

CITY OF MUSKEGON

CITY COMMISSION MEETING

APRIL 26, 2005

CITY COMMISSION CHAMBERS @ 5:30 P.M.

AGENDA

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 26, 2005.

Mayor Warmington opened the meeting with a prayer from Pastor Sarah Johnson of the Word of Truth Outreach 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 Bill Larson, Commissioner Clara Shepherd, Lawrence Spataro, Chris Carter, and Kevin Davis, City Manager Bryon Mazade, City Attorney John Schrier, and City Clerk Gail Kundinger.

Absent: Commissioner Stephen Gawron (excused)

2005-38 HONORS AND AWARDS:

A. Richard Mullally. Commissioner Shepherd presented a Certificate of Recognition to Richard Mullally.

2005-39 CONSENT AGENDA:

A. Approval of Minutes. CITY CLERK

SUMMARY OF REQUEST: To approve the minutes of the Community Relations Committee that was held on Monday, April 4, 2005; the Commission Worksession that was held on Monday, April 11, 2005; and the Regular Commission Meeting that was held on Tuesday, April 12, 2005.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the minutes.

B. Manufacturing Week Resolution. COMMUNITY RELATIONS

SUMMARY OF REQUEST: To adopt the resolution declaring the week of May 9th through May 13th as manufacturing week for Muskegon area First and its members and partners.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval.

COMMITTEE RECOMMENDATION: The Community Relations Committee recommended approval at their April 4, 2005, meeting.

D. 2005 Water Treatment Chemical Bids. WATER FILTRATION

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 \$86,020 (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.

E. Dump Boxes and Under Body Plows. PUBLIC WORKS

SUMMARY OF REQUEST: Approval to purchase two dump boxes and under body plows.

FINANCIAL IMPACT: Total Cost \$58,348.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approve purchase of two dump boxes and under body plows from Truck & Trailer Specialties.

F. Utility Boxes. PUBLIC WORKS

SUMMARY OF REQUEST: Approval to purchase three truck utility boxes.

FINANCIAL IMPACT: Total Cost \$12,801.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approve purchase of three utility boxes from Truck & Trailer Specialties.

G. Beach Leveling. PUBLIC WORKS

SUMMARY OF REQUEST: Approval to award Hitsman Excavating the beach leveling contract for 2005.

FINANCIAL IMPACT: Total Cost \$48,000.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approve.

Motion by Commissioner Carter, second by Commissioner Davis to approve the

Consent Agenda with the exception of items C, H, and I.

ROLL VOTE: Ayes: Larson, Shepherd, Spataro, Warmington, Carter, and Davis

Nays: None

MOTION PASSES

2005-40 ITEMS REMOVED FROM THE CONSENT AGENDA

C. Rezoning Request for Property Located at 1550 W. Sherman Boulevard.
PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: Request to rezone property located at 1550 W. Sherman Boulevard from B-2 Convenience and Comparison Business to B-4, General Business.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Staff recommends denial of the request due to lack of compliance with the future land use map, Master Land Use Plan and zoning district intent.

COMMITTEE RECOMMENDATION: The Planning Commission voted to deny the request at their 4/12/05 meeting. Commissioners Spataro, Aslakson, Johnson, Turnquist, Mazade, Michalski & Warmington voted for denial. T. Harryman and B. Smith were absent. A second motion to direct staff to develop ordinance language that would include veterinary clinics, without outdoor kennels, as a Special Use in a B-2 zone and bring it to the Planning Commission at their May meeting for review was unanimously approved, with T. Harryman and B. Smith absent.

Motion by Commissioner Spataro, second by Commissioner Carter to deny the rezoning request for property located at 1550 W. Sherman.

ROLL VOTE: Ayes: Shepherd, Spataro, Warmington, Carter, Davis, and Larson

Nays: None

MOTION PASSES

H. TEDF Category F-Grant Application for Park Street. ENGINEERING

SUMMARY OF REQUEST: Authorize staff, by adopting the resolution, to submit a TEDF Category F Grant application requesting funds for the reconstruction of Park Street between Hackley & Young. This project, if approved, will be submitted as a joint application between the City and Muskegon Heights since the street is equally owned by both communities. Local share, which is estimated at \$48,000, for the project will be equally divided between the two cities with each picking up \$24,000 plus one half of the engineering cost.

FINANCIAL IMPACT: The estimated construction share of \$24,000 plus one half of the engineering cost.

BUDGET ACTION REQUIRED: None at this time. However, should you authorize the submittal; the project will appear on the upcoming CIP for 2006.

STAFF RECOMMENDATION: Authorize staff to submit the grant application.

I. TEDF Category F-Grant Application for Lakeshore Drive. ENGINEERING

SUMMARY OF REQUEST: Authorize staff, by adopting the resolution, to submit a TEDF Category F Grant application requesting funds for the milling & resurfacing of Lakeshore Drive between Laketon & McCracken Streets. This project, if approved, will be submitted as a 2006 project. The estimated cost of the project is about \$240,000 of which the City's share would be about \$60,000 (25%) as a local match share.

FINANCIAL IMPACT: The estimated construction share of \$60,000 plus the engineering cost.

BUDGET ACTION REQUIRED: None at this time. However, should you authorize the submittal; the project will appear on the upcoming CIP for 2006.

STAFF RECOMMENDATION: Authorize staff to submit the grant application.

Motion by Commissioner Spataro, second by Vice Mayor Larson to approve the resolutions authorizing staff to submit the TEDF Category F Grant applications requesting funds for the reconstruction of Park Street and for the milling and resurfacing of Lakeshore Drive.

ROLL VOTE: Ayes: Spataro, Warmington, Carter, Davis, Larson, and Shepherd.

Nays: None

MOTION PASSES

2004-41 NEW BUSINESS:

A. 2005 Healthcare Plan Renewal. FINANCE

SUMMARY OF REQUEST: To renew healthcare coverage with Priority Health for 2005-2006 incorporating the proposed changes outlined in the memo.

FINANCIAL IMPACT: Reduction in the rate of healthcare cost increase from 9.5% to 0.88%. This will mean net savings of \$169,596.

BUDGET ACTION REQUIRED: None at this time.

STAFF RECOMMENDATION: As follows:

1. Renew contract with Priority incorporating changes;
2. Amend current Rx reimbursement program;
3. Terminate contract with ECPA and incorporate vision benefits under Priority Health contract.

COMMITTEE RECOMMENDATION: The labor-management committee met to discuss these changes.

Motion by Commissioner Spataro, second by Commissioner Davis to approve

the healthcare plan renewal as presented.

ROLL VOTE: Ayes: Warmington, Carter, Davis, Larson, Shepherd, and Spataro

Nays: None

MOTION PASSES

B. Group Life and Disability Insurance. FINANCE

SUMMARY OF REQUEST: To place the city's group life insurance and long-term disability insurance programs with the intergovernmental Group Life and Disability Insurance Program offered through MERS (Municipal Employees Retirement System).

FINANCIAL IMPACT: Reduction in insurance rates, improved program oversight and possible future benefits by developing a relationship with MERS.

BUDGET ACTION REQUIRED: None at this time. Lower rates will be incorporated into future budget reforecasts and the 2006 budget.

STAFF RECOMMENDATION: As follows:

1. Authorize staff to place group life and LTD coverage through MERS effective June 1, 2005. There is no change in benefit levels.
2. Authorize staff to terminate current contracts for life insurance (Jefferson Pilot) and LTD (The Principal).

Motion by Commissioner Carter, second by Vice Mayor Larson to approve the group life and disability insurance through MERS.

ROLL VOTE: Ayes: Carter, Davis, Larson, Shepherd, Spataro, and Warmington

Nays: None

MOTION PASSES

C. First Quarter 2005 Budget Reforecast. FINANCE

SUMMARY OF REQUEST: At this time staff is transmitting the *First Quarter 2005 Budget Reforecast* which outlines proposed changes to the original budget that have come about as result of changes in policy priorities, labor contracts, updated economic conditions, or other factors. For the next meeting, an action item will be placed on the agenda for adoption of the second quarter budget reforecast together with any additional changes deemed necessary by Commissioners.

FINANCIAL IMPACT: First quarter proposed changes to the General fund are relatively minor. The most recent information from the state indicates that 2005 state shared revenues will be \$13,657 less than originally projected. A state revenue conference is scheduled for May at which time further information may emerge. A more significant shortfall is forecast for the CDBG allocation to the General Fund: the original budgeted amount of \$400,000 has been reduced to \$250,000 reflecting the deterioration of CDBG revenues. Other general fund revenues appear to be in line with original projections. Proposed expenditure

changes to the General Fund are minor resulting in an overall \$5,348 increase in projected costs. This figure incorporates the change resulting from the personnel adjustments related to the housing inspections matter.

The most significant change included in the first quarter reforecast is in the Public Improvement Fund. Two new fire trucks (\$800,000) and Fisherman's Landing improvements (\$175,000) have been added. At the time the original budget was prepared, it was thought that one truck would be under contract in 2004. This did not occur and, since that time, it has become apparent from rising maintenance costs that a second truck is warranted. The Fisherman's Landing improvements have been previously discussed and involve an agreement for the Fisherman's Landing group to repay the City over time.

BUDGET ACTION REQUIRED: Self-explanatory.

STAFF RECOMMENDATION: The City Commission should review the *Reforecast* to ensure it reflects their policy initiatives. At the next City Commission meeting, staff will request formal approval of the *Reforecast* and related budget amendments.

No action taken on this item.

D. MC Smith & Associates Professional Service Agreement. LEISURE SERVICES & ENGINEERING

SUMMARY OF REQUEST: To approve a professional service agreement with M.C. Smith Associates and Architectural Group to provide engineering services for Phase I construction of the Lakeshore Trail.

FINANCIAL IMPACT: Approximately \$116,000.

BUDGET ACTION REQUIRED: None, funded through bond issue.

STAFF RECOMMENDATION: Approve.

Motion by Commissioner Spataro, second by Commissioner Carter to approve the professional service agreement with M.C. Smith Associates and Architectural Group.

ROLL VOTE: Ayes: Larson, Shepherd, Spataro, Warmington, Carter, and Davis

Nays: None

MOTION PASSES

E. Amendment to Leisure Services Fee List. ASSISTANT CITY MANAGER

SUMMARY OF REQUEST: Per a citizen request, the Leisure Services Board reviewed the 2005 Fee List and recommends changing the Open Swim Youth and Adult fees from \$2 to \$1 (youth) and from \$5 to \$3 (adult). The Board expressed concern about the potential negative impact (curtail participation) that the increased costs could have on families – especially, Inner-City families.

FINANCIAL IMPACT: Potential revenue loss.

BUDGET ACTION REQUIRED: None at this time.

COMMITTEE RECOMMENDATION: The Leisure Services Board recommends approval.

Motion by Commissioner Carter, second by Commissioner Spataro to approve the request to change the open swim youth and adult fees.

ROLL VOTE: Ayes: Larson, Shepherd, Spataro, Warmington, Carter, and Davis

Nays: None

MOTION PASSES

F. Summer Celebration Special Event Request. ASSISTANT CITY MANAGER

SUMMARY OF REQUEST: Summer Celebration is requesting services for its 2005 festival. This year's event will be held on Thursday, June 30 through Sunday, July 10. Except for minor changes involving dates and times, their 2005 requests are similar to last year's – 2004 which were granted. One notable *addition* to their '05 request is the *creation of a Bistro on Clay Avenue between 3rd and 4th Street where wine by the glass and beer will be available during the Craft Show days (July 1, 2, & 3).* Staff continues to work with event coordinators regarding details involving their requests.

With one notable exception, *mowing the Mart Dock property at the end of 3rd by Noon 6/29*, the Leisure Services Board recommends approval of Summer Celebration's requests (*which include the waiver of rental fees for equipment borrowed...*) contingent upon their compliance with City policies and guidelines, ordinances and other regulations.

FINANCIAL IMPACT: Rental fee waiver cost is Not Known, but total cost is not expected to exceed \$5,000.

BUDGET ACTION REQUIRED: None.

STAFF/COMMITTEE RECOMMENDATION: With one notable exception, *mowing the Mart Dock property at the end of 3rd by Noon 6/29*, the Leisure Services Board recommends approval of Summer Celebration's request (*which include the waiver of rental fees for equipment borrowed...*) contingent upon their compliance with City policies and guidelines, ordinances and other regulations.

Motion by Commissioner Shepherd, second by Commissioner Spataro to approve the Summer Celebration special event request.

ROLL VOTE: Ayes: Shepherd, Spataro, Warmington, Carter, Davis, and Larson

Nays: None

MOTION PASSES

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

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 thirty (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.

1. 1261 Sixth (Garage) – Area 10

FINANCIAL IMPACT: CDBG Funds.

BUDGET ACTION REQUIRED: None.

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

2. 680 Orchard (Garage) – Area 11

FINANCIAL IMPACT: CDBG Funds.

BUDGET ACTION REQUIRED: None.

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

3. 1924 Brunswick

FINANCIAL IMPACT: General 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 Larson to concur with the Housing Board of Appeals decision to demolish 1251 Sixth – garage; 680 Orchard – garage; and 1924 Brunswick.

ROLL VOTE: Ayes: Spataro, Warmington, Carter, Davis, Larson, and Shepherd

Nays: None

MOTION PASSES

ADJOURNMENT: The City Commission Meeting adjourned at 6:26 p.m.

Respectfully submitted,

Gail A. Kunding, MMC
City Clerk