

I'm getting a lot of public feedback on the proposed development at 400 River Street (former Glik building). The same developer who build Horizon Point and Rietz Park Village has been recruited by the Alliance for Economic Success (AES) to develop the site into 45 apartments, with 18 units designated for "low income" occupants. The development requires City "partnership" which thus far translates to Tax Abatement, Payment in lieu of Taxes (PILOT), easements for bay windows and balconies (that will extend out from the building), and zoning variance approval. All of those require action and approval of City Council. This has been in discussion for the last 3 months, but just recently shared with City Council (October 11<sup>th</sup> Council Work Session). There will be a presentation on this at the November 3<sup>rd</sup> Historic Commission meeting at City Hall in the City Council Chambers at 3:00 PM (the property is in the Historic District). I'm hoping there will be illustrations of the proposed development and additional details now as "design assistance and materials" are part of the agenda. Please mark your calendar and plan to attend if you want first-hand information or wish to make public comment on this proposed development. All feedback I've received thus far is in opposition of the development on prime downtown retail property.

The election is getting closer, and I'd like to remind you the 1<sup>st</sup> District has no ballot listed candidate. There is space on the ballot to write-in and vote for the only filed candidate, Dale R. Cooper. The 3<sup>rd</sup>, 5<sup>th</sup>, and 7<sup>th</sup> Districts have single candidates filed to run (myself included for the 5<sup>th</sup>) and I urge you to vote for each of those candidates as a show of support.

A lot of detail is left out of newsprint reporting on Council meetings – a lot of discussion took place on the purchase of a Front-End Loader (previously approved in the April Budget). Councilmember Zielinski ask many questions on the bid (actually quotes) process and vote no due to the responses to those questions. We need a lot of clarification on this process and better oversight to make sure the public is getting the best value for their tax dollars. I favor the same "sealed bid" process used for other public funded issues (like streets) where bids are delivered to the City Clerk, sealed, and opened on a set date with witnesses, then reviewed, and the low bid meeting criteria is selected. Each "quote" in this process was for a different piece of equipment, received by the Public Works Department, with inconsistency in notation of "options". The budget approved maintenance tracking software has yet to be purchased and implemented, which is essential to tracking cost, reliability, and determining when it is cost effective to replace equipment. We are replacing the lowest hour front-end loader we currently use as opposed to one that has the most hours of operation. Over 60% of this year expenses from the Motor fund are dedicated to installments on previously purchased equipment – an alarming trend. Expect this to be an issue of considerable interest going forward. While I did not like the process, I voted for the purchase. The process needs to be cleaned-up. A citizen also spoke up about the use of these items to "push leaves down the street" for fall leaf pick-up, offering the opinion it was a waste of the capacity of these machines. We can no doubt improve this process also.

Strategic Planning will begin in a City Manager scheduled Special Work Session on November 29<sup>th</sup>, which will start the budget process for 2017-2018. My priority will be a Sustainable Budget. It is difficult to see us sustaining services and improving public infrastructure with rapidly rising retirement costs projected (and unfunded liability) and lack of revenue growth. Mr. Bradford acknowledged a need to act on retirement in the last budget cycle, but no action has occurred since then. It must start with the negotiations of Union Agreements that have begun, with potentially moving toward replacing the

unstainable Defined Benefit plan with a Defined Contribution plan for future employees (a move the State of Michigan made nearly a decade ago). The growth of overtime in recent years and limitations on use of Part Time employees to fill in when demand dictates is also an issue. Council members are looking at those issues now. Appropriations to various functions are also an important issue. Budget issues were challenged to a greater degree last year and I anticipate even greater discussion along with some actual adjustments this year. Again, let Councilmembers know your feelings (all members of Council represent the City "at large" even though they live in their given Districts) on these issues and what is important to you.

One of the things I hear from citizens is a need to define "core functions" so staff can be directed toward essential services for the citizens who pay for them. We trained Public Works staff to perform sidewalk maintenance, yet contracted for the service this year. Public Works continues to "in house" functions (like "crack sealing" which did not occur this year), tree trimming, and stump grinding – with increased use of overtime for City Staff. The budget has an estimated \$70,000 to purchase a Crack Sealing machine, when in the past we partnered with the County Road Commission for this service.

The increased water/sewer rates were intended to meet bond obligations and provide a fund balance for infrastructure replacement going forward, so I'm repeatedly inquiring about the growth of that balance. Tax increment Financing (TIF) is to offset some of the development upgrades for Joslin Cove and Edgewater/North Channel projects, as well as the expenses for the River Street sewer project. The Department of Environmental Quality (DEQ) mandated closure of our remaining Combined Sewer Overflow is a potentially costly project that may require loans or bonding depending on the engineering of that project. Recent rain fall has not triggered an overflow, which points to some progress. We need to make sure the assets projected for the increased rates are available for the intended purpose, and not spent to make up for unbudgeted expenses on a routine basis.

The November 1<sup>st</sup> Council Agenda will soon be posted, and will be the last regular Council meeting our long-standing Mayor will preside over. There will be a Work Session the day after the General Election (November 9<sup>th</sup> Work Session, Wednesday due to the November 8<sup>th</sup> Election), and a Council Organization meeting on November 15<sup>th</sup> to select a new Mayor and Mayor Pro Tem. I'm looking forward to a change in leadership and the addition of a new Councilmember. We will have 5 new members since 2014 to include myself, Roger Zielinski (2014 election), Lynda Beaton (2015), and potentially Erin Martin Pontiac and Dale R. Cooper in 2016. As of this date, there are no additional filed write-in candidates (October 28<sup>th</sup> filing deadline for write-in candidates). I appreciate your continued support and consider your comments in conducting business for the citizens of Manistee. Thank you - Jim