

CITY OF MUSKEGON

CITY COMMISSION MEETING

MARCH 26, 2019 @ 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, MI at 5:30 p.m., Tuesday, March 26, 2019, Deacon Bill Cook, St. Mary's, 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 Stephen J. Gawron, Vice Mayor Eric Hood, Commissioners Ken Johnson, Byron Turnquist, Debra Warren, and Dan Rinsema-Sybenga, City Manager Frank Peterson, City Attorney John Schrier, and City Clerk Ann Meisch.

Absent: Commissioner Willie German, Jr.

INTRODUCTIONS/PRESENTATION:

A. Introduction of Jake Eckholm and Peter Wills Planning & Economic Development

Leigh Ann Mikesell introduced Jake Eckholm and Peter Wills, two new city employees. Jake Eckholm is the new Economic Development Director and Peter Wills is the new Director of Strategic Initiatives. Both men come to the city with experience that is relevant to their positions.

B. ADA Update EEO/Affirmative Action Director

Dwana Thompson, EEO/Affirmative Action Director outlined some of the efforts that have been made in recent months relevant to the ADA. Mike Franzak, from the Planning Department, reviewed the efforts being made in the planning department to ensure consideration of ADA requirements. Leo Evans, City Engineer, updated the commission on efforts that are ongoing at the Department of Public Works.

2019-23 CONSENT AGENDA:

A. Approval of Minutes City Clerk

SUMMARY OF REQUEST: To approve minutes of the March 11, 2019 Worksession and March 12, 2019 Regular Meeting.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval of the minutes.

B. Fireworks Display Permit for Muskegon Country Club City Clerk

SUMMARY OF REQUEST: Melrose Pyrotechnics, Inc. is requesting approval of a fireworks display permit for July 3, 2019 at the Muskegon Country Club, 2801 Lakeshore Drive. The Fire Marshall will inspect the fireworks on the day of the event.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval contingent on inspection of the fireworks and approval of insurance.

C. Community Relations Committee Appointment Recommendations

City Clerk

SUMMARY OF REQUEST: To accept the recommendation to appoint Kimi George to the Historic District Commission and Marty Feriby to the Local Officers Compensation Commission.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To concur with the recommendations of the Community Relations Committee and approve the appointments.

D. Rescission of Land Use Restrictions for 350 Shoreline Drive

Planning & Economic Development

SUMMARY OF REQUEST: Authorize the Mayor and Clerk to sign the notice of rescission of land use restrictions for the City owned property located at 350 Shoreline Drive. This document rescinds the previous land use restrictions on the property and will be filed with the new restrictive covenant already approved by the commission at the February 12, 2019 meeting.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Authorize the Mayor and Clerk to sign the rescission of land use restrictions.

E. Demolition Contract for West Shoreline Correctional Facility

Planning & Economic Development

SUMMARY OF REQUEST: Award the demolition of existing buildings at the West Shoreline Correctional Facility to Melching, Inc. Three contractors were

contacted and reviewed the site. All three supplied bids as follows.

Melching \$338,910.10

JMB Demolition \$452,300

Bierlein Companies, Inc. \$838,400

FINANCIAL IMPACT: \$338,910.10

BUDGET ACTION REQUIRED: None. The cost of demolition will be reimbursed by the MEDC grant.

STAFF RECOMMENDATION: Award the project to the low bidder, Melching, Inc.

F. Approval of 2019-2020 Procurement Contracts for CNS

Community & Neighborhood Services

SUMMARY OF REQUEST: To approve the following Trades-Serviced procured through sealed bid proposals producing the lowest responsible bidder with potential for one year extension.

Appraisal: Midwest Real Estate

Building: Midwest Builders

Electrical: Belasco Electric

Foundation Repair: Deitz House Moving Engineers

House Building Spec Writer: Hager Consulting

Interior Cleaning: True Clean Building Services

Property Maintenance: Walker Handyman Enterprises

Lead Assessment & Clearance: AAA Lead Inspections

Mechanical: Bishop Heating and Cooling

Painting: Walker Handyman Enterprises

Title Service: AAA National Title Group

Tree Services: Integrity Tree Services

Tub Glazing: Pro Cleaners

Vinyl Installer: Mark N Tucker LLC

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To approve the procured list of contractors and possible one year extension for Trade Contractors-Service Providers for the Community and Neighborhood Services during 2019.

G. Approval of Sale: City-Owned Home at 1350 Eastwood

Community & Neighborhood Services

SUMMARY OF REQUEST: To approve the resolution and instruct the Community and Neighborhood Services department to complete the sales transaction with Alexis Eziukwu for the rehabilitated home at 1350 Eastwood Drive: Purchase price \$137,000.

FINANCIAL IMPACT: The proceeds from the sale will be used to continue the rehabilitation of affordable homes through the HOME program and provide funding for our Homebuyer's Assistance Program.

BUDGET ACTION REQUIRED: None

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

H. Request to Rezone 971 & 975 Washington Avenue

Planning & Economic Development

SUMMARY OF REQUEST: Request the rezone the properties at 971 & 975 Washington Avenue from R-2, Single Family Medium Density Residential to Form Based Code, Neighborhood Edge, by Brett Gilbert.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Staff recommends approval of the rezonings.

COMMITTEE RECOMMENDATION: The Planning Commission unanimously (8-0) recommended approval of the rezonings at their March 14 meeting.

SECOND READING REQUIRED

I. Amendment to the Form Based Code Section of the Zoning Ordinance

Planning & Economic Development

SUMMARY OF REQUEST: Staff initiated request to amend the zoning ordinance to allow research and development as a permitted use in the Downtown and Mainstreet context areas of the Form Based Code.

STAFF RECOMMENDATION: To approve the zoning ordinance amendment.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

COMMITTEE RECOMMENDATION: The Planning Commission unanimously recommended approval of the request (8-0), as long as staff recommends a definition for "research and development" that excludes animal testing, noise and odor.

SECOND READING REQUIRED

J. Request to Approve Purchase Agreement 241 and 255 W. Western Avenue
Planning & Economic Development

SUMMARY OF REQUEST: City staff has been working with a housing developer that is interested in creating multifamily housing on these lots. The City Commission authorized the City Manager to negotiate a purchase agreement at the March 7, 2018 meeting.

FINANCIAL IMPACT: Funds from the sale will go into the General Fund.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Staff recommends approval of the purchase agreement.

K. Amendment to the Single-Family Residential Section of the Zoning Ordinance
Planning & Economic Development

SUMMARY OF REQUEST: Staff initiated request to amend the Single Family Residential section of the zoning ordinance to clarify that short and long term rentals are not prohibited uses.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To approve the zoning ordinance amendment.

COMMITTEE RECOMMENDATION: The Planning Commission unanimously recommend approval of the request (8-0) at their March 14 meeting.

SECOND READING REQUIRED

L. Hartshorn Marina – Resolution of Support for Waterways Program Grant Application and Commitment for Matching Funds
Department of Public Works

SUMMARY OF REQUEST: The Engineering Department would like to apply for a Waterway Program Grant through the Michigan Department of Natural Resources. These funds would be used to complete upgrades and repairs at Hartshorn Marina in conjunction with the recommendations prepared by Abonmarche.

We are proposing a total project funding for this round of \$700,000 of which \$350,000 would be local match and \$350,000 would be funding from MDNR. Funding would be available during the 19-20 budget cycle.

The MDNR application requires a resolution of support and commitment for the matching funds.

FINANCIAL IMPACT: \$350,000 in fiscal year 19/20

BUDGET ACTION REQUIRED: None at this time.

STAFF RECOMMENDATION: Approve the resolution of support for the Waterways Program Grant application and commit to funding the required match and engineering costs.

M. Sheridan & Olthoff – Resolution of Support for Transportation Economic Development Funding Application and Commitment for Matching Funds

Department of Public Works

SUMMARY OF REQUEST: The Engineering Department would like to apply for Category A Transportation Economic Development funding through the Michigan Department of Transportation. These funds would be used to resurface Sheridan Drive and Olthoff Drive in the industrial park.

Construction is estimated at \$900,000, and the city would be required to provide matching funds of approximately \$250,000 plus engineering costs. Funding is available starting as early as 2019.

The MDOT application requires a resolution of support and commitment for the matching funds.

FINANCIAL IMPACT: \$300,000 split over fiscal year 18/19 and 19/20

BUDGET ACTION REQUIRED: None at this time.

STAFF RECOMMENDATION: Approve the resolution of support for the Category A Transportation Economic Development application and commit to funding the required match and engineering costs.

N. H91841 Walton Avenue & Marsh Street Department of Public Works

SUMMARY OF REQUEST: To award contract (H 91841) for construction of Marsh Street and Walton Avenue, including paving of existing gravel road with water service improvements.

Seven contractors submitted bids for this project as follows:

McCormick Sand, Inc.	\$159,293.50
Terra Contractors	\$184,209.04
Redline Excavating, LLC	\$170,662.06
Accurate Excavating, LLC	\$168,055.75
Jackson-Merkey Contractors	\$168,233.55
Tiles Excavating, Inc	\$199,795.58
Epic Excavating	\$245,684.10

FINANCIAL IMPACT: \$159,293.50

BUDGET ACTION REQUIRED: None. Initially budgeted for \$150,000.00 from the CIP but will be adjusted in the next budget forecast.

STAFF RECOMMENDATION: Award the project to the low bidder, McCormick Sand, Inc.

O. H91858 Muskegon Avenue and Webster Avenue Re-Paint

Department of Public Works /Engineering

SUMMARY OF REQUEST: To award contract (H91858) for street pavement marking improvements along Muskegon Avenue and Webster Avenue.

One contractor submitted bids for this project as follows:

PK Contracting \$24,761.46

FINANCIAL IMPACT: \$24,761.46

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Award the project to the low bidder, PK Contracting.

Q. City Hall – Chiller Unit Department of Public Works

SUMMARY OF REQUEST: Authorize staff to direct Trane to complete repairs to the City Hall air conditioning system in the amount of \$8,208.00.

Repairs were identified during the fall shut down period that were required to ensure the system is operating efficiently when restarted.

FINANCIAL IMPACT: \$8,208.00

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Authorize staff to hire Trane to complete needed air conditioning system repairs.

R. Procurement of Bubbler Control Panels DPW/Filtration

SUMMARY OF REQUEST: Authorize staff to procure six new bubbler control panels from Commerce Controls to replace old panels at the Water Filtration Plant.

FINANCIAL IMPACT: Existing bubbler control panels that provide level indication are old and failing. They are in need of replacement. Commerce Controls has provided instrumentation services at the plant for many years and they will procure parts, build six panels and ship for installation at the cost of \$44,730.00. Plant staff will install the panels.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Authorization for staff to procure bubble control panels from Commerce Controls at a cost of \$44,730.00

S. Fifth Third Updated Account Resolution Finance

SUMMARY OF REQUEST: The City has used Fifth Third Bank as our primary

depositor bank since 2007. They are asking to update our Treasury Management Agreement and our Account Resolution. There have been many personnel changes at the City since the original agreements were signed.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval of the updated Account Resolution for Fifth Third Bank and authorize the Clerk to sign.

T. First Amendment to the Lumberjacks Lease City Manager

SUMMARY OF REQUEST: City staff is requesting approval of amendments to the Lumberjack's lease. The changes are within the original spirit of the agreement approved by commission, but do provide more clarity as we seek to increase sponsorship and lease revenues.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To authorize the Clerk and Mayor to sign the lease.

Motion by Commissioner Warren, second by Commissioner Johnson, to approve the consent agenda as presented, except item P.

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

Nays: None

MOTION PASSES

2019-24 REMOVED FROM CONSENT:

P. Set Dry Storage User Fee (Catamaran) Department of Public Works

SUMMARY OF REQUEST: Set the dry storage fee (catamaran) at \$995 per post. Posts will be offered on a first come, first served basis, and prior customers will be notified by letter that storage is again being made available. Environmental concerns including high water and impacts to critical dunes have eliminated our ability to provide storage at the water's edge. A small area near the volleyball courts has been identified as a location that could accommodate these boats. Ten posts will be offered on a trial basis for the 2019 season only. No catamaran storage can be provided at Harbour Towne Beach.

FINANCIAL IMPACT: Revenue generated by sale of storage area.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approve the fee for dry storage.

Motion by Commissioner Turnquist, second by Commissioner Rinsema-Sybenga,

to approve the fee for dry storage.

ROLL VOTE: Ayes: Rinsema-Sybenga, Johnson, Gawron, Hood, and Warren

Nays: Turnquist

MOTION PASSES

2019-25 PUBLIC HEARINGS:

**A. Establishment of a Commercial Redevelopment District –
351 W Western Ave** Planning & Economic Development

SUMMARY OF REQUEST: Pursuant to Public Act 255 of 1978, as amended, 351 Phase II, LLC has requested the establishment of a Commercial Redevelopment District. The creation of the district will allow the building owner to apply for a Commercial Facilities Exemption Certificate, which will provide a 50% reduction in the number of mills levied as ad valorem taxes, excluding the State Education Tax.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Establishment of the Commercial Redevelopment District.

PUBLIC HEARING COMMENCED:

No public comments were received.

Motion by Commissioner Rinsema-Sybenga, second by Vice Mayor Hood, to close the public hearing and establish the Commercial Redevelopment District at 351 W. Western Avenue.

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

Nays: None

MOTION PASSES

B. Issuance of a Commercial Facilities Exemption Certificate–351 Phase II, LLC Planning & Economic Development

SUMMARY OF REQUEST: Pursuant to Public Act 255 of 1978, as amended, 351 Phase II, LLC has requested the issuance of a Commercial Facilities Exemption Certificate for their project at 351 West Western Avenue. The certificate provides a 50% reduction in the number of mills levied as ad valorem taxes, excluding the State Education Tax, for the commercial portion of the development. The company will be investing \$3,221,802 in the commercial space, which qualifies them for an abatement for 10 years.

FINANCIAL IMPACT: The certificate provides a 50% reduction in the number

of mills levied as ad valorem taxes, excluding the State Education Tax.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Issuance of the Commercial Facilities Exemption Certificate.

PUBLIC HEARING COMMENCED:

Josh and Chris Benedict, owners, spoke about the project.

Motion by Commissioner Rinsema-Sybenga, second by Commissioner Warren, to close the public hearing and issue the Commercial Facilities Exemption Certificate for 351 W. Western Avenue.

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

Nays: None

MOTION PASSES

2019-26 NEW BUSINESS:

A. Request to Adopt the Proposed Amendments to the Master Land Use Plan
Planning & Economic Development

SUMMARY OF REQUEST: Staff initiated request to amend the City of Muskegon Master Land Use Plan to revise the 2008 Downtown & Lakeshore Redevelopment Plan Future Land Use Map and include the Imagine Muskegon Lake Plan. The regional entities have been given the required 63 day review time and a public hearing was held at the March 14 Planning Commission meeting.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Staff recommends approval of the Master Plan.

COMMITTEE RECOMMENDATION: The Planning Commission unanimously recommended approval of the Master Plan at their March 14 meeting.

Motion by Commissioner Rinsema-Sybenga, second by Commissioner Johnson, to approve the Master Plan.

Motion to Amend the motion to include language opposing RV camp at Pere Marquette Park at the ovals.

ROLL VOTE: Ayes: Warren, Johnson

Nays: Gawron, Hood, Rinsema-Sybenga, Turnquist

MOTION FAILS

VOTE ON ORIGINAL MOTION:

ROLL VOTE: Ayes: Johnson, Gawron, Hood, Warren, Rinsema-Sybenga, and

Turnquist

Nays: None

MOTION PASSES

B. Concurrence with the Housing Board of Appeals Notice & Order to Demolish 593 W Webster Public Safety

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 it be demolished within thirty (30) days or infraction tickets may be issued. It is further requested that administration be directed to obtain bids for the demolition of the structure and that the Mayor and City Clerk be authorized and directed to execute a contract for demolition with the lowest responsible bidder or staff may issue infraction tickets to the owner, agent or responsible party if they do not demolish the structure.

FINANCIAL IMPACT: General Budget

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To concur with the Housing Board of Appeals decision to demolish.

Motion by Commissioner Rinsema-Sybenga, second by Commissioner Turnquist, to concur with the Housing Board of Appeals decision to demolish.

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

Nays: None

MOTION PASSES

C. Second Quarter 2018-19 Budget Reforecast Finance

SUMMARY OF REQUEST: At this time staff is transmitting the Second Quarter 2018-19 Budget Reforecast which outlines proposed changes to the budget that have come about as a result of changes in revenue projects, policy priorities, labor contracts, updated economic conditions, or other factors.

FINANCIAL IMPACT: A summary of second quarter proposed adjustment to the budget are as follows:

- General Fund revenues are reforecast to be \$291,000 lower than the original budget, largely due to lower projections for building permit revenue. The permit revenues are projected to be down \$700,000 for several reasons including Mercy Health paying up front for several commercial and multi housing projects that are progressing slower than expected to get to the building stage. The income tax revenues are being projected up \$100,000 and several other revenue line items were

adjusted.

- General Fund expenditures are reforecast to be \$403,518 lower than the original budget. Permit revenue was decreased so that decreased our payment to SafeBuilt and police wages are down after retirements and resignations.
- There were several refinements to the Capital Projects budget now that we have actual projects costs and know whether grant funding has been approved the bottom line is a slight decrease in capital expenditures.

BUDGET ACTION REQUIRED: City commission approval of this reforecast will formally amend the City's 2018-19 budget.

STAFF RECOMMENDATION: Approval

Motion by Commissioner Rinsema-Sybenga, second by Commissioner Warren, to approve the Second Quarter 2018-19 Budget Reforecast.

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

Nays: None

MOTION PASSES

PUBLIC PARTICIPATION: Public Comments were received.

ADJOURNMENT: The City Commission meeting adjourned at 8:25 p.m.

Respectfully Submitted,

Ann Marie Meisch, MMC – City Clerk