

City of Muskegon
City Commission Meeting
Minutes

February 14, 2023, 5:30 pm
Muskegon City Hall
933 Terrace Street, Muskegon, MI 49440

Present: Mayor Ken Johnson
Commissioner Rachel Gorman
Commissioner Rebecca St.Clair
Commissioner Eric Hood
Vice Mayor Willie German, Jr.
Commissioner Teresa Emory

Absent: Commissioner Michael Ramsey

Staff Present: City Manager Jonathan Seyferth
City Attorney John Schrier
City Clerk Ann Meisch
Deputy City Clerk Kimberly Young

1. Call To Order

The Regular Meeting of the City of Muskegon was held at City Hall, 933 Terrace Street, Muskegon, Michigan at 5:30 p.m., on Tuesday, February 14, 2023.

2. Prayer

Pastor E.J. Wood from All Shores Wesleyan Church opened the meeting with a prayer.

3. Pledge of Allegiance

The Commission and public recited the Pledge of Allegiance to the Flag.

4. Roll Call

As recorded above

5. Honors, Awards, and Presentations

5.a Introduction of New Staff - Planning & Economic Development

Economic Development Director, Jake Eckholm, introduced Wendy Webster - Administrative Assistant to the Planning and Economic Development Department. She comes to us from SafeBuilt and has also worked for Muskegon Public Schools in the past.

6. Public Comment on Agenda Items

Public comments were received.

7. Consent Agenda

Action No. 2023-30

Motion by: Vice Mayor German

Second by: Commissioner St.Clair

To accept the consent agenda as presented, minus item E.

Ayes: (6): Mayor Johnson, Commissioner Gorman, Commissioner St.Clair, Commissioner Hood, Vice Mayor German, Commissioner Emory

Absent (1): Commissioner Ramsey

MOTION PASSES (6 to 0)

7.a Approval of Minutes - City Clerk

To approve the minutes of the January 9, 2023 Worksession and January 10, 2023 Commission Meeting.

STAFF RECOMMENDATION: To approve the minutes.

7.b AgeWell Services Non-Profit Recognition - City Clerk

AgeWell Services is requesting recognition as a non-profit in the City of Muskegon for the purpose of obtaining charitable gaming licenses for raffles.

STAFF RECOMMENDATION: To approve the request from AgeWell Services to be recognized as a non-profit in the City of Muskegon and approve the Local Governing Body Resolution for Charitable Gaming Licenses.

7.c Use of DMDC Property Downtown Muskegon - City Clerk

The DMDC has been paying taxes and upkeep for many years on several lots currently being used by the City or for parking by the general public in downtown. The DMDC is requesting a payment of \$25,500 to assist with paying those expenses.

The DMDC is currently paying for the upkeep of 387 Morris Avenue, 401 Morris, 351 W. Western, 325 W. Western, 307 W. Western, 299 W. Western, 295 W. Western, and 292 W. Western. The attached spreadsheet indicates an estimated cost that is over \$25,000 annually. The DMDC has approached the City asking if we could assist in paying these funds.

AMOUNT REQUESTED: \$25,500

AMOUNT BUDGETED: \$5,000 from Western Market

FUND OR ACCOUNT: \$12,000 from Western Market Fund - 252-807-801

FUND OR ACCOUNT: \$13,500 from Public Improvement Fund - 445-807-801

STAFF RECOMMENDATION: To authorize a payment of \$25,500 to the DMDC for the use of the property.

7.d Taste of Muskegon Liquor License - City Clerk

The Muskegon City Clerk's Office is seeking commission approval to apply for a special liquor license for beer, wine and spirit service for the Taste of Muskegon being held in Hackley Park on Friday, June 9, 2023 and Saturday, June 10, 2023.

STAFF RECOMMENDATION: Authorize the City Clerk's Office to apply for a special liquor license for the Taste of Muskegon.

7.f FY23 Municipal Senior Millage Funding - Community & Neighborhood Services

To approve allocations of the Municipal Senior Millage funding to city programs geared toward citizens who are 60 years of age, or older. An allocation of \$101,234.00 from the county of Muskegon FY23 Municipal Senior Millage funding is budgeted for the following programs:

Power of Produce (Farmer's Market) - \$ 19,700

Senior Project Fresh- \$300

Home Repairs (CNS) - \$ 81,234

STAFF RECOMMENDATION: To approve the budget proposed for City of Muskegon programs utilizing FY23 Municipal Senior Millage Funds from the County of Muskegon.

7.g Sale of 1334 Pine Street - City Manager

Staff is requesting approval of a new purchase agreement for 1334 Pine Street. 1334 Pine Street was constructed through the agreement with Dave Dusendang to construct infill housing with ARPA funding. The previous offer has been terminated through a mutual release. This new offer is for the full listing price and is not contingent upon the sale of the buyer's current home.

STAFF RECOMMENDATION: To approve the Purchase Agreement for 1334 Pine Street.

7.h MERS-Police Command Employee Contribution Rate - Finance

The City seeks to adopt the Police Command Defined Benefit Employee Contribution as negotiated per their contract.

The Finance Department wants permission to sign a Defined Benefit Plan Adoption Agreement to reduce the employee contribution rate for Police Command as follows:

A police command defined benefit employee shall effective January 1, 2023:

Employees shall contribute 3% of their compensation towards the defined benefit plan as defined by MERS

STAFF RECOMMENDATION: To approve the required employee contribution 3% for Police Command Defined Benefits.

7.i MERS - Police Command DC Employee Contribution Rate - Finance

The City seeks to adopt the Police Command Defined Contribution Plan Employee's Contribution rate as negotiated per their contract.

The Finance Department wants permission to sign a Defined Contribution Plan Adoption Agreement to increase the employee contribution rate for Police Command as follows:

A police command defined benefit employee shall effective January 1, 2023:

Employees shall contribute 9% of their compensation towards the defined benefit plan as defined by MERS. The previous contribution rate was 6%.

STAFF RECOMMENDATION: To approve the required employee contribution of 9% for Police Command Defined Benefit Plan.

7.j MERS - Police Command HCSP Employee and Employer Contribution Rates - Finance

The City seeks to adopt the Police Command's Health Care Saving Program contribution rates as negotiated per their contract.

The Finance Department wants permission to sign the Health Care Savings Plan Agreement to reduce the employee contribution rate for Police Command as follows:

A police command defined benefit employee shall effective January 1, 2023:

- Police Command employees who are eligible to receive retiree healthcare benefits will contribute 3 % of their Medicare taxable wages towards the Health Care Savings program with no employer contribution

Police Command employees who are not eligible to receive retiree healthcare benefits will contribute 6% of their Medicare taxable wages towards the Health Care Savings program with a 6% employer contribution.

STAFF RECOMMENDATION: To approve the required employee and employer Health Care Saving Program Contributions.

7.k Deficit Elimination Plan - Marina Fund - Finance

To approve the Deficit Elimination plan and resolution for the Marina Fund and direct staff to submit plan to the State of Michigan.

At June 30, 2022 the Marina Fund had a \$395,374.00 deficit. 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 Marina Fund are attached.

The original deficit elimination plan had to extended another year. It will require a \$450,000 transfer from General Fund in 2022-23 and a \$260,000 transfer from the General Fund in 2023-24.

AMOUNT REQUESTED: \$450,000 22-23 AND \$260,000 23-24

From General Fund to Marina

STAFF RECOMMENDATION: To approve the Deficit Elimination Resolution for the Marina.

7.l Deficit Elimination Plan - Brownfield Redevelopment Authority (combined) - Finance

To approve the Deficit Elimination plan and resolution for the Brownfield Redevelopment Authority (combined) and direct staff to submit plan to the State of Michigan.

At June 30, 2022 the Brownfield Redevelopment Authority (combined) had a \$64,211.00 deficit. 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 Brown Field Redevelopment are attached.

The State wanted more clarification on the deficit with a different layout, plus I extended the plan one more year.

STAFF RECOMMENDATION: To approve the Deficit Elimination Resolution for the Brownfield Redevelopment Authority.

7.m CSX Rail, Authorization to Close - City Manager

This is an authorization to close on the purchase of the CSX rail line from near the Boys and Girls Club west to Windward Point though the Nims and Lakeside Neighborhoods. The Commission authorized purchase of the property on May 24, 2022. This is just a technical step that has to be taken before closing documents are signed.

Related to the Windward Point development the City has agreed to use about \$1.688 million of APRA funding to purchase the abandoned rail road spur that runs along Muskegon Lake in the Nims and Lakeside neighborhoods. The City's costs for the purchase will be reimbursable through the Windward Point brownfield TIF.

The City has let it be known to the developers that we are willing to negotiate our position within the TIF depending on what occurs with the development. We've also indicated a willingness to reduce the amount of our capture if the percent of public access to Muskegon Lake is increased.

Because these are both items that would be negotiated with the final developer and not the current owners, those items are still to be

determined. However, with the current agreement and our costs going into the brownfield, the City would be reimbursed for its investment.

The City Commission authorized the purchase of rail road line/abandoned spur on May 24, 2022 on a 6-0 vote.

Other past action includes the approval to extend the closing date which was approved by the Commission on Nov. 22, 2022, this extended the closing window to the end of the First Quarter of 2023.

It is anticipated closing will happen before the end of February.

STAFF RECOMMENDATION: To authorize the City Manager to sign closing documents related to the City's purchase of the abandoned Rail Road Spur owned by CSX.

7.e Voting Precincts - City Clerk

Muskegon Public Schools is currently renovating many of their buildings. Several of these buildings are currently precincts. The City Clerk's Office requests to move those precincts to accommodate the renovations.

We have searched for new locations for precincts that must move before renovations begin and before the 2024 Election cycle. After careful consideration and visiting the buildings, we recommend to move Precincts 3 and 4 from Muskegon Middle School to Central Assembly of God, 896 Home Street in their gym, move Precinct 2 from Marquette Elementary to Bethesda Baptist Church, 575 S. Getty, and move Precinct 11, from Glenside Elementary to Celebration Community, 1260 W. Sherman. Each location has received permission to offer us the locations and we would pay \$500 each as we currently pay Lakeside Baptist Church for their time to open the building early in the morning, the use of their tables and facilities, and closing late into the evening.

AMOUNT REQUESTED: \$500 per location for each Election

FUND OR ACCOUNT: 101-215-801 (Elections)

STAFF RECOMMENDATION: To authorize the movement of Precincts 3 and 4 from Muskegon Middle School to Central Assembly of God, 896 Home Street, move Precinct 2 from Marquette Elementary to Bethesda Baptist Church, 575 S. Getty, and move Precinct 11, from Glenside Elementary to Celebration Community, 1260 W. Sherman.

Action No. 2023-31

Motion by: Commissioner Gorman

Second by: Commissioner Emory

To authorize the movement of Precincts 3 and 4 from Muskegon Middle School to Central Assembly of God, 896 Home Street, move Precinct 2 from Marquette Elementary to Bethesda Baptist Church, 575 S. Getty, and move Precinct 11, from Glenside Elementary to Celebration Community, 1260 W. Sherman.

Ayes: (6): Mayor Johnson, Commissioner Gorman, Commissioner St.Clair, Commissioner Hood, Vice Mayor German, Commissioner Emory

Absent (1): Commissioner Ramsey

MOTION PASSES (6 to 0)

8. Public Hearings

8.a 2021 Consolidated Annual Performance Evaluation Report (CAPER) Hearing - Community & Neighborhood Services

The CAPER is available on our website for citizen review and comment period of 15 days from January 29 -February 17, 2023. A public Hearing is another opportunity to comment about the Federal CDBG and HOME program activities performed during the fiscal year 2021 (July 1, 2021 - June 30, 2022).

Click on the link to view the CAPER <https://muskegon-mi.gov/city-services/development-services/community-neighborhood-services/reports/>

STAFF RECOMMENDATION: To conduct a Public Hearing for the 2021 CAPER review.

Sharonda Carson, Community and Neighborhood Services Director provided a brief overview of the 2021 Consolidated Annual Performance Evaluation Report.

Public Hearing Commenced:

Raynice Starr - spoke in favor of the department and it's resources.

Marriah McIntosh - provided comments on the issue of community land trust issues; has reservations this program and wants more input from community.

Director Carson spoke about qualifications for programs

Randy VanderWhite - asked about community land trust that is referenced in the CAPER on the city's website.

Action No. 2023-32

Motion by: Commissioner Gorman

Second by: Commissioner Hood

To close the public hearing.

Ayes: (6): Mayor Johnson, Commissioner Gorman, Commissioner St.Clair, Commissioner Hood, Vice Mayor German, and Commissioner Emory

Absent (1): Commissioner Ramsey

MOTION PASSES (6 to 0)

9. Unfinished Business

9.a ARPA Community Grant Program - Development Services

Seeking authorization to dedicate \$1,500,000 from the City's remaining allocation of American Rescue Plan Act (ARPA) federal stimulus funds for the creation of an "ARPA Community Grant" program.

The [federal American Rescue Plan Act of 2021](#) (ARP), signed into law 3/11/21, provided \$350 billion to eligible state, local, territorial, and tribal governments to support and meet the public health and economic needs of those impacted by the COVID-19 public health emergency in their communities as well as address longstanding health and economic disparities, which amplified the impact of the pandemic in disproportionately impacted communities, resulting in more severe pandemic impacts. These funds are being made available through the [federal Coronavirus State and Local Fiscal Recovery Funds \("SLFRF"\) program](#). The program ensures that governments have the resources needed to:

- Fight the pandemic and support families and businesses struggling with its public health and economic impacts,
- Maintain vital public services, even amid declines in revenue, and
- Build a strong, resilient, and equitable recovery by making investments that support long-term growth and opportunity.

Of the approximately \$6.1M from the City's remaining balance of federal ARPA stimulus funds, \$1.5M would be available to establish a **new city-sponsored ARPA Community Grant program.**

Grant funds are intended to advance equity, strengthen the economic vitality of the city, and strengthen the quality of life for city residents. Proposals must meet the objectives of the ARPA program and be aligned with the City's Long Term Goals and strategic priorities.

Grant program details:

- Eligible applicants: 501(c)(3) nonprofit organizations & small businesses, located in the city.
- Grant funds to be used for costs incurred on or after March 3, 2021.
- **Grant Applications available 3/1/23. Application deadline 3/31/23. ARPA Community Grant Review Committee will rank eligible applications and submit recommendations to the Commission. Commission will review and make funding decisions at the April 25th Commission meeting. Final Commission recommendations announced by April 26th.**
- ARPA Community Grant Review Committee - one City Commissioner, one representative from each of the (4) City Commission Wards, and City Manager. Two representative(s) from local Community Based Organizations will also be included to act in an advisory role only.
- Grant award range - \$25,000 to 250,000. Fixed grant requested amounts in the following increments only: \$25,000, \$50,000, \$75,000, \$100,000, \$150,000, \$200,000 or \$250,000.
- Proposed projects must be obligated/contracted by 12/31/24, and funds spent by 12/31/26.
- Applicants awarded grant funds will enter into a contractual agreement (SLFRF Beneficiary Agreement) with the city which outlines general obligations and reporting requirements.

AMOUNT REQUESTED: \$1,500,000

AMOUNT BUDGETED: \$1,500,000

FUND OR ACCOUNT: 101-901-982-092112

STAFF RECOMMENDATION: To authorize \$1,500,000 from the City's allocation of American Rescue Plan Act (ARPA) federal stimulus funds to create an ARPA Community Grant program.

Action No. 2023-33 - Main Motion

Motion by: Commissioner St.Clair

Second by: Commissioner Emory

To authorize ~~\$1,500,000~~ \$1,600,000 from the City's allocation of American Rescue Plan Act (ARPA) federal stimulus funds to create an ARPA Community Grant Program, and to revisit unallocated ARPA funds as they become available, before December 31, 2024. (As amended in the following motions)

Ayes: (6): Mayor Johnson, Commissioner Gorman, Commissioner St.Clair, Commissioner Hood, Vice Mayor German, and Commissioner Emory

Absent (1): Commissioner Ramsey

MOTION PASSES (6 to 0)

Amendment:

Action No. 2023-33 Primary Amendment

Motion by: Vice Mayor German

Second by: Commissioner Hood

To amend the motion by increasing the ARPA Community Grant allocation from \$1,500,00 to ~~\$2,000,000~~ to \$1,600,000 and to revisit unallocated ARPA funds as they become available, before December 31, 2024. (As amended in the following Amendment to the Amendment)

Ayes: (5): Mayor Johnson, Commissioner Gorman, Commissioner St.Clair, Commissioner Hood, and Commissioner Emory

Nays: (1): Vice Mayor German

Absent (1): Commissioner Ramsey

MOTION PASSES (5 to 1)

Amendment:

Action No. 2023-33 Secondary Amendment

Motion by: Commissioner St.Clair

Second by: Commissioner Emory

To amend the amendment and increase the amount of the ARPA allocation from \$1,500,00 to \$1,600,000 instead of \$2,000,000 and to revisit unallocated ARPA funds as they become available, before December 31, 2024.

Ayes: (5): Mayor Johnson, Commissioner Gorman, Commissioner St.Clair, Commissioner Hood, and Commissioner Emory

Nays: (1): Vice Mayor German

Absent (1): Commissioner Ramsey

MOTION PASSES (5 to 1)

10. New Business

10.a Adelaide Pointe - First Addendum - City Manager - REMOVED PER STAFF REQUEST

10.b Second Amendment to the Planned Unit Development at Adelaide Pointe (1148 & 1204 W. Western Avenue) - Planning

Request to amend the final Planned Unit Development at 1148 & 1204 W Western Ave (Adelaide Point).

Changes from the last approved plan include the following:

- Condo building one (west waterfront side of development) rotated slightly to avoid the bike trail.
- Swimming pool from condo building one removed.
- East basin boat launch removed. Boats will now be launched at the Hartshorn launch ramp. It will remain open to the public and also be used to launch boats from the proposed Hartshorn Village boat storage building.
- Boat condo structures (C6) combined into one building.

A motion to recommend approval of the PUD was approved by a 5-1 vote.

STAFF RECOMMENDATION: To approve the request to amend the final Planned Unit Development at 1148 & 1204 W. Western Avenue (Adelaide Pointe).

Action No. 2023-34

Motion by: Commissioner St.Clair

Second by: Commissioner Gorman

To approve the request to amend the final Planned Unit Development at 1148 & 1204 W. Western Avenue (Adelaide Pointe).

Ayes: (5): Mayor Johnson, Commissioner Gorman, Commissioner St.Clair, Commissioner Hood, and Commissioner Emory

Nays: (1): Vice Mayor German

Absent (1): Commissioner Ramsey

MOTION PASSES (5 to 1)

10.c Second Amendment to the Planned Unit Development at Hartshorn Village (920, 1050, 1060, 1000 and 1010 W. Western Ave) - Planning

Request to amend the final Planned Unit Development at 920, 1050, 1060, 1000 and 1010 W Western Ave (Hartshorn Village).

Changes from the last approved plan include the following:

- The next phase (Phase 2) of the single-family development has been reduced in size to what is now indicated on the plans. An additional 10 units (units 11-20) are proposed. With the reduced scope of Phase 2, the existing access from W Western to the parking area along the lake will remain. Development plans for the remaining property west of the access drive is yet to be determined. Once plans are finalized, the applicant will submit plans outlining the details. The parking lot to the north of the bike path, adjacent to the lake, will also remain. Previous plans depicted this area as public green space.
- For the west parcel adjacent to Adelaide Point a boat storage facility will be constructed in the area previously approved for eight single-family houses and a 17-unit condo building. The facility will provide winter storage and short-term seasonal storage and launching of boats for customers. Boats will need to be transported over the bike path. The proposed bike path is planned to stay in place, but it will be barricaded off when a boat is being launched. There will be a new alternate bike path around the building for when that happens. Please note that the Adelaide Point

development is no longer planning on using their east basin to launch boats. Boats from that development will also be using the Hartshorn launch ramp as well as the general public.

- The existing parking for Fricano's Place will remain as it currently is and the new parking to the west will be eliminated.
- The Hartshorn Village Condominium will be amended and all documents revised to convert the condominium from a traditional condominium to a site condominium.

A motion to approve the PUD with conditions was approved by a 4-3 vote. The conditions included:

- Stormwater permit is issued by the City Engineering Department
- 10-inch concrete to be installed where forklift operates.
- Bike path is elevated near the wetlands.
- Future community (building) and pool location be removed.
- That the gate from the large boat basin be removed.

These conditions have been met with updates to the site plan. The stormwater permit is currently being amended.

STAFF RECOMMENDATION: To approve the request to amend the final Planned Unit Development at 920, 1050, 1060, 1000 and 1010 W. Western Avenue (Hartshorn Village) with the condition that a stormwater permit is issued from the Engineering Department.

Action No. 2023-35

Motion by: Commissioner St.Clair

Second by: Commissioner Hood

To approve the request to amend the final Planned Unit Development at 920, 1050, 1060, 1000 and 1010 W. Western Avenue (Hartshorn Village) with the conditions that a stormwater permit is issued from the Engineering Department, a sidewalk be added, that the driveway from Western Avenue to Hartshorn parking lot/launch ramp be publicly accessible, and there is a 10 ft. setback and landscaping between the boat storage building and the bike path.

Ayes: (5): Mayor Johnson, Commissioner Gorman, Commissioner St.Clair, Commissioner Hood, and Commissioner Emory

Nays: (1): Vice Mayor German

Absent (1): Commissioner Ramsey

MOTION PASSES (5 to 1)

11. Any Other Business

11.a Re: Adelaide Pointe Addendum

Mayor Johnson spoke regarding potentially placing the Adelaide Pointe Addendum on the Legislative Policy Committee meeting agenda Wednesday, February 22, 2023 at 5:30 - along with other items.

11.b Recognition of Black History Month

In recognition of Black History Month, Vice Mayor German spoke about the events leading to the creation of the month long celebration. Vice Mayor German also paid tribute to Frederick Douglass, an American historical figure.

11.c Adelaide Pointe Public Forum

Mayor Johnson complimented staff on the public forum that was held at City Hall on Thursday, February 2, 2023. The presentation as well as FAQ's are on the city's website. He also encourages those with questions to reach out to staff or the developer.

12. Public Comment on Non-Agenda items

- Reminder: Individuals who would like to address the City Commission shall do the following:
- Fill out a request to speak form attached to the agenda or located in the back of the room.
- Submit the form to the City Clerk.
- Be recognized by the Chair.
- Step forward to the microphone.
- State name and address.
- Limit of 3 minutes to address the Commission

- (Speaker representing a group may be allowed 10 minutes if previously registered with City Clerk.)

Public comments were received.

13. Closed Session

14. Adjournment

The City Commission meeting adjourned at 10:04 p.m.

Respectfully Submitted,
Ann Marie Meisch, MMC - City Clerk