CITY OF MUSKEGON

CITY COMMISSION MEETING

APRIL 8, 2014

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 8, 2014.

Mayor Gawron opened the meeting with prayer from Pastor Marcy Miller from the Samuel Lutheran 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 Gawron, Vice Mayor Lawrence Spataro, Commissioners Willie German, Dan Rinsema-Sybenga, Byron Turnquist, Ken Johnson, and Eric Hood, City Manager Franklin Peterson, City Attorney John Schrier, and City Clerk Ann Marie Cummings.

2014-26 HONORS AND AWARDS:

A. Recognition of Dave Alexander.

Mayor Gawron recognized MLive reporter Dave Alexander, thanked him for his coverage of the City of Muskegon, and congratulated him on his new position with MLive.

2014-27 CONSENT AGENDA:

A. Approval of Minutes. CITY CLERK

SUMMARY OF REQUEST: To approve minutes of the March 25th City Commission Meeting.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the minutes.

B. National Bike to Work Week Proclamation. CITY CLERK

SUMMARY OF REQUEST: The City Commission is asked to adopt the proclamation supporting National Bike to Work Week, May 12 through May 16, 2014.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve the proclamation.

D. Concession/Vending Contract for City of Muskegon Parks. PUBLIC WORKS

SUMMARY OF REQUEST: Staff is asking permission to enter into a one-year contractual agreement with Branden M. Reed, per proposal, at/between Pere Marquette Beach and Kruse Park, located within the City of Muskegon for selling bottle water and carbonated beverages.

FINANCIAL IMPACT: Contract revenue will be 10% of gross receipts, per Concession/Vending Agreement.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Authorize DPW staff to enter into a concession/vending agreement with Branden M. Reed.

F. Bella Dawg Concession Contract for City of Muskegon Parks. PUBLIC WORKS

SUMMARY OF REQUEST: Staff is asking permission to enter into a one-year contractual agreement with Steve Hamstra of Bella Dawg at various City of Muskegon parks/facilities, as determined by staff, located within the City of Muskegon to sell hot dogs and other minor snacks from a mobile cart.

FINANCIAL IMPACT: Concession revenue is 10% of gross receipts. Commission revenue in 2013 was $276.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Authorize DPW staff to enter into a concession agreement with Steve Hamstra of Bella Dawg.

I. Aggregates, Highway Maintenance Materials and Concrete. PUBLIC WORKS

SUMMARY OF REQUEST: Award the bids as listed.

FINANCIAL IMPACT: $441,348 based on quantities requested in bid at 2014 quotes (except concrete mix).

BUDGET ACTION REQUIRED: None, funds appropriated in several budgets.

STAFF RECOMMENDATION: Recommend approval of bids as outlined.

J. Amendment to Brownfield Plan – Terrace Point Landing, LLC and Downtown Development Authority (DDA) Pass-Through Agreement. PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: The Brownfield Plan for Terrace Point Landing, LLC was adopted by the Brownfield Redevelopment Authority (BRA) and the City Commission in 2013 for purposes of reimbursing the developer for "eligible expenses" incurred in association with the project (approximately $12 million investment overall). In addition, the DDA and City Commission approved the amendment of the DDA Plan to allow for "100% of the difference between the 1988 assessed value and the 2013 assessed value for that parcel and 25% of any increase in the assessed value beyond the 2013 tax year" ("parcel" being that identified for the Terrace Point Landing LLC project). The BRA Plan was forwarded to the Michigan Economic Development Corporation (MEDC) for review and approval. City staff and the developer were notified the week of March 24 that the MEDC was not recommending their participation in the Plan. After several discussions and careful consideration, it was determined that the project can proceed financially without the MEDC participation, providing the BRA tax capture is the full 100% (rather than the 75% originally contemplated).

FINANCIAL IMPACT: Brownfield Tax Increment Financing (100% of the capture) will be used to reimburse the developer for "eligible expenses" incurred in association with development of the Terrace Point Landing project (see estimated tax capture and payment schedule). The actual development will generate future property taxes for the City, as well as income tax from those living in the development.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To endorse the BRA and DDA approvals for the BRA amendment and DDA amendment.

COMMITTEE RECOMMENDATION: The Brownfield Redevelopment Authority and Downtown Development Authority met on April 2, 2014, and approved both the BRA Plan amendment and the DDA Plan amendment.

K. Permanent Traffic Control Order. PUBLIC WORKS

SUMMARY OF REQUEST: Authorize staff to install "1 (one) hour parking" signs from 8:30 am to 5:30 pm, where permissible to install, on Terrace Street, Pine Street, Spring Street, Walton Avenue, and Myrtle Avenue per Traffic Control Work Order #14-(2014).

FINANCIAL IMPACT: Cost of signs and man-power to install, if approved.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Authorize DPW staff to install "1 (one) hour parking" signs on Terrace, Pine, Spring, Walton, and Myrtle.

L. Muskegon Firefighters Union – Contract Settlement. CITY MANAGER

SUMMARY OF REQUEST: The City and MFU have been working on a 5 year agreement for the last two months. We have reached a tentative agreement, and the union had a successful ratification vote in March.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve the tentative agreement and to authorize the Mayor and Clerk to sign the contract.

Motion by Vice Mayor Spataro, second by Commissioner Johnson to adopt the Consent Agenda minus items C, E, G, H, M, and N.

ROLL VOTE: Ayes: German, Rinsema-Sybenga, Turnquist, Johnson, Gawron, Hood, and Spataro

Nays: None

MOTION PASSES

2014-28 ITEMS REMOVED FROM THE CONSENT AGENDA:

C. <u>2014 Water Treatment Chemical Bids.</u> 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 a contract with Alexander Chemical for sodium hypochlorite for one year, beginning April 14, 2014.

Motion by Vice Mayor Spataro, second by Commissioner Rinsema-Sybenga to approve the bid with Alexander Chemical for sodium hypochlorite for one year beginning April 14, 2014.

ROLL VOTE: Ayes: Turnquist, Johnson, Gawron, Hood, Spataro, German, and Rinsema-Sybenga

MOTION PASSES

E. <u>Jay-Boards Concession Contract for City of Muskegon Parks.</u> PUBLIC WORKS

SUMMARY OF REQUEST: Staff is asking permission to enter into a three-year contractual agreement with Jason Gorski of Jay-Boards, per proposal, at Pere Marquette Beach and Harbor Towne Beach, located within the City of Muskegon for stand-up paddleboard rentals/lessons.

FINANCIAL IMPACT: Contract revenue will be 10% of gross receipts, per

Concession Agreement. Concession revenue in 2013 was $472.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Authorize DPW staff to enter into a concession agreement with Jason Gorski of Jay-Boards.

Motion by Vice Mayor Spataro, second by Commissioner Johnson to authorize DPW staff to enter into a concession agreement with Jason Gorski of Jay-Boards.

ROLL VOTE: Ayes: Johnson, Gawron, Hood, Spataro, German, Rinsema-Sybenga, and Turnquist

MOTION PASSES

G. Lease Proposal for MACkiteboarding at Pere Marquette Park. PUBLIC WORKS

SUMMARY OF REQUEST: Staff is asking permission to negotiate a three-year lease agreement (2014, 2015, and 2016) with Steve Negen of MACkiteboarding for a kiteboard school and shop in Pere Marquette Park at 1955 Beach Street (former old brown/brick beach house building by Filtration Plant). The negotiations entail "in-kind" services and/or donation to the Pere Marquette Park/facilities in lieu of the standard lease payment and/or a combination of both.

FINANCIAL IMPACT: Revenue of $2,500 per year, similar to previous agreements, and/or a combination of $ and "in-kind" services.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Authorize staff to negotiate a three-year lease agreement.

Motion by Commissioner Turnquist, second by Vice Mayor Spataro to authorize staff to negotiate a three-year lease agreement with MACkiteboarding at Pere Marquette Park.

ROLL VOTE: Ayes: Rinsema-Sybenga, Turnquist, Johnson, Gawron, Hood, Spataro, and German

MOTION PASSES

H. Consideration of Bids for Janitorial Services Contract 2014-2017. ENGINEERING

SUMMARY OF REQUEST: Award the Janitorial Services Contract to Reliant Professional Cleaning Services out of Grand Haven. The contract would be to clean City Hall and DPW for the next three years, starting May 1, 2014, until April 30, 2017. Reliant was the lowest responsible bidder with a bid price of $46,740 per year and $140,220 total contract for three years.

FINANCIAL IMPACT: $46,740 per year.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Award the three-year contract to Reliant Professional Cleaning.

Motion by Commissioner German, second by Vice Mayor Spataro to award the three-year contract to Reliant Professional Cleaning.

ROLL VOTE: Ayes: Gawron, Hood, Spataro, German, Rinsema-Sybenga, Turnquist, and Johnson

Nays: None

MOTION PASSES

M. <u>LC Walker Arena Management/Operations Costs.</u> CITY MANAGER

SUMMARY OF REQUEST: In response to a request from the city's contracted management firm for the LC Walker Arena, city staff has been working on a plan to identify temporary funding to offset high utility costs for the LC Walker Arena.

The facility was built as a hockey arena, but its high operation costs cannot be sustained by one main hockey tenant alone.

City staff is asking the Commission to approve a one-year agreement with the management company to provide assistance with utilities effective April 1 2014, and expiring March 31, 2015, with stipulations as follows:

1. An increase in the ticket surcharge equal to $1.00 effective for the 2014-15 Lumberjacks hockey season, with the proceeds dedicated 50/50 to electricity and capital maintenance.
2. City to reimburse the management company75% of the net utility costs each month, up to $15,000 monthly.
3. Management Company to provide City with 20 tickets to each home game for the City to use to invite Muskegon youth to the hockey games. Inclusive of all surcharges, the City will be responsible for payment of $3.00 for each ticket.
4. A plan to be presented to the City Commission prior to December 31, 2014 outlining the long-term viability of the LC Walker Arena, with a recommendation from staff related to the best long-term use of the facility.
5. The City reserves the right to terminate this agreement with 30 days notice.

FINANCIAL IMPACT: Up to $45,000 for FY 13-14 and up to $135,000 for FY 14-15.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve the request and authorize the Mayor and Clerk to sign an agreement.

Motion by Vice Mayor Spataro, second by Commissioner Hood to approve the request and authorize the Mayor and Clerk to sign the subsequent agreement.

ROLL VOTE: Ayes: Spataro, German, Rinsema-Sybenga, Turnquist, Gawron, and Hood

Nays: Johnson

MOTION PASSES

N. <u>2014–15 City Commission Goals/Action Plan.</u> CITY MANAGER

STAFF RECOMMENDATION: To adopt the action plan and direct the city staff to begin the process of sharing the plan with the public and prepare for implementation.

Motion by Commissioner German, second by Commissioner Hood to accept the 2014-15 City Commission Goals/Action Plan.

ROLL VOTE: Ayes: German, Rinsema-Sybenga, Turnquist, Johnson, Gawron, Hood, and Spataro

Nays: None

MOTION PASSES

ADJOURNMENT: The City Commission Meeting adjourned at 6:19 p.m.

Respectfully submitted,

Ann Marie Cummings, MMC
City Clerk