

AD HOC STREET COMMITTEE

WEDNESDAY, AUGUST 13, 2014

The Ad Hoc Street Committee met on Wednesday, August 13, 2014 at 4 p.m. in the Council Chambers, City Hall.

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

ABSENT: Roger Zielinski

OTHERS PRESENT: Media and Public

PURPOSE: 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: Mayor Kenny went over clarification of the Ad Hoc Committee. Discussed millage request, citizen member consensus that city would not be able to sell a millage request.

- Consider hybrid approach and request smaller millage amount.
- Discussed asset management and realities of the budget.
- Discussed using oil and gas fund monies.
- Discussed how street maps were created highlighting street candidates and lower cost treatment available. Staff worked to create the biggest bang for the buck in the first two years. In years four and five additional revenues might be available to do major reconstruction projects.
- Discussed what Council is looking for from this committee. Jeremy Nowak said he can't do this if the only purpose of the committee is what happens if the millage doesn't pass. Needs to be other plans, there is no way a millage will pass.
- Discussed the need to educate the public. This committee could help do this by becoming educated themselves to be able to respond to questions and comments. This committee needs to assist Council in ways to educate the public so there is a better understanding.
- Discussed why the City is using monies for certain services like the pool and the Ramsdell. Enterprise funds should be self-supporting. The public keeps giving the city more money but some feel it is being spent on things they don't care about. The Council is trying to balance the needs for all members of the public.
- The City Manager stressed that the city needs to provide accurate information so that the citizens can make an informed and educated vote.
- City Council has requested staff move forward with a millage election. Election dates for 2015 are being researched.
- Discussed having a Plan B prepared if the millage does not pass.

Options Discussed:

- Keep doing things the way we currently do.
- Continue millage request.
- Hybrid approach.
- Cut city services.
- Spend portion of Oil and Gas Fund.
- Look for other avenues to come up with money.
- Look at strategic plan, right priorities.

Manistee is not unique in this situation. Communities all over Michigan and throughout the United States are facing similar issues.

Finance Director Ed Bradford reviewed the documents sent to the committee prior to this meeting including: Oil & Gas Fund History, Using \$3,000,000 from the Oil and Gas Fund, Investment Policy and Spending Rule, and Street Scenarios. Numerous questions were responded to. Discussion points:

- Spending Rule is currently 4%.
- Upward movement of the fund is not guaranteed or anticipated.
- Past ballot protection of Oil and Gas Fund principal and well revenues.
- If you take away money today you do so at the expense of future generations.
- Risk of fund becoming an underwater endowment fund if funds are removed.
- Reviewed current bond debt and schedule for payoff.
- Reviewed current Capital Improvement Plan obligations.
- Provided greater understanding of how City has been providing funds for more than 8.7 million dollars of street improvements by leveraging grant funds.
- There are no more sewer separation projects upcoming to continue leveraging practice.
- If we don't keep investing in streets they will continue to deteriorate.
- Showed committee where financial accountability information can be found on the City's website.

CONCLUSION – Continue various discussions on creating alternate plans if the millage request does not pass. Committee members were asked to bring their suggestions for other budgeting opportunities to the next committee meeting.

Next meeting is scheduled for Wednesday, September 10, 2014 at 4 p.m.

This meeting was televised by the PEG Commission and can be viewed at ManisteeTV.org. These minutes are a result of viewing the tape.

Adjourned at approximately 6:25 p.m.



Cynthia J. Lokovich, CAP-OM

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