CITY OF MUSKEGON

CITY COMMISSION MEETING

APRIL 12, 2022 @ 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, Michigan at 5:30 p.m., Tuesday, April 12, 2022. Vice Mayor Willie German, Jr., 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 Ken Johnson, Vice Mayor Willie German, Jr., Commissioners, Teresa Emory, Rachel Gorman, Rebecca St.Clair, and Michael Ramsey (arrived at 5:57 p.m.), Interim City Manager LeighAnn Mikesell, City Attorney Will Meier, and City Clerk Ann Meisch.

Absent: Commissioner Eric Hood

PUBLIC COMMENT ON AGENDA ITEMS: Public comments were received.

2022-30 CONSENT AGENDA:

A. <u>Approval of Minutes</u> City Clerk

SUMMARY OF REQUEST: To approve the minutes of the March 7, 2022 Worksession and March 8, 2022 Regular Meeting.

STAFF RECOMMENDATION: To approve the minutes.

B. <u>Taste of Muskegon Liquor License</u> City Clerk

SUMMARY OF REQUEST: The City Clerk's Office is seeking commission approval to apply for a special liquor license for beer, wine, and spirit service for the Taste of Muskegon being held in Hackley Park on Friday, June 10, 2022 and Saturday, June 11, 2022.

STAFF RECOMMENDATION: To authorize the City Clerk's office to apply for a special liquor license for the Taste of Muskegon.

D. <u>ARPA Standard Allowance</u> Finance

SUMMARY OF REQUEST: The final rule from the US Treasury allows municipalities to use a standard amount up to $10 million for revenue loss with the streamlined reporting requirements.

AMOUNT REQUESTED: $10,000,000 AMOUNT BUDGETED:

FUND OR ACCOUNT: 482 FUND OR ACCOUNT: 101

STAFF RECOMMENDATION: To use the full $10 million standard allowance for police and fire salaries along with other governmental services starting from January 2022.

E. <u>Amity Avenue Bridge</u> Public Works

SUMMARY OF REQUEST: Staff is requesting authorization to apply for State of Michigan FY2025 local bridge funds for a project to remove the Amity Avenue Bridge and rebuild an at-grade road through the area. A resolution of support is required to include with the application.

Staff applied for this same project during the last two cycles and have both times been just outside the fundable range. Staff feels that resubmitting the project for consideration is still our best option within this program. Staff plans to take an extra step and lobby directly at the selection meeting to have this project considered.

Costs are estimated at approximately $598,000 for the project, with the city requesting to provide matching funds of $90,000 towards the construction costs and also an estimated $100,000 in engineering costs for a total city commitment of $190,000. The costs for this project would be borne in future fiscal years and only if the project is selected for funding.

AMOUNT REQUESTED: $190,000 AMOUNT BUDGETED: $$190,000

FUND OR ACCOUNT: 202-TBD-5346/5355

STAFF RECOMMENDATION: To approve the resolution of support and authorize the Mayor and Clerk to sign and commit to funding the required match and engineering costs in future years if the project is selected.

F. <u>H92036 – Houston, 9th Street to 3rd Street – Contract Award</u> Public Works

SUMMARY OF REQUEST: Staff is requesting authorization to approve a contract with McCormick Sand, Inc. in the amount of $1,412,968.15.

Bids were solicited for a construction project to reconstruct Houston Avenue from 9th Street to 3rd Street, along with replacing the water main, water services and appurtenant parts. McCormick Sand provided the low bid. The bid tabulation is provided.

AMOUNT REQUESTED: $1,412,968.15 AMOUNT BUDGETED: $1,600,000 w/ engineering

FUND OR ACCOUNT: 202-92036 590-92036	FUND OR ACCOUNT: 202-92036 ($800k) 590-92036 ($800k) ***FY 22/23 Budget***

STAFF RECOMMENDATION: Authorize staff to approve a contract with McCormick Sand in the amount of $1,412,968.15.

G. Staffing Services Agreement (BGCML) Public Works

SUMMARY OF REQUEST: Staff is requesting authorization to contract with the Boys and Girls Club of the Muskegon Lakeshore for temporary staffing services during the 2022 maintenance season.

During 2021 the City entered into a pilot program with Community enCompass, a neighborhood services organization, to provide youth from their support programs as temporary staffing services helping the Department of Public Works maintain City parks. The pilot program was successful, and this year the Boys & Girls Club reached out to the City seeking to enter into a similar agreement.

The Boys & Girls Club anticipates providing approximately 8 staff split in tow teams, and in consultation with DPW identified two service areas that they would be well suited for:

1. Landscape maintenance, waste removal and general support in the BID area downtown.
2. Restroom cleaning and waste removal at Beukema, Reese, Sheldon, and McCrea parks.

DPW typically hires up to 30 seasonal employees each year from GoodTemps (Goodwill). The staffing provided by this agreement will take the place of an approximately equal number of our typical seasonal employees, helping DPW fill our roster during the labor shortage and providing employment and training for younger community members.

Temporary staffing is accounted for in the annual budget of the departments that use these services. The employees under this agreement are included in the parks (general) fund budget, and the Business Improvement District (BID), via reimbursement.

AMOUNT REQUESTED: Appx $67,200	AMOUNT BUDGETED: $67,200 in FY 22 and in FY23
FUND OR ACCOUNT: 101, 202, 203	FUND OR ACCOUNT: 101, 202, 203

STAFF RECOMMENDATION: To authorize staff to contract with the Boys and Girls Club of the Muskegon lakeshore for temporary staffing services during the 2022 maintenance season.

H. **<u>Staffing Service Agreement (enCompass)</u>** Public Works

SUMMARY OF REQUEST: Staff is requesting authorization to contract with Community enCompass for temporary staffing services during the 2022 maintenance season.

During 2021 the City entered into a pilot program with Community enCompass, a neighborhood services organization, to provide youth from their support programs as temporary staffing services helping the Department of Public Works maintain City parks. The pilot program was successful, and Community enCompass has requested to repeat the arrangement again in 2022.

Community enCompass anticipates providing approximately 10 to 15 staff split into teams of up to 5, and in consultation with DPW identified services they would be well suited for. The services will include restroom cleaning and waste removal at Marsh Field, McLaughlin Community Park, Clara Shepherd Park, the Dog Park, and Campbell Field. Other parks or properties may be added depending on staffing availability.

DPW typically hires up to 30 seasonal employees each year from GoodTemps (Goodwill). The staffing provided by this agreement will take the place of an approximately equal number of our typical seasonal employees, helping DPW fill our roster during the labor shortage and providing employment and training for younger community members.

Temporary staffing is accounted for in the annual budget of the departments that use these services. The employee under this agreement are included in the parks (general) fund budget.

AMOUNT REQUESTED: Appx $110,700 AMOUNT BUDGETED: $110,700 in FY 22 and in FY23

FUND OR ACCOUNT: 101-70751-5346 FUND OR ACCOUNT: 101-70751-5346

STAFF RECOMMENDATION: To authorize staff to contract with Community enCompass for temporary staffing services during the 2022 maintenance season.

I. **<u>Equity Vision Statement</u>** City Manager

SUMMARY OF REQUEST: The city's Core Team has created an equity vision statement and is seeking formal adoption by the commission. The draft equity vision statement began with the city's current vision statement and was built through answering the following questions: How do you define equity? What are the desired results? What would the results look like? What are desired outcomes?

Current vision statement: Muskegon, The Premier Shoreline City Offering a Vibrant, Affordable and Ethnically Diverse City Where Citizens Feel Safe, Enjoy

Their Neighborhoods and Have Access to Their City Government.

Equity vision statement: Muskegon is an ethnically diverse city where we embrace differences and value relationships, access to city services and programs is universal, and people are engaged in community building. The diversity of our community is reflected in city businesses, events, boards, commissions and staff.

STAFF RECOMMENDATION: To adopt the equity vision statement presented by the city's Core Team.

J. Youth Programming – COVID Community and Neighborhood Services

SUMMARY OF REQUEST: The Community and Neighborhood Services Office requested proposals from applicants for youth programming to be supported by Community Development Block Grant Covid funds.

Kids Power of Produce - $15,000 – for promoting healthy food choices and programs for low-income families for children ages 3-13.

West Michigan Lake Hawks in Flight Foundation, Inc. - $30,000 to provide a UNITY event to focus on mental health for youth transitioning from COVID

AMOUNT REQUESTED:	$45,000	AMOUNT BUDGETED:	$45,000
FUND OR ACCOUNT:	CDBG-CV	FUND OR ACCOUNT:	CDBG-CV

STAFF RECOMMENDATION: To approve the requests for funding to support Youth Programming.

L. Sale – 207 E. Walton, 283 E. Walton, and 692 W. Grand Planning

SUMMARY OF REQEUST: City staff is seeking authorization to sell three of the City owned vacant lots to Firm Engineering Construction Group, LLC.

Firm Engineering Construction Group, LLC will be constructing three single family homes on the lots owned by the City of Muskegon. They will be sold for 75% of the True Cash Value (TCV) per policy. The total selling price will be $9,000. The properties are located in the Brownfield Development area. The homes will be constructed within eighteen (18) months.

STAFF RECOMMENDATION: To authorize the Code Coordinator to work with the developer and complete the sale of the three City owned buildable lots as described and to have the Mayor and Clerk sign the deed.

M. Sale of the West Half of 1991 Clinton to be combined with 1974 Peck Street Planning

SUMMARY OF REQUEST: City staff is seeking authorization to sell the west half of 1991 Clinton (City owned vacant lot) to la Familia Farms Property LLC.

La Familia Farms Property, LLC will be purchasing the adjacent property at 1974 Peck Street for the construction of their business. They would like to purchase the

West Half of 1991 Clinton that is directly adjacent to the South of their property for $10,000 to combine with their property. The True Cash Value of the entire vacant lot is $20,000 per County Equalization. The City will retain an easement across the portion being sold due to a water main being located there. They will be utilizing this property for the parking lot.

STAFF RECOMMENDATION: To authorize the Code Coordinator to work with the developer and complete the sale of the City owned lot as described and to have the Mayor and Clerk sign the purchase agreement and deed.

N. Sale – 1258 Wesley, 1364 Morgan, 1419 Ducey, 1428 Ducey, 1536 Ducey, 1539 Ducey, 1556 Albert, 1561 Albert, and 1488 Ducey Planning

SUMMARY OF REQUEST: City staff is seeking authorization to sell nine of the City owned vacant lots to Stephens Homes and Investments, LLC.

Stephens Homes and Investments, LLC will be constructing nine single family homes on the lots owned by the City of Muskegon. The properties are zoned R-1 (Single Family Residential). They will be sold for 75% of the True Cash Value (TCV) per policy. The total selling process will be $38,925. Eight of the properties are located in the Brownfield Development are. The property at 1488 Ducey is the east 50 feet of 1476 Ducey (not located in the Brownfield Redevelopment area). The City will retain the remainder of 1476 Ducey for Fire Station #5 that is located adjacent at 1481 Marquette. The homes will be constructed within Twenty-four (24) months.

STAFF RECOMMENDATION: To authorize the Code Coordinator to work with the developer and complete the sale of the nine City owned buildable lots as described and to have the Mayor and Clerk sign the deed.

O. Placer.ai Software Subscription Renewal Development Services

SUMMARY OF REQUEST: The Economic Development Department has been utilizing the Placer.ai platform for one year, and is requesting that the City Commission authorize the automatic renewal of the platform as requested when initially passing the item in 2021.

The Development Services Division has benefited greatly from this data tool, and strongly recommends its renewal. Not only have we utilized this software internally for our own tourism tracking, industrial park analysis, event attendance, and other functions, but we have been able to assist many other community stakeholders with reports such as Community enCompass, Muskegon County Visitors Bureau, Rebel Road, West Michigan Art Festival, Muskegon Area Chamber, and others. It has proven valuable, and still has other applications we are learning the will serve the city and its redevelopment well into the future.

AMOUNT REQUESTED: $16,000 AMOUNT BUDGETED: $16,000

FUND OR ACCOUNT: 101-80400-5346 FUND OR ACOUNT: 101-80400-5346

STAFF RECOMMENDATION: To approve the subscription agreement renewal with Placer.ai for the term of one year as presented.

P. <u>Arena Event Support</u> City Manager

SUMMARY OF REQUEST: City staff is requesting to formalize arena event financial support related to indoor arena football.

The West Michigan Ironmen have hosted arena football games at Mercy Health Arena for six seasons. During that time, the events have brought a diverse crowd that is more-representative of the City of Muskegon. In the past, City Commissioners and arena leadership have expressed significant support in hosing these events because doing so opens the arena to more city residents.

The arena has historically charged the team $1,000 to rent the facility, including set up costs, security, ushers, box office, and miscellaneous staff. The cost for the arena to provide these services is around $9,000 The city then uses ticket surcharges, concessions, parking, and other revenue areas to try and raise the remaining $8,000. On average, we have raised $3,000 - $4,000. All sides see the value in continuing the events, but we would like to formalize the way the event is expensed. This will avoid making arena lease decisions in the future that are purely financially motivated – for example, charging more rent, finding a different renter, or cancelling the events.

This proposal would keep the football team paying a $1,000 rental fee as well as a $3 ticket surcharge, with a minimum of 1,000 tickets sold. This would generate $4,000+ for each event. We are asking the city to create a formal subsidy of $5,000 to support the event. Typically, the city provides funding to the arena via an annual allocation to cover any losses in a lump sum. We have asked the arena's new management to move the arena into a more profitable position to reduce the subsidy. To properly do this, it is likely the first events to be eliminated would be the events like this because of the financial burden. Using this model, the football events would no longer be a negative on the arena balance sheet. There should be no additional costs, as we would simply track this portion separately from the current transfer to the arena from the General Fund.

AMOUNT REQUESTED: $25,000 AMOUNT BUDGETED: $0

FUND OR ACCOUNT: 101 Transfers Out FUND OR ACCOUNT: N/A

STAFF RECOMMENDATION: To approve the recommended financial support for the arena football events at Mercy Health Arena.

Q. <u>Musketawa Trail Project – Change Order #002</u> DPW/Engineering

SUMMARY OF REQUEST: Staff is requesting approval of Change Order #002 on the Musketawa Trail Connector project as the overall project has exceeded staff approval levels for change orders.

The majority of Change Order #002 represents a design change from asphalt driveways to 8-inch thick concrete driveways. Staff recommends this change due to heavier truck loads that use the driveways. Change Order #002 requests a net increase to the project of $34,252.41 above the previously approved requests.

This change order will result in the following final values for the project:

As-Bid Cost = $518,602.35
Current Cost = $552,854.76
Net Change = $34,252.41 (6.60% Increase)

AMOUNT REQUESTED:	$34,252.41	AMOUNT BUDGETED:	$650,000
FUND OR ACCOUNT:	202-99118	FUND OR ACCOUNT:	202-99118

STAFF RECOMMENDATION: Authorize staff to approve Change Order #002 to Project 99118 in the amount of $34,252.41 for the additional work as needed.

R. <u>Community Relations Committee Recommendations</u> City Clerk

SUMMARY OF REQUEST: To concur with the CRC recommendations to make appointment and removals as stated below:

The CRC recommends appointing Diane Snow to the Farmers market Advisory Board – Seasonal Farmer – Term Expiring 1/31/2025

The CRC recommends removing Antionza Smith – Citizen representing Ward 2 – Term expiring 1/31/2024 from the Citizen's District Council

STAFF RECOMMENDATION: To concur with the recommendation of the CRC to accept the appointment to the Farmers Market Advisor Board and removal of a citizen on the Citizen's District Council.

Motion by Commissioner Gorman, second by Commissioner St.Clair, to accept the consent agenda as presented, minus items C and K.

ROLL VOTE: Ayes: St. Clair, Johnson, German, Gorman, and Emory

Nays: None

MOTION PASSES

2022-31 REMOVED FROM CONSENT AGENDA:

C. <u>Poverty Exemption Policy Update</u> City Treasurer

SUMMARY OF REQUEST: The State has updated its requirements regarding poverty exemptions, and we need to update our policy in order to comply.

We are required to have a commission-approved "Poverty Exemption Policy" for the Board of Review to follow when approving or denying poverty exemption applications. The last update to the policy was in 2019. The current policy with the suggested changes is provided and is a part of our larger Financial Policies document.

The State of Michigan has determined that allowing Boards of Review to deviate from poverty exemption policies for "substantial and compelling reasons" is no longer permissible under MCL 211.7u. That statement in the policy must be removed.

Additionally, it is suggested by staff that the Commission consider add language to the policy the would limit the poverty exemption in certain instances. This change would still allow those on a fixed income over the age of 65 or who are disabled to receive 100% of the benefit exemption. This particular change is not required by the State but it is an option that is available to ensure the exemption benefits are awarded to those that are most in need.

STAFF RECOMMENDATION: To approve the Poverty Exemption Policy with amended language as presented.

Motion by Vice Mayor German, second by Commissioner Gorman, to approve the Poverty Exemption Policy with amended language as presented.

ROLL VOTE: Ayes: Johnson, German, Gorman, Emory, and St.Clair

Nays: None

MOTION PASSES

K. <u>Youth Programming (Training) – COVID</u> Community and Neighborhood Services

SUMMARY OF REQUEST: The Community and Neighborhood Services Office requested proposals from applicants for youth programming for employment training to be supported by Community Development Block Grant Covid funds.

CDBG Proposal received for Access for All Apprenticeship Readiness Training Program through Michigan State AFL-CIO Workforce Development Institute:

1 Cohort fiscal year 2022 - $90,000

Annual training for Workforce Development training in Muskegon county for youth ages 18-24. This would be the first of a proposed 3-year training cycle.

AMOUNT REQUESTED:	$90,000	AMOUNT BUDGETED:	$90,000
FUND OR ACCOUNT:	CDBG-CV	FUND OR ACCOUNT:	CDBG-CV

STAFF RECOMMENDATION: To approve the requests for funding to support Youth Programming.

Motion by Vice Mayor German, second by Commissioner Gorman, to approve the requests for funding to support Youth Programming.

ROLL VOTE: Ayes: German, Gorman, Emory, St.Clair, and Johnson

Nays: None

MOTION PASSES

2022-32 PUBLIC HEARINGS:

A. <u>Industrial Facilities Tax Abatement Transfer – Lakeside Surfaces, LLC</u>
Planning

SUMMARY OF REQUEST: Pursuant to Public Act 210 of 2005, as amended, Lakeside Surfaces, Inc is requesting to transfer their Industrial Facilities Tax Abatement to a new entity, Lakeside Surfaces, LLC. The abatement was granted in 2017 for a length of 12 years. It will expire on December 30, 2029 and involved a $2,400,000 real property investment.

STAFF RECOMMENDATION: To close the public hearing and approve the request to transfer the IFT to Lakeside Surfaces, LLC.

PUBLIC HEARING COMMENCED: Michal Hauiesen – 903 Turner Avenue wants the city to quit giving abatements.

Motion by Vice Mayor German, second by Commissioner St.Clair, to close the public hearing and approve the request to transfer the IFT to Lakeside Surfaces, LLC.

ROLL VOTE: Ayes: German, Gorman, Emory, St.Clair, and Johnson

Nays: None

MOTION PASSES

B. <u>2022 Annual Action Plan Hearing</u> Community and Neighborhood Services

SUMMARY OF REQUEST: The Community and Neighborhood Services department has submitted a proposed plan for activities/programs for CDBG and HOME allocations to be received from the Housing and Urban Development (HUD) Community and Planning Development (CPD) office for the 2022 funding year. HUD funding amounts have not been determined, however, the hearing is used to provide the public with a plan of action and receive comments. A 30 day public comment period is open until April 30, 2022.

STAFF RECOMMENDATION: Conduct a hearing of the 2022 Action Plan for public comments.

PUBLIC HEARING COMMENCED: No public comments received.

Motion by Commissioner Ramsey, second by Commissioner Emory, to close the public hearing.

ROLL VOTE: Ayes: German, Gorman, Emory, St.Clair, Johnson, and Ramsey

Nays: None

MOTION PASSES

2022-33 UNFINISHED BUSINESS:

A. <u>Amendment to the Ride Muskegon Agreement</u> City Manager

REMOVED

MOTION PASSES

2022-34 NEW BUSINESS:

A. <u>Amendment to the PUD at 1000 W Western (Hartshorn Village)</u> Planning

SUMMARY OF REQUEST: Request to amend the final Planned Unit Development at 1000 W Western Avenue (Hartshorn Village).

The new plan involves removing 17 single-family homes and adding a 17-unit condo complex. Also, the new street west of Fricano's will be slightly to the west. The Planning Commission recommended approval of the amended PUD by a 6-0 vote.

STAFF RECOMMENDATION: To approve the request to amend the final Planned Unit Development at 1000 W Western Avenue.

Motion by Commissioner Emory, second by Commissioner Gorman, to approve the request to amend the final Planned Unit Development at 1000 W Western Avenue.

ROLL VOTE: Ayes: Gorman, Emory, St.Clair, Johnson, Ramsey, and German

Nays: None

MOTION PASSES

B. <u>City of Muskegon Housing Study and Needs Assessment RFP</u>
Development Services

SUMMARY OF REQUEST: The City has been seeing a large increase in new housing starts, both initiated within our division and from the private sector. Staff is requesting permission to solicit firms for a comprehensive needs assessment for housing in our community.

As we scale our efforts to deliver more housing units to combat the nationwide housing shortage, we require more and higher quality data to direct these efforts. There has not been a formal study compiled for our market since 2016, and our neighboring areas such as Ottawa County and the greater Grand Rapids area have recently commissioned similar studies, which have had great effect in their efforts to infill housing units of all types. As the city continues to focus on infill housing in our neighborhoods and we see greater and greater interest in multi-family housing development by both LIHTC and market-rate developers, we need to have this study so that we can both secure sound investments and not be flying blind as we attempt to revitalize our neighborhoods. We are currently seeing upward pressure on rental process across all price points, and the best way to combat that is with more information that will lead to more units.

STAFF RECOMMENDATION: To approve the release of the Housing Needs Assessment RFP as presented.

Motion by Commissioner St.Clair, second by Commissioner Ramsey, to approve the release of the Housing Needs Assessment RFP as presented.

ROLL VOTE: Ayes: Emory, St.Clair, Johnson, Ramsey, German, and Gorman

Nays: None

MOTION PASSES

ANY OTHER BUSINESS: Vice Mayor German commented on the Worksession conversation regarding the city's strengths, weaknesses, Opportunities, and Challenges. He is getting good feedback regarding the city's efforts at transparency.

PUBLIC COMMENT ON NON-AGENDA ITEMS: Public comments were received.

ADJOURNMENT: The City Commission meeting adjourned at 6:52 p.m.

Respectfully Submitted,

Ann Marie Meisch, MMC - City Clerk