

# CITY OF MUSKEGON

## CITY COMMISSION MEETING

SEPTEMBER 28, 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, September 28, 2004.

Mayor Warmington opened the meeting with a prayer from Commissioner Clara Shepherd 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.

#### **2004-85 CONSENT AGENDA:**

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

SUMMARY OF REQUEST: To approve the minutes of the Special Commission Meeting that was held on Wednesday, September 8, 2004; the Commission Worksession that was held on Monday, September 13, 2004; and the Regular Commission Meeting that was held on Tuesday, September 14, 2004.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the minutes.

##### **B. Brownfield Site Assessment Consulting Contract - Couture Environmental Strategies LLC. PLANNING & ECONOMIC DEVELOPMENT**

SUMMARY OF REQUEST: The City of Muskegon was awarded a Brownfield Grant/Loan, in the amount of \$1,000,000 (\$500,000/grant, \$500,000/loan), for the purposes of providing funding for environmental investigations, Baseline Environmental Assessments and Due Care Plans to facilitate redevelopment and reuse of properties in the City. Anne Couture, of Couture Environmental Strategies LLC, has been the City's consultant for grant administration and grant writing for these activities. It is recommended that Ms. Couture be retained in

this capacity to continue with the grant administration during the duration of the grant activities. Therefore, the Commission is asked to approve the proposal from Ms. Couture and authorize the Mayor to sign.

FINANCIAL IMPACT: The budget for grant administration activities is 10% of the total amount of the grant and loan for a total of \$100,000. The cost will be covered by the grant funds.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve the proposal between the City of Muskegon and Couture Environmental Strategies LLC, and authorize the Mayor to sign the proposal.

**C. Purchase a New Wheel Loader. PUBLIC WORKS**

SUMMARY OF REQUEST: Approval to purchase one Case 721D loader.

FINANCIAL IMPACT: Total cost per unit \$82,000.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approve purchase of one 721D loader from West Michigan Power.

**D. 2004-2005 Transportation Planning Program Funding. CITY MANAGER**

SUMMARY OF REQUEST: To approve the City's share of the local matching funds for the Muskegon County Metropolitan Planning Program for fiscal year 10/1/04 to 9/30/05. The City receives grant funds through this program for certain major streets.

FINANCIAL IMPACT: \$16,040 from the Major Street Fund.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve this request.

**Motion by Commissioner Gawron, second by Commissioner Davis to approve the Consent Agenda.**

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

**Nays: None**

***MOTION PASSES***

**2004-86 PUBLIC HEARINGS:**

**A. Request for Name Change on Industrial Development Certificate No. 95-724 - Great Lakes Die Cast. PLANNING & ECONOMIC DEVELOPMENT**

SUMMARY OF REQUEST: Pursuant to Public Act 198 of 1974, as amended, Great

Lakes Die Cast Corporation, 701 W. Laketon Avenue, Muskegon, Michigan, has requested name change on Industrial Development Certificate No. 95-724 for property located at 701 W. Laketon Avenue, Muskegon, Michigan. The certificate was originally granted to Dilesco Corporation in 1995, but since the company has new owners, the name change is requested. The transfer will be for both real and personal property. The company continues to perform the same work as under the previous owners.

FINANCIAL IMPACT: Certain additional income and property taxes will be collected.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the resolution changing the name on the Industrial Development Certificate to Great Lakes Die Cast Corporation.

The Public Hearing opened at 5:34 p.m. to hear and consider any comments from the public. No comments were heard.

**Motion by Vice Mayor Larson, second by Commissioner Carter to close the Public Hearing at 5:36 p.m. and approve the name change on Industrial Development Certificate No. 95-724 to Great Lakes Die Cast Corporation.**

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

Nays: None

### ***MOTIONPASSES***

**B. Request for Name Change on Industrial Development Certificate No. 98-551 - Great Lakes Die Cast. PLANNING & ECONOMIC DEVELOPMENT**

SUMMARY OF REQUEST: Pursuant to Public Act 198 of 1974, as amended, Great Lakes Die Cast Corporation, 701 W. Laketon Avenue, Muskegon, Michigan, has requested name change on Industrial Development Certificate No. 98-551 for property located at 701 W. Laketon Avenue, Muskegon, Michigan. The certificate was originally granted to Dilesco Corporation in 1998, but since the company has new owners, the name change is requested. The transfer will be for both real and personal property. The company continues to perform the same work as under the previous owners.

FINANCIAL IMPACT: Certain additional income and property taxes will be collected.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the resolution changing the name on the Industrial Development Certificate to Great Lakes Die Cast Corporation.

The Public Hearing opened at 5:36 p.m. to hear and consider any comments

from the public. No comments were heard.

**Motion by Commissioner Gawron, second by Commissioner Spataro to close the Public Hearing at 5:39 p.m. and approve the name change on Industrial Development Certificate No. 98-551 to Great Lakes Die Cast Corporation.**

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

**Nays: None**

***MOTION PASSES***

**2004-87 NEW BUSINESS:**

**A. Groundwater Ordinance Amendment. PLANNING & ECONOMIC DEVELOPMENT**

SUMMARY OF REQUEST: To approve an amendment to the City Groundwater Ordinance to include properties that have been identified as "affected" premises as defined in the Groundwater Ordinance. An "affected" premises shall mean a parcel of property any part of which is located within an appendix map made part of this ordinance, as originally enacted or amended, which map shows the parcel to have contaminated groundwater under any part of the parcel. Brunswick Corporation (owner of the parcel) and R & B Trailer Leasing (adjacent to the parcel) have been notified by mail of the amendment herein.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve the amendment.

**Motion by Commissioner Spataro, second by Commissioner Gawron to approve the amendment to the City Groundwater Ordinance.**

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

**Nays: None**

***MOTION PASSES***

**B. Audit Contract Extension. FINANCE**

SUMMARY OF REQUEST: The contract for the City's annual audit is expired. Because of the possibility that voters may approve changes to the City's fiscal year this November, staff is recommending that the contract with the current independent audit firm (Hoffman, Steensma & Plamondon) be extended through 12/31/04 and through the potential stub-year period (6/30/05 or 9/30/05). This will provide much needed continuity through a difficult transition. Waiting to bid out audit services will have the added advantage (if the fiscal

year is changed) of attracting more competitive bids, since the current 12/31 year-end is unattractive to many CPA firms because of tax preparation season. Typically audit contracts are awarded for a five-year period so it is sensible to wait until we know what the future fiscal year-end will be.

FINANCIAL IMPACT: proposed cost for 12/31/04 audit - \$34,000 which is the same as for the 12/31/03 audit. Proposed cost for the stub-period audit - \$26,000.

BUDGET ACTION REQUIRED: none at this time. The 2005 budget incorporates funding for the 12/31/04 audit. If voters approve the fiscal year proposals, the entire 2005 budget will need to be reforecast and restructured at a later date.

STAFF RECOMMENDATION: Approval of the audit contract extension to cover the 12/31/04 audit and the audit for the stub year, if the November ballot proposal is approved by voters.

**Motion by Commissioner Spataro, second by Commissioner Carter to extend the contract.**

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

**Nays: None**

***MOTION PASSES***

**C. Proposed Water Rate Increase. FINANCE**

SUMMARY OF REQUEST: The City is in the midst of a \$16.5 million renovation of the Water Filtration Plant. To fund these improvements, the City has borrowed \$13.9 million from the Drinking Water Revolving Fund (DWRP) and has committed other resources to the project. It is necessary to raise water user fees significantly in order to cover debt service requirements associated with the filtration project and to offset rapidly rising operational costs. Staff is recommending that the water user charge be raised from the current \$1.09/hcft to \$1.40/hcft effective January 1, 2005.

FINANCIAL IMPACT: The following table shows how the rate increase will impact typical residential households:

<u>Sample Users</u>	<u>Quarterly Water Bill Before Increase</u>	<u>Quarterly Water Bill After 1/1/05 Increase</u>
Using 7,500 gallons per month (1-2 person household)	\$32.70	\$42.00

Using 15,000 gallons per month (3-4 person household)	\$65.40	\$84.00
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As shown on the survey, Muskegon's residential water rates will continue to be below the average for Michigan communities after implementation of the increase.

**BUDGET ACTION REQUIRED:** None at this time. The 2005 water fund budget incorporates the projected revenues from the rate increase.

**STAFF RECOMMENDATION:** Approval of the resolution implementing the proposed water rate increase.

**Motion by Commissioner Carter, second by Commissioner Spataro to approve the water rate increase.**

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

**Nays: None**

***MOTION PASSES***

**2004-88 ANY OTHER BUSINESS:**

**A.** Commissioner Shepherd requested assistance with costs associated with attendance at the NLC Conference held in Indianapolis, Indiana from November 30 through December 4, 2004.

**Motion by Commissioner Carter, second by Mayor Warmington to give the \$415 registration fee from Mayor Warmington and Commissioner Carter's travel allocation.**

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

**Nays:**

***MOTION PASSES***

**B.** Muskegon Big Red Band Parents requested that the Special Event late fee be waived for the annual Tag Sale in October.

**Motion by Vice Mayor Larson, second by Commissioner Shepherd to waive the fee one time.**

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

Nays: None

***MOTION PASSES***

The City Commission Meeting adjourned at 6:24 p.m.

Respectfully submitted,

Gail A. Kunding, MMC  
City Clerk