

CITY OF MUSKEGON

CITY COMMISSION MEETING

SEPTEMBER 13, 2011

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, September 13, 2011.

Mayor Warmington opened the meeting with a prayer from Mr. George Monroe from Evanston Avenue Baptist Church 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, Commissioners Lawrence Spataro, Sue Wierengo, Steve Wisneski, Chris Carter, and Clara Shepherd, City Manager Bryon Mazade, City Attorney John Schrier, and City Clerk Ann Marie Cummings.

2011-62 CONSENT AGENDA:

A. Approval of Minutes. CITY CLERK

SUMMARY OF REQUEST: To approve minutes of the City Commission Meeting that was held on Tuesday, August 23, 2011.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the minutes.

B. Audit Contract Extension. FINANCE

SUMMARY OF REQUEST: The City is in the final year of its contract for audit services with Brickley DeLong. The firm has approached the City with a proposal to extend the contract for five years. This proposal includes a reduction of \$4,300 in the fee for the audit currently underway (FY 2011), if the City agrees to the extension. Also, fees for the next five years are lower than the previously agreed to fee for FY 2011.

The City has had a successful partnership with Brickley for several years and has enjoyed a smooth and efficient annual audit process. With staff reductions and increased demands on staff time, we think it is prudent to continue this

relationship. Additionally, Brickley is a major downtown employer and the only CPA firm located in the City that has a significant presence in the government auditing field.

FINANCIAL IMPACT:

| Fiscal Year | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|--------------------------|----------|----------|----------|----------|----------|----------|
| Previously Agreed To Fee | \$37,875 | - | - | - | - | - |
| Proposed Fee | \$33,575 | \$32,400 | \$33,275 | \$34,150 | \$35,350 | \$36,550 |

BUDGET ACTION REQUIRED: No action is required for the current year (2012) budget. Future budgets will include the amounts shown above.

STAFF RECOMMENDATION: Approval of the proposed contract extension with Brickley DeLong.

E. Congress of Cities Voting Delegate. CITY CLERK

SUMMARY OF REQUEST: To designate Commissioner Shepherd who will be in attendance at the National League of Cities Annual Business Meeting on Saturday, November 12th, to cast the City’s vote.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval.

F. Accept Resignation and Make Appointments to Various Boards and Committees. CITY CLERK

SUMMARY OF REQUEST: To accept the recommendation from the Community Relations Committee made at their meeting held on September 12, 2011, to accept the resignation of Stephen Warmington Jr. from the Income Tax Board of Review and appoint Paul Edbrooke to the Downtown Development Authority and Irene Navaro to the Citizen’s Police Review Board.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To concur with the Community Relations Committee recommendations.

G. Michigan’s Personal Property Tax. CITY MANAGER

SUMMARY OF REQUEST: Request to approve the resolution.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the resolution.

Motion by Vice Mayor Gawron, second by Commissioner Carter to approve the Consent Agenda minus items C and D.

ROLL VOTE: Ayes: Warmington, Wierengo, Wisneski, Carter, Gawron, Shepherd, and Spataro

Nays: None

MOTION PASSES

2011-63 ITEMS REMOVED FROM THE CONSENT AGENDA:

C. Gaming License Request from Muskegon Lumber Jacks Charitable Foundation. CITY CLERK

SUMMARY OF REQUEST: Muskegon Lumberjacks Charitable Foundation, 470 W. Western, Muskegon, MI 49440, is requesting a resolution recognizing them as a non-profit organization operating in the City for the purpose of obtaining a Gaming License. They have been recognized as a 501(c)(3) organization by the State.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval.

(Voted on with Item D)

D. Gaming License Request from Tempting Tables. CITY CLERK

SUMMARY OF REQUEST: Tempting Tables, 601 Terrace, Muskegon, MI is requesting a resolution recognizing them as a non-profit organization operating in the City for the purpose of obtaining a Gaming License. They have been recognized as a 501(c)(3) organization by the State.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval.

Motion by Commissioner Spataro, second by Commissioner Shepherd to approve the request for a gaming license for Muskegon Lumber Jacks Charitable Foundation and Tempting Tables.

ROLL VOTE: Ayes: Wierengo, Wisneski, Carter, Gawron, Shepherd, Spataro, and Warmington

Nays: None

MOTION PASSES

2011-64 PUBLIC HEARINGS:

A. Review 2010-2011 Consolidated Annual Performance Evaluation Report (CAPER). COMMUNITY & NEIGHBORHOOD SERVICES

SUMMARY OF REQUEST: To conduct a public hearing on September 13, 2011, to review accomplishments and receive comments from the public concerning the 2010-2011 Consolidated Annual Performance Evaluation Report (CAPER) developed by the Community and Neighborhood Services department.

After the public hearing has been conducted and all the comments have been documented, the Community and Neighborhood Services office requests that the Commission direct the staff to submit the required documents to the U. S. Department of Housing and Urban Development (HUD) in compliance with 24 CFR 91.520, by no sooner than September 14, 2011.

FINANCIAL IMPACT: The City is required to submit the CAPER report in order to continue receiving Community Development Block Grant (CDBG) and HOME funding.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To direct staff to gather comments from the public and to submit the CAPER to HUD after the public comment period has elapsed.

COMMITTEE RECOMMENDATION: The document has been reviewed by the Citizen's District Council.

The Public Hearing opened to hear and consider any comments from the public. No public comments were made.

Motion by Commissioner Carter, second by Commissioner Spataro to close the Public Hearing and approve the review of the 2010-2011 Consolidated Annual Performance Evaluation Report.

ROLL VOTE: Ayes: Wisneski, Carter, Gawron, Shepherd, Spataro, Warmington, and Wierengo

Nays: None

MOTION PASSES

**B. Request for an Industrial Facilities Exemption Certificate for Northern Machine Tool. PLANNING & ECONOMIC DEVELOPMENT
(REMOVED PER REQUEST OF APPLICANT)**

**C. Request for an Obsolete Property Rehabilitation Exemption Certificate for J&J Bail Bonds. PLANNING & ECONOMIC DEVELOPMENT
(REMOVED PER REQUEST OF STAFF)**

2011-65 NEW BUSINESS:

A. Financial Policies Update. FINANCE

SUMMARY OF REQUEST: The City's financial policies were last updated in

2008. Recommended changes include:

- Increasing the General Fund reserve policy (i.e. unassigned fund balance) from 10% to 13% of prior year actual revenues. This is reflective of the level used in the state's fiscal stress model;
- Addition of policies regarding the reporting of fund balances to bring the City into compliance with the recently issued Governmental Accounting Standards Board (GASB) statement 54;
- Streamlining the City's investment policy;
- Standardizing staff authority to write-off accounts and settle liability claims at the staff level in amounts up to \$15,000;
- Formalization of policies regarding water affidavits and water/sewer billing issues.

FINANCIAL IMPACT: The financial policies have a major impact on safeguarding the City's financial resources and interests.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval.

Motion by Commissioner Spataro, second by Vice Mayor Gawron to approve the financial policies as presented.

ROLL VOTE: Ayes: Carter, Gawron, Shepherd, Spataro, Warmington, Wierengo, and Wisneski

Nays: None

MOTION PASSES

B. Application for Special License (Liquor Control Commission). PUBLIC SAFETY

SUMMARY OF REQUEST: The Little Red House Inc. has submitted an application for a Special License for Beer, Wine and Spirits for consumption on the premises for September 24, 2011. This license is for a fundraiser dinner/dance to be held on the USS LST 393, 560 Mart Street.

The Foundation meets all of the requirements for the special license with the exception of the request for "spirits". Commission policy dictates that any special license request which includes spirits must be considered and approved by the body.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Staff has no recommendation.

Motion by Commissioner Carter, second by Commissioner Shepherd to

approve the application for a special liquor license on the USS LST 393 for Little Red House, Inc.

ROLL VOTE: Ayes: Gawron, Shepherd, Spataro, and Wierengo

Nays: Warmington, Wisneski, and Carter

MOTION PASSES

ANY OTHER BUSINESS: Commissioner Spataro commented on the 80/20 requirement for health insurance.

PUBLIC PARTICIPATION: Public comments received.

2011-66 CLOSED SESSION: Collective Bargaining and Attorney/Client Privileged Communication.

Motion by Commissioner Carter, second by Commissioner Shepherd to go into Closed Session to discuss collective bargaining and attorney/client privileged communication.

ROLL VOTE: Ayes: Shepherd, Spataro, Warmington, Wierengo, Wisneski, Carter, and Gawron

MOTION PASSES

Motion by Commissioner Carter, second by Commissioner Shepherd to come out of Closed Session.

ROLL VOTE: Ayes: Spataro, Warmington, Wierengo, Wisneski, Carter, Gawron, and Shepherd

MOTION PASSES

ADJOURNMENT: The City Commission Meeting adjourned at 7:11 p.m.

Respectfully submitted,

Ann Marie Cummings, MMC
City Clerk