

# CITY OF MUSKEGON

## CITY COMMISSION MEETING

**MARCH 22, 2011**

**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, Michigan at 5:30 p.m., Tuesday, March 22, 2011.

Mayor Warmington opened the meeting with a prayer from Pastor Josh Dear from the Lakeside Baptist 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 Warmington, Vice Mayor Stephen Gawron, Commissioners Steve Wisneski, Chris Carter, Clara Shepherd, Lawrence Spataro, and Sue Wierengo, City Manager Bryon Mazade, City Attorney John Schrier, and City Clerk Ann Marie Becker.

#### **2011-19 CONSENT AGENDA:**

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

SUMMARY OF REQUEST: To approve minutes of the March 7<sup>th</sup> Commission Worksession Meeting and the March 8<sup>th</sup> City Commission Meeting.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the minutes.

##### **B. Lease Proposal for MACkiteboarding at Pere Marquette Park. PUBLIC WORKS**

SUMMARY OF REQUEST: Staff is asking permission to enter into a three-year contractual agreement 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).

FINANCIAL IMPACT: Revenue will be \$2,500 per year for 2011, 2012 and 2013 contract years. Lessee also agrees to provide a Handicapped Restroom outside of building. Previous three-year contract revenue was \$2,500 per year for the 2008, 2009, and 2010 seasons.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approve request.

**C. City – MDOT Agreement for the Reconstruction of Temple Street, Young to Laketon.** ENGINEERING

SUMMARY OF REQUEST: Approve the contract with MDOT for the reconstruction of Temple Street from Young to Laketon. And approve the resolution authorizing the Mayor and City Clerk to sign the contract.

FINANCIAL IMPACT: MDOT's participation is limited to the TEDF-A (state funds) of \$139,003. The estimated total construction cost is \$175,000.

BUDGET ACTION REQUIRED: None at this time as this project appears in the 2010/2011 budget (2<sup>nd</sup> reforecast).

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

**D. City – MDOT Agreement for the Reconstruction of Getty Street, Laketon to Evanston.** ENGINEERING

SUMMARY OF REQUEST: Approve the contract with MDOT for the reconstruction of Getty Street from Laketon to Evanston. And approve the resolution authorizing the Mayor and City Clerk to sign the contract.

FINANCIAL IMPACT: MDOT's participation is limited to the TEDF-F (state funds) of \$375,000. The estimated total construction cost is \$1,000,000 which is different than what is shown in the agreement of \$525,000. The agreement figure of \$525,000 was based on a milling and resurfacing construction method which has since been deemed as not appropriate due to underground work among other reasons.

BUDGET ACTION REQUIRED: Due to higher than originally anticipated required local match, it is likely the City need to issue MTF bonds for this and other grant funded street projects. A potential bond issue was included in the 2010/2011 budget but was deferred. This project, if approved, will be included in the 2011/2012 budget.

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

**E. Amend Chapter 30 of the Code of Ordinances – Fire Prevention.** PUBLIC SAFETY

SUMMARY OF REQUEST: The Director of Public Safety is requesting that the City Commission amend Chapter 30 of the Code of Ordinances concerning Fire Prevention and Protection. This includes the adoption of the 2009 International Fire Code.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the request.

**Motion by Commissioner Carter, second by Commissioner Wierengo to approve the Consent Agenda as read.**

**ROLL VOTE: Ayes: Spataro, Warmington, Wierengo, Wisneski, Carter, Gawron, and Shepherd**

**Nays: None**

**MOTION PASSES**

**2011-20 UNFINISHED BUSINESS:**

**A. SECOND READING: Amendment to the Zoning Ordinance – Medical Marihuana Facilities. PLANNING & ECONOMIC DEVELOPMENT**

SUMMARY OF REQUEST: Staff initiated request to amend Section 1500 (Principle Uses Permitted) of Article XV (I-2, General Industrial Districts) of the zoning ordinance to allow medical marihuana caregiver facilities as a principal use permitted in I-2, General Industrial Districts.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve the zoning ordinance amendment.

COMMITTEE RECOMMENDATION: The Planning Commission unanimously recommended approval of the request at their February 10<sup>th</sup> meeting.

**Motion by Commissioner Spataro, second by Commissioner Wierengo to approve the amendment to the zoning ordinance for medical marihuana facilities as described.**

**ROLL VOTE: Ayes: Carter, Gawron, Spataro, Warmington, Wierengo, and Wisneski**

**Nays: Shepherd**

**MOTION PASSES**

**B. SECOND READING: Amendment to the City Code of Ordinances – Medical Marihuana Regulation and Licensing. PLANNING & ECONOMIC DEVELOPMENT**

SUMMARY OF REQUEST: Staff initiated request to amend Chapter 34, Article IV of the Code of Ordinances to regulate and license certain aspects of medical marihuana cultivation, use and distribution.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve the ordinance amendment.

**Motion by Commissioner Carter, second by Commissioner Spataro to approve the second reading of the City Ordinance for medical marihuana regulation and licensing.**

**ROLL VOTE: Ayes: Wierengo, Wisneski, Carter, Gawron, Spataro, and Warmington**

**Nays: Shepherd**

## **MOTION PASSES**

### **2011-21 NEW BUSINESS**

#### **A. Contract for Assessing Services. FINANCE**

SUMMARY OF REQUEST: Since 1999, the City has contracted with the Muskegon County Equalization Department for assessing services. The closure of the Sappi plant together with general tax base loss changed the City's required assessor status from *Level IV* to *Level III*. This caused staff to explore whether taking the assessing function back in-house might be cost effective. However, after in-depth discussions with the County, we have reached a new five-year agreement that continues the current intergovernmental service model while achieving the City's cost goals. The proposed agreement is presented here for your consideration.

FINANCIAL IMPACT: The base cost for the proposed contract is \$344,367 with yearly adjustments based on the growth (decline) in the City's taxable value. The base cost for the current contract is \$459,300.

BUDGET ACTION REQUIRED: Agreed to costs for assessing services will be included in the forthcoming 2011-12 budget. The City will see reduced costs for the last quarter of the 2010-11 fiscal year which will be incorporated in the upcoming budget reforecast.

STAFF RECOMMENDATION: Authorize staff to execute documents with Muskegon County for continued provision of assessing services.

**Motion by Vice Mayor Gawron, second by Commissioner Carter to authorize staff to execute documents with Muskegon County for continued provision of assessing services.**

**ROLL VOTE: Ayes: Shepherd, Spataro, Warmington, Wierengo, Wisneski, Carter, and Gawron**

**Nays: None**

## **MOTION PASSES**

#### **B. 2011-2012 Healthcare & Wellness Program. FINANCE**

SUMMARY OF REQUEST: It is time to renew the City's healthcare coverage for 2011-12. Renewal premiums for the City's current healthcare program have come in at \$887.88/employee/month, an 8.83% increase over the current rate (\$815.85). Last year we experienced a 9.45% increase. In comparative terms, the rate increase is fairly moderate. Many employers are experiencing double-digit increases partially attributable to coverage enhancements mandated by last year's federal healthcare legislation.

For 2011-12, the City will continue to pay HRA deductibles for employees who complete the four-step wellness initiative prior to April 30th; non-participants in the wellness program will pay the first \$500 (single)/ \$1,000 (family) of the deductible.

Staff is also focusing on increasing the premium co-pay in employee negotiations.

FINANCIAL IMPACT: Following is an estimate of proposed costs for the Priority Health HMO program compared with the current year:

|                                                    | 2010-11     | 2011-12     |
|----------------------------------------------------|-------------|-------------|
| Annual Premium per Employee                        | \$9,790     | \$10,655    |
| Approx. Self-Insured HRA Costs per Employee        | 700         | 700         |
| Typical Employee Premium Co-pay                    | (520)       | (780)       |
| Net City Cost                                      | 9,970       | 10,575      |
| Approx. No. of Covered Emp. (Subject to Reduction) | 231         | 231         |
| Total Annual City Cost                             | \$2,303,070 | \$2,442,825 |

BUDGET ACTION REQUIRED: Employee and retiree healthcare costs will be included in the forthcoming 2011-12 budget.

STAFF RECOMMENDATION: Authorize staff to execute documents with Priority Health to renew healthcare coverage.

**Motion by Vice Mayor Gawron, second by Commissioner Carter to authorize staff to execute documents with Priority Health to renew healthcare coverage.**

**ROLL VOTE: Ayes: Warmington, Wierengo, Wisneski, Carter, Gawron, Shepherd, and Spataro**

**Nays: None**

**MOTION PASSES**

**C. 2011-2012 CDBG/HOME Recommendations.** COMMUNITY &  
NEIGHBORHOOD SERVICES

SUMMARY OF REQUEST: To accept the recommendations of the Administration and Citizen's District Council in regards to the 2011-2012 CDBG/HOME anticipated entitlement. The Commission is scheduled to make their preliminary decision regarding the 2011-2012 CDBG/HOME allocation entitlement during the City Commission meeting scheduled for March 22, 2011, with a public hearing of the same on April 26, 2011.

FINANCIAL IMPACT: None at this time.

BUDGET ACTION REQUIRED: To determine a budget for the CNS department and direct staff to publish the recommended budget for a 30-day comment period for the proposed July 1, 2011 – June 30, 2012 program year.

STAFF RECOMMENDATION: Approve acceptance of the recommendations of the Administration and Citizen's District Council and to make their

preliminary recommendations for publication.

COMMITTEE RECOMMENDATION: The Citizen District Council has made their recommendations.

**Motion by Commissioner Spataro, second by Commissioner Shepherd to approve the acceptance of the recommendations of the administration and to make their preliminary recommendations for publication.**

**ROLL VOTE: Ayes: Gawron, Shepherd, Spataro, Warmington, Wierengo, Wisneski, and Carter**

**Nays: None**

***MOTION PASSES***

**D. Civil Service Budget Adjustment. CITY MANAGER**

SUMMARY OF REQUEST: To authorize an increase in the Civil Service budget in the amount of \$10,000. This amount should carry the Civil Service operation into the middle of next month and provide the Civil Service Commission additional time to consider options for the future direction of the operation. This action is necessary due to the rate of spending in contrast to the original budgeted allocation.

FINANCIAL IMPACT: \$10,000.

BUDGET ACTION REQUIRED: Authorize the budget adjustment.

STAFF RECOMMENDATION: To approve the proposed budget adjustment.

**Motion by Vice Mayor Gawron, second by Commissioner Carter to approve the proposed budget adjustment regarding Civil Service.**

**ROLL VOTE: Ayes: Carter, Gawron, Shepherd, and Wierengo**

**Nays: Wisneski, Spataro, and Warmington**

***MOTION PASSES***

**ANY OTHER BUSINESS:** Various comments were heard from the Commission.

**PUBLIC PARTICIPATION:** Public comments received.

**ADJOURNMENT:** The City Commission Meeting adjourned at 6:25 p.m.

Respectfully submitted,

Ann Marie Becker, MMC  
City Clerk