CITY OF MUSKEGON

CITY COMMISSION MEETING

JANUARY 11, 2022 @ 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, Michigan at 5:30 p.m., Tuesday, January 11, 2022. Pastor Tom Beetham, Lakeside Baptist 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 Ken Johnson, Vice Mayor Willie German, Jr., Commissioners Michael Ramsey, Teresa Emory, Rachel Gorman, and Rebecca St.Clair, City Manager Franklin Peterson, City Attorney John Schrier, and City Clerk Ann Marie Meisch.

Absent: Commissioner Eric Hood

HONORS, AWARDS, AND PRESENTATIONS:

A. Mr. Sims Ray City Service Recognition

Mr. Sims Ray has devoted 28 years as a caretaker of Smith Ryerson Park and Community Center. He and his family have cleaned and maintained the park as well as the community center. Mr. Ray has taken on a wide range of activities from litter picking to meeting and greeting local residents and visitors who rent the community center.

City staff would like to recognize the decades of service he provided to the community by renaming the community center to Sims Ray Community Center and installing a plaque dedicated to him to be placed in the community center hall.

B. Audit Presentation – Eric VanDop of Brickley DeLong; Transmittal of 6/30/21 Comprehensive Annual Financial Report

Finance Director, Kenneth Grant, introduced Eric VanDop from Brickley DeLong to present the Comprehensive Annual Financial Report to the City Commission. Brickley DeLong has served as the auditor for the City for several years. Mr. VanDop reviewed significant funds with the commission and gave a general overview the report.

PUBLIC COMMENT ON AGENDA ITEMS: No public comments received.

2022-04 CONSENT AGENDA:

A. <u>Approval of Minutes</u> City Clerk

SUMMARY OF REQUEST: To approve the minutes of the December 14, 2021 regular meeting.

STAFF RECOMMENDATION: To approve the minutes.

B. <u>Transmittal of 6/30/2021 Comprehensive Annual Financial Report</u> Finance

SUMMARY OF REQUEST: The City's June 30, 2021 Comprehensive Annual Financial Repot (CAFR) has been distributed to the City Commissioners via email and hard copy. The CAFR will also be available on the City's website. The CAFR includes the annual independent auditors report as required by state law. At this time the CAFR is being formally transmitted to the City Commission. The CAFR has been prepared in accordance with all current Governmental Accounting Standards Board (GASB) pronouncements and also includes the single audit of federal grants received by the City.

https://www.muskegon-mi.gov/cresources/CAFR-Final-compressed.pdf

STAFF RECOMMENDATION: To accept the June 30, 2021 CAFR and authorize staff to transmit the CAFR to appropriate Federal, State and private agencies.

C. <u>ADA Project Funding Reallocation</u> Public Works

SUMMARY OF REQUEST: Staff is requesting authorization to revise the previously approved allocations from the ADA project account for projects along Western Avenue.

On September 14, 2021 the City Commission allocated $200,000 toward ADA work int eh FY 21/22 budget as shown in line101-91116 between three projects as follows:

- $120,000 – Frauenthal sidewalk replacement and snow melt system
- $40,000 – Streetscaping and sidewalk replacements along Western and 2nd at The Leonard
- $40,000 – 3rd to 5th Parking/Sidewalk flex space

Subsequent to the ADA distribution it was decided to dedicate ARPA dollars towards the Frauenthal project. As such staff would like to adjust the previous ADA allocation to redistribute the Frauenthal dollars to the other projects. The proposed new distribution would be as follows:

- $100,000 - Streetscaping and sidewalk replacements along Western and 2nd at The Leonard
- $100,000 - 3rd to 5th Parking/ Sidewalk flex space

The $100,000 allocation in conjunction with The Leonard will make that project whole and complete everything required. The $100,000 allocation towards the work on Western will need additional funding from the Major Street Fund in a future reforecast to make the project whole. There is currently a budget surplus in the Major Street fund for YT 21/22 to accommodate this revision and it will be addressed in a future reforecast.

AMOUNT REQUESTED: $200,000 AMOUNT BUDGETED: $200,000

FUND OR ACCOUNT: 101-91116

STAFF RECOMMENDATION: Authorize staff to utilize the budgeted $200,000 allocation for ADA projects in partnership with The Leonard streetscaping and sidewalk replacements and for a pilot project to construct flex parking/sidewalk space along two blocks of Western Avenue between 3rd and 5th.

D. <u>Amity Avenue (92009) – Change Order #001</u> Public Works

SUMMARY OF REQUEST: Staff is requesting authorization to approve Change order #001 on the Amity Avenue construction project.

Change Order #001 for the work on Amity Avenue is requesting approval to increase the contract amount by $85,532.37 because of new items that were required on the contract. The original contract amount was $4,138,499.30 and this change order represents a 2% increase. The project budget carried a 6% contingency and this increase will not exceed that contingency.

The Amity Avenue project will be a second change order needed for this project to balance out the original items in the contract, which include many unused items. The Engineer and Contractor are in the process of finalizing those details. When Change Order #002 is finalized it is expected that it will be a net decrease and offset much of the added cost in Change Order #001.

AMOUNT REQUESTED: $82,532.37 AMOUNT BUDGETED: $248,309.96 (6% of As-Bid)

STAFF RECOMMENDATION: Authorize staff to approve Changer Order #001 to the Amity Avenue project (590/591-92009).

E. <u>Michigan & Franklin (92003) – Change Order #003</u> Public Works

SUMMARY OF REQUEST: Staff is requesting authorization to approve Change Order #003 on the Michigan & Franklin construction project.

Change Order #003 for the work on Michigan Avenue & Franklin Avenue is requesting approval to increase the contract amount by $47,820.00

There are several small adjustments needed to the Michigan and Franklin project that were identified as having been missed for previous payment during final closeout between the Engineer and contractor. These are show as Line items 1-4 and would not exceed the threshold for staff approval on their own.

Additionally, there is one large extra item shown as Line item 5 which was added onto this contract, but was completed at a different location. The storm sewer outlet at Spring Street and Webster Avenue was found to be collapsed during construction of the work on Spring Street, and required immediate emergency repair to prevent flooding and damage. The Contractor for Spring Street was unable to complete this work in a reasonable time frame due to prior commitments and as such staff worked with our Engineer to solicit bids for this work. Wadel Stabilization provided the low bid and was authorized to complete this work in accordance wit the emergency purchasing policy. Adding this work to an existing contract which was already in place with Wadel Stabilization (Michigan & Franklin) allowed for all of the contract provisions and insurance to remain in place to cover this additional work rather than starting from scratch. Commission was notified via email on 9/24/2021 of the intent to utilize the Emergency Purchasing provisions for this work.

AMOUNT REQUESTED: $47,820.00 AMOUNT BUDGETED: $47,820.00

FUND OR ACCOUNT: 202-92003 (Michigan & Franklin)

590-91851 (Spring Street)

STAFF RECOMMENDATION: Authorize staff to approve Change Order #003 to the Michigan Avenue and Franklin Avenue project.

F. Prein & Newhoff – Laketon/Lakeshore Trail Connector Engineering Assistance Public Works

SUMMARY OF REQUEST: Staff is requesting authorization to enter into a Professional Services Agreement (PSA) with Prein & Newhof to provide grant and engineering assistance related to a proposed new non-motorized trail.

This item pairs with another item on the agenda. See also the request for an amendment to the PSA with Prein &Newhof for the Sanford Street Project.

Staff is planning to pursue a combination of TAP (Transportation Alternatives Program – MDOT) and RTP (Recreational Trails Program – MDNR) funding to provide the backbone financing for the construction of a planned trail connection along Sanford and Terrace Streets. Preliminary meetings with both state agencies have verified the project as a good candidate for both programs as well as being a regional priority.

The proposed trail route would start at the intersection of Sanford/Laketon and replace the eastern sidewalk along Sanford Street north to Apple Avenue. The trail would cross Apple Avenue at the Signalized intersection (Apple/Sanford) then follow north along the sidewalk on the southwest side of Terrace Street to Shoreline Drive. The trail would cross Shoreline Drive at the signalized intersection, cross the railroad at the existing sidewalk crossing then join the Lakeshore Trail.

While the opportunity for the grant funding is encouraging it does come with the consequence of requiring the non-motorized pathway project to be separated entirely from the other utility work that is planned for Sanford Street. So, while they could be constructed in near conjunction/succession (pending grants), they must be administered entirely separately. In addition, the TAP/RTP funding would require the non-motorized trail project to be administered as an MDOT local agency program, which has a separate schedule and requirements from the other utility projects.

As such, staff is requesting to enter into a separate PSA to administer the trail project, and requesting a reduction in the original Sanford Street PSA to remove some of the expense from that agreement related to incorporating the planned trail. As these projects are best designed and planned concurrently by the same team we have not solicited bids for this work but rather have requested a proposal only from the team working on the Sanford Street utility project.

You'll not that the new agreement costs more than the reduction to the existing agreement. There are a number of reasons for that but the primary one is the requirement that the projects be administered entirely separately creating duplication of efforts in many areas. In addition, being an MDOT administered local agency project carries additional requirements that increase the cost and time required. However, if the project is successful in securing the noted grant funding, the increase in the engineering costs will be more than offset by the grant amounts.

The Sanford Street utility project is still planned for 2023 construction. With a quick turnaround and a successful grant application we could potentially pursue TAP/RTP funding for the same fiscal year. There is a possibility that FY23 funding through MDOT/MDNR will not be available in which case we may need to consider 2024 funding and construction.

AMOUNT REQUESTED: $158,700 AMOUNT BUDGETED: $0

(FY21/22, 22/23, & 23/24) ($40k IN 21/22 via Future Reforecast)

FUND OR ACCOUNT: 202

STAFF RECOMMENDATION: Authorize staff to sign the professional services agreement with Prein & Newhof to provide grant application assistance, design engineering and construction administration related to a non-motorized pathway along Sanford and Terrace Streets.

G. Prein & Newhoff – Sanford Street Engineering Assistance Amendment
Public Works

SUMMARY OF REQUEST: Staff is requesting authorization to approve Amendment #001 of the Professional Services Agreement (PSA) with Prein & Newhof related to construction of a non-motorized pathway.

This item pairs with another item on the agenda. See also the request for approval of a Professional Services Agreement with Prien & Newof for the Laketon/Lakeshore Trail Connector. More detail can be found under that item.

AMOUNT REQUESTED: -$61,000 AMOUNT BUDGETED: $400,000

(FY21/22, 22/23, & 23/24) (FY21/22 – Ref. 9/14/21 Comm. Agenda)

FUND OR ACCOUNT: 590/591

STAFF RECOMMENDATION: Authorize staff to sign the amendment to the professional services agreement with Prein & Newhof related to removing the non-motorized pathway work from the Sanford Street project.

H. <u>Traffic Control Order 72 and 73</u> Traffic/Engineering

SUMMARY OF REQUEST: Staff is requesting approval of Traffic Control Orders 72 and 73.

Traffic Control Order #72 includes a new Stop sign on Diana Avenue at the approach to Ransom Street. This is a tee-intersection that was previously uncontrolled.

Traffic Control Order #73 includes placement of Yield signs on Robinson Avenue at the approach to Palmer Street. This is a 4-leg intersection that was previously uncontrolled.

STAFF RECOMMENDATION: To approve traffic control orders #72 and #73 and authorize staff to make the necessary sign changes.

I. <u>2021-2022 School Resource Officer Agreement</u> Public Safety

SUMMARY OF REQUEST: Review and approve the School Resource Officer Agreement proposed for employment of one Muskegon Police Department officer for the 2021-2022 school year. This agreement includes a 3% increase from 2021, for a total of $24,916.73 paid to the City of Muskegon between September 2021 and June 2022.

STAFF RECOMMENDATION: To approve the contract with Muskegon High School for the 2021-2022 School year.

J. <u>Sale – 1461 Nolan Avenue</u> Planning

SUMMARY OF REQUEST: City staff is seeking authorization to sell the City owned vacant lot at 1461 Nolan Avenue to Aleschia Loughridge. Ms. Loughridge would like to purchase the City owned buildable lot at 1461 Nolan Avenue for $3,675 (75% of the True Cash value of $4,900) plus half of the closing costs and the fee to register the deed. Ms. Loughridge will be constructing a single-family home on the property.

STAFF RECOMMENDATION: Authorize the Code Coordinator to complete the sale of 1461 Nolan Avenue as described in the purchase agreement and to have the Mayor and Clerk sign the deed.

K. 1095 Third Street RFP Response Economic Development

SUMMARY OF REQUEST: Catholic Charities is in the final stages of relocating from their former offices at 1095 Third Street to their new location. The department has received one response for the Request for Proposals that was approved by commission, and seeks commission approval to move forward with the developer in drafting a Purchase and Development Agreement.

Over the last several months the City's Economic Development team has showed the former Catholic Charities site to a number of both local and regional potential developers. In the end, one developer, Suburban Property LLC, replied with a well composed and feasible development proposal. This developer has been working for some time on getting into the market in the Muskegon area, and has brought on well-regarded and credentialed architects and contractors. Staff has reviewed the proposal, and supports the program it contains for phased redevelopment of all three lots. The first phase would include the adaptive reuse of the existing building, with all three floors of the structure being used for market-rate apartments. The next phase would be 8 two-story town homes along Houston, and finally a 3-4 story mixed use building on the corner of Muskegon and Third.

STAFF RECOMMENDATION: To name Suburban Property, LLC the Preferred Developer for the City-owned property at 1095 Third Street, and to direct staff to draft a purchase and development agreement for commission consideration.

Motion by Commissioner Ramsey, second by Commissioner Gorman, to accept the consent agenda as presented.

ROLL VOTE: Ayes: Johnson, Ramsey, German, Gorman, Emory, and St.Clair

Nays: None

MOTION PASSES

2022-05 NEW BUSINESS:

A. Sales Agreement 2725 Olthoff City Manager - REMOVED

B. Pere Marquette Parking Improvements Public Works

SUMMARY OF REQUEST: Staff is seeking approval to enter into an Engineering Services Agreement (ESA) with DLZ for completion of the Parking Revisions at Pere Marquette Park.

This topic was discussed at the work session meeting on January 10, 2022 with the recommended motion set to reflect the outcome of that meeting.

AMOUNT REQUESTED: $53,150.00 or $71,265.00 AMOUNT BUDGETED: $0

FUND OR ACCOUNT: 101-92016-5300

STAFF RECOMMENDATION: Move to authorize the DPW Director to negotiate and sign a modified Engineering Services Agreement with DLZ Inc. for pedestrian and parking improvements at Pere Marquette Park. Modifications to the presented agreement will include; selection of the Option #2 design for the one-way single angle parking, removal of the surveying and design engineering for the trail north of the Bathhouse, Revising the proposed trail width to 16 FT, and including design considerations for use of the northern most row of parking in the ovals lot as flexible space for potential future use by chalets or other concession operations.

Motion by Commissioner Ramsey, second by Commissioner Gorman, to authorize the DPW Director to negotiate and sign a modified Engineering Services Agreement with DLZ Inc. for pedestrian and parking improvements at Pere Marquette Park. Modifications to the presented agreement will include; selection of the Option #2 design for the one-way single angle parking, removal of the surveying and design engineering for the trail north of the Bathhouse, Revising the proposed trail width to 16 FT, and including design considerations for use of the northern most row of parking in the ovals lot as flexible space for potential future use by chalets or other concession operations.

ROLL VOTE: Ayes: Ramsey, German, Gorman, Emory, St.Clair, and Johnson

Nays: None

MOTION PASSES

C. <u>Development Agreement – West Urban</u> City Manager

SUMMARY OF REQUEST: Staff is seeking approve the development agreement for West Urban Properties.

West Urban Properties was selected as one of three contractors for the ARPA-funded infill housing program. The goal of the program is to continue in-filling vacant lots in our core neighborhoods while ensuring the housing units are offered in a more affordable manner.

Staff awaits final guidance from the US Treasury related to level of affordability but we expect that a portion of the homes will be designated to families with incomes between 60% and 80% of AMI. The City will maintain ownership of the infill sites throughout the construction process, and will control the sales process. The City Commission will decide on each formal sale at the time of the sale – similarly to the Midtown Square projects. This will allow the City Commission more discretion in determining the depth of the affordability component of the program.

The most notable change from the model agreement previously presented to the City Commission in 2021 is the anticipated cost per house. We have raised the maximum to $235,000 to address increases in materials. While wood costs are down, it seems that all other material costs are up.

Access to housing at all levels of affordability is difficult now. We are in a prime position to lead the county in new housing while addressing the lack of livable housing for lower income earners, and I recommend that we do so. Note that the addresses are not included. There are hundreds of addresses to select from, but many were acquired via the tax foreclosure process and have title issues to address. Staff feels comfortable working with the builder to identify the most appropriate building sites that have clear title.

AMOUNT REQUESTED: $3,125,000 AMOUNT BUDGETED: $0

FUNDS: State/Federal Grants

STAFF RECOMMENDATION: To approve the development agreement and authorize the City Manager to sign.

Motion by Commissioner Ramsey, second by Commissioner St. Clair, to approve the development agreement and authorize the City Manager to sign.

ROLL VOTE: Ayes: Ramsey, German, Gorman, Emory, St.Clair, and Johnson

Nays: None

MOTION PASSES

PUBLIC COMMENT ON NON-AGENDA ITEMS: No public comments were received.

ADJOURNMENT: The City Commission meeting adjourned at 6:45 p.m.

Respectfully Submitted,

Ann Marie Meisch, MMC – City Clerk