

AD HOC STREET COMMITTEE TUESDAY, JANUARY 13, 2015

The Ad Hoc Street Committee met on Tuesday, January 13, 2015 at 2:30 p.m. in the Council Chambers, City Hall. This represents my best record of discussions and is not verbatim.

PRESENT: Lynda Beaton, Gerald Haw, Joseph Maxey, Jeremy Nowak, Mitch Deisch, Ed Bradford, Jeff Mikula, Roger Zielinski, Ed Cote, Bob Hornkohl, Shawn Middleton

ABSENT: Colleen Kenny

OTHERS PRESENT: PEG-Tom Geoghan, Mayor Pro-Tem Jim Smith

PURPOSE OF THE COMMITTEE: City Council directed staff to advertise for applications to this new committee and appointments were made at the July 1, 2014 meeting. The purpose of this new committee will be to discuss upgrading the City street network and help educate the public on upcoming millage request. The committee will consist of members of City Council, City Staff, and 3-5 ad hoc committee members (must be a registered voter or property owner in the City of Manistee).

DISCUSSION: At the previous meeting it was the consensus of the committee to let staff draft a report for committee review. The draft final report was emailed to committee members on Friday, December 12, 2014. The purpose of this meeting was to review the draft report before it goes to City Council. This report is not from City staff, but rather the ad hoc committee as a whole; and should reflect that.

Comments:

- Mayor Kenny was unable to attend due to work conflicts.
- Would be hard for everyone to agree on the whole document as it is.
- Haw preferred unanimous agreement but could agree with the majority.
- Maxey preferred unanimous agreement but could agree with the majority.
- Nowak felt unanimous agreement unrealistic. There are core issues we can all agree on. At least a majority can agree that alternative ways of funding need to be found.
- Maxey disagreed with Nowak that some tax increase would also be needed to fund.
- Zielinski would prefer it to be unanimous.
- Cote agreed and felt committee should come to a consensus and basically be on the same page.
- Beaton said to start with the one thing that is unanimous; a Headlee override would not pass.
- Committee as a whole said they would shoot for unanimous but the focus will be on the majority as a whole.

- Deisch provided a synopsis of previous email comments from committee members regarding a hybrid approach:
 - Millage request for one mill from Manistee residents (show cost/average residential taxable value). This should generate about \$190,000. This millage request MUST be structured / worded so that revenues are earmarked for local street repairs only.
 - Assign general fund resources of at least 2% or \$120,000-\$150,000 to the local street repair fund. No specific areas or ways to reduce or eliminate were given.
 - Dedicate 80% of the capital improvement fund to the local street repair fund until other future funds are "freed-up" that will substitute for the current dedicated capital improvement funds.
 - Do a onetime 1/2% increase of the Oil & Gas Investment Board spending rule to "sweeten" the local street repair fund. This would generate approximately \$35,000; shows a willingness to resolve a major problem with money people feel is endless.
 - All of the above should generate approximately \$400,000. Will not provide enough for any significant road repairs, but it provides a starting point that MUST be continued.
- Incorporate hybrid approach in the Adequacy of Funding section.

Moved to Page 4 and 5 of the draft report, section on Recommendations. Committee reviewed each paragraph in depth and made several language and format changes. Millage was moved to the #1 recommendation and the redraft will include the following language: Committee unanimously felt a Headlee Override would be unsuccessful at this point in time. A millage request at some point in time could be necessary. A definition of what a Headlee Override is should be included in the document to make it easier for the general public to understand and avoid confusion between a millage request and a Headlee Override.

Significant discussion on millage versus Headlee Override request, budget costs and prices, oil and gas fund, capital improvement plan, better advertising needed on projects, reduction of General Fund expenditures by 2% to dedicate to streets, perception on future additional state funding and upcoming May election.

CONCLUSIONS:

- Unanimously agreed that something needs to be done in the 2015 construction season and that this point needed to be made in the report.
- Committee unanimously felt a Headlee Override would be unsuccessful at this point in time. A millage request would be necessary at some point in time.
- Unanimously agreed to recommend that the Council commit at least 80% of unobligated capital improvement funds on an ongoing basis.
- Recommend increasing the Oil and Gas Board spending rule from 4% to 4.5% for up to five years; with Council approval required each year.
- Recommend that Council look for ways to reduce the General Fund by up to 2%.
- Other Potential Future Funding Sources – combine City Hall Bond, Community Pool, Appropriations, Ramsdell Theatre, and Municipal Marina as areas discussed by the committee with the hope that Council will review these areas along with the General Fund as potential funding sources. It is up to Council to determine where additional funds are drawn from.

Staff will make changes to the draft document. Redraft will be emailed to members and hard copies will be made available to all members for further review.

This meeting was televised by the PEG Commission and can be viewed at ManisteeTV.org.

Adjourned at approximately 4:25 p.m.

A handwritten signature in blue ink that reads "Cynthia J. Lokovich". The signature is written in a cursive style with a large initial 'C'.

Cynthia J. Lokovich, CAP-OM
City Manager's Office