

CITY OF MUSKEGON

CITY COMMISSION MEETING

NOVEMBER 22, 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, Vice Mayor Eric Hood Commissioners Ken Johnson, Debra Warren, Dan Rinsema-Sybenga, and Byron Turnquist, City Manager Franklin Peterson, City Attorney John Schrier, and City Clerk Ann Meisch.

Absent: Commissioner Willie German, Jr.

HONORS AND AWARDS:

A. Recognition of Fall 2016 Citizen's Academy Graduates Public Safety Citizens that participated in the Fall 2016 Citizen's Academy were recognized by the Director of Public Safety, Jeff Lewis, the Mayor, and the City Commission, and were presented with resolutions commending them for their commitment.

INTRODUCTIONS/PRESENTATION:

Volunteers from the Muskegon Area Free Fit Club were recognized for their dedication to the citizens of our community for their work to save the pavilion at Joe Clifford's Park.

2016-88 CONSENT AGENDA:

A. Approval of Minutes City Clerk

SUMMARY OF REQUEST: To approve the minutes of the October 25, 2016 Regular City Commission Meeting and the November 7, 2016 Worksession Meeting.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval of the minutes.

B. Approval of Revised Citizen Participation Plan, Specifically the Period for Citizen Comments Community & Neighborhood Services

SUMMARY OF REQUEST: To approve a revision of the Citizen Participation Plan clarifying the length of time allowed for citizens to comment. The change would reduce the number of days required for a formal comment period from 30 days to either 15, 20, or 30 days.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To approve the request.

COMMITTEE RECOMMENDATION: Item was approved by the Citizen's District Council.

C. Sale of a Non-Buildable Vacant Lot at 1296 Lakeshore Drive

Planning & Economic Development

SUMMARY OF REQUEST: To approve the sale of a vacant, non-buildable lot at 1296 Lakeshore Drive to five different adjacent property owners (1487 High Street, 1492 High Street, 1294 Lakeshore Drive, 1298 Lakeshore Drive, 1284 Lakeshore Drive). The lot is roughly 0.92 acres and is considered unbuildable because of its location on a steep hill and the general intent of its zoning classifications. It is zoned OSC, Open Space Conservation. These districts are intended to provide for permanent open spaces in the community, and the protection of sand dunes and other natural features, and are designed to provide undeveloped recreational areas and to safeguard the health, safety, and welfare of the citizens of Muskegon and adjacent areas by limiting development in locations where police and fire protection, protection against flooding by high water table or storm water, and dangers from excessive erosion are not possible without excessive costs to the City. The property owners wish to purchase the property to prevent any future development and to be able to maintain the property. They have offered \$8,000 plus the cost of the survey (\$2,147) and all closing costs.

FINANCIAL IMPACT: The sale of this lot will generate additional tax revenue for the City and will place the property back on the City's tax rolls, thus relieving the City of continued maintenance costs.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To approve the lot sale request.

D. Request to Add Parcels to the City's Existing Groundwater Ordinance –
SECOND READING Planning & Economic Development

SUMMARY OF REQUEST: The Commission previously approved the parcels to be added to the groundwater ordinance regarding the former Mobil Oil Pipeline – Sisson Avenue at McCracken Street, on August 23, 2016 (ordinance 2355). However, the applicant listed the wrong parcels on the application, but they did mail notices to the correct addresses. Staff is requesting to repeal ordinance

2355 and replace it with a new ordinance with the correct parcels listed.

The ordinance prohibits the use of groundwater wells and secondary water supplies under certain circumstances and in certain locations, to prevent exposure to contaminated groundwater, as well as to prevent wells from influencing the movement of contaminated water. Notice was sent to the affected addresses prior to this meeting.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval of the ordinance amendment to add the additional 52 parcels.

E. Towing Contract Extension (Ramos Towing Services) Public Safety

SUMMARY OF REQUEST: The Director of Public Safety requests that the City Commission review and consider approving a contract extension with our current service provider, Ramos Towing. Currently, Ramos provides towing/impoundment/storage service for the City of Muskegon.

Ramos Towing has been under authorized contract services for towing for the last 3 years (01/14/14 to 01/14/17).

Ramos Towing is willing to extend towing services for one year (01/14/2017 to 01/14/2018) as allowed in the current contract.

FINANCIAL IMPACT: None – current contract language in effect.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Staff recommends approval of this extended towing contract agreement for one year.

F. Wireless Internet at Muskegon Farmers Market City Clerk

SUMMARY OF REQUEST: Currently, the Farmers Market cannot connect to the City of Muskegon's network. Because of this issue, they are unable to have a City of Muskegon email or use the programs currently available to other employees. Currently they are using a much slower provider.

Connecting the market to the City's infrastructure is a specialty service that few can provide. The IT Department was able to receive a quote from MapleNet Wireless to install the wireless link.

With this capability, we will be able to utilize our Cisco phone system and eliminate a \$293.44 monthly bill – a payback of approximately 2.5 years while increasing our bandwidth tremendously.

This will not provide better wireless internet to the customers at the market but it is a feature we will be reviewing in the future.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To authorize MapleNet to install a wireless link to connect the Muskegon Farmers Market to City Hall and to select option two in the amount of \$8,914.29 based on the recommendation of the IT Department.

G. Two Entry Level Positions in IT Information Technology

SUMMARY OF REQUEST: Recently, our Database Administrator left for a new position. Currently there are only two employees supporting over two hundred city employees including City Hall, Police, Water Filtration, Fire Department, Farmers Market, etc. as well as external agencies including the cities of North Muskegon, Roosevelt Park, and Montague.

As such, the IT Department finds itself in a position to restructure the department. The IT Department would like to move from an administrator position to two entry level technical positions. One of the positions will be full-time and the other part-time.

FINANCIAL IMPACT: The current salary of the Database Administrator is \$65,000. The proposed salary for a full-time technical position starts at \$45,000 and the part-time wage will be hourly based on the same wages.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To create two entry-level technical positions in the IT Department.

Motion by Commissioner Turnquist, second by Vice Mayor Hood, to approve the Consent Agenda as presented.

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

Nays: None

MOTION PASSES

2016-89 PUBLIC HEARINGS:

A. Public Hearing – Request to Establish an Obsolete Property District – 1740 E Sherman Boulevard Planning & Economic Development

SUMMARY OF REQUEST: Pursuant to Public Act 146 of the Michigan Public Acts of 2000, Pacifica Muskegon, LLC, has requested the establishment of an Obsolete Property District for their property at 1740 East Sherman Boulevard. The establishment of the Obsolete Property District would allow them to apply for an Obsolete Property Rehabilitation Exemption Certificate.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Staff recommends approval of the Obsolete

Property District.

PUBLIC HEARING COMMENCED: No Public Comments were received.

Motion by Commissioner Rinsema-Sybenga, second by Commissioner Johnson, to close the public hearing and to approve the Obsolete Property District at 1740 E. Sherman Boulevard.

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

Nays: None

MOTION PASSES

B. Public Hearing – Request to Issue an Obsolete Property Certificate – Pacifica Muskegon, LLC – 1740 E Sherman Boulevard Planning & Economic Development

SUMMARY OF REQUEST: Pursuant to Public Act 146 of the Michigan Public Acts of 2000, Pacifica Muskegon, LLC, has requested the issuance of an Obsolete Property Certificate for their property located at 1740 East Sherman Boulevard. The estimated cost for rehabilitation of this property will be \$1,500,000. The applicant is eligible for a 12-year abatement because of the amount of investment.

FINANCIAL IMPACT: If an Obsolete Property Certificate is issued, the property taxes would be frozen at the pre-rehabilitated rate for the duration of the certificate.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Staff recommends approval of the Obsolete Property Rehabilitation Exemption Certificate.

PUBLIC HEARING COMMENCED: No Public Comments were received.

Motion by Commissioner Warren, second by Commissioner Rinsema-Sybenga, to close the public hearing and to approve the Obsolete Property Rehabilitation Exemption Certificate at 1740 E. Sherman Boulevard.

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

Nays: None

MOTION PASSES

2016-90 NEW BUSINESS:

A. First Quarter 2016-17 Budget Reforecast Finance Director

SUMMARY OF REQUEST: At this time staff is transmitting the **First Quarter 2016-17 Budget Reforecast** which outlines proposed changes to the budget that have

come about as a result of changes in revenue projections, 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 \$115,000 lower than the original budget, largely due to lower projected income tax revenues.
- General Fund expenditures are reforecast to be \$40,000 higher than the original budget, primarily due to the addition of \$25,000 for street light removal and \$15,000 in capital for a perks reservation system.
- There is some refinement of the capital projects budget resulting in an overall net decrease of \$14,000 from the original budget.

BUDGET ACTION REQUIRED: City Commission approval of this reforecast will formally amend the City's 2016-17 budget.

STAFF RECOMMENDATION: Approval

Motion by Commissioner Rinsema-Sybenga, second by Vice Mayor Hood to approve the First Quarter 2016-17 Budget Reforecast.

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

Nays: None

MOTION PASSES

B. Commercial Chemical Spreader/Sprayer DPW/Equipment

SUMMARY OF REQUEST: Authorize staff to purchase one (1) Z Max Commercial Spreader/Sprayer from SiteOne Landscape Supply, lowest qualified bidder with a bid price of \$11,455.00 (the other bid was submitted by LT Rich Products for \$11,455.77). This request is contingent upon 1st quarter budget reforecast approval.

FINANCIAL IMPACT: \$11,455.00

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

STAFF RECOMMENDATION: Authorize staff to purchase one (1) Z Max Commercial Chemical Spreader/Sprayer.

Motion by Commissioner Rinsema-Sybenga, second by Vice Mayor Hood to approve the authorize staff to purchase one Z Max Commercial Chemical Spreader/Sprayer.

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

Nays: None

MOTION PASSES

C. Transfer of the Commercial Rehabilitation Exemption Certificate – 316 Morris Avenue Planning & Economic Development

SUMMARY OF REQUEST: The Hinman Company was approved for a Commercial Rehabilitation Exemption Certificate in 2013 and the certificate was applied to the entire building. However, the project only included the rehabilitation of floors one through five and did not include floors six and seven. The certificate was approved for 10 years and the company did invest the \$450,000 in upgrades as described in the application. The company would like to transfer the Commercial Rehabilitation Exemption Certificate (#C2013-011) from the entire building (floors 1-7) to floors one through five. This will allow them to apply for a Neighborhood Enterprise Zone Certificate for floors six and seven for their apartment project. Currently, they would not be able to apply for a Neighborhood Enterprise Zone Certificate because there is already an abatement on floors six and seven and the Michigan Economic Development Corporation does not allow multiple tax abatements at the same location.

FINANCIAL IMPACT: The transfer would allow for the company to apply for a Neighborhood Enterprise Zone.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval of the Commercial Rehabilitation Exemption Certificate transfer.

Motion by Vice Mayor Hood, second by Commissioner Johnson, to approve the Commercial Rehabilitation Exemption Certificate transfer for 316 Morris Avenue

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

Nays: None

MOTION PASSES

D. Revocation of a portion of the Commercial Rehabilitation Exemption Certificate – 316 Morris Avenue Planning & Economic Development

SUMMARY OF REQUEST: In order to apply for the Neighborhood Enterprise Zone Certificate for floors six and seven, the Commercial Rehabilitation Exemption Certificate must be revoked on these floors.

FINANCIAL IMPACT: The revocation would allow for the company to apply for a Neighborhood Enterprise Zone.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval of the revocation of a portion of the

Commercial Rehabilitation Exemption Certificate.

Motion by Vice Mayor Hood, second by Commissioner Rinsema-Sybenga, to approve the revocation of a portion of the Commercial Rehabilitation Exemption Certificate for 316 Morris Avenue.

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

Nays: None

MOTION PASSES

E. Approval of a Neighborhood Enterprise Zone Certificate – 316 Morris Avenue Planning & Economic Development

SUMMARY OF REQUEST: An application for a Neighborhood Enterprise Zone Certificate has been received from Hinman Lake, LLC for the conversion of offices to apartments on the sixth and seventh floors of their building at 316 Morris Avenue. The estimated project cost is \$1,777,200 and will include 20 market rate apartments. The property was approved as a Neighborhood Enterprise Zone District on September 13, 2016. The applicant has met local and state requirements for the issuance of the NEZ certificate.

FINANCIAL IMPACT: The taxes on floors six and seven will be frozen at the pre-rehabilitated rate for 12 years, with a three year phase out (they will receive 75% of the abatement in year 10, 50% in year 11 and 25% in year 12).

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval of the NEZ certificate.

Motion by Commissioner Rinsema-Sybenga, second by Commissioner Johnson, to approve the Neighborhood Enterprise Zone Certificate for 316 Morris Avenue.

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

Nays: None

MOTION PASSES

F. Adopt a Resolution of Intent Regarding Recreational Authority City Manager

SUMMARY OF REQUEST: To express the intent of the City of Muskegon to establish a recreational authority within the County of Muskegon and to appoint a representative of the City of Muskegon to join with the representatives from other like-minded municipalities to form a steering committee to prepare articles of incorporation for such a recreational authority, which would include the City of Muskegon within its territory.

FINANCIAL IMPACT: None at this time.

BUDGET ACTION REQUIRED: None at this time.

STAFF RECOMMENDATION: To adopt the resolution expressing the intent of the City of Muskegon to establish a recreational authority within the County of Muskegon and to appoint a representative of the City of Muskegon to join with the steering committee.

Motion by Commissioner Johnson, second by Commissioner Warren, to adopt the resolution expressing the intent of the City of Muskegon to establish a recreational authority within the County of Muskegon and to appoint a representative of the City of Muskegon to join with the steering committee.

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

Nays: None

MOTION PASSES

ANY OTHER BUSINESS: Commissioner Johnson congratulated Vice Mayor Hood on becoming the President of the local chapter of the NAACP. Commissioner Warren thanked everyone for their well wishes for her, her husband, and their new baby boy, Levon. Dave Alexander, Muskegon Downtown Now, reminded everyone about Small Business Saturday and Christmas in the City with the lighting of the Christmas Tree at Hackley Park Saturday, November 26, 2016 at 5:30.

PUBLIC PARTICIPATION: Public Comments were received.

ADJOURNMENT: The City Commission Meeting adjourned at 6:45 p.m.

Respectfully Submitted,

Kimberly Grimm, Deputy City Clerk