

CITY OF MUSKEGON

CITY COMMISSION MEETING

MAY 10, 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, May 10, 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 Chris Carter, Kevin Davis, Stephen Gawron, Clara Shepherd, and Lawrence Spataro, City Manager Bryon Mazade, City Attorney John Schrier, and City Clerk Gail Kundinger.

2005-43 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, April 26, 2005.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the minutes.

B. Sale of Buildable Vacant Lot on Dudley Street. PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: To approve the sale of a vacant buildable lot at 1275 Dudley Avenue to Lawrence Baker, 835 Stevens Street, Muskegon, MI. The lot is 181.7 x 135.9 x 279.85 x 165 x 125.3 ft. and is being offered to Mr. Baker for \$9,750. He will be splitting the property into 2 (two) lots in order to build 2 (two) single-family homes, which will comply with the City's Policy for Sale of City-Owned Residential Property. The True Cash Value (TCV) for the property listed in the Assessor's office is \$17,000, so our price is set at \$12,750 which is 75% of that amount.

FINANCIAL IMPACT: The sale of this lot for construction of 2 (two) new homes 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.

COMMITTEE RECOMMENDATION: The Land Reutilization Committee recommends approval of the sale and that the sale price should be \$9,750 due to the steep slope of the property and the amount of clean fill that would be required in order to build the homes.

C. Beach Peddler Agreement, Polish Water Ice. ASSISTANT CITY MANAGER

SUMMARY OF REQUEST: To authorize the Mayor to sign a one-year agreement between the City of Muskegon and Polish Water Ice, Inc. to sell their product (Polish Water Ice) on Pere Marquette beach.

FINANCIAL IMPACT: None. (Polish Water Ice, Inc. will pay the City \$3,000).

BUDGET ACTION REQUIRED: None.

COMMITTEE RECOMMENDATION: The Leisure Services Board recommends approval.

D. ASCAP Music License. CITY MANAGER

SUMMARY OF REQUEST: To approve an agreement with ASCAP, which provides permission for the City to use copyrighted music.

FINANCIAL IMPACT: \$268 a year.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve the agreement with ASCAP.

E. Purchase of Garbage Carts. PUBLIC WORKS

SUMMARY OF REQUEST: Our stock of replacement garbage carts is now low enough that we need to purchase another truck-load. We have quotes from the two vendors that we have used in the past. Rehrig Pacific of Lawrenceville, Georgia is the low bidder at \$41 per cart for a total of \$22,632 for 552 carts. Therefore we are requesting your approval to purchase these replacement garbage carts from Rehrig Pacific.

FINANCIAL IMPACT: This purchase was budgeted in the General Sanitation Budget.

BUDGET ACTION REQUIRED: None is needed.

STAFF RECOMMENDATION: Approve the purchase.

F. Request to Enter Into an Agreement with DOCVIEW, LLC. PUBLIC SAFETY

SUMMARY OF REQUEST: Police Department staff request that the Commission authorize the Director of Public Safety to enter into a service agreement with DOCVIEW LLC of Lansing, Michigan. DOCVIEW provides an internet-based service known as TRAC View. The TRAC View service allows for internet access and acquisition of traffic collision reports. Citizens, Insurance Companies, Attorneys, etc. will now be able to purchase collision reports on line and not have to make a trip to the Police Department, though

reports may still be purchased in person.

FINANCIAL IMPACT: There is no cost to the City for implementing this service. We will still receive our compensation for each downloaded report. This will be provided to us on a quarterly basis by DOCVIEW. Currently we have one staff position in Records assigned to handle collision reports. We anticipate that this will free-up the bulk of this person's time and allow her to attend to other duties.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of this request.

Motion by Commissioner Carter, second by Vice Mayor Larson to approve the Consent Agenda as read.

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

Nays: None

MOTION PASSES

2005-44 UNFINISHED BUSINESS:

A. First Quarter 2005 Budget Reforecast - Adoption. FINANCE

SUMMARY OF REQUEST: Staff has previously transmitted 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. At this time staff is recommending adoption of the 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: Staff recommends formal approval of the *Reforecast* and related budget amendments.

Motion by Vice Mayor Larson, second by Commissioner Shepherd to approve the first quarter 2005 Budget Reforecast with amendments.

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

Nays: None

MOTION PASSES

2005-45 NEW BUSINESS:

A. Sale of 625 Ottawa Street Excluding the Right of Way. PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: To approve the sale of the vacant property at 625 Ottawa Street excluding the ROW for Shoreline Drive to MIJU Corporation, 2597 Memorial Drive, Muskegon, MI. The lot is currently 174 x 181 ft. with the ROW included and is being offered to MIJU Corporation for \$52,334.66 (\$3.22 per square foot). Mr. Frazier, owner of MIJU Corporation, will be utilizing this property for the adjacent business. Mr. Frazier has also signed a purchase agreement.

FINANCIAL IMPACT: The sale of this lot 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 said resolution and deed.

Motion by Vice Mayor Larson, second by Commissioner Spataro to approve the sale of 625 Ottawa Street excluding the right-of-way.

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

Nays: None

MOTION PASSES

B. Amendment to Non-Union Rx Benefit. FINANCE

SUMMARY OF REQUEST: Most active city employees elect healthcare coverage through the Priority Health HMO program. However, a small number (7) still have coverage through the city's "self-insured" plan. With rising healthcare costs, staff has periodically recommended changes in the Rx co-pay for the HMO plan. Due to an oversight, the Rx co-pay for non-union members of the self-insured plan was not adjusted at the start of the year when other benefit changes were made. At this time, it is recommended that the Rx co-pay be increased from \$2 generic/\$5 brand-name to \$20 generic/\$40 brand-name. This change will directly impact one non-union

employee currently enrolled in the self-insured plan and will indirectly impact a second clerical-union employee whose contract tie-bars their co-pay to the non-union level. The \$20/\$40 co-pay is consistent with co-pays in place or being negotiated with other employee groups. Making this change now gives affected employees the chance to consider options during the City's open enrollment period.

FINANCIAL IMPACT: Greater sharing of Rx costs between City and affected employees.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the proposed amendment to the City's Non-Union Salary Rx co-pay.

Motion by Commissioner Spataro, second by Commissioner Gawron to approve the amendment to the City's non-union salary prescription co-pay.

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

Nays: None

MOTION PASSES

C. Extension 2004 - 2005 Bethany Housing Community Housing Development Organization (CHDO) Agreement. COMMUNITY AND NEIGHBORHOOD SERVICES

SUMMARY OF REQUEST: To direct the Mayor and City Clerk to sign the 2004-2005 extension agreement for the CHDO Bethany Housing for Fifty Five Thousand Dollars. The funding will be used to rehabilitate the Bethany owned transitional house at 380-382 Houston. After the Mayor and Clerk sign the extension contract the CNS Office will retain one copy for our files and a copy will be supplied to the Clerk's Office and one to Bethany Housing. If the project is not completed by December 31, 2005, the City of Muskegon will recapture the funding.

FINANCIAL IMPACT: Funding will be allocated from the 2004-2005 HOME programs.

BUDGET ACTION REQUIRED: The Commission previously approved the funding.

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

Motion by Commissioner Carter, second by Commissioner Spataro to approve the extension of the 2004-2005 Bethany Housing Community Housing Development Organization Agreement for 380-382 Houston and direct staff to address the parking situation for the tenants.

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

Nays: None

MOTION PASSES

D. Reallocation of 1997 CHDO Funds to Habitat for Humanity for Jimmy Carter Built Project. COMMUNITY AND NEIGHBORHOOD SERVICES

SUMMARY OF REQUEST: To direct staff to reallocate unused 1997 HOME CHDO funding of Thirty Thousand Seven Hundred and Seven Dollars (\$30,707) to Habitat for Humanity to assist them with their housing blitz project this summer formally known as the Jimmy Carter Built project. The original funding was allocated to another CHDO in 1997 and the funding was never spent. Therefore it is the request of the CNS to have the funding allocated to Habitat for Humanity.

FINANCIAL IMPACT: Funding will be allocated from the 1997 HOME funds allocation.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To direct staff to have the documents signed by the Mayor and the Clerk.

COMMITTEE RECOMMENDATION: The previous allocation was approved by the Commission and the Citizen District Council.

Motion by Commissioner Spataro, second by Commissioner Carter to approve the reallocation of 1997 CHDO funds to Habitat for Humanity for Jimmy Carter Built Project.

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

Nays: None

MOTION PASSES

E. Lead Based Paint Abatement at 1983 Hoyt. COMMUNITY AND NEIGHBORHOOD SERVICES

SUMMARY OF REQUEST: To approve the bid with Success Builders, 2722 E. Broadway, Muskegon, Michigan for the lead based paint abatement of the city-owned home at 1983 Hoyt for \$18,900. The other bid received was from A-1 Professional Construction, 15 North Park, Grand Rapids, Michigan for \$20,400. After the lead base paint abatement is complete, the structure will be totally rehabilitated and then sold to a qualified low to moderate-income homebuyer.

FINANCIAL IMPACT: Cost of the abatement will be allocated from the 2003 HOME budget.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve the bid and authorize staff to contract the work with Success Builders of Muskegon.

Motion by Commissioner Spataro, second by Commissioner Davis to approve the lead-based paint abatement at 1983 Hoyt.

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

Nays: None

MOTION PASSES

F. Approval of Contractor for Completion of Rehabilitation of Structure at 1983

Hoyt. COMMUNITY AND NEIGHBORHOOD SERVICES

SUMMARY OF REQUEST: To approve the contract with Lewis Johnson Construction, 1607 Bonita Court of Grand Haven for the completion of the rehabilitation of 1983 Hoyt for Fifty Six Thousand Nine Hundred (\$56,900). The structure was obtained by the City of Muskegon through the "Good Neighbor Program" from the U.S. Department of Housing and Urban Development for the total cost of one dollar (\$1.00). After the final rehabilitation is completed, the property will be sold to a qualified family in accord with the City's neighborhood revitalization efforts, continuing the City's aggressive neighborhood revitalization efforts. The CNS Office received four proposals for this project. The other three were: Top Notch Design, 4740 Jenson, Fruitport, (\$66,535); Wasco/Briggs, 210 E. Broadway, Muskegon Heights, (\$73,613); R&R Smith, 2251 W. Giles Road, North Muskegon, (\$80,874).

FINANCIAL IMPACT: The funding for this project will be taken from the City's HOME funds from fiscal year 2003 and program income.

BUDGET ACTION REQUIRED: None required.

STAFF RECOMMENDATION: To approve the Community and Neighborhood Services request.

COMMITTEE RECOMMENDATION: The Commission approved for the CNS Office to obtain this home through the "Good Neighbor Program".

Motion by Commissioner Gawron, second by Commissioner Shepherd to approve the contract with Lewis Johnson Construction for the completion of the rehabilitation of 1983 Hoyt for \$56,900.

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

Nays: None

MOTION PASSES

G. First Reading, Amend the City Code of Ordinances, to Repeal Chapter 102, Vehicles for Hire. LEGISLATIVE POLICY COMMITTEE

SUMMARY OF REQUEST: To repeal and reserve Chapter 102, Vehicles for Hire, of the City of Muskegon Code of Ordinances.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To adopt the ordinance.

COMMITTEE RECOMMENDATION: This was discussed at the April 27th Legislative Policy Committee Meeting.

Motion by Commissioner Spataro, second by Commissioner Gawron to amend the City Code of Ordinances to repeal Chapter 102 regarding Vehicles for Hire.

Motion by Commissioner Spataro, second by Vice Mayor Larson to table the

amendment to the City Code of Ordinances to repeal Chapter 102 regarding Vehicles for Hire to the June 13th Commission Worksession.

ROLL VOTE: Ayes: Davis, Gawron, Larson, Shepherd, Spataro, Warmington, and Carter
Nays: None

MOTION PASSES

Motion by Commissioner Spataro, second by Commissioner Carter to extend the current licenses until this item is resolved.

ROLL VOTE: Ayes: Gawron, Larson, Shepherd, Spataro, Warmington, Carter, and Davis
Nays: None

MOTION PASSES

H. Liquor License Request - D & L of Michigan, LLC, 441 W. Western. CITY CLERK

SUMMARY OF REQUEST: The Liquor Control Commission is seeking local recommendation on a request from D & L of Michigan, LLC, to transfer ownership of the 2004 Class C-SDM licensed business with dance permit and outdoor service (1 area), located in escrow at 3621 Getty, Norton Shores, from North-Saylor, Inc. and to transfer location to 441 W. Western, Muskegon.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: The Police Department is recommending denial of the request.

Motion by Vice Mayor Larson, second by Commissioner Shepherd to approve the liquor license transfer request.

ROLL VOTE: Ayes: Larson, Shepherd, Spataro, Warmington, Carter, Davis, and Gawron
Nays: None.

MOTION PASSES

2005-46 CLOSED SESSION: To discuss pending litigation and collective bargaining.

Motion by Commissioner Carter, second by Commissioner Spataro to go into Closed Session at 7:16 p.m. to discuss pending litigation and collective bargaining.

ROLL VOTE: Ayes: Shepherd, Spataro, Warmington, Carter, Davis, Gawron, and Larson
Nays: None

MOTION PASSES

Motion by Vice Mayor Larson, second by Commissioner Shepherd to come out of Closed Session at 8:00 p.m.

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

Nays: None

MOTION PASSES

Motion by Commissioner Spataro, second by Commissioner Carter to concur with the City Attorney's recommendation.

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

Nays: None

MOTION PASSES

ADJOURNMENT: The City Commission Meeting adjourned at 8:02 p.m.

Respectfully submitted,

Gail A. Kunding, MMC
City Clerk