CITY OF MUSKEGON

CITY COMMISSION MEETING

APRIL 9, 2013

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 9, 2013.

Mayor Gawron opened the meeting with a prayer from Mr. George Monroe after which the Commission and public recited the Pledge of Allegiance to the Flag.

ROLL CALL FOR THE REGULAR COMMISSION MEETING:

Present: Mayor Stephen Gawron, Vice Mayor Lawrence Spataro, Commissioners Sue Wierengo, Byron Turnquist, Lea Markowski, Eric Hood, and Willie German, City Manager Bryon Mazade, City Attorney John Schrier, and City Clerk Ann Marie Cummings.

2013-29 HONORS AND AWARDS:

A. **Mayors Day of Recognition for National Service.**

B. **Days of Remembrance of Victims of the Holocaust.**

Mayor Gawron read the resolutions in recognition of Mayors Day for National Service and remembrance of the Holocaust Victims.

2013-30 CONSENT AGENDA:

A. **Approval of Minutes.** CITY CLERK

SUMMARY OF REQUEST: To approve minutes of the March 26th City Commission Meeting.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the minutes.

B. **Resolution to Support Bike to Work Week.** CITY CLERK

SUMMARY OF REQUEST: To adopt the resolution proclaiming May 13 – 17, 2013 as “Bike to Work Week” and encourage citizens to participate.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve the resolution.

C. <u>2013-14 Healthcare & Wellness Program.</u> FINANCE

SUMMARY OF REQUEST: It is time to renew the City's healthcare coverage for 2013-14 plan year (6/1/13-5/31/14). Renewal premiums for the City's current healthcare program have come in at a 5.04% increase over the current year. Last year we experienced a 7.90% increase and in 2011-12 the increase was 8.83%. In comparative terms, the rate increase is moderate as many employers are experiencing sharp double-digit rate increases. Also, the City's healthcare costs remain well below the "hard cap limits" set by PA 152 and remain cost competitive with the standards set by EVIP for new hires. These are good independent indicators that the City's program is cost-effective.

For 2012-13, the City will continue to pay the HRA deductible <u>if the employee and spouse</u> complete the four-step wellness initiative prior to April 30th; non-participants in the wellness program will continue to pay the first $500 (single)/$1,000 (double/family) 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:

	2013-14			2012-13		
	Single	Double	Family	Single	Double	Family
Monthly Premium	$ 432.74	$ 973.67	$ 1,168.40	$ 411.99	$ 926.96	$ 1,112.37
Rate Increase	5.04%	5.04%	5.04%	7.90%	7.90%	7.90%
Annual Premium	5,192.88	11,684.04	14,020.80	4,943.88	11,123.52	13,348.44
Current # Employees	28	41	132	35	40	134
Total Annual Premium	145,400.64	479,045.64	1,850,745.60	173,035.80	444,940.80	1,788,690.96
		2,475,191.88			2,406,667.56	
Add: HRA Deductibles Paid by City		160,000.00			140,056.47	
Less: 10% Employee Premium Copays		(247,519.19)			(182,471.00)	
Equals: Employer Cost		**$2,387,672.69**			**$2,364,253.03**	
	2013 PA 152 Hard Cap Limits			PA 152 Hard Cap Limits		
	$ 5,692.50	$ 11,385.00	$ 15,525.00	$ 5,500.00	$ 11,000.00	$ 15,000.00
	159,390.00	466,785.00	2,049,300.00	192,500.00	440,000.00	2,010,000.00
		$2,675,475.00			**$2,642,500.00**	

Full-time City employees now pay 10% of the above premium costs through payroll deduction.

BUDGET ACTION REQUIRED: Employee and retiree healthcare costs will be included in the forthcoming 2013-14 budget.

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

E. <u>2013 Sodium Hypochlorite Water Treatment Chemical Bid.</u> PUBLIC WORKS

SUMMARY OF REQUEST: Endorse the lowest responsible bid received by the

City of Holland from KA Steel to supply sodium hypochlorite for the purchase of Sodium Hypochlorite for the Water Filtration Plant.

FINANCIAL IMPACT: Annual cost of $50.216 to purchase 370 tons of Sodium Hypochlorite based on average annual water pumped to mains.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Staff recommends endorsing the low bid received by the City of Holland from KA Steel Chemicals for sodium hypochlorite for one year.

F. Request to Accept Prein and Newhof as Dredging Consultant. PUBLIC WORKS

SUMMARY OF REQUEST: Authorize staff to hire Prein and Newhof for design and construction consultation for dredging work to be done at Hartshorn Marina and Cottage Grove.

FINANCIAL IMPACT: None at this time. Should the City accept this proposal, amendment to the future CIP budget will require Commission approval.

BUDGET ACTION REQUIRED: None at this time.

STAFF RECOMMENDATION: Authorize staff to hire Prein and Newhof.

G. Consideration of Bids for Wickham Drive, Sherman to Glen (H-1690). ENGINEERING

SUMMARY OF REQUEST: Award the reconstruction of Wickham Dr. from Sherman to Glen to Brenner Excavating Inc. out of Hopkins since they were the lowest responsible bidder with a total bid price of $314,721.70.

Furthermore, if approved, authorize staff to amend the 2012/2013 CIP and increase the budgeted amount to $350,000 for said project (from $300,000 to $350,000).

FINANCIAL IMPACT: The construction cost of $314,721.70 plus engineering.

BUDGET ACTION REQUIRED: Amend the 2012/13 budget by increasing the allocated amount by $50,000 in the CIP-for Local Street Fund.

STAFF RECOMMENDATION: Award the contract to Brenner Excavating and authorize staff to amend the budgeted amount in the 12/13 CIP.

H. City – MDOT Agreement for the Reconstruction of Sherman Blvd. from Estes to Glenside. ENGINEERING

SUMMARY OF REQUEST: Approve the contract with MDOT for the reconstruction of Sherman Blvd. between Estes and Glenside and approve the resolution authorizing the Mayor and City Clerk to sign the contract.

FINANCIAL IMPACT: MDOT's participation is limited to the approved federal funds of $301,000. The estimated total construction cost is $1,158,200 plus engineering cost.

BUDGET ACTION REQUIRED: None at this time.

STAFF RECOMMENDATION: Approve the contract and resolution authorizing the Mayor and Clerk to sign both.

Motion by Vice Mayor Spataro, second by Commissioner Wierengo to adopt the Consent Agenda as read with the exception of item D.

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

Nays: None

MOTION PASSES

2013-31 ITEM REMOVED FROM THE CONSENT AGENDA:

D. <u>Environmental Program Mowing and Trash Clean-up Contract.</u> PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: The contract for mowing of lots and trash clean up of public and private properties previously held by Earth Creations LLC had expired on March 31, 2013. A request for bids was advertised and five companies placed bids. Earth Creations LLC of North Muskegon is the low bidder for a two-year agreement.

FINANCIAL IMPACT: None, funds budgeted for this activity.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve a two-year contract with Earth Creations LLC and to authorize the Mayor and City Clerk to sign the agreements, for the mowing of lots and trash removal on properties located within the City.

Motion by Commissioner Markowski, second by Commissioner Wierengo to approve the two-year contract with Earth Creations LLC.

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

Nays: None

MOTION PASSES

2013-32 PUBLIC HEARINGS:

A. <u>Request for an Industrial Facilities Exemption Certificate – Graphics House.</u> PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: Pursuant to Public Act 198 of 1974, as amended, Graphics House Sports Promotions, Inc., has requested the issuance of an Industrial Facilities Tax Exemption Certificate. The company will be investing $435,000 in personal property. The investment is expected to create up to three jobs. This qualifies them for a tax abatement of six years on personal property.

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 German, second by Vice Mayor Spataro to close the Public Hearing.

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

Nays: None

MOTION PASSES

Motion by Vice Mayor Spataro, second by Commissioner Wierengo to approve the resolution granting an Industrial Facilities Exemption Certificate for a term of six years for personal property to Graphics House.

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

Nays: None

MOTION PASSES

2013-33 NEW BUSINESS:

A. <u>Endorsement of Farmers Market Relocation.</u> CITY MANAGER

SUMMARY OF REQUEST: The Downtown Muskegon Development Corporation (DMDC) is requesting an endorsement from the City Commission to relocate the Farmers Market to properties owned by the DMDC in the vicinity of Morris Avenue, Terrace Street, and Western Avenue.

FINANCIAL IMPACT: The capital cost of the relocation will be funded by the DMDC.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve the request.

Motion by Commissioner Turnquist, second by Commissioner Wierengo to endorse the Farmers Market relocation.

ROLL VOTE: Ayes: Spataro, Wierengo, Turnquist, Markowski, Gawron, and

Hood

Nays: German

MOTION PASSES

B. <u>Set Public Hearing for Amendment to Brownfield Plan – Terrace Point Landing, LLC.</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 Terrace Point Landing, LLC, which is an approximately 11-acre vacant parcel located at the end of Terrace Point Drive in Downtown Muskegon.

FINANCIAL IMPACT: There is no direct financial impact in including the project in the Brownfield Plan, although the redevelopment of the site into a residential development will eventually add to the tax base in Muskegon.

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 April 9, 2013, and approved the Brownfield Plan Amendment, and recommends the approval of the Brownfield Plan Amendment to the Muskegon City Commission. In addition, the Brownfield Redevelopment Authority recommends that the Muskegon City Commission set a public hearing on the Plan Amendment for May 14, 2013.

Motion by Vice Mayor Spataro, second by Commissioner Wierengo to adopt the resolution setting a public hearing for the amendment to the Brownfield Plan as described.

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

Nays: None

MOTION PASSES

C. <u>RFP's for City Manager Search.</u>

Motion by Vice Mayor Spataro, second by Commissioner Wierengo to authorize City Manager and City Attorney to negotiate an agreement with Waters Consulting Group and authorize City Clerk and Mayor to sign agreement.

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

Nays: None

MOTION PASSES

PUBLIC PARTICIPATION: Public comments were received.

ADJOURNMENT: The City Commission Meeting adjourned at 7:22 p.m.

Respectfully submitted,

Ann Marie Cummings, MMC
City Clerk