

CITY OF MUSKEGON

CITY COMMISSION MEETING

FEBRUARY 23, 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 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, February 23, 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.

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

2021-17 CONSENT AGENDA:

A. Approval of Minutes City Clerk

SUMMARY OF REQUEST: To approve the minutes of the February 8, 2021 Worksession Meeting and the February 9, 2021 Regular Meeting.

STAFF RECOMMENDATION: To approve the minutes.

B. Social District Permit Recommendation 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 and September 8 meetings and added others as they have been since. The attached resolution is for Legends Bar & Grille LLC 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.

C. Port City Industrial Park Sign Upgrades Economic Development

SUMMARY OF REQUEST: Authorize the award of the Port City Industrial Park Sign Upgrades project to the local bidder, Port City Signs.

Staff solicited bids for design and construction services to upgrade the (2) entryway and (6) wayfinding signs within the Port City Industrial Park. The (2) entryway signs are located at the corners of E. Laketon Avenue and Industrial Boulevard & E. Sherman Boulevard and Black Creek Road.

Bids received are as follows:

	Wayfinding Signs
• \$132,995.00 – Advanced Signs (Ferrysburg)	- \$15,435.00
• \$133,756.00 – Praise Sign Company (Grandville)	- \$33,285.00
• \$166,633.46 – Port City Signs (Muskegon)	- \$14,102.00
• \$172,665.17 – Vizidef (Comstock Park)	- \$20,604.12
• \$172,668.00 – Universal Signs, Inc. (Grand Rapids)	- \$10,710.00
• \$190,000.00 – Adams Remco (Grand Rapids)	- \$30,200.00
• \$199,875.00 – Postema Sign and Graphics (Grand Rapid)	- \$42,725.00

Staff is recommending the third low bidder, Port City Signs, on the basis that they were the only local company who offers a greater quality, value and brand of LED message center and which includes a larger sign viewing area and a higher quality resolution. Additionally, Port City Signs is affiliated with Wilde Signs who fabricated the current wayfinding signs along the Lakeshore Bike Trail so continuity of design and construction will be maintained. The (2) entryway signs will feature 5'6" x 16'5" doubled-sided LED electronic message centers. The new LED entryway sign provides the City the opportunity, at a later date, to consider soliciting paid advertisements from tenants of the Industrial Park as well as to promote business activity within this area.

Funds for this project were included in the 20-21 budget and come from the MEDC state grant for the purchase of the former West Shoreline Correctional Facility. Approximately \$232,000 remains unallocated from the grant. Unspent funds are required to be returned to the State by July 31, 2021. The collective bids are below the budgeted amount for the project and no reforecasting adjustment is anticipated at this time. The project would be completed in Spring 2021.

* Staff also requests authorization to spend up to an additional \$5,000.00 to support anticipated electrical service upgrades during installation of the (2) entryway signs.

AMOUNT REQUESTED: \$171,633.46 AMOUNT BUDGETED: \$232,000
(\$166,633.46 + \$5,000)

FUND OR ACCOUNT: 482-91908

STAFF RECOMMENDATION: To approve the award of the Port City Industrial Park Sign Upgrades project to Port City Signs and authorize staff to sign the contract.

E. Sale – 242 Monroe Avenue City Manager

SUMMARY OF REQUEST: City staff is seeking authorization to sell the city-owned home at 242 Monroe to Colleen Steinman. The City constructed this house as part of the phase two of our infill housing program. Our contract to construct the home was \$164,470. We also anticipated \$11,512 in sales commissions. The accepted purchase price is \$175,000, and the incurred sales commissions are \$12,250. The City will not contribute funds toward closing costs.

STAFF RECOMMENDATION: Authorize the City Manager to complete the sale of 242 Monroe Avenue, as described in the purchase agreement.

Motion by Commissioner Rinsema-Sybenga, second by Vice Mayor Hood, to approve the consent agenda as presented, minus item D.

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

Nays: None

MOTION PASSES

2021-18 REMOVED FROM CONSENT AGENDA:

D. Placer.ai Software Subscription Economic Development

SUMMARY OF REQUEST: The Economic Development Department has been researching various data analysis platforms to help us answer some larger socioeconomic questions regarding our population and workforce. Placer.ai would allow the department to use anonymized GPS data from cell phones to determine critical information to better understand our local economy.

The software proposed will allow our department to conduct research related to economic development such as commuter trends, retail activity tracking, shopper demographics, and commercial/industrial attraction projects. It will also allow us to assist the city with other research, such as attendance

information at city festivals, the Muskegon Farmers Market, and to track location data for our tourism industry. Another major benefit of this software will be oriented around equity. For instance, we will be able to source who is shopping where, and illustrate retail trends in all of our commercial corridors. This will allow us to see who is benefitting economically in the city from various businesses, and where we need to improve our programming and efforts. All of this data is anonymized, and as part of the subscription agreement we receive unlimited technical support from Placer.ai staff. We have included some sample reports and presentations that illustrate the benefits of this program in your packet. This would be an unbudgeted expenditure that would be reflected in a reforecast or budget amendment.

AMOUNT REQUESTED: \$16,000

AMOUNT BUDGETED: 0 (not included in this year's budget)

FUND OR ACCOUNT: Planning and Economic Development: Contracted Services (101-80400-5346)

STAFF RECOMMENDATION: To approve the subscription agreement with Placer.ai for the term of one year as presented.

Motion by Commissioner German, second by Commissioner Rinsema-Sybenga, to approve the subscription agreement with Placer.ai for the term of one year as presented.

2nd Motion: Motion by Commissioner German, second by Commissioner Emory, to table this item to the April 12, 2021 Worksession Meeting.

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

Nays: None

MOTION PASSES

2021-19 UNFINISHED BUSINESS:

A. Annex Lease Extension – Mercy Health City Manager

SUMMARY OF REQUEST: This item was approved on January 26, 2021. We have since received a conflict of interest statement from Commissioner Ramsey, the statement has been posted on the City's Facebook page and Website. City staff is seeking authorization to extend the lease agreement with Mercy Health at the Arena Annex Building for one additional year.

Mercy Health currently leases space for a sports rehabilitation and physical therapy office. Mercy Health has occupied the space for five years. The city assumed the lease in 2018 when Ima Jam, Inc. terminated their master lease with the City. Mercy is seeking to extend their lease for an additional year. The lease agreement, in combination with a licensing agreement allowing Mercy

staff to train patients in the facility, generates between \$50,000 and \$75,000 annually for the facility.

STAFF RECOMMENDATION: Approve the lease extension and authorize the City Manager to sign.

Motion by Commissioner Rinsema-Sybenga, second by Commissioner Emory, to approve the lease extension and authorize the City Manager to sign.

ROLL VOTE: Ayes: Emory, Johnson, Gawron, Hood, German, Rinsema-Sybenga
Nays: None

MOTION PASSES

B. 2nd Quarter Budget Reforecast Finance – TABLED FROM 2/9/2021

SUMMARY OF REQUEST: At this time, staff is presenting the 2nd Quarter Budget Reforecast for FY2020-21. Please see the Finance Director's 2nd Quarter Reforecast Highlights below:

General Fund

Revenues: Decrease in Building Permits by \$270,000

Revenues: GL 101-00000-4961 reflects the \$7,068,674 in revenue from the Capital Improvement Bond Proceeds.

Expenses: Increase in Fire Department Equipment and Repairs by \$69,200.

Expenses: 2020 Capital Improvement Bonds expenses \$55,026.

Expenses: Central Dispatch Project capital outlays \$3,600,000.

Expenses: Arena Roof HVAC Payoff \$2,073,373.

MAJOR STREET FUND

Several capital projects have been moved to the Local Street Funds. Monroe Street 4th to 3rd for \$25,000 and the Frauenthal Alley for \$80,000.

PUBLIC IMPROVEMENT FUND

Reduction of Federal Grants by \$150,000. Expenditures adjusted accordingly.

Increased projected revenue for the sale of city owned houses to \$3,250,000 from Midtown Square II and other homes.

Updated the construction cost to \$370,000 for 1192 Pine all three units.

WATER AND SEWER FUNDS

The sewer fund metered sales have increased to reflect the 20% increase as approved by the City Commission.

DOWNTOWN DEVELOPMENT AUTHORITY

Increase in revenues from the Taste of Muskegon and the Art Fair.

MERCY HEALTH ARENA

The Arena's revenue has been negatively impacted by the State's COVID restrictions in several key areas such as concessions, ticket sales, and other items.

We expect to receive a \$40,000 State Grant to offset some of our lost revenue.

STAFF RECOMMENDATION: To approve the 2nd Quarter FY2020-21 Budget Reforecast as presented.

Motion by Commissioner Rinsema-Sybenga, second by Commissioner Ramsey, to approve the 2nd Quarter FY2020-21 Budget Reforecast as presented.

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

Nays: None

MOTION PASSES

2021-20 ANY OTHER BUSINESS: Commissioner German paid tribute to Shirley Chisholm in recognition of Black History Month. Mayor Gawron shared that he testified before the General Government Committee in reference to COVID relief for income tax communities. Commissioner Johnson inquired as to the status of the City Manager's evaluation.

PUBLIC COMMENT: Public comments were received.

ADJOURNMENT: The City Commission meeting adjourned at 7:50 p.m.

Respectfully Submitted,

Ann Marie Meisch, MMC – City Clerk