# CITY OF MUSKEGON

## CITY COMMISSION MEETING

## JUNE 28, 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, June 28, 2016.

Pastor Tim Cross, Living Word Church, 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 Gawron, Vice Mayor Eric Hood, Commissioners Debra Warren, Willie German, Jr., Dan Rinsema-Sybenga, Byron Turnquist, and Ken Johnson, City Manager Franklin Peterson, City Attorney John Schrier, and City Clerk Ann Meisch.

**2016-53 CONSENT AGENDA:**

**A. Approval of Minutes** City Clerk

SUMMARY OF REQUEST: To approve minutes of the June 10, 2016 Special City Commission Meeting, June 13, 2016 Worksession Meeting, and the June 14, 2016 Regular City Commission Meeting.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the minutes.

**D. Community Relations Committee Recommendation** City Clerk

SUMMARY OF REQUEST: To concur with recommendations from the Community Relations Committee to appoint Barbara VanFossen to the District Library Board.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To concur with recommendations.

**E. Interview Room Audio & Visual Recording Device** Public Safety

SUMMARY OF REQUEST: The Director of Public Safety requests that the Commission authorize the amount of $15,361.00 for an audio & visual recording device for the Detective Bureau interview room. This recording system, with needed attachments, accessories, and backend storage server, will replace the current out-of-date recording system. This upgrade will also assist the Muskegon Police Department to be in compliance with the Audio Recording of Custodial Interrogations ~ Public Act 479 of 2012. The equipment enhancement should be completed by August 15, 2016. **This equipment is a sole source purchase which is compatible with the L3 Communications Dash Cam system in our patrol vehicles.*

FINANCIAL IMPACT: N/A – Budgeted.

BUDGET ACTION REQUIRED: Equipment was budgeted in the 215/2016 (amended) budget cycle to support the equipment upgrade (Police Forfeiture Fund).

STAFF RECOMMENDATION: Staff recommends approval of this equipment purchase to update & enhance essential audio & visual recording during criminal investigations.

**F. <u>Backhoe Purchase</u>** DPW/Equipment

SUMMARY OF REQUEST: Authorize staff to purchase one (1) Michigan Cat Backhoe from Michigan Caterpillar, the Mi Deal State Contract holder. This machine will replace the 2000 model that we will retire from service.

FINANCIAL IMPACT: $111,000 on State Contract.

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

STAFF RECOMMENDATION: Authorize staff to purchase one (1) Michigan Cat Backhoe from Michigan Caterpillar, the Mi Deal State Contract Holder.

**G. <u>Fuel System Upgrade</u>** DPW/Equipment

SUMMARY OF REQUEST: Authorize staff to purchase new Fuel Master Fuel Dispensing Module and Fuel pumps from Van Manen Petroleum Group. This is the second phase of our upgrade that started last year when our monitoring and leak detections system failed requiring emergency repairs to keep us compliant with DEQ regulations. This purchase is product exclusive to the previous repairs done last year due to the age of our system; we are reaching the point where it is getting hard to find replacement parts for our pumps. With the Police and Fire as well as DPW staff fueling at our facility it would not be good for our pumps to be down for an extended period of time.

FINANCIAL IMPACT: $23,000.00

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

STAFF RECOMMENDATION: Authorize staff to purchase new Fuel Master Module and Pumps.

**H. <u>New Plow Truck</u>** DPW/Equipment

SUMMARY OF REQUEST: The Equipment Division is requesting permission to purchase one new plow truck from West Michigan International the State Mi-Deal contract holder.

FINANCIAL IMPACT: $84,292.85

BUDGET ACTION REQUIRED: None. This is the amount budgeted for.

STAFF RECOMMENDATION: Authorize staff to purchase (1) one new plow truck from West Michigan International, LLC.

K. **Vinyl Siding Supplier Contract for Fiscal Year 2016** Community and Neighborhood Services

SUMMARY OF REQUEST: To authorize Community and Neighborhood Services to enter a new contract with Keene Lumber Company to be the Vinyl Siding Supplier for 2016 Fiscal Year. Keene Lumber has agreed to honor the existing contract price of $46.95 per building square for standard siding and $85.00 per building square for premium siding.

FINANCIAL IMPACT: Funding will be disbursed from the 2016 Community Development Block Grant Vinyl Siding fund.

BUDGET ACTION REQUIRED: None at this time.

STAFF RECOMMENDATION: To approve the request.

COMMITTEE RECOMMENDATION: The funding for the Vinyl Siding Program was approved by the Citizens District Council during the 2016 CDBG Grant process.

L. **Vinyl Siding Installer Contracts for Fiscal Year 2016** Community and Neighborhood Services

SUMMARY OF REQUEST: To authorize Community and Neighborhood Services to enter a new contract with JR Tucker Construction to install vinyl siding at an agreed price of $52.00 per building square for the Vinyl Siding Program's 2016 fiscal year.

FINANCIAL IMPACT: Funding will be disbursed from the July 1, 2016 – June 30, 2017 Community Development Block Grant Vinyl Siding fund.

BUDGET ACTION REQUIRED: None at this time.

STAFF RECOMMENDATION: To approve the request.

COMMITTEE RECOMMENDATION: The funding for the Vinyl Siding Program was approved by the Citizen's District Council during the 2016 CDBG Grant process.

M. **Sewer Rate Adjustment** Finance Director

SUMMARY OF REQUEST: Prior to 2015, there had not been a sewer rate increase since 2010. The 2015 sewer rate resolution that was adopted has not adequately addressed the needs of the sewer fund. Accordingly, we are asking the City

Commission to rescind the sewer rate resolution that was adopted in 2015 and now approve a new resolution with a treatment rate for our customers that is based on a multiplier of 1.49 times the rate the county bills the City for wastewater treatment.

FINANCIAL IMPACT: None at this time.

BUDGET ACTION REQUIRED: None at this time. The proposed rate change was incorporated into the FY 2016-17 budget that was recently approved by the City Commission.

STAFF RECOMMENDATION: Adoption of the fee adjustment resolution.

**Motion by Commissioner Johnson, second by Commissioner Turnquist, to approve the Consent Agenda as presented with the exception of Items B, C, I, J, and N.**

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

**Nays: None**

***MOTION PASSES***

**2016-54 ITEMS REMOVED FROM THE CONSENT AGENDA:**

**B. <u>Gaming License Request from Muskegon Polish Festival</u>** City Clerk

SUMMARY OF REQUEST: The Muskegon Polish Festival is requesting a resolution recognizing them as a non-profit organization operating in the City for the purpose of obtaining a Gaming License.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval.

**Motion by Commissioner Warren, second by Commissioner German, to approve a resolution for the Muskegon Polish Festival for the purposes of obtaining a Gaming License.**

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

**Nays: None**

***MOTION PASSES***

**C. <u>Approval of Resolution Regarding Precinct Boundary Adjustments</u>** City Clerk

SUMMARY OF REQUEST: To approve a resolution to allow for the adjustment of precinct boundaries in precincts 5 and 7. Terrace Point Circle did not exist when the current precinct boundaries were decided. Terrace Point Circle is currently sitting in two precincts with no natural boundary. Further adjustments will be made to this area to include the voters on Viridian Drive, the natural boundary used for the new precinct division is the census block where the properties are located. Voters registered on Viridian will have a new polling place of City Hall effective January 1, 2017 if the resolution is approved. Changes to Terrace Point Circle will become effective immediately.

FINANCIAL IMPACT: None.

BUDGET ACITON REQUIRED: None.

STAFF RECOMMENDATION: Approval of the resolution.

STAFF RECOMMENDATION: To concur with recommendations.

**Motion by Commissioner German, second by Commissioner Rinsema-Sybenga, to approve the resolution adjusting precinct boundaries in precincts 5 and 7.**

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

**Nays: None**

***MOTION PASSES***

**I. <u>Plow Truck Build</u>** DPW/Equipment

SUMMARY OF REQUEST: Authorize staff to allow Arista Truck Systems to build two new Plow trucks, the lowest qualified bidder.

FINANCIAL IMPACT: $111,224.00

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

STAFF RECOMMENDATION: Authorize staff to allow Arista Truck Systems to build two new Plow trucks, the lowest qualified bidder.

**Motion by Commissioner German, second by Commissioner Rinsema-Sybenga, to authorize staff to allow Arista Truck Systems to build two new Plow trucks, the lowest qualified bidder.**

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

**Nays: None**

***MOTION PASSES***

**J. <u>A & E Barbecue Concession Contract for City of Muskegon Parks</u>**
Department of Public Works

SUMMARY OF REQUEST: Staff is asking permission to enter into a 1-year contractual agreement with Eric Jewel of A & E Barbecue LLC, at Pere Marquette Park, located within the City of Muskegon, to sell various Barbecue items from a mobile “smoker on wheels”.

FINANCIAL IMPACT: Concession revenue is 10% of gross receipts

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Authorize DPW staff to enter into concession agreement with Eric Jewel of A & E Barbecue LLC.

**Motion by Commissioner German, second by Commissioner Warren, to authorize staff to enter into concession agreement with Eric Jewel of A & E Barbecue, LLC.**

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

**Nays: None**

***MOTION PASSES***

**N. <u>Reese Field Management Agreement</u>** Department of Public Works

SUMMARY OF REQUEST: Authorize the Mayor and City Clerk to execute the "Reese Field Soccer Facility Management Agreement" with Sailors Soccer Club DBA, West Michigan Storm Soccer Club (WMSSC).

FINANCIAL IMPACT: West Michigan Storm Soccer Club will expand the operations of this facility and will invest in improvements to the facility.

BUDGET ACTION REQUIRED: None. The contract will offer savings in maintenance costs for the City and create opportunities for capital improvements by WMSSC that the City is unable to accomplish at this time.

STAFF RECOMMNEDATION: Approve request.

**Motion by Commissioner Warren, second by Commissioner Johnson, to authorize the Mayor and City Clerk to execute the "Reese Field Soccer Facility Management Agreement" with Sailors Soccer Club DBA, West Michigan Storm Soccer Club.**

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

**Nays: None**

***MOTION PASSES***

**2016-55 PUBLIC HEARINGS:**

**A. <u>Public Hearing – Request to Create a New Neighborhood Enterprise Zone District at 285 W. Western Avenue</u>** Planning and Economic Development

SUMMARY OF REQUEST: Pursuant to Public Act 147 of the Michigan Public Acts of 1992, the developer of the Highpoint Flats project has requested to create a new Neighborhood Enterprise Zone (NEZ) district for the parcel at 285 W.

Western Avenue. Properties located in NEZ districts are eligible to apply for NEZ certificates, which will lower the residential property taxes on new or rehab construction. The State requires that notices are to be sent to the local taxing jurisdictions regarding the request and that the resolution may not be passed until after 60 days of the notice letters being sent. Also, a public hearing must be held no more than 45 days after the notice is sent. Notices were mailed on June 20, 2016. The resolution is planned to come back in front of the City Commission on August 23, 2016. This project will include between 49-61 apartment units with first floor retail and/or office space. The NEZ will only affect the residential component of the project. The City is allowed to designate up to 15% of its total area as NEZ designations, which calculates out to 2.802 square miles. We currently have 2.06 square miles designated as NEZ districts. This new district would only add 0.0004 square miles for an overall total of 2.0604 square miles of designated NEZ district in the City.

FINANCIAL IMPACT: For those properties that are approved for a NEZ Certificate, taxation will be levied using half of the State average of millages of local entities.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Staff recommends approval of the new NEZ district.

**PUBLIC HEARING COMMENCED: NO PUBLIC COMMENTS RECEIVED.**

**Motion by Commissioner Warren, second by Vice Mayor Hood, to close the public hearing.**

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

**Nays: None**

***MOTION PASSES***

**2016-56 NEW BUSINESS:**

**A. <u>Concurrence with the Housing Board of Appeals Notice and Order to Demolish</u>** Public Safety

**330 Washington**

**1592 5th Street**

**1761 S. Getty Street**

**1363 7th Street**

**1524 Hoyt Street**

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 thirty (30) days or infraction tickets may be issued. 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 contracts 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 structure.

FINANCIAL IMPACT: CDBG or General Funds.

BUDGET ACTION REQUIRED: None.

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

**Motion by Vice Mayor Hood, second by Commissioner German, to concur with the Housing Board of Appeals decision to demolish.**

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

**Nays: None**

***MOTION PASSES***

**B. <u>Skate Park Fund Agreement</u>** City Manager

SUMMARY OF REQUEST: The City Commission's 4th Quarter Budget Reforecast for FY2015-2016 included a $10,000 expenditure for improvements to the Skate Park at Syferth Park. Staff is requesting permission to utilize those dollars to establish a fund at the Community Foundation for Muskegon County to allow for additional contributions to be made by interested community members.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve the Non-Profit Support Services Agreement with the Community Foundation for Muskegon County, and authorize the Mayor to sign.

**Motion by Commissioner Johnson, second by Commissioner Warren, to approve the Non-Profit Support Services Agreement with the Community Foundation for Muskegon County, and authorize the Mayor to sign.**

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

**Nays: None**

***MOTION PASSES***

**C. <u>LC Walker Arena Lease Agreement</u>** City Manager

SUMMARY OF REQUEST: As the City continues to manage the LC Walker Arena, staff's top priorities are to reduce or eliminate General Fund subsidies and strategically improve the arena in a manner that provides for more frequent use and higher-quality experience for tenants and event attendees. The greatest way to accomplish this is to add value in ways that do not disrupt ice utilization, which is the facility's greatest revenue source. Accordingly, staff is proposing a lease agreement and corresponding development agreement with West Michigan Rum Company, LLC, to provide for the buildout and leasing of approximately 5,000 square feet of space in the concourse area of the Arena, adjacent to the corner of Western Avenue and 4th Street. The West Michigan Rum Company will operate a distillery and restaurant in this space that will occupy the Western Avenue side of the building and add to the food and beverage opportunities in the LC Walker Arena on event days. The lease has an initial 5 year term with nine three-year extension options. Rent shall be $10.00 per square foot – or approximately $4,166.66 per month initially.

FINANCIAL IMPACT: Development costs are estimated between $300,000 and $350,000. Annual rental income is estimated at $50,000.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To authorize staff to sign the agreements and begin the due diligence period as outlined in the Development Agreement.

**Motion by Commissioner Johnson, second by Commissioner German, to authorize staff to sign the agreements and begin the due diligence period as outlined in the Development Agreement.**

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

**Nays: None**

***MOTION PASSES***

**PUBLIC PARTICIPATION:** Public comments were received.

**ADJOURNMENT:** The City Commission adjourned at 7:10 p.m.

Respectfully Submitted,

Ann Marie Meisch, MMC, City Clerk