CITY OF MUSKEGON

CITY COMMISSION MEETING

APRIL 24, 2012

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, April 24, 2012.

Mayor Warmington opened the meeting with a prayer from Pastor Josh Dear from the Lakeside 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, Commissioners Willie German, Sue Wierengo, Byron Turnquist, Eric Hood, and Lawrence Spataro, City Manager Bryon Mazade, City Attorney John Schrier, and City Clerk Ann Marie Cummings.

2012-27 HONORS AND AWARDS:

A. 2011 Outstanding Citizenship Awards.

Commissioner Wierengo presented Outstanding Citizenship Awards to Lauralee Gates and Joe Stapel.

2012-28 CONSENT AGENDA:

A. Approval of Minutes. CITY CLERK

SUMMARY OF REQUEST: To approve minutes of the April 9th Commission Worksession and the April 10th City Commission Meeting.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the minutes.

B. Liquor License Request from AJIT Corporation, 1121 E. Laketon. CITY CLERK

SUMMARY OF REQUEST: The Liquor Control Commission is seeking local recommendation on a request from AJIT Corporation of 1121 E. Laketon, for a new SDM License, New Sunday Sales Permit (AM) and New Gas Pumps.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: All departments are recommending approval.

C. Rejection of Environmental Program Mowing and Trash Clean-up Bids. PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: The contract for mowing of lots and trash clean up of public and private properties previously held by Freelance Enterprises Inc. has expired on March 31, 2012. A request for bids was advertised and four companies placed bids.

FINANCIAL IMPACT: None, funds are budgeted for this activity.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To formally reject all bids because of deficiencies in the bids and to rebid the contract for the mowing of lots and trash removal on properties located within the City.

D. 2012 Water Treatment Chemical Bids. PUBLIC WORKS

SUMMARY OF REQUEST: Recommend endorsement of lowest responsible bidder to supply sodium hypochlorite, for the Water Filtration Plant.

FINANCIAL IMPACT: Annual cost of $52,207 (based on average annual water pumped to mains).

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Staff recommends the Mayor and City Commission endorse the low bid received and enter into contract with KA Steel Chemicals for sodium hypochlorite for one year.

E. Approval of Contractor for Lead Abatement and Rehabilitation of House at 1733 Manz. COMMUNITY & NEIGHBORHOOD SERVICES

SUMMARY OF REQUEST: To approve the contract with Jeff Fisher, JD Fisher Builders, 123 N. 8th Ave., Fruitport, for the lead abatement and rehabilitation of the home located at 1733 Manz for the cost of $89,780.

This project is being financed by Neighborhood Stabilization funds from the Michigan State Housing Development Authority with possible HOME funds from HUD. After the lead abatement and rehabilitation is completed, the home will be marketed to sell to an eligible homebuyer with an annual income less than 120 percent of the area median income. The City obtained the house at 1733 Manz with Neighborhood Stabilization Program funds. The City received three bids.

FINANCIAL IMPACT: The project will be covered from the Neighborhood Stabilization Program funds and/or *possible* HOME funds from HUD.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve Community & Neighborhood Services office to develop a contract with JD Fisher Builders and direct the Mayor and Clerk to sign the contract.

F. Security Cameras, Public Service Building. PUBLIC WORKS

SUMMARY OF REQUEST: Authorize staff to purchase 12 security cameras and a hddvr recorder from Lakeshore Security & Electronics which was the low bidder. This will replace the existing system that is not working and is out of date.

FINANCIAL IMPACT: Total cost $11,959.91.

BUDGET ACTION REQUIRED: None, included in 2011/2012 Budget.

STAFF RECOMMENDATION: Purchase from the low bidder, Lakeshore Security & Electronics.

G. Seaway Industrial Park Property Sale. CITY MANAGER

SUMMARY OF REQUEST: To approve a sale of property in the Seaway Industrial Park to Eastwood Development, LLC (Wood Trucking).

FINANCIAL IMPACT: The sale price is $20,000.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve the Purchase Agreement, authorize the Mayor and Clerk to execute it, and authorize City staff to execute all necessary closing documents.

H. Amendment to City's 457 Plan to Allow for Employee Hardship Loans. FINANCE

SUMMARY OF REQUEST: The City has long offered full-time employees the opportunity to save for retirement through voluntary contributions to a "457" deferred compensation plan. 457 plans are similar to 401(k) plans in the private sector. The 457 plan is completely separate from the City's defined benefit and defined contribution retirement programs.

Once an employee contributes money to the 457 plan, it can be withdrawn only when the employee separates service or in cases of *extreme* financial hardship. The City has received numerous hardship withdrawal requests and inquiries in recent years. Although employee needs are legitimate, almost all requests are rejected because of the stringent IRS regulations governing these withdrawals.

457 loan provisions are less restrictive allowing for needs such as home purchase, unreimbursed medical expenses and college education for dependents. Staff believes implementing the hardship loan provision will provide employees a way to access their money for legitimate financial needs.

FINANCIAL IMPACT: There is no financial impact on the City.

Administration of the program will be done primarily by the City's 457 plan administrators (ICMA and The Hartford).

Financial terms of loans to employees allowed under this recommendation are as follows:

- Participants may receive only one loan per year and only one outstanding at any time;
- Minimum loan $1,000; Maximum is the lesser of $50,000 or ½ of the participant's plan balance;
- Length of loan: 5 years; 10 years if used for purchase of principal residence;
- Interest rate: Prime rate + 0.5% (currently 3.75%);
- Collateral: Portion of the employee's remaining account balance equal to the amount of the loan.

BUDGET ACTION REQUIRED: This action does not have a budget impact on the City.

STAFF RECOMMENDATION: Adoption of the resolution and approval of the loan guidelines as described.

J. <u>Catamaran Racing Association of Michigan Request for Overnight Camping at PM Park.</u> PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: CRAM is requesting permission to hold a Catamaran sailing regatta at Pere Marquette Park, August 23 through 26, 2012. They would like to use the City-owned lot that is currently being leased by Captain Jack's for overnight RV camping on August 23, 24, and 25, 2012. They are requesting to add the additional night of camping this year (August 23), starting on Thursday night instead of Friday. This is because they would like to add sailing events on Friday, which they did not do last year. They expect only 6 to 10 RV's in the lot overnight. This is the event's fifth year of operation. They have provided proof of liability insurance and a letter from Captain Jack's indicating their support of the event.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve the request for overnight camping at Pere Marquette for this event on August 23, 24, and 25, 2012.

COMMITTEE RECOMMENDATION: This request was recommended for approval by the City's Special Event Approval staff.

Motion by Vice Mayor Gawron, second by Commissioner Spataro to approve

the Consent Agenda as presented minus items I, K, and L.

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

Nays: None

MOTION PASSES

2012-29 ITEMS REMOVED FROM THE CONSENT AGENDA:

I. <u>Movies on the Beach – Request for Extended Hours.</u> PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: Kerry Halloran is requesting that Pere Marquette Park be allowed to remain open past 11:00 p.m. on Friday, June 15, and possibly for future dates this summer if the Movies project is successful. Kerry's project is one of the winners of the Community Foundation's "Love Notes" contest. Because we have such a late sunset in the summer and the movie will start around dusk, it is likely that the movie will not be over by the 11:00 p.m. park closing time.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve the request allowing Pere Marquette Park to remain open past 11:00 p.m. on movie nights.

Motion by Vice Mayor Gawron, second by Commissioner German to approve the request allowing Pere Marquette Park to remain open past 11:00 p.m. on movie nights.

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

Nays: None

MOTION PASSES

K. <u>Michigan Beach Polo Request to Serve Alcohol at PM Park.</u> PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: The organizers of the Michigan Beach Polo event are requesting to serve beer and wine, with an emphasis on local beers, during their beach polo event at Pere Marquette Park on June 9, 2012. They are partnering with the Helen DeVos Children's Hospital Foundation.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve the sale of beer and wine at Pere Marquette Park on June 9, 2012 during the beach polo game.

COMMITTEE RECOMMENDATION: This request was recommended for approval by the City's Special Event Approval staff.

Motion by Vice Mayor Gawron, second by Commissioner Wierengo to approve the request to serve alcohol at Pere Marquette Park during the Michigan Beach Polo event.

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

Nays: None

MOTION PASSES

L. Engineering Services Agreement for Traffic Signals Warrants Evaluation at Various Locations. ENGINEERING

SUMMARY OF REQUEST: Authorize staff to enter into an engineering services agreement with URS Corporation out of Grand Rapids for a not-to-exceed cost of $31,350 to perform traffic signal warrants evaluation at various locations throughout, mainly, the downtown area. The reason behind this request is to eliminate unnecessary stoppage thus saving fuel and enhancing the traffic movements. Staff feels the study is warranted at this time due to the modified traffic patterns within the proposed study area due to the construction of Shoreline Dr. and the conversion of Muskegon and Webster.

The approach at this time is to strictly evaluate the need for signals at the various locations and the result will be presented to the City Commission for further action at a later date.

FINANCIAL IMPACT: $31,350 for the evaluation and preparation of specifications.

BUDGET ACTION REQUIRED: None at this time since this project was budgeted for in 2011/2012.

STAFF RECOMMENDATION: Authorize staff to enter into an agreement with URS Corporation. This recommendation was arrived at after reviewing two other proposals from Wade Trim ($75,000) and from Progressive ($38,796).

Motion by Commissioner Spataro, second by Vice Mayor Gawron to approve the engineering services agreement for traffic signals warrants evaluation at various locations downtown with URS Corporation.

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

Nays: None

MOTION PASSES

2012-30 PUBLIC HEARINGS:

A. Request for an Industrial Facilities Exemption Certificate – AFI

Machining. PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: Pursuant to Public Act 198 of 1974, as amended, AFI Machining, 1920 Port City Blvd., has requested the issuance of an Industrial Facilities Tax Exemption Certificate. The total capital investment will be $1,120,000 in personal property and will create two jobs. This qualifies them for a tax abatement of six 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 six years for personal property.

The Public Hearing opened to hear and consider any comments from the public. Comments were heard from Jim Kutches, representative of AFI and Shanti Devi, 4380 Hackley Point Lane.

Motion by Vice Mayor Gawron, second by Commissioner German to close the Public Hearing and approve the resolution granting an Industrial Facilities Exemption Certificate for a term of six years for personal property for AFI Machining.

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

Nays: None

MOTION PASSES

B. Request for an Industrial Facilities Exemption Certificate – AFI Hole Drill. PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: Pursuant to Public Act 198 of 1974, as amended, AFI Hole Drill, 1920 Port City Blvd., has requested the issuance of an Industrial Facilities Tax Exemption Certificate. The total capital investment will be $599,800 in personal property and will create two jobs. This qualifies them for a tax abatement of six years under the current City policy.

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 six years for personal property.

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

Motion by Commissioner Spataro, second by Vice Mayor Gawron to

close the Public Hearing and grant the request for an Industrial Facilities Exemption Certificate for AFI Hole Drill as described.

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

Nays: None

MOTION PASSES

2012-31 NEW BUSINESS:

A. Approval of Sale of City-owned Home at 1543 Hoyt. COMMUNITY & NEIGHBORHOOD SERVICES

SUMMARY OF REQUEST: To approve the resolution and instruct the Community and Neighborhood Services department to complete the sales transaction between Mr. Kedon Lamphere for the newly constructed home at 1543 Hoyt Street, which is part of the City's Neighborhood Stabilization Program (NSP) through the Michigan State Housing Development Authority Office of Community Development. Mr. Lamphere's purchase price is $71,000.

The previous house was foreclosed and demolished. We now have a beautiful 4-bedroom, 3-1/2 bath home with a 2-car detached garage.

FINANCIAL IMPACT: The proceeds from the sale will be used to complete the remaining two NSP projects.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve the resolution and direct the CNS staff to complete the sale.

Motion by Commissioner Spataro, second by Commissioner Wierengo to approve the sale of City-owned home at 1543 Hoyt to the Lamphere family for the indicated price.

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

Nays: None

MOTION PASSES

B. Ballot Resolution – Civil Service. CITY MANAGER

SUMMARY OF REQUEST: To approve a resolution to place a question on the November, 2012, election ballot to eliminate Civil Service from the City Charter.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve the resolution.

Motion by Commissioner Spataro, second by Commissioner German to approve the resolution to place the elimination of Civil Service to be replaced with a personnel system on the ballot for November.

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

Nays: Nays

MOTION PASSES

C. <u>Muskegon Lake Shoreline Restoration.</u> PUBLIC WORKS

SUMMARY OF REQUEST: Consider the West Michigan Shoreline Regional Development Commission's request to restore another section of the Muskegon Lake Shoreline as per the letter and map.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approve the request since the proposed work includes the cleanup of the area adjacent to the bike path from all debris.

Motion by Commissioner Spataro, second by Vice Mayor Gawron to approve the request for the Muskegon Lake Shoreline restoration as described.

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

Nays: None

MOTION PASSES

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

557 W. Clay Avenue

28 Delaware Avenue (Area 11)

1469 6th Street (Area 10)

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 Vice Mayor Gawron to concur with the Housing Board of Appeals notice and order to demolish 28 Delaware Avenue and 1469 6th Street.

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

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 557 W. Clay Avenue.

ROLL VOTE: Ayes: Warmington, Hood, Spataro, German, Gawron, and Turnquist

Nays: Wierengo

MOTION PASSES

PUBLIC PARTICIPATION: Public comments were received.

ADJOURNMENT: The City Commission Meeting adjourned at 6:48 p.m.

Respectfully submitted,

Ann Marie Cummings, MMC
City Clerk