CITY OF MUSKEGON

CITY COMMISSION MEETING

JULY 27, 2010

CITY COMMISSION CHAMBERS @ 5:30 P.M.

AGENDA

- **CALL TO ORDER:**
- **PRAYER:**
- **PLEDGE OF ALLEGIANCE:**
- **ROLL CALL:**
- **HONORS AND AWARDS:**
  - A. **Presentation of Sign – Rev. George M. Bennett Blvd.**
- **INTRODUCTIONS/PRESENTATION:**
- **CONSENT AGENDA:**
  - A. **Approval of Minutes.** CITY CLERK
  - B. **City of Muskegon Operations Management Contract: Smith Ryerson Community Center, Pastor Gregory M. Kirksey Picnic Shelter and Smith Ryerson Park Grounds.** PLANNING & ECONOMIC DEVELOPMENT
  - C. **Rezoning Request for a Portion of the Property Located at 721 E. Laketon Avenue.** PLANNING & ECONOMIC DEVELOPMENT
  - D. **CDARS Investment Alternative.** FINANCE
  - E. **Liquor License Request for Harbour Towne Yacht Club, 3425 Fulton Street.** CITY CLERK
  - F. **Resolution Revoking the IFT Certificate for Northern Machine Tool.** PLANNING & ECONOMIC DEVELOPMENT
  - G. **Approval of Contractor for Construction of House at 1543 Hoyt.** COMMUNITY & NEIGHBORHOOD SERVICES
  - H. **Farmers Market ADA Restroom Renovations.** PUBLIC WORKS
- **PUBLIC HEARINGS:**
  - A. **Request for an Industrial Facilities Exemption Certificate – AFI Machining.** PLANNING & ECONOMIC DEVELOPMENT
- **COMMUNICATIONS:**

- **CITY MANAGER'S REPORT:**
- **UNFINISHED BUSINESS:**
- **NEW BUSINESS:**

  A. **Ice Mountain Grant – Ryerson Creek Culvert Replacement.** PLANNING & ECONOMIC DEVELOPMENT

  B. **Building Healthy Communities Grant – Lighting in Clara Shepherd Park.** PLANNING & ECONOMIC DEVELOPMENT

  C. **Approval of Contractor for Lead Abatement and Rehabilitation of CNS Homes.** COMMUNITY & NEIGHBORHOOD SERVICES

  D. **City Charter Amendments – Tax Levy.** CITY MANAGER

- **ANY OTHER BUSINESS:**
- **PUBLIC PARTICIPATION:**

- ***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 Becker, City Clerk, 933 Terrace Street, Muskegon, MI 49440 or by calling (231) 724-6705 or TDD: (231) 724-4172.

Date: July 27, 2010

To: Honorable Mayor and City Commissioners

From: Ann Marie Becker, City Clerk

RE: Approval of Minutes

SUMMARY OF REQUEST: To approve minutes for the July 12th Commission Worksession Meeting and the July 13th City Commission Meeting.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the minutes.

City of Muskegon
City Commission Worksession
July 12, 2010
City Commission Chambers
5:30 PM

MINUTES

2010-60
Present: Commissioners Warmington, Gawron, Carter, Spataro, Wierengo, Shepherd, and Wisneski.
Absent: None.

Liability Claim: Theresa Lopez.
Moved by Commissioner Carter, seconded by Commissioner Wierengo to approve the liability claim for Theresa Lopez in the amount of $25,000 as recommended by the Michigan Risk Management Authority.

ROLL CALL VOTE:

Ayes: Wierengo, Wisneski, Carter, Gawron, Shepherd, Spataro, and Warmington.
Nays: None.

MOTION PASSES.

Commemorative Street naming of First Street between Muskegon and Webster.
Moved by Commissioner Shepherd, seconded by Commissioner Carter to authorize staff to prepare two signs and install one at the intersection of First and Muskegon and present the other sign to the surviving family member of Reverend George M. Bennett.

ROLL CALL VOTE:

Ayes: Wisneski, Carter, Gawron, Shepherd, Spataro, Warmington and Wierengo.
Nays: None.

MOTION PASSES.

Request for Contribution from the Muskegon Area Chamber of Commerce – Community Service Improvement Plan Feasibility Study.
Moved by Commissioner Carter, seconded by Commissioner Wierengo to contribute $1,000 for a Community Service Improvement Plan Feasibility Study.

ROLL CALL VOTE:

Ayes: Carter, Gawron, Shepherd, Spataro, Warmington, Wierengo, and Wisneski.
Nays: None.

MOTION PASSES.

<u>De-energizing 37 Streetlights and Installing Four New Ones</u>
Moved by Commissioner Spataro, supported by Commissioner Gawron to authorize staff to enter into an agreement with Consumer Energy to de-energize 37 City owned streetlights along Moses J. Jones Parkway and install 4 new cobra headlights at the intersection of Bayou and Marquette as outlined in the agreement.

ROLL CALL VOTE:

Ayes: Gawron, Shepherd, Spataro, Warmington, Wierengo, Wisneski, and Carter.
Nays: None.

MOTION PASSES.

<u>Proposal to Reduce Streetlight Expense.</u>
Discussion took place on how to reduce lighting costs. Two options presented are:

1. Removal of unnecessary midblock streetlights on both major and local streets.
2. Turn off power to unnecessary midblock streetlights on both major and local streets.

A proposal will be given at a future City Commission meeting.

<u>Towing Contract.</u>
The existing towing contract has been extended 60 days. Public Safety Director, Tony Kleibecker, discussed the bid with Commissioners.

<u>Any Other Business.</u>
Commissioner Spataro stated there are some turn lanes in the downtown area that are not being used correctly.

Mohammad Al-Shatel, Department of Public Works Director, indicated there is a plan in place to remedy the situation.

Pat Montney, 925 Irwin, requested some time with the City Commission to discuss how the City will handle HUD programs.

Janessa Smitt, Chamber of Commerce, thanked the Mayor and Commission for supporting the Community Service Improvement Plan Feasibility Study.

<u>Adjournment.</u>
Motion by Commissioner Carter, seconded by Commissioner Shepherd to adjourn at 6:45 p.m.

MOTION PASSES

Ann Marie Becker, MMC
City Clerk

CITY OF MUSKEGON

CITY COMMISSION MEETING

JULY 13, 2010

CITY COMMISSION CHAMBERS @ 5:30 P.M.

MINUTES

The Regular Commission Meeting of the City of Muskegon was held at City Hall, 933 Terrace Street, Muskegon, Michigan at 5:30 p.m., Tuesday, July 13, 2010.

Mayor Warmington opened the meeting with a prayer from Elder George Monroe from the Evanston Avenue Baptist Church after which the Commission and public recited the Pledge of Allegiance to the Flag.

ROLL CALL FOR THE REGULAR COMMISSION MEETING:

Present: Mayor Stephen Warmington, Vice Mayor Stephen Gawron, Commissioners Sue Wierengo, Steve Wisneski, Chris Carter, Clara Shepherd, and Lawrence Spataro, City Manager Bryon Mazade, City Attorney John Schrier, and City Clerk Ann Marie Becker.

2010-61 CONSENT AGENDA:

A. Approval of Minutes. CITY CLERK

SUMMARY OF REQUEST: To approve minutes for the June 7th Commission Worksession Meeting and the June 22nd City Commission Meeting.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the minutes.

B. City-MDOT Agreement for the Reconstruction of: Laketon Avenue from 250' East of Barclay to Beidler and 250' of Henry Street South of Laketon. ENGINEERING

SUMMARY OF REQUEST: Approve the contract with MDOT for the reconstruction of Laketon Avenue between Barclay and Beidler and Henry Street south of Laketon and approve the resolution authorizing the Mayor and City Clerk to sign the contract.

FINANCIAL IMPACT: MDOT's participation is limited to the federal funds of $688,900 (81% of eligible cost). The estimated total construction cost is $951,600.

BUDGET ACTION REQUIRED: None at this time.

STAFF RECOMMENDATION: Approve the contract and resolution authorizing the Mayor and Clerk to sign both.

C. **De-energizing 37 Street Lights and Installing Four New Ones.** ENGINEERING

SUMMARY OF REQUEST: Authorize staff to enter into an agreement with Consumers Energy to de-energize 37 City-owned street lights along Moses Jones (Muskegon Avenue and Webster Avenue) from Spring to Bayou Street and to install 4 new cobra head lights; 2 at the intersection of Bayou and 2 at the intersection of Marquette.

The cost to the City is $2,315 and anticipated savings is $638.34 per month.

FINANCIAL IMPACT: $2,315 which would be paid out of the street light budget.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To authorize staff to enter into an agreement with Consumers Energy to perform the work outlined in the summary of request and the letter from Consumers Energy.

D. **Approval of Neighborhood Stabilization Program Authorizing Resolution.** COMMUNITY & NEIGHBORHOOD SERVICES

SUMMARY OF REQUEST: To approve the authorizing resolution for an additional $1,000,000 in Neighborhood Stabilization Program (NSP) funds and instruct the Community and Neighborhood Services department to submit the resolution to the Michigan State Housing Development Authority (MSHDA).

The authorizing resolution is part of the application request to MSHDA for additional NSP funds.

FINANCIAL IMPACT: If the application request is approved, the CNS office will have $1,000,000 in additional NSP funds to help with community development.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve the authorizing resolution and direct the Mayor and Clerk to sign the resolution.

COMMITTEE RECOMMENDATION: The City Commission approved for CNS to apply for an additional $1,000,000 of NSP funds from MSHDA at the June 22nd Commission Meeting.

E. **Contract for Excavation of 510 White.** COMMUNITY & NEIGHBORHOOD SERVICES

SUMMARY OF REQUEST: To approve for Community and Neighborhood Services to execute a contract with Press's LLC, 8081 Holton Duck Lake Road, Holton, for the demolition of the structure located at 510 White. This activity is under the Neighborhood Stabilization Program. The bid is for $3,260, which was the lowest bid. The City received one additional Bid:

- Franklin Contractors, 961 E. Barney, Muskegon for $6,800.

FINANCIAL IMPACT: The funding will be allocated from the City's NSP Grant.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve the request.

F. Contract for Excavation of 1680 Hoyt. COMMUNITY & NEIGHBORHOOD SERVICES

SUMMARY OF REQUEST: To approve for Community and Neighborhood Services to execute a contract with Press's LLC, 8081 Holton Duck Lake Road, Holton, for the demolition of the structure located at 1680 Hoyt. This activity is under the Neighborhood Stabilization Program. The bid is for $4,385, which was the lowest bid. The City received one additional bid:

- Franklin Contractors, 961 E. Barney, Muskegon for $6,800.

FINANCIAL IMPACT: The funding will be allocated from the City's NSP Grant.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve the request.

G. Sign Sponsorship Agreement with Habitat for Humanity for Neighborhood Stabilization Program Houses COMMUNITY & NEIGHBORHOOD SERVICES

SUMMARY OF REQUEST: To approve for the Community and Neighborhood Services office to give Muskegon County Habitat for Humanity two properties at 461 Marquette and 510 White and to have Cathy Brubaker-Clarke sign into a Sponsorship Agreement with them, using Neighborhood Stabilization Program (NSP) funds to build two new homes, for a maximum of $40,000 for each home.

The CNS office has been working with Muskegon County Habitat for Humanity to join into partnership for these two NSP projects. We have purchased the properties. After demolition, we will give the properties to Habitat; they will build new homes on these properties using NSP funds and volunteers. They will then sell these homes to two families at or below 50% AMI.

FINANCIAL IMPACT: These two projects will be using NSP funds and we will meet our goal of using 25% of our funds to sell to at or below 50% AMI families. Nothing will come out of the General Fund.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval.

COMMITTEE RECOMMENDATION: The City Commission has already approved for the CNS office to apply for additional NSP funds.

H. MML Workers' Compensation Fund Board of Trustees Ballot. CITY CLERK

SUMMARY OF REQUEST: Authorization to vote for the seven incumbent Trustees to serve as Trustees of the Michigan Municipal League Workers' Compensation Fund.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval.

I. Special Event Request for Muskegon Bike Time Events Inc. (3rd Annual Event). COMMUNITY & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: Muskegon Bike Time Events Inc. has filed a special events application for the annual Bike Time festival in downtown Muskegon on July 16, 17, and 18, 2010. They have requested the waiver of some City equipment rental fees. They have also requested to use their own labor pool rather than City employees whenever possible.

FINANCIAL IMPACT: Request that equipment rental fees be waived. In exchange, Bike Time will provide a pre-negotiated amount of beverage tent wristbands. The exchange will be coordinated with the City Manager.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: It is recommended that staff be allowed to make the final decision regarding rental fees, actual costs, and/or exchange of concert tickets, to be coordinated through the City Manager. In addition, staff recommends that if Bike Time picks up items such as picnic tables, bleachers, and trash cans for distribution at the proper locations, there will be no charge to Bike Time. This must first be approved by City staff.

It is also recommended that City staff review staffing levels for City personnel with the Bike Time staff, with the City making the final decision on the number of City staff needed for the event. These recommendations follow what was done for the 2009 event.

COMMITTEE RECOMMENDATION: None. This item was not presented to the Leisure Services Board, as that board was dissolved prior to the submission of this special event application.

J. Viridian Drive Extension: Agreement for the Donative Conveyance of Real Property Between the City of Muskegon and Viridian Properties, LLC, Agreement for the Donative Conveyance of Real Property Between the City of Muskegon and Parkland Acquisitions, LLC; Amendment. PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: These documents were approved at the June 22, 2010 Commission Meeting. Since that time, the property owners have requested that

#6b be removed from the "Donative Conveyance" documents. This item pertains to land division issues, which GVSU and the City of Muskegon will be responsible for.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve the amendment to the two "Donative Conveyance" Agreements between the City and Viridian Properties, LLC and the City and Parkland Acquisition, LLC and authorize the Mayor and Clerk to sign the Agreements, as well as any other necessary documents (as outlined in the Agreement) to complete the project.

K. Liquor License Request for 435 & 441 W. Western Avenue. CITY CLERK

SUMMARY OF REQUEST: The Liquor Control Commission is seeking local recommendation on a request from Dave's House, LLC (DBA – Club Envy) for a New Outdoor Service (1 Area) to be held in conjunction with 2010 Class C-SDM Licensed Business with Dance-Entertainment Permit located at 435 & 441 W. Western Avenue, Muskegon, MI 49440, and a New Additional Bar Permit.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval contingent upon payment of the $25 fee.

L. Community Relations Committee Appointments. CITY CLERK

SUMMARY OF REQUEST: To accept the recommendations from the Community Relations Committee made at the meeting held on July 12, 2010 as follows:

Appointments of Clayton Hardiman to the District Library Board and Dave Wendtland to the Civil Service Commission.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To concur with the Community Relations Committee recommendations.

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

ROLL VOTE: Ayes: Carter, Gawron, Shepherd, Spataro, Warmington, Wierengo, and Wisneski

Nays: None

MOTION PASSES

2010-62 NEW BUSINESS:

A. **Request for Preliminary and Final Planned Unit Development Approval for 1144 3rd Street.** PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: Request for preliminary and final Planned Unit Development approval for 1144 3rd Street for a mixed-use commercial, retail and residential development.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Staff recommends preliminary approval of the PUD and final approval of the PUD contingent upon conditions listed in the staff report.

COMMITTEE RECOMMENDATION: At their June 10th meeting, the Planning Commission recommended preliminary approval of the PUD and final approval of the PUD along with the conditions listed in the staff report.

Motion by Commissioner Spataro, second by Commissioner Shepherd to approve the PUD for 1144 3rd Street.

ROLL VOTE: Ayes: Gawron, Shepherd, Spataro, Warmington, Wierengo, Wisneski, and Carter

Nays: None

MOTION PASSES

City Clerk Ann Marie Becker introduced Kati Houseman who is working in the City Clerk's office this summer.

ADJOURNMENT: The City Commission Meeting adjourned at 5:40 p.m.

Respectfully submitted,

Ann Marie Becker, MMC
City Clerk

Commission Meeting Date: July 27, 2010

Date: July 16, 2010

To: Honorable Mayor & City Commission

From: Planning & Economic Development Department

RE: City Of Muskegon Operations Management Contract: Smith Ryerson Community Center, Pastor Gregory M. Kirksey Picnic Shelter And Smith Ryerson Park Grounds

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SUMMARY OF REQUEST: The Muskegon Recreational Center (MRC), Inc. has been managing the Smith Ryerson Community Center since July 2006. The management has been successful, with many area youth (as well as others in the community) being served. As the current Contract between MRC and the City concluded July 1, 2010, it is recommended that a new two-year contract be approved. The new Contract also includes maintenance and operation of the newly constructed picnic shelter and maintenance of the park grounds. MRC will also begin contributing 25% of their revenue towards utility costs.

FINANCIAL IMPACT: The Contract specifies that the Manager will receive its management fee through the revenue generated at the Center.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve the attached Contract and authorize the Director of Community & Economic Development and the City Clerk signatures.

COMMITTEE RECOMMENDATION: None.

CITY OF MUSKEGON
OPERATIONS MANAGEMENT CONTRACT
SMITH RYERSON COMMUNITY CENTER, PASTOR GREGORY M. KIRKSEY
PICNIC SHELTER AND SMITH RYERSON PARK GROUNDS

This is a Contract, effective July 1, 2010, for the management of the entire operations, management and promotion of the Smith Ryerson Community Center ("Center"), Pastor Gregory M. Kirksey Picnic Shelter ("Shelter") and Smith Ryerson Park ("Park") grounds, made between the **City of Muskegon**, a Michigan municipal corporation, of 933 Terrace Street, Muskegon, Michigan 49440 ("City") and **Muskegon Recreational Center, Inc.**, a Michigan non-profit corporation, of 4564 Manchester Lane, Twin Lake, Michigan, 49457 ("Manager").

Background

The City is the owner of the Center, the Shelter and Park grounds, located at 500 Wood Street, Muskegon, Michigan, 49442. The Manager has provided the City with a proposal for its services to manage the Center, the Shelter and Park grounds. In the event of any conflict, this Contract prevails over any terms in the proposal. The proposal is attached as **Exhibit A** and is incorporated except as limited by this Contract.

Therefore, the parties agree as follows:

1. **Management; Operation; Maintenance; Improvements.** The Manager agrees to perform all acts and assume all responsibilities for the management, operation, maintenance and improvements of the Center, as well as the Shelter on site. The Manager's responsibilities include, but are not limited to, all operation of the buildings and their systems, complete maintenance thereof, repairs, cleaning, snow removal, and improvements to the buildings and the premises necessary for the efficient, timely and full operation thereof. In addition, the Manager shall be responsible for Shelter reservations, maintenance of the park restrooms, providing toilet paper and restroom supplies, trash removal from trash cans in the park to the dumpster, mowing and trimming the entire Smith Ryerson Park, providing trash bags and graffiti removal within five (5) days from when it appears on all surfaces in the Park, with the exception of cement and/or asphalt services. If graffiti appears on cement or asphalt services, the Manager shall notify the City and the City will remove the graffiti. The Manager's responsibility shall further include the retaining and hiring of all personnel or, if approved by the City, independent contractors, for the purpose of carrying out all the responsibilities and functions of the Manager. The Manager may make improvements to the facilities, upon written approval from the City. If improvements are made, they must meet The Americans With Disabilities (ADA) Act. Also, all Michigan Occupational Safety and Health Administration (MIOSHA) rules must be adhered to. The City is responsible for repair and improvements to the Park grounds and facilities not related to the Center and the Shelter.

2. **Expenses.** The Manager shall pay on a timely basis, without incurring any cost of default or penalties, all expenses, payroll, payroll taxes, benefits, taxes, if any, and costs of any kind necessary or related to the complete performance of its responsibilities as Manager. The Manager shall pay 25% of the revenue derived from facility rentals (including the Center and the Shelter) toward utility costs. The City will pay the remainder of the utility costs.

3. **Manager; Agency Status.** The Manager shall carry on the responsibilities set forth above, and all incidental or related performances, functions or acts, and shall pay all the said expenses and costs, all on behalf of the City.

4. **Level of Performance; Standards; Prices.** The Manager's performance and assumption of the responsibilities undertaken by this Contract shall be carried out and performed to the satisfaction of the City, in its sole judgment and discretion. The Manager shall charge reasonable prices and fees for all paid events and from all paid users, concessionaires and others, which shall be reviewed and adjusted by the City at its option. In the case of the Shelter, the Manager shall charge the same fees and use the same general rules as those used by the City for the other City park picnic shelters and individual picnic table rentals.

5. **Participants** It is the intent of the City that the Center be used for programs involving the youth of the City of Muskegon. The Manager shall keep a log of all participants using the Center, their age group and their residence, and submit that report on a quarterly basis to the City's Director of Community & Economic Development. Use of the park and general use of the facilities is available free of charge to the public. Reservations of facilities will entail a fee. Port City Football will be allowed to use the Park at no charge, in order to conduct practices and hold games.

6. **City of Muskegon Recreation Programming**. The City will be allowed to use the facility for summer programming during the week (Monday- Friday), if needed, at no charge. The City will notify the Manager if usage is required. City staff will coordinate with the Manager to ensure the building is maintained and in order for weekend rentals.

Quarterly Reports. The Manager shall provide City with quarterly reports detailing all income and expenditures. Manager shall also provide the City with a copy of the participant log for the Center on a quarterly basis.

Management Fee. For its management and maintenance services, the Manager shall be entitled to keep seventy-five percent (75%) of any and all revenue generated at the Center and Shelter as a management fee. The said management fee shall be the sole compensation to the Manager, and Manager shall pay all the expenses contemplated by this Contract without further payments from the City.

Records; Audit of Financial Information. The Manager shall afford the City at reasonable times every opportunity to examine its financial records, books, bank accounts, evidence of receipts and expenses, invoices, any computer records, and any other information deemed appropriate by the City in order to verify the receipts, uses and payment of funds by the Manager under this Contract. For said purpose the Manager shall provide the City with all necessary means to access any computer records, programs, systems, databases or other information. Copies of any information required by the City, whether on paper or by computer media, as requested by the City, shall be afforded the City immediately upon its request.

10. **Possession; Termination**. The parties agree that possession during the term of this management contract remains with the City. The Manager shall act as an agent of the City, and its presence and possession in the Center is carried on entirely on behalf of the City. This Contract shall not be construed as a lease or to give Manager any property right whatsoever in the Center for any purpose. In the event of lawful termination either before the term of this Contract or at the end thereof, Manager shall vacate the premises without any notice or necessity of judicial proceedings.

11. **Property; Termination**. All portable property purchased by the Manager or donated to the Manager shall be retained by the Manager when this Agreement terminates, with the exception that any property left on the premises fourteen (14) days after termination shall be deemed to be the property of the City. All property owned by the City and used by the Manager shall remain the property of the City.

12. **Condition of the Premises and Property**. On termination the Manager shall deliver all the property and the premises to the Manager in good and useable condition, except for the effects of ordinary wear and tear. Manager shall be immediately responsible for any repairs necessary to restore any property, whether real or personal, fixtures or otherwise, to the said condition.

13. **Term**. The term of this Contract shall be two (2) years from the effective date, provided that either party may terminate this Contract without cause, effective upon 60 days written notice to the other party.

14. **Insurance**. The Manager shall obtain insurances required by the City in at least the coverage amounts set forth below. In all the following coverages except workers' compensation insurance, the City shall be named as additional insured or loss payee, and each policy shall carry the commitment by the company that no cancellation shall be effective against the City without thirty (30) days written notice to the City:

> 14.1 <u>Comprehensive general liability insurance</u>. The Manager shall obtain a comprehensive liability insurance policy through a company licensed to do business in Michigan and acceptable to the City, carrying limits of at least $3,000,000, single limit.
>
> 14.2 <u>Workers' compensation insurance</u>. The Manager shall carry workers' compensation insurance in the amounts required by state law.
>
> 14.3 <u>Other insurances</u>. Any insurances which are available and which are especially appropriate for the operation of the Center, such as coverages involving professional or amateur boxing and the like, covering liability and the cost of injuries to persons and property shall be obtained by the Manager, with liability coverages carrying at least a single limit of $1,000,000.

15. **Insurance Notices**. Cancellation Notice: Workers' Compensation Insurance and Commercial General Liability Insurance, as described above, shall include an endorsement stating the following: "It is understood and agreed that, in order to be effective, thirty (30) days' Advance Written Notice of Cancellation, Non-Renewal, Reduction and/or Material Change shall be sent to:

City of Muskegon
Attn: City Manager
933 Terrace Street
P.O. Box 536
Muskegon, MI 49443-0536

16. **Assignment**. The Manager may not assign this Contract. Any attempted assignment or change in entity of the Manager shall constitute a violation of this Contract and cause immediate termination in the City's discretion.

17. **Hold Harmless and Indemnity.** To the fullest extent permitted by law, Manager agrees to defend, pay in behalf of, indemnify, and hold harmless the City, its elected and appointed officials, employees and volunteers and others working in behalf of it against any and all claims, demands, suits, or loss, including all costs connected therewith, and for any damages which may be asserted, claimed or recovered against or from the City, its elected and appointed officials, employees, volunteers or others working in behalf of it, by reason of personal injury, including bodily injury and death and/or property

damage, including loss of use thereof, which arises out of or is in any way connected or associated with this Contract.

18. **Duties of the City.**

18.1 Lawn Mowing; Supplies. The City shall provide the Center with lawn mowing equipment and dumpster/s.

18.2 Utilities. Interruption of utility service shall not result in any damages or claim against the City. Manager covenants that it will not unnecessarily use the gas, utility, and water utilities at the Center. If City determines, in its sole discretion, that Manager is using the utilities in a wasteful manner, City shall have the right to charge the Manager for the excess utility costs.

18.3 Concession Stand. The City will be responsible for maintenance and repair of the concession stand, as well as concession stand rentals.

19. **General Provisions.**

19.1 Independent Contractor. The Manager is an independent contractor and not an employee of the City. Manager is responsible for all its own personnel and all other expenses and costs as set forth in this Contract and shall not have recourse to the City for any claims involving the said expenses or costs.

19.2 Corporate Status. Manager warrants that it is a Michigan non-profit corporation in good standing and is authorized to perform this Contract.

19.3 Equal Employment Opportunity; Discrimination. The Manager shall not discriminate unlawfully against any person in violation of any law or rule of the City, the County, the State of Michigan or the federal government, in employment, services or any other respect. The Manager shall comply in each and every way with the City of Muskegon's affirmative action plans or policies, and shall never discriminate against any person based on race or any other protected status under the laws of the State or the United States.

20. **Defaults.** Violation of any of the provisions of this Contract by the Manager, and failure to remedy or cure such violation within thirty (30) days after written notice of such violation from the City, shall constitute default by the Manager and constitute cause for immediate termination of this Contract:

21. **Non-Waiver.** Failure to enforce any remedy for a breach or a violation of this Contract shall not constitute waiver of subsequent breaches or violations.

22. **Remedies of the Manager.** In the event the City breaches this Contract in any way, or the Manager determines that a breach or failure to observe any covenant or condition by the City has occurred, the Manager's sole remedy shall be termination of this Contract. The Manager shall not be entitled to any damages for breach of contract, or to any injunctive relief to enforce this Contract. In the event there are sums legally due to the Manager at the time of such termination they shall be paid forthwith, but no consequential damage or damages for breach shall be awarded or available to the Manager.

23. **Liens.** The Manager shall be responsible for protecting the Center from any and all liens, mortgages, security interests or claims for any interest in any property.

24. **Counterparts.** This Contract may be executed in counterparts, and each set of duly delivered identical counterparts that includes all signatories shall be deemed to be one original document.

25. **Governing Law.** This Contract shall be construed and enforced in accordance with the laws of the State of Michigan applicable to contracts made and to be performed within the State of Michigan.

26. **No Third Party Beneficiary.** This Contract shall benefit only the parties to this Contract, and not any third party.

27. **Notices.** All notices, approvals, consents and other communications required under this Contract shall be in writing and, except when receipt is required to start the running of a period of time, shall be deemed given: (i) when delivered in person; (ii) when sent by telephone facsimile or e–mail, (the sender shall also mail or send a "hard copy" following the facsimile or e-mail, however, the notice shall be effective upon the transmission of the facsimile or e-mail); (iii) one (1) day after depositing in the custody of a nationally-recognized receipted overnight delivery service with delivery fees prepaid; or, (iv) two (2) days after posting in the United States Mail, first-class. Notices shall be sent to the parties at their address stated above.

MUSKEGON RECREATIONAL CENTER, INC.

By: ____

Matt Kolkema, President

Dated:______________ ___, 2010

CITY OF MUSKEGON

By:____

Cathy Brubaker-Clarke, Director of Community & Economic Development

Dated: ______________ ___, 2010

By:____

Ann Marie Becker, City Clerk

Dated: _______________ ___, 2010

Date: **July 20, 2010**

To: **Honorable Mayor and City Commissioners**

From: **Planning & Economic Development** CBC

RE: **Rezoning request for a portion of the property located at 721 E Laketon Ave**

SUMMARY OF REQUEST:

Request to rezone a portion of the property at 721 E Laketon Ave from R-1, Single Family Residential district to B-4, General Business district, by Micheal David. This would make the entire parcel zoned B-4, General Business District.

FINANCIAL IMPACT:

None

BUDGET ACTION REQUIRED:

None

STAFF RECOMMENDATION:

Staff recommends approval of the rezoning.

COMMITTEE RECOMMENDATION:

The Planning Commission recommended approval of the request at their 7/15 meeting.

CITY OF MUSKEGON

MUSKEGON COUNTY, MICHIGAN

ORDINANCE NO.________

An ordinance to amend the zoning map of the City to provide for a zone change for a portion of a property from R-1, Single Family Residential District to B-4, General Business District.

THE CITY COMMISSION OF THE CITY OF MUSKEGON HEREBY ORDAINS:

The zoning map of the City of Muskegon is hereby amended to change the zoning for a portion of the following described property from R-1, Single Family Residential District to B-4 General Business District:

CITY OF MUSKEGON NAY ADD BEING A SUB DIV OF LOT 8 R P EASTONS SUB DIV LOTS 1-6 INCL & N 120 FT OF N/S VAC ALLEY ADJ LOTS 3 & 4 SD ADD EXC TH'FROM THAT PRT DESC AS COM @ A POINT ON N LN SD LOT 2 71.32 FT WLY OF NE COR SD LOT 3 TH E TO NE COR SD LOT 6 TH S 7.82 FT TH NWLY TO POB ALSO LOT 30 & N 1/2 LOT 29 NAY ADD

.

This ordinance adopted:

Ayes:____

Nayes:____

Adoption Date:_____________________________

Effective Date:_____________________________

First Reading:_____________________________

Second Reading:____________________________

CITY OF MUSKEGON

By: ____________________________

Ann Marie Becker, MMC
City Clerk

CERTIFICATE (Rezoning of a portion of 721 E Laketon Ave from R-1 to B-4)

The undersigned, being the duly qualified clerk of the City of Muskegon, Muskegon County, Michigan, does hereby certify that the foregoing is a true and complete copy of an ordinance adopted by the City Commission of the City of Muskegon, at a regular meeting of the City Commission on the 27th day of July, 2010, at which meeting a quorum was present and remained throughout, and that the original of said ordinance is on file in the records of the City of Muskegon. I further certify that the meeting was conducted and public notice was given pursuant to and in full compliance with the Michigan Zoning Enabling Act, Public Acts of Michigan No. 33 of 2008, and that minutes were kept and will be or have been made available as required thereby.

DATED: ____________________, 2010. ______________________________

Ann Marie Becker, MMC
Clerk, City of Muskegon

Publish: Notice of Adoption to be published once within ten (10) days of final adoption.

CITY OF MUSKEGON
NOTICE OF ADOPTION

Please take notice that on July 27, 2010, the City Commission of the City of Muskegon adopted an ordinance amending the zoning map to provide for the change of zoning for a portion of the property from to R-1, "Single Family Residential District" to B-4 "General Business District":

CITY OF MUSKEGON NAY ADD BEING A SUB DIV OF LOT 8 R P EASTONS SUB DIV LOTS 1-6 INCL & N 120 FT OF N/S VAC ALLEY ADJ LOTS 3 & 4 SD ADD EXC TH'FROM THAT PRT DESC AS COM @ A POINT ON N LN SD LOT 2 71.32 FT WLY OF NE COR SD LOT 3 TH E TO NE COR SD LOT 6 TH S 7.82 FT TH NWLY TO POB ALSO LOT 30 & N 1/2 LOT 29 NAY ADD

Copies of the ordinance may be viewed and purchased at reasonable cost at the Office of the City Clerk in the City Hall, 933 Terrace Street, Muskegon, Michigan, during regular business hours.

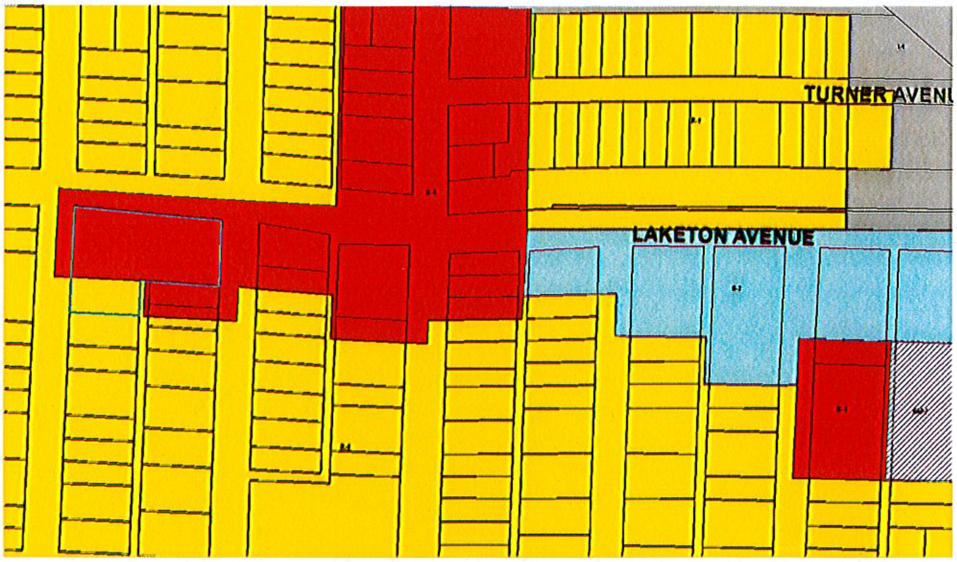
This ordinance amendment is effective ten days from the date of this publication.

Published ____________________, 2010 CITY OF MUSKEGON

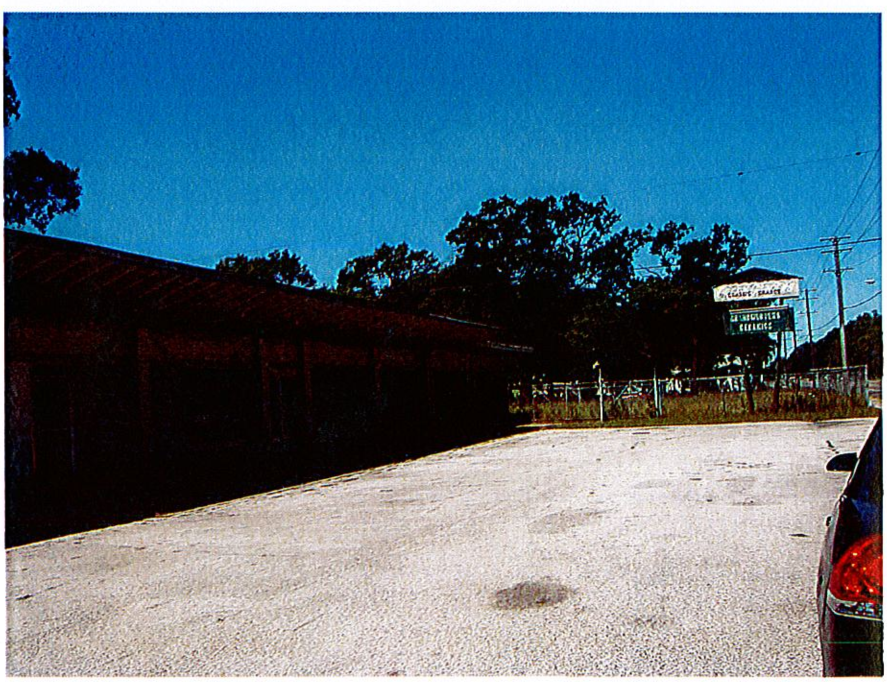
By ___________________________
Ann Marie Becker, MMC
City Clerk

PUBLISH ONCE WITHIN TEN (10) DAYS OF FINAL PASSAGE.

Account No. 101-80400-5354


TURNER AVENUE
LAKETON AVENUE


CERAMICS



Date: March 9, 2010

To: Honorable Mayor and City Commissioners

From: Finance Director

RE: CDARS Investment Alternative

SUMMARY OF REQUEST: With interest rates at historic low levels, it is getting quite difficult to find safe, short-term investments that produce an appreciable yield for idle city cash. Bank CD's are one option, but investments over $250,000 are not covered by FDIC insurance. CDARS is a program that allows institutional investors to invest larger amounts through one bank and receive FDIC insurance on the full amount. The program works by breaking larger dollar investments into smaller insurable pieces that are invested throughout the CDARS network (see attached). State investment laws were amended in 2009 to permit governments to utilize CDARS.

Financial institutions participating in CDARS are mostly community banks. Our local community banks have participated in CDARS but are not aggressively seeking CDARS deposits at this time. The most aggressive CDARS bank in Michigan is Flagstar bank (Troy, MI).

FINANCIAL IMPACT: The CDARS program offers a safe, insured option to enhance interest earnings on City funds.

BUDGET ACTION REQUIRED: None at this time.

STAFF RECOMMENDATION: Authorize staff to execute documents necessary for the City to participate in the CDARS program. The City attorney has reviewed the documents for compliance with state law.

COMMITTEE RECOMMENDATION: None.

CDARS. One Relationship One Rate One Statement

How CDARS® Works

Everything is handled through a CDARS® Network member of your choice. Financial institutions that can offer CDARS are members of a unique network. When you place a large deposit with a CDARS Network member, that institution uses the CDARS service to place your funds into CDs issued by other members of the CDARS Network. This occurs in increments below the standard FDIC insurance maximum so that both principal and interest are eligible for FDIC insurance. By working directly with just one institution, you can receive insurance coverage from many. And, you receive just one regular consolidated account statement.

When you're ready to take advantage of CDARS, here's what happens:

1 You sign a CDARS Deposit Placement Agreement and invest money with a member of the CDARS Network (a relationship institution).

2 Your funds are placed using the CDARS service.

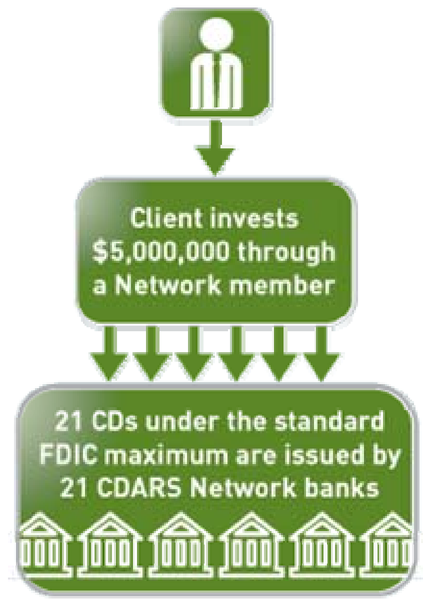
3 Your CDs are issued by other members in the CDARS Network.

4 You receive confirmation of your CDs from your relationship institution.

5 You receive consolidated interest payments and statements through your relationship institution.

For more information, watch the video How CDARS Works.

For general information, please check our FAQ page.



For more information, watch the video How CDARS Works.

Limits apply. The standard FDIC insurance coverage amount is $250,000 per insured capacity per bank through December 31, 2013. Thereafter, the standard FDIC coverage amount will revert to $100,000 unless Congress further extends the higher coverage amount. Accordingly, for CDs that mature on or before December 31, 2013, customer funds will be allocated to banks that are members of the Promontory Network in amounts up to $250,000, and for CDs that mature after December 31, 2013, customer funds will be allocated in amounts up to $100,000.

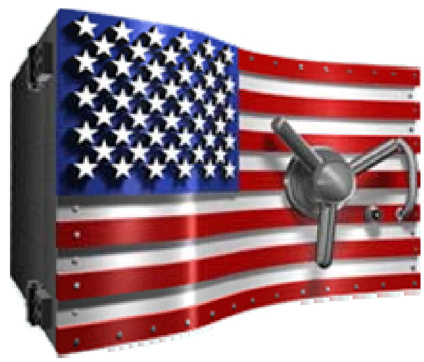
The CDARS service has been designed to satisfy the FDIC's requirements for pass-through deposit insurance coverage.

If you are subject to restrictions with respect to the placement of funds in depository institutions, it is your responsibility to determine whether the placement of your funds through CDARS satisfies those restrictions.

When funds are exchanged on a dollar-for-dollar basis with other banks in the Network, a CDARS Network member can use the full amount of a deposit placed through CDARS for local lending, satisfying some depositors' local investment goals/mandates. Alternatively, with your consent, the member institution may choose to receive fee income instead of deposits from other Network members. Under these circumstances, deposited funds would not be available for local lending.

One Relationship
One Rate
One Statement

CDARS® for Public Funds



Through the CDARS® service, your government entity can have easy access to multi-million-dollar FDIC insurance on its CD investments.

One Bank. Public-fund investors like you can access multi-million-dollar FDIC insurance coverage by working directly with just one bank – one you know and trust.

One Rate. Investors negotiate one rate for each CD maturity and enjoy the option of reinvesting funds through a simple process.

One Statement. Investors receive one easy-to-read statement summarizing all of their CD holdings.

By providing access to FDIC insurance, CDARS can help your public unit comply with investment policy mandates. And with access to FDIC insurance, your organization can say “goodbye” to ongoing collateralization requirements (including tracking changing collateral values on a continuous basis). All of this means you can devote more time to other activities in support of your public unit.

Read about what people say about CDARS for public-fund investors.

Forty-five states and the District of Columbia are CDARS-enabled:
Availability of CDARS for public-fund investors by state.

CDARS received very positive reviews in a March 8 Standard and Poor’s Credit FAQ piece entitled, "What Effect Will The Certificate Of Deposit Accounts Registry Service Program Have On Fund Ratings?” In the report, Standard and Poor’s stated that, from a credit perspective, it deems CDs issued through CDARS to be “AAA/A-1+” equivalent. Excerpts from the report are available at Crane Data.

Limits apply. If a depositor is subject to restrictions with respect to the placement of funds in depository institutions, it is the responsibility of the depositor to determine whether the placement of the depositor's funds through CDARS or a particular CDARS transaction satisfies those restrictions. Public-fund deposits must be placed through a CDARS® Reciprocal℠ transaction to ensure that the total dollar amount is maintained by the financial institution that offers CDARS.

Funds may be submitted for placement only after a depositor has signed a CDARS Deposit Placement Agreement with a CDARS Network member. This agreement contains important information and conditions regarding the placement of funds.

CDARS is a registered service mark of Promontory Interfinancial Network, LLC.

© 2004-2010 Promontory Interfinancial Network, LLC. U.S. Patent No. 7,376,606, 7,440,914, 7,596,522, 7,603,307, and 7,640,199.

CDARS® Deposit Placement Agreement

You, the undersigned, and
Flagstar Bank, FSB
5151 Corporate Dr., Troy, MI 48098
(referred to in this agreement as "we" and "us") are entering into this agreement to set forth the terms and conditions under which we will assist you from time to time in placing your funds in time deposits with depository institutions (each an "Insured Institution") whose accounts are insured by the Federal Deposit Insurance Corporation ("FDIC"). Through an arrangement with Promontory Interfinancial Network, LLC ("Promontory"), we will endeavor to place your funds in time deposits ("CDs") issued by Insured Institutions through Promontory's Certificate of Deposit Account Registry Service®, or CDARS®, in principal amounts that, when aggregated with interest to accrue over the term of the CD, will not exceed the Standard Maximum Deposit Insurance Amount ("SMDIA") for deposits of one depositor at one Insured Institution (currently $100,000). Although certain "self-directed" retirement accounts, such as IRAs, may be eligible for coverage under a higher FDIC insurance limit (currently $250,000) for deposits of one depositor at one Insured Institution, CDs for these retirement accounts will be placed using CDARS in amounts that will not exceed the SMDIA. We will also act as your custodian with respect to your CDs pursuant to the custodial agreement that we have separately entered into with you ("Custodial Agreement"). The terms of our custodial relationship with you are set forth in the Custodial Agreement. Funds held in an account with us pending placement through CDARS or resulting from payments on CDs are subject to the SMDIA applicable to your deposits with us and therefore may not be fully insured by the FDIC.

CDARS is a proprietary process owned by Promontory that allocates orders submitted by participating financial institutions on behalf of their depositors on dates ("Order Dates") specified by Promontory. On each Order Date participating institutions submit orders requesting that Promontory allocate funds for their depositors to Insured Institutions that are willing to accept deposits through CDARS. On the "Order Allocation Date" Promontory allocates orders submitted on the Order Date.

CDARS offers different types of transactions through which we may place your funds with Insured Institutions. In a "CDARS Reciprocal℠ Transaction," we receive funds for deposit in an amount equal to the amount of your funds that we have placed using CDARS with respect to the Order Date for which your Order was submitted to Promontory, but we do not receive a fee. In a "CDARS One-Way℠ Transaction," we do not receive funds for deposit, but we receive a fee from one or more Insured Institutions that received deposits through CDARS with respect to the corresponding Order Date. Funds that we place for you through a CDARS transaction may be placed at an Insured Institution without regard to whether the Insured Institution is participating in CDARS on that Order Date through a CDARS Reciprocal Transaction or through a CDARS One-Way Transaction or otherwise. **We will place your funds through a CDARS Reciprocal Transaction unless we notify you that we will place your funds through a CDARS One-Way Transaction and you consent to our doing so. If you wish to have us place your funds only through a CDARS Reciprocal Transaction, you may check a box provided for this purpose at the end of this Agreement. If you do not check this box we will not place your funds through a CDARS One-Way Transaction without your consent.**

This agreement sets forth important information about the placement process. By signing this agreement you agree to be bound by its terms each time that you submit funds to us for placement. Please read it carefully. Some of the features of the CDs and the placement process are:

- When we place your funds, you will be issued CDs by Insured Institutions that have entered into agreements with Promontory.
- We will act as your custodian with respect to those CDs.
- The CDs issued to you by Insured Institutions will have the interest rates and annual percentage yields ("APY") you have agreed to with us.
- You will not be charged a fee in connection with CD placements.
- You may select the maturities and payment terms of your CDs from those that are available through CDARS at the time that you submit your funds for placement.
- You may designate any Insured Institution as ineligible to receive your funds.
- Early withdrawal of any CD you purchase may be available, but may be subject to substantial penalties.
- No secondary market for the CDs currently exists, but early withdrawal of any CD you purchase is available, subject to applicable penalties.

Section 1. Your Relationship With Us

(a) Agency and Custodial Relationship

We have entered into a contract with Promontory pursuant to which we will use CDARS to assist us in endeavoring to place your funds at other Insured Institutions that have also entered into contracts with Promontory. Pursuant to our contract with Promontory, we will adhere to Promontory's policies and procedures in placing your funds.

We will act as your agent in connection with the placement of your funds in CDs. As set forth above, we will place your funds through a CDARS Reciprocal Transaction unless you agree to having your funds placed through a CDARS One-Way Transaction. **Although we will act as your agent in connection with the placement of your funds, we are not acting as your investment adviser and have no obligation to advise you of alternative investments available through CDARS or otherwise. Further, we make no representations with respect to the interest rates on deposits available on an Order Date through us or through CDARS, and we may receive greater benefits when we place your funds through one type of CDARS transaction than when we do so through another type of CDARS transaction or than we would if you instructed us to make a deposit other than through a CDARS transaction.**

We will act as your custodian with respect to your CDs acquired through CDARS. We have entered into an agreement with The Bank of New York to act as our sub-custodian with respect to the CDs for which we are acting as your custodian. No physical certificates evidencing the CDs will be issued. Each CD for which we act as your custodian will be recorded on the records of the Insured Institution that issues the CD in the name of our sub-custodian, will be recorded on the records of the sub-custodian in our name, and will be recorded on our records in your name, all in a manner that will permit your CD to be FDIC insured to the same extent as if you held it directly with the Insured Institution. You will receive from us a written confirmation of the issuance of your CDs and periodic account statements that will reflect your ownership of your CDs. The confirmation of CD issuance and the account statement(s) will be the only evidence that you will receive of your ownership of the CDs. You should retain the confirmation and the account statement(s) for your records.

While we are acting as your custodian, (i) all payments with respect to the CDs by the Insured Institutions that issue the CDs will be made to us, and we will credit the funds to an account or accounts you maintain with us or disburse the funds pursuant to your instructions, and (ii) you can enforce your rights in the CDs through us. You may not transfer the CDs directly to another custodian. At your election, you may dismiss us as custodian, and your ownership of a CD may be recorded in your name on the books of the Insured Institution that issued the CD. If you choose to have the CD maintained in your name on the books of the Insured Institution that issued the CD, you will be able to enforce your rights in the CD directly against that Insured Institution.

(b) Fees

You will not pay a fee in connection with your placement of funds. If we place your funds through a CDARS Reciprocal Transaction, we will pay a fee to Promontory for using the CDARS order allocation services and certain other services. If we place your funds through a CDARS One-Way Transaction, we and Promontory will receive fees from one or more Insured Institutions receiving deposits through CDARS in respect of that Order Date. We may, in our discretion, waive some or all of our fee, and Promontory may, in its discretion, waive some or all of its fee. We and Promontory may receive different fees from different Insured Institutions in connection with the same transaction. Promontory may offer us and our employees non-cash incentives in connection with our placement of funds through CDARS.

(c) Limits on Placements

Although we, through our arrangement with Promontory, will endeavor to place your funds, on a particular Order Allocation Date Promontory may not be able to allocate orders in a way that results in the placement of some or any of your funds. The allocation process utilized by Promontory may reflect considerations of federal and state law, funding needs of Insured Institutions, economic conditions, Promontory's objectives or other factors determined by Promontory in its sole discretion.

If any of your funds cannot be placed, the unplaced funds will be returned to you. You may ask us to resubmit unplaced funds for placement through CDARS on another day on which Promontory performs its allocation service.

(d) Each CD Will Be an Obligation of the Issuer

Each CD will be a deposit obligation of the Insured Institution that issued the CD and will not be, either directly or indirectly, our obligation or an obligation of Promontory.

Your CD will not be issued until the issuing Insured Institution receives and accepts your funds.

(e) APY

If you are not a "consumer" for purposes of the Truth-in-Savings Act ("TSA"), or if our communication with you in connection with your placement of funds through CDARS is not an "advertisement" for purposes of TSA, we are not obligated to provide you with an APY on your CDs.

(f) Mutual Institution Voting and Subscription Rights

If a CD is issued to you by an Insured Institution in the mutual form of organization ("mutual institution") for funds placed for you through CDARS, you may receive through us a notice of a meeting of the depositor members of that mutual institution. Because your CD is identified on the books of the mutual institution in the name of the sub-custodian and not in your name, you will not be entitled to attend the meeting or vote by proxy. Under agreements that we have entered into with the sub-custodian that holds your CDs in its name on your behalf, the sub-custodian will forward meeting notices to us (for delivery to you) but it will not attend the meeting or vote by proxy.

It is possible that the mutual institution also may send notice of its intention to convert to a stock institution, and provide for priority, non-transferable subscription rights for depositor members of the mutual institution to purchase stock in the conversion. Because of the nature of our agreement with the sub-custodian, your CD will be identified on the books of the mutual institution in the name of the sub-custodian, and not in your name, and thus, you will not be entitled to exercise any subscription right to purchase the stock, or to vote on the conversion. The sub-custodian, which will own the subscription right, also will not purchase any stock in the conversion.

Accordingly, if you wish to receive meeting notices directly, attend meetings and vote (to convert from the mutual to stock form of ownership, form a mutual holding company or otherwise) with respect to a CD you have acquired from a mutual institution through CDARS, or wish to receive subscription rights in the event the mutual institution converts from mutual to stock form, you will have to dismiss us as custodian prior to the applicable record date (a date usually at least a year in advance from the date the mutual institution's board of directors adopts a plan of conversion) and have your ownership of the CD recorded in your name directly on the books of the mutual institution that issued the CD.

Section 2. Promontory

(a) General

Promontory is not your agent and is responsible solely to us for performing the services for which we have retained it. Promontory uses the proprietary process included in CDARS to allocate orders submitted on a specified Order Date by Insured Institutions to other Insured Institutions that are willing to accept deposits through CDARS.

On an Order Allocation Date, Promontory uses the CDARS allocation process to propose placements of funds with Insured Institutions wishing to receive funds, subject to your approval as set forth in the procedures set forth in Section 3 of this agreement ("Placement Procedures"). CDs for funds placed through CDARS will be issued to you on the business day immediately following the Order Allocation Date (the "Settlement Date"). A "business day" means any day other than a Saturday, a Sunday or a day on which banks in New York, New York are authorized or required by law or regulation to close.

In addition to the fees payable to it in connection with CDARS Reciprocal Transactions and CDARS One-Way Transactions, Promontory may realize profits or incur losses in connections with the placement of your funds at one or more Insured Insured Institutions on the terms you have selected.

(b) CDARS Reciprocal Transaction

When we notify Promontory that we wish to submit your funds for placement through a CDARS Reciprocal Transaction on an Order Date, we will agree to accept for deposit an equal or greater amount of deposits through CDARS. On the Settlement Date, CDs will be issued to you and we will accept deposits placed by other participating institutions.

Your funds may be placed at Insured Institutions that are submitting funds for placement through a CDARS Reciprocal Transaction or at Insured Institutions that have requested deposits through CDARS with respect to the same Order Date. When your funds are placed through a CDARS Reciprocal Transaction, we may make or receive payments based upon the difference between the interest rate we have agreed upon with you for your CDs and the interest rate we pay on CDs that we issue to customers of other Insured Institutions. These payments will be calculated pursuant to a formula that uses the projected volume-weighted average interest rate for deposits placed through CDARS Reciprocal Transactions on the same day your funds are placed. These payments are intended to provide us with the same interest cost on the CDs we issue to depositors of other Insured Institutions through a CDARS Reciprocal Transaction as we would have incurred had we issued the CDs directly to you.

Any payments made or received by us, or fees received by Promontory, will not change the terms we have agreed with you for your CDs.

(c) CDARS One-Way Transaction

On any Order Date, Promontory may receive commitments from Insured Institutions wishing to receive funds through a CDARS One-Way Transaction. Based on these commitments, Promontory communicates to us the maximum amount of funds that can be submitted for placement through CDARS One-Way Transactions in each CD maturity on that Order Date.

If we place your funds through a CDARS One-Way Transaction, we will not receive deposits on the Settlement Date, and we will not make or receive payments as described under "CDARS Reciprocal Transactions" above. Your funds may be placed at Insured Institutions that are submitting funds for placement through CDARS Reciprocal Transactions or that have requested funds for deposit on that Order Date.

As set forth above, we and Promontory each will receive a fee when we place your funds through a CDARS One-Way Transaction, and we or Promontory may waive all or part of this fee. Any fees received by us or Promontory will not change the terms we have agreed to with you for your CDs.

Section 3. Placement Procedures

(a) Order Dates and Terms of CDs

Each time you notify us that you wish to place funds through CDARS, we will inform you of (i) the available Order Dates, (ii) the CD maturities and payment terms available on each Order Date, (iii) whether early withdrawal of the CDs is available and whether any penalties (and processing fees, if applicable) will be imposed on you for early withdrawal, (iv) any limits with respect to placing funds and (v) whether we intend to submit the funds for placement through a CDARS One-Way Transaction.

The terms and conditions available for CDs may change from time to time. Each CD issued by an Insured Institution will have a principal amount that, when aggregated with interest to accrue during the term of the CD, will not exceed the basic FDIC insurance limit. You may obtain information about the terms of the CDs made available through CDARS on an Order Date at www.CDARS.com/products.

The interest rates and APYs for the CDs we offer to obtain for you through CDARS will be agreed upon by you and us. For placements through CDARS Reciprocal Transactions, the interest rate and APY we agree upon with you will reflect the interest rate and APY we are willing to pay, after paying a fee to Promontory. For placements through CDARS One-Way Transactions, the interest rate and APY we agree upon with you will reflect the interest rate and APY that Insured Institutions requesting funds through CDARS One-Way Transactions for that Order Date are willing to pay after paying fees to Promontory and us.

Interest on your CDs will compound daily. Payment options may vary based on the maturity of the CD. You may have the option with some CDs to choose between monthly payments of interest and payment of interest at maturity or other available interest payment terms. In addition, depending on the terms and conditions of a particular CD, you may be able to change the payment terms of the CD during the term of the CD. If you choose to have interest paid to you during the term of the CD, you may not be able to re-invest the interest you are paid at an interest rate as favorable to you as the interest rate paid on the CD.

Each CD will earn interest from the day your funds are deposited at the Insured Institution that issues the CD up to, but not including, the day your CD matures. If the date on which a payment with respect to a CD is due is not a business day, that payment will be made on the next business day.

(b) Presumption of CDARS Reciprocal Transaction

We will submit your funds for placement through a CDARS Reciprocal Transaction unless we inform you that we will place your funds through a CDARS One-Way Transaction and you agree to our doing so. If we submit your funds for placement through a CDARS One-Way Transaction and Promontory is not able to allocate our order, we may resubmit an order for your funds on that Order Date through a CDARS Reciprocal Transaction, unless you instruct us not to do so at the time you request that we submit your funds. If we so resubmit your funds through a CDARS Reciprocal Transaction, the CDs issued to you will have the same terms as the CDs that would have been issued to you through the CDARS One-Way Transaction.

If you are a public funds depositor or a non-profit institution submitting funds for placement and wish your funds to be placed only through CDARS Reciprocal Transactions, please inform us by checking the box at the end of this agreement.

(c) List of Insured Institutions

Each time you notify us that you desire to place funds through CDARS, you may obtain from us a list of Insured Institutions at which your funds may be placed. Not all of these Insured Institutions may be available to issue CDs with respect to an Order Date, and, before the list is provided to you, we may have designated some Insured Institutions as ineligible to receive funds from our depositors. You should review the list provided to you and inform us of the name(s) of any Insured Institution(s) at which you do not want to make a deposit, for any reason. At your option, you may also provide us with the names of Insured Institutions not then on the list at which you do not want to make a deposit. Once you have informed us of the name of an Insured Institution at which you do not want to make a deposit, your funds – whether submitted for placement through CDARS at the time you sign this agreement or in the future – will not be placed at that Insured Institution until you notify us in writing that funds may be placed in the Insured Institution. (For your convenience, at the time you sign this agreement you may indicate to us on Schedule 1 the names of Insured Institutions at which you do not want to make a deposit.) Upon your request, we will obtain from Promontory the list it maintains of Insured Institutions at which you do not wish to make a deposit. As set forth below, you are responsible for monitoring your deposits at each Insured Institution for purposes of FDIC insurance coverage.

(d) Request for Placement of Funds

When you request that we place your funds through CDARS, we will submit to Promontory a request for placement of your funds (an "Order"), including the type of CDARS transaction through which we are submitting the funds, the Order Date, the amount of funds to be placed and the terms (including interest rate and APY) of the CDs you are seeking. The Order will be in a form established by Promontory. In order for us to submit an Order, you must provide us with all information required by Promontory no later than the time specified in paragraph 1 of Schedule 2.

(e) Approval of Proposed Placements

We will not know the name(s) of Insured Institution(s) at which your funds will be placed at the time we submit an Order for your funds. On each Order Allocation Date for which we submitted an Order for your funds, we will make available to you a list of the names of Insured Institutions at which your funds are proposed to be placed, the proposed deposit amount at each Insured Institution and the names of proposed alternate Insured Institutions at which your funds may be placed. You may obtain that list from us on the Order Allocation Date at or after the time specified in paragraph 3 of Schedule 2, and, at any time prior to the time specified in paragraph 4 of Schedule 2, you may notify us of the name or names of any of the proposed or proposed alternate Insured Institutions at which you do not want to make a deposit. Although you may direct us not to place funds at a proposed or alternate proposed Insured Institution, you cannot direct us to place funds at a specific Insured Institution or specify the amount to be placed at any Insured Institution.

If you eliminate one or more of the proposed or proposed alternate Insured Institutions from the list, or if one or more of them becomes unavailable for placement for any reason, your funds will be placed at the Insured Institutions that were not eliminated. If a sufficient number of proposed and proposed alternate Insured Institutions are eliminated or become unavailable so that not all of your funds can be placed, only as much of your funds will be placed as can be deposited at the remaining Insured Institutions in CDs with principal amounts that, when aggregated with interest to accrue during the term of the CDs, will not exceed the SMDIA. Your remaining funds will not be allocated on the Order Allocation Date. In such case, we will inform you of the amount of your funds that will not be placed and you may request that we resubmit an Order for your unplaced funds on another Order Date by repeating the procedure outlined above.

If in connection with any placement of your funds using CDARS, you eliminate a proposed or proposed alternate Insured Institution in accordance with the above procedures, funds that you subsequently submit for placement will not be placed in that Insured Institution until you notify us otherwise in writing.

(f) Your Consent to Placement

Your funds will not be placed unless you have consented to their placement. You will be deemed to have consented to the placement of your funds at the proposed or proposed alternate Insured Institutions as of the time specified in paragraph 4 of Schedule 2 if by that time you:

(i) communicate your approval to us;
(ii) do not request the list of proposed and proposed alternate Insured Institutions from us;
(iii) request the list of proposed and proposed alternate Insured Institutions from us, but do not respond to the proposed list; or
(iv) respond to the list of proposed and proposed alternate Insured Institutions by eliminating one or more of the Insured Institutions, in which case you will be deemed to have consented to the placement of your funds at those Insured Institutions that you have not eliminated.

(g) Time by Which We Must Have Your Funds; Settlement of Transactions

Unless we have made other arrangements, each time that you agree to a placement of funds under this agreement you also agree that, by the time specified in paragraph 5 of Schedule 2, you will have in an account with us immediately available funds, which under applicable law are irreversible and are not subject to any lien, claim or encumbrance, equal to the amount of funds you have informed us that you are seeking to place. On the Settlement Date, your funds will be deposited at Insured Institutions, payments to be made in connection with the placement of CDs will be made, and the CDs will be issued.

(h) Additions and Early Withdrawal

No additions may be made to any CD. Insured Institutions impose a penalty on withdrawal of a CD prior to its maturity. However, no penalty will be charged for early withdrawal upon the death of an individual who is the sole account holder of the CD. This exception applies to an individual who is the named account holder as well as an individual who is the sole current mandatory or discretionary income beneficiary of a trust, including the sole current beneficiary of a unitrust or annuity trust. Written verification acceptable to the Insured Institution that issued the CD may be required in such an event. We will inform you of the early withdrawal penalty applicable to your CDs when you submit funds for placement. For a CD with a term of 4 or 13 weeks, the early withdrawal penalty is equal to 28 or 90 days, respectively, of simple interest calculated at the CD rate. The penalties for early withdrawal of 4 or 13 week CDs are equivalent to substantially all of the interest that would have been earned over the full term and will invade principal. For a CD with a term of 26 weeks or longer, the early withdrawal penalty is equal to simple interest calculated at the CD rate for approximately half the number of days in the full term. The penalties for early withdrawal of CDs with a term 26 weeks and longer are equivalent to half of the interest that would have been earned over the full term and may invade principal. The current schedule of products available and applicable early withdrawal penalties may be viewed at www.CDARS.com\products.

Pursuant to the Internal Revenue Code of 1986, as amended, the beneficiary of an Individual Retirement Account ("IRA") (but not a Roth IRA) may incur a penalty if the beneficiary does not begin making withdrawals from the IRA after age 70-1/2. A CD held in an IRA is not eligible for early withdrawal without penalty simply because the beneficiary must withdraw the CD to avoid a tax penalty.

Early withdrawal of a CD may be made only in whole, not in part. You may request early withdrawal by contacting us, at which time you may specify which of your CDs you would like us to withdraw. If you choose not to specify which of your CDs to withdraw, early withdrawals will be made using an automated process that generates random selections based on amount. In general, early withdrawal proceeds will be available to you two business days after we receive your early withdrawal request.

Neither we nor Promontory will advance funds in connection with early withdrawals, and early withdrawal proceeds will not be available to you until they are paid to us by the Insured Institution that issued the CD being withdrawn.

(i) No Automatic Renewal or Rollover

The CDs will mature on the date shown on the confirmation of CD issuance. Upon maturity, the principal amount of, and unpaid accrued interest on, the CD will be paid to you. The CDs will not be automatically renewed or rolled over, and interest on the CDs will not continue to accrue after the maturity date. If upon maturity you wish to re-deposit your funds in CDs through CDARS, you must instruct us to re-submit the funds as a new placement or you must take advantage of our preauthorized re-submission process.

(j) Preauthorized Re-submission

At the time you submit funds to us for placement through CDARS, you may request that we re-submit those funds for placement through CDARS upon the maturity of your CDs. Unless we have entered into a written re-submission arrangement with you, you must contact us before we re-submit your funds through CDARS to establish the new terms (including interest rate and APY) and the other specifics of your Order for your re-submitted funds.

(k) No Physical Certificates

As set forth in Section 1, no physical certificate evidencing a CD will be issued. You should not purchase a CD through CDARS if you need to take physical possession of a certificate.

Section 4. Important Considerations

(a) Compare Features

You should compare the rates of return and other features of a CD to other available deposit accounts before deciding to purchase CDs using the CDARS service. Although the CDs are issued by other Insured Institutions, the rates of interest paid on the CDs are determined by us based on (i) the interest rates and APYs we are willing to pay on deposits that we accept through CDARS on the Settlement Date (if your funds are placed by us through a CDARS Reciprocal Transaction) or (ii) the interest rate and APY that Insured Institutions that have requested funds through CDARS One-Way Transactions for that Settlement Date are willing to pay after paying fees to Promontory and us (if your funds are placed by us through a CDARS One-Way Transaction). **These rates may be higher or lower than the rates on**

CDs available through a CDARS One-Way Transaction (if we are placing your funds through a CDARS Reciprocal Transaction) or a CDARS Reciprocal Transaction (if we are placing your funds through a CDARS One-Way Transaction) or on comparable deposits available directly from us, from Insured Institutions that issue the CDs through CDARS, from other Insured Institutions, or from insured depository institutions not participating in CDARS.

(b) Uninsured Deposits With Us

Funds held in an account with us prior to placement using CDARS or prior to payment of CD interest and principal us may not be covered by FDIC insurance if, when aggregated with other deposits you maintain with us in the same capacity, the total amount of your deposits in accounts with us exceeds the FDIC insurance limit applicable to your deposits with us. You should discuss with us the options for holding your funds prior to placement and for having the payments on the CDs deposited with us or elsewhere.

(c) Insolvency of an Insured Institution

In the event an Insured Institution approaches insolvency or becomes insolvent, the Insured Institution may be placed in a regulatory conservatorship or receivership in which the FDIC is typically appointed as conservator or receiver. The FDIC may thereafter pay off the CDs issued by that Insured Institution prior to maturity or transfer the CDs to another insured depository institution. If the CDs are transferred to another institution, you may be offered a choice of retaining the CDs at a lower interest rate or having the CDs paid off. See Section 5 below, "FDIC Insurance Information."

(d) Reinvestment Risk

If your CD is paid prior to maturity as a result of the issuing Insured Institution's insolvency or a voluntary early withdrawal (see Section 3(h) above, "Additions and Early Withdrawal"), you may not be able to reinvest your funds at the same interest rate that you received on the original CD. Neither we nor Promontory is responsible to you for any losses you may incur as a result of a lower interest rate on an investment replacing your CD.

(e) Investment Restrictions

If you are subject to restrictions with respect to the placement of funds in depository institutions, it is your responsibility to determine whether the placement of your funds by us using CDARS satisfies those restrictions. For example, when placing funds for deposit using CDARS, some governmental unit depositors may be required by law or policy to place funds only using a CDARS Reciprocal Transaction, in which the institution placing the funds for deposit using CDARS receives funds for deposit in an amount equal to the amount of funds that was placed by the depositor using CDARS with respect to the corresponding Order Date. When we place funds for deposit using a CDARS One-Way Transaction, we will not receive matching funds using CDARS.

Section 5. FDIC Insurance Information

(a) Deposit Insurance Coverage

In general, all accounts and deposits that you maintain with an Insured Institution in the same insurable capacity (whether you are acting directly or through an intermediary) would be aggregated for purposes of the applicable FDIC insurance limit. Insurable capacities include individual accounts, joint accounts and individual retirement accounts. A tax identification number is not evidence of, and does not establish, an insurable capacity that is separate from another tax identification number used by the same person or entity. Upon request, we will provide you with a copy of the FDIC brochure "Your Insured Deposits – FDIC's Guide to Deposit Insurance Coverage." You may also obtain information about deposit insurance coverage by contacting the FDIC, Office of Consumer Affairs, by letter (550 17th Street, N.W., Washington, D.C. 20429), by telephone (877-275-3342, 800-925-4618 (TDD) or 202-942-3100), or by e-mail (dcainternet@fdic.gov), or by visiting the FDIC website at www.fdic.gov. You may wish to seek advice from your own attorney concerning FDIC insurance coverage of deposits held in more than one capacity.

FDIC deposit insurance coverage applies to the principal and accrued interest on all CDs and other deposit accounts maintained by you in the same insurable capacity at a single Insured Institution. The records maintained by the Insured Institution, us and our sub-custodian regarding ownership of CDs will be used to establish your eligibility for federal deposit insurance payments in respect of CDs issued through CDARS. In addition, you could be required to provide certain documentation to the FDIC before insurance payments would be released to you.

(b) Government Unit Deposits

The requirements for deposit insurance coverage of the deposits of the United States government, state, county and municipal governments and their political subdivisions, the District of Columbia and the Commonwealth of Puerto Rico are specifically set forth in regulations of the FDIC (12 C.F.R. 330.15). In general, such deposits will be insured up to the SMDIA and individual departments and political subdivisions within a governmental unit may be eligible for separate insurance if certain requirements are met. The use of separate tax identification numbers by different departments or political subdivisions of the same governmental unit will not by itself cause the deposits of such departments or political subdivisions to be eligible for separate FDIC insurance.

It is the obligation of each governmental entity to determine whether the requirements for deposit insurance have been met. Neither we, Promontory, not the insured Institution issuing CDs to you are responsible for uninsured losses resulting from placement of funds that are not eligible for deposit insurance.

(c) Deposit Insurance Payments

In the event that deposit insurance payments become necessary for your CDs, the FDIC is required to pay the original principal amount plus accrued interest to the date of the closing of the relevant Insured Institution, as prescribed by law, subject to the limits on FDIC deposit insurance coverage. No interest is earned on deposits from the time an Insured Institution is closed until insurance payments are received. We will notify you if we receive any payments from the FDIC with respect to your CDs.

As an alternative to a direct deposit insurance payment from the FDIC, the FDIC may transfer the insured deposits of an insolvent institution to a healthy institution. Subject to insurance verification requirements and the limits on FDIC deposit insurance coverage, the healthy institution may assume your CDs under their original terms or offer you a choice between either receiving payment of the CDs or maintaining the deposits at a different rate. We will advise you of your options in the event of a deposit transfer.

As with all federally insured deposits, if it becomes necessary for federal deposit insurance payments to be made on the CDs, there is no specific time period during which the FDIC must make the insurance payments available. Neither we nor Promontory will be obligated to make any payments to you in satisfaction of a loss you might incur as a result of (i) a delay in insurance payouts applicable to a CD, (ii) your receipt of a decreased interest rate on an investment replacing a CD that is repaid prior to its scheduled maturity, or (iii) payment in cash of the principal and accrued interest of a CD prior to maturity in connection with the liquidation of an Insured Institution or the assumption of all or a portion of its deposit liabilities. Also, neither we nor Promontory will be obligated to advance funds to you prior to payment from the FDIC.

Section 6. Responsibility to Monitor Deposits at Insured Institutions; Publicly Available Information

Funds we submit for placement on your behalf on any Settlement Date are placed in CDs at enough different Insured Institutions to prevent the principal amount and any interest to accrue over the term of each CD placed on that Settlement Date from exceeding the FDIC insurance limit. It is your responsibility, however, to monitor the total amount of deposits that you hold with each Insured Institution in order for you to determine the extent of FDIC deposit insurance coverage available to you on deposits at that Insured Institution, including the CDs issued through CDARS. See Section 5 above, "FDIC Insurance Information," for more information on FDIC insurance coverage. The Insured Institution at which a deposit is made is responsible for the full amount deposited with it, and neither we nor Promontory is responsible for any insured or uninsured portion of any CD or any other deposit.

Publicly available financial information concerning the proposed and proposed alternate Insured Institutions can be obtained by you at the website of the National Information Center of the Federal Reserve System maintained at www.ffiec.gov/nic/. Neither we nor Promontory guarantees the financial condition of any Insured Institution or the accuracy of any publicly available financial information about the Insured Institution.

Section 7. Confidentiality of Information

We will provide your name, tax identification number and other pertinent identifying information to Promontory, our sub-custodian, and other parties providing services in connection with the placement of your funds and the issuance and holding of your CDs. We may also release such information to (i) an Insured Institution that has issued a CD to you, but only to the extent necessary to comply with any applicable law, rule or regulation or a judicial order, and (ii) the FDIC in connection with a claim for deposit insurance on your CD. You hereby consent to the release of that information to and its use by (a) Promontory, our sub-custodian, and other parties providing services in connection with the placement of your funds and the issuance and custodying of your CDs, (b) Insured Institutions that have issued CDs to you to the extent necessary to comply with any applicable law, rule, regulation or judicial order, and (c) the FDIC in connection with a claim for deposit insurance on your CDs. The information will not be disclosed to other Insured Institutions except as set forth herein and will not be used by Promontory, our sub-custodian, or any other parties to whom we release the information for any other purpose except as set forth herein or directed by you. Nothing in this section shall be deemed to prevent us from disclosing information to a third party if permitted or required by law.

Section 8. Disputes

Any disputes arising out of or in connection with this agreement will be governed by the dispute resolution, arbitration, choice of law, venue, waiver of jury trial, and costs related to dispute provisions, if any, contained in your Custodial Agreement with us under which we act as custodian for your CDs.

Section 9. Miscellaneous

Any information we are required to deliver to you pursuant to this agreement may be given to you by mail, facsimile or other electronic transmission.

This agreement:

- constitutes the entire agreement between us relating to the placement of deposits through CDARS and the other matters contained herein,
- supersedes all prior contracts or agreements relating to the placement of funds through CDARS, whether oral or written, and
- may not be amended by any oral representation made or oral agreement reached after the execution of this agreement.

We may amend this agreement or any related document prospectively by modifying or rescinding any of its existing provisions or by adding any new provisions at any time by sending written notice of the amendment to you. We may provide written notice of an amendment to this agreement by means of a letter, an entry on your account statement or other means. Any amendment will be effective as of the date established by us in the written notice of the amendment, subject to applicable law, provided that any amendment may not become effective until ten days after the written notice has been sent by us.

This agreement is not assignable, in whole or in part, by either party except by operation of law or as required by law.

The headings in this agreement are inserted for convenience and identification only, and are not intended to describe, interpret, define or limit the scope or intent of this agreement or any clause hereof.

By signing below, you acknowledge that you have received this agreement, that you have read and understood this agreement and that you were given the opportunity to ask us any questions you may have had with respect to this agreement, the transactions contemplated by it, the CDs and FDIC insurance coverage of the CDs and deposits maintained with us.

XXX **Check this box if you are a governmental unit or other depositor and wish your funds to be placed only through CDARS Reciprocal Transactions.**

DEPOSITOR(S)

Name of Depositor: ______________________________
X By: ______________________________
Name:
Title:
Depositor Tax ID or Other Depositor ID: ______________________________
ID Type: ______________________________

Name of Depositor: ______________________________
By: ______________________________
Name:
Title:
Depositor Tax ID or Other Depositor ID: ______________________________
ID Type: ______________________________

Signed this ______________ day of ______________ , 200___

DEPOSITORY INSTITUTION

Flagstar Bank, FSB
(Print Name of Institution)
By: ______________________________
Name:
Title:

Acknowledged this ______________ day of ______________ , 200___

SCHEDULE 1

INITIAL LIST OF INSURED INSTITUTIONS AT WHICH YOU DO NOT WANT TO MAKE A DEPOSIT (ATTACH ADDITIONAL PAGES AS NECESSARY)

Please include the city and state of the institution's main office (rather than the city and state of a branch location). You may include the institution's routing number and/or FDIC certificate number, if you have this information.

Name of Institution	City and State	Routing or FDIC No.
Name of Institution	City and State	Routing or FDIC No.
Name of Institution	City and State	Routing or FDIC No.
Name of Institution	City and State	Routing or FDIC No.
Name of Institution	City and State	Routing or FDIC No.
Name of Institution	City and State	Routing or FDIC No.
Name of Institution	City and State	Routing or FDIC No.

SCHEDULE 2

IMPORTANT TIMES AND DEADLINES IN CONNECTION WITH THE PLACEMENT OF YOUR FUNDS

This schedule contains important times and deadlines with respect to the placement of your funds. These times may change from time to time or on any particular Order Date or Order Allocation Date (which are currently the same business day), and we will inform you of any change in times, as applicable, before you submit your funds for placement. You may also obtain information about any changes to times set forth in paragraphs 2, 3 and 4 below or about any scheduling change resulting in the Order Allocation Date taking place on the business day immediately following an Order Date at www.CDARS.com/products.

1. Time and day by which your request to have your funds placed must be submitted: 4:30 PM on Tuesday .
2. Time and day by which we must submit your Order to Pomontory: **1:00 p.m. ET** on the Order Date.
3. Time and day at or after which you may obtain the list of names of the Insured Institutions at which your funds are proposed to be placed: **3:00 p.m. ET** on the Order Allocation Date.
4. Time and day by which you must inform us of the name or names of any proposed Insured Institution at which you do not want to make a deposit: **4:00 p.m. ET** on the Order Allocation Date.
5. Time and day by which we must have your available funds on account: by 12:00PM on Thursday .

SUPPLEMENT TO THE CDARS DEPOSIT PLACEMENT AGREEMENT

The purpose of this agreement is to supplement the CDARS Deposit Placement Agreement (the "DPA") entered into between you, the undersigned, and Flagstar Bank, FSB ("us" or "we") on ____________________. Pursuant to section 3(g) of the DPA, each time you agree to placement of funds under the DPA you also agree that, by the time specified in paragraph 5 of Schedule 2 of the DPA, you will have in an account with us immediately available funds equal to the amount of funds you have informed us that you are seeking to place.

By your execution of this agreement, you further agree that in the event you fail to have such amount in an account with us at such time, you will be obligated to pay to us the amount of the early withdrawal penalties applicable to the CDs that would have been issued to you if your funds had been on account with us in accordance with the DPA. You authorize us to deduct the amount of these early withdrawal penalties from available funds on deposit with us, if any. If you do not have a sufficient amount of funds on deposit with us to pay the full amount of these penalties, you will be obligated to pay to us the remaining amount of such penalties for which you are obligated under this agreement within **5** business days of the time specified in paragraph 5 of Schedule 2 of the DPA.

You further agree that this agreement is deemed to be an amendment to the DPA in accordance with section 9 of the DPA.

DEPOSITOR (S)

Name of Depositor: ____________________________

By: ______________________________
Name:
Title:

By: ______________________________
Name:
Title:

Signed this __________ day of __________ 20__

DEPOSITORY INSTITUTION

____
Flagstar Bank, FSB

By: ______________________________
Name:
Title:

Acknowledged this __________ day of __________, 20__

Overview of the CDARS Deposit Placement Agreement

The CDARS Deposit Placement Agreement (DPA) is a legal document that you will enter into with us before we place your funds using the CDARS service. For your convenience, a summary of some of the DPA's provisions is provided below. Please note, however, that this summary is not a contract, is not legally binding on us, and is not intended to be a comprehensive summary of the DPA. You should read the DPA in its entirety before signing it.

Principal points addressed in the DPA include:

- Through an arrangement with Promontory Interfinancial Network, LLC (“Promontory”), we will place your funds in certificates of deposit (CDs) issued by other members of the Promontory Network. These placements will occur in increments of less than standard FDIC insurance maximum so that your investment will be eligible for full FDIC insurance.

- We will serve as your agent for placing funds in FDIC-insured institutions that are members of the Network.

- We will act as your custodian with respect to CDs placed using CDARS. At maturity, your CDs will not be automatically renewed or rolled over. You may, however, ask us about resubmitting your funds for placement at maturity.

- We will not charge you a fee in connection with CD placements.

- CDs that are issued to you will bear interest rates agreed upon by you and us.

- You may select from the maturities available through CDARS and interest payment terms at the time we submit your order for placement. Interest on your CDs will compound daily.

- Although you may not select which banks receive your funds, you may identify banks where funds should not be placed for any reason. For example, if you want your deposits to be eligible for full FDIC insurance, you should identify any bank(s) where you currently have deposits as banks where funds should not be placed. (See Schedule 1 of the DPA.)

- Early withdrawal of any CD may be available, but may be subject to substantial penalties.

- You will receive from us written confirmation that your CDs have been issued and periodic account statements that will reflect your ownership of your CDs. You will not receive physical certificates.

- Funds held in an account with us pending placement through CDARS or resulting from payments on CDs are subject to the FDIC insurance limits applicable to your deposits with us.

CDARS Reciprocal℠ transactions:

- In a CDARS Reciprocal transaction, we will receive “matching deposits” - meaning we will receive deposits from other FDIC-insured institutions equal to the amount of your original deposit.

- We will not receive fee income for engaging in a Reciprocal transaction.

Placement procedures include:

- We will inform you of the available dates and terms for placements.

- We will submit your placement request to Promontory.

- You may review the list of institutions at which your funds are proposed to be placed, and notify us between 3:00 p.m. and 4:00 p.m. ET on Wednesday of any institutions at which you do not wish to make a deposit.

CDARS®

Overview of the CDARS Deposit Placement Agreement

Funding options include:

- Funding by wire transfer for CDARS transactions can be made easy by one of the following ways:

  1) SETTLEMENT DAY: Wire transfers will be accepted on day of settlement upon execution of a signed Early Withdrawal Notification and Unavailable Funds Supplement on file.

  2) PRIOR TO SETTLEMENT DAY: Wired funds can be placed into a fully insured/non interest bearing checking account or an interest bearing liquid savings account insured up to $250,000 by FDIC.

- Funding by check can be made under the following funds availability schedule:

  1) NON-LOCAL CHECK: Check must be presented Tuesday prior to settlement date and can be deposited into either a fully insured/non interest bearing checking account or a interest bearing liquid savings account insured up to $250,000 by FDIC.

  2) LOCAL CHECK: Check must be presented no later than Wednesday prior to settlement date and can be deposited as detailed above.

Some important points to keep in mind:

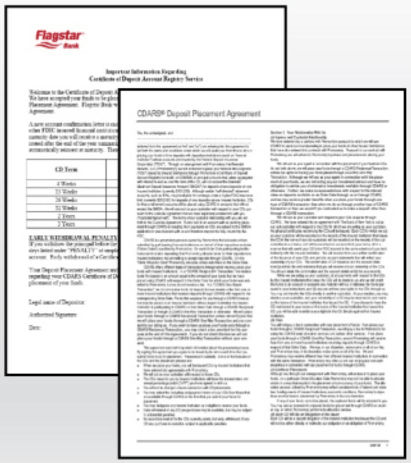
- You should compare the rates and features of CDs (including CDs placed through the CDARS service) to other investment alternatives.
- Although we will endeavor to place your funds on a particular date, we may not be able to place some or all of your funds as requested for that date. If this happens, we will inform you of the amount of your funds that will not be placed and you may request that we resubmit your unplaced funds on another day.
- It is your responsibility to monitor the total amount of deposits that you have at each bank in order to determine the extent of FDIC insurance coverage available to you at that bank.
- We will provide your name, tax ID number, and other pertinent information to Promontory and other parties providing services in connection with the CDARS service. You consent to the release of that information to Promontory and the other parties.
- Promontory and the other parties receiving depositor information will not disclose the information for any purpose other than as necessary in connection with placement of funds using CDARS.

CDARS, CDARS Reciprocal and CDARS One-Way are service marks of Promontory Interfinancial Network, LLC. 11.06

Flagstar® Bank

1 Before you invest

Just a few documents to complete…


Flagstar Bank

CDARS® Deposit Placement Agreement

2 Tuesday

Rates are available for current week investment CDARS® purchases must be received by 4:30P.M.


Flagstar Bank

MICHIGAN PUBLIC FUNDS CERTIFICATES OF DEPOSIT

3 Wednesday

Flagstar places your order with CDARS®

4 Thursday

Funds must be received by Flagstar by 12:00P.M.

At maturity

Similar to our regular CD's, we will contact you prior to maturity to discuss reinvestment options.

Government Banking Group

Knowledgeable ▸ Personal ▸ Professional

Important Information Regarding
Certificate of Deposit Account Registry Service®

Welcome to the Certificate of Deposit Account Registry Service®, or CDARS®, provided by Flagstar Bank. We have accepted your funds to be placed through the CDARS service as described in the CDARS Deposit Placement Agreement. Flagstar Bank will act as custodian for your Certificate of Deposits (CDs).

A new account notice will be emailed to you detailing the placement of your CDs at other **FDIC-insured** financial institutions. A monthly statement will also be sent to you. Prior to the maturity date you will receive an email informing you of the upcoming maturity of your CDs. Your CDs will not automatically reinvest at maturity. There are no grace days.

EARLY WITHDRAWAL PENALTY

If you withdraw the principal before the maturity date, a penalty will be charged to your account for the days listed under "PENALTY" at simple interest. Penalty is waived upon the death of a sole account holder or joint account holder of the CDs. Early withdrawal of a CD may be made only in whole, not in part.

Your Deposit Placement Agreement provides important additional information regarding your CDARS CDs. Please let us know if you have any questions about the placement of your funds.

CD Term	CD Term (in Days)	Early Withdrawal Penalty (in days of accrued interest)
4 Weeks	28 Days	28 Days
13 Weeks	91 Days	90 Days
26 Weeks	182 Days	90 Days
52 Weeks	364 Days	180 Days
2 Years	728 Days	360 Days
3 Years	1092 Days	540 Days

Legal name of Depositor: ______________________________

Authorized Signature: ______________________________

Date: ____________________

CDARS and Certificate of Deposit Account Registry Service are registered service marks of Promontory Interfinancial Network, LLC.

Date: July 27, 2010

To: Honorable Mayor and City Commissioners

From: Ann Marie Becker, City Clerk

RE: Liquor License Request
Harbour Towne Yacht Club
3425 Fulton Street

SUMMARY OF REQUEST: The Liquor Control Commission is seeking local recommendation on a request from Harbour Towne Yacht Club for a New Outdoor Service (2 Areas) and decrease the size of the existing Outdoor Service (1 Area) to be held in conjunction with 2010 Club & SDM Licensed Business with Outdoor Service (1 Area) and Dance Permit located at 3425 Fulton Street, Muskegon, MI 49441.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval.

Muskegon Police Department

Anthony L. Kleibecker
Director of Public Safety

980 Jefferson
Muskegon, Michigan
49443-0536

www.muskegonpolice.com

Phone: 231-724-6750
FAX: 231-722-5140

July 14, 2010

To: City Commission through the City Manager

From: Anthony L. Kleibecker, Director of Public Safety

Re: Liquor License Investigation – 3425 Fulton Street
Change of Outdoor Service Areas

The Muskegon Police Department has received a request from the Michigan Liquor Control Commission concerning a change to the Liquor License held at Harbour Towne Yacht Club, 3425 Fulton St, Muskegon, Michigan.

Harbour Towne Yacht Club is requesting a New Outdoor Service (2 Areas) and decrease the size of the existing Outdoor Service (1 Area) to be held in conjunction with 2010 Club & SDM Licensed Business with Outdoor Service (1 Area) & Dance Permit located at 3425 Fulton St, Muskegon Mi.

A check of MPD records and Criminal History showed no reason to deny this request.

ALK/kd

Michigan Department of Energy, Labor & Economic Growth
MICHIGAN LIQUOR CONTROL COMMISSION (MLCC)
7150 Harris Drive, P.O. Box 30005
Lansing, Michigan 48909-7505

LAW ENFORCEMENT RECOMMENDATION

[Authorized by MCL 436.1916, R 436.1105(2)(d) and R 436.1403]

FOR MLCC USE ONLY

Request ID # 560578

Business ID # 9091

6.23.10 PB

RECEIVED
JUN 25 2010
MUSKEGON POLICE DEPT.
CHIEF of POLICE

JUNE 3, 2010

TO: MUSKEGON POLICE DEPARTMENT
CHIEF OF POLICE
980 JEFFERSON STREET, PO BOX 536
MUSKEGON, MI 49443-0536

Re: HARBOUR TOWNE YACHT CLUB REQUESTS NEW OUTDOOR SERVICE (2 AREAS) & DECREASE SIZE OF EXISTING OUTDOOR SERVICE (1 AREA) TO BE HELD IN CONJUNCTION WITH 2010 CLUB & SDM LICENSED BUSINESS WITH OUTDOOR SERVICE (1 AREA) & DANCE PERMIT, LOCATED AT 3425 FULTON, MUSKEGON, MI 49441, MUSKEGON COUNTY.

We have received a request from the above licensee for the type of permit indicated below. Please make an investigation and submit your recommendation to the offices of the MLCC at the above address. Questions about this request should be directed to Unit 3 of the Retail Licensing Division at (517) 636-0204.

☐ OFFICIAL PERMIT FOR EXTENDED HOURS OF OPERATION FOR: ______________

Weekdays ________ A.M. to ________ A.M. ______________

Sundays ________ A.M. to ________ A.M./P.M.

☐ Recommended ☐ Recommended, subject to final inspection ☐ Not Recommended

NOTE: If the applicant is requesting two separate extended hours permits and the permits are for **different hours** you must complete the box below. If additional space is needed please use reverse side of this form.

☐ OFFICIAL PERMIT FOR EXTENDED HOURS OF OPERATION FOR: ______________

Weekdays ________ A.M. to ________ A.M. ______________

Sundays ________ A.M. to ________ A.M./P.M.

☐ Recommended ☐ Recommended, subject to final inspection ☐ Not Recommended

☐ DANCE PERMIT

☐ Recommended ☐ Recommended, subject to final inspection ☐ Not Recommended

☐ ENTERTAINMENT PERMIT

☐ Recommended ☐ Recommended, subject to final inspection ☐ Not Recommended

☐ TOPLESS ACTIVITY PERMIT	
☐ Recommended ☐ Recommended, subject to final inspection ☐ Not Recommended	
☒ OUTDOOR SERVICE (2 AREAS & DECREASE SIZE OF EXISTING AREA)	
☒ Recommended ☐ Recommended, subject to final inspection ☐ Not Recommended	
☐ PARTICIPATION PERMIT	
☐ Recommended ☐ Recommended, subject to final inspection ☐ Not Recommended	
☐ ADDITIONAL BAR PERMIT	
☐ Recommended ☐ Recommended, subject to final inspection ☐ Not Recommended	
☒ OTHER DIRECT CONNECTION(S) (2)	
☒ Recommended ☐ Recommended, subject to final inspection ☐ Not Recommended	

Signed:

x [signature]
Signature and Title
DIRECTOR OF PUBLIC SAFETY

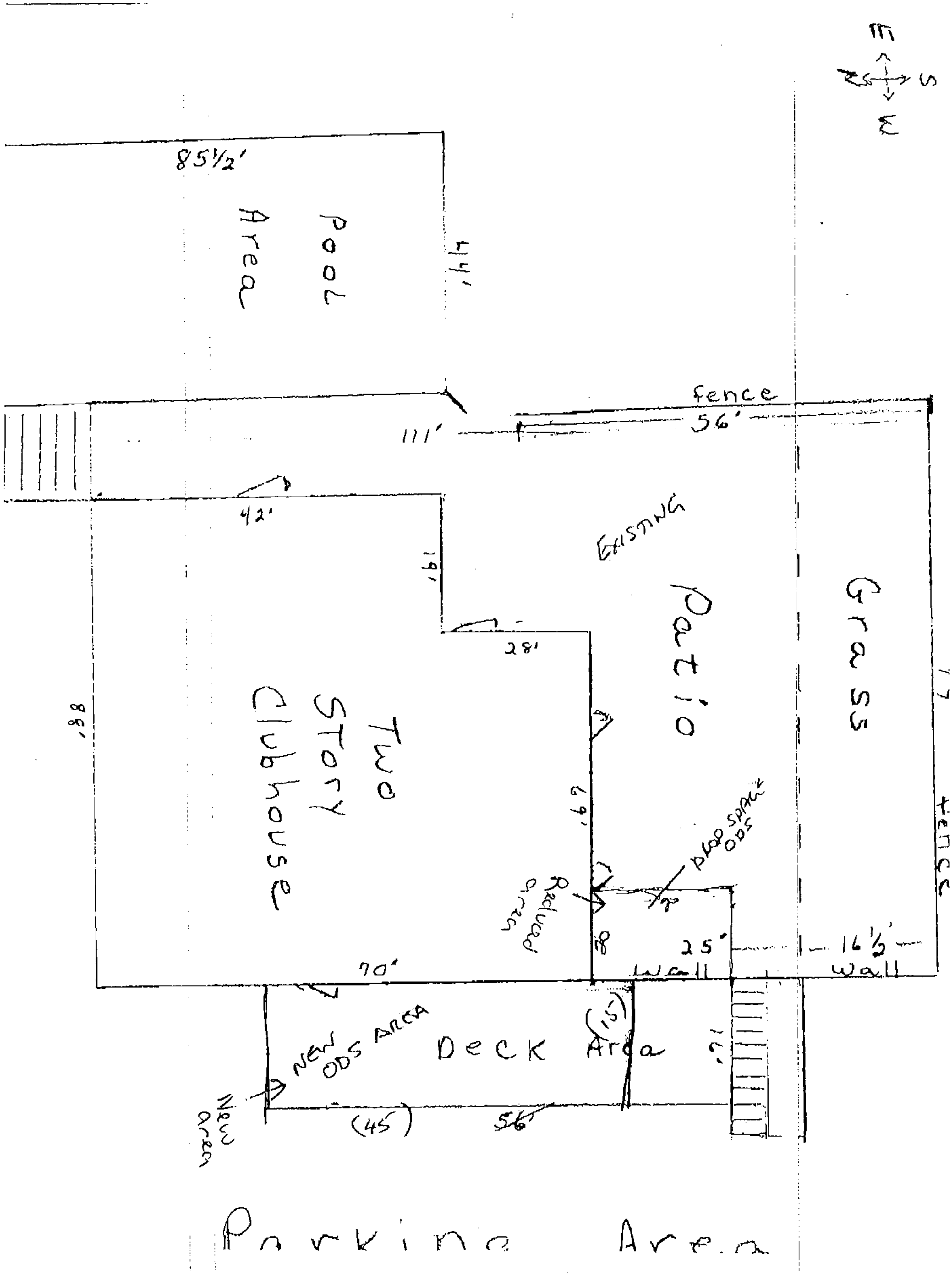
ANTHONY L. KLEIBRECKER
Print Name and Title

MUSKEGON POLICE DEPARTMENT

Date: 7-20-10

dl

The Department of Labor & Economic Growth will not discriminate against any individual or group because of race, sex, religion, age, national origin, color, marital status, disability, or political beliefs. If you need help with reading, writing, hearing, etc., under the Americans with Disabilities Act, you may make your needs known to this agency.



E
S
W
N
85½'
Pool Area
44'
fence
56'
111'
42'
19'
Existing
Patio
Grass
28'
Two Story Clubhouse
88'
69'
77
fence
Prop Space ODS
Reduced area
8
25'
16½'
Wall
Wall
70'
(15)
New ODS Area
Deck Area
New area
(45)
56
Parking Area

Commission Meeting Date: July 27, 2010

Date:	**July 20, 2010**
To:	**Honorable Mayor & City Commission**
From:	**Planning & Economic Development Department** CBC
RE:	**Resolution Revoking the IFT Certificate –Northern Machine Tool.**

SUMMARY OF REQUEST:

Pursuant to Public Act 198 of 1974, as amended, the City of Muskegon requests that the Industrial Facilities Exemption Certificate issued to Northern Machine Tool, certificate #2004-570, be revoked due to failure to make the proposed investment. The business proposed to invest $450,000 in real property and $250,000 in personal property. However, the project never commenced and the investments were never made.

FINANCIAL IMPACT:

The company will no longer receive the benefits associated with the certificate.

BUDGET ACTION REQUIRED:

None

STAFF RECOMMENDATION:

To approve and authorize the Mayor and Clerk to sign the resolution revoking IFT certificate # 2004-570.

COMMITTEE RECOMMENDATION:

None.

Resolution No. _______

MUSKEGON CITY COMMISSION

RESOLUTION REVOKING INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE NO 204-570
NORTHERN MACHINE TOOL

WHEREAS, The City of Muskegon issued an Industrial Facilities Exemption Certificate to Northern Machine Tool in 2004; and

WHEREAS, a signed Tax Abatement Contract between Northern Machine Tool and the City states that the company, by the end of two (2) years from the date of the grant of the certificate by the State Tax Commission shall have completed the investment in the equipment and improvements as shown in the application; and

WHEREAS, to date, neither the real property nor the personal property investments have been met;

NOW THEREFORE BE IT RESOLVED by the Muskegon City Commission that Industrial Facilities Exemption Certificate No. 2004-570, for Northern Machine Tool, is revoked.

Adopted this _____ day of July 27, 2010

Ayes:

Nays:

Absent

By: ___________________________
Stephen J. Warmington
Mayor

Attest: ___________________________
Ann Marie Becker
City Clerk

CERTIFICATION

I hereby certify that the foregoing constitutes a true and complete copy of a resolution adopted by the City Commission of the City of Muskegon, County of Muskegon, Michigan at a regular meeting held on July 27, 2010.

By: ______________________

Ann Marie Becker
City Clerk

Commission Meeting Date: July 27, 2010

Date: July 20, 2010

To: Honorable Mayor & City Commission

From: Community and Neighborhood Services Department

RE: Approval of Contractor for Construction of House at 1543 Hoyt

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SUMMARY OF REQUEST: To approve the contract with Mossy Oak Builders, 123 N. 8th, Fruitport, for the construction of the new home to be located at 1543 Hoyt for the cost of $89,300.

This new construction is being financed with Neighborhood Stabilization funds from the Michigan State Housing Development Authority. After the new construction is completed, the home will be marketed to any eligible owner occupied homebuyer with a household income less than 120 percent of the area median income. The City obtained the original house at 1543 Hoyt with Neighborhood Stabilization Program funds.

The City received nine bids as listed on the attached spreadsheet.

FINANCIAL IMPACT: The funding for the project will be taken from the Neighborhood Stabilization Program funds.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To approve for the Community and Neighborhood Services office to develop a contract with Mossy Oak Builders and direct the Mayor and Clerk to sign the contract. This is contingent upon CNS receiving the additional NSP grant funding.

COMMITTEE RECOMMENDATION: None needed. The Citizen's District Council is aware of the Neighborhood Stabilization Program.

NSP NEW CONSTRUCTION BID RESULTS 7/19/2010

Name	Address	1543 Hoyt	Comments
Dave Kurtzhal	2013 W Holton Whitehall Rd Whitehall, 49461 578-1803 894-6406	T - 109,245	
DeRose Builders Inc Dave or Matt	7786 Wieczer Dr Whitehall, 49461 893-0025 206-4760	T - 104,905	
Gale Builders Inc Jeff Gale	301 S Second St Ferrysburg, 49409 616-846-4330	T - 123,450	
Galloway Custom Homes LLC Ellen Galloway	800 Ellis Rd, #529, Muskegon, 49441 206-9296 206-2769	T - 112,900	
Kramer Building Jerry Kramer	18032 Hammond Bay Dr Spring Lake, 49456 616-846-9559	T - 106,950	
Mossy Oak Builders Jeff Fisher	123 N 8th Fruitport, 49415 740-9367	T - 89,300	
Murphy & Sons LLC	84 N Bock Muskegon, 49442 206-1864	T - 106,650	total submitted $107,000, added total actual 106,650
Specialty Builders John Andeson	4392 Hall Rd Muskegon, 49442 788-3001	T - 112,800	
Statewide Abatement Dave McQueen	1720 Creston Muskegon, 49445 744-7244	T - 184,800	

Date: **July 14, 2010**

To: **Honorable Mayor and City Commission**

From: **Department of Public Works**

RE: **Farmers Market ADA Restroom Renovations**

SUMMARY OF REQUEST: To approve a proposal from Clifford Buck construction to renovate the Farmers Market restrooms to make them ADA compliant for the price quoted of $ 21,743.00 and to authorize staff to enter into a contractual agreement.

FINANCIAL IMPACT: Project expenditures of $17,897.00 would come from the Farmers Market Improvement Fund and $3,846.00 would come from the 2011 Farmers Market Operating Budget.

BUDGET ACTION REQUIRED: NONE

STAFF RECOMMENDATION: To approve the proposal from Clifford Buck Construction

FARMERS MARKET ADA RESTROOM RENOVATION PROPOSALS				
				15-Jul-10
	CLIFFORD BUCK	**MUSKEGON CONSTRUCTION**	**MUSKEGON QUALITY BUILDERS**	**TRIDONN CONSTRUCTION**
	500 IRWIN AVE	111 W.WESTERN AVE	2837 PECK STREET	1461 EVANSTON AVE
	MUSKEGON MI 49442	MUSKEGON MI 49443	MUSKEGON MI 49444	MUSKEGON MI 49442
PROJECT COST	**$21,743.00**	**$46,000.00**	**$27,000.00**	**$26,990.00**

Proposal

CLIFFORD BUCK CONSTRUCTION COMPANY, INC.
GENERAL CONTRACTORS
500 IRWIN AVENUE MUSKEGON, MI 49442
(231) 726-4913 FAX (231) 728-7410

CLIFFORD BUCK CONSTRUCTION COMPANY INC. MUSKEGON MICHIGAN

Proposal Submitted to: City of Muskegon		Phone: 724-4184	Date: 6/10/2010
Street: 933 Terrace		Job Name: ADA Restrooms	
City: Muskegon	State: MI Zip Code: 49442	Job Location: Farmer's Market	
Submitted by: Jeff Buck	Date of Plans:	ATTN: Kelly DeFrench	Job Phone:

We hereby submit specifications and estimates for:

Architectural drawings and permits to remodel existing restrooms into
ADA restrooms , including masonry, electrical, plumbing, painting, toilet partitions
and new accessories, hollow metal doors, frames and hardware,
VCT tile flooring and FRP at urinal. Includes Labor and Materials.

$ 21,743.00

We Propose hereby to furnish material and labor - complete in accordance with above specifications for the sum of:

dollars ($)

Payment to be made as follows:

All material is guaranteed to be as specified. All work to be completed in a substantial workmanlike manner according to specifications submitted, per standard practices. Any alterations or deviation from above specifications involving extra costs will be executed only upon written orders, and will become and extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, tornado and other necessary insurance. Our workers are fully covered by Worker's Compensation Insurance.

Authorized Signature:

Note: This proposal may be will withdrawn by us if not accepted within ______ days

Acceptance of Proposal The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Signature:

Date of Acceptance: ______

Signature:

Commission Meeting Date: July 27, 2010

Date:	**July 20, 2010**
To:	**Honorable Mayor and City Commissioners**
From:	**Planning & Economic Development**
RE:	**Public Hearing - Request for an Industrial Facilities Exemption Certificate – AFI Machining**

SUMMARY OF REQUEST:

Pursuant to Public Act 198 of 1974, as amended, AFI Machining, 1920 Port City Blvd., has requested the issuance of an Industrial Facilities Tax Exemption Certificate. The total capital investment will be $335,023 in personal property and will create two (2) new jobs. This qualifies them for a tax abatement of six years.

FINANCIAL IMPACT:

The City will capture certain additional property taxes generated by the expansion (see attached Summary Sheet).

BUDGET ACTION REQUIRED:

None

STAFF RECOMMENDATION:

Approval of the attached resolution granting an Industrial Facilities Exemption Certificate for a term of six (6) years for personal property.

COMMITTEE RECOMMENDATION:

None

Resolution No. _______

MUSKEGON CITY COMMISSION

RESOLUTION APPROVING APPLICATION FOR ISSUANCE
OF INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE
AFI MACHINING.

WHEREAS, pursuant to P.A. 198 of 1974 as amended, after duly noticed public hearing held on July 26, 1983, this Commission by resolution established an Industrial Development District as requested by the City of Muskegon for Port City Industrial Park, including the property leased by AFI Machining, 1920 Port City Blvd., Muskegon, Michigan 49442; and

WHEREAS, AFI Machining has filed an application for the issuance of an Industrial Facilities Tax Exemption Certificate with respect to new machinery and equipment has been installed within said Industrial Development District ; and

WHEREAS, said application was filed no later than six months after project completion and the Muskegon City Commission held a public hearing on July 27, 2010, at the Muskegon City Hall in Muskegon, Michigan at 5:30 p.m. at which hearing the applicant, the assessor and representatives of the affected taxing units were given written notice and were afforded an opportunity to be heard on said application; and

WHEREAS, the installation of machinery and equipment is calculated to and will have the reasonable likelihood to retain, create, or prevent the loss of employment in Muskegon, Michigan; and

WHEREAS, the aggregate SEV of real property exempt from ad valorem taxes within the City of Muskegon, will not exceed 5% of an amount equal to the sum of the SEV of the unit, plus the SEV of personal and real property thus exempted.

NOW, THEREFORE, BE IT RESOLVED by the Muskegon City Commission of the City of Muskegon, Michigan that:

1) The Muskegon City Commission finds and determines that the Certificate considered together with the aggregate amount of certificates previously granted and currently in force under Act No. 198 of the Public Act of 1974 as amended and Act No. 255 of the Public Acts of 1978 as amended shall not have the effect of substantially impeding the operation of the City of Muskegon or impairing the financial soundness of a taxing unit which levies ad valorem property taxes in the City of Muskegon.

2) The application of AFI Machining , for the issuance of an Industrial Facilities Tax Exemption Certificate with respect to the installation of new machinery and equipment on the following described parcel of real property situated within the City of Muskegon to wit:

CITY OF MUSKEGON PORT CITY INDUSTRIAL CENTER LOTS 4-6 EXC SLY 45 FT LOT 6 ALSO EXC N 66 FT LOT 4 DESC AS FOLS COM @ NW COR SD LOT FOR POB TH S 1D 12M 30S W ALG W LN SD LOT 66.33 FT TH S 89D 42M 48S E 300 FT TO E LN SD LOT TH N 1D 12M 30S E ALG SD E LN 66.29 FT TO NW COR SD LOT TH N 89D 42M 20S W ALG SD N LN 300 FT TO POB

3) The Industrial Facilities Tax Exemption Certificate is issued and shall be and remain in force and effect for a period of _______ years on personal property.

Adopted this 27th Day of January 2010.

7/20/10

Ayes:

Nays:

Absent:

BY: ______________________________
Stephen J. Warmington
Mayor

ATTEST: ______________________________
Ann Marie Becker
Clerk

CERTIFICATION

I hereby certify that the foregoing constitutes a true and complete copy of a resolution adopted by the Muskegon City Commission, County of Muskegon, Michigan, at a regular meeting held on July 27, 2010.

____
Ann Marie Becker
Clerk

MUSKEGON

West Michigan's Shoreline City

City of Muskegon
Industrial Facilities Exemption Application
Summary Sheet

Project Summary:

AFI Machining, located at 1920 Port City Blvd., Muskegon, Michigan, will be installing $335,023 in new machinery at its location. This investment qualifies them for a six (6) year abatement on personal property.

Employment Information: **27 employees**

Racial Characteristics:

White	27
Minority	0
Total	27

Gender Characteristics:

Male	26
Female	1
Total	27

Total No. of Anticipated New Jobs: 2

Investment Information:

Real Property:	$0
Personal Property	$335,023
Total:	$335,023

Property Tax Information: (Annual)	All Jurisdictions	City Only
Total New Taxes Generated	$ 5,555	$ 1,854
Value of Abatement	$ 2,776	$ 927
Total New Taxes Collected	$ 2,776	$ 927

Income Tax Information: (Annual)
Total Additional Income Tax Generated: $ 312

Company Requirements:

Adopted Affirmative Action Policy	☒ Yes	☐ No
Meeting w/ City Affirmative Action Director	☒ Yes	☐ No
Signed Tax Abatement Contract	☐ Yes	☐ No
Taxes Paid In Full	☐ Yes	☐ No
Zoning Conflicts	☐ Yes	☐ No

Mike Franzak
Planner III

Dwana Thompson
Dwana Thompson
Affirmative Action Director

Commission Meeting Date: July 27, 2010

Date: July 15, 2010

To: Honorable Mayor & City Commission

From: Planning & Economic Development Department

RE: Ice Mountain Grant- Ryerson Creek Culvert Replacement

SUMMARY OF REQUEST: The current tube culvert under Seaway Drive (see map attached) is failing. The City has the opportunity to coordinate with the West Michigan Shoreline Development Commission (WMSRDC) to replace the culvert in an environmentally sensitive way, by providing a fish-passage friendly box culvert (as opposed to the current tube that goes underground), as well as provide additional wetland habitat improvements. The project will "daylight" the stream between Yuba and Seaway Drive, and restore stormwater detention and water quality and habitat functions.

FINANCIAL IMPACT: The total project amount (including construction and engineering costs, as well as habitat restoration) is $516,181. WMSRDC will provide $436,930 through the NOAA Great Lakes Habitat Agreement grant funds. The City will provide up to $40,000 in matching funds, the Ice Mountain Grant request is for $30,000 and the remaining funds will be sought through other grant sources.

BUDGET ACTION REQUIRED: In the 2011-12 City budget, up to $40,000 will be designated through "street funds" for matching funds for the project.

STAFF RECOMMENDATION: To approve submittal of the Ice Mountain Grant in the amount of $30,000 for the Ryerson Creek Culvert Replacement and authorize the Mayor and Clerk to sign documents necessary for the grant submittal and acceptance, if the grant is approved.

NOAA Great Lakes Habitat Restoration Program
West Michigan Shoreline Regional Development Commission
City of Muskegon

<u>Ryerson Creek Fish Passage and Riparian Corridor Restoration</u>

The City of Muskegon and West Michigan Shoreline Regional Development Commission (WMSRDC) will work with professional engineers and project stakeholders (United Way of the Lakeshore, Jackson Hill Neighborhood Association) to develop an engineered, ecological restoration design and to construct aquatic habitat restoration improvements on Ryerson Creek, between its mouth at Muskegon Lake near the Lakeshore Trail bike path and Green Acres Park, in the area immediately upstream of the Yuba Street crossing.

The project will design and remove a failing tube culvert under Seaway Drive and replace it with a fish-passage friendly box culvert. It will "daylight" the tubed stream between Yuba and Seaway Drive, and restore stormwater detention and water quality and habitat functions. The project will further improve stormwater management by restoring an existing wetland retention floodplain at Green Acres Park. The project will restore degraded, riparian habitat with bioengineered, native plant techniques at several additional sites located along the lower Ryerson Creek stream corridor between Seaway Drive and Clay Street. The overall length of improved stream corridor habitat is 2,720 ft.

The project is located within the City of Muskegon and the Muskegon Lake Area of Concern (AOC).

Restoration Activities and Habitat Improvements:

- Restore the Ryerson Creek riparian corridor by restoring a buffer and in-stream habitat where unnatural fill materials and manicuring have degraded habitat along a 400 ft. stretch at Green Acres Park.
- Conserve and enhance wetland habitat on one acre of the City of Muskegon's vacant, mowed, floodplain property along Ryerson Creek at Green Acres Park.
- Daylight and restore approximately 140 ft of Ryerson Creek between Moses Jones and Yuba Street.
- Replace a failing tube culvert with a 150 ft box culvert at Ryerson Creek and Moses Jones Parkway (Muskegon Avenue).
- Improve fish and wildlife habitat along 282 ft of stream buffer on property owned by the United Way by installing native plants to absorb stormwater runoff and minimize erosion.
- Restore habitat on 100 ft of riparian corridor at former Rag & Metal property on the north side of Ryerson Creek, downstream at Shoreline Drive, by removing fill material and planning native trees along the stream to provide bank stabilization, shading, cooling and structure.

Acres of Habitat Restoration Treatment:

- Rag & Metal property = 0.25 acre / 100 ft
- United Way property = 0.25 acre / 282 ft
- Green Acres / City of Muskegon property = 1 acre / 400 ft
- Habitat restoration associated with culvert replacement = 150 ft
- Daylighting of Ryerson Creek between Yuba and Moses Jones = 0.5 acre / 140 ft

Total Acres of Treatment: 2 acres
Total Linear Feet of Stream Corridor Treatment: 1072 ft
Overall habitat impact: 2,720 ft

Construction Costs:

Culvert replacement - $275,000
Daylighting of Ryerson Creek - $136,222
Riparian Corridor Habitat Restoration (excavation, disposal, native plantings) – $57,000
Construction Subtotal: $468,222

Engineering Costs:

Permits / Soil Analysis - $5,000
Engineering Design - $18,411 (3%)
Construction Oversight - $12,274 (2%)
Mobilization and Insurance - $12,274 (2%)
Engineering Subtotal: $47,959

Total Construction and Engineering: $516,181
Federal share: $436,930
Non-federal share: $79,251 (cash and/or in-kind): Ice Mountain Grant, City of Muskegon, Other Grants/In-Kind

(Additional non-federal match for project management and administration to be provided by WMSRDC: $9,365)

Commission Meeting Date: July 27, 2010

Date: **July 16, 2010**

To: **Honorable Mayor & City Commission**

From: **Planning & Economic Development Department** CBC

RE: **Building Healthy Communities Grant- Lighting in Clara Shepherd Park**

SUMMARY OF REQUEST: The County of Muskegon obtained a Building Healthy Communities Grant for the Nelson Neighborhood in 2008-09. The grant included two community gardens, improvements to St. Joes Park and lighting in Clara Shepherd Park. The County partnered with the City to complete the improvements to the Park. On August 3, 2009, the City Commission approved paying for the future electrical costs associated with the new lighting. At that time, it was expected that the grant would cover all costs for installation. The Commission approved the contract for lighting installation to West Shore Electric on September 15, 2009, in the amount of $9,740. However, due to weather conditions and some vandalism on site, the work was not completed until late in the year and the City did not receive an invoice until January 2010. The reimbursement request was submitted to the County in February. Meanwhile, the County had reallocated some of the remaining grant funds at the end of 2009, prior to the City's submittal for reimbursement (unbeknownst to the City). They did not leave enough to cover the entire City expenses of $9,740. The City only received $4,920.95, leaving $4,819.05 which was not covered by grant funds. I have since had several discussions with County staff and I believe the most practical step to take is to split the outstanding balance between both of us ($2,409.53).

FINANCIAL IMPACT: The City will pay $2,409.53 from the General Fund (Parks Maintenance) towards the new lighting in Clara Shepherd Park.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To authorize staff to pay $2,409.53 from the City's General Fund towards the lights in Clara Shepherd Park and accept $2,409.53 from the County for the lights in Clara Shepherd Park.

Commission Meeting Date: July 27, 2010

Date: July 20, 2010

To: Honorable Mayor & City Commission

From: Community and Neighborhood Services Department

RE: Approval of Contractor for Lead Abatement and Rehabilitation of CNS Homes

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SUMMARY OF REQUEST: To approve the following rehabilitation contracts:

Murphy Bros, 84 N. Bock, Muskegon, for the lead abatement of 605 Jackson in the amount of $9,200

Murphy Bros, 84 N. Bock, Muskegon, for the rehabilitation of 1080 E. Laketon in the amount of $34,350

Gray Space, 601 Amity, Muskegon, for the rehabilitation of 2265 Lincoln in the amount of $50,620

Statewide Abatement, 1720 Creston, Muskegon, for the rehabilitation of 1891 Wood in the amount of $72,000

We are not accepting the bids we received for 1644 Division, 1500 Leahy and 1733 Manz and will rebid these projects.

The lead abatement and rehabilitation is being financed with Neighborhood Stabilization funds from the Michigan State Housing Development Authority. After the total rehabilitation is completed, the houses will be marketed to any eligible owner-occupied homebuyer with a household income less than 120 percent of the area median income.

The City received additional bids as listed on the attached spreadsheet. In some instances, the lowest bid is not being recommended based on the amount of knowledge and experience required for some projects.

FINANCIAL IMPACT: The funding for the project will be taken from the money awarded to the City of Muskegon through the Neighborhood Stabilization Program.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To approve for the Community and Neighborhood Services office to develop a contract with these contractors and direct the Mayor and Clerk to sign the contract. This is contingent upon CNS receiving the additional NSP grant funding.

COMMITTEE RECOMMENDATION: None required. The Citizen's District Council is aware of the next phase of rehabs under the Neighborhood Stabilization Program.

NSP PHASE 2 REHAB BID RESULTS 7/19/2010

Name	Address	605 Jackson	1080 E Laketon	2265 Lincoln	1891 Wood
Galloway Custom Homes LLC Ellen Galloway	800 Ellis Rd, #529, Muskegon, 49441 206-9296 206-2769		bid submitted after 12 noon deadline	bid submitted after 12 noon deadline	bid submitted after 12 noon deadline
Gray Space Curtis Holden	601 Amity St Muskegon, 49442 955-9701			T - 50,620	
Mossy Oak Builders Jeff Fisher	123 N 8th Fruitport, 49415 740-9367	bid submitted after 12 noon deadline	bid submitted after 12 noon deadline	bid submitted after 12 noon deadline	bid submitted after 12 noon deadline
Murphy & Son Const	84 N Bock Muskegon, 49442 206-1864	T - 9,200	T - 34,350	T - 56,100	T - 51,665
Specialty Builders John Andeson	4392 Hall Rd Muskegon, 49442 788-3001	T - 15,600	T - 40,975	T - 69,000	T - 54,750
Statewide Abatement Dave McQueen	1720 Creston Muskegon, 49445 744-7244	T - 17,800	T - 46,875	T - 89,000	T - 72,000
Tim Weberg	6263 Dalson Rd Twin Lake, 49457 206-1014		T - 36,975	T - 58,250	T - 52,300

We are not considering the bids received after the 12 noon deadline on July 19.

We are not accepting any of the bids received for 1644 Division, 1500 Leahy and 1733 Man and they will be rebid.

AGENDA ITEM NO. ___________________

CITY COMMISSION MEETING _________________________

TO: Honorable Mayor and City Commissioners

FROM: Bryon L. Mazade, City Manager

DATE: July 23, 2010

RE: City Charter Amendments – Tax Levy

SUMMARY OF REQUEST:
To consider resolutions to place City Charter amendments to limit the ad valorem tax levy to 10 mills and to authorize an additional tax levy of 1.0 mills to finance street construction, repairs, and maintenance..

FINANCIAL IMPACT:
The amendments will provide additional funding for city streets.

BUDGET ACTION REQUIRED:
None.

STAFF RECOMMENDATION:
None.

COMMITTEE RECOMMENDATION:
None.

CITY OF MUSKEGON

RESOLUTION NO.______

A Resolution of the City of Muskegon City Commission to propose for adoption by the voters of the City of Muskegon an Amendment to the City Charter concerning an additional millage for street improvements and street maintenance.

The City Commission of the City of Muskegon resolves the following amendment to the City Charter shall, upon approval of the Governor, be submitted to the Electors of the City in accordance with the Home Rule Cities Act of the State of Michigan

Proposed Charter Amendment

City of Muskegon

Amend Article XI, by adding Section 7 to read as follows:

ARTICLE XI. TAXATION

Section 7 Taxation; General Powers.

The City shall have the power to assess taxes and levy and collect rents, tolls and excises. The annual ad valorem tax levy shall not exceed ten (10) mills of the assessed valuation of all real and personal property subject to taxation in the City as equalized by the State, exclusive of any levy required for the payment of principal and interest on City indebtedness or on outstanding bonds of the City and exclusive of any levy authorized by statute to be made beyond the Charter tax rate limitation.

BE IT FURTHER RESOLVED that the following language be placed upon the ballot at the next election in accordance with the Home Rule Cities Act:

CHARTER AMENDMENT
Shall Section 7 of Article XI of the City Charter be adopted to authorize the levy of 10 mills on real and personal property situated in the City, which is the current limitation, commencing with the December 1, 2010 levy, and that these provisions be made an express part of the City Charter?

BE IT FURTHER RESOLVED that the proposed charter amendment, as adopted by the City Commission on __________ ___, ____, be published in the Muskegon Chronicle, and a reasonable number of copies made available to the public before the said election.

This resolution adopted:

AYES: ____
____

NAYES: ____
____

ABSENT: ____

CITY OF MUSKEGON

By______________________________
Ann Marie Becker, City Clerk

STATE OF MICHIGAN
COUNTY OF MUSKEGON

I hereby certify that the foregoing is a true and complete copy of a resolution adopted at a meeting of the city commission members of the City of Muskegon, Michigan, held on the ____ day of _________, 2010, and that the minutes of the meeting are on file in the office of the City Clerk and are available to the public. Public notice of the meeting was given pursuant to and in compliance with Act 267, Public Acts of Michigan, 1976.

____
Ann Marie Becker, City Clerk

CITY OF MUSKEGON

RESOLUTION NO.______

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The City Commission of the City of Muskegon resolves the following amendment to the City Charter shall, upon approval of the Governor, be submitted to the Electors of the City in accordance with the Home Rule Cities Act of the State of Michigan

Proposed Charter Amendment

City of Muskegon

Amend Article XI, by adding Section 8 to read as follows:

ARTICLE XI. TAXATION

Section 8. Taxation; Street Construction and Maintenance.

In addition to the limitation established in Article XI, Section 7, the City shall have the power to levy an ad valorem tax in an amount not to exceed 1 mill of the taxable valuation of all such real and personal property from December 1, 2010, for the financing of street construction, repair, and maintenance.

BE IT FURTHER RESOLVED that the proposed addition of Section 8 would be applicable only if the proposed Charter Amendments adding Sections 7 and 8 are adopted by the electorate.

BE IT FURTHER RESOLVED that the following language be placed upon the ballot at the next election in accordance with the Home Rule Cities Act:

CHARTER AMENDMENT
Shall Section 8 of Article XI of the City Charter be adopted to authorize the levy of 1.0 mills on real and personal property situated in the City for the purpose of financing street construction, repair and maintenance, commencing with the December 1, 2010 levy, in addition to the current tax limitation, and that these provisions be made an express part of the City Charter? (This Charter amendment is contingent upon adoption of the Charter amendment adding Section 7 to Article XI.)

BE IT FURTHER RESOLVED that the proposed charter amendment, as adopted by the city commission on __________ ___, ____, be published in the Muskegon Chronicle, and a reasonable number of copies made available to the public before the said election.

This resolution adopted:

AYES: ____
____

NAYES: ____
____

ABSENT: ____

CITY OF MUSKEGON

By____________________________
Ann Marie Becker, City Clerk

STATE OF MICHIGAN
COUNTY OF MUSKEGON

I hereby certify that the foregoing is a true and complete copy of a resolution adopted at a meeting of the city commission members of the City of Muskegon, Michigan, held on the ____ day of ________, 2010, and that the minutes of the meeting are on file in the office of the City Clerk and are available to the public. Public notice of the meeting was given pursuant to and in compliance with Act 267, Public Acts of Michigan, 1976.

____
Ann Marie Becker, City Clerk