CITY OF MUSKEGON

CITY COMMISSION MEETING

MAY 14, 2013

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, May 14, 2013.

Mayor Gawron opened the meeting with a prayer from Rev. Bill Freeman from the Harbor Unitarian Universalist Congregation after which the Commission and public recited the Pledge of Allegiance to the Flag.

ROLL CALL FOR THE REGULAR COMMISSION MEETING:

Present: Mayor Stephen Gawron, Vice Mayor Lawrence Spataro, Commissioners Willie German, Sue Wierengo, Byron Turnquist, Lea Markowski, and Eric Hood, City Manager Bryon Mazade, City Attorney John Schrier, and City Clerk Ann Marie Cummings.

2013-41 CONSENT AGENDA:

A. Approval of Minutes. CITY CLERK

SUMMARY OF REQUEST: To approve minutes of the April 23rd City Commission Meeting and the April 30th Special Commission Meeting.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the minutes.

B. EVIP Employee Compensation Policy. FINANCE

SUMMARY OF REQUEST: Since the Economic Vitality Incentive Program (EVIP) was introduced in 2011, requirements the City must meet to comply with the program have been changed several times. Some of the most important EVIP issues involve employee compensation and benefit matters. The changing EVIP requirements have created confusion and uncertainty among employees with regard to the City's intentions and employees' future retirement planning. The *EVIP Employee Compensation Policy* is intended to clarify the City's approach to achieving EVIP compliance.

FINANCIAL IMPACT: The EVIP program replaced the former statutory revenue sharing program. EVIP revenues currently amount to $1,033,845 annually for the City – contingent upon the City fully complying with EVIP requirements. Failure to comply with EVIP program requirements would mean loss of some or all of this funding.

BUDGET ACTION REQUIRED: No budget action is required.

STAFF RECOMMENDATION: Approval of the *EVIP Employee Compensation Policy.*

C. Time Extension to Pay Outstanding Penalties on Sewer Account. TREASURER

SUMMARY OF REQUEST: Management for the Comfort Inn is requesting additional time to pay outstanding penalties.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval recommended.

F. Environmental Program Grass Cutting. PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: The contract for grass cutting of City-owned vacant property located in the south McLaughlin neighborhood.

FINANCIAL IMPACT: None – funds budgeted for this activity.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve a two-year contract with Community Encompass/YEP program and to authorize the Mayor and City Clerk to sign the agreements, for the grass mowing of City-owned vacant property in the south McLaughlin Neighborhood.

H. Emergency Response Plan. PUBLIC SAFETY

SUMMARY OF REQUEST: The City of Muskegon has elected to be incorporated into the Muskegon County Emergency Management Program. By becoming part of the county emergency management program, the City of Muskegon and the County of Muskegon have certain responsibilities to each other. This Support Emergency Operations Plan has been developed to identify the responsibilities between the City of Muskegon and the County of Muskegon in regards to pre-disaster emergency management activities.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve the resolution as presented.

Motion by Vice Mayor Spataro, second by Commissioner Hood to approve the Consent Agenda with the exception of items D, E, and G.

ROLL VOTE: Ayes: Wierengo, Turnquist, Markowski, Gawron, Hood, Spataro, and German

Nays: None

MOTION PASSES

2013-42 ITEMS REMOVED FROM THE CONSENT AGENDA:

D. <u>Concession Contract for Concession Building at Pere Marquette Park.</u> PUBLIC WORKS

SUMMARY OF REQUEST: Staff is asking permission to enter into a three-year contractual agreement for 2013, 2014 and 2015 with Kenneth L. Huston II of Amazing Gifts Direct, LLC for operating a Concession (“The Island” Concession) at Pere Marquette Park.

FINANCIAL IMPACT: Contract revenue was $2,118 for the 2009 operating season, $3,625 in 2010, $1,830 in 2011 and $1,296 in 2012.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Authorize DPW Staff to enter into a three-year Concession Agreement with Kenneth L. Huston II of Amazing Gifts Direct, LLC for a Concession in the Concession (restroom/lifeguard) Building at Pere Marquette Park for 2013, 2014 and 2015.

Motion by Commissioner Turnquist, second by Commissioner Wierengo to approve a three-year concession agreement with Kenneth L. Huston II for the concession building at Pere Marquette Park for 2013-2015.

ROLL VOTE: Ayes: Turnquist, Markowski, Gawron, Hood, Spataro, German, and Wierengo

Nays: None

MOTION PASSES

E. <u>Dog Beach Wear/Dog Beach Surf Shop – Mobile Vending Business/Concession Contract for City of Muskegon Parks.</u> PUBLIC WORKS

SUMMARY OF REQUEST: Staff is asking permission to enter into a one-year contractual agreement with Dan Bailey of Dog Beach Wear/Dog Beach Surf Shop at Pere Marquette Park, located within the City of Muskegon, to sell towels, shirts, lotion, boards, pails, inflatables and other various items as outlined in the proposal, from a mobile van.

FINANCIAL IMPACT: Contract revenue will be 10% of gross receipts, per Mobile Vending Business/Concession Contract.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Authorize DPW staff to enter into a one-year Mobile

Vending Business/Concession Contract with Dan Bailey of Dog Beach Wear/Dog Beach Surf Shop.

Motion by Commissioner Turnquist, second by Commissioner Wierengo to approve a one-year contractual agreement with Dan Bailey of Dog Beach Wear/Dog Beach Surf Shop at Pere Marquette Park.

ROLL VOTE: Ayes: Markowski, Gawron, Hood, Spataro, German, Wierengo, and Turnquist

Nays: None

MOTION PASSES

G. <u>Ordinance to Add Electronic Reporting (Safe Reporting) for Resale Licenses.</u> PUBLIC SAFETY

SUMMARY OF REQUEST: Chapter 50, Licenses, Code of Ordinances of the City of Muskegon is amended to include the following new Article VI concerning electronic reporting for pawn brokers, second hand or junk dealers and precious metal/gem dealers.

The purpose of this article is to improve the system of reporting to law enforcement officials all items collected by pawn brokers, second hand dealers and precious metal/gem dealers for the purpose of aiding law enforcement in locating and retrieving stolen property.

Chapter 2, Section 2-204 of the Code of Ordinances, Schedule of Civil Fines, will also be amended to reflect a violation of Sec. 50-203 shall result in a fine of $100 for the first offense, $250 for the first repeat offense and $500 for the second repeat offense.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve both of the ordinances as presented.

Motion by Commissioner Markowski, second by Vice Mayor Spataro to approve the two ordinance changes to add electronic reporting (Safe Reporting) for resale licenses.

ROLL VOTE: Ayes: Gawron, Hood, Spataro, German, Wierengo, Turnquist, and Markowski

Nays: None

MOTION PASSES

2013-43 PUBLIC HEARINGS:

A. <u>2013 – 2014 Action Plan.</u> COMMUNITY & NEIGHBORHOOD SERVICES

SUMMARY OF REQUEST: To conduct a public hearing of the 2013 – 2014 Action

Plan for public comments.

FINANCIAL IMPACT: Action Plan establishes the 2013-2014 Community Development Block Grant and HOME budgets.

BUDGET ACTION REQUIRED: None at this time.

STAFF RECOMMENDATION: To receive comments about the proposed 2013 – 2014 Action Plan at the public Commission Meeting.

The public hearing opened to hear and consider any comments from the public. No comments were made.

Motion by Commissioner German, second by Vice Mayor Spataro to close the public hearing.

ROLL VOTE: Ayes: Hood, Spataro, German, Wierengo, Turnquist, Markowski, and Gawron

Nays: None

MOTION PASSES

B. Amendments to Downtown Development Plan – Terrace Point Landing, LLC. PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: To hold a public hearing and approve the resolution approving and adopting amendments for the Downtown Development Authority (DDA) Plan. The amendments are for the inclusion of property owned by Terrace Point Landing, LLC in the DDA Plan.

FINANCIAL IMPACT: There is no direct financial impact in approving the Brownfield Plan amendments, although the redevelopment of the property into a residential/commercial project will add to the future tax base of the City of Muskegon.

BUDGET ACTION REQUIRED: None.

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

COMMITTEE RECOMMENDATION: A notice of the public hearing has been sent to taxing jurisdictions, the MDEQ, MEDC, and the Michigan Strategic Fund, as well as being published twice in MLIVE, mailed to all property owners within the DDA and posted in 20 “conspicuous and public places” within the DDA. In addition, the DDA Board approved the Plan amendment on April 9, 2013, and further recommends that the Muskegon City Commission approve the Plan amendment.

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

Motion by Commissioner Hood, second by Commissioner Turnquist to close the

public hearing and approve the resolution for the Downtown Development Authority Plan for the inclusion of property owned by Terrace Point Landing, LLC in the DDA Plan.

ROLL VOTE: Ayes: Spataro, German, Wierengo, Turnquist, Markowski, Gawron, and Hood

Nays: None

MOTION PASSES

C. **Amendment to Brownfield Plan – Terrace Point Landing, LLC.** PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: To hold a public hearing and approve the resolution approving and adopting the amendment for the Brownfield Plan. The amendments are for the inclusion of property owned by Terrace Point Landing, LLC in the Brownfield Plan.

FINANCIAL IMPACT: Brownfield Tax Increment Financing will be used to reimburse the developer for "eligible expenses" incurred in association with development of the Terrace Point Landing project. Terrace Point Landing, LLC cost for the development of the property is approximately $12 million in private investment, resulting in a substantial increase in the local and school taxes generated by the property.

"Eligible Expenses" would be reimbursed starting in 2012, including the payment of 5% interest annually. The estimated tax capture and payment schedule is included as Attachment U-3 in the proposed Brownfield Plan Amendment.

After all eligible costs incurred by the various parties are reimbursed (estimated to be in 2024), the BRA is authorized to continue to capture local taxes for five more years for deposit into a Local Site Remediation Revolving Fund.

BUDGET ACTION REQUIRED: None.

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

COMMITTEE RECOMMENDATION: The Muskegon City Commission set the public hearing for May 14, 2013 at their April 9, 2013, meeting. Since that time, a notice of the public hearing has been sent to taxing jurisdictions. In addition, the Brownfield Redevelopment Authority approved the Plan amendment on April 9, 2013, and further recommends that the Muskegon City Commission approve the Plan amendment.

The public hearing opened to hear and consider any comments from the public. No comments were made.

Motion by Vice Mayor Spataro, second by Commissioner Wierengo to close the public hearing and adopt the resolution making the described amendments to

the Brownfield Plan and authorize the Mayor and Clerk to sign the resolution.

ROLL VOTE: Ayes: German, Wierengo, Turnquist, Markowski, Gawron, Hood, and Spataro

Nays: None

MOTION PASSES

2013-44 NEW BUSINESS:

A. <u>Agreement for Transportation Services with Wakefield Corporation to Provide Senior Transit Services.</u> PUBLIC WORKS

SUMMARY OF REQUEST: Authorize the Mayor and City Clerk to sign the agreement for transportation services for senior transit services with Wakefield Corporation out of Muskegon. The proposed agreement is for a one-year term starting the first of July, 2013 and ending at the end of June 2014.

FINANCIAL IMPACT: The estimated cost for the proposed agreement is $44,000; $40,000 of which to subsidize up to 8,000 rides for the City's senior citizens and the remaining amount is to cover staff's cost of administering the program.

BUDGET ACTION REQUIRED: Should this request be approved, it will have to be a part of the proposed 2013/2014 budget.

STAFF RECOMMENDATION: Authorize the Mayor and Clerk to sign the agreement and direct staff to incorporate into the 2013/2014 budget.

Motion by Commissioner Markowski, second by Commissioner Wierengo to approve the agreement for transportation services with Wakefield Corporation to provide senior transit services.

ROLL VOTE: Ayes: Wierengo, Turnquist, Markowski, Gawron, Hood, Spataro, and German

Nays: None

MOTION PASSES

B. <u>Reclassification of Water Filtration Plant Supervisor Position.</u> PUBLIC WORKS

SUMMARY OF REQUEST: Change the classification of the Filtration Plant Supervisor Position from Range IIIB Range IIIA. The requested change, if approved, we feel will enhance the City's ability to attract more qualified candidates to fill the soon to be vacant position as a result of the resignation of current supervisor.

FINANCIAL IMPACT: An increase of $5,485 per year which is the difference between Range IIIB ($55,998 - $74,664) and IIIA ($60,234 - $80,149).

BUDGET ACTION REQUIRED: None at this time.

STAFF RECOMMENDATION: Approve the reclassification of the Filtration Plant Supervisor Position from Range IIIB to Range IIIA.

Motion by Vice Mayor Spataro, second by Commissioner German to approve the reclassification of the Filtration Plant Supervisor position from Range IIIB to Range IIIA.

ROLL VOTE: Ayes: Turnquist, Markowski, Gawron, Hood, Spataro, German, and Wierengo

Nays: None

MOTION PASSES

C. **Special Event Request Coast West Music Festival.** PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: The Festival Group of Muskegon County has filed a special event application for the first "Coast West Music Festival" to be held at Heritage Landing, July 1-6, 2013. There is one request on their application that requires City Commission approval, and that is to keep one of the beer tents open until midnight, rather than 11:00. They will still turn the music off at 11:00 to comply with the noise ordinance. The later closing time will allow time for people to leave gradually, rather than a mass of people at once, when the music ends.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: None.

Motion by Vice Mayor Spataro, second by Commissioner Wierengo to authorize the request to keep one of the beer tents open until midnight with the proviso that the music be turned off at 11:00 and that Coast West complies with the noise ordinance.

ROLL VOTE: Ayes: None

Nays: Gawron, Hood, Spataro, German, Wierengo, Turnquist, and Markowski

MOTION FAILS

D. **New Neighborhood Enterprise Zone District.** PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: To establish a new Neighborhood Enterprise Zone (NEZ) district within the City limits. The new location is at the Terrace Point Condominium project site. Properties located in NEZ districts are eligible to apply for NEZ certificates, which will lower the property taxes with new construction.

FINANCIAL IMPACT: For those properties that are approved for a Neighborhood Enterprise Zone Certificate, taxation will be 50% of the State average for up to 12 years, depending on investment levels.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the new NEZ district.

Motion by Vice Mayor Spataro, second by Commissioner Wierengo to approve the new Neighborhood Enterprise Zone district as described.

ROLL VOTE: Ayes: Hood, Spataro, German, Wierengo, Turnquist, Markowski, and Gawron

Nays: None

MOTION PASSES

E. <u>Pere Marquette Park Restaurant Proposals.</u> CITY MANAGER

SUMMARY OF REQUEST: The City received proposals for the redevelopment of the former restaurant at Pere Marquette Park. A committee reviewed the proposals and recommends that the City accept the proposal submitted by Harris Hospitality.

FINANCIAL IMPACT: Significant investment will occur and jobs will be created.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To waive the submittal deadline requirement and authorize staff to negotiate an agreement with Harris Hospitality, consistent with their proposal. Further, authorize the Mayor and City Clerk to enter into an agreement with Harris Hospitality once it is satisfactory to the City Attorney and City Manager.

COMMITTEE RECOMMENDATION: A committee that included a City Commissioner and a Neighborhood Representative reviewed the proposals, interviewed the companies' representatives, and makes this recommendation.

Motion by Commissioner Markowski, second by Commissioner Wierengo to waive the deadline for submittal of proposals and award to Harris Hospitality Group and authorize City Manager and City Attorney to negotiate an agreement and authorize Mayor and City Clerk to execute it.

ROLL VOTE: Ayes: Spataro, German, Wierengo, Turnquist, Markowski, Gawron, and Hood

Nays: None

MOTION PASSES

2013-45 ANY OTHER BUSINESS:

A. Consultant for City Manager Recruitment.

Motion by Vice Mayor Spataro, second by Commissioner German to designate City Attorney to be contact person between City and Consultant for the remainder of the recruitment process.

ROLL VOTE: Ayes: German, Wierengo, Turnquist, Markowski, Gawron, Hood, and Spataro

Nays: None

MOTION PASSES

PUBLIC PARTICIPATION: Public comments were received.

ADJOURNMENT: The City Commission Meeting adjourned at 7:13 p.m.

Respectfully submitted,

Ann Marie Cummings, MMC
City Clerk