CITY OF MUSKEGON

CITY COMMISSION MEETING

FEBRUARY 12, 2019 @ 5:30 P.M.

MUSKEGON CITY COMMISSION CHAMBERS

933 TERRACE STREET, MUSKEGON, MI 49440

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 12, 2019, Commissioner Willie German, Jr., 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 Eric Hood, Commissioners Ken Johnson, Byron Turnquist, Debra Warren, Willie German, Jr., and Dan Rinsema-Sybenga, City Manager Frank Peterson, City Attorney John Schrier, and City Clerk Ann Meisch.

2019-10 CONSENT AGENDA:

A. Approval of Minutes City Clerk

SUMMARY OF REQUEST: To approve the minutes of the January 22, 2019 Regular Meeting.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval of the minutes.

B. Medicaid CHIP Community Development Lead Hazard Control Program – 2019 Community & Neighborhood Services

SUMMARY OF REQUEST: Community and Neighborhood Services Department has budget provisions to hire Abatement Contractors and a Lead Abatement Contractor team to monitor the lead abatement projects for our Lead Safe Muskegon Program; funded by the Michigan Department of Health and Human Services (MDHHS). A list of Lead Abatement Contractors have expressed an interest in working with the city to serve an expected 25 households.

Below are the proposed Abatement Contractors enlisted for abatement work:

Tony Beattie Beattie Bros.

Curtis Holden Gray Space Construction

Viv Jaunais	Great Lakes Builders
Francena DePung	Nassau Construction
Chuck McCloud	TK Construction
Joe Fehler	Midwest Builders
Joe Ferrier	4 Star Builders
Vicki Luthy	External Consultant
Catherine Phelps	AAA Lead Inspections

FINANCIAL IMPACT: $880,005.00

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Support the hiring of the proposed Abatement Contractors for the Lead Safe Muskegon Program.

C. <u>Water Main Repair</u> Department of Public Works

SUMMARY OF REQUEST: Authorize Staff to enter into an agreement with Jackson-Merkey Contractors, the lowest responsible bidder, to perform water main repairs in the Roberts Street ROW behind Steel School in the Ryerson Creek gully.

Due to the location and depth of the water main along with a high-water table, our in-house work force is unable to perform the repair.

Two Contractors submitted bids for this project as follows:

Jackson-Merkey Contractors - $30,150

McCormick Sand - $49,500.

FINANCIAL IMPACT: $30,150.00

BUDGET ACTION REQUIRED: None at this time. Funds will come from the water fund.

STAFF RECOMMENDATION: To authorize staff to enter into an agreement for water main repairs with Jackson-Merkey Contractors.

D. <u>2019 User Fee Addition – Commercial Launch Ramp Permit</u> Department of Public Works

SUMMARY OF REQUEST: Staff is requesting permission to add to the User Fee Schedule a Commercial Launch Ramp Sticker and fee of $250.00 per permit plus $50.00 for each additional permit, per calendar year.

FINANCIAL IMPACT: Revenue generated from fee.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval of the request.

E. **Municipal Vehicle Purchase** DPW/Equipment

SUMMARY OF REQUEST: The Equipment Division is requesting permission to purchase one (1) Trackless Municipal Vehicle from Bell Equipment Company from the Mi-Deals State Contract. Cost for this item is $125,782.85 coming from the Equipment Division Fund.

FINANCIAL IMPACT: $125,782.85

BUDGET ACTION REQUIRED: This purchase will be added into the Equipment Budget and reflected in the third quarter re-forecast.

STAFF RECOMMENDATION: Authorize staff to purchase one (1) Trackless Municipal Vehicle from Bell Equipment Company.

F. **Water Service Line Replacements** Department of Public Works

SUMMARY OF REQUEST: To award contract (W-91838.1) for replacement of water service lines at various locations within the City of Muskegon.

Two contractors submitted bids for this project as follows:

Goyette Mechanical – 21 Each

McCormick Sand – 15 Each

Bids were selected based on a fixed budget and variable scope. Bidders were instructed to bid based on how much work they could complete within a fixed budget with the winning bid going to the company that could complete the most work.

FINANCIAL IMPACT: $100,000.00

BUDGET ACTION REQUIRED: None. Funded through grant revenue from MDEQ.

STAFF RECOMMENDATION: Award the project to the low bidder, Goyette Mechanical.

H. **Muskegon Fire Department Equipment Request (Turnout Gear)** Public Safety

SUMMARY OF REQUEST: The Director of Public Safety requests that the Commission authorize the amount of $34,051.42 for thirteen (13) sets of turnout gear for full-time firefighters which have been in-service since January 2019. The safety equipment is personalized to each firefighter and will be issued when received. The cost of the turnout gear per set is $2,012.95 through Phoenix Safety Outfitters.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: Equipment to impact the Fire General Fund.

STAFF RECOMMENDATION: Staff recommends approval of this purchase request.

I. Short Term Vacation Rentals Public Safety

REMOVED

J. Approval of Several Neighborhood Enterprise Zone Certificates
Planning & Economic Development

SUMMARY OF REQUEST: Applications for Neighborhood Enterprise Zone (NEZ) certificates have been received for homes at the Terrace Point Landing development. The applications are for the following addresses: 302, 304, 306, 308, 310, 312, 320, 330, 332, 338, 340, 351, 353, 654, 672, 674, 679, 681, 688, and 690 Terrace Point. All applicants have met local and state requirements for the issuance of the NEZ certificates.

FINANCIAL IMPACT: Taxation will be applied as one-half of the previous year's state average principal residence millage rate to the value of the facility.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval of the NEZ certificates.

K. Rezoning of 1021 Jefferson Street Planning & Economic Development

SUMMARY OF REQUEST: Staff-initiated request to rezone the property at 1021 Jefferson Street from Form Based Code, Urban Residential to Form Based Code, Neighborhood Core.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Staff recommends approval of the rezoning.

COMMITTEE RECOMMENDATION: The Planning Commission unanimously (6-0) recommended approval of the rezoning, with three members absent.

L. Restrictive Covenant for 350 Shoreline Drive Planning Department

SUMMARY OF REQUEST: Authorize the mayor and clerk to sign the restrictive covenant for nonresidential remedial action for the city owned property located at 350 Shoreline Drive. Various contaminants remain within the soil and groundwater on site, and this restrictive covenant is necessary to document those hazardous substances and direct any future land owners with regard to preventing unacceptable exposure. DTE will continue to operate a groundwater extraction system to treat groundwater on site.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Authorize the mayor and clerk to sign the restrictive covenant.

M. Sale of City Owned Property to Damfino Development, LLC City Manager

REMOVED

N. Approval of Contract for Critical Dune Enforcement Planning & Economic Development

SUMMARY OF REQUEST: The City approved its local Critical Dune ordinance on December 12, 2017. Staff released a Request for Qualifications to enforce the ordinance in 2018 and Prism was the only applicant. Staff is requesting approval of the contract and fee schedule to allow Prism to enforce the ordinance.

FINANCIAL IMPACT: Staff anticipates a cost savings for the City's annual permits and also for private home owners who apply for permits.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval of the contract and fee schedule.

Q. Community Relations Committee Appointment Recommendations City Clerk

SUMMARY OF REQUEST: To accept the recommendation to appoint Rozelia Patino to the Citizen's Police Review Board.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To concur with the recommendation of the Community Relations Committee and approve the appointment.

Motion by Commissioner German, second by Commissioner Rinsema-Sybenga, to approve the consent agenda as presented, except items G, O, and P.

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

Nays: None

MOTION PASSES

2019-11 ITEMS REMOVED FROM CONSENT:

G. Sanford/Peck Traffic Signal Design Engineering

SUMMARY OF REQUEST: Authorize staff to enter into an engineering services agreement with Wade Trim, Inc. to complete engineering for traffic signal upgrades along Peck and Sanford Streets. The upgrades would include modifications to the existing signals that would allow for the eventual conversion of Peck and Sanford Street to 2-way traffic.

Requests for Proposals were solicited for this contract with three firms submitting proposals. Proposals were reviewed by staff and the Wade Trim proposal is recommended.

Wade Trim - $21,000

Progressive AE - $22,000

Prein & Newhof - $104,000

FINANCIAL IMPACT: $21,000.00

BUDGET ACTION REQUIRED: None, this will be addressed during a future reforecasting.

STAFF RECOMMENDATION: Authorize staff to enter into an engineering services agreement with Wade Trim.

Motion by Commissioner Warren, second by Commission Johnson, to authorize staff to enter into an engineering services agreement with Wade Trim.

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

Nays: None

MOTION PASSES

O. <u>Organizational Changes</u> City Manager

SUMMARY OF REQUEST: Approve changes to the city's organization, specifically in the workload for the division heads and operations at the LC Walker Arena. Modify the Municipal Services Division to include Planning, Economic Development and Community and Neighborhood Services. Establish positions for an Economic Development Director, and a Strategic Initiatives Director.

Re-establish the Public Works Director overseeing the Engineering Department, Water Filtration Plant, Utility Department and Department of Public Works and appoint Leo Evans as the division head.

Establish positions for operations at the LC Walker Arena including an Arena Maintenance Worker, and Arena Finance manager, and an Arena Box Office Manager.

FINANCIAL IMPACT: To be determined based on salary and benefit packages.

BUDGET ACTION REQUIRED: Include salary and benefits in the next budget reforecast.

STAFF RECOMMENDATION: Approve changes to the city's organization.

Motion by Commissioner Turnquist, second by Vice Mayor Hood, to approve changes to the city's organization.

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

Nays: None

MOTION PASSES

P. Sale of City Owned Property Planning & Economic Development

SUMMARY OF REQUEST: Staff-initiated request to sell the bike path parcel that runs through the proposed Hartshorn Village development. The bike path will be relocated just to the north.

FINANCIAL IMPACT: The sale is necessary to make the development work, which will lead to increased residential property taxes.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval of the estate agreement.

Motion by Commissioner Johnson, second by Commissioner Warren, to approve the estate agreement.

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

Nays: None

MOTION PASSES

2019-12 NEW BUSINESS:

A. Sale of City Owned Lot at 1021 Jefferson Street Planning & Economic Development

SUMMARY OF REQUEST: Staff initiated request to sell the lot at 1021 Jefferson Street. After presenting the development proposal to the City Commission in November of 2018, staff executed a Letter of Intent to sell the property to General Capital Acquisitions, LLC for $455,000.

FINANCIAL IMPACT: Funds received from the sale will go into the General Fund.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval of the "Offer to Purchase."

Motion by Commissioner Warren, second by Commissioner German, to approve the offer to purchase.

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

Nays: None

MOTION PASSES

B. PILOT-Gencap 1021 Jefferson Limited Dividend Housing Association, LLC Planning & Economic Development

SUMMARY OF REQUEST: Gencap 1021 Jefferson Limited Dividend Housing Association, LLC is proposing an affordable housing development at 1021 Jefferson Street and is requesting a Payment in Lieu of Taxes (PILOT) for the project. The development will include 73 residential units and 2,300 square feet of commercial space. There will be 55 one-bedroom units and 18 two-bedroom units. Ten units will be at 30% AMI, nine units will be at 40% AMI, 11 units will be low-income disability units, 14 units will be at 60% AMI and 29 units will be at 80% AMI. A service charge of 4% will be imposed, as well as a municipal services fee of 2%.

FINANCIAL IMPACT: Although the PILOT for the project will be less than the taxes captured for a similar market-rate project, the situation with this particular property is that the contribution towards the City will be greater to the City with the development under a PILOT than it is as a vacant lot. In addition, taxes would apply to the commercial square footage within the building.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To approve the Contract for Housing Exemption and Professional Services Agreement.

Motion by Commissioner Johnson, second by Commissioner Warren, to approve the Contract for Housing Exemption and Professional Services Agreement.

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

Nays: None

MOTION PASSES

2019-13 ANY OTHER BUSINESS:

Motion by Commissioner Johnson, second by Vice Mayor Hood, to include the property at 185 W. Laketon Avenue into the Medical Marijuana Overlay District.

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

Nays: Turnquist, Gawron, and German

MOTION PASSES

SECOND READING REQUIRED

PUBLIC PARTICIPATION: Comments were received from the public.

ADJOURNMENT: The City Commission meeting adjourned at 6:50 p.m.

Respectfully Submitted,

Ann Marie Meisch, City Clerk - MMC