



Notice City Commission Study Session

7:00 PM

Monday, March 31, 2014

Governmental Center, Commission Chambers, 400 Boardman Avenue

Traverse City, MI 49684

Posted and Published: 03-28-14

The meeting informational packet is available for public inspection at the Traverse Area District Library, Law Enforcement Center, City Manager's Office, and City Clerk's Office.

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At the request of City Manager Jered Ottenwess, City Clerk Benjamin Marentette has called this Study Session.

City Commission:

c/o Benjamin C. Marentette, CMC, City Clerk

(231) 922-4480

Email: tcclerk@traversecitymi.gov

Web: www.traversecitymi.gov

400 Boardman Avenue

Traverse City, MI 49684

The mission of the Traverse City City Commission is to guide the preservation and development of the City's infrastructure, services, and planning based on extensive participation by its citizens coupled with the expertise of the city's staff. The Commission will both lead and serve Traverse City in developing a vision for sustainability and the future that is rooted in the hopes and input of its citizens and organizations, as well as cooperation from surrounding units of government.

Welcome to the Traverse City Study Session!

Any interested person or group may address the City Commission on any agenda item when recognized by the presiding officer or upon request of any commissioner. Also, any interested person or group may address the City Commission on any matter of City concern not on the Agenda during the agenda item designated Public comment. The comment of any member of the public or any special interest group may be limited in time. Such limitation shall not be less than five minutes unless otherwise explained by the presiding officer, subject to appeal by the Commission.

Agenda

Pledge of Allegiance

Roll Call

1. Discussion regarding Garage Fund. (Jered Ottenwess, Dave Green)
2. Discussion regarding Fiscal Year 2014/15 Budget. (Jered Ottenwess)
3. Consideration of entering into closed session to discuss strategy for collective bargaining agreements for the following collective bargaining units: Police Captain; Police Sergeant; Police Patrol; and Firefighters. (Jered Ottenwess)
4. Announcements from the City Clerk. (Benjamin Marentette)
5. Public comment.
6. Adjournment.



The City of Traverse City

Communication to the City Commission

FOR THE CITY COMMISSION MEETING OF MARCH 31, 2014

DATE: MARCH 28, 2014

FROM: ⁵⁰ JERED OTTENWESS, CITY MANAGER

SUBJECT: MARCH 31 STUDY SESSION

1. *Garage Fund*

The City Commission recently requested that staff prepare for a discussion regarding the **Garage Fund**. DPS Director Dave Green will provide a brief PowerPoint presentation followed by an overview of the Garage Fund financial statements by City Treasurer/Finance Director Bill Twietmeyer.

2. *FY14-15 Budget*

I will deliver a proposed FY14-15 Budget to the City Commission at the April 21, 2014 regular meeting and tentatively schedule a discussion at the April 28 study session after you have had a week to review the proposed budget. The Charter requires that the City Commission holds a public hearing prior to the budget's final adoption and final adoption must be between the third Monday in May and the first Monday in June (May 19 – June 2, 2014).

The purpose of the discussion Monday evening is to seek input from City Commissioners about specific priorities that they may have so that I can work to incorporate or address those as part of the initial draft budget. In order to lay the groundwork for that discussion, attached is a memorandum from City Treasurer/Finance Director Bill Twietmeyer, which presents a **broad overview of revenue and expenditure** trends in FY14-15. Please also refer to the attached spreadsheet from City Assessor Polly Cairns regarding revenue projections for FY14-15 following the recent Board of Review meetings.

Please refer to the attached memorandum from City Engineer Tim Lodge related to the **sidewalk maintenance and improvement program**. Each year the City

Commission determines the level of General Fund investment for capital projects. In FY 13-14, the General Fund contributed \$1,250,000 for total annual street and sidewalk infrastructure, \$100,000 of which went to sidewalk maintenance primarily. Sidewalk improvements have also been included with other road projects, which increase that total investment. The City Commission may choose to allocate funding levels differently and increase funding for sidewalk improvements, specifically infill sidewalk construction, i.e. extending sidewalks to fill gaps.

Please refer to the attached map from DPS Director Dave Green illustrating a preliminary plan for roads that could be targeted for rehabilitation and repair work this summer totaling approximately \$750,000 (maximum anticipated road millage revenue), which would continue implementing the City's **road maintenance program** from recent years that prioritizes maintaining PASER ratings at fair or better condition.

3. Union Negotiations (Closed Session)

I recently sent notice to four separate bargaining units notifying them of the City's intent to open negotiations for agreements that expire June 30, 2014:

- ~ Police Department Patrol (POAM)
- ~ Police Department Captains (Teamsters)
- ~ Police Department Sergeants (Teamsters)
- ~ Firefighters (AFL-CIO)

In order to discuss strategy associated with upcoming bargaining agreement negotiations, I request that the City Commission consider entering into closed session. The following motion would be appropriate (a roll call vote with 4 affirmative votes is required):

that the City Commission enter into closed session following Public Comment to discuss strategy in connection with upcoming collective bargaining agreement negotiations as authorized by MCL 15.267(2)(c)

e-copy: Polly Cairns, City Assessor
Dave Green, Director of Public Services
William Twietmeyer, City Planning Director
Tim Lodge, City Engineer

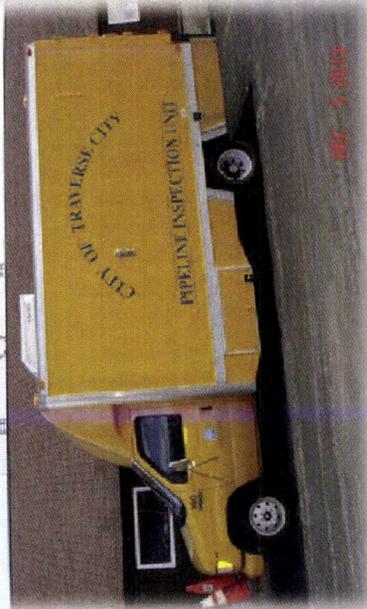
CITY GARAGE 2014

City of Traverse City, Michigan



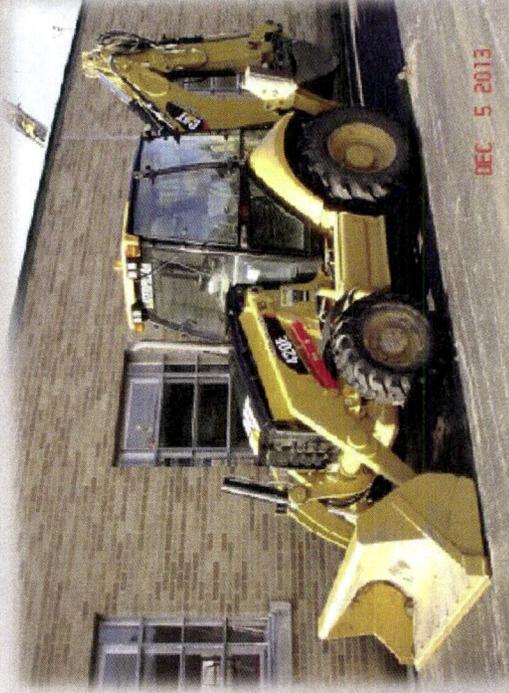
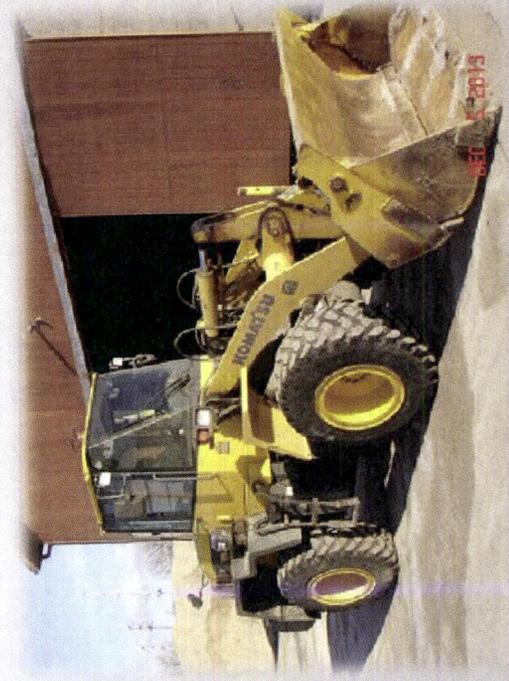


GARAGE



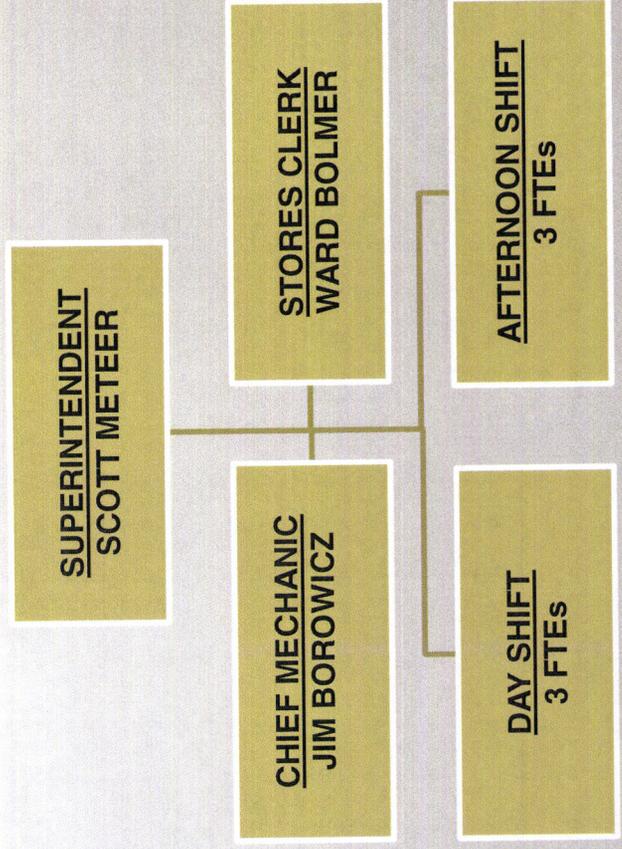
Mission

The mission of the City Garage is to provide, maintain, and administer the mobile equipments fleet as cost effectively as possible for all City Departments and Divisions, including Light & Power and the Traverse City Parking System.



Organization

- Superintendent:
 - Scott Meteer: 35 years service
- Stores Clerk
- Chief Vehicle/Equipment Technician
- 6 Vehicle/Equipment Technicians
 - (All Technicians are ASE certified Automotive and Heavy Truck Master Mechanics)





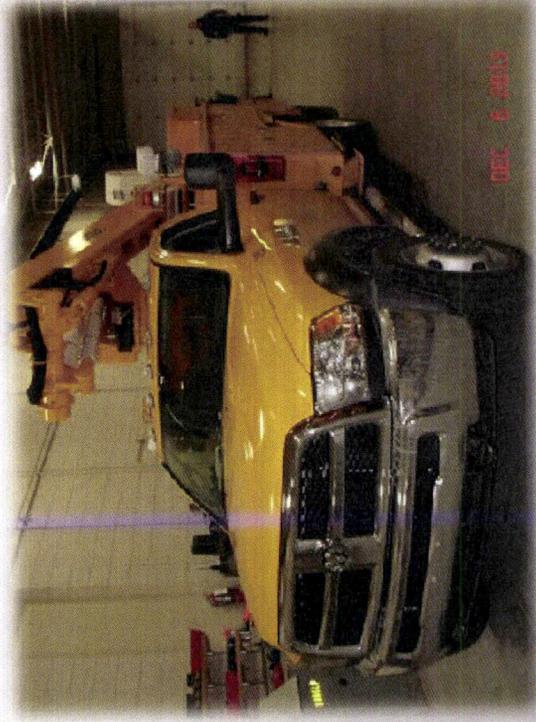
Vehicle Assets

- Cars, Vans and Light Trucks: 90
- Heavy Trucks: 26
- Motorcycles: 6
- Construction Equipment including Backhoes, Loaders and Sweepers
- Miscellaneous and assorted equipment; i.e. mowers, leaf collection equipment, beach cleaner, snow blowers, plows, pusher buckets, compost equipment, sewer cleaning equipment, etc. (see City website)



Responsibilities (Procurement)

- Identify equipment requirements for Depts.
- Develop bid specifications for new equipment
- Manage bid process and make purchase recommendations
- Coordinate delivery and training for new equipment



Responsibilities (Administration)

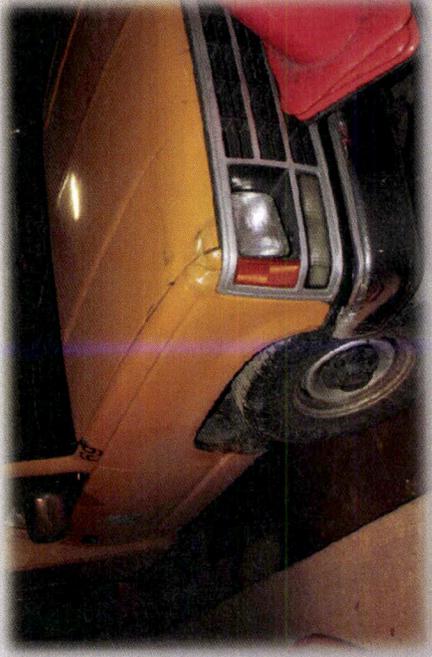
- Operate Garage as Enterprise Fund
 - Garage owns vehicles and *rents* them to Depts.
 - Analyze equipment usage and costs
 - Determine life cycles and rental rates
 - Rental rate comprised of:
 - Depreciation
 - Insurance
 - Maintenance Costs
 - An inflation factor
- Process ensures that money is on hand to purchase replacement equipment at end of life cycle.
- Maintain Facilities at 625 and 631 Woodmere Avenue.

Rental Rate of a Fleet Vehicle

- Vehicle: 2001 Oshkosh Plow Truck
- Vehicle #: 99
- Purchase Price: \$146,986.00
- Expected Life Cycle: 15 Years
- Annual Depreciation: \$9,799.00
- Annual Insurance Costs: \$660.00
- Annual Maintenance costs: \$8,293.00
- Annual Appreciation: \$7,349.00
- Total Annual Cost: $\$26,101.00 / 12 =$
\$2,175.00 per Month

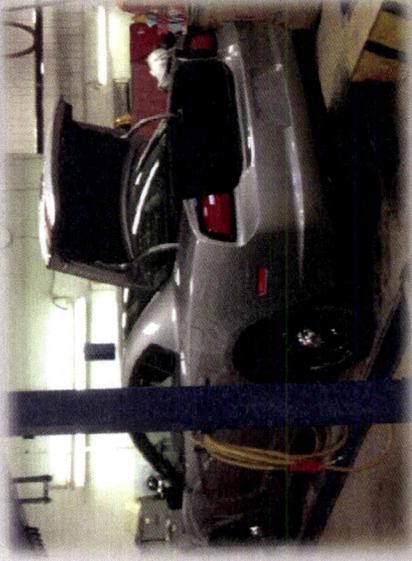
Vehicle Replacement

- Replace when most cost effective
 - Extend use beyond life cycle when possible
 - Declare surplus and replace once vehicle becomes unreliable or when maintenance cost exceed cost effectiveness
- Total Cost Bid Program for loaders and backhoes
 - Vendor guarantees a *total* price including:
 - Guaranteed maximum repair cost
 - Guaranteed buyback price



Responsibilities (Maintenance)

- Operate two shifts – 7:30 am – 11:15 pm
- Schedule and conduct preventative maintenance
- Prepare seasonal equipment for use
- Conduct emergency repairs
- Order parts and maintain parts room inventory
- Provide 24/7 fuel service for fleet and other governmental agencies



Fleet Maintenance Software

FASTER Asset Solution by CCG

Asset Management Protocol, From Purchase to Auction

Which includes the following features:

- Parts Inventory
 - From Order to Receipt
 - Warranty Replacement
 - Vendor Accounting
- Maintenance and Labor
 - Track Mechanics Time
 - Track Work Orders
 - Track Preventative Maintenance
- Accounting and Billing
- Fuel Management
 - Collects and Stores Fuel Transactions

FASTER

Memorandum

The City of Traverse City



To: Jered Ottenwess, City Manager
From: William E. Twietmeyer, City Treasurer/Finance Director *W.E.T.*
Subject: Budget Information
Date: March 24, 2014

The purpose of this communication is to provide an overview of key information as we are preparing the proposed budget for the next fiscal year.

First, it should be noted that inflation as measured by the federal government and utilized by the state government was 1.6%. This means that taxable value for property taxes will increase 1.6% for the next fiscal year or slightly over \$120,000. However, this does not take into account any uncapping of taxable value due to property sales, new construction, past tax tribunal decisions that impact taxable value, or the elimination of personal property taxes which is effective for this fiscal year. Under separate cover the Assessor will provide information regarding the total results from this year's Board of Review.

Second, the elimination of personal property taxes will impact both the General Fund as well as the Act 345 millage rate. The state legislature recently introduced Senate Bills 821 to 830 which are designed to tweak the previous legislation. It is stated that these bills will provide full reimbursement to local communities for lost revenue from elimination of personal property taxes. However, there is little analysis at this time regarding their impact. It should be noted that the original legislation also purported to make local communities whole.

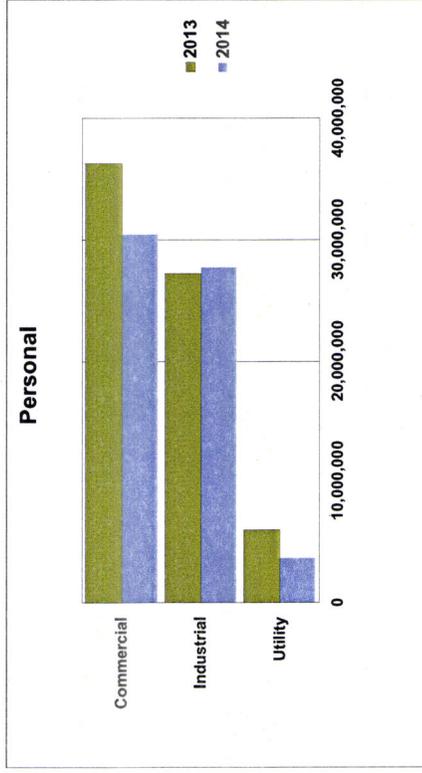
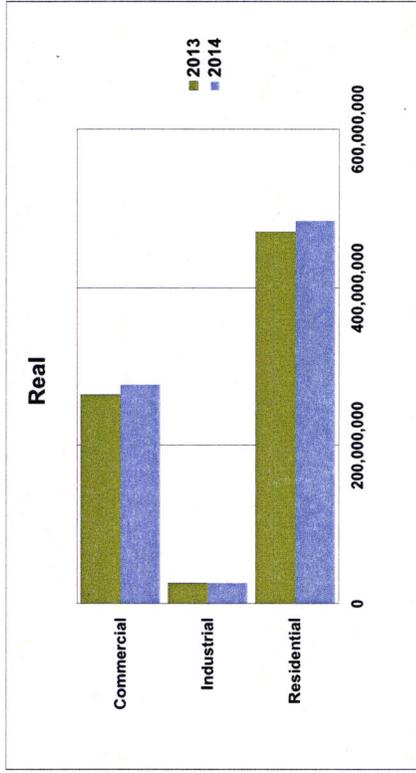
Third, health care costs will rise about 5% to 6% this upcoming year. In addition, there are fees from the state and federal government associated with the Affordable Care Act which will result in an additional cost of \$60,000 which will be borne by both the employer and the employees.

Fourth, this year's long and harsh winter will result in higher heating costs and snow removal costs for this year's budget but hopefully these costs will return to normal for next year. Light & Power's termination of the fixed power cost recovery factory has resulted in not only higher costs for businesses and residents but also for the various municipal buildings which we run.

Fifth, it is expected that the additional voter approved county road millage of 1.0 mills will result in the City receiving \$700,000 to \$750,000. It is expected that we will receive these proceeds in April.

Finally, the last item of note that should be considered is the road construction contract arbitration from last summer's road projects. To date there has been no resolution.

2014 MBOR CITY REVENUE TENTATIVE					CPI 1.6%	
Grand Traverse & Leelanau County		2013	2014	\$ CHANGE	PERCENT CHANGE	
Ad Valorem Parcels only		Adjusted Yrs. Warrant	MBOR-Estimate			
TAXABLE VALUE		829,622,107	850,572,008	20,949,901	2.53%	
Real						
Commercial	264,858,574	278,370,998	13,512,424			5.10%
Industrial	25,363,178	25,856,140	492,962			1.94%
Residential	470,080,337	484,527,845	14,447,508			3.07%
Subtotals	760,302,089	788,754,983	28,452,894			3.74%
Personal						
Commercial	36,213,401	30,453,325	-5,760,076			-15.91%
Industrial	27,195,717	27,741,800	546,083			2.01%
Utility	5,910,900	3,621,900	-2,289,000			-38.73%
Residential	N/A	N/A	N/A			N/A
Subtotals	69,320,018	61,817,025	-7,502,993			-10.82%
MILLAGE (ESTIMATE)	11.1167	11.1167	0.0000			0.00%
TIF 97 CAPTURE	55,254,626	53,763,801	-1,490,825			-2.70%
TIF II CAPTURE	36,338,913	37,957,964	1,619,051			4.46%
CSX CAPTURE	7,047,580	7,101,194	53,614			0.76%
TRAVERSE HOUSE CAPTURE	1,888,725	1,892,637	3,912			0.21%
TC CAST CAPTURE	1,059,709	1,146,253	86,544			8.17%
TC CAST IFT-Special Act	2,470,600	3,142,773	672,173			27.21%
GT COMMONS (Brownfield)	282,582	304,593	22,011			7.79%
RENAISSANCE ZONE	12,537,797	14,518,774	1,980,977			15.80%
BLARNEY CASTLE	1,933,387	2,093,367	159,980			8.27%
BRIAR HILL	Abandoned	0	0			0.00%
EAST BAY PLAZA BROWNFIELD	Abandoned	0	0			0.00%
JIMMY JOHNS	Abandoned	0	0			0.00%
NEW 2014 - UPTOWN - BROWNFIELD	0	205,500	205,500			100.00%
NEW 2014 - TBA BROWNFIELD	0	933,700	933,700			100.00%
NEW 2014 - SOCKS BROWNFIELD	0	135,400	135,400			100.00%
NEW 2014 - GRAETZ BROWNFIELD	0	63,700	63,700			100.00%
NET TAXABLE	710,808,188	727,312,352	16,504,164			2.32%
GROSS REVENUE	\$9,222,660	\$9,455,554	\$232,894			100.00%
Real						
Commercial	\$2,944,353	\$3,094,567	\$150,214			5.10%
Industrial	\$281,955	\$287,435	\$5,480			1.94%
Residential	\$5,225,742	\$5,386,351	\$160,609			3.07%
Personal						
Commercial	\$402,574	\$338,540	-\$64,033			-15.91%
Industrial	\$302,327	\$308,397	\$6,071			2.01%
Utility	\$65,710	\$40,264	-\$25,446			-38.73%
Residential	N/A	N/A	N/A			N/A
TIF 97 CAPTURE	\$614,249	\$597,676	-\$16,573			-2.70%
TIF II CAPTURE	\$403,969	\$421,967	\$17,999			4.46%
CSX CAPTURE	\$78,346	\$78,942	\$596			0.76%
TRAVERSE HOUSE CAPTURE	\$20,996	\$21,040	\$43			0.21%
TC CAST CAPTURE	\$11,780	\$12,743	\$962			8.17%
TC CAST IFT-Special Act	\$27,465	\$34,937	\$7,472			27.21%
GT COMMONS (Brownfield)	\$3,141	\$3,386	\$245			7.79%
RENAISSANCE ZONE	\$139,379	\$161,401	\$22,022			15.80%
BLARNEY CASTLE	\$21,493	\$23,271	\$1,778			8.27%
BRIAR HILL	\$0	\$0	\$0			0.00%
EAST BAY PLAZA BROWNFIELD	\$0	\$0	\$0			0.00%
JIMMY JOHNS	\$0	\$0	\$0			0.00%
NEW 2014 - UPTOWN - BROWNFIELD	\$0	\$2,284	\$2,284			100.00%
NEW 2014 - TBA BROWNFIELD	\$0	\$10,380	\$10,380			100.00%
NEW 2014 - SOCKS BROWNFIELD	\$0	\$1,505	\$1,505			100.00%
NEW 2014 - GRAETZ BROWNFIELD	\$0	\$708	\$708			100.00%
GARFIELD TWP (425)	38,000	38,000	\$0			100.00%
NET REVENUE	\$7,863,841	\$8,047,313	\$183,472			2.33%



Draft

Memorandum

The City of Traverse City
Engineering Department



TO: Jered Ottenwess, City Manager

FROM: Timothy J. Lodge, City Engineer

DATE: March 25, 2014

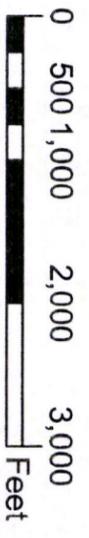
SUBJECT: Infrastructure Policy Sidewalk Infill and Extension Costs

The Engineering Department has prepared a preliminary cost estimate for sidewalk infill and extensions that are referenced in the City's Infrastructure Policy adopted in 2010. The locations anticipated for this work are shown on the attached map which is an adaptation from the 1999 sidewalk gap map prepared by the City Planning Department that focused on filling sidewalk gaps near schools especially along major streets. The map has been verified by staff to match the 1999 map and also includes high pedestrian traffic areas that are indicated by dirt paths along existing streets. The Active Transportation Plan Committee of the Planning Commission is working on maps that may include additional areas for sidewalk infill and gaps.

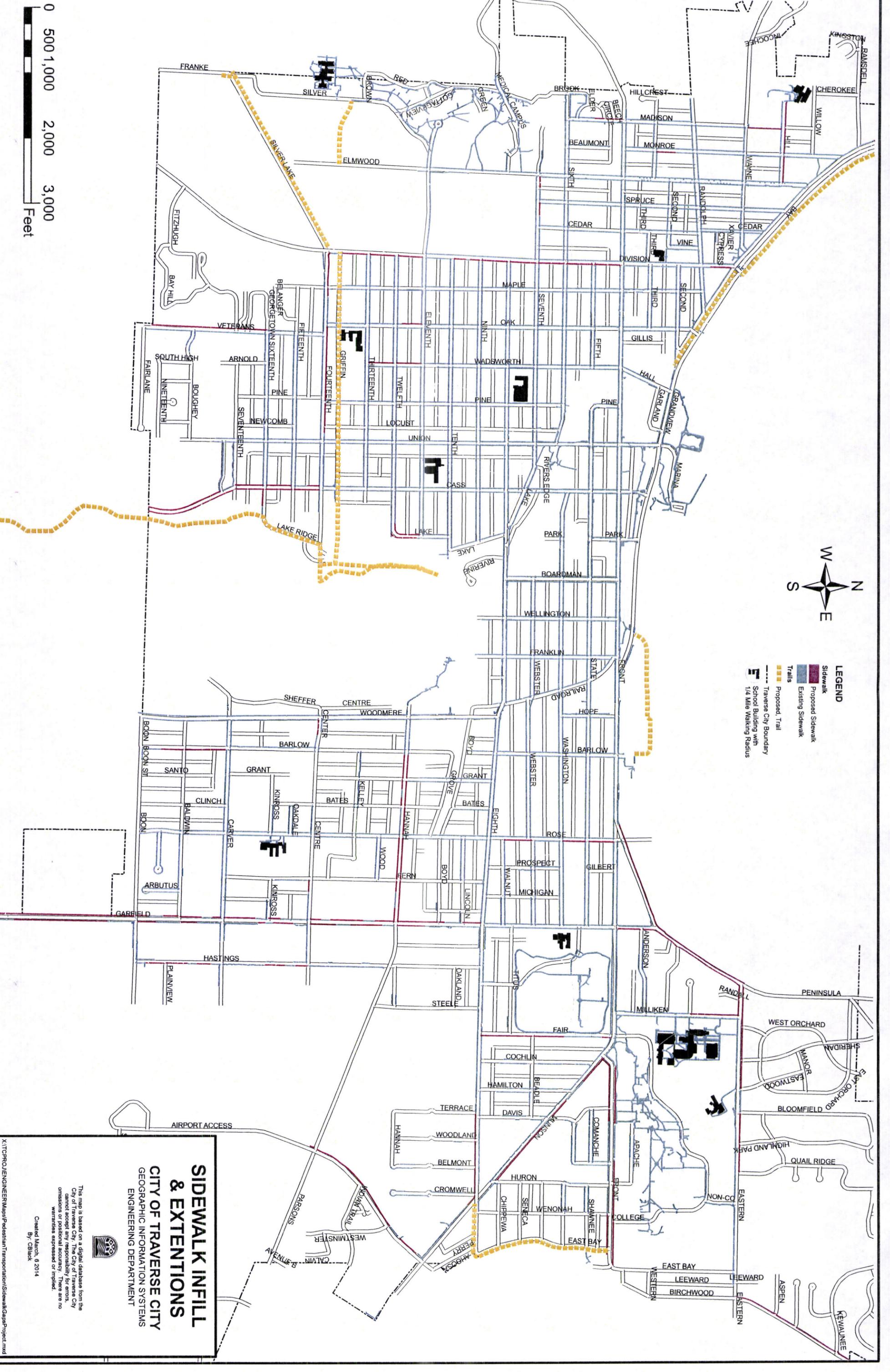
For the 170 locations identified on the map, with lengths ranging from 20 to nearly 2000 feet, we estimate the cost to be \$1,960,000. If implemented over a 20 year period the cost would equate to \$98,000 annually. If implemented over a 15 year period the cost would equate to \$130,000 annually. We used the average cost of \$35 per foot of sidewalk which includes a small level of inflation as the basis for the cost. Pricing has remained relatively stable over the past five years. Recently, we have been asked to consider extending the sidewalk repair/construction contract over several years to lock in current pricing from local contractors.

Several other factors can affect the implementation time. For example, if the location is adjacent to a street that is scheduled for reconstruction the infill and/or extension can be included as part of that project. This situation occurred on Woodmere Avenue, Hannah Avenue, South Barlow Street, Elmwood Avenue, Silver Drive, Kelley Street and most recently on Bay Street as part of the reconstruction of those locations. It equates to investments averaging \$182,000 over and above the budgeted \$100,000 for sidewalk repair and replacement annually for the period of 2009 through 2013.

Also, other funding sources such as grants, requirements for development project and special assessments are additional factors for the implementation. Over the past few years we have partnered with TCAPS, Munson and NMC on sidewalk infill and extension projects.



- LEGEND**
- Sidewalk
 - Proposed Sidewalk
 - Existing Sidewalk
 - Trails
 - Proposed Trail
 - Traverse City Boundary
 - School Building with 1/4 Mile Walking Radius

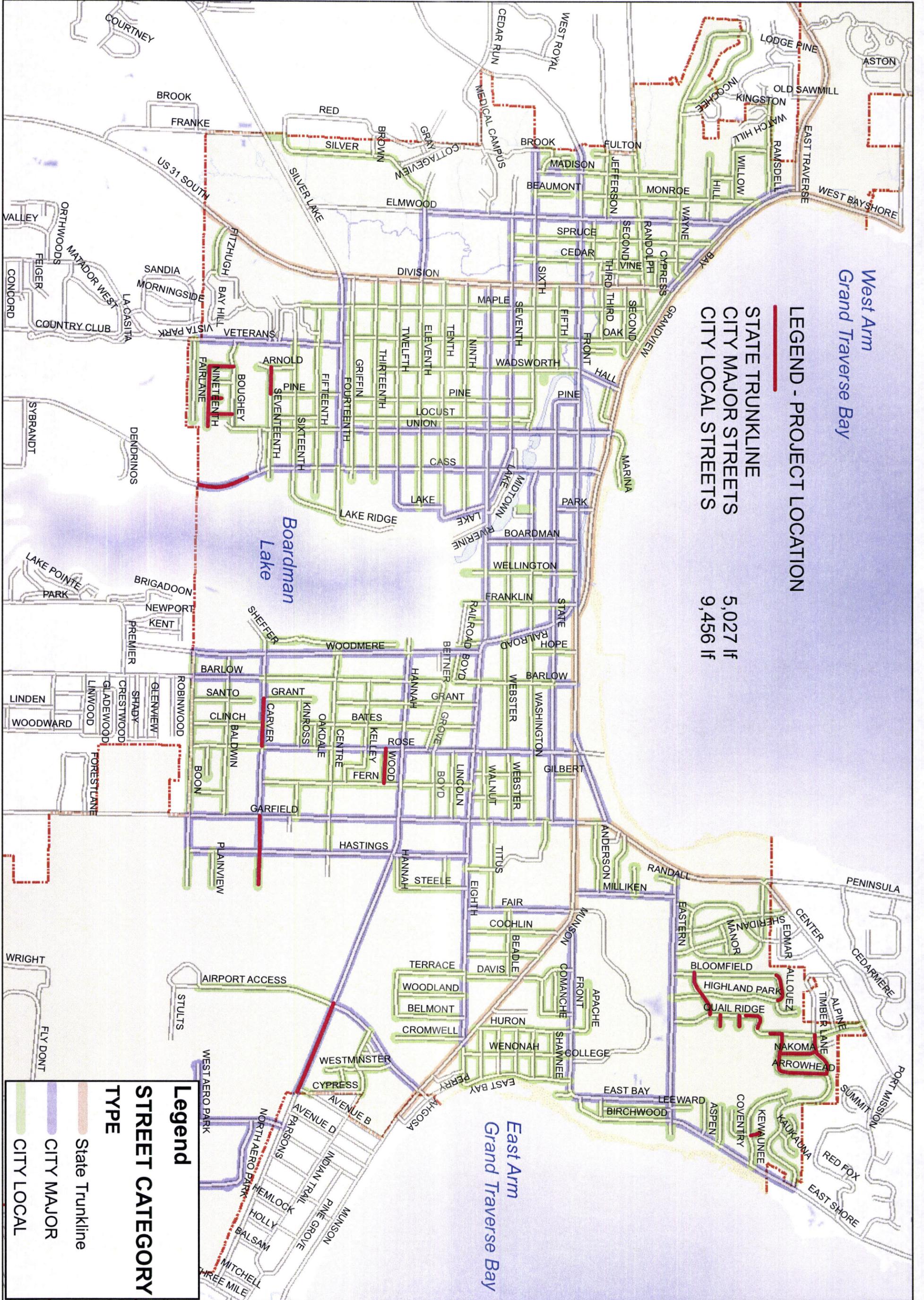


SIDEWALK INFILL & EXTENTIONS
CITY OF TRAVERSE CITY
 GEOGRAPHIC INFORMATION SYSTEMS
 ENGINEERING DEPARTMENT

This map is based on a digital database from the City of Traverse City. The City of Traverse City is not responsible for any omissions or positional accuracy. There are no warranties expressed or implied.

Created March, 8 2014
 By: CBlack

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West Arm
Grand Traverse Bay

LEGEND - PROJECT LOCATION

STATE TRUNKLINE
CITY MAJOR STREETS
CITY LOCAL STREETS

5,027 IF
9,456 IF

Legend

STREET CATEGORY

TYPE

- State Trunkline
- CITY MAJOR
- CITY LOCAL

**City of Traverse City
2014 Spring Street Maintenance/
Rehabilitation Projects**



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3-24-14
JPT