CITY OF MUSKEGON

CITY COMMISSION MEETING

JANUARY 24, 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, January 24, 2017. Pastor Tim Cross, Living Word Church, 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.

INTRODUCTIONS/PRESENTATION:

Mike Overly – MERS - Mike Overly from MERS presented an overview of the Employees Retirement System as it relates to the Department of Public Works.

2017-05 CONSENT AGENDA:

A. Approval of Minutes City Clerk

SUMMARY OF REQUEST: To approve minutes of the January 9, 2017 Worksession Meeting and the January 10, 2017 Regular City Commission Meeting.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the minutes.

C. MEDC Grant for Kitchen 242 Assistant Finance Director and City Clerk

SUMMARY OF REQUEST: To approve the grant agreement with Michigan Economic Development Corporation (MEDC) for $200,000 for Kitchen 242. This grant allows for important upgrades at the Kitchen including ventilation improvements, technology upgrades including demonstration mirrors, security cages and locks for kitchen users to store their products and many new and additional appliances. Also included in this grant is money for Marketing and tables and chairs for events at the Kitchen/Market.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approve the grant agreement with MEDC for Kitchen 242 and authorize staff to sign the grant agreement.

E. Everstream GLC Holding Company LLC – METRO Act Permit
Engineering

SUMMARY OF REQUEST: Approve the request for a permit from Everstream GLC Holding Company, LLC and authorize the Mayor to sign the permit.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approve the permit and sign the documents.

I. Defined Benefit Plan Adoption Agreement – Div 12 (DPW) Finance

SUMMARY OF REQUEST: To approve the Defined Benefit Plan Adoption Agreement to bridge the pension benefit for current DPW employees from a 2.25% multiplier to a 2.0% multiplier with a frozen final average compensation.

FINANCIAL IMPACT: It is estimated that the City's contribution rate would decrease by about $163,584 for fiscal year 2017.

BUDGET ACTION REQUIRED: Future budgets will be reflective of this change.

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

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

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

Nays: None

MOTION PASSES

2017-06 ITEMS REMOVED FROM CONSENT AGENDA:

B. Food Truck Registration Fees City Clerk

SUMMARY OF REQUEST: This is a request to adjust the mobile food vending fee to $50 for those food truck vendors who will participate in Taste of Muskegon. Taste of Muskegon has contacted staff with the suggestion and would make it a requirement that their participants register. Currently food vendors participating in a special event are not required to register.

This registration would be good through April 30th of the following year. Currently mobile food vendors outside the City limits are required to pay $300 annually, those having restaurants in the City of Muskegon have a fee of $150, and those with a brick and mortar business in the downtown development district pay $50 annually.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval.

Motion by Commissioner Warren, second by Commissioner Johnson, to approve the Food Truck Registration fee.

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

Nays: None

MOTION PASSES

D. Western Market Lease Agreement City Clerk

SUMMARY OF REQUEST: The City has created chalets to be placed on Western Avenue to create affordable retail outlets. Staff will evaluate applications on a first-come-first-serve basis. The intent will be to offer a variety of retail products. The agreement will be from May 1st through October 30th. Chalets will be required to be open on most days from 11 am – 6 pm. Fees shall be for the entire season and shall be set as follows:

90 sq. ft. Chalet $1125 ~ ~ 120 sq. ft. Chalet $1500 ~ ~ 150 sq. ft. Chalet $1875

A pro-rated rate may be offered for agreements beginning after May 1st.

FINANCIAL IMPACT: Fees collected from the lease agreements.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To authorize staff to sign the agreements with future tenants.

Motion by Commissioner Turnquist, second by Commissioner Rinsema-Sybenga, to authorize staff to sign agreements with future tenants.

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

Nays: None

MOTION PASSES

F. Professional Service Agreement (SAFEbuilt) Public Safety

SUMMARY OF REQUEST: The Director of Public Safety requests that the Commission review and authorize this Professional Service Agreement between the City of Muskegon and SAFEbuilt, LLC. SAFEbuilt has performed satisfactorily since the fall of 2012; said contract expired in December of 2016. The new service contract has expanded SAFEbuilt's responsibilities to include, but not be limited to, *"Dangerous Abandoned Buildings".* The contract reflects adjusted shared percentages and other financial adjustments to effectively perform and enhance the quality of service SAFEbuilt is to provide the City of Muskegon. The proposed agreement is to commence this month, January 2017, and concludes on December 31st 2024.

FINANCIAL IMPACT: Budgeted – the goal is to be cost neutral.

BUDGET ACTION REQUIRED: Adjust 2017 Fee Schedule.

STAFF RECOMMENDATION: Staff recommends approval of proposed new Professional Service Agreement between the City of Muskegon & SAFEbuilt of Troy, Michigan.

Motion by Commissioner German, second by Commissioner Warren, to approve the proposed new Professional Service Agreement between the City of Muskegon and SAFEbuilt of Troy, Michigan.

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

Nays: None

MOTION PASSES

G. SEIU Collective Bargaining Agreement City Manager

SUMMARY OF REQUEST: City Staff and Service Employees International Union representatives have worked over the past four months to develop a new five-year contract for the City's Department of Public Works personnel. As part of the agreement, a number of issues were addressed, including pension costs, wages, and benefits. The new agreement is beneficial to both parties.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve the Collective Bargaining Agreement with the Service Employees International Union as presented.

Motion by Commissioner German, second by Commissioner Rinsema-Sybenga, to approve the Collective Bargaining Agreement with the Service Employees International Union.

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

Nays: None

MOTION PASSES

H. POLC Collective Bargaining Agreement City Manager

SUMMARY OF REQUEST: City Staff and Police Officers Labor Council representatives have worked over the past nine months to develop a new five-year contract for the City's patrol officers. As part of the agreement, a number of issues were addressed, including pension costs, wages, and benefits. The new agreement is beneficial to both parties and is expected to help with police officer recruiting and retention.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve the Collective Bargaining Agreement with the Police Officers Labor Council as presented.

Motion by Commissioner Turnquist, second by Commissioner Johnson, to approve the Collective Bargaining Agreement with the Police Officers Labor Council.

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

Nays: None

MOTION PASSES

J. <u>Corrections to 2017 Fee Schedule Department Comments</u> Finance

SUMMARY OF REQUEST: To approve the changes to the 2017 Master Fee Schedule to correct or clarify Department Comments related to the Rental Department.

FINANCIAL IMPACT: None as this request is to change or correct the comments only.

BUDGET ACTION REQUIED: None.

STAFF RECOMMENDATION: To approve the Department Comments changes for the Rental Department for the 2017 Master Fee Schedule.

Motion by Commissioner German, second by Commissioner Warren, to approve the Department Comment changes noted for the Rental Department for the 2017 Master Fee Schedule.

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

Nays: None

MOTION PASSES

2017-07 PUBLIC HEARINGS:

A. <u>Public Hearing – Establishment of a Commercial Redevelopment District – 878 Jefferson St., Suite 1</u> Planning & Economic Development

SUMMARY OF REQUEST: Pursuant to Public Act 255 of 1978, as amended, Gunter Properties, LLC has requested the establishment of a Commercial Redevelopment District. The creation of the district will allow the building owner to apply for a Commercial Facilities Exemption Certificate, which will freeze the taxable value of the building and exempt the new real property investment from local taxes. The district would only cover one suite in the building.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Establishment of the Commercial Redevelopment District.

PUBLIC HEARING COMMENCED: No comments were received from the public.

Motion by Commissioner Rinsema-Sybenga, second by Commissioner German, to close the public hearing and establish the Commercial Redevelopment District at 878 Jefferson Street, Suite 1.

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

Nays: None

MOTION PASSES

B. <u>Public Hearing – Issuance of a Commercial Facilities Exemption Certificate – 878 Jefferson St., Suite 1</u> Planning & Economic Development

SUMMARY OF REQUEST: Pursuant to Public Act 255 of 1978, as amended, Gunter Properties, LLC has requested the issuance of a Commercial Facilities Exemption Certificate. The certificate will freeze the taxable value of the building and exempt the new real property investment from local and state taxes. The company will be investing $100,000 and creating five jobs, which qualifies them for an abatement of 9 years.

FINANCIAL IMPACT: The real property taxes would be frozen at their pre-rehabilitated rate for the duration of the certificate.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Issuance of the Commercial Facilities Exemption Certificate.

PUBLIC HEARING COMMENCED: Shirley Green, 2574 Morton, asked if they would be adding more employees. Tammy, from Y-knot Embroidery, 488 Horton, said employees would be moving from North Muskegon and explained the nature of her business.

Motion by Commissioner Rinsema-Sybenga, second by Commissioner Warren, to close the public hearing and issue the Commercial Facilities Exemption Certificate for 878 Jefferson Street, Suite 1.

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

German

Nays: Hood

MOTION PASSES

C. <u>Public Hearing – Establishment of a Commercial Redevelopment District – 275 W. Clay Avenue</u> Planning & Economic Development

SUMMARY OF REQUEST: Pursuant to Public Act 255 of 1978, as amended, Berkshire Muskegon LDHA, LLC has requested the establishment of a Commercial Redevelopment District. The creation of the district will allow the building owner to apply for a Commercial Facilities Exemption Certificate, which will proved a 50% reduction in the number of mills levied as ad valorem taxes, excluding the State Education Tax.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Establishment of the Commercial Redevelopment District.

PUBLIC HEARING COMMENCED: No comments were received from the public.

Motion by Commissioner Warren, second by Commissioner Johnson, to close the public hearing and establish the Commercial Redevelopment District at 275 W. Clay Avenue

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

Nays: None

MOTION PASSES

D. <u>Public Hearing – Issuance of a Commercial Facilities Exemption Certificate – 275 W. Clay Avenue</u> Planning & Economic Development

SUMMARY OF REQUEST: Pursuant to Public Act 255 of 1978, as amended, Berkshire Muskegon LDHA, LLC has requested the issuance of a Commercial Facilities Exemption Certificate. The certificate provides a 50% reduction in the number of mills levied as ad valorem taxes, excluding the State Education Tax, for the commercial portion of the development. The company will be investing $587,000 in commercial space, which qualifies them for an abatement of seven (7) years. The total project costs, including the residential portion, are estimated at $16,296,000.

FINANCIAL IMPACT: The certificate provides a 50% reduction in the number of mills levied as ad valorem taxes, excluding the State Education Tax.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Issuance of the Commercial Facilities Exemption Certificate.

PUBLIC HEARING COMMENCED: No comments were received from the public.

Motion by Commissioner Johnson, second by Commissioner German, to close the public hearing and issue a Commercial Facilities Exemption Certificate at 275 W. Clay Avenue

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

Nays: None

MOTION PASSES

E. <u>Public Hearing – Request to Create a New Neighborhood Enterprise Zone District at 275 W. Clay Ave.</u> Planning & Economic Development

SUMMARY OF REQUEST: Pursuant to Public Act 147 of the Michigan Public Acts of 1992, Berkshire Muskegon LDHA, LLC has requested to create a new Neighborhood Enterprise Zone (NEZ) district for the parcel at 275 W. Clay Avenue for a mixed-use development.

FINANCIAL IMPACT: For those properties that are approved for a NEZ Certificate, taxation will be levied using half of the State average of millages of local entities.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To hold the public hearing.

PUBLIC HEARING COMMENCED: No public comments were received.

Motion by Commissioner Warren, second by Commissioner Rinsema-Sybenga, to close the public hearing.

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

Nays: None

MOTION PASSES

2017-08 NEW BUSINESS:

A. <u>Community Relations Committee Recommendations for Various City Boards and Committees</u> City Clerk

SUMMARY OF REQUEST: Accept the recommendation from the Community Relations Committee as listed below:

Planning Commission – Jill Montgomery-Keast, Bryon Mazade, and Marcia Hovey-Wright.

Civil Service – Johnny Brown

Downtown Development Authority – Mike Johnson and Don Kalisz

Zoning Board of Appeals – Ernest Fordham, Tammy Halterman, and Jonathan Witmer

Housing Code Board of Appeals – William Krick and Boyd Arthur

Historic District Commission – Susan Kroes and Steven Radtke

STAFF RECOMMENDATION: Approval

COMMITTEE RECOMMENDATION: Approve the recommendations of the Community Relations Committee from their January 24, 2017 meeting.

Motion by Commissioner Warren, second by Commissioner Johnson, to approve the recommendations of the Community Relations Committee from their January 24, 2017 meeting.

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

Nays: None

MOTION PASSES

ANY OTHER BUSINESS: Commissioner Turnquist asked for an update on projects that have been recently approved at the LC Walker Arena Commercial Distillery, proposed distillery on Sherman Boulevard, and any information on 18th Amendment, LLC. City Manager provided an update on these items.

Deb Warren reported that she has had residents request that our City Commission meetings be streamed live on Facebook. She also reported that she is the City Commissioner that has been working with Revel on designing a new City logo and that the feedback has not been positive and that the current logo seemed to be the most popular in the on-line survey. She asked about feedback the rest of the Commission has been receiving and a discussion took place.

PUBLIC PARTICIPATION: Comments were received from the public.

ADJOURNMENT: The City Commission meeting was adjourned at 8:23 p.m.

Respectfully Submitted,

Ann Marie Meisch, MMC, City Clerk