CITY OF MUSKEGON

CITY COMMISSION MEETING

NOVEMBER 12, 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, November 12, 2019, Mayor 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

PUBLIC COMMENT ON AGENDA ITEMS: Public comments were received.

2019-87 CONSENT AGENDA:

A. Approval of Minutes City Clerk

SUMMARY OF REQUEST: To approve the minutes of the October 22, 2019 regular meeting and the October 29, 2019 special meeting.

STAFF RECOMMENDATION: To approve the minutes.

B. Resolution Establishing Authorized Signatories for MERS Finance

SUMMARY OF REQUEST: To approve a resolution establishing the Finance Director, Assistant Finance Director, and City Manager positions as authorized signatories for MERS Contracts and Service Credit purchase approvals.

STAFF RECOMMENDATION: To approve the resolution.

D. Approval of Building Contract: 567 Leonard Community & Neighborhood Services

SUMMARY OF REQUEST: To award the Building Contract for the lead abatement of 567 Leonard to Badgerows Building and Remodeling for the City of Muskegon's Homebuyers Program through CNS.

Lead Abatement Contract for 567 Leonard has been bid twice with no eligible bidders. The only bid received was from an ineligible contractor. Since the property has been owned by the City for ten months, CNS sought out Lead Abatement contractors from the Medicaid CHIP Grant and only one contractor was available to provide a bid based on their current work assignment.

STAFF RECOMMENDATION: To award Badgerows Building and Remodeling the lead abatement contract for 567 Leonard in the amount of $39,230.00 for the Community and Neighborhood Services Office.

E. <u>Sewer & Water Engineering Assistance</u> Public Works

SUMMARY OF REQUEST: Staff is requesting commission approval to enter into Professional Service Agreements with three (3) engineering firms to provide engineering assistance on a variety of water and sewer projects planned for construction in 2020 and 2021. Staff negotiated with the three shortlisted engineering firms and brings forward the following recommendations:

<u>Prein & Newhof</u> - $386,600.00 – Peck Street Trunk Sewer and Lead Water Service Replacements

<u>Fleis & VandenBrink</u> - $561,000.00 – Amity Avenue Trunk Sewer

<u>Abonmarche</u> - $106,100.00 – Harvey Booster Station Repairs and Filtration Plant Structural Repairs

All three proposals have been reviewed by staff and found to be acceptable. All three professional service agreements have been submitted for legal counsel review. The first three projects are proposed for funding within the State Revolving Fund and Drinking Water Revolving Fund programs which will provide for some principal forgiveness on the projects.

These projects were not included in the original 19-20 budget as we were not sure that we would be eligible for principal forgiveness again. Based on preliminary responses from MDEGLE we will be able to receive principal forgiveness and are recommending we proceed with these projects and will include the requested amounts in a future reforecast.

AMOUNT REQUESTED: $1,053,700

Fund or Account: 590 = $250,000 (19/20)/$303,700 (20-21)

591= $250,000 (19/20)/$250,000 (20-21)

AMOUNT BUDGETED: $200,000

Fund or Account: 590 = $100,000

591= $100,000

STAFF RECOMMENDATION: Authorize staff to sign the professional service agreements with Prien & Newhof, Fleis & VandenBrink, and Abonmarche for the

2020 and 2021 water and sewer infrastructure projects.

F. Electrical System Upgrades Public Works – Filtration

SUMMARY OF REQUEST: Authorize staff to enter into construction agreement with Parkway Electric and Communications since they submitted the lowest responsible bid of $118,582.

Tetratech completed design for the electrical upgrades to tie the two existing generators at the Filtration Plant and solicited proposals from four electrical contractors to complete the construction. Three bids were received and Parkway Electric and Communications Services submitted the lowest responsible and acceptable bid for $118,582. The project is budgeted in the CIP for $100,000 and $13,000 were expended on design services. The difference of $32,000 required will be addressed in the next budget reforecasting session.

AMOUNT REQUESTED: $132,000

Fund or Account: 591-60558-5400

AMOUNT BUDGETED: $100,000

Fund or Account: 591-60558-5400

STAFF RECOMMENDATION: Authorize staff to enter into an agreement with Parkway Electric and Communications for a cost of $118,582.

Motion by Commissioner Warren, second by Commissioner German, to accept the consent agenda, except item C.

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

Nays: None

MOTION PASSES

2019-88 ITEMS REMOVED FROM CONSENT AGENDA:

C. Management Agreement Fisherman's Landing Finance

SUMMARY OF REQUEST: To approve the First Amendment to the Management Agreement for Fisherman's Landing and the Letter of Understanding between the City and Fisherman's Landing Management.

The current Management Agreement with Fisherman's Landing expires at the end of this year. The Amendment will extend the term to December 31, 2021. Additionally, we have put together a Letter of Understanding between the City and the Fisherman's Landing Management regarding some concerns the Management has had over the last several years. The Letter of Understanding give the Manager access to the daily Launch Ramp deposits, provides Fisherman's Landing with more of a police presence to enforce parking violations, and allows for unlimited sales of annual permits.

STAFF RECOMMENDATION: To approve the First Amendment to the Management Agreement and the Letter of Understanding with Fisherman's Landing.

Motion by Commissioner Johnson, second by Commissioner Warren, to approve the First Amendment to the Management Agreement and the Letter of Understanding with Fisherman's Landing.

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

Nays: None

MOTION PASSES

2019-89 PUBLIC HEARINGS:

A. <u>Public Hearing on the Brownfield Plan for 1208 Eighth</u> Economic Development

SUMMARY OF REQUEST: To hold a public hearing on the request for a Brownfield Plan Amendment for 1208 Eighth for Core Development and to consider approving the resolution.

Core Development submitted a Brownfield Plan Amendment for 1208 Eighth Street to the Brownfield Redevelopment Authority, which approved it on October 8, 2019. The Muskegon City Commission, On October 22, 2019, adopted a resolution setting a public hearing for November 12, 2019. The amendment is intended to identify eligible activities proposed for the brownfield site owned by Core Development. With an estimated investment of $7090,000 for redevelopment of a commercial building at 1208 Eighth, the plan anticipates eligible expenses of $145,129 to be paid through the capture of tax increments through 2054. As part of the reimbursements, the city will receive a $1,000 annual fee for its expenses. After all eligible costs incurred by the various parties and reimbursed, the BRA may, as the capture term provides, continue to capture local taxes for five more years for deposit into a Local Brownfield Revolving Fund.

STAFF RECOMMENDATION: To close the public hearing and approve the Resolution Approving the Brownfield Plan Amendment for 1208 Eighth for Core Development.

PUBLIC HEARING COMMENCED: Troy Wasserman, developer, gave an overview of the project.

Motion by Commissioner Johnson, second by Commissioner Warren, to close the public hearing and approve the Brownfield Plan Amendment for 1208 Eighth for Core Redevelopment.

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

Nays: None

MOTION PASSES

2019-90 NEW BUSINESS:

A. <u>Convention Center Brownfield Grant</u> City Manager

SUMMARY OF REQUEST: The Convention Center project incurred an unexpected expense for foundation dewatering estimate at $499,999. Staff worked diligently to identify a funding source for the change order. Michigan Department of Environment, Great Lakes, and Energy (EGLE) has approved a grant to the City of Muskegon in the amount of $499,999. Staff is seeking approval to authorize an expense of up to $499,999 to treat contaminated groundwater, and authorize staff to sign the grant agreement to cover the costs of the treatment.

Much of downtown Muskegon is built upon soils that were brought in and used as fill. At some point in the past 50 years, the soils under 4th Street became contaminated with PFOS. During normal ground water testing a s part of the dewatering process, it was determined that PFOS levels were too high to discharge the water into either the storm sewers or the county wastewater system. The costs will not be borne by one individual contractor. It is likely that there will be 6-8 contractors involved in the process; we followed the same selection process as was used to identify subcontractors on the overall convention center project. After learning of the potential for the great dewatering/treatment costs, staff worked to identify funding sources, as we did not want to use our entire contingency budget so early in the construction schedule. After chasing dozens of potential options to reduce the costs, we settled on applying for a grant through EGLE. Last week, we received approval from EGLE for the entire request – the agreement is attached. This action has cost the construction crew approximately 4 weeks. Accordingly, the crews have been authorized to begin on-site treatment effective November 12, 2019.

STAFF RECOMMENDATION: To authorize staff to accept the $499,999 Brownfield Grant and expend the funds as per the Project Budget included in Appendix A of the Grant Agreement.

Motion by Commissioner Rinsema-Sybenga, second by Commissioner Johnson, to authorize staff to accept the $499,999 Brownfield Grant and expend the funds as per the Project Budget included in Appendix A of the Grant Agreement.

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

Nays: None

MOTION PASSES

ANY OTHER BUSINESS: Commissioner German requested an update on the city's water, Sanjeev Mungarwardi was in attendance and responded.

PUBLIC COMMENT ON NON-AGENDA ITEMS: Public comments were received.

ADJOURNMENT: The City Commission meeting adjourned at 6:28 p.m.

Respectfully Submitted,

Ann Marie Meisch, MMC – City Clerk