

AD HOC STREET COMMITTEE THURSDAY, NOVEMBER 13, 2014

The Ad Hoc Street Committee met on Thursday, November 13, 2014 at 3 p.m. in the Lunchroom, First Floor, City Hall. This represents my best record of discussions and is not verbatim.

PRESENT: Colleen Kenny, Lynda Beaton, Gerald Haw, Joseph Maxey, Jeremy Nowak, Mitch Deisch, Ed Bradford, Jeff Mikula, Roger Zielinski, Ed Cote

ABSENT: Shawn Middleton, Bob Hornkohl

OTHERS PRESENT: PEG-Tom Geoghan, Manistee News Advocate-Shawn Bradley

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 conclusion was to continue creating alternate plans if a millage request does not pass. Stronger likelihood of passing a millage request if efforts were first made by the City to raise the confidence level of the citizenry. Staff prepared a PowerPoint presentation for today. Also emailed to committee members a copy of the 9/10/14 meeting notes; a letter from Bartlett on a Sustainable Spending Policy; Oil and Gas Board Minutes from 10/10/14; and adopted resolution to manage the Oil and Gas Fund as an Endowment.

- Staff prepared lots of good information to review today, discussion will follow.
- Bradford - Reviewed the letter from Bartlett, the Oil and Gas Board has worked hard to get to this point since 2009. Current spending rule at 4% will maintain purchasing power for the future.
- Question on what could be accumulated if the spending rule was increased to 4.5%, estimated at \$38,000 but that would then reduce future amounts.
- Beaton - City Council will have to wrestle with this one or find amounts in other areas.

Bradford and Mikula went through the PowerPoint presentation that included information from recent SEMCOG and Oakland County Road Commission presentations. Michigan is behind the curve compared to other states with declining revenues and services. Important that this committee and the citizenry see how the rest of the state mimics what we are experiencing here in Manistee. Lots of uncertainty as of today. One slide provided an update on State funding and current discussions by legislature on road funding. Nowak said he was traveling in Ohio and road repairs in that state looked different. Mikula responded saying that road materials vary from state to state along with different processes used because of what is regionally available for

materials. In Manistee's past, base materials were constructed of whatever was available at the time be it stone, gravel, sand or cinders. Base materials can vary from block to block. It would cost \$100,000 to core all city streets to determine what the base is constructed with.

HANDOUT – SELECTION & PRIORITIZATION OF CITY STREET IMPROVEMENTS

Information on the handout doesn't take into consideration political realities; this will fall on Council. City needs to change its asset management philosophy and begin with crack sealing or slurry seal to prolong the life of current roads. City Manager recently published an article in the Manistee News Advocate on the real cost of road repairs that was broken down into a per block cost to make it more understandable and realistic.

- Nowak - Questioned the 10% contingencies in construction.
- Maxey - Said that at least 10% needs to be built into any project.
- Mikula - Crack sealing gives us the biggest bang for our buck and prolongs the life of the road. Average life of a road is 14 years.

HANDOUT – ALTERNATIVE STREET FUNDING SCENARIO

Suggesting to Council that 80% of uncommitted funds in the Capital Improvement Fund would go toward streets; leaving 20% at the Council's discretion.

- Maxey – What about the \$400,000 per year?
- Mikula – Anything less will continue to slip us backwards.
- Deisch – Committee's desire at the last meeting was to drop the numbers down initially.
- Nowak – We have to start somewhere.
- Mikula – DPW is looking at ways to do some services in-house instead of contracting to save money; ie. training staff to pour sidewalks. Breaking point is if we have time and personnel to do it.
- Bradford – If state increases funding to municipalities it could help us make meaningful progress.

Deisch asked the Committee what they thought about the timing of a millage request and what the right amount to request would be.

- Maxey – Work has been done already; 2.3 mills is too much.
- Deisch – Committee needs to create a Transportation Improvement Plan in time for inclusion for the 2015-2016 budget process.
- Maxey – Sees no major reconstruction, not much light rehab. That was confirmed by Deisch. Not a lot of sources for this kind of money. Citizens feel that more money, somehow, needs to come out of the current budget; perhaps trim 2%.
- Mikula – It's tough already to balance budgets due to fixed costs continuing to rise.
- Cote – Left the meeting at 4:20 p.m.
- Bradford – Bond issue for City Hall will be paid in 10 years.
- Maxey – Need to find more money out of General Fund budget, do not do anymore non-safety projects. Sees three pots: Millage, Capital Improvement Fund, and General Fund Budget.

- Bradford – Property values will also be a factor, slightly positive this year, 1.6% inflation.
- Beaton – Would like to get back to Oil & Gas Fund for at least the short term, perhaps three year period, one-half of a percent just to get started. Keep \$340,000 static in the budget. Find 2% savings in departments and then request a smaller millage.
- Haw – Noted that \$125,000 was taken out of the Oil and Gas Fund once before. Staff clarified that this was used to subsidize the Water and Sewer Fund when Council did not want to substantially increase water and sewer rates. It was a one-time thing.
- Nowak – Are new water and sewer rates generating the revenue anticipated? Staff responded yes.
- Bradford – Water and Sewer Fund will pay their debt issues and then fund improvements; which could ultimately help provide some funds for roads during utility projects.
- Kenny – Noted that Council did not increase the water and sewer rates as high as was recommended. We need to balance needs with maintaining Manistee as a community of choice.
- Bradford – It will be difficult, if not impossible, to get 2% from the budget; might be able to get \$30,000 or \$40,000.

CONCLUSION – Mitch Deisch reviewed the last slide in the presentation on the next steps for this committee. After considerable discussion on millage rates, areas/services to cut, sustainable plan for the long term; it was a consensus of the committee to let staff draft a Transportation Improvement Plan for committee review. If committee members have specific items they would like to see included they should email them to all committee members. The draft plan will be prepared and presented to the committee by December 12; after the committee has a chance to review, another meeting can be scheduled. Discussed the need for greater citizen review of the plan. A work session between City Council and the Committee will be scheduled and publicized. Committee will follow a timeline to completion so that the report can be included in the 2015-2016 budget process. Mitch Deisch thanked all Committee members for the amount of time they have volunteered toward this discussion.

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

Adjourned at approximately 5:05 p.m.



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