

CITY OF MUSKEGON

CITY COMMISSION MEETING

SEPTEMBER 13, 2016

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, September 13, 2016.

Pastor Wally Reames, Central Assembly of God, 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 Dan Rinsema-Sybenga, Ken Johnson, Debra Warren, and Willie German, Jr., City Manager Franklin Peterson, City Attorney John Schrier, and Deputy City Clerk Kimberly Grimm.

Absent: Commissioner Byron Turnquist

Ron Jenkins from the Muskegon Lake Hawks updated the City Commission and the audience on the team's achievements and the upcoming season.

2016-69 CONSENT AGENDA:

A. Approval of Minutes City Clerk

SUMMARY OF REQUEST: To approve the minutes of the August 23, 2016 Regular City Commission Meeting.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval of the minutes.

B. Request to Fly Breast Cancer Ribbon Flags City Clerk

SUMMARY OF REQUEST: As they have done in the past, Tempting Tables is requesting the use of City flag poles at the Farmer's Market, Hackley Park, City Hall, Shoreline Drive, Root Park, Hartshorn Marina, and the Fire Station for the month of October to bring greater awareness of breast cancer to our community.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval of the request.

D. Transfers to Engineering, Public Improvement and Arena Funds
Finance

SUMMARY OF REQUEST: During the close out of fiscal year 2015-16 and based on the financial results for the fiscal year ended June 30, 2016, staff transferred \$50,000 from the general fund to the engineering services fund to eliminate a fund balance deficit in that fund. In addition, staff transferred \$750,000 from the general fund to the public improvement fund to eliminate a fund balance deficit in that fund and \$250,000 to support the arena fund.

FINANCIAL IMPACT: \$50,000 from the general fund to engineering services fund, \$750,000 from the general fund to the public improvement fund, and \$250,000 from the general fund to the arena fund.

BUDGET IMPACT REQUIRED: None

STAFF RECOMMENDATION: Formal approval of the transfers from the general fund to the engineering services fund, public improvement fund, and arena fund, effective June 30, 2016.

E. Bid Tabulation for HVAC Condenser Replacement at L.C. Walker Arena Annex City Manager and Finance Director

SUMMARY OF REQUEST: Two bids were received from contractors to perform work to replace the HVAC condenser at the arena annex building. Northside Heating, Cooling, and Refrigeration, Inc. was the lowest cost from the bids received. Therefore, based on cost and quality of work, staff requests the approval of Northside Heating, Cooling & Refrigeration, Inc. for the replacement of the HVAC condenser at the L.C. Walker Arena Annex.

FINANCIAL IMPACT: Total proposed cost of \$40,020 to replace the HVAC condenser at the arena annex building.

BUDGET ACTION REQUIRED: Fiscal year 2016-17 budget to be adjusted to reflect the need to replace the HVAC condenser at the L.C. Walker Arena Annex.

STAFF RECOMMENDATION: To approve the bid received from Northside Heating, Cooling, & Refrigeration, Inc. for the replacement of the HVAC condenser at the L.C. Walker Arena Annex.

H. Community Relations Committee Recommendations for Various City Boards and Committees City Clerk

SUMMARY OF REQUEST: Accept the recommendations from the Community Relations Committee to accept the resignation of Rosalind Ford from the Citizen's District Council and appoint Lisa Judge to the Citizen's District Council.

FINANCIAL IMPACT: None

STAFF RECOMMENDATION: Approval

STAFF RECOMMENDATION: Approval

COMMITTEE RECOMMENDATION: Approval

Motion by Commissioner Johnson, second by Commissioner Warren, to approve the Consent Agenda as presented with the exception of Items C, F, & G.

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

Nays: None

MOTION PASSES

2016-70 ITEMS REMOVED FROM CONSENT AGENDA:

C. Supplemental MERS Contribution Finance

SUMMARY OF REQUEST: One of the most significant financial challenges facing the city and many other governments across the nation is the issue of pension funding. Relative to many other cities, Muskegon's pension plans have historically been considered well-funded. However, in recent years, due in part to lower than expected investment returns and changes in actuarial assumptions, the funding levels of the city's pension plans have decreased. Paying down the city's existing pension legacy costs will present budget challenges for years to come.

For the fiscal year that ended June 30, 2016, staff conservatively budgeted for an increase in pension costs. During the course of fiscal year 2015-16, an additional \$206,831.82 was expensed and accumulated for payment towards the city's pension costs. At this time staff believes it is appropriate to take this opportunity to make a \$206,831.82 supplemental payment (above the actuarial computed amount) to MERS. This is money that the city would be required to pay to MERS eventually. Paying early, while the city is in a position to do so, makes time an ally (instead of an enemy) and may help to ease some pressure on future city budgets.

FINANCIAL IMPACT: \$206,831.82 supplemental payment to MERS. \$201,831.82 will be paid from monies already set aside for MERS in the collector fund.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Authorize staff to make a supplemental \$206,831.82 payment to MERS no later than October 31, 2016.

Motion by Commissioner German, second by Commissioner Johnson, to authorize staff to make a supplemental \$206,831.82 payment to MERS no later

than October 31, 2016

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

Nays: None

MOTION PASSES

F. Request to Create a New Neighborhood Enterprise Zone District at 316 Morris Street Planning & Economic Development

SUMMARY OF REQUEST: Pursuant to Public Act 147 of the Michigan Public Acts of 1992, Hinman Lake, LLC has requested to create a new Neighborhood Enterprise Zone district for the parcel at 316 Morris Street. Properties located in this NEZ district will be eligible to apply for NEZ certificates, which will lower the residential property taxes for rehab construction. Notice letters were sent to the taxing jurisdictions on July 1 and a public hearing was held on July 12. State law requires that the resolution must be adopted at least 60 days after the notice letters were sent. This project will include 19 condo units that will be located on the 6th and 7th floors of the current building.

FINANCIAL IMPACT: No financial impact at this point. However, being in a district will allow them to apply for a rehab NEZ certificate, which will freeze the building at its pre-rehabilitated rate for 1 to 15 years.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Staff recommends approval of the new NEZ district.

Motion by Commissioner Rinsema-Sybenga, second by Vice Mayor Hood, to approve the new Neighborhood Enterprise Zone District at 316 Morris Street.

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

Nays: None

MOTION PASSES

G. Special Projects Coordinator City Manager

SUMMARY OF REQUEST: To create the position of Special Project Coordinator and authorize staff to begin the process of filling the position.

FINANCIAL IMPACT: The position will be advertised at Range VII-B with a salary range of \$43,154 to \$57,110.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To create the position of Special Project Coordinator and authorize staff to begin the process of filling the position.

Motion by Commissioner German, second by Commissioner Warren, to create the position of Special Project Coordinator and authorize staff to begin the process of filling the position.

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

Nays: None

MOTION PASSES

2016-71 UNFINISHED BUSINESS:

A. Request to Add Parcels to the City's Existing Groundwater Ordinance
Planning & Economic Development – SECOND READING

SUMMARY OF REQUEST: The City has received an application to designate 52 parcels under the water supplies ordinance. These parcels are associated with the former Mobil Oil Pipeline – Sisson Avenue at McCracken Street. The ordinance prohibits the use of groundwater wells and secondary water supplies under certain circumstances and in certain locations, to prevent exposure to contaminated groundwater, as well as to prevent wells from influencing the movement of contaminated water. Notice was sent to the affected addresses prior to this meeting.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval of the ordinance amendment to add the additional 52 parcels.

Motion by Commissioner Rinsema-Sybenga, second by Commissioner German, approve the ordinance amendment to add the additional 52 parcels.

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

Nays: None

MOTION PASSES

2016-72 NEW BUSINESS:

A. Request to Create a New Neighborhood Enterprise Zone District at 965 W Western Avenue & 920 Washington Avenue Planning & Economic Development

SUMMARY OF REQUEST: Pursuant to Public Act 147 of the Michigan Public Acts of 1992, P & G Holdings NY, LLC has requested to create a new Neighborhood Enterprise Zone (NEZ) district for the parcels at 965 West Western Avenue and 920 Washington Avenue. Properties located in this NEZ district will be eligible to apply for NEZ certificates which will lower the residential property taxes for rehab

construction. Notice letters were sent to the taxing jurisdictions on July 1 and a public hearing was held on July 12. State Law requires that the resolution must be adopted at least 60 days after the notice letters were sent. This project will include 120 new market rate apartment units.

FINANCIAL IMPACT: No financial impact at this point. However, being in a district will allow them to apply for a rehab NEZ certificate, which will freeze the building at its pre-rehabilitated rate for 1 to 15 years.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Staff recommends approval of the new NEZ district.

Motion by Commissioner Rinsema-Sybenga, second by Vice Mayor Hood, to approve the new Neighborhood Enterprise Zone District at 965 West Western and 920 Washington Street.

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

Nays: German and Johnson

MOTION PASSES

B. LED Street Light Assessment City Manager

SUMMARY OF REQUEST: To set a public hearing for October 11, 2016 for the creation of a proposed city-wide streetlight assessment district.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To set the public hearing for October 11, 2016.

Motion by Commissioner Johnson, second by Commissioner Warren, to set a public hearing for October 11, 2016 for the creation of a proposed city-wide streetlight assessment district.

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

Nays: German

MOTION PASSES

PUBLIC PARTICIPATION: Public Comments were received.

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

Respectfully Submitted,

Kimberly Grimm, Deputy City Clerk