

CITY OF MUSKEGON
CITY COMMISSION MEETING
SEPTEMBER 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, September 11, 2018. Pastor Wally Reames, Central Assembly of God, 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, Byron Turnquist, Willie German, Jr., Debra Warren, and Dan Rinsema-Sybenga, City Manager Frank Peterson, City Attorney John Schrier, and City Clerk Ann Meisch.

2018-66 CONSENT AGENDA:

A. Approval of Minutes City Clerk

SUMMARY OF REQUEST: To approve minutes of the August 28, 2018 Regular Meeting.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval of the minutes.

B. Approval of a Neighborhood Enterprise Zone Certificate – 662 Terrace Point Circle Planning & Economic Development

SUMMARY OF REQUEST: An application for a Neighborhood Enterprise Zone (NEZ) Certificate has been received from Terrace Point Landing, LLC for the new construction of a home at 662 Terrace Point Circle. The estimated cost for construction is \$203,417. The applicant has met local and state requirements for the issuance of the NEZ certificate.

FINANCIAL IMPACT: Taxation will be applied as one-half of the previous year's state average principal residence millage rate to the value of the facility.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval of the NEZ Certificate.

C. Approval of a Neighborhood Enterprise Zone Certificate – 664 Terrace Point Circle Planning & Economic Development

SUMMARY OF REQUEST: An application for a Neighborhood Enterprise Zone (NEZ) Certificate has been received from Terrace Point Landing, LLC for the new construction of a home at 664 Terrace Point Circle. The estimated cost for construction is \$199,760. The applicant has met local and state requirements for the issuance of the NEZ certificate.

FINANCIAL IMPACT: Taxation will be applied as one-half of the previous year's state average principal residence millage rate to the value of the facility.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval of the NEZ Certificate.

D. Approval of a Neighborhood Enterprise Zone Certificate – 668 Terrace Point Circle Planning & Economic Development

SUMMARY OF REQUEST: An application for a Neighborhood Enterprise Zone (NEZ) Certificate has been received from Terrace Point Landing, LLC for the new construction of a home at 668 Terrace Point Circle. The estimated cost for construction is \$168,739. The applicant has met local and state requirements for the issuance of the NEZ certificate.

FINANCIAL IMPACT: Taxation will be applied as one-half of the previous year's state average principal residence millage rate to the value of the facility.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval of the NEZ Certificate.

E. Approval of a Neighborhood Enterprise Zone Certificate – 670 Terrace Point Circle Planning & Economic Development

SUMMARY OF REQUEST: An application for a Neighborhood Enterprise Zone (NEZ) Certificate has been received from Terrace Point Landing, LLC for the new construction of a home at 670 Terrace Point Circle. The estimated cost for construction is \$168,739. The applicant has met local and state requirements for the issuance of the NEZ certificate.

FINANCIAL IMPACT: Taxation will be applied as one-half of the previous year's state average principal residence millage rate to the value of the facility.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval of the NEZ Certificate.

F. Sale of Property at 1078 Second Street
Development

Planning & Economic

SUMMARY OF REQUEST: Staff initiated request to approve the purchase agreement for the sale of the home at 1078 2nd Street to Rachel Stewart. This home was recently purchased by the city, rehabbed and converted back into a single-family home from a three-unit home.

FINANCIAL IMPACT: The City will receive the amount of money as described in the purchase agreement.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To approve the purchase agreement.

G. Sale of A Buildable Lot at 654 Allen Avenue Planning & Economic
Development

SUMMARY OF REQUEST: To approve the sale of a vacant buildable lot at 654 Allen Avenue to Denise Koetje to combine with her property at 650 Allen Avenue, Muskegon, MI. The lot is 50 x 132 ft. and Ms. Koetje has offered \$500 for the property plus the fee to register the deed. She has a licensed day care out of her home and would like to fence the property, install play equipment and provide more space for the children in her care. She had already purchased 16 feet of this property in 2017. The City has owned the property since August 12, 2003 with no inquiries for potential construction. By combining this with Ms. Koetje's property; this will alleviate the city from continued maintenance and place the property back on the tax rolls. The City has spent an average of \$395.00 per year in maintenance of the vacant lot since 2002.

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 resolution and authorize both the Mayor and the Clerk to sign the resolution and deed.

I. Certification of MERS Representatives Finance

SUMMARY OF REQUEST: The MERS plan document provides that "the governing body for each municipality shall certify the names of two (2) delegates to the Annual Meeting. One delegate shall be a member who is an officer of the municipality appointed by the governing body of the municipality. The other delegate shall be a member who is not an officer of the municipality, elected by the member officer/employees of the municipality."

The City's employee units previously agreed to a rotating system (based on date of joining MERS) to select one official employee representative. This year the official employee representative attending the MERS conference will be Diane

Renkenberger from the Non Union.

It is recommended that Elizabeth Lewis (Finance Director) be designated as the City's employer delegate.

FINANCIAL IMPACT: Registration for the MERS conference in Grand Rapids, MI is \$250 per person. Additionally, mileage, hotel and related costs will be incurred.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Certification of Elizabeth Lewis and Diane Renkenberger to be the City's officer and employee delegates at the MERS annual meeting in Grand Rapids on October 4 and 5, 2018.

J. Supplemental MERS Contribution Finance

SUMMARY OF REQUEST: For the fiscal year that ended June 30, 2018, staff conservatively budgeted for pension costs. The amount the City was expensing each pay period for our pension costs was conservatively calculated, this created a surplus. At this time staff believes it is appropriate to take this opportunity to make a \$111,257.58 supplemental payment (above the actuarial computed amount) to MERS. This is money that the city would be required to pay to MERS eventually. Paying early, while the city is in a position to do so, may help to ease some pressure on future city budgets.

FINANCIAL IMPACT: \$111,257.58 supplemental payment to MERS. \$111,257.58 will be paid from monies already set aside for MERS in the collector fund.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Authorize staff to make a supplemental \$111,257.58 payment to MERS.

K. 1000 W. Western - Approve First Amendment to First Amended and Restated Real Estate Sale and Development Agreement City Manger

SUMMARY OF REQUEST: To approve the First Amendment and Restated Real Estate Sale and Development Agreement for 1000 W. Western.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To authorize the city manager to enter into the Agreement.

L. Approve CRC Recommendations to Accept Resignations and Appoint Members to Fill Various Vacancies City Clerk

SUMMARY OF REQUEST: To accept resignations and appointment recommendations for various community relations committees, boards,

authorities, and commissions, as follows:

Citizen Police Review Board

Accept the resignation of Ellouise Hieftje (Neighborhood Association Representative) and Carlos Flores (Member of a Minority Based Organization) and to appoint Teresa Emory (Neighborhood Association Representative)

CDBG/CDC

Accept the resignation of Tom Pastoor (Citizen at Large) and to appoint Eleanor Canter (Citizen at Large)

Construction Code Board of Appeals

To Appoint Brion Boucher (Architect)

Housing Commission

Accept the resignation of Maxine Lenear (Citizen) and to affirm the City Manager's Appointment of Ken Grant

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

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

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

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

Nays: None

MOTION PASSES

2018-67 ITEMS REMOVED FROM CONSENT:

H. Police Cruisers DPW/Equipment

SUMMARY OF REQUEST: The Equipment Division is requesting permission to purchase seven (7) new police cruisers from Berger Chevrolet, off the Oakland County Contract, which is the lowest price available. This will create a financial impact of \$250,117.00 that was budgeted for out of the Equipment Division.

FINANCIAL IMPACT: \$250,117.00

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

STAFF RECOMMENDATION: Authorize staff to purchase seven (7) new police cruisers from Berger Chevrolet.

Motion by Commissioner German, second by Commissioner Warren, to authorize staff to purchase seven new police cruisers from Berger Chevrolet.

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

Nays: None

MOTION PASSES

2018-68 PUBLIC HEARINGS:

A. Request to Conduct a Public Hearing of the Community & Neighborhood Services Department Consolidated Annual Performance Evaluation Report (CAPER 2017) Community & Neighborhood Services

SUMMARY OF REQUEST: To conduct a public hearing of the 2017 CAPER for projects funded with CDBG and HOME HUD Entitlements to the City of Muskegon Community and Neighborhood Services Department.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To submit the 2017 CAPER including any public comments received during the 20-day comment period ending September 26, 2018.

Motion by Commissioner Johnson, second by Commissioner German, to close the public hearing and to submit the 2017 CAPER including any public comments received during the 20 day comment period ending September 26, 2018.

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

Nays: None

MOTION PASSES

2018-69 NEW BUSINESS:

A. 2018 Capital Improvement Projects – Remembrance Drive Reconstruction Department of Public Works

SUMMARY OF REQUEST: Award contract (H-1720) for reconstruction, storm sewer installation, sanitary sewer, curb and gutters on Remembrance Drive from Keating Avenue south to the entrance of the new KL Industries facility. Four contractors submitted bids for this project as follows:

Jackson-Merkey Contractors, Inc.	\$454,559.00
Connan Inc.	\$497,572.55
Diversco Construction Co.	\$593,926.80

Dykema Excavators, Inc.

\$672,897.00

FINANCIAL IMPACT: \$454,559.00

BUDGET ACTION REQUIRED: None. The project will be funded through planned capital improvement project.

STAFF RECOMMENDATION: Award the project to the low bidder, Jackson-Merkey Contractors, Inc.

Motion by Commissioner Johnson, second by Vice Mayor Hood, to award the project to the low bidder, Jackson-Merkey Contractors, Inc.

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

Nays: None

MOTION PASSES

B. Rental Ordinance Changes Public Safety

SUMMARY OF REQUEST: The Director of Public Safety requests that the Commission authorize the approval of the Rental Ordinance changes. This will allow Building Safety Inspections (Rental) to get more detailed information and create timelines to remedy violations. The Rental Ordinance sections include;

10-329 – Time to correct violation

10-351(d) – Change in register information

10-351(e) – Application; contents

10-351(h) – Exemption from registration requirement

10-352(b) – Issuances

10-352(d) – Validity

10-352(f) – Length of time certificate of compliance is valid

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Staff recommends approval of the Rental Ordinance changes.

Motion by Commissioner German, second by Commission Rinsema-Sybenga, to approve the rental ordinance changes.

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

Nays: None

MOTION PASSES

PUBLIC PARTICIPATION: Public Comments were received.

ADJOURNMENT: The City Commission meeting adjourned at 6:08 p.m.

Respectfully Submitted,

Ann Marie Meisch, City Clerk, MMC