CITY OF MUSKEGON

CITY COMMISSION MEETING

MARCH 25, 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, March 25, 2014.

Mayor Gawron opened the meeting with prayer from Rev. Bill Freeman from the Harbor Unitarian Universalist Congregation 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.

2014-21 CONSENT AGENDA:

A. Approval of Minutes. CITY CLERK

SUMMARY OF REQUEST: To approve minutes of the March 10th Commission Worksession Meeting, and the March 11th City Commission Meeting.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the minutes.

B. 2014 Dozer Rental for Beach Leveling. PUBLIC WORKS

SUMMARY OF REQUEST: Staff is requesting permission to enter into a rental agreement with Contractors Rental Corporation, out of Grand Rapids, MI for a John Deere 850K WLT Cab Dozer for leveling sand at Pere Marquette Beach.

FINANCIAL IMPACT: Estimated cost for the 2014 Dozer rental is $8,245 (which includes $450 for delivery and pickup).

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approve request.

C. Pothole Wagon. PUBLIC WORKS

SUMMARY OF REQUEST: Authorize staff to purchase one 4-ton asphalt pothole wagon from Falcon Road Maintenance Equipment, the Mi Deal, State Contract holder. This machine will replace the 2000 model that we had to retire from service due to safety issues.

FINANCIAL IMPACT: $19,407 on State Contract.

BUDGET ACTION REQUIRED: This purchase will be added to the 3rd quarter budget reforecast.

STAFF RECOMMENDATION: Authorize staff to purchase one 4-ton Falcon Pothole Wagon.

D. Rezoning Request for the Properties Located at 2306 and 2320 S. Getty Street. PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: Request to rezone the properties at 2306 and 2320 S. Getty Street from B-4, General Business District to I-2, General Industrial District by Port City Architectural Signage. The company, which is located adjacent to these properties, would like to expand their business and utilize the existing buildings on site.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Staff recommends approval of the rezoning.

COMMITTEE RECOMMENDATION: The Planning Commission recommended approval of the request at their March 13th meeting.

E. MUFD Fire Apparatus & Equipment Request for a 2014 Spartan Metro-Star Custom Chassis Fire Engine. PUBLIC SAFETY

SUMMARY OF REQUEST: The Director of Public Safety requests that the Commission authorize the amount of; $545,678.00 to purchase a ***2014 Spartan Metro-Star Custom Chassis Fire Engine*** with related tools/equipment. This truck purchase request is to replace the aging/unserviceable Reserve Engine that is now in-service and supports our fleet of frontline Fire Engines. Our current reserve engines are 20 years old, mechanical problems, deteriorating suspension, and visible rust plagues both reserve fire engines.

This selection and request to purchase was achieved by submitting apparatus specification(s) to Houston-Galveston Area Council, which procures competitive pricing for governmental units (*saving the city $2,000.00, plus staff hours to research*).

In addition to the new fire apparatus the purchase is complete with selected diagnostic tools and maintenance equipment to service this new truck and the three other Spartan Engines that now provide fire services to our city.

FINANCIAL IMPACT: N/A - Budgeted.

BUDGET ACTION REQUIRED:

1) The requested new Fire Apparatus was part of the City's fiscal year 2013/14 budget cycle ($550,000) to enhance front line engine response.
2) Funds required to purchase are: $513,000 from MMRA (Michigan Municipal Risk Association) dividend payment, and the remaining funds of $37,000 from the fire equipment replacement reserves.
3) Selected Payment Option: Discount Payment Program, (1) Pay 100% at signing – potential savings $8,639.00. In addition to the payment option, purchase the 100% performance bond, cost $2,311 to assure quality workmanship and acceptance at time of delivery, save an additional $6,328 off the total purchase price.

STAFF RECOMMENDATION: Staff recommends approval of this purchase with a final cost of: $539,350.

Motion by Commissioner Rinsema-Sybenga, second by Commissioner German to approve the Consent Agenda as presented minus item F.

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

Nays: None

MOTION PASSES

2014-22 ITEM REMOVED FROM THE CONSENT AGENDA:

F. Heritage Square Development LLC – Loan from City. PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: The Heritage Square Development project began several years ago with the construction of four townhouses. However, the project stalled with the recent Recession. In an effort to jump-start the project, City staff has been working with owner, Gary Post, on financing options. An agreement has been reached to loan Mr. Post $500,000 from the City's "economic development fund" for the construction of two townhouses (just to the west of the existing four units). Mr. Post has signed a letter agreeing to the loan, construction and repayment. In addition, a HOME loan is being considered for one of four new condo units that will be built on the corner of Clay and Second, over four commercial units.

FINANCIAL IMPACT: The City will loan $500,000 to Mr. Post to complete two townhouses. The funds must be expended by December 2014.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To authorize staff and the City Attorney to proceed with the necessary documents to complete the loan transaction with Mr. Post for the construction of two townhouses at Heritage Square (final approval of documents by City Commission); as well as to complete the documents and seek approval (through the Citizen's District Council and City Commission) for use of HOME funds for one condo unit (total of four to be built) to be built over the commercial unit at the corner of Clay and Second.

Motion by Vice Mayor Spataro, second by Commissioner Turnquist to authorize staff and the City Attorney to proceed with the necessary documents to complete the loan transaction with Mr. Post for the construction of two townhouses at Heritage Square as well as to complete the documents and seek approval through the Citizen's District Council for use of HOME funds for one condo unit out of four to be built over the commercial unit at the corner of Clay and Second.

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

Nays: None

MOTION PASSES

2014-23 PUBLIC HEARINGS:

A. <u>Issuance of a Commercial Rehabilitation Certificate for 500 W. Western Avenue.</u> PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: Pursuant to Public Act 210 of 2005, as amended, 500 W. Western LLC has requested the issuance of a Commercial Rehabilitation Certificate. The City Commission approved the creation of the Commercial Rehabilitation District on August 27, 2013. The certificate will freeze the taxable value of the building and exempt the new real property investment from local taxes. The school operating tax and the State Education Tax are still levied on the new investment. The company will be investing over $385,000 in the building and will create up to 60 jobs, which qualifies them for an abatement of 10 years.

FINANCIAL IMPACT: The real property taxes would be frozen at their pre-rehabilitated rate for the duration of the certificate.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Establishment of the Commercial Rehabilitation Certificate.

The Public Hearing opened to hear and consider any comments from the public. Chris Naas, 3277 Northstar Street, Muskegon, explained the request.

Motion by Vice Mayor Spataro, second by Commissioner Hood to close the Public Hearing and establish the Commercial Rehabilitation Certificate for 500 W. Western Avenue.

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

Nays: Johnson

MOTION PASSES

2014-24 NEW BUSINESS:

A. <u>Approval of Sale of City-Owned Home at 1500 Leahy.</u> COMMUNITY & NEIGHBORHOOD SERVICES

SUMMARY OF REQUEST: To approve the resolution and instruct the Community and Neighborhood Services department to complete the sales transaction between Nakkia Grissom, for the totally rehabilitated home at 1500 Leahy, which is part of the City's Neighborhood Stabilization program through the Michigan State Housing Development Authority Office of Community Development. Ms. Grissom's purchase price for the home is $70,000.

FINANCIAL IMPACT: The proceeds from the sale will be used to continue the rehabilitation of vacant houses through the HOME program to sustain our current investments to stabilize and revitalize neighborhoods.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve the resolution and direct the Community and Neighborhood Services staff to complete the sale.

Motion by Commissioner German, second by Commissioner Hood to approve the resolution and direct the Community and Neighborhood Services staff to complete the sale of 1500 Leahy.

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

Nays: None

MOTION PASSES

B. <u>Qualified Voter File Windows 7 Upgrade/New Equipment-Grant Agreement.</u> CITY CLERK

SUMMARY OF REQUEST: Staff received notification from the State just today that upgrades to the Qualified Voter File are needed. In order for the State to order equipment on our behalf, a grant must be signed and mailed back no later than April 4, 2014. The agreement is expected to arrive shortly within the mail.

The grant will cover the cost for software and computer equipment for one QVF computer. The City will need to pay for the cost to replace one additional computer estimated to be $800.

FINANCIAL IMPACT: Approximately $800.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To authorize staff to sign the documents and make the necessary purchases.

Motion by Commissioner Rinsema-Sybenga, second by Commissioner German to approve the grant agreement for new equipment for Qualified Voter File Windows 7 upgrade.

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

Nays: None

MOTION PASSES

PUBLIC PARTICIPATION: Public comments were received.

ADJOURNMENT: The City Commission Meeting adjourned at 6:53 pm.

Respectfully submitted,

Ann Marie Cummings, MMC
City Clerk