CITY OF MUSKEGON

CITY COMMISSION MEETING

DECEMBER 13, 2016

CITY COMMISSION CHAMBERS @ 5:30 P.M.

MINUTES

The Regular Commission Meeting of the City of Muskegon was held at City Hall, 933 Terrace Street, Muskegon, MI at 5:30 p.m., Tuesday, November 22, 2016. Mayor Stephen J. Gawron, opened the meeting with prayer, after which the Commission and public recited the Pledge of Allegiance to the Flag.

ROLL CALL FOR THE REGULAR COMMISSION MEETING:

Present: Mayor Stephen J. Gawron, Commissioners Ken Johnson, Debra Warren, Willie German, Jr., Dan Rinsema-Sybenga, and Byron Turnquist, City Manager Franklin Peterson, City Attorney John Schrier, and City Clerk Ann Meisch.

Absent: Vice Mayor Eric Hood

HONORS AND AWARDS:

A. <u>City of Muskegon Employees – Years of Service Awards</u>

Certificate of Appreciation presented to employees present.

2016-92 CONSENT AGENDA:

A. <u>Approval of Minutes</u> City Clerk

SUMMARY OF REQUEST: To approve minutes of the November 22, 2016 Regular City Commission Meeting.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval of the minutes.

B. <u>Park Reservation Software</u> Department of Public Works

SUMMARY OF REQUEST: Staff is requesting to contract with Active Network to provide software and services for online shelter/community room reservations and payments.

FINANCIAL IMPACT: $15,060 plus transaction fees.

BUDGET ACTION REQUIRED: None. Funds were added to capital improvement in 1st Quarter Budget Reforecast.

STAFF RECOMMENDATION: To authorize staff to enter into a contract with

Active Network to provide software and services for a Park Reservation system that will allow online booking and payments.

C. Transmittal of 06/30/16 *Comprehensive Annual Financial Report*
Finance Director

SUMMARY OF REQUEST: The City's *June 30, 2016 Comprehensive Annual Financial Report (CAFR)* has been distributed to City Commissioners via email and hard copy. The CAFR is also available on the City's website at www.shorelinecity.com. The CAFR includes the annual independent auditor's report as required by state law. At this time the CAFR is being formally transmitted to the City Commission. The CAFR has been prepared in accordance with all current Governmental Accounting Standards Board (GASB) pronouncements and also includes the single-audit of federal grants received by the City.

FINANCIAL IMPACT: The CAFR report summarizes the City's financial activities for the year and includes the independent auditor's unmodified opinion on the City's financial statements.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Acceptance of the June 30, 2016 CAFR and authorization for staff to transmit the CAFR to appropriate federal, state, and private agencies.

D. 2016 User Fee Update Finance

SUMMARY OF REQUEST: City departments have reviewed and updated their user fees and these have been incorporated into the Master Fee Resolution for your consideration.

The new fees and fee changes that are being proposed are highlighted on the attached spreadsheet and significant changes include:

- City code compliance vacant building registration fees have been updated;
- Rental property registration and inspection fees have been adjusted;
- Various building permit fees have been revised.

FINANCIAL IMPACT: Revenue generated for fee supported activities

BUDGET ACTION REQUIRED: None at this time. Adoption of the Master Fee Resolution will help the City attain its budgeted revenue estimates.

STAFF RECOMMENDATION: Approval.

E. Request to Deny & Accept Properties that did not Sell During the Tax Sale for 2016 Planning & Economic Development

SUMMARY OF REQUEST: The County of Muskegon held two delinquent tax auctions during 2016. There were fifty-three properties left after the last auction. According to the State's tax foreclosure laws, the City must state that they are not interested in obtaining them, otherwise the City will automatically receive ownership of the parcels. From the list that was provided, Planning and Community & Neighborhood Services have gone over the parcels to determine which ones to accept.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To deny and accept certain parcels and authorize both the Mayor and the Clerk to sign said resolution.

F. <u>All Season Rescue Water Craft (Fire)</u> Public Safety

SUMMARY OF REQUEST: The Director of Public Safety requests that the Commission authorize the amount of $67,500.00 for a 20 foot Rescue Water Craft for the Muskegon Fire Department. This specialty rescue boat will replace the 1988 "Scat" hovercraft, which is no longer in service due to being unrepairable. The selected rescue craft is made by Duck Water Boats in Dover, Ohio. This craft would enable Fire the ability to perform in four (4) seasons with a focus on open water/ice rescue during the winter months. The craft is propelled by "air power", supplied by a Levaitor Marine V8 550 horse power motor. The vessel comes with a venture trailer for swift and easy deployment when and where it is needed.

This equipment will enhance our ability to perform in harsh winter conditions and provide other services needed during the rest of the year, including river rescue and mobility in wet lands, which is not existent at this time.

FINANCIAL IMPACT: None. Budgeted.

BUDGET ACTION REQUIRED: Equipment was budgeted in the 2016/2017 budget cycle to support the equipment upgrade *(404 Public Improvement Fund).*

STAFF RECOMMENDATION: Staff recommends approval of this rescue craft purchase to update and enhance essential winter/ice rescue capabilities.

G. <u>Renaissance Zone: Third Amendment to Development Agreement – City of Muskegon and Parkland Muskegon, Inc.</u> Planning & Economic Development

SUMMARY OF REQUEST: To approve the Development Agreement between the City of Muskegon and Parkland Muskegon, Inc.

FINANCIAL IMPACT: There are assurances that the project will be completed that involve financial commitments to the City. They include a special assessment in the amount of $400,000 to be placed in escrow which will be applied to the property if certain conditions are not met, as well as an escrow deposit of $100,000 to be held by the City until a Certificate of

Occupancy is granted for 47 units. In addition, a "profit sharing" clause in the amount of 10% to the City is included in the event the Project is sold and the net proceeds to the Company exceed $6,700,000. In addition, the City agrees to take ownership of the lot adjacent to High-Point Flats, as well as the area behind the properties on the block and will then improve the area behind the property as a parking lot with 90 spaces. Further, the Agreement is contingent upon the City's approval of a 15 year NEZ HighPoint Flats.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To approve the Third Amendment to Development Agreement between the City and the Company, and authorize the Mayor and Clerk to sign.

H. Purchase of 235 Monroe Community & Neighborhood Services

SUMMARY OF REQUEST: To approve the purchase of the property located at 235 Monroe Avenue from Henry and Joanne Brown for the amount of $4,000. The City currently owns the adjacent parcel at 239 Monroe Avenue.

FINANCIAL IMPACT: Program income from CDBG will be used for the purchase.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To approve the request and direct staff to proceed with a purchase agreement.

I. Approval of a Neighborhood Enterprise Zone Certificate-335 Terrace Point Circle Planning & Economic Development

SUMMARY OF REQUEST: An application for a Neighborhood Enterprise Zone (NEZ) certificate has been received from Steve and Heather Strach for the new construction of a home at 335 Terrace Point Circle. The estimated cost for construction is $250,384 and they are applying for a 12-year certificate. The applicant has met local and state requirements for the issuance of the NEZ certificate. Approval or denial by the City Commission is required within 60 days of the application date and must be forwarded to the State Tax Commission.

FINANCIAL IMPACT: Taxation will be 50% of the State average for the next 12 years.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the NEZ Certificate.

J. Approval of a Neighborhood Enterprise Zone Certificate – 347 Terrace Point Circle Planning & Economic Development

SUMMARY OF REQUEST: An application for a Neighborhood Enterprise Zone (NEZ) certificate has been received from Gregory and Cindy Ribesky for the new construction of a home at 347 Terrace Point Circle. The estimated cost for construction is $304,360 and they are applying for a 12-year certificate. The applicant has met local and state requirements for the issuance of the NEZ certificate. Approval or denial by the City Commission is required within 60 days of the application date and must be forwarded to the State Tax Commission.

FINANCIAL IMPACT: Taxation will be 50% of the State average for the next 12 years.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the NEZ Certificate.

K. Salt Spreader DPW/Equipment

SUMMARY OF REQUEST: Authorize staff to purchase two Henderson FHS Salt Spreaders for $18,807.00 each from Arista Truck Systems, the lowest qualified bidder. These will replace the two oldest spreaders currently being used.

FINANCIAL IMPACT: $37,614.00

BUDGET ACTION REQUIRED: None. Amount is what was budgeted.

STAFF RECOMMENDATION: Authorize staff to purchase two Henderson FHS Salt Spreaders from Arista Truck Systems.

M. 2017 Salary Schedule and Fringe Benefits for Non-Represented Employees City Manager

SUMMARY OF REQUEST: To approve and adopt the two proposed salary matrixes for the non-represented administrative, technical, professional, and supervisory employees for 2017 ($2,000 lump sum payment across all classifications).

FINANCIAL IMPACT: The changes will cost approximately $75,000.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve and adopt the two proposed salary matrixes for non-represented employees for 2017.

N. Kitchen 242 Contract City Clerk

SUMMARY OF REQUEST: The City's agreement with Pioneer Resources to operate Kitchen 242 will expire in January 2017. The kitchen officially opened in July 2015 offering culinary classes and services to food entrepreneurs. The contract calls for the scheduling of the kitchen, educating food entrepreneurs, promotion, meeting local and state laws, reviewing applications, invoicing users, and actively seeking new users. Pioneer Resources has been instrumental in assisting with installation of kitchen equipment and supplying items to the kitchen as well as serving in an advisory capacity.

Pioneer Resources has gone through some organizational changes and lost some employees through retirement. Renae Hesselink has taken an active role in the kitchen since its inception at no cost, devoting many hours each week. Her qualifications speak highly of her background and knowledge. She has been instrumental in seeking and finding grants for the kitchen and Power of Produce. We have asked and she has submitted a proposal to operate the kitchen through September 2017. She has given measurable benchmarks to mark the success of the plan that she has outlined.

FINANCIAL IMPACT: A contract not to exceed $35,000 to be paid from funds allocated by the State of Michigan.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To authorize staff to sign an agreement with Renae Hesselink to operate Kitchen 242 through September 2017.

O. Set Public Hearing for Amendment to Brownfield Plan – P & G Holdings NY, LLC Planning & Economic Development

SUMMARY OF REQUEST: To approve the resolution setting a public hearing for an amendment for the Brownfield Plan, and notifying taxing jurisdictions of the Brownfield Plan Amendment including the opportunity to express their views and recommendations regarding the proposed amendment at the public hearing. The amendment is for the inclusion of property owned by P & G Holdings NY, LLC, located at 920 Washington, 965 W. Western and 1330 Division, in the Brownfield Plan.

FINANCIAL IMPACT: Brownfield Tax increment Financing will be used to reimburse the developer for "eligible expenses" incurred in associations with development of the Watermark project, which is approximately $9,018,750, as well as $240,000 to be reimbursed to the City of Muskegon for infrastructure improvements (W. Western Avenue). P & G Holdings NY, LLC cost for the development of the property is approximately $30 million in private investment, resulting in a substantial increase in the local and school taxes generated by the property.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To approve the resolution and authorize the Mayor and Clerk to sign the resolution.

COMMITTEE RECOMMENDATION: The Brownfield Redevelopment Authority met on December 6, 2016 and approved the Brownfield Plan Amendment and recommends the approval of the Brownfield Plan Amendment to the Muskegon City Commission.

P. Authorize Muskegon County to Adopt and Enforce a Storm Water Runoff and Post-Construction Ordinance **SECOND READING** Planning & Economic Development

SUMMARY OF REQUEST: Staff is requesting the approval of the resolution that will allow Muskegon County to administer and enforce a Storm Water Runoff and Post-Construction Ordinance on behalf of the City of Muskegon. This ordinance will require a landowner to obtain a Storm Water Permit from the County Drain Commissioners office before commencement of a project that includes any of the following:

1) Requires Planning Commission approval
2) Creates more than 10,000 square foot of impervious surface
3) Disturbs, changes, or disrupts more than 10,000 square foot of existing impervious surface
4) Disturbs more than one acre of land
5) Is within 500 feet of the water's edge of a drainage course, wetland, lake or stream.

The application for a Storm Water Permit is $600 and will be approved or denied within 30 days, however, most reviews can be completed within one to two weeks.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To approve the ordinance.

Q. <u>Community Relations Committee Recommendations</u> City Clerk

SUMMARY OF REQUEST: To concur with the recommendation from the Community Relations Committee to accept the resignation of Blanche Smith from the Planning Commission and to appoint Susan Harrison Wolffis to the District Library Board.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To concur with the recommendation from the Community Relations Committee.

Motion by Commissioner Warren, second by Commissioner Rinsema-Sybenga, to approve the consent agenda as presented with the exception of Item L.

ROLL VOTE: Ayes: Johnson, Gawron, Warren, German Rinsema-Sybenga, and Turnquist

Nays: None

MOTION PASSES

2016-93 ITEMS REMOVED FROM CONSENT AGENDA

L. **<u>RFP for Temporary Staffing Services Provider</u>** Affirmative Action and Risk Management

SUMMARY OF REQUEST: Approval to allow the Mayor and Clerk to sign the 2017-2019 Temporary Staffing Services provider contract with the lowest responsible bidder, Good Temps Temporary Staffing Services.

Listed in the order of low bidder to high bidder, proposals were received from the following:

Staffing, Inc., 1635 W. Sherman Boulevard, Norton Shores, MI 49441

Workforce, LLC, 5916 Harvey Street, Muskegon, MI 49444

Good Temps, 271 E. Apple Avenue, Muskegon, MI 49442

CEEP, 2104 Leahy Street, Muskegon Heights, MI 49444

Elwood Staffing, 234 North River Avenue, Suite A, Holland, MI 49424

Some bidders were not prepared to bid on the majority of the positions. Good Temps was the lowest responsible bidder able to meet our needs. Good Temps is fully prepared to handle all of the City's Temporary Staffing needs except the optional public safety positions of part-time police officer and firefighter.

FINANCIAL IMPACT: The 2017 project temporary staffing services cost is approximately $1,000,000.

BUDGET ACTION REQIRED: The 2017budget allows for the financial resources.

STAFF RECOMMENDATION: Staff recommends that the Temporary Staffing Services Contract be awarded to Good Temps Temporary Staffing Services as the lowest responsible bidder and allow the Mayor and Clerk to sign the contractual agreement.

Motion by Commissioner Johnson, second by Commissioner German, to award the Temporary Staffing Services Contract to Good Temps Temporary Staffing Services as the lowest responsible bidder and allow the Mayor and the Clerk to sign the contractual agreement

ROLL VOTE: Ayes: Gawron, Warren, German Rinsema-Sybenga, Turnquist, and Johnson

Nays: None

MOTION PASSES

2016-94 NEW BUSINESS:

A. <u>Appoint Representative to Recreation Authority Steering Committee</u> City Manager

SUMMARY OF REQUEST: To appoint a representative of the City of Muskegon to the Recreation Authority Steering Committee.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To make an appointment to the Recreation Authority Steering Committee.

Motion by Commissioner Warren, second by Commissioner Rinsema-Sybenga, to appoint Commissioner Ken Johnson to the Recreation Authority Steering Committee.

ROLL VOTE: Ayes: Warren, German Rinsema-Sybenga, Turnquist, and Gawron

Abstain: Johnson

Nays: None

MOTION PASSES

B. <u>Request to Create a new Neighborhood Enterprise Zone District at 285 W. Western Avenue</u> Planning & Economic Development

SUMMARY OF REQUEST: Pursuant to Public Act 147 of the Michigan Public Acts of 1992, the developer of the Highpoint Flats project has requested to create a new Neighborhood Enterprise Zone (NEZ) district for the parcel at 285 W. Western Avenue. Properties located in this NEZ district will be eligible to apply for the NEZ certificates, which will lower the residential property taxes on rehab construction. Notice letters were sent to the taxing jurisdictions on June 20 and a public hearing was held on June 28. State law requires that the resolution must be adopted at least 60 days after the notice letters were sent. This project will include 47 apartments units.

FINANCIAL IMPACT: No financial impact at this point. However, being in a district will allow them to apply for a rehab NEZ certificate, which will freeze the building at its pre-rehabilitated rate for 1 to 15 years.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Staff recommends approval of the new NEZ district.

Motion by Commissioner German, second by Commissioner Rinsema-Sybenga, to approve the new NEZ district.

ROLL VOTE: Ayes: Warren, German Rinsema-Sybenga, Turnquist, Johnson, and Gawron

Nays: None

MOTION PASSES

C. <u>Approval of Sale of City-Owned Home at 1477 Nolan</u> Community and Neighborhood Services

SUMMARY OF REQUEST: To approve the resolution and instruct the Community and Neighborhood Services department to complete the sales transaction with Rhonda K. Brower for the newly constructed home at 1477 Nolan Avenue for a purchase price of $125,000.

FINANCIAL IMPACT: The proceeds from the sale will be used to continue the rehabilitation of affordable homes through the HOME program and provide funding for our Homebuyer's Assistance Program.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To approve the resolution and direct the CNS staff to complete the sale.

Motion by Commissioner Rinsema-Sybenga, second by Commissioner German to approve the resolution and direct the CNS staff to complete the sale.

ROLL VOTE: Ayes: German Rinsema-Sybenga, Turnquist, Johnson, Gawron, and Warren

Nays: None

MOTION PASSES

D. <u>Professional Service Agreement (SAFE built)</u> Public Safety – REMOVED PER STAFF REQUEST

ADJOURNMENT: The City Commission Meeting adjourned at 6:08 p.m.

Respectfully Submitted,

Ann Marie Meisch, MMC, City Clerk