMPROVEMENTS.**

The City has received approval from the State Drinking Water Revolving Fund to receive low interest loans for eligible costs related to upgrades to the City water system. One component of the upgrades is to install equipment to protect the water wells from lightning damage. Four bids were received on February 7, 2011; with Livingston Power Company the low bidder in the amount of \$44,900. The SRF and DWRF Milestone Schedule requires a resolution of tentative approval by February 15, 2011 and the Part III application is due February 22, 2011 and requires a Tentative Contract Award as part of the application.

MOTION by Hornkohl, second by Cote to tentatively award a contract for Lightning Protection System improvements to Livingston Power Company LLC in an amount of \$44,900. Discussion followed regarding having a local contractor; State of Michigan allowing 15% forgiveness on all eligible items – turns into a grant; and the rate of the low interest loans – 2.5%. Kenny requested an update on our committed debt and how it compares to other municipalities.

With a roll call vote this motion passed unanimously.

AYES: Kenny, Cote, Hornkohl, Haydon, Zaring, Mack, and Marshall  
NAYS: None

**#11-20 CONSIDERATION OF A TENTATIVE CONTRACT AWARD TO ELMER’S CRANE AND DOZER, INC. FOR WATER AND WASTEWATER SYSTEM IMPROVEMENTS.**

The City is under State mandate to separate the last of its combined sewer systems. The Jones Street District was completed in 2010 and the Cedar Street District is slated for 2011. The City has received approval from the State Revolving Fund and the State Drinking Water Revolving Fund to receive low interest loans for eligible costs related to these projects. Bids for the Cedar Street Project were received on February 7, 2011; Elmer’s was the low bidder at \$4,279,481.51. The SRF and DWRF Milestone Schedule requires a resolution of tentative approval by February 15, 2011 and the Part III application is due February 22, 2011 and requires a Tentative Contract Award as part of the application.

MOTION by Haydon, second by Zaring to tentatively award a contract for water and wastewater system improvements to Elmer’s Crane and Dozer, Inc. in an amount of \$4,279,481.51. Mikula gave an update on the milestone schedule for this project, completion dates for different phases, and plans for Cedar Street hill. Discussion followed. Marshall requested a report on any accidents occurring at the top or bottom of Cedar Street hill.

With a roll call vote this motion passed unanimously.

AYES: Kenny, Cote, Hornkohl, Haydon, Zaring, Mack, and Marshall  
NAYS: None

**#11-21 CONSIDERATION OF A DEVELOPMENT AGREEMENT WITH MANISTEE PLACE / THE WODA GROUP LLC.**

A request has been received from Manistee Place / The WODA Group LLC for the property commonly known as Chalet West Apartments. They are proposing over two million dollars of renovations on the current apartment facility; including the addition of a community building. They are asking the City to enter into a Development Agreement for a Payment in Lieu of Taxes (PILOT) equal to 10% of the “annual shelter rents.”

MOTION by Hornkohl, second by Cote to authorize the Mayor and City Clerk to execute a Development Agreement with Manistee Place / The WODA Group LLC for a PILOT equal to 10% of the “annual shelter rents.” Discussion followed.

With a roll call vote this motion passed unanimously.

AYES: Kenny, Cote, Hornkohl, Haydon, Zaring, Mack, and Marshall  
NAYS: None

**#11-22 CONSIDERATION OF A MUNICIPAL SERVICE AGREEMENT WITH MANISTEE PLACE / THE WODA GROUP LLC.**

A request has been received from Manistee Place / The WODA Group LLC for the property commonly known as Chalet West Apartments. They are proposing more than two million dollars of renovations on the current apartment facility; including the addition of a community building. They are proposing a Municipal Service Agreement to pay for services the City provides to the facility that are not addressed under the PILOT.

MOTION by Hornkohl, second by Haydon to authorize the Mayor and City Clerk to execute a Municipal Service Agreement with Manistee Place / The WODA Group LLC.

With a roll call vote this motion passed unanimously.

AYES: Kenny, Cote, Hornkohl, Haydon, Zaring, Mack, and Marshall  
NAYS: None

**#11-23 CONSIDERATION OF APPLICATIONS TO BOARDS AND COMMISSIONS.**

The City Clerk has taken action to advertise vacancies on the Board of Canvassers, Brownfield Redevelopment Authority, Compensation Commission, Historic District Commission, and the Non-Motorized Transportation Committee. The following applications have been received:

**BOARD OF CANVASSERS** - One vacancy, republican, four-year term ending 12/31/14; Council appointment.

*None received*

**BROWNFIELD REDEVELOPMENT AUTHORITY** - Two vacancies, three-year terms ending 6/30/13; Mayoral appointment.

*None received*

**COMPENSATION COMMISSION** - Two vacancies, one term ending 9/30/14 and one term ending 9/30/15; Mayoral appointment.

*None received*

**HISTORIC DISTRICT COMMISSION** - One vacancy, unexpired term ending 2/28/12; Council appointment.

*None received*

**NON-MOTORIZED TRANSPORTATION COMMITTEE** - Four vacancies, three-year terms ending 3/31/2014; Mayoral appointment.

Richard Knechtges Jr., 1310 Cornell Street\*  
James M. Parrinello, 704 High Street  
Ken Blakey-Shell, 411 Birchwood Drive  
Mark Tomaszewski, 106 Tamarack Street\*  
Todd Miller, 6 Bowerman Road  
John Rozga, 162 Quincy Street\* (*received after deadline*)

\*Incumbent

After a brief discussion, Mayor Mack appointed Richard Knechtges Jr., 1310 Cornell Street; Ken Blakey-Shell, 411 Birchwood Drive; Mark Tomaszewski, 106 Tamarack Street; and Todd Miller, 6 Bowerman Road, to the Non-Motorized Transportation Committee for three year terms ending 3/31/2014. MOTION by Haydon, second by Hornkohl to support the Mayor's appointments.

With a roll call vote this motion passed unanimously.

AYES: Kenny, Cote, Hornkohl, Haydon, Zaring, Mack, and Marshall  
NAYS: None

Marshall suggested that some of these committees should be combined because of the difficulty of not receiving enough applications from people to volunteer for these committees. Kenny suggested reviewing the ordinances at a work session.

**#11-24 A REPORT FROM THE POLICE DEPARTMENT.**

Police Chief David Bachman reported on the activities of the Police Department and responded to questions the Council had regarding their activities.

**#11-25 PRESENTATION OF SECOND QUARTER FINANCIAL / INVESTMENT REPORT BY FINANCE DIRECTOR ED BRADFORD.**

**CITIZEN COMMENT.**

Cyndy Fuller, Alliance for Economic Success, gave a brief presentation on the proposed joint grant request to the Local Revenue Sharing Board in the amount of \$600,000 to allow for sewer extension both north and south of the City along the US-31 Corridor. Joint parties include Manistee County, Manistee Township, Filer Charter Township, and the City of Manistee.

**OFFICIALS AND STAFF.**

*None received.*

**COUNCILMEMBERS.**

Hornkohl asked for an update on the Blight Ordinance.

Mack reminded Council of the tour of the marina building scheduled for 10 a.m. on Friday, 2/18/11. He also commented on the State of Michigan hearing on personal property tax; State Revenue Sharing will probably be cut; Obama's budget cuts; and the MML has Manistee's press release regarding the Vogue Theatre on their web site.

**ADJOURN.**

MOTION to adjourn was made by Hornkohl, second by Cote. Meeting adjourned at 8:45 p.m.

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