

CITY OF MUSKEGON

CITY COMMISSION MEETING

DECEMBER 11, 2018 @ 5:30 P.M.

**MUSKEGON CITY COMMISSION CHAMBERS
933 TERRACE STREET, MUSKEGON, MI 49440**

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, December 11, 2018. Pastor Leroy Lockhart, New Birth Ministries, 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, Byron Turnquist, Debra Warren, Willie German, Jr., and Dan Rinsema-Sybenga, City Manager Frank Peterson, City Attorney John Schrier, and City Clerk Ann Meisch.

Absent: Vice Mayor Eric Hood and Commissioner Willie German, Jr.

HONORS AND AWARDS:

A. Recognition of Max McKee (Mart Dock), for Sponsorship and Participation in Youth Building Programs

The Mayor and City Commission recognized and thanked Max McKee (Mart Dock) for sponsorship and participation in numerous area youth activities and youth/police relationship building activities.

B. Recognition of LLS, Inc. (McDonald's) Continuing Participation in the "Good Buddy Bucks" Program

The Mayor and City Commission recognized and thanked LLS Inc., for its participation in the seventh year of the successful "Good Buddy Bucks" program which rewards youth for displaying "Good Character" and allows youth to positively interact with law enforcement.

2018- 88 CONSENT AGENDA:

A. Approval of Minutes City Clerk

SUMMARY OF REQUEST: To approve minutes of the November 27, 2018 Regular Meeting.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the minutes.

B. Televising of Commission Meetings City Clerk

SUMMARY OF REQUEST: The necessary upgrades have finally been made to our equipment allowing us to, once again, broadcast our City Commission meetings on our Government Channel. We received proposals from two sources with the ability to provide this service. We are recommending Andy O'Riley be retained to film our City Commission meetings live on television and Facebook.

FINANCIAL IMPACT: \$350 per meeting and up to \$2,500 for additional needed equipment.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To allow staff and attorney to create an agreement approving Andy O'Riley to broadcast City Commission meetings on our Government Access Channel.

C. Adopt a Resolution Approving the Liquor License Application for Western Michigan Rum Company, LLC City Clerk

SUMMARY OF REQUEST: To adopt a resolution approving the request for a Liquor License for West Michigan Rum Company, LLC to be licensed as a Small Distiller.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Adopt a resolution approving the request, contingent upon approval from the Police Department.

D. Amendment to PILOT Ordinance Planning & Economic Development

~SECOND READING REQUIRED~

SUMMARY OF REQUEST: To amend Section 82-51 of the City Code of Ordinances to reduce the service charge to be paid in lieu of taxes from a 3% minimum to a 2% minimum. The new essential service fees that the City has been including in development agreements will allow the City to collect more revenue.

FINANCIAL IMPACT: The City will gain more through essential services fees than from service charges.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the amended ordinance.

E. Second Amendment to Contract for Housing Exemption – Nelson Place

Planning & Economic Development

SUMMARY OF REQUEST: The City granted a PILOT to the developer on March 26, 1996 and executed the first amendment to the Contract for Housing Exemption on March 11, 2014. The developer has now decided to refinance the building and this amendment is necessary to insure the continued operation of the project. The current PILOT, which expires in 2029, mandates that the developer pay 4% of the total of the contract rents to the City. The developer is requesting to extend the PILOT until 2036. The developer has agreed to amend the PILOT to pay 2% of the total of the contract rents and a 2% essential services fee from now until 2029 and then 2% of the total of the contract rents and a 4% essential services fee from 2030 until 2036.

FINANCIAL IMPACT: The City will gain more through essential services fees than from service charges.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the second amendment to the contract for housing exemption and development agreement.

F. 2019 Salary Schedule and Fringe Benefits for Non-Represented Employees City Manager

SUMMARY OF REQUEST: To approve and adopt the proposed salary ranges and salary ranges and salary schedules for the non-represented administrative, technical, professional, and supervisory employees for 2019 as follows:

Increase base wages by 1.50%

Increase Residency Incentive by 1.00% (to a total of 4% effective 1/1/19)

Increase Employer 457 Match from \$77 per pay period to \$115 per pay period.

FINANCIAL IMPACT: The changes will cost approximately \$38,436 for FY 2018-19.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve and adopt the proposed salary schedules for non-represented employees for 2019.

G. Towing Contract Public Safety

SUMMARY OF REQUEST: Proposals have been accepted for the towing contract with the City of Muskegon. This contract will go into effect on January 14, 2019. Proposals were submitted by the following companies:

1. Eagle Towing, 2844 S Mill Iron Road, Muskegon, MI
2. Ramos Towing, 710 Alberta, Muskegon, MI
3. Reliable Towing Services, Inc, 1288 Ninth Street, Muskegon, MI

All bids have been reviewed in their entirety for services offered. The City of Muskegon has determined the towing bid will be awarded to Ramos Towing.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: The Director of Public Safety recommends the Commission consider selecting Ramos Towing Services for a three year towing contract to provide needed towing services listed in the contract.

H. Approval of Sale: City-Owned Home at 1025 E Forest Community & Neighborhood Services

SUMMARY OF REQUEST: To approve the resolution and instruct the Community and Neighborhood Services department to complete the sales transaction with Breann Crandall for the rehabilitated home at 1025 E. Forest Avenue: purchase price \$71,000.

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.

I. Purchase Agreement – 880 First Street City Manager

SUMMARY OF REQUEST: City staff is seeking permission to extend the purchase agreement with Core Development for 60 additional days. The purchase agreement would expire January 31, 2019.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None at this time.

STAFF RECOMMENDATION: To authorize the city manager to sign a 60 day extension to the existing purchase agreement for 880 First Street.

J. Request to Deny & Accept Properties that did not Sell During the Tax Sale for 2018 Planning & Economic Development

SUMMARY OF REQUEST: The County of Muskegon held two delinquent tax auctions during 2018. There were forty-four 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, the City Manager, 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.

K. Parking Restrictions December 1 – March 1 – SECOND READING

Public

Safety

SUMMARY OF REQUEST: The Director of Public Safety requests that the Commission approve the changes for Chapter 92, LO7 and LO9 of the ordinance regarding the seasonal parking plan, December 1st, through March 1st.

1. (LO7) Along or on any unpaved parkway, except where the same is used for a driveway to enter private or public property. Parking on the terrace (i.e., the area between the property line and the street) is permitted from December 1 through March 1 on those streets having allowed parking on only one side of the street and within the "downtown business areas" as defined below:

2. (LO9) From December 1 through March 1 of each year where parking is currently allowed on both sides of the street, on street parking is modified as follows:

a) Parking is allowed on the side of the street with even numbered addresses on even numbered calendar days between the hours of 7:00 a.m. and 5:00 p.m.

b) Parking is allowed on the side of the street with odd numbered addresses on odd numbered calendar days between the hours of 7:00 a.m. and 5:00 p.m.

c) Parking is allowed on both sides of the street all days between the hours of 5:00 p.m. and 7:00 a.m.

Where parking is currently allowed on one side of the street only, parking is allowed except between the hours of 2:00 a.m. and 6:00 a.m.

In the downtown business areas

a) Bounded by Shoreline Drive heading easterly from Seventh Street to Spring Street, heading southerly on Spring Street from Shoreline Drive to Apple Avenue, heading westerly on Apple Avenue from Spring Street to First Avenue, heading northerly on First Street from Apple Avenue to Muskegon Avenue, heading westerly on Muskegon Avenue from First Street to Seventh Street, and heading northerly on Seventh Street from Muskegon Avenue to Shoreline Drive; and

b) On Third Street from Merrill Avenue to Muskegon Avenue

Parking is allowed except between the hours of 2:00 a.m. and 6:00 a.m.

All signed parking restrictions apply all days of the week.

This section applies to every portion of every block of every city street.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Staff recommends approval of the Parking Restrictions changes to the Code of Ordinances.

L. Parking Ordinance Amendment Change – LO7 Public Safety

SUMMARY OF REQUEST: The Director of Public Safety requests that the Commission authorize the approval of the changes for 92, LO7 to read as follows:

(LO7) Along or on any unpaved parkway, except where the same is used for a driveway to enter private or public property. Parking on the terrace (i.e., the area between the property line and the street) is permitted from December 1 through March 1 on those streets having allowed parking on only one side of the street, but not on the paved portion of the terrace.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Staff recommends approval of the Parking Ordinance change.

M. Parking Ordinance Amendment Change – LO9 Public Safety

SUMMARY OF REQUEST: The Director of Public Safety requests that the Commission authorize the approval of the changes for Chapter 92, LO9 to further expand the downtown business area to extend to Ninth Street between Muskegon and Western.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Staff recommends approval of the Parking Ordinance change.

N. Drinking Water Revolving Fund (DWRF) Project Plan Development DPW

SUMMARY OF REQUEST: Authorize staff to enter into an engineering services agreement with Prein & Newhof Engineering to develop a Drinking Water Revolving Fund Project Plan. The value of the agreement shall not exceed \$15,500.00.

Requests for Proposals were solicited for this contract with Prein & Newhof and Johnson & Anderson submitting proposals. Both proposals were reviewed by staff and the Prein & Newhof proposal is recommended.

Prein & Newhof.....\$15,500.00
Johnson & Anderson.....\$20,200.00

FINANCIAL IMPACT: \$15,500.00

BUDGET ACTION REQUIRED: None, this will be addressed during a future reforecasting.

STAFF RECOMMENDATION: Authorize staff to enter into an engineering services agreement with Prein & Newhof.

O. Community Relations Committee Appointment Recommendations City Clerk

SUMMARY OF REQUEST: To accept reappointments of Clyde Whitehouse, John Riegler, and Gary Post to the Business Improvement District.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To concur with the recommendations of the Community Relations Committee and approve the reappointments.

Motion by Commissioner Johnson, second by Commissioner Warren, to approve the consent agenda as presented.

**ROLL VOTE: Ayes: Rinsema-Sybenga, Turnquist, Johnson, Gawron, and Warren
Nays: None**

MOTION PASSES

2018-89 PUBLIC HEARINGS:

A. Public Hearing – Amendment to the Downtown Development Plan and Tax Increment Finance Plan of the City of Muskegon Planning & Economic Development

SUMMARY OF REQUEST: To hold a public hearing and approve the amendment to the Downtown Development Plan and Tax Increment Finance Plan, which includes adding certain parcels into the plan.

FINANCIAL IMPACT: It is anticipated that the Downtown Development Authority will capture increased values with future development.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To approve the plan amendments.

COMMITTEE RECOMMENDATION: The Downtown Development Authority unanimously approved the plan amendments at their October 30 meeting.

PUBLIC HEARING COMMENCED:

No public comments were received.

Motion by Commissioner Rinsema-Sybenga, second by Commissioner Johnson, to close the public hearing and approve the plan amendments.

**ROLL VOTE: Ayes: Turnquist, Johnson, Gawron, Warren, and Rinsema-Sybenga
Nays: None**

MOTION PASSES

2018-90 NEW BUSINESS:

A. LC Walker Arena Improvements City Manager

SUMMARY OF REQUEST: As a continuation of the revitalization of the LC Walker Arena, staff is recommending a number of additional capital repairs, which have been deferred for a number of years. These improvements are expected to be funded partially by the City's Public Improvement Fund and partially by the Downtown Development Authority. The projects are as follows:

Restroom Renovation and Relocation

Roof Replacement

Dehumidification System Replacement

Heating System Replacement

Staff is seeking authorization at this time to accept the bids only for roof replacement and dehumidification system replacement, as these items are time sensitive:

Roof Replacement: Certified Building Solutions: \$1,051,413

Dehumidification System Replacement: Hurst Mechanical: \$551,763

FINANCIAL IMPACT: The projects will begin later this winter. Prior to commencement of the project, staff will work to secure short-term financing (7-10 years) for these improvements as well as the Heating System Replacement.

BUDGET ACTION REQUIRED: This will be accounted for in the 3rd Quarter Reforecast, once financing costs are determined.

STAFF RECOMMENDATION: To authorize the city manager to enter into agreements with Certified Building Solutions at an amount not to exceed \$1,051,413 and Hurst Mechanical at an amount not to exceed \$551,763.

Motion by Commissioner Turnquist, second by Commissioner Johnson, to authorize the city manager to enter into agreements with Certified Building Solutions at an amount not to exceed \$1,051,413 and Hurst Mechanical at an amount not to exceed \$551,763.

ROLL VOTE: Ayes: Johnson, Gawron, Warren, Rinsema-Sybenga, and Turnquist
Nays: None

MOTION PASSES

B. First Quarter 2018-19 Budget Reforecast Finance Director

SUMMARY OF REQUEST: At this time staff is transmitting the First Quarter 2018-19 Budget Reforecast which outlines proposed changes to the budget that have come about as result of changes in revenue projects, policy priorities, labor contracts, updated economic conditions, or other factors.

FINANCIAL IMPACT: A summary of first quarter proposed adjustments to the budget are as follows:

- General Fund revenues are reforecast to be \$108,000 lower than the original budget, largely due to lower projections for building permit revenue. The permit revenues are projected to be down \$200,000 for several reasons including Mercy Health paying upfront and several commercial and multi housing projects that are progressing slower than expected to get to the building stage.
- General Fund expenditures are reforecast to be \$244,949 higher than the original budget. The increases were mostly due to several capital items coming in higher than originally budgeted. We realized we needed to budget more for the Street Light conversion project to have it completed in the five year timeline and the resurfacing for the McGraft Park parking lot came in substantially higher than projected.
- There were some refinements to the Capital Projects budget resulting in an overall net increase of \$1,119,000. These are mostly in the Water and Street Funds based on higher than projected project costs for Lakeshore Drive.

BUDGET ACTION REQUIRED: City Commission approval of this reforecast will formally amend the City's 2018-19 budget.

STAFF RECOMMENDATION: Approval.

Motion by Commissioner Warren, second by Commissioner Rinsema-Sybenga, to approve the first quarter reforecast, formally amending the City's 2018-19 budget.

ROLL VOTE: Ayes: Johnson, Gawron, Warren, Rinsema-Sybenga, and Turnquist
Nays: None

MOTION PASSES

C. Local 370, Muskegon Firefighters 2019-2023 Contract City Manager

SUMMARY OF REQUEST: Staff has come to terms on a new five-year contract with Local 370, Muskegon Firefighters Union. The agreement will take effect January 1, 2019. The contract contains similar wage adjustments and benefit changes previously negotiated with other bargaining units. There are also a number of significant changes to the operating structure of the department.

FINANCIAL IMPACT: Long-Term Cost reductions in excess of \$1 Million annually.

BUDGET ACTION REQUIRED: None at this time.

STAFF RECOMMENDATION: To approve the tentative agreement as presented and authorize the Mayor and Clerk to sign the new contract with Local 370.

PUBLIC PARTICIPATION: Public comments were received.

ADJOURNMENT: The City Commission adjourned at 6:20 p.m.

Respectfully Submitted,

Ann Marie Meisch, MMC – City Clerk