CITY OF MUSKEGON

CITY COMMISSION MEETING

JUNE 27, 2017 @ 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, June 27, 2017. George Monroe, Evanston Avenue Baptist, 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, Commissioners Ken Johnson, Debra Warren, Dan Rinsema-Sybenga, and Byron Turnquist, City Manager Franklin Peterson, City Attorney John Schrier, and City Clerk Ann Meisch.

Absent: Vice Mayor Eric Hood (arrived at 5:52 p.m.), Commissioner Willie German, Jr. (arrived at 6:00 p.m.)

2017-50 CONSENT AGENDA:

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

SUMMARY OF REQUEST: To approve minutes of the June 12, 2017 Worksession Meeting and the June 13, 2017 Regular City Commission Meeting.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval of the minutes.

B. <u>One-Time or Occasional Users of Kitchen 242 – User Fee Change</u> City Clerk

SUMMARY OF REQUEST: Current fees for use of Kitchen 242 are $15 per hour with a Security Deposit of $50. Staff is seeking City Commission approval to amend the fee schedule for rental for one-time or occasional users to $25 per hour and the Security Deposit to $100, effective July 1, 2017.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval of the change in fees for one-time or occasional users effective July 1, 2017.

C. <u>2017-2018 Muskegon High School Community Officer Agreement</u> Public Safety

SUMMARY OF REQUEST: To approve the 2017-2018 Muskegon High School Community Officer Agreement. This agreement provides Muskegon High School with a Community Officer during the nine months school is in session.

FINANCIAL IMPACT: Muskegon Public Schools agrees to pay the City of Muskegon $2,459.74 each month, from September 2017 through May 2018, totaling $22,137.66.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approve the 2017-2018 Muskegon High School Community Officer Agreement and authorize the Mayor to sign.

E. <u>Amendment to the Zoning Ordinance – Signage</u> Planning & Economic Development

SUMMARY OF REQUEST: Staff-initiated request to amend Section 2334 of the zoning ordinance to amend the rules on electronic message board signs and to allow them in B-1, Limited Business Districts and WM, Waterfront Marine Districts, as well as at churches in all zoning districts and all businesses that have been granted a special use permit in residential districts.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To approve the zoning ordinance amendment.

COMMITTEE RECOMMENDATION: The Planning Commission unanimously recommended approval of the ordinance amendment, with one member absent.

~ SECOND READING REQUIRED ~

F. <u>Rezoning Request for Several Properties to R-2, Single Family Medium Density Residential District</u> Planning & Economic Development

SUMMARY OF REQUEST: Staff initiated request to rezone several properties from R-1, Single Family Low Density Residential District to R-2, Single Family Medium Density Residential District.

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 June 15 meeting, with one member absent.

~ SECOND READING REQUIRED ~

G. Rezoning Request for Several Properties to R-3, Single Family High Density Residential District Planning & Economic Development

SUMMARY OF REQUEST: Staff initiated request to rezone several properties from R-1, Single Family Low Density Residential District to R-3, Single Family High Density Residential District.

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 June 15 meeting, with one member absent.

~ SECOND READING REQUIRED ~

H. 2017 CDBG/HOME Budget Recommendations Community and Neighborhood Services

SUMMARY OF REQUEST: To accept the 2017 Budget recommendations from Citizen's District Council for CDBG/HOME Allocations.

FINANCIAL IMPACT: Budget will be published for release of funds request.

BUDGET ACTION REQUIRED: To finalize the budget for the CNS department and direct staff to publish approved 2017 ACDBG/HOME Allocation and Budget for Release of Funds and Environmental Review of Projects.

STAFF RECOMMENDATION: To accept and approve the recommended 2017 CDBG and HOME Budgets from Citizens District Council.

COMMITTEE RECOMMENDATION: The Citizens District Council has made their recommendations.

I. ITEM REMOVED PER STAFF REQUEST

J. Set Public Hearing for Amendment to Brownfield Plan – Liberty Building (Formerly Ameribank) Planning & Economic Development

SUMMARY OF REQUEST: To approve the resolution setting a public hearing for an amendment for the Brownfield Plan, and notifying taxing jurisdictions of the Brownfield Plan Amendment including the opportunity to express their views and recommendations regarding the proposed amendment at the public hearing. The amendment is for the inclusion of property which will be purchased by Liberty Development, LLC, located at 880 First Street, in the Brownfield Plan.

FINANCIAL IMPACT: Brownfield Tax Increment Financing will be used to reimburse the developer and the City for "eligible expenses" incurred in association with development of the Liberty project, which is approximately $2,564,280. Liberty Development, LLC cost for the development of the property is approximately $6.85 million in private investment, resulting in a substantial increase in the local and school taxes generated by the property.

BUDGET ACTION REQUIRED: None

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

COMMITTEE RECOMMENDATION: The Brownfield Redevelopment Authority met on June 15, 2017 and approved the Brownfield Plan Amendment and recommends the approval of the Brownfield Plan Amendment to the Muskegon City Commission.

Motion by Commissioner Turnquist, second by Commissioner Johnson, to approve the consent agenda as presented, minus items D.

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

Nays: None

MOTION PASSES

2017-51ITEMS REMOVED FROM THE CONSENT AGENDA:

D. <u>Space Fruit, LLC Concession 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 Bri Schott & Kelvin Pearson of Space Fruit LLC, at Pere Marquette Park, located within the City of Muskegon, to sell various Fruit Pearl items, as stated in their proposal, from a mobile concession trailer.

FINANCIAL IMPACT: Concession revenue is 10% of gross receipts.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Authorize DPW staff to enter into concession agreement with Bri Schott & Kelvin Pearson of Space Fruit, LLC.

Motion by Commissioner Warren, second by Commissioner Rinsema-Sybenga, to authorize DPW staff to enter into concession agreement with Bri Schott & Kelvin Pearson of Space Fruit, LLC

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

Nays: None

MOTION PASSES

2017-52 PUBLIC HEARINGS:

A. <u>Request for an Industrial Facilities Exemption Certificate – Lakeside Surfaces</u> Planning & Economic Development

SUMMARY OF REQUEST: Pursuant to Public Act 198 of 1974, as amended, Lakeside Surfaces, Inc, 2265 Black Creek Road, has requested the issuance of an Industrial Facilities Tax Exemption Certificate (IFT). The total capital investment will be $2,387,666 in real property and will create 26 new jobs in the City. They are eligible for a 12-year abatement per the City's IFT policy.

FINANCIAL IMPACT: The City will capture certain additional property taxes generated by the expansion.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the resolution granting an Industrial Facilities Exemption Certificate for a term of twelve (12) years for real property.

PUBLIC HEARING COMMENCED: No public comments were received

Motion by Commissioner Rinsema-Sybenga, second by Commissioner Warren, to close the public hearing and approve the resolution granting an Industrial Facilities Exemption Certificate for a term of twelve years for real property for Lakeside Services.

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

Nays: None

MOTION PASSES

B. <u>Request to Transfer Two Industrial Facilities Exemption Certificates to KLO Acquisition, LLC</u> Planning & Economic Development

SUMMARY OF REQUEST: Pursuant to Public Act 198 of 1974, as amended, KLO Acquisition, LLC, 1790 Sun Dolphin Drive, has requested the transfer of two personal property Industrial Facilities Tax Exemption Certificates (IFT) from Ameriform Acquisition, LLC. These would include Certificate numbers 2011-302 (set to expire at the end of 2019) and 2014-435 (set to expire at the end of 2023).

FINANCIAL IMPACT: The City will continue to capture the same amount of property taxes generated by the original IFT.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the resolution granting the transfer of the IFT's.

PUBLIC HEARING COMMENCED: No public comments were received.

Motion by Commissioner Warren, second by Commissioner Johnson, to close the public hearing and approve the resolution granting transfer of the IFT's to KLO Acquisitions, LLC.

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

Nays: None

MOTION PASSES

2017-53 NEW BUSINESS:

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

533 Jackson Avenue

1440 Jiroch Street

1460 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: General Funds

BUDGET ACTION REQUIRED: None

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

Motion by Commissioner Rinsema-Sybenga, second by Commissioner Johnson, to concur with the Housing Board of Appeals notice and order to demolish 533 Jackson Avenue and 1440 Jiroch Street.

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

Nays: None

MOTION PASSES

Motion by Commissioner Turnquist, second by Commissioner Johnson, to concur with the Housing Board of Appeals notice and order to demolish 1460 Hoyt STreet Avenue and 1440 Jiroch Street.

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

Nays: None

MOTION PASSES

B. <u>Adoption of 2017-18 Proposed Budget</u> Finance

SUMMARY OF REQUEST: At this time staff is transmitting to the City Commission the proposed budget for fiscal year 2017-18 which starts July 1, 2017. An electronic version of the budget has been distributed to Commissioners. Additionally, the budget is available for public inspection on the City's website and at the City Clerk's Office or Hackley Public Library.

The proposed budget has been reviewed in detail with staff at the June 12th Worksession. A public hearing on the budget was held at the regular Commission meeting the following evening on June 13th. City ordinance requires that the budget be adopted by the Commission on or before the second Commission meeting in June.

FINANCIAL IMPACT: The budget is the City's financial plan for the coming fiscal year.

BUDGET ACTION REQUIRED: None at this time.

STAFF RECOMMENDATION: Approval of the proposed budget for the fiscal year 2017-18.

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

Nays: None

C. <u>Change Order to add Harris Street Resurfacing from Sherman to Sun Dolphin to the Glenside, Sherman to Glen (H-1708)</u> Engineering

SUMMARY OF REQUEST: Authorize staff to execute a change order with McCormick Sand, Inc. adding the milling and resurfacing of Harris to the Glenside project as per the proposal.

This request is contingent upon the approval of the proposed CIP projects in the proposed 2017/2018 budget.

FINANCIAL IMPACT: Estimated cost for construction is $113,859.28

BUDGET ACTION REQUIRED: None at this time assuming the proposed 2017/2018 CIP is adopted.

STAFF RECOMMENDATION: Authorize staff to execute a change order with McCormick Sand, Inc.

Motion by Commissioner Rinsema-Sybenga, second by Vice Mayor Hood, to authorize staff to execute a change order with McCormick Sand, Inc.

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

Nays: None

MOTION PASSES

D. Hartshorn Marina Engineering Study Department of Public Works

SUMMARY OF REQUEST: Authorize staff to enter into an engineering services agreement with Abonmarche consulting to provide the preliminary engineering as per the proposal and as called for by the Michigan Department of Natural Resources grant.

FINANCIAL IMPACT: $60,000 DOLLARS, State of Michigan match of $30,000

BUDGET ACTION REQUIRED: None if the proposed budget is approved.

STAFF RECOMMENDATION: Authorize staff to enter into an engineering services agreement with Abonmarche.

Motion by Vice Mayor Hood, second by Commissioner Johnson, to authorize staff to enter into an engineering services agreement with Abonmarche.

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

Nays: None

MOTION PASSES

E. Adopt Michigan DNR Grant Resolution Department of Public Works

SUMMARY OF REQUEST: To adopt the resolution and authorize the Mayor and Clerk to sign the agreement between the Michigan Department of Natural Resources and the City of Muskegon.

FINANCIAL IMPACT: $30,000 is the city's match.

BUDGET ACTION REQUIERD: None is necessary if the proposed budget for 2017/2018 is approved.

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

Motion by Commissioner German, second by Commissioner Warren, to approve the resolution and authorize the Mayor and Clerk to sign the agreement.

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

Nays: None

MOTION PASSES

F. Sewer Rate Adjustment Finance

SUMMARY OF REQUEST: In 2016 a 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 was adopted. The 2017/18 budget calls for the multiplier to be raised to 1.68 based on the recommendation of H. J. Umbaugh & Associates to cover the costs of capital improvement needs of our aging infrastructure over the next ten years. Additionally the monthly sewer administration charge will increase from $2.67 to $3.00.

FINANCIAL IMPACT: None at this time.

BUDGET ACTION REQUIRED: None at this time. The proposed rate change was incorporated into the FY 2017-18 budget that was recently approved by the City Commission.

STAFF RECOMMENDATION: Adoption of the fee adjustment resolution.

Motion by Commissioner Rinsema-Sybenga, second by Commissioner Warren, to approve the fee adjustment regarding sewer rates.

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

Nays: None

MOTION PASSES

G. 2017 Sanitation Service Fee Finance

SUMMARY OF REQUEST: To adopt the resolution to begin charging a sanitation service fee of $1.20 per month per residential utility bill. This charge will cover the difference between what is currently being collected through property taxes and what the City currently pays for residential sanitation.

FINANCIAL IMPACT: None at this time.

BUDGET ACTION REQUIRED: None at this time. The proposed rate change was incorporated into the FY 2017-18 budget that was recently approved by the City Commission.

STAFF RECOMMENDATION: Adopt the resolution.

Motion by Vice Mayor Hood, second by Commissioner Johnson, to approve the 2017 Sanitation Service Fee Resolution.

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

Nays: None

MOTION PASSES

PUBLIC PARTICIPATION: Public Comments were received.

2017-54 CLOSED SESSION:

A. City Manager Evaluation

Motion by Commissioner Rinsema-Sybenga, second by Commissioner Warren, to go into closed session for the City Manager's Evaluation.

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

and Turnquist

Nays: None

MOTION PASSES

Motion by Commissioner Rinsema-Sybenga, second by Commissioner Turnquist, to return to open session.

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

Nays: None

MOTION PASSES

ADJOURNMENT: The City Commission meeting adjourned at 8:10 p.m.

Respectfully Submitted,

Ann Marie Meisch, MMC, City Clerk