

CITY OF MUSKEGON

CITY COMMISSION MEETING

APRIL 24, 2007

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, April 24, 2007.

Mayor Warmington opened the meeting with a prayer from Reverend Michael Borgert from First Christian Reformed 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, Commissioner Chris Carter, Kevin Davis, Clara Shepherd, Lawrence Spataro, and Sue Wierengo, City Manager Bryon Mazade, City Attorney John Schrier, and City Clerk Ann Marie Becker

2007-34 CONSENT AGENDA:

A. Approval of Minutes. CITY CLERK

SUMMARY OF REQUEST: To approve minutes for the April 9th Commission Worksession, and the April 10th Regular Commission Meeting.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the minutes.

B. Rezoning Request for Property Located at 527 Young Street. PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: Request to rezone the property located at 527 Young Street, from I-1, Light Industrial district to I-2, General Industrial district.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Staff recommends approval of the request.

COMMITTEE RECOMMENDATION: The Planning Commission recommended approval of the request at their April 12th meeting. The vote was unanimous,

with B. Smith absent.

C. Donation of Bicycles - Muskegon County Health Department. PUBLIC SAFETY

SUMMARY OF REQUEST: The Director of Public Safety is requesting Commission approval to donate four abandoned/recovered bicycles to the Muskegon County Health Department. This summer the Health Department will be piloting a community bicycle program within the City. The program will work as follows: A person pays a \$5 registration fee and is issued an identification card. When a bicycle is needed, the registrant is issued a bicycle and a lock. The registrant is responsible for returning the bicycle to the Health Department, where the bicycles will be stored.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the agreement.

D. Beach Leveling. PUBLIC WORKS

SUMMARY OF REQUEST: Authorize staff to enter into a three-year contract with JSN Excavating to perform the beach leveling contract for the years 2007, 2008, and 2009 at a cost of \$41,500, \$45,000, and \$47,500 respectively (total cost of the contract is \$134,000). JSN was the lowest responsible bidder.

FINANCIAL IMPACT: Cost \$41,500 in 2007, \$45,000 in 2008, and \$47,500 in 2009.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Authorize staff to enter into a contract with JSN.

F. Purchase of 2265 Lincoln. COMMUNITY & NEIGHBORHOOD SERVICES

SUMMARY OF REQUEST: To approve the purchase of 2265 Lincoln from the U. S. Department of Housing and Urban Development for \$1 through its "Good Neighbor" program. Under the Good Neighbor program guidelines, a municipality can purchase a house for \$1, if a property that is for sale by Housing and Urban Development is on the market for six months or more.

After 2265 Lincoln is obtained by the City, the Community & Neighborhood Services Department will contract to have the current two-unit structure converted back to a single-family unit.

FINANCIAL IMPACT: The dollar will come from Community and Neighborhood Services HOME program fund.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve the request.

G. Consideration of Bids for Knollwood Ct., Beach Street to End (H-1625). ENGINEERING

SUMMARY OF REQUEST: Award the contract for Knollwood Ct. from Beach Street to End to Felco Contractors, Inc. of Muskegon, MI since they were the lowest responsible bidder with a bid price of \$73,385.

FINANCIAL IMPACT: The construction cost of \$73,385 plus engineering cost which is estimated at an additional 15%.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Award the contract to Felco Contractors, Inc.

Motion by Commissioner Carter, second by Commissioner Davis to approve the Consent Agenda as read minus items E and H.

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

Nays: None

MOTION PASSES

2007-35 ITEMS REMOVED FROM THE CONSENT AGENDA:

E. 2007 Water Treatment Chemical Bids. PUBLIC WORKS

SUMMARY OF REQUEST: Recommend endorsement of lowest responsible bidders to supply aluminum sulfate, sodium hypochlorite, and fluoride for the Water Filtration Plant.

FINANCIAL IMPACT: Annual cost of \$116,943 (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 low bids received and the contract renewal and enter into contracts with US Aluminate, Rowell Chemical, and Lucier Chemical for aluminum sulfate, sodium hypochlorite, and fluoride respectively.

Motion by Commissioner Carter, second by Commissioner Spataro to approve the 2007 water treatment chemical bids.

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

Nays: None

MOTION PASSES

H. Multiple Special Event Liquor License Request. ASSISTANT CITY MANAGER

SUMMARY OF REQUEST: Racquets Downtown Grill, located at 446 W. Western Avenue is requesting an extension of their liquor license to be able to host an

outside entertainment area during their scheduled Taste of Muskegon/Main Street Car Show event, scheduled for June 21st thru June 24th. The first license is held by Party in the Park for the June 22nd date only.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

COMMITTEE RECOMMENDATION: This event was approved by the Leisure Services Board at their April 16th meeting.

Motion by Commissioner Spataro, second by Vice Mayor Gawron to approve the multiple Special Event liquor license request from Racquets Downtown Grill.

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

Nays: None

MOTION PASSES

2007-36 NEW BUSINESS:

A. 2007-2008 Healthcare Renewal. FINANCE

SUMMARY OF REQUEST: It is time to renew the City's healthcare coverage for the 2007-08 plan year. Healthcare costs for the City, like all employers, continue to rise rapidly. Renewal rates for the City's current healthcare program came in at \$817.28/employee/month, about 10% higher than the current rate (\$744.43). In dollar terms, this translates into an annual cost increase of \$218,550. Staff believes certain adjustments must be made to bring the amount of cost increase down to a more manageable level given our budget uncertainties and the likelihood of state revenue sharing cuts. Accordingly, we are proposing a healthcare benefit renewal that includes the following adjustments:

1. Increase in office co-pay visits from the current \$10/visit to \$15/visit
2. Increase in the co-pay for emergency room care from \$25 to \$50
3. Increase in the co-pay for "urgent care" (e.g. Norton Medi Center) from \$10 to \$25
4. Increase in the co-pay for brand name prescriptions from \$25 to \$30 (generic Rx co-pays remain \$15)

FINANCIAL IMPACT: With these adjustments, the City's costs will increase 6.20% (\$130,320) – a still significant, but manageable level.

BUDGET ACTION REQUIRED: None. With the proposed adjustments, the healthcare cost increase will be within budget.

STAFF RECOMMENDATION: Approval of the healthcare renewal with Priority Health incorporating the benefit changes outlined above.

Motion by Commissioner Carter, second by Commissioner Shepherd to approve the 2007-2008 healthcare renewal with the adjustments.

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

Nays: None

MOTION PASSES

B. Resolution to Sell 1122 Spring. COMMUNITY & NEIGHBORHOOD SERVICES

SUMMARY OF REQUEST: To approve the resolution to sell the City-owned house at 1122 Spring to Mr. William Holland of 596 Howell, Apt. B, Muskegon Heights, MI for the price of \$76,800 minus subsidy and some closing cost.

The City of Muskegon through the State tax reversion process obtained the house at 1122 Spring. The house was rehabilitated as a part of Operation R & R (Reawakening and Resurgence) also known as "Spring Street Reawakening".

The intent of Operation R & R is to rehabilitate 10 abandoned homes in the targeted area in one fiscal year. The house at 1122 Spring is the 8th home to be rehabilitated this year.

The Hollands will be purchasing the house at 1122 Spring as an owner-occupied structure. Operation R & R is continuing the City's aggressive neighborhood revitalization efforts.

FINANCIAL IMPACT: The revenues derived from the sale will be deposited in the City's HOME account.

BUDGET ACTION REQUIRED: To approve the sale.

STAFF RECOMMENDATION: To approve the resolution and instruct the Community & Neighborhood Services office to complete the sale.

COMMITTEE RECOMMENDATION: Operation R & R was approved by the Land Reutilization Committee. The City Commission approved Operation R & R and the Spring Street project.

Motion by Commissioner Shepherd, second by Commissioner Spataro to approve the resolution to sell 1122 Spring to Mr. William Holland.

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

Nays: None

MOTION PASSES

C. City - MDOT Agreement for the Reconstruction of Second, First, Jefferson and Market Streets. ENGINEERING

SUMMARY OF REQUEST: To approve the contract with MDOT for the reconstruction of Second, First, Jefferson and Market Streets within the Downtown Development (former Mall Area) between Clay, Morris, Third and Terrace and to approve the resolution authorizing the Mayor and City Clerk to sign the contract.

FINANCIAL IMPACT: MDOT's participation is limited to the Federal funds of \$1,111,900 and \$177,900 of State funds for a total grant of \$1,289,800.

BUDGET ACTION REQUIRED: None at this time.

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

Motion by Commissioner Carter, second by Commissioner Davis to approve the MDOT agreement for the reconstruction of Second, First, Jefferson and Market Streets.

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

Nays: None

MOTION PASSES

D. City - MDOT Agreement for Federal Money Loan to Reconstruct Phase II of the Downtown Development. ENGINEERING

SUMMARY OF REQUEST: To approve the contract with MDOT for the reconstruction of Second, First Jefferson and Market Streets within the Downtown Development (former Mall Area) and to approve the resolution authorizing the Mayor and City Clerk to sign the contract.

As part of the "jobs today's program" the State made available to local governments the ability to advance construct projects on the 2007 and 2008 transportation plan by lending the federal allocation for those projects as long as the local governments agreed to two conditions;

1. The projects would be advertised and awarded a year ahead of their scheduled time.
2. The local governments would have to enter into the agreement with the State which outlines the terms and conditions of the loan.

The advantage on this project is that this whole agreement is merely a paper work matter since the City could not have spent any money against the federal funds to accrue any interest since the actual construction will take place in the 2008-2009 fiscal years.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None at this time. The City's share of the cost will

come out of the Major Street and water, sewer funds as shown in the 2007 budget.

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

Motion by Commissioner Spataro, second by Vice Mayor Gawron to approve the City-MDOT agreement for the Federal money loan to reconstruct Phase II of the Downtown Development.

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

Nays: None

MOTION PASSES

E. City - MDOT Agreement for the Reconstruction of Creston Street, Laketon to Evanston. ENGINEERING

SUMMARY OF REQUEST: To approve the contract with MDOT for the reconstruction of Creston between Laketon and Evanston and to approve the resolution authorizing the Mayor and City Clerk to sign the contract.

FINANCIAL IMPACT: MDOT's participation is limited to the Federal funds of \$219,559. The estimated total construction cost is \$313,000.

BUDGET ACTION REQUIRED: None at this time.

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

Motion by Vice Mayor Gawron, second by Commissioner Carter to approve the City-MDOT agreement for the reconstruction of Creston Street, Laketon to Evanston.

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

Nays: None

MOTION PASSES

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

1885 McIlwraith

1178 Chestnut (Area 13) REMOVED PER STAFF REQUEST

460 Houston (Area 10)

369 Isabella (Area 11)

SUMMARY OF REQUEST: This is to request that the City Commission concur with

the findings of the Housing Board of Appeals that these structures are unsafe, substandard, public nuisances 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: General.

BUDGET ACTION REQUIRED: None.

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

Motion by Commissioner Spataro, second by Commissioner Shepherd to concur with the Housing Board of Appeals notice and order to demolish 1885 McIlwraith, 460 Houston, and 369 Isabella.

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

Nays: None

MOTION PASSES

G. Easement for Underground Electric Line.

Motion by Vice Mayor Gawron, second by Commissioner Spataro to approve the easement for an underground electric line for Fisherman's Landing with Consumers Energy Company.

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

Nays: None

MOTION PASSES

2007-37 ANY OTHER BUSINESS:

Commission commented on the Renaissance Place. This will be placed on the next Worksession.

Motion by Commissioner Davis, second by Commissioner Spataro to formally indicate to MISHDA the Commission's disapproval on their approval of this project based on the fact that the City Commission turned down the PILOT.

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

Nays: None

MOTION PASSES

Commissioner Carter thanked Leisure Services on their youth basketball

program.

PUBLIC PARTICIPATION: Various comments were heard from the public.

ADJOURNMENT: The City Commission Meeting adjourned at 6:35 p.m.

Respectfully submitted,

Ann Marie Becker, MMC
City Clerk