

City of Muskegon
City Commission Meeting
Minutes

June 13, 2023, 5:30 pm
Muskegon City Hall
933 Terrace Street, Muskegon, MI 49440

Present: Mayor Ken Johnson
Commissioner Rachel Gorman
Commissioner Rebecca St.Clair
Commissioner Eric Hood
Commissioner Michael Ramsey

Absent: Vice Mayor Willie German, Jr.
Commissioner Teresa Emory

Staff Present: City Manager Jonathan Seyferth
City Clerk Ann Meisch
City Attorney John Schrier
Deputy City Clerk Kimberly Young

1. Call To Order

Mayor Johnson called the Muskegon City Commission Meeting to order at 5:30 p.m.

2. Prayer

Pastor Bill Eutricht, First Lutheran Church, opened the meeting with a prayer.

3. Pledge of Allegiance

The Pledge of Allegiance to the Flag was recited by the Commission and the public.

4. Roll Call

As recorded above

5. Honors, Awards, and Presentations

6. Public Comment on Agenda Items

No public comments were received.

7. Consent Agenda

Action No. 2023-67

Motion by: Commissioner Ramsey

Second by: Commissioner Gorman

To accept the consent agenda as presented, minus item 7e and 7j.

Ayes: (5): Mayor Johnson, Commissioner Gorman, Commissioner St.Clair, Commissioner Hood, and Commissioner Ramsey

Absent (2): Vice Mayor German, and Commissioner Emory

MOTION PASSES (5 to 0)

7.a Approval of Minutes - City Clerk

To approve the minutes of the May 8, 2023 Worksession and May 9, 2023 Regular Commission Meeting.

STAFF RECOMMENDATION: To approve the minutes.

7.b County HR Contract - City Manager

Staff is seeking approval of an amendment to our contract with Muskegon County for Human Resources services. Staff has become aware that there is a greater need for the administration of human resources services to ensure efficient operations. This contract amendment includes a County HR employee working full time at city offices as well as options to update and streamline some of our HR processes. Our goal is for all staff to become familiar with the onsite resource and direct more interaction with that staff member to better access the services provided by the county while reducing the need for the city's counsel to be involved in more routine HR situations.

AMOUNT REQUESTED: \$145,000

AMOUNT BUDGETED: \$145,000 in FY 23/24

FUND OR ACCOUNT: 101-269

STAFF RECOMMENDATION: To approve the amendment to the contract with Muskegon County for Human Resources services and authorize the Mayor and Clerk to sign.

7.c 3rd Quarter Budget Reforecast

At this time staff is asking for approval of the 3rd Quarter Budget Reforecast for the FY2022-23 budget year. Staff has prepared the 3rd Quarter Budget Reforecast memo, the highlights are as follow:

GENERAL FUND

Building Permit revenue is expected to go up significantly with the spring construction projects. We are increasing the revenue from \$810,000 to \$1,400,000. We also, had to increase the costs that we pay to Safebuilt because they receive a percentage of revenue. The increase cost is reflected in the Building Department's contractual service line.

Income Tax revenues remain strong. We are going to keep the revenue projection at \$10,750,000. We may have to increase this amount in the 4th Quarter. However, we did increase Penalty and Interest collections for Income Tax from \$230,000 to \$290,000.

Last year, the General Fund had an \$918,391.50 unrealized loss from investment income. This year with the uncertainty of the market we budgeted for a \$450,000 unrealized loss. However, thru the 3rd Quarter the unrealized loss was only \$287,000. We are going lowering the unrealized loss for the year to \$250,000 with the hope that we actually have a gain by the end this fiscal year.

The General Fund usually transfers funds to other funds. We have made some changes for the third quarter.

- The Public Improvement fund no longer needs \$50,000 from the General Fund.
- The Local Street fund no longer needs \$235,000 from the General Fund. They will get some of their funds from the Major Street fund.
- The Arena needs an additional \$600,000 from the General Fund due to some one-time costs to cover some unexpected one-time costs and audit adjustments from the previous fiscal year.

The General Fund had a lot of small revenue adjustment that our highlighted on the worksheets.

We are 75% thru the fiscal year. The General Fund revenues exceed expenditures by a little more than \$207,000. The General Fund is on pace to almost breakeven with the 3rd Quarter amendments. I am hopeful that we will finish in the black this year.

ARENA FUND

The Arena Revenues are up in almost every category. Arena revenues are up almost \$200,000 from a year ago.

Despite the increase in revenue the Arena needs a total of \$950,000 from the General Fund to cover some unexpected one-time costs and audit adjustments from the previous fiscal year.

PUBLIC IMPROVEMENT FUND

The Public Improvement Fund is doing great. The original budget projected \$480,000 for the sale of our Infill Houses. So far this year, the sale of Infill Houses exceeded \$1,375,000. We expect that sales by the end of year to be \$2,700,000.

STREET FUND

The Public Works Director wants to transfer \$150,000 from the Major Street fund to the Local Street fund.

STAFF RECOMMENDATION: To approve the 3rd Quarter FY2022-23 Budget Reforecast as presented.

7.d Sanitation Fee Resolution - Finance

The FY2023-24 budget calls for the Sanitation Fee to be increased from \$3.50 per month to \$4.00 per month, this resolution establishes the Sanitation Fee for FY 2023-24. This will increase the sanitation fee to \$4.00 per month to cover the shortfall between charges and millage collected for sanitation.

STAFF RECOMMENDATION: To adopt the Sanitation Fee Resolution for FY 2023-24.

7.f Meeting Management Software - City Clerk

Staff is seeking commission approval to enter into an agreement with CivicPlus for Agenda and Meeting Management Software.

STAFF RECOMMENDATION: To authorize the City Clerk to enter into an agreement with CivicPlus for Agenda and Meeting Management.

7.g Purchase of DMDC Parking Lots at 387 and 401 Morris - Development Services

The DMDC is selling the parking lots behind the Chamber of Commerce and Russell Block/Century Club buildings and staff is requesting the City acquire them and the environmental studies completed on them in winter of 2023 for \$524,000.

In 2022, the DMDC board approached the city about financial difficulties and mentioned that they were interested in selling the parking lots. City leadership expressed interest, and then DMDC decided to sell the lots to the Community Foundation, and told staff they would remain public parking. Some time later, the Foundation mentioned they may end up charging for parking at this location and that they required that existing building owners with deeded spaces to relinquish those rights. This caused some disagreement between stakeholders, and so the city offered to again be the buyer as we would keep the parking public and freely available. Further, in the event we eventually achieve enough density downtown to necessitate a public parking structure, this lot is specifically mentioned in our parking strategy documents as an ideal site.

The DMDC and Foundation agreed to this solution, and so we are seeking to move forward with the purchase of these lots to retain as publicly available parking in the downtown area. The resources for this purchase are included in the proposed fiscal 2023/24 Public Improvement Fund. If approved, we will close on the lots and take possession after July 1, 2023. The attached appraisal completed by a third party informed the asking price, which is consistent with market rate in the downtown area for improved property.

AMOUNT REQUESTED: \$524,000

AMOUNT BUDGETED: \$524,000 (FY23/24)

FUND OR ACCOUNT: Public Improvement Fund (445)

STAFF RECOMMENDATION: To authorize the purchase of the lots at 387 and 401 Morris as presented.

7.h BGCML Summer Camp Use Agreement - Parks & Rec

Staff is requesting the approval of an agreement with Boys & Girls Clubs of Muskegon Lakeshore for usage of park facilities for camps in the 2023 summer season. Boys & Girls Clubs of Muskegon Lakeshore will be hosting summer camps from June through August at 3 park locations:

Smith Ryerson, McGraft and Reese. This camp will be at no cost to participants and will also include meals in partnership with Muskegon Public Schools and Kids Food Basket. The agreement was drafted by Parmenter Law at staff's request.

STAFF RECOMMENDATION: To authorize staff to enter into an agreement with Boys & Girls Club of the Muskegon Lakeshore for summer programming in City parks.

7.i Meter Vendor Change - Public Works

Staff requests authorization to change our sole-source meter supplier based on customer service, improving technology and supply chain concerns.

The Water Department has used Sensus as our meter supplier since approximately 2008, including radios that broadcast a signal capable of being read by units in our water department trucks. Over the course of the last year, Sensus meters (in particular, the radio portion) have become very difficult to obtain. The latest estimates from our supplier indicate it will be almost a year before we can obtain more units. The department uses hundreds of meters in a year as a part of our construction projects (like Sanford), our lead service line replacement efforts, and our regular meter changing program, and our stock of meters has dwindled to essentially zero.

In order to continue to be able to change meters as needed, and to take advantage of newer technology that will allow the department to read meters by simply pushing a button at City Hall, staff reviewed two alternatives to the Sensus meter – Master Meter and Metron, and has determined that Master Meter, represented locally by supplier Core & Main, will best serve the City and our residents.

The Master Meter uses a fixed-base radio read system. Radio receivers will be installed on our water towers and other high points (such as the cellular tower at the Water Filter Plant), and those receivers will be able to read the meters throughout the City in a single operation at any time, simply by the push of a button. The meters also include new features that will assist our residents in keeping their water bills low, such as leak detection and temperature sensors. A web portal is used to activate these features, and the department plans to roll out the web portal to customers once we have begun to install them and DPW and Treasury staff have had a chance to configure the portal to show information we believe is beneficial for public use.

Another major factor in the decision was the local representation. Metron (not selected) is based in Boulder, Colorado, and all sales and support staff are based there. Master Meter has a very competent sales and support team at Core & Main, a supplier with a West Michigan office that the department uses for certain other parts and piping. We are confident that any future issues encountered, such as supply chain issues, will be much better communicated and more easily solved with professional help available on site within hours rather than days.

The attached quote from Master Meter is broken down into various meter sizes. It can be a bit difficult to read, but in summary Master Meter is cheaper than Sensus and Metron for equivalent sizes. They also offer a radio unit that can be retrofitted onto some of our larger commercial meters that were recently replaced with Sensus units, so those meters will still work with the fixed-base radio read system and be available on the web portal for customer viewing.

Due to the variable use rate of meters throughout the year, and the need to use the same type and manufacturer of meter to keep system parts interchangeable and repairable, staff requests authorization to purchase Master Meter units from Core & Main as needed within Commission-approved budgeted amounts, as has been past practice.

STAFF RECOMMENDATION: To designate Master Meter as the City's preferred water meter vendor, and to authorize staff to purchase meters as needed within Commission-approved budgeted amounts.

7.k Fireworks Display Permit for Muskegon Country Club - City Clerk

Pyrotecnico is requesting approval of a fireworks display permit for June 30, 2023 at the Muskegon Country Club, 2801 Lakeshore Drive. The fire Marshall will inspect the fireworks on the day of the event.

STAFF RECOMMENDATION: Pyrotecnico is requesting approval of a fireworks display permit for June 30, 2023 at the Muskegon Country Club, 2801 Lakeshore Drive. The fire Marshall will inspect the fireworks on the day of the event.

7.l Social District Permit Recommendation - City Manager

The City Commission must recommend approval of the Michigan Liquor Control Commission permits of participating licensed establishments in the Downtown Muskegon Social District. : With the establishment of the

Downtown Muskegon Social District, participating licensed establishments must receive a Social District permit from the Michigan Liquor Control Commission. The MLCC must first receive a recommendation for approval from the City Commission before granting the permits. The Hissom Restaurant Group LLC (dba The Early Owl) has been a social district participating licensed establishment at its Dr. Rolf's Barbeque. The restaurant group is now opening The Early Owl at 451 W. Western Avenue.

STAFF RECOMMENDATION: To approve the resolution recommending Michigan Liquor Control Commission approval of Social District permit in the Downtown Muskegon Social District for Hissom Restaurant Group (dba The Early Owl) and to direct the City Clerk to certify the City Commission action with the MLCC.

7.m Sale of 301 McLaughlin Avenue - City Manager

Staff is requesting approval of a purchase agreement for 301 McLaughlin Avenue. 301 McLaughlin Avenue was constructed through the agreement with Dave Dusendang to construct infill housing with ARPA funding. The offer is over the full listing price with no seller concessions. The offer also includes costs to cover appliances.

STAFF RECOMMENDATION: To approve the purchase agreement for 301 McLaughlin Avenue.

7.n Sale of 355 McLaughlin Avenue - City Manager

Staff is requesting approval of a purchase agreement for 355 McLaughlin Avenue. 355 McLaughlin Avenue was constructed through the agreement with Dave Dusendang to construct infill housing with ARPA funding. The offer is over the full listing price with no seller concessions. The offer also includes costs to cover appliances and central air.

STAFF RECOMMENDATION: To approve the purchase agreement for 355 McLaughlin Avenue.

7.e Placement of Public Benches - City Clerk

Howell Sign Co. LLC recently purchased the agreement for the placement of the public benches from Perma. That agreement has since expired. Staff has been working with the new owner and is recommending approval of a new agreement with some changes. Staff would like to reduce the agreement from 10 years to 5 years as well as increase the cost of the encroachment from \$5 to \$6 per month per bench. The old agreement

allowed 40 benches. Staff would like to work with the new company to find locations that are mutually acceptable and allow the number of benches to be at staff's discretion.

STAFF RECOMMENDATION: To allow staff to negotiate the amount of and placement of the benches and authorize the Clerk and Mayor to sign the agreement.

Action No. 2023-68(e)

Motion by: Commissioner Ramsey

Second by: Commissioner St.Clair

To allow staff to negotiate the amount of and placement of the benches and authorize the Clerk and Mayor to sign the agreement.

Ayes: (5): Mayor Johnson, Commissioner Gorman, Commissioner St.Clair, Commissioner Hood, and Commissioner Ramsey

Absent (2): Vice Mayor German, and Commissioner Emory

MOTION PASSES (5 to 0)

7.j Sherman Reconstruction MDOT Contract - Public Works

Staff is requesting approval of the contract with MDOT for the reconstruction of Sherman Boulevard from Seaway Drive to 700 feet east of Barclay Drive, and approval of the resolution authorizing the Clerk and DPW Director to sign the contract.

STAFF RECOMMENDATION: To approve of the standard MDOT contract for the reconstruction of Sherman Boulevard and the included resolution authorizing the Clerk and DPW Director to sign.

Action No. 2023-68(j)

Motion by: Commissioner St.Clair

Second by: Commissioner Ramsey

To approve the standard MDOT contract for the reconstruction of Sherman Boulevard and the included resolution authorizing the Clerk and DPW Director to sign.

Ayes: (5): Mayor Johnson, Commissioner Gorman, Commissioner St.Clair, Commissioner Hood, and Commissioner Ramsey

Absent (2): Vice Mayor German, and Commissioner Emory

MOTION PASSES (5 to 0)

8. Public Hearings

8.a Transmittal of 2023-24 Proposed Budget - Finance

At this time staff is transmitting to the City Commission the proposed budget for fiscal year 2023-24 which starts July 1, 2023. 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 detail with staff at the June 12, 2023 work session. A public hearing on the budget is being held at the regular Commission meeting on June 13, 2023. City ordinance requires that the budget be adopted by the Commission on or before the second Commission meeting in June.

<https://muskegon-mi.gov/proposed-budget-for-2023-2024/>

STAFF RECOMMENDATION: To close the public hearing and approve the proposed budget for fiscal year 2023-24.

Budget will be voted on at the next meeting in June.

PUBLIC HEARING COMMENCED: No public comments were received.

Action No. 2023-69

Motion by: Commissioner Ramsey

Second by: Commissioner St.Clair

To close the public hearing.

Ayes: (5): Mayor Johnson, Commissioner Gorman, Commissioner St.Clair, Commissioner Hood, and Commissioner Ramsey

Absent (2): Vice Mayor German, and Commissioner Emory

MOTION PASSES (5 to 0)

9. Unfinished Business

10. New Business

11. Any Other Business

11.a Short Term Rental Regulation Update

Mayor Johnson requested an update on the review of Short Term Rental Regulations, City Manager Jonathan Seyferth provided some information. There will be a comprehensive update at a meeting in July.

11.b Taste of Muskegon Recognition

Commissioner St. Clair recognized Clerk Ann Meisch and all of the staff and volunteers that worked Taste of Muskegon. The event was a great success with record sales, perfect weather, and twenty eight food vendors. Staff from many different departments participated and contributed to the success of the event.

12. Public Comment on Non-Agenda items

Public comments were received.

13. Closed Session

14. Adjournment

The City Commission meeting adjourned at 6:05 p.m.

Motion by: Commissioner Ramsey

Second by: Commissioner Hood

MOTION PASSES

Respectfully Submitted,
Ann Marie Meisch, MMC - City Clerk