CITY OF MUSKEGON

CITY COMMISSION MEETING

MAY 8, 2018 @ 5:30 P.M.

MUSKEGON CITY COMMISSION CHAMBERS

933 TERRACE STREET, MUSKEGON, MI 49440

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 8, 2018. Mr. George Monroe, Evanston Avenue Baptist Church, opened the meeting with prayer, after which the Commission and public recited the Pledge of Allegiance to the Flag.

ROLL CALL FOR THE REGULAR COMMISSION MEETING:

Present: Mayor Stephen J. Gawron, Vice Mayor Eric Hood, Commissioners Ken Johnson, Byron Turnquist, Willie German, Jr., Debra Warren, and Dan Rinsema-Sybenga, City Manager Frank Peterson, City Attorney John Schrier, and City Clerk Ann Meisch.

INTRODUCTIONS/PRESENTATION:

Pollinator Plan Presentation

The Pollination Plan was presented by Kevin Santos from the Department of Public Works. Some goals are to reduce pesticide use, create buffer zones, create native planting areas, and cut down on mowing costs.

2018-32 CONSENT AGENDA:

A. Approval of Minutes City Clerk

SUMMARY OF REQUEST: To approve minutes of the April 24, 2018 Regular Meeting.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval of the minutes.

B. Request to Fly the Norwegian Flag City Clerk

SUMMARY OF REQUEST: Sons of Norway are requesting permission to fly the

Norwegian Flag at City Hall on Thursday, May 17, in honor of Norway's Constitution Day (Independence Day).

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval of the request.

C. **Approval of Building Contract for 1015 E. Forest Avenue** Community & Neighborhood Services

SUMMARY OF REQUEST: To award the building contract for the rehabilitation of 1015 E. Forest Avenue to Holden Construction for the City of Muskegon's Homebuyers Program through CNS.

CNS received 3 bids, the cost estimate from our spec writer was $98,100.

FINANCIAL IMPACT: The funding for this project has been secured with 2017 HOME funds.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To award Holden Construction the rehabilitation contract for 1015 E. Forest in the amount of $73,250.00 for the Community and Neighborhood Services Office.

D. **Toro Groundsmaster Mower** DPW/Equipment

SUMMARY OF REQUEST: The Equipment Division is requesting permission to purchase one (1) Toro Groundsmaster Mower coming for Spartan Distributers the lowest qualified bidder. Cost for this Mower is $31,737.32 coming from the Equipment Division fund.

FINANCIAL IMPACT: $31,737.32

BUDGET ACTION REQUIRED: None. Amount is what was budgeted.

STAFF RECOMMENDATION: Authorize staff to purchase one (1) Toro Groundsmaster Mower from Spartan Distributers, the lowest qualified bidder.

E. **2018-19 Healthcare and Wellness Program** Finance Director

SUMMARY OF REQUEST: The City's healthcare coverage renews effective June 1st, for the period 6/1/18 – 5/31/19. This year's Priority Health renewal premium came in at a 7.64% increase over the previous year. Last year's increase was 3.96% after several benefit changes were made. For several years the City has made numerous benefit changes including increasing deductibles and copays along with changes to the drug copays to keep our increases as low as possible. This year to help offset the cost we are proposing to increase the employee's premium copay from 10% to 14%. This will keep our employer contribution below the "hard cap limits" set by PA 152.

Per State guidelines we must remain below the "hard cap limit" or employees must contribute 20% towards their premium. To stay below the “hard cap limit” would require significant benefit changes each year so we are opting to gradually increase the employee premium copay until it reaches the 20% we feel this option will have less negative impact on the majority of employees.

For 2018-19 the City will continue to pay the HRA deductible if the employee and spouse complete the wellness requirements by March 31st. Non-participants in the wellness program will be required to pay $1,000 for single coverage or $2,000 per double or family coverage of the deductible.

FINANCIAL IMPACT: Following is an estimate of gross premium costs for the Priority Health HMO program compared with the current healthcare plan year.

	2018-19			2017-18		
Monthly Premium	$ 561.76	$ 1,263.95	$ 1,516.75	$ 515.13	$ 1,159.04	$ 1,390.85
Rate Change	7.64%	7.64%	7.64%	3.96%	3.96%	3.96%
Annual Premium	6,741.12	15,167.40	18,201.00	6,181.56	13,908.48	16,690.20
Current # Employees	44	40	110	36	47	113
Total Annual Premium	296,609.28	606,696.00	2,002,110.00	222536.16	653698.56	1885992.6
		2,905,415.28			2762227.32	
Add: HRA Deductibles Paid by City		300,000.00			300,000.00	
Less; employee premium copays		(406,758.14)			(276,222.73)	
Equals: Employer Cost		$ 2,798,657.14			$ 2,786,004.59	
		2018 PA Hard Cap Limits			2017 PA152 Hard Cap Limits	
	$ 6,560.52	$ 13,720.07	$ 17,892.36	$ 6,344.80	$ 13,268.93	$ 17,304.02
	288,662.80	548,802.80	1,968,159.60	228,412.80	623,639.71	1,955,354.26
		$ 2,805,625.20			$ 2,807,406.77	

BUDGET ACTION REQUIRED: Employee and retiree healthcare costs will be included in the forthcoming 2018-19 budget.

STAFF RECOMMENDATION: Authorize staff to execute documents with Priority Health to renew employee healthcare coverage for the coming year.

F. <u>Set Public Hearing for Amendment to Brownfield Plan – Pigeon Hill</u>
Planning & Economic Development

SUMMARY OF REQUEST: To approve the resolution setting a public hearing for an amendment for the Brownfield Plan, and notifying taxing jurisdictions of the Brownfield Plan Amendment including the opportunity to express their views and recommendations regarding the proposed amendment at the public hearing. The amendment is for the inclusion of property owned by Pigeon Hill Brewing Company, LLC, located at 895 4th Street, 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 Pigeon Hill project, which is approximately $434,507.28. Pigeon Hill Brewing Company, LLC cost for the development of the property is approximately $1,313,187 in private investment, resulting in a substantial increase in the local and school taxes generated by the property.

BUDGET ACTION REQUIRED: None

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

COMMITTEE RECOMMENDATION: The Brownfield Redevelopment Authority met on May 8, 2018 and approved the Brownfield Plan Amendment and recommends the approval of the Brownfield Plan Amendment to the Muskegon City Commission.

G. <u>Remembrance Road Preliminary and Construction Engineering</u>
Department of Public Works

SUMMARY OF REQUEST: Authorize staff to enter into an agreement with Moore & Bruggink for preliminary and construction engineering services related to the reconstruction and widening of Remembrance Road from Keating south to new project site in the Port City Industrial Park.

The requested consultant is currently working on the site development, has familiarity with the needs for the project site and has submitted a reasonable cost estimate for the work.

FINANCIAL IMPACT: $107,000 for engineering services to be covered by the Major Street fund.

BUDGET ACTION REQUIRED: Adjust Major Street fund in third quarter reforecast.

STAFF RECOMMENDATION: Authorize staff to enter into an agreement with Moore & Bruggink for engineering services related to the reconstruction and widening of Remembrance Road.

H. <u>LC Walker Arena Improvements</u> City Manager

SUMMARY OF REQUEST: Staff is seeking approval to make a number of investments at the LC Walker Arena during the 2018 off-season. The improvements include updated ADA seating, demolition and removal of old/unused HVAC equipment, painting, and ceiling repairs. In addition to these improvements, staff will be requesting funds from the Downtown Development Authority to replace the glass around the playing surface, replace ice controllers, upgrade restrooms, reconfigure a portion of the arena's seating, and improve food and beverage offerings. Collectively, these items are expected to help improve the fan/visitor experience and move the arena closer to self – sustainability.

ADA Improvements: $20,000
Paint: $120,000
Selective Demolition: $30,000

Ceiling Repairs: $60,000

FINANCIAL IMPACT: $20,000 was previously budgeted in the General Fund for ADA Compliance. The remaining funds will be expensed from the Public Improvement Fund.

BUDGET ACTION REQUIRED: This will be accounted in the 3rd Quarter Reforecast.

STAFF RECOMMENDATION: To authorize the city manager to expend up to $230,000 for ADA seating upgrades, miscellaneous, demolition, painting, and ceiling repairs at the LC Walker Arena.

Motion by Commissioner Johnson, second by Commissioner Warren, to approve the consent agenda as presented, except items I and J.

ROLL VOTE: Ayes: Hood, Warren, German, Rinsema-Sybenga, Turnquist, Johnson, and Gawron.

Nays: None

MOTION PASSES

2018-33 ITEMS REMOVED FROM CONSENT AGENDA:

I. <u>Amity Bridge – Resolution of Support for Bridge Funding Application and Commitment for Matching Funds</u> Department of Public Works

SUMMARY OF REQUEST: The Engineering Department would like to apply for bridge preservation funding through the Michigan Department of Transportation. These funds would be used to remove the Amity Bridge and build a new roadway on fill. The bridge was originally constructed to cross a railroad line that no longer exists.

Construction is estimated at $415,000, and the city would be required to provide matching funds of approximately $90,000 plus engineering costs. Funding is available starting in 2021.

The MDOT application requires a resolution of support and commitment for the matching funds.

FINANCIAL IMPACT: $200,000 split over fiscal year 20/21 and 21/22

BUDGET ACTION REQUIRED: None at this time.

STAFF RECOMMENDATION: Approve the resolution of support for the bridge preservation fund application and commit to funding the required match and engineering costs.

Motion by Commissioner German, second by Commissioner Warren, to approve the resolution of support for the bridge preservation fund application and commit to funding the required match and engineering costs.

ROLL VOTE: Ayes: Warren, German, Rinsema-Sybenga, Turnquist, Johnson, Gawron, and Hood.

Nays: None

MOTION PASSES

J. <u>Medical Marihuana Facilities Licensing Act Application</u> Planning & Economic Development

SUMMARY OF REQUEST: Request to approve the proposed local MMFLA application.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To pass the resolution approving the application.

Motion by Commissioner German, second by Commissioner Johnson, to pass the resolution approving the application.

ROLL VOTE: Ayes: German, Rinsema-Sybenga, Turnquist, Johnson, Gawron, Hood, and Warren

Nays: None

MOTION PASSES

2018-34 NEW BUSINESS:

A. <u>DDA On-Premise Liquor License for Nipotes</u> Planning & Economic Development

SUMMARY OF REQUEST: To approve the Resolution for a Downtown Development Authority On-Premise Liquor License for Nipotes. The Liquor Control Commission allows for additional for additional liquor licenses within Downtown Development Authority Districts under certain conditions.

FINANCIAL IMPACT: Approving the Liquor License will allow for a new restaurant in the downtown area which should result in increased revenue for the City.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To approve the resolution.

Motion by Commissioner Johnson, second by Commissioner German, to approve the resolution.

ROLL VOTE: Ayes: Rinsema-Sybenga, Turnquist, Johnson, Gawron, Hood, Warren, and German.

Nays: None

MOTION PASSES

B. <u>Medical Marihuana Facilities Licensing Act</u> Planning & Economic Development **SECOND READING**

SUMMARY OF REQUEST: Request to approve the ordinance for the Medical Marihuana Facilities Licensing Act.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To approve the ordinance.

Motion by Commissioner Johnson, second by Commissioner Rinsema-Sybenga, to approve the ordinance.

ROLL VOTE: Ayes: Turnquist, Johnson, Gawron, Hood, Warren, German, and Rinsema-Sybenga

Nays: None

MOTION PASSES

C. <u>Amendment to the Zoning Ordinance – Medical Marihuana Facilities Licensing Act Overlay District</u> Planning & Economic Development

SUMMARY OF REQUEST: Staff-initiated request to amend the zoning ordinance to include a new section for the Medical Marihuana Facilities Overlay District.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATIONS: Staff recommends approval of the ordinance amendment.

COMMITTEE RECOMMENDATION: The Planning Commission voted in favor (4-2) of recommending to the City Commission to approve the zoning ordinance amendment for the MMFLA overlay district at their February 15 meeting.

Michalski, Larson, Gawron, and Doyle voted in support. Mazade and Montgomery-Keast voted in opposition. Peterson and Hovey-Wright were absent. The version they approved for recommendation is slightly different than from what staff is presenting tonight, as this version allows all types of licenses within one overlay zone, rather than restricting licenses between two separate overlay districts.

Motion by Commissioner Rinsema-Sybenga, second by Commissioner Warren, to approve the ordinance amendment.

ROLL VOTE: Ayes: Johnson, Gawron, Hood, Warren, Rinsema-Sybenga, and Turnquist

Nays: German

MOTION PASSES

2nd READING REQUIRED

D. Demolition of 1713 and 1747 7th Street AKA Park Street Storage
Public Safety

SUMMARY OF REQUEST: The Director of Public Safety requests that the Commission authorize the amount of $220,000 for the demolition, removal of debris and hard surface foundations, parking lots, etc. that remain at the location, commonly known as "Park Street Storage". The building and adjacent lot is dangerous and abandoned and is a source of public safety issues. The building has no functional use and is in disrepair.

FINANCIAL IMPACT: Negative impact on the Public Improvement Fund, note $150,000.00 was budgeted (17/18).

BUDGET ACTION REQUIRED: No action at this time *(to be reviewed in the fourth quarter forecast to make adjustments for the additional $70,000.00 needed to complete the project)*.

STAFF RECOMMENDATION: Staff recommends approval of the demolition of 1713 and 1747 7th Street.

Motion by Vice Mayor Hood, second by Commissioner Rinsema-Sybenga, to approve the demolition of 1713 and 1747 7th Street.

ROLL VOTE: Ayes: Gawron, Hood, Warren, German, Rinsema-Sybenga, Turnquist, and Johnson

Nays: None

MOTION PASSES

ANY OTHER BUSINESS: Kevin Santos from the Department of Public works addressed the issue of oak wilt at McGraft Park and the impact the concerns have had on disc golf at the park.

PUBLIC PARTICIPATION: Public comments were received.

ADJOURNMENT: The City Commission meeting adjourned at 6:58 p.m.

Respectfully Submitted,

Ann Marie Meisch, MMC, City Clerk