CITY OF MUSKEGON

CITY COMMISSION MEETING

DECEMBER 12, 2006

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, Michigan at 5:30 p.m., Tuesday, December 12, 2006.

Mayor Warmington opened the meeting with a prayer from Elder George Monroe from Evanston Avenue Baptist Church after which the Commission and public recited the Pledge of Allegiance to the Flag.

ROLL CALL FOR THE REGULAR COMMISSION MEETING:

Present: Mayor Stephen Warmington, Vice Mayor Stephen Gawron, Commissioner Clara Shepherd, Lawrence Spataro, Chris Carter, and Kevin Davis, City Manager Bryon Mazade, City Attorney John Schrier, and Acting City Clerk Linda Potter.

Absent: Commissioner Sue Wierengo (excused)

INTRODUCTIONS/PRESENTATION: Mayor Warmington presented Muskegon Catholic Central Crusaders Coach Mike Holmes with a Certificate of Recognition and sign in recognition of their 2006 Division 7 Football State Championship.

2006-99 CONSENT AGENDA:

A. Approval of Minutes. CITY CLERK

SUMMARY OF REQUEST: To approve the minutes of the Regular Commission Meeting that was held on Tuesday, November 28, 2006.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval of the minutes.

B. Resolution for Charitable Gaming License – Community Promotions Inc. CITY CLERK

SUMMARY OF REQUEST: Community Promotions Inc. is requesting a resolution recognizing them as a non-profit organization operating in the City for the purpose of obtaining a gaming license. They have been recognized as a 501(c)(3) organization by the State.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval

C. **Agreement for School Resource Officer – Muskegon Public Schools.** PUBLIC SAFETY

SUMMARY OF REQUEST: Police Department staff is requesting that the Commission approve an agreement between the City and the Muskegon Public Schools. The agreement provides for the continuance of a full-time School Resource Officer who is assigned to Muskegon High School. Muskegon Public Schools has agreed to pay one-half of the annual salary of the police officer position for a nine-month period. This agreement covers the period September 5, 2006 through June 8, 2007.

FINANCIAL IMPACT: This agreement will produce revenue in the amount of $18,747 for the period of the agreement.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval of the agreement.

D. **Waiver of City Ordinance 10-135 Removal of Materials.** PUBLIC SAFETY

SUMMARY OF REQUEST: Public Safety Division staff has received a request from Muskegon County to waive section 10-135 of the City Ordinances in regards to the demolition of the wastewater pump station at 634 Ottawa Avenue. This ordinance requires the removal of all materials, including below grade, from demolition sites within the City. Due to the unique construction of this old facility such removal and recovery would cost the County approximately $1,000,000. The recovery plan, as detailed by the engineering firm of Prein and Newhof, has been reviewed by our City Engineer and it meets with his approval.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval of the waiver.

E. **FIRST READING: Amend City Ordinance 10-135 Removal of Materials.** PUBLIC SAFETY

SUMMARY OF REQUEST: On occasion each year Public Safety Division staff is asked to waive the portion of the ordinance that addresses the removal of below grade materials. This is generally associated with a project where the removal is extremely costly and where acceptable options are available.

In order to streamline this process, staff is asking the Commission to amend

Section 10-135 of the Code of Ordinances regarding the removal of materials during demolition. The amendment would allow the City Manager to waive all or part of the ordinance regarding the removal of below grade materials. Such waiver requests would include a review by the City Engineer.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval of the amended language.

(REQUIRES SECOND READING)

F. **Approval of a Neighborhood Enterprise Zone Certificate – 291 Houston Avenue.** PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: An application for a Neighborhood Enterprise Zone certificate has been received from Valentino Ledesma to rehabilitate a home in the Nelson neighborhood at 291 Houston Avenue. The home is located in a Neighborhood Enterprise Zone. The application states that the estimated cost for rehabilitation will be $20,300. The rehab will consist of replacing windows, repair/replace roof, construct new foundation under rear of home, replace flooring, and replace electrical as needed. The applicant has met local and state requirements for the issuance of the Neighborhood Enterprise Zone 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 six years.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approve issuance of the Neighborhood Enterprise Zone certificate.

G. **Engineering Services Agreement for Traffic Signals at Marquette & Harvey/Broadmore.** ENGINEERING

SUMMARY OF REQUEST: Authorize staff to enter into an engineering services agreement with Wade Trim Inc. out of Grand Rapids to design and prepare special provisions for a new traffic signal at the intersections of Marquette with Harvey & Broadmore.

FINANCIAL IMPACT: $8,400 for the design and specifications.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Authorize staff to enter into an agreement with Wade Trim Inc.

H. **Acceptance of Western Avenue between Third and Terrace into the City's Street System.** ENGINEERING

SUMMARY OF REQUEST: Adopt the resolution, including exhibit A (descriptions), accepting Western Avenue between Third Street & Terrace into the City's street system. Western Avenue was constructed as part of the former Mall area development and opened to traffic on the 29th of November, 2006.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Adopt the resolution.

I. <u>Accounting Services Contract.</u> FINANCE

SUMMARY OF REQUEST: Since 1997, the City has contracted for certain routine monthly accounting services. This was done to replace a full-time position lost to retirement that year. The contractual arrangement has worked very well for the City with the quality of work improving and annual costs for the services steadily trending downward.

Since inception, the contract has been with Hoffman, Steensma, Plamondon a local accounting firm that formerly served as the City's independent auditor. Recently we were notified that the young lady who has been handling the City's work for the last six years was leaving Hoffman, Steensma, Plamondon to go to work for Dobb Accounting.

We believe it is in the City's interest to terminate the present agreement with Hoffman, Steensma, Plamondon and enter into a new agreement with Dobb. Doing so will ensure continuity (particularly at the critical year-end time) and provide further savings as we have tentatively agreed to an hourly rate of $30.00, a decrease from the current $42.00/hour rate. We have discussed this with Hoffman, Steensma, Plamondon and they are understanding of our needs.

FINANCIAL IMPACT: Annual savings of approximately $3,600 for accounting services work.

BUDGET ACTION REQUIRED: The 2006 budget includes adequate funding for these services. Future budgets will incorporate the proposed rates.

STAFF RECOMMENDATION: Approval of the agreement for accounting services with Dobb Accounting & Tax Service.

Motion by Vice Mayor Gawron, second by Commissioner Carter to accept the Consent Agenda as presented.

ROLL VOTE: Ayes: Shepherd, Spataro, Warmington, Carter, Davis, and Gawron

Nays: None

MOTION PASSES

2006-100 NEW BUSINESS:

A. <u>City Attorney Contract.</u> CITY MANAGER

SUMMARY OF REQUEST: To renew the City Attorney Contract with Parmenter O'Toole for the next four years (2007-2010).

FINANCIAL IMPACT: 2007 - $110/hour

2008 - $115/hour

2009 - $120/hour

2010 - $125/hour

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To approve the contract renewal and authorize the Mayor and Clerk to execute the documents.

Motion by Commissioner Carter, second by Commissioner Davis to approve the City Attorney contract for the next four years.

ROLL VOTE: Ayes: Spataro, Warmington, Carter, Davis, Gawron, and Shepherd

Nays: None

MOTION PASSES

B. <u>Amendments to 2006 Budget.</u> FINANCE

SUMMARY OF REQUEST: Adoption of year-end amendments (provided under separate cover) to the City's 2006 Budget to assure compliance with the State *Uniform Budget Act.* This act requires that budgets for "governmental-type" funds (i.e. general fund and special revenue funds) be amended so that expenditures are not reported in the City's audit as exceeding legal appropriations. In the past, we have typically waited for the flurry of year-end activity (accruals for revenue, payables, payroll, etc.) to subside and then prepared final amendments in January. Our auditors have informed us that the state is now requiring that final budget amendments (as reported in the annual CAFR) be formally adopted by the governing body prior to the end of the fiscal year (December 31). As there will only be one meeting in December, it is necessary to prepare final 2006 budget amendments for the General and Special Revenue funds at this time.

FINANCIAL IMPACT: These budget amendments establish the final 2006 authorized revenue estimates and spending limits for the various City departments and funds.

BUDGET ACTION REQUIRED: Self-explanatory

STAFF RECOMMENDATION: Approval

Motion by Commissioner Spataro, second by Commissioner Carter to approve the amendment to the 2006 Budget.

ROLL VOTE: Ayes: Warmington, Carter, Davis, Gawron, Shepherd, and Spataro

Nays: None

MOTION PASSES

C. <u>2007 User Fee Update.</u> 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. New fees and fee changes proposed for 2007 are highlighted on the spreadsheet included with the resolution and include the following:

- Introduction of a new Inspection Services fee for telecommunications outlets to comply with state regulations;
- Increases in some Marina fee categories;
- Increases in some Sanitation fee categories;
- New fees for sewer line installations to make them consistent with water line fees;
- Increase in fee to coordinate weddings at McGraft Park (lagoon)

In addition, the city's housing inspection program fee structure is undergoing a major overhaul. However, specific fee recommendations are not ready at this time and will be brought to you at a later date.

FINANCIAL IMPACT: Increased revenue for fee supported activities.

BUDGET ACTION REQUIRED: None at this time. Adoption of the 2007 Master Fee Resolution will help the City attain its 2007 budgeted revenue estimates.

STAFF RECOMMENDATION: Approval

Motion by Commissioner Spataro, second by Vice Mayor Gawron to approve the 2007 User Fee Updates.

ROLL VOTE: Ayes: Carter, Davis, Gawron, Shepherd, Spataro, and Warmington

Nays: None

MOTION PASSES

D. <u>2007 Salary Schedule and Fringe Benefits for Non-Represented Employees and the 2007 Salary Schedule for Part-Time and Limited-Term Employees.</u> CITY MANAGER

SUMMARY OF REQUEST:

1) To establish the 2007 salary ranges for part-time and limited-term employees;
2) To approve and adopt the proposed salary ranges and salary schedules for the non-represented administrative, technical, professional, and

supervisory employees for 2007 (2.0% increase);

3) Change the major medical cap so it is always the same as the highest union amount.

FINANCIAL IMPACT:

1) Minimal. There are minor changes to steps and pay grades.
2) The salary increases will cost approximately $50,600 plus approximately $12,650 in added fringe benefit costs.
3) Minimal additional cost.

BUDGET ACTION REQUIRED: To authorize the necessary 2007 budgetary amendments and transfer of money from the affected City funds (Contingency Account for General Fund) to the appropriate salary and fringe benefit accounts to accommodate the salary increases and fringe benefit adjustments.

STAFF RECOMMENDATION:

1) To approve the proposed 2007 salary ranges for part-time and limited-term employees;
2) To approve and adopt the proposed 2007 salary ranges, salary schedules, and fringe benefit changes for non-represented employees;
3) To approve the procedure for adjusting the major medical cap.

Motion by Commissioner Spataro, second by Commissioner Carter to adopt the 2007 Salary Schedule and Fringe Benefits for Non-Represented Employees and the 2007 Salary Schedule for Part-Time and Limited-Term Employees.

ROLL VOTE: Ayes: Davis, Gawron, Shepherd, Spataro, Warmington, and Carter

Nays: None

MOTION PASSES

E. <u>Approval of Contract for Payments in Lieu of Taxes (PILOT) for Renaissance Place.</u> PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: A Contract providing for a PILOT for a proposed senior housing development known as Renaissance Place LDHA LP, has been requested in accordance with Section 2-6 of the City Code of Ordinances. The property is located at 552 & 570 W. Clay Avenue. The applicant, Mr. Karl Chew, is planning to develop 23 senior citizen units, and one market rate unit (total of 24 units). The Commission and staff have requested that Mr. Chew increase the number of market rate apartments in the development, but Mr. Chew has declined to make adjustments, citing financial reasons.

FINANCIAL IMPACT: Payments under the contract are proposed at ten percent (10%). However, the first 1-6 years no taxes will be paid as the property is within a Renaissance Zone. The payments will be made between years 7-15.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: The desire for additional market rate units remains. If the developer is unwilling to make any further adjustments, the Commission can either deny or approve the Contract. If the Commission approves the Contract, the Mayor and Clerk should be authorized to execute the Contract on behalf of the City.

Motion by Commissioner Carter, second by Commissioner Shepherd to table the approval of the contract for Payments in Lieu of Taxes for Renaissance Place until the first meeting in January, 2007.

ROLL VOTE: Ayes: Shepherd, Warmington, Carter, and Davis

Nays: Gawron and Spataro

MOTION PASSES

ADJOURNMENT: The City Commission Meeting adjourned at 6:07 p.m.

Respectfully submitted,

Linda Potter, CMC
Acting City Clerk