

## Deer Cull

The previously City Council passed Deer Cull was rescinded. The DNR issued permits to kill up to 50 deer in the city of Manistee. The deer were to be killed by Manistee Police Officers using cross bows or firearms in selected areas. My issues with this plan were multiple: city millage was recently increased to the maximum allowable rate to hire an additional Police Officer due to a lack of officers to provide the desired level of public safety, archery hunting statistically results in 17% of deer shot not being recovered (they either recover from the wound or die in another location), the issue is one of nuisance – not Public Health or Safety (a single case of Lyme Disease was reported in Manistee County by the Center for Disease Control in 2014 and deer/vehicle accidents are actually on the decline), and a comprehensive study has not been performed to determine a viable and lasting course of action. At the time the Deer Cull was rescinded, a request was made to appoint an Ad Hoc committee to coordinate studies and make recommendations to Council on the most humane, cost effective, and lasting process to reduce property damage and other nuisance issues.

## Elimination of Water Meter “ready-to-serve” on irrigation meters

Irrigation meters are typically tapped from existing service lines (no increase in service capacity) and are intended to eliminate the sewer charge associated with household use that discharges into the sewer system. Approximately 770 household were being charged for the irrigation meter – so there was a loss of revenue associated with the elimination of “ready-to-serve” on these meters. The rates as originally adopted were intended to provide resources for payment to service a planned \$3.5 million Bond for repairs/equipment for the Department of Public Works – so there is a shortfall of revenue (\$39,000 a year) to fund the Bond and provide resources for State mandated improvements to the sewer system. Several alternatives have been proposed by City Managers to offset this lost revenue, to include increasing the water rate by \$0.15 per 1000 gallons or increasing the primary meter “ready-to-serve” charge by \$0.75. Rates are scheduled to increase 8.5% this year and 3.5% 2016, 2017, and 2018 as part of the Burton & Associates 2014 studies for a cost of \$21,939.

## Retention of City Assessor as City Employee

The City Manager delayed advertising for an Assessor to replace the current employee who gave notice of retirement in August with a January 1, 2015 effective with a proposal to contract the service with Manistee County or a third party to save up to \$60,000 a year. The Assessor is by City Charter one of three members of the Election Commission and the city’s representative on the Board of Review or at Tribunals for challenges to assessed values. The Assessor is also one of four positions that is appointed by and serves at the pleasure of City Council – contracts are administered by the City Manager. The savings were calculated based on the wages of the current Assessor who is a “Level 3” certified individual with over 22 years of service to the city. The city is only required to have a “Level 2” certified Assessor (average salary of \$37,300 in survey of eight comparable communities). Councilman Goodspeed pointed out the \$44,700 average cost as presented was incorrect (overstated the potential savings). The estimate for the greatest savings understated the contract cost by \$5,000 and did not reflect possible added cost for lengthy Board of Review or Tribunal representation. The actual best case savings by contracting in place of “in house” Assessor services was closer to \$15,000 to \$18,000, but would have reduced hours and service to the city. City Council indicated a desire to retain this critical

position as a city employee. The City Manager intends to complete the Request for Proposal to begin the process of advertising for candidates upon his return February 10<sup>th</sup>.

Councilman Zielinski and myself have spent many hours researching this issue and based on the facts, feel that retaining in-house assessing, better service will be afforded. A study commissioned in 2010 identified this position as a possible candidate for contracting (collaborative with Manistee County or a third party) when there were two assessors and cost were significantly higher, along with other functions. That study is available on line (OSAC Final, October 2010, 190 pages).

Those interested in really saving tax dollars would note the recommendation to transition our Fire/EMS from full-time to volunteer (as a high priority with medium difficulty to implement) with a projected savings estimated at \$500,000, listed as a "high priority" in the same OSAC Final report. Fewer and fewer cities the size and population of Manistee are funding and operating Fire/EMS and Police functions. The City of Manistee provides funds for the County Sheriff Department and lodges arrested individuals in their jail. Most citizens (59.9% very satisfied with service) fell more comfortable with the current structure and service (70.9% as a city provided function).

#### Water & Sewer bond issue

The River Bank Sewer was first identified for replacement in 2008 at a cost of \$800,000. The cost has grown to nearly \$1,450,000 and is now critical due to degraded pylons the line is suspended from. A clear coat of one city water tower is another item that has been put off (\$300,000) and could potentially result in a complete repaint at a cost of \$600,000 if not accomplished in the very near future. Several State mandated sewer close off projects, back-up generators at several pump stations, and continued upgrade of remote electronic reporting of status accounts for the majority of the bond funds. The first Bond recommendation was for not greater than \$3,100,000 and would be funded by the recently adopted water rate schedule and additional rate increases through 2018. A second proposal increased to \$3,500,000 and included additional items, with a need to restore the revenue lost by eliminating the "ready-to-serve" charge on irrigation meters. City Council indicated performing only the most important issues with the Bond and limiting the debt to only necessary work rather than taking an opportunity to fill a "wish list" of equipment or reimbursing for items already completed and paid for with existing funding. The proposal that will be presented to City Council February 3<sup>rd</sup> is for \$2,770,000 and contains essential projects. This Bond will require five Council Members voting in favor to be authorized. This bond will push the City of Manistee to approximately \$28,000,000 in long term and installment debt which is \$4,577.41 per resident of the City of Manistee. We need to plan more long range and focus resources on the most urgent needs. I'll likely support the Bond once it appears the funds will be used only on costs to complete the identified projects (not past cost reimbursements or to pay for projects that have already been completed and paid for). The initial costs to issue the bond is approximately \$60,000 plus the interest bid by prospective buyers.

#### Exit Interviews

Recommended a policy of conducting Exit Interviews for all retiring or resigning City Employees to better understand their reasons for leaving and their experience as city employees. The suggestion was to offer the opportunity so we can promote our strong points and take action to resolve our weaknesses. It was suggest two

members of the Personnel Committee (Councilmembers, not the City Manager) conduct an interview and complete a form – a consistent, repeatable process with the opportunity for all offer their experience with the city and reasons they are leaving. A form has been downloaded from another community and adapted for use in the City of Manistee – a copy will be provided to City Council, the City Manager, and City Department Heads for review/comment to move this process forward. A proposed document file is at the front of this document and can be downloaded (six pages).

#### Beginning of Budget process

The City of Manistee population (6117) represents 25% percent of the Manistee County population (24,450). City of Manistee residents pay nearly 18 mills in property tax (plus 1.15 mills for refuse collection) in addition to 8.73 mills to the County. I've been reviewing past budgets and audits for the City and County to prepare for the budgeting process. The budget is required to be adopted by City Council by May 15<sup>th</sup> (or the City Manager proposed budget stands) so a number of work sessions are scheduled. I'm looking for funds to apply toward streets and would like to see better long range planning for known maintenance items.

Manistee County has agreed to a three year with AES with a contribution to their services at \$91,000 a year. There were 24,450 residents in the county in 2014, with a resulting \$3.71 per-capita cost per person. The City of Manistee contribution on top of what is paid for the county last year was \$46,500 with 6117 residents, or a per-capita cost of \$7.60 per person. No other village or township provide financial support to AES. The Manistee County agreement is contingent on the City of Manistee continuing their support. Since we are charged for any services provided by AES and pay three times the costs of the remaining County residents, I'm having a hard time supporting the idea of continuing this appropriation (and others that are not "essential services).

Bond/installment debt continues to consume a large portion of City Resources. \$2,792,040 was budgeted for principal and interest payments 2014 – 2015 for service on \$25,574,577 of existing debt. Debt is currently 16% of the City annual expenses. That does not include the Bond being considered now, and we will have an additional State Loan for the mandated "catch basin" for water/sewer overflow to prevent current discharges (in the millions of gallons). The majority of Gas & Oil interest that is transferred from the account each year is obligated to portions of the bond service.

Finding resources to begin repair of streets (indicated as a high priority by citizens in the OSAC in 2010 by 85%), while maintaining essential services is a priority. City streets is the highest priority as far as I'm concerned for Capital Improvement funds. Debt incurred due to cost overruns on the Municipal Marina (which now requires annual City of Manistee subsidies to operate can pay only interest on a loan approved from the Oil & Gas fund due to lack of revenue), subsidies to the Ramsdell for operations as well as payments on loans for the roof replacement and heating and cooling system, and operational subsidies to the Paine Pool continue to divert resources from funding street improvements. There is great hope other councilmembers will join in enthusiastically challenging every aspect of the budget in search of added revenue for infrastructure repair.

Please contact me with suggestions or to offer your comments on these issues. I'll attempt to update this page more frequently. Email [jsmith@michiganmi.gov](mailto:jsmith@michiganmi.gov) or [jws.manistee.mi@gmail.com](mailto:jws.manistee.mi@gmail.com) and telephone 231-690-3948.