

CITY OF MUSKEGON

CITY COMMISSION MEETING

MAY 25, 2010

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, May 25, 2010.

Mayor Warmington opened the meeting with a prayer from Commissioner Spataro 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, and Steve Wisneski, City Manager Bryon Mazade, City Attorney John Schrier, and City Clerk Ann Marie Becker.

Commissioner Clara Shepherd arrived at 5:43 p.m.

Absent: Commissioner Chris Carter (excused).

2010-45 CONSENT AGENDA:

A. Approval of Minutes. CITY CLERK

SUMMARY OF REQUEST: To approve minutes for the May 10th Special Commission Meeting, the May 10th Commission Worksession, and the May 11th Regular Commission Meeting.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the minutes.

B. 2010-2011 Michigan Municipal League Membership Dues. CITY CLERK

SUMMARY OF REQUEST: Approval to pay the 2010-2011 MML dues in the amount of \$8,886. The MML is continuing the freeze on the membership dues, and in addition, will no longer levy the Environmental Affairs Assessment. These changes represent a 12% reduction in the overall dues payment.

FINANCIAL IMPACT:	MML Dues	\$8,078
	Legal Defense Fund	<u>\$ 808</u>
	Total	\$8,886

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval.

C. 2010 Water Treatment Chemical Bids. WATER FILTRATION

SUMMARY OF REQUEST: Recommend endorsement of contract extension for the previous lowest responsible bidders to supply aluminum sulfate and fluoride for the Water Filtration Plant as allowed by contract.

FINANCIAL IMPACT: Annual cost of \$141,200 (based on average annual water pumped to mains).

BUDGET ACTION REQUIRED: None at this time. These chemicals are budgeted annually.

STAFF RECOMMENDATION: Staff recommends the Mayor and City Commission endorse the bid extensions received and allow staff to enter into contract with US Aluminate Co. (USALCO) for aluminum sulfate and Lucier Chemical Industries Ltd. for fluoride.

**D. Liquor License Request for L. C. Walker Arena, 470 W. Western Avenue.
CITY CLERK**

SUMMARY OF REQUEST: The Liquor Control Commission is seeking local recommendation on a request from the City of Muskegon to drop JS Hockey Enterprises, Inc. as Co-Licensee and add Logger Hockey, LLC as Co-Licensee in the 2009 Class C Licensed Business issued under MCL 436.1509 with Dance Permit, 9 Bars, and Official Permit (Food) and Outdoor Service (2 Areas) located at 470 W. Western.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: All departments are recommending approval.

**E. Amendments to the Zoning Ordinance – Community Gardens. PLANNING
& ECONOMIC DEVELOPMENT**

SUMMARY OF REQUEST: Staff initiated request to amend Section 2313 of Article XXIII to add provisions for Community Gardens.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve the zoning ordinance amendment.

COMMITTEE RECOMMENDATION: The Planning Commission recommended approval of the request at their May 13th meeting.

(REQUIRES SECOND READING)

F. Rezoning Request for a Portion of the Property Located at 1700 Messler

Street. PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: Request to rezone a portion of the property located at 1700 Messler Street, from I-2, General Industrial District to B-4, General Business District. The Credit Union, which is currently operating as a legal non-conforming use, would like to purchase the lot from Brunswick, but it would create an illegal lot split due to a minimum lot size requirements. Rezoning the property to B-4 would bring the use to conformity and would allow the property to meet the minimum lot requirements for a B-4 lot. The properties would be split after the rezoning is approved.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Staff recommends approval of the rezoning.

COMMITTEE RECOMMENDATION: The Planning Commission recommended approval of the request at their May 13th meeting.

(REQUIRES SECOND READING)

G. Consideration of Bids for SP-221 Energy Efficiency Upgrades.
ENGINEERING

SUMMARY OF REQUEST: Award the Energy Efficiency Upgrades project to Tridonn Construction Co. out of Muskegon, MI using the base bid since they were the lowest responsible bidder with a total bid price of \$93,500. Also, authorize staff to add as many of the alternate bid items to this contract as the budget/grant will allow for.

FINANCIAL IMPACT: The construction cost of \$93,500.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Award the contract to Tridonn Construction Co. and authorize staff to add alternate bid items.

H. Partial Payoff of CMI Brownfield Redevelopment Loan. FINANCE

SUMMARY OF REQUEST: In 2007-08, the City borrowed \$500,000 from MDEQ for Brownfield cleanup and redevelopment. Under terms of the loan, no interest was charged until 3/18/10 at which time interest began to accrue at rate of 2%. To date, the City has re-loaned (or committed to re-loan) approximately \$270,000 for projects on Henry Street (Betten) and in the Smartzone. Developers of these projects have committed to repaying the City at the same 2% rate as we are being charged. There are no other current prospects for use of the remaining loan proceeds. Therefore, staff recommends repaying the unused funds to the state.

FINANCIAL IMPACT: Interest costs on the unused loan proceeds exceed our earnings rate. Repaying part of the loan will reduce these negative arbitrage costs.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Authorize staff to repay to the State of Michigan the unspent CMI Brownfield Loan proceeds.

Motion by Vice Mayor Gawron, second by Commissioner Wisneski to approve the Consent Agenda as read.

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

Nays: None

MOTION PASSES

2010-46 UNFINISHED BUSINESS:

A. SECOND READING: Ordinance Setting Fiscal Year and Budget Calendar.
FINANCE

SUMMARY OF REQUEST: Last November, voters approved Charter Amendments that gave the City Commission authority to set the City's fiscal year and change the budget adoption process. The ordinance is intended to implement these changes. The proposed ordinance sets the City's fiscal year as of July 1 (starting in 2010) and also lays out a budget adoption process that eliminates the requirement we have had in the past of adopting a budget months in advance of the start of the fiscal year.

FINANCIAL IMPACT: The change in fiscal years will help stabilize City finances and make the City's fiscal period consistent with the majority of Michigan's city governments. The change in budget process will help ensure the City's budget is prepared with the most current information available and does not become outdated before the fiscal year begins.

BUDGET ACTION REQUIRED: None at this time.

STAFF RECOMMENDATION: Adoption of the ordinance.

Motion by Commissioner Spataro, second by Vice Mayor Gawron to adopt the ordinance regarding setting the fiscal year and budget calendar.

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

Nays: None

MOTION PASSES

2010-47 NEW BUSINESS:

A. Transmittal of Proposed 2010-11 Budget. FINANCE

SUMMARY OF REQUEST: Transmittal of 2010-11 budget per new ordinance that has been presented to you for adoption. This budget implements the change to a July 1 fiscal year start.

FINANCIAL IMPACT: See budget document.

BUDGET ACTION REQUIRED: The budget must be approved on or before the second City Commission Meeting in June.

STAFF RECOMMENDATION: The budget will be discussed in detail at the June 7th Commission Worksession.

No action necessary at this time.

B. Sappi Settlement Agreement. CITY MANAGER

SUMMARY OF REQUEST: To approve a settlement agreement between the City of Muskegon and Sappi Fine Paper North America to resolve any tax-related claims between the parties.

FINANCIAL IMPACT: Approximately \$700,000 to the City.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve the agreement and authorize the Mayor and Clerk to execute it.

Motion by Vice Mayor Gawron, second by Commissioner Wisneski to approve the Sappi settlement agreement.

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

Nays: None

MOTION PASSES

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

362 E. Forest Avenue

510 White Avenue (Area 11) - **WITHDRAWN PER STAFF REQUEST**

1847 5th Street (Garage)

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 Spataro, second by Vice Mayor Gawron to concur with the Housing Board of Appeals notice and order to demolish 1847 5th Street garage

only.

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

Nays: None

MOTION PASSES

Commissioner Shepherd arrived at 5:43 p.m.

Motion by Commissioner Spataro, second by Commissioner Wisneski to concur with the Housing Board of Appeals notice and order to demolish 362 E. Forest.

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

Nays: None

MOTION PASSES

ANY OTHER BUSINESS: Commissioner Spataro announced that the Muskegon Community College softball team won the National Junior College Athletic Association Division II softball national championship on Saturday.

PUBLIC PARTICIPATION: Various comments were heard from the public.

ADJOURNMENT: The City Commission Meeting adjourned at 5:53 p.m.

Respectfully submitted,

Ann Marie Becker, MMC
City Clerk