CITY OF MUSKEGON

CITY COMMISSION MEETING

FEBRUARY 14, 2006

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, February 14, 2006.

Mayor Warmington opened the meeting with a prayer from Pastor Penny Johnson from the Oak Crest Church of God 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, Commissioner Lawrence Spataro, Sue Wierengo, Chris Carter, and Kevin Davis, City Manager Bryon Mazade, City Attorney John Schrier, and City Clerk Gail Kundinger.

Absent: Commissioner Clara Shepherd (excused).

2006-11 CONSENT AGENDA:

A. Approval of Minutes. CITY CLERK

SUMMARY OF REQUEST: To approve the minutes of the Regular Commission Meeting that was held on Tuesday, January 24, 2006.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval of the minutes.

C. Fireworks Display – Shrine Circus. CITY CLERK

SUMMARY OF REQUEST: Jordan Productions, Inc., is requesting approval of a fireworks display permit for the Shrine Circus at the L C Walker Arena on March 3rd and 4th. Fire Marshall Metcalf will inspect the fireworks on the day of the event.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval contingent on inspection of the fireworks and approval of the insurance.

D. Sale of Unclaimed Property. H.E.A.L.T.H. COMMITTEE

SUMMARY OF REQUEST: The H.E.A.L.T.H. Committee of Muskegon requests approval to sell unclaimed property to raise funds to outfit the fitness room in the basement of City Hall.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: None

COMMITTEE RECOMMENDATION: Approval recommended

E. Sale of Reversionary Interest of Unbuildable Lot Adjacent to 704 Marquette to the New Owner. PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: To approve the sale of the reversionary interest of the unbuildable lot adjacent to 704 Marquette to Baymark Homes, LLC. The property was originally sold to Patrick and Julia Stone, and the bank (Banker's Trust Company of California) foreclosed on the home. Due to the reversionary clause in the quit claim deed, the property reverts back to the City. Baymark Homes, LLC has since bought the home at 704 Marquette and has paid the fee for the undbuildable lot.

FINANCIAL IMPACT: The sale of the reversionary interest of the unbuildable lot to Baymark Homes, LLC will keep the property intact and the City will not be responsible for the maintenance.

BUDGET ACTION REQUIRED: None

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

F. Extension of Contract to Market Seaway Industrial Park. PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: In 2004 C & A Commercial Real Estate was selected as the company to market Seaway Industrial Park properties, as well as one property located on Getty Street. A nine-month real estate agreement was original signed by the Mayor, with a six-month extension signed by the City Manager in December 2004. City Commission granted C & A Commercial Real Estate another 6-month extension in August 2005. Staff feels that Commission should review the performance of C & A Commercial Real Estate in order to determine if there should be another extension of the agreement for a six-month time period.

FINANCIAL IMPACT: The continued timely sale and development of these properties will bring more jobs to Muskegon in the near future, thus additional income tax being generated.

BUDGET ACTION REQUIRED: None

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

G. Signal Maintenance for Public Crossing over CSX's Tracks. ENGINEERING

SUMMARY OF REQUEST: Authorize staff to issue a payment of $8,430 due to Michigan Shore Railroad since they took over CSX'S rails for the nine public crossings over active CSX tracks. The attorney's office reviewed this annual maintenance fee last year and found them to be accurate in their demand for compensation as called for in Public Act 354, adopted in 1994.

FINANCIAL IMPACT: $8,430 from both the major and local street funds.

BUDGET ACTION REQUIRED: This additional expense will be reported on the upcoming quarterly budget update.

STAFF RECOMMENDATION: Authorize payment to Michigan Shore Railroad for $8,430.

H. Cemetery Division - Grave Buy-Back Policy. PUBLIC WORKS

SUMMARY OF REQUEST: The current policy of buying back unused grave plots at one-half the going rate is not cost effective. Staff proposes to modify the current policy.

FINANCIAL IMPACT: Reduce the current expense of buying back unused graves.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Recommend approval.

COMMITTEE RECOMMENDATION: The Leisure Services Board acting as the Cemetery Committee recommends approval.

I. FIRST READING: Vehicles for Hire. CITY CLERK

SUMMARY OF REQUEST: To amend Chapter 102 of the Muskegon Code of Ordinances concerning Vehicles for Hire.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval

Motion by Commissioner Carter, second by Commissioner Davis to approve the Consent Agenda as presented with the exception of item B.

ROLL VOTE: Ayes: Spataro, Warmington, Wierengo, Carter, Davis, and Gawron

Nays: None

MOTION PASSES **(Requires second reading.)**

2006-12 ITEM REMOVED FROM THE CONSENT AGENDA:

B. **Request to Transfer Ownership of Liquor License – Tipsy Toad Inc., 609 W. Western Avenue.** CITY CLERK

SUMMARY OF REQUEST: The Liquor Control Commission is seeking local recommendation on a request from Tipsy Toad Inc. to transfer ownership of the 2005 Class C licensed business located in escrow at 119 W. Broadway, Muskegon Heights, from Angelo Jackson and transfer location to 609 W. Western Avenue. They are also requesting a new Dance-Entertainment Permit, Outdoor Service Permit, a new Specially Designated Merchant License, and Add Bar Permit for a total of two bars.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: All departments are recommending approval.

Motion by Commissioner Spataro, second by Commissioner Carter to approve the request to transfer ownership of the liquor license to Tipsy Toad Inc., 609 W. Western Avenue.

ROLL VOTE: Ayes: Warmington, Wierengo, Carter, Davis, Gawron, and Spataro

Nays: None

MOTION PASSES

2006-13 PUBLIC HEARINGS:

A. **Create a Special Assessment District for Cherry Street, Wilcox to Thompson.** ENGINEERING

SUMMARY OF REQUEST: To hold a public hearing on the proposed special assessment of Cherry St. from Wilcox Ave. to Thompson Ave., and to create the special assessment district and appoint two City Commissioners to the Board of Assessors if it is determined to proceed with the project.

FINANCIAL IMPACT: None at this time.

BUDGET ACTION REQUIRED: None at this time.

STAFF RECOMMENDATION: To create the special assessment district and assign two City Commissioners to the Board of Assessors by adopting the resolution.

The Public Hearing opened at 5:42 p.m. to hear and consider any comments from the public. No comments were heard.

Motion by Vice Mayor Gawron, second by Commissioner Carter to close the Public Hearing at 5:44 p.m. and create the special assessment district for Cherry Street, Wilcox to Thompson.

ROLL VOTE: Ayes: Wierengo, Carter, Davis, Gawron, Spataro, and Warmington

Nays: None

MOTION PASSES

B. **Create a Special Assessment District for Park Street, Laketon to Southern.** ENGINEERING

SUMMARY OF REQUEST: To hold a public hearing on the proposed special assessment of Park St., from Laketon Ave. to Southern Ave., and to create the special assessment district and appoint two City Commissioners to the Board of Assessors if it is determined to proceed with the project.

FINANCIAL IMPACT: None at this time.

BUDGET ACTION REQUIRED: None at this time.

STAFF RECOMMENDATION: To create the special assessment district and assign two City Commissioners to the Board of Assessors by adopting the resolution.

The Public Hearing opened at 5:45 p.m. to hear and consider any comments from the public. No comments were heard.

Motion by Commissioner Spataro, second by Vice Mayor Gawron to close the public hearing at 5:47 p.m. and create the special assessment district for Park Street, Laketon to Southern and appoint two Commissioners.

ROLL VOTE: Ayes: Carter, Davis, Gawron, Spataro, Warmington, and Wierengo

Nays: None

MOTION PASSES

C. **Create a Special Assessment District for Benton Avenue and Williams Street, Chestnut to Catawba.** ENGINEERING

SUMMARY OF REQUEST: To hold a public hearing on the proposed special assessment of Benton Ave. & Williams St. from Chestnut St. to Catawba Ave., and to create the special assessment district and appoint two City Commissioners to the Board of Assessors if it is determined to proceed with the project.

FINANCIAL IMPACT: None at this time.

BUDGET ACTION REQUIRED: None at this time.

STAFF RECOMMENDATION: To create the special assessment district and assign two City Commissioners to the Board of Assessors by adopting the resolution.

The Public Hearing opened at 5:48 p.m. to hear and consider any comments from the public. No comments were heard.

Motion by Commissioner Davis, second by Commissioner Carter to close the Public Hearing at 5:51 p.m. and create the special assessment district for Benton Avenue and Williams Street from Chestnut to Catawba and appoint two City Commissioners to the Board of Assessors.

ROLL VOTE: Ayes: Davis, Gawron, Spataro, Warmington, Wierengo, and Carter

Nays: None

MOTION PASSES

2006-14 NEW BUSINESS:

A. <u>Summer Celebration Special Event Requests.</u> LEISURE SERVICES

SUMMARY OF REQUEST: Summer Celebration is requesting City services for its 2006 festival. This year's event will be held Thursday, June 29 through Sunday, July 9. Except for minor changes involving dates and times, their 2006 requests are similar to 2005's—which were granted. Staff continues to work with event coordinators regarding details involving their request.

FINANCIAL IMPACT: Rental fee waiver cost is not known, but total cost is not expected to exceed $5,000.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval

COMMITTEE RECOMMENDATION: The Leisure Services Board recommends approval of Summer Celebration's requests (which include the waiver of rental fees for equipment borrowed) contingent upon their compliance with City policies and guidelines, ordinances and other regulations.

Motion by Commissioner Spataro, second by Vice Mayor Gawron to approve Summer Celebration's special event requests.

ROLL VOTE: Ayes: Gawron, Spataro, Warmington, Wierengo, Carter, and Davis

Nays: None

MOTION PASSES

B. <u>Approval of Sale of City Owned Home at 1983 Hoyt.</u> COMMUNITY & NEIGHBORHOOD SERVICES

SUMMARY OF REQUEST: To approve the resolution and instruct the Community and Neighborhood Services department to complete the sale transaction between Ms. Veronica Smith of 1161 Creston, Muskegon for the totally rehabilitated home at 1983 Hoyt for the agreed upon price of $73,000 minus a subsidy of $5,100. The rehabilitation project was named "Second New Moon Rises". The City of Muskegon obtained the house at 1983 Hoyt from the U.S. Department of Housing and Urban Development through its "Good Neighbor" program, where a municipality like the City of Muskegon can obtain a house from HUD for one dollar if the property stays on the market for more than six months.

This is the second CNS project to take place on the 1900 block of Hoyt. In 2003 the department demolished a fire damaged structure at 1938 Hoyt and built a new ranch style home.

FINANCIAL IMPACT: The proceeds from the sale will be deposited in the City's HOME account and used to help finance other projects that the department has on schedule for this spring and summer.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To approve the resolution.

COMMITTEE RECOMMENDATION: The City Commission approved both the purchase of the structure from HUD and the rehabilitation of the project during the 2003-2004 fiscal year.

Motion by Commissioner Spataro, second by Vice Mayor Gawron to approve the sale of the City-owned home at 1983 Hoyt to Ms. Veronica Smith.

ROLL VOTE: Ayes: Spataro, Warmington, Wierengo, Carter, Davis, and Gawron

Nays: None

MOTION PASSES

C. Approval of Sale of City Owned Townhouse/Duplex at 1174-1184 Wood. COMMUNITY & NEIGHBORHOOD SERVICES

SUMMARY OF REQUEST: To approve the resolution and instruct the Community and Neighborhood Services department to complete the sale transaction between Ms. Karen Aubrey of 754 Dimondale Dr., Carson, California for the newly constructed townhouse/duplex at 1174-1184 Wood. The Infill project was entitled Operation Nyumba-Mbili, "It Takes Two". Ms. Aubrey has agreed to the purchase price of $125,000.

The land where the new townhouse now stands was a former Brownfield where the Old Briggs Dairy resided for years. The CNS office worked diligently to obtain ownership of the extremely dangerous building from the State of Michigan. Once ownership was obtained the original structure was demolished and the townhouse was built. This is another example of the City's continued aggressive efforts to redevelop its urban neighborhoods.

FINANCIAL IMPACT: The proceeds from the sale will be deposited into the City's HOME account and used for other projects that the department has scheduled for this spring and summer.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To approve the resolution.

COMMITTEE RECOMMENDATION: The Land Reutilization Committee and the City Commission approved the purchase and demolition of the Briggs Dairy as well as the construction of the townhouse/duplex.

Motion by Vice Mayor Gawron, second by Commissioner Carter to approve the sale of the City-owned townhouse/duplex at 1174-1184 Wood to Ms. Karen Aubrey.

ROLL VOTE: Ayes: Spataro, Warmington, Wierengo, Carter, Davis, and Gawron

Nays: None

MOTION PASSES

D. <u>Sale of Buildable Vacant Lot at 999 Amity Avenue.</u> PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: To approve the sale of a vacant buildable lot at 999 Amity Avenue (Parcel #24-142-000-0006-00) to the Community and Neighborhood Services Department and Trinity Housing. The lot is 60 X 132 ft. and is being offered to Community and Neighborhood Services Department and Trinity Housing for $1. This property will be combined with the property located at 1013 Amity Avenue. A Single family home will be constructed on 999 Amity and 1013 Amity will be used for the yard. Consumers Power has a long term easement on the property located at 1013 Amity and the proposed home is too large for the lot due to the easement. The proposed home will have three bedrooms, two bathrooms, a garage, and will consist of over 1,400 square feet.

FINANCIAL IMPACT: The sale of this lot to the adjacent property owner for the construction of a single family home will generate additional tax revenue for the City and will place the property back on the City's tax rolls thus relieving the City of continued maintenance costs. This will also correct the finding against the City with HUD.

BUDGET ACTION REQUIRED: None

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

COMMITTEE RECOMMENDATION: The Land Reutilization Committee recommended approval of the sale at their regular meeting of January 24, 2006 with the condition that the property be combined with the owner's original parcel and that they will not qualify for the home design lot credit.

Motion by Commissioner Spataro, second by Commissioner Wierengo to approve the sale of the buildable vacant lot at 999 Amity Avenue.

ROLL VOTE: Ayes: Warmington, Wierengo, Carter, Davis, Gawron, and Spataro

Nays: None

MOTION PASSES

E. <u>Final Amendments to 2005 Budget.</u> FINANCE

SUMMARY OF REQUEST: Adoption of the year-end amendments to the City's 2005 Budget to assure compliance with the State *Uniform Budget Act*. This act requires that budgets for "governmental-type" funds (i.e. general fund and special revenue funds) be amended so that expenditures are not reported in the City's audit as exceeding legal appropriations.

FINANCIAL IMPACT: These budget amendments establish the final 2005 authorized revenue estimates and spending limits for the various City departments and funds.

BUDGET ACTION REQUIRED: Self-explanatory.

STAFF RECOMMENDATION: Approval

COMMITTEE RECOMMENDATION: A report was presented and reviewed at the Commission Worksession meeting on Monday, February 13, 2006.

Motion by Commissioner Spataro, second by Vice Mayor Gawron to approve the final amendments to the 2005 Budget.

ROLL VOTE: Ayes: Wierengo, Carter, Davis, Gawron, Spataro, and Warmington

Nays: None

MOTION PASSES

2006-15 ANY OTHER BUSINESS: Commissioner Spataro commented on the Art Works. Staff to contact them and report back to Commission.

2006-16 PUBLIC PARTICIPATION: Lynne Nash, representing Disability Connection, requested a Gaming License.

Motion by Commissioner Spataro, second by Commissioner Wierengo to approve the issuance of the Gaming License.

ROLL VOTE: Ayes: Spataro, Warmington, Wierengo, Carter, Davis, and Gawron

Nays: None

MOTION PASSES

ADJOURNMENT: The City Commission Meeting adjourned at 6:10 p.m.

Respectfully submitted,

Gail A. Kundinger, MMC
City Clerk