CITY OF MUSKEGON

CITY COMMISSION MEETING

APRIL 25, 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, April 25, 2006.

Mayor Warmington opened the meeting with a prayer from Pastor David Rogers from the Zion Baptist 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 City Clerk Gail Kundinger.

2006-39 CONSENT AGENDA:

A. Approval of Minutes. CITY CLERK

SUMMARY OF REQUEST: To approve minutes for the April 10th Commission Worksession, and the April 11th Regular Commission Meeting.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval of the minutes.

B. Resolution for Charitable Gaming License. CITY CLERK

SUMMARY OF REQUEST: Bishop John L. Bankhead Daycare and Learning Center, 696 Leonard Avenue, is requesting a resolution recognizing them as a non-profit organization operating in the City for the purpose of obtaining a gaming license. They will be hosting a Texas Holdem at the Muskegon Race Track on May 21, 2006. Proceeds will go toward fixing up their Church. They have been recognized as a 501(c)(3) organization by the State.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval

C. <u>Sale of Buildable Vacant Lot at 181 E. Walton.</u> PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: To approve the sale of a vacant buildable lot at 181 E. Walton Avenue (Parcel #24-205-206-0001-00) to J2 Properties Development & Construction Company LLC. The lot is 66 x 140 ft. and is being offered to J2 Properties Development & Construction Company LLC for $3,000. A single-family home will be constructed. The proposed home will be approximately 1,400 square feet and consist of 2 stories, a basement, 3 bedrooms, and a two-stall garage.

FINANCIAL IMPACT: The sale of this lot for the construction of a single-family home will generate additional tax revenue for the City and will place the property back on the City's tax rolls thus relieving the City of continued maintenance costs.

BUDGET ACTION REQUIRED: None

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

D. <u>Application for Coastal Zone Management Grant from Michigan Department of Environmental Quality.</u> PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: To approve the resolution authorizing staff to apply for a grant in the amount of $10,000 from the Michigan Department of Environmental Quality to update the City's Waterfront Redevelopment Plan, which is a section of the City's Master Plan.

FINANCIAL IMPACT: $10,000 has already been budgeted for this year to go toward updating the City's Master Plan. This money will be used for match for a project cost of $20,000.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To approve the resolution authorizing staff to prepare and submit the grant application.

Motion by Commissioner Carter, second by Commissioner Davis to approve the Consent Agenda as read.

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

Nays: None

MOTION PASSES

2006-40 NEW BUSINESS:

A. <u>2006 Healthcare Plan Renewal.</u> FINANCE

SUMMARY OF REQUEST: To renew healthcare coverage with Priority Health for 2006-2007.

FINANCIAL IMPACT: Costs will increase 7.37% from $693.27 per employee per month to $743.43 ($8,319/year to $8,921/year). Employees (in most bargaining units) pay $520 per year towards the cost of this coverage. The renewal figures are within the City's projected budget for 2006.

BUDGET ACTION REQUIRED: None at this time.

STAFF RECOMMENDATION:

1. Renew contract with Priority retaining current benefit levels;
2. Phase out the current Rx reimbursement program effective June 1, 2006.

Motion by Commissioner Spataro, second by Vice Mayor Gawron to approve the 2006 healthcare plan renewal.

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

Nays: None

MOTION PASSES

B. <u>First Quarter 2006 Budget Reforecast.</u> FINANCE

SUMMARY OF REQUEST: At this time staff is transmitting the *First Quarter 2006 Budget Reforecast* which outlines proposed changes to the original budget that have come about as result of changes in policy priorities, labor contracts, updated economic conditions, or other factors. For the next meeting, an action item will be placed on the agenda for adoption of the second quarter budget reforecast together with any additional changes deemed necessary by Commissioners.

FINANCIAL IMPACT: First quarter proposed changes to the General fund are relatively minor and include:

- Federal grants increased $19,926
- Projected recreation program revenues decreased $20,000
- Interest income increased $115,000 reflecting generally higher interest rates
- $2,500 allocated to support the Lakeside Business district
- $3,500 increase to City Clerk budget

The most recent information from the state indicates that our original 2006 state shared revenue projection ($4,680,217) remains a good estimate. A state revenue conference is scheduled for May at which time further information may emerge. Additionally, significant changes to other funds are mostly in the area of capital improvements and include:

- Adjustment to street projects (and related w/s components) mostly based on grant decisions;
- Increase in projected cost of new fire station from $2,800,000 to $3,500,000

BUDGET ACTION REQUIRED: Self-explanatory.

STAFF RECOMMENDATION: The City Commission should review the *Reforecast* to ensure it reflects their policy initiatives. At the next City Commission meeting, staff will request formal approval of the *Reforecast* and related budget amendments.

Motion by Commissioner Spataro, second by Commissioner Carter to adopt the *First Quarter 2006 Budget Reforecast*.

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

Nays: None

MOTION PASSES

C. <u>Transfer of Administration for Current Retirees to MERS.</u> FINANCE

SUMMARY OF REQUEST: LaSalle Bank is selling off the part of its business that currently handles pension payroll responsibilities for the City. Staff believes this is a good time to move administrative responsibility for current retirees to the MERS system. This is consistent with the direction set for active employees with transfer of active non-union and police personnel to MERS.

FINANCIAL IMPACT: MERS provides a cost-effective solution for retirement system administration. As the City faces revenues declines and service cutbacks, it is essential that we seek out opportunities to maintain or improve service levels while lowering costs. MERS provides such an opportunity.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval of the move of current retirees to MERS.

COMMITTEE RECOMMENDATION: The Pension Board considered this matter at their April 12th meeting and voted to recommend the change to the City Commission.

Motion by Vice Mayor Gawron, second by Commissioner Wierengo to approve the move of current retirees to MERS.

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

Nays: None

MOTION PASSES

D. **Approval of Storm Water Pollution Prevention Initiative.** PUBLIC WORKS

SUMMARY OF REQUEST: As a requirement of its Wastewater Discharge Permit with the State, the City of Muskegon is required to submit a Storm Water Pollution Prevention Initiative. This document contains commitments to actions to prevent pollution of Muskegon Lake and Mona Lake form municipal storm drains.

FINANCIAL IMPACT: Costs for actions will be determined in 2006 so that these can be budgeted in 2007 and 2008.

BUDGET ACTION REQUIRED: None at this time.

STAFF RECOMMENDATION: To approve the Storm Water Pollution Prevention Initiative as written.

Motion by Commissioner Wierengo, second by Commissioner Carter to approve the Storm Water Pollution Prevention Initiative.

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

Nays: None

MOTION PASSES

E. **Resolution to Sell 510 Creston.** COMMUNITY & NEIGHBORHOOD SERVICES

SUMMARY OF REQUEST: To approve the resolution to sell the City-owned house at 510 Creston to Ms. Linda Meinel of 565 Lake Forest Lane, Apt. K-10. The house is being sold to Ms. Meinel for the appraised cost of sixty-seven thousand dollars ($67,000) minus a fifteen thousand dollar ($15,000) subsidy. The City of Muskegon purchased the house at 510 Creston from the U.S. Department of Housing and Urban Development on the open market. After the purchase was completed, the house was totally rehabilitated including the total remediation of lead. Since that time, the house has been marketed to qualified first-time homebuyers.

FINANCIAL IMPACT: The program income derived from the sale will be deposited in the City's HOME account.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To approve the resolution and the sale of 510 Creston to Ms. Meinel.

COMMITTEE RECOMMENDATION: The purchase of 510 Creston and the rehabilitation of the structure were approved by the Commission in 2004.

Motion by Commissioner Spataro, second by Vice Mayor Gawron to approve the sale of 510 Creston to Ms. Linda Meinel for the stated price.

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

Nays: None

MOTION PASSES

F. <u>Resolution to Sell 221 Walton.</u> COMMUNITY & NEIGHBORHOOD SERVICES

SUMMARY OF REQUEST: To approve the resolution to sell the City-owned house at 221 Walton to Mr. and Mrs. Marcus Robertson, of 3232 Roosevelt Road for the expected appraised value of $145,000 minus the $50,000 subsidy. The house at 221 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. With the sale of this property at 221 Walton, four 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.

FINANCIAL IMPACT: The program income derived from this transaction will be deposited in the City's HOME account.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To approve the resolution and the sale of 221 Walton to Mr. and Mrs. Marcus Robertson.

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

Motion by Commissioner Carter, second by Commissioner Shepherd to approve the sale of 221 Walton to Mr. and Mrs. Marcus Robertson.

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

Nays: None

MOTION PASSES

G. <u>Application for United States Department of Agriculture Grant for Design Work for the Farmer's Market.</u> PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: To approve the resolution and authorize staff to apply for a grant in the amount of $50,000 from United States Department of Agriculture for design work for the Farmer's Market.

FINANCIAL IMPACT: None, no match is required.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To approve the resolution and authorize staff to apply for a grant in the amount of $50,000.

Motion by Commissioner Shepherd, second by Commissioner Spataro to approve the application for the United States Department of Agriculture grant for design work for the Farmer's Market.

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

Nays: None

MOTION PASSES

H. <u>Concurrence with the Housing Board of Appeals Notice and Order to Demolish the Following:</u> PUBLIC SAFETY

1. **460 Wood**
2. **1349 Sixth (Area 10)**
3. **762 Amity (Area 11)**

SUMMARY OF REQUEST: This is to request that the City Commission concur with the findings of the Housing Board of Appeals that the above mentioned structures are unsafe, substandard, a public nuisance and that they be demolished within thirty 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 Vice Mayor Gawron to concur with the Housing Board of Appeals notice and order to demolish 460 Wood and 1349 Sixth.

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

Nays: None

MOTION PASSES

Motion by Commissioner Spataro, second by Vice Mayor Gawron to concur with the Housing Board of Appeals notice and order to demolish 762 Amity.

Motion and second amended to concur with the Housing Board of Appeals notice and order to demolish 762 Amity if after 30 days from today there has not been an interior inspection that has been done by the City Inspections

Department and at that point and time if so desired they can bring it back before this body.

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

Nays: None

MOTION PASSES

I. <u>Former Lakos Property.</u> CITY MANAGER

SUMMARY OF REQUEST: To consider a request from the owners of the Holiday Inn to remove the requirement to redevelop the former Lakos property. This would clear the title so a sale to another party could occur.

FINANCIAL IMPACT: The current owners of the Holiday Inn agree to pay the City $10,000 to remove the requirement to redevelop the former Lakos property.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: If the City Commission agrees to remove the redevelopment requirements, the Mayor and Clerk and/or City staff should be authorized to execute the appropriate documents. Further, the cleared title should only be provided at the closing between the current owners of the Holiday Inn and the new owners to ensure that a sale occurs.

Motion by Commissioner Carter, second by Commissioner Spataro to approve the removal of the requirement to redevelop the former Lakos property and to give clear title to the Holiday Inn but not to give clear title until the closure of the sale of that property commences.

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

Nays: Davis

MOTION PASSES

ANY OTHER BUSINESS: Various comments were heard.

ADJOURNMENT: The City Commission Meeting adjourned at 6:33 p.m.

Respectfully submitted,

Gail A. Kundinger, MMC
City Clerk