

November 6, 2015

Some DDA information -

2015-2016 Budget extract (page 26)

The DDA is estimated to receive \$277,380 in captured taxes for the upcoming fiscal year. City operating taxes comprise almost 60% of this total. The City views the DDA as an important partner and crucial to the success of the Downtown. **However, the City provides an extremely high level of service to the DDA District, far beyond what is delivered in any other area of the City.** Although it provides these enhanced services, it is receiving very little in the way of reimbursement from the DDA. Any discussion of amending the DDA Ordinance to extend the life of the DDA has to have an open and frank discussion of both the level of reimbursement and prioritization of any capital expenses.

The November 4, 2015 City Council Agenda has a Special Event Permit Request for the 27th Victorian Sleighbell Parade and Old Christmas Weekend® listing the services requested of the Department of Public Safety and Department of Public Works that are part of the above identified services – **with no reimbursement for the hours or materials for providing these services.** This is in addition to the above identified \$277, 380 in captured taxes. This is typical of other events hosted by the DDA, where the DDA records a “profit” on the event without compensating the City for the services.

November 4, 2015 City Council Meeting –

Councilman Gustad pointed out to the MNA that the Employment Agreement for City Manager Thad Taylor was not discussed in open session of City Council – it was negotiated by Interim City Manager Ben Bifoss. Council members were individually provided with a draft agreement and responded with concerns to the Interim Manager – who then craft an agreement (that was signed by Mr. Taylor prior to the City Council meeting and vote on the agreement). Mr. Gustad was concerned that this did not take place in an open session where all council members could debate the terms. We were instructed not to discuss the agreement terms among ourselves, or “reply all” to the Interim Manager because doing so would constitute a violation of the Open Meeting Act. The process certainly is legal (the City Manager chairs the Personnel Committee) but I share Councilman Gustad’s concerns. My personal research indicates the agreement was “fair” in relationship to “industry standards” for the scope of duties to be performed.

My stated objections were vacation time (5 weeks), severance terms, automobile allowance, and specified annual increases in compensation. I felt that 3 weeks of vacation time was appropriate to begin with, to be accumulated with service (something along the line of 2 days per month of employment – that would have been 24 days). The agreement held at 5 weeks. The draft reflected 6 months of severance, my input was to begin with 3 months and increase 15 days per year of service to a maximum of 6 months. The agreement included 3 months of severance with a 1 month increase for each year of service, up to a maximum of 6 months (after 3 years of satisfactory service). The severance applies only to termination without cause and does not apply if Mr. Taylor resigns (30 day notice required). There is a “just cause” clause in the agreement that eliminates the payment of separation for stated conditions. The automobile allowance is a standard “perk” in City Manager positions and the cost of leasing a vehicle with gas and insurance was nearly equal to the cost of the \$400 monthly allowance. I suggested annual increases in compensation at the same rate of other non-union city staff

and the agreement reflected a 2% or rate of City Department head increase, whichever is greatest. The rate of compensation is at the lower end of what was advertised for the position. My intent was to offer a fair compensation package that was not below typical agreements and not have a protracted and contentious negotiating period. There is no merit in beginning our relationship with Mr. Taylor on a negative negotiation footing. We extended an offer of employment and want Mr. Taylor to feel respected and valued as we being his era as Manistee City Manager. I did not want to inject a negative tone to the agenda item by stating my differences of opinion (it would have passed anyway) and felt we needed to project support as a group for the last hurdle in the process of filling our position.

Agenda for the November 10, 2015 Organizational Meeting is posted prior to this document for your convenience. Members elected at the November 3rd election will be sworn in, a Mayor and Mayor Pro Tem will be elected by City Council members for the 2015 – 2016 year, and the Council Guidelines Policy (attached to the agenda) will be reviewed.

Thank you for your support and comments. Jim