CITY OF MUSKEGON

CITY COMMISSION MEETING

JUNE 14, 2011

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 14, 2011.

Mayor Warmington opened the meeting with a prayer from Commissioner Lawrence Spataro after which the Commission and public recited the Pledge of Allegiance to the Flag.

ROLL CALL FOR THE REGULAR COMMISSION MEETING:

Present: Mayor Stephen Warmington, Vice Mayor Stephen Gawron, Commissioners Sue Wierengo, Steve Wisneski, Chris Carter, Clara Shepherd, and Lawrence Spataro, City Manager Bryon Mazade, City Attorney John Schrier, and City Clerk Ann Marie Becker.

2011-40 CONSENT AGENDA:

A. <u>Approval of Minutes.</u> CITY CLERK

SUMMARY OF REQUEST: To approve minutes of the City Commission Meeting that was held on Tuesday, May 24, 2011.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the minutes.

B. <u>Loan for Street Projects.</u> FINANCE

SUMMARY OF REQUEST: The City is fortunate to receive many federal and state grants for street improvements. Accepting these grants allows us to leverage local resources and get far more work done than would be possible using local resources alone. We are at a point where we risk losing grant funds due to declining local street resources (including CDBG). This request is to enter into a \$2.0 million, 10-year loan with 5/3 Bank in order to provide funds needed to match anticipated grants over the next 2-3 years.

Staff had considered issuing MTF bonds for this purpose. However, the issuance costs would be quite high (\$57,000). Also, the bonding process is very time-intensive requiring preparation of official statements and numerous other documents. Staff surveyed the three major banks having offices within the

City to determine if they were willing to do a 10-year loan with the City. Two of the banks indicated they would do such a loan and 5/3 Bank had the most favorable terms.

The City's financial advisor (RW Baird) ran comparisons of the two transactions and advises that the bank loan is the preferred avenue. It is worth noting that the advisor would have received a substantial fee if MTF bonds were issued.

FINANCIAL IMPACT: $2.0 million borrowed for a period of 10 years at a fixed rate of 2.98%.

Going the bank loan route provides for a much simpler transaction, avoids over $50,000 in issuance costs, and produces an all-inclusive interest cost that is lower than issuing MTF bonds.

BUDGET ACTION REQUIRED: Annual debt payments will be included in the Major/Local Streets budgets for the next 10 years. Funds are budgeted in 2011-12 to cover the semi-annual interest payment due February 1, 2012.

STAFF RECOMMENDATION: Authorize the Mayor, City Attorney and City staff to prepare and execute necessary loan documents.

D. Memorandum of Understanding-Justice Assistance Grant. PUBLIC SAFETY

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 2010 Justice Assistance Grant. The money in this grant is shared by the three entities. The $34,698 in this grant will be utilized for the prosecution of city ordinance cases primarily dealing with neighborhood issues.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of this request.

E. Approval of the Use & Maintenance of City Owned Property at 325 Jackson Avenue by the Jackson Hill Neighborhood Association. PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: To approve the use and maintenance of the City owned property located at 325 Jackson Avenue for a community garden. The property is buildable and the City would retain the right to sell the property with the Jackson Hill Neighborhood Association having time to remove the garden prior to any sales.

FINANCIAL IMPACT: The City would save on the cost of maintenance of this property.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve the resolution and maintenance agreement.

Motion by Vice Mayor Gawron, second by Commissioner Carter to approve the Consent Agenda as read minus item C.

ROLL VOTE: Ayes: Wierengo, Wisneski, Carter, Gawron, Shepherd, Spataro, and Warmington

Nays: None

MOTION PASSES

2011-41 ITEM REMOVED FROM THE CONSENT AGENDA:

C. Approval of the Fair Housing Agreement with Muskegon County. COMMUNITY & NEIGHBORHOOD SERVICES

SUMMARY OF REQUEST: The cities of Muskegon, Muskegon Heights, Norton Shores and the County of Muskegon are entering into an agreement with the Fair Housing Center of West Michigan to conduct fair housing testing in the County of Muskegon per the recommendation of the 2009 Analysis of Impediments Report.

FINANCIAL IMPACT: Based on population, the City of Muskegon will pay $9,350 of the $30,000 cost.

BUDGET ACTION REQUIRED: None.

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

Motion by Commissioner Spataro, second by Commissioner Carter to approve the Fair Housing Agreement with Muskegon County and the other entities as described.

ROLL VOTE: Ayes: Wisneski, Carter, Gawron, Shepherd, Spataro, Warmington, and Wierengo

Nays: None

MOTION PASSES

2011-42 PUBLIC HEARINGS:

A. 2011-12 Budget. FINANCE

SUMMARY OF REQUEST: The City Commission may take action to adopt the 2011-12 budget with whatever changes or adjustments it deems necessary. City ordinance requires the budget be adopted by the second regular City Commission meeting in June.

FINANCIAL IMPACT: The budget sets forth the priorities and overall financial plan for operations in the year 2011-12.

BUDGET ACTION REQUIRED: Adoption of the budget resolution provides the legal appropriation authority necessary for City departments to conduct operations in 2011-12.

STAFF RECOMMENDATION: Receive public comments. Upon closing the public hearing, the City Commission may decide to adopt the budget.

The Public Hearing was opened to hear and consider any comments from the public. No comments were made.

Motion by Commissioner Spataro, second by Commissioner Shepherd to close the Public Hearing and approve the 2011-2012 Budget.

ROLL VOTE: Ayes: Carter, Gawron, Shepherd, Spataro, Warmington, Wierengo, and Wisneski

Nays: None

MOTION PASSES

2011-43 NEW BUSINESS:

A. Final Determination for 2011-2012 CDBG/HOME Grants and Submission of Action Plan to HUD. COMMUNITY & NEIGHBORHOOD SERVICES

SUMMARY OF REQUEST: To make a final determination for the 2011-2012 CDBG/HOME grants based on HUD's allocation and to allow Community and Neighborhood Services to have the 2011-2012 Action Plan available for comment for the next 10 days.

FINANCIAL IMPACT: The 2011-2012 Community Development Block Grant and HOME budgets will establish the annual Action Plan for the Community and Neighborhood Services department.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approve the 2011-2012 CDBG/HOME budget based on HUD's allocation and allow Community and Neighborhood Services to have the 2011-2012 Action Plan available for comment for the next 10 days.

Motion by Vice Mayor Gawron, second by Commissioner Wierengo to approve the 2011-2012 CDBG/HOME budget based on the final administration recommendations on the HUD allocation and allow Community and Neighborhood Services to have the Action Plan available for comment for the next 10 days.

ROLL VOTE: Ayes: Gawron, Shepherd, Spataro, Warmington, Wierengo, Wisneski, and Carter

Nays: None

MOTION PASSES

B. Application for Special Liquor License (American Red Cross). PUBLIC SAFETY

SUMMARY OF REQUEST: The American Red Cross has submitted an application for a Special License for Beer, Wine and Spirits for Consumption on the Premises for July 15 & 16, 2011. This license is for a beverage service area to be located at Hot Rod Harley Motorcycle, 149 Shoreline Drive.

The Foundation meets all of the requirements for the special license with the exception of the request for "spirits". Commission policy dictates that any special license request which includes spirits must be considered and approved by the body.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Staff has no recommendation.

Motion by Commissioner Spataro, second by Vice Mayor Gawron to approve the application for a special liquor license for the American Red Cross.

ROLL VOTE: Ayes: Shepherd, Spataro, Warmington, Wierengo, Wisneski, Carter, and Gawron

Nays: None

MOTION PASSES

C. <u>Removal of Street Lights in the Nims and Campbell Neighborhoods.</u>
PUBLIC WORKS

SUMMARY OF REQUEST: Authorize staff to enter into an agreement with Consumers Energy to remove street lights in the areas of Nims and Campbell neighborhoods. Consumers Energy has offered to remove over 30 mid-block street lights at no cost to the City as part of their upcoming system improvements.

The estimated annual savings to the City is over $6,000.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To authorize staff to enter into an agreement with Consumers Energy to remove the mid-block street lights using the following procedure:

1. All major street intersections with another major street and/or local street must have a minimum of two (2) fixtures.
2. All local street intersections shall have a minimum of one (1) light fixture.
3. The spacing between fixtures on major streets (non-boulevard type) shall be no more than 400 feet, and for a boulevard no more than 300 feet.
4. The spacing between fixtures on local streets shall be no more than 500 feet.
5. The engineer will use his/her discretion and best judgment to override the above for geometric and unusual alignment such as curves and or obscure physical structures.

Motion by Vice Mayor Gawron, second by Commissioner Spataro to authorize

staff to enter into an agreement with Consumers Energy to remove the mid-block street lights in the Nims and Campbell neighborhoods using the aforementioned procedures.

ROLL VOTE: Ayes: Spataro, Warmington, Wierengo, Wisneski, Carter, Gawron, and Shepherd

Nays: None

MOTION PASSES

D. Special Event Request – Muskegon Summer Celebration (Annual Event). PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: Muskegon Summer Celebration has filed a special event application for their annual festival to be held in downtown Muskegon June 30 through July 9 (but no events on July 5). Some of their requests require City Commission approval.

FINANCIAL IMPACT: Summer Celebration requests that equipment rental fees be waived. In exchange, they will provide a pre-negotiated amount of concert tickets. The exchange will be coordinated with the City Manager.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Staff recommends approval, with the listed conditions.

Motion by Commissioner Shepherd, second by Commission Carter to approve the special event request from Muskegon Summer Celebration.

ROLL VOTE: Ayes: Warmington, Wierengo, Wisneski, Carter, Gawron, Shepherd, and Spataro

Nays: None

MOTION PASSES

E. Ruddiman Creek Project Presentation.

Presentation was given by Sara Damm, Grand Valley State University.

PUBLIC PARTICIPATION: Public comments received.

ADJOURNMENT: The City Commission Meeting adjourned at 6:27 p.m.

Respectfully submitted,

Ann Marie Becker, MMC
City Clerk