

CITY OF MUSKEGON

CITY COMMISSION MEETING

NOVEMBER 9, 2004

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, November 9, 2004.

Vice Mayor Larson 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: Vice Mayor Bill Larson, Commissioner Lawrence Spataro, Chris Carter, Kevin Davis, Stephen Gawron, Clara Shepherd, City Manager Bryon Mazade, City Attorney John Schrier, and City Clerk Gail Kundinger.

Absent: Mayor Stephen Warmington (excused).

2004-98 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, October 26, 2004.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the minutes.

B. SECOND READING: Adoption of Alternative Provision of City Income Tax Act (Act 284 of 1964). INCOME TAX

SUMMARY OF REQUEST: The adoption of the alternative provision of the City Income Tax Act, (Act 284 of 1964), Chapter 3, Section 141.760 which will require employers over the one hundred dollar monthly withholding threshold to pay to the City the full amount of tax withheld on or before the last day of the month following the close of each calendar month. Effective January 1, 2005.

FINANCIAL IMPACT: The adoption of this provision will allow the City to collect revenue faster. Also, it will enhance our ability to forecast economic trends from

a quarterly to a monthly basis.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval recommended.

C. Request for Encroachment Agreement by Muskegon Area Intermediate School District. ENGINEERING

SUMMARY OF REQUEST: MAISD has submitted an encroachment agreement form requesting your permission to install an underground conduit to carry a fiber optic between their facilities on Harvey Street. The proposed route will be the west side of Harvey between Oak & Stebbins.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve the encroachment agreement with the supplemental conditions.

D. City – MDOT Agreement for: Bridge Work Over the South Branch of the Muskegon River. ENGINEERING

SUMMARY OF REQUEST: To approve the contract with MDOT for the Bridge work on US-31 BR over the southern branch of the Muskegon River and to approve the resolution authorizing the Mayor and City Clerk to sign the contract. The proposed work consists of structure replacement and bridge approaches.

FINANCIAL IMPACT: While this is an MDOT project the City's participation is required under ACT-51 since the project falls within the City limits. The City's share is estimated at \$28,300 but not more than 11.25% of eligible cost. The total cost of the project is estimated at \$1,386,100.

BUDGET ACTION REQUIRED: None at this time. The City's share of the cost will come out of the 2005 Major Street Fund as was budgeted.

STAFF RECOMMENDATION: That the agreement and resolution be approved.

E. Appointment and Resignation to Various Boards and Committees. CITY CLERK

SUMMARY OF REQUEST: To appoint Shontea Jenkins to the Civil Service Commission, and Manda Weller to the Citizen's District Council. Accept resignations from Daniel Chambers from the Historic District Commission, Trudy Borset from the Citizens District Council, and Ben Bifoss from the Downtown Development Authority/Brownfield Redevelopment Authority Board.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval.

COMMITTEE RECOMMENDATION: The Community Relations Committee recommended the appointments and resignations.

Motion by Commissioner Carter, second by Commissioner Spataro to approve the Consent Agenda.

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

Nays: None

MOTION PASSES

2004-99 NEW BUSINESS:

A. Request to Vacate Public Utility Rights and Abandon In Place Existing Utilities in Seaway Industrial Park. PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: The City has vacated the public alleys located within the Seaway Industrial Park. This was done in October 2003 as part of the assembly of land acquired by the City to establish new parcels for industrial development. As is policy in the City, we retained easement rights in these alleys at the time they were vacated. It is now necessary for construction on the effected parcels to take place, to vacate these utility rights and abandon all in-place existing utilities in these vacated alleys.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: For the Mayor and Clerk to sign the resolution approving the vacation of the public utility rights and abandoning the in-place existing utilities.

Motion by Commissioner Spataro, second by Commissioner Gawron to approve the vacation of the public utility rights and abandoning the in-place existing utilities.

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

Nays: None

MOTION PASSES

B. Notice of Intent and Reimbursement Resolution - Possible Capital Improvement Bond Issue. FINANCE

SUMMARY OF REQUEST: The City is faced with a number of important capital project needs that likely will require debt financing: 1) new central fire station, 2) matching funds for \$1 million marina improvements grant, 3) funds to complete the lakeshore trail project, 4) possible second ice sheet to replace Arena Annex and help reduce Arena's operating deficit, 5) funds for Fisherman's Landing facilities. The two resolutions represent the first step in the bonding process and

serve two purposes: 1) the “notice of intent resolution” provides the necessary legal notice to the public of the possible bond issue and, 2) the “reimbursement resolution” provides a legal basis for the City to be reimbursed from bond proceeds for project costs incurred prior to bond issuance.

FINANCIAL IMPACT: The only immediate cost associated with this action is the cost of publication in the *Chronicle*. If bonds are issued, the projected amount will be \$7 million to be repaid over 20 years. Annual debt service is estimated to be \$530,000 per year. The size of the bond issue may be reduced by possible grant funding and/or land sale proceeds. Annual debt service will be covered by a combination of sources including marina revenues (pending state approval of our request for more seasonal slips); DDA tax increment revenues for eligible projects located in the DDA area (i.e. annex, portion of trail), and general fund resources anticipated to be made available by reducing/eliminating the LC Walker operating deficit.

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 Commissioner Spataro, second by Commissioner Carter to approve the resolutions.

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

Nays: None

MOTION PASSES

C. Amendment to Cross-Lake Ferry Agreement. CITY MANAGER

SUMMARY OF REQUEST: To approve an amendment of Exhibit A (property description) of the Cross-Lake Ferry lease agreement. The actual property being used for the ferry operation changed during construction of the improvements from the property identified in the original lease.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve the amendment.

Motion by Commissioner Shepherd, second by Commissioner Carter to approve the amendment to the Cross-Lake Ferry Agreement.

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

Nays: None

MOTION PASSES

D. Salary Ranges for Planning & Economic Development Division. CITY

MANAGER

SUMMARY OF REQUEST: To approve salary ranges for the following positions in the reorganized Planning & Economic Development Division:

- 1) Planner III – Range VII-A (\$38,061-\$50,751)
- 2) Planner II – Range VIII (\$33,698- \$44,933)
- 3) Code Coordinator – Range VIII (\$33,698-\$44,933)
- 4) Planner I – Range IX (\$29,694-\$39,592)

FINANCIAL IMPACT: Reorganization changes cost an additional \$46,340.

BUDGET ACTION REQUIRED: None. These changes are accommodated for in the 2005 budget.

STAFF RECOMMENDATION: To approve the proposed salary ranges.

Motion by Commissioner Gawron, second by Commissioner Shepherd to approve the salary ranges.

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

Nays: None

MOTION PASSES

The City Commission Meeting adjourned at 5:55 p.m.

Respectfully submitted,

Gail A. Kunding, MMC
City Clerk