

CITY OF MUSKEGON

CITY COMMISSION MEETING

OCTOBER 26, 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, October 26, 2004.

Mayor Warmington opened the meeting with a prayer from Pastor Anderson of the Philadelphia Baptist 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 Bill Larson, Commissioner Chris Carter, Stephen Gawron, Clara Shepherd, Lawrence Spataro, City Manager Bryon Mazade, City Attorney John Schrier, and City Clerk Gail Kundinger.

Absent: Commissioner Kevin Davis (excused).

2004-94 HONORS AND AWARDS:

A. Annual Service Awards. CIVIL SERVICE

The service awards were presented by Ray Murdaugh.

2004-95 CONSENT AGENDA:

A. Approval of Minutes. CITY CLERK

SUMMARY OF REQUEST: To approve the minutes of the Commission Worksession that was held on Monday, October 11, 2004; and the Regular Commission Meeting that was held on Tuesday, October 12, 2004.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the minutes.

B. Approval of Contractor for Rehabilitation of the House at 510 Creston. COMMUNITY & NEIGHBORHOOD SERVICES

SUMMARY OF REQUEST: To approve the contract with Top Notch Design, 4740

Jension Rd., Fruitport, MI for the rehabilitation of the home at 510 Creston for the cost of \$53,890. The only other bid received was from Lewis Johnson for \$58,750 of 16076 Bonita Court, Grand Haven, MI. After the rehabilitation is completed, the home will be sold to a qualified first-time homebuyer continuing the City's aggressive neighborhood revitalization efforts under the Operation "Crest to Success".

FINANCIAL IMPACT: The funding for the project will be taken from the City's 2003 HOME funds.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve the contract with Top Notch Design and direct the Mayor and Clerk to sign the contract.

C. Lead Based Paint Abatement at 510 Creston. COMMUNITY & NEIGHBORHOOD SERVICES

SUMMARY OF REQUEST: To approve the bid with Success Builders, 2722 E. Broadway for the lead base paint abatement of the city-owned home at 510 Creston for \$18,500. The other bids received were from West Michigan Construction, 2600 Patterson S.E., Grand Rapids, MI; and A-1 Professional Construction for \$19,900 and \$21,925 respectfully. 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 2002 HOME budget for lead based paint abatement.

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 Gawron, second by Commissioner Shepherd to approve the Consent Agenda as read.

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

Nays: None

MOTION PASSES

2004-96 UNFINISHED BUSINESS:

A. SECOND READING: Muskegon Boiler Works Study Committee Final Report. PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: The Muskegon Boiler Works Study Committee, which was appointed by the City Commission on June 22, 2004 to study the historic significance of the Boiler Works property and make a recommendation regarding the establishment of an historic district, has developed a final report.

The property is located at 1204 Eighth Street (described as City of Muskegon Revised Plat of 1903 Block 317, Lots 9-13). To finalize its duties, the Study Committee is forwarding on the final report with a recommendation to the City Commission to establish the Boiler Works Historic District and to amend Chapter 11 of the Code of Ordinances concerning Historic Districts and the Historic District Commission, to reflect the addition of the new district.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To accept the Muskegon Boiler Works Study Committee report and recommendation and authorize the Clerk to sign the Ordinance amending Chapter 11 of the Code of Ordinances concerning Historic Districts and the Historic District Commission.

COMMITTEE RECOMMENDATION: The Muskegon Boiler Works Study Committee recommends approval of the establishment of an historic district for the Boiler Works property. The Planning Commission recommended approval to the City Commission at their August 12, 2004 meeting.

Motion by Vice Mayor Larson, second by Commissioner Carter to approve the establishment of an historic district for the Boiler Works property and amend Chapter 11 of the Code of Ordinances.

ROLL VOTE: Ayes: Carter, Larson, Shepherd, Warmington

Nays: Gawron, Spataro

MOTION PASSES

2004-97 NEW BUSINESS:

A. FIRST 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.

Motion by Commissioner Spataro, second by Commissioner Carter to adopt the alternative provision of City Income Tax Act.

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

Nays: None

MOTION PASSES (REQUIRES SECOND READING)

B. Approval of Subordination Agreement with Crestmark Bank in Regards to Michigan Steel. TREASURER

SUMMARY OF REQUEST: Michigan Steel purchased the assets of West Michigan Steel through section 363-bankruptcy sale, which extinguished all liens on the personal property. In an attempt to retain some interest in the personal property for those tax years, the City of Muskegon City Commission approved and signed a promissory note and security agreement with Michigan Steel for repayment of delinquent personal property taxes in November 2003.

Michigan Steel is refinancing through Crestmark Bank who is now requesting to enter into a subordination agreement with the City of Muskegon. This agreement only affects the previous tax years covered in the bankruptcy proceeding. The City of Muskegon retains all superior tax lien rights for future tax years. This would essentially be a continuation of the original subordination agreement with Prairie Financial.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: The staff recommends approval of the subordination agreement with Crestmark Bank.

Motion by Commissioner Gawron, second by Commissioner Spataro to approve the Subordination Agreement with Crestmark Bank in regards to Michigan Steel.

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

Nays: None

MOTION PASSES

C. Sale of Parcel at 1537 S. Getty. PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: To approve the sale of 1537 S. Getty Street to R. Walker Construction Company, 3765 S. 41 Road, Cadillac, MI 49601. This company will construct a 7,500 sq. ft. industrial building that will be occupied by Fastenal Company, currently located at 1590 Creston Street. Fastenal is a warehouse wholesaler to the manufacturing industry. The property is zoned I-1, Light Industrial, which allows for this use as a principal use. Fastenal will purchase the building after completion from R. Walker Construction Company. The purchase price is \$30,000, which is the full asking price. Fastenal will employ 10-12 employees. The purchase agreement contains a condition, which will require the company to construct the building within 18 months.

FINANCIAL IMPACT: The sale of this lot will put the property back on the tax rolls, and bring additional income tax revenue from those employed at the company.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve the resolution and to authorize both the Mayor and the Clerk to sign said resolution, deed, and any other necessary documents.

Motion by Commissioner Spataro, second by Commissioner Shepherd to approve the sale of 1537 S. Getty Street to R. Walker Construction Company.

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

Nays: None

MOTION PASSES

D. Opposing House Bill 4358 – Michigan Vehicle Code Amendment.

PUBLIC WORKS

Motion by Commissioner Spataro, second by Vice Mayor Larson to adopt the resolution.

ROLL VOTE: Ayes: Spataro, Warmington, Carter, Gawron, Larson

Nays: None

Absent: Shepherd (stepped out of the room)

MOTION PASSES

The City Commission Meeting adjourned at 6:05 p.m.

Respectfully submitted,

Gail A. Kunding, MMC
City Clerk