# CITY OF MUSKEGON

## CITY COMMISSION MEETING

### AUGUST 9, 2022 @ 5:30 P.M.

**MUSKEGON CITY COMMISSION CHAMBERS**
**933 TERRACE STREET, MUSKEGON, MI 49440**

# AGENDA

- □ **CALL TO ORDER:**
- □ **PRAYER:**
- □ **PLEDGE OF ALLEGIANCE:**
- □ **ROLL CALL:**
- □ **HONORS, AWARDS, AND PRESENTATIONS:**
- □ **PUBLIC COMMENT ON AGENDA ITEMS:**
- □ **CONSENT AGENDA:**
  - **A.** **Approval of Minutes** City Clerk
  - **B.** **Sanford Street Reconstruction** DPW
  - **C.** **Lead Service Line Replacements** DPW
  - **D.** **Getty Street Traffic Study** DPW
  - **E.** **Apple Avenue Traffic Study** DPW
  - **F.** **ARP Infill Housing Working Cash Fund Request** Economic Development
  - **G.** **MERS Amortization Extension** Finance
  - **H.** **MI-HOPE Leverage Funds** CNS
  - **I.** **Water Supply System Bonds Series A & B** Finance
  - **J.** **Sanitary Sewer Supply System Bonds** Finance
- □ **PUBLIC HEARINGS:**
- □ **UNFINISHED BUSINESS:**
- □ **NEW BUSINESS:**
- □ **ANY OTHER BUSINESS:**
- □ **PUBLIC COMMENT ON NON-AGENDA ITEMS:**

► **Reminder: Individuals who would like to address the City Commission shall do the following:**
► Fill out a request to speak form attached to the agenda or located in the back of the room.
► Submit the form to the City Clerk.
► Be recognized by the Chair.
► Step forward to the microphone.
► State name and address.
► Limit of 3 minutes to address the Commission.
► (Speaker representing a group may be allowed 10 minutes if previously registered with City Clerk.)

## □ CLOSED SESSION:

## □ ADJOURNMENT:

ADA POLICY: THE CITY OF MUSKEGON WILL PROVIDE NECESSARY AUXILIARY AIDS AND SERVICES TO INDIVIDUALS WHO WANT TO ATTEND THE MEETING UPON TWENTY-FOUR HOUR NOTICE TO THE CITY OF MUSKEGON. PLEASE CONTACT ANN MARIE MEISCH, CITY CLERK, 933 TERRACE STREET, MUSKEGON, MI 49440 OR BY CALLING (231) 724-6705 OR TTY/TDD DIAL 7-1-1-22 TO REQUEST A REPRESENTATIVE TO DIAL (231) 724-6705.

WATCH MUSKEGON

# Agenda Item Review Form

## Muskegon City Commission

| | |
|---|---|
| Commission Meeting Date: August 9, 2022 | Title: Approval of Minutes |
| Submitted By: Ann Marie Meisch, MMC | Department: City Clerk |
| Brief Summary: To approve the minutes of the July 11, 2022 Worksession and July 12, 2022 Regular Meeting. | |
| Detailed Summary: N/A | |
| Amount Requested: N/A | Amount Budgeted: N/A |
| Fund(s) or Account(s): N/A | Fund(s) or Account(s): N/A |
| Recommended Motion: To approve the minutes. | |
| For City Clerk Use Only:<br><br>Commission Action: | |

CITY OF MUSKEGON
CITY COMMISSION WORKSESSION

Monday, July 11, 2022
5:30 p.m.
City Commission Chambers
933 Terrace Street, Muskegon, MI 49440

**MINUTES**

2022-66

Present: Mayor Johnson, Vice Mayor German, Commissioners Gorman, St.Clair, and Emory

Absent: Commissioner Hood and Commissioner Ramsey

City Park Concession Policy
Staff is seeking guidance regarding a formal concession policy to be applied to potential concessionaires operating within the City Park system. Staff is presenting a draft policy for accepting, reviewing, and approving applications to be a concessionaire within the City Park system. Currently applications are accepted by DPW and approved at the Commission level, with no formalized policy. This is the next step following the concession fee waiver policy adopted at the May 24, 2022 meeting.

If enacted by future Commission decision, the policy would apply to any operation that looks to sell a good or service within the traditionally recognized city park system. This policy is not envisioned to apply to other similar operations like Western Market that operate outside of the city park system.

Discussion took place regarding the proposed City Park Concession Policy and this item will appear on the agenda at a later date.

Playground Inspection Results
Staff wishes to share results of a comprehensive playground inspection and discuss how Parks Department funds should be prioritized for playgrounds in the future.

The inspection report recommended major repairs or closure of several playgrounds, together with minor repairs to many more. Given the cost of recent playground installations, staff seeks the Commission's guidance on how to prioritize playground funding in the future, together with share a brief financial analysis of playground spending in the context of the Parks Department budget.

Dan VanderHeide, Deputy Director of the Department of Public Works, presented information obtained from an inspection that was conducted on all of the playground equipment in the parks in the City. Discussion took place regarding the recommendations that were made by the inspector. This topic will continue to be addressed as appropriate.

Minimum Housing Unit Sizes

Staff is seeking Commission input on a proposed ordinance amendment that would reduce the minimum sizes for residential units to help address affordability issues.

Discussion took place and this will be addressed at a later date.

Public Comment – Public comment was received

Adjournment: The City Commission Worksession Meeting adjourned at 7:30 p.m.

Respectfully Submitted,

Kimberly Young, Deputy City Clerk

# CITY OF MUSKEGON

## CITY COMMISSION MEETING

### JULY 12, 2022 @ 5:30 P.M.

**MUSKEGON CITY COMMISSION CHAMBERS**

**933 TERRACE STREET, MUSKEGON, MI 49440**

# 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, July 12, 2022, Vice Mayor, Willie German, Jr., opened the meeting with prayer, after which the Commission and public recited the Pledge of Allegiance to the Flag.

Present: Mayor Ken Johnson, Vice Mayor Willie German, Jr., Commissioners, Teresa Emory, Rachel Gorman, Rebecca St.Clair, and Michael Ramsey, Interim City Manager LeighAnn Mikesell, City Attorney John Schrier, and City Clerk Ann Meisch.

Absent: Commissioner Eric Hood

**PUBLIC COMMENT ON AGENDA ITEMS:** Public comments received.

**2022-67 CONSENT AGENDA:**

**A. Approval of Minutes** City Clerk

SUMMARY OF REQUEST: To approve the minutes of the May 20, 2022 Special Meeting, May 25, 2022 Special Meeting, June 13, 2022 Worksession, and June 14, 2022 Regular Meeting.

STAFF RECOMMENDATION: To approve the minutes.

**B. Lift Station Pump Replacements** DPW/Water & Sewer

SUMMARY OF REQUEST: Authorize Staff to purchase a replacement pump for Apple Lift Station for $41,645 and a replacement for Beach Lift Station for $37,874 from Kennedy Industries (sole supplier).

The Apple Lift Station was upgraded in 1999 and has two pumps with one being replaced in 2009 and the original pump is 23 years old. Apple Lift Station is one of our busiest stations and we recommend replacing the original pump with a new Flygt pump from Kennedy Industries. This will increase the efficiency and reliability of this station and the old pump will be cleaned up and stored for use as a back up in emergency situations.

Beach Lift Station has had both pumps replaced with the first replacement in 2009 and the second replacement in 2013. This station has limited storage and

high hourly usage throughout the year. The new Flygt pump from Kennedy Industries would serve as a back up to improve reliability in emergency situations.

AMOUNT REQUESTED: $79,519 AMOUNT BUDGETED: $150,000

FUND OR ACCOUNT: Sewer CIP Fund – 590-91828

STAFF RECOMMENDATION: To authorize staff to move forward with the purchase.

**C. DPW Roofing – 2B & 2C** Public Works

SUMMARY OF REQUEST: Staff is seeking approval of a contract with Ostrander Roofing (Contracting) and Garland (Materials) in the amount of $185,614 to repair sections 2B and 2C of the roofing at DPW.

Staff solicited bids for roofing work at DPW and included funds in the 22/23 budget for this item of work.

Included in the bids were sections 2B and 2C of the roofing at DPW. Section 1 was completed in 2019 and section 2A has been approved but was delayed starting so the work could coordinate with 2B and 2C to minimize impact on the building. Section 3 (last section) will not require any work for a few years.

Staff is recommending that we accept the low bid from Ostrander Roofing and Garland Materials.

AMOUNT REQUESTED: $185,614 AMOUNT BUDGETED: $185,000

FUND OR ACCOUNT: 642-60442-5790

STAFF RECOMMENDATION: Authorize staff to contract with Ostrander Roofing and Garland in the amount of $185,614 for the roofing repairs at DPW.

**E. Musketawa Trail Project – Change Order #004** Engineering

SUMMARY OF REQUEST: Staff is requesting approval of Change Order #004 on the Musketawa Trail Connector project as the overall project has exceeded staff approval levels for change orders.

The majority of Changer Order #004 represents the quantity balance of all pay items and the addition of one pay item to bring the project to final completion.

Change Order #004 requests a net increase to the project of $18,862.64 above the previously approved requests.

This change order will result in the following final values for the project:

As-Bid Cost = $518,602.35

Current Cost = $580,736.90

Net Change = $62,134.55 (111.98% Increase)

Even with the approval of Change Order #004 the project is expected to finalize below the budgeted amount and not require any adjustments save for a potential to shift any unspent 21/22 funds to 22/23 due to delays in the MDOT billing and payment process.

AMOUNT REQUESTED: $18,862.64 AMOUNT BUDGETED: $650,000

FUND OR ACCOUNT: 202-99118

STAFF RECOMMENDATION: Authorize staff to approve Change Order #004 to Project 99118 in the amount of $18,862.64 for the additional work as noted.

**F. <u>DPW Vehicle Change Order</u>** DPW – Equipment

SUMMARY OF REQUEST: The Equipment Division is requesting permission to amend the price of the previously approved DPW Vehicle Replacement purchase.

At the 8/24/2021 Commission Meeting the Commission approved the purchase of 15 (fifteen) replacement vehicles in the amount of $476,131 for various DPW vehicles as follows:

- F-350 Construction Trucks (3EA – 1 Highway / 1 Traffic / 1 Water & Sewer)
- F-450 Dump Trucks (2 EA – 1 Highway / 1 General Use)
- F-250 Water/Sewer Dept. (4 EA – 4 Water & Sewer)
- F-250 Parks Dept. (3 EA – Parks)
- 2500 HD Fleet Vehicles (3EA – DPW Supervisor Vehicles)

We are just starting to receive the bulk of these vehicles and finding that the approved price will require adjustment for two reasons:

- First, there is a staff error in that the original approval amount of $476,131 was based on the estimated vehicle cost and did not include the anticipated build costs which are in addition to the base vehicle costs. Had that been corrected at the time of the 8/25/21 action the staff request would have been for $571,000.
- Second, is the inflationary pressure on build pricing and the fact that several of these vehicles will be rolled from one model year to the next before they can be fulfilled carrying a price increase. Also included in this revision is a change in need wherein one of the F-350 vehicles is being changed from a Construction Truck to a Lift Station truck which is a substantially more expensive build cost to equip the vehicle with a crane. This is due to the condition of our existing lift station truck moving up in priority.

A summary of the originally budgeted amounts and the revised amounts per vehicle is attached to summarize the change.

There are sufficient funds in the equipment budget tyo support this revision and it will be addressed via a future reforecast if needed, further delays in delivery may negate the need for a reforecast. If necessary a reforecast would likely be addressed at the 2nd or 3rd quarter of 22/23

AMOUNT REQUESTED: $173,033 AMOUNT BUDGETED: $94,869

($694,164 Final Price - $476,131 Approved) ($571,000 Budget 0 $476,131 Approval)

FUND OR ACCOUNT: 661-60932-5730

STAFF RECOMMENDATION: Authorize a change in the overall purchase price for the 15 DPW replacement vehicles from $476,131 to $649,164.

**G. Sale – 213 Myrtle** Planning

SUMMARY OF REQUEST: City staff is seeking authorization to sell the City owned vacant lot to Franchelle Crowley.

Franchelle Crowley will be constructing a single-family home on the lot owned by the City of Muskegon. The property is zoned R-3 (single Family Residential). The parcel will be sold for 75% of the True Cash Value (TCV) per policy. The selling price will be $2,025. The property is in the Brownfield Development area. The home will be constructed within eighteen (18) months.

STAFF RECOMMENDATION: Authorize the Code Coordinator to work with the developer and complete the sale of the City owned buildable lot as described and to have the Mayor and Clerk sign the purchase agreement and deed.

**I. Arena Seats** Arena

SUMMARY OF REQUEST: The arena has added seating with the expansion of Suite 6 and Party Deck 3. We are looking to add seating to these areas as well as replacing lost, stolen, and or damaged seats.

Trinity Health Arena is requesting the approval to purchase new seating to fill the newly expanded areas. The arena is operating the Suites, Lodges and Party Decks with the original seating purchased during the initial remodel. Arena management would like to consolidate all current seating to one area and purchase new seating more friendly to the budget. The goal would be to cycle out the old and transition everything to the new over a period of time to ensure that the city will not be responsible to replace everything all at once.

AMOUNT REQUESTED: $10,000 AMOUNT BUDGETED: $10,000

FUND OR ACCOUNT: 254-5700

STAFF RECOMMENDATION: To approve the expense.

**J. Arena Floors (Lower Level)** Arena

SUMMARY OF REQUEST: The arena is in desperate need of new rubber flooring. We are requesting that the lower level (tunnel, locker rooms) be fitted for arena

grace vulcanized rubber with a 20-year life span.

Trinity Health Arena is requesting the approval of new vulcanized rubber flooring throughout the lower level. We have roughly 10,000 square feet of hallway and locker-room space that needs a complete overhaul. The deterioration of the current rubber floor is full of bacteria and MRSA. It is becoming more difficult to clean, maintain, and keep sanitary. The vulcanized rubber floor we wish to install has many benefits to in including: Non-porous, easy to clean, Green Guard Gold certified, 100% recyclable, Fire resistant, Fungal, bacterial, and microbial resistance throughout. The cost is $150,000 and we would look to install the new flooring while the ice is out during the month of July. This completed project will but the arena in good standing for 20+ years and continue to ad value to the recruitment of top programs, teams, and players from around the country.

AMOUNT REQUESTED: $123,580 AMOUNT BUDGETED: $150,000

FUND OR ACCOUNT: 254-9000

STAFF RECOMMENDATION: To approve the expense.

**K. <u>Lawrence Baker Lot Sale Amendment</u>** Planning/Economic Development

SUMMARY OF REQUEST: Staff is seeking approval of the amendment to the lot sale agreement.

Mr. Baker has requested to purchase a lot at 1341 Ducey instead of 1328 James Street as originally approved by the Commission. The number of constructed homes and the lot purchase amount remains unchanged.

STAFF RECOMMENDATION: To approve the amendment to the Lot Sale Agreement as presented, and authorize the Mayor and Clerk to sign.

**Motion by Commissioner Gorman, second by Commissioner Ramsey, to accept the consent agenda as presented, minus item D, H, and L.**

**ROLL VOTE: Ayes: Johnson, Ramsey, German, Gorman, Emory, and St.Clair**

**Nays: None**

***MOTION PASSES***

**2022-68 REMOVED FROM CONSENT AGENDA:**

**D. <u>Special Event Fee Waiver – Rebel Road</u>** Public Works

SUMMARY OF REQUEST: Child Abuse Council submitted a Special Event Fee Waiver Application for Rebel Road on July 13-17, 2022.

Rebel Road is returning to Western Avenue for 2022. The estimated fee total for this event is $28,000.

- $25,000 Police Services (There are additional costs in police services that the City incurs and are not billed to the event. And example would be the

staffing on Western Avenue from 11 pm when the event ends until 2:30 am when the crowd dissipates.)

- $2,300 DPW Services to move picnic tables and close streets
- $200 Picnic table rental
- $500 Fire hydrant setup and use

Based on the point system on the last page of the fee waiver application, Rebel Road would qualify for a 25% waiver, equivalent to approximately $7,000 if approved.

STAFF RECOMMENDATION: To waive up to $7,000 in special event fees for Rebel Road 2022.

**Motion by Commissioner Ramsey, second by Commissioner St. Clair, to waive up to 50% of special event fees for Rebel Road 2022.**

**ROLL VOTE: Ayes: German, Gorman, Emory, St.Clair, Johnson, and Ramsey**

**Nays: None**

***MOTION PASSES***

**H. <u>Amendment to the Zoning Ordinance – Critical Dunes</u>** Planning

SUMMARY OF REQUEST: Staff-initiated request to revoke Section 2310 (Critical Dunes) of the zoning ordinance.

The Planning Commission unanimously recommended in favor of revoking the ordinance.

STAFF RECOMMENDATION: To approve the request to revoke Section 2310 of the zoning ordinance.

**Motion by Commissioner St.Clair, second by Vice Mayor German to approve the request to revoke Section 2310 of the zoning ordinance.**

**ROLL VOTE: Ayes: Ramsey, German, Gorman, Emory, St.Clair, and Johnson**

**Nays: None**

***MOTION PASSES***

SECOND READING REQUIRED

**L. <u>Polling Location Change – Precinct 13</u>** City Clerk

SUMMARY OF REQUEST: We just recently learned that Bunker School will not be available for Elections through a minimum of August 2023 due to construction. Lakeside Baptist Church is willing to accommodate a polling place.

Lakeside Baptist Church, 2250 Denmark, has a large gym in their basement with an elevator able to accommodate those who are unable to use stairs. We anticipate a nominal fee for the use for the building but the building more than

meets our needs as a polling location for the foreseeable future while Bunker is being remodeled.

STAFF RECOMMENDATION: To approve the request to move the polling location of Precinct 13 to Lakeside Baptist Church.

**Motion by Commissioner Ramsey, second by Commissioner Gorman to approve the request to move the polling location of Precinct 13 to Lakeside Baptist Church.**

**ROLL VOTE: Ayes: Gorman, Emory, St.Clair, Johnson, Ramsey, and German**

**Nays: None**

***MOTION PASSES***

**2022-69 NEW BUSINESS:**

**A. <u>Final PUD Approval at 2801 Lakeshore Drive</u>** Planning

SUMMARY OF REQUEST: Request for Final Planned Unity Development approval for a housing development at 2801 Lakeshore Drive, by Muskegon Club Property, LLC.

The preliminary PUD includes the development of up to 39 single-family houses at the southwest corner of the property and the development of up to 25 rental cottage units on the northern edge of the property. The Planning Commission unanimously approved the preliminary PUD.

The applicant is only seeking final PUD approval for the 39 single-family houses and will apply for final PUD approval for the 25 rental cottage units at a later time. The Planning Commission unanimously voted in favor of recommending approval of the Final Planned Unit Development for the 39 single-family homes and two new private streets with the condition that a sidewalk be added to the Beach Street side of the development.

STAFF RECOMMENDATION: To approve the Final Planned Unit Development for the 39 single-family homes and two new private streets with the condition that a sidewalk be added to the Beach Street side of the development and an updated site plan is approved by staff.

**Motion by Commissioner St.Clair, second by Commissioner Emory, to approve the Final Planned Unit Development at 2801 Lakeshore Drive for the 39 single-family homes and two new private streets with the condition that a sidewalk be added to the Beach Street side of the development, roads are publicly accessible, garage door allotment to be up to 60% of the building front façade, and an updated site plan is approve by staff.**

**ROLL VOTE: Ayes: Emory, St.Clair, Johnson, Ramsey, German, and Gorman**

**Nays: None**

***MOTION PASSES***

**B. <u>Amendment to the PUD at 1148 & 1204 W Western Ave (Adelaide Point)</u>**
Planning

SUMMARY OF REQUEST: Request to amend the final Planned Unit Development at 1148 & 1204 W Western Avenue (Adelaide Point).

The proposed amended plan includes the addition of a new street (Adelaide Avenue) and proposes to turn Adelaide Circle into a one-way street with angled parking. The proposed amended plan also removes building R5 (condominium) and splits buildings B1 and B3 (east side of development) into two separate building s instead of one (identified as B2 on original plan). The buildings between Adelaide Avenue and W. Western Avenue continue to change as the developer researches storage needs, but this area will remain warehousing/boat storage.

The Planning Commission unanimously recommended in favor of approving the amended PUD with the conditions that Adelaide Boulevard is moved to the east and will be a shared drive with Hartshorn Village (exact location to be determined) and an updated plan is approved by staff.

STAFF RECOMMENDATION: To approve the request to amend the final Planned Unit Development at 1148 & 1204 W. Western Avenue.

**Motion by Commissioner Ramsey, second by Commissioner St.Clair, to approve the request to amend the final Planned Unit Development at 1148 & 1204 W Western contingent upon the roads being publicly accessible, final configuration of bike path subject to staff approval, and Adelaide Boulevard being moved to the east to join Hartshorn Development.**

**ROLL VOTE: Ayes: Ramsey, German, Gorman, Emory, St.Clair, and Johnson**

**Nays: None**

***MOTION PASSES***

**PUBLIC COMMENT ON NON-AGENDA ITEMS:** Public comments received.

**ADJOURNMENT:** The City Commission meeting adjourned at 6:55 p.m.

Respectfully Submitted,

Ann Marie Meisch, MMC - City Clerk

WATCH MUSKEGON

# Agenda Item Review Form

## Muskegon City Commission

| | |
|---|---|
| Commission Meeting Date: August 9th, 2022 | Title: Sanford Street Reconstruction |
| Submitted By: Leo Evans | Department: DPW |

Brief Summary:

Authorize the award of the Sanford Street contract to the low bidder, Kamminga and Roodvoets, and authorize the clerk to sign the attached resolution.

Detailed Summary & Background:

Staff solicited bids for sewer replacement, water main replacement and road reconstruction on Sanford Street from Laketon Avenue north to Apple Avenue.

Bids received are as follows:

- $4,907,094.50 – Kamminga & Roodvoets
- $5,946,882.00 – Schippers Excavating

This project is financed through the sale of bonds in partnership with the State of Michigan Clean Water and Drinking Water Revolving Funds. The State of Michigan programs offer grants and principal forgiveness for portions of the project.

The project would be constructed during the 2023 construction season.

Goal/Focus Area/Action Item Addressed:

Goal #4 – Financial Infrastructure / Action Items 2022-4.1 & 4.2

| | |
|---|---|
| Amount Requested:<br>$4,907,094.50 | Amount Budgeted:<br>$6,700,000 (TOTAL)<br>22/23 - $3,319,500<br>23/24 - $3,319,500 (Estimated) |
| Fund(s) or Account(s): 590/591-92117 | Fund(s) or Account(s): 590/591-92117 |

Recommended Motion: Approve the award of the Sanford Street project to the low bidder, Kamminga and Roodvoets, and authorize the Clerk to sign the attached resolution.

| Approvals: *Get approval from division head at a minimum prior to sending to the Clerk.* | | | | Guest(s) Invited / Presenting | |
|---|---|---|---|---|---|
| Immediate Division Head | ■ | Information Technology | ■ | Yes | ☐ |
| Other Division Heads | ■ | Communication | ■ | No | ■ |
| For City Clerk Use Only:<br>Commission Action: | | | | | |

Prein&Newhof
Engineers ▪ Surveyors ▪ Environmental ▪ Laboratory

August 3, 2022
2211000

Mr. Leo Evans, P.E.
City of Muskegon
Department of Public Works
1350 Keating Avenue
Muskegon, MI 49442

RE: SRF/DWRF FY 2022
Sanford: Laketon to Apple

Dear Mr. Evans:

On Thursday, August 2nd, the City received two bids for the referenced project. The two bids were $4,907,094.50 and $5,946,882.00. Kamminga and Roodvoets of Grand Rapids, MI submitted the lowest bid at $4,907,094.50. A tabulation of the bids is enclosed for reference.

This project is being financed through both the State Revolving Fund (SRF) and the Drinking Water Revolving Fund (DWRF) with the city funding certain ineligible costs. Due to the overlap of the various scopes of work, the State has required an Alternative Justifiable Expenditures calculation to be completed to determine the financing share for each program, this breakdown is as follows:

| | |
|---|---|
| SRF Eligible | $2,922,080.69 |
| DWRF Eligible | $1,888,196.90 |
| Ineligible Costs | $96,816.91 |

We discussed the project with Kamminga and Roodvoets. They indicated a good understanding of the project's critical elements such as phasing, schedule, and criticality of the infrastructure being worked on. Work will begin in the early spring of 2023. They did not express any concerns with completing the project successfully and on time.

Kamminga and Roodvoets has successfully completed projects of similar size and scope with Prein&Newhof and the City of Muskegon in the past.

If you have any questions, please do not hesitate to ask.

Sincerely,

**Prein&Newhof**

Matthew R. Hulst, P.E.

Enclosures: Bid Tabulation Sheets

Prein&Newhof
Engineers▪Surveyors▪Environmental▪Laboratory
3355 Evergreen Dr. NE Grand Rapids, MI 49525
t. (616) 364-8491 f. (616) 364-6955

# Bid Tabulation

| Owner: City of Muskegon | | | | 1st: Kamminga & Roodvoets, 3435 Broadmoor Ave SE, Grand Rapids, MI 49512 | | 2nd: Schippers Excavating, 9829 Lake Michigan Dr, West Olive, MI 49460 | |
|---|---|---|---|---|---|---|---|
| Project Title: Wastewater and Water System Improvements, Sanford Street: Laketon to Apple | | | | | | | |
| Bid Date & Time: August 2, 2022 at 2:00PM | | Project #: 2211000 | | | | | |
| Item No. | Description | Quantity | Unit | Unit Price | Total Amount | Unit Price | Total Amount |
| 1 | Mobilization, Max, 10% | 1.0 | Lsum | $490,000.00 | $490,000.00 | $350,000.00 | $350,000.00 |
| 2 | Traffic Control | 1.0 | Lsum | $35,000.00 | $35,000.00 | $160,000.00 | $160,000.00 |
| 3 | Minor Traf Devices | 1.0 | Lsum | $44,000.00 | $44,000.00 | $10,000.00 | $10,000.00 |
| 4 | Tree, Rem, 6 inch to 18 inch | 8.0 | Ea | $550.00 | $4,400.00 | $600.00 | $4,800.00 |
| 5 | Tree, Rem, 19 inch to 36 inch | 9.0 | Ea | $2,300.00 | $20,700.00 | $2,300.00 | $20,700.00 |
| 6 | Tree, Rem, 37 inch or Greater | 5.0 | Ea | $2,700.00 | $13,500.00 | $3,400.00 | $17,000.00 |
| 7 | Dr Structure, Rem | 91.0 | Ea | $300.00 | $27,300.00 | $600.00 | $54,600.00 |
| 8 | Sewer Rem, Less than 24 inch | 7,292.0 | Ft | $8.00 | $58,336.00 | $7.00 | $51,044.00 |
| 9 | Sewer Rem, 24 inch to 48 inch | 83.0 | Ft | $20.00 | $1,660.00 | $14.00 | $1,162.00 |
| 10 | Sewer, Abandon Less than 20 inch | 1,940.0 | Ft | $7.50 | $14,550.00 | $6.00 | $11,640.00 |
| 11 | Sewer, Abandon, 20 inch and Greater | 165.0 | Ft | $30.00 | $4,950.00 | $17.00 | $2,805.00 |
| 12 | Sanitary Manhole, Abandon | 12.0 | Ea | $500.00 | $6,000.00 | $900.00 | $10,800.00 |
| 13 | Sewer, Bulkhead, 15 inch | 1.0 | Ea | $300.00 | $300.00 | $300.00 | $300.00 |
| 14 | Curb and Gutter Rem | 12,300.0 | Ft | $4.00 | $49,200.00 | $6.00 | $73,800.00 |
| 15 | Pavt, Rem | 2,398.0 | Syd | $19.00 | $45,562.00 | $9.00 | $21,582.00 |
| 16 | HMA Surface, Rem | 24,155.0 | Syd | $4.00 | $96,620.00 | $3.00 | $72,465.00 |
| 17 | Sidewalk, Rem | 7,190.0 | Syd | $6.00 | $43,140.00 | $6.50 | $46,735.00 |
| 18 | Sign, Type III, Rem | 55.0 | Ea | $70.00 | $3,850.00 | $50.00 | $2,750.00 |
| 19 | Irrigaton Repair Allowance | 50,000.0 | Dlr | $1.00 | $50,000.00 | $1.00 | $50,000.00 |
| 20 | Erosion Control, Inlet Protection, Fabric Drop | 89.0 | Ea | $125.00 | $11,125.00 | $120.00 | $10,680.00 |
| 21 | Machine Grading, Modified | 58.0 | Sta | $1,600.00 | $92,800.00 | $4,000.00 | $232,000.00 |
| 22 | Aggregate Base, 8 inch, Modified | 20,620.0 | Syd | $14.50 | $298,990.00 | $14.50 | $298,990.00 |

Prein&Newhof
Engineers▪Surveyors▪Environmental▪Laboratory
3355 Evergreen Dr. NE Grand Rapids, MI 49525
t. (616) 364-8491 f. (616) 364-6955

# Bid Tabulation

| Owner: City of Muskegon | | | | 1st: Kamminga & Roodvoets, 3435 Broadmoor Ave SE, Grand Rapids, MI 49512 | | 2nd: Schippers Excavating, 9829 Lake Michigan Dr, West Olive, MI 49460 | |
|---|---|---|---|---|---|---|---|
| Project Title: Wastewater and Water System Improvements, Sanford Street: Laketon to Apple | | | | | | | |
| Bid Date & Time: August 2, 2022 at 2:00PM | | Project #: 2211000 | | | | | |
| Item No. | Description | Quantity | Unit | Unit Price | Total Amount | Unit Price | Total Amount |
| 23 | HMA, 4EML | 2,380.0 | Ton | $102.50 | $243,950.00 | $108.00 | $257,040.00 |
| 24 | HMA, 5EML | 2,380.0 | Ton | $109.76 | $261,228.80 | $115.00 | $273,700.00 |
| 25 | Driveway, Nonreinf Conc, 6 inch | 1,700.0 | Syd | $45.00 | $76,500.00 | $58.00 | $98,600.00 |
| 26 | Conc Pavt, Nonreinf, 8 inch | 120.0 | Syd | $90.00 | $10,800.00 | $110.00 | $13,200.00 |
| 27 | Curb and Gutter, Conc. Det F3 | 86.0 | Ft | $28.00 | $2,408.00 | $30.00 | $2,580.00 |
| 28 | Curb and Gutter, Conc. Det F4 | 11,800.0 | Ft | $20.00 | $236,000.00 | $19.50 | $230,100.00 |
| 29 | Driveway Opening, Conc, Det M | 144.0 | Ft | $28.00 | $4,032.00 | $30.00 | $4,320.00 |
| 30 | Sidewalk, Conc, 4 inch | 29,000.0 | Sft | $4.25 | $123,250.00 | $4.80 | $139,200.00 |
| 31 | Sidewalk, Conc, 6 inch | 10,100.0 | Sft | $6.00 | $60,600.00 | $5.20 | $52,520.00 |
| 32 | Curb Ramp, Conc, 4 inch | 1,000.0 | Sft | $6.00 | $6,000.00 | $9.00 | $9,000.00 |
| 33 | Curb Ramp, Conc, 6 inch | 5,800.0 | Sft | $6.50 | $37,700.00 | $10.00 | $58,000.00 |
| 34 | Curb Ramp Opening, Conc | 842.0 | Ft | $24.00 | $20,208.00 | $30.00 | $25,260.00 |
| 35 | Detectable Warning Surface | 572.0 | Ft | $45.00 | $25,740.00 | $40.00 | $22,880.00 |
| 36 | Turf Restoration | 58.0 | Sta | $500.00 | $29,000.00 | $2,000.00 | $116,000.00 |
| 37 | Pavt Mrkg, Polyurea, 4 inch, Yellow | 3,190.0 | Ft | $0.99 | $3,158.10 | $1.10 | $3,509.00 |
| 38 | Pavt Mrkg, Polyurea, 4 inch, White | 1,595.0 | Ft | $0.99 | $1,579.05 | $1.10 | $1,754.50 |
| 39 | Pavt Mrkg, Polyurea, 18 inch, Stop Bar | 337.0 | Ft | $8.95 | $3,016.15 | $10.00 | $3,370.00 |
| 40 | Pavt Mrkg, Polyurea, 6 inch, Cross Walk | 1,533.0 | Ft | $2.95 | $4,522.35 | $3.50 | $5,365.50 |
| 41 | Pavt Mrkg, Polyurea, 12 inch, Cross Walk | 324.0 | Ft | $5.95 | $1,927.80 | $7.00 | $2,268.00 |
| 42 | Sign, Type III, Erect, Salv | 5.0 | Ea | $50.00 | $250.00 | $60.00 | $300.00 |
| 43 | Sign Type IIIB | 83.0 | Sft | $21.00 | $1,743.00 | $22.00 | $1,826.00 |
| 44 | Post, Steel 3 LB | 328.0 | Ft | $9.50 | $3,116.00 | $10.00 | $3,280.00 |

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3355 Evergreen Dr. NE Grand Rapids, MI 49525
t. (616) 364-8491 f. (616) 364-6955

# Bid Tabulation

| Owner: City of Muskegon | | | | 1st | | 2nd | |
|---|---|---|---|---|---|---|---|
| Project Title: Wastewater and Water System Improvements, Sanford Street: Laketon to Apple | | | | Kamminga & Roodvoets<br>3435 Broadmoor Ave SE<br>Grand Rapids, MI 49512 | | Schippers Excavating<br>9829 Lake Michigan Dr<br>West Olive, MI 49460 | |
| Bid Date & Time: August 2, 2022 at 2:00PM | Project #: 2211000 | | | | | | |
| Item No. | Description | Quantity | Unit | Unit Price | Total Amount | Unit Price | Total Amount |
| 45 | Post Hole Through Conc for Steel Post | 8.0 | Ea | $100.00 | $800.00 | $120.00 | $960.00 |
| 46 | Sanitary Sewer, 8", Tr Det B | 5,780.0 | Ft | $64.00 | $369,920.00 | $97.00 | $560,660.00 |
| 47 | Sanitary Sewer, 12", Tr Det B | 10.0 | Ft | $100.00 | $1,000.00 | $130.00 | $1,300.00 |
| 48 | Sanitary Sewer, Plug, 8" | 1.0 | Ea | $250.00 | $250.00 | $250.00 | $250.00 |
| 49 | Sanitary Manhole, 48" Dia | 21.0 | Ea | $4,200.00 | $88,200.00 | $4,650.00 | $97,650.00 |
| 50 | Sanitary Drop Manhole, 48" Dia | 4.0 | Ea | $6,900.00 | $27,600.00 | $5,700.00 | $22,800.00 |
| 51 | Sanitary Sewer, Wye, 8" x 6" | 140.0 | Ea | $900.00 | $126,000.00 | $350.00 | $49,000.00 |
| 52 | Sanitary Lateral, 6", Public | 4,800.0 | Ft | $42.00 | $201,600.00 | $72.00 | $345,600.00 |
| 53 | Sanitary Lateral, Connect to Ex. | 131.0 | Ea | $200.00 | $26,200.00 | $400.00 | $52,400.00 |
| 54 | Sanitary Sewer, Connect to Ex. 6" | 2.0 | Ea | $275.00 | $550.00 | $800.00 | $1,600.00 |
| 55 | Sanitary Sewer, Connect to Ex. 8" | 7.0 | Ea | $300.00 | $2,100.00 | $1,200.00 | $8,400.00 |
| 56 | Sanitary Sewer, Connect to Ex 12" | 3.0 | Ea | $350.00 | $1,050.00 | $2,000.00 | $6,000.00 |
| 57 | Sanitary Sewer, Bulkhead, 24 inch | 2.0 | Ea | $600.00 | $1,200.00 | $2,000.00 | $4,000.00 |
| 58 | Sanitary Sewer, CCTV | 5,783.0 | Ft | $1.75 | $10,120.25 | $2.00 | $11,566.00 |
| 59 | Sewer, Cl E, 8 inch, Tr Det B | 15.0 | Ft | $51.00 | $765.00 | $120.00 | $1,800.00 |
| 60 | Sewer, Ductile Iron, 8 inch, Tr Det B | 90.0 | Ft | $80.00 | $7,200.00 | $130.00 | $11,700.00 |
| 61 | Sewer, Ductile Iron, 12 inch, Tr Det B | 219.0 | Ft | $125.00 | $27,375.00 | $160.00 | $35,040.00 |
| 62 | Sewer, Cl E, 12 inch, Tr Det B | 1,652.0 | Ft | $51.00 | $84,252.00 | $60.00 | $99,120.00 |
| 63 | Sewer, Cl E, 15 inch, Tr Det B | 1,438.0 | Ft | $58.00 | $83,404.00 | $80.00 | $115,040.00 |
| 64 | Sewer, Cl E, 18 inch, Tr Det B | 50.0 | Ft | $75.00 | $3,750.00 | $80.00 | $4,000.00 |
| 65 | Sewer, Cl E, 24 inch, Tr Det B | 45.0 | Ft | $100.00 | $4,500.00 | $157.00 | $7,065.00 |
| 66 | Sewer, Cl E, 42 Inch, Tr Det B | 32.0 | Ft | $210.00 | $6,720.00 | $260.00 | $8,320.00 |

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# Bid Tabulation

| Owner: City of Muskegon | | | | 1st: Kamminga & Roodvoets, 3435 Broadmoor Ave SE, Grand Rapids, MI 49512 | | 2nd: Schippers Excavating, 9829 Lake Michigan Dr, West Olive, MI 49460 | |
|---|---|---|---|---|---|---|---|
| Project Title: Wastewater and Water System Improvements, Sanford Street: Laketon to Apple | | | | | | | |
| Bid Date & Time: August 2, 2022 at 2:00PM | | Project #: 2211000 | | | | | |
| Item No. | Description | Quantity | Unit | Unit Price | Total Amount | Unit Price | Total Amount |
| 67 | Sewer, Connect to Ex. 8" | 2.0 | Ea | $375.00 | $750.00 | $350.00 | $700.00 |
| 68 | Sewer, Connect to Ex. 10" | 2.0 | Ea | $400.00 | $800.00 | $400.00 | $800.00 |
| 69 | Sewer, Connect to Ex. 12" | 7.0 | Ea | $425.00 | $2,975.00 | $500.00 | $3,500.00 |
| 70 | Sewer, Connect to Ex. 15" | 3.0 | Ea | $550.00 | $1,650.00 | $650.00 | $1,950.00 |
| 71 | Sewer, Connect to Ex. 18" | 2.0 | Ea | $600.00 | $1,200.00 | $800.00 | $1,600.00 |
| 72 | Sewer, Connect to Ex. 24" | 3.0 | Ea | $800.00 | $2,400.00 | $1,100.00 | $3,300.00 |
| 73 | Sewer, Connect to Ex. 21" | 1.0 | Ea | $800.00 | $800.00 | $1,100.00 | $1,100.00 |
| 74 | Sewer, Connect to Ex. 36" | 1.0 | Ea | $1,200.00 | $1,200.00 | $1,500.00 | $1,500.00 |
| 75 | Sewer, Connect to Ex. 42" | 1.0 | Ea | $1,400.00 | $1,400.00 | $2,400.00 | $2,400.00 |
| 76 | Dr Structure Tap, 12" | 2.0 | Ea | $400.00 | $800.00 | $500.00 | $1,000.00 |
| 77 | Dr Structure, 24 inch dia, Mod | 30.0 | Ea | $1,300.00 | $39,000.00 | $1,400.00 | $42,000.00 |
| 78 | Dr Structure, 48 inch dia, Mod | 29.0 | Ea | $2,400.00 | $69,600.00 | $2,600.00 | $75,400.00 |
| 79 | Dr Structure, 60 inch dia, Mod | 6.0 | Ea | $3,500.00 | $21,000.00 | $4,000.00 | $24,000.00 |
| 80 | Dr Structure, 72 inch dia, Mod | 2.0 | Ea | $7,200.00 | $14,400.00 | $8,000.00 | $16,000.00 |
| 81 | Dr Structure Cover, Type B, Mod | 21.0 | Ea | $1,000.00 | $21,000.00 | $1,100.00 | $23,100.00 |
| 82 | Dr Structure Cover, Type C | 4.0 | Ea | $1,000.00 | $4,000.00 | $1,100.00 | $4,400.00 |
| 83 | Dr Structure Cover, Type K | 41.0 | Ea | $1,050.00 | $43,050.00 | $1,100.00 | $45,100.00 |
| 84 | Accessible Dr Structure Cover | 1.0 | Ea | $1,100.00 | $1,100.00 | $1,200.00 | $1,200.00 |
| 85 | Dr Structure Cover, Adj, Case 1 | 1.0 | Ea | $1,000.00 | $1,000.00 | $800.00 | $800.00 |
| 86 | Water Main, DI, 4" Tr Det G | 30.0 | Ft | $85.00 | $2,550.00 | $93.00 | $2,790.00 |
| 87 | Water Main, DI, 6", Tr Det G | 444.0 | Ft | $89.00 | $39,516.00 | $90.00 | $39,960.00 |
| 88 | Water Main, DI, 8", Tr Det G | 1,385.0 | Ft | $91.00 | $126,035.00 | $105.00 | $145,425.00 |

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# Bid Tabulation

| Owner: City of Muskegon | | | | 1st: Kamminga & Roodvoets, 3435 Broadmoor Ave SE, Grand Rapids, MI 49512 | | 2nd: Schippers Excavating, 9829 Lake Michigan Dr, West Olive, MI 49460 | |
|---|---|---|---|---|---|---|---|
| Project Title: Wastewater and Water System Improvements, Sanford Street: Laketon to Apple | | | | | | | |
| Bid Date & Time: August 2, 2022 at 2:00PM | | Project #: 2211000 | | | | | |
| Item No. | Description | Quantity | Unit | Unit Price | Total Amount | Unit Price | Total Amount |
| 89 | Water Main, DI, 16", Tr Det G | 126.0 | Ft | $160.00 | $20,160.00 | $180.00 | $22,680.00 |
| 90 | Water Main, Bend, 45 Degree, 4" | 4.0 | Ea | $650.00 | $2,600.00 | $300.00 | $1,200.00 |
| 91 | Water Main, Bend, 45 Degree, 6" | 13.0 | Ea | $750.00 | $9,750.00 | $400.00 | $5,200.00 |
| 92 | Water Main, Bend, 45 Degree, 8" | 4.0 | Ea | $975.00 | $3,900.00 | $550.00 | $2,200.00 |
| 93 | Water Main, Bend, 90 Degree, 6" | 1.0 | Ea | $775.00 | $775.00 | $430.00 | $430.00 |
| 94 | Water Main, Reducer, 6" x 4" | 2.0 | Ea | $600.00 | $1,200.00 | $320.00 | $640.00 |
| 95 | Water Main, Reducer, 8" x 6" | 3.0 | Ea | $675.00 | $2,025.00 | $450.00 | $1,350.00 |
| 96 | Water Main, Sleeve, 4" | 2.0 | Ea | $1,600.00 | $3,200.00 | $1,400.00 | $2,800.00 |
| 97 | Water Main, Sleeve, 6" | 9.0 | Ea | $1,700.00 | $15,300.00 | $1,700.00 | $15,300.00 |
| 98 | Water Main, Sleeve, 16" | 5.0 | Ea | $3,350.00 | $16,750.00 | $3,500.00 | $17,500.00 |
| 99 | Water Main, Tee, 6" x 6" x 6" | 2.0 | Ea | $750.00 | $1,500.00 | $600.00 | $1,200.00 |
| 100 | Water Main, Tee, 8" x 8" x 6" | 7.0 | Ea | $900.00 | $6,300.00 | $700.00 | $4,900.00 |
| 101 | Water Main, Tee, 8" x 8" x 8" | 1.0 | Ea | $1,000.00 | $1,000.00 | $750.00 | $750.00 |
| 102 | Water Main, Tee, 16" x 16" x 6" | 1.0 | Ea | $2,400.00 | $2,400.00 | $2,500.00 | $2,500.00 |
| 103 | Water Main, Tee, 16" x 16" x 8" | 1.0 | Ea | $2,500.00 | $2,500.00 | $2,650.00 | $2,650.00 |
| 104 | Water Main, Tee, 16" x 16" x 16" | 1.0 | Ea | $3,400.00 | $3,400.00 | $3,700.00 | $3,700.00 |
| 105 | Water Main, Cross, 8" x 8" x 6" x 6" | 1.0 | Ea | $1,300.00 | $1,300.00 | $1,400.00 | $1,400.00 |
| 106 | Water Main, Tapping Tee and Valve, 16" x 16" x 6" | 1.0 | Ea | $6,500.00 | $6,500.00 | $6,300.00 | $6,300.00 |
| 107 | Water Main, Tapping Tee and Valve, 16" x 16" x 8" | 2.0 | Ea | $7,500.00 | $15,000.00 | $7,900.00 | $15,800.00 |
| 108 | Water Main, Valve and Box, 6" | 17.0 | Ea | $2,100.00 | $35,700.00 | $1,800.00 | $30,600.00 |
| 109 | Water Main, Valve and Box, 8" | 6.0 | Ea | $2,700.00 | $16,200.00 | $2,400.00 | $14,400.00 |
| 110 | Water Main, Valve and Box, 16" | 3.0 | Ea | $10,650.00 | $31,950.00 | $11,000.00 | $33,000.00 |

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# Bid Tabulation

| Owner: City of Muskegon | | | | 1st | | 2nd | |
|---|---|---|---|---|---|---|---|
| Project Title: Wastewater and Water System Improvements, Sanford Street: Laketon to Apple | | | | Kamminga & Roodvoets<br>3435 Broadmoor Ave SE<br>Grand Rapids, MI 49512 | | Schippers Excavating<br>9829 Lake Michigan Dr<br>West Olive, MI 49460 | |
| Bid Date & Time: August 2, 2022 at 2:00PM | Project #: 2211000 | | | | | | |
| Item No. | Description | Quantity | Unit | Unit Price | Total Amount | Unit Price | Total Amount |
| 111 | Water Main, Cut and Cap, 6" | 5.0 | Ea | $1,000.00 | $5,000.00 | $1,000.00 | $5,000.00 |
| 112 | Water Main, Cap, 8" | 1.0 | Ea | $500.00 | $500.00 | $400.00 | $400.00 |
| 113 | Water Main, Valve Box | 11.0 | Ea | $350.00 | $3,850.00 | $550.00 | $6,050.00 |
| 114 | Valve Box, Adjust | 14.0 | Ea | $500.00 | $7,000.00 | $300.00 | $4,200.00 |
| 115 | Hydrant, Rem | 14.0 | Ea | $400.00 | $5,600.00 | $600.00 | $8,400.00 |
| 116 | Hydrant | 13.0 | Ea | $4,300.00 | $55,900.00 | $4,000.00 | $52,000.00 |
| 117 | Water Main, Rem | 290.0 | Ft | $11.00 | $3,190.00 | $9.00 | $2,610.00 |
| 118 | Water Service, Corporation Stop, 1" | 106.0 | Ea | $800.00 | $84,800.00 | $450.00 | $47,700.00 |
| 119 | Water Service, Curb Stop and Box, 1" | 106.0 | Ea | $950.00 | $100,700.00 | $650.00 | $68,900.00 |
| 120 | Water Service, 1" | 6,900.0 | Ft | $48.00 | $331,200.00 | $50.00 | $345,000.00 |
| 121 | Water Service, Connect to Existing | 101.0 | Ea | $300.00 | $30,300.00 | $4,400.00 | $444,400.00 |
| 122 | Water Service, Meter Pit | 24.0 | Ea | $1,500.00 | $36,000.00 | $1,000.00 | $24,000.00 |
| 123 | Water Service Restoration, Private | 83.0 | Ea | $50.00 | $4,150.00 | $500.00 | $41,500.00 |
| | | | Total Bid | | $4,907,094.50 | | $5,946,882.00 |

* Denotes correction made by Engineer

# A RESOLUTION TO TENTATIVELY AWARD A CONSTRUCTION CONTRACT FOR WASTEWATER AND WATER SYSTEM IMPROVEMENTS

**WHEREAS**, the City of Muskegon wishes to construct improvements to its existing wastewater treatment and collection system and its existing water treatment and distribution system; and

**WHEREAS**, the wastewater system improvements project formally adopted on May 25, 2021 will be funded through Michigan's State Revolving Loan Fund (SRF) program; and

**WHEREAS**, the water system improvements project formally adopted on June 22, 2021 will be funded through the state of Michigan's Drinking Water Revolving Loan Fund (DWRF) program; and

**WHEREAS**, the City of Muskegon has sought and received construction bids for the Sanford Street: Laketon to Apple Project and has received a low bid in the amount of $4,907,094.50 from Kamminga and Roodvoets of Grand Rapids, MI; and

**WHEREAS**, the City of Muskegon's project engineer, Prein&Newhof, has recommended awarding the contract to the low bidder.

**NOW THEREFORE BE IT RESOLVED**, that the City of Muskegon tentatively awards the contract for construction of the proposed wastewater system and water system improvements project to Kamminga and Roodvoets of Grand Rapids, MI, contingent upon successful financial arrangements with the SRF and DWRF Programs.

Yeas:

Nays:

Abstain:

Absent:

I certify that the above Resolution was adopted by the City Commission of the City of Muskegon on August 9th, 2022.

BY: Ann Meisch, City Clerk

_____

Signature Date

WATCH MUSKEGON

# Agenda Item Review Form

## Muskegon City Commission

| | |
|---|---|
| Commission Meeting Date: August 9th, 2022 | Title: Lead Service Line Replacements |
| Submitted By: Leo Evans | Department: DPW |

Brief Summary:

Authorize the award of the Lead Service Line Replacement contract to the low bidder, Gustafson HDD, and authorize the clerk to sign the attached resolution.

Detailed Summary & Background:

Staff solicited bids for Lead Service Line Replacements on Jarman, Dyson, Elwood, Superior and Ray Streets from Keating Avenue north to Laketon Avenue for a total of approximately 180 residents.

Bids received are as follows:

- $1,294,270.00 – Gustafson HDD
- $1,564,515.00 – McCormick Sand, Inc.
- $1,623,306.25 – SWT Exc
- $2,071,677.50 – Wadel Stabilization

This project is financed through the sale of bonds in partnership with the State of Michigan Drinking Water Revolving Funds. The State of Michigan awarded the City of Muskegon $3M to use towards Lead Service Line Replacements in their FY22 program which will be 100% forgiven upon loan closure.

The project would be constructed sometime in the next three years and was not shown on the 22/23 budget until a schedule can be finalized. As noted above the costs will be offset with revenue having no net impact on the budget when a schedule is finalized.

The remainder of the $3M grant is intended to be used for in house work to replace lead service lines by city crews.

Goal/Focus Area/Action Item Addressed:

Goal #4 – Financial Infrastructure / Action Items 2022-4.1 & 4.2

| | |
|---|---|
| Amount Requested:<br>$1,294,270.00 | Amount Budgeted:<br>$3,000,000.00 |
| Fund(s) or Account(s): 591-TBD | Fund(s) or Account(s): 591-TBD |

| | |
|---|---|
| Recommended Motion: Approve the award of the Lead Service Line project to the low bidder, Gustafson HDD, and authorize the Clerk to sign the attached resolution. | |
| Approvals: *Get approval from division head at a minimum prior to sending to the Clerk.*<br>Immediate Division Head ■ Information Technology ■<br>Other Division Heads ■ Communication ■ | Guest(s) Invited / Presenting<br>Yes ☐<br>No ■ |
| For City Clerk Use Only:<br>Commission Action: | |

Prein&Newhof
Engineers ▪ Surveyors ▪ Environmental ▪ Laboratory

August 3, 2022
2220622

Mr. Leo Evans, P.E.
City of Muskegon
Department of Public Works
1350 Keating Avenue
Muskegon, MI 49442

RE: DWRF FY 2022 DWRF # 7565-01
Lead Service Line Replacements

Dear Mr. Evans:

On Thursday, August 2nd, the City received four bids for the referenced project. The bids ranged from $1,294,270.00 to $2,071,677.50. Gustafson HDD of Whitehall, MI submitted the lowest bid at $1,294,270.00. A tabulation of the bids is enclosed for reference.

This project is being financed completely through the State Drinking Water Revolving Fund (DWRF) and has 100% principal forgiveness.

We discussed the project with Gustafson HDD. They indicated a good understanding of the project's critical elements such as phasing, schedule, and working within private residences. At the earliest work will not begin until 2023. Exact schedule is unknown at this time and will be firmed up over the next few months as this project has a large time period to complete the work. They did not express any concerns with completing the project successfully and on time.

Gustafson HDD has successfully completed projects of similar size and scope with Prein&Newhof and the City of Muskegon in the past.

If you have any questions, please do not hesitate to ask.

Sincerely,

**Prein&Newhof**

Matthew R. Hulst, P.E.

Enclosures: Bid Tabulation Sheets

Prein&Newhof
Engineers • Surveyors • Environmental • Laboratory
3355 Evergreen Dr. NE Grand Rapids, MI 49525
t. (616) 364-8491 f. (616) 364-6955

# Bid Tabulation

| Owner: City of Muskegon | | | | 1st | | 2nd | | 3rd | | 4th | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Project Title: Lead Service Line Replacements | | | | Gustafson HDD<br>2299 Holton Whitehall Rd<br>Whitehall, MI 49461 | | McCormick Sand, Inc<br>5430 Russell Rd<br>Twin Lake, MI 49457 | | SWT Exc<br>8936 E K Ave<br>Galesburg, MI 49053 | | Wasel Stabilization<br>2500 N Oceana Drive<br>Hart, MI 49420 | |
| Bid Date & Time: August 2, 2022 at 2:00pm | Project #: 2220622 | | | | | | | | | | |
| Item No. | Description | Quantity | Unit | Unit Price | Total Amount | Unit Price | Total Amount | Unit Price | Total Amount | Unit Price | Total Amount |
| 1 | Mobilization, Max (10%) | 1.0 | Lsum | $85,000.00 | $85,000.00 | $156,400.00 | $156,400.00 | $100,000.00 | $100,000.00 | $206,000.00 | $206,000.00 |
| 2 | Traffic Control, Max $12,000 | 1.0 | Lsum | $9,600.00 | $9,600.00 | $12,000.00 | $12,000.00 | $12,000.00 | $12,000.00 | $12,000.00 | $12,000.00 |
| 3 | Curb and Gutter, Remove and Replace | 1,650.0 | Ft | $10.00 | $16,500.00 | $65.00 | $107,250.00 | $39.00 | $64,350.00 | $50.00 | $82,500.00 |
| 4 | Driveway, Remove and Replace | 190.0 | Syd | $60.00 | $11,400.00 | $81.00 | $15,390.00 | $75.00 | $14,250.00 | $95.00 | $18,050.00 |
| 5 | Sidewalk, Conc, 4 inch, Remove and Replace | 15,750.0 | Sft | $2.00 | $31,500.00 | $7.00 | $110,250.00 | $8.25 | $129,937.50 | $7.00 | $110,250.00 |
| 6 | Sidewalk, Conc, 6 inch, Remove and Replace | 450.0 | Sft | $15.00 | $6,750.00 | $10.00 | $4,500.00 | $9.25 | $4,162.50 | $9.00 | $4,050.00 |
| 7 | Stump Remove | 1.0 | Ea | $3,000.00 | $3,000.00 | $755.00 | $755.00 | $600.00 | $600.00 | $400.00 | $400.00 |
| 8 | Road Patch, Complete | 165.0 | Ea | $800.00 | $132,000.00 | $1,010.00 | $166,650.00 | $825.00 | $136,125.00 | $1,000.00 | $165,000.00 |
| 9 | Restoration | 180.0 | Ea | $120.00 | $21,600.00 | $500.00 | $90,000.00 | $375.00 | $67,500.00 | $300.00 | $54,000.00 |
| 10 | Water Service, Corporation Stop, 1 inch | 165.0 | Ea | $400.00 | $66,000.00 | $925.00 | $152,625.00 | $1,025.00 | $169,125.00 | $945.00 | $155,925.00 |
| 11 | Water Service, Curb Stop and Box, 1 inch | 165.0 | Ea | $550.00 | $90,750.00 | $925.00 | $152,625.00 | $975.00 | $160,875.00 | $1,400.00 | $231,000.00 |
| 12 | Water Service, 1 inch, Public Side | 5,445.0 | Ft | $46.00 | $250,470.00 | $26.00 | $141,570.00 | $31.25 | $170,156.25 | $64.50 | $351,202.50 |
| 13 | Water Service, 1 inch, Private Side | 10,800.0 | Ft | $38.00 | $410,400.00 | $19.00 | $205,200.00 | $25.50 | $275,400.00 | $44.50 | $480,600.00 |
| 14 | Water Service, Meter Pit | 9.0 | Ea | $1,500.00 | $13,500.00 | $800.00 | $7,200.00 | $1,725.00 | $15,525.00 | $1,000.00 | $9,000.00 |
| 15 | Connect to Existing | 180.0 | Ea | $500.00 | $90,000.00 | $1,020.00 | $183,600.00 | $1,350.00 | $243,000.00 | $765.00 | $137,700.00 |
| 16 | Plumbing Allowance | 35,000.0 | Dlr | $1.00 | $35,000.00 | $1.00 | $35,000.00 | $1.00 | $35,000.00 | $1.00 | $35,000.00 |
| 17 | Irrigation Repair Allowance | 10,000.0 | Dlr | $1.00 | $10,000.00 | $1.00 | $10,000.00 | $1.00 | $10,000.00 | $1.00 | $10,000.00 |
| 18 | Water Filter | 180.0 | Ea | $60.00 | $10,800.00 | $75.00 | $13,500.00 | $85.00 | $15,300.00 | $50.00 | $9,000.00 |
| | | | Total Bid | | $1,294,270.00 | | $1,564,515.00 | | $1,623,306.25 | | $2,071,677.50 |

# A RESOLUTION TO TENTATIVELY AWARD A CONSTRUCTION CONTRACT FOR WATER SYSTEM IMPROVEMENTS

**WHEREAS**, the City of Muskegon wishes to construct improvements to its existing water distribution system; and

**WHEREAS**, the water system improvements project formally adopted on June 22, 2021 will be funded through the state of Michigan's Drinking Water Revolving Loan Fund (DWRF) program; and

**WHEREAS**, the City of Muskegon has sought and received construction bids for the Lead Service Line Replacement Project and has received a low bid in the amount of $1,294,270.00 from Gustafson HDD of Whitehall, MI; and

**WHEREAS**, the City of Muskegon's project engineer, Prein&Newhof, has recommended awarding the contract to the low bidder.

**NOW THEREFORE BE IT RESOLVED**, that the City of Muskegon tentatively awards the contract for construction of the proposed water system improvements project to Gustafson HDD of Whitehall, MI, contingent upon successful financial arrangements with the DWRF Programs.

Yeas:

Nays:

Abstain:

Absent:

I certify that the above Resolution was adopted by the City Commission of the City of Muskegon on August 9th, 2022.

BY: Ann Meisch, City Clerk

_____

Signature Date

# Agenda Item Review Form

## Muskegon City Commission

| | |
|---|---|
| Commission Meeting Date: August 9, 2022 | Title: Getty Street Traffic Study |
| Submitted By: Dan VanderHeide | Department: Public Works |

Brief Summary:

Staff is requesting authorization to sign a Professional Services Agreement for $27,352 with Progressive AE to provide traffic engineering services for a traffic study of Getty Street.

Detailed Summary & Background:

Conversion of four-lane roads, such as Getty Street, to three-lane roads has been proven to be safer and to provide better access for non-vehicular users with little or no impact to travel times when properly studied and executed. Staff feels that Getty Street could be a great candidate for this treatment, and has worked with Norton Shores and Muskegon Heights to solicit a study to determine if the project should move forward.

Staff solicited proposals from engineering firms to provide traffic engineering services for data collection, modelling and recommendations for Getty Street within the City limits (Hovey Street to Oak Street), and requested additional pricing for a study of Getty Street from Seaway Drive through the neighboring communities to the same Oak Street northern limit.

| Firm | Score |
|---|---|
| DLZ, Inc. | 780 |
| Hubbell, Roth & Clark | 780 |
| Fleis & VandenBrink | 880 |
| Fishbeck | 880 |
| **Progressive AE** | **900** |
| Spalding DeDecker | 780 |

A draft agreement with Norton Shores and Muskegon Heights is included with this request, and has been submitted to those communities with the offer to partner on the study, allowing a conversion of the entire corridor.

This request is for only the portion within the City limits (Hovey Street to Oak Street). If Norton Shores and Muskegon Heights elect to move forward with their portions of the study, a future request to enter into the agreement will be brought to the Commission. Staff expects the cost of studying the entire corridor will not be more than this request due to economies of scale.

Staff is requesting to award the engineering services agreement to the highest scoring firm (Progressive AE). Staff scored the proposals using Qualifications Based Selection criteria to ensure we were selecting the best partner for this important project. The scoring showed Progressive AE as the leading firm, and staff recommends contracting with them based on their proposal and their history of service. Progressive AE has provided engineering services for the City of Muskegon in the past, and is currently assisting with the Shoreline Drive Pilot project. A summary score table is shown.

Goal/Focus Area/Action Item Addressed:

Goal 1 (Connection and Transportation Focus Areas) and Goal 2 (Neighborhood Business Focus)

| | |
|---|---|
| Amount Requested: $27,352 | Amount Budgeted: $50,000 |

| | |
|---|---|
| Fund(s) or Account(s): 202 (Major Streets) | Fund(s) or Account(s): 202 (Major Streets) |

Recommended Motion:

Authorize staff to sign a Professional Services Agreement for $27,352 with Progressive AE to provide traffic engineering services for a traffic study of Getty Street from Hovey to Oak streets.

| Approvals: | | | | Guest(s) Invited / Presenting: | |
|---|---|---|---|---|---|
| Immediate Division Head | ■ | Information Technology | ☐ | Yes | ☐ |
| Other Division Heads | ☐ | Communication | ☐ | No | ■ |

For City Clerk Use Only:

Commission Action:

progressive ae

REQUEST FOR PROPOSAL

# City of Muskegon

**Getty Street Traffic Study | July 12, 2022**

## PROPOSAL & AWARD

The undersigned having become thoroughly familiar with and understanding of all the proposal documents attached hereto, agrees to provide the services as specified herein, for the total fees as stipulated herein, subject to negotiation.

I hereby state that all of the information I have provided is true, accurate and complete. I hereby state that I have authority to submit this proposal which will become a binding contract if accepted by the City.

I hereby state that I have read, understand and agree to be bound by all of the terms of this proposal document.

Signature Christopher E. Zull Title Transportation Practice Leader

Print Name Chris Zull, PE Date July 12, 2022

Firm Name Progressive AE

Address 1811 4 Mile Road NE Grand Rapids, MI 49525

Telephone No. 616.988.4867

E-Mail zullc@progressiveae.com

Fax No. 616.361.1493

progressive|ae

1811 4 Mile Road NE
Grand Rapids, MI 49525
phone 616.361.2664
fax 616.361.1493
progressiveae.com

July 12, 2022

City of Muskegon
Dan VanderHeide, Deputy Director
Department of Public Works
1350 Keating Ave.
Muskegon, MI 49442

Dear Members of the Selection Committee,

Progressive AE is at its best when delivering projects of regional significance with strong community support. We are excited to partner with the City of Muskegon (and potentially North Muskegon and Norton Shores) to explore a road diet along Getty Street from just north of Apple Avenue to the south city limits (Hovey Avenue). Our team is experienced in road conversions, traffic analysis, and complete street design. We pride ourselves in making roadways safer for all users.

Muskegon continues to advance safe mobility through infrastructure project and modern context sensitive solutions. This project has the potential to further embed the practices of speed management, improved safety for all users, and model future conditions in a cost-effective manner. We believe all urban roads shall be designed with the emphasis on pedestrians and bicyclist first.

Progressive AE is a local full-service firm who can handle the entire breadth of the project. The creative minds we can bring to your project team have designed many similar pilot projects and are excited by the opportunity to work with the City of Muskegon. This is the type of work our infrastructure engineering team has a passion and expertise for. The attached documents respond to your request for proposals. An overview of our company, how we can achieve the project objectives, proposed timeline, comparable projects we've completed, references, a budget, and contract terms.

**Experienced and Responsive**
The infrastructure team at Progressive AE is ready to serve you with expertise that is grounded and tested in experience. Our Team has worked on multiple road diet projects and is passionate about the your community and residents.

Our team is led by Infrastructure Practice Leader, Chris Zull, PE with support of multiple staff with great transportation design experience including complete street and roadway design, traffic analysis, permitting, estimating, construction observation, and utilities to name a few. Our established culture of customer service ensures that you will develop close contacts and receive prompt responses from our project team.

With the aggressive schedule proposed, Progressive AE's strong communication will be an important asset for project success. We have the expertise and staff available to rapidly lead this project and engage with the community.

**People**
Just like the clients we serve, we know our most important asset is our people. Our infrastructure team is a dedicated group of over a dozen engineers and designers who are deeply knowledgeable about the issues, best practices, and challenges that go into preparing a conceptual road diet plan with features that strive to increase mobility and pedestrian accessibility.

The Progressive AE team greatly appreciates the opportunity to submit this proposal package and is excited by the possibility of working collaboratively with the City of Muskegon and potentially North Muskegon and Norton Shores. We strive to support and connect with you to develop long lasting relationships to help analyze, plan for, and meet your current and future needs through trust and experience. We welcome the opportunity to discuss this project further with you and to address any questions you may have regarding the following proposal. Should you require additional information, please do not hesitate to contact me at 616.988.4867 or zullc@progressiveae.com.

Sincerely,

Christopher E. Zull

Chris Zull, PE

Transportation Practice Leader

# Firm Overview

Progressive AE's workforce is a unique blend of creative people who think strategically, and strategic people who work creatively. The firm is guided by Performance Based Design, a fundamental and forward-thinking philosophy. Through Performance Based Design, we commit to optimizing performance for clients and validating results post-occupancy.

**FULL SERVICE**
ARCHITECTURE & ENGINEERING FIRM

**60** YEARS
OF EXPERIENCE

ACTIVE IN
**48**
STATES

**10**
MARKETS

**140+** DESIGN AWARDS

**225+** SKILLED PROFESSIONALS

LOCATIONS= **3**

## Full Service Expertise

One thing we know is each client faces unique needs that must be met, while keeping the future in mind. This is exciting to us. No challenge is too great, thanks to our comprehensive range of services. Whatever discipline is required, we have subject matter experts on hand to find the right solution.

**Our Areas of Expertise Include:**

- Architecture
- Design-build
- Engineering
- Interior Design
- Landscape Architecture
- Planning and Consulting
- Procurement
- Universal Design
- Urban Planning
- Water Resources

## Firm Locations

**Locations:**

Grand Rapids
1811 4 Mile Rd. NE
Grand Rapids, MI 49505
616.361.2664

Charlotte
330 South Tryon St. #500
Charlotte, NC 28202
704.731.8080

Muskegon
800 E Ellis Rd
Muskegon, MI 49441
231.799.4960

# Transportation Expertise

progressive|ae

Our firm has continued to innovate for more than half a century. We have gained considerable wisdom over those years and seen remarkable growth with offices in Michigan and North Carolina and active work in the 48 contiguous states. With 200+ professionals and a full range of expertise, Progressive AE is leading the way in thought leadership and innovative design.

One thing we know is each client faces one-of-a-kind needs that must be met, while keeping the future in mind. This is exciting to us. No challenge is too great, thanks to our comprehensive range of services.

Whatever discipline is required, we have subject matter experts on hand to find the right solution. Our areas of expertise include:

- Architecture
- Design-build
- Engineering
- Interior Design and Procurement
- Transportation Engineering
- Landscape Architecture and Urban Planning
- Planning and Consulting
- Water Resources

We are passionate about enhancing communities and understand the important role transportation engineering plays to make this happen. To this end, Progressive AE employs a dedicated group of transportation engineers who are experts in their fields. Our transportation engineers excel in transportation planning, transportation engineering, traffic analysis and signal design. They stay abreast of industry trends and best practices, making them well-equipped to speak the language of other transportation engineers, government officials, and concerned citizens.

Progressive AE has been involved with numerous transportation projects for a variety of clients including universities, local municipalities, Department of Transportation, and private sector clients. Through projects with these agencies, we have improved the efficiency of transportation systems through the planning, design, operations, and maintenance of existing infrastructure.

**Services Include:**

- Corridor Studies
- Intersection/Corridor Safety Studies
- Road Diets/Street Conversions Analyses and Design
- Traffic Calming Programs and Design
- Roadway/Street Design
- Roadway Pavement Marking and Signing Plans
- Roundabout Design & Analysis
- Work Zone Maintaining Traffic/Detour Plans
- Non-Motorized and Pedestrian Data Collection
- Traffic Data Collection
- Traffic Impact Studies
- Traffic Signal Warrant Studies
- Traffic Signal Design
- Traffic Signal Optimization Studies

# Qualifications of Team

Progressive AE's transportation team has the expertise to deliver on all the needs of the City of Muskegon. They bring years of traffic, transportation, and municipal experience and have a deep familiarilty of the Muskegon area. Please see the below organizational chart and team resumes on the following pages for more information. This work will also be primarily done out of our Muskegon office with support from our corporate office in Grand Rapids.

**Chris Zull, PE** will serve as the project manager for the project, coordinating all project efforts and facilitating meetings with the City. Mr. Zull has 21 years of experience working on transportation and traffic engineering projects throughout Michigan. Having served as the Traffic Safety Manager at the City of Grand Rapids for over 15 years, he has extensive experience with similar projects. While at the City of Grand Rapids, Mr. Zull was instrumental in managing the City's traffic calming program, reviewing traffic analyses and construction plans, and implementing over 40 miles of road diets within the City.

**Nick LaCroix, PE, PTOE** will serve as the lead traffic engineer for the project, coordinating all efforts involved with analyzing the existing and future conditions of the corridor. Mr. LaCroix has over 21 years of experience leading traffic engineering and road design projects that will lend itself well to this project, including serving as the lead traffic engineer for the City of Newaygo Downtown Walkability Improvements, which includes a 4-to-3 lane conversion. He has performed as the project manager and lead traffic engineer for numerous traffic analyses throughout Michigan and Indiana ranging from large freeway interchanges, corridor studies, campus transportation studies, and non-motorized/pedestrian studies. Traffic engineering expertise includes transportation planning, campus planning, traffic impact studies, corridor plans, crash analyses, maintenance of traffic plans, signal timing optimization, traffic calming, parking studies, pedestrian safety, and non-motorized facilities.

# Project Examples & References

## Downtown Safety and Walkability Improvements City of Newaygo

**Newaygo, MI**

- Current project developing street and non-motorized improvement alternatives through and near downtown Newaygo
- Expanding on-street parking to both sides of M-37 (State Street)
- Providing safer pedestrian crossing locations by bumping out curb lines at intersections and midblock crossings and slightly revised street geometrics
- Proposing 4-to3 lane conversion, narrowed lanes, center median islands and street trees as calming measures to reduce through vehicle speeds, particularly large trucks
- Project includes development of new non-motorized pathways along river frontage to improve connectivity to downtown
- Alternatives include longer term concepts at the north end of town to help reduce vehicle speeds coming from rural highwaysTeaming with Speck & Associates to work with the City and the local economic development organization
- Will include close coordination with MDOT staff for final design parameters and eventual approval

Size: 3/4 mile

Cost: $100,000 (engineering fees)

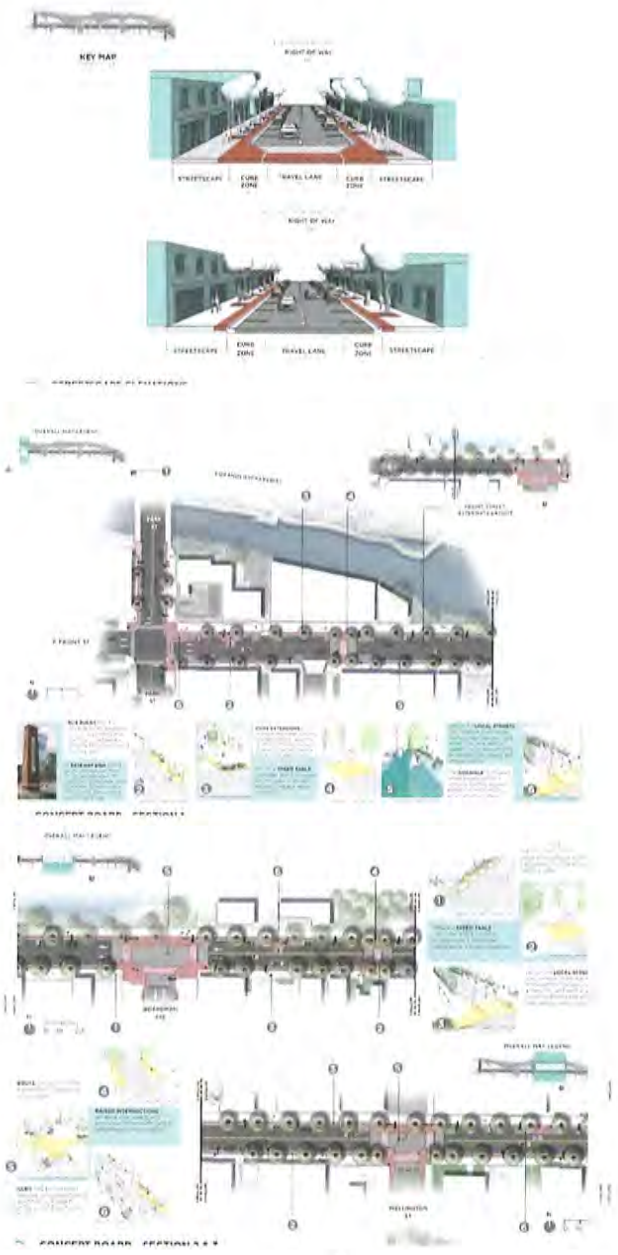
Completion: Ongoing

Services: Current project developing street and non-motorized improvement alternatives through and near downtown Newaygo

Reference: Jon Schneider, City Manager, City of Newaygo, jons@newaygocity.org, 231.652.1657

# City of Traverse City
# East Front Street Reconstruction

**Traverse City, MI**



Robust community engagement process completed over a six-month period engaging diverse stakeholder groups, including the City Staff, DDA, Elected Leadership, BATA, disability advocates, TART Trails, MDOT, local business owners, property owners and involved community members using series of community forums, as well as social media tools, virtual presentations and public surveys.

- Creation of a sustainable plan which allows the natural feature of the river to be fully realized as a community asset; includes green street design standards, storm water management.
- Solutions provide prioritized accessibility for pedestrian traffic, rebalancing pedestrian and automotive needs in the corridor
- Activate the space to extend the energy of the 100 and 200 blocks of Front Street further east
- Streetscape design including mid-block crossings, raised intersections, gateway designs, bulb-outs, sidewalks, snowmelt system, decorative brick pavers, ornamental lighting, street trees, and site furnishings such as bike racks, trash receptacles and benches

Project Length: 0.4 Miles

Estimated Cost: $4,800,000

Expected Construction: Summer 2022

Services: Community Engagement, urban planning, civil engineering, landscape architecture, mechanical engineering, electrical engineering, consultant coordination

Reference: Jean Derenzy, CEO, Traverse City DDA, jean@downtowntc.com, 231.922.2050

# Envision Ada Master Plan and Headley Street Re-Alignment

**Ada, MI**

Reference: Brian Hilbrands, Downtown Development Authority Director, Ada Township, 616.676.9191, bhilbrands@adatownshipmi.com

- Master planning process completed over a six-month period engaging diverse stakeholder groups, including the Township, local business owners, property owners and involved community members using community forums, as well as social media tools
- Creation of a sustainable plan which allows the natural feature of the river to be fully realized as a community asset; includes green street design standards, storm water management
- Solutions provide increased accessibility for pedestrian traffic, increased availability of residential properties within the village, and creation of community green spaces as gathering places
- Existing and future conditions modeling of roadway network
- Signal warrant anaylsis at the M-21 (Fulton Street) / Headley Street intersection
- Development of alternatives for the Headley Street re-alignment
- Traffic signal design
- Streetscape design including median islands, bulb-outs, sidewalks, ornamental lighting, street trees, and site furnishings such as bike racks and benches
- Subsequent master plan implementation projects that Progressive AE has partnered with Ada Township and other stakeholder to complete include Legacy Park and the Amy Van Andel Library and Community Center

Size: 40 acres

Cost: Ada Village: $13,000,000
Headley Street: $3,390,000

Completion: 2015

Services: Stakeholder engagement, master planning, civil engineering, landscape architecture, traffic engineering and analysis, non-motorized land planning

## **Vehicular Data Collection** (partial list)

**Shaffer Avenue Corridor Study, Kentwood, MI**

- Collected 24-hour approach and turning movement counts at 3 intersections

**Newaygo Downtown Walkability Improvements, Newaygo, MI**

- Collected 24-hour, turning movement counts, and mid-block pedestrian volumes at 3 intersections along M-37

**I-94/Portage-Kilgore Interchange Analysis, Kalamazoo, MI**

- Collected peak-hour turning movement counts and ramp counts at 10 intersections

**Woodward Avenue Widetrack Loop Two-Way Conversion Study, Pontiac, MI**

- Collected peak-hour turning movement counts at over 30 intersections

**I-96/Cascade Road Interchange Study, Grand Rapids, MI**

- Collected peak-hour turning movement counts and ramp counts at 12 intersections

**Niles Signal Optimization Study, Niles, MI**

- Collected 24-hour approach and turning movements counts at 16 intersections

**Ann Arbor Multimodal Train Station, Ann Arbor, MI**

- Collected peak-hour turning movement counts at over 20 intersections

**University of Michigan Medical Center Campus Transportation Study**

- Collected peak-hour turning movement counts at over 40 intersections within and surrounding the campus

**US-131/M-60 Intersection Study, Three Rivers, MI**

- Collected peak-hour turning movement counts at several locations

**US 131/Wealthy Street Interchange Study, Grand Rapids, MI**

- Collected turning movement counts at the US-131/Wealthy Street interchange

**Davenport University Athletics Complex, Caledonia, MI**

- Collected turning movement counts at 6 intersections along M-37 (Broadmoor Ave)

**Non-Motorized Data Collection** (partial list)

**East Grand Rapids School Crossings, East Grand Rapids, Michigan**

- Collected pedestrian volumes at 7 mid-block crosswalks

**Hayward Street Pedestrian Crossing Safety Analysis, Ann Arbor, Michigan**

- Collected vehicular, pedestrian and bicycle volumes at several locations along and across Hayward Street

**City of Holland, Mid-Block Crosswalk Evaluations, Holland, Michigan**

- Collected mid-block crossing pedestrian volumes at several locations within the City

**Fuller Road Pedestrian Study, Ann Arbor, Michigan**

- Collected pedestrian pathway and mid-block crossing volumes at several locations along and across Fuller Road

**CATA M-43 BRT Pedestrian Analysis, East Lansing, Michigan**

- Collected bicycle and pedestrian pathway and mid-block crossing volumes along M-43 at several locations

**East Medical Center Drive Pedestrian Improvement Study, Ann Arbor, Michigan**

- Collected pedestrian volumes at six mid-block crosswalks surrounding the east medical campus

# References


Matthew J. Hill, PE, PTOE
WSP USA / WSP Michigan Inc.
Michigan Traffic & ITS Manager
313-310-8239
Matthew.Hill@wsp.com

Russ Henckel, PE
City of Wyoming
Assistant Director of Public Works
(616) 530-7254
henckelr@wyomingmi.gov

Stacie Tewari, PE
City of Mt. Pleasant
Division of Public Works
989.779.5404
stewarti@mt-pleasant.org

# Project Understanding and Work Plan

**Understanding of Services**

The City of Muskegon has been investigating the potential for a road diet along Getty Street from just north of Apple Avenue to the south city limits (Hovey Avenue). This approximate two-mile section of Getty Street includes four signalized intersections and is primarily a four-lane cross-section with additional turning lanes at specific intersections.

In addition, the City of North Muskegon and the City of Norton Shores may pursue an expanded study to include Getty Street from Hovey Avenue to the Airline Road. This approximate 1.5 mile section of Getty Street includes four signalized intersections and is primarily a five-lane cross-section with a two-way left-turn lane.

While Getty Street is not an MDOT route, MDOT Form 1629 will be used as a checklist to verify all project requirements have been met when evaluating the potential for a road diet along Getty Street. This form will be used as a guide for evaluating the road diet along with any City of Muskegon requirements.

In addition to the potential impacts of a road diet along Getty Street, other proposed projects within the City may have an impact on traffic volumes along the corridor. Progressive AE is currently working with the City on a pilot program to reduce laneage along Shoreline Drive. As part of the Getty Street study, Progressive AE will review impacts the Shoreline Drive project may have to traffic volumes along Getty Street.

The traffic analysis report will aid in determining the before/after operating conditions of Getty Street. Our project team is familiar with requirements for road diets having completed several similar projects in the past. Among others, Progressive AE has worked with the City of Newaygo, Traverse City, Kentwood, and Grand Rapids on various road diet projects.

Based on the above understanding of the project and the information provided in the RFQ, Progressive AE intends to complete the tasks described as follows:

**Task 1 – Initial Assessment and Data Collection**

This task includes assembling existing traffic data, collecting additional intersection turning movement counts, collecting pedestrian data, performing a traffic safety analysis of the corridor, and evaluating the existing operating conditions at the study area intersections.

**Data Collection**

As detailed in the proposal, the study area includes four signalized intersections as part of the base bid as listed below. And additional four signalized intersection have been included as optional. Progressive AE will work with the City to determine the availability of existing traffic data; however, we have included the collection of new intersection turning movement counts at these intersections as part of the proposed project. In addition, PAE has budgeted the collection of turning movement counts at up to two additional unsignalized intersections for the base bid and two additional unsignalized intersections as optional.

| Intersection | Traffic Control |
|---|---|
| **Base Bid** | |
| Getty Street at Apple Avenue | Signal |
| Getty Street at Evanston Avenue | Signal |
| Getty Street at Laketon Avenue | Signal |
| Getty Street at Hackley Avenue | Signal |
| Getty Street at TBD | Two-Way Stop |
| Getty Street at TBD | Two-Way Stop |
| **Optional** | |
| Getty Street at Sherman Blvd | Signal |
| Getty Street at Broadway Avenue | Signal |
| Getty Street at Summit Avenue | Signal |
| Getty Street at Airline Highway | Signal |
| Getty Street at TBD | Two-Way Stop |
| Getty Street at TBD | Two-Way Stop |

Morning (7 - 9 AM) and afternoon (4 - 6 PM) peak-hour intersection turning movement counts will be performed at the existing signalized intersections during a typical weekday. The traffic counts will include pedestrian counts for pedestrians crossing within crosswalks at each intersection. In addition, an on-site review of the study area intersections will be performed to confirm existing lane configurations, signal timing permit data, intersection control devices, driveway locations, non-motorized facilities, speed limits, and other pertinent data needed to perform the analyses.

In addition, PAE will review previous planning documents including as-built records, bicycle network maps, and other planning documents related to the study area. A summary of these data will be provided within the final report.

**Safety Assessment**

A safety assessment for the study area will be conducted along the Apple Avenue corridor and within 250 feet of the study area intersections. The safety assessment will summarize all crashes within the study area for the most recent 3-year analysis period by total number of crashes, crash type, severity, and location. Particular attention will be given to those crashes involving a pedestrian or bicyclist.

**Existing Conditions Capacity Analysis**

Using the traffic data from Task 1, PAE will develop a base existing conditions traffic model and complete capacity calculations at the study area intersections to define how well they are operating under current weekday peak-hour conditions.

- Develop and calibrate a Synchro® model to reflect existing traffic conditions along the corridor.
- Complete a capacity analysis of existing conditions at the study area intersections for the typical weekday morning and afternoon peak-hours.
- Determine any current operational deficiencies at the study area intersections.
- Perform a queue study for the study area intersections to determine the existing 95th percentile queues.
- Results of the existing conditions capacity analyses will be shown in tabular and graphical form and include typical corridor study illustrations depicting levels-of-service for each intersection and each individual movement.

**Task 2 – Future Conditions Analyses**

The future conditions analyses will include reviewing and analyzing a proposed road diet along the corridor and working with the City to develop the final concept plan. Prior to completing the future conditions analyses, PAE will work with the City to determine an appropriate horizon year for the study.

**Future Conditions Capacity Analysis – No Build**

The traffic model developed for the existing conditions will be utilized to perform the future (no build) traffic analyses. An annual growth rate provided by the West Michigan Shoreline Regional Development Commission will be utilized to increase the traffic volumes to the future horizon year. Growth rates provided by WMSRDC will be reviewed and confirmed with the City prior to completing the future conditions analyses. This future (no build) analysis will be utilized to compare to the future conditions with the road diet in place.

**Future Conditions Capacity Analyses – Road Diet**

After completion of the future (no build) traffic analysis, the traffic models will be updated to reflect the potential road diet along the Getty Street corridor. Initially, the corridor will be reduced to a three-lane cross-section to evaluate and determine any deficiencies along the corridor. After the initial evaluation, a detailed review of each intersection will be performed to determine the need for dedicated turn lanes or other mitigation techniques. The appropriate cycle length, offsets and signal timings at each intersection along the corridor will be optimized based on the new laneage.

The future conditions road diet analysis will include a comparison of corridor travel times thru the use of SimTraffic microsimulation. This analysis will show the anticipated change to the travel times along the corridor.

The results of the capacity analysis will be shown in tabular and graphical form and compared to future (no build) analysis results. Mitigation techniques will also be recommended to ensure acceptable operating conditions at the study area intersections.

**Improvement Concepts**

PAE will complete conceptual graphics of the road dieted Getty Street corridor. The graphics will include figures showing the proposed cross-section, pavement markings, potential bike lanes, on-street parking, and/or pedestrian crossings.

**Example concept plan for M-37 in Newaygo, MI*

**Study Report**
The study report will outline the data collection efforts and analysis findings for the study area for existing, future (no build), and the future road diet conditions along the corridor. A summary of the existing operating conditions, including the safety assessment will be included in the report.

The future (no build) and future road diet conditions analyses will be summarized to compare the anticipated operating conditions with and without the proposed road diet in place. Mitigation techniques will be outlined to address any deficiencies anticipated along the corridor and at study area intersections. Conceptual graphics of the proposed corridor, including any recommended mitigation, will be developed based on the outcome of the analyses performed.

A draft report will be submitted initially to the City for review and comment. Upon receipt of comments, an electronic copy of the final report will be submitted for use and dispersal to the other entities for their review, if applicable. Synchro® model data will also be provided for review, if requested.

**Cost Estimates**
The project team will complete a budgetary cost estimate for implementing the road diet and recommendations within the final report.

**MDOT Road Diet Form (Form 1629)**
PAE is familiar with the MDOT Road Diet Form and has completed the form for many other road diet projects. As part of the project, PAE will complete all applicable information on the form and submit to the City for review.

**Task 3 - Meetings**
As outline in the RFQ, Progressive AE proposes to include two (2) meetings with the City of Muskegon and area stakeholders.

**Kick-Off Meeting**
Progressive AE will facilitate a kick-off meeting with the City of Muskegon and/or area stakeholders to review and confirm the study objectives and determine the project schedule. Meeting participants will also be able to guide the project team on specific areas or items of concern within the study area. Other previously completed or planned projects that may impact the study area will also be discussed. At the end of the meeting, all parties involved in the project will understand who will perform which tasks and when.

**Preliminary Results Meeting**
A preliminary results meeting with the City of Muskegon and/or area stakeholders will be held after the analyses have been completed and preliminary recommendations have been developed. The consultant team will outline the results of the data collection efforts and the preliminary analyses, noting any areas of concern. The meeting will help guide the consultant team in developing the final recommendations along the corridor prior to finalizing the analyses and making specific recommendations.

# Proposed Timeline

Progressive AE will coordinate with the client's schedule to develop design concepts for review and approval. Please see attached tentative schedule we have created to meet this year's construction schedule.

| Task | Completion Timeframe |
|---|---|
| Consultant Proposals Due | July 12, 2022 |
| Kick-Off Meeting | Mid-August |
| Data Collection Complete | Early September |
| Preliminary Report, Improvement Graphics, & Alternatives Discussion | Mid-October |
| Results Meeting | 2 weeks after submitting preliminary report |
| Submit Final Report | 2 weeks after results meeting |

# Proposed Fee

Based upon the above identified scope of services, Progressive AE proposes a stipulated sum of $25,790 (twenty five thousand seven hundred ninety dollars). Reimbursable expenses are in addition to the professional compensation, estimated at $1,562 (one thousand five hundred sixty two dollars) and will be invoiced according to our Schedule of Invoice Rates.

**Project: Getty Street Road Diet**
Prepared by: NDL
Date: 7/8/2022

| | | | | Subtotal (Labor) | $25,790 |
|---|---|---|---|---|---|
| | | | | Subtotal (Expenses) | $1,562 |
| | | | | **Total** | **$27,352** |

| Classification/Employee | Chris (Class 9) | Nick (Class 8) | Engineer (Class 5) | Rose (Class 3) | Tony (Class 2) | Total |
|---|---|---|---|---|---|---|
| **Bill Rate** | $215.00 | $185.00 | $130.00 | $90.00 | $75.00 | |
| **Task 1 - Data Collection** | | | | | | |
| *Overall PM* | 2 | | | 1 | | 3 |
| *Count Coordination* | | 1 | | | | 1 |
| *Travel Time* | | | | | 6 | 6 |
| *Place VCU's (0.5 hour/intersection)* | | | | | 3 | 3 |
| *Pickup VCU's (0.5 hour/intersection)* | | | | | 3 | 3 |
| *Processing (1 hour/intersection)* | | | | | 6 | 6 |
| *Misc* | | | | | 1 | 1 |
| *Site Visit* | | 8 | | | | 8 |
| Subtotal (hours) | 2 | 9 | 0 | 1 | 19 | 31 |
| Subtotal (cost) | $430.00 | $1,665.00 | $0.00 | $90.00 | $1,425.00 | $3,610 |
| **Task 2 - Traffic Analysis** | | | | | | |
| *Develop Base Synchro Model* | | 4 | | | | 4 |
| *Develop Base Volumes Spreadsheet* | | 1 | | | | 1 |
| *Existing Conditions Analysis* | | 2 | | | | 2 |
| *Crash Analysis* | | | 8 | | | 8 |
| | | | | | | 0 |
| *Turn Lane Warrants* | | 2 | | | | 2 |
| *Signal Warrants* | | | | | | 0 |
| *Initial Road Diet 3-lane Section* | | 3 | | | | 3 |
| *Optimize Corridor with 3 lanes* | | 4 | | | | 4 |
| *Alternatives Analysis* | | 8 | | | | 8 |
| | | | | | | 0 |
| *Mitigation* | | 4 | | | | 4 |
| *Recommendations* | 2 | 4 | | | | 6 |
| *Form 1629* | | | 4 | | | 4 |
| Subtotal (hours) | 2 | 32 | 12 | 0 | 0 | 46 |
| Subtotal (cost) | $430.00 | $5,920.00 | $1,560.00 | $0.00 | $0.00 | $7,910 |
| **Task 3 - Report Development** | | | | | | |
| *Develop Report* | 2 | 24 | | | | 26 |
| *Prepare Stick Diagrams* | | 3 | | | | 3 |
| *Conceptual Graphics of Improvements* | 3 | 3 | 16 | | | 22 |
| *Peer Review* | 2 | | | 2 | | 4 |
| *Revisions* | 3 | 6 | | | | 9 |
| Subtotal (hours) | 10 | 36 | 16 | 2 | 0 | 64 |
| Subtotal (cost) | $2,150.00 | $6,660.00 | $2,080.00 | $180.00 | $0.00 | $11,070 |
| **Task 4 - Meetings** | | | | | | |
| *Kick-off Meeting* | 4 | 4 | | | | 8 |
| *Results Meeting* | 4 | 4 | | | | 8 |
| Subtotal (hours) | 8 | 8 | 0 | 0 | 0 | 16 |
| Subtotal (cost) | $1,720.00 | $1,480.00 | $0.00 | $0.00 | $0.00 | $3,200 |

| | | | | | | |
|---|---|---|---|---|---|---|
| **Total Labor (Hours)** | **22.0** | **85.0** | **28.0** | **3.0** | **19.0** | **157.0** |
| **Total Labor (Cost)** | **$4,730** | **$15,725** | **$3,640** | **$270** | **$1,425** | **$25,790** |

# 2022 Schedule of Invoice Rates

progressive|ae

## Hourly Staff Charges

| | | |
|---|---|---|
| Class 10 Personnel | Principals | $245/hour |
| Class 9 Personnel | Practice Leaders, Directors | $215/hour |
| Class 8 Personnel | Senior Architect, Senior Engineer, Senior Project Manager | $185/hour |
| Class 7 Personnel | Senior Project Manager, Senior Architect, Senior Interior Designer, Senior Engineer, Senior Scientist | $160/hour |
| Class 6 Personnel | Construction Superintendent, Engineer II, Project Manager II, Senior Construction Administrator, Senior Technician | $145/hour |
| Class 5 Personnel | Architect II, Construction Administrator, Design Architect I, Engineer II, Project Manager I, Senior Interior Designer, Senior Technician | $130/hour |
| Class 4 Personnel | Architect I, Construction Superintendent, Interior Designer II, Engineer I, GIS Technician, Planner I, Technician I | $110/hour |
| Class 3 Personnel | Executive Assistant, Field Scientist, Graduate Architect, Graduate Engineer, Interior Designer I, Technician I | $90/hour |
| Class 2 Personnel | Graduate Interior Designer, Graduate Architect, Project Assistant | $75/hour |
| Class 1 Personnel | Interns | $50/hour |

***Reimbursable Expenses:***

1. Fees for Program, Financial or Procurement Management services when the Owner has engaged a supplier and Architect is subject to a fee.
2. Building permit fees and plan review fees as required by the authorities having jurisdiction over projects at cost plus 10%.
3. Outside services, consultants, travel and lodging at cost plus 10%.
4. Copies, telephone, cell phone voice and data charges and office supplies will be charged through a $25 per month Misc. Office Expense charge. This charge will not be applied to invoices under $1,000.
5. CAD black/white plotting at 15¢ per square foot; CAD color plotting at 25¢ per square foot; CAD low-density color images at 30¢ each; CAD high density color images at 50¢ each; large-format color plotting at $9 per square foot. Postage, shipping, and lab tests at cost. Files written to CD will be minimum $100 per drawing or $500 maximum. Passenger vehicle mileage on projects at the IRS Standard Rate (currently 62.5¢ per mile). Lodging, meals, and airfare at cost. Machine rental GPS at $250 per day. Traffic Counters at $60 per count. Surveying supplies at 50¢ per stake.
6. Overtime expenses requiring higher than normal rates if authorized by owner.

***Notes:***

1. Invoices are due upon receipt. Unpaid invoices shall bear interest at a rate of 1 percent per month if not paid within 30 days of the date of the invoice.
2. Special media requests may be at higher rate.

The parties to this agreement, Progressive AE, Inc., Grand Rapids, Michigan, USA, hereinafter called the ENGINEER and City of Muskegon, Muskegon, Michigan, USA, hereinafter called the OWNER, hereby agree to the following conditions:

1. Limit of Scope: The services provided by the ENGINEER shall be limited to those described in the proposal dated March 29, 2022. The parties agree that the terms of the proposal are incorporated herein by reference, and are part of this agreement as if fully set forth herein. If any terms set forth in the proposal are expressly in conflict with the terms hereof, the terms of the proposal shall govern.

2. Changed Conditions: If, during the term of this Agreement, the ENGINEER becomes aware of any circumstances or conditions that were not originally contemplated by or known to the ENGINEER, then to the extent that they affect the scope of services, compensations, schedule, allocation of risks or other material terms of this Agreement, the ENGINEER may call for re-negotiation of appropriate portions of the Agreement. The ENGINEER shall notify the OWNER of the changed conditions necessitating re-negotiation, and the ENGINEER and the OWNER shall promptly and in good faith enter into re-negotiation of this Agreement to address the changed conditions. If terms cannot be agreed to, the parties agree that either party has the absolute right to terminate this Agreement.

3. Delays: The OWNER agrees that the ENGINEER is not responsible for any damages arising directly or indirectly from any delays for causes beyond the ENGINEER's control. For purposes of this Agreement, such causes include, but are not limited to, strikes or other labor disputes; severe weather disruptions, epidemics, pandemics or other natural disasters or acts of God; fires, riots, war or other emergencies; failure of any government agency to act in a timely manner; failure of performance by OWNER or the OWNER's contractors or consultants; or discovery of any hazardous substance or differing site conditions.

   In addition, if the delays resulting from any such causes increase the cost or time required by the ENGINEER to perform its services in an orderly and efficient manner, the ENGINEER shall be entitled to a reasonable adjustment in schedule and compensation.

4. Additional Services: Additional services not specifically identified in the Scope of Services shall be paid for by the OWNER in addition to the fees previously stated, provided the OWNER authorizes such additional services in writing. Special services will be billed monthly as work progresses and invoices are due upon receipt. If services covered by this agreement have not been completed within eight (8) months of the date of this agreement, through no fault of the ENGINEER, extension of the ENGINEER'S services beyond that time shall be compensated as additional services.

5. Standard of Care: Professional Services provided by the ENGINEER will be conducted in a manner consistent with that level of care ordinarily and normally exercised by licensed ENGINEERs and engineers practicing in the State where the Project resides. The OWNER and ENGINEER agree that a contingency in the amount of three percent (3%) of the cost of the work be established, as required, for changes that may be required because of possible omissions, ambiguities, or inconsistencies in plans and specifications.

6. Value-Added/Betterment: If, due to the ENGINEER's error, any required item or component of the project is omitted from the ENGINEER's Construction documents, the ENGINEER shall not be responsible for paying the cost to add such item or components to the extent that such item or component would have otherwise been necessary to the project tor otherwise adds value or betterment to the project. In no event will the ENGINEER be responsible for any cost or expenses that provides value, upgrade, or enhancement of the project.

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7. Hazardous Materials: The ENGINEER shall have no responsibility for the discovery, presence, handling, removal or disposal of, or exposure of persons to, hazardous materials or toxic substances in any form at the Project site. The Owner shall furnish tests, inspections and reports required by law or the Contract Documents, such as structural, mechanical, and chemical tests, tests for air and water pollution, and tests for hazardous materials.

8. Condominium Conversion: If the ENGINEER's services and Construction Documents are intended for the design and construction of residential rental units, they shall be under the ownership and control of a single, integrated OWNER. In the event the Project is changed to any other purpose or use, including, but not limited to, subdivision into individual units for sale, the ENGINEER shall have no responsibility, and shall be released from all obligations and liabilities for the Project, and each and every right, license and/or ownership interest of the OWNER of the Construction Documents shall be void. The OWNER shall be expressly prohibited from making any further use of the Construction Documents for any purpose, including, but not limited to, the conversion of the Project to another purpose. Further, the OWNER agrees, to the fullest extent permitted by law, to indemnify, immediately defend, and hold harmless the ENGINEER, its officers, directors, employees and subconsultants (collectively, ENGINEER) against all damages, liabilities or costs, including reasonable attorney's fees and defense costs, arising out of or in any way connected with the services performed under this Agreement.

9. Opinions of Probable Construction Cost: In providing opinions of probable construction cost, the OWNER understands that the ENGINEER has no control over the cost or availability of labor, equipment or materials, or over market conditions or the Contractor's method of pricing, and that the ENGINEER's opinions of probable construction costs are made on the basis of the ENGINEER's professional judgment and experience. The ENGINEER makes no warranty, express or implied that the bids or the negotiated cost of the Work will not vary from the ENGINEER's opinion of probable construction cost.

10. Schedule for Rendering Services: The ENGINEER shall prepare and submit for OWNER approval a schedule for the performance of the ENGINEER's services. This schedule shall include reasonable allowances for review and approval times required by the OWNER, performance of services by the OWNER's consultants, and review and approval times required by public authorities having jurisdiction over the project. This schedule shall be equitably adjusted as the project progresses, allowing for changes in scope, character or size of the project requested by the OWNER, or for delays or other causes beyond the ENGINEER's reasonable control.

11. Ownership of Reports, Drawings and Other Materials: The OWNER agrees that all reports, drawings, letters, worksheets, plans, preliminary material tables, supportive data, documents and other materials produced by the ENGINEER in the course of and for the purpose of meeting this contract are the property of the ENGINEER, shall remain in the possession of the ENGINEER and the ENGINEER has and retains all copyrights in such material. Upon execution of this Agreement, the ENGINEER grants to the Owner a nonexclusive license to reproduce the ENGINEER's Instrument of Service solely for the purposes of constructing, using and maintaining the Project provided that the Owner shall comply with all obligations including the prompt payment of all sums when due, under this Agreement.

12. Alteration and Reuse of CAD Information: Because computer-aided design/drafting (CAD) information stored in electronic form can be modified by other parties, intentionally or otherwise, without notice or indication of said modifications, the ENGINEER reserves the right to remove all indications of its ownership and/or involvement in the material from each electronic medium not held in its possession. The OWNER may retain copies of the work performed by the ENGINEER in CAD form. Release of electronic media will be by execution of the ENGINEER's Release of Electronic Media Request Form. Copies shall be for information and used by the OWNER for the specific purpose for which the ENGINEER was engaged. Said material shall

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not be used by the OWNER, or transferred to any other party, for use in other projects, additions to the current project, or any other purpose for which the material was not strictly intended without the ENGINEER's express written permission. Any unauthorized modification or reuse of the materials shall be at the OWNER's sole risk, and the OWNER agrees to defend, indemnify, and hold the ENGINEER harmless, from all claims, injuries, damages, losses, expenses, and attorneys' fees arising out of the unauthorized use or modification of all Project documentation.

13. Payment Terms: Invoices will be submitted by the ENGINEER monthly, are due upon presentation and shall be considered past due if not paid within thirty (30) calendar days of the date of invoice. Invoices past due shall accrue interest at one percent (1%) per month from the original invoice date. If past due invoices cause the ENGINEER to proceed with legal action or collection services, the OWNER agrees to pay all of the ENGINEER's collection expenses including reasonable attorney fees.

14. Disputed Invoices: If the OWNER objects to any portion of an invoice, the OWNER shall so notify the ENGINEER in writing within ten (10) calendar days of receipt of the invoice. The OWNER shall identify in writing the specific cause of the disagreement and the amount in dispute and shall pay that portion of the invoice not in dispute in accordance with other payment terms of this Agreement. Any dispute over invoiced amounts due which cannot be resolved within ten (10) calendar days after presentation of invoice by direct negotiation between the parties shall be resolved within thirty (30) calendar days in accordance with the Dispute Resolution provision of this Agreement. Interest at one percent (1%) per month shall be paid by the OWNER on all disputed invoice amounts that are subsequently resolved in the ENGINEER's favor and shall be calculated on the unpaid balance from the due date of the invoice.

15. Abandonment of Work: If any work is abandoned or suspended, the ENGINEER shall be paid for services performed prior to receipt of written notice from the OWNER of abandonment or suspension.

16. Professional Liability Insurance and Limitation of Liability: The ENGINEER maintains professional liability insurance as part of its normal business practice. The OWNER agrees to limit the ENGINEER's liability to the OWNER and to all Construction Contractors and Subcontractors on the project due to the ENGINEER's negligent acts, errors, or omissions, such that the total aggregate liability of the ENGINEER to all those named shall not exceed the amount of the ENGINEER's compensation for the Project.

17. Indemnification: Subject to the limitation in paragraph 16 above, the ENGINEER agrees to the fullest extent permitted by law, to indemnify and hold harmless the OWNER against damages, liabilities and costs arising from the negligent acts of the ENGINEER in the performance of professional services under this Agreement, to the extent that the ENGINEER is responsible for such damages, liabilities and costs. The ENGINEER shall not be obligated to indemnify the OWNER for the OWNER's own negligence.

18. Consequential Damages: Notwithstanding any other provision of this Agreement, and to the fullest extent permitted by law, neither the OWNER nor the ENGINEER, their respective officers, directors, partners, employees, contractors or sub-consultants shall be liable to the other or shall make any claim for any incidental, indirect or consequential damages arising out of or connected in any way to the project or to this Agreement. This mutual waiver of incidental, indirect and consequential damages shall include, but is not limited to, loss of use, loss of profit, loss of business, loss of income, loss of reputation or any other consequential damages that either party may have incurred from any cause of action including negligence, strict liability, breach of contract and breach of strict or implied warranty. Both the OWNER and the ENGINEER shall require similar waivers of consequential damages protecting all the entities or persons named herein in all contracts and subcontracts with others involved in this project.

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19. Dispute Resolution: In an effort to resolve any conflict, the duly authorized representatives of each party will meet together in good faith in an attempt to resolve the conflict. If this attempted resolution fails to resolve the claim or dispute, the parties agree that all claims, disputes, and other matters in question between the parties arising out of or relating to this Agreement or breach thereof first shall be submitted for non-binding mediation to any one of the following, as agreed to by the parties: American Arbitration Association, American Intermediation Service, Americord, Dispute Resolution, Inc., Endispute, or Judicate. The parties hereto agree to fully cooperate and participate in good faith to resolve the dispute(s). The cost of mediation shall be shared equally by the parties hereto. Any time expended in mediation shall not be included in calculating the time for filing arbitration.

    If mediation fails to resolve the claim or dispute, the matter shall be submitted to arbitration with the American Arbitration Association under the Construction Industry rules, unless the parties agree otherwise or unless a plaintiff not a party hereto institutes litigation in a court of competent jurisdiction and said court takes personal jurisdiction over one of the parties hereto regarding the same subject matter as in dispute between the parties hereto.

    No arbitration arising out of or relating to this Agreement shall include, by consolidation, joinder, or in any other manner, any additional person not a party to this Agreement except by written consent of the parties and such consent to arbitration involving an additional person(s) shall not constitute consent to arbitration of any dispute not described therein. This Agreement to arbitrate and any agreement to arbitrate with an additional person(s) shall be specifically enforceable under the prevailing arbitration law.

    The demand for arbitration shall be made within one (1) year of the date the claimant knew or should have known of the existence of the claim, dispute, or other matter but in no event later than 3 years after the date of substantial completion of the project. If the demand for arbitration is not effectuated within such times, the claim, dispute, or other matter shall be forever barred.

    The decision rendered by the arbitrators shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof. In the event either party makes a claim or brings an arbitration action or lawsuit against the other party for any act arising out of the performance of the services hereunder, and the claimant fails to prove such claim or action, then the claimant shall pay all legal and other costs (including attorneys' fees) incurred by the other party in defense of such claim or action.

20. Hiring of Personnel: OWNER may not directly hire any employee of the ENGINEER. OWNER agrees that it shall not, directly or indirectly solicit any employee of the ENGINEER from accepting employment with OWNER, affiliate companies, or competitors of ENGINEER.

21. Site Signage: The ENGINEER shall be permitted to install on the project premises an exterior sign of not more than 60 square feet for promotional purposes. The location of the sign shall be mutually agreed upon by OWNER and ENGINEER, not to be unreasonably withheld by either.

22. Means and Methods: The ENGINEER shall not have control over, charge of, or responsibility for construction means, methods, techniques, sequences or procedures, or for safety precautions and programs in connection with the work, nor shall the ENGINEER be responsible for the constructor’s failure to perform work in accordance with the contract documents.

23. Evaluation of Work: The ENGINEER shall have authority to reject work that does not conform to the contract documents, however, the ENGINEER does not have authority to stop work at any time.

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24. Buried Utilities: The OWNER will be responsible for furnishing the ENGINEER information identifying the type of all underground utilities and verifying their specific locations. The ENGINEER (or their subconsultant) will rely on this information and prepare a plan that shows the locations intended for connections with respect to assumed locations of underground utilities provided by the OWNER. The OWNER will approve of all locations of subsurface penetrations prior to them being made. The OWNER agrees to waive all claims and causes of action against the ENGINEER for damages to underground improvements. The OWNER further agrees to indemnify and hold the ENGINEER harmless from any damage, liability or cost, including reasonable attorney's fees and defense costs for any property damage, injury or economic loss arising or allegedly arising from subsurface penetrations.

25. ADA Requirements: The ENGINEER shall make a reasonable professional effort to interpret applicable ADA requirements as they apply to this project but cannot warrant or guarantee compliance due to the fact it is civil rights legislation and open to many different interpretations.

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## Contact Us

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Phone: 616.361.2664

**North Carolina Office**
Phone: 704.731.8080

**Read Our Blog**
progressiveae.com/strategic-insights

**Watch Our Testimonials**
progressiveae.com/testimonials

**COST SHARING AGREEMENT**

THIS AGREEMENT is made this _____ day of _____, 202___ by and between THE CITY OF MUSKEGON, a Michigan municipal corporation at 933 Terrace Street, Muskegon, Michigan 49440 ("Muskegon"), THE CITY OF MUSKEGON HEIGHTS, a Michigan municipal corporation at 2724 Peck Street, Muskegon Heights, Michigan 49444 ("Muskegon Heights"), and THE CITY OF NORTON SHORES, a Michigan municipal corporation at 4814 Henry Street, Norton Shores, Michigan 49441 ("Norton Shores") (collectively, "the Municipalities").

RECITALS

A. The Municipalities require Traffic Engineering Services relating to a study of Getty Street from Seaway Drive (US-31BR) to Apple Avenue (M-46), various portions of which are under the jurisdiction of each of the Municipalities (the "Services").

B. The Municipalities recognize the administrative and economic benefits of performing a single study over the entire corridor.

C. Muskegon employs persons qualified to oversee the Services, and the Municipalities desire to enter into an agreement with Muskegon to contract for and oversee the Services on behalf of the Municipalities for the Getty Street study.

AGREEMENT

I. Muskegon will contract for the Services. Muskegon is authorized to act on behalf of the Municipalities in regards to contracting, project management, financial oversight, and administration of the Services.

II. This Agreement will commence on the date first stated above, and will continue through study finalization. Said Agreement shall be terminable by any party at any time during the term of the Agreement upon 30 days' written notice to the other parties. In the event of any termination, Muskegon shall be paid up to the effective date of termination for services rendered.

III. Invoices for the Services will be delivered by Muskegon to the Municipalities. The Municipalities agree to pay all amounts due within 45 days of the invoice date. The invoices will be allocated to each of the Municipalities based upon the Act 51 certified mileage of Getty Street in each of the Municipalities. The cost of the study is estimated at _____ _____ dollars ($_____), however the total amount of the invoices shall be based on the actual cost of the Services. A detailed breakdown of the estimate cost of the Services is shown in Table A.

IV. This Agreement shall not be deemed to be a third-party beneficiary contract or a contract for the benefit of any party other than the parties hereto. Muskegon shall not be responsible to any party other than the Municipalities for any acts, errors, mistakes, or omissions; and Muskegon shall have no liability or responsibility to the Municipalities for any acts, errors, mistakes, or omissions of others unless stated otherwise in a Request for Proposals (RFP).

V. Muskegon will cause any contractors related to the Services to carry professional liability, automobile, general liability, workers compensation and other insurance as may be applicable in amounts common to the industry and in accordance with Muskegon's policies on such matters.

VI. Final documents prepared in connection with the Services will be property of the Municipalities. At the conclusion of the project, Muskegon will furnish a reproducible set of documents and related data to the Municipalities, including an electronic copy of graphics prepared as a part of the Services.

VII. No waiver by any party of any term or condition of this Agreement shall be deemed or construed as a waiver of any other term or condition, nor shall a waiver of any breach be deemed to constitute a waiver of any subsequent breach, whether of the same or of a different section of this Agreement.

VIII. This Agreement shall be governed by and interpreted in accordance with the laws of the state of Michigan.

IX. The entire agreement between the parties is set forth in this Agreement. This Agreement shall not be altered or amended except by written agreement signed by both parties.

**Table A**

| Municipality | Act 51 Certified Mileage | Percentage | Cost Share | Contingencies (10%) | Total Cost Share |
|---|---|---|---|---|---|
| Muskegon | 1.519 | 45.2% | $19,813 | $1,981 | $21,794 |
| Muskegon Heights | 0.733 | 21.8% | $9,555 | $955 | $10,510 |
| Norton Shores | 1.108 | 33.0% | $14,465 | $1,447 | $15,912 |
| **Total** | **3.360** | **100%** | **$43,833** | **$4,383** | **$48,216** |

**The remainder of this page is left intentionally blank.**

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed pursuant to the authority of the respective parties as of the date first stated above.

CITY OF MUSKEGON, a Michigan municipal corporation,

By: _____
*(signature)*

_____
*(printed name)*

Its: _____
*(title)*

On: _____
*(date)*

CITY OF MUSKEGON HEIGHTS, a Michigan municipal corporation,

By: _____
*(signature)*

_____
*(printed name)*

Its: _____
*(title)*

On: _____
*(date)*

CITY OF NORTON SHORES, a Michigan municipal corporation,

By: _____
*(signature)*

_____
*(printed name)*

Its: _____
*(title)*

On: _____
*(date)*

WATCH MUSKEGON

# Agenda Item Review Form

## Muskegon City Commission

| | |
|---|---|
| Commission Meeting Date: August 9, 2022 | Title: Apple Avenue Traffic Study |
| Submitted By: Dan VanderHeide | Department: Public Works |

Brief Summary:

Staff is requesting authorization to sign a Professional Services Agreement for $43,338 with Progressive AE to provide traffic engineering services for a traffic study of Apple Avenue.

Detailed Summary & Background:

MDOT has plans to reconstruct Apple Avenue in approximately 2026. MDOT is willing to engage with the City and other stakeholders to determine what the next version of Apple Avenue will look like. The study will provide data and recommendations related to vehicle, pedestrian and bicycle traffic. Specifically, the study will look at reducing the number of lanes in certain sections of the corridor to improve safety for all modes and improve access for non-vehicular users.

Staff solicited proposals from engineering firms to provide traffic engineering services for data collection, modelling and recommendations for Apple Avenue within the City limits.

Staff is requesting to award the engineering services agreement to the highest scoring firm (Progressive AE). Staff scored the proposals using Qualifications Based Selection criteria to ensure we were selecting the best partner for this important project. The scoring showed Progressive AE as the leading firm, and staff recommends contracting with them based on their proposal and their history of service. Progressive AE has provided engineering services for the City of Muskegon in the past, and is currently assisting with the Shoreline Drive Pilot project. A summary score table is shown.

| Firm | Score |
|---|---|
| DLZ, Inc. | 760 |
| Hubbell, Roth & Clark | 780 |
| Fleis & VandenBrink | 880 |
| Fishbeck | 880 |
| **Progressive AE** | **900** |
| Rowe PSC | 880 |
| Spalding DeDecker | 800 |

Goal/Focus Area/Action Item Addressed:

Goal 1 (Connection and Transportation Focus Areas) and Goal 2 (Neighborhood Business Focus)

| | |
|---|---|
| Amount Requested: $43,338 | Amount Budgeted: $50,000 |
| Fund(s) or Account(s): 202 (Major Streets) | Fund(s) or Account(s): 202 (Major Streets) |

Recommended Motion:

Authorize staff to sign a Professional Services Agreement for $43,338 with Progressive AE to provide traffic engineering services for a traffic study of Apple Avenue within the City limits.

| Approvals: | | | | Guest(s) Invited / Presenting: | |
|---|---|---|---|---|---|
| Immediate Division Head | ■ | Information Technology | ☐ | Yes | ☐ |
| Other Division Heads | ☐ | Communication | ☐ | No | ■ |
| For City Clerk Use Only:<br>Commission Action: | | | | | |

progressive | ae

REQUEST FOR PROPOSAL

# City of Muskegon

**Apple Avenue Traffic Study | July 12, 2022**

## PROPOSAL & AWARD

The undersigned having become thoroughly familiar with and understanding of all the proposal documents attached hereto, agrees to provide the services as specified herein, for the total fees as stipulated herein, subject to negotiation.

I hereby state that all of the information I have provided is true, accurate and complete. I hereby state that I have authority to submit this proposal which will become a binding contract if accepted by the City.

I hereby state that I have read, understand and agree to be bound by all of the terms of this proposal document.

Signature Christopher E. Zull Title Transportation Practice Leader

Print Name Chris Zull, PE Date July 12, 2022

Firm Name Progressive AE

Address 1811 4 Mile Road NE Grand Rapids, MI 49525

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progressive|ae

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July 12, 2022

City of Muskegon
Dan VanderHeide, Deputy Director
Department of Public Works
1350 Keating Ave.
Muskegon, MI 49442

Dear Members of the Selection Committee,

Progressive AE is at its best when delivering projects of regional significance with strong community support. We are excited to partner with the City of Muskegon and MDOT to explore a road diet along M-46 (Apple Avenue) from Muskegon Avenue to US-31. Our team is experienced in road conversions, traffic analysis, and complete street design. We pride ourselves in making roadways safer for all users.

Muskegon continues to advance safe mobility through infrastructure project and modern context sensitive solutions. This project has the potential to further embed the practices of speed management, improved safety for all users, and model future conditions in a cost-effective manner. We believe all urban roads shall be designed with the emphasis on pedestrians and bicyclist first.

Progressive AE is a local full-service firm who can handle the entire breadth of the project. The creative minds we can bring to your project team have designed many similar pilot projects and are excited by the opportunity to work with the City of Muskegon. This is the type of work our infrastructure engineering team has a passion and expertise for. The attached documents respond to your request for proposals. An overview of our company, how we can achieve the project objectives, proposed timeline, comparable projects we've completed, references, a budget, and contract terms.

**Experienced and Responsive**

The infrastructure team at Progressive AE is ready to serve you with expertise that is grounded and tested in experience. Our Team has worked on multiple road diet projects and is passionate about the your community and residents.

Our team is led by Infrastructure Practice Leader, Chris Zull, PE with support of multiple staff with great transportation design experience including complete street and roadway design, traffic analysis, permitting, estimating, construction observation, and utilities to name a few. Our established culture of customer service ensures that you will develop close contacts and receive prompt responses from our project team.

With the aggressive schedule proposed, Progressive AE's strong communication will be an important asset for project success. We have the expertise and staff available to rapidly lead this project and engage with the community.

**People**

Just like the clients we serve, we know our most important asset is our people. Our infrastructure team is a dedicated group of over a dozen engineers and designers who are deeply knowledgeable about the issues, best practices, and challenges that go into preparing a conceptual road diet plan with features that strive to increase mobility and pedestrian accessibility.

The Progressive AE team greatly appreciates the opportunity to submit this proposal package and is excited by the possibility of working collaboratively with the City of Muskegon and MDOT. We strive to support and connect with you to develop long lasting relationships to help analyze, plan for, and meet your current and future needs through trust and experience. We welcome the opportunity to discuss this project further with you and to address any questions you may have regarding the following proposal. Should you require additional information, please do not hesitate to contact me at 616.988.4867 or zullc@progressiveae.com.

Sincerely,

Christopher E. Zull

Chris Zull, PE

Transportation Practice Leader

# Firm Overview

Progressive AE's workforce is a unique blend of creative people who think strategically, and strategic people who work creatively. The firm is guided by Performance Based Design, a fundamental and forward-thinking philosophy. Through Performance Based Design, we commit to optimizing performance for clients and validating results post-occupancy.

**FULL SERVICE**
ARCHITECTURE & ENGINEERING FIRM

**60** YEARS
OF EXPERIENCE

ACTIVE IN
**48**
STATES

**10**
MARKETS

**140+** DESIGN
AWARDS

**225+** SKILLED PROFESSIONALS

LOCATIONS= **3**

## Full Service Expertise

One thing we know is each client faces unique needs that must be met, while keeping the future in mind. This is exciting to us. No challenge is too great, thanks to our comprehensive range of services. Whatever discipline is required, we have subject matter experts on hand to find the right solution.

**Our Areas of Expertise Include:**

- Architecture
- Design-build
- Engineering
- Interior Design
- Landscape Architecture
- Planning and Consulting
- Procurement
- Universal Design
- Urban Planning
- Water Resources

## Firm Locations

**Locations:**

Grand Rapids
1811 4 Mile Rd. NE
Grand Rapids, MI 49505
616.361.2664

Charlotte
330 South Tryon St. #500
Charlotte, NC 28202
704.731.8080

Muskegon
800 E Ellis Rd
Muskegon, MI 49441
231.799.4960

# Transportation Expertise

Our firm has continued to innovate for more than half a century. We have gained considerable wisdom over those years and seen remarkable growth with offices in Michigan and North Carolina and active work in the 48 contiguous states. With 200+ professionals and a full range of expertise, Progressive AE is leading the way in thought leadership and innovative design.

One thing we know is each client faces one-of-a-kind needs that must be met, while keeping the future in mind. This is exciting to us. No challenge is too great, thanks to our comprehensive range of services.

Whatever discipline is required, we have subject matter experts on hand to find the right solution. Our areas of expertise include:

- Architecture
- Design-build
- Engineering
- Interior Design and Procurement
- Transportation Engineering
- Landscape Architecture and Urban Planning
- Planning and Consulting
- Water Resources

We are passionate about enhancing communities and understand the important role transportation engineering plays to make this happen. To this end, Progressive AE employs a dedicated group of transportation engineers who are experts in their fields. Our transportation engineers excel in transportation planning, transportation engineering, traffic analysis and signal design. They stay abreast of industry trends and best practices, making them well-equipped to speak the language of other transportation engineers, government officials, and concerned citizens.

Progressive AE has been involved with numerous transportation projects for a variety of clients including universities, local municipalities, Department of Transportation, and private sector clients. Through projects with these agencies, we have improved the efficiency of transportation systems through the planning, design, operations, and maintenance of existing infrastructure.

**Services Include:**

- Corridor Studies
- Intersection/Corridor Safety Studies
- Road Diets/Street Conversions Analyses and Design
- Traffic Calming Programs and Design
- Roadway/Street Design
- Roadway Pavement Marking and Signing Plans
- Roundabout Design & Analysis
- Work Zone Maintaining Traffic/Detour Plans
- Non-Motorized and Pedestrian Data Collection
- Traffic Data Collection
- Traffic Impact Studies
- Traffic Signal Warrant Studies
- Traffic Signal Design
- Traffic Signal Optimization Studies

# Qualifications of Team

Progressive AE's transportation team has the expertise to deliver on all the needs of the City of Muskegon. They bring years of traffic, transportation, and municipal experience and have a deep familiarilty of the Muskegon area. Please see the below organizational chart and team resumes on the following pages for more information. This work will also be primarily done out of our Muskegon office with support from our corporate office in Grand Rapids.

**Chris Zull, PE** will serve as the project manager for the project, coordinating all project efforts and facilitating meetings with the City. Mr. Zull has 21 years of experience working on transportation and traffic engineering projects throughout Michigan. Having served as the Traffic Safety Manager at the City of Grand Rapids for over 15 years, he has extensive experience with similar projects. While at the City of Grand Rapids, Mr. Zull was instrumental in managing the City's traffic calming program, reviewing traffic analyses and construction plans, and implementing over 40 miles of road diets within the City.

**Nick LaCroix, PE, PTOE** will serve as the lead traffic engineer for the project, coordinating all efforts involved with analyzing the existing and future conditions of the corridor. Mr. LaCroix has over 21 years of experience leading traffic engineering and road design projects that will lend itself well to this project, including serving as the lead traffic engineer for the City of Newaygo Downtown Walkability Improvements, which includes a 4-to-3 lane conversion. He has performed as the project manager and lead traffic engineer for numerous traffic analyses throughout Michigan and Indiana ranging from large freeway interchanges, corridor studies, campus transportation studies, and non-motorized/pedestrian studies. Traffic engineering expertise includes transportation planning, campus planning, traffic impact studies, corridor plans, crash analyses, maintenance of traffic plans, signal timing optimization, traffic calming, parking studies, pedestrian safety, and non-motorized facilities.

# Project Examples & References

## Downtown Safety and Walkability Improvements City of Newaygo

**Newaygo, MI**

- Current project developing street and non-motorized improvement alternatives through and near downtown Newaygo
- Expanding on-street parking to both sides of M-37 (State Street)
- Providing safer pedestrian crossing locations by bumping out curb lines at intersections and midblock crossings and slightly revised street geometrics
- Proposing 4-to3 lane conversion, narrowed lanes, center median islands and street trees as calming measures to reduce through vehicle speeds, particularly large trucks
- Project includes development of new non-motorized pathways along river frontage to improve connectivity to downtown
- Alternatives include longer term concepts at the north end of town to help reduce vehicle speeds coming from rural highwaysTeaming with Speck & Associates to work with the City and the local economic development organization
- Will include close coordination with MDOT staff for final design parameters and eventual approval

Size: 3/4 mile

Cost: $100,000 (engineering fees)

Completion: Ongoing

Services: Current project developing street and non-motorized improvement alternatives through and near downtown Newaygo

Reference: Jon Schneider, City Manager, City of Newaygo, jons@newaygocity.org, 231.652.1657

# City of Traverse City
# East Front Street Reconstruction

**Traverse City, MI**

Robust community engagement process completed over a six-month period engaging diverse stakeholder groups, including the City Staff, DDA, Elected Leadership, BATA, disability advocates, TART Trails, MDOT, local business owners, property owners and involved community members using series of community forums, as well as social media tools, virtual presentations and public surveys.

- Creation of a sustainable plan which allows the natural feature of the river to be fully realized as a community asset; includes green street design standards, storm water management.
- Solutions provide prioritized accessibility for pedestrian traffic, rebalancing pedestrian and automotive needs in the corridor
- Activate the space to extend the energy of the 100 and 200 blocks of Front Street further east
- Streetscape design including mid-block crossings, raised intersections, gateway designs, bulb-outs, sidewalks, snowmelt system, decorative brick pavers, ornamental lighting, street trees, and site furnishings such as bike racks, trash receptacles and benches

Project Length: 0.4 Miles

Estimated Cost: $4,800,000

Expected Construction: Summer 2022

Services: Community Engagement, urban planning, civil engineering, landscape architecture, mechanical engineering, electrical engineering, consultant coordination

Reference: Jean Derenzy, CEO, Traverse City DDA, jean@downtowntc.com, 231.922.2050

# Envision Ada Master Plan and Headley Street Re-Alignment

**Ada, MI**

Reference: Brian Hilbrands, Downtown Development Authority Director, Ada Township, 616.676.9191, bhilbrands@adatownshipmi.com

- Master planning process completed over a six-month period engaging diverse stakeholder groups, including the Township, local business owners, property owners and involved community members using community forums, as well as social media tools
- Creation of a sustainable plan which allows the natural feature of the river to be fully realized as a community asset; includes green street design standards, storm water management
- Solutions provide increased accessibility for pedestrian traffic, increased availability of residential properties within the village, and creation of community green spaces as gathering places
- Existing and future conditions modeling of roadway network
- Signal warrant anaylsis at the M-21 (Fulton Street) / Headley Street intersection
- Development of alternatives for the Headley Street re-alignment
- Traffic signal design
- Streetscape design including median islands, bulb-outs, sidewalks, ornamental lighting, street trees, and site furnishings such as bike racks and benches
- Subsequent master plan implementation projects that Progressive AE has partnered with Ada Township and other stakeholder to complete include Legacy Park and the Amy Van Andel Library and Community Center

Size: 40 acres

Cost: Ada Village: $13,000,000
Headley Street: $3,390,000

Completion: 2015

Services: Stakeholder engagement, master planning, civil engineering, landscape architecture, traffic engineering and analysis, non-motorized land planning

## **Vehicular Data Collection** (partial list)

**Shaffer Avenue Corridor Study, Kentwood, MI**
- Collected 24-hour approach and turning movement counts at 3 intersections

**Newaygo Downtown Walkability Improvements, Newaygo, MI**
- Collected 24-hour, turning movement counts, and mid-block pedestrian volumes at 3 intersections along M-37

**I-94/Portage-Kilgore Interchange Analysis, Kalamazoo, MI**
- Collected peak-hour turning movement counts and ramp counts at 10 intersections

**Woodward Avenue Widetrack Loop Two-Way Conversion Study, Pontiac, MI**
- Collected peak-hour turning movement counts at over 30 intersections

**I-96/Cascade Road Interchange Study, Grand Rapids, MI**
- Collected peak-hour turning movement counts and ramp counts at 12 intersections

**Niles Signal Optimization Study, Niles, MI**
- Collected 24-hour approach and turning movements counts at 16 intersections

**Ann Arbor Multimodal Train Station, Ann Arbor, MI**
- Collected peak-hour turning movement counts at over 20 intersections

**University of Michigan Medical Center Campus Transportation Study**
- Collected peak-hour turning movement counts at over 40 intersections within and surrounding the campus

**US-131/M-60 Intersection Study, Three Rivers, MI**
- Collected peak-hour turning movement counts at several locations

**US 131/Wealthy Street Interchange Study, Grand Rapids, MI**
- Collected turning movement counts at the US-131/Wealthy Street interchange

**Davenport University Athletics Complex, Caledonia, MI**
- Collected turning movement counts at 6 intersections along M-37 (Broadmoor Ave)

## **Non-Motorized Data Collection** (partial list)

**East Grand Rapids School Crossings, East Grand Rapids, Michigan**
- Collected pedestrian volumes at 7 mid-block crosswalks

**Hayward Street Pedestrian Crossing Safety Analysis, Ann Arbor, Michigan**
- Collected vehicular, pedestrian and bicycle volumes at several locations along and across Hayward Street

**City of Holland, Mid-Block Crosswalk Evaluations, Holland, Michigan**
- Collected mid-block crossing pedestrian volumes at several locations within the City

**Fuller Road Pedestrian Study, Ann Arbor, Michigan**
- Collected pedestrian pathway and mid-block crossing volumes at several locations along and across Fuller Road

**CATA M-43 BRT Pedestrian Analysis, East Lansing, Michigan**
- Collected bicycle and pedestrian pathway and mid-block crossing volumes along M-43 at several locations

**East Medical Center Drive Pedestrian Improvement Study, Ann Arbor, Michigan**
- Collected pedestrian volumes at six mid-block crosswalks surrounding the east medical campus

# References


Matthew J. Hill, PE, PTOE
WSP USA / WSP Michigan Inc.
Michigan Traffic & ITS Manager
313-310-8239
Matthew.Hill@wsp.com

Russ Henckel, PE
City of Wyoming
Assistant Director of Public Works
(616) 530-7254
henckelr@wyomingmi.gov

Stacie Tewari, PE
City of Mt. Pleasant
Division of Public Works
989.779.5404
stewarti@mt-pleasant.org

# Project Understanding and Work Plan

**Understanding of Services**

The City of Muskegon has been investigating the potential for a road diet along M-46 (Apple Avenue) from Muskegon Avenue to US-31. This approximate two-mile section of Apple Avenue includes eight signalized intersection and varies from a four-lane to five-lane cross-section. Apple Avenue is a MDOT trunkline route and included as part of the NHS system throughout the study area.

MDOT is planning a reconstruction project of Apple Avenue in 2026. The intent of this study is to inform the design process for the reconstruction project and provide sufficient information to complete the MDOT required road diet form (Form 1629). For proposed road diets, MDOT utilizes Form 1629 as a checklist to verify all project requirements have been met when evaluating requests for road diets along trunkline routes. This form will be used as a guide for evaluating the road diet along with any City of Muskegon requirements.

In addition to the potential impacts of a road diet along Apple Avenue, other proposed projects within the City may have an impact on traffic volumes along the corridor. Progressive AE is currently working with the City on a pilot program to reduce laneage along Shoreline Drive. As part of the Apple Avenue study, Progressive AE will review impacts the Shoreline Drive project may have to traffic volumes along Apple Avenue.

The traffic analysis report will aid in determining the before/after operating conditions of Apple Avenue. Our project team is familiar with the Michigan Department of Transportation (MDOT) requirements for road diets having completed several similar projects in the past. Among others, Progressive AE has worked with the City of Newaygo, Traverse City, Kentwood, and Grand Rapids on various road diet projects.

Based on the above understanding of the project and the information provided in the RFQ, Progressive AE intends to complete the tasks described as follows:

**Task 1 – Initial Assessment and Data Collection**

This task includes assembling existing traffic data, collecting additional intersection turning movement counts, collecting pedestrian data, performing a traffic safety analysis of the corridor, and evaluating the existing operating conditions at the study area intersections.

**Data Collection**

As detailed in the proposal, the study area includes eight signalized intersections as listed on the next page. Progressive AE will work with the City to determine the availability of existing traffic data; however, we have included the collection of new intersection turning movement counts at these intersections as part of the proposed project. In addition, PAE has budgeted the collection of turning movement counts at up to two additional unsignalized intersections.

| Intersection | Traffic Control |
|---|---|
| Apple Avenue at Muskegon Avenue | Signal |
| Apple Avenue at Sanford Street | Signal |
| Apple Avenue at Terrace Street | Signal |
| Apple Avenue at Pine Street | Signal |
| Apple Avenue at Wood Street | Signal |
| Apple Avenue at Getty Street | Signal |
| Apple Avenue at Oak Groves Street | Signal |
| Apple Avenue at Creston Street | Signal |
| Apple Avenue at TBD | Two-Way Stop |
| Apple Avenue at TBD | Two-Way Stop |

Morning (7 - 9 AM) and afternoon (4 - 6 PM) peak-hour intersection turning movement counts will be performed at the existing signalized intersections during a typical weekday. The traffic counts will include pedestrian counts for pedestrians crossing within crosswalks at each intersection. In addition, an on-site review of the study area intersections will be performed to confirm existing lane configurations, signal timing permit data, intersection control devices, driveway locations, non-motorized facilities, speed limits, and other pertinent data needed to perform the analyses.

In addition, PAE will review previous planning documents including as-built records, bicycle network maps, and other planning documents related to the study area. A summary of these data will be provided within the final report.

**Safety Assessment**

A safety assessment for the study area will be conducted along the Apple Avenue corridor and within 250 feet of the study area intersections. The safety assessment will summarize all crashes within the study area for the most recent 3-year analysis period by total number of crashes, crash type, severity, and location. Particular attention will be given to those crashes involving a pedestrian or bicyclist.

**Existing Conditions Capacity Analysis**

Using the traffic data from Task 1, PAE will develop a base existing conditions traffic model and complete capacity calculations at the study area intersections to define how well they are operating under current weekday peak-hour conditions.

- Develop and calibrate a Synchro® model to reflect existing traffic conditions along the corridor.
- Complete a capacity analysis of existing conditions at the study area intersections for the typical weekday morning and afternoon peak-hours.
- Determine any current operational deficiencies at the study area intersections.
- Perform a queue study for the study area intersections to determine the existing 95th percentile queues.
- Results of the existing conditions capacity analyses will be shown in tabular and graphical form and include typical corridor study illustrations depicting levels-of-service for each intersection and each individual movement.

**Task 2 – Future Conditions Analyses**

The future conditions analyses will include reviewing and analyzing a proposed road diet along the corridor and working with the City to develop the final concept plan. Prior to completing the future conditions analyses, PAE will work with the City to determine an appropriate horizon year for the study.

**Future Conditions Capacity Analysis – No Build**

The traffic model developed for the existing conditions will be utilized to perform the future (no build) traffic analyses. An annual growth rate provided by the West Michigan Shoreline Regional Development Commission will be utilized to increase the traffic volumes to the future horizon year. Growth rates provided by WMSRDC will be reviewed and confirmed with the City prior to completing the future conditions analyses. This future (no build) analysis will be utilized to compare to the future conditions with the road diet in place.

**Future Conditions Capacity Analyses – Road Diet**

After completion of the future (no build) traffic analysis, the traffic models will be updated to reflect the potential road diet along the Apple Avenue corridor. Initially, the corridor will be reduced to a three-lane cross-section to evaluate and determine any deficiencies along the corridor. After the initial evaluation, a detailed review of each intersection will be performed to determine the need for dedicated turn lanes or other mitigation techniques. The appropriate cycle length, offsets and signal timings at each intersection along the corridor will be optimized based on the new laneage.

The roadway corridor will also be reviewed to determine areas where the cross-section may be able to be reduced further, allowing for on-street parking.

The future conditions road diet analysis will include a comparison of corridor travel times thru the use of SimTraffic microsimulation. This analysis will show the anticipated change to the travel times along the corridor.

The results of the capacity analysis will be shown in tabular and graphical form and compared to future (no build) analysis results. Mitigation techniques will also be recommended to ensure acceptable operating conditions at the study area intersections.

**Improvement Concepts**

PAE will complete conceptual graphics of the road dieted Apple Avenue corridor. The graphics will include figures showing the proposed cross-section, pavement markings, potential bike lanes, on-street parking, and/or pedestrian crossings.

**Example concept plan for M-37 in Newaygo, MI*

**Study Report**
The study report will outline the data collection efforts and analysis findings for the study area for existing, future (no build), and the future road diet conditions along the corridor. A summary of the existing operating conditions, including the safety assessment will be included in the report.

The future (no build) and future road diet conditions analyses will be summarized to compare the anticipated operating conditions with and without the proposed road diet in place. Mitigation techniques will be outlined to address any deficiencies anticipated along the corridor and at study area intersections. Conceptual graphics of the proposed corridor, including any recommended mitigation, will be developed based on the outcome of the analyses performed.

A draft report will be submitted initially to the City for review and comment. Upon receipt of comments, an electronic copy of the final report will be submitted for use and dispersal to the other entities for their review, if applicable. Synchro® model data will also be provided for review, if requested.

**Cost Estimates**
The project team will complete a budgetary cost estimate for implementing the road diet and recommendations within the final report.

**MDOT Road Diet Form (Form 1629)**
PAE is familiar with the MDOT Road Diet Form and has completed the form for many other road diet projects. As part of the project, PAE will complete all applicable information on the form and submit to the City for review.

**Task 3 - Meetings**
As outline in the RFQ, Progressive AE proposes to include two (2) meetings with the City of Muskegon and area stakeholders.

**Kick-Off Meeting**
Progressive AE will facilitate a kick-off meeting with the City of Muskegon and/or area stakeholders to review and confirm the study objectives and determine the project schedule. Meeting participants will also be able to guide the project team on specific areas or items of concern within the study area. Other previously completed or planned projects that may impact the study area will also be discussed. At the end of the meeting, all parties involved in the project will understand who will perform which tasks and when.

**Preliminary Results Meeting**
A preliminary results meeting with the City of Muskegon and/or area stakeholders will be held after the analyses have been completed and preliminary recommendations have been developed. The consultant team will outline the results of the data collection efforts and the preliminary analyses, noting any areas of concern. The meeting will help guide the consultant team in developing the final recommendations along the corridor prior to finalizing the analyses and making specific recommendations.

# Proposed Timeline

Progressive AE will coordinate with the client's schedule to develop design concepts for review and approval. Please see attached tentative schedule we have created to meet this year's construction schedule.

| Task | Completion Timeframe |
|---|---|
| Consultant Proposals Due | July 12, 2022 |
| Kick-Off Meeting | Mid-August |
| Data Collection Complete | Early September |
| Preliminary Report, Improvement Graphics, & Alternatives Discussion | Mid-October |
| Results Meeting | 2 weeks after submitting preliminary report |
| Submit Final Report | 2 weeks after results meeting |

# Proposed Fee

Based upon the above identified scope of services, Progressive AE proposes a stipulated sum of $40,860 (forty thousand eight hundred sixty dollars). Reimbursable expenses are in addition to the professional compensation, estimated at $2,478 (two thousand four hundred seventy eight dollars) and will be invoiced according to our Schedule of Invoice Rates.

**Project: Apple Ave Road Diet**
Prepared by: NDL
Date: 7/8/2022

| | | | | Subtotal (Labor) | $40,860 |
|---|---|---|---|---|---|
| | | | | Subtotal (Expenses) | $2,478 |
| | | | | **Total** | **$43,338** |

| Classification/Employee | Chris (Class 9) | Nick (Class 8) | Engineer (Class 5) | Rose (Class 3) | Tony (Class 2) | Total |
|---|---|---|---|---|---|---|
| **Bill Rate** | $215.00 | $185.00 | $130.00 | $90.00 | $75.00 | |
| **Task 1 - Data Collection** | | | | | | |
| *Overall PM* | 4 | | | 2 | | 6 |
| *Count Coordination* | | 2 | | | | 2 |
| *Travel Time* | | | | | 9 | 9 |
| *Place VCU's (0.5 hour/intersection)* | | | | | 5 | 5 |
| *Pickup VCU's (0.5 hour/intersection)* | | | | | 5 | 5 |
| *Processing (1 hour/intersection)* | | | | | 10 | 10 |
| *Misc* | | | | | 1 | 1 |
| *Site Visit* | | 8 | | | | 8 |
| Subtotal (hours) | 4 | 10 | 0 | 2 | 30 | 46 |
| Subtotal (cost) | $860.00 | $1,850.00 | $0.00 | $180.00 | $2,250.00 | $5,140 |
| **Task 2 - Traffic Analysis** | | | | | | |
| *Develop Base Synchro Model* | | 8 | | | | 8 |
| *Develop Base Volumes Spreadsheet* | | 2 | | | | 2 |
| *Existing Conditions Analysis* | | 4 | | | | 4 |
| *Crash Analysis* | | | 16 | | | 16 |
| | | | | | | 0 |
| *Turn Lane Warrants* | | 4 | | | | 4 |
| *Signal Warrants* | | | | | | 0 |
| *Initial Road Diet 3-lane Section* | | 6 | | | | 6 |
| *Optimize Corridor with 3 lanes* | | 8 | | | | 8 |
| *Alternatives Analysis* | | 16 | | | | 16 |
| *Mitigation* | | 8 | | | | 8 |
| *Recommendations* | 4 | 8 | | | | 12 |
| *Form 1629* | | | 4 | | | 4 |
| Subtotal (hours) | 4 | 64 | 20 | 0 | 0 | 88 |
| Subtotal (cost) | $860.00 | $11,840.00 | $2,600.00 | $0.00 | $0.00 | $15,300 |
| **Task 3 - Report Development** | | | | | | |
| *Develop Report* | 4 | 40 | | | | 44 |
| *Prepare Stick Diagrams* | | 6 | | | | 6 |
| *Conceptual Graphics of Improvements* | 4 | 4 | 24 | | | 32 |
| *Peer Review* | 4 | | | 4 | | 8 |
| *Revisions* | 2 | 8 | | | | 10 |
| Subtotal (hours) | 14 | 58 | 24 | 4 | 0 | 100 |
| Subtotal (cost) | $3,010.00 | $10,730.00 | $3,120.00 | $360.00 | $0.00 | $17,220 |
| **Task 4 - Meetings** | | | | | | |
| *Kick-off Meeting* | 4 | 4 | | | | 8 |
| *Results Meeting* | 4 | 4 | | | | 8 |
| Subtotal (hours) | 8 | 8 | 0 | 0 | 0 | 16 |
| Subtotal (cost) | $1,720.00 | $1,480.00 | $0.00 | $0.00 | $0.00 | $3,200 |

| | | | | | | |
|---|---|---|---|---|---|---|
| **Total Labor (Hours)** | **30.0** | **140.0** | **44.0** | **6.0** | **30.0** | **250.0** |
| **Total Labor (Cost)** | **$6,450** | **$25,900** | **$5,720** | **$540** | **$2,250** | **$40,860** |

# 2022 Schedule of Invoice Rates

progressive|ae

## Hourly Staff Charges

| | | |
|---|---|---|
| Class 10 Personnel | Principals | $245/hour |
| Class 9 Personnel | Practice Leaders, Directors | $215/hour |
| Class 8 Personnel | Senior Architect, Senior Engineer, Senior Project Manager | $185/hour |
| Class 7 Personnel | Senior Project Manager, Senior Architect, Senior Interior Designer, Senior Engineer, Senior Scientist | $160/hour |
| Class 6 Personnel | Construction Superintendent, Engineer II, Project Manager II, Senior Construction Administrator, Senior Technician | $145/hour |
| Class 5 Personnel | Architect II, Construction Administrator, Design Architect I, Engineer II, Project Manager I, Senior Interior Designer, Senior Technician | $130/hour |
| Class 4 Personnel | Architect I, Construction Superintendent, Interior Designer II, Engineer I, GIS Technician, Planner I, Technician I | $110/hour |
| Class 3 Personnel | Executive Assistant, Field Scientist, Graduate Architect, Graduate Engineer, Interior Designer I, Technician I | $90/hour |
| Class 2 Personnel | Graduate Interior Designer, Graduate Architect, Project Assistant | $75/hour |
| Class 1 Personnel | Interns | $50/hour |

***Reimbursable Expenses:***

1. Fees for Program, Financial or Procurement Management services when the Owner has engaged a supplier and Architect is subject to a fee.
2. Building permit fees and plan review fees as required by the authorities having jurisdiction over projects at cost plus 10%.
3. Outside services, consultants, travel and lodging at cost plus 10%.
4. Copies, telephone, cell phone voice and data charges and office supplies will be charged through a $25 per month Misc. Office Expense charge. This charge will not be applied to invoices under $1,000.
5. CAD black/white plotting at 15¢ per square foot; CAD color plotting at 25¢ per square foot; CAD low-density color images at 30¢ each; CAD high density color images at 50¢ each; large-format color plotting at $9 per square foot. Postage, shipping, and lab tests at cost. Files written to CD will be minimum $100 per drawing or $500 maximum. Passenger vehicle mileage on projects at the IRS Standard Rate (currently 62.5¢ per mile). Lodging, meals, and airfare at cost. Machine rental GPS at $250 per day. Traffic Counters at $60 per count. Surveying supplies at 50¢ per stake.
6. Overtime expenses requiring higher than normal rates if authorized by owner.

***Notes:***

1. Invoices are due upon receipt. Unpaid invoices shall bear interest at a rate of 1 percent per month if not paid within 30 days of the date of the invoice.
2. Special media requests may be at higher rate.

The parties to this agreement, Progressive AE, Inc., Grand Rapids, Michigan, USA, hereinafter called the ENGINEER and City of Muskegon, Muskegon, Michigan, USA, hereinafter called the OWNER, hereby agree to the following conditions:

1. Limit of Scope: The services provided by the ENGINEER shall be limited to those described in the proposal dated March 29, 2022. The parties agree that the terms of the proposal are incorporated herein by reference, and are part of this agreement as if fully set forth herein. If any terms set forth in the proposal are expressly in conflict with the terms hereof, the terms of the proposal shall govern.

2. Changed Conditions: If, during the term of this Agreement, the ENGINEER becomes aware of any circumstances or conditions that were not originally contemplated by or known to the ENGINEER, then to the extent that they affect the scope of services, compensations, schedule, allocation of risks or other material terms of this Agreement, the ENGINEER may call for re-negotiation of appropriate portions of the Agreement. The ENGINEER shall notify the OWNER of the changed conditions necessitating re-negotiation, and the ENGINEER and the OWNER shall promptly and in good faith enter into re-negotiation of this Agreement to address the changed conditions. If terms cannot be agreed to, the parties agree that either party has the absolute right to terminate this Agreement.

3. Delays: The OWNER agrees that the ENGINEER is not responsible for any damages arising directly or indirectly from any delays for causes beyond the ENGINEER's control. For purposes of this Agreement, such causes include, but are not limited to, strikes or other labor disputes; severe weather disruptions, epidemics, pandemics or other natural disasters or acts of God; fires, riots, war or other emergencies; failure of any government agency to act in a timely manner; failure of performance by OWNER or the OWNER's contractors or consultants; or discovery of any hazardous substance or differing site conditions.

   In addition, if the delays resulting from any such causes increase the cost or time required by the ENGINEER to perform its services in an orderly and efficient manner, the ENGINEER shall be entitled to a reasonable adjustment in schedule and compensation.

4. Additional Services: Additional services not specifically identified in the Scope of Services shall be paid for by the OWNER in addition to the fees previously stated, provided the OWNER authorizes such additional services in writing. Special services will be billed monthly as work progresses and invoices are due upon receipt. If services covered by this agreement have not been completed within eight (8) months of the date of this agreement, through no fault of the ENGINEER, extension of the ENGINEER'S services beyond that time shall be compensated as additional services.

5. Standard of Care: Professional Services provided by the ENGINEER will be conducted in a manner consistent with that level of care ordinarily and normally exercised by licensed ENGINEERs and engineers practicing in the State where the Project resides. The OWNER and ENGINEER agree that a contingency in the amount of three percent (3%) of the cost of the work be established, as required, for changes that may be required because of possible omissions, ambiguities, or inconsistencies in plans and specifications.

6. Value-Added/Betterment: If, due to the ENGINEER's error, any required item or component of the project is omitted from the ENGINEER's Construction documents, the ENGINEER shall not be responsible for paying the cost to add such item or components to the extent that such item or component would have otherwise been necessary to the project tor otherwise adds value or betterment to the project. In no event will the ENGINEER be responsible for any cost or expenses that provides value, upgrade, or enhancement of the project.

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7. Hazardous Materials: The ENGINEER shall have no responsibility for the discovery, presence, handling, removal or disposal of, or exposure of persons to, hazardous materials or toxic substances in any form at the Project site. The Owner shall furnish tests, inspections and reports required by law or the Contract Documents, such as structural, mechanical, and chemical tests, tests for air and water pollution, and tests for hazardous materials.

8. Condominium Conversion: If the ENGINEER's services and Construction Documents are intended for the design and construction of residential rental units, they shall be under the ownership and control of a single, integrated OWNER. In the event the Project is changed to any other purpose or use, including, but not limited to, subdivision into individual units for sale, the ENGINEER shall have no responsibility, and shall be released from all obligations and liabilities for the Project, and each and every right, license and/or ownership interest of the OWNER of the Construction Documents shall be void. The OWNER shall be expressly prohibited from making any further use of the Construction Documents for any purpose, including, but not limited to, the conversion of the Project to another purpose. Further, the OWNER agrees, to the fullest extent permitted by law, to indemnify, immediately defend, and hold harmless the ENGINEER, its officers, directors, employees and subconsultants (collectively, ENGINEER) against all damages, liabilities or costs, including reasonable attorney's fees and defense costs, arising out of or in any way connected with the services performed under this Agreement.

9. Opinions of Probable Construction Cost: In providing opinions of probable construction cost, the OWNER understands that the ENGINEER has no control over the cost or availability of labor, equipment or materials, or over market conditions or the Contractor's method of pricing, and that the ENGINEER's opinions of probable construction costs are made on the basis of the ENGINEER's professional judgment and experience. The ENGINEER makes no warranty, express or implied that the bids or the negotiated cost of the Work will not vary from the ENGINEER's opinion of probable construction cost.

10. Schedule for Rendering Services: The ENGINEER shall prepare and submit for OWNER approval a schedule for the performance of the ENGINEER's services. This schedule shall include reasonable allowances for review and approval times required by the OWNER, performance of services by the OWNER's consultants, and review and approval times required by public authorities having jurisdiction over the project. This schedule shall be equitably adjusted as the project progresses, allowing for changes in scope, character or size of the project requested by the OWNER, or for delays or other causes beyond the ENGINEER's reasonable control.

11. Ownership of Reports, Drawings and Other Materials: The OWNER agrees that all reports, drawings, letters, worksheets, plans, preliminary material tables, supportive data, documents and other materials produced by the ENGINEER in the course of and for the purpose of meeting this contract are the property of the ENGINEER, shall remain in the possession of the ENGINEER and the ENGINEER has and retains all copyrights in such material. Upon execution of this Agreement, the ENGINEER grants to the Owner a nonexclusive license to reproduce the ENGINEER's Instrument of Service solely for the purposes of constructing, using and maintaining the Project provided that the Owner shall comply with all obligations including the prompt payment of all sums when due, under this Agreement.

12. Alteration and Reuse of CAD Information: Because computer-aided design/drafting (CAD) information stored in electronic form can be modified by other parties, intentionally or otherwise, without notice or indication of said modifications, the ENGINEER reserves the right to remove all indications of its ownership and/or involvement in the material from each electronic medium not held in its possession. The OWNER may retain copies of the work performed by the ENGINEER in CAD form. Release of electronic media will be by execution of the ENGINEER's Release of Electronic Media Request Form. Copies shall be for information and used by the OWNER for the specific purpose for which the ENGINEER was engaged. Said material shall

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not be used by the OWNER, or transferred to any other party, for use in other projects, additions to the current project, or any other purpose for which the material was not strictly intended without the ENGINEER's express written permission. Any unauthorized modification or reuse of the materials shall be at the OWNER's sole risk, and the OWNER agrees to defend, indemnify, and hold the ENGINEER harmless, from all claims, injuries, damages, losses, expenses, and attorneys' fees arising out of the unauthorized use or modification of all Project documentation.

13. Payment Terms: Invoices will be submitted by the ENGINEER monthly, are due upon presentation and shall be considered past due if not paid within thirty (30) calendar days of the date of invoice. Invoices past due shall accrue interest at one percent (1%) per month from the original invoice date. If past due invoices cause the ENGINEER to proceed with legal action or collection services, the OWNER agrees to pay all of the ENGINEER's collection expenses including reasonable attorney fees.

14. Disputed Invoices: If the OWNER objects to any portion of an invoice, the OWNER shall so notify the ENGINEER in writing within ten (10) calendar days of receipt of the invoice. The OWNER shall identify in writing the specific cause of the disagreement and the amount in dispute and shall pay that portion of the invoice not in dispute in accordance with other payment terms of this Agreement. Any dispute over invoiced amounts due which cannot be resolved within ten (10) calendar days after presentation of invoice by direct negotiation between the parties shall be resolved within thirty (30) calendar days in accordance with the Dispute Resolution provision of this Agreement. Interest at one percent (1%) per month shall be paid by the OWNER on all disputed invoice amounts that are subsequently resolved in the ENGINEER's favor and shall be calculated on the unpaid balance from the due date of the invoice.

15. Abandonment of Work: If any work is abandoned or suspended, the ENGINEER shall be paid for services performed prior to receipt of written notice from the OWNER of abandonment or suspension.

16. Professional Liability Insurance and Limitation of Liability: The ENGINEER maintains professional liability insurance as part of its normal business practice. The OWNER agrees to limit the ENGINEER's liability to the OWNER and to all Construction Contractors and Subcontractors on the project due to the ENGINEER's negligent acts, errors, or omissions, such that the total aggregate liability of the ENGINEER to all those named shall not exceed the amount of the ENGINEER's compensation for the Project.

17. Indemnification: Subject to the limitation in paragraph 16 above, the ENGINEER agrees to the fullest extent permitted by law, to indemnify and hold harmless the OWNER against damages, liabilities and costs arising from the negligent acts of the ENGINEER in the performance of professional services under this Agreement, to the extent that the ENGINEER is responsible for such damages, liabilities and costs. The ENGINEER shall not be obligated to indemnify the OWNER for the OWNER's own negligence.

18. Consequential Damages: Notwithstanding any other provision of this Agreement, and to the fullest extent permitted by law, neither the OWNER nor the ENGINEER, their respective officers, directors, partners, employees, contractors or sub-consultants shall be liable to the other or shall make any claim for any incidental, indirect or consequential damages arising out of or connected in any way to the project or to this Agreement. This mutual waiver of incidental, indirect and consequential damages shall include, but is not limited to, loss of use, loss of profit, loss of business, loss of income, loss of reputation or any other consequential damages that either party may have incurred from any cause of action including negligence, strict liability, breach of contract and breach of strict or implied warranty. Both the OWNER and the ENGINEER shall require similar waivers of consequential damages protecting all the entities or persons named herein in all contracts and subcontracts with others involved in this project.

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19. Dispute Resolution: In an effort to resolve any conflict, the duly authorized representatives of each party will meet together in good faith in an attempt to resolve the conflict. If this attempted resolution fails to resolve the claim or dispute, the parties agree that all claims, disputes, and other matters in question between the parties arising out of or relating to this Agreement or breach thereof first shall be submitted for non-binding mediation to any one of the following, as agreed to by the parties: American Arbitration Association, American Intermediation Service, Americord, Dispute Resolution, Inc., Endispute, or Judicate. The parties hereto agree to fully cooperate and participate in good faith to resolve the dispute(s). The cost of mediation shall be shared equally by the parties hereto. Any time expended in mediation shall not be included in calculating the time for filing arbitration.

    If mediation fails to resolve the claim or dispute, the matter shall be submitted to arbitration with the American Arbitration Association under the Construction Industry rules, unless the parties agree otherwise or unless a plaintiff not a party hereto institutes litigation in a court of competent jurisdiction and said court takes personal jurisdiction over one of the parties hereto regarding the same subject matter as in dispute between the parties hereto.

    No arbitration arising out of or relating to this Agreement shall include, by consolidation, joinder, or in any other manner, any additional person not a party to this Agreement except by written consent of the parties and such consent to arbitration involving an additional person(s) shall not constitute consent to arbitration of any dispute not described therein. This Agreement to arbitrate and any agreement to arbitrate with an additional person(s) shall be specifically enforceable under the prevailing arbitration law.

    The demand for arbitration shall be made within one (1) year of the date the claimant knew or should have known of the existence of the claim, dispute, or other matter but in no event later than 3 years after the date of substantial completion of the project. If the demand for arbitration is not effectuated within such times, the claim, dispute, or other matter shall be forever barred.

    The decision rendered by the arbitrators shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof. In the event either party makes a claim or brings an arbitration action or lawsuit against the other party for any act arising out of the performance of the services hereunder, and the claimant fails to prove such claim or action, then the claimant shall pay all legal and other costs (including attorneys' fees) incurred by the other party in defense of such claim or action.

20. Hiring of Personnel: OWNER may not directly hire any employee of the ENGINEER. OWNER agrees that it shall not, directly or indirectly solicit any employee of the ENGINEER from accepting employment with OWNER, affiliate companies, or competitors of ENGINEER.

21. Site Signage: The ENGINEER shall be permitted to install on the project premises an exterior sign of not more than 60 square feet for promotional purposes. The location of the sign shall be mutually agreed upon by OWNER and ENGINEER, not to be unreasonably withheld by either.

22. Means and Methods: The ENGINEER shall not have control over, charge of, or responsibility for construction means, methods, techniques, sequences or procedures, or for safety precautions and programs in connection with the work, nor shall the ENGINEER be responsible for the constructor’s failure to perform work in accordance with the contract documents.

23. Evaluation of Work: The ENGINEER shall have authority to reject work that does not conform to the contract documents, however, the ENGINEER does not have authority to stop work at any time.

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24. Buried Utilities: The OWNER will be responsible for furnishing the ENGINEER information identifying the type of all underground utilities and verifying their specific locations. The ENGINEER (or their subconsultant) will rely on this information and prepare a plan that shows the locations intended for connections with respect to assumed locations of underground utilities provided by the OWNER. The OWNER will approve of all locations of subsurface penetrations prior to them being made. The OWNER agrees to waive all claims and causes of action against the ENGINEER for damages to underground improvements. The OWNER further agrees to indemnify and hold the ENGINEER harmless from any damage, liability or cost, including reasonable attorney's fees and defense costs for any property damage, injury or economic loss arising or allegedly arising from subsurface penetrations.

25. ADA Requirements: The ENGINEER shall make a reasonable professional effort to interpret applicable ADA requirements as they apply to this project but cannot warrant or guarantee compliance due to the fact it is civil rights legislation and open to many different interpretations.

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progressive|ae

## Contact Us

**Michigan Office**
Phone: 616.361.2664

**North Carolina Office**
Phone: 704.731.8080

**Read Our Blog**
progressiveae.com/strategic-insights

**Watch Our Testimonials**
progressiveae.com/testimonials

WATCH MUSKEGON

# Agenda Item Review Form

## Muskegon City Commission

| | |
|---|---|
| Commission Meeting Date: August 8/9, 2022 | Title: ARP Infill Housing Working Cash Fund Request |
| Submitted By: Jake Eckholm | Department: Economic Development |

Brief Summary:

Staff is requesting authorization to issue an inter-fund loan from the General Fund (101) to the Public Improvement Fund (404) of one million dollars ($1,000,000) to ensure working capital on hand for the ARP Infill Housing Program being implemented by Briggs Builders and West Urban Properties.

Detailed Summary & Background:

We are working diligently on infilling owner occupied housing in the community through the five million dollar commitment from the City Commission from American Rescue Plan Act funds. Mr. Briggs is working with the City to secure additional financing through the Community Foundation in order to infill 6 total homes in Jackson Hill, and Mr. Dusendang has a working total of 34-36 units depending on pricing that will primarily be placed in McLaughlin and Nelson. 18 are currently in the permitted stage at various levels of completion, and therein lies the issue. The structure of the agreements for both developers indicates that the city make them whole for their half of the investment in each house 45 days after Certificate of Occupancy is issued, or at time of sale. With the rate of building that is necessary to keep various subcontractors engaged during this very difficult labor market, it is likely that we will run into cash on hand issues in the ARP program wherein all of our money is “tied up in inventory.”

Staff is requesting that the General Fund, which currently has a fund reserve of 9.6 million dollars, make a temporary interfund loan to the Property Improvement Fund of 1 million dollars, which is enough to fully implement 4 builds at the contracted prices. This should be enough cushion to keep our building partners and their contractors working consistently through project implementation. The structure would require that all city proceeds from sale are booked into the Public Improvement Fund, and that the full 1 million dollars is returned to the General Fund in a lump sum transfer at the culmination of both ARP infill housing projects.

Goal/Focus Area/Action Item Addressed:

Goal 1 (Image) Housing Focus Area, Goal 2 (Quality of Life) Housing Focus Area, Action Item 21-8 Expand Housing Options, Goal 3 (Revitalize Revenues) Social Equity Focus Area, Action Item 21-11 Increase Opportunities for Minorities in Economic Development, and Goal 3 (Revitalize Revenues) Housing Focus Area, Action Item 21-13 Increase Property Values in Urban Core and Eastside Neighborhoods

| | |
|---|---|
| Amount Requested: $1,000,000 (internal loan) | Amount Budgeted: N/A unless expenditures occur |

| | |
|---|---|
| Fund(s) or Account(s): (101) to (404) | Fund(s) or Account(s): N/A |

Recommended Motion:

Authorize staff to sign a Professional Services Agreement for $27,352 with Progressive AE to provide traffic engineering services for a traffic study of Getty Street from Hovey to Oak streets.

| Approvals: | | | | Guest(s) Invited / Presenting: | |
|---|---|---|---|---|---|
| Immediate Division Head | ■ | Information Technology | ☐ | Yes | ☐ |
| Other Division Heads | ☐ | Communication | ☐ | No | ■ |

For City Clerk Use Only:

Commission Action:

WATCH MUSKEGON

# Agenda Item Review Form

## Muskegon City Commission

| | |
|---|---|
| Commission Meeting Date: August 9, 2022 | Title: MERS Amortization Extension |
| Submitted By: Kenneth D. Grant | Department: Finance |

Brief Summary: The City of Muskegon and the Municipal Employees' Retirement System of Michigan (MERS) will enter into an agreement for an amortization extension. The extension is for all existing defined benefits plans with MERS.

Detailed Summary & Background:

MERS shall extend Employer's amortization period with respect to its UAL as followed:

- Division #01 (Non-Union General) & 11 (Clerical): Amortization of UAL to be extended from 9 to 14 years with required contributions revised effective with the applicable fiscal year of the annual valuation used for the extension study or the date this signed agreement is received by MERS, whichever is latest.
- Division #02 (Non-Union Police) & 21 (Police Patrol): Amortization of UAL to be extended from 8 to 13 years with required contributions revised effective with the applicable fiscal year of the annual valuation used for the extension study or the date this signed agreement is received by MERS, whichever is latest.
- Division #10 (General- Retirees) & 20 (Police/Fire-Retirees): Amortization of UAL to be extended from 6 to 11 years with required contributions revised effective with the applicable fiscal year of the annual valuation used for the extension study or the date this signed agreement is received by MERS, whichever is latest.

The amortization extension allows the City to stabilize our annual projected contribution costs. Without this amortization extensions the City's annual contribution costs for Defined Benefits will peak to almost $6 million per year for the years 2024-2028. With the extension the highest amount we will pay is $4.87 million in 2028 (based on a 7.35% rate of return) from the actuarial report performed by Gabriel, Roeder, Smith & Company. Effective July 1, 2022 our current rates will be approximately $5.02 million. With the extension our rate will be $4.3 million effective July 1, 2022.

| | |
|---|---|
| Goal/Focus Area/Action Item Addressed:<br>*Refer to the 2022-2027 Long Term Goals document.* | |
| Amount Requested: | Amount Budgeted:<br>*Contact Finance if your item does not fit into the current budget.* |
| Fund(s) or Account(s): MULTIPLE | Fund(s) or Account(s): |
| Recommended Motion: Authorize the Finance Director to enter into an agreement with the Municipal Employees' Retirement System of Michigan for an Amortization Extension. | |
| Approvals: *Get approval from division head at a minimum prior to sending to the Clerk.*<br>Immediate Division Head ☐ Information Technology ☐<br>Other Division Heads ☐ Communication ☐<br>Legal Review ☐ | Guest(s) Invited / Presenting<br>Yes ☐<br>No ☐ |
| For City Clerk Use Only:<br>Commission Action: | |

# Municipal Employees' Retirement System of Michigan

## Amortization Extension
## Muskegon, City of (6116)

800.521.0498 | P: 248.799.9000 | www.grsconsulting.com

July 12, 2022

In care of:
Municipal Employees' Retirement System of Michigan
1134 Municipal Way
Lansing, Michigan 48917

The purpose of this report is to provide information and analysis to MERS with regards to extending the period over which the Outstanding Unfunded Accrued Liability (UAL) as of July 1, 2022 is amortized, for participants covered by the MERS Defined Benefit plan sponsored by Muskegon, City of. The City is requesting that the period for amortizing the UAL be extended. Our analysis was prepared in the context of the MERS Defined Benefit plan only. Any additional analysis regarding the financial condition of the employer is outside the scope of this project and it not our area of expertise.

This report should not be relied upon for any other purpose. Reliance on information contained in this report by anyone for anything other than the intended purpose could be misleading.

The information in this report is purely actuarial in nature. It is not intended to serve as a substitute for legal, accounting, and investment advice.

**This report was prepared at the request of MERS and the municipality and may be provided only in its entirety by the municipality to other interested parties. Gabriel, Roeder, Smith & Company is not responsible for the consequences of any unauthorized use.**

The results of this analysis and the conclusions drawn, are based on the unique participant data, benefit provisions, and funded status of Muskegon, City of. Because each MERS municipality is unique in these respects it is inappropriate to apply the conclusions in this report to another municipality.

This report reflects the impact of COVID-19 experience through December 31, 2020. It does not reflect the ongoing impact of COVID-19, which is likely to influence demographic and economic experience, at least in the short-term. We will continue to monitor these developments and their impact on the MERS Defined Benefit and Hybrid plans. Actual future experience will be reflected in each subsequent annual valuation, as experience emerges.

The Plan Document Article VI Sec. 71 (1)(d), provides the MERS Board with the authority to set actuarial assumptions and methods after consultation with the actuary. This report was prepared using certain assumptions approved by the Board. The MERS Board adopted the actuarial assumptions based on the recommendations of the actuary. A description of these assumptions and methods can be found as follows:

- Plan Document, v02252021,
- Actuarial Policy, DOC 8062 (2020-06-25), and
- 2020 Appendix to the Annual Actuarial Valuation Report.

## Background on Funding Policy

Sponsors of Defined Benefit plans in Michigan are required by law to prefund the pension benefits provided to covered members. Prefunding in the MERS plan is accomplished by requiring an annual contribution made up of two components:

- The Normal Cost, covering the cost of the benefits earned by active members during the year; and
- An amortization payment, covering the annual payment necessary to pay off the UAL over a period of years.

The UAL is the difference, on the valuation date, between the liability attributable to benefits that have already been earned (the Accrued Liability) and the assets in the fund. This difference can be positive (Accrued Liability exceeds the assets), or negative (assets exceed the Accrued Liability).

UAL can develop for a number of reasons, including actual experience being different than assumed, benefit increases that apply to service already earned, and changes in assumptions (this list is not all-inclusive). A detailed discussion of the causes of the UAL as of December 31, 2020 for Muskegon, City of, is beyond the scope of this assignment, and has not been prepared. According to the funding policy, an Initial UAL was established as of December 31, 2015 and future sources of UAL are isolated into separate amortization layers.

A funding policy is a mechanism for developing contributions that, when combined with investment earnings, will accumulate enough assets to pay the benefits promised. Funding policy is set by the MERS Retirement Board based in part on recommendation by the actuaries. While the ultimate goal of a funding policy is to develop a contribution pattern sufficient to ensure all promised benefits are paid, specifics of the policy (including the length of the amortization period) were designed to balance the Board's stated goals of contribution adequacy, inter-period equity and transparency, and a desire for contribution stability.

The goal of adequacy is to produce contributions that are expected to be sufficient to pay for benefits under a broad range of possible future outcomes. Inter-period equity encompasses both the idea that the cost of the benefits earned by workers should be paid by the generation of taxpayers that received the services provided by those workers, and the concept that the cost of benefits remains consistent between generations of taxpayers.

It is also important to remember that retirement plans, by their nature, are exposed to certain risks. While risks cannot be eliminated entirely, they can be mitigated through various strategies. Below are a few examples of risk (this is not an all-inclusive list) that retirement plans are exposed to:

- Economic – investment return, wage inflation, etc.
- Demographic – longevity, disability, retirement, etc.
- Plan Sponsor and Employees – contribution volatility, ability to make required contributions, etc.

The assumptions and methods adopted by the MERS Retirement Board based on the last Experience Study, including the funding policy, are designed to set expectations for future experience without adjusting for risk.

## Request for Extension of the Amortization Period

Muskegon, City of has requested that the period for amortizing the Outstanding Unfunded Accrued Liability as of July 1, 2022 be extended from the current periods, beginning with the 2022 fiscal year contribution for each of the divisions listed below:

| | As of December 31, 2020 Valuation | | | Outstanding Initial UAL as of Fiscal Year Beginning July 1, 2022 |
|---|---|---|---|---|
| Division(s)^ | Division Status | Link Status | Amortization Policy (If Closed, Not Linked) | Current Amortization Period (Years)[&] |
| 01 | Closed | Not Linked | Not Accelerated | 9 |
| 02 | Closed | Not Linked | Not Accelerated | 8 |
| 10 | Closed | Not Linked | Not Accelerated | 6 |
| 11 | Closed | Not Linked | Not Accelerated | 9 |
| 20 | Closed | Not Linked | Not Accelerated | 6 |
| 21 | Closed | Not Linked | Not Accelerated | 8 |

*& The current period represents the remaining amortization period on the initial UAL layer, or if no initial UAL layer remains, the remaining period of the oldest gain/loss layer.*
*^ Per preliminary results and as determined by MERS' internal actuaries' initial review, an amortization extension would not be recommended/allowed for division 50.*

The MERS Actuarial Policy allows for extensions for divisions after actuarial analysis and approval by the employer's governing body and MERS' CEO. The number of years of approved amortization extension may be based on case-by-case analysis of certain plan characteristics. The maximum allowable amortization period under Michigan law is 30 years.

Actuarial standards of practice (ASOPs) provide guidance for actuaries selecting or making recommendations on contribution allocation procedures that are generally not prescriptive. In other words, the ASOPs do not spell out specific amortization periods or other policy elements for actuarial approval. As the actuary to the plan, we look to the MERS Retirement Board for stated goals and objectives to guide us in our analysis.

Our understanding is that the amortization extension policy as described in Section III. Subsection 3. of the MERS Actuarial Policy applies to all remaining UAL and allows for flexibility in the length of reset period. Existing amortization layers are combined into a single layer and amortized over a period of fixed length declining by 1-year each subsequent valuation. Future layers are established in accordance with the schedule in Section III. 1, as shown below.

| Division Status | Link Status | Period | Method |
|---|---|---|---|
| Open | Linked | 15 | Level Percent |
| Open | Not Linked | 15 | Level Percent |
| Closed | Linked | 15 | Level Percent |
| Closed | Not Linked | 10 | Level Percent |

Extending the amortization period does not alter the promised benefits, and so does not change the ultimate cost of providing those benefits. It does lower contribution levels in the short term, by extending the period of time over which the contributions are required to be made. Therefore, extending the amortization period is a deferral of contributions to future years.

Extending the amortization period does not improve the funding goal of adequacy, and runs counter to the goal of intergenerational equity. Lengthening the amortization period means missed opportunities for investment earnings, puts a greater burden on future taxpayers, and reduces the financial security for members covered under the plan. The MERS Actuarial Policy as adopted by the Retirement Board does not provide additional specific guidance on the definitions or relative weighting of the aforementioned policy objectives.

## Analysis

We have prepared projections of the Current Funding Policy and the Extension Policy, using the following:

**Current Funding Policy (Baseline)**

- Benefits
  - The same benefits that were used in preparing the December 31, 2020 annual actuarial valuation report.
- Assets
  - The same assets that were used in preparing the December 31, 2020 annual actuarial valuation report.

**Extension Policy**

- Benefits
  - The same as those described in the Baseline.
- Assets
  - The same as those described in the Baseline.
- Illustrations displaying the following extension on the UAL are shown in the following exhibits.

| Division(s) | Amortization Period (Years) | Policy for Future Changes to the Period |
|---|---|---|
| 01 | 14 | Decrease by one year until paid off |
| 02 | 13 | Decrease by one year until paid off |
| 10 | 11 | Decrease by one year until paid off |
| 11 | 14 | Decrease by one year until paid off |
| 20 | 11 | Decrease by one year until paid off |
| 21 | 13 | Decrease by one year until paid off |

- This extension request was prepared with a valuation date on or after December 31, 2019, and as such, existing amortization layers were combined into a single layer and amortized over the period described in the table above for the extension scenarios. Future layers were established in accordance with the schedule in the MERS Actuarial Policy Section III. 1.

Revised Fiscal Year Non Phase-In Invoice Rates, effective July 1, 2022, before and after the extension illustrations, are as follows:

**Annual Computed Employer Contribution (No Phase-In)**
**for the Fiscal Year Beginning July 1, 2022**
**Results shown at a 7.35% Assumed Investment Return Assumption**

| Division | Current Funding Policy | Extension Funding Policy |
|---|---|---|
| 01 - NonUnion Gen | $ 558,672 | $ 584,220 |
| 02 - NonUn Police | 8,712 | 6,492 |
| 10 - General Ret | 579,072 | 385,752 |
| 11 - Clerical | 84,708 | 65,328 |
| 20 - PLC/Fire Ret | 1,251,408 | 826,044 |
| 21 - PolicePatrol | 556,956 | 451,824 |
| **Total** | **$ 3,039,528** | **$ 2,319,660** |

The projections shown are as follows:

- Include results under an assumed annual rate of return on the market value of assets of 7.35%.
- Include results under a sensitivity scenario assuming an annual rate of return on the market value of assets of 6.35%. The additional scenario at 6.35% may be considered a quantitative risk assessment.
- Were prepared under the current and extension funding policies and reflect no phase-in contribution amounts only. It is our understanding that following an amortization extension, any remaining phase-in contribution amounts will be eliminated.

To determine whether an extension is appropriate, the following statistics for each division requesting an extension and for the entire plan, may be analyzed and considered:

- The current and projected funded percentage.
- Retiree funded percentage. This is the portion of retiree liability that is currently covered by plan assets (excluding any active or terminated vested account balances).
- Ratio of actives to retirees.
- Average expected remaining service life time of active members.
- Net cash-flows of the plan and each division as a percent of assets.

The results of our analysis show the following:

- Extending the amortization period will have an effect on the ultimate time until the UAL is fully paid off for the divisions involved in the extension. Under the current policy, the divisions being granted an extension are projected to be 100% funded by June 30, 2032. Under the extension policy in this report, the divisions being granted an extension are projected to be 100% funded by June 30, 2036.

- The total number of actives and retirees as of December 31, 2020 is 71 and 332 respectively. The ratio of actives to retirees is therefore 0.21. In general, a ratio of actives to retirees below 1.0 is a sign of a mature plan. A ratio below 0.5 is generally considered a supermature plan. More mature plans are generally more sensitive to risks such as investment risks. Reducing employer contributions may increase the risk to the plan until the plan is fully funded.
- The average remaining service lifetime for future actives, for all divisions with active members requesting an extension, varies between 0 and 7 years. This length is below current amortization periods and would support maintaining or shortening the amortization periods, not increasing them.
- The net cash flows (total contributions less benefit payments and employee refunds) as a percent of assets for the year ending December 31, 2020 was (7.3)% for the employer in total. Negative net cash flows are an expected outcome of prefunding a pension plan since investment return is expected to pay a portion of the benefits. To the extent that the net cash flows are more negative than the return on the fund (assumed to be 7.35% per year), the division's assets are expected to decline. Reducing employer contributions makes the net cash flows more negative.

The following exhibit shows the analysis of the individual divisions requesting an extension for consideration:

| Division | Market Value Funded % | Market Value Retiree Only Funded % | Active to Retiree Ratio | Average Active Expected Remaining Service Life | Prior Year Net Cash Flow (As a % of Assets) |
|---|---|---|---|---|---|
| 01 | 74.6% | 112.8% | 0.5 | 6 | (6.3)% |
| 02 | 87.2% | 87.2% | 0.0 | 0 | (9.6)% |
| 10 | 58.8% | 60.4% | 0.0 | 0 | (13.9)% |
| 11 | 88.0% | 122.6% | 0.4 | 7 | (5.9)% |
| 20 | 55.0% | 55.8% | 0.0 | 0 | (13.0)% |
| 21 | 87.0% | 148.7% | 0.7 | 6 | (6.2)% |

## Conclusion

Extending the amortization periods increases the likelihood of triggering a three times minimum payment.

Ultimately, whether the plan accumulates enough assets to pay the benefits promised will depend, among other things, upon the plan sponsor's and the members' ability to make the contributions. Please review the projections, analysis, and discussion in this exhibit to determine whether an extension may be granted and the appropriate length. If the extensions are permitted, the divisions affected are projected to be 100% funded in by June 30, 2032, 4 years later than currently projected.

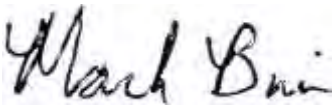
We believe we have provided the information necessary to determine whether an amortization extension may be granted. Again, the Actuarial standards of practice provides guidance for actuaries, but do not spell out specific amortization periods or other policy elements for actuarial approval. As the actuary to the plan, we have analyzed the divisions requesting an extension based on the stated goals and objectives of the MERS Retirement Board.

MERS staff and the actuaries will monitor the funding progress of all divisions. While not currently anticipated, MERS may recommend changes to the amortization policy in the future if it is deemed necessary for the financial security of the benefits promised under this plan.

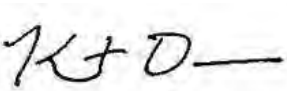
Mark Buis and Kurt Dosson are Members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

If you need further information to make an informed decision, please contact MERS at 800.767.6377 for assistance.

Sincerely,
Gabriel, Roeder, Smith & Company

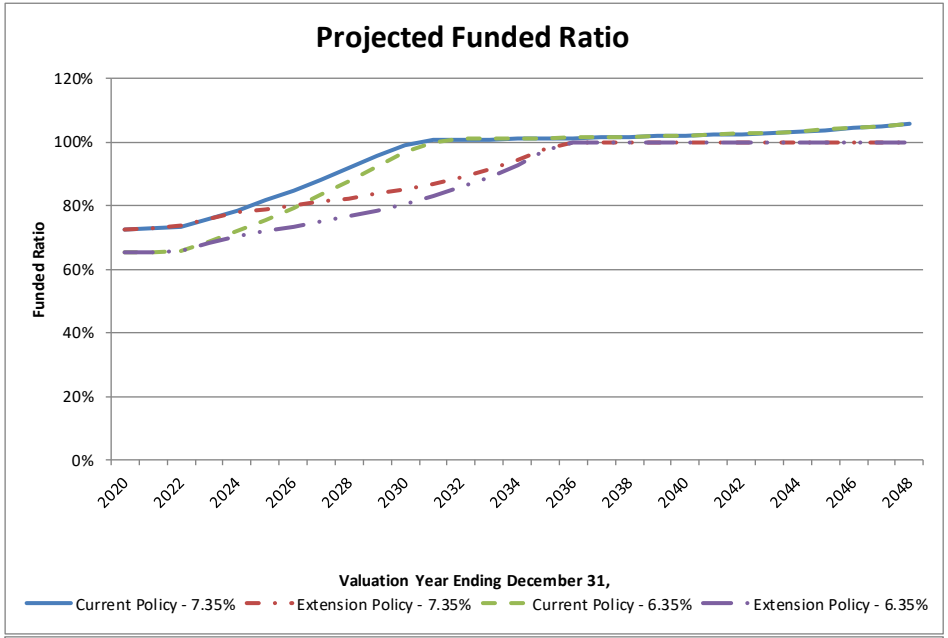


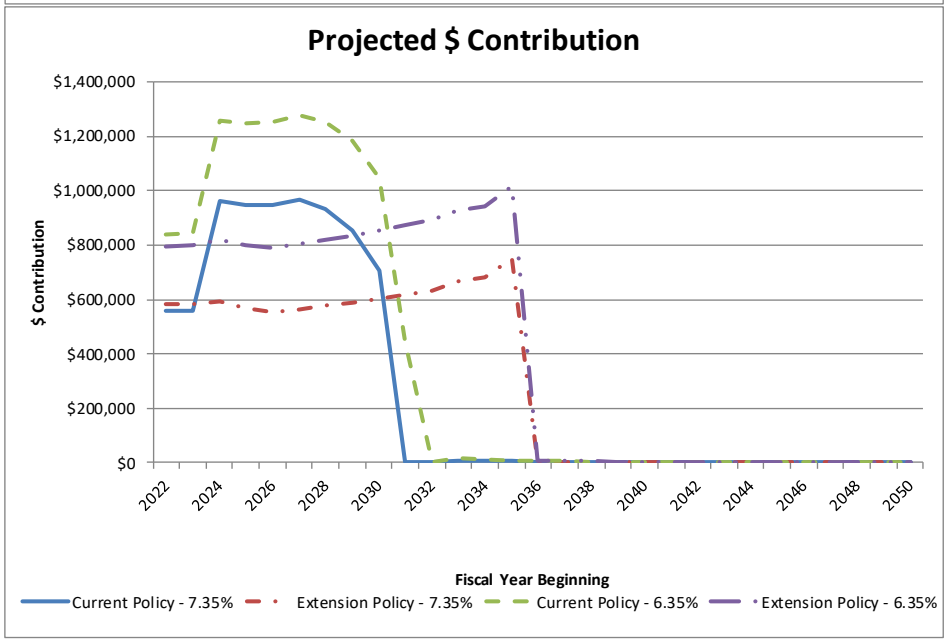
Mark Buis, FSA, EA, FCA, MAAA



Kurt Dosson, ASA, FCA, MAAA

# Municipal Employees' Retirement System of Michigan
# Muskegon, City of (6116) – Division 01



# Municipal Employees' Retirement System of Michigan
# Muskegon, City of (6116) – Division 01

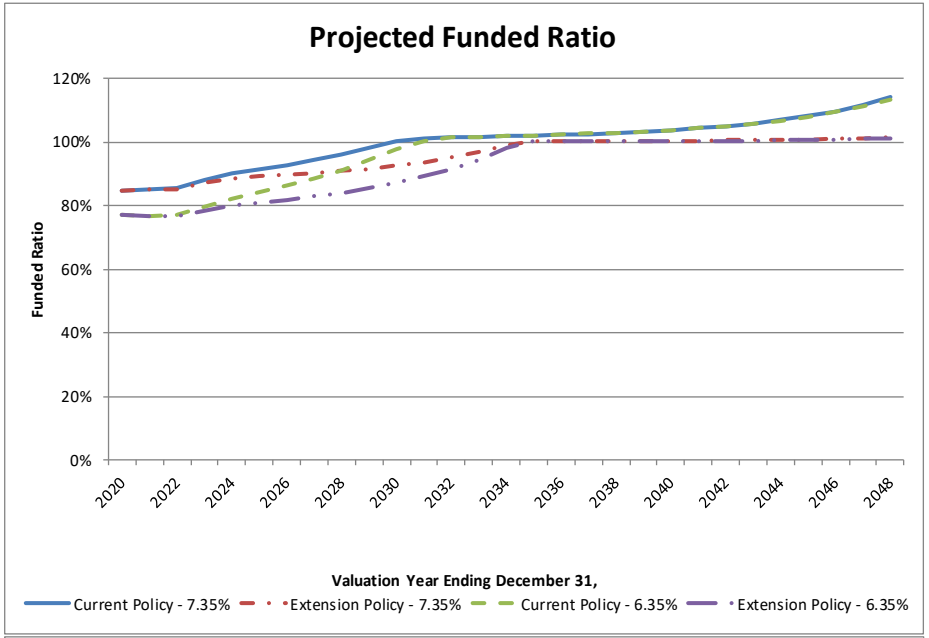
| Valuation Year Ending December 31, | Assumed Rate of Investment Return - 7.35% | | | | | Assumed Rate of Investment Return - 6.35% | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Actuarial Accrued Liability | Current Policy Level Percent Valuation Assets | Funded Ratio | Extension Policy Level Percent Valuation Assets | Funded Ratio | Actuarial Accrued Liability | Current Policy Level Percent Valuation Assets | Funded Ratio | Extension Policy Level Percent Valuation Assets | Funded Ratio |
| 2020 | $19,800,000 | $14,400,000 | 73% | $14,400,000 | 73% | $22,000,000 | $14,400,000 | 65% | $14,400,000 | 65% |
| 2021 | 20,100,000 | 14,700,000 | 73% | 14,700,000 | 73% | 22,300,000 | 14,500,000 | 65% | 14,500,000 | 65% |
| 2022 | 20,400,000 | 15,000,000 | 74% | 15,000,000 | 74% | 22,600,000 | 14,900,000 | 66% | 14,800,000 | 66% |
| 2023 | 20,600,000 | 15,600,000 | 76% | 15,700,000 | 76% | 22,800,000 | 15,600,000 | 69% | 15,500,000 | 68% |
| 2024 | 20,800,000 | 16,300,000 | 79% | 16,200,000 | 78% | 22,900,000 | 16,500,000 | 72% | 16,100,000 | 71% |
| 2025 | 20,900,000 | 17,000,000 | 82% | 16,500,000 | 79% | 22,900,000 | 17,300,000 | 76% | 16,500,000 | 72% |
| 2026 | 20,800,000 | 17,600,000 | 85% | 16,700,000 | 80% | 22,800,000 | 18,100,000 | 79% | 16,800,000 | 73% |
| 2027 | 20,700,000 | 18,300,000 | 88% | 16,800,000 | 81% | 22,700,000 | 18,900,000 | 83% | 17,000,000 | 75% |
| 2028 | 20,600,000 | 18,900,000 | 92% | 16,900,000 | 82% | 22,400,000 | 19,700,000 | 88% | 17,200,000 | 77% |
| 2029 | 20,300,000 | 19,400,000 | 96% | 17,000,000 | 84% | 22,100,000 | 20,400,000 | 92% | 17,400,000 | 79% |
| 2030 | 20,000,000 | 19,900,000 | 99% | 17,100,000 | 85% | 21,800,000 | 21,100,000 | 97% | 17,500,000 | 81% |

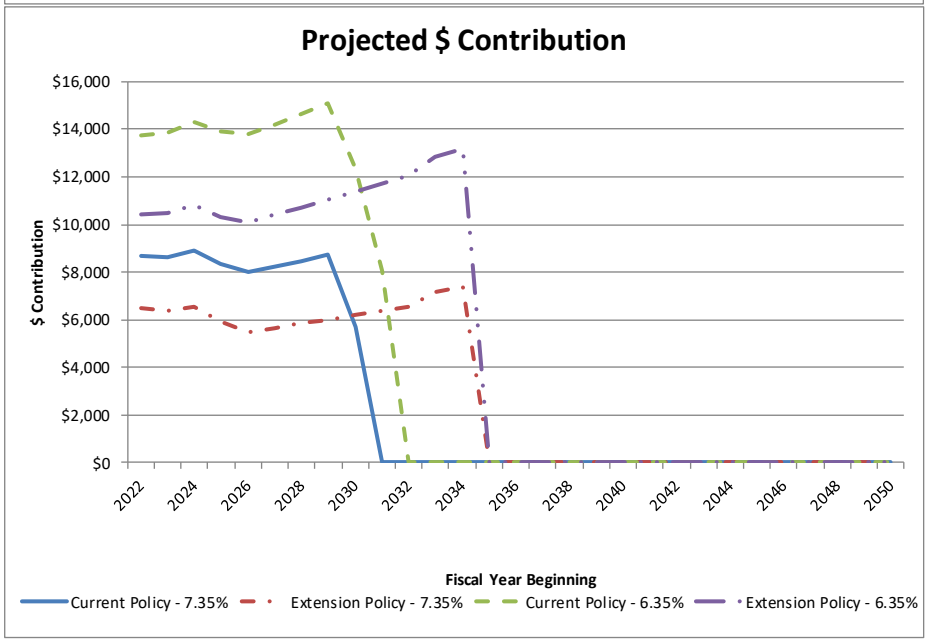
| Fiscal Year Beginning July 1, | Total Contribution | | | |
|---|---|---|---|---|
| | Current Policy - 7.35% | Extension Policy - 7.35% | Current Policy - 6.35% | Extension Policy - 6.35% |
| 2022 | $559,000 | $584,000 | $837,000 | $795,000 |
| 2023 | 556,000 | 582,000 | 844,000 | 801,000 |
| 2024 | 963,000 | 594,000 | 1,250,000 | 818,000 |
| 2025 | 949,000 | 569,000 | 1,250,000 | 798,000 |
| 2026 | 944,000 | 554,000 | 1,250,000 | 788,000 |
| 2027 | 967,000 | 565,000 | 1,280,000 | 802,000 |
| 2028 | 934,000 | 576,000 | 1,250,000 | 817,000 |
| 2029 | 853,000 | 589,000 | 1,180,000 | 834,000 |
| 2030 | 704,000 | 603,000 | 1,050,000 | 853,000 |
| 2031 | 0 | 618,000 | 444,000 | 873,000 |
| 2032 | 0 | 633,000 | 0 | 895,000 |

*Notes:*

1) *The amortization schedules shown above assume all actuarial assumptions are met in future years, including actuarial and market rates of return at the stated interest rate.*
2) *A projection is not a prediction. Future costs will be determined by future valuations and may change based on actual experience.*

# Municipal Employees' Retirement System of Michigan
# Muskegon, City of (6116) – Division 02



# Municipal Employees' Retirement System of Michigan
# Muskegon, City of (6116) – Division 02

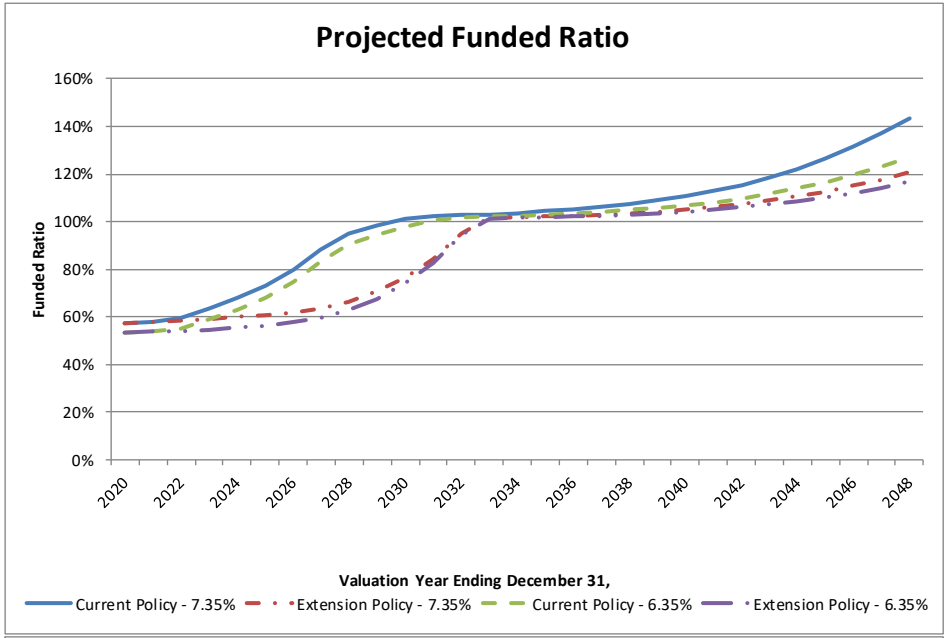
| Valuation Year Ending December 31, | Assumed Rate of Investment Return - 7.35% | | | | | Assumed Rate of Investment Return - 6.35% | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Actuarial Accrued Liability | Current Policy Level Percent Valuation Assets | Funded Ratio | Extension Policy Level Percent Valuation Assets | Funded Ratio | Actuarial Accrued Liability | Current Policy Level Percent Valuation Assets | Funded Ratio | Extension Policy Level Percent Valuation Assets | Funded Ratio |
| 2020 | $425,000 | $361,000 | 85% | $361,000 | 85% | $467,000 | $361,000 | 77% | $361,000 | 77% |
| 2021 | 419,000 | 357,000 | 85% | 357,000 | 85% | 460,000 | 353,000 | 77% | 353,000 | 77% |
| 2022 | 413,000 | 353,000 | 86% | 352,000 | 85% | 452,000 | 348,000 | 77% | 347,000 | 77% |
| 2023 | 406,000 | 357,000 | 88% | 354,000 | 87% | 444,000 | 354,000 | 80% | 349,000 | 79% |
| 2024 | 399,000 | 360,000 | 90% | 354,000 | 89% | 435,000 | 358,000 | 82% | 349,000 | 80% |
| 2025 | 391,000 | 358,000 | 92% | 349,000 | 89% | 426,000 | 359,000 | 84% | 345,000 | 81% |
| 2026 | 383,000 | 356,000 | 93% | 344,000 | 90% | 417,000 | 359,000 | 86% | 341,000 | 82% |
| 2027 | 375,000 | 354,000 | 94% | 338,000 | 90% | 407,000 | 360,000 | 89% | 337,000 | 83% |
| 2028 | 366,000 | 352,000 | 96% | 332,000 | 91% | 396,000 | 361,000 | 91% | 333,000 | 84% |
| 2029 | 356,000 | 351,000 | 98% | 327,000 | 92% | 385,000 | 364,000 | 94% | 329,000 | 86% |
| 2030 | 346,000 | 348,000 | 100% | 321,000 | 93% | 373,000 | 365,000 | 98% | 326,000 | 87% |

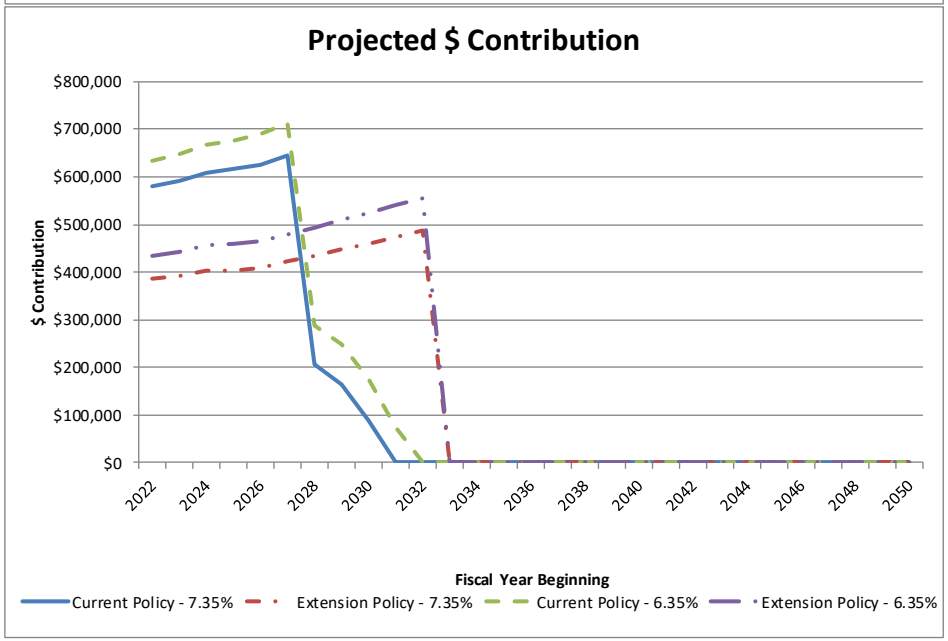
| Fiscal Year Beginning July 1, | Total Contribution | | | |
|---|---|---|---|---|
| | Current Policy - 7.35% | Extension Policy - 7.35% | Current Policy - 6.35% | Extension Policy - 6.35% |
| 2022 | $8,700 | $6,500 | $13,700 | $10,500 |
| 2023 | 8,700 | 6,400 | 13,800 | 10,500 |
| 2024 | 8,900 | 6,600 | 14,300 | 10,800 |
| 2025 | 8,300 | 5,900 | 13,900 | 10,300 |
| 2026 | 8,000 | 5,500 | 13,800 | 10,100 |
| 2027 | 8,200 | 5,700 | 14,200 | 10,400 |
| 2028 | 8,500 | 5,900 | 14,600 | 10,700 |
| 2029 | 8,700 | 6,000 | 15,100 | 11,000 |
| 2030 | 5,700 | 6,200 | 12,400 | 11,400 |
| 2031 | 0 | 6,400 | 8,100 | 11,700 |
| 2032 | 0 | 6,600 | 0 | 12,000 |

*Notes:*

1) *The amortization schedules shown above assume all actuarial assumptions are met in future years, including actuarial and market rates of return at the stated interest rate.*
2) *A projection is not a prediction. Future costs will be determined by future valuations and may change based on actual experience.*

# Municipal Employees' Retirement System of Michigan
# Muskegon, City of (6116) – Division 10



# Municipal Employees' Retirement System of Michigan
# Muskegon, City of (6116) – Division 10

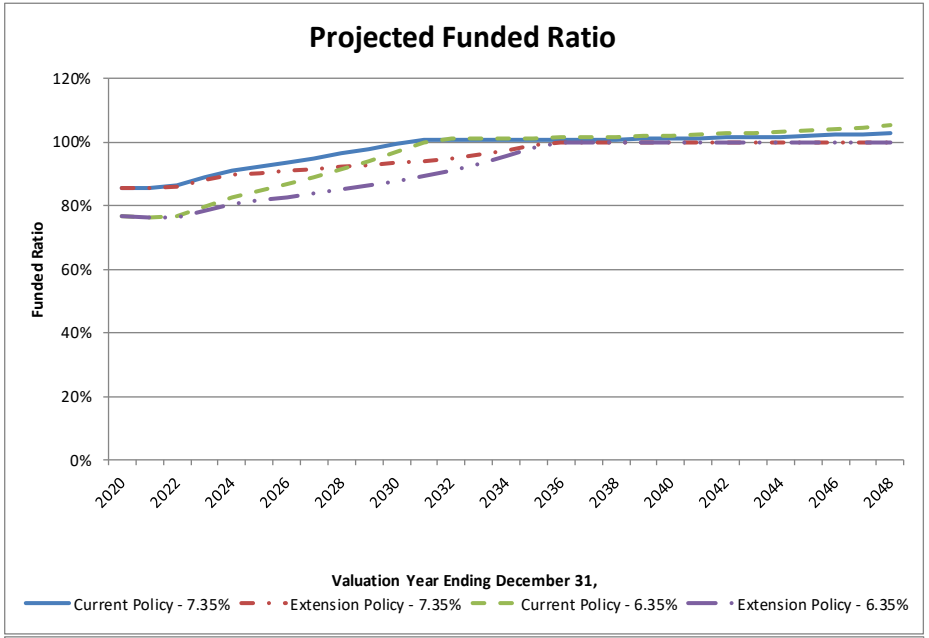
| Valuation Year Ending December 31, | Assumed Rate of Investment Return - 7.35% | | | | | Assumed Rate of Investment Return - 6.35% | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Actuarial Accrued Liability | Current Policy Level Percent Valuation Assets | Funded Ratio | Extension Policy Level Percent Valuation Assets | Funded Ratio | Actuarial Accrued Liability | Current Policy Level Percent Valuation Assets | Funded Ratio | Extension Policy Level Percent Valuation Assets | Funded Ratio |
| 2020 | $8,790,000 | $5,030,000 | 57% | $5,030,000 | 57% | $9,390,000 | $5,030,000 | 54% | $5,030,000 | 54% |
| 2021 | 8,290,000 | 4,810,000 | 58% | 4,810,000 | 58% | 8,850,000 | 4,770,000 | 54% | 4,770,000 | 54% |
| 2022 | 7,810,000 | 4,670,000 | 60% | 4,570,000 | 58% | 8,330,000 | 4,600,000 | 55% | 4,500,000 | 54% |
| 2023 | 7,340,000 | 4,650,000 | 63% | 4,350,000 | 59% | 7,820,000 | 4,590,000 | 59% | 4,280,000 | 55% |
| 2024 | 6,890,000 | 4,680,000 | 68% | 4,140,000 | 60% | 7,320,000 | 4,630,000 | 63% | 4,070,000 | 56% |
| 2025 | 6,440,000 | 4,710,000 | 73% | 3,910,000 | 61% | 6,840,000 | 4,670,000 | 68% | 3,860,000 | 56% |
| 2026 | 6,020,000 | 4,800,000 | 80% | 3,720,000 | 62% | 6,380,000 | 4,770,000 | 75% | 3,680,000 | 58% |
| 2027 | 5,600,000 | 4,950,000 | 88% | 3,560,000 | 64% | 5,930,000 | 4,950,000 | 83% | 3,550,000 | 60% |
| 2028 | 5,200,000 | 4,950,000 | 95% | 3,460,000 | 66% | 5,500,000 | 4,970,000 | 90% | 3,470,000 | 63% |
| 2029 | 4,820,000 | 4,740,000 | 98% | 3,400,000 | 71% | 5,090,000 | 4,800,000 | 94% | 3,450,000 | 68% |
| 2030 | 4,440,000 | 4,480,000 | 101% | 3,390,000 | 76% | 4,680,000 | 4,590,000 | 98% | 3,470,000 | 74% |

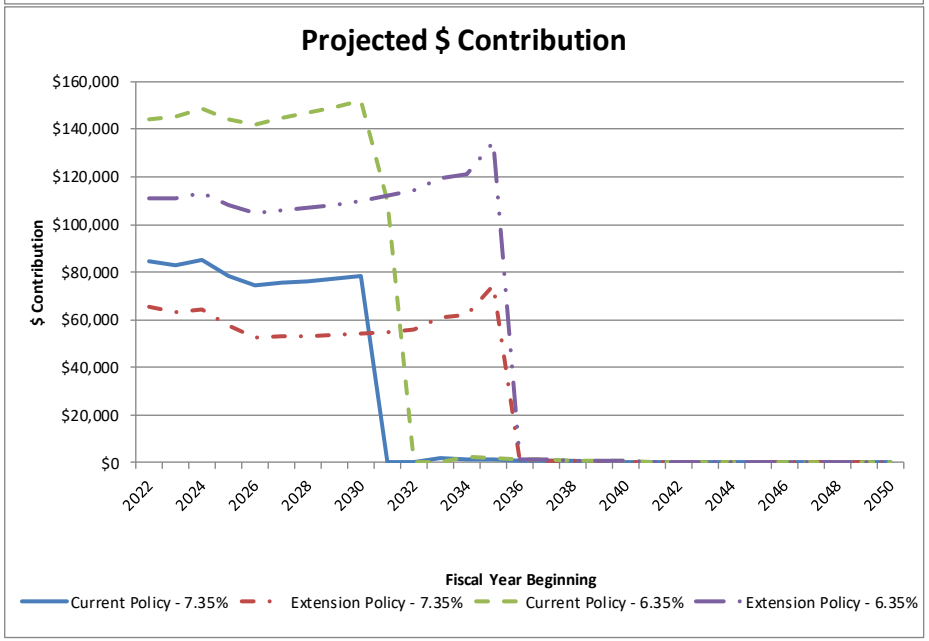
| Fiscal Year Beginning July 1, | Total Contribution | | | |
|---|---|---|---|---|
| | Current Policy - 7.35% | Extension Policy - 7.35% | Current Policy - 6.35% | Extension Policy - 6.35% |
| 2022 | $579,000 | $386,000 | $634,000 | $434,000 |
| 2023 | 591,000 | 392,000 | 648,000 | 443,000 |
| 2024 | 609,000 | 404,000 | 668,000 | 456,000 |
| 2025 | 616,000 | 404,000 | 677,000 | 459,000 |
| 2026 | 627,000 | 409,000 | 690,000 | 466,000 |
| 2027 | 645,000 | 422,000 | 711,000 | 480,000 |
| 2028 | 207,000 | 434,000 | 287,000 | 494,000 |
| 2029 | 164,000 | 447,000 | 248,000 | 509,000 |
| 2030 | 87,500 | 461,000 | 176,000 | 524,000 |
| 2031 | 0 | 475,000 | 75,800 | 540,000 |
| 2032 | 0 | 489,000 | 0 | 556,000 |

*Notes:*

1) *The amortization schedules shown above assume all actuarial assumptions are met in future years, including actuarial and market rates of return at the stated interest rate.*
2) *A projection is not a prediction. Future costs will be determined by future valuations and may change based on actual experience.*

# Municipal Employees' Retirement System of Michigan
# Muskegon, City of (6116) – Division 11



# Municipal Employees' Retirement System of Michigan
# Muskegon, City of (6116) – Division 11

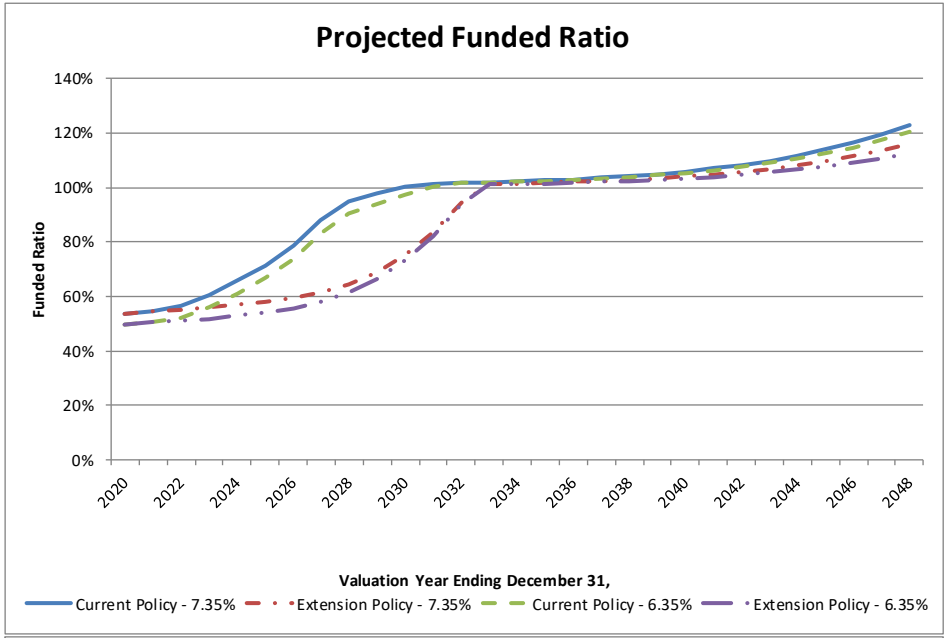
| Valuation Year Ending December 31, | Assumed Rate of Investment Return - 7.35% | | | | | Assumed Rate of Investment Return - 6.35% | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Actuarial Accrued Liability | Current Policy Level Percent Valuation Assets | Funded Ratio | Extension Policy Level Percent Valuation Assets | Funded Ratio | Actuarial Accrued Liability | Current Policy Level Percent Valuation Assets | Funded Ratio | Extension Policy Level Percent Valuation Assets | Funded Ratio |
| 2020 | $3,820,000 | $3,270,000 | 86% | $3,270,000 | 86% | $4,260,000 | $3,270,000 | 77% | $3,270,000 | 77% |
| 2021 | 3,870,000 | 3,320,000 | 86% | 3,320,000 | 86% | 4,310,000 | 3,290,000 | 76% | 3,290,000 | 76% |
| 2022 | 3,910,000 | 3,370,000 | 86% | 3,370,000 | 86% | 4,350,000 | 3,340,000 | 77% | 3,320,000 | 76% |
| 2023 | 3,950,000 | 3,510,000 | 89% | 3,480,000 | 88% | 4,390,000 | 3,500,000 | 80% | 3,450,000 | 79% |
| 2024 | 3,980,000 | 3,630,000 | 91% | 3,580,000 | 90% | 4,420,000 | 3,650,000 | 83% | 3,560,000 | 81% |
| 2025 | 4,010,000 | 3,710,000 | 92% | 3,630,000 | 90% | 4,440,000 | 3,760,000 | 85% | 3,630,000 | 82% |
| 2026 | 4,040,000 | 3,790,000 | 94% | 3,680,000 | 91% | 4,460,000 | 3,870,000 | 87% | 3,690,000 | 83% |
| 2027 | 4,060,000 | 3,860,000 | 95% | 3,720,000 | 92% | 4,470,000 | 3,990,000 | 89% | 3,750,000 | 84% |
| 2028 | 4,070,000 | 3,930,000 | 96% | 3,750,000 | 92% | 4,470,000 | 4,100,000 | 92% | 3,810,000 | 85% |
| 2029 | 4,050,000 | 3,960,000 | 98% | 3,750,000 | 93% | 4,440,000 | 4,180,000 | 94% | 3,830,000 | 86% |
| 2030 | 4,010,000 | 3,990,000 | 100% | 3,740,000 | 93% | 4,390,000 | 4,260,000 | 97% | 3,850,000 | 88% |

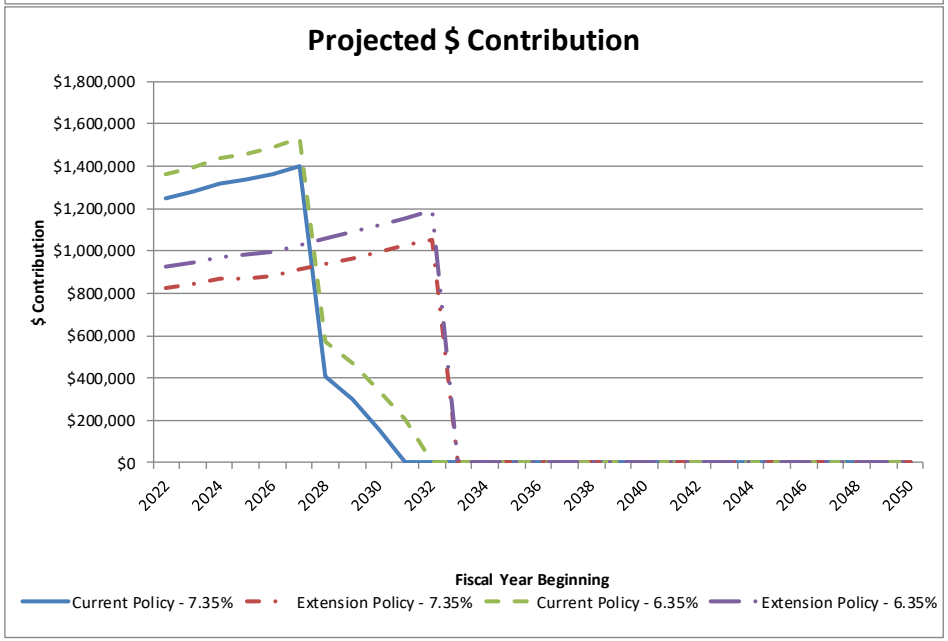
| Fiscal Year Beginning July 1, | Total Contribution | | | |
|---|---|---|---|---|
| | Current Policy - 7.35% | Extension Policy - 7.35% | Current Policy - 6.35% | Extension Policy - 6.35% |
| 2022 | $84,700 | $65,300 | $144,000 | $111,000 |
| 2023 | 83,100 | 63,200 | 145,000 | 111,000 |
| 2024 | 85,000 | 64,400 | 149,000 | 113,000 |
| 2025 | 78,600 | 57,400 | 144,000 | 108,000 |
| 2026 | 74,300 | 52,500 | 142,000 | 105,000 |
| 2027 | 75,400 | 53,000 | 145,000 | 106,000 |
| 2028 | 76,300 | 53,200 | 147,000 | 107,000 |
| 2029 | 77,300 | 53,500 | 149,000 | 108,000 |
| 2030 | 78,600 | 54,100 | 152,000 | 110,000 |
| 2031 | 72 | 54,900 | 110,000 | 112,000 |
| 2032 | 0 | 55,900 | 0 | 114,000 |

*Notes:*

1) *The amortization schedules shown above assume all actuarial assumptions are met in future years, including actuarial and market rates of return at the stated interest rate.*
2) *A projection is not a prediction. Future costs will be determined by future valuations and may change based on actual experience.*

# Municipal Employees' Retirement System of Michigan
# Muskegon, City of (6116) – Division 20



# Municipal Employees' Retirement System of Michigan
# Muskegon, City of (6116) – Division 20

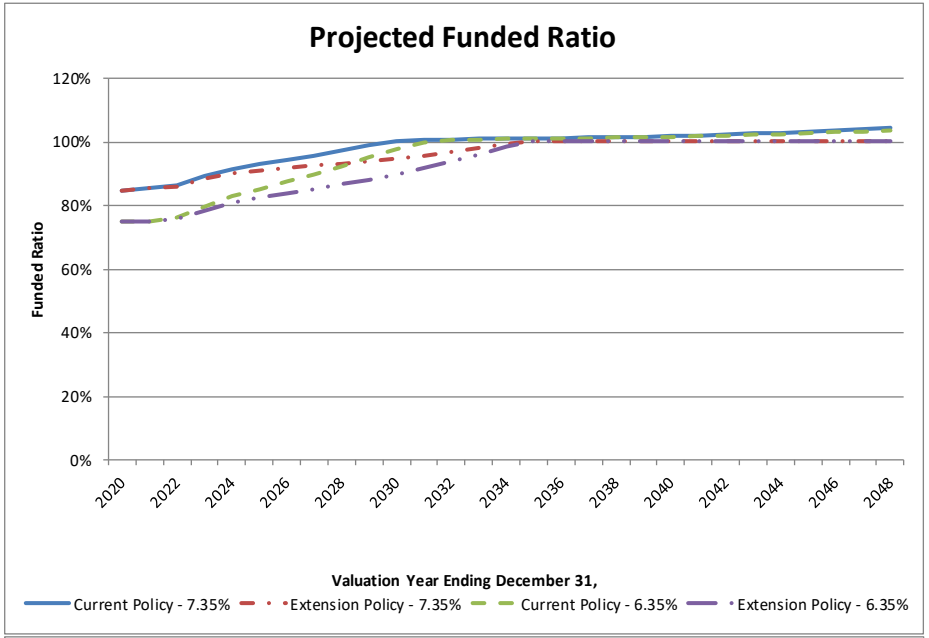
| Valuation Year Ending December 31, | Assumed Rate of Investment Return - 7.35% | | | | | Assumed Rate of Investment Return - 6.35% | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Actuarial Accrued Liability | Current Policy Level Percent Valuation Assets | Funded Ratio | Extension Policy Level Percent Valuation Assets | Funded Ratio | Actuarial Accrued Liability | Current Policy Level Percent Valuation Assets | Funded Ratio | Extension Policy Level Percent Valuation Assets | Funded Ratio |
| 2020 | $17,300,000 | $9,250,000 | 53% | $9,250,000 | 53% | $18,500,000 | $9,250,000 | 50% | $9,250,000 | 50% |
| 2021 | 16,400,000 | 8,980,000 | 55% | 8,980,000 | 55% | 17,600,000 | 8,890,000 | 51% | 8,890,000 | 51% |
| 2022 | 15,600,000 | 8,810,000 | 57% | 8,600,000 | 55% | 16,600,000 | 8,690,000 | 52% | 8,470,000 | 51% |
| 2023 | 14,700,000 | 8,930,000 | 61% | 8,250,000 | 56% | 15,700,000 | 8,830,000 | 56% | 8,130,000 | 52% |
| 2024 | 13,900,000 | 9,120,000 | 66% | 7,920,000 | 57% | 14,800,000 | 9,030,000 | 61% | 7,820,000 | 53% |
| 2025 | 13,000,000 | 9,320,000 | 71% | 7,560,000 | 58% | 13,900,000 | 9,270,000 | 67% | 7,480,000 | 54% |
| 2026 | 12,200,000 | 9,630,000 | 79% | 7,260,000 | 59% | 13,000,000 | 9,620,000 | 74% | 7,220,000 | 56% |
| 2027 | 11,400,000 | 10,100,000 | 88% | 7,020,000 | 61% | 12,100,000 | 10,100,000 | 83% | 7,030,000 | 58% |
| 2028 | 10,700,000 | 10,100,000 | 95% | 6,870,000 | 65% | 11,300,000 | 10,200,000 | 90% | 6,940,000 | 61% |
| 2029 | 9,900,000 | 9,710,000 | 98% | 6,830,000 | 69% | 10,500,000 | 9,870,000 | 94% | 6,960,000 | 66% |
| 2030 | 9,170,000 | 9,200,000 | 100% | 6,890,000 | 75% | 9,710,000 | 9,460,000 | 97% | 7,090,000 | 73% |

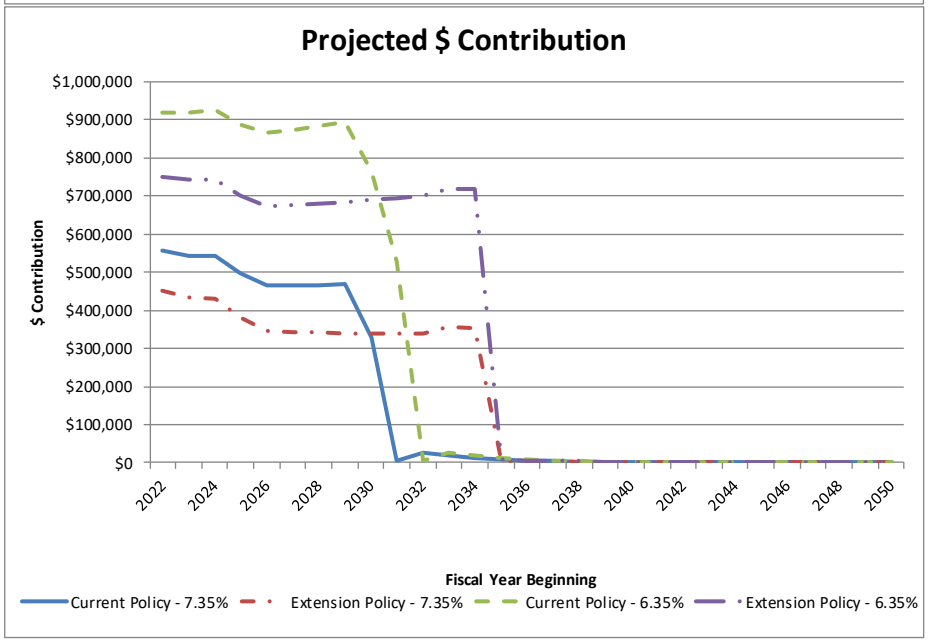
| Fiscal Year Beginning July 1, | Total Contribution | | | |
|---|---|---|---|---|
| | Current Policy - 7.35% | Extension Policy - 7.35% | Current Policy - 6.35% | Extension Policy - 6.35% |
| 2022 | $1,250,000 | $826,000 | $1,360,000 | $923,000 |
| 2023 | 1,280,000 | 842,000 | 1,390,000 | 943,000 |
| 2024 | 1,320,000 | 867,000 | 1,440,000 | 971,000 |
| 2025 | 1,340,000 | 872,000 | 1,460,000 | 980,000 |
| 2026 | 1,360,000 | 884,000 | 1,490,000 | 997,000 |
| 2027 | 1,400,000 | 911,000 | 1,530,000 | 1,030,000 |
| 2028 | 408,000 | 938,000 | 572,000 | 1,060,000 |
| 2029 | 300,000 | 966,000 | 472,000 | 1,090,000 |
| 2030 | 156,000 | 995,000 | 338,000 | 1,120,000 |
| 2031 | 0 | 1,020,000 | 208,000 | 1,160,000 |
| 2032 | 0 | 1,060,000 | 0 | 1,190,000 |

*Notes:*

1) *The amortization schedules shown above assume all actuarial assumptions are met in future years, including actuarial and market rates of return at the stated interest rate.*
2) *A projection is not a prediction. Future costs will be determined by future valuations and may change based on actual experience.*

# Municipal Employees' Retirement System of Michigan
# Muskegon, City of (6116) – Division 21



# Municipal Employees' Retirement System of Michigan
# Muskegon, City of (6116) – Division 21

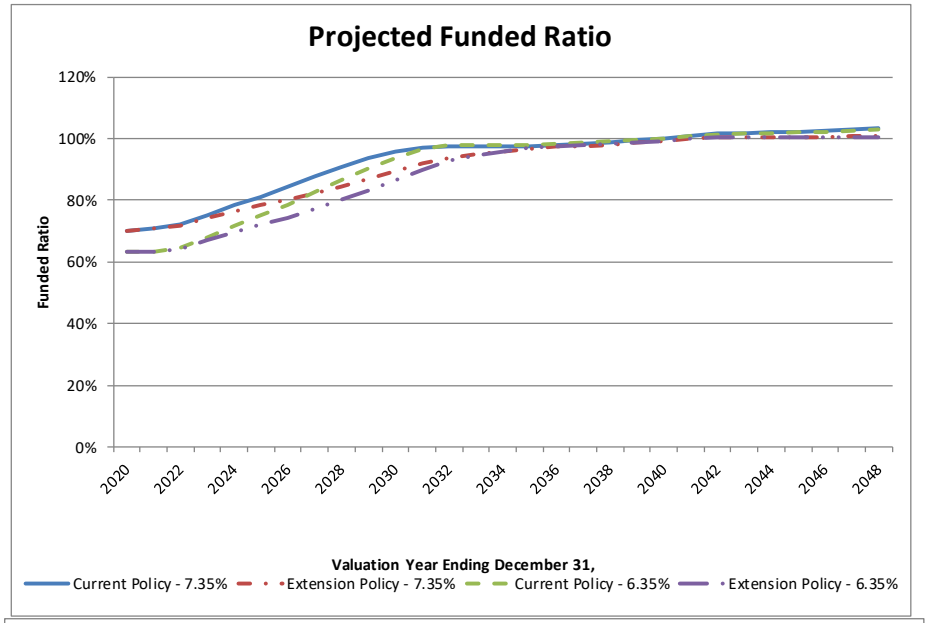
| Valuation Year Ending December 31, | Assumed Rate of Investment Return - 7.35% | | | | | Assumed Rate of Investment Return - 6.35% | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Actuarial Accrued Liability | Current Policy Level Percent Valuation Assets | Funded Ratio | Extension Policy Level Percent Valuation Assets | Funded Ratio | Actuarial Accrued Liability | Current Policy Level Percent Valuation Assets | Funded Ratio | Extension Policy Level Percent Valuation Assets | Funded Ratio |
| 2020 | $19,900,000 | $16,900,000 | 85% | $16,900,000 | 85% | $22,500,000 | $16,900,000 | 75% | $16,900,000 | 75% |
| 2021 | 20,600,000 | 17,600,000 | 85% | 17,600,000 | 85% | 23,100,000 | 17,400,000 | 75% | 17,400,000 | 75% |
| 2022 | 21,200,000 | 18,300,000 | 86% | 18,300,000 | 86% | 23,800,000 | 18,200,000 | 76% | 18,100,000 | 76% |
| 2023 | 21,800,000 | 19,500,000 | 89% | 19,300,000 | 88% | 24,500,000 | 19,500,000 | 80% | 19,200,000 | 79% |
| 2024 | 22,400,000 | 20,500,000 | 92% | 20,200,000 | 90% | 25,000,000 | 20,700,000 | 83% | 20,200,000 | 81% |
| 2025 | 22,800,000 | 21,200,000 | 93% | 20,800,000 | 91% | 25,400,000 | 21,600,000 | 85% | 20,900,000 | 83% |
| 2026 | 23,100,000 | 21,800,000 | 94% | 21,200,000 | 92% | 25,600,000 | 22,400,000 | 88% | 21,500,000 | 84% |
| 2027 | 23,300,000 | 22,300,000 | 96% | 21,600,000 | 93% | 25,800,000 | 23,200,000 | 90% | 22,000,000 | 85% |
| 2028 | 23,400,000 | 22,800,000 | 97% | 21,900,000 | 93% | 25,900,000 | 24,000,000 | 92% | 22,500,000 | 87% |
| 2029 | 23,500,000 | 23,200,000 | 99% | 22,100,000 | 94% | 25,900,000 | 24,700,000 | 95% | 22,900,000 | 88% |
| 2030 | 23,500,000 | 23,600,000 | 100% | 22,300,000 | 95% | 25,900,000 | 25,300,000 | 98% | 23,300,000 | 90% |

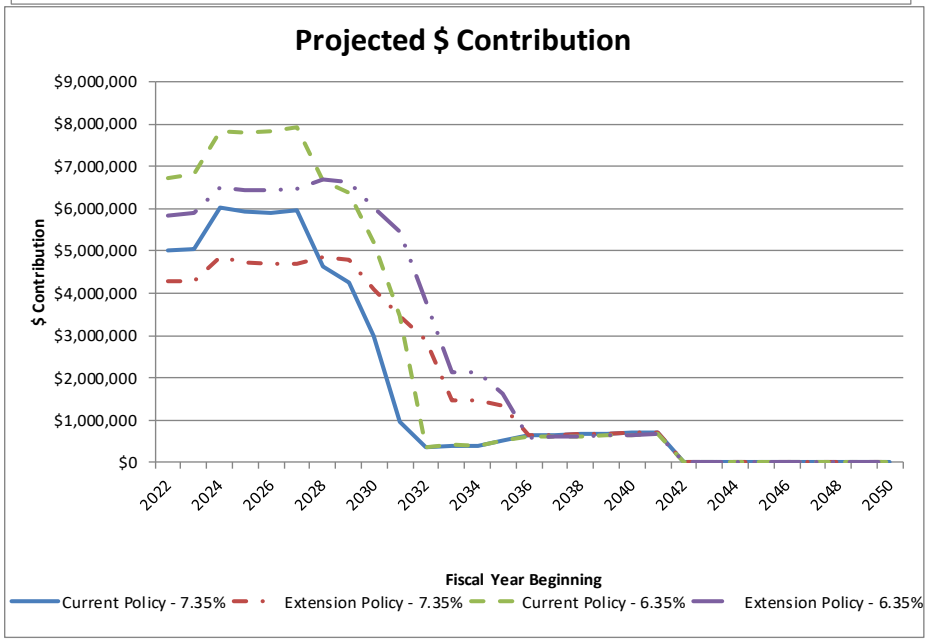
| Fiscal Year Beginning July 1, | Total Contribution | | | |
|---|---|---|---|---|
| | Current Policy - 7.35% | Extension Policy - 7.35% | Current Policy - 6.35% | Extension Policy - 6.35% |
| 2022 | $557,000 | $452,000 | $920,000 | $751,000 |
| 2023 | 542,000 | 434,000 | 917,000 | 743,000 |
| 2024 | 542,000 | 430,000 | 925,000 | 744,000 |
| 2025 | 496,000 | 381,000 | 887,000 | 702,000 |
| 2026 | 465,000 | 346,000 | 865,000 | 674,000 |
| 2027 | 465,000 | 344,000 | 873,000 | 676,000 |
| 2028 | 467,000 | 342,000 | 882,000 | 680,000 |
| 2029 | 470,000 | 341,000 | 893,000 | 685,000 |
| 2030 | 328,000 | 339,000 | 765,000 | 689,000 |
| 2031 | 5,800 | 338,000 | 530,000 | 695,000 |
| 2032 | 26,000 | 339,000 | 5,600 | 703,000 |

*Notes:*

1) *The amortization schedules shown above assume all actuarial assumptions are met in future years, including actuarial and market rates of return at the stated interest rate.*
2) *A projection is not a prediction. Future costs will be determined by future valuations and may change based on actual experience.*

# Municipal Employees' Retirement System of Michigan
# Aggregate (01, 02, 10, 11, 12, 20, 21, 22, 50)



# Municipal Employees' Retirement System of Michigan
# Aggregate (01, 02, 10, 11, 12, 20, 21, 22, 50)

| Valuation Year Ending December 31, | Assumed Rate of Investment Return - 7.35% | | | | | Assumed Rate of Investment Return - 6.35% | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Actuarial Accrued Liability | Current Policy Level Percent Valuation Assets | Funded Ratio | Extension Policy Level Percent Valuation Assets | Funded Ratio | Actuarial Accrued Liability | Current Policy Level Percent Valuation Assets | Funded Ratio | Extension Policy Level Percent Valuation Assets | Funded Ratio |
| 2020 | $128,900,000 | $90,400,000 | 70% | $90,400,000 | 70% | $142,800,000 | $90,400,000 | 63% | $90,400,000 | 63% |
| 2021 | 129,300,000 | 91,700,000 | 71% | 91,700,000 | 71% | 143,100,000 | 90,900,000 | 64% | 90,900,000 | 64% |
| 2022 | 129,500,000 | 93,500,000 | 72% | 93,100,000 | 72% | 143,200,000 | 92,500,000 | 65% | 92,100,000 | 64% |
| 2023 | 129,600,000 | 97,400,000 | 75% | 96,200,000 | 74% | 143,000,000 | 97,200,000 | 68% | 95,800,000 | 67% |
| 2024 | 129,400,000 | 101,300,000 | 78% | 99,100,000 | 77% | 142,500,000 | 102,000,000 | 72% | 99,400,000 | 70% |
| 2025 | 128,900,000 | 104,700,000 | 81% | 101,000,000 | 78% | 141,700,000 | 106,300,000 | 75% | 102,100,000 | 72% |
| 2026 | 128,000,000 | 107,900,000 | 84% | 102,800,000 | 80% | 140,600,000 | 110,600,000 | 79% | 104,700,000 | 74% |
| 2027 | 127,000,000 | 111,300,000 | 88% | 104,500,000 | 82% | 139,200,000 | 115,100,000 | 83% | 107,300,000 | 77% |
| 2028 | 125,600,000 | 114,000,000 | 91% | 106,200,000 | 85% | 137,500,000 | 119,100,000 | 87% | 110,100,000 | 80% |
| 2029 | 123,900,000 | 115,900,000 | 94% | 107,900,000 | 87% | 135,400,000 | 122,300,000 | 90% | 112,900,000 | 83% |
| 2030 | 122,000,000 | 117,000,000 | 96% | 109,300,000 | 90% | 133,100,000 | 124,900,000 | 94% | 115,500,000 | 87% |

| Fiscal Year Beginning July 1, | Total Contribution | | | |
|---|---|---|---|---|
| | Current Policy - 7.35% | Extension Policy - 7.35% | Current Policy - 6.35% | Extension Policy - 6.35% |
| 2022 | $5,020,000 | $4,300,000 | $6,740,000 | $5,850,000 |
| 2023 | 5,040,000 | 4,300,000 | 6,820,000 | 5,910,000 |
| 2024 | 6,020,000 | 4,860,000 | 7,840,000 | 6,510,000 |
| 2025 | 5,930,000 | 4,740,000 | 7,810,000 | 6,430,000 |
| 2026 | 5,910,000 | 4,680,000 | 7,840,000 | 6,430,000 |
| 2027 | 5,960,000 | 4,700,000 | 7,930,000 | 6,480,000 |
| 2028 | 4,620,000 | 4,870,000 | 6,670,000 | 6,680,000 |
| 2029 | 4,250,000 | 4,780,000 | 6,360,000 | 6,640,000 |
| 2030 | 3,000,000 | 4,100,000 | 5,210,000 | 6,030,000 |
| 2031 | 954,000 | 3,460,000 | 3,450,000 | 5,470,000 |
| 2032 | 350,000 | 2,900,000 | 350,000 | 3,820,000 |

*Notes:*

1) *The amortization schedules shown above assume all actuarial assumptions are met in future years, including actuarial and market rates of return at the stated interest rate.*
2) *A projection is not a prediction. Future costs will be determined by future valuations and may change based on actual experience.*

# Important Comments

1. The actuarial value of assets used to determine both the funded ratio and the required employer contribution is based on a smoothed value of assets. Only a portion of each year's investment market gain or loss is recognized in the current actuarial value of assets; the remaining portions of gains and losses will be reflected in future years' actuarial value of assets. This reduces the asset volatility impact on the determined required employer contribution and funded ratio. The smoothed actuarial rate of return for 2020 was 8.17%.

   As of December 31, 2020, the actuarial value of assets is 97% of market value due to asset smoothing. This means that the rate of return on the actuarial value of assets should exceed the actuarial assumption in the next few years provided that the annual market returns equal the 7.35% investment return assumption. When all assumptions are met, contribution rates are expected to stay approximately level as a percent of payroll (dollar amounts are expected to increase with wage inflation of 3.0% each year).

2. Unless otherwise indicated, a funded status measurement is based upon the actuarial accrued liability and the actuarial value of assets. The measurement is:

   a. Inappropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling the plan's benefit obligations.
   b. Inappropriate for assessing benefit security for the membership.
   c. Dependent upon the actuarial cost method which, in combination with the amortization policy and asset valuation method, affects the timing and amounts of future contributions. The amounts of future contributions will differ from those assumed due to future actual experience differing from assumed.

   A funded status measurement of 100% is not synonymous with no required future contributions. If the funded status were 100%, the Plan would still require future normal cost contributions (i.e., the cost of the active membership accruing an additional year of service credit).

3. The results do not show the potential impact on other post-employment benefits (such as retiree health care insurance) or ancillary benefits (such as life insurance).

4. The results of separate actuarial valuations generally cannot be added together to produce a correct estimate of the employer contributions. The total can be considerably greater than the sum of the parts due to the interaction of various plan provisions and assumptions used.

5. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions due to changing conditions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period, or additional cost or contribution requirements based on the Plan's funded status); and changes in plan provisions or applicable law. The scope of this supplemental actuarial valuation does not include an analysis of the potential range of such future measurements.

# Important Comments (Concluded)

6. Valuation results are developed through the use of multiple models.

   Valuation liabilities were prepared using ProVal's valuation model, a software product of Winklevoss Technologies. We are relying on the ProVal model. We performed tests of the ProVal model with this assignment and made a reasonable attempt to understand the developer's intended purpose of, general operation of, major sensitivities and dependencies within, and key strengths and limitations of the ProVal model. In our professional judgment, the ProVal valuation model has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses.

   Financial results were prepared using our financing and projection model which in our professional judgment has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses. We performed tests to ensure that the model reasonably represents that which is intended to be modeled.

7. The calculations are based upon assumptions regarding future events, which may or may not materialize and proposed plan provisions. The actual impact of the proposed plan change(s) will change over time as actual experience emerges. Contact your MERS representative at 800.767.MERS if you believe that:

   a. The assumptions are unreasonable,
   b. The plan provisions are missing or incorrectly described,
   c. Conditions have changed since the calculations were made,
   d. The information provided in this report is inaccurate or is in any way incomplete, or
   e. You need further information to make an informed decision.

8. Unless otherwise noted, the following information, assumptions, and funding methods were used in the projections under the various options:

   a. Demographic, financial information, and benefit provisions provided by MERS for the December 31, 2020 valuation.
   b. The assumptions and methods used in the December 31, 2020 annual valuation.
   c. All demographic assumptions will be met during the projection period.
   d. If new hires are included in the valuation, the active population is assumed to remain stable during the projection period.
   e. Demographic assumptions under the DC plan are unchanged from those of the DB plan, if applicable.
   f. The Market Value of Assets will earn the assumed investment return each year during the projection period.
   g. There will be no benefit changes during the projection period.
   h. The employer contributions through June 30, 2022 are not affected, and are based on previous annual actuarial valuations.

**Amortization Extension Agreement**

This Amortization Extension Agreement ("Agreement") is entered into between the Municipal Employees' Retirement System of Michigan ("MERS") and the City of Muskegon ("Employer") (together, "Parties") to memorialize the agreement and representations of the parties concerning an extension of the period of Employer's amortization schedule.

Accordingly, the Parties agree as follows:

1. **UAL Defined:** This extension study was prepared on 07/12/2022 and was based on the Employer's most recent Annual Actuarial Valuation dated 12/31/2020. As used in this Agreement, the term UAL shall mean the sum of all sources of Unfunded Accrued Liability outstanding as of the Employer's most recent Annual Valuation, adjusted if deemed appropriate for any gains on liability that may occur as a result of benefit changes or lump sum contributions to the plan.

2. **Purpose:** In the exercise of its opportunity to do so as provided by MERS, Employer has requested that MERS grant it an extension of the period in which its UAL is amortized to assist with the employer's need to address significant financial stress. This extension shall not apply to future gain/loss or other sources of UAL, which will continue to follow the standard amortization policy adopted by the Board.

3. **MERS' Analysis:** In response to Employer's request and in accordance with MERS' procedures, MERS has discussed its conclusions with Employer, and Employer is in agreement with MERS' conclusions (report attached).

4. **Representations and Understandings of Employer:**

   a. The information Employer provided to MERS in the course of and for purposes of MERS' analysis was complete and accurate to the best of Employer's ability.
   b. Notwithstanding anything herein to the contrary, the Employer understands that MERS reserves the right to change the amortization policy in the future, including that included in this Agreement, if it is deemed necessary for the financial security of the benefits provided by the Employer.
   c. Employer understands that MERS has advised that compliance with the existing amortization schedule is preferred, and that extending amortization as requested is not in full conformity with MERS' goals of earliest full funding and intergenerational equity.
   d. Employer has made and will continue to make payment of its retirement costs, including UAL toward full funding, a priority in its annual and long-term budgeting and planning processes.
   e. Employer understands that extending the amortization period for its current UAL has the effect of deferring current costs to the future, with the result that in the later years of the amortization, the Employer's UAL will be higher and the Employer's total required contributions will be higher than they would otherwise have been.
   f. Employer understands, with respect to its request and otherwise, that future required contributions depend on the actual investment and demographic experience, and not on the assumptions used to develop the projected contributions considered in this Agreement.

5. **Conclusion and Decision of MERS:** Based on the foregoing analysis and representations of Employer, MERS approves Employer's request with the following terms and conditions, with which Employer agrees:

a. MERS shall extend Employer's amortization period with respect to its UAL as followed:

- Division #01 (Non-Union General) & 11 (Clerical): Amortization of UAL to be extended from 9 to 14 years with required contributions revised effective with the applicable fiscal year of the annual valuation used for the extension study or the date this signed agreement is received by MERS, whichever is latest.
- Division #02 (Non-Union Police) & 21 (Police Patrol): Amortization of UAL to be extended from 8 to 13 years with required contributions revised effective with the applicable fiscal year of the annual valuation used for the extension study or the date this signed agreement is received by MERS, whichever is latest.
- Division #10 (General- Retirees) & 20 (Police/Fire-Retirees): Amortization of UAL to be extended from 6 to 11 years with required contributions revised effective with the applicable fiscal year of the annual valuation used for the extension study or the date this signed agreement is received by MERS, whichever is latest.

b. The extension stated above is based on the provisions in effect in the specified division(s) as of the 12/31/2020 Annual Actuarial Valuation.

c. The Employer understands that if changes are made to the provisions used in the projection analysis, MERS may require that an updated analysis be prepared to ensure the continued sustainability of the plan as described in Section 4(b) of this Agreement.

d. This Agreement has been authorized by formal action of Employer's governing body.

e. Representatives of MERS presented and explained the actuarial analysis that forms the basis of this Agreement and the full impact of Employer's request to Employer on (insert date), and responded to all of Employer's questions to Employer's satisfaction.

Adopted by the Employer's governing body and MERS on this____day of_____, 20___

FOR EMPLOYER

_____
Signature

_____
Printed name

_____
Title

(check one):

☐ Authorized designee of the governing body of the Employer

☐ Chief Judge of the Court

Date:_____

FOR MERS

_____
Signature

_____
Printed name

_____
Title

Date:_____

# Agenda Item Review Form

## Muskegon City Commission

| | |
|---|---|
| Commission Meeting Date: 8/9/2022 | Title: MI-HOPE Leverage Funds |
| Submitted By: Sharonda Carson | Department: CNS |

Brief Summary: CNS is requesting $150,000 in ARP funds to use as leverage for the Michigan Housing Opportunities Promoting Energy-Efficiency (MI-HOPE) Program through MSHDA that the department is applying for.

Detailed Summary & Background:

The MI-HOPE Program is intended to provide energy-efficiency activities that benefit area residents. It is funded through the US Department of Treasury American Rescue Plan (ARP) Coronavirus State and Local Fiscal Recovery Funds. The city will be applying for $1,000,000 in funding through this opportunity to be used for energy-efficiency repairs for homeowners in Muskegon County, in an effort to improve our areas housing stock and ensure healthier and safer homes for our neighbors. The $150,000 match will help support the administration of the grant and provide for an estimated additional 6 major repairs to the citizens of Muskegon County. This match aligns with the requirements and available uses of the ARP funds.

Due to the highly competitive nature of this grant, allocating match funds tangibly demonstrates the city's commitment to improving the living conditions and reducing the energy expense of citizens. Although not required, providing match funds is viewed favorably, and can be a deciding factor in the approval of the application and grant award.

This grant will supplement the programming the City of Muskegon already offers through its CNS Department. In the past year alone, CNS has served over 110 households with health and safety related and energy-efficiency repairs. We are on track to exceed this number in the coming year. With the addition of our new Healthy Homes Program, this grant, if awarded will allow us to maximize the assistance we can provide to our neighbors.

With the 2022-27 City Commission Vision goals of increasing grant assistance to neighborhoods to reduce blight, and improve environmental sustainability for projects within the city, this allocation closely aligns. Approval of this match and will allow staff to implement programs necessary to accomplish these goals, and support healthier and more energy-efficient housing for our community.

Goal/Focus Area/Action Item Addressed:

*Goal 1/2022 – 1.5 Increase grant assistance to neighborhoods to reduce blight*

*Goal 4/2022 – 4.5 Improve environmental sustainability for projects within the city*

| | |
|---|---|
| Amount Requested: $150,000 | Amount Budgeted: N/A |

| | |
|---|---|
| Fund(s) or Account(s): ARP Allocation | Fund(s) or Account(s): N/A |
| Recommended Motion: to approve resolution supporting the allocation of $150,000 in ARP funds as leverage for the MI-HOPE Grant, if awarded. | |

| | |
|---|---|
| Approvals: *Get approval from division head at a minimum prior to sending to the Clerk.*<br>Immediate Division Head ☐ Information Technology ☐<br>Other Division Heads ☐ Communication ☐<br>Legal Review ☐ | Guest(s) Invited / Presenting<br>Yes ☐<br>No ☐ |

For City Clerk Use Only:

Commission Action:

# Michigan Housing Opportunity Promoting Energy-Efficiency (MI-HOPE) Term Sheet

**Date: June 27, 2022**

| | |
|---|---|
| **Program Overview** | The MI-HOPE Program will utilize United States Department of the Treasury American Rescue Plan (ARP) Coronavirus State and Local Fiscal Recovery Funds (SLFRF) as a grant mechanism within the MSHDA Neighborhood Housing Initiatives Division (NHID).<br><br>All applicable Treasury ARP rules and regulations will be strictly enforced. |
| **MI-HOPE Program Goal** | To provide financial assistance to eligible non-profit 501(c) agencies and government entities via a multi-year subrecipient agreement awarded for $100,000 up to $1 Million per agency. Subrecipients will then distribute the funds within their local area(s) for energy focused residential housing repairs and upgrades within both rural and urban areas. The total MI-HOPE assistance amount per home/unit may not exceed $25,000 per assisted occupied home or individual assisted unit. In order to qualify for the MI-HOPE program, all assisted multi-family properties cannot consist of more than three units. In conjunction with home/unit repairs the funding also allows for a portion of the award, up to twenty-five (25%), to be utilized for energy- oriented emergency repairs and/or up to five percent (5%) to be utilized for administrative funding.<br><br>MI-HOPE energy-efficiency improvement activities are defined as actions undertaken to incentivize energy efficiency and health improvements that promote health or safety for single-family and multi-family residential properties. The intent is to have both an individual short-term benefit and immediate impact on the household itself and to also facilitate a long-term community benefit by improving existing housing stock resulting in increased area home values. |
| **Size of MI-HOPE Program** | Michigan State Housing Development Authority (the Authority) will utilize up to **$28,500,000** (total award $50,000,000 less $15,000,000 to the City of Detroit and less $5,000,000 to the nonprofit THAW, less $1,500,000 which is 5% for MSHDA administrative costs) of its total allocation for this program through multiple statewide competitive funding rounds. |
| **Targeted Population of Homeowners and Financial Challenges Program Seeks to Address** | Funding will be made available to Subrecipient Agencies to administer the MI-HOPE Program at the local level and to directly provide energy-efficiency assistance to eligible households having incomes equal to or less than 300% of the federal poverty level as outlined in United States Department of the Treasury Guidance. Program funds will be made available to assist all eligible homeowners based on Subrecipient program guidelines that are approved by MSHDA. |

| | |
|---|---|
| **"Eligible Owners" for the MI-HOPE program** | "Eligible Owners" must meet the following criteria:<br>• Owner and/or tenant (if applicable) must have experienced and attest to a Qualified Financial Hardship on or after March 3, 2021. The attestation must describe the nature of the financial hardship. (Refer to Exhibit D for attestation language.)<br>• Homeowner must currently own and occupy the property as their primary residence.<br>• Homeowner and/or Tenant households must meet the MI-HOPE Income Eligibility Requirements.<br>• Homeowners must provide verification of occupancy of the home for a minimum of twelve months prior to March 1, 2021 or for non-owner occupied units the landlord must provide proof of ownership for twelve months and provide a six-month occupancy history.<br>• All properties must be current in their taxes or be current in a repayment plan.<br>• All properties must be insured or provide written verification of insurability post-rehab.<br>• Rental properties must be occupied by tenants with a written lease stating that rent rates will not be increased post-rehab for a minimum of twelve months. |
| **MI-HOPE Parameters** | ▪ **Maximum Subrecipient Allocation** is within a funding range of $100,000 - $1 Million. Awards will be made at MSHDA's discretion primarily determined based on regional distribution, community need, entity type/capacity, and submission information. Agencies should only request the amount of funding they can obligate and expend within the deadlines identified.<br>▪ **Minimum Subrecipient Allocation** = $100,000<br>Note: Multiple activities and/or areas can be combined to reach this minimum threshold. Proposals may include more than one area served by an agency; however, each area must realize a significant impact. Agency funding prioritization of areas must be provided if more than one is proposed. MSHDA reserves the right to select portions of proposals for funding based on availability and overall impact.<br>▪ **Maximum Household Assistance** = $25,000 per owner occupied home or non-owner occupied unit. |

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| **Eligible Subrecipient Structures**<br><br>**Note: If you are not one of the agency types listed or cannot provide the applicable required verification documentation you are not eligible to submit for this program.** | "Eligible Subrecipients" include only the following:<br><br>☐ Type 1: Nonprofit Organization 501(c): A nonprofit organization that is currently servicing the proposed community/neighborhood within the State of Michigan. The applicant's name and address must be the same as the 501(c) Letter from the IRS and on file with the Michigan Department of Licensing and Regulatory Affairs. The applicant must have at least one full-time paid employee; cannot be operating the agency via their principal residence and must have an operating budget exceeding $30,000 per year, not including MSHDA funded projects.<br><br>**The 501(c) must upload agency contact information on letterhead AND attach IRS issued 501(c) Letter.** (This agency type includes Community Action Agencies)<br><br>☐ Type 2: Government Entity<br><br>☐ Type 3: Lead Agency Designation (This must be either a Nonprofit 501c Agency or Government Entity as defined above) **The Lead Agency would have the ability to pass the funds through to other local entities defined as Type 1 or 2 above and they would be primarily responsible for all entities awarded and provide formal funding compliance and oversight. A written memorandum of understanding between all entities outlining roles and responsibilities will be required. (This could be a housing trade organization that is a nonprofit 501c agency. As part of the submission the agency will need to identify its membership agencies that anticipate partnering with them. Partnering agencies will be prohibited from receiving MI-HOPE funds directly during the first funding round.)<br><br>**Note: This funding will not be made available within the City of Detroit boundaries as energy- efficiency funding was allocated to this area directly. In addition, Type 3 Applicants with membership organizations that include City of Detroit members can only utilize MI-HOPE funding for entities servicing area(s) outside of the City of Detroit.**<br><br>**This funding is being made available to all eligible entities outside of the City of Detroit.** |

Note: Award determinations will be based on an agency demonstrating experience with homeowner and/or rental rehabilitation. Previous housing capacity/experience preferred.

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| **Presumed Benefit - Qualified Financial Hardship** | A "Qualified Financial Hardship" is a material reduction in income or material increase in living expenses associated with the coronavirus pandemic and Exhibit D self attestation will be required.<br>• This program is designed to provide emergency assistance for pressing and unavoidable home repair needs as well as address energy insecurity resulting from improper insulation, outdated heating, cooling, and ventilation systems, and outdated and/or malfunctioning electrical service and appliances. This benefit will be measured by assessing a particular property's needs and how those needs were addressed by the improvements.<br>• All proposed activities are restricted to income qualified areas and/or household income eligibility and meet the Treasury ARP criteria for presumed benefit requirements. |
| **Household Income Restrictions** | Income-targeting requirement will be used to assist homeowners having household incomes equal to or less than 300% of the Poverty Federal Guidelines (PFG) as defined by the Department of Health and Human Services. Refer to the Department of United States Department of the Treasury's guidance spreadsheet on household income thresholds: SLFRF-LMI-tool.xlsx (live.com) to identify specific Michigan County Income Limits.<br>Each applicant is encouraged to identify their service boundaries while being mindful of the community zip code data (Exhibit C).<br>For all assisted properties, there are three action steps required:<br>1) self-attestation of household income including all adult occupant earning members over the age of 18 that are not in school as a student;<br>2) household submission of formal income verification documentation including year to date pay stubs, if pay stubs are not available the household will need to provide the previous year's W-2 forms or if self-employed last year's 1040 form; and<br>3) subrecipient review and approval. |
| **Subrecipient Prioritization** | Subrecipients will have individual written program guidelines to meet their service area needs. They will establish the following:<br>• Activity Dollar Limits per Property<br>• Types of Properties Assisted<br>• Selection of Service Area<br>• Household Applicant Intake and Selection Process<br>• Select Households based on preference/priority based on need, eligibility, or other factors outlined in the guidelines<br>• Select/Define Activities/Scope of Work<br>• Leveraging Use/Requirements<br>• Contractor Selection Process and Criteria - must be licensed and insured |

Note: Subrecipients are not allowed to use a security instrument on assisted properties/units.

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| **Eligible Properties** | Eligible Properties are those that are:<br>• Single-family owner-occupied with an income qualified household<br>• Single-family non owner-occupied with an income qualified household<br>• Multi-family (attached or detached - up to 3 units) owner-occupied with an income qualified household<br>• Multi-family (attached or detached - up to 3 units) non owner-occupied with an income qualified household<br>• Detached Site Condominium units<br>• Modular/Manufactured homes permanently affixed to real property and taxed as real estate<br><br>**Eligible Occupied Property Criteria:** A single-family property which is zoned residential that: a) has no unaddressed mortgage and/or tax delinquencies; b) is not subject to a foreclosure or forfeiture proceedings, court-ordered receivership, or nuisance abatement; c) has utilities services turned on and operable or in situations where utilities are shut off but operable once safety issues are addressed – with MSHDA pre-approval prior to contract execution.; d) is permanently occupied by homeowners that identify the assisted address as their primary residence; and e) is affixed to a permanent foundation.<br><br>**Eligible Rental/Land Contract Occupied Property Criteria:** Rental/Land Contract single-family properties that a) the landlord has no unaddressed mortgage and/or tax delinquencies within the community; b) the landlord has no unaddressed/outstanding code compliance issues within the community; c) a signed contract is in place which identifies the current occupants and the monthly occupancy provisions; d) is not subject to a foreclosure or forfeiture proceedings, court-ordered receivership or nuisance abatement; e) has utilities services turned on and operable or in situations where utilities are shut off but operable once safety issues are addressed – with MSHDA pre-approval prior to contract execution.; e) is affixed to a permanent foundation; f) occupant household is income-eligible; and g) all parties must sign a written participation consent form. |
| **Eligible Qualified MI-HOPE Activities** | All MI-HOPE program financed activities are specific and necessary health and safety improvements to an existing structure occupied with a qualified financial hardship based on presumed benefit. Activities undertaken must be selected based on inspection, code compliance documented needs, energy assessment/audit recommendation, local building official report, etc.<br><br>MI-HOPE assisted activities are limited to:<br>• Roof<br>• Storm Doors/Exterior Doors<br>• Windows<br>• Insulation<br>• Modification for modernization/efficiency purposes or replacement of heating (furnaces or boilers)/cooling (full home only)/ventilation systems and water heater upgrades including on demand retrofitting<br>• Functioning and up to date exterior security lighting<br>• Appliance upgrades to energy star rating ex: stove, refrigerator<br>• Electrical upgrades or replacement - wiring of home (partial or full) |

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| **Subrecipient Award Activity Structure** | **UP TO $10,000,000 IN THE INITIAL COMPETITIVE FUNDING ROUND IS ANTICIPATED TO BE ALLOCATED AS FOLLOWS:**<br><br>**TYPE 1: Up to $9,500,000 (95%) Housing Energy-Efficiency Activities**<br>A minimum of 75% to be utilized for non-emergency repair<br>A maximum of 25% to be utilized for emergency repair<br>• No specific sites/addresses need to be pre-identified but must be fully under contract no later than September 30, 2024.<br>• Specific sites are selected post subrecipient award via a formal local written application process that is held within the past 90 days - no carryover wait lists from previous non-MI-HOPE programs/applications allowed unless identified within the program guidelines. Note: Activities are restricted to households that meet the program's eligibility criteria.<br>• All activities undertaken must enable that assisted MI-HOPE funding component to be brought up to Housing Quality Standards (HQS) and/or local code based on whichever one is stricter when applicable.<br>**TYPE 2: $500,000 (5%) Subrecipient Program Administration**<br>Agencies may opt out of utilizing MI-HOPE funding for administration but are not allowed to amend their budget post grant award to add it in as a funding component.<br><br>Note: Documented and itemized administrative tracking is required via a required tracking report form.<br><br>In addition to administrative costs that are program specific subrecipients will be able to get reimbursed for activity delivery costs to cover project specific soft costs on a per property billing basis.<br><br>Assistance is limited to one award per agency. Each agency's subrecipient request total dollar amount is limited to a minimum of $100,000 up to $1 Million.<br><br>Multiple agencies can be awarded funds within an area, but each agency will be limited to defined service area boundaries – an area may be served by multiple agencies but for program purposes overlapping/duplicative service areas will not be approved to ensure statewide distribution of the funding. |
| **Grant Structure** | The Subrecipient award will be structured as a performance-based grant.<br><br>Property assistance will be structured as a non-recourse grant. |

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| **Payout of MI-HOPE Assistance and Payment Process Description** | The Authority will disburse MI-HOPE assistance directly to subrecipient agencies.<br>The Authority will make disbursements on a reimbursement basis only. Reimbursement for purposes of the program is defined as the issuance of a paper check via a MSHDA grant management system when work has been completed, an agency is invoiced for the work performed, and both agency and owner sign-off has been secured. A hold back of up to 10% of the property setup amount may be held and not reimbursed until all paperwork regarding final completion and reporting of activity outcomes is provided. |
| **Community/Area Eligibility:** | A minimum of thirty percent (30%) of the funds will be set-aside to assist households within rural communities/areas. Of that thirty percent, five (5%) will be set-aside to assist households located within the Upper Peninsula.<br><br>Refer to the MI-HOPE Eligibility map (Exhibit B) for defined rural and urban areas. |
| **Program Launch** | The Authority is planning to launch the initial competitive funding round for subrecipient submissions statewide Summer 2022, after MSHDA approval, stakeholder engagement, and public engagement/comment process is complete.<br><br>The terms hereof are subject to change based on the foregoing. |
| **Program Duration** | The period of performance for the MI-HOPE award begins on the effective date of the written agreement, requires subrecipient obligation at the property level (street address contract fully executed) prior to September 30, 2024, and full disbursement of funds no later than September 30, 2026. MI-HOPE recipients shall not incur any obligations to be paid with the funding from this award after such period of performance ends.<br><br>The Authority plans to disburse all funds prior to the end of the written agreement date of December 1, 2026. |
| **Program Leverage with Other Financial Resources** | The Authority will undertake its best effort approach to encourage subrecipients to leverage additional complementary assistance that is made available for homeowners through other local, state, and/or federal programs.<br><br>We do not require leverage to come directly from the homeowner.<br><br>Note: If the applicant chooses to identify leverage within the proposed budget, in order to receive evaluation preference, all leverage identified must be committed/secured.<br><br>Applicants are encouraged to partner and leverage funding. |

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| **Subrecipient Submission Steps** | Step 1: Click on the following **LINK** and complete Part 1 and answer the initial intake questions. Once Part 1 is submitted you will receive access to Part 2 via e- mail.<br><br>Step 2: Complete Part 2 by uploading the 9 required attachments:<br>1: Agency Type Documentation<br>2: Community Need<br>3: Project Description<br>4: Proposed Household Selection, Intake, & Distribution Strategy<br>5: Project Budget<br>6: Applicant Support Letter signed by an authorized official on behalf of the agency<br>7: Letter(s) of Support from Stakeholders/Partners and Committed Leverage Funds<br>8: a) Overview Map of Area Boundaries and b) Photos of Target Area Housing Stock<br>9. Sam.gov Screenshot<br><br>Step 3: Complete and Submit the Agency Partnership Profile (Video Link) Instruction Guide |

**CITY OF MUSKEGON, MICHIGAN**

A RESOLUTION FOR SUPPORT OF
$150,000 OF ARP FUNDS AS LEVERAGE FOR MI-HOPE GRANT PROGRAM

**WHEREAS**, the Michigan State Housing Development Authority is accepting applications for grants for the Michigan Housing Opportunity Promoting Energy-Efficiency (MI-HOPE) Program;

**NOW, THEREFORE BE IT RESOLVED**, that the City of Muskegon Commission hereby authorizes an application for the MI-HOPE grant for the provision of home repairs for citizens of Muskegon County, wherein the City of Muskegon will commit to provide local match of $150,000 in American Rescue Plan funds; and

**BE IT FURTHER RESOLVED**, that the City of Muskegon Commission hereby authorizes the Director of Community and Neighborhood Services or their designee to prepare and submit the application for the MI-HOPE Program and to be designated as the authorized agent for all activities associated with securing and accepting any funding.

Yeas:

Nays:

I certify that the above Resolution was adopted by the City Commission of the City of Muskegon on August 9, 2022.

BY: Ann Meisch, City Clerk

_____

Signature Date

WATCH MUSKEGON

# Agenda Item Review Form

## Muskegon City Commission

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| Commission Meeting Date: August 9, 2022 | Title: Water Supply System Bonds Series A & B |
| Submitted By: Kenneth D. Grant | Department: Finance |

Brief Summary: Ordinance Authorizing the issuance of Water Supply System Junior Lien Revenue Bonds Series A & B.

Detailed Summary & Background:

To authorize the issuance of Water Sewer Supply System Bonds, Series A in an amount not to exceed $5,320,000.

To authorize the issuance of Water Sewer Supply System Bonds, Series A in an amount not to exceed $3,560,000.

The Bonds are expected to be sold to the Michigan Finance Authority and payable in 20 annual principal installments at an interest rate of 1.875%. Scheduled closing is September 20th.

Estimated Principal Forgiveness is $3,000,000.

Goal/Focus Area/Action Item Addressed:

*Refer to the 2022-2027 Long Term Goals document.*

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| Amount Requested: | Amount Budgeted: |
| Fund(s) or Account(s): Water | Fund(s) or Account(s): |

Recommended Motion: To approve the Ordinance authorizing the issuance of Sanitary Sewer Supply System Revenue Bonds.

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| Approvals: *Get approval from division head at a minimum prior to sending to the Clerk.* | Guest(s) Invited / Presenting |
| Immediate Division Head ☐ Information Technology ☐ | Yes ☐ |
| Other Division Heads ☐ Communication ☐ | No ☐ |
| Legal Review ☐ | |

For City Clerk Use Only:

Commission Action:

**ORDINANCE NO. _____**
**CITY OF MUSKEGON**

AN ORDINANCE TO PROVIDE FOR THE ACQUISITION, CONSTRUCTION, INSTALLATION, FURNISHING AND EQUIPPING OF ADDITIONS AND IMPROVEMENTS TO THE WATER SUPPLY SYSTEM OF THE CITY; TO PROVIDE FOR THE ISSUANCE AND SALE OF JUNIOR LIEN REVENUE BONDS TO PAY THE COST THEREOF; TO PROVIDE FOR THE COLLECTION OF REVENUES FROM THE SYSTEM SUFFICIENT FOR THE PURPOSE OF PAYING THE COSTS OF OPERATION AND MAINTENANCE OF THE SYSTEM AND TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS AND CERTAIN OUTSTANDING BONDS OF THE SYSTEM; TO PROVIDE FOR THE SEGREGATION AND DISTRIBUTION OF SYSTEM REVENUES; TO PROVIDE FOR THE RIGHTS OF THE HOLDERS OF THE BONDS IN ENFORCEMENT THEREOF; TO PRESCRIBE THE FORM OF THE BONDS; AND TO PROVIDE FOR OTHER MATTERS RELATING TO THE BONDS AND THE SYSTEM.

THE CITY OF MUSKEGON ORDAINS:

Section 1. Definitions. Whenever used in this Ordinance, except when otherwise indicated by the context, the following terms shall have the following meanings:

(a) "Act 94" means Act 94, Public Acts of Michigan, 1933, as amended.

(b) "Adjusted Net Revenues" means for any operating year the excess of revenues over expenses for the System determined in accordance with generally accepted accounting principles, to which shall be added depreciation, amortization, interest expense on Bonds and payments to the City in lieu of taxes, to which may be made the following adjustments.

(i) Revenues may be augmented by the amount of any rate increases adopted prior to the issuance of additional Bonds or to be placed into effect before the time principal or interest on the additional Bonds becomes payable from Revenues as applied to quantities of service furnished during the operating year or portion thereof that the increased rates were not in effect.

(ii) Revenues may be augmented by amounts which may be derived from rates and charges to be paid by new customers of the System.

(c) "Authority" means the Michigan Finance Authority or its successor.

(d) "Authorized Officers" means the Mayor, the City Manager, the City Clerk and the Finance Director of the City.

(e) "Bonds" or "Senior Lien Bonds" means any bonds or series of bonds so designated and payable from Net Revenues, which are secured by a statutory first lien on the Net Revenues established by this Ordinance and which are senior and superior in all respects with respect to the Net Revenues to any Junior Lien Bonds secured by the statutory second lien on the Net Revenues, together with any additional Bonds of equal standing thereafter issued.

(f) "City" or "Issuer" means the City of Muskegon, County of Muskegon, State of Michigan.

(g) "EGLE" means the means the Michigan Department of Environment, Great Lakes, and Energy, or its successor.

(h) "Engineers" means Prein & Newhof, registered engineers of Grand Rapids, Michigan.

(i) "Junior Lien Bonds" means the Series 2022 Bonds, the Outstanding Junior Lien Bonds any additional bonds of equal standing with the Series 2022 Bonds and the Outstanding Junior Lien Bonds which are secured by a statutory second lien on the Net Revenues and are junior and subordinate to the Senior Lien Bonds.

(j) "Outstanding Junior Lien Bonds" means the Series 2004 Bond, Series 2019 Bond and Series 2020 Bond.

(k) "Outstanding Ordinances" means Ordinance Nos. 2117, 2416 and 2436 of the City.

(l) "Project" means the acquisition, construction, furnishing and equipping of improvements to the Water Supply System of the City, including distribution system improvements, replacement of water mains and service lines, pump station and water filtration plant improvements, together with all related appurtenances and attachments.

(m) "Purchase Contract" means the Purchase Contract to be entered into between the Authority and the City relating to the purchase by the Authority of a series of the Series 2022 Bonds.

(n) "Revenues" and "Net Revenues" shall mean the revenues and net revenues of the City derived from the operation of the System and shall be construed as defined in Section 3 of Act 94, including with respect to "Revenues," the earnings derived from the investment of moneys in the various funds and accounts established by the Outstanding Ordinances and this Ordinance.

(o) "Series 2004 Bond" means the Water Supply System Junior Lien Revenue Bond (Limited Tax General Obligation), Series 2004, dated March 25, 2004, in the outstanding principal amount of Three Million Two Hundred Sixty-Five Thousand Dollars ($3,265,000).

(p) "Series 2019 Bond" means the Water Supply System Junior Lien Revenue Bond, Series 2019, dated August 28, 2019, in the outstanding principal amount of One Million Five Hundred Thirty-Five Thousand Dollars ($1,535,000).

(q) "Series 2020 Bond" means the Water Supply System Junior Lien Revenue Bond, Series 2020, dated September 30, 2020, in the outstanding principal amount of Three Million Six Hundred Ninety Thousand Dollars ($3,690,000).

(r) "Series 2022 Bonds" means the Series 2022A Bonds and the Series 2022B Bonds.

(s) "Series 2022A Bond" means the Water Supply System Junior Lien Revenue Bond, Series 2022, in the principal amount of not to exceed Five Million Three Hundred Twenty Thousand Dollars ($5,320,000) authorized by this Ordinance.

(t) "Series 2022B Bond" means the Water Supply System Junior Lien Revenue Bond, Series 2022, in the principal amount of not to exceed Three Million Five Hundred Sixty Thousand Dollars ($3,560,000) authorized by this Ordinance.

(u) "Sufficient Government Obligations" means direct obligations of the United States of America or obligations the principal and interest on which is fully guaranteed by the United States of America, not redeemable at the option of the issuer, the principal and interest payments upon which without reinvestment of the interest, come due at such times and in such amounts as to be fully sufficient to pay the interest as it comes due on the Bonds or Junior Lien Bonds and the principal and redemption premium, if any, on the Bonds or Junior Lien Bonds as it comes due whether on the stated maturity date or upon earlier redemption. Securities representing such obligations shall be placed in trust with a bank or trust company, and if any of the Bonds or Junior Lien Bonds are to be called for redemption prior to maturity, irrevocable instructions to call the Bonds for redemption shall be given to the paying agent.

(v) "Supplemental Agreement" means the supplemental agreement among the City, the Authority and the EGLE relating to a series of the Series 2022 Bonds.

(w) "System" means the Water Supply System of the City, including the Project and all additions, extensions and improvements hereafter acquired.

Section 2. Necessity; Approval of Plans and Specifications. It is hereby determined to be a necessary public purpose of the City to acquire and construct the Project in accordance with the plans and specifications prepared by the Engineers, which plans and specifications are hereby approved. The Project qualifies for the Drinking Water State Revolving Fund financing program being administered by the EGLE and the Authority, whereby bonds of the City are sold to the Authority and bear interest at a fixed rate of not to exceed one and seven-eighths percent (1.875%) per annum.

Section 3. Costs; Useful Life. The cost of the Project is estimated to be an amount not to exceed Eight Million Eight Hundred Eighty Thousand Dollars ($8,880,000), including the payment of incidental expenses as specified in Section 4 of this Ordinance, which estimate of cost

is hereby approved and confirmed. The period of usefulness of the Project is estimated to be not less than twenty-five (25) years.

Section 4. Payment of Cost; Bonds Authorized. To pay part of the cost of acquiring the Project, legal, engineering, financial and other expenses incident thereto and incident to the issuance and sale of the Series 2022 Bonds, the City shall borrow the sum of not to exceed Eight Million Eight Hundred Eighty Thousand Dollars ($8,880,000), and issue the Series 2022 Bonds therefor pursuant to the provisions of Act 94. The remaining cost of the Project, if any, shall be defrayed from grant funds and City funds on hand and legally available for such use.

Except as amended by or expressly provided to the contrary in this Ordinance, all of the provisions of the Outstanding Ordinances shall apply to the Series 2022 Bonds issued pursuant to this Ordinance, the same as though each of the provisions were repeated in this Ordinance in detail; the purpose of this Ordinance being to authorize the issuance of additional revenue bonds of junior and subordinate standing and priority of lien to any Outstanding Senior Lien Bonds and of equal standing and priority of lien as to the Net Revenues with the Outstanding Junior Lien Bonds to finance the cost of acquiring additions, extensions and improvements to the System, additional bonds of junior and subordinate standing and priority of lien as to any Outstanding Senior Lien Bonds and of equal standing and priority of lien as to the Outstanding Junior Lien Bonds for such purpose being authorized by the provisions of the Outstanding Ordinances, upon the conditions therein stated, which conditions have been fully met.

Section 5. Issuance of Series 2022 Bonds; Details. The Series 2022 Bonds of the City, to be designated WATER SUPPLY SYSTEM JUNIOR LIEN REVENUE BOND, SERIES 2022A and WATER SUPPLY SYSTEM JUNIOR LIEN REVENUE BOND, SERIES 2022B, are authorized to be issued in the aggregate principal sum of not to exceed Eight Million Eight Hundred Eighty Thousand Dollars ($8,880,000), or such lesser amount as finally determined by order of the EGLE for the purpose of paying part of the cost of the Project, including the costs incidental to the issuance, sale and delivery of the Series 2022 Bonds. The Series 2022A Bond is authorized to be issued in the aggregate principal sum of not to exceed Five Million Three Hundred Twenty Thousand Dollars ($5,320,000) and the Series 2022B Bond is authorized to be issued in the aggregate principal sum of not to exceed Three Million Five Hundred Sixty Thousand Dollars ($3,560,000). The Series 2022 Bonds shall be Junior Lien Bonds payable out of the Net Revenues, as set forth more fully in Section 8 hereof, provided that the Series 2022 Bonds shall be subordinate to the prior lien with respect to the Net Revenues in favor of any Senior Lien Bonds hereafter issued.

The Series 2022A Bond and the Series 2022B Bond shall each be in the form of a single fully-registered, nonconvertible bond of the denomination of the full principal amount thereof, dated as of the date of delivery, payable in principal installments as finally determined by the order of the EGLE at the time of sale of each series of the Series 2022 Bonds and approved by the Authority and an Authorized Officer. Principal installments of the Series 2022 Bonds shall be payable on October 1 of the years 2024 through 2043, inclusive, or such other payment dates as hereinafter provided. Interest on the Series 2022 Bonds shall be payable on April 1 and October 1 of each year, commencing April 1, 2023 or on such other interest payment dates as hereinafter provided. Final determination of the principal amount of and interest on the Series 2022 Bonds and the payment dates and amounts of principal installments of the Series 2022 Bonds shall be

evidenced by execution of the Purchase Contract and each of the Authorized Officers is authorized and directed to execute and deliver the Purchase Contract when in final form and to make the determinations set forth above; provided, however, that the first principal installment shall be due no earlier than April 1, 2023 and the final principal installment shall be due no later than October 1, 2045 and that the total principal amount shall not exceed $8,880,000.

The Series 2022 Bonds shall bear interest at a rate of not to exceed one and seven-eighths percent (1.875%) per annum on the par value thereof or such other rate as evidenced by execution of the Purchase Contract, but in any event not to exceed the rate permitted by law, and any Authorized Officers as shall be appropriate shall deliver the Series 2022 Bonds in accordance with the delivery instructions of the Authority.

The principal amount of the Series 2022 Bonds is expected to be drawn down by the City periodically, and interest on principal amount shall accrue from the date such principal amount is drawn down by the City.

The Series 2022 Bonds shall not be convertible or exchangeable into more than one fully-registered bond. Principal of and interest on the Series 2022 Bonds shall be payable as provided in the Series 2022 Bonds form in this Ordinance.

The Series 2022 Bonds shall be subject to optional redemption by the City with the prior written approval of the Authority and on such terms as may be required by the Authority.

The Treasurer shall record on the registration books payment by the City of each installment of principal or interest or both when made and the cancelled checks or other records evidencing such payments shall be returned to and retained by the Treasurer.

Upon payment by the City of all outstanding principal of and interest on the Series 2022 Bonds, the Authority shall deliver the Series 2022 Bonds to the City for cancellation.

Section 6. Execution of Series 2022 Bonds. The Series 2022 Bonds shall be signed by the manual or facsimile signature of the Mayor and countersigned by the manual or facsimile signature of the City Clerk and shall have the corporate seal of the City or facsimile thereof impressed thereon. The Series 2022 Bonds bearing the manual or facsimile signatures of the Mayor and the City Clerk sold to the Authority shall require no further authentication.

Section 7. Registration and Transfer. Any Bond or Junior Lien Bond may be transferred upon the books required to be kept pursuant to this section by the person in whose name it is registered, in person or by the registered owner's duly authorized attorney, upon surrender of the Bond or Junior Lien Bond for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the transfer agent. Whenever any Bond or Junior Lien Bond shall be surrendered for transfer, the City shall execute and the transfer agent shall authenticate and deliver a new Bond or Junior Lien Bond, for like aggregate principal amount. The transfer agent shall require payment by the bondholder requesting the transfer of any tax or other governmental charge required to be paid with respect to the transfer. The City shall not be required (i) to issue, register the transfer of or exchange any Bond or Junior Lien Bond during a period beginning at the opening of business 15 days before the day of the giving of a notice of redemption of Bonds selected for redemption as described in the form of Series 2022 Bonds

contained in Section 16 of this Ordinance and ending at the close of business on the day of that giving of notice, or (ii) to register the transfer of or exchange any Bond or Junior Lien Bond so selected for redemption in whole or in part, except the unredeemed portion of Bonds or Junior Lien Bonds being redeemed in part. The City shall give the transfer agent notice of call for redemption at least 20 days prior to the date notice of redemption is to be given.

The transfer agent shall keep or cause to be kept at its principal office sufficient books for the registration and transfer of the Bonds or Junior Lien Bond, which shall at all times be open to inspection by the City; and upon presentation for such purpose the transfer agent shall under such reasonable regulations as it may prescribe transfer or cause to be transferred on the books Bonds or Junior Lien Bond as hereinbefore provided.

If any Bond or Junior Lien Bond shall become mutilated, the City, at the expense of the holder of the Bond, shall execute, and the transfer agent shall authenticate and deliver, a new Bond or Junior Lien Bond of like tenor in exchange and substitution for the mutilated Bond or Junior Lien Bond, upon surrender to the transfer agent of the mutilated Bond or Junior Lien Bond. If any Bond or Junior Lien Bond issued under this Ordinance shall be lost, destroyed or stolen, evidence of the loss, destruction or theft may be submitted to the transfer agent and, if this evidence is satisfactory to both and indemnity satisfactory to the transfer agent shall be given, and if all requirements of any applicable law including Act 354, Public Acts of Michigan, 1972, as amended ("Act 354"), being sections 129.131 to 129.135, inclusive, of the Michigan Compiled Laws have been met, the City, at the expense of the owner, shall execute, and the transfer agent shall thereupon authenticate and deliver, a new Bond or Junior Lien Bond of like tenor and bearing the statement required by Act 354, or any applicable law hereafter enacted, in lieu of and in substitution for the Bond or Junior Lien Bond so lost, destroyed or stolen. If any such Bond or Junior Lien Bond shall have matured or shall be about to mature, instead of issuing a substitute Bond or Junior Lien Bond the transfer agent may pay the same without surrender thereof.

Section 8. Payment of Series 2022 Bonds; Security; Priority of Lien. Principal of and interest on the Series 2022 Bonds shall be payable solely from the Net Revenues, and to secure such payment, there is hereby recognized the statutory lien upon the whole of the Net Revenues which shall be a second lien, subject only to the statutory first lien established with respect to the Senior Lien Bonds, to continue until payment in full of the principal of and interest on all Junior Lien Bonds payable from the Net Revenues, or, until sufficient cash or Sufficient Government Obligations have been deposited in trust for payment in full of all Junior Lien Bonds of a series then outstanding, principal and interest on such Junior Lien Bonds to maturity, or, if called for redemption, to the date fixed for redemption together with the amount of the redemption premium, if any. The statutory lien on the Net Revenues created with respect to the Junior Lien Bonds (including the Series 2022 Bonds) shall at all times be and remain subordinate and inferior to the pledge of Net Revenues and the statutory first lien thereon authorized to be granted to secure any Senior Lien Bonds hereafter issued.

Upon deposit of cash or Sufficient Government Obligations, as provided in the previous sentences, the statutory lien shall be terminated with respect to that series of Bonds or Junior Lien Bonds, the holders of that series shall have no further rights under this Ordinance except for payment from the deposited funds, and the Bonds or Junior Lien Bonds of that series shall no longer be considered to be outstanding under the Outstanding Ordinance or this Ordinance.

Section 9. Bondholders' Rights; Receiver. The holder or holders of the Bonds or Junior Lien Bonds representing in the aggregate not less than twenty percent (20%) of the entire principal amount thereof then outstanding, may, by suit, action, mandamus or other proceedings, protect and enforce the statutory lien upon the Net Revenues of the System, and may, by suit, action, mandamus or other proceedings, enforce and compel performance of all duties of the officers of the City, including the fixing of sufficient rates, the collection of Revenues, the proper segregation of the Revenues of the System and the proper application thereof. The statutory lien upon the Net Revenues, however, shall not be construed as to compel the sale of the System or any part thereof.

If there is a default in the payment of the principal of or interest on the Bonds or the Junior Lien Bonds, any court having jurisdiction in any proper action may appoint a receiver to administer and operate the System on behalf of the City and under the direction of the court, and by and with the approval of the court to perform all of the duties of the officers of the City more particularly set forth herein and in Act 94.

The holder or holders of the Bonds and the Junior Lien Bonds shall have all other rights and remedies given by Act 94 and law, for the payment and enforcement of the Bonds and the Junior Lien Bonds and the security therefor.

Section 10. Management; Fiscal Year. The operation, repair and management of the System and the acquisition and construction of the Project shall be under the supervision and control of the City Commission. The City Commission, in accordance with the relevant provisions of the City Charter, may employ such person or persons in such capacity or capacities as it deems advisable to carry on the efficient management and operation of the System. The City Commission may make such rules and regulations as it deems advisable and necessary to assure the efficient management and operation of the System. The fiscal year of the System shall be the fiscal year of the City.

Section 11. Rates and Charges. The rates and charges for service furnished by and the use of the System and the methods of collection and enforcement of the collection of the rates shall be those in effect on the date of adoption of this Ordinance.

Section 12. No Free Service or Use. No free service or use of the System, or service or use of the System at less than cost, shall be furnished by the System to any person, firm or corporation, public or private, or to any public agency or instrumentality, including the City.

Section 13. Fixing and Revising Rates; Rate Covenant. The rates now in effect are estimated to be sufficient to provide for the payment of the expenses of administration and operation and such expenses for maintenance of the System as are necessary to preserve the System in good repair and working order, to provide for the payment of the principal of and interest on the Bonds and the Junior Lien Bonds as the same become due and payable, and the maintenance of the reserve therefor and to provide for all other obligations, expenditures and funds for the System required by law and this Ordinance. In addition, it is agreed that the rates shall be set from time to time so that there shall be produced each fiscal year Net Revenues in an amount not less than 110% of the principal of and interest on all Bonds coming due in each fiscal year and not less than 100% of the principal of and interest on all Junior Lien Bonds coming due in each fiscal year. The rates shall be fixed and revised from time to time as may be necessary to produce these amounts,

and it is hereby covenanted and agreed to fix and maintain rates for services furnished by the System at all times sufficient to provide for the foregoing.

Section 14. Funds and Accounts; Flow of Funds. The funds and accounts established by the Outstanding Ordinances are hereby continued, the flow of funds established by the Outstanding Ordinances, is hereby continued, and the applicable sections of the Outstanding Ordinances, relating to funds and accounts and flow of funds are incorporated herein by reference as if fully set forth.

Section 15. Bond Proceeds. The proceeds of the sale of the Series 2022 Bonds shall be deposited in a bank or banks, designated by the City, qualified to act as depository of the proceeds of sale under the provisions of Act 94, in an account designated 2022 WATER SUPPLY SYSTEM PROJECT CONSTRUCTION FUND (the "Construction Fund"). Moneys in the Construction Fund shall be applied solely in payment of the cost of the Project, including any engineering, legal and other expenses incident thereto and to the financing thereof.

Section 16. Bond Form. The Series 2022 Bonds shall be in substantially the following form with such changes or completion as necessary or appropriate to give effect to the intent of this Ordinance and further subject to such modifications which may be required by the Michigan Attorney General and the Authority and approved by bond counsel:

**UNITED STATES OF AMERICA**
**STATE OF MICHIGAN**
**COUNTY OF MUSKEGON**

**CITY OF MUSKEGON**

**WATER SUPPLY SYSTEM JUNIOR LIEN REVENUE BOND, SERIES 2022[A/B]**

REGISTERED OWNER: Michigan Finance Authority

PRINCIPAL AMOUNT: _____ Dollars ($_____)

DATE OF ORIGINAL ISSUE: September 20, 2022

The CITY OF MUSKEGON, County of Muskegon, State of Michigan (the "City"), for value received, hereby promises to pay, but only out of the hereinafter described Net Revenues of the City's Water Supply System (hereinafter defined), to the Michigan Finance Authority (the "Authority"), or registered assigns, the Principal Amount shown above, or such portion thereof as shall have been advanced to the City pursuant to a Purchase Contract between the City and the Authority and a Supplemental Agreement by and among the City, the Authority and the State of Michigan acting through the Department of Environment, Great Lakes, and Energy, in lawful money of the United States of America, unless prepaid or reduced prior thereto as hereinafter provided.

During the time funds are being drawn down by the City under this Bond, the Authority will periodically provide the City a statement showing the amount of principal that has been advanced and the date of each advance, which statement shall constitute prima facie evidence of the reported information; provided that no failure on the part of the Authority to provide such a statement or to reflect a disbursement or the correct amount of a disbursement shall relieve the City of its obligation to repay the outstanding principal amount actually advanced, all accrued interest thereon, and any other amount payable with respect thereto in accordance with the terms of this Bond.

The Principal Amount shall be payable on the dates and in the annual principal installment amounts set forth on Schedule A attached hereto and made a part hereof, as such Schedule may be adjusted if less than $_____ is disbursed to the City or if a portion of the Principal Amount is prepaid as provided below, with interest on the principal installments from the date each installment is delivered to the holder hereof until paid at the rate of one and seven-eighths percent (1.875%) per annum. Interest is first payable April 1, 2023 and semiannually thereafter and principal is payable on the first day of October commencing October 1, 2024 (as identified in the Purchase Contract) and annually thereafter.

Principal installments of this bond are subject to prepayment by the City prior to maturity only with the prior written consent of the Authority and on such terms as may be required by the Authority.

Notwithstanding any other provision of this bond, so long as the Authority is the owner of this bond, (a) this bond is payable as to principal, premium, if any, and interest at U.S. Bank Trust Company, National Association or at such other place as shall be designated in writing to the City by the Authority (the "Authority's Depository"); (b) the City agrees that it will deposit with the Authority's Depository payments of the principal of, premium, if any, and interest on this bond in immediately available funds by 12:00 noon at least five business days prior to the date on which any such payment is due whether by maturity, redemption or otherwise; in the event that the Authority's Depository has not received the City's deposit by 12:00 noon on the scheduled day, the City shall immediately pay to the Authority as invoiced by the Authority an amount to recover the Authority's administrative costs and lost investment earnings attributable to that late payment; and (c) written notice of any redemption of this bond shall be given by the City and received by the Authority's Depository at least 40 days prior to the date on which such redemption is to be made.

Additional Interest

In the event of a default in the payment of principal or interest hereon when due, whether at maturity, by redemption or otherwise, the amount of such default shall bear interest (the "additional interest") at a rate equal to the rate of interest which is two percent above the Authority's cost of providing funds (as determined by the Authority) to make payment on the bonds of the Authority issued to provide funds to purchase this bond but in no event in excess of the maximum rate of interest permitted by law. The additional interest shall continue to accrue until the Authority has been fully reimbursed for all costs incurred by the Authority (as determined by the Authority) as a consequence of the City's default. Such additional interest shall be payable on the interest payment date following demand of the Authority. In the event that (for reasons other than the default in the payment of any municipal obligation purchased by the Authority) the investment of amounts in the reserve account established by the Authority for the bonds of the Authority issued to provide funds to purchase this bond fails to provide sufficient available funds (together with any other funds which may be made available for such purpose) to pay the interest on outstanding bonds of the Authority issued to fund such account, the City shall and hereby agrees to pay on demand only the City's pro rata share (as determined by the Authority) of such deficiency as additional interest on this bond.

For prompt payment of principal and interest on this bond, the City has irrevocably pledged the revenues of the Water Supply System of the City, including all appurtenances, extensions and improvements thereto (the "System"), after provision has been made for reasonable and necessary expenses of operation, maintenance and administration (the "Net Revenues"), and a statutory second lien thereon is hereby recognized and created, subject to the senior lien of any additional Bonds of the City hereafter issued by the City, as set forth in the Ordinance (hereinafter defined). The bonds of this issue are of equal standing and priority of lien as to the Net Revenues with the City's Water Supply System Revenue Bonds (Limited Tax General Obligation), Series 2004, the City's Water Supply System Junior Lien Revenue Bonds, Series 2019, the City's Water Supply System Junior Lien Revenue Bonds, Series 2020 and the City's Water Supply System Junior Lien Revenue Bonds, Series 2022[A/B] (together, the "Outstanding Junior Lien Bonds") and any additional bonds hereafter issued by the City of equal standing and priority with the Outstanding Junior Lien Bonds. The City has reserved the right to issue such additional Bonds which shall be superior and senior in all respects to the bonds of this issue as to the Net Revenues, or of equal standing and priority of lien as to the Net Revenues.

Purchasers of the bonds of this issue, by their acceptance of the bonds of this issue or a beneficial ownership interest therein, shall be deemed to have consented to the subordination of their interest in and lien upon the Net Revenues upon the issuance of senior lien bonds subsequent to the delivery of the bonds of this issue.

This bond is a single, fully-registered, non-convertible bond in the principal sum indicated above issued pursuant to Ordinance No. ___, duly adopted by the City Commission of the City and the prior ordinances authorizing the issuance of the Outstanding Junior Lien Bonds (together, the "Ordinances"), and under and in full compliance with the Constitution and statutes of the State of Michigan, including specifically Act 94, Public Acts of Michigan, 1933, as amended, for the purpose of paying part of the cost of acquiring and constructing additions, extensions and improvements to the System.

For a complete statement of the revenues from which and the conditions under which this bond is payable, a statement of the conditions under which additional bonds of superior and equal standing may hereafter be issued and the general covenants and provisions pursuant to which this bond is issued, reference is made to the above-described Ordinances.

This bond is a self-liquidating bond, payable, both as to principal and interest, solely and only from the Net Revenues of the System. The principal of and interest on this bond are secured by the statutory lien hereinbefore mentioned.

The City has covenanted and agreed, and does hereby covenant and agree, to fix and maintain at all times while any bonds payable from the Net Revenues of the System shall be outstanding, such rates for service furnished by the System as shall be sufficient to provide for payment of the interest upon and the principal of the bonds of this issue, any additional Bonds, and any additional Junior Lien Bonds, as and when the same shall become due and payable, and to maintain a bond redemption fund (including a bond reserve account, if any) therefor, to provide for the payment of expenses of administration and operation and such expenses for maintenance of the System as are necessary to preserve the same in good repair and working order, and to provide for such other expenditures and funds for the System as are required by the Ordinances.

This bond is transferable only upon the books of the City by the registered owner in person or the registered owner's attorney duly authorized in writing, upon the surrender of this bond together with a written instrument of transfer satisfactory to the transfer agent, duly executed by the registered owner or the registered owner's attorney duly authorized in writing, and thereupon a new bond or bonds in the same aggregate principal amount and of the same maturity shall be issued to the transferee in exchange therefor as provided in the Ordinances, and upon payment of the charges, if any, therein prescribed.

It is hereby certified and recited that all acts, conditions and things required by law to be done precedent to and in the issuance of this bond have been done and performed in regular and due time and form as required by law.

IN WITNESS WHEREOF, the City of Muskegon, County of Muskegon, State of Michigan, by its City Commission has caused this bond to be executed with the manual or facsimile signatures of its Mayor and its City Clerk and the corporate seal of the City to be impressed or imprinted hereon, all as of the Date of Original Issue.

**CITY OF MUSKEGON**

By_____
Mayor

(Seal)

Countersigned:

By_____
City Clerk

EGLE Project Number: [7565-01][7566-01]
EGLE Approved Amt: $_____

SCHEDULE A

Based on the schedule provided below unless revised as provided in this paragraph, repayment of the principal of the bond shall be made until the full amount advanced to the City is repaid. In the event the Order of Approval issued by the Department of Environment, Great Lakes and Energy (the "Order"), approves a principal amount of assistance less than the amount of the bond delivered to the Authority, the Authority shall only disburse principal up to the amount stated in the Order. In the event (1) that the payment schedule approved by the City and described below provides for payment of a total principal amount greater than the amount of assistance approved by the Order or (2) that less than the principal amount of assistance approved by the Order is disbursed to the City by the Authority, or (3) that any portion of the principal amount of assistance approved by the Order and disbursed to the City is forgiven pursuant to the Order, the Authority shall prepare a new payment schedule which shall be effective upon receipt by the City.

| Maturity Date | Principal Amount |
|---|---|
| October 1, 2024 | |
| October 1, 2025 | |
| October 1, 2026 | |
| October 1, 2027 | |
| October 1, 2028 | |
| October 1, 2029 | |
| October 1, 2030 | |
| October 1, 2031 | |
| October 1, 2032 | |
| October 1, 2033 | |
| October 1, 2034 | |
| October 1, 2035 | |
| October 1, 2036 | |
| October 1, 2037 | |
| October 1, 2038 | |
| October 1, 2039 | |
| October 1, 2040 | |
| October 1, 2041 | |
| October 1, 2042 | |
| October 1, 2043 | |

Interest on the bond shall accrue on that portion of principal disbursed by the Authority to the City which has not been forgiven pursuant to the Order from the date such portion is disbursed, until paid, at the rate of 1.875% per annum, payable April 1, 2023, and semi-annually thereafter.

The City agrees that it will deposit with the Authority's Depository, or such other place as shall be designated in writing to the City by the Authority payments of the principal of, premium, if any, and interest on this bond in immediately available funds by 12:00 noon at least five business days prior to the date on which any such payment is due whether by maturity, redemption or otherwise. In the event that the Authority's Depository has not received the City's deposit by 12:00 noon on the scheduled day, the City shall immediately pay to the Authority as invoiced by the Authority an amount to recover the Authority's administrative costs and lost investment earnings attributable to that late payment.

Section 17. Negotiated Sale; Application to EGLE and Authority; Execution of Documents. The City determines that it is in the best interest of the City to negotiate the sale of the Series 2022 Bonds to the Authority because the Drinking Water State Revolving Fund financing programs provide significant interest savings to the City compared to competitive sale in the municipal bond market and principal forgiveness. The Authorized Officers are hereby authorized to make application to the Authority and to the EGLE for placement of the Series 2022 Bonds with the Authority. The actions taken by the Authorized Officers with respect to the Series 2022 Bonds prior to the adoption of this Ordinance are ratified and confirmed. The Authorized Officers are authorized to execute and deliver the Purchase Contract, the Supplemental Agreement and the Issuer's Certificate. Any Authorized Officer is further authorized to execute and deliver such contracts, documents and certificates as are necessary or advisable to qualify the Series 2022 Bonds for the Drinking Water State Revolving Fund. Prior to the delivery of the Series 2022 Bonds to the Authority, any Authorized Officer is hereby authorized to make such changes to the form of the Series 2022 Bonds contained in Section 16 of this Ordinance as may be necessary to conform to the requirements of Act 227, Public Acts of Michigan 1985, as amended ("Act 227"), including, but not limited to changes in the principal maturity and interest payment dates and references to additional security required by Act 227.

Section 18. Covenant Regarding Tax Exempt Status of the Bonds. The City shall, to the extent permitted by law, take all actions within its control necessary to maintain the exemption of the interest on the Series 2022 Bonds from general federal income taxation (as opposed to any alternative minimum or other indirect taxation) under the Internal Revenue Code of 1986, as amended (the "Code"), including, but not limited to, actions relating to any required rebate of arbitrage earnings and the expenditure and investment of Series 2022 Bonds proceeds and moneys deemed to be Bond proceeds.

Section 19. Approval of Bond Counsel. The representation of the City by Miller, Canfield, Paddock and Stone, P.L.C. ("Miller Canfield"), as bond counsel is hereby approved, notwithstanding the representation by Miller Canfield of the Authority in connection with its financing programs and borrowings.

Section 20. Approval of Bond Details. The Authorized Officers are each hereby authorized to adjust the final bond details set forth herein to the extent necessary or convenient to complete the transaction authorized herein, and in pursuance of the foregoing is authorized to exercise the authority and make the determinations authorized pursuant to Section 7a(1)(c) of Act 94, including but not limited to determinations regarding interest rates, prices, discounts, maturities, principal amounts, denominations, dates of issuance, interest payment dates, redemption rights, the place of delivery and payment, and other matters, provided that the principal amount of Series 2022 Bonds issued shall not exceed the principal amount authorized in this Ordinance, the interest rate per annum on the Series 2022 Bonds shall not exceed one and seven-eighths percent (1.875%) per annum, and the Series 2022 Bonds shall mature in not more than twenty (20) annual installments.

Section 21. Savings Clause. All ordinances, resolutions or orders, or part thereof, in conflict with the provisions of this Ordinance are, to the extent of such conflict, repealed.

Section 22. Severability; Paragraph Headings; and Conflict. If any section, paragraph, clause or provision of this Ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this Ordinance. The paragraph headings in this Ordinance are furnished for convenience of reference only and shall not be considered to be part of this Ordinance.

Section 23. Publication and Recordation. This Ordinance shall be published in full in the *Muskegon Chronicle*, a newspaper of general circulation in the City qualified under State law to publish legal notices, promptly after its adoption, and shall be recorded in the Ordinance Book of the City and such recording authenticated by the signatures of the Mayor and the City Clerk.

Section 24. Effective Date. This Ordinance shall be effective upon its adoption and publication.

ADOPTED AND SIGNED THIS 9th day of August, 2022.

Signed_____
Mayor

Signed_____
City Clerk

I HEREBY CERTIFY that the foregoing constitutes a true and complete copy of an Ordinance duly adopted by the City Commission of the City of Muskegon, County of Muskegon, Michigan, at a regular meeting held on the 9th day of August, 2022, and that the meeting was conducted and public notice of the meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of the meeting were kept and will be or have been made available as required by the Act.

I further certify that the following Members were present at the meeting: _____ and that the following Members were absent: _____.

I further certify that Member _____ moved for adoption of the Ordinance, and that the motion was supported by Member _____.

I further certify that the following Members voted for adoption of the Ordinance: _____ and that the following Members voted against adoption of the Ordinance: _____.

I further certify that the Ordinance has been recorded in the Ordinance Book and that such recording has been authenticated by the signatures of the Mayor and the City Clerk.

_____

City Clerk

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Founded in 1852
by Sidney Davy Miller

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**PATRICK F. MCGOW**
**TEL (313) 496-7684**
**FAX (313) 496-8450**
**E-MAIL mcgow@millercanfield.com**

**Miller, Canfield, Paddock and Stone, P.L.C.**
150 West Jefferson, Suite 2500
Detroit, Michigan 48226
TEL (313) 963-6420
FAX (313) 496-7500
www.millercanfield.com

August 2, 2022

Mr. Ken Grant
Finance Director
City of Muskegon
933 Terrace Street
Muskegon MI 49443-0536

Re: City of Muskegon
$6,640,000 Sanitary Sewer System Junior Lien Revenue Bonds, Series 2022
(CWSRF Project)
$5,320,000 Water Supply System Junior Lien Revenue Bonds, Series 2022A
(DWSRF Water Main Project)
$3,560,000 Water Supply System Junior Lien Revenue Bonds, Series 2022B
(DWSRF Lead Service Line Replacement Project)

Dear Ken:

I have enclosed an Ordinance authorizing the issuance of the above-captioned Sanitary Sewer System Revenue Bonds and an Ordinance authorizing the issuance of the above-captioned Water Supply System Revenue Bonds to be considered for approval by the City Commission at its meeting on August 11th. The Sewer Bonds and the Water Bonds are to be sold through the Michigan Finance Authority's ("MFA") 4.5 Quarter Clean Water State Revolving Fund Program and Drinking Water State Revolving Fund Program, respectively, scheduled to close on September 20th.

Sewer Bonds

The Sewer Bond Ordinance authorizes the issuance of the Bonds in an amount not to exceed $6,640,000 for the sewer projects although the current estimated sizing is around $6,035,000. The Ordinance provides flexibility for the actual size of the Bond issue to be reduced prior to closing based on the actual construction bids and final approved costs. In addition, the City will receive principal forgiveness for this project which will reduce the amount that needs to be paid back to the MFA.

The Sewer Bond Ordinance authorizes the issuance of the Series 2022 Bonds, which are payable from the Net Revenues of the City's Sanitary Sewer System. The Bonds are expected to be sold to the MFA and payable in 20 annual principal installments at an interest rate of 1.875%.

The Bonds are being issued as junior lien bonds which are of equal standing with the Series 2019 Bonds and Series 2020 Bonds previously issued through the SRF for sewer improvements.

Water Bonds

The Water Bond Ordinance authorizes the issuance of the Bonds in an amount not to exceed $8,880,000 for the water projects in two separate series. The Series 2022A Bond is for the Water Main Replacement project in an amount not to exceed $5,320,000, although the current estimated sizing is around $4,836,000. The Series 2022B Bond is for the Lead Service Line Replacement project in an amount not to exceed $3,560,000, although the current estimated sizing is around $3,240,000. Again, the Ordinance provides flexibility for the actual size of the Bond issue to be reduced prior to closing based on the actual construction bids and final approved costs. In addition, the City will receive principal forgiveness for these projects which will reduce the amount that needs to be paid back to the MFA. The Series 2022B Bonds for Lead Service Line Replacements are mostly funded by the Water Infrastructure Fund Transfer Act (aka Booker Grant funds) and $3,000,000 will be forgiven after disbursement so there will be repayment of only about $240,000 of principal on that loan.

The Water Bond Ordinance authorizes the issuance of the Series 2022 Bonds, which are payable from the Net Revenues of the City's Water Supply System. The Bonds are expected to be sold to the MFA and payable in 20 annual principal installments at an interest rate of 1.875%. The Bonds are being issued as junior lien bonds which are of equal standing with the Series 2004 Bonds, Series 2019 Bonds and Series 2020 Bonds previously issued through the DWRF for water improvements.

Both Water and Sewer Bonds

Both Ordinances also authorize various City officials to take the necessary actions to execute and deliver the Bonds and all related documents, approve the final size of the Bonds and contains the necessary items required by the Revenue Bond Act, Act 94 of 1933.

Pursuant to the Revenue Bond Act, the Ordinances may be adopted in one reading, regardless of any contrary provision in the City's ordinance adoption procedures. Each Ordinance is required to be published once in full in your local newspaper (*Muskegon Chronicle*) after its adoption. There are no restrictions or requirements on the size of the publication, so it can be as small as possible. Upon adoption by the City Commission, we would appreciate receiving three (3) certified copies of the Ordinance and three (3) Affidavits of Publication of the Ordinance for bond transcripts.

The Part III application with the construction bids and tentative contract approval is due on August 17th. There will be a conference call with MFA, EGLE and City officials on August 23/24 which we will participate in, to make final arrangements relating to the Bond terms. At that time, the final bond sizes will be determined, and we will prepare the necessary documents to be signed

by various City officials after that date regarding the sale and delivery of the Bonds. The EGLE Order of Approval is expected to be issued on August 29th. The closing for the Bonds will be September 20th and the City can begin requesting draws on the Bonds after that date.

If you or anyone copied have any questions, please do not hesitate to contact me.

Very truly yours,

MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.

By: _____
Patrick F. McGow

Enclosure
cc: LeighAnn Mikesell
Leo Evans
Barbara Marczak
Warren Creamer

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WATCH MUSKEGON

# Agenda Item Review Form

## Muskegon City Commission

| | |
|---|---|
| Commission Meeting Date: August 9, 2022 | Title: Sanitary Sewer Supply System Bonds |
| Submitted By: Kenneth D. Grant | Department: Finance |

Brief Summary: Ordinance Authorizing the issuance of Sanitary Sewer Supply System Junior Lien Revenue Bonds

Detailed Summary & Background:

To authorize the issuance of Sanitary Sewer Supply System Bonds in an amount not to exceed $6,640,000. The Bonds are expected to be sold to the Michigan Finance Authority and payable in 20 annual principal installments at an interest rate of 1.875%. Scheduled closing is September 20th.

Estimated Principal Forgiveness is unknown at this time.

Goal/Focus Area/Action Item Addressed:

*Refer to the 2022-2027 Long Term Goals document.*

| | |
|---|---|
| Amount Requested: | Amount Budgeted:<br>*Contact Finance if your item does not fit into the current budget.* |
| Fund(s) or Account(s): Sewer | Fund(s) or Account(s): |

Recommended Motion: To approve the Ordinance authorizing the issuance of Sanitary Sewer Supply System Revenue Bonds.

| | |
|---|---|
| Approvals: *Get approval from division head at a minimum prior to sending to the Clerk.*<br>Immediate Division Head ☐ Information Technology ☐<br>Other Division Heads ☐ Communication ☐<br>Legal Review ☐ | Guest(s) Invited / Presenting<br>Yes ☐<br>No ☐ |

For City Clerk Use Only:

Commission Action:

**ORDINANCE NO. _____**
**CITY OF MUSKEGON**

AN ORDINANCE TO PROVIDE FOR THE ACQUISITION, CONSTRUCTION, INSTALLATION, FURNISHING AND EQUIPPING OF ADDITIONS AND IMPROVEMENTS TO THE SANITARY SEWER SYSTEM OF THE CITY; TO PROVIDE FOR THE ISSUANCE AND SALE OF JUNIOR LIEN REVENUE BONDS TO PAY THE COST THEREOF; TO PROVIDE FOR THE COLLECTION OF REVENUES FROM THE SYSTEM SUFFICIENT FOR THE PURPOSE OF PAYING THE COSTS OF OPERATION AND MAINTENANCE OF THE SYSTEM AND TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS AND CERTAIN OUTSTANDING BONDS OF THE SYSTEM; TO PROVIDE FOR THE SEGREGATION AND DISTRIBUTION OF SYSTEM REVENUES; TO PROVIDE FOR THE RIGHTS OF THE HOLDERS OF THE BONDS IN ENFORCEMENT THEREOF; TO PRESCRIBE THE FORM OF THE BONDS; AND TO PROVIDE FOR OTHER MATTERS RELATING TO THE BONDS AND THE SYSTEM.

THE CITY OF MUSKEGON ORDAINS:

Section 1. Definitions. Whenever used in this Ordinance, except when otherwise indicated by the context, the following terms shall have the following meanings:

(a) "Act 94" means Act 94, Public Acts of Michigan, 1933, as amended.

(b) "Adjusted Net Revenues" means for any operating year the excess of revenues over expenses for the System determined in accordance with generally accepted accounting principles, to which shall be added depreciation, amortization, interest expense on Bonds and payments to the City in lieu of taxes, to which may be made the following adjustments.

(i) Revenues may be augmented by the amount of any rate increases adopted prior to the issuance of additional Bonds or to be placed into effect before the time principal or interest on the additional Bonds becomes payable from Revenues as applied to quantities of service furnished during the operating year or portion thereof that the increased rates were not in effect.

(ii) Revenues may be augmented by amounts which may be derived from rates and charges to be paid by new customers of the System.

(c) "Authority" means the Michigan Finance Authority or its successor.

(d) "Authorized Officers" means the Mayor, the City Manager, the City Clerk and the Finance Director of the City.

(e) "Bonds" or "Senior Lien Bonds" means any bonds or series of bonds so designated and payable from Net Revenues, which are secured by a statutory first lien on the Net Revenues established by this Ordinance and which are senior and superior in all respects with respect to the Net Revenues to any Junior Lien Bonds secured by the statutory second lien on the Net Revenues, together with any additional Bonds of equal standing thereafter issued.

(f) "City" or "Issuer" means the City of Muskegon, County of Muskegon, State of Michigan.

(g) "EGLE" means the means the Michigan Department of Environment, Great Lakes, and Energy, or its successor.

(h) "Engineers" means Prein & Newhof, registered engineers of Grand Rapids, Michigan.

(i) "Junior Lien Bonds" means Series 2022 Bond, the Outstanding Junior Lien Bonds and any additional bonds of equal standing with the Series 2022 Bond and the Outstanding Junior Lien Bonds which are secured by a statutory second lien on the Net Revenues and are junior and subordinate to the Senior Lien Bonds.

(j) "Outstanding Junior Lien Bonds" means the Series 2019 Bond and the Series 2020 Bond.

(k) "Outstanding Ordinances" means Ordinance Nos. 2417 and 2437 of the City.

(l) "Project" means the acquisition, construction, furnishing and equipping of improvements to the Sanitary Sewer System of the City, including sewer system rehabilitation and replacement of existing sewer lines, together with pump station improvements and all related appurtenances and attachments.

(m) "Purchase Contract" means the Purchase Contract to be entered into between the Authority and the City relating to the purchase by the Authority of the Series 2022 Bond.

(n) "Revenues" and "Net Revenues" shall mean the revenues and net revenues of the City derived from the operation of the System and shall be construed as defined in Section 3 of Act 94, including with respect to "Revenues," the earnings derived from the investment of moneys in the various funds and accounts established by this Ordinance.

(o) "Series 2019 Bond" means the Sanitary Sewer System Junior Lien Revenue Bond, Series 2019, dated August 28, 2019, in the outstanding principal amount of Two Million Seven Hundred Fifty-Five Thousand Dollars ($2,755,000).

(p) "Series 2020 Bond" means the Sanitary Sewer System Junior Lien Revenue Bond, Series 2019, dated September 30, 2020, in the outstanding principal amount of Three Million Six Hundred Twenty Thousand Dollars ($3,620,000).

(q) "Series 2022 Bond" means the Sanitary Sewer System Junior Lien Revenue Bond, Series 2022, of the City in the principal amount of not to exceed Six Million Six Hundred Forty Thousand Dollars ($6,640,000) authorized by this Ordinance.

(r) "Sufficient Government Obligations" means direct obligations of the United States of America or obligations the principal and interest on which is fully guaranteed by the United States of America, not redeemable at the option of the issuer, the principal and interest payments upon which without reinvestment of the interest, come due at such times and in such amounts as to be fully sufficient to pay the interest as it comes due on the Bonds or Junior Lien Bonds and the principal and redemption premium, if any, on the Bonds or Junior Lien Bonds as it comes due whether on the stated maturity date or upon earlier redemption. Securities representing such obligations shall be placed in trust with a bank or trust company, and if any of the Bonds or Junior Lien Bonds are to be called for redemption prior to maturity, irrevocable instructions to call the Bonds for redemption shall be given to the paying agent.

(s) "Supplemental Agreement" means the supplemental agreement among the City, the Authority and the EGLE relating to the Series 2022 Bond.

(t) "System" means the Sanitary Sewer System of the City, including the Project and all additions, extensions and improvements hereafter acquired.

Section 2. Necessity; Approval of Plans and Specifications. It is hereby determined to be a necessary public purpose of the City to acquire and construct the Project in accordance with the plans and specifications prepared by the Engineers, which plans and specifications are hereby approved. The Project qualifies for the Clean Water State Revolving Fund financing program being administered by the EGLE and the Authority, whereby bonds of the City are sold to the Authority and bear interest at a fixed rate of not to exceed one and seven-eighths percent (1.875%) per annum.

Section 3. Costs; Useful Life. The cost of the Project is estimated to be an amount not to exceed Six Million Six Hundred Forty Thousand Dollars ($6,640,000), including the payment of incidental expenses as specified in Section 4 of this Ordinance, which estimate of cost is hereby approved and confirmed. The period of usefulness of the Project is estimated to be not less than twenty-five (25) years.

Section 4. Payment of Cost; Bonds Authorized. To pay part of the cost of acquiring the Project, legal, engineering, financial and other expenses incident thereto and incident to the issuance and sale of the Series 2022 Bond, the City shall borrow the sum of not to exceed Six Million Six Hundred Forty Thousand Dollars ($6,640,000), and issue the Series 2022 Bond therefor pursuant to the provisions of Act 94. The remaining cost of the Project, if any, shall be defrayed from grant funds and City funds on hand and legally available for such use.

Except as amended by or expressly provided to the contrary in this Ordinance, all of the provisions of the Outstanding Ordinances shall apply to the Series 2022 Bonds issued pursuant to this Ordinance, the same as though each of the provisions were repeated in this Ordinance in detail;

the purpose of this Ordinance being to authorize the issuance of additional revenue bonds of junior and subordinate standing and priority of lien to any Outstanding Senior Lien Bonds and of equal standing and priority of lien as to the Net Revenues with the Outstanding Junior Lien Bonds to finance the cost of acquiring additions, extensions and improvements to the System, additional bonds of junior and subordinate standing and priority of lien as to the Outstanding Senior Lien Bonds and of equal standing and priority of lien as to the Outstanding Junior Lien Bonds for such purpose being authorized by the provisions of the Outstanding Ordinances, upon the conditions therein stated, which conditions have been fully met.

Section 5. Issuance of Series 2022 Bond; Details. The Series 2022 Bond of the City, to be designated SANITARY SEWER SYSTEM JUNIOR LIEN REVENUE BOND, SERIES 2022 is authorized to be issued in the aggregate principal sum of not to exceed Six Million Six Hundred Forty Thousand Dollars ($6,640,000) or such lesser amount as finally determined by order of the EGLE for the purpose of paying part of the cost of the Project, including the costs incidental to the issuance, sale and delivery of the Series 2022 Bond. The Series 2022 Bond shall be payable out of the Net Revenues, as set forth more fully in Section 8 hereof.

The Series 2022 Bond shall be in the form of a single fully-registered, nonconvertible bond of the denomination of the full principal amount thereof, dated as of the date of delivery, payable in principal installments as finally determined by the order of the EGLE at the time of sale of the Series 2022 Bond and approved by the Authority and an Authorized Officer. Principal installments of the Series 2022 Bond shall be payable on October 1 of the years 2024 through 2043, inclusive, or such other payment dates as hereinafter provided. Interest on the Series 2022 Bond shall be payable on April 1 and October 1 of each year, commencing April 1, 2023 or on such other interest payment dates as hereinafter provided. Final determination of the principal amount of and interest on the Series 2022 Bond and the payment dates and amounts of principal installments of the Series 2022 Bond shall be evidenced by execution of the Purchase Contract and each of the Authorized Officers is authorized and directed to execute and deliver the Purchase Contract when in final form and to make the determinations set forth above; provided, however, that the first principal installment shall be due no earlier than April 1, 2023 and the final principal installment shall be due no later than October 1, 2045 and that the total principal amount shall not exceed $6,640,000.

The Series 2022 Bond shall bear interest at a rate of not to exceed one and seven-eighths percent (1.875%) per annum on the par value thereof or such other rate as evidenced by execution of the Purchase Contract, but in any event not to exceed the rate permitted by law, and any Authorized Officers as shall be appropriate shall deliver the Series 2022 Bond in accordance with the delivery instructions of the Authority.

The principal amount of the Series 2022 Bond is expected to be drawn down by the City periodically, and interest on principal amount shall accrue from the date such principal amount is drawn down by the City.

The Series 2022 Bond shall not be convertible or exchangeable into more than one fully-registered bond. Principal of and interest on the Series 2022 Bond shall be payable as provided in the Series 2022 Bond form in this Ordinance.

The Series 2022 Bond shall be subject to optional redemption by the City with the prior written approval of the Authority and on such terms as may be required by the Authority.

The Treasurer shall record on the registration books payment by the City of each installment of principal or interest or both when made and the cancelled checks or other records evidencing such payments shall be returned to and retained by the Treasurer.

Upon payment by the City of all outstanding principal of and interest on the Series 2022 Bond, the Authority shall deliver the Series 2022 Bond to the City for cancellation.

Section 6. Execution of Series 2022 Bond. The Series 2022 Bond shall be signed by the manual or facsimile signature of the Mayor and countersigned by the manual or facsimile signature of the City Clerk and shall have the corporate seal of the City or facsimile thereof impressed thereon. The Series 2022 Bond bearing the manual or facsimile signatures of the Mayor and the City Clerk sold to the Authority shall require no further authentication.

Section 7. Registration and Transfer. Any Bond or Junior Lien Bond may be transferred upon the books required to be kept pursuant to this section by the person in whose name it is registered, in person or by the registered owner's duly authorized attorney, upon surrender of the Bond or Junior Lien Bond for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the transfer agent. Whenever any Bond or Junior Lien Bond shall be surrendered for transfer, the City shall execute and the transfer agent shall authenticate and deliver a new Bond or Junior Lien Bond, for like aggregate principal amount. The transfer agent shall require payment by the bondholder requesting the transfer of any tax or other governmental charge required to be paid with respect to the transfer. The City shall not be required (i) to issue, register the transfer of or exchange any Bond or Junior Lien Bond during a period beginning at the opening of business 15 days before the day of the giving of a notice of redemption of Bonds selected for redemption as described in the form of Series 2022 Bond contained in Section 16 of this Ordinance and ending at the close of business on the day of that giving of notice, or (ii) to register the transfer of or exchange any Bond or Junior Lien Bond so selected for redemption in whole or in part, except the unredeemed portion of Bonds or Junior Lien Bonds being redeemed in part. The City shall give the transfer agent notice of call for redemption at least 20 days prior to the date notice of redemption is to be given.

The transfer agent shall keep or cause to be kept at its principal office sufficient books for the registration and transfer of the Bonds or Junior Lien Bond, which shall at all times be open to inspection by the City; and upon presentation for such purpose the transfer agent shall under such reasonable regulations as it may prescribe transfer or cause to be transferred on the books Bonds or Junior Lien Bond as hereinbefore provided.

If any Bond or Junior Lien Bond shall become mutilated, the City, at the expense of the holder of the Bond, shall execute, and the transfer agent shall authenticate and deliver, a new Bond or Junior Lien Bond of like tenor in exchange and substitution for the mutilated Bond or Junior Lien Bond, upon surrender to the transfer agent of the mutilated Bond or Junior Lien Bond. If any Bond or Junior Lien Bond issued under this Ordinance shall be lost, destroyed or stolen, evidence of the loss, destruction or theft may be submitted to the transfer agent and, if this evidence is satisfactory to both and indemnity satisfactory to the transfer agent shall be given, and if all

requirements of any applicable law including Act 354, Public Acts of Michigan, 1972, as amended ("Act 354"), being sections 129.131 to 129.135, inclusive, of the Michigan Compiled Laws have been met, the City, at the expense of the owner, shall execute, and the transfer agent shall thereupon authenticate and deliver, a new Bond or Junior Lien Bond of like tenor and bearing the statement required by Act 354, or any applicable law hereafter enacted, in lieu of and in substitution for the Bond or Junior Lien Bond so lost, destroyed or stolen. If any such Bond or Junior Lien Bond shall have matured or shall be about to mature, instead of issuing a substitute Bond or Junior Lien Bond the transfer agent may pay the same without surrender thereof.

Section 8. Payment of Series 2022 Bond; Security; Priority of Lien. Principal of and interest on the Series 2022 Bond shall be payable solely from the Net Revenues, and to secure such payment, there is hereby recognized the statutory lien upon the whole of the Net Revenues which shall be a second lien, subject only to the statutory first lien established with respect to the Senior Lien Bonds, to continue until payment in full of the principal of and interest on all Junior Lien Bonds payable from the Net Revenues, or, until sufficient cash or Sufficient Government Obligations have been deposited in trust for payment in full of all Junior Lien Bonds of a series then outstanding, principal and interest on such Junior Lien Bonds to maturity, or, if called for redemption, to the date fixed for redemption together with the amount of the redemption premium, if any. The statutory lien on the Net Revenues created with respect to the Junior Lien Bonds (including the Series 2022 Bond) shall at all times be and remain subordinate and inferior to the pledge of Net Revenues and the statutory first lien thereon authorized to be granted to secure any Senior Lien Bonds hereafter issued.

Upon deposit of cash or Sufficient Government Obligations, as provided in the previous sentences, the statutory lien shall be terminated with respect to that series of Bonds or Junior Lien Bonds, the holders of that series shall have no further rights under this Ordinance except for payment from the deposited funds, and the Bonds or Junior Lien Bonds of that series shall no longer be considered to be outstanding under this Ordinance.

Section 9. Bondholders' Rights; Receiver. The holder or holders of the Bonds or Junior Lien Bonds representing in the aggregate not less than twenty percent (20%) of the entire principal amount thereof then outstanding, may, by suit, action, mandamus or other proceedings, protect and enforce the statutory lien upon the Net Revenues of the System, and may, by suit, action, mandamus or other proceedings, enforce and compel performance of all duties of the officers of the City, including the fixing of sufficient rates, the collection of Revenues, the proper segregation of the Revenues of the System and the proper application thereof. The statutory lien upon the Net Revenues, however, shall not be construed as to compel the sale of the System or any part thereof.

If there is a default in the payment of the principal of or interest on the Bonds or the Junior Lien Bonds, any court having jurisdiction in any proper action may appoint a receiver to administer and operate the System on behalf of the City and under the direction of the court, and by and with the approval of the court to perform all of the duties of the officers of the City more particularly set forth herein and in Act 94.

The holder or holders of the Bonds and the Junior Lien Bonds shall have all other rights and remedies given by Act 94 and law, for the payment and enforcement of the Bonds and the Junior Lien Bonds and the security therefor.

Section 10. Management; Fiscal Year. The operation, repair and management of the System and the acquisition and construction of the Project shall be under the supervision and control of the City Commission. The City Commission, in accordance with the relevant provisions of the City Charter, may employ such person or persons in such capacity or capacities as it deems advisable to carry on the efficient management and operation of the System. The City Commission may make such rules and regulations as it deems advisable and necessary to assure the efficient management and operation of the System. The fiscal year of the System shall be the fiscal year of the City.

Section 11. Rates and Charges. The rates and charges for service furnished by and the use of the System and the methods of collection and enforcement of the collection of the rates shall be those in effect on the date of adoption of this Ordinance.

Section 12. No Free Service or Use. No free service or use of the System, or service or use of the System at less than cost, shall be furnished by the System to any person, firm or corporation, public or private, or to any public agency or instrumentality, including the City.

Section 13. Fixing and Revising Rates; Rate Covenant. The rates now in effect are estimated to be sufficient to provide for the payment of the expenses of administration and operation and such expenses for maintenance of the System as are necessary to preserve the System in good repair and working order, to provide for the payment of the principal of and interest on the Bonds and the Junior Lien Bonds as the same become due and payable, and the maintenance of the reserve therefor and to provide for all other obligations, expenditures and funds for the System required by law and this Ordinance. In addition, it is agreed that the rates shall be set from time to time so that there shall be produced each fiscal year Net Revenues in an amount not less than 110% of the principal of and interest on all Bonds coming due in each fiscal year and not less than 100% of the principal of and interest on all Junior Lien Bonds coming due in each fiscal year. The rates shall be fixed and revised from time to time as may be necessary to produce these amounts, and it is hereby covenanted and agreed to fix and maintain rates for services furnished by the System at all times sufficient to provide for the foregoing.

Section 14. Funds and Accounts; Flow of Funds. The funds and accounts established by the Outstanding Ordinances are hereby continued, the flow of funds established by the Outstanding Ordinances, is hereby continued, and the applicable sections of the Outstanding Ordinances, relating to funds and accounts and flow of funds are incorporated herein by reference as if fully set forth.

Section 15. Bond Proceeds. The proceeds of the sale of the Series 2022 Bond shall be deposited in a bank or banks, designated by the City, qualified to act as depository of the proceeds of sale under the provisions of Act 94, in an account designated 2022 SANITARY SEWER SYSTEM PROJECT CONSTRUCTION FUND (the "Construction Fund"). Moneys in the Construction Fund shall be applied solely in payment of the cost of the Project, including any engineering, legal and other expenses incident thereto and to the financing thereof.

Section 16. Bond Form. The Series 2022 Bond shall be in substantially the following form with such changes or completion as necessary or appropriate to give effect to the intent of this

Ordinance and further subject to such modifications which may be required by the Michigan Attorney General and the Authority and approved by bond counsel:

**UNITED STATES OF AMERICA**
**STATE OF MICHIGAN**
**COUNTY OF MUSKEGON**

**CITY OF MUSKEGON**

**SANITARY SEWER SYSTEM JUNIOR LIEN REVENUE BOND, SERIES 2022**

REGISTERED OWNER: Michigan Finance Authority

PRINCIPAL AMOUNT: _____ Dollars ($_____)

DATE OF ORIGINAL ISSUE: September 20, 2022

The CITY OF MUSKEGON, County of Muskegon, State of Michigan (the "City"), for value received, hereby promises to pay, but only out of the hereinafter described Net Revenues of the City's Sanitary Sewer System (hereinafter defined), to the Michigan Finance Authority (the "Authority"), or registered assigns, the Principal Amount shown above, or such portion thereof as shall have been advanced to the City pursuant to a Purchase Contract between the City and the Authority and a Supplemental Agreement by and among the City, the Authority and the State of Michigan acting through the Department of Environmental Quality, in lawful money of the United States of America, unless prepaid or reduced prior thereto as hereinafter provided.

During the time funds are being drawn down by the City under this Bond, the Authority will periodically provide the City a statement showing the amount of principal that has been advanced and the date of each advance, which statement shall constitute prima facie evidence of the reported information; provided that no failure on the part of the Authority to provide such a statement or to reflect a disbursement or the correct amount of a disbursement shall relieve the City of its obligation to repay the outstanding principal amount actually advanced, all accrued interest thereon, and any other amount payable with respect thereto in accordance with the terms of this Bond.

The Principal Amount shall be payable on the dates and in the annual principal installment amounts set forth on Schedule A attached hereto and made a part hereof, as such Schedule may be adjusted if less than $_____ is disbursed to the City or if a portion of the Principal Amount is prepaid as provided below, with interest on the principal installments from the date each installment is delivered to the holder hereof until paid at the rate of one and seven-eighths percent (1.875%) per annum. Interest is first payable April 1, 2023 and semiannually thereafter and principal is payable on the first day of October commencing October 1, 2024 (as identified in the Purchase Contract) and annually thereafter.

Principal installments of this bond are subject to prepayment by the City prior to maturity only with the prior written consent of the Authority and on such terms as may be required by the Authority.

Notwithstanding any other provision of this bond, so long as the Authority is the owner of this bond, (a) this bond is payable as to principal, premium, if any, and interest at U.S. Bank Trust Company, National Association or at such other place as shall be designated in writing to the City by the Authority (the "Authority's Depository"); (b) the City agrees that it will deposit with the Authority's Depository payments of the principal of, premium, if any, and interest on this bond in immediately available funds by 12:00 noon at least five business days prior to the date on which any such payment is due whether by maturity, redemption or otherwise; in the event that the Authority's Depository has not received the City's deposit by 12:00 noon on the scheduled day, the City shall immediately pay to the Authority as invoiced by the Authority an amount to recover the Authority's administrative costs and lost investment earnings attributable to that late payment; and (c) written notice of any redemption of this bond shall be given by the City and received by the Authority's Depository at least 40 days prior to the date on which such redemption is to be made.

Additional Interest

In the event of a default in the payment of principal or interest hereon when due, whether at maturity, by redemption or otherwise, the amount of such default shall bear interest (the "additional interest") at a rate equal to the rate of interest which is two percent above the Authority's cost of providing funds (as determined by the Authority) to make payment on the bonds of the Authority issued to provide funds to purchase this bond but in no event in excess of the maximum rate of interest permitted by law. The additional interest shall continue to accrue until the Authority has been fully reimbursed for all costs incurred by the Authority (as determined by the Authority) as a consequence of the City's default. Such additional interest shall be payable on the interest payment date following demand of the Authority. In the event that (for reasons other than the default in the payment of any municipal obligation purchased by the Authority) the investment of amounts in the reserve account established by the Authority for the bonds of the Authority issued to provide funds to purchase this bond fails to provide sufficient available funds (together with any other funds which may be made available for such purpose) to pay the interest on outstanding bonds of the Authority issued to fund such account, the City shall and hereby agrees to pay on demand only the City's pro rata share (as determined by the Authority) of such deficiency as additional interest on this bond.

For prompt payment of principal and interest on this bond, the City has irrevocably pledged the revenues of the Sanitary Sewer System of the City, including all appurtenances, extensions and improvements thereto (the "System"), after provision has been made for reasonable and necessary expenses of operation, maintenance and administration (the "Net Revenues"), and a statutory second lien thereon is hereby recognized and created, subject to the senior lien of any additional bonds of the City hereafter issued by the City, as set forth in the Ordinance (hereinafter defined). The bonds of this issue are of equal standing and priority of lien as to the Net Revenues with the City's Water Supply System Junior Lien Revenue Bonds, Series 2019 and the City's Water Supply System Junior Lien Revenue Bonds, Series 2020 (together, the "Outstanding Junior Lien Bonds") and any additional bonds hereafter issued by the City of equal standing and priority with the Outstanding Junior Lien Bonds. The City has reserved the right to issue such additional Bonds which shall be superior and senior in all respects to the bonds of this issue as to the Net Revenues, or of equal standing and priority of lien as to the Net Revenues.

Purchasers of the bonds of this issue, by their acceptance of the bonds of this issue or a beneficial ownership interest therein, shall be deemed to have consented to the subordination of their interest in and lien upon the Net Revenues upon the issuance of senior lien bonds subsequent to the delivery of the bonds of this issue.

This bond is a single, fully-registered, non-convertible bond in the principal sum indicated above issued pursuant to Ordinance No. ___ duly adopted by the City Commission of the City, and the prior ordinances authorizing the issuance of the Outstanding Junior Lien Bonds (together, the "Ordinances"), and under and in full compliance with the Constitution and statutes of the State of Michigan, including specifically Act 94, Public Acts of Michigan, 1933, as amended, for the purpose of paying part of the cost of acquiring and constructing additions, extensions and improvements to the System.

For a complete statement of the revenues from which and the conditions under which this bond is payable, a statement of the conditions under which additional bonds of superior and equal standing may hereafter be issued and the general covenants and provisions pursuant to which this bond is issued, reference is made to the above-described Ordinance.

This bond is a self-liquidating bond, payable, both as to principal and interest, solely and only from the Net Revenues of the System. The principal of and interest on this bond are secured by the statutory lien hereinbefore mentioned.

The City has covenanted and agreed, and does hereby covenant and agree, to fix and maintain at all times while any bonds payable from the Net Revenues of the System shall be outstanding, such rates for service furnished by the System as shall be sufficient to provide for payment of the interest upon and the principal of the bonds of this issue, any additional Bonds, and any additional Junior Lien Bonds, as and when the same shall become due and payable, and to maintain a bond redemption fund (including a bond reserve account, if any) therefor, to provide for the payment of expenses of administration and operation and such expenses for maintenance of the System as are necessary to preserve the same in good repair and working order, and to provide for such other expenditures and funds for the System as are required by the Ordinance.

This bond is transferable only upon the books of the City by the registered owner in person or the registered owner's attorney duly authorized in writing, upon the surrender of this bond together with a written instrument of transfer satisfactory to the transfer agent, duly executed by the registered owner or the registered owner's attorney duly authorized in writing, and thereupon a new bond or bonds in the same aggregate principal amount and of the same maturity shall be issued to the transferee in exchange therefor as provided in the Ordinance, and upon payment of the charges, if any, therein prescribed.

It is hereby certified and recited that all acts, conditions and things required by law to be done precedent to and in the issuance of this bond have been done and performed in regular and due time and form as required by law.

IN WITNESS WHEREOF, the City of Muskegon, County of Muskegon, State of Michigan, by its City Commission has caused this bond to be executed with the manual or facsimile signatures of its Mayor and its City Clerk and the corporate seal of the City to be impressed or imprinted hereon, all as of the Date of Original Issue.

**CITY OF MUSKEGON**

By_____
Mayor

(Seal)

Countersigned:

By_____
City Clerk

EGLE Project Number: 5767-01
EGLE Approved Amt: $_____

SCHEDULE A

Based on the schedule provided below unless revised as provided in this paragraph, repayment of the principal of the bond shall be made until the full amount advanced to the City is repaid. In the event the Order of Approval issued by the Department of Environment, Great Lakes and Energy (the "Order"), approves a principal amount of assistance less than the amount of the bond delivered to the Authority, the Authority shall only disburse principal up to the amount stated in the Order. In the event (1) that the payment schedule approved by the City and described below provides for payment of a total principal amount greater than the amount of assistance approved by the Order or (2) that less than the principal amount of assistance approved by the Order is disbursed to the City by the Authority, or (3) that any portion of the principal amount of assistance approved by the Order and disbursed to the City is forgiven pursuant to the Order, the Authority shall prepare a new payment schedule which shall be effective upon receipt by the City.

| Maturity Date | Principal Amount |
|---|---|
| October 1, 2024 | |
| October 1, 2025 | |
| October 1, 2026 | |
| October 1, 2027 | |
| October 1, 2028 | |
| October 1, 2029 | |
| October 1, 2030 | |
| October 1, 2031 | |
| October 1, 2032 | |
| October 1, 2033 | |
| October 1, 2034 | |
| October 1, 2035 | |
| October 1, 2036 | |
| October 1, 2037 | |
| October 1, 2038 | |
| October 1, 2039 | |
| October 1, 2040 | |
| October 1, 2041 | |
| October 1, 2042 | |
| October 1, 2043 | |

Interest on the bond shall accrue on that portion of principal disbursed by the Authority to the City which has not been forgiven pursuant to the Order from the date such portion is disbursed, until paid, at the rate of 1.875% per annum, payable April 1, 2023, and semi-annually thereafter.

The City agrees that it will deposit with the Authority's Depository, or such other place as shall be designated in writing to the City by the Authority payments of the principal of, premium, if any, and interest on this bond in immediately available funds by 12:00 noon at least five business days prior to the date on which any such payment is due whether by maturity, redemption or otherwise. In the event that the Authority's Depository has not received the City's deposit by 12:00 noon on the scheduled day, the City shall immediately pay to the Authority as invoiced by the Authority an amount to recover the Authority's administrative costs and lost investment earnings attributable to that late payment.

Section 17. Negotiated Sale; Application to EGLE and Authority; Execution of Documents. The City determines that it is in the best interest of the City to negotiate the sale of the Series 2022 Bond to the Authority because the Clean Water State Revolving Fund financing programs provide significant interest savings to the City compared to competitive sale in the municipal bond market and principal forgiveness. The Authorized Officers are hereby authorized to make application to the Authority and to the EGLE for placement of the Series 2022 Bond with the Authority. The actions taken by the Authorized Officers with respect to the Series 2022 Bond prior to the adoption of this Ordinance are ratified and confirmed. The Authorized Officers are authorized to execute and deliver the Purchase Contract, the Supplemental Agreement and the Issuer's Certificate. Any Authorized Officer is further authorized to execute and deliver such contracts, documents and certificates as are necessary or advisable to qualify the Series 2022 Bond for the Clean Water State Revolving Fund. Prior to the delivery of the Series 2022 Bond to the Authority, any Authorized Officer is hereby authorized to make such changes to the form of the Series 2022 Bond contained in Section 16 of this Ordinance as may be necessary to conform to the requirements of Act 227, Public Acts of Michigan 1985, as amended ("Act 227"), including, but not limited to changes in the principal maturity and interest payment dates and references to additional security required by Act 227.

Section 18. Covenant Regarding Tax Exempt Status of the Bonds. The City shall, to the extent permitted by law, take all actions within its control necessary to maintain the exemption of the interest on the Series 2022 Bond from general federal income taxation (as opposed to any alternative minimum or other indirect taxation) under the Internal Revenue Code of 1986, as amended (the "Code"), including, but not limited to, actions relating to any required rebate of arbitrage earnings and the expenditure and investment of Series 2022 Bond proceeds and moneys deemed to be Bond proceeds.

Section 19. Approval of Bond Counsel. The representation of the City by Miller, Canfield, Paddock and Stone, P.L.C. ("Miller Canfield"), as bond counsel is hereby approved, notwithstanding the representation by Miller Canfield of the Authority in connection with its financing programs and borrowings.

Section 20. Approval of Bond Details. The Authorized Officers are each hereby authorized to adjust the final bond details set forth herein to the extent necessary or convenient to complete the transaction authorized herein, and in pursuance of the foregoing is authorized to exercise the authority and make the determinations authorized pursuant to Section 7a(1)(c) of Act 94, including but not limited to determinations regarding interest rates, prices, discounts, maturities, principal amounts, denominations, dates of issuance, interest payment dates, redemption rights, the place of delivery and payment, and other matters, provided that the principal amount of Series 2022 Bond issued shall not exceed the principal amount authorized in this Ordinance, the interest rate per annum on the Series 2022 Bond shall not exceed one and seven-eighths percent (1.875%) per annum, and the Series 2022 Bond shall mature in not more than twenty (20) annual installments.

Section 21. Savings Clause. All ordinances, resolutions or orders, or part thereof, in conflict with the provisions of this Ordinance are, to the extent of such conflict, repealed.

Section 22. Severability; Paragraph Headings; and Conflict. If any section, paragraph, clause or provision of this Ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this Ordinance. The paragraph headings in this Ordinance are furnished for convenience of reference only and shall not be considered to be part of this Ordinance.

Section 23. Publication and Recordation. This Ordinance shall be published in full in the *Muskegon Chronicle*, a newspaper of general circulation in the City qualified under State law to publish legal notices, promptly after its adoption, and shall be recorded in the Ordinance Book of the City and such recording authenticated by the signatures of the Mayor and the City Clerk.

Section 24. Effective Date. This Ordinance shall be effective upon its adoption and publication.

ADOPTED AND SIGNED THIS 9th day of August, 2022.

Signed_____
Mayor

Signed_____
City Clerk

I HEREBY CERTIFY that the foregoing constitutes a true and complete copy of an Ordinance duly adopted by the City Commission of the City of Muskegon, County of Muskegon, Michigan, at a regular meeting held on the 9th day of August, 2022, and that the meeting was conducted and public notice of the meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of the meeting were kept and will be or have been made available as required by the Act.

I further certify that the following Members were present at the meeting: _____ and that the following Members were absent: _____.

I further certify that Member _____ moved for adoption of the Ordinance, and that the motion was supported by Member _____.

I further certify that the following Members voted for adoption of the Ordinance: _____ and that the following Members voted against adoption of the Ordinance: _____.

I further certify that the Ordinance has been recorded in the Ordinance Book and that such recording has been authenticated by the signatures of the Mayor and the City Clerk.

_____

City Clerk

39461144.1/063684.00056

Founded in 1852
by Sidney Davy Miller

MILLER CANFIELD

MICHIGAN
ILLINOIS
NEW YORK
OHIO
WASHINGTON, D.C.
CANADA
CHINA
MEXICO
POLAND
QATAR

**PATRICK F. MCGOW**
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August 2, 2022

Mr. Ken Grant
Finance Director
City of Muskegon
933 Terrace Street
Muskegon MI 49443-0536

Re: City of Muskegon
$6,640,000 Sanitary Sewer System Junior Lien Revenue Bonds, Series 2022
(CWSRF Project)
$5,320,000 Water Supply System Junior Lien Revenue Bonds, Series 2022A
(DWSRF Water Main Project)
$3,560,000 Water Supply System Junior Lien Revenue Bonds, Series 2022B
(DWSRF Lead Service Line Replacement Project)

Dear Ken:

I have enclosed an Ordinance authorizing the issuance of the above-captioned Sanitary Sewer System Revenue Bonds and an Ordinance authorizing the issuance of the above-captioned Water Supply System Revenue Bonds to be considered for approval by the City Commission at its meeting on August 11th. The Sewer Bonds and the Water Bonds are to be sold through the Michigan Finance Authority's ("MFA") 4.5 Quarter Clean Water State Revolving Fund Program and Drinking Water State Revolving Fund Program, respectively, scheduled to close on September 20th.

Sewer Bonds

The Sewer Bond Ordinance authorizes the issuance of the Bonds in an amount not to exceed $6,640,000 for the sewer projects although the current estimated sizing is around $6,035,000. The Ordinance provides flexibility for the actual size of the Bond issue to be reduced prior to closing based on the actual construction bids and final approved costs. In addition, the City will receive principal forgiveness for this project which will reduce the amount that needs to be paid back to the MFA.

The Sewer Bond Ordinance authorizes the issuance of the Series 2022 Bonds, which are payable from the Net Revenues of the City's Sanitary Sewer System. The Bonds are expected to be sold to the MFA and payable in 20 annual principal installments at an interest rate of 1.875%.

The Bonds are being issued as junior lien bonds which are of equal standing with the Series 2019 Bonds and Series 2020 Bonds previously issued through the SRF for sewer improvements.

Water Bonds

The Water Bond Ordinance authorizes the issuance of the Bonds in an amount not to exceed $8,880,000 for the water projects in two separate series. The Series 2022A Bond is for the Water Main Replacement project in an amount not to exceed $5,320,000, although the current estimated sizing is around $4,836,000. The Series 2022B Bond is for the Lead Service Line Replacement project in an amount not to exceed $3,560,000, although the current estimated sizing is around $3,240,000. Again, the Ordinance provides flexibility for the actual size of the Bond issue to be reduced prior to closing based on the actual construction bids and final approved costs. In addition, the City will receive principal forgiveness for these projects which will reduce the amount that needs to be paid back to the MFA. The Series 2022B Bonds for Lead Service Line Replacements are mostly funded by the Water Infrastructure Fund Transfer Act (aka Booker Grant funds) and $3,000,000 will be forgiven after disbursement so there will be repayment of only about $240,000 of principal on that loan.

The Water Bond Ordinance authorizes the issuance of the Series 2022 Bonds, which are payable from the Net Revenues of the City's Water Supply System. The Bonds are expected to be sold to the MFA and payable in 20 annual principal installments at an interest rate of 1.875%. The Bonds are being issued as junior lien bonds which are of equal standing with the Series 2004 Bonds, Series 2019 Bonds and Series 2020 Bonds previously issued through the DWRF for water improvements.

Both Water and Sewer Bonds

Both Ordinances also authorize various City officials to take the necessary actions to execute and deliver the Bonds and all related documents, approve the final size of the Bonds and contains the necessary items required by the Revenue Bond Act, Act 94 of 1933.

Pursuant to the Revenue Bond Act, the Ordinances may be adopted in one reading, regardless of any contrary provision in the City's ordinance adoption procedures. Each Ordinance is required to be published once in full in your local newspaper (*Muskegon Chronicle*) after its adoption. There are no restrictions or requirements on the size of the publication, so it can be as small as possible. Upon adoption by the City Commission, we would appreciate receiving three (3) certified copies of the Ordinance and three (3) Affidavits of Publication of the Ordinance for bond transcripts.

The Part III application with the construction bids and tentative contract approval is due on August 17th. There will be a conference call with MFA, EGLE and City officials on August 23/24 which we will participate in, to make final arrangements relating to the Bond terms. At that time, the final bond sizes will be determined, and we will prepare the necessary documents to be signed

by various City officials after that date regarding the sale and delivery of the Bonds. The EGLE Order of Approval is expected to be issued on August 29th. The closing for the Bonds will be September 20th and the City can begin requesting draws on the Bonds after that date.

If you or anyone copied have any questions, please do not hesitate to contact me.

Very truly yours,

MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.

By: _____
Patrick F. McGow

Enclosure
cc: LeighAnn Mikesell
Leo Evans
Barbara Marczak
Warren Creamer

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