

PROCEEDINGS OF THE MANISTEE CITY COUNCIL – January 19, 2010

A regular meeting of the Manistee City Council was called to order by her honor, Mayor Ilona Haydon on Tuesday, January 19, 2010 at 7:00 p.m. in the City Hall Council Chambers, 70 Maple Street, followed by the Pledge of Allegiance.

PRESENT: Colleen Kenny, Robert Hornkohl, Ilona Haydon, Hank Yonkman, Richard Mack, and Alan Marshall.

ABSENT: 1-Vacancy

ALSO PRESENT: City Manager – Mitch Deisch, City Attorney – Bruce Gockerman, City Clerk – Michelle Wright, City Assessor – Julie Beardslee, Community Development Director – Jon Rose, DPW Director – Jack Garber, Finance Director – Ed Bradford, Fire Chief – Sid Scrimger, Utilities Supervisor – Ed Cote, and City Engineer – Jeff Mikula.

#10-04 CONSENT AGENDA.

Consent agenda items include:

- Minutes
 - January 5, 2010 - Regular Meeting
 - January 12, 2010 - Work Session
 - January 13, 2010 - Work Session
- Payroll
 - Dec. 28, 2009 – Jan. 3, 2010 - \$ 71,259.14
 - January 4 – 10, 2010 - \$ 58,525.78
- Cash Balances Report - December 2009
- Notification Regarding Next Work Session – February 9, 2010
A discussion will be conducted on the Ramsdell Theatre HVAC Study; and such business as may come before the Council.
- Consideration of Authorizing a Bottle Blitz, Manistee Catholic Central Washington Group.
The 2010 Manistee Catholic Central Washington Group is in the midst of preparations for their fifteenth visit to Washington D.C. in March of 2011. The requested bottle blitz is a key fundraiser event to help finance the trip. The group is requesting permission to hold their bottle blitz on each Saturday in February between the hours of 10:00 a.m. and 3:00 p.m.
- Consideration of Annual FiveCAP Walk for Warmth.
FiveCAP, Inc. is requesting permission to hold their annual Walk for Warmth fundraiser on Saturday, February 20, 2010 beginning at 10:00 a.m. at their office at 265 First Street. The Walk for Warmth campaign is a national effort held each year to raise funds on a county level to

provide home heating assistance. All funds collected by FiveCAP in Manistee will be used to assist residents of Manistee County.

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

With a roll call vote this motion passed unanimously.

AYES: Kenny, Hornkohl, Haydon, Yonkman, Mack, Marshall

NAYS: None

CITIZEN COMMENTS ON AGENDA RELATED ITEMS.

Doug Dominick, 920 Engelmann Street, commented on Item VIII. a. Terminating the Agreement With Matrix Consulting Group; and the Operational Service Assessment Committee meetings not being open to the public.

Jo Hall, 264 Fourth Avenue, also commented on Matrix – believes you have the information you need right now; terminate the contract with Matrix and move forward.

Steve Wall, 314 Oak Street, recommended moving Item VI. Citizen Comments on Agenda Items before Item III. Consent Agenda so input can also be made on those items; also believes the Matrix contract should be terminated; and questioned what steps would be taken to recover all money paid to them already.

#10-05 CONSIDERATION OF TERMINATING AGREEMENT WITH MATRIX CONSULTING GROUP.

The City of Manistee entered into an Agreement with the Matrix Consulting Group on April 7, 2009 to conduct an Operational Service Assessment. Per Section 7 of the Agreement, the Operational Service Assessment Committee recommends terminating this Agreement. City Attorney Bruce Gockerman has reviewed this section and agrees that this is the proper course of action for terminating this Agreement.

MOTION by Kenny, second by Hornkohl to follow the recommendations of the Operational Service Assessment Committee and terminate the Agreement with Matrix Consulting Group. Gockerman stated that the probability of getting any of the money back that has already been paid is little or none, but the idea is not to pay any more. The City should receive a release from Matrix of any claim they have for the remaining \$14,000. Questions were asked about the qualifications of the Citizens Research Council and if the report can be completed for that amount of money.

With a roll call vote this motion passed unanimously.

AYES: Kenny, Hornkohl, Haydon, Yonkman, Mack, Marshall

NAYS: None

#10-06 CONSIDERATION OF PARCEL SPLIT AND COMBINATION, ERIC GERSTNER, GERSTNER DEVELOPMENT LLC.

Eric Gerstner who owns the Briny Inn at 50 Filer Street (51-453-709-07) also owns an apartment building at

62 Filer Street (51-453-709-03). The apartment building is on the west portion of the property and a portion of the Briny Inn parking lot is on the east portion of the property. Mr. Gerstner is requesting to split parcel 51-453-709-03 so that the apartment building is on its own parcel and the parking lot is combined with the Briny Inn parcel. A ten foot easement is provided to the parcel for access to the parking area behind the apartment building. The Planning Commission reviewed this request at their meeting on January 7, 2010 and recommends approval.

MOTION by Hornkohl, second by Marshall to approve the request from Eric Gerstner, Gerstner Development LLC, for a Parcel Split and Combination as shown on a survey prepared by Abonmarche Consultants dated December 18, 2009.

With a roll call vote this motion passed unanimously.

AYES: Kenny, Hornkohl, Haydon, Yonkman, Mack, Marshall
NAYS: None

#10-07 CONSIDERATION OF PARCEL SPLIT, GARY NIESEN, 294 TENTH STREET.

Gary Niesen owns the property at 294 Tenth Street. Mr. Niesen is asking to split the west 101.42 feet of parcel 51-672-706-07 to create a buildable lot. The Planning Commission reviewed this request at their meeting on January 7, 2010 and recommends approval conditioned upon the removal of the two existing accessory structures.

MOTION by Mack, second by Kenny to approve the parcel split request from Gary Niesen at 294 Tenth Street to split the west 101.42 feet of parcel 51-672-706-07 as shown on a survey prepared by Nordlund and Associates (File MPS09-101 dated December 2, 2009) conditioned upon the removal of the two existing accessory structures.

With a roll call vote this motion passed unanimously.

AYES: Kenny, Hornkohl, Haydon, Yonkman, Mack, Marshall
NAYS: None

#10-08 PRESENTATION BY FINANCE DIRECTOR ED BRADFORD, COMMUNITY DEVELOPMENT OFFICER JON ROSE AND ABONMARCHE CONSULTANT JEFF MIKULA REGARDING THE SRF/DWRF NOTICE OF INTENT RESOLUTIONS AND RELATED PROJECTS.

A presentation was made by the Finance Director, Community Development Officer, and the Abonmarche Consultant. Pat McGow, Bond Counsel from Miller Canfield, also helped clarify the necessity to issue the Notice of Intent for an amount higher than the anticipated need at this time.

Questions and comments from Council members included:

- ▶ How much longer to pay off the last CSO project;
- ▶ Majority of payments coming out of Water & Sewer, will this increase rates;
- ▶ Will water lines be replaced too and do they run close to the sewer;
- ▶ Reconstruction of First Street to the round-about, will you go any further;

- ▶ Down spouts aren't allowed in the City;
- ▶ Spoke of reconstruction of First Street from the Armory to the loop, also spoke of between Spruce Street to the Armory but it is not listed – is this the intent;
- ▶ What will be the Water & Sewer billing increase;
- ▶ If we don't do anything the costs will go up tremendously and the sewer projects have to be done;
- ▶ The very high priority projects will complement the CSO's;
- ▶ Spoke of the orphan streets and the lightning protection – the price for the lightning protection was projected at \$40,000 in the budget but now it will be \$100,000;
- ▶ Add to the wish list – the Armory parking lot;
- ▶ Outfall to the river, west of Cedar Street, will that be taken care of too?

#10-09 CONSIDERATION OF NOTICE OF INTENT RESOLUTION FOR ISSUANCE OF WATER & SEWER REVENUE BONDS.

The City is under a state mandate to separate the last two segments of its combined sewer system, the Jones Street district and Cedar Street district. 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. The first step in issuing these bonds is to adopt a Notice of Intent Resolution declaring the City's intent to issue junior lien, water and sewer revenue bonds in an amount not to exceed \$3,900,000. The purpose of the Notice of Intent is to inform the electors of the City and give them a chance to petition for a referendum on the bond issue. The public has a 45 day period in which to gather signatures of not less than 10% of registered electors, in order to force a special referendum election on the issue. Once the 45 day period has expired, the City can proceed with the bond issue.

MOTION by Hornkohl, second by Mack to approve a Notice of Intent Resolution for the issuance of Water & Sewer Revenue Bonds in an amount not to exceed \$3,900,000.

With a roll call vote this motion passed unanimously.

AYES: Kenny, Hornkohl, Haydon, Yonkman, Mack, Marshall
 NAYS: None

#10-10 CONSIDERATION OF NOTICE OF INTENT RESOLUTION FOR ISSUANCE OF CAPITAL IMPROVEMENT BONDS.

The City is under a state mandate to separate the last two segments of its combined sewer system, the Jones Street district and Cedar Street district. The City qualifies for State low interest loans for eligible costs related to these projects. However, ineligible costs and costs related to other projects, including riverbank sewer replacement, Maple Street Bridge, First Street reconstruction and Peninsula streetscape improvements; need to be financed in a different manner. Staff and advisors recommend issuing general obligation, limited tax capital improvement bonds to finance these projects. The first step in issuing these bonds is to adopt a Notice of Intent Resolution declaring the City's intent to issue bonds in an amount not to exceed \$5,800,000. The purpose of the Notice of Intent is to inform the electors of the City and give them a chance to petition for a referendum on the bond issue. The public has a 45 day period in which to gather signatures of not less than 10% of registered electors, in order to force a special referendum

election on the issue. Once the 45 day period has expired, the City can proceed with the bond issue.

MOTION by Mack, second by Marshall to approve a Notice of Intent Resolution for the issuance of limited tax general obligation capital improvement bonds in an amount not to exceed \$5,800,000.

With a roll call vote this motion passed unanimously.

AYES: Kenny, Hornkohl, Haydon, Yonkman, Mack, Marshall

NAYS: None

CITIZEN COMMENT.

Carol Pasco, 610 Spruce Street, appreciated the presentation by staff; it helped clarify the issues and was very professional.

Steve Wall, 314 Oak Street, stated the presentation helped simplify a very complex subject; also inquired about a taser policy.

OFFICIALS AND STAFF.

Wright informed Council when the next appointments could be made to Boards and Commissions; City Council Guidelines will be updated to include the addition of Citizen Comments on Agenda Related Items; and approximately 496 signatures would be needed on a petition for either of the bond issues.

Deisch asked if Council would like the Citizen Comments on Agenda Items moved before the Consent Agenda – consensus was yes; he will ask Chief Bachman to make comments at an upcoming meeting regarding the City's taser policy; Bachman is also working with the re-location of the Classic Car Show; and will be discussing with the City Attorney if the OSAC closed meetings were an incorrect decision.

ADJOURN.

MOTION to adjourn was made by Hornkohl, second by Marshall. Meeting adjourned at 8:35 p.m.

Michelle Wright CMC/CPFA
City Clerk/Deputy Treasurer