CITY OF MUSKEGON

CITY COMMISSION MEETING

FEBRUARY 28, 2017

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, February 28, 2017. Pastor Wally Reames, Central Assembly of God, 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 Hood, Commissioners Ken Johnson, Debra Warren, Willie German, Jr., Dan Rinsema-Sybenga, and Byron Turnquist, City Manager Franklin Peterson, City Attorney John Schrier, and City Clerk Ann Meisch.

2017-13 CONSENT AGENDA:

A. Approval of Minutes City Clerk

SUMMARY OF REQUEST: To approve the minutes of the February 13, 2017 Worksession and the February 14, 2017 Regular City Commission Meetings.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval of minutes.

D. 2017 Dozer Rental for Beach Leveling Department of Public Works

SUMMARY OF REQUEST: Staff is requesting permission to enter into a rental agreement with Southeastern Equipment Co. Inc., out of Novi, MI for a Case 2050 M Dozer for leveling sand at Pere Marquette Beach.

FINANCIAL IMPACT: Estimated cost for the 2017 Dozer rental is $8,500 (which included $1000 for delivery and pickup).

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approve request.

E. Buekema Park Roof Materials DPW/Parks Department

SUMMARY OF REQUEST: Authorize staff to purchase roofing material to reconstruct the restroom building roof and repair two other smaller building roofs on the property. Work will be performed in house by Parks Staff.

FINANCIAL IMPACT: The total cost of this purchase is $13,535.64 from Keene Lumber being the responsible low bidder. (Rycenga Building Center $16,792.23, Weber Lumber $24,398.24)

BUDGET ACTION REQUIRED: None at this time as this proposed purchase was budgeted for.

STAFF RECOMMENDATION: Authorize staff to purchase the roof materials.

F. **One Year Janitorial Services Extension, Optional Year through 4/30/2018** Engineering

SUMMARY OF REQUEST: Extend the current janitorial services contract with Reliant Professional Cleaning for one more year, thru the end of April 2018, as per the request from the company.

FINANCIAL IMPACT: The total annual cost of the proposed extension to clean City Hall, P.D., DPW & Filtration Plant is $62,316 which is an increase of $1,308 or just over 2.1%.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approve the one year extension with Reliant Professional Cleaning Services to provide janitorial services until the end of April of 2018, at City Hall, DPW & Filtration.

G. **Contract Extension Agreement – 1 Year Street Sweeping Contract for 2017** Department of Public Works

SUMMARY OF REQUEST: To exercise the option for a 1-year contractual extension, as outlined in the previous 3-year contract with TRI-US SERVICES, INC., to provide street sweeping services for 2017.

FINANCIAL IMPACT: $202,135.50 cost for the 1 year contract extension. Funds to cover all expenses are budgeted. Trunkline expenses are reimbursed by State funding.

BUDGET ACTION REQUIRED: None; monies appropriated in Highway and State trunkline budgets.

STAFF RECOMMENDATION: Approve request to contract out service for a 1-year extension as specified in previous contract.

I. **Copier/Printer Maintenance Agreement** Assistant Finance Director

SUMMARY OF REQUEST: The City just ended a five year contract with Applied Imaging for document management. The City paid a fixed price each month for the copiers and printers and a per copy cost for the maintenance which included toner. Almost all the larger copiers are well under their lifetime maximums and do not need to be replaced. In negotiating a new maintenance agreement with Applied Imaging we discovered through Applied Imaging's

MITN Cooperative we could save several hundred dollars a month if we bought new, more maintenance effective printers. We are proposing to purchase 40 new copiers/printers that will represent a savings of approximately $250 per month over the cost of maintenance alone for our current fleet. We have been pleased with our relationship with Applied Imaging and look forward to that continuing. Additionally, we own the old printers so we will be selling those units which should help to offset some of the cost of the new equipment.

FINANCIAL IMPACT: Savings of approximately $250 per month over the current cost of maintenance.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Authorize staff to enter into a five year agreement with Applied Imaging.

J. **Contract for Demolition at 239 Monroe Avenue** Community and Neighborhood Services Department

SUMMARY OF REQUEST: To approve for Community and Neighborhood Services to execute a contract with Melching, Inc., Nunica MI, for the demolition of the structure located at 239 Monroe Avenue. This activity is under the Target Neighborhood Blight Fight Program. The following bids were received:

JMB Demoliton LLC ~ Zeeland MI for $9,250

Melching, Inc ~ Nunica, MI for $8,600

FINANCIAL IMPACT: The funding will be allocated from the City's CDBG Funds.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To approve the request.

K. **Set Public Hearing for Amendment to Brownfield Plan – Windward Pointe** Planning & Economic Development Department

SUMMARY OF REQUEST: To approve the resolution setting a public hearing for an amendment for the Brownfield Plan, and notifying taxing jurisdictions of the Brownfield Plan Amendment including the opportunity to express their views and recommendations regarding the proposed amendment at the public hearing. The amendment is for the inclusion of property owned by Pure Muskegon, located at 2400 Lakeshore Drive, in the Brownfield Plan.

FINANCIAL IMPACT: Brownfield Tax increment Financing will be used to reimburse the developer for "eligible expenses" incurred in association with development of the Watermark project, which is approximately $44,863,763. Pure Muskegon cost for the development of the property is approximately $200 million in private investment, resulting in substantial increase in the local and school taxes generated by the property.

BUDGET ACTION REQUIRED: None

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

COMMITTEE RECOMMENDATION: The Brownfield Redevelopment Authority met on February 16, 2017 and approve the Brownfield Plan Amendment and recommends the approval of the Brownfield Plan Amendment to the Muskegon City Commission.

L. <u>Defined Benefit Plan Adoption Agreements – Div 01(Non-Union) and Div 21 (Police Patrol)</u> Finance

SUMMARY OF REQUEST: To approve the Defined Benefit Plan Adoption Agreements to bridge the pension benefit for current non-union employees from a 2.25% multiplier to a 2.0% multiplier with frozen final average compensation and to bridge the pension benefit for current police patrol employees from a 3.0% multiplier to a 2.67% multiplier with frozen final average compensation.

FINANCIAL IMPACT: It is estimated that the City's contribution rate for non-union would decrease by $196,284 while the City's contribution rate for police patrol would decrease by $328,399 for the next fiscal year.

BUDGET ACTION REQUIRED: Future budgets will be reflective of these changes.

STAFF RECOMMENDATION: To approve the Defined Benefit Plan Adoption Agreements and authorize the Mayor to sign the agreements.

Motion by Commissioner Rinsema-Sybenga, second by Commissioner Johnson, to approve the consent agenda as presented, minus items B, C, and H.

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

Nays: None

MOTION PASSES

2017-14 ITEMS REMOVED FROM THE CONSENT AGENDA:

B. <u>Approval of Resolution to Apply for State Grant to Purchase New Voting Equipment</u> City Clerk

SUMMARY OF REQUEST: To approve a Resolution to Apply for State Grant to Purchase New Voting Equipment. All municipalities in the State of Michigan are in the process of obtaining new voting equipment. Most or all of the cost will be covered by Federal Help America Vote Act funds and state-appropriated funds. The State requires the City to apply for a grant in order to be eligible for state funding assistance.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval of the resolution.

Motion by Commissioner Johnson, second by Commissioner German, to approve the resolution.

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

Nays: None

MOTION PASSES

C. <u>Approval of Resolution in Support of Naming Third Street from Muskegon to Mason</u> City Clerk

SUMMARY OF REQUEST: To approve a Resolution in Support of Designating Third Street from Muskegon to Mason as Midtown Muskegon.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval of the resolution.

Motion by Commissioner German, second by Commissioner Warren, to approve the resolution.

Motion to amend the resolution to read from Muskegon to Jefferson instead of from Muskegon to Strong.

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

Nays: None

MOTION PASSES

<u>VOTE ON ORIGINAL MOTION</u>

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

Nays: None

MOTION PASSES

H. <u>Lake Michigan Sandy Dog Concession Contract for City of Muskegon Parks</u> Department of Public Works

SUMMARY OF REQUEST: Staff is asking permission to enter into a 1-year contractual agreement with Jeff Taylor & Michelle Sharpy of Lake Michigan Sandy Dog, at Pere Marquette Park, located within the City of Muskegon, to sell various food items, as stated in their proposal, from a mobile concession trailer.

FINANCIAL IMPACT: Concession revenue is 10% of gross receipts.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Authorize DPW staff to enter into concession agreement with Jeff Taylor and Michelle Sharpy of Lake Michigan Sandy Dog.

Motion by Commissioner Warren, second by Commissioner Rinsema-Sybenga, to authorize DPW Staff to enter into a concession agreement with Jeff Taylor and Michelle Sharpy of Lake Michigan Sandy Dog.

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

Nays: None

MOTION PASSES

2017-15 PUBLIC HEARINGS:

A. <u>Parks & Recreation Master Plan Amendment</u> Department of Public Works

SUMMARY OF REQUEST: To approve a resolution amending the Parks and Recreation Master Plan to include updating infrastructure at Hartshorn Marina. The Michigan Department of Natural Resources requires specific language and proposals before the city is eligible to apply for state matching grants.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To hold a public hearing and for the City Commission to adopt the "Muskegon Parks & Recreation Master Plan 2016" Hartshorn Marina amendments for 2017, and authorize Mayor and Clerk to sign documents necessary related to the amendments.

PUBLIC HEARING COMMENCED: No public comments were received.

Motion by Commissioner Rinsema-Sybenga, second by Commissioner Warren, to close the public hearing and to adopt the "Muskegon Parks & Recreation Master Plan 2016" Hartshorn Marina amendments for 2017, and authorize the Mayor & Clerk to sign documents necessary related to the amendments.

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

Nays: None

MOTION PASSES

2017-16 NEW BUSINESS:

A. <u>Concurrence with the Housing Board of Appeals Notice and Order to Demolish Sixteen Residential Structures</u> Director of 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 following structures are unsafe, substandard, a public nuisance and that they be demolished.

Address	**State Equalized Value**
1. 862 Stevens	**$13,500 (2015) & $0 (2016)**
2. 139 Myrtle	**$9,800 (2015) & $0 (2016)**
3. 325 Iona	**$8,100 (2015) & $0 (2016)**
4. 333 Catherine	**$12,500 (2015) & $0 (2016)**
5. 430 Allen	**$10,800 (2015) & $0 (2016)**
6. 452 Amity	**$16,300 (2015) & $0 (2016)**
7. 1773 Superior	**$14,500 (2015) & $0 (2016)**
8. 367 E. Holbrook	**$22,300 (2016)**
9. 1725 Wood	**$11,400 (2016)**
10. 1617 Smith	**$19,000 (2016)**
11. 252 E. Isabella	**$12,500 (2016)**
12. 618 Catawba	**$14,300 (2016)**
13. 748 Catherine	**$13,700 (2016)**
14. 501 E. Apple	**$22,300 (2016)**
15. 629 Allen	**$14,500 (2016)**
16. 750 Amity	**$20,000 (2016)**

The properties are owned by the Muskegon County Land Bank and/or the Muskegon County Treasurer (which will be deeded to the Muskegon County Land Bank as part of the Hardest Hit 2 Blight Fight Grant that they were awarded). The properties with $0 SEV for 2016 has the SEV from 2015 included as those had been tax foreclosed in 2015 with the remainder being foreclosed in 2016.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

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

Motion by Commissioner German, second by Commissioner Warren, to concur with the Housing Board of Appeals decision to demolish.

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

Nays: None

MOTION PASSES

B. <u>Sale of a Non-Buildable Vacant Lot in the Port City Industrial Park</u>
Planning & Economic Development Department

SUMMARY OF REQUEST: To approve the land purchase agreement for the sale for the unaddressed property to Marathon Petroleum Company LP. In order to meet Michigan Department of Environmental Quality (MDEQ) requirements, the company needs to perform wetland mitigation on 16.1 acres of land for activities pertaining to another site outside of the City. The City has over 57 acres of undevelopable land in the Industrial Park and is able to carve out 28.4 acres to sell. The property is considered unbuildable because it is located under the ordinary high water mark and is considered wetlands. The company has agreed to the purchase price of $100,000. If the purchase agreement is approved, the company will have 45 days to secure final approval by senior management, upon which this offer is contingent. Upon final approval by the company, an earnest money deposit of $10,000 will be placed in escrow and they will begin all necessary investigations such as survey, title and environmental. Closing will also be contingent upon acceptance/approval of the site by the MDEQ and completion by the City of the parcel split/combination.

FINANCIAL IMPACT: The sale of this lot will generate additional tax revenue for the City as the property will be put back on the City's tax rolls.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To authorize the Mayor and City Clerk to sign the Land Purchase Agreement.

Motion by Commissioner Rinsema-Sybenga, second by Vice Mayor Hood, to authorize the Mayor and City Clerk to sign the Land Purchase Agreement.

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

Nays: None

MOTION PASSES

C. <u>Second Quarter 2016-17 Budget Reforecast</u> Finance Director

SUMMARY OF REQUEST: At this time staff is transmitting the ***Second Quarter 2016-17 Budget Reforecast*** which outlines proposed changes to the budget that have come about as result of changes in revenue projections, policy priorities, labor contracts, updated economic conditions, or other factors.

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

- General Fund revenues are reforecast to be $284,000 lower than the first quarter budget reforecast, largely due to lower projected income tax revenues.

- General Fund expenditures are reforecast to be $86,000 higher than the first quarter budget reforecast.
- There is some refinement of the capital projects budget resulting in an overall net decrease of $445,000 from the first quarter budget reforecast due to the removal of $500,000 for the marina docks and building improvements project in the Marina Fund. However, in the General Fund $25,000 has been added for roof repairs at LC Walker Arena and $30,000 has been added for a project to wash and seal the City Hall building.

BUDGET ACTION REQUIRED: City Commission approval of this reforecast will formally amend the City's 2016-17 budget.

STAFF RECOMMENDATION: Approval

Motion by Commissioner Warren, second by Commissioner Rinsema-Sybenga, to approve the Second Quarter Budget Reforecast for 2016-17.

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

Nays: None

MOTION PASSES

D. <u>Concur with the Muskegon County Clerk's Association's Recommendation to Select Dominion as the Election Equipment Vendor</u>

On this 28th day of February, 2017, a motion was made by Commissioner Johnson and seconded by Commissioner German to concur with the Muskegon County Clerk's Association's recommendation made by a vote of 13-1 at its February 21, 2017 meeting, that the Muskegon County Clerk, Nancy A. Waters, select Dominion as the election equipment vendor for the municipalities of Muskegon County.

AYES: Hood, Warren, German, Rinsema-Sybenga, Turnquist, Johnson, and Gawron

NAYS: None

MOTION PASSES

PUBLIC PARTICIPATION: No public comments were received.

ADJOURNMENT: The City Commission meeting was adjourned at 6:35 p.m.

Respectfully Submitted,

Ann Marie Meisch, MMC, City Clerk