CITY OF MUSKEGON
CITY COMMISSION WORKSESSION

Monday, April 11, 2022
5:30 p.m.
City Commission Chambers
933 Terrace Street, Muskegon, MI 49440

MINUTES

2019-29

Present: Mayor Johnson, Vice Mayor German (arrived at 5:35 p.m.), Commissioners Gorman, Emory, St.Clair, Hood, and Ramsey (left at 6:40 p.m.)

Placer.ai Software Subscription Renewal

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 that will serve the city and its redevelopment well into the future.

Economic Development Director, Jake Eckholm, reported to the City Commission on the value of this platform and this item will appear on the Regular Meeting Agenda on April 12, 2022 for consideration.

Poverty Exemption Policy Update

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 attached, 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 adding the highlighted language to the policy, which 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.

<u>SWOC Analysis</u>
In preparation for the goal setting meeting later this week, our facilitator has asked that the commissioners complete a short SWOC analysis.

In thinking about our community, please provide your thoughts on the following:

Strengths: What do you see as the strengths of our city organization? What do we do better than other cities? What advantages do we have? What do others see as our strengths?

Weaknesses: What do you consider to be weaknesses within our organization? What can we improve? What do others see as our weaknesses?

Opportunities: Where do you see opportunities in the community? What changes would be helpful to us?

Challenges: What are the challenges facing our community? What obstacles are we facing? What within our external environment is changing? What could hinder our success?

City Commissioners discussed each area and discussion included the following:

Strengths: 1. City staff is in alignment, we are on the same path. 2. We come to the table with many ideas. 3. Sustain and maintain a budget 4. Creativity 5. Staff is always willing to stand up, listen, provide education. 6. Work well together 7. City staff is very diverse 8. Strive to get our meetings out to the public.

Weaknesses: 1. Departments are not diverse 2. Relationship building internally 3. PR Problem, lack of trust, perception that commission not operating on good intent. 4. Police Department 5. Honesty

Opportunities: 1. Engage 2. ARPA funding 3. Rules of Engagement 4. Growing Parks Department (Commission) 5. Middle School

Challenges: 1. Education 2. Housing 3. Develop away the Lakeshore 4. People outside the community trying to direct commissioners 5. Minority business owners Downtown

The discussion that started about the Cities Strengths, Weaknesses, Opportunities, and Challenges will continue with the oversight of a facilitator at the City Goal Setting Meeting.

ARPA Standard Allowance

The final rule from the US Treasury allows agencies to select the standard allowance for revenue loss which is $10,000,000 for governmental services with streamlined reporting requirements. The Finance Director is recommending that we use the full amount for police and fire salaries along with other governmental services starting from January 2022.

Arena Event Support

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 in 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 hosting 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 misc. 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.

The 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.

Discussion took place and this item will appear on the agenda on April 12, 2022 for consideration.

Public Comment: Public comment was received.

Adjournment: The Worksession meeting adjourned at 7:17 p.m.

Respectfully Submitted,

Ann Marie Meisch, MMC – City Clerk