CITY OF MUSKEGON

CITY COMMISSION MEETING

AUGUST 14, 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, August 14, 2018. Commissioner Willie German, Jr., 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., and Dan Rinsema-Sybenga, City Manager Frank Peterson, City Attorney John Schrier, and City Clerk Ann Meisch.

Absent: Commissioner Debra Warren

INTRODUCTIONS/PRESENTATION:

A. <u>Presentation of 2018 Beautification Awards</u>

Recipients of the Residential and Business 2018 Neighborhood Beautification Awards were recognized for their effort in making the city a beautiful place. Those present were presented with a Certificate of Recognition.

2018-58 CONSENT AGENDA:

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

SUMMARY OF REQUEST: To approve the minutes of the July 24, 2018 Regular Meeting.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval of the minutes.

B. <u>Special Event Liquor License – Farmers Market for Farm to Table Dinner</u> – City Clerk

SUMMARY OF REQUEST: The Muskegon City Clerk's Office is organizing our 3rd annual Farm-to-Table fundraiser dinner to benefit the Muskegon Farmers Market and is seeking City Commission approval to apply for license for Beer, Wine, and Spirit sales for this event. The Farmers Market does have a liquor license but the licensed area does not extend beyond the barn.

FINANCIAL IMPACT: $50 permit from the State for every date requested.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve a special liquor license for the September 6, 2018 Farm-to-Table Fundraiser dinner.

D. <u>Annex Lease</u> City Manager

SUMMARY OF REQUEST: The City entered into a lease with ImaJam, Inc. in 2015. ImaJam planned to operate a sports training facility on the site. The owner has been unsuccessful in his attempts to do so. Both parties feel that it is in the best interest of the community to terminate the lease and allow the city to find a new operator for the site. As part of the lease termination, the City will maintain the existing lease with Mercy Health, Inc., which has three years remaining on the initial term and one additional 5-year extension. Additionally, the City will take ownership of the personal property located on site as well as the related financial obligations associated with that personal property. City staff has been working with a local investor that has a strong interest in stepping in to operate the facility; an agreement should be ready for Commission consideration in the next 60 days.

FINANCIAL IMPACT: None at this time.

BUDGET ACTION REQUIRED: None at this time.

STAFF RECOMMENDATION: To approve the request and authorize staff to sign the lease termination.

E. <u>Purchase Agreement – 880 First</u> City Manager

SUMMARY OF REQUEST: City staff is seeking permission to enter into a purchase agreement with Core Development for 880 First Street. This building was acquired by the City of Muskegon in 2015. The $425,000 purchase price will reimburse the City's Public Improvement Fund most of the $500,000 invested in the property to-date. The remainder of the investment will be recovered in the initial years of completion of the development as a result of income tax revenues. The property is located in the Downtown Development Authority, and any incremental property tax growth will benefit that component unit of the City's budget.

FINANCIAL IMPACT: $425,000 minus closing costs deposited into the City's Public Improvement Fund.

BUDGET ACTION REQUIRED: None at this time.

STAFF RECOMMENDATION: To authorize the City Manager to enter into a sales agreement to sell the property at 880 First Street for $425,000 to Core Development.

G. Memorandum of Understanding – Justice Assistance Grant Public Safety Director

SUMMARY OF REQUEST: The Director of Public Safety requests that the Commission authorize the Director and the City Manager to enter into an agreement with the City of Muskegon Heights and Muskegon County in regards to the disbursement of the FY 2018 Justice Assistance Grant. It is further requested that the Mayor be authorized to sign the Memorandum of Understanding. Note that the time is of the essence as this grant requires a governing body review period and the grant submission and the grant deadline is August 22nd.

Although the Bureau of Justice Assistance has designated us as being in a disparate funding situation due to the County providing more than 50% of the jail facilities, our proposal is to keep the allocations exactly as they initially came down the BJA which is as follows: County of Muskegon $0; City of Muskegon $23,030 and the City of Muskegon Heights $14,941. Note that BJA uses crime data versus population in making these allocation decisions.

The City of Muskegon portion is planned to be used in continuation of the manner in which the previous year's JAG funding was used which is for the prosecution of city ordinance cases dealing primarily with neighborhood issues.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Staff recommends approval of this request.

H. Rezoning Request for a Portion of the Property at 710 Pulaski Avenue 2nd Reading Planning & Economic Development

SUMMARY OF REQUEST: Request to rezone a portion of the property at 710 Pulaski Avenue from I-1, Light Industrial to B-4, General Business.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Staff Recommends approval of the rezoning.

COMMITTEE RECOMMENDATION: The Planning Commission unanimously recommended approval of the request at their July 12 meeting, with four members absent.

I. Sale of City-Owned Property at 1870 Huizenga Street & 1080 E. Holbrook Avenue Planning & Economic Development

SUMMARY OF REQUEST: Newkirk Electric, located at 1875 Roberts Street, has requested to purchase the two vacant, industrially-zoned properties to expand their outdoor storage area. They are offering $30,000 and to split the closing costs. 1870 Huizenga is considered a buildable lot, but 1080 E. Holbrook is not large enough to be considered buildable. Staff is requesting permission to enter into a purchase agreement with the applicant.

FINANCIAL IMPACT: The City will see increased revenue from the sale of the lots.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Staff recommend approval of the sale.

K. Launch Ramp Ordinance Change Department of Public Works

SUMMARY OF REQUEST: To amend Chapter 58 Parks and Recreation ordinance to clarify daily and annual launch ramp permit parameters, vessel and trailer size restrictions, and commercial use of the City of Muskegon launch ramps.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approve the modified language for the ordinance.

L. City Survey Services Department of Public Works

SUMMARY OF REQUEST: Authorize staff to enter into an engineering services agreement with Fleis & VandenBrink Engineering to provide survey services for upcoming projects. The value of the agreement shall not exceed $27,110.

Requests for Proposals were solicited for this contract with Westshore Consulting and Fleis & VandenBrink Engineering submitting proposals. Both proposals were reviewed by staff and the Fleis & VandenBrink proposal is recommended.

FINANCIAL IMPACT: Not to exceed $27,110.

BUDGET ACTION REQUIRED: None. Contract will be funded out of capital projects included in the 2018/2019 budget.

STAFF RECOMMENDATION: Authorize staff to enter into an engineering services agreement with Fleis & VandenBrink Engineering.

M. Landscaping DPW/Filtration

SUMMARY OF REQUEST: Authorize staff to enter into a landscaping agreement at Water Filtration Plant with Weesies Brothers Garden Center since they submitted the lowest responsible bid of $35,495.

FINANCIAL IMPACT: $35,495

BUDGET ACTION REQUIRED: The project is funded in FY 2018-19

STAFF RECOMMENDATION: Authorize staff to enter into an agreement with Weesies Brothers Garden Center for a cost of $35,495.

N. <u>Fence Replacement</u> DPW/Filtration

SUMMARY OF REQUEST: Authorize staff to enter into a fence replacement agreement at Water Filtration Plant with Justice Fence since they submitted the lowest responsible bid of $89,500.

FINANCIAL IMPACT: $89,500

BUDGET ACTION REQUIRED: The project is funded in FY 2018-19

STAFF RECOMMENDATION: Authorize staff to enter into an agreement with Justice Fence for a cost of $89,500.

O. <u>Excavating</u> DPW/Filtration

SUMMARY OF REQUEST: Authorize staff to enter into an excavating agreement at Water Filtration Plant with Jackson-Merkey Contractors since they submitted the lowest responsible bid of $88,365.

FINANCIAL IMPACT: $88,365

BUDGET ACTION REQUIRED: The project is funded in FY 2018-19

STAFF RECOMMENDATION: Authorize staff to enter into an agreement with Jackson-Merkey for a cost of $88,365.

P. <u>Membrane Roof on Clearwells</u> DPW/Filtration

SUMMARY OF REQUEST: Authorize staff to enter into a roof installation agreement on clearwells at Water Filtration Plant with Ostrander Roofing since they submitted the lowest responsible bid of $440,000.

FINANCIAL IMPACT: $440,000

BUDGET ACTION REQUIRED: The project is funded in FY 2018-19

STAFF RECOMMENDATION: Authorize staff to enter into an agreement with Ostrander Roofing for a cost of $440,000.

Q. <u>Salt Box</u> DPW/Equipment

SUMMARY OF REQUEST: The Equipment Division is requesting permission to purchase one (1) Salt Box from Arista Truck Systems, Inc. This unit was ordered by another community that could not complete the sale, therefore, Arista is offering this unit at a considerable discount. The price of the unit is $14,999, compared to $18,807. A savings of $3,808.

FINANCIAL IMPACT: $14,999

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

STAFF RECOMMENDATION: Authorize staff to purchase on (1) Salt Box from

Arista Truck Systems, Inc.

R. Concrete Breaker DPW/Equipment

SUMMARY OF REQUEST: The Equipment Division is requesting permission to purchase one (1) Concrete Breaker from Midland Engine, the lowest qualified bidder.

FINANCIAL IMPACT: $12,500

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

STAFF RECOMMENDATION: Authorize staff to purchase one (1) Concrete Breaker from Midland Engine.

S. Back Hoe DPW/Equipment

SUMMARY OF REQUEST: The Equipment Division is requesting permission to purchase one (1) Back Hoe from Michigan Cat for a purchase price of $97,053.61. With our buyback program, Michigan Cat is the most cost effective machine to buy.

FINANCIAL IMPACT: $97,053

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

STAFF RECOMMENDATION: Authorize staff to purchase one (1) Back Hoe from Michigan Caterpillar.

T. City Manager Employment Agreement Mayor's Office

SUMMARY OF REQUEST: Approval of the Agreement as submitted.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None at this time.

STAFF RECOMMENDATION: To approve the employment agreement and authorize the Mayor and Clerk to sign.

U. Adopt a Resolution Approving the Liquor License Application for Pigeon Hill Brewing Company, LLC City Clerk

SUMMARY OF REQUEST: To adopt a resolution approving the request for a Liquor License for Pigeon Hill Brewing Company, LLC, 895 Fourth Street, to be licensed as a Micro Brewer, Small Wine Maker, Manufacturer of Mixed Spirit Drink, and Small Distiller.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Adopt a resolution approving the request.

V. Arena Lease and Management Agreement – Rad Dad's City Manager

SUMMARY OF REQUEST: City staff is requesting approval of the lease agreement and corresponding management agreement for the operations of Rad Dad's Tacos and Tequila in the LC Walker Arena.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None at this time.

STAFF RECOMMENDATION: To approve the agreements and authorize the Mayor and Clerk to sign.

Motion by Commissioner Johnson, second by Vice Mayor Hood, to approve the consent agenda as presented, except items C, F, and J.

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

Nays: None

MOTION PASSES

2018-59 ITEMS REMOVED FROM THE CONSENT AGENDA:

C. <u>Designation of Voting Delegates for the Michigan Municipal League Annual Business Meeting</u> City Clerk

SUMMARY OF REQUEST: To designate by action of the Commission, one of our officials who will be in attendance at the Convention as an official representative to cast the vote of the municipality at the Annual Meeting; and, if possible, to designate one other official to serve as an alternate.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval

Motion by Commissioner Rinsema-Sybenga, second by Commissioner Johnson, to designate Mayor Stephen J. Gawron as the MML representative and Commissioner Willie German, Jr., as the alternate.

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

Nays: None

MOTION PASSES

F. <u>1000 West Western Avenue Sale and Development Agreement</u> City Manager

SUMMARY OF REQUEST: The City Commission accepted a $249,000 purchase offer from Smith Equities in 2016. After a lengthy due diligence period, the parties entered into a letter of intent that would help guide the development of a purchase agreement. The purchase agreement is in final draft form, and the terms are agreeable to both Smith Equities and City Staff.

The Purchase Agreement outlines the purchase price as well as the development obligations of both parties. The City has a number of obligations in development agreement, including the relocation of infrastructure – such as the bike path and the roadway to the Hartshorn Launch Ramp – and the implementation of improvements at the marina's facilities. The City's costs associated with this infrastructure will be recovered as part of a Brownfield Reimbursement Plan. Additionally, the marina amenity improvements will result in increased revenue from both the new condominium association and the marina slip holders. It is anticipated that the initial phase of the development will result in approximately $170,000 in new property tax revenue annually, which will be captured as part of the Brownfield Plan and used to reimburse the City's expenses. Additional phases of the development will likely result in significantly more property tax revenue. It is also anticipated that the initial phase of the development will result in $40,000 - $60,000 in new local Income Tax revenues.

The proceeds from the initial land sale will benefit the City's Public Improvement Fund.

FINANCIAL IMPACT: $250,000 minus closing costs – deposited to the City's Public Improvement Fund.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To authorize the city manager to enter into the sale and development agreement with Harbor West, LLC, consistent with the terms of the Letter of Intent dated March 2018.

Motion by Commissioner German, second by Commissioner Rinsema-Sybenga to authorize the city manager to enter into the sale and development agreement with Harbor West, LLC, consistent with the terms of the Letter of Intent dated March 2018.

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

Nays: None

MOTION PASSES

J. <u>Sale of City-Owned Property in the Seaway Industrial Park</u> Planning & Economic Development

SUMMARY OF REQUEST: MTC Enterprises of Michigan, Inc has requested to purchase lots 1 and 2 in the Seaway Industrial Park. They are offering $300,000 total for both lots and are proposing to construct a provisioning center on one parcel and either a cultivation building or processing center on the other parcel. The offer is contingent upon unencumbered title and their ability to obtain State and local licensing within 120 days of acceptance of the proposal. If they need additional time to obtain licensing and all necessary approvals, they will agree to pay the City $3,000 per month non-refundable but credited towards the purchase price at closing. Staff is requesting permission to enter into a purchase agreement with the applicant.

FINANCIAL IMPACT: The City will see increased revenue from the sale of the lots.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Staff recommend approval of the sale.

Motion by Commissioner German, second by Commissioner Rinsema-Sybenga, to approve the sale.

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

Nays: None

MOTION PASSES

2018-60 NEW BUSINESS:

A. <u>City-MDOT Agreement; Black Creek Road; Sherman Blvd to Latimer Drive</u> DPW/Engineering

SUMMARY OF REQUEST: Approved the contract with MDOT for the Black Creek Road construction between Sherman Boulevard and Latimer Drive and approve the resolution authorizing the Mayor and City Clerk to sign the contract.

FINANCIAL IMPACT: MDOT's participation is limited to the approved federal funds of $340,000. The estimated total construction cost is $568,100 plus engineering cost.

BUDGET ACTION REQUIRED: None at this time, this project is included in the 18-19 budget.

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

Motion by Commissioner Rinsema-Sybenga, second by Vice Mayor Hood, to approve the contract and resolution authorizing the mayor and clerk to sign both.

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

Nays: None

MOTION PASSES

B. <u>City Hall Duct Cleaning</u> Department of Public Work

SUMMARY OF REQUEST: Award a contract for duct cleaning at City Hall to Modernistic, the lowest responsible bidder. Three contractors were contacted, and two supplied bids as follows:

Modernistic - $9,899

Stanley Steamer - $13,832

FINANCIAL IMPACT: $9,899

BUDGET ACTION REQUIRED: None. A City Hall upgrade project is included in the capital project list of the 2018/2019 budget.

STAFF RECOMMENDATION: Award the project to the low bidder, Modernistic.

Motion by Vice Mayor Hood, second by Commissioner Johnson, to award the project to the low bidder, Modernistic.

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

Nays: None

MOTION PASSES

C. <u>Steven Street Storm Sewer Outlet Repairs</u> Department of Public Works

SUMMARY OF REQUEST: The DPW is requesting permission to rent equipment and purchase materials necessary to complete repairs to the Stevens Street Storm Sewer Outlet. The storm sewer outlet has partially collapsed and is causing substantial erosion. An MDEQ permit has been obtained for the work and bids were taken where feasible for the rental of equipment and purchase of materials necessary for the repairs. Labor to be completed by Highway Department staff.

FINANCIAL IMPACT: Materials - $12,208.20 ($4,208.20 Pipe + $8,000.00 Drainage Structure) Equipment - $2,935.00 (Excavator Rental)

BUDGET ACTION REQUIRED: None at this time. Equipment and material purchases will be funded from the Local Street Fund.

STAFF RECOMMENDATION: Authorize staff to rent equipment and materials to make repairs to the Stevens Street Storm Water Outlet.

Motion by Commissioner Rinsema-Sybenga, second by Vice Mayor Hood, to authorize staff to rent equipment and materials to make repairs to the Stevens Street Storm Water Outlet.

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

Nays: None

MOTION PASSES

D. <u>2018 Capital Improvements Projects – McGraft Park Lot Resurfacing</u>
Department of Public Works

SUMMARY OF REQUEST: Award the resurfacing contract (H-1716) for crushing and shaping of the existing parking lot and driveway at McGraft Park to the low bidder. Three contractors submitted bids for this project as follows:

Accurate Excavators - $108,512.29

Jackson-Merkey Contractors - $112,453.90

Epic Excavating - $113,951.45

FINANCIAL IMPACT: $108,512.29

BUDGET ACTION REQUIRED: None at this time. The project will be funded through a planned capital improvement project and from the McGraft Park Trust Fund.

STAFF RECOMMENDATION: Award the project to the low bidder, Accurate Excavators.

Motion by Commissioner Turnquist, second by Commissioner Johnson, to authorize staff to rent equipment and materials to make repairs to the Stevens Street Storm Water Outlet.

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

Nays: None

MOTION PASSES

ADJOURNMENT: The City Commission meeting adjourned at 6:40 p.m.

Respectfully Submitted,

Ann Marie Meisch, City Clerk, MMC