

CITY OF MUSKEGON

CITY COMMISSION MEETING

MARCH 9, 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, March 9, 2010.

Mayor Warmington opened the meeting with a prayer from Elder 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 Steve Wisneski, Clara Shepherd, Lawrence Spataro, and Sue Wierengo, City Manager Bryon Mazade, City Attorney John Schrier, and City Clerk Ann Marie Becker.

Absent: Commissioner Chris Carter.

2010-19 CONSENT AGENDA:

A. Approval of Minutes. CITY CLERK

SUMMARY OF REQUEST: To approve minutes for the February 19th Goal Setting Meeting and the February 23rd Regular Commission Meeting.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the minutes.

C. Liquor License Transfer Request for 88 Gas & Beer, Inc., 1992 S. Getty Street. CITY CLERK

SUMMARY OF REQUEST: The Liquor Control Commission is seeking local recommendation on a request from 88 Gas & Beer, Inc. to transfer ownership of the 2009 SDM License located at 1992 S. Getty, from Raj & Sidhu, Inc.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: All departments are recommending approval.

D. Purchase of 531 Orchard. COMMUNITY & NEIGHBORHOOD SERVICES

SUMMARY OF REQUEST: To approve the purchase of 531 Orchard from Jay Dee Property LLC of 1375 5th Street, Muskegon, MI 49442 for the appraised price of \$13,000.

After 531 Orchard is obtained, the City will demolish the property as a part of its Operation R & R II Orchard Street Redevelopment program.

FINANCIAL IMPACT: The funding for the purchase will be taken from CDBG program income and the demolition of the property will be funded with Neighborhood Stabilization funds.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve the request to purchase the property.

E. 2010-2011 Healthcare & Wellness Program. FINANCE

SUMMARY OF REQUEST: It is time to renew the City's healthcare coverage for 2010-11. Last year significant changes were made to the healthcare program including introduction of HRA accounts and adoption of Priority Health's "co-pay alignment" program. These measures helped stabilize costs in 2010. However, healthcare costs continue to rise. Renewal premiums for the City's current healthcare program have come in at \$815.85/employee/month, a 9.45% increase over the current rate (\$745.40).

Staff proposes implementation of a formal wellness initiative tied to specific benefit levels. For 2010-11, Wellness Program participation will mean the City will continue to pay HRA deductibles; non-participants will pay the first \$500 (single)/\$1,000 (family) of the deductible. As employee deductible shares increase in future years, a differential will be maintained to incentivize Wellness participation.

FINANCIAL IMPACT: Following is a comparison of current and next year costs for the Priority Health HMO program:

	2009-10	2010-11
Premium	\$8,945	\$9,790
Self-Insured HRA Costs (a)	900	981
Employee Premium Co-pay	(520)	(520)
Net City Cost/EE	9,325	10,251
Number of Covered Employees (b)	234	234
Total Annual City Cost	\$2,182,050	\$2,398,734
(a) Estimated based on YTD experience		
(b) Will likely decrease in 2010-11 due to cutbacks		

BUDGET ACTION REQUIRED: None at this time. Employee and retiree healthcare costs are included in the 2010 budget. Five months of the 2010 budget year will be at the "old" rate and seven months will be at the "new" rate. The net weighted average monthly cost for 2010 is \$9,865/EE vs. a budgeted amount of \$9,842/EE. There are adequate reserves in the General Insurance Fund to cover the difference.

STAFF RECOMMENDATION: Authorize staff to execute documents with Priority Health to renew healthcare coverage and implement the Wellness program outlined herein.

F. Project Safe Neighborhood Subaward Agreement. PUBLIC SAFETY

SUMMARY OF REQUEST: The United States Department of Justice, Office of Justice Programs, has awarded the Muskegon Police Department a \$5,000 grant under the auspices of Project Safe Neighborhoods (PSN). PSN is a nationwide, anti-gun initiative. We have been a member of the PSN Federal Taskforce since its inception. The award money will be utilized to purchase a ProHD CCD Camcorder with accessories. This camcorder will be used to aid us in processing crime scenes.

The award is being administered by Grand Valley State University, who serves as the Primary Awardee. The Director of Public Safety is asking that you authorize him to sign the appropriate grant award documents.

FINANCIAL IMPACT: None, no matching funds are required.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Authorize the Director of Public Safety to enter into the agreement.

G. City-MDOT Agreement for the Bridge Work on US-31BR over the South Branch of the Muskegon River. ENGINEERING

SUMMARY OF REQUEST: To approve the contract with MDOT for the decks reconstruction of the two bridges on US-31 BR over the south branch of the Muskegon River and to approve the resolution authorizing the Mayor and City Clerk to sign the contracts.

FINANCIAL IMPACT: The City's required participation on this MDOT project is expected to be \$98,900.

BUDGET ACTION REQUIRED: This project needs to be incorporated into the 2010 CIP budget.

STAFF RECOMMENDATION: Approve the contract and resolution and authorize the Mayor and Clerk to sign both.

H. Fireworks Display Permit for West Michigan Burnerz. CITY CLERK

SUMMARY OF REQUEST: West Michigan Burnerz is requesting approval of a fireworks display permit for March 12, 2010, at the L. C. Walker Arena during the Hockey Game. Fire Marshall Metcalf has reviewed the request and recommends approval contingent on inspection of the fireworks and approval of the insurance.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval contingent on inspection of the fireworks and approval of the insurance.

I. Community Relations Committee Resignations and Appointments. CITY CLERK

SUMMARY OF REQUEST: To accept the recommendations from the Community Relations Committee made at the meeting held on March 8, 2010, as follows:

Accept resignation from Shontea L. Jenkins from the Civil Service Board

Removal of Muhammad Hakeem from the Citizen's District Council due to requirement of City resident not met at this time.

To table the Civil Service appointment until the next meeting scheduled in April.

To have the Land Reutilization Committee discontinued.

Waive resident requirement for Citizens on the Local Development Finance Authority and include persons with "Interest in the District".

Appointments of Ken Kraus as Citizen to the Downtown Development Association, and T. Arnold Boezaart, Melissa Wickman, Jeffery Burr, Rosie Buchanan as Citizens/Interest in District to the Local Development Finance Authority.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

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

Motion by Vice Mayor Gawron, second by Commissioner Spataro to approve the Consent Agenda as read minus item B.

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

Nays: None

MOTION PASSES

2010-20 ITEM REMOVED FROM THE CONSENT AGENDA:

B. Gaming License Request for the Greater Muskegon Woman's Club.

CITY CLERK

SUMMARY OF REQUEST: The Greater Muskegon Woman's Club 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 Vice Mayor Gawron to approve the Gaming License request for the Greater Muskegon Woman's Club.

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

Nays: None

MOTION PASSES

2010-21 PUBLIC HEARINGS:

A. Recommendation for Annual Renewal of Liquor Licenses. CITY CLERK

SUMMARY OF REQUEST: To adopt a resolution recommending non-renewal of those liquor license establishments who are in violation of Section 50-146 and 50-147 of the Code of Ordinances for the City of Muskegon. These establishments have been found to be in non-compliance with the City Code of Ordinances and renewal of their liquor licenses should not be recommended by the City Commission. If any of these establishments come into compliance by March 22, 2010, they will be removed from this resolution and recommendation for their renewal will be forwarded to the Liquor Control Commission.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Adoption of the resolution.

The Public Hearing opened to hear and consider any comments from the public. Comments were heard from: Michelle Harris, Dockers Restaurant, 3505 Marina View Point; Vincent Stafney, Muskegon Recreation Club, 1763 Lakeshore; Jennifer Osborn, Captain Jack's Bar & Grill, 1601 Beach; and Jason, Walgreens, 840 W. Sherman.

Motion by Vice Mayor Gawron, second by Commissioner Wisneski to close the Public Hearing and adopt the resolution approving the annual renewal of liquor licenses to be in compliance by March 23, 2010.

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

Nays: None

MOTION PASSES

2010-22 NEW BUSINESS:

A. Consideration of Bids for B-241 Heritage Landing Bike Path Extension.
ENGINEERING

SUMMARY OF REQUEST: Award the Heritage Landing Bike Path Extension project to Accurate Excavators out of Muskegon since they were the lowest responsible bidder with a total bid price of \$43,140 (without prevailing wages).

FINANCIAL IMPACT: The construction cost of \$43,140 plus engineering which is estimated at an additional 10%.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Award the construction project to Accurate Excavators.

Motion by Vice Mayor Gawron, second by Commissioner Wierengo to award the construction project for the Heritage Landing Bike Path Extension to Accurate Excavators.

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

Nays: None

MOTION PASSES

B. Water Bond Refunding. FINANCE

SUMMARY OF REQUEST: You may recall that in January 2009, the City Commission adopted an ordinance to initiate and authorize the refunding of Series 1999 and Series 1993 water revenue bonds. However, interest rates did not cooperate and the refunding was deemed uneconomical before it could be completed.

Interest rates are again favorable and a recent analysis shows that these bonds can be refunded with projected present value savings to the City of \$299,017. This equates to 4.80% of the outstanding principal. A general rule of thumb is that PV savings should equal at least 2% of bond principal in order to proceed with a refunding.

FINANCIAL IMPACT: A formal analysis of the proposed bond refunding is available.

BUDGET ACTION REQUIRED: None at this time. Interest savings will be reflected in future years' water fund budgets.

STAFF RECOMMENDATION: Adoption of the ordinance which amends the original Commission action and authorizes staff to execute documents to sell the water refunding bonds.

Motion by Vice Mayor Gawron, second by Commissioner Wierengo to adopt the ordinance which amends the original Commission action and authorizes staff to execute documents to sell the water refunding bonds.

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

Nays: None

MOTION PASSES

C. Summer Celebration Payment Deferral. CITY MANAGER

SUMMARY OF REQUEST: To consider a request from Summer Celebration for an extension and payment plan for 2009 city services.

FINANCIAL IMPACT: \$66,299.93 due for 2009.

BUDGET ACTION REQUIRED: The lack of payment negatively impacted the 2009 budget.

STAFF RECOMMENDATION: None.

Motion by Commissioner Spataro, second by Vice Mayor Gawron to authorize the Summer Celebration payment deferral.

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

Nays: None

MOTION PASSES

2010-23 ANY OTHER BUSINESS: Some Commissioners requested the City Manager prepare an ethics resolution to be presented at the March 23rd City Commission Meeting.

PUBLIC PARTICIPATION: Various comments were heard from the public.

ADJOURNMENT: The City Commission Meeting adjourned at 6:06 p.m.

Respectfully submitted,

Ann Marie Becker, MMC
City Clerk