CITY OF MUSKEGON

CITY COMMISSION MEETING

MAY 9, 2006

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 9, 2006.

Mayor Warmington opened the meeting with a prayer from Reverend Gerald Wahr from the McGraft Memorial Congregational Church 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, Commissioner Sue Wierengo, Chris Carter, Kevin Davis, Clara Shepherd, and Lawrence Spataro, City Manager Bryon Mazade, City Attorney John Schrier, and Deputy City Clerk Linda Potter.

2006-41 CONSENT AGENDA:

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

SUMMARY OF REQUEST: To approve the minutes of the Regular Commission Meeting that was held on Tuesday, April 25, 2006.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval of the minutes.

B. <u>Contract Renewal with Digital Spectrum Enterprises (DSE).</u> ASSISTANT CITY MANAGER

SUMMARY OF REQUEST: To authorize the Mayor to sign a two-year contract (with the option to renew for a third) with Digital Spectrum Enterprise. Necessary discussion and follow-up has been pursued with the City Commission regarding this issue. The contract has been updated accordingly.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: This issue was discussed at the Commission

Worksession on April 10, 2006, and the Commission concurred with staff recommendation as outlined.

C. 2006 Water Treatment Chemical Bids. WATER FILTRATION

SUMMARY OF REQUEST: Recommend endorsement of lowest responsible bidders to supply aluminum sulfate, sodium hypochlorite, and fluoride for the water filtration plant.

FINANCIAL IMPACT: Annual cost of $88,483 (based on average annual water pumped to mains).

BUDGET ACTION REQUIRED: None at this time. These chemicals are budgeted annually.

STAFF RECOMMENDATION: Staff recommends the Mayor and City Commission endorse the low bids received and the contract renewal and enter into contracts with US Aluminate, Rowell Chemical, and Lucier Chemical for aluminum sulfate, sodium hypochlorite, and fluoride respectively.

E. Lead Based Paint Abatement at 867 Williams. COMMUNITY & NEIGHBORHOOD SERVICES

SUMMARY OF REQUEST: To approve the bid with Statewide Abatement, 1720 N. Creston, North Muskegon, Michigan for the lead base paint abatement of the City-owned home at 867 Williams for $25,845. The only other bid received was from Specialty Builders PB Abatement Co. LLC, 2434 Annette, Muskegon, Michigan for $34,400.

After the lead base paint abatement is complete, the structure will be totally rehabilitated and then sold to a qualified low to moderate-income homebuyer.

FINANCIAL IMPACT: Cost of the abatement will be allocated from the 2004 HOME budget and from program income produced by the Community and Neighborhood Services office.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To approve the bid and authorize staff to contract the work with Statewide Abatement.

COMMITTEE RECOMMENDATION: The Commission approved Community and Neighborhood Services office to purchase this home from the private market in 2004.

F. Approval of Contractor for Completion of Rehabilitation of Structure at 867 Williams. COMMUNITY & NEIGHBORHOOD SERVICES

SUMMARY OF REQUEST: To approve the contract with Specialty Builders PB Abatement Co., LLC Construction, 2434 Annette, Muskegon, Michigan for the completion of the rehabilitation of 867 Williams for $50,689. The structure was obtained by the City of Muskegon through the private market, in an effort to continue the neighborhood revitalization in the Angel neighborhood. After the final rehabilitation is completed, the property will be sold to a qualified family in accordance with the Community and Neighborhood Services offices established guidelines, continuing the City's aggressive neighborhood revitalization efforts.

The Community and Neighborhood Services office received three other proposals for this project:

Noble/Baldwin, Inc., 210 E. Broadway, Muskegon Heights - $61,558

Lewis Johnson Construction, 16076 Bonita, Grand Haven - $57,900

J2 Development & Construction Co., 109 E. Laketon, Muskegon - $55,217.96

FINANCIAL IMPACT: The funding for this project will be taken from the City's HOME funds from fiscal year 2004 and program income produced by the Community and Neighborhood Services office.

BUDGET ACTION REQUIRED: None required

STAFF RECOMMENDATION: To approve the Community and Neighborhood Services request.

COMMITTEE RECOMMENDATION: The Commission approved Community and Neighborhood Services office to obtain this home through the open market; and it was stated, at that time, that the home would be totally rehabilitated at a later date.

G. Consideration of Bids - Benton Street & Williams Street, Chestnut Street to Catawba Avenue (H-1584). ENGINEERING

SUMMARY OF REQUEST: Award the paving, using asphalt material, contract (H-1584) for Benton Street & Williams Street, Chestnut Street to Catawba Avenue to Jackson-Merkey Contractors, Inc. since they were the lowest bidder with a bid price of $102,956.78.

FINANCIAL IMPACT: The construction cost $102,956.78 plus engineering cost which is estimated at an additional 20%.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Award the contract to Jackson-Merkey Contractors, Inc.

H. Agreement with Harbor Unitarian Universalist Congregation to Operate at the Farmers Market. ASSISTANT CITY MANAGER

SUMMARY OF REQUEST: To authorize the Mayor to sign a one-year agreement between the City of Muskegon and Harbor Unitarian Universalist Congregation to sell Fair Trade Coffee, baked goods, tea, soft drinks and bottle water at the Muskegon Farmers Market. The Church is a member of the Friends of the Market group that was recently organized to enhance the aesthetic appeal of the Market.

FINANCIAL IMPACT: None. Harbor Unitarian Universalist Congregation will pay the City 10% of sale.

BUDGET ACTION REQUIRED: None

STAFF/COMMITTEE RECOMMENDATION: The Leisure Services Board is scheduled to meet in July. In between meetings, the Director of Leisure Services Department is authorized to take action on such request and advise the body later. It is therefore, staff's recommendation that the Commission approves this request.

I. **<u>Changes to Industrial Facility Tax Abatement Contract.</u>** AFFIRMATIVE ACTION/COMMUNITY & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: To approve changes to the Industrial Facility Tax abatement contract. The only change is in Section 1.3 with the addition of the number of 14% for minority employment.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To approve the changes to the contract.

COMMITTEE RECOMMENDATION: The Equal Opportunity Committee has recommended the changes.

J. **<u>City – Michigan Department of Transportation Agreement for Western Avenue, Third to Terrace Streetscape.</u>** ENGINEERING

SUMMARY OF REQUEST: To approve the contract with Michigan Department of Transportation for streetscape (decorative concrete & street lights) work along Western Avenue from Third Street to Terrace Street (including all necessary related work) and to approve the resolution authorizing the Mayor and City Clerk to sign the contract.

FINANCIAL IMPACT: Michigan Department of Transportation's participation of federal money is capped at $960,000 but not to exceed 80% of eligible cost. The estimated total construction cost (with engineering) of the project, is $1,195,000.

BUDGET ACTION REQUIRED: None at this time.

STAFF RECOMMENDATION: Approve the agreement and resolution.

K. **<u>Commission Computer Access.</u>** CITY MANAGER

Motion by Commissioner Spataro, second by Commissioner Carter to approve the Consent Agenda with the exception of item D.

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

Warmington

Nays: None

MOTION PASSES

2006-42 ITEM REMOVED FROM THE CONSENT AGENDA:

D. <u>Approval of Contractor for Demolition of Structure at 280 Iona.</u>
COMMUNITY & NEIGHBORHOOD SERVICES

SUMMARY OF REQUEST: To approve the contract with Press's LLC, 8081 Holton Duck Lake Road, Holton, Michigan for the demolition of the City-owned home at 280 Iona for $3,730. Press's was the only contractor that submitted a bid for the project. After the demolition is completed, the Community and Neighborhood Services office will solicit bids from qualified builders to construct a new home on the site, in an effort to continue the City's assertive neighborhood revival efforts.

FINANCIAL IMPACT: The funding for the demolition will be taken from the City's HOME funds from fiscal year 2005 and program income.

BUDGET ACTION REQUIRED: None required.

STAFF RECOMMENDATION: To approve the Community and Neighborhood Services request.

COMMITTEE RECOMMENDATION: The Commission approved Community and Neighborhood Services office to obtain 280 Iona from the State of Michigan for the original goal of rehabilitating the structure. But, after further study, it has been determined that it will be in the City's best interest to demolish the structure and rebuild.

Motion by Commissioner Shepherd, second by Commissioner Carter to approve the contract with Press's for the demolition of 280 Iona.

ROLL VOTE: Ayes: Carter, Davis, Gawron, Shepherd, Spataro, Warmington, Wierengo

Nays: None

MOTION PASSES

2006-43 PUBLIC HEARINGS:

A. <u>Request to Establish an Obsolete Property District - 1133 W. Western.</u>
PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: Pursuant to Public Act 146 of the Michigan Public Acts of 2000, Kirksey Investment Corporation, 1204 W. Western, Muskegon, MI 49441, has requested the establishment of an Obsolete Property District. The district would be located at 1133 W. Western Avenue, Muskegon, MI. This project will consist of rehabbing this building into a warehousing facility. Total capital investment for this project is $500,000.

FINANCIAL IMPACT: If an Obsolete Property Certificate is issued, the property taxes would be frozen for the duration of the certificate.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: None

The Public Hearing opened at 5:43 p.m. to hear and consider any comments from the public. Joel Fitzpatrick and Dennis Kirksey explained the item and answered Commissioner's questions. No comments were heard from the public.

Motion by Commissioner Carter, second by Commissioner Spataro to close the Public Hearing at 6:16 p.m. and establish an Obsolete Property District at 1133 W. Western.

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

Nays: Davis and Shepherd

MOTION PASSES

B. <u>Request to Issue an Obsolete Property Certificate - 1133 W. Western.</u> PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: Pursuant to Public Act 146 of the Michigan Public Acts of 2000, Kirksey Investment Corporation, 1204 W. Western, Muskegon, 49441 has requested the issuance of an Obsolete Property Certificate for the property located at 1133 W. Western, Muskegon, MI. Total capital investment for this project is $500,000. The project consists of converting the building into a warehousing facility. Because of the amount of investment, the applicant is eligible for a 12-year certificate.

FINANCIAL IMPACT: If an Obsolete Property Certificate is issued, the property taxes would be frozen for the duration of the certificate.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: None

The Public Hearing opened at 6:17 p.m. to hear and consider any comments from the public. No public comments were heard.

Motion by Commissioner Spataro, second by Commissioner Carter to close the Public Hearing at 6:18 p.m. and approve the request for an Obsolete Property Certificate for 1133 W. Western.

ROLL VOTE: Ayes: Gawron, Spataro, Warmington, Wierengo, Carter, and Davis

Nays: Shepherd

MOTION PASSES

2006-44 NEW BUSINESS:

A. **Change Order - Hartshorn Marina Renovation Phase III.** ASSISTANT CITY MANAGER

SUMMARY OF REQUEST: To post authorize staff's approval (as provided for in the City Purchasing Policy) of Change Order #3 with Great Lakes Docks and Marina, the Project Contractor, in the amount of $52,475.70 as payment for the repair/rebuilding of the head pier at the east end of the marina docks. While we rarely exercise the authority to pre-approve Change Orders, when we do, it is often due to the timing of the work required to be done – as indeed was the reason for this pre-approval by staff. Completion of this portion of the project will be by the end of May 2006. Payment will also have to be made to Abonmarche Group, the Consulting firm overseeing the project, for necessary drawing and drafting tasks associated with this work.

FINANCIAL IMPACT: $52,475.70

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To authorize staff to approve Change Order #3 with Great Lakes Docks and Marina.

Motion by Commissioner Spataro, second by Vice Mayor Gawron to authorize staff to approve Change Order #3 with Great Lakes Docks and Marina.

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

Nays: None

MOTION PASSES

B. **Intake Inspection.** WATER FILTRATION

SUMMARY OF REQUEST: To contract with an underwater contractor to inspect the intake conduit, chemical application piping, intake crib, and replace the wooden louvers on the crib structure.

FINANCIAL IMPACT: Project cost of $48,676.

BUDGET ACTION REQUIRED: Project budgeted at $32,000. Additional cost will be addressed by the Water Fund Capitol Improvements budget and identified in the next budget reforecast.

STAFF RECOMMENDATION: Staff recommends the Mayor and City Commissioners approve entering into a contract with Onyx Underwater Services, Inc., with consideration of the bidding irregularity for additional material removal, at a cost of $48,676.

Motion by Vice Mayor Gawron, second by Commissioner Spataro to approve entering into a contract with Onyx Underwater Services, Inc., with consideration of the bidding irregularity for additional material removal, at a cost of $48,676.

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

Nays: None

MOTION PASSES

C. <u>Resolution to Sell 247 E. Walton.</u> COMMUNITY & NEIGHBORHOOD SERVICES

SUMMARY OF REQUEST: To approve the resolution to sell the City-owned house at 247 E. Walton to Ms. Doris Harris, of 1259 McLaughlin, Muskegon, for the expected appraised value of $145,000 minus the $49,000 subsidy.

The house at 247 E. Walton is a part of the second phase of the Walton Street Renaissance AKA Hilltop View, which was started last summer and will be totally completed in the next 30 days. The Hilltop View project was the first time that the Community and Neighborhood Services office had attempted a development, which consisted of more than one property. With the sale of this property at 247 E. Walton five of the six homes in the development will have been purchased.

The Walton Street project is a partnership between the City of Muskegon, Fifth Third Bank and Neighborhood Investment Corporation. It is the hope of all those involved in the Walton Street Renaissance project that it will be an anchor for additional redevelopment in the adjacent area as we continue to prepare and cultivate our community for 21st Century living.

FINANCIAL IMPACT: The program income derived from this transaction will be deposited in the City's HOME account minus the funds owed Fifth Third Bank that was used to construct the new street in the area.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To approve the resolution and the sale of 247 Walton to Ms. Doris Harris.

COMMITTEE RECOMMENDATION: The Walton Street Project was approved by both the City Commission and the Land Reutilization Committee.

Motion by Commissioner Shepherd, second by Commissioner Carter to approve the resolution to sell 247 E. Walton to Ms. Doris Harris

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

Nays: None

MOTION PASSES

D. <u>Consideration of Proposal to Construct 200' of 8" Main at Sherman and Beach.</u> ENGINEERING

SUMMARY OF REQUEST: Authorize staff to accept Jackson Merkey's proposal to place approximately 200' of 8" water main section along with other necessary items to connect the existing 6" dead-end main on Sherman to that being constructed to serve the Idlewild area. The proposed section of main will provide a direct connection to the 30" main on the east side of Beach and in the process improve the flow in the mains within the area west of Beach and north of Sherman. Jackson Merkey is being recommended for two main reasons:

1. The proposed cost of $21,726 is very reasonable for the amount of work involved
2. Jackson Merkey is already on site for the Idlewild project and therefore eliminating a possible additional cost for mobilization

FINANCIAL IMPACT: The construction cost of $21,726.

BUDGET ACTION REQUIRED: None, the cost will be covered by the $100,000 budgeted for "Water Main Replacement Projects".

STAFF RECOMMENDATION: Authorize staff to accept Jackson Merkey's proposal for the work to be done in May of 2006.

Motion by Commissioner Spataro, second by Commissioner Shepherd to approve the construction.

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

Nays: None

MOTION PASSES

ANY OTHER BUSINESS: Commission commented on various items.

PUBLIC PARTICIPATION: Various comments were heard from the public.

ADJOURNMENT: The City Commission Meeting adjourned at 7:08 p.m.

Respectfully submitted,

Gail A. Kundinger, MMC
City Clerk