

**MANISTEE CITY COUNCIL
WORK SESSION
MINUTES OF JANUARY 13, 2015**

The Manistee City Council met in a work session on Tuesday, January 13, 2015 at 7 p.m., Council Chambers, City Hall, 70 Maple Street, Manistee, Michigan 49660.

MEMBERS PRESENT: Colleen Kenny, Ed Cote, Roger Zielinski, Robert Goodspeed, James Smith, Mark Wittlieff, Eric Gustad

MEMBERS ABSENT: None

OTHERS PRESENT: Department Directors, City Attorney, City Engineer, Media and Public

Public Comments.

None

Discussion on Bond Indebtedness and RTS Revenue Recovery. City Manager Mitch Deisch initiated a discussion on bond indebtedness and RTS revenue recovery. Many questions and comments by Council, answered by staff. Discussion items included: amount of bond that can be requested because of revenues generated, bond amount and projects would need to be reduced if additional revenue was not available, bond rate structure, past rate increases, SSES study, past projects, concern with overall debt, statutes that require city to maintain facilities, list of projects currently being recommended, 15 cents per thousand increase to cover reduction of \$40,000, reduce list to most important projects, portable pump through Motor Pool (should be paid for through the water and sewer fund) or through the capital improvement fund, absorb some projects in this and next year's budget like Century Terrace and portable pump.

City Manager requested direction from Council this evening for staff. Staff scored projects by priority (Maywood, Sixth Avenue, Sweetnam, flow monitoring, portable pump) and are items they feel need to be done. Several projects have been pushed back year after year due to lack of funding to complete. Discussed bond request amounts and future rate increases; need to follow the rate study and maintain our utility systems. Water and sewer asset management plans will be drafted beginning this fall. Discussed current negotiations with Manistee Township for utilities.

CONSENSUS: City Council did not achieve a consensus at this time on the RTS revenue recovery. Discussions will continue during the 2015-2016 fiscal year budget process. Council consensus to remove the portable pump and Century Terrace projects for the project list; and continue forward with revenue bond.

Discussion on Assessing Services and Other Personnel Issues. City Manager Mitch Deisch provided a PowerPoint presentation to Council on assessing services at their December 2, 2014 meeting. There were no conclusions at the end of that discussion. Options presented at the December 2, 2014 Council meeting were reviewed.

City Manager researched and provided additional information as requested by Council regarding Level II assessor salary ranges; a potential savings was identified. City Manager recommends a contracted assessor.

City Manager reviewed additional personnel needs he and staff have discussed. The reason for recent staff reductions was to keep the City financially stable. Services to citizens have been maintained by spreading responsibilities across the existing workforce. Will be discussing two possible staff additions with the Council Personnel Committee in the near future. Those positions would be a joint City Hall position to assist multiple departments and an additional higher management position in the Department of Public Works. Discussed possible funding for these positions. There is a potential savings by contracting out assessing and by allowing the State of Michigan to perform building inspections to reinvest in the current workforce without reducing service levels.

City Manager recommends that we do not hire a building inspector or contract out this service. Received no response to a recent Request for Proposals. Return this service back to State of Michigan. Went to in-house when we instituted the rental inspection program. Would require Council to pass a resolution to amend our ordinance to allow the State of Michigan to perform this service. Looking for council direction.

City Manager recommends contracting out assessing services. Work continues on the assessor separation agreement. Opened up for council discussion as the assessor is a direct Council appointment. Council discussed past consolidations that have not provided a savings as predicted. Current assessor feels the amount of work is overwhelming and that Tribunal appeals require skills and experience a Level II Assessor would not have. Work load has only been manageable due to the slump in the economy and discussed the need to preserve the tax base. Council discussed the pros and cons of the available options. With the assessor retiring this could be an opportunity to try another approach to assessing services.

CONSENSUS: In-House Level II: Zielinski, Smith, Cote, Goodspeed
Contracted Assessor: Kenny, Gustad
Undecided: Wittlieff

Adjourned at 9:20 p.m.



Mitchell D. Deisch, City Manager

MDD:cl