CITY OF MUSKEGON

CITY COMMISSION MEETING

JUNE 26, 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, June 26, 2018. Mr. 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, Vice Mayor Eric Hood, Commissioners Ken Johnson, Byron Turnquist, Debra Warren, and Willie German, Jr, and Dan Rinsema-Sybenga, City Manager Frank Peterson, City Attorney John Schrier, and City Clerk Ann Meisch.

2018-45 INTRODUCTIONS/PRESENTATION:

A. Recognition of Spring 2018 Citizen's Academy Graduates Public Safety

Mayor, Stephen J. Gawron, read the resolution and thanked the 2018 Citizen's Police Academy for their faithful attendance, completion, and graduation from the ten week academy.

2018-46 CONSENT AGENDA:

A. Approval of Minutes City Clerk

SUMMARY OF REQUEST: To approve the minutes of the June 11, 2018 Worksession and June 12, 2018 Regular Meeting.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval of the minutes.

C. Toro Groundsmaster Mower DPW/Parks Department

SUMMARY OF REQUEST: The Parks Department is requesting permission to purchase one Toro 3280 4-wheel drive Groundsmaster mower with 72 inch recycler mowing deck from Spartan Distributors, the lowest qualified bidder. The cost for the mower is $22,086.90.

FINANCIAL IMPACT: $22,086.90

BUDGET ACTION REQUIRED: None. The amount was budgeted in the 2018/19 Parks Budget.

STAFF RECOMMENDATION: Authorize staff to purchase one Toro Groundsmaster 3280 4-wheel drive mower with 72 inch recycler mowing deck from Spartan Distributors.

E. <u>Sale of Property for Industrial Development</u> Planning & Economic Development

SUMMARY OF REQUEST: Authorize staff to enter into a Real Estate Purchase Agreement with 2420 Remembrance Drive, LLC, a Michigan limited liability company. The company desires to purchase 2420 Remembrance Drive (PPN: 61-24-134-300-0001-00) for $15,000 per acre, to build a 490,000 square-foot facility.

Additionally, staff requests authorization to sell up to 15 acres of land at $9,000 per acre, pending final land surveying. Parcels include:

- 2539 E. Keating Avenue (Parcel #61-24-134-300-0005-10)
- 2355 E. Keating Avenue (Parcel #61-24-134-300-0005-00)
- 2285 Black Creek Road (Parcel #61-24-134-400-0002-00)

FINANCIAL IMPACT: 2420 Remembrance Drive will be sold for $340,000.000 ($15,000 per acre). Additional parcels will be sold at $9,000 per acre, pending final land surveying.

BUDGET ACTION REQUIRED: Sale proceeds to go into the Public Improvement Fund.

STAFF RECOMMENDATION: Authorize staff to enter into a Real Estate Purchase Agreement with 2420 Remembrance Drive, LLC.

F. <u>Evergreen Mausoleum Roof Replacement</u> Department of Public Works

SUMMARY OF REQUEST: To approve the complete roof replacement of the Evergreen Cemetery mausoleum by Ostrander Roofing in the 2019 fiscal year.

FINANCIAL IMPACT: Total Cost $94,500.00

BUDGET ACTION REQUIRED: None, budgeted item for 2019 fiscal year.

STAFF RECOMMENDATION: To approve the Evergreen mausoleum roof replacement.

G. <u>Roof Replacement – Water Filtration Plant, Sections #5 and #12</u> Department of Public Works/WFP

SUMMARY OF REQUEST: Authorize staff to enter into a roof replacement agreement at Water Filtration Plant – Sections #5 and #12 with Bob's Roofing since they submitted the lowest responsible bid of $212,885.

FINANCIAL IMPACT: $212,885

BUDGET ACTION REQUIRED: The project is included in the FY 2018-19 budget.

STAFF RECOMMENDATION: Authorize staff to enter into an agreement with Bob's Roofing for a cost of $212,885.

H. Walls and Windows Restoration – Section #5 Department of Public Works/WFP

SUMMARY OF REQUEST: Authorize staff to enter into a walls and windows restoration agreement at Water Filtration Plant – Section #5 with Kent Companies since they submitted the lowest responsible bid of $29,670.

FINANCIAL IMPACT: $29,670

BUDGET ACTION REQUIRED: The project is included in the FY 2018-19 budget.

STAFF RECOMMENDATION: Authorize staff to enter into an agreement with Bob's Roofing for a cost of $29,670

I. Amendment to Zoning Ordinance – Fences Planning & Economic Development

SUMMARY OF REQUEST: Staff-initiated request to amend Section 2331 of the zoning ordinance to allow six foot tall fences in front yards on corner lots in residential areas, under certain conditions.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To approve the zoning ordinance amendment.

COMMITTEE RECOMMENDATION: The Planning Commission unanimously approve the request 5-0 with four members absent.

J. Amendment to Zoning Ordinance – Accessory Structures Planning & Economic Development

SUMMARY OF REQUEST: Staff-initiated request to amend Section 2311 of the zoning ordinance to allow accessory structures in front yards on corner lots, under certain conditions.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To approve the zoning ordinance amendment.

COMMITTEE RECOMMENDATION: The Planning Commission unanimously approved the request 5-0, with four members absent.

K. Water Rate Increase Finance

SUMMARY OF REQUEST: To adopt the resolution to increase the rate charged to City water customers for water usage 4% every year for the next five years to cover the cost of infrastructure improvements to the Water Filtration Plan and the Water Distribution system. The water rates have not been increased since 2013.

FINANCIAL IMPACT: The increase for FY 2018-19 will generate an estimated $308,000 annually.

BUDGET ACTION REQUIRED: None at this time. The rate was incorporated into the FY 2018-19 budget that was recently approved by the City Commission.

STAFF RECOMMENDATION: Adoption of the resolution.

L. Sanitation Service Fee Resolution Finance

SUMMARY OF REQUEST: To adopt the resolution to continue 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 2018-19 budget that was recently approved by the City Commission.

STAFF RECOMMENDATION: Adoption of the resolution.

M. Sewer Rate Adjustment Finance

SUMMARY OF REQUEST: in 2017 a resolution with a treatment rate for our customers that is based on a multiplier of 1.68 times the rate the county bills the city for wastewater was adopted. The 2018/19 budget calls for the multiplier to be raised to 1.73 to cover the costs of capital improvement needs of our aging infrastructure over the next ten years.

FINANCIAL IMPACT: The fees will generate an estimated $198,000.

BUDGET ACTION REQUIRED: None at this time. The rate was incorporated into the FY 2018-19 budget that was recently approved by the City Commission.

STAFF RECOMMENDATION: Adoption of the fee adjustment resolution.

N. Approval of Neighborhood Enterprise Zone Certificate for 337 Terrace Point Circle (Unit #7) Planning & Economic Development

SUMMARY OF REQUEST: An application for a Neighborhood Enterprise Zone (NEZ) Certificate has been received from Robert Heminger for the new construction of a home at 337 Terrace Point Circle. The estimated cost for construction is $350,000. 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.

Motion by Commissioner Warren, second by Commissioner German, to approve the consent agenda as presented, except items B, D, and O.

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

Nays: None

MOTION PASSES

2018-47 ITEMS REMOVED FROM CONSENT AGENDA:

B. <u>Kitchen 242 Agreement</u> City Clerk

SUMMARY OF REQUEST: Our Kitchen Manager's contract is set to expire on June 30th for Kitchen 242. We are requesting to extend Renae Hesselink's contract through June 30, 2019 with no changes.

FINANCIAL IMPACT: Continuation of the current agreement.

BUDGET ACTION REQUIRED: None at this time.

STAFF RECOMMENDATION: To extend Renae Hesselink's contract through June 30, 2019.

Motion by Commissioner Warren, second by Commissioner Johnson, to extend Renae Hesselink's contract through June 30, 2019.

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

Nays: None

MOTION PASSES

D. <u>Ordinance Amendment – Minor in Possession</u> Public Safety

SUMMARY OF REQUEST: Recently, state law was amended relating to MIP offenses and its punishment. The court has asked us to amend our ordinance.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To adopt the amended ordinance.

Motion by Commissioner German, second by Commissioner Warren, to adopt the amended ordinance.

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

Nays: None

MOTION PASSES

O. <u>Engineering Services – Pilot Drinking Water Community Water Supply Grant Agreement</u> Department of Public Works

SUMMARY OF REQUEST: Authorize staff to enter into an Engineering Agreement with Prein & Newhof to provide professional services for the recently awarded Pilot Drinking Water Community Water Supply Grant from The DEQ.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Authorize staff to enter into an agreement with Prein & Newhof.

Motion by Commissioner German, second by Commissioner Johnson, to authorize staff to enter into an agreement with Prein & Newhof.

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

Nays: None

MOTION PASSES

2018-48 PUBLIC HEARINGS:

A. <u>Water Collection System Upgrades</u> Department of Public Works

SUMMARY OF REQUEST: Public Works staff are proposing improvements to the wastewater collection system. The purpose of the improvements is to provide a more reliable and resilient wastewater collection system, replace aging and structurally deficient sewer infrastructure, reduce stormwater infiltration and inflow, provide accessibility for operation and maintenance, and improve system capacity. The project plan is available for review on the city's website and in the City Clerk's office. City staff will be applying for low interest loans through a program at the Michigan Department of Environmental Quality and is proposing to raise sewer rates approximately 3% per year to cover the project and interest costs.

FINANCIAL IMPACT: $24,000,000 over a 5 year period. Year 1 projects are estimated at $8,000,000.

BUDGET ACTION REQUIRED: Amend the 2018/19 budget to include the approved projects for year one.

STAFF RECOMMENDATION: Approve the wastewater collection system upgrade plan and authorize the Mayor and City Clerk to sign a resolution in support of the plan.

PUBLIC HEARING COMMENCED: No public comments were received.

Motion by Vice Mayor Hood, second by Commissioner Rinsema-Sybenga to close the public hearing and approve the wastewater collection system upgrade plan and authorize the Mayor and City Clerk to sign a resolution in support of the plan.

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

Nays: None

MOTION PASSES

2018-49 NEW BUSINESS:

A. Concurrence with Housing Board of Appeal Notice and Order to Demolish
Public Safety

554 Oak Street – Garage Structure

839 Turner Avenue

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 structure.

FINANCIAL IMPACT: 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 839 Turner.

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

Nays: None

MOTION PASSES

Motion by Vice Mayor Hood, second by Commissioner Rinsema-Sybenga to concur with the Housing Board of Appeals decision to demolish 554 Oak Street, garage structure only.

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

Nays: None

MOTION PASSES

PUBLIC PARTICIPATION: Public comments were received.

2018-50 CLOSED SESSION:

A. <u>Discuss City Manager Evaluation</u>

Motion by Commissioner Rinsema-Sybenga, second by Commissioner Johnson to go into closed session to discuss the city manager's evaluation.

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

Nays: None

MOTION PASSES

ADJOURNMENT: The City Commission Meeting adjourned at 6:45 p.m.

Respectfully Submitted,

Ann Marie Meisch, MMC, City Clerk