

# CITY OF MUSKEGON

## CITY COMMISSION MEETING

**AUGUST 9, 2005**

**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, August 9, 2005.

Mayor Warmington opened the meeting with a prayer from Pastor Penny Johnson from Oak-Crest Church of God 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 Chris Carter, Kevin Davis, Stephen Gawron, Clara Shepherd, and Lawrence Spataro, City Manager Bryon Mazade, City Attorney John Schrier, and Deputy City Clerk Linda Potter.

#### **2005-71 HONORS AND AWARDS:**

##### **A. Declaring October as "Internet Safety Awareness Month."**

Denny Powers, Police Community Coordinator for the City of Muskegon presented Kristin Tank, Chairperson of the Muskegon County Internet Safety Action Committee and members with a resolution declaring October as "Internet Safety Awareness Month."

#### **2005-72 INTRODUCTIONS/PRESENTATION:**

##### **A. 2005 1<sup>st</sup> Quarter Suggestion Award Winner.** CIVIL SERVICE

SUMMARY OF REQUEST: The Employee Suggestion Award Committee requests that the 2005 1<sup>st</sup> quarter award go to Cemetery & Forestry Supervisor Larry DeCou for his proposal to enter into a contract with Wilbert Burial Vault Company to perform the funeral service portion of burials at the city-owned cemeteries.

FINANCIAL IMPACT: Estimated annual savings of \$50,000 due elimination of one Cemetery employee, plus the deletion of \$10,000 equipment expense. As a result of the contract with Wilbert, the current equipment on hand for funeral services can now be sold.

BUDGET ACTION REQUIRED: None. Contract awarded to Wilbert Burial at Financial resources at 12/14/04 City Commission meeting; allowance for \$250 award of Muskegon Area Chamber of Commerce gift certificates previously allocated in the 2005 budget.

STAFF RECOMMENDATION: Staff supports the committee recommendation and requests approval of this award.

COMMITTEE RECOMMENDATION: The committee recommends honoring Cemetery & Forestry Supervisor Larry DeCou with the 2005 1<sup>st</sup> quarter Employee Suggestion Award.

Commissioner Spataro presented the award to Larry DeCou.

**2005-73 CONSENT AGENDA:**

**A. Approval of Minutes. CITY CLERK**

SUMMARY OF REQUEST: To approve the minutes of the Regular Commission Meeting that was held on Tuesday, July 26, 2005.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the minutes.

**B. Approval of a Neighborhood Enterprise Zone Certificate for 1397 6<sup>th</sup> Street. PLANNING & ECONOMIC DEVELOPMENT**

SUMMARY OF REQUEST: An application for a Neighborhood Enterprise Zone certification has been received from James Lawrence to rehabilitate a home in the Nelson neighborhood at 1397 6<sup>th</sup> Street. The home is located in a Neighborhood Enterprise Zone. The application states that the estimated cost for rehabilitation will be \$10,605. The roof will be replaced and new vinyl siding will be installed. The applicant has met local and state requirements for the issuance of the Neighborhood Enterprise Zone certificate. Approval or denial by the City Commission is required within 60 days of the application date and must be forwarded to the State Tax Commission.

FINANCIAL IMPACT: Taxation will be 50% of the State average for the next 6 years.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approve the issuance of the NEZ certificate.

**C. Approval of a Neighborhood Enterprise Zone Certificate for 1173 4<sup>th</sup> Street. PLANNING & ECONOMIC DEVELOPMENT**

SUMMARY OF REQUEST: An application for a Neighborhood Enterprise Zone (NEZ) certificate has been received from Ricky and Rebekah Mosqueda-Enders II to rehabilitate a home in the Nelson neighborhood at 1173 4<sup>th</sup> Street. The

home is located in a Neighborhood Enterprise Zone. The application states that the estimated cost for rehabilitation will be \$56,108 for the replacement of all windows, installation of vinyl siding, chimney repair, structural reinforcement, replacement of missing balusters on the 2<sup>nd</sup> floor, and many updates to the interior of the home. The applicant has met local and state requirements for the issuance of the NEZ certificate. Approval or denial by the City Commission is required within 60 days of the application date and must be forwarded to the State Tax Commission.

FINANCIAL IMPACT: Taxation will be 50% of the State average for the next 12 years.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approve issuance of the NEZ certificate.

**D. Sale of Buildable Vacant Lot at 363 Merrill Avenue.** PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: To approve the sale of a vacant buildable lot at 363 Merrill Avenue (Parcel #24-205-389-0002-00) to Carlos Martinez, 369 Merrill Avenue, Muskegon, MI. The lot is 66 X 132 ft. and is being offered to Carlos Martinez for \$1,000 plus the fee to register the deed. Carlos Martinez will be combining this property with his existing property, which would be considered unbuildable should his home be destroyed over 50%. His property is 33 x 132 ft. He would like to fence the property and add a slider with a deck. The True Cash Value (TCV) for the property listed in the Assessor's office is \$10,000, and our price is set at \$7,500 which is 75% of that amount. The City has owned the property since 1992 and there have been no inquiries for potential construction. The Land Reutilization Committee is recommending approval of the sale at lesser price due to the size of Carlos Martinez's current property, and the True Cash Value of this property seemed a little higher than other areas for the same size property. The Land Reutilization Committee looked at the values of other properties in the City, there has been a lot of new construction in the areas of Jackson Hill and Marquette neighborhoods and the values of the same size property or larger had a True Cash Value less than the properties in Nelson Neighborhood. Staff also sent a letter to the other adjacent property owner offering to sell half of the property to them, no interest was shown.

FINANCIAL IMPACT: The sale of this lot to the adjacent property owner will generate additional tax revenue for the City and will place the property back on the City's tax rolls thus relieving the City of continued maintenance costs.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve the resolution and to authorize both the Mayor and the Clerk to sign the resolution and deed.

**E. Approval of 2005 - 2006 Subrecipient and Community Housing**

**Development Organization (CHDO) Agreements.** COMMUNITY &  
NEIGHBORHOOD SERVICES

SUMMARY OF REQUEST: To direct the Mayor and City Clerk to sign all of the 2005-2006 approved agreements for the City's subrecipients and CHDO's. The City Commission approved the funding for each of the nonprofits last spring during the City's Consolidated Planning process.

- |    |                         |         |
|----|-------------------------|---------|
| 1. | West Michigan Veteran's | \$5,000 |
| 2. | HealthCare Project      | \$5,000 |
| 3. | American Red Cross      | \$5,000 |

Also to have the Community Housing Development Organization agreements signed by the following agencies.

- |    |                                     |          |
|----|-------------------------------------|----------|
| 1. | Neighborhood Investment Corporation | \$70,000 |
| 2. | Habitat for Humanity                | \$35,000 |

After the Mayor and Clerk sign the contract, the CNS office will retain one copy for our files and a copy will be supplied to the appropriate nonprofit for their records.

FINANCIAL IMPACT: Funding will be allocated from the 2005-2006 CDBG and HOME programs.

BUDGET ACTION REQUIRED: None. The City Commission made budgeting allocation decision last spring.

STAFF RECOMMENDATION: To direct Mayor and Clerk to sign agreements.

**F. MML - Annual Membership Dues (7/1/05 - 6/30/06).** CITY MANAGER

SUMMARY OF REQUEST: To obtain permission from the City Commission, in accordance with the Purchasing Policies and Procedures, to pay the MML Annual Membership Dues for July 1, 2005, through June 30, 2006.

FINANCIAL IMPACT:

MML Membership Dues:	\$7,371
Environmental Affairs Assessment:	\$ 885
Legal Defense Fund:	<u>\$ 737</u>
Total:	\$8,993

BUDGET ACTION REQUIRED: None. Cost applied to proper budget line items.

STAFF RECOMMENDATION: Approval.

**Motion by Commissioner Spataro, second by Commissioner Carter to approve the Consent Agenda as read with the exception of items G and H.**

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

Nays: None

**MOTION PASSES**

**2005-74 ITEMS REMOVED FROM THE CONSENT AGENDA:**

**G. Construction of Improvements – Great Lakes Naval Memorial and Museum. CITY MANAGER**

SUMMARY OF REQUEST: To approve a request from the Great Lakes Naval Memorial and Museum to construct a retaining wall and picnic pavilion on the property leased from the City. The lease requires that any improvements be approved by the City.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve the request.

**Motion by Commissioner Davis, second by Vice Mayor Larson to approve the construction improvements for the Great Lakes Naval Memorial and Museum with the height of the retaining wall being no more than 48”.**

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

**Nays: None**

**MOTION PASSES**

**H. Request to Approve Contract for Demolition of 337 W. Grand. PUBLIC SAFETY**

SUMMARY OF REQUEST: The City owned property located at 373 W. Grand has been declared dangerous, substandard, and a public nuisance. Bids were solicited for the demolition of said property. The only bid was received from Press's LLC, 8081 Holton Duck Lake Road. Holton, MI 49425 for \$3,600.

FINANCIAL IMPACT: Funds for this demolition would be available through the Community Development Block Grant.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval.

**Motion by Commissioner Spataro, second by Commissioner Shepherd to approve the contract for demolition of 337 W. Grand with Press's LLC.**

**ROLL VOTE: Ayes: Gawron, Larson, Shepherd, Spataro, Warmington, and Carter**

**Nays: Davis**

**MOTION PASSES**

**2005-75 NEW BUSINESS:**

**A. Construction Contract for the Former Mall Area Project. ENGINEERING**

SUMMARY OF REQUEST: As a result of staff's negotiations with Milbocker and Sons please consider the following options (the original bid was \$2,538,989.05; with the snowmelt removed it is \$1,764,763.95):

1. An additional \$15,000 reduction with a completion date for the entire project in 2005.
2. An additional \$28,000 reduction if the project completion was extended to 2006 with some concrete work being completed in 2005.
3. An additional \$43,000 reduction if the project completion date was extended to 2006 with all of the concrete work done in 2006.
4. Reject all bids, re-bid and award project in 2005 with start and completion dates in 2006.

The first three options include minority participation and a commitment from the president of the company to volunteer (4) four hours a month for at least (6) six months to train minority contractors on biddings and other related issues. The third option calls for a minority concrete contractor (Martin J Concrete) who would not be available until 2006 but also has not done much concrete work similar to that called for on this project.

The additional savings referenced above are in addition to savings resulting from eliminating the snowmelt system. Should you choose any of the first three options, it is respectfully requested that a contract be awarded to Milbocker and Sons.

FINANCIAL IMPACT: Depends on the option selected.

BUDGET ACTION REQUIRED: None at this time.

STAFF RECOMMENDATION: City staff and the DMDC (Downtown Muskegon Development Corporation) will present a recommendation at the time of the meeting.

**Motion by Commissioner Spataro, second by Commissioner Gawron to approve the construction contract for the former mall area project using option #3 to Milbocker and Sons.**

**MOTION AND SECOND WITHDRAWN**

**Motion by Commissioner Carter, second by Vice Mayor Larson to approve option #3 as a provision of the contract.**

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

**Nays: None**

***MOTION PASSES***

**B. Michigan Main Street/Community Requirements and Expectations Agreement.** PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: The Michigan Economic Development Corporation (MEDC) requires that the local community (i.e., City of Muskegon) enter into an agreement with the local Main Street Board and MEDC. The agreement outlines the support to be provided. There is no financial obligation by the City of Muskegon to support the program. The commitments relate to cooperation and support. If, for some reason, the agreement is not adhered to, the only repercussion is that the agreement would be null and void.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve the agreement and authorize the City Manager to sign.

**Motion by Commissioner Spataro, second by Commissioner Shepherd to approve the Michigan Main Street/Community Requirements and Expectations Agreement.**

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

**Nays: None**

***MOTION PASSES***

**C. Amendment to Notice of Intent Resolution.** FINANCE

SUMMARY OF REQUEST: Previously the City Commission approved a notice of intent resolution for up to \$7.5 million bonds to be used for a new central fire station and certain recreation projects. Staff is still refining the size and details of this bond issue, however, it is clear that one of the main components originally contemplated (second ice sheet) is not financially feasible. The purpose of this amendment is to add language to the notice of intent to provide flexibility to allow proceeds from this bond issue to also be used for water system improvements, in the event this becomes necessary. It appears that final filtration plan improvement project costs will be higher than originally anticipated. If cash generated from the new water rates and summer usage will be adequate to cover the additional filtration plant project costs, it will not be necessary to borrow for this purpose. Any amounts that are borrowed for water improvements would, of course, be repaid from the water fund.

FINANCIAL IMPACT: The immediate cost associated with this action is the cost of re-publication in the *Chronicle*.

BUDGET ACTION REQUIRED: None at this time. The cost of the newspaper publication can be covered within the current budget. Once bonds are sold, debt service will be budgeted over the life of the bonds (20 years).

STAFF RECOMMENDATION: Approval of the resolution.

**Motion by Vice Mayor Larson, second by Commissioner Gawron to approve the amendment to the Notice of Intent Resolution.**

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

**Nays: None**

***MOTION PASSES***

**D. Extension of Contract to Market Seaway Industrial Park. PLANNING & ECONOMIC DEVELOPMENT**

SUMMARY OF REQUEST: In 2004 C & A Commercial Real Estate was selected as the company to market Seaway Industrial Park properties, as well as one property located on Getty Street. A nine-month real estate agreement was originally signed by the Mayor with a six-month extension signed by the City Manager in December 2004. Staff feels that Commission should review the performance of C & A Commercial Real Estate in order to determine if there should be another extension of the agreement for a six-month time period.

FINANCIAL IMPACT: The continued timely sale and development of these properties will bring more jobs to Muskegon in the near future, thus additional income tax being generated.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve the resolution and authorize the Mayor and Clerk to sign the said resolution.

**Motion by Commissioner Gawron, second by Commissioner Spataro to approve the resolution extending the contract to market Seaway Industrial Park for six months.**

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

**Nays: None**

***MOTION PASSES***

**E. Directional Signage. PLANNING & ECONOMIC DEVELOPMENT**

SUMMARY OF REQUEST: To approve the location of directional signage in Muskegon and allow the signs to be placed in City right-of-way, with the conditions outlined in the correspondence from Cindy Larsen, Chamber of Commerce President.

FINANCIAL IMPACT: The Chamber will be providing the signs with an additional amount of funding for future maintenance of the signs.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve the location of the signs and accept the signs and maintenance funding from the Chamber of Commerce.

**Motion by Commissioner Gawron, second by Commissioner Carter to approve the location of the signs and accept the signs and maintenance funding from the Chamber of Commerce.**

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

**Nays: None**

***MOTION PASSES***

**PUBLIC PARTICIPATION:** Various comments were heard

**2005-76 CLOSED SESSION:** To discuss collective bargaining.

**Motion by Commissioner Carter, second by Vice Mayor Larson to go into Closed Session at 6:27 p.m. to discuss collective bargaining.**

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

**Nays: None**

***MOTION PASSES***

**Motion by Commissioner Shepherd, second by Commissioner Gawron to come out of Closed Session at 6:47 p.m.**

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

**Nays: None**

***MOTION PASSES***

**ADJOURNMENT:** The City Commission Meeting adjourned at 6:48 p.m.

Respectfully submitted,

Gail A. Kunding, MMC  
City Clerk