CITY OF MUSKEGON

CITY COMMISSION MEETING

MARCH 9, 2021 @ 5:30 P.M.

MUSKEGON CITY COMMISSION CHAMBERS
933 TERRACE STREET, MUSKEGON, MI 49440
REMOTE MEETING

MINUTES

The Regular Commission Meeting of the City of Muskegon was held electronically with the Mayor, Vice Mayor, and Commissioners participating via Zoom – a remote conferencing service, Clerk staff present at 933 Terrace Street, Muskegon, MI at 5:30 p.m., Tuesday, March 9, 2021.

ROLL CALL FOR THE REGULAR COMMISSION MEETING:

Present: Mayor Stephen J. Gawron (Muskegon, MI), Vice Mayor Eric Hood (Muskegon, MI), Commissioners Ken Johnson (Muskegon, MI), Dan Rinsema-Sybenga (Muskegon, MI), Willie German, Jr. (Muskegon, MI), Teresa Emory (Muskegon, MI), and Michael Ramsey (Muskegon, MI), City Manager Frank Peterson, City Attorney John Schrier, and City Clerk Ann Meisch.

HONORS/AWARDS/PRESENTATIONS:

Public Art Update Presentation **Judy Hayner**

Judy Hayner provided information on behalf of the Muskegon City Public Art Initiative. She gave update on art projects to the Commission and anyone watching.

PUBLIC COMMENT ON AN AGENDA ITEM: No public comments were received.

2021-22 CONSENT AGENDA:

A. Approval of Minutes City Clerk

SUMMARY OF REQUEST: To approve the minutes of the February 23, 2021 Regular Meeting.

STAFF RECOMMENDATION: To approve the minutes.

B. Special Event Policy Update City Clerk

SUMMARY OF REQUEST: Special Event applications have transitioned to the City Clerk's Office. Staff reviewed current policies and is suggesting some updates/changes. Along with a review of the current policy, staff reviewed fees and made several recommendations as well as the adoption of a policy that allows any event requesting a waiver of fees to fill out a form to be presented to

the City Commission for consideration.

Over many years, Parties in the Park has had all fees waived for use of the park and use of city equipment. Parties in the Park did raise funds and added a new stage built at Hackley Park. This has been an ongoing practice for many years. We are looking for acknowledgment from City Commissioners to continue this practice and/or make any necessary changes.

Staff held several meetings to discuss proposed fees and changes to the policy. Many of the proposed changes provide further clarification for staff and applicants. Some of the major changes include paid parking at the beach, the elimination of deposits, uniformity for insurance requirements, and increasing the fee for the use of Hackley Park.

STAFF RECOMMENDATION: To adopt the amended policy, fees, and waiver form and acknowledge the waiver of city fees for Parties in the Park.

D. <u>Downtown Muskegon Social District Full Launch</u> Economic Development

SUMMARY OF REQUEST: Requesting authorization to have the Muskegon City Clerks Office sell biodegradable Social District cups and have the city cover the 2021 social district expenses.

The City Commission approved the Downtown Muskegon Social District in August. It has been operating 11 a.m. – 11 p.m., seven days a week in a limited area since mid-September. The DMSD needs to be expanded to its full area and open to all 22 potential establishments. Please see an accompanying memo outlining the full launch of the DMSD slated for mid-April.

AMOUNT REQUESTED: Up to $25,000 AMOUNT BUDGETED: None

FUND OR ACCOUNT: Potential no-interest loan from the Downtown Muskegon Business Improvement District to be paid back by cup sales.

STAFF RECOMMENDATION: To authorize the Muskegon City Clerk's Office to sell 16-ounce Downtown Muskegon Social District Cups for 35 cents apiece to cover city costs and authorize up to $25,000 to launch and operate the DMSD through the end of 2021.

E. <u>Small Retailer Assistance Program</u> Economic Development

SUMMARY OF REQUEST: Staff is seeking approval of modifications to the City's Small Retailer Assistance Program. The Small Retailer Assistance Program was established to aid in the creation of more small retail businesses and to aid existing small retail businesses negatively impacted by COVID-19. Current grant incentives include: Rental Assistance Grant, Retail Renovation Grant, CV Rental Assistance Grant, and CV Capital Grant.

Rental Assistance Grant (new business) – intended to help small retailers open new storefronts in traditional brick and mortar buildings. Grantees reimbursed

50% of monthly rent, up to $5,000. Changes include: Existing micro-retailers with under 300 sf of space will be eligible for assistance when they move to their own space with their own street frontage.

Retail Renovation Grant (new or existing business) – intended to assist in creation of more rentable retail spaces. Grantees reimbursed 50% (up to 50% (up to $5,000) of renovation costs associated with upgrading defunct space into usable retail suite. No changes.

CV Rental Assistance Grant (existing business) – intended to help existing small retailers continue operations in storefronts located in traditional brick and mortar buildings. Grantees reimbursed 75% of their monthly rent, up to $5,000. Changes include: Change to "*CV Assistance Grant*" / grantees to be reimbursed 75% of their *business operating losses,* rather than *monthly rent*, up to $5,000/remove eligibility requirement that applicant "*employ no more than five people*"/permit *"retailers or restaurants who are independent and locally-owned"* to now be eligible applicants/remove requirement to offer retail goods for sale/remove requirement to possess an executed rental agreement/revise location requirement that applicant be in a traditional brick and mortar building, rather than a "retail suite", which is visible from the street/allow applicant to demonstrate "*significant*" business loss rather proving "*greater than 50%*" business loss & remove reference to comparable "*prior months/years*" / permit business to be reimbursed 75% of *business operating losses* upon providing evidence of business operating losses.

CV Capital Grant (existing business) – intended to help existing small retailers continue operations in storefronts located in traditional brick and mortar buildings. Grantees reimbursed 75% of their expenses up to a total of $5,000 for renovations associated with modifying storefront in response to COVID-19 distancing guidelines and reduced capacity requirements. No changes.

STAFF RECOMMENDATION: Approve staff modifications to the City's Small Retailer Assistance Program.

F. <u>Updated Deficit Elimination Plan – Sewer Fund</u> Finance

SUMMARY OF REQUEST: To approve the Deficit Elimination plan and resolution for the Sewer Fund and direct staff to submit plan to the State of Michigan.

On June 30, 2020 the Sewer Fund had a $3,595,965 deficit unrestricted net position. Act 275 of Public Acts of 1980 requires the City to formulate a deficit elimination plan and submit it to the Michigan Department of Treasury. The deficit elimination plan and resolution for the Sewer Fund are attached.

STAFF RECOMMENDATION: To approve the deficit elimination resolution for

the Sewer Fund.

G. <u>Campbell Field Playground</u> Public Works

SUMMARY OF REQUEST: Staff is seeking authorization to approve the purchase of several items related to the construction of a new playground at Campbell Field.

The City was unsuccessful in our grant application to MDNR to fund improvements at Campbell Field, however staff is still moving forward on several of the identified improvements that were previously shared for public comment and are attached. This work is being completed utilizing the city matching funds that were generated from the PILOT Agreement with Royale Glen Apartments ($156K).

To that end, City Staff is requesting permission to move forward with the playground replacement at Campbell Field including contracting for the construction of the playground pad, purchase of playground surfacing tiles and contracting installation services for a new playground.

The equipment for the new playground was purchased through the Beidler Street Sanitary Sewer Project (590/591-91854) and originally planned to be placed at the Beidler Street tot-lot as a replacement for the equipment that was removed there to facilitate the sewer installation. Through staff discussion and coordination with the Campbell Field neighborhood we are now proposing to install the new playground structure at Campbell Field and develop an alternate plan for the Beidler Street tot-lot at a later date.

First, staff proposes to engage Wing Contracting, which is currently contracted as the low bidder to install the concrete pad for the Aamodt Park Playground, to install the concrete at Campbell Field. The cost of this is TBD but estimated at approximately $8K and would be handled as a change order under the current agreement for Aamodt Park. This change order would be over the % thresholds available for approval at the staff level.

Second, staff recommends purchase of playground surfacing tiles along with professional playground installation services from Sinclair Recreation. They are the city's preferred vendor for playground services and the suppliers of the already purchased playground equipment. The cost for these items is $35,752.40.

Staff will return with additional requests at a later date to utilize more of the remaining funds towards completion of items at Campbell Field.

AMOUNT REQUESTED: $43,752.40 AMOUNT BUDGETED: $156,000

FUND OR ACCOUNT: 404

STAFF RECOMMENDATION: Authorize staff to approve a change order with Wing Construction to provide the concrete work for the new playground pad at

a cost not to exceed $8K and authorize staff to contract with Sinclair Recreation for the purchase of playground surfacing tiles and playground installation services in the amount of $35,752.40

H. <u>Beidler Change Order #004</u> Public Works

SUMMARY OF REQUEST: Staff is seeking authorization to approve Change Order #004 to the sewer project work on Beidler Street in the Campbell Field Neighborhood.

Final quantity measurements have been completed for the water and sewer work conducted throughout the Campbell Field Neighborhood on Crowley, Beidler, Young, and Pulaski Streets and the project has been recommended for final acceptance and closeout.

Change Order #004 represents an increase to the Contract value of $9,847.24. Combined with the previously approved Change Orders #001-#003 the total change order value for the project stands at $38,077.86 on an original contract value of $5,465,514.75 for a net final increase of 0.7%. The approved project budgets contained a contingency of ~6% so this final balancing does not exceed the budgeted contingency. Future reforecasts will reduce the total budgeted cost of this project.

AMOUNT REQUESTED: $5,503,592.61 AMOUNT BUDGETED: $5,793,445.64 ($5,465,514.75 + 6%)

FUND OR ACCOUNT: 590/591-91854

STAFF RECOMMENDATION: Authorize staff to approve Change Order #004 to the Westwood Sewer Project with Kamminga and Roodvoets in the amount of $9,847.24 for a total net change on the project of $38,077.86.

I. <u>Harvey Pump Station Electrical Upgrades</u> Public Works – Filtration

SUMMARY OF REQUEST: Staff is requesting authorization to contract with Wirtz Electric & Communications for electrical upgrades at the Harvey Pump Station.

The Harvey Pump Station is critical to the distribution of drinking water to the City of Muskegon and its wholesale customers. The electrical power for the entire facility is distributed through the original motor control center (MCC) installed in 1964. The MCC is well beyond its expected service life of 40 years, and it was recommended to staff that it be replace for reasons of reliability and safety. As part of this project, the soft starters in the MCC that control the two constant speed water pumps will be upgraded to variable frequency drives (VFDs) to improve both reliability and efficiency.

Staff is also recommending the replacement of the existing armored cable that feeds the MCC. Similar cable at the pump station experienced a seal failure that resulted in water entering electrical equipment, and this project provides an ideal opportunity to prevent a similar occurrence.

The base bid for this scope of work includes the cost to run new conduit between the MCC and the pump motors. However, this cost will be deducted from the total cost listed below if an inspection of the original conduit shows it to be reusable for this project.

Proposals were solicited from five electrical contractors for the purchase, install, and startup of all equipment. Three proposals were received. Staff recommends this project be awarded to the lowest bidder, Wirtz Electric & Communications. This project was budgeted as part of the ongoing upgrades to the Harvey Pump Station.

	Base Bid	Feed Cable	Total
Wirtz Electric & Communications	**289,033.00**	**6,233.00**	**295,266.00**
Parkway Electric	**300,645.00**	**7,945.00**	**308,590.00**
Newkirk Electric Associates	**328,560.00**	**10,985.00**	**339,545.00**

AMOUNT REQUESTED: $295,266 AMOUNT BUDGETED: $1,040,000.00

FUND OR ACCOUNT: 591-92007-5346

STAFF RECOMMENDATION: Authorize staff to contract with Wirtz Electric & Communications for $295,266.00 to perform electrical upgrades at the Harvey Pump Station.

J. <u>Asphalt Paver Purchase</u> DPW/Equipment Division

SUMMARY OF REQUEST: The Equipment Division is requesting permission to purchase one Asphalt Paver from Michigan Cat, the authorized, Mi-Deal contract holder. We will be re-forecasting the Equipment budget for the third quarter to reflect deleting two truck purchase and then allocating an additional $7,000.00 to cover the purchase of this Paver.

The Equipment Division and Highway Department have been trading services with another local Community for the use of their paver as needed. This machine is aging rapidly and will soon be obsolete with nowhere to buy repair parts. That is why this purchase is imperative to our paving projects to maintain the quality of service our citizens have come to expect. This machine will also allow the City to take on many more projects to ease the burden of always needing to hire a contractor for slightly larger paving projects in our Parks and Alleyways.

AMOUNT REQUESTED: $90,335.00 AMOUNT BUDGETED: $90,335.00

FUND OR ACCOUNT: 661

STAFF RECOMMENDATION: Authorize staff to move forward with the purchase of LeeBoy paver through Michigan CAT in the amount of $90,335.00 under the Mi-Deal Contract.

K. <u>MDOT Agreement for Peck Street</u> Public Works

SUMMARY OF REQUEST: Staff is requesting approval of the contract with MDOT for the reconstruction of Peck Street from Merrill Avenue north to Apple Avenue and approval of the resolution authorizing the Mayor and Clerk to sign the contract.

This is the standard contract governing projects that are constructed using federal funds through MDOT. The estimated cost for the project construction is $843,138.82 with $381,810 of that being federal surface transportation funding and the remainder will be accounted for in the City's 21-22 Budget for Major Streets (~$300K / 202-92002) and Water (~$250K / 591-92002) funds.

Work on this portion of Peck Street is planned to commence after the 4th of July and continue into September, hence the budgeting for these projects will fall in next fiscal year.

STAFF RECOMMENDATION: Approve the attached contract and resolution and authorize the mayor and clerk to sign both.

L. Emergency Vactor Repair Public Works

SUMMARY OF REQUEST: Staff is seeking authorization to repair the sewer vactor truck. The sewer vactor is in need of substantial repairs above the normal authorization limits. Staff approved the repairs in accordance with the purchasing policy emergency guidelines to minimize the down time for this critical piece of equipment and is requesting permission after the fact.

In accordance with the purchasing policy staff solicited three bids for this work and is recommending award of the work to the low bidder St. John Truck and Trailer in the amount of $24,680.50. Bids were received as follows:

- St. Johns Truck and Trailer - $24,680.50
- Jack Doheny Company - $36,982.86
- AIS Equipment – Declined to Bid

AMOUNT REQUESTED: $24,680.50 **AMOUNT BUDGETED:** $24,680.50

FUND OR ACCOUNT: 661

STAFF RECOMMENDATION: Authorize staff to approve the repairs to the sewer vactor at St. Johns Truck and Trailer in the amount of $24,680.50.

M. Street Sweeping Contract Extension Public Works

SUMMARY OF REQUEST: To exercise the option of a 1-year contractual extension as outlined in the previous 3-year contract with TRI-US SERVICES, INC., to provide Street Sweeping Services for 2021.

The Department of Public Works is requesting permission to enter into a 1-year contractual extension agreement with TRI-US SERVICES, INC., which is provided for in the 2018-2020 Street Sweeping Contract. TRI-US SERVICES has held their

previous 3-year contract price of $269,349.00 for 2021.

AMOUNT REQUESTED: $269,349.00 AMOUNT BUDGETED: $269,349.00

FUND OR ACCOUNT: 101-60523/204-60440

STAFF RECOMMENDATION: Authorize staff to enter into a Contractual Street Sweeping Agreement with TRI-US SERVICES, INC.

N. <u>Lakeside Corridor Improvement Authority Resolution</u> Economic Development

SUMMARY OF REQUEST: The Lakeside BID Board has petitioned the City to allow for the creation of a Corridor Improvement Authority and corresponding Tax Increment Financing Plan. A public hearing to take comments concerning the creation of the Authority and its boundaries has taken place, allowing for the creation of the Corridor Improvement Authority by the City Commission through adopting the attached resolution.

The Lakeside Business Improvement District Board has requested a Corridor Improvement Authority to generate TIF revenues and eventually phase out their Business Improvement District special assessment. On October 27th the City Commission held a required public hearing to review submitted comments on the establishment of the Authority and its boundaries. Per Public Act 280 of 2005, not less than 60 days must pass after the public hearing in order for taxing authorities to be notified and give any feedback on the creation of the CIA. This has taken place, and now the Commission may establish the Lakeside Corridor Improvement Authority by adoption of the provided resolution. The next steps will involve appointing the current Lakeside BID Board as the CIA Board members after the resolution has been adopted and sent to the Michigan Secretary of State. Once appointed, the CIA Board can adopt and submit a Tax Increment Financing Plan to the state and begin TIF capture.

STAFF RECOMMENDATION: To adopt the resolution establishing the Lakeside Corridor Improvement Authority as presented, and to direct staff to submit the adopted resolution to the Michigan Secretary of State.

O. <u>Port City Industrial Park Expansion RFP</u> Economic Development

SUMMARY OF REQUEST: The site preparation work at the former Shoreline Correctional Facility is complete, and though we still await the outcome of a recent EDA grant application for some utility capacity improvements the time is right to seek submissions for potential end-users and/or builders. The attached RFP seeks one or more developers to partner with the city by developing the 63 acre site.

Over the past year, the Economic Development department has submitted the site for consideration in 5 confidential MEDC RFI's all of which were either national or North America wide. We did achieve third in a statewide agribusiness

attraction project as well. However, one "big fish" end-user attraction is fairly rare and highly competitive, and now that we have seen a slow down in these types of requests from MEDC during the pandemic the department would like to try casting a wider net for potential development. The site should garner significant interest, and this document contains the necessary details for manufacturers and builders to submit potential construction projects. The RFP is authored to accommodate multiple potential users, considering the size of the development area. This RFP would be pushed by press release, social media, trade publications/professional associations, and by working with our county Economic Development partner GMED.

STAFF RECOMMENDATION: A motion to endorse the Request for Proposals for the Port City Industrial Park Expansion as presented.

P. Acquisition of 1259 Sanford from Muskegon County Landbank Economic Development

SUMMARY OF REQUEST: Now that we have finalized the funding sources and passed HUD's administrative review for the EACH program, we are ready to construct owner occupied homes for low-mod families. We own two of the three lots for the development, and must acquire this last lot from the Muskegon County Land Bank in order to execute the development agreement and begin construction.

The City's development of owner-occupied home construction in partnership with Community enCompass has cleared administrative review by HUD, and we are ready to order homes and commence construction. Now that the development is assured, we need to acquire the only lot not currently under site control by the city to ensure that we can utilize the Brownfield TIF. Tim Burgess with the County Land Bank is very supportive of the program and our application is pending per Commission approval. The offered price on the lot we are recommending is one dollar at this time, though it is up to the County Treasurer to accept the price and this is not guaranteed.

STAFF RECOMMENDATION: A motion to approve the acquisition of 1259 Sanford from the Muskegon County Land for the development of a single family home, pending Land Bank approval.

Q. Marina Parking Ordinance/Increase Launch Ramp Fines Public Safety – REMOVED PER STAFF REQUEST

R. Muskegon Central Dispatch Lease Agreement & Exhibits Public Safety

SUMMARY OF REQUEST: Review and approve the attached MCD lease agreement (amended). As detailed in the attached lease agreement, attached exhibits and lease space necessary for use and maintenance of the newly expanded/remodeled dispatch facility.

Attached is the First Amendment to the Lease between the City and Central Dispatch. There are two exhibits. Exhibit A is the site plan/description of the leased space. Exhibit B is the financials.

STAFF RECOMMENDATION: Approval of the amendments to the lease agreement between the City of Muskegon and Muskegon Central Dispatch.

Motion by Commissioner Johnson, second by Commissioner German, to approve the consent agenda as presented, minus item C.

ROLL VOTE: Ayes: Rinsema-Sybenga, Emory, Johnson, Gawron, Hood, Ramsey, and German

Nays: None

MOTION PASSES

2021-23 REMOVED FROM CONSENT AGENDA:

C. <u>Social District Permit Recommendation</u> Economic Development

SUMMARY OF REQUEST: The City Commission must recommend approval of the Michigan Liquor Control Commission permits of participating licensed establishments in the Downtown Muskegon Social District.

With the establishment of the Downtown Muskegon Social District, participating Licensed establishments must receive a Social District permit from the Michigan Liquor Control Commission. The MLCC must first receive a recommendation for approval from the City Commission before granting the permits. You handled the initial eight such requests at your August 25, 2020 and September 8, 2020 meetings. The attached resolution is for Capone's Speakeasy & Pizzeria and 794 Kitchen & Bar which are also seeking a Social District permit from the state and seeking City Commission recommended approval. The Social District plan identifies 22 potential participating licensees within the district. Other licensed establishments may file a Social District permit application in the future.

STAFF RECOMMENDATION: To approve the resolution recommending Michigan Liquor Control Commission approval of Social District permits in the Downtown Muskegon Social District and to direct the City Clerk to certify the City Commission action with the MLCC.

Motion by Commissioner Ramsey, second by Commissioner Rinsema-Sybenga, to approve the resolution recommending Michigan Liquor Control Commission approval of Social District permits in the Downtown Muskegon Social District and to direct the City Clerk to certify the City Commission action with the MLCC.

ROLL VOTE: Ayes: Emory, Johnson, Gawron, Hood, Ramsey, German, and Rinsema-Sybenga

Nays: None

MOTION PASSES

2021-24 NEW BUSINESS:

A. <u>Creation of a Citizen's Commission on Economic Equality</u> Economic Development – REMOVED PER STAFF REQUEST

B. <u>Rezoning 685 Access Highway</u> Planning

SUMMARY OF REQUEST: Request to rezone the property at 685 Access Highway from I-1, Light Industrial to I-2, General Industrial by Asphalt Paving, LLC.

The Planning Commission will meet for a special meeting on Thursday, March 4 to hold two public hearings for this proposed project. The first hearing will be a request to rezone the property. The second hearing will be a request for a special use permit to operate an asphalt plant in an I-2 district, contingent upon the successful rezoning of the property.

The company currently runs the asphalt company at 1000 E Sherman Boulevard and is proposing to move operations to 685 Access Highway, which would free up the Sherman property for more appropriate commercial uses.

STAFF RECOMMENDATION: To approve the request to rezone property at 685 Access Highway from I-1, Light Industrial to I-2, General Industrial.

Motion by Commissioner Rinsema-Sybenga, second by Commissioner Johnson, to approve the request to rezone property at 685 Access Highway from I-1, Light Industrial to I-2, General Industrial.

ROLL VOTE: Ayes: Johnson, Gawron, Hood, Ramsey, German, Rinsema-Sybenga, and Emory

Nays: None

MOTION PASSES

2021-25 ANY OTHER BUSINESS:

Motion by Commissioner Rinsema-Sybenga, second by Commissioner Ramsey, to adopt the new form for the City Manager's Evaluation and to complete the Evaluation by May 28, 2021.

2nd Motion: Motion by Commissioner Rinsema-Sybenga, second by Vice Mayor Hood, to publish and adopt the new form for the City Manager's Evaluation and complete the Evaluation by April 27, 2021.

3rd Motion: Motion by Commissioner Rinsema-Sybenga to complete the City Manager's Evaluation using the current (old) form and complete the Evaluation by April 13, 2021 and to review and discuss the new form for the City Manager's Evaluation at the May 10, 2021 Worksession Meeting.

ROLL VOTE: Ayes: Ramsey, German, Rinsema-Sybenga, Emory, Johnson, and Gawron

Nays: None

Abstain: Hood

MOTION PASSES

Commissioner Ramsey raised the issue of an additional Worksession meeting being held each month.

Commissioner German would like to discuss the social equity report for medical and recreational marihuana.

PUBLIC COMMENT: Public comments were received.

ADJOURNMENT: The City Commission meeting adjourned at 7:15 p.m.

Respectfully Submitted,

Ann Marie Meisch, MMC – City Clerk