# CITY OF MUSKEGON

## CITY COMMISSION MEETING

### DECEMBER 10, 2019 @ 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 10, 2019, Mayor Stephen Gawron, opened the meeting with a blessing, 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 Byron Turnquist, Ken Johnson, Debra Warren, Dan Rinsema-Sybenga, and Willie German, Jr., City Manager Frank Peterson, City Attorney John Schrier, and City Clerk Ann Meisch.

Absent: Vice Mayor Eric Hood

**HONORS AND AWARDS:**

**A. Recognition of LLS, Inc – Good Buddy Bucks Program**

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

**B. Recognition of Max McKee/Mart Dock for Sponsorship and Participation in Youth Activities**

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

**C. Firearm Activity Information Presentation** Public Safety

Public Safety Director Chief Jeffrey Lewis, Captain Shawn Bride, and Sergeant Jeff Felinski gave a presentation to the Mayor, City Commission, and the public entitled *Intelligence-Led Policing & Community Relations – A Comprehensive Strategy for Reducing Gun Violence.*

**PUBLIC COMMENT ON AGENDA ITEMS:** Comments were received from the public.

**2019-95 CONSENT AGENDA:**

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

SUMMARY OF REQUEST: To approve the minutes of the November 26, 2019 regular meeting.

STAFF RECOMMENDATION: To approve the minutes.

**B. <u>Transmittal of June 30, 2019 Comprehensive Annual Financial Report</u>** Finance

SUMMARY OF REQUEST: The City's June 30, 2019 Comprehensive Annual Financial Report (CAFR) will be distributed to the City Commissioner via email and hard copy. The CAFR is also be available on the City's website. The CAFR includes the annual independent auditor's report as required by state law. At this time the CAFT is being formally transmitted to the City Commission. The CAFR has been prepared in accordance with all current Governmental Accounting Standards Board pronouncements and also includes the single audit of federal grants received by the City.

STAFF RECOMMENDATION: To accept the June 30, 2019 Comprehensive Annual Financial Report and authorize staff to transmit the CAFR to appropriate federal, state, and private agencies.

https://www.muskegon-mi.gov/cresources/2019%20CAFR%20Web%20Version.pdf

**C. <u>Equipment Replacement</u>** DPW/Equipment Division

SUMMARY OF REQUEST: The Equipment Division is requesting permission to purchase one International 2021 HV607 Cab and Chassis from West Michigan International, the Mi Deal State contract holder. We are also asking permission for Terex Utilities to build and assemble the aerial boom and body of the truck. The amount requested is $179,509.80.

STAFF RECOMMENDATION: Authorize staff to move forward with the purchase.

**D. <u>MDOT Agreement – Lakeshore Drive at Beach Street</u>** Public Works

SUMMARY OF REQUEST: Staff is requesting approval of the contact with MDOT for the construction of the round-a-bout at Lakeshore Drive and Beach Street and approval of the resolution authorizing the Mayor and Clerk to sign the contract.

This is the standard contract governing projects that are constructed using federal funds through MDOT. The estimated cost for the project construction is $274,800 with $250,000 of that being eligible for reimbursement with federal funds through the Congest, Mitigation and Air Quality (CMAQ) program.

STAFF RECOMMENDATION: Approve the contract and resolution and authorize the Mayor and Clerk to sign both.

**E. <u>Coastal Zone Grant Application</u>** Public Works

SUMMARY OF REQUEST: Staff is requesting Commission approval to apply for a Coastal Zone Grant through the Michigan Department of Environment, Great Lakes and Energy (MDEGLE) and approval of the resolution.

Staff is working towards the submittal of a grant application to the MDEGLE for a Coastal Zone Grant. The focus of the grant application will be based on providing the city with a management plan for the 10+ miles of coastline on Lake Michigan and Muskegon Lake that can be incorporated into the City's master Plan to guide decision about projects that fall along the coastline. The grant is also intended to help identify best practices for mitigating damage from flooding and erosion. Grans provide a 50/50 match and applications are due December $20^{th}$.

FINANCIAL IMPACT: $15,000 + In-Kind Services

STAFF RECOMMENDATION: Authorize staff to apply for the coastal zone grant and approve the resolution of support.

**G. <u>Approval of Lead Abatement Contract for 602 Ada</u>**
Community & Neighborhood Services

SUMMARY OF REQUEST: To award the Building Contract for the lead abatement of 602 Ada to Badgerows Building and Remodeling for the City of Muskegon's Homebuyers Program through Community and Neighborhood Services.

The Lead Abatement Contract for 602 ADA received two bids. Community and Neighborhood Services would like to award the contract to Badgerows Building and Remodeling for $39,925.

- Nassau Construction - $39,950 (Incomplete bid received)
- Badgerows Building and Remodeling - $39,925

STAFF RECOMMENDATION: To award Badgrerows building and Remodeling the lead abatement contract for 602 Ada in the amount of $39,925 for the Community and Neighborhood Services Office.

**H. <u>Approval of Rehab Contract for 602 Ada</u>**
Community & Neighborhood Services

SUMMARY OF REQUEST: To award the Building Contract for the rehabilitation of 602 Ada to Custom Exteriors for the City of Muskegon's Homebuyers Program through Community and Neighborhood Services.

The Rehabilitation Contract for 602 Ada received three bids. Community and

Neighborhood Services would like to award the contract to Custom Exteriors for $82,560. The following bids include roof/alternative bids.

- Nassau Construction - $80,135
- Badgerows Building and Remodel - $87,049 (excludes plumbing, electrical, and mechanical costs)
- Custom Exteriors - $82,560

STAFF RECOMMENDATION: To award Custom Exteriors the rehabilitation contract for 602 Ada in the amount of $82,560 for the Community and Neighborhood Services Office.

**I. Approval of Rehab Contract for 567 Leonard**
Community & Neighborhood Services

SUMMARY OF REQUEST: To award the Building Contract for the rehabilitation of 567 Leonard to Badgerows Building and Remodeling for the City of Muskegon's Homebuyers Program through Community and Neighborhood Services.

The Rehabilitation Contract for 567 Leonard has be bid twice, with no bidders*. Since the property has been owned by the City for ten months, CNS sought out a contractor to finish the rehab project. Badgerows Building and Remodeling has given a price of $47,850.00 – excluding the Plumbing, Electrical, and Mechanical costs, which are as follows:

- Shield Plumbing - $7,230.00
- Jewett Heating and Cooling - $6,200.00
- Belasco Electric - $10,663.00

*The only other bid received was from an ineligible contractor

STAFF RECOMMENDATION: To award Badgerows Building and Remodeling the rehabilitation contract for 567 Leonard in the amount of $47,850.00 (($71,943 including plumbing, mechanical, and electrical), for the Community and Neighborhood Services Office.

**K. Revocation of Alley Vacation Resolutions** Planning

SUMMARY OF REQUEST: Request to rescind the resolution that vacated the alley behind the MATS bus station and the proposed Leonard Building that fronts Western Avenue.

STAFF RECOMMENDATION: To adopt the resolution rescinding the resolution that vacated the alley behind the MATS bus station and the proposed Leonard Building that fronts Western Avenue.

**M. Arena Restrooms – Phase 2** City Manager

SUMMARY OF REQUEST: Staff is seeking approval of the proposal from Platinum Construction to renovate the two remaining public restrooms in the arena.

The construction of the two new restrooms along the concourse is now complete. Platinum provided the lowest qualified bid for that work earlier this Fall. They complete the work on-time and on-budget. In the time since the onset of the original restroom construction project, it has become clear that a number of major repairs/improvements are needed in the other existing restrooms (much of the plumbing is original to the building). Additionally, we remain under code requirements for female toilets. The timing for those repairs is very good from a project sequencing standpoint, as we still have the Western Avenue restrooms in place (demolition will occur starting in March) and Platinum is still on site finishing their punch list. Staff asked Platinum to extend their pricing from the first phase to the second phase. Staff is satisfied that they have done so, and expects that the best value for the project will come from awarding the renovation of the second phase of restroom work to Platinum as well. The price is slightly higher because additional work will be required in the locker rooms below the restroom – but will result in much-needed improvements to locker room lighting and aesthetics, and will make future restroom renovations easier because plumbing will be more accessible.

STAFF RECOMMENDATION: Authorize the City Manager to accept the proposal of $266,173.69 from Platinum Contracting Group, and authorize a contingency budget of $14,826.31 (5.5%)

**N. <u>Community Relations Committee Recommendations</u>** Clerk

SUMMARY OF REQUEST: To accept the addition, resignations, removals and appointments for various Community Relations Committees.

- Addition of two positions to the Lakeside Business Improvement District
- Resignation of Doug Pollock and Gary Post from the downtown Business Improvement District and Poppy Sias-Hernandez from the Community Development Block Grant/Citizen's District Council
- Removals of Dian Murray-McKinley and Destinee Keener from the Equal Opportunity Committee
- Appointments of Ron Jenkins and Allen Serio to the Lakeside Business Improvement District; Kim Martens to the Farmers Market Advisory Board, Bruce Lindstrom and Bob Tarrant reappointed to the downtown Business Improvement District

STAFF RECOMMENDATION: To concur with the recommendations of the Community Relations Committee and approve the additions, resignations, removals, and appointments.

**Commissioner Rinsema-Sybenga disclosed the fact that his wife works for Community enCompass, an organization that is a party in a consent agenda item above.**

**Motion by Commissioner Warren, second by Commissioner Johnson, to accept the consent agenda as presented, except items F, J, and L.**

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

**Nays: None**

***MOTION PASSES***

**2019-96 ITEMS REMOVED FROM CONSENT AGENDA:**

**F. <u>Allocation of Expected Muskegon County Senior Millage Additional Funds</u>**
Community & Neighborhood Services

SUMMARY OF REQUEST: To approve allocations for $85,546 of Muskegon County Senior Millage funds. This funding is specific to our Senior Citizens, age 60 and older, to coordinate and provide services, programs, and/or activities in our jurisdiction.

Planning Division is asking for Commission approval to fund the following programs:

**The Power of Produce** for Senior Citizens on Tuesdays at the Farmers market. The Fruitport Lions and the Shoreline Branch of the Lions manage the program to reimburse Farmers through a token-reimbursement system. The Clerk's Office is asking for funds to extend the program period into the fall season. - **$5,000**

**Department of Public Works** has been replacing water lines in the city. For every replacement ($6,000), these allocated dollars will cover ½ of the cost for a senior citizen, age 60 or above. The Water Department will use these funds to offset their annual cost of water lines replaced in our city. - **$35,000**

**Muskegon County Senior Millage Major Home Repair** program through the Community and Neighborhood Services Department is currently closed. This Major repair program will allow for us to serve our citizens who live in housing that is substandard – a threat to safety, health and live. The need has been greater than our budget. We will utilize these funds to stretch our CDBG funding of Priority Housing repairs to cover us until we receive our 2020 allocations from HUD. - **$42,046**

**Muskegon Senior Housing Assistance** is a newly framed program to offer Seniors (60 or older) rental deposits if moving into any of our four senior high-rise locations: Jefferson Tower, Hartford Terrace, Bayview Towers, or Berkshire. These deposits are to be kept in-house for other seniors who do not have an adequate deposit to move in. - **$3,000**

STAFF RECOMMENDATION: To accept and allocation additional Muskegon County Senior Millage award for 2020.

**Motion by Commissioner German, second by Commissioner Rinsema-Sybenga, to accept and allocate the additional Muskegon County Senior Millage award for 2020.**

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

**Nays: None**

***MOTION PASSES***

**J. <u>Approval of Neighborhood Enterprise Zone Certificate for 1245 5th Street</u>** Planning

SUMMARY OF REQUEST: Community encompass has requested the issuance of a Neighborhood Enterprise Zone Certificate for the newly constructed home at 1245 5th Street. The estimated cost of the new home is $177,000.

STAFF RECOMMENDATION: Approve the NEZ Certificate for 1245 5th Street.

**Motion by Commissioner German, second by Commissioner Johnson, to approve the NEZ Certificate for 1245 5th Street.**

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

**Nays: None**

***MOTION PASSES***

**L. <u>Non-Union Pay Benefits</u>** City Manager

SUMMARY OF REQUEST: Staff is seeking approval of the 2020 Non-Union Employee Wage and Benefit Program.

The following changes are proposed:

1. Cost of living adjustment of 1.9%
2. Increase in employee residency incentive from 4% to 4.5%
3. Increase in employer contribution to retirement for non-pension employees from 6% to 9%
4. One-time bonus for employees: 0-10 years ($250); 11-20 years ($500); 21+ years ($750)

The additional cost for the fiscal year will be $87,830. No budget amendment will be necessary.

STAFF RECOMMENDATION: Approve the 2020 non-union Employee Wage and Benefit Program.

**Motion by Commissioner Johnson, second by Commissioner German, to approve the 2020 Non-Union Employee Wage and Benefit Program.**

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

**Nays: None**

***MOTION PASSES***

**2019-97 PUBLIC HEARINGS:**

**A. Public Hearing on the Docks Brownfield Plan, 1490 Edgewater** Economic Development

SUMMARY OF REQUEST: To hold a public hearing on the request for a Brownfield Plan Amendment for The Docks, 1490 Edgewater for Damfino Development LLC and to consider the resolution.

Damfino Development proposes a local-only tax capture brownfield plan for the former Pigeon Hill sand mine property at the west end of Muskegon lake. Plans are for 240 residential site condominiums needing $18.5 million in initial private capital. The 30-year plan identifies $20,097,500 in eligible expenses plus interest on borrowing until tax increments pay for the expenses. Part of eligible expenses is of an estimated $3 million for public infrastructure for the city's construction of the traffic circle at Beach Street and Lakeshore Drive, improvements to Edgewater Street and other roads surrounding the development. The plan estimates The Docks would create $111.4 million in new property value in the city after 30 years. The plan also includes $10,000 a year administrative fee to the city. If the 30-year plan pays off expenses early, the city can have up to five years of additional tax capture for a brownfield revolving fund. The reimbursement to the developer vs. City would be done on a prorated basis.

STAFF RECOMMENDATION: To close the public hearing and approve the Brownfield Plan Amendment for The Docks, 1490 Edgewater for Damfino Development LLC with the resolution authorizing the Mayor and City Clerk to sign.

PUBLIC HEARING COMMENCED:

Scott Musselman spoke about the project. An attorney from Warner Norcross also spoke.

**Motion by Commissioner Rinsema-Sybenga, second by Commissioner Warren, to close the public hearing and approve the Brownfield Plan Amendment for The Docks, 1490 Edgewater for Damfino Development LLC with the resolution, authorizing the Mayor and City Clerk to sign.**

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

**Nays: None**

***MOTION PASSES***

**2019-98 NEW BUSINESS:**

**A. 1601 Beach Lessor Agreement** Development Services

SUMMARY OF REQUEST: Staff is requesting authorization to sign a lessor agreement to facilitate funding for the expansion of The Deck restaurant by 1601 Beach LLC at Pere Marquette Park.

The owners of 1601 Beach LLC are planning an expansion to their restaurant, the Deck, and require funding to do so. Their loan is being guaranteed by the Small Business Administration who requires a lessor agreement be made between Community Shores Bank (lender) and the City of Muskegon (property owner). This agreement outlines procedures and remedies for a potential default on the loan.

STAFF RECOMMENDATION: Approve the lessor agreement with Community Shores Bank related to the lease with 1601 Beach LLC and authorize the mayor and clerk to sign.

**Motion by Commissioner Warren, second by Commissioner German, to approve the lessor agreement with Community Shores Bank related to the lease with 1601 Beach LLC and authorize the mayor and clerk to sign.**

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

**Nays: None**

***MOTION PASSES***

**B. Arena Naming Rights Sponsorship** City Manager

SUMMARY OF REQUEST: Staff is seeking approval of the naming-rights sponsorship with Merch Health.

As part of the current lease with the Muskegon Lumberjacks, both parties agreed to actively sell sponsorships that would mutually benefit the City and the team. WC Hockey has facilitated the development of the sponsorship agreement between the City, Mercy Health, and WC Hockey. The gross revenue associated with the sponsorship is $1.6 Million, to be paid over 15 years. The Mercy Health name will remain on the arena for 15 years.

STAFF RECOMMENDATION: To approve the Agreement and authorize the mayor and clerk to sign.

**Motion by Commissioner Rinsema-Sybenga, second by Commissioner Turnquist, to approve the agreement with changes by counsel and amended exhibit C and authorize the Mayor to sign.**

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

**Nays: German**

**Abstained: Warren**

***MOTION PASSES***

**PUBLIC COMMENT ON NON-AGENDA ITEMS:** Comments were received from the public.

**ADJOURNMENT:** The City Commission meeting adjourned at 9:35 p.m.

Respectfully Submitted,

Ann Marie Meisch, MMC – City Clerk