CITY OF MUSKEGON

CITY COMMISSION MEETING

JUNE 28, 2022 @ 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, Michigan at 5:30 p.m., Tuesday, June 28, 2022, Vice Mayor, Willie German, Jr., opened the meeting with prayer, after which the Commission and public recited the Pledge of Allegiance to the Flag.

Present: Mayor Ken Johnson, Vice Mayor Willie German, Jr., Commissioners, Eric Hood, Rachel Gorman, Rebecca St.Clair, and Michael Ramsey, Interim City Manager LeighAnn Mikesell, City Attorney John Schrier, and City Clerk Ann Meisch.

Absent: Commissioner Teresa Emory

PUBLIC COMMENT ON AGENDA ITEMS: Public comments received.

2022-61 CONSENT AGENDA:

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

SUMMARY OF REQUEST: To approve the minutes of the May 24, 2022 Regular Meeting.

STAFF RECOMMENDATION: To approve the minutes.

B. <u>Mercy Health Arena ADA Upgrades – Contract Award</u> Arena and Public Works

SUMMARY OF REQUEST: Upon previous approval at the February 8, 2022 Commission Meeting, Spark43 and Coalition Companies proceeded with designing and bidding the ADA and necessary Life safety upgrades to the Arena and infrastructure/utility upgrades to Thayer Street. The design is now complete and competitive bids have been solicited for the work.

Bids were solicited for the construction project at the Arena & Thayer. ADA upgrades will be made to the alley, restrooms will be accessible from the street, the out of code stairs will b replaced with anew set that includes a storage area. Utilities along Thayer will be replaced, including the water main, water services and appurtenant parts. The bid tabulation is provided.

The arena portion of this project is proposed for funding through ARPA Dollars as noted in the February 8, 2022 Commission item, alternatively and if awarded RAP (Revitalization and Placemaking) Grant dollars can be utilized though the grant award is still several months away, if the project is selected.

AMOUNT REQUESTED: $788,550	AMOUNT BUDGETED: $750,000
FUND OR ACCOUNT(s):	FUND OR ACCOUNT(s):
590-UNASSIGNED (Thayer)=$113,156	590-UNASSIGNED (Thayer)=$100,000
590-UNASSIGNED (Thayer)=$113,156	590-UNASSIGNED (Thayer)=$100,000
254-UNASSIGNED (ARPA)=$562,239	254-UNASSIGNED (ARPA)=$550,000

STAFF RECOMMENDATION: Authorize staff to proceed with the project utilizing the recommended sub-contractors for a total amount not to exceed $788,550.

D. <u>Concession Agreement – Frostbite Shaved Ice</u> Public Works

SUMMARY OF REQUEST: Staff is seeking permission to enter into a contractual agreement with Justin Hawkins of "Frostbite Shaved Ice" at various locations including Sheldon, Campbell, and Pere Marquette Parks.

Staff is asking permission to enter into a Concession agreement for 2022 with Justin Hawkins of "Frostbite Shaved Ice" at various parks including Sheldon, Campbell, and Pere Marquette Parks. Staff have proposed fees to the City of $1,000 plus 5% of Gross Receipts; the specific proposal is provided. Mr. Hawkins proposes to locate the concession daily depending on weather and traffic in an attempt to maximize sales. Staff will work with Mr. Hawkins to ensure specific locations are safe and accessible.

STAFF RECOMMENDATION: Authorize staff to enter into a Concession Agreement with Justin Hawkins of "Frostbite Shaved Ice" at various locations including Sheldon, Campbell, and Pere Marquette Parks.

F. <u>Swan Alpha Development Agreement Rescission</u> City Manager

SUMMARY OF REQUEST: City Commission previously approve an agreement with Swan Alpha Development to develop 26 new housing units at the former farmer's market site. Staff is seeking approval to rescind the development agreement which has been canceled by the developer.

Following the City Commission's approval of the updated Swan Alpha Development Agreement in December 2020, the developer continued with preconstruction due diligence. The result of that due diligence was the understanding that the development would likely be too expensive to construct because of environmental issues that would require significant expense to remedy. Accordingly, the developer has canceled the agreement. The development agreement contemplated in the City of Muskegon making certain investments in the necessary infrastructure, and $250,000 from the Economic

Development Fund was set aside. That will no longer be necessary.

STAFF RECOMMENDATION: To approve the rescission of the Swan Alpha Development agreement.

H. <u>Sale – 1920 S Getty, 2155 Continental, and 2209 Valley</u> Planning

SUMMARY OF REQUEST: City staff is seeking authorization to sell three of the City owned vacant lots to Garrett Investment Properties LLC.

Garrett Investment Properties LLC will be constructing a total of seven (7) single-family homes on the lots owned by the City of Muskegon. The properties are zoned R-2 (Single Family Residential). There will be five single-family homes constructed on the property at 1920 S Getty with one single-family home constructed on each of the parcels at 2155 Continental and 2209 Valley, they will be sold for 75% of the True Cash Value (TCV) per policy. The total selling price will be $11,550. All of the properties are located in the Brownfield Development area. The homes will be constructed within twenty-four (24) months.

STAFF RECOMMENDATION: To authorize the Code Coordinator to work with the developer and complete the sale of the three City owned buildable lots as described and to have the Mayor and Clerk sign the purchase agreement and deed.

I. <u>First Responder Training and Recruitment Grant Acceptance</u> Public Safety

SUMMARY OF REQEUST: In February, Public Safety applied for grant funds from the First Responder Training and Recruitment grant program. We were one of 60 communities awarded funds out of over 400 applicants. We ask the City Commission to accept $87,065.00 in awarded funds and approve the expenditures as outlined in the grant.

Public Safety was awarded $87,065 from the State of Michigan First Responder Training and Recruitment grant program. The grant proceeds can only be used for the purposes for which they are awarded. Our grant application outlined the funds being used as follows:

- Expand recruitment by sponsoring two law enforcement officer recruits to attend the police academy;
- Improve training and provide additional professional development of all our law enforcement officers by purchasing de-escalation and use of force simulator training equipment (MILO system) and;
- Improve training and proved additional professional development of our firefighters by contracting with a firm to provide ice rescue training.

Category	Item	Description	Total Cost
Salary and Wages	Two MPD Law Enforcement Recruits	$20 per hour, 40 hours per week, for 15-week police academy.	$24,000
Contractual	GVSU Police Academy	Tuition ($7,120), student fee ($1,700), academy uniform ($320) or two recruits	$18,280
Contractual	Dive Rescue International	Ice Rescue Training Student fee ($425) for 20 firefighters	$8,500
Equipment	MILO Judgement and De-Escalation Simulator	MILO Virtual reality simulator equipment to include mobile training system equipment ($20,995) and add on training options equivalent to the equipment used by MPD	$36,285
		Total Grant Request/Award	$87,065

AMOUNT REQUESTED: $87,065 AMOUNT BUDGETED: $0

(100%) reimbursed through grant)

STAFF RECOMMENDATION: To accept the First Responder Training and Recruitment Grant and approve the expenditures as outlined in the grant application.

K. <u>Rezoning 930 W Sherman Boulevard – 2nd Reading</u> Planning

SUMMARY OF REQUEST: Request to rezone the property at 930 W Sherman Blvd from B-2, Convenience and Comparison Business to B-4, General Business, by 930 Sherman, LLC.

The Planning Commission unanimously recommended approval of the rezoning.

STAFF RECOMMENDATION: To approve the request to rezone the property at 930 W Sherman Blvd from B-2, Convenience and Comparison Business to B-4, General Business.

L. <u>Arena Temporary Liquor License</u> City Manager

SUMMARY OF REQUEST: City staff is requesting a temporary outdoor service permit for the Discover Muskegon Festival on July 1 and 2.

STAFF RECOMMENDATION: To approve the application for a temporary outdoor service permit under the city's liquor license at the Trinity Health Arena.

M. Rejection of Demolition Bid Public Safety

SUMMARY OF REQUEST: This is to request that the City Commission reject the Demolition Bid received from Midwest Demolition for 561 Catherine Ave, 275 Myrtle Ave, and 1470 Samburt, and authorize staff to re-bid, and authorize staff to award the bid to the lowest responsible bidder.

FUND OR ACCOUNT: 101-80387-5356

STAFF RECOMMENDATION: To reject the demolition bids received for 561 Catherine, 275 Myrtle, and 1470 Samburt.

Motion by Commissioner Gorman, second by Commissioner Ramsey, to accept the consent agenda as presented, minus item C, E, G, and J.

ROLL VOTE: Ayes: Gorman, St.Clair, Johnson, Hood, Ramsey, and German

Nays: None

MOTION PASSES

2022-62 REMOVED FROM CONSENT AGENDA:

C. Catamaran Storage Public Works

SUMMARY OF REQUEST: Staff is requesting Commission approval to designate a portion of Harbour Towne Beach for Catamaran use during the sailing season (April – October) and to establish a user fee.

The city previously offered catamaran storage at both Pere Marquette and Harbour Towne; during the previous high water cycles this service was canceled as there was a lack of beach to offer. As the water has receded the opportunity has returned and there are a group of users passionate to see catamarans make their return to the areas.

Staff would not recommend returning the service at Pere Marquette, however utilizing a small portion of Harbour Towne Beach was reviewed by staff and found to be an option that would be considered.

Staff is recommending that an approximately 70FT x 50 FT section of the southerly end of Harbour Towne Beach could be used for his purpose. It is estimate this could accommodate somewhere in the range of ten Catamarans.

Staff is also proposing an annual fee of $400 per boat for the use of this area. Staff will provide no services other than the installation of signs to delineate the designated area. With proceeds contributed toward the General Fund for use in maintaining the areas.

Spaces would be offered on a first come first serve basis up to a maximum of ten catamarans or when the space is full, whichever comes first.

STAFF RECOMMENDATION: To approve the establishment of a catamaran zone at Harbour Towne Beach and establish the user fee at $400/season.

Motion by Commissioner Ramsey, second by Commissioner Hood, to approve the establishment of a catamaran zone at Harbour Towne Beach and establish the user fee at $400/season.

ROLL VOTE: Ayes: St.Clair, Johnson, Hood, Ramsey, German, and Gorman

Nays: None

MOTION PASSES

E. <u>Watermark Development Agreement Rescission</u> City Manager

SUMMARY OF REQUEST: City Commission previously approved a development agreement for the Watermark Center. Staff is seeking approval to rescind the development agreement.

The agreement and consent assessment approve din January 2021 were never signed by the developer/owner. The property is now under different ownership and is listed for sale.

STAFF RECOMMENDATION: To approve the rescission of the Watermark Development Agreement.

Motion by Vice Mayor German, second by Commissioner St.Clair, to approve the rescission of the Watermark Development Agreement.

ROLL VOTE: Ayes: St.Clair, Johnson, Hood, Ramsey, German, and Gorman

Nays: None

MOTION PASSES

G. <u>Interim City Manager Stipend</u> City Manager

SUMMARY OF REQUEST: To revise the stipend paid for the additional duties being performed in the Interim City Manager role.

The $300 weekly salary stipend is set to expire June 30, 2022. Due to the level of effort and time commitment required to serve in multiple capacities for an extended period of time, it is being proposed to raise the stipend to $450 per week for another three-month time period, ending September 30, 2022. If the selection for City Manager is not made within this time frame, the salary and benefits will be renegotiated.

AMOUNT REQUESTED: $5,850 AMOUNT BUDGETED: Included in Salary Line

FUND OR ACCOUNT: 101-10172-5100

STAFF RECOMMENDATION: To approve the weekly stipend as presented.

Motion by Vice Mayor German, second by Commissioner St.Clair, to approve the weekly stipend as presented.

ROLL VOTE: Ayes: Johnson, Hood, Ramsey, German, Gorman, and St.Clair

Nays: None

MOTION PASSES

J. <u>Purchase of 1192/1194 Pine Street</u> Community & Neighborhood Services

SUMMARY OF REQUEST: To purchase the 2 building-3 unit property for the purpose of creating Affordable Housing opportunities for families in need of placement through our local Continuum of Care agencies and maintained by CNS through its City Rental Rehabilitation Program.

Current property is a market-rate and CNS wants to capitalize on creating affordable housing for a vulnerable population of homeless families through the process of the Continuum of Care network. CNS will manage and monitor occupancy through the Rental Rehabilitation Program for income eligible households at 60% AMI and at-risk of homelessness.

AMOUNT REQUESTED: $316,000 AMOUNT BUDGETED: $400,000

FUND OR ACCOUNT: HOME 2020/2021

STAFF RECOMMENDATION: To approve the purchase of 1192/1194 Pine Street for the City of Muskegon to create Affordable Housing for the Continuum of Care (CoC) population through the City's Rental Rehabilitation Program.

Motion by Vice Mayor German, second by Commissioner Hood, to approve the purchase of 1192/1194 Pine Street for the City of Muskegon to create Affordable Housing for the Continuum of Care (CoC) population through the City's Rental Rehabilitation Program.

ROLL VOTE: Ayes: Hood, Ramsey, German, Gorman, St.Clair, and Johnson

Nays: None

MOTION PASSES

2022-63 UNFINISHED BUSINESS:

A. <u>Transmittal of 2022-23 Proposed Budget</u> Finance

SUMMARY OF REQUEST: At this time staff is transmitting to the City Commission the proposed budget for fiscal year 2022-23 which starts July 1, 2022. Both hardcopy and electronic versions of the budget have been distributed to Commissioners. Additionally, the budget is available for inspection on the City's website and at the City Clerk's office.

The proposed budget was reviewed in datil with staff at the June 13, 2022 worksession. A public hearing on the budget was held at the regular Commission meeting on June 14, 2022. City ordinance requires that the budget be adopted by the Commission on or before the second Commission meeting in

June.

STAFF RECOMMENDATION: To approve the proposed budget for fiscal year 2022-23.

Motion by Commissioner St.Clair, second by Vice Mayor German, to approve the proposed budget for Fiscal Year 2022-23.

ROLL VOTE: Ayes: German, Gorman, St.Clair, Johnson, and Hood

Nays: Ramsey

MOTION PASSES

2022-64 NEW BUSINESS:

A. <u>Housing Board of Appeals Demolitions</u> Public Safety

938 E. Forest Avenue

1945 Reynolds

SUMMARY OF REQUEST: This is to request that the City Commission concur with the findings of the Housing Board of Appeals that the structures are unsafe, substandard, a public nuisance and that they be demolished within 30 days. It is further requested that administration be directed to obtain bids for the demolition of the structures and that the Mayor and City Clerk be authorized and directed to execute a contract for demolition with the lowest responsible bidder or staff may issue infraction tickets to the owner, agent or responsible party if they do not demolish the structures.

AMOUNT REQUESTED: Bids

FUND OR ACCOUNT: 101-80387-5356

STAFF RECOMMENDATION: To concur with the Housing Board of Appeals decision to demolish.

Motion by Commissioner Ramsey, second by Commissioner Hood, to concur with the Housing Board of Appeals decision to demolish 938 E. Forest.

ROLL VOTE: Ayes: Gorman, St.Clair, Johnson, Hood, Ramsey, and German

Nays: None

MOTION PASSES

Motion by Commissioner Ramsey, second by Vice Mayor Germ, to concur with the Housing Board of Appeals decision to demolish 1945 Reynolds.

ROLL VOTE: Ayes: Gorman, St.Clair, Johnson, Hood, Ramsey, and German

Nays: None

MOTION PASSES

B. <u>4th Quarter Reforecast</u> Finance

SUMMARY OF REQUEST: At this time staff is asking for approval of the 4th Quarter Budget Reforecast for the FY 2021-22 budget year.

Highlights of the FY 2021-22 4th quarter reforecast are below:

General Fund

<u>Revenues:</u>

Income Tax collections have been better the projected for the 4th quarter. The Income Tax Revenue has been adjusted up to $9,300,000. Income tax revenue projections were originally budgeted for $9,100,000 this year.

State Replacement Revenue for Personal Property Taxes has been adjusted to $929,000 and they were originally budgeted for $800,000.

Bond Proceeds have been adjusted down to $289,176 from $1,085,275. Most of the revenue was collected in the previous year.

<u>Expenditures:</u>

The Contributions Department budget has been increased by $88,600. Some of the significant changes were primarily for the Neighborhood Associations Grants. Their year-end expenses are expected to be $227,000 and were originally budgeted at $150,000. Port City Football was excluded from the original budget. We are expected to pay them $5,000 this fiscal year. Rate increases were updated to the Muskegon Area Transit (Regular and Micro)

Police and Fire salaries were adjusted up again, based on actual payroll figures.

City Attorney fees are higher based on additional hourly fees. Projected costs through the end of the year is $505,000. The original budgeted amount was $380,000. Last year we paid them $431,002.

STAFF RECOMMENDATION: To approve the 4th Quarter FY2021-22 Budget Reforecast as presented.

Motion by Commissioner St. Clair, second by Commissioner Ramsey, to approve the 4th Quarter FY2021-22 Budget Reforecast as presented.

ROLL VOTE: Ayes: St.Clair, Johnson, Hood, Ramsey, German, and Gorman

Nays: None

MOTION PASSES

C. <u>2022 Long Term Goal Adoption</u> City Manager

SUMMARY OF REQUEST: Staff is seeking approval of the long-term goals for 2022-2027.

Staff and Commissioners met on April 15, 2022 to create a shared vision of the future with major goals, key objectives, and one-year tasks. After receiving he report from our facilitator, Lew Bender, city division and department heads developed a draft City Commission Vision for 2022-29027. The vision includes four major goals: Destination Community& Quality of Life, Economic Development, Housing, and Business, Community Connection, and Financial Infrastructure. Staff reviewed the draft vision with Commissioners at the June Worksession and have modified the document based on comments received. The final version is presented for approval at this time.

STAFF RECOMMENDATION: To approve the City Commission Vision for 2022-2027.

Motion by Commissioner Ramsey, second by Commissioner Gorman, to approve the City Commission Vision for 2022-2027.

ROLL VOTE: Ayes: St.Clair, Johnson, Hood, Ramsey, German, and Gorman

Nays: None

MOTION PASSES

2022-65 ANY OTHER BUSINESS:

A. <u>Fire Turn Loan to Museum - Renewal</u> City Manager

SUMMARY OF REQUEST: Staff is seeking approval to renew the loan agreement with the Lakeshore Museum Center for the 1923 American LaFrance Fire Truck and attached equipment.

Since 1990, the city has loaned an older model fire truck to the museum. The truck is insured for up to $50,000.

STAFF RECOMMENDATION: To approve the renewal of the loan agreement with the Lakeshore Museum Center for the 1923 American LaFrance Fire Truck and attached equipment and authorize the City Manager to sign.

Motion by Commissioner Ramsey, second by Commissioner St.Clair, to approve the renewal of the loan agreement with the Lakeshore Museum Center for the 1923 American LaFrance Fire Truck and attached equipment and authorize the City Manager to sign.

ROLL VOTE: Ayes: Johnson, Ramsey, German, Gorman, and St.Clair

Nays: None

MOTION PASSES

B. <u>Transfer $100,000 to Budget Stabilization Fund</u>

Motion by Commissioner St.Clair, second by Commissioner Ramsey, to approve transfer $100,000 from our General Fund Surplus to the Budget Stabilization Fund for FY 2021-22.

ROLL VOTE: Ayes: Ramsey, German, Gorman, St.Clair, and Johnson

Nays: None

MOTION PASSES

C. <u>Fly Pride Flag Last Day of June</u>

Motion by Commissioner Ramsey, second by Commissioner St.Clair, to fly the LGBTQIA2S+ Progressive Flag for the last day of June 2022.

ROLL VOTE: Ayes: Ramsey, German, Gorman, St.Clair, and Johnson

Nays: Hood

MOTION PASSES

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

ADJOURNMENT: The City Commission meeting adjourned at 7:24 p.m.

Respectfully Submitted,

Ann Marie Meisch, MMC - City Clerk