

CITY OF MUSKEGON

CITY COMMISSION MEETING

MAY 26, 2009

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, Michigan at 5:30 p.m., Tuesday, May 26, 2009.

Vice Mayor Gawron opened the meeting with a prayer from Pastor Tim Cross from the Living Word Church of Muskegon after which the Commission and public recited the Pledge of Allegiance to the Flag.

ROLL CALL FOR THE REGULAR COMMISSION MEETING:

Present: 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 Deputy City Clerk Linda Potter.

Absent: Mayor Stephen Warmington (excused)

2009-44 CONSENT AGENDA:

A. Approval of Minutes. CITY CLERK

SUMMARY OF REQUEST: To approve minutes for the May 11th Commission Worksession, and the May 12th Regular Commission Meeting.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the minutes.

B. Acceptance of First Street into the City's Street System. ENGINEERING

SUMMARY OF REQUEST: Adopt the resolution accepting First Street from the alley south of Western to Morris into the City's street system. The previously approved resolution of February 10, 2009, contained inaccurate descriptions of First Street limits.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Adopt the resolution.

C. Request to Submit a Grant Application for Getty Street, Laketon to Evanston. ENGINEERING

SUMMARY OF REQUEST: Authorize staff to submit a request for grant application to MDOT for TEDF-F funds to reconstruct Getty Street from Laketon to Evanston. The request is for \$380,000 and will require a match of up to \$150,000 which will be budgeted for in 2010 since the request is for 2011 funding year.

FINANCIAL IMPACT: A local share of \$150,000 match plus engineering costs.

BUDGET ACTION REQUIRED: None at this time.

STAFF RECOMMENDATION: Authorize staff to submit the application.

D. Rezoning Request for Property Located at 1221 W. Laketon Avenue. PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: Request to rezone property located at 1221 W. Laketon Avenue from RM-2, Medium Density Multiple Family Residential to R, One Family Residential.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Staff recommends denial of the request due to lack of compliance with the future land use map, Master Land Use Plan and zoning district intent.

COMMITTEE RECOMMENDATION: The Planning Commission voted to recommend denial of the request at their May 14, 2009, meeting. The motion was approved by unanimous vote with B. Larson absent.

F. Paying Agent Services. FINANCE DIRECTOR

SUMMARY OF REQUEST: When the City issues bonds, it hires a "paying agent" bank to do the recordkeeping and process principal/interest payments to bondholders over the life of the issue. This has become a niche market and only a couple of banks currently offer this service in the Midwest. We recently looked into consolidating our bond issues at a single bank and, in the process, were offered an extraordinary deal by Bank of New York. Bank of New York is willing to perform paying agent services for an annual fee of \$100/issue (\$75/issue if paid in advance). We had been considering consolidating at US Bank in conjunction with Muskegon County for a fee of \$300/issue. In further discussions with US Bank, it was clear that they were not prepared to match Bank of New York's proposal.

FINANCIAL IMPACT:

- \$14,550 net savings over the life of current outstanding bonds
- Eliminate need to process future payables checks

- Lock in excellent rate for future bond issues

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Authorize staff to enter into the agreement with Bank of New York, terminate current paying agent services with US Bank, consolidate all current and future paying agent services with Bank of New York and advance pay for these services.

G. Aggregates, Highway Maintenance Materials. PUBLIC WORKS

SUMMARY OF REQUEST: Authorize staff to purchase crack sealing material from Lakeshore Parking Lot Maintenance, Inc. The estimated cost based on 2008 quantities is \$55,566.

Earlier this year, approval to purchase crack sealing material from a different vendor was approved. However, after using said product for a short period of time, staff concluded that product was not the most suitable for our applications and would like to try a different product supplied by Lakeshore Parking to ensure optimization of tax payers' dollars.

FINANCIAL IMPACT: \$55,566 based on 2008 quantities at 2009 quotes.

BUDGET ACTION REQUIRED: None, funds appropriated in several budgets.

STAFF RECOMMENDATION: Authorize staff to purchase crack sealing material from Lakeshore Parking Lot Maintenance on an as needed bases.

H. Purchase of Properties Through the City's Neighborhood Stabilization Program. COMMUNITY & NEIGHBORHOOD SERVICES

SUMMARY OF REQUEST: To approve the purchase of the following structures for the City of Muskegon's Neighborhood Stabilization Program. The properties to be purchased are the following:

<u>Address</u>	<u>Purchase Price</u>	<u>Proposed Interest</u>
1585 Hudson	\$8,750	Rehabilitation
1733 Manz	\$13,700	Rehabilitation
468 W. Forest	\$8,500	Demolition
1500 Leahy	\$11,875	Demolition
1868 Wood	\$7,800	Rehabilitation
370 Catherine	\$8,700	Demolition
1189 Terrace	\$10,000	Demolition

The City of Muskegon's Neighborhood Stabilization Program has three main components: rehabilitation, demolition and new construction. The Community and Neighborhood Services' goal, under the Neighborhood Stabilization Program, is to have 12 demolitions completed by August 31, 2009, and have 6 rehabilitations completed by the same date.

FINANCIAL IMPACT: Funding for the purchases will come from the City's

\$1,400,000 Neighborhood Stabilization Program Grant from the US Department of Housing and Urban Development and being administered through the Michigan State Housing Development Authority.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve the purchases.

I. Approval of Contractor for Rehabilitation of House at 940 Wood.
COMMUNITY & NEIGHBORHOOD SERVICES

SUMMARY OF REQUEST: To approve the contract with Murphy & Son Construction, 2519 MacArthur Road, Muskegon, Michigan, for the completion of the rehabilitation to be located at 940 Wood, for the cost of \$64,917.50.

After the total rehabilitation is completed, the home will be sold to a qualified homebuyer, continuing the City's aggressive neighborhood revitalization efforts in the Angell Neighborhood area under the Neighborhood Stabilization Program.

The City received two additional bids:

- LRS Enterprises Construction Company, of 525 Dangl Road, Muskegon, for \$84,380. This bid was rejected because it was not submitted on the bid form supplied.
- Beattie Bros. Construction, of 2786 Holton Road, Twin Lake, for \$100,664.

FINANCIAL IMPACT: The funding for the project will be taken from the City's Neighborhood Stabilization Program funds.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval for the Community and Neighborhood Services office to develop a contract with Murphy & Son Construction of Muskegon, Michigan and direct the Mayor and Clerk to sign the contract.

J. Approval of Contractor for Lead Abatement of House at 940 Wood.
COMMUNITY & NEIGHBORHOOD SERVICES

SUMMARY OF REQUEST: To approve the contract with Murphy & Son Construction, 2519 MacArthur Road, Muskegon, Michigan, for the completion of the lead abatement of 940 Wood, for the cost of \$22,550.

After the lead abatement is completed, the home will be totally rehabilitated and then sold to a qualified homebuyer, continuing the City's aggressive neighborhood revitalization efforts in the Angell Neighborhood area under the Neighborhood Stabilization Program.

The City received three additional bids:

- LRS Enterprises Construction Company, of 525 Dangl Road, Muskegon, for \$17,500. The bid was rejected because it was not submitted on the bid

form supplied.

- Statewide Abatement, of 1720 N. Creston, North Muskegon, for \$26,900.
- Beattie Bros. Construction, of 2786 Holton Road, Twin Lake, for \$54,621.

FINANCIAL IMPACT: The funding for the project will be taken from the City's Lead Grant funds.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval for the Community and Neighborhood Services office to develop a contract with Murphy & Son Construction of Muskegon, Michigan and direct the Mayor and Clerk to sign the contract.

Motion by Commissioner Carter, second by Commissioner Wisneski to approve the Consent Agenda as read minus item E.

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

Nays: None

MOTION PASSES

2009-45 ITEM REMOVED FROM THE CONSENT AGENDA:

E. Gaming License Request. CITY CLERK

SUMMARY OF REQUEST: The Muskegon Big Red Athletic Foundation is requesting a resolution recognizing them as a non-profit organization operating in the City for the purpose of obtaining a Gaming License to sell raffle-calendars. They have been recognized as a 501(c)(3) organization by the State.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval.

Motion by Commissioner Spataro, second by Commissioner Shepherd to approve the Gaming License request by the Muskegon Big Red Athletic Foundation.

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

Nays: None

MOTION PASSES

2009-46 PUBLIC HEARINGS:

A. Request for an Industrial Facilities Exemption Certificate – Great Lakes Die Cast. PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: Pursuant to Public Act 198 of 1974, as amended, Great Lakes Die Cast, 701 W. Laketon Avenue, has requested the issuance of an Industrial Facilities Tax Exemption Certificate. The total capital investment will be

\$355,000 in personal property and will create up to 20 jobs. This qualifies them for a tax abatement of nine years.

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 nine years for personal property.

The Public Hearing was opened to hear and consider any comments from the public. Con Nolan, 18067 Fruitport, Spring Lake, President of Great Lakes Die Cast gave an update.

Motion by Commissioner Shepherd, second by Commissioner Spataro to close the Public Hearing and grant the Industrial Facilities Exemption Certificate.

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

Nays: None

MOTION PASSES

2009-47 NEW BUSINESS:

A. Concurrence with the Housing Board of Appeals Notice and Order to Demolish 1692 Hoyt Street and 1451 Leahy Street. PUBLIC SAFETY

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.

FINANCIAL IMPACT: CDBG Funds.

BUDGET ACTION REQUIRED: None.

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

Motion by Commissioner Spataro, second by Commissioner Wisneski to concur with the Housing Board of Appeals notice and order to demolish 1692 Hoyt Street.

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

Nays: None

MOTION PASSES

Motion by Commissioner Spataro, second by Commissioner Carter to concur

with the Housing Board of Appeals notice and order to demolish 1451 Leahy.

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

Nays: None

MOTION PASSES

ANY OTHER BUSINESS: Various comments were made.

ADJOURNMENT: The City Commission Meeting adjourned at 5:58 p.m.

Respectfully submitted,

Ann Marie Becker, MMC
City Clerk