

CITY OF MUSKEGON

CITY COMMISSION MEETING

NOVEMBER 25, 2014

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, November 25, 2014.

Vice Mayor Spataro 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: Vice Mayor Lawrence Spataro, Commissioners Eric Hood, Willie German, Dan Rinsema-Sybenga, Byron Turnquist, and Ken Johnson, City Manager Franklin Peterson, City Attorney John Schrier, and City Clerk Ann Marie Cummings.

Absent: Mayor Stephen Gawron (excused).

2014-89 CONSENT AGENDA:

A. Approval of Minutes. CITY CLERK

SUMMARY OF REQUEST: To approve minutes of the November 10th City Commission Meeting.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the minutes.

B. Farmers' Market - Fourth Amendment to Purchase Agreement. PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: The City is waiting for the contractor's lien period on the Farmers' Market to expire, so the property can be transferred from the DMDC to the City free of any claims. This should occur in the near future. Therefore, a Fourth Amendment to the Purchase Agreement is recommended to extend the closing date. The Amendment allows for continued operation of the Farmers' Market prior to the official closing on the property, with the City "fully responsible for any and all liability related to operating the farmers' market" during that

time. The Closing is moved to December 30, 2014, or before.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve the "Fourth Amendment to Purchase Agreement" and authorize the City Manager's signature (after the fact).

C. Farmers' Market Kitchen Operations Management Contract – First Amendment to "Contract". PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: The City of Muskegon and Pioneer Resources, in conjunction with the Muskegon County Health Department, entered into the "Operations Management Contract Farmers' Market Commercial Kitchen" on May 20, 2014. Although the Kitchen has not opened yet (equipment still needs to be purchased and installed), Pioneer and the Health Department have been actively engaged in the process. Pioneer has been responsible for organizing the Kitchen meetings and determining the best equipment to purchase. They have also been instrumental in setting up the website (along with the Health Department and the City IT Department). Therefore, we request that the original Contract be extended for another six months. By the end of that time, the Kitchen should be ready for operation. If any changes to the Contract are needed at that time, they can be included into a long-term contract.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve the "First Amendment to City of Muskegon Operations Management Contract Farmers' Market Commercial Kitchen" and authorize the Mayor and Clerk's signatures.

E. Deficit Elimination Plan for Neighborhood Stabilization Fund. FINANCE

SUMMARY OF REQUEST: At June 30, 2014, the City of Muskegon Neighborhood Stabilization Fund had a deficit balance of \$100,054. Act 275 of the Public Acts of 1980 requires that the City file a Deficit Elimination Plan with the Michigan Department of Treasury. Staff is requesting adoption of the Neighborhood Stabilization Elimination Plan and Resolution.

FINANCIAL IMPACT: As presented by the Deficit Elimination Plan, the Neighborhood Stabilization Fund will no longer have a deficit by June 30, 2015.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Adoption of the Deficit Elimination Plan Resolutions.

F. Amendment to the Resolution Vacating Nims Street between Brunswick Street and Vulcan Street. PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: This portion of Nims Street was vacated in January of

2014; however, the wording in the resolution left a small portion of the street intact. This resolution is to clarify the wording and to ensure that the entire portion of the street is vacated.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Staff recommends approval of the revised resolution.

G. Computerized Tax Roll. TREASURER

SUMMARY OF REQUEST: This resolution will allow the City of Muskegon to upload our tax roll along with other jurisdictions from the County electronically to the State of Michigan for the next several years.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval recommended.

Motion by Commissioner Rinsema-Sybenga, second by Commissioner Johnson to approve the Consent Agenda as read minus Item D.

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

Nays: None

MOTION PASSES

2014-90 ITEM REMOVED FROM THE CONSENT AGENDA:

D. Concession Contract for Concession Building at Pere Marquette Park.

PUBLIC WORKS

SUMMARY OF REQUEST: Staff is asking permission to enter into a three-year contractual agreement for 2015, 2016, and 2017 with Morse Michael of Moji Inc. for operating a Concession ("The Beach Cove") at Pere Marquette Park.

FINANCIAL IMPACT: Contract revenue for previous concession ("The Island") was \$2,188 for the 2009 operating season, \$3,625 in 2010, \$1,830 in 2011, \$1,296 in 2012, \$1,380 in 2013 and then staff negotiated with "The Beach Cove" Concessionaire for electrical upgrades to the building in 2014. Those costs included around \$2,200 in service panel upgrades in lieu of the normal 10% commission and the Concessionaire also made an additional \$1,800 in circuit/receptacle upgrades as well. Concession revenue is normally 10% of gross receipts. However, if approved by Commission, staff would once again negotiate "in-kind" services/donation to Pere Marquette Park facilities or a 10% commission of gross receipts for the length of this contract.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Authorize DPW staff to enter into a three-year Concession Agreement with Morse Michael of Moji Inc., for a Concession at the (concession/restroom/lifeguard) building at Per Marquette Park for 2015, 2016, and 2017.

Motion by Commissioner Turnquist, second by Commissioner German to approve the Concession Contract for the concession building at Pere Marquette Park.

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

Nays: None

MOTION PASSES

2014-91 PUBLIC HEARINGS:

A. Request for an Industrial Facilities Exemption Certificate for Port City Architectural Signage. PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: Pursuant to Public Act 198 of 1974, as amended, Port City Architectural Signage, 2350 S. Getty Street, has requested the issuance of an Industrial Facilities Tax Exemption Certificate. The total capital investment will be \$200,000 in real property and will create up to five jobs. This qualifies them for a tax abatement of 12 years.

FINANCIAL IMPACT: The City will capture certain additional property taxes generated by the expansion.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the resolution granting an Industrial Facilities Exemption Certificate for a term of 12 years for real property.

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

Motion by Commissioner Rinsema-Sybenga, second by Commissioner Hood to close the Public Hearing and approve the request for an Industrial Facilities Exemption Certificate for Port City Architectural Signage.

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

Nays: None

MOTION PASSES

2014-92 NEW BUSINESS:

A. 2 a.m. – 6 a.m. Parking Restriction During Winter Months. ENGINEERING

This item was removed per request of staff.

B. Concurrence with the Housing Board of Appeals Notice and Order to Demolish the Following: PUBLIC SAFETY

1338 Arthur Street

1185 Kampenga Avenue

430 Langley Street

310 Larch Avenue

1713 7th Street

SUMMARY OF REQUEST: This is to request that the City Commission concur with the findings of the Housing Board of Appeals that the structures are unsafe, substandard, a public nuisance and that they be demolished within 30 days. It is further requested that administration be directed to obtain bids for the demolition of the structures and that the Mayor and City Clerk be authorized and directed to execute a contract for demolition with the lowest responsible bidder.

FINANCIAL IMPACT: CDBG Funds.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To concur with the Housing Board of Appeals decision to demolish.

Motion by Commissioner Rinsema-Sybenga, second by Commissioner Hood to concur with the Housing Board of Appeals decision to demolish 1338 Arthur, 1185 Kampenga, 310 Larch, and 1713 7th.

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

Nays: None

MOTION PASSES

Motion by Commissioner Hood, second by Commissioner German to concur with the Housing Board of Appeals decision to demolish 430 Langley.

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

Nays: None

MOTION PASSES

C. First Quarter 2014-15 Budget Reforecast. FINANCE

SUMMARY OF REQUEST: At this time staff is transmitting the *First Quarter 2014-15 Budget Reforecast* which outlines proposed changes to the original budget that have come about as result of changes in revenue projections, policy priorities, labor contracts, updated economic conditions, or other factors.

FINANCIAL IMPACT: Significant first quarter proposed adjustments to the budget are as follows:

- The actual FY14 year-end fund balance for the General Fund was \$5,796,097 as compared to the estimated \$4,751,031 used in preparing the FY15 budget.
- General Fund revenues are reforecast to be \$1,168,650 (+4.8%) higher than originally budgeted. This increase is primarily due to grants to be received from federal, state, and local sources for the Veteran's Park improvements.
- General Fund expenditures are estimated to be \$1,134,910 or 4.7% higher than originally budgeted. This increase is largely due to the Veteran's Park capital project which is almost entirely funded by grants.
- There are a number of changes proposed for capital projects and include:
 - ◆ In the General Fund, Veteran's Park upgrades as noted above, addition of \$65,000 for City Hall elevator repairs needed, reduction of Pere Marquette Park playground equipment project from \$220,000 to \$20,000.
 - ◆ In the Major Streets Fund, proposed projects are now \$6,825,000 compared to \$2,195,000 as originally budgeted, largely due the receipt of \$3.3 million in grant funds for Muskegon and Webster.
 - ◆ In the Local Streets Fund, proposed projects were originally budgeted at \$732,000 and have been reduced to \$60,000.
 - ◆ In the Public Improvement Fund, the proposed beach warning system has been eliminated.
 - ◆ In the State Grants Fund, the two projects in the original budget have been moved to other funds.
 - ◆ In the Sewer Fund, adjustments have been made to reflect the SAW grant and the carryover of infiltration grant funds from the previous year.
 - ◆ In Marina Fund, the docks and building improvements project has been removed.
 - ◆ In the Equipment Fund, capital items have been adjusted to reflect revisions of needs versus available resources.

BUDGET ACTION REQUIRED: City Commission approval of this reforecast will formally amend the City's 2014-15 budget.

STAFF RECOMMENDATION: Approval.

Motion by Commissioner Rinsema-Sybenga, second by Commissioner Johnson to approve the First Quarter 2014-15 Budget Reforecast.

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

Nays: None

MOTION PASSES

2014-93 ANY OTHER BUSINESS:

Discussion was held on the Muskegon and Webster project. Consensus was to leave the two lights in place at Third Street and Muskegon Avenue as well as Third Street and Webster Avenue and synchronize those two lights and the one on Clay & Third Street to facilitate the north-south traffic.

PUBLIC PARTICIPATION: Public comments were received.

ADJOURNMENT: The City Commission Meeting adjourned at 6:45 pm.

Respectfully submitted,

Ann Marie Cummings, MMC
City Clerk