

CITY OF MUSKEGON

CITY COMMISSION MEETING

January 14, 2025 @ 5:30 PM

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

AGENDA

- ☐ **CALL TO ORDER:**
- ☐ **PRAYER:**
- ☐ **PLEDGE OF ALLEGIANCE:**
- ☐ **ROLL CALL:**
- ☐ **HONORS, AWARDS, AND PRESENTATIONS:**
 - A. Thredz Y3 Program Recognition Manager's Office
 - B. Audit Presentation-ACFR by Brickley Delong Finance
- ☐ **PUBLIC COMMENT ON AGENDA ITEMS:**
- ☐ **CONSENT AGENDA:**
 - A. Approval of Minutes City Clerk
 - B. Cameras for City Hall and Police Department City Clerk
 - C. EGLE Grant Development Agreement, City of Muskegon and Muskegon Limited Dividend Housing Association, Lofts of Muskegon, 122 W. Muskegon Ave. Economic Development
 - D. Ordinance Change: Parental Responsibility Ordinance - SECOND READ Public Safety
 - E. Amity Bridge Resolution Public Works
 - F. Downtown Development Authority On-Premises Liquor License- Puerto Vallarta Mexican Grill and Bar, LLC, 292 W. Western Ave. Ste. 103 Economic Development
 - G. Rezoning of 1727 Beidler St. Planning

☐ **PUBLIC HEARINGS:**

A. Neighborhood Enterprise Zone Certificates - 558, 568, 601, 608, 613, 621 Jackson; 522, 532 Leonard; 501, 503, 505 Alva; 502, 504 Herrick and 460 Langley. Economic Development

☐ **UNFINISHED BUSINESS:**

☐ **NEW BUSINESS:**

☐ **ANY OTHER BUSINESS:**

☐ **PUBLIC COMMENT ON NON-AGENDA ITEMS:**

- ▶ **Reminder: Individuals who would like to address the City Commission shall do the following:**
- ▶ Fill out a request to speak form attached to the agenda or located in the back of the room.
- ▶ Submit the form to the City Clerk.
- ▶ Be recognized by the Chair.
- ▶ Step forward to the microphone.
- ▶ State name and address.
- ▶ Limit of 3 minutes to address the Commission.

☐ **CLOSED SESSION:**

☐ **ADJOURNMENT:**

AMERICAN DISABILITY ACT POLICY FOR ACCESS TO OPEN MEETINGS OF THE CITY OF MUSKEGON AND ANY OF ITS COMMITTEES OR SUBCOMMITTEES

To give comment on a live-streamed meeting the city will provide a call-in telephone number to the public to be able to call and give comment. For a public meeting that is not live-streamed, and which a citizen would like to watch and give comment, they must contact the City Clerk's Office with at least a two-business day notice. The participant will then receive a zoom link which will allow them to watch live and give comment. Contact information is below. For more details, please visit:

www.shorelinecity.com

The City of Muskegon will provide necessary reasonable auxiliary aids and services, such as signers for the hearing impaired and audio tapes of printed materials being considered at the meeting, to individuals with disabilities who want to attend the meeting with twenty-four (24) hours' notice to the City of Muskegon. Individuals with disabilities requiring auxiliary aids or services should contact the City of Muskegon by writing or by calling the following:

Ann Marie Meisch, MMC. City Clerk. 933 Terrace St. Muskegon, MI 49440. (231)724-6705.
clerk@shorelinecity.com



Agenda Item Review Form

Muskegon City Commission

Commission Meeting Date: January 14, 2025		Title: Audit Presentation-ACFR by Brickley Delong																	
Submitted by:		Department: Finance																	
Brief Summary:																			
Detailed Summary & Background:																			
Goal/Focus Area/Action Item Addressed:																			
<u>Key Focus Areas:</u>																			
<u>Goal/Action Item:</u>																			
Amount Requested:		Budgeted Item:																	
		<table border="1"> <tr> <td>Yes</td> <td></td> <td>No</td> <td></td> <td>N/A</td> <td></td> <td></td> </tr> </table>		Yes		No		N/A											
Yes		No		N/A															
Fund(s) or Account(s):		Budget Amendment Needed:																	
		<table border="1"> <tr> <td>Yes</td> <td></td> <td>No</td> <td></td> <td>N/A</td> <td></td> <td></td> </tr> </table>		Yes		No		N/A											
Yes		No		N/A															
Recommended Motion:																			
Approvals:		Guest(s) Invited / Presenting:																	
<table border="1"> <tr> <td>Immediate Division Head</td> <td></td> <td></td> </tr> <tr> <td>Information Technology</td> <td></td> <td></td> </tr> <tr> <td>Other Division Heads</td> <td></td> <td></td> </tr> <tr> <td>Communication</td> <td></td> <td></td> </tr> <tr> <td>Legal Review</td> <td></td> <td></td> </tr> </table>		Immediate Division Head			Information Technology			Other Division Heads			Communication			Legal Review			<table border="1"> <tr> <td>Yes</td> </tr> </table>		Yes
Immediate Division Head																			
Information Technology																			
Other Division Heads																			
Communication																			
Legal Review																			
Yes																			



ANNUAL COMPREHENSIVE

Financial Report

JULY 2023 - JUNE 2024



FISCAL YEAR ENDED JUNE 30, 2024

933 Terrace Street | Muskegon, Michigan

**CITY OF MUSKEGON,
MICHIGAN**

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT
FOR THE YEAR ENDED
JUNE 30, 2024**

**Prepared By
FINANCIAL SERVICES DIVISION**

**Kenneth D. Grant
Finance Director**

**Jessica Rabe
Assistant Finance Director**

**Sarah Wilson
City Treasurer**

**Jason Boes
Information Systems Director**

**Hayden Nickell
Management Assistant**

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City of Muskegon

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December 18, 2024

To the Honorable Mayor, Members of the City Commission, and Citizens of the City of Muskegon:

State law requires that every general-purpose local government publish a complete set of audited financial statements within six months of the close of each fiscal year. This report is issued to fulfill that requirement for the fiscal year ending June 30, 2024.

Management assumes full responsibility for the completeness and reliability of the information in this report, based upon a comprehensive internal control framework established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Brickley DeLong, PC, Certified Public Accountants, has issued an unmodified (“clean”) opinion on the City of Muskegon’s financial statements for the fiscal year ending June 30, 2024. The independent auditor’s report is located at the front of the financial section of this report.

Management’s discussion and analysis (MD&A) follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the government

The City of Muskegon operates under a Commission-Manager form of government and provides a full range of traditional municipal services. Policy-making and legislative authority are vested in the Commission, which consists of the mayor and six commissioners. Two commissioners are elected at large, and voters from the four respective wards elect each of the four ward commissioners. Commission members serve four-year terms, with the two at large members elected every four years in odd years preceding the Michigan Gubernatorial election, and the four ward commissioners elected every four years in odd years preceding the Presidential election. The mayor is also elected at-large for a four-year term in the year prior to the Michigan Gubernatorial election. The Mayor and Commission appoint the City Manager, who oversees day-to-day operations in the City.

The City of Muskegon provides a full range of services, including police and fire protection; solid waste collection (contracted); parks and recreation activities; the construction and maintenance of streets and roadways; street snowplowing; traffic control; building inspections; licenses and permits; water distribution and sewer disposal services; community and economic development; and general administrative support services. The City also provides treated drinking water to its residents and several surrounding communities.

The Commission must adopt an initial budget for the fiscal year no later than the last regular meeting in June preceding the beginning of the fiscal year on July 1. This annual budget is the foundation for the City of Muskegon's financial planning and control. The budget is prepared by fund, function (e.g., public safety), and department (e.g., police). The City Manager, division heads, and department heads may transfer resources within a department as they see fit. Transfers between departments, however, need special approval from the Commission.

Local economy

The City of Muskegon is located in western Michigan on the shores of Lake Michigan. The city covers 18 square miles and, with a 2020 US Census population of 38,318, is the largest city on the eastern shore of Lake Michigan. The city is in Muskegon County and part of the Muskegon-Norton Shores Metropolitan Statistical Area (MSA) and the larger Grand Rapids-Wyoming-Muskegon Combined Statistical Area (CSA).

Muskegon is home to many outstanding sports, recreation, and cultural activities:

- Muskegon has been the eastern terminus for the high-speed cross-lake ferry connecting Muskegon with Milwaukee, Wisconsin, since 2004. The *Lake Express* service ferries 100,000-plus passengers each season between the two cities.
- Muskegon has been home to the annual Miss Michigan pageant since 1950.
- Pere Marquette Beach is nationally recognized as one of the best beaches in the nation and welcomes hundreds of thousands of visitors.
- Muskegon is an active port of call for the Great Lakes cruise industry, with more than 20 cruise ship visits annually, bringing more than 170,000 passengers.
- Muskegon is home to successful summertime festivals that attract more than 100,000 visitors to the community annually. These include Taste of Muskegon, Bike Time and Rebel Road, the Unity Christian Music Festival, the Great Lakes Surf Festival, the Burning Foot Beer Festival, the Muskegon Polish Festival, the Muskegon County Latino Festival, and the Michigan Irish Music Festival, among others.



- Muskegon is the cultural hub for West Michigan, with numerous museums and live performance venues. The Muskegon Museum of Art has one of the largest premier art collections in the Midwest and is finishing a \$10 million expansion. At the same time, the Lakeshore Museum Center provides insight into the area's storied past. The Lakeshore Museum Center's attractions include the Muskegon Heritage Museum, the former residences of lumber barons Charles H. Hackley and Thomas Hume, the Fire Barn Museum, and the Scolnik Depression Era House. The Frauenthal Center for the Performing Arts operates throughout the year, hosting the West Michigan Symphony Orchestra and the Muskegon Civic Theater.
- Muskegon's downtown is home to dozens of monumental public art pieces. The newest piece, Portal, was unveiled in the summer of 2024 on City property adjacent to Shoreline Drive. It was completed by City of Muskegon resident and artist Lee Brown.
- Muskegon is home to three historic museum ships that attract thousands of visitors each year:
 - *USS Silversides*, a rare surviving World War II submarine maintained in pristine condition, is docked at the Muskegon Lake Channel;
 - *LST-393*, a landing craft used in the D-day invasion and one of only two such vessels remaining in existence, is docked downtown Muskegon at the West Michigan Dock and Market, and the
 - *Milwaukee Clipper*, a Great Lakes passenger ship built before the *Titanic* that for many years served as a cross-lake ferry between Muskegon and Milwaukee, is docked in the Lakeside Business District.

Muskegon has a diverse local economy. Manufacturing is strong in aerospace, plastics, defense, metals and castings, office furniture, recreational items, and automotive parts. The City of Muskegon also benefits from being home to large government, healthcare, and educational employers. While many of these institutions are exempt from paying property taxes, local income tax withholdings remitted by these employers provide stability to City finances.

The City fully recognizes the difficulties it faces as an older urban community. Thus, we have attempted to position ourselves as a leader in fiscal stability and sustainability while making key investments in areas that grow the City's financial resources over the long term.

Long-term financial planning and major initiatives

The City ended FY 2023-24 with General Fund revenues exceeding expenses by \$471,320 (as found on the *Statement of Revenues, Expenditures and Changes in Fund Balances* sheet). However, \$900,000 had to be transferred to other funds to stabilize non-general fund budgets, using up the excess revenues in the General Fund and reducing our fund balance by \$428,680. It's worth noting this is less than initially anticipated.

The unassigned fund balance in the General Fund at year-end stands at \$5,124,424 or 13.08% of total actual General Fund revenues for the preceding year (fiscal year ending June 2023). This amount meets the Commission's minimum (13%) policy guidelines for budgetary and planning purposes. This is a decrease in our fund balance ratio from the previous year. This decrease is attributed to several factors, including (but not limited to) an increase in revenues. One of the side effects of increased revenues is the need to put aside more dollars for savings. This will be a consideration in future budgets.

In addition to the unassigned fund balance in the General Fund, the City maintains an internal Budget Stabilization Fund, which has a fund balance of \$1,800,000. These dollars are currently shown as assigned for capital projects and public improvements in the General Fund. In an extreme situation, the City Commission could use these dollars.

Adequate unassigned fund balances are maintained to allow the City to continue providing services to the community in case of unexpected emergencies, requirements, and/or economic downturns.

The City incorporates a five-year fiscal forecast into its yearly budget process. The forecast is a macro-level projection of major revenue sources, expenses, and fund balances while accounting for identifiable factors, recent trends, and management's judgment of future developments. The City anticipates General Fund revenues will grow over the next five years.

Among the City's major initiatives and accomplishments in the fiscal year 2023-24 were the following:

- In 2019, the City started an ambitious infill housing program to provide new housing stock across the community. In 2024, the program constructed new homes throughout the City. Since the program's inception, the City has completed or initiated the construction of more than 150 homes. To date, 50% of homes sold as part of this program have been purchased by individuals or families at 120% or less of the Area Median Income (AMI).
- Construction continued at Adelaide Point in 2024. The waterfront developments will feature more than \$200 million in investments and create hundreds of new housing opportunities in the City.



- Parkland Properties revealed its plans to redevelop the former Shaw Walker property on lower West Western Ave. This will be more than a \$200 million mixed-use development project that will bring hundreds of additional housing options to the city at various price points. The redevelopment of lower West Western Ave. is one of the last major redevelopment areas in Muskegon's downtown.
- Fiscal year 2023-24 was our first full fiscal year with the City's reestablished Parks and Recreation Department.
- The City resumed management of Hartshorn Municipal Marina
- The City saw reconstruction of roads, water, and sewer infrastructure in Bluffton.
- The City continues progressing on its lead service line replacement initiatives and anticipates all lead service lines will be replaced by the end of 2036.

Enterprise Funds (Water & Sewer)

For several years, the City has actively engaged in the State of Michigan's Drinking Water State Revolving Fund (DWSRF) and Clean Water State Revolving Fund (SRF) programs to aid in the replacement of water and sewer infrastructure throughout the City. Infrastructure that, in many cases, has been in use for a century or more.

These programs are run as a reimbursement of funds spent by the local municipality. Reimbursements come several weeks to months after reimbursement documentation is submitted to the State. Because the City's fiscal year ends in the middle of construction season, the Water Fund will often show a more significant deficit than might exist during the non-construction season because the City is waiting on reimbursements from the state. For example, at the end of FY 2023, the City was waiting on nearly \$1 million in reimbursements from the state.

This situation has highlighted two things:

1. The Water Fund has been operating at a loss primarily because of the construction activity, and additional revenue is needed.
2. The Water Fund's net position needs to be increased to the American Water Works Association's (AWWA) recommended six months of operational expenses.

To achieve these two goals, the City Commission instituted a debt service fee in 2023 that is paid by all water and sewer users in the City. This debt service fee is based on the previous fiscal year's debt payments. Additionally, the city anticipates adjusting commodity rates to build up the Water Fund's net position to reach the AWWA's six months of operational cushion.

This financial cushion will allow the Water Fund to absorb construction costs while waiting for reimbursements.

It is worth noting that despite these challenges, it is still in the City's best interest to take advantage of these state revolving loan fund programs for water and sewer replacement. The City of Muskegon, like all municipalities in the State of Michigan, must replace all its lead service lines by the end of the 2030s per state mandates. The most economical way to achieve this is by taking advantage of the state revolving loan funds, which allow projects to be completed at an overall discount.

Over the last few years, the State of Michigan has reduced the grant portion of the DWSRF and SRF programs. Administrative leadership at the City has been in contact with the governor's office and with our state legislators, expressing how important it is to cities like Muskegon that the state maintains these programs with meaningful grant forgiveness to ensure that our lead service line replacement windows are met. This has become even more important now that the EPA has noted a federal timeline of 10 years to replace lead service lines across the country. If this EPA rule comes into force, the administration anticipates that the cost of replacing our lead service lines will increase because of increased demand for materials nationwide.

Relevant financial policies

The City of Muskegon has adopted a comprehensive set of financial policies to ensure adequate protection of its assets from loss, theft, or misuse and to provide good accounting data to prepare financial statements in conformity with generally accepted accounting principles.

Budgetary control is maintained through an annual budget resolution passed by the City Commission. A review of estimated expenditures retains fiscal control at the functional level before purchasing is approved. Encumbrances are not recorded in the City's funds. However, the City utilizes an informal monitoring system to facilitate budgetary control over proposed purchases. This system uses online budgetary information that details year-to-date "actual versus budgeted" expenditure comparisons by budget category. This information is accessible to appropriate personnel to enable them to ascertain the budget status of an expenditure category before authorizing additional purchases.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Muskegon for its annual comprehensive financial report (ACFR) for the fiscal year ending June 30, 2023. This was the 37th consecutive year that the City has received this award. The City has submitted the June 30, 2024, ACFR for consideration but has not received award confirmation. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR that satisfies generally accepted accounting principles and applicable program requirements.

A Certificate of Achievement for Excellence in Financial Reporting is valid for one year. However, we believe our current ACFR continues to meet the Certificate of Achievement for Excellence in Financial Reporting Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.



The preparation of this report would not have been possible without the skill, effort, and dedication of the Finance Division and the entire city staff. We express appreciation to those staff members who assisted and contributed to preparing this report. Credit also must be given to the Mayor and Commissioners for their support in maintaining the highest standards of professionalism in managing the City of Muskegon's finances.

Respectfully submitted,


Jonathan C. Seyferth
City Manager


Kenneth D. Grant
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Muskegon
Michigan**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO

Organizational Structure 2023-24



**ANNUAL COMPREHENSIVE FINANCIAL
REPORT CITY OF MUSKEGON, MICHIGAN
LIST OF PRINCIPAL OFFICIALS**

June 30, 2024

ELECTED OFFICIALS

Mayor. Ken Johnson
At Large

Commissioner. Willie German
Ward 2

Commissioner. Jay Kilgo
Ward 1

Commissioner. Destinee Keener
Ward 3

Commissioner. Katrina Kochin
Ward 4

Commissioner. Rachel Gorman
At Large

Vice Mayor-Commissioner. Rebecca St. Clair
At Large

APPOINTED OFFICIALS

City Manager. Jonathan Seyferth

City Attorney. John C. Schrier

Finance Director. Kenneth D. Grant

FINANCIAL SECTION

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BRICKLEY DeLONG

CERTIFIED PUBLIC ACCOUNTANTS



INDEPENDENT AUDITOR'S REPORT

City Commission
City of Muskegon
Muskegon, Michigan

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Muskegon, Michigan, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City of Muskegon, Michigan's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Muskegon, Michigan, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Muskegon, Michigan, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Muskegon, Michigan's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Muskegon, Michigan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Muskegon, Michigan's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension and other post-employment benefit information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Muskegon, Michigan's basic financial statements. The accompanying combining and individual nonmajor fund financial statements, budgetary comparison information for nonmajor funds, schedule of indebtedness, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, budgetary comparison information for nonmajor funds, schedule of indebtedness, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.



Muskegon, Michigan
December 18, 2024

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2024 MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the City of Muskegon's annual financial report presents our discussion and analysis of the City's financial performance during the fiscal year ended June 30, 2024. Please read it in conjunction with the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

The assets/deferred outflows of resources of the City of Muskegon exceeded its liabilities/deferred inflows of resources by \$134,144,126 as of June 30, 2024. The City has a deficit in unrestricted net position of \$15,324,294. The deficit in unrestricted net position is caused by the City's pension and other postemployment benefits plans liabilities.

The City's total combined net position increased by \$11,827,858 during the year ended June 30, 2024.

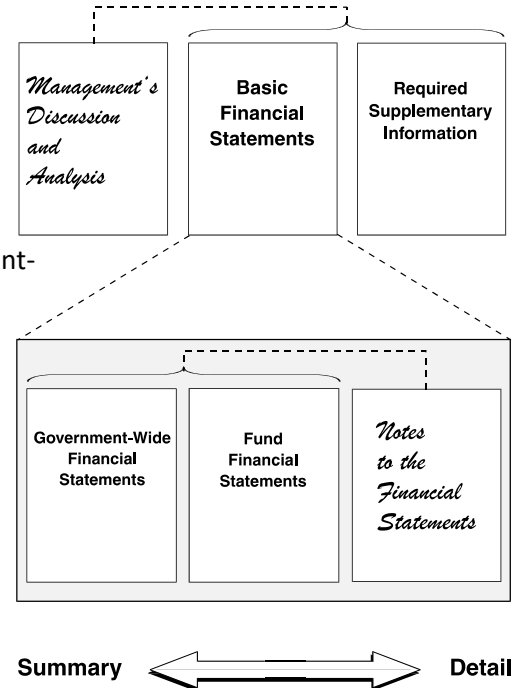
The City's governmental funds reported combined ending fund balance of \$21,249,076, a decrease of \$714,963 (3%) from the prior year.

The City's General Fund reported a total fund balance of \$9,589,228, a decrease of \$428,680 from the prior year balance of \$10,017,908.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts - *management's discussion and analysis* (this section), the *basic financial statements*, and *required supplementary information*. The basic financial statements include two kinds of statements that present different views of the City.

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the City's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting individual City operations in greater detail than the government-wide statements.
- *The governmental funds* statements tell how *general government* services were financed in the short-term as well as what remains available for future spending.
- *Proprietary fund* statements offer short- and long-term financial information about activities the City operates *like private businesses*.
- *Fiduciary fund* statements provide information about the financial relationships in which the City acts solely as a *trustee or agent* for the benefit of others, to whom the resources in question belong.



The financial statements also include detailed notes that explain some of the information in the financial statements and provide additional data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. The figure above shows how the required parts of this annual report are arranged and related to one another.

The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Government-Wide Statements

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets/deferred outflows of resources and liabilities/deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City's net position and how they have changed. Net position—the difference between the City's assets/deferred outflows of resources and liabilities/deferred inflow of resources—is one way to measure the City's overall financial health or *position*. Over time, increases or decreases in the City's net position are an indicator of whether its financial health is improving or deteriorating, respectively. However, to assess the overall health of the City, one needs to consider additional nonfinancial factors such as changes in the City's tax base.

The government-wide financial statements include not only the City of Muskegon itself (known as the *primary government*), but also legally separate *component units* for which the City is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements of the City include the *governmental activities*. Most of the City's basic services are included here, such as public representation services, administrative services, financial services, public safety, public works, highways, streets and bridges, community and economic development, culture and recreation, general administration, and interest on long-term debt. Income taxes, federal grants, property taxes, and revenues from the State of Michigan finance most of these activities.

Also included in the government-wide statements are the City's business-type activities: water, sewer and marina operations.

Fund Financial Statements

The fund financial statements provide more detailed information about the City's major *funds*—not the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes.

The City has the following kinds of funds:

- *Governmental funds*—Most of the City's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps the user determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information on the subsequent page of the governmental funds statements that explain the relationship (or differences) between them.
- *Proprietary funds*—Services for which the City charges customers a fee and are intended to be self-supporting are generally reported in proprietary funds. The City uses three proprietary funds: water, sewer, and marina and launch ramp. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial information.
- The City uses *internal service funds* to report activities that provide supplies and services for the City's other programs and activities.
- *Fiduciary funds*—The City is the trustee, or fiduciary, for certain funds. It is also responsible for other assets that—because of a trust arrangement—can be used only for the trust beneficiaries. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the City's fiduciary activities are reported in a separate statement of net position and a statement of changes in net position. We exclude these activities from the City's government-wide financial statements because the City cannot use these assets to finance its operations.
- *Component units* – Finally, the City of Muskegon's Annual Comprehensive Financial Report includes four component units: The Downtown Development Authority (DDA), the Tax Increment Finance Authority (TIFA), the Local Development Finance Authority (LDFA) and, the Brownfield Redevelopment Authority (BRA), which is comprised of eight designated brownfield areas. Component units are separate legal entities for which the City of Muskegon has some level of financial accountability. The component units of the City exist primarily for the issuance and repayment of debt to finance projects in specific areas of the City. Accordingly, they are discussed below under the Capital Assets and Debt Administration heading.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net position. The Statement of Net Position provides an overview of the City's assets/deferred outflows of resources, liabilities/deferred inflow of resources and net position. Over time this can provide a good indicator of the City's fiscal health.

The total net position of the City was \$134,144,126 as of June 30, 2024. This is an increase of \$11,827,858 from reported net position for the prior year. An overview of the City's net position follows:

City's Net Position							
(In Thousands of Dollars)							
	Governmental		Business-Type		Total		Percentage
	Activities		Activities				
	6/30/2024	6/30/2023	6/30/2024	6/30/2023	6/30/2024	6/30/2023	Change
Current and other assets	\$48,433	\$49,557	\$14,621	\$9,644	\$63,054	\$59,201	6.51%
Capital assets	106,998	106,949	76,868	71,643	183,866	178,592	2.95%
Total Assets	155,431	156,506	91,489	81,287	246,920	237,793	3.84%
Deferred outflow s of resources	6,828	12,239	475	851	7,303	13,090	-44.21%
Total Assets and Deferred Outflows of Resources	162,259	168,745	91,964	82,138	254,223	250,883	1.33%
Long-term liabilities	72,905	81,305	17,354	16,544	90,259	97,849	-7.76%
Current liabilities	14,704	18,217	4,490	3,774	19,194	21,991	-12.72%
Total Liabilities	87,609	99,522	21,844	20,318	109,453	119,840	-8.67%
Deferred inflow s of resources	9,076	7,869	1,549	858	10,625	8,727	21.75%
Total Liabilities and Deferred Inflows of Resources	96,685	107,391	23,393	21,176	120,078	128,567	-6.60%
Net Position							
Net investment in capital assets	77,860	77,169	60,004	57,496	137,864	134,665	2.38%
Restricted	10,591	7,228	1014	822	11,605	8,050	44.16%
Unrestricted	-22,877	-23,043	7,552	2,644	-15,325	-20,399	-24.87%
Total Net Position	\$65,574	\$61,354	\$68,570	\$60,962	\$134,144	\$122,316	9.67%

* As restated

The bulk of the City's net position, \$137,863,309, represents investments in capital assets net of accumulated depreciation, less the remaining balance of debt issued to acquire those assets. These infrastructure assets are used to provide public services to citizens and are not available for spending.

Another \$11,605,111 of the City's net position are legally restricted as to use. The City has a deficit in unrestricted net position of \$15,324,294. The deficit in unrestricted net position is caused by the City's long-term pension and other postemployment benefits plans liabilities. The City's unrestricted net position improved by \$5,074,387 during the year.

Changes in net position. The City's total revenues were \$90,720,721 for the year ended June 30, 2024. This represents a .58% decrease over total revenues collected during the prior fiscal year. Approximately 33% of the City's revenue stream came from charges to users of specific services such as water or sewer. Another 14% came from grants from the state and federal governments and 26% was from local property and income taxes. The remainder was comprised of state revenue sharing and other sources such as franchise fees and investment income.

The total cost of all City programs and services for the year ended June 30, 2024 was \$78,892,863. This represents a 4.9% decrease from reported expenses for the last fiscal year ended June 30, 2023. 74% of the City's expenses were for governmental activities such as police and fire protection, streets, parks, and general administration. The remaining 26% represents the costs of the City's business-type activities, specifically, water, sewer and marina operations.

The table on the following page (*Changes in City's Net Position*) further breaks down the change in total net position into period-to-period changes in individual revenue and expense categories.

As can be seen, net position for governmental activities increased \$4,219,730 and the net position for business-type activities increased by \$7,608,128. For governmental activities, most of these changes are related to the changes in the pension and other postemployment benefits plans. For business-type activities, the changes similarly represent the impact of the changes in the pension and other postemployment benefits plans.

Changes in City's Net Position							
(In thousands of dollars)							
	Governmental		Business-Type		Total		Percentage
	Activities		Activities				
	6/30/2024	6/30/2023	6/30/2024	6/30/2023	6/30/2024	6/30/2023	Change
Program revenues							
Charges for services	\$10,942	\$11,393	\$21,139	\$20,818	\$32,081	\$32,211	-0.40%
Operating grants and contributions	11,468	12,341	130	427	11,598	12,768	-9.16%
Capital grants and contributions	5,345	3,801	5,517	2,290	10,862	6,091	78.33%
General revenues							
Property taxes	11,017	10,260	-	-	11,017	10,260	7.38%
Income taxes	12,767	12,196	-	-	12,767	12,196	4.68%
State shared revenues	6,342	13,168	-	-	6,342	13,168	-51.84%
All other	6,014	4,527	40	28	6,054	4,555	32.91%
Total revenues	63,895	67,686	26,826	23,563	90,721	91,249	-0.58%
Governmental activities expenses							
Public representation	2,723	1,978	-	-	2,723	1,978	37.66%
Administrative services	1037	1095	-	-	1,037	1,095	-5.30%
Financial services	5,792	6,146	-	-	5,792	6,146	-5.76%
Public safety	16,243	18,908	-	-	16,243	18,908	-14.09%
Public works	4,677	4,561	-	-	4,677	4,561	2.54%
Highways, streets and bridges	7,755	7,480	-	-	7,755	7,480	3.68%
Community and economic development	11,004	13,217	-	-	11,004	13,217	-16.74%
Culture and recreation	8,151	7,870	-	-	8,151	7,870	3.57%
General administration	702	978	-	-	702	978	-28.22%
Interest on long-term debt	861	866	-	-	861	866	-0.58%
Business-type activities expenses							
Sewer	-	-	8,983	8,609	8,983	8,609	4.34%
Water	-	-	10,435	10,759	10,435	10,759	-3.01%
Marina and launch ramp	-	-	530	490	530	490	8.16%
Total expenses	58,945	63,099	19,948	19,858	78,893	82,957	-4.90%
Change in net position before transfers	4,950	4,587	6,878	3,705	11,828	8,292	42.64%
Transfers	(730)	(1,341)	730	1,341	-	-	-
Change in net position	4,220	3,246	7,608	5,046	11,828	8,292	42.64%
Net position at beginning of year	61,354	58,108	60,962	55,916	122,316	114,024	7.27%
Net position at end of year	\$65,574	\$61,354	\$68,570	\$60,962	\$134,144	\$122,316	9.67%

Governmental Activities

The following table (*Net Cost of Selected City Functions*) presents the cost of each of the City's largest functions as well as each function's net cost (total cost less fees generated by the activities and intergovernmental aid specifically related to the function). The *net* cost reflects the portion of costs funded by local tax dollars and other general resources:

- The operational cost of all governmental activities during the year ended June 30, 2024 was \$58,944,667.
- The net cost that City taxpayers paid for these activities through local property taxes and income taxes was \$31,189,415, or about 53% of the total.
- The remaining cost was paid by user charges to those directly benefitting from the programs or by state and federal grants and contributions or use of net position.

Net Cost of Selected City Functions (in thousands of dollars)						
	Total Cost of Services			Net Cost of Services		
	<u>6/30/2024</u>	<u>6/30/2023</u>	<u>% Change</u>	<u>6/30/2024</u>	<u>6/30/2023</u>	<u>% Change</u>
Governmental activities						
Public safety	\$16,243	\$18,908	-14.09%	\$13,401	\$15,634	-14.28%
Public works	4,677	4,562	2.52%	3,358	3,184	5.46%
Highways, streets and bridges	7,755	7,480	3.68%	941	0	0.00%
Community and economic development	11,004	13,217	-16.74%	5,685	7,702	-26.19%
Culture and recreation	8,151	7,870	3.57%	156	1,331	-88.28%
All other	11,114	11,062	0.47%	7,648	7,714	-0.86%
Total governmental activities	\$58,944	\$63,099	-6.58%	\$31,189	\$35,565	-12.30%

Business-Type Activities

The financial goal of the City's business-type activities (i.e. water, sewer and marina and launch ramp operations) is to operate on a self-supporting basis without making significant profit or needing general tax subsidies. For the fiscal year ended June 30, 2024, the City's total business-type activities realized an overall increase in net position of \$7,608,128.

Sewer Fund net position increased \$3,392,523 primarily from the result of adjustments to utility rates. The Water Fund saw a net position increase of \$3,608,847. Marina and Launch Ramp Fund net position increased \$382,801.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The fund financial statements provide detailed information about the major City funds, not the City as a whole. The City's major funds for the fiscal year ended June 30, 2024 were the General Fund, the Major Street and Trunkline Fund, the Trinity Health Arena Fund, and the State Grants Fund.

General Fund Highlights

The General Fund receives most public attention since it is where local tax revenues are accounted for and where the most visible municipal services such as police, fire and parks are funded. The City reforecasts its General Fund budget on a quarterly basis considering changing economic conditions and policy priorities. The following table shows the General Fund year-end unassigned fund balance for the last five years.

Year Ended	Year-End Unassigned Fund Balance	Year-to-Year % Change	Prior Year's Revenues	Unassigned Fund Balance as a % of Prior Year Revenues (Policy Target=13%)
6/30/2024	\$5,124,424	-12.52%	\$39,157,873	13.09%
6/30/2023	5,857,568	-26.61%	34,144,767	17.16%
6/30/2022	7,981,674	-12.50%	33,056,483	24.15%
6/30/2021	9,121,955	54.06%	29,653,448	30.76%
6/30/2020	5,920,869	-9.79%	28,747,772	20.60%

For the year ended June 30, 2024, General Fund revenues were \$243,047 higher than the final amended budget. City income tax collections were the driving force behind this revenue surge. Income tax collections are up \$286,513 from the previous fiscal year.

Intergovernmental revenues are up by \$55,487 from last year. Federal grants this fiscal year increased by \$117,296. Funds received from State grants decreased by \$202,826. State sales tax constitutional and County Village Township Revenue Sharing (CVTRS) funds were up by \$141,017 from the last fiscal year.

Overall this year, General Fund expenditures exceed revenues reducing overall fund balance by \$428,680. Our fund balance is \$9,589,228 which exceeds our Financial Policy standard which requires the City to maintain an unassigned fund balance equal to at least 13% of actual General Fund Revenues for the preceding year.

General Fund expenditures were \$202,618 lower than projected in the final amended budget. The variance from the final budgeted expenditures was insignificant—less than 1%. Some of the key areas that were higher than budgeted were Public Representation Services, General Sanitation, and Parks.

Major Street and Trunkline, Trinity Health Arena, and State Grants Fund Highlights

The Major Street and Trunkline Fund accounts for all of the City's street construction and maintenance activities on its primary road system. Primary funding comes from the State of Michigan. For the year ended June 30, 2024, the fund balance of the Major Street and Trunkline Fund increased by \$1,075,473. Public Works plans to spend this fund balance down on anticipated future projects in the 25/26 fiscal year.

Trinity Health Arena is a ran by the City of Muskegon. The bulk of the revenue generated at the Arena is from our contract with the Muskegon Lumberjacks' youth hockey team. We also generate revenue from other sporting activities such has Arena football, indoor soccer, and high school hockey games. The City also has leases with two restaurants located at the Arena. Charges for services were slightly up from the previous fiscal year. Capital outlays are down significantly from the previous year because we did not have any large projects in 23/24 fiscal year. The City did receive \$410,471 federal funds from Revitalization and Placing Program for qualifying upgrades made to the Arena. The fund balance of the Arena went up by \$38,518.

The State Grant fund is used by City to track large state and federal grants and expenditures. Most of our American Rescue Plan Act (ARPA) federal grants flow thru this fund. ARPA expenditures for the fiscal year 23/24 were \$1,626,157. Major grants from the State of Michigan flow also thru this fund. This includes reimbursements for Windward Pointe, Adelaide Pointe, Pure Muskegon, and Harbor 31.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2024, the City had invested \$183,866,487 in a variety of capital assets, including land, streets, equipment, buildings, water and sewer lines, and vehicles. This is an increase of \$5,274,738 from capital assets reported as of June 30, 2023. The increase is due to current year additions offset by normal depreciation of assets. Note G of the notes to the basic financial statements provides detailed information on the City's capital asset investment.

Long-Term Debt

At June 30, 2024, the City had \$47,165,687 in bonds and other long-term obligations outstanding. This represents a .12% increase from the prior year. The City issued new debt for water and sewer improvements.

Additional information concerning the City's long-term debt is presented in Note J to the basic financial statements.

Bond Ratings

The City's limited full faith and credit bonds (bonds guaranteed by the City's taxing powers) received a rating of A+ from Standard & Poor's in 2023.

City's Long Term Debt – Bonds and Other Obligations
(In thousands of dollars)

	Governmental		Business-Type		Total		Percentage
	Activities		Activities				
	6/30/2024	6/30/2023	6/30/2024	6/30/2023	6/30/2024	6/30/2023	Change
Due within one year	\$2,106	\$2,025	\$1,647	\$1,505	\$3,753	\$3,530	6.32%
Due in more than one year	<u>29,104</u>	<u>30,565</u>	<u>14,309</u>	<u>13,016</u>	<u>43,413</u>	<u>43,581</u>	<u>-0.39%</u>
Total bonds & other obligations	\$31,210	\$32,590	\$15,956	\$14,521	\$47,166	\$47,111	0.12%

In addition to direct City debt, component units such as the Downtown Development Authority (DDA) and Local Development Finance Authority (LDFA) had outstanding debt totaling \$562,824 at year-end as shown in the table below. This represents a decrease of 33% from the prior year.

Debt issued by component units typically is secured by the limited full faith and credit of the City and so is an important consideration in assessing the City's overall fiscal health. Additional information concerning component units' long-term debt is presented in Note J to the basic financial statements and is summarized as follows:

Component Unit Long Term Debt – Bonds and Other Obligations
(In thousands of dollars)

	Local Development Finance Authority		Total		Percentage
	6/30/2024	6/30/2023	6/30/2024	6/30/2023	Change
Due within one year	\$275	\$265	\$275	\$265	3.77%
Due in more than one year	<u>287</u>	<u>568</u>	<u>287</u>	<u>568</u>	<u>-49.47%</u>
Total bonds & other obligations	\$562	\$833	\$562	\$833	-32.53%

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City's fiscal year 2024-25 capital budget anticipates spending \$24,746,843 for capital projects, consisting of street improvements, water and sewer system improvements, scheduled equipment replacements, and the replacement of police department equipment.

From an operating standpoint, the City's 2024-25 budget will be relatively stable while the City attempts to maintain a healthy fund balance and allow time to plan for and address economic challenges with a long-term solution:

- The full-time personnel complement will increase slightly to approximately 270.5.
- Some user fees will be increased and new fees recommended during the course of the year.
- The City will continue to look for opportunities to partner with other entities to deliver quality services in a cost-effective manner (e.g. Farmers' Market kitchen management, Marsh Field and recreation programs).

City operations depend on five major sources of revenue: local income taxes, local property taxes, state-shared revenues, state street funds, and water and sewer utility fees. Together, these five income sources account for about three-quarters of total revenues.

Local Income Tax

The City income tax was approved by voters in 1993 and is the primary source of funding for police, fire, parks and other general operations. The income tax rate is 1% on City residents and ½ of 1% on non-residents working in the City. The income tax provides key advantages for core cities such as Muskegon.

First, it allows the City to regionalize its tax structure by taxing non-residents who work here and use City services. Second, it allows the City to benefit from development occurring outside City limits because City residents employed by non-City employers pay income taxes.

Finally, the income tax generates revenue from workers at not-for-profit hospitals, churches, government agencies, colleges and other institutions that are traditionally exempt from paying local property taxes. This is particularly important for Muskegon since it is the regional center for many such institutions.

Income tax revenues increased 2.4% from \$11,957,105 for the year ended June 30, 2023 to \$12,243,618 for the year ended June 30, 2024. For 2024-25, the City has estimated income tax revenue to be \$12,750,000.

Year	City Income Tax Revenues	Percent Change
6/30/2024	\$12,243,618	2.4%
6/30/2023	\$11,957,105	19.5%
6/30/2022	\$10,002,623	8.1%
6/30/2021	\$9,256,826	1.3%
6/30/2020	\$9,137,714	5.1%

Local Property Tax

City charter and state law authorize the City to levy a general operating millage up to 10 mills and a maximum sanitation millage of 3 mills. Millage rates are applied to the taxable value of property in the City to arrive at the City's property tax levy.

For 2024-25, the City tax levy will be at 9.6732 mills for general operations and 2.8838 mills for sanitation service. We project that \$9,211,585 in total property tax revenue will be collected during fiscal year 2024-25.

It should be noted that several property tax appeals are currently pending. The impact of these appeals on City finances is being monitored closely.

State Shared Revenues

State shared sales tax revenues represent about 13% of total General Fund revenue. The City's state shared revenue allocation is made up of two parts. The constitutional component is a fixed percentage of total state sales tax collections that is allocated to cities on a per capita basis and that cannot be reduced by the legislature. The non-constitutional component is determined by a complex formula and is subject to adjustment through the State's annual budget process. Both components depend, of course, on overall state sales tax collections. The City's recent state shared revenue history is summarized as follows:

Year	State Shared Revenues	Percent Change
6/30/2024	\$5,321,361	2.7%
6/30/2023	\$5,180,344	1.8%
6/30/2022	\$5,087,587	7.5%
6/30/2021	\$4,733,888	15.0%
6/30/2020	\$4,117,935	-3.6%

For 2024-25, the City projects \$5,650,382 in state shared revenues.

Street Funds

The State also returns to the City a share of gasoline tax revenues to help fund maintenance and construction of major and local streets within the City. These revenues have been more stable than general state sales tax state-shared revenues have been:

Year	Street Revenues from State	Percent Change
6/30/2024	\$6,768,873	-9.4%
6/30/2023	\$7,471,277	19.1%
6/30/2022	\$6,271,210	5.2%
6/30/2021	\$5,961,524	9.4%
6/30/2020	\$5,450,220	6.2%

The City is projecting street revenues for fiscal year 2024-25 of \$6,340,000.

Water and Sewer Fees

From a government-wide entity perspective, combined water and sewer fees represent one of the City's largest income streams, totaling \$20,699,804 during the year ended June 30, 2024. Charges to customers are based on the number of metered services used times rates periodically set by the City Commission. Water and sewer rates will increase by debt service fees in the next fiscal year to pay for improvements being made at the Water Filtration Plant. The City began providing treated water to the City of Norton Shores and Fruitport Charter Township in May 2015. The addition of these two new large municipal customers allows the spreading of water treatment costs over a larger customer base while remaining well within the plant's rated treatment capacity.

Due to the impact of continued increases in wastewater treatment charges from the Muskegon County Wastewater Treatment System, the City Commission passed a resolution effective July 1, 2016, which ties the sewer rate the City will charge to its customers to a multiplier of the rate that the county bills the City for wastewater treatment. This rate change is expected to help maintain the financial viability of the City's sewer system.

The City of Muskegon along other jurisdictions in the area have an agreement in place with the Muskegon County Wastewater Treatment System starting in 2022 to pay wastewater treatment fees based on the flow percentage contributed to the system and the annual revenue required from all jurisdictions to run treatment plant. In the past, our fees were based on actual flow. By changing to this method, we will be able to stabilize our monthly payments.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report, need additional financial information, or wish to obtain separate financial statements for the City's component units, contact the City's Finance Department at (231) 724-6713 or by e-mail (finance@shorelinecity.com).

FINANCIAL STATEMENTS

City of Muskegon
STATEMENT OF NET POSITION
June 30, 2024

	Governmental Activities	Business-type Activities	Total	Component Units
ASSETS				
Current assets				
Cash and investments	\$ 27,124,474	\$ 5,665,106	\$ 32,789,580	\$ 620,879
Assets managed by others	1,636,146	-	1,636,146	-
Receivables				
Accounts and notes	3,628,487	3,680,400	7,308,887	35,273
Leases	364,859	96,284	461,143	-
Due from other governmental units	3,543,522	2,460,099	6,003,621	-
Internal balances	503,448	(503,448)	-	-
Inventories	5,427	586,800	592,227	-
Prepaid items	677,353	155,982	833,335	-
Total current assets	37,483,716	12,141,223	49,624,939	656,152
Noncurrent assets				
Restricted cash and investments	-	918,000	918,000	-
Advances to component units	553,233	-	553,233	-
Leases receivable, less amounts due within one year	7,858,774	1,393,815	9,252,589	-
Notes receivable, less amounts due within one year	125,929	-	125,929	-
Capital assets, net				
Nondepreciable	18,535,305	12,351,988	30,887,293	400,000
Depreciable	88,462,878	64,516,316	152,979,194	244,585
Net other postemployment benefits asset	2,411,470	167,643	2,579,113	-
Total noncurrent assets	117,947,589	79,347,762	197,295,351	644,585
Total assets	155,431,305	91,488,985	246,920,290	1,300,737
DEFERRED OUTFLOWS OF RESOURCES				
Related to pension	5,964,360	414,635	6,378,995	-
Related to other postemployment benefits	863,799	60,050	923,849	-
Total deferred outflows of resources	6,828,159	474,685	7,302,844	-
Total assets and deferred outflows of resources	162,259,464	91,963,670	254,223,134	1,300,737

The accompanying notes are an integral part of this statement.

City of Muskegon
STATEMENT OF NET POSITION—CONTINUED
June 30, 2024

	Governmental Activities	Business-type Activities	Total	Component Units
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	\$ 5,113,087	\$ 1,850,905	\$ 6,963,992	\$ 66,955
Due to other governmental units	235,921	867,036	1,102,957	-
Short-term note	549,995	-	549,995	-
Unearned revenues—unused Farmers Market tokens	58,853	-	58,853	-
Unearned revenues—expenditure-driven grants	6,639,969	-	6,639,969	-
Unearned revenues—prepaid fees	-	125,588	125,588	-
Bonds and other obligations, due within one year	2,106,442	1,646,530	3,752,972	275,000
Total current liabilities	14,704,267	4,490,059	19,194,326	341,955
Noncurrent liabilities				
Advances from primary government	-	-	-	553,233
Bonds and other obligations, less amounts due within one year	29,103,562	14,309,153	43,412,715	287,824
Net pension liability	43,801,031	3,044,991	46,846,022	-
Total noncurrent liabilities	72,904,593	17,354,144	90,258,737	841,057
Total liabilities	87,608,860	21,844,203	109,453,063	1,183,012
DEFERRED INFLOWS OF RESOURCES				
Related to leases	8,223,633	1,490,099	9,713,732	-
Related to other postemployment benefits	852,919	59,294	912,213	-
Total deferred inflows of resources	9,076,552	1,549,393	10,625,945	-
Total liabilities and deferred inflows of resources	96,685,412	23,393,596	120,079,008	1,183,012
NET POSITION				
Net investment in capital assets	77,859,834	60,003,475	137,863,309	81,761
Restricted				
Highways, streets and bridges	5,196,298	-	5,196,298	-
Housing repairs	31,244	-	31,244	-
Debt service	-	846,300	846,300	-
Trinity Health Arena	81,154	-	81,154	-
Law enforcement	23,388	-	23,388	-
Business improvement districts	21,491	-	21,491	-
Opioid settlement	143,581	-	143,581	-
Perpetual care				
Expendable	720,295	-	720,295	-
Non-expendable	1,792,814	-	1,792,814	-
Other postemployment benefits	2,411,470	167,643	2,579,113	-
Other purposes	169,433	-	169,433	-
Unrestricted	(22,876,950)	7,552,656	(15,324,294)	35,964
Total net position	\$ 65,574,052	\$ 68,570,074	\$ 134,144,126	\$ 117,725

The accompanying notes are an integral part of this statement.

City of Muskegon
STATEMENT OF ACTIVITIES
For the year ended June 30, 2024

Functions/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units
					Governmental Activities	Business-type Activities	Total	
Primary government								
Governmental activities								
Public representation services	\$ 2,722,607	\$ 408,586	\$ -	\$ -	\$ (2,314,021)	\$ -	\$ (2,314,021)	\$ -
Administrative services	1,036,809	804,969	-	10,979	(220,861)	-	(220,861)	-
Financial services	5,792,181	1,122,315	50,000	-	(4,619,866)	-	(4,619,866)	-
Public safety	16,242,732	2,831,835	9,611	-	(13,401,286)	-	(13,401,286)	-
Public works	4,677,404	1,311,829	7,300	-	(3,358,275)	-	(3,358,275)	-
Highways, streets and bridges	7,755,393	278,573	6,474,558	60,903	(941,359)	-	(941,359)	-
Community and economic development	11,004,354	349,316	3,465,208	1,504,781	(5,685,049)	-	(5,685,049)	-
Culture and recreation	8,150,578	3,666,818	1,461,624	2,865,991	(156,145)	-	(156,145)	-
General administration	701,800	167,316	-	-	(534,484)	-	(534,484)	-
Interest on long-term debt	860,809	-	-	902,740	41,931	-	41,931	-
Total governmental activities	58,944,667	10,941,557	11,468,301	5,345,394	(31,189,415)	-	(31,189,415)	-
Business-type activities								
Sewer	8,982,844	10,494,925	-	1,955,000	-	3,467,081	3,467,081	-
Water	10,434,898	10,327,739	129,989	3,561,827	-	3,584,657	3,584,657	-
Marina and launch ramp	530,454	316,603	-	-	-	(213,851)	(213,851)	-
Total business-type activities	19,948,196	21,139,267	129,989	5,516,827	-	6,837,887	6,837,887	-
Total primary government	\$ 78,892,863	\$ 32,080,824	\$ 11,598,290	\$ 10,862,221	(31,189,415)	6,837,887	(24,351,528)	-
Component units								
Local Development Finance Authority—SmartZone	\$ 186,574	\$ -	\$ -	\$ 200,000	-	-	-	13,426
Downtown Development Authority	843,430	-	419,947	-	-	-	-	(423,483)
Tax Increment Finance Authority	50,000	-	-	-	-	-	-	(50,000)
Brownfield Redevelopment Authorities	795,908	-	-	-	-	-	-	(795,908)
Total component units	\$ 1,875,912	\$ -	\$ 419,947	\$ 200,000	-	-	-	(1,255,965)
General revenues								
Property taxes					11,016,837	-	11,016,837	1,682,077
Income taxes					12,767,289	-	12,767,289	-
Cable franchise agreement					312,085	-	312,085	-
Grants and contributions not restricted to specific programs					6,342,222	-	6,342,222	39,157
Unrestricted investment earnings					1,680,189	40,340	1,720,529	3,387
Miscellaneous					738,714	-	738,714	-
Gain on sale of capital asset					3,281,710	-	3,281,710	-
Transfers					(729,901)	729,901	-	-
Total general revenues and transfers					35,409,145	770,241	36,179,386	1,724,621
Change in net position					4,219,730	7,608,128	11,827,858	468,656
Net position at beginning of year					61,354,322	60,961,946	122,316,268	(350,931)
Net position at end of year					\$ 65,574,052	\$ 68,570,074	\$ 134,144,126	\$ 117,725

The accompanying notes are an integral part of this statement.

City of Muskegon
BALANCE SHEET
Governmental Funds
June 30, 2024

	General Fund	Major Street and Trunkline Fund	Trinity Health Arena Fund	State Grants Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and investments	\$ 6,740,783	\$ 5,903,266	\$ -	\$ 6,012,265	\$ 4,089,160	\$ 22,745,474
Assets managed by others	-	-	-	-	1,636,146	1,636,146
Receivables						
Accounts and loans (net of allowance for uncollectibles)	319,614	3,470	407,080	-	654,442	1,384,606
Property taxes	72,531	-	-	-	-	72,531
Income taxes	1,995,430	-	-	-	-	1,995,430
Leases	3,603,766	-	4,134,184	-	485,682	8,223,632
Due from other governmental units	973,851	875,023	410,471	189,723	1,094,454	3,543,522
Due from other funds	2,836,740	-	-	-	-	2,836,740
Advances to component units	399,412	-	-	-	51,274	450,686
Prepaid items	292,396	27,912	9,356	-	7,148	336,812
Total assets	<u>\$ 17,234,523</u>	<u>\$ 6,809,671</u>	<u>\$ 4,961,091</u>	<u>\$ 6,201,988</u>	<u>\$ 8,018,306</u>	<u>\$ 43,225,579</u>
LIABILITIES						
Accounts payable	\$ 2,603,015	\$ 28,262	\$ 18,528	\$ 459,856	\$ 505,022	\$ 3,614,683
Accrued liabilities	713,364	17,493	6,305	-	19,154	756,316
Due to other governmental units	4,296	231,589	-	-	36	235,921
Due to other funds	-	-	720,920	-	606,214	1,327,134
Short-term note	-	-	-	-	549,995	549,995
Unearned revenues—unused Farmers Market tokens	-	-	-	-	58,853	58,853
Unearned revenues—expenditure-driven grants	150,854	-	-	5,740,585	-	5,891,439
Total liabilities	3,471,529	277,344	745,753	6,200,441	1,739,274	12,434,341
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenues—income taxes	570,000	-	-	-	-	570,000
Related to leases	3,603,766	-	4,134,184	-	485,682	8,223,632
Unavailable revenues—special assessments	-	748,530	-	-	-	748,530
Total deferred inflows of resources	4,173,766	748,530	4,134,184	-	485,682	9,542,162
FUND BALANCES						
Nonspendable						
Prepaid items	292,396	27,912	9,356	-	7,148	336,812
Long-term advances	399,412	-	-	-	-	399,412
Perpetual care	10,000	-	-	-	1,782,814	1,792,814
Restricted						
Highways, streets, and bridges	-	5,755,885	-	-	491,893	6,247,778
Housing repairs	31,244	-	-	-	-	31,244
Trinity Health Arena	-	-	71,798	-	-	71,798
Law enforcement	-	-	-	-	23,388	23,388
Business improvement districts	-	-	-	-	21,491	21,491
Perpetual care	-	-	-	-	720,295	720,295
Opioid remediation	143,581	-	-	-	-	143,581
Other purposes	-	-	-	-	169,433	169,433
Committed for social equity program	413,107	-	-	-	-	413,107
Assigned for						
Capital projects and public improvements	1,800,000	-	-	1,547	2,576,888	4,378,435
Subsequent year's budget appropriation of fund balance	1,375,064	-	-	-	-	1,375,064
Unassigned	5,124,424	-	-	-	-	5,124,424
Total fund balances	<u>9,589,228</u>	<u>5,783,797</u>	<u>81,154</u>	<u>1,547</u>	<u>5,793,350</u>	<u>21,249,076</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 17,234,523</u>	<u>\$ 6,809,671</u>	<u>\$ 4,961,091</u>	<u>\$ 6,201,988</u>	<u>\$ 8,018,306</u>	<u>\$ 43,225,579</u>

The accompanying notes are an integral part of this statement.

City of Muskegon
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION**
June 30, 2024

Total fund balance—governmental funds	\$ 21,249,076
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.

Cost of capital assets	\$ 186,057,220	
Accumulated depreciation	<u>(82,406,264)</u>	103,650,956

Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenues in the governmental funds.

Income taxes	570,000
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Long-term liabilities in governmental activities are not due and payable in the current period and, therefore, are not reported in the governmental funds.

Accrued interest payable	(227,700)	
Bonds and notes payable	(28,212,880)	
Compensated absences	(2,752,136)	
Net pension liability and related deferred outflows/inflows of resources	(36,217,990)	
Net other post employment benefits liability and related outflows/inflows of resources	<u>2,318,719</u>	(65,091,987)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities in the Statement of Net Position.

Net position of the internal service funds	6,202,165	
Internal balances representing the cumulative difference between actual costs and amounts charged to business-type activities	<u>(1,006,158)</u>	<u>5,196,007</u>

Net position of governmental activities	<u>\$ 65,574,052</u>
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The accompanying notes are an integral part of this statement.

City of Muskegon
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Governmental Funds
For the year ended June 30, 2024

	General Fund	Major Street and Trunkline Fund	Trinity Health Arena Fund	State Grants Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	\$ 22,815,355	\$ -	\$ -	\$ -	\$ -	\$ 22,815,355
Licenses and permits	2,539,771	-	-	-	-	2,539,771
Intergovernmental revenues						
Federal	299,779	-	410,471	1,626,157	3,098,185	5,434,592
State	6,559,397	5,225,946	-	2,504,838	1,596,334	15,886,515
Local	50,000	-	-	-	1,125,391	1,175,391
Charges for services	5,176,014	-	1,892,531	-	659,033	7,727,578
Fines and forfeitures	638,766	-	-	-	-	638,766
Investment earnings and rental income	1,871,474	22,472	106,348	-	106,135	2,106,429
Income from assets managed by others	-	-	-	-	131,749	131,749
Other	842,725	14,784	13,193	-	1,145,804	2,016,506
Total revenues	40,793,281	5,263,202	2,422,543	4,130,995	7,862,631	60,472,652
EXPENDITURES						
Current						
Public representation services	2,745,266	-	-	-	-	2,745,266
Administrative services	1,077,435	-	-	-	-	1,077,435
Financial services	5,978,893	-	-	-	-	5,978,893
Public safety	18,455,784	-	-	-	-	18,455,784
Public works	4,265,845	-	-	-	152,789	4,418,634
Highways, streets and bridges	-	4,008,873	-	-	1,814,703	5,823,576
Community and economic development	1,004,954	-	-	-	-	1,004,954
Culture and recreation	3,903,618	-	2,446,772	-	702,521	7,052,911
General administration	673,198	-	-	-	-	673,198
Debt service						
Principal	1,163,802	-	-	-	300,000	1,463,802
Interest and fees	369,469	-	-	-	602,740	972,209
Capital outlay	683,697	-	40,492	4,176,711	8,878,069	13,778,969
Total expenditures	40,321,961	4,008,873	2,487,264	4,176,711	12,450,822	63,445,631
Excess of revenues over (under) expenditures	471,320	1,254,329	(64,721)	(45,716)	(4,588,191)	(2,972,979)
OTHER FINANCING SOURCES (USES)						
Proceeds from sale of capital assets	-	-	-	-	3,187,917	3,187,917
Transfers in	-	-	103,239	178,856	-	282,095
Transfers out	(900,000)	(178,856)	-	(133,140)	-	(1,211,996)
Total other financing sources (uses)	(900,000)	(178,856)	103,239	45,716	3,187,917	2,258,016
Net change in fund balances	(428,680)	1,075,473	38,518	-	(1,400,274)	(714,963)
Fund balances at beginning of year	10,017,908	4,708,324	42,636	1,547	7,193,624	21,964,039
Fund balances at end of year	\$ 9,589,228	\$ 5,783,797	\$ 81,154	\$ 1,547	\$ 5,793,350	\$ 21,249,076

The accompanying notes are an integral part of this statement.

City of Muskegon
**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES**
For the year ended June 30, 2024

Net change in fund balances—total governmental funds \$ (714,963)

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report outlays for capital assets as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.

Depreciation expense	\$ (5,732,379)	
Capital outlay	<u>5,406,380</u>	(325,999)

Revenues reported in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.

Income taxes		180,000
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The issuance of long-term debt provides current financial resources to governmental funds, but increases liabilities in the Statement of Net Position. Repayment of debt is an expenditure in the governmental funds, but reduces long-term liabilities in the Statement of Net Position.

Repayment of principal on long-term debt		1,463,802
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Changes in accrual of interest and amortization of premiums and discounts		
Change in accrued interest payable	8,100	
Amortization of premiums and discounts	<u>103,300</u>	111,400

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Change in compensated absences	(176,813)	
Change in net pension liability and related deferred outflows/inflows of resources	(1,704,294)	
Change in net other post employment benefits liability and related deferred outflows/inflows of resources	<u>4,659,079</u>	2,777,972

The internal service funds are used by management to charge the costs of certain activities used to individual funds. The net revenue of certain activities of the internal service fund is reported with governmental activities.

Change in net position of the internal service funds	951,475	
Change in internal balances representing the current year difference between actual costs and amounts charged to business-type activities	<u>(223,957)</u>	<u>727,518</u>
Change in net position of governmental activities		<u><u>\$ 4,219,730</u></u>

The accompanying notes are an integral part of this statement.

City of Muskegon
STATEMENT OF NET POSITION
Proprietary Funds
June 30, 2024

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Sewer	Water	Marina and Launch Ramp	Total	
ASSETS					
Current assets					
Cash and investments	\$ 4,927,280	\$ -	\$ 737,826	\$ 5,665,106	\$ 4,379,000
Receivables					
Accounts	1,779,898	1,894,102	6,400	3,680,400	301,849
Leases	-	96,284	-	96,284	-
Due from other governmental units	1,069,645	1,390,454	-	2,460,099	-
Inventories	144,733	442,067	-	586,800	5,427
Prepaid items	61,480	91,420	3,082	155,982	340,541
Total current assets	7,983,036	3,914,327	747,308	12,644,671	5,026,817
Noncurrent assets					
Restricted cash and investments	135,000	783,000	-	918,000	-
Leases receivable, less amounts due within one year	-	1,393,815	-	1,393,815	-
Advances to component units	-	-	-	-	102,548
Capital assets					
Land	16,188	103,500	22,562	142,250	65,000
Land improvements	-	120,713	1,923,404	2,044,117	301,715
Buildings, improvements and systems	39,923,907	86,303,858	2,535,088	128,762,853	1,668,215
Machinery and equipment	237,141	3,116,030	60,620	3,413,791	11,249,457
Construction in progress	5,680,469	6,529,269	-	12,209,738	-
Less accumulated depreciation	(14,205,731)	(51,718,864)	(3,779,850)	(69,704,445)	(9,937,160)
Net capital assets	31,651,974	44,454,506	761,824	76,868,304	3,347,227
Net other postemployment benefits asset	38,687	128,956	-	167,643	103,165
Total noncurrent assets	31,825,661	46,760,277	761,824	79,347,762	3,552,940
Total assets	39,808,697	50,674,604	1,509,132	91,992,433	8,579,757
DEFERRED OUTFLOWS OF RESOURCES					
Related to pension	95,685	318,950	-	414,635	255,160
Related to other postemployment benefits	13,858	46,192	-	60,050	36,954
Total deferred outflows of resources	109,543	365,142	-	474,685	292,114
Total assets and deferred outflows of resources	39,918,240	51,039,746	1,509,132	92,467,118	8,871,871

The accompanying notes are an integral part of this statement.

City of Muskegon
STATEMENT OF NET POSITION—CONTINUED
Proprietary Funds
June 30, 2024

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Sewer	Water	Marina and Launch Ramp	Total	
LIABILITIES					
Current liabilities					
Accounts payable	\$ 685,900	\$ 1,012,438	\$ 29,854	\$ 1,728,192	\$ 483,872
Accrued liabilities	54,325	68,197	191	122,713	30,517
Due to other governmental units	864,987	2,049	-	867,036	-
Due to other funds	-	1,509,606	-	1,509,606	-
Unearned revenues—prepaid fees	-	-	125,588	125,588	-
Bonds and other obligations, due within one year	506,700	1,138,730	1,100	1,646,530	31,042
Total current liabilities	2,111,912	3,731,020	156,733	5,999,665	545,431
Noncurrent liabilities					
Bonds and other obligations, less amounts due within one year	8,198,642	6,106,042	4,469	14,309,153	213,946
Net pension liability	702,690	2,342,301	-	3,044,991	1,873,841
Total noncurrent liabilities	8,901,332	8,448,343	4,469	17,354,144	2,087,787
Total liabilities	11,013,244	12,179,363	161,202	23,353,809	2,633,218
DEFERRED INFLOWS OF RESOURCES					
Related to leases	-	1,490,099	-	1,490,099	-
Related to other postemployment benefits	13,683	45,611	-	59,294	36,488
Total deferred inflows of resources	13,683	1,535,710	-	1,549,393	36,488
Total liabilities and deferred inflows of resources	11,026,927	13,715,073	161,202	24,903,202	2,669,706
NET POSITION					
Net investment in capital assets	22,465,262	36,776,389	761,824	60,003,475	3,347,227
Restricted					
Debt service	94,300	752,000	-	846,300	-
Other postemployment benefits	38,687	128,956	-	167,643	103,165
Unrestricted	6,293,064	(332,672)	586,106	6,546,498	2,751,773
Total net position	<u>\$ 28,891,313</u>	<u>\$ 37,324,673</u>	<u>\$ 1,347,930</u>	67,563,916	<u>\$ 6,202,165</u>
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time				1,006,158	
Net position of business-type activities				<u>\$ 68,570,074</u>	

The accompanying notes are an integral part of this statement.

City of Muskegon
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Proprietary Funds
For the year ended June 30, 2024

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Sewer	Water	Marina and Launch Ramp	Total	Funds
OPERATING REVENUES					
Charges for services	\$ 10,280,566	\$ 10,104,114	\$ 315,124	\$ 20,699,804	\$ 10,189,117
Other	214,359	353,614	1,479	569,452	2,213,310
Total operating revenues	10,494,925	10,457,728	316,603	21,269,256	12,402,427
OPERATING EXPENSES					
Administration	730,210	1,524,080	11,454	2,265,744	1,042,428
Insurance premiums and claims	-	-	-	-	5,567,896
Wastewater treatment	5,045,658	-	-	5,045,658	-
Wastewater maintenance	2,307,966	-	-	2,307,966	-
Filtration plant operations	-	3,298,505	-	3,298,505	-
Water distribution	-	3,464,010	-	3,464,010	-
Other operations	-	-	415,565	415,565	4,578,423
Depreciation	821,746	2,082,543	106,783	3,011,072	607,195
Total operating expenses	8,905,580	10,369,138	533,802	19,808,520	11,795,942
Operating income (loss)	1,589,345	88,590	(217,199)	1,460,736	606,485
NONOPERATING REVENUES (EXPENSES)					
Investment earnings	20,817	19,523	-	40,340	25,412
Gain on sale of capital assets	-	-	-	-	119,578
Interest expense	(168,588)	(155,264)	-	(323,852)	-
Bond issuance costs	(4,051)	(35,730)	-	(39,781)	-
Total nonoperating revenue (expenses)	(151,822)	(171,471)	-	(323,293)	144,990
Income (loss) before capital contributions and transfers	1,437,523	(82,881)	(217,199)	1,137,443	751,475
CAPITAL CONTRIBUTIONS AND TRANSFERS					
Capital grants and contributions	1,955,000	3,561,827	-	5,516,827	-
Transfers in	-	129,901	600,000	729,901	200,000
Total capital contributions and transfers	1,955,000	3,691,728	600,000	6,246,728	200,000
Change in net position	3,392,523	3,608,847	382,801	7,384,171	951,475
Net position at beginning of year	25,498,790	33,715,826	965,129		5,250,690
Net position at end of year	\$ 28,891,313	\$ 37,324,673	\$ 1,347,930		\$ 6,202,165
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds				223,957	
Change in net position of business-type activities				\$ 7,608,128	

The accompanying notes are an integral part of this statement.

City of Muskegon
STATEMENT OF CASH FLOWS
Proprietary Funds
For the year ended June 30, 2024

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Sewer	Water	Marina and Launch Ramp	Total	
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 10,225,580	\$ 10,340,575	\$ 358,935	\$ 20,925,090	\$ 127,128
Receipts from interfund services provided	249,183	107,684	-	356,867	10,189,117
Other receipts	-	-	-	-	2,138,930
Payments to suppliers	(6,059,403)	(3,768,657)	(339,003)	(10,167,063)	(8,297,527)
Payments to employees	(981,265)	(2,920,056)	(34,065)	(3,935,386)	(2,425,928)
Payments for interfund services used	(1,022,886)	(1,813,598)	(25,635)	(2,862,119)	(1,218,476)
Net cash provided by (used for) operating activities	2,411,209	1,945,948	(39,768)	4,317,389	513,244
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers in	-	129,901	600,000	729,901	200,000
Interfund borrowing	-	(902,779)	-	(902,779)	-
Advances to component units	-	-	-	-	99,294
Net cash provided by (used for) noncapital financing activities	-	(772,878)	600,000	(172,878)	299,294
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Proceeds from long-term debt	2,291,048	926,655	-	3,217,703	-
Issuance costs on long-term debt	(4,051)	(35,730)	-	(39,781)	-
Capital grants and contributions	1,246,116	3,345,489	-	4,591,605	-
Purchases of capital assets	(3,801,553)	(4,193,643)	-	(7,995,196)	(1,122,818)
Principal paid on capital debt	(282,000)	(1,030,000)	-	(1,312,000)	-
Interest paid on capital debt	(143,188)	(162,364)	-	(305,552)	-
Proceeds from sale of capital assets	-	-	-	-	260,107
Net cash provided by (used for) capital and related financing activities	(693,628)	(1,149,593)	-	(1,843,221)	(862,711)
CASH FLOW FROM INVESTING ACTIVITIES					
Investment earnings	20,817	19,523	-	40,340	25,412
Net increase (decrease) in cash and investments	1,738,398	43,000	560,232	2,341,630	(24,761)
Cash and investments at beginning of year	3,323,882	740,000	177,594	4,241,476	4,403,761
Cash and investments at end of year	\$ 5,062,280	\$ 783,000	\$ 737,826	\$ 6,583,106	\$ 4,379,000
Reconciliation of cash and investments to the Statement of Net Position					
Cash and investments	\$ 4,927,280	\$ -	\$ 737,826	\$ 5,665,106	\$ 4,379,000
Restricted cash and investments	135,000	783,000	-	918,000	-
	\$ 5,062,280	\$ 783,000	\$ 737,826	\$ 6,583,106	\$ 4,379,000
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities					
Operating income (loss)	\$ 1,589,345	\$ 88,590	\$ (217,199)	\$ 1,460,736	\$ 606,485
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities					
Depreciation expense	821,746	2,082,543	106,783	3,011,072	607,195
Change in assets and liabilities					
Receivables	(20,162)	(9,469)	41,273	11,642	52,748
Inventories	(37,666)	(194,200)	-	(231,866)	12,197
Prepaid items	4,231	(7,505)	877	(2,397)	(253,708)
Accounts payable	100,086	191,429	22,043	313,558	(395,072)
Unearned revenues	-	-	1,059	1,059	-
Accrued liabilities	(46,371)	(205,440)	5,396	(246,415)	(116,601)
Net cash provided by (used for) operating activities	\$ 2,411,209	\$ 1,945,948	\$ (39,768)	\$ 4,317,389	\$ 513,244

The accompanying notes are an integral part of this statement.

City of Muskegon
STATEMENT OF NET POSITION
Fiduciary Funds
June 30, 2024

	Other Post- Employment Benefits Trust Fund	Custodial Funds
ASSETS		
Cash and investments	\$ -	\$ 827,281
MERS Total Market Portfolio	26,465,846	-
Accounts receivable	-	297,276
Total assets	26,465,846	1,124,557
LIABILITIES		
Accounts payable	-	14,588
Due to other governmental units	-	859,860
Deposits held for others	-	250,109
Total liabilities	-	1,124,557
NET POSITION		
Restricted for individuals, organizations, and other governments	\$ 26,465,846	\$ -

The accompanying notes are an integral part of this statement.

City of Muskegon
STATEMENT OF CHANGES IN NET POSITION
Fiduciary Funds
For the year ended June 30, 2024

	Other Post- Employment Benefits Trust Fund	Custodial Funds
ADDITIONS		
Tax collections for other governments	\$ -	\$ 27,522,654
Other collections for third parties	-	5,102,897
Employer contributions	1,858,557	-
Net investment income (loss)	2,498,584	-
Total additions	4,357,141	32,625,551
DEDUCTIONS		
Payment of taxes to other governments	-	27,522,654
Other payments to third parties	-	5,102,897
Benefit payments	1,957,291	-
Administrative expenses	57,590	-
Total deductions	2,014,881	32,625,551
Change in net position	2,342,260	-
Net position at beginning of year	24,123,586	-
Net position at end of year	\$ 26,465,846	\$ -

The accompanying notes are an integral part of this statement.

City of Muskegon
STATEMENT OF NET POSITION
Discretely Presented Component Units
June 30, 2024

	Local Development Finance Authority - SmartZone	Downtown Development Authority	Tax Increment Finance Authority	Lakeside Corridor Improvement Authority	Brownfield Redevelopment Authorities	Total
ASSETS						
Current assets						
Cash and investments	\$ 70,748	\$ 489,868	\$ 30,513	\$ 29,750	\$ -	\$ 620,879
Accounts receivable	-	35,273	-	-	-	35,273
Total current assets	70,748	525,141	30,513	29,750	-	656,152
Noncurrent assets						
Capital assets, net						
Nondepreciable	400,000	-	-	-	-	400,000
Depreciable	244,585	-	-	-	-	244,585
Total noncurrent assets	644,585	-	-	-	-	644,585
Total assets	715,333	525,141	30,513	29,750	-	1,300,737
LIABILITIES						
Current liabilities						
Accounts payable	-	62,643	-	-	-	62,643
Accrued liabilities	2,800	1,512	-	-	-	4,312
Bonds and other obligations, due within one year	275,000	-	-	-	-	275,000
Total current liabilities	277,800	64,155	-	-	-	341,955
Noncurrent liabilities						
Advances from primary government	-	-	-	-	553,233	553,233
Bonds and other obligations, less amounts due within one year	287,824	-	-	-	-	287,824
Total noncurrent liabilities	287,824	-	-	-	553,233	841,057
Total liabilities	565,624	64,155	-	-	553,233	1,183,012
NET POSITION						
Net investment in capital assets	81,761	-	-	-	-	81,761
Unrestricted	67,948	460,986	30,513	29,750	(553,233)	35,964
Total net position	\$ 149,709	\$ 460,986	\$ 30,513	\$ 29,750	\$ (553,233)	\$ 117,725

The accompanying notes are an integral part of this statement.

City of Muskegon
STATEMENT OF ACTIVITIES
Discretely Presented Component Units
For the year ended June 30, 2024

Functions/Programs	Net (Expense) Revenue and Changes in Net Position								
	Expenses	Program Revenue		Local Development Finance Authority - SmartZone	Downtown Development Authority	Tax Increment Finance Authority	Lakeside Corridor Improvement Authority	Brownfield Redevelopment Authorities	Total
		Operating Grants and Contributions	Capital Grants and Contributions						
Local Development Finance Authority—SmartZone									
Community and economic development	\$ 172,648	\$ -	\$ -	\$ (172,648)	\$ -	\$ -	\$ -	\$ -	\$ (172,648)
Interest on long-term debt	13,926	-	200,000	186,074	-	-	-	-	186,074
Total Local Development Finance Authority—SmartZone	186,574	-	200,000	13,426	-	-	-	-	13,426
Downtown Development Authority									
Community and economic development	843,430	419,947	-	-	(423,483)	-	-	-	(423,483)
Tax Increment Finance Authority									
Community and economic development	50,000	-	-	-	-	(50,000)	-	-	(50,000)
Brownfield Redevelopment Authorities									
Community and economic development	787,269	-	-	-	-	-	-	(787,269)	(787,269)
Interest on long-term debt	8,639	-	-	-	-	-	-	(8,639)	(8,639)
Total Brownfield Redevelopment Authorities	795,908	-	-	-	-	-	-	(795,908)	(795,908)
Total discretely presented component units	\$ 1,875,912	\$ 419,947	\$ 200,000	13,426	(423,483)	(50,000)	-	(795,908)	(1,255,965)
General revenues									
Property taxes				100,244	481,207	46,950	22,198	1,031,478	1,682,077
Grants and contributions not restricted to specific programs				3,105	-	9,546	-	26,506	39,157
Unrestricted investment income				155	1,867	96	68	1,201	3,387
Total general revenues				103,504	483,074	56,592	22,266	1,059,185	1,724,621
Change in net position				116,930	59,591	6,592	22,266	263,277	468,656
Net position at beginning of year				32,779	401,395	23,921	7,484	(816,510)	(350,931)
Net position at end of year				\$ 149,709	\$ 460,986	\$ 30,513	\$ 29,750	\$ (553,233)	\$ 117,725

The accompanying notes are an integral part of this statement.

City of Muskegon
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Muskegon (City) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

Reporting Entity

The City of Muskegon was incorporated October 6, 1919, under the provisions of the Home Rule Act of the State of Michigan. The City is a municipal corporation governed by an elected mayor and six-member City Commission and is administered by a city manager appointed by the City Commission. The accompanying financial statements present the City and its component units, entities for which the government is considered to be financially accountable. The discretely presented component units are reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that they are legally separate from the City.

Discretely Presented Component Units

Downtown Development Authority (DDA). The DDA's sole purpose is the collection of property tax incremental revenues, the issuance and repayment of debt and the construction of public facilities to promote and facilitate economic growth in the downtown district. Members of the DDA are appointed by the City Commission and the Authority is fiscally dependent on the City since the City Commission approves the DDA budget and must approve any debt issuance. The DDA is presented as a governmental fund type.

Tax Increment Finance Authority (TIFA). The TIFA's sole purpose is the collection of property tax incremental revenues and promotion of economic development activities (including issuance of debt) in a sub-section of the downtown district. Members of the TIFA are appointed by the City Commission and the Authority is fiscally dependent on the City since the City Commission approves the TIFA budget and must approve any debt issuance. The TIFA is presented as a governmental fund type.

Local Development Finance Authority (LDFA). The City has created three separate local development finance authority districts under the aegis of the LDFA to promote and facilitate economic growth in the Port City Industrial Park, the Medendorp Industrial Park, and the SmartZone Hi-Tech Park (SmartZone). Currently only the SmartZone is active. The LDFA's sole purpose is the collection of property tax incremental revenues and the construction of public facilities within the districts. Members of the LDFA are appointed by the City Commission and the Authority is fiscally dependent on the City since the City Commission approves budgets and must approve any debt issuance. The LDFA districts are presented as governmental fund types.

Lakeside Corridor Improvement Authority (CIA). The CIA's purpose is the collection of property tax incremental revenues and to promote economic growth in the Lakeside Business District corridor. Members of the CIA are appointed by the City Commission and the Authority is fiscally dependent on the City since the City Commission approves the CIA budget and must approve any debt issuance. The CIA is presented as a governmental fund type.

Brownfield Redevelopment Authority (BRA). There are eight separate designated areas under the aegis of the BRA – the Betten-Henry Street site, the former downtown mall site, the Terrace Point site, the Pigeon Hill site, the Hartshorn Marina site, the scattered housing site, Sweetwater, and Adelaide Pointe. The Authority's sole purpose is the collection of property tax incremental revenues and promotion of environmental remediation (including issuance of debt) in designated brownfield areas. Members of the BRA are appointed by the City Commission and the Authority is fiscally dependent on the City since the City Commission approves the BRA budget and must approve any debt issuance. The BRA areas are presented as governmental fund types.

City of Muskegon
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

Reporting Entity—Continued

Discretely Presented Component Units—Continued

Complete financial statements of the component units can be obtained from their administrative offices, 933 Terrace Street, Muskegon, Michigan 49443.

Related Organizations

The following organizations are related to the City's financial reporting entity:

Muskegon Hospital Finance Authority. The Muskegon Hospital Finance Authority was created by the City of Muskegon in accordance with the laws of the State of Michigan. Members of the Hospital Finance Authority are appointed by the City, but the City is not financially accountable for the Authority and therefore the Authority is excluded from the accompanying financial statements. The Hospital Finance Authority's sole purpose is to issue tax-exempt debt for the benefit of Trinity Health Muskegon Hospital, which is located within the City. The Authority has no assets or financial activity and does not prepare financial statements. The Hospital Finance Authority has no taxing power. As of June 30, 2024, there was no outstanding debt issued by the Hospital Finance Authority. The City is not obligated in any manner for repayment of debt issued by the Hospital Finance Authority, as any debt is payable solely from contractual payments from the hospitals.

Muskegon Housing Commission. The Muskegon Housing Commission was created by the City of Muskegon in accordance with the laws of the State of Michigan. Members of the Housing Commission are appointed by the City, but the City is not financially accountable for the Commission and therefore the Commission is excluded from the accompanying financial statements. The Housing Commission's main purpose is to administer activities that provide adequate housing facilities for low-income families and the elimination of housing conditions that are detrimental to the public peace, health, safety, and welfare. The Commission's policy is to prepare its financial statements on the basis prescribed by the Department of Housing and Urban Development. Accordingly, the summary information below (which is required by federal regulations), is not intended to present financial position and results of operations in conformity with generally accepted accounting principles. Summary financial information for the fiscal year ended September 30, 2022, the date of its latest audited financial statements is as follows:

Total assets and deferred outflows of resources	\$ 3,801,143
Total liabilities and deferred inflows of resources	<u>(750,273)</u>
Total net position	<u>\$ 3,050,870</u>
Total operating income	\$ 2,857,458
Total operating expenses	(2,925,533)
Total nonoperating revenues	917
Capital contributions	95,009
Prior period adjustment	<u>(12,323)</u>
Change in net position	<u>\$ 15,528</u>

City of Muskegon
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

Basis of Presentation—Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the City's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As discussed earlier, the City's discretely presented component units are reported in a separate column in the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the City's water and sewer functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

The fund financial statements provide information about the City's funds, including its fiduciary funds and blended component units. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Major Street and Trunkline Fund accounts for gas and weight tax allocations to the City by the Michigan Department of Transportation for construction and maintenance of major streets within the City.

The Trinity Health Arena Fund accounts for revenues received for the operation and maintenance of Trinity Health Arena.

The State Grants Fund accounts for grant revenues received from the State of Michigan for the purpose of improvements and/or rehabilitation of City property, environmental remediation at lakeshore sites or new infrastructure in the City's downtown.

City of Muskegon
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

Basis of Presentation—Government-wide and Fund Financial Statements—Continued

The City reports the following three major proprietary funds:

The Sewer Fund accounts for user charges, operating expenses, and debt service of the City's sewer system and pays for access to the County's sewage treatment plant.

The Water Fund accounts for user charges, operating expenses, and debt service of the City's water system.

The Marina and Launch Ramp Fund accounts for user fees collected and operating expenses for the Hartshorn Marina and boat launch ramp facilities.

Additionally, the City reports the following fund types:

Internal Service Funds account for internal engineering services for City projects; the purchase, operation, and depreciation of all City owned equipment; the payment of insurance claims and benefits; and the operation, maintenance, and depreciation of the City's public service building to other funds of the government on a cost reimbursement basis.

The Other Post-Employment Benefit Trust Fund is used to report resources that are administered through irrevocable trusts for the benefit of City employees and retirees.

The Custodial Funds are used to remit resources collected for the benefit of others, including property taxes, escrows, and similar deposits.

During the course of operations, the City has activity between funds for various purposes. Any residual balances outstanding at year-end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

City of Muskegon
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

Measurement Focus and Basis of Accounting—Continued

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Income taxes, property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met. Only the portion of special assessments receivable within 60 days of the end of the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary and fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting.

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

Cash and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Investments for the City are reported at fair value (generally based on quoted market prices).

The City has adopted an investment policy in compliance with State of Michigan statutes. Those statutes authorize the City to invest in obligations of the United States, certificates of deposit, prime commercial paper, securities guaranteed by United States agencies or instrumentalities, United States government or federal agency obligation repurchase agreements, bankers' acceptances, state-approved investment pools and certain mutual funds.

The Other Post-Employment Benefit Trust Fund is held in trust by the Municipal Employees' Retirement System (MERS) and is subject to the investment policies of MERS and State of Michigan statutes allowing diverse investments in stocks, corporate and government bonds, mortgages, real estate, and other investments.

City of Muskegon
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance—Continued

Cash and Investments—Continued

The component unit's cash and investments are maintained within the City's investment pool.

For the purpose of the statement of cash flows, the City considers all assets held in the cash and investment pool to be cash and cash equivalents because the investments are not identifiable to the specific funds and the assets can be withdrawn at any time, similar to a demand deposit account.

Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. The cost of such inventories is recorded as expenses when consumed rather than when purchased in the business-type activities.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Leases Receivable

The City is a lessor for certain noncancelable leases. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and fund financial statements for each lease.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payment received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgements include how the City determines (1) the discount rate is uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

The City uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancelable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of a lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of two years.

As the City constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

City of Muskegon
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance—Continued

Capital Assets—Continued

Land and construction in progress are not depreciated. The other property, plant, equipment, and infrastructure of the City are depreciated using the straight-line method over the following estimated useful lives:

<u>Capital Asset Classes</u>	<u>Years</u>
Land improvements	5-25
Buildings and improvements	25-50
Utility buildings, improvements and systems	40-100
Furniture, vehicles and equipment	5-20
Infrastructure	15-50
Shared improvements	20

Defined Benefit Plan

The City offers a defined benefit pension plan to its employees through Municipal Employees Retirement System (MERS). The City records a net pension liability for the difference between the total pension liability calculated by the actuary and the Plan's fiduciary net position. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by MERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Postemployment Benefit Costs

The City offers a single-employer, defined benefit retiree healthcare benefits to retirees. The City records a net other postemployment benefit (OPEB) liability for the difference between the total OPEB liability calculated by the actuary and the OPEB Plan's fiduciary net position. For purposes of measuring the net OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB Plan and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the OPEB Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditures) until then.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City also reports unavailable revenues from one source: leases. These amounts are long-term leases entered into by the City in which the City is the lessor. These amounts are recognized as revenue over the term of the lease obligations.

City of Muskegon
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance—Continued

Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts of net position to report as restricted and unrestricted in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Balance Flow Assumptions

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitation on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The City Commission is the highest level of decision-making authority for the City that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The City Commission has by resolution authorized the city manager to assign fund balance. The City Commission may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

The City has a minimum fund balance policy requiring unassigned fund balance of the General Fund be at least 13 percent of prior year actual revenues.

Revenues and Expenditures/Expenses

Program Revenues

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

City of Muskegon
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

Revenues and Expenditures/Expenses—Continued

Property Taxes

All trade and property tax receivables are shown net of allowance for uncollectibles.

The City bills and collects its own property taxes and also collects taxes for the county, school and State of Michigan. Taxes are levied and lien on December 1 on the taxable valuation of property (as defined by state statutes) located in the Local Governmental Unit as of the preceding December 31. Uncollected real property taxes as of the following March 1 are turned over by the City to the County for collection. The County advances the City all of these delinquent real property taxes. The delinquent personal property taxes remain the responsibility of the City. The City recognizes all available revenue from the current tax levy. Available means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period (60 days).

The 2023 state taxable value for real/personal property of the City totaled approximately \$744,040,000 of which approximately \$46,045,000 was captured by the component units. The ad valorem taxes levied consisted of 9.788, 2.9364 and .0674 mills for the City's general operating, sanitation and community promotion purposes. These amounts are recognized in the General Fund with captured amounts shown in the TIFA, LDFA SmartZone, DDA, and BRA component units.

Compensated Absences

City employees are granted vacation and sick leave in varying amounts based on length of service and employee group. Unused vacation and sick leave days are paid to employees upon termination under limits that vary by employee group. The liability for these compensated absences is accrued when incurred in the government-wide and proprietary fund financial statements. The current portion of this debt is estimated based on historical trends. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues are charges to customers for sales and services. The enterprise funds also recognize as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Comparative Data

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of changes in the City's financial position and operations. However, comparative (i.e. presentation of prior year's totals by fund type) data has not been presented in each of the statements since its inclusion would make the statements unduly complex and difficult to read. In addition, certain items in the 2023 financial statements have been reclassified to conform to the 2024 presentation.

City of Muskegon
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE B—STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund and special revenue funds.

The appropriated budget is prepared by fund, function and department. The City Manager and department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the City Commission. The legal level of budgetary control is the department level for the General Fund and the total expenditure or “fund” level for all other funds.

Appropriations in all budgeted funds lapse at the end of the fiscal year.

Excess of Expenditures Over Appropriations

During the year ended June 30, 2024, actual expenditures exceeded appropriations for:

	<u>Final Budget</u>	<u>Actual</u>
General Fund		
Public representation services		
City attorney	\$ 440,000	\$ 609,788
Major Streets and Trunkline Fund	3,425,937	4,008,873
Trinity Health Arena Fund	2,440,832	2,487,264

These over-expenditures were funded with available fund balance.

Fund Deficits

As of June 30, 2024, the City’s Water Fund had an unrestricted fund net position deficit of \$332,672. This deficit will be eliminated through future operations or an interfund transfer.

City of Muskegon
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE C—DEPOSITS AND INVESTMENTS

As of June 30, 2024, the City had the following investments:

	<u>Fair Value</u>	<u>Weighted Average Maturity (Months)</u>	<u>S&P</u>	<u>Percent</u>
Investment Type				
Money market funds	\$ 125,177	1	not rated	0.3 %
Negotiable certificates of deposit	1,218,965	8	not rated	2.5
U.S. agency obligations	9,553,378	209	AA+	19.6
Local units of government obligations	720,961	9	A to AA	1.5
External investment pool	10,579,459	3	AAA	21.7
MERS investment funds	26,465,846	N/A	not rated	54.4
Total fair value	<u>\$ 48,663,786</u>			<u>100.0 %</u>
Portfolio weighted average maturity		<u>N/A</u>		

The City voluntarily invests certain excess funds in an external investment pool (Pool). The Pool is an external investment pool of "qualified" investments for Michigan municipalities. The Pool is not regulated nor registered with the SEC. The fair value of the City's investments is the same as the value of the Pool's shares.

Deposit and Investment Risks

Interest rate risk

The City has a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. At least 10 percent of the City's total portfolio must be in instruments maturing in 30 days.

Credit risk

State law limits investments in commercial paper and corporate bonds to the two highest classifications issued by nationally recognized statistical rating organizations. The City has no investment policy that would further limit its investment choices.

Concentration of credit risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the City investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized. The City has a concentration of credit risk policy that limits investment in commercial paper, eligible bankers' acceptances and time certificates of deposit to 25 percent each of the total portfolio. The City has more than 5 percent of its investments in the following securities:

<u>Security</u>	<u>Percent of Total Investments</u>
Federal Home Loan Mortgage Corporation obligations	5.3%
Government National Mortgage Association obligations	6.9%

Custodial credit risk - deposits

In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. As of June 30, 2024, \$12,839,289 of the City's bank balance of \$13,339,289 was exposed to custodial credit risk because it was uninsured and uncollateralized. The City's investment policy sets certain credit requirements that a bank must meet for the City to deposit funds in it.

City of Muskegon
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE C—DEPOSITS AND INVESTMENTS—Continued

Deposit and Investment Risks—Continued

Custodial credit risk - investments

This is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City has a custodial credit risk policy for investments that requires that all investments that are held with a third-party for safekeeping be in the City's name.

Foreign currency risk

The City is not authorized to invest in investments which have this type of risk.

Restricted Assets

Restrictions are placed on assets by bond ordinance and City Commission action. At June 30, 2024, restricted cash and investments in the Sewer and Water Fund of \$135,000 and \$783,000, respectively, were restricted by bond ordinance.

NOTE D—ASSETS MANAGED BY OTHERS

As allowed by MCL 123.874 and MCL 128.4, the City is permitted to place monies in community foundations.

The Funds

The City has six funds with the Community Foundation of Muskegon County (Community Foundation).

Lakeshore Trails Improvement Fund

The Lakeshore Trails Improvement Fund was established by the City primarily to be used for the general support of the bike trails, which are located in the City of Muskegon. The agreement with the Community Foundation allows the use of the Fund's income in accordance with the Community Foundation's spending policy and principal in certain circumstances.

Cemetery Perpetual Care Fund

The City of Muskegon Cemetery Perpetual Care Fund was established by the City primarily to be used for the care and maintenance of the cemeteries that are operated by the City. The agreement with the Community Foundation allows the use of the Fund's income in accordance with the Community Foundation's spending policy and principal in certain circumstances.

Pere Marquette and Margaret Drake Elliot Park Fund

The Pere Marquette and Margaret Drake Elliot Park Fund (Marquette and Elliot Park Fund) was established by the City to be used for capital improvements at Pere Marquette and Margaret Drake Elliot Parks. The agreement with the Community Foundation allows the use of the Fund's income in accordance with the Community Foundation's spending policy and principal in certain circumstances.

Darl and Kathleen Staley Charity Fund

The Darl and Kathleen Staley Charity Fund (Staley Charity Fund) was established after the City received monies from the Staleys' estate. The Fund is to be used for capital improvements needs at City parks. The agreement with the Community Foundation allows the use of the Fund's income in accordance with the Community Foundation's spending policy and principal in certain circumstances.

City of Muskegon Parks Fund

The City of Muskegon Parks Fund (Muskegon Parks Fund) was established by the City to primarily be used for general maintenance and improvements to parks located in the City of Muskegon. The agreement with the Community Foundation allows the use of the Fund's income in accordance with the Community Foundation's spending policy and principal in certain circumstances.

City of Muskegon
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE D—ASSETS MANAGED BY OTHERS—Continued

The Funds—Continued

City of Muskegon Events and Sponsorships Fund

The City of Muskegon Events and Sponsorships Fund (Events and Sponsorships Fund) was established after the Community Foundation received monies from donors intended to be used for various events within the City of Muskegon. The agreement with the Community Foundation allows the use of the Fund's income in accordance with the Community Foundation's spending policy and principal in certain circumstances.

The Community Foundation invests the contributions to the funds in various types of marketable equity and debt securities, U.S. Treasuries, commercial paper, and certificates of deposit. The majority of investments are uninsured and uncollateralized.

Reporting of the Assets of the Funds

The investments held at the Community Foundation, which were contributed by the City to the funds along with the earnings on these investments, are reported at fair value as assets of the City. The contributions to these funds made by third party donors directly to the Community Foundation have been excluded from the assets of the City.

Summary of the Community Foundation Funds

A summary of revenues, expenses, and changes in the assets at fair value of the funds for the year ended June 30, 2024 follows:

	Lakeshore Trails Improvement Fund	Cemetery Perpetual Care Fund	Marquette and Elliot Park Fund	Staley Charity Fund	Muskegon Parks Fund	Events and Sponsorships Fund	Totals
Revenues							
Contributions	\$ 3,254	\$ -	\$ -	\$ -	\$ -	\$ 21,000	\$ 24,254
Dividends and interest	2,190	67,113	2,550	13,120	736	766	86,475
Realized and unrealized gain (loss) on investments	8,373	105,144	9,780	50,196	2,818	-	176,311
	13,817	172,257	12,330	63,316	3,554	21,766	287,040
Expenses							
Grants and scholarships	-	-	8,745	-	-	1,000	9,745
Administration fees	724	8,780	1,826	5,746	257	605	17,938
Revenues over expenses	13,093	163,477	1,759	57,570	3,297	20,161	259,357
Total assets at beginning of year	77,433	1,431,483	101,182	474,017	26,571	3,286	2,113,972
Total assets at end of year	90,526	1,594,960	102,941	531,587	29,868	23,447	2,373,329
Less assets recorded as those of the Foundation	(60,292)	-	(102,941)	(531,587)	(18,916)	(23,447)	(737,183)
Assets reported on the Balance Sheet/Statement of Net Position	\$ 30,234	\$ 1,594,960	\$ -	\$ -	\$ 10,952	\$ -	\$ 1,636,146

The Board of Trustees of the Community Foundation has the power to modify any restriction or condition on the distribution of funds for any specified charitable purpose or to a specified organization if, in the sole judgment of the Board, such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community served. The authority to modify restrictions is sometimes referred to as "variance power" and is a legal standard imposed on all community foundations.

City of Muskegon
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE E—FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the City has the ability to access.

Level 2 Inputs to the valuation methodology include the following:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2024.

Money market funds: Valued at amortized cost, which approximates fair value.

Negotiable certificates of deposit, U.S. agency obligations, and local units of government obligations: Valued at the closing price reported on the active market on which the individual securities are traded.

City of Muskegon
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE E—FAIR VALUE MEASUREMENTS—Continued

External investment pools, MERS investment funds, and assets managed by others: The assets are valued based upon the City’s allocable share of the Michigan CLASS, MERS, and Community Foundation of Muskegon County (Pools) pooled investment portfolios. The allocable shares are based on the value of the underlying assets owned by the Pools, minus their liabilities.

The assets managed by others are valued monthly by the Pools and are allocated based upon each organization’s calculated share of the Pools’ pooled investment portfolios. Each entity with an interest within the pooled investments receives statements from the Pools indicating the additions to the investments (via contributions), withdrawals from the investments (via grants), and the investment returns allocated via a unitization process. The City calculates the fair value of its share of the pooled investment assets held by the Pools based on the estimated fair value of the underlying assets. The Pools control the investments and make all management and investment decisions.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the City believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the City’s assets at fair value on a recurring basis as of June 30, 2024:

	Assets at Fair Value as of June 30, 2024			
	Level 1	Level 2	Level 3	Total
Money market funds	\$ -	\$ 125,177	\$ -	\$ 125,177
Negotiable certificates of deposit	1,218,965	-	-	1,218,965
U.S. agency obligations	9,553,378	-	-	9,553,378
Local units of government obligations	720,961	-	-	720,961
External investment pools	-	10,579,459	-	10,579,459
MERS investment funds	-	26,465,846	-	26,465,846
Assets managed by others	-	1,636,146	-	1,636,146
Total assets at fair value	\$ 11,493,304	\$ 38,806,628	\$ -	\$ 50,299,932

City of Muskegon
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE F—LEASES RECEIVABLE

The City has entered into the following lease agreements as a lessor:

Cell Towers

The City leases the right to use space on land and buildings owned by the City to various third parties as part of three separate lease agreements for the operation of cell phone antennas. These lease terms are generally for 5 years with automatic renewals and the City receives payments annually of approximately \$115,200, increasing by 3 percent each year.

Trinity Health Arena

The City leases the right to use shared space at Trinity Health Arena to a third party as part of an agreement with a term of 5 years and with automatic renewals. The City receives payments annually of approximately \$72,900, increasing by 4 percent each renewal period.

The City also leases the right to use and manage restaurant space at Trinity Health Arena to various third parties as part of two separate lease agreements. These lease terms are generally for 5 years with automatic renewals and the City receives payments annually of approximately \$63,900, increasing by 5-10 percent each year.

Fire Station

The City leases the right to use office space at the West Western Avenue Fire Station to a third party as part of an agreement with terms through December 2045. The City receives monthly payments totaling approximately \$448,000, which are tied to the reimbursement of payments on the City's 2016 Limited Tax General Obligation Refunding and 2020A Capital Improvement Bonds at a rate of 20.24 percent and 100 percent of the bond payments attributable to improvements and additions of the fire station, respectively.

Pere Marquette Beach

The City leases the right to use property at Pere Marquette Beach to a third party as part of an agreement with a term of 5 years and with automatic renewals. The City receives payments annually of approximately \$10,300, increasing by 10 percent each renewal period.

Great Lakes Naval Memorial and Museum

The City leases the right to use property to a third party as part of an agreement with a term of 30 years and with the option to renew for another 30 years. The City receives payments annually of approximately \$15,000.

For the year ended June 30, 2024, the City recognized \$386,724 and \$96,938 in lease revenue for governmental activities and business-type activities, respectively. For the year ended June 30, 2024, the City also recognized \$224,069 and \$18,272 in interest revenue for governmental activities and business-type activities, respectively. The City has deferred inflows of resources associated with these leases that will be recognized as revenue over the term of the leases. As of June 30, 2024, the balances of these deferred inflows of resources were \$8,223,633 and \$1,490,099 for governmental activities and business-type activities, respectively.

City of Muskegon
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE F—LEASES RECEIVABLE—Continued

The future minimum payments to be received for these leases are as follows:

Year Ending June 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2025	\$ 364,859	\$ 245,026	\$ 96,284	\$ 24,835
2026	380,611	230,929	82,166	23,411
2027	403,261	216,158	86,403	22,003
2028	476,070	200,201	70,731	20,589
2029	493,274	183,044	54,129	19,587
2030-2034	1,537,785	704,692	314,792	82,549
2035-2039	1,040,365	555,241	398,157	51,918
2040-2044	1,262,612	393,543	387,437	14,574
2045-2049	1,148,699	238,658	-	-
2050-2054	768,748	113,937	-	-
2055-2059	263,018	26,023	-	-
2060-2064	69,609	5,391	-	-
2065	14,722	278	-	-
	\$ 8,223,633	\$ 3,113,121	\$ 1,490,099	\$ 259,466

City of Muskegon
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE G—CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024 was as follows:

	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 14,304,382	\$ 531,220	\$ -	\$ 14,835,602
Construction in progress	5,903,170	3,149,581	5,353,048	3,699,703
Total capital assets, not being depreciated	20,207,552	3,680,801	5,353,048	18,535,305
Capital assets, being depreciated:				
Land improvements	6,269,705	3,182,084	-	9,451,789
Buildings and improvements	61,942,987	220,882	-	62,163,869
Furniture, vehicles and equipment	20,471,925	1,893,404	585,871	21,779,458
Infrastructure	79,593,345	2,905,077	1,992,529	80,505,893
Shared improvements	6,905,293	-	-	6,905,293
Total capital assets, being depreciated	175,183,255	8,201,447	2,578,400	180,806,302
Less accumulated depreciation:				
Land improvements	2,752,630	178,442	-	2,931,072
Buildings and improvements	21,053,336	1,250,429	-	22,303,765
Furniture, vehicles and equipment	13,977,433	1,186,208	445,340	14,718,301
Infrastructure	44,597,662	3,641,104	1,992,529	46,246,237
Shared improvements	6,060,658	83,391	-	6,144,049
Total accumulated depreciation	88,441,719	6,339,574	2,437,869	92,343,424
Total capital assets, being depreciated, net	86,741,536	1,861,873	140,531	88,462,878
Capital assets, net	\$ 106,949,088	\$ 5,542,674	\$ 5,493,579	\$ 106,998,183
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 142,250	\$ -	\$ -	\$ 142,250
Construction in progress	8,426,831	8,236,715	4,453,808	12,209,738
Total capital assets, not being depreciated	8,569,081	8,236,715	4,453,808	12,351,988
Capital assets, being depreciated:				
Land improvements	2,044,117	-	-	2,044,117
Buildings, improvements and systems	124,309,045	4,453,808	-	128,762,853
Machinery and equipment	3,413,791	-	-	3,413,791
Total capital assets, being depreciated	129,766,953	4,453,808	-	134,220,761
Less accumulated depreciation:				
Land improvements	1,872,307	13,211	-	1,885,518
Buildings, improvements and systems	61,779,622	2,927,785	-	64,707,407
Machinery and equipment	3,041,444	70,076	-	3,111,520
Total accumulated depreciation	66,693,373	3,011,072	-	69,704,445
Total capital assets, being depreciated, net	63,073,580	1,442,736	-	64,516,316
Capital assets, net	\$ 71,642,661	\$ 9,679,451	\$ 4,453,808	\$ 76,868,304

City of Muskegon
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE G—CAPITAL ASSETS—Continued

Depreciation

Depreciation expense was charged to functions as follows:

Governmental activities:

Public representation services	\$ 10,356
Financial services	14,133
Public safety	414,393
Public works	63,327
Highways, streets and bridges	3,854,105
Community and economic development	143,444
Culture and recreation	1,204,019
General administration	28,602
Internal Service Fund depreciation	607,195
	<u><u>\$ 6,339,574</u></u>

Business-type activities:

Sewer	\$ 821,746
Water	2,082,543
Marina and Launch Ramp	106,783
	<u><u>\$ 3,011,072</u></u>

	<u>Balance</u> <u>July 1, 2023</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2024</u>
Component units:				
Capital assets, not being depreciated:				
Land	\$ 400,000	\$ -	\$ -	\$ 400,000
Capital assets, being depreciated:				
Building and improvements	3,798,258	-	-	3,798,258
Less accumulated depreciation:				
Building and improvements	3,381,025	172,648	-	3,553,673
Total capital assets, being depreciated, net	417,233	(172,648)	-	244,585
Capital assets, net	<u><u>\$ 817,233</u></u>	<u><u>\$ (172,648)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 644,585</u></u>

Depreciation expense was charged to economic development.

City of Muskegon
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE H—INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2024 is as follows:

Due To/From Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Trinity Health Arena Fund	\$ 720,920
General Fund	Lead Abatement Fund	216,757
General Fund	Healthy Homes Fund	220,568
General Fund	Community Development Block Grant Fund	168,889
General Fund	Water Fund	1,509,606
		<u><u>\$ 2,836,740</u></u>

The outstanding balances between funds result from the payable funds having negative positions in the City's cash and investment pool.

The Brownfield Redevelopment Authorities have also been advanced \$553,233 from the City's governmental activities as a long-term loan.

Interfund Transfers:

<u>Transfers In</u>	<u>Amount</u>	<u>Transfers Out</u>	<u>Amount</u>
Internal Service Funds	\$ 200,000	General Fund	\$ 200,000
State Grants Fund	178,856	Major Streets Fund	178,856
Trinity Health Arena Fund	100,000	General Fund	100,000
Trinity Health Arena Fund	3,239	State Grants Fund	3,239
Water Fund	129,901	State Grants Fund	129,901
Marina and Launch Ramp Fund	600,000	General Fund	600,000
	<u><u>\$ 1,211,996</u></u>		<u><u>\$ 1,211,996</u></u>

City of Muskegon
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE H—INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS—Continued

The General Fund transferred funds to the Trinity Health Arena Fund, Public Service Building Fund, Engineering Fund, and Marina and Launch Ramp Fund for operation subsidies. The State Grants Fund transferred funds to the Trinity Health Arena Fund and the Water Fund for various American Rescue Plan Act projects. Other transfers between funds were made to meet grant matching requirements or other operational needs.

NOTE I—SHORT-TERM DEBT

Summary of Changes in Short-Term Liabilities

The following is a summary of short-term liabilities activity for the City for the year ended June 30, 2024.

	Balance			Balance
	July 1, 2023	Additions	Deductions	June 30, 2024
Governmental activities:				
Short-term note	\$ 750,000	\$ -	\$ 200,005	\$ 549,995

The purpose of all short-term borrowings are to provide resources for infill housing within the City of Muskegon. The form of financing used is a short-term non-revolving note payable. Interest amounts are at a variable interest rate of 2.5 percent above the prime rate. Borrowed amounts will be repaid as infill housing units are sold.

City of Muskegon
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE J—LONG-TERM DEBT

Summary of Changes in Long-Term Liabilities

The following is a summary of long-term liabilities activity for the City for the year ended June 30, 2024.

	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024	Due Within One Year
Governmental activities:					
Public placement debt					
General obligation debt	\$ 27,555,000	\$ -	\$ 1,050,000	\$ 26,505,000	\$ 1,100,000
Discount	(120,850)	-	(7,200)	(113,650)	-
Premium	713,327	-	110,500	602,827	-
Direct borrowings and direct placements					
Installment purchase agreements	1,632,505	-	413,802	1,218,703	425,000
Compensated absences	2,810,224	2,084,959	1,898,059	2,997,124	581,442
Governmental activities long-term liabilities	\$ 32,590,206	\$ 2,084,959	\$ 3,465,161	\$ 31,210,004	\$ 2,106,442
Business-type activities:					
Public placement debt					
Revenue obligations	\$ 14,147,090	\$ 2,778,386	\$ 1,312,000	\$ 15,613,476	\$ 1,578,130
Compensated absences	374,068	294,429	326,290	342,207	68,400
Business-type activities long-term liabilities	\$ 14,521,158	\$ 3,072,815	\$ 1,638,290	\$ 15,955,683	\$ 1,646,530
Component units:					
Public placement debt					
General obligation debt	\$ 825,000	\$ -	\$ 265,000	\$ 560,000	\$ 275,000
Premium	8,373	-	5,549	2,824	-
Component unit long- term liabilities	\$ 833,373	\$ -	\$ 270,549	\$ 562,824	\$ 275,000

Public Placement Debt

General Obligation Debt

The City has issued general obligation debt to provide funds for the acquisition and construction of major capital facilities. General obligation debt is a direct obligation and pledges the full faith and credit of the City. This debt is generally issued as serial bonds with varying amounts of principal maturing each year. Certain debt issued by the City's component units is also backed by the full faith and credit of the City if there is a shortfall in tax increment revenues.

City of Muskegon
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE J—LONG-TERM DEBT—Continued

Public Placement Debt—Continued

General obligation debt outstanding as of June 30, 2024 is as follows:

	<u>Original Borrowing</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Balance</u>
General obligation debt:				
Governmental activities:				
2016 Limited Tax General Obligation Refunding Bonds	\$ 4,535,000	3% - 4%	October 2032	\$ 2,910,000
2019 Capital Improvement Bonds	19,420,000	1.93% - 3.58%	December 2049	18,490,000
2020A Capital Improvement Bonds	4,325,000	2.5% - 5%	October 2040	3,310,000
2020B Capital Improvement Bonds	2,055,000	.68% - 3.2%	October 2041	1,795,000
				<u>\$ 26,505,000</u>
Component units:				
2012 LDFA Tax Increment Refunding Bonds	\$ 4,100,000	3%	November 2025	<u>\$ 560,000</u>

Revenue Obligations

The City has issued bonds where the income derived from the acquired or constructed assets is pledged to pay debt service. Revenue obligations outstanding as of June 30, 2024 are as follows:

	<u>Original Borrowing</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Balance</u>
Revenue obligations:				
Business-type activities:				
2004 Drinking Water State Revolving Fund	\$ 13,900,000	2.13%	October 2025	\$ 1,665,000
2019 Water Supply System Junior Lien Bond	1,600,000	2%	October 2025	1,395,000
2019 Sanitary Sewer System Junior Lien Bond	2,875,000	2%	October 2033	2,510,000
2020 Water Supply System Junior Lien Bond	3,844,750	2%	April 2041	2,995,390
2020 Sanitary Sewer System Junior Lien Bond	3,772,000	2%	April 2041	3,240,498
2022B Water Supply System Junior Lien Bond	55,032	1.88%	October 2045	55,032
2022 Sanitary Sewer System Junior Lien Bond	2,485,781	1.88%	October 2043	2,485,781
2022A Water Supply System Junior Lien Bond	906,437	1.88%	October 2045	906,437
2023 Sanitary Sewer System Junior Lien Bond	360,338	1.88%	October 2044	360,338
				<u>\$ 15,613,476</u>

The City has pledged future water customer revenues, net of specified operating expenses, to repay the 2004 Drinking Water State Revolving Fund Loan. Proceeds from the issuance were used to make improvements to the City's water supply system. The bond is payable solely from water customer net revenues and is payable through 2025. Annual principal and interest payments on the bond are expected to require less than 39 percent of net revenues through 2025. The total principal and interest remaining to be paid on the bond is \$1,700,541. Principal and interest paid for the year ended June 30, 2024 and total customer net revenues were \$853,988 and \$2,190,656, respectively.

During the year ended June 30, 2024, revenue obligations were forgiven and recognized as capital grants and contributions in the Sewer and Water funds for \$1,955,000 and \$1,488,238.

The City was in compliance in all material respects with all the revenue bond ordinances at June 30, 2024.

City of Muskegon
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE J—LONG-TERM DEBT—Continued

Direct Borrowings and Direct Placements

Installment Purchase Agreements

The City has entered into an installment agreement for a ladder truck in 2021 and for a pumper truck in 2023. The installment purchase agreements are secured by the equipment purchases if the City defaults under the agreements. Installment purchase agreements outstanding as of June 30, 2024 are as follows:

	<u>Original Borrowing</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Balance</u>
Installment purchase agreements:				
Governmental activities:				
2021 Equipment Installment Loan	\$ 1,370,873	1.78%	October 2025	\$ 632,120
2023 Equipment Installment Loan	761,603	4.40%	March 2028	586,583
				<u>\$ 1,218,703</u>

For governmental activities, pension liabilities (i.e. net pension and OPEB liabilities), claims and judgments and compensated absences are generally liquidated by the General Fund.

In 2005, the County of Muskegon began making improvements to the regional sewer treatment facilities. The project was funded with \$17,500,000 bonds issued through the State of Michigan Clean Water Revolving Fund Loan Program. The County operates the system and makes payments on the bonds with user charges to the local units. The City has pledged its limited tax full faith and credit for the payment of its portion of the debt should user charges collected by the County be insufficient to make the debt payments. The City's portion of the debt on June 30, 2024 was approximately \$1,101,000. The City is unaware of any circumstances that would cause a shortfall in the near future.

Annual debt service requirements to maturity for public placement debt and for direct borrowings and direct placements outstanding as of June 30, 2024 follow:

Year Ending June 30,	Governmental Activities				Business-type Activities	
	Public Placement Debt		Direct Borrowings and Direct Placements		Public Placement Debt	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 1,100,000	\$ 892,982	\$ 424,961	\$ 31,747	\$ 1,578,130	\$ 299,576
2026	1,140,000	856,998	436,490	20,218	1,617,000	267,080
2027	1,180,000	817,356	232,082	9,571	792,000	242,935
2028	1,220,000	773,695	125,170	2,306	812,000	227,375
2029	1,270,000	727,804	-	-	761,338	211,473
2030-2034	5,255,000	2,992,045	-	-	3,875,032	831,580
2035-2039	3,960,000	2,332,030	-	-	4,230,000	436,451
2040-2044	4,565,000	1,609,044	-	-	1,947,976	58,088
2045-2049	5,530,000	745,038	-	-	-	-
2050	1,285,000	23,001	-	-	-	-
	<u>\$ 26,505,000</u>	<u>\$ 11,769,993</u>	<u>\$ 1,218,703</u>	<u>\$ 63,842</u>	<u>\$ 15,613,476</u>	<u>\$ 2,574,558</u>

City of Muskegon
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE J—LONG-TERM DEBT—Continued

Year Ending June 30,	Component Units	
	Public Placement Debt	
	Principal	Interest
2025	\$ 275,000	\$ 12,675
2026	285,000	4,275
	\$ 560,000	\$ 16,950

Annual debt service requirements to maturity by type of debt as of June 30, 2024 follow:

Year Ending June 30,	General Obligation Debt		Revenue Obligations	Installment Purchase Agreements
	Governmental Activities	Component Units	Business-type Activities	Governmental Activities
2025	\$ 1,992,982	\$ 287,675	\$ 1,877,706	\$ 456,708
2026	1,996,998	289,275	1,884,080	456,708
2027	1,997,356	-	1,034,935	241,653
2028	1,993,695	-	1,039,375	127,476
2029	1,997,804	-	972,811	-
2030-2034	8,247,045	-	4,706,612	-
2035-2039	6,292,030	-	4,666,451	-
2040-2044	6,174,044	-	2,006,064	-
2045-2049	6,275,038	-	-	-
2050	1,308,001	-	-	-
	\$38,274,993	\$ 576,950	\$18,188,034	\$ 1,282,545

City of Muskegon
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE K—OTHER INFORMATION

Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The City manages its liability and property risk by participating in the Michigan Municipal Risk Management Authority (MMRMA), a public entity risk pool providing property and liability coverage to its participating members. The City pays an annual premium to MMRMA for its insurance coverage. The MMRMA is self-sustaining through member premiums and provides, subject to certain deductibles, occurrence-based casualty coverage for each incident and occurrence-based property coverage to its members by internally assuring certain risks and reinsuring risks through commercial companies. A \$150,000 deductible is maintained to place the responsibility for small charges with the City. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years. Changes in the fund's claim liability amount in 2024 and 2023 were as follows:

<u>Year Ended</u>	<u>Balance at Beginning of Year</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Balance at End of Year</u>
June 30, 2024	\$ 651,542	\$ 147,906	\$ 502,570	\$ 296,878
June 30, 2023	486,753	738,953	574,164	651,542

The City manages its workers' compensation risk by participating in the Michigan Municipal Workers' Compensation Fund (MMWCF), a public entity risk pool providing workers' compensation coverage to its participating members. The City pays an annual premium to MMWCF for its workers' compensation coverage. The MMWCF is self-sustaining through member premiums and provides statutory workers' compensation coverage to its members by internally assuring certain risks and reinsuring risks through commercial companies. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

The City is self-insured for employee health care benefits for those employees selecting the City plan over other options. Under this plan, the General Insurance Fund provides coverage for up to a maximum of up to \$500,000 per covered individual's lifetime. As of June 30, 2024, the claims liability including incurred but not reported claims was \$45,145. A liability was recorded in the accompanying financial statements for the estimated claims liability. The claims liability was based on past experience, a review of pending claims and other social and economic factors. The above estimate was not discounted and there were no outstanding claims for which annuity contracts have been purchased in the claimant's name. No significant reductions in insurance coverage were made in the last fiscal year. Settled claims have not exceeded the commercial coverage in any of the past three fiscal years. Changes in the fund's claim liability amount in 2024 and 2023 were as follows:

<u>Year Ended</u>	<u>Balance at Beginning of Year</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Balance at End of Year</u>
June 30, 2024	\$ 35,406	\$ 5,460,637	\$ 5,450,898	\$ 45,145
June 30, 2023	33,172	4,838,292	4,836,058	35,406

City of Muskegon
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE K—OTHER INFORMATION—Continued

Contingencies

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, may constitute a liability to the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's counsel the resolution of these matters will not have a material adverse effect on the financial condition of the City.

Commitments

The City has several contracts for street projects including water and sewer system improvements and other capital improvements as of June 30, 2024 with a remaining amount of approximately \$17,878,000. The commitments in the Sewer and Water funds are being financed by long-term debt and the remainder are being funded with grants and available funds as follows:

<u>Fund</u>	<u>Amount</u>
General	\$ 400,000
Major Street and Trunkline	2,839,000
Local Street	2,405,000
Mercy Health Arena	400,000
Public Improvement	1,440,000
State Grant	1,500,000
Sewer	1,105,000
Water	5,909,000
Marina and Launch Ramp	250,000
Public Service Building	200,000
Equipment	1,430,000
	<u><u>\$ 17,878,000</u></u>

The City has also committed to allocating 35 percent of local marihuana excise taxes received to their Michigan Social Equity Program. As of June 30, 2024, the City has committed \$413,107 of fund balance in the General Fund to this program.

City of Muskegon
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE L—TAX ABATEMENTS

Industrial Facilities Exemption

The City entered into property tax abatement agreements with local businesses under the Plant Rehabilitation and Industrial Developments Act, (known as the Industrial Facilities Exemptions or IFTs) PA 198 of 1974, as amended. The IFTs provides a tax incentive to manufacturers to enable renovation and expansion of aging facilities, assist in the building of new facilities, and to promote the establishment of high tech facilities. Properties qualifying for IFT status are taxed at half the local property tax millage rate applicable to other real and personal property in the City for a term of one to twelve years as determined by the City.

For the year ended June 30, 2024, the City abated property taxes revenues totaling \$109,114 under this program.

Brownfield Redevelopment Authority

The City entered into property tax abatement agreements with local businesses under the Brownfield Redevelopment Act, PA 381 of 1996, as amended. Brownfield properties are those in which the redevelopment or reuse of property may be complicated by the presence or perception of contamination. Brownfields use tax increment financing where growth in taxable value above the initial value of the Brownfield is captured and used to repay the developer for remediation costs.

For the year ended June 30, 2024, the City abated property taxes revenues totaling \$253,520 under this program.

Payment in Lieu of Taxes (PILOT)

The City uses the State Housing Development Authority Act, PA 346 of 1966, as amended, to enter into agreements that provide for a service charge in lieu of taxes to encourage the development of housing of its elderly citizens of low and moderate income.

For the year ended June 30, 2024, the City abated property taxes revenues totaling \$169,699 under this program.

NOTE M—EMPLOYEE RETIREMENT SYSTEM AND PENSION PLAN

Defined Benefit Pension Plan

Plan Description

The City's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The City participates in the Municipal Employees Retirement System (MERS) of Michigan. MERS is an agent multiple-employer, statewide public employee pension plan established by the Michigan Legislature under Public Act 135 of 1945 and administered by a nine member Retirement Board. MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained accessing the MERS website at www.mersofmich.com.

Benefits Provided

Public Act 427 of 1984, as amended, established and amends the benefit provisions of the participants in MERS. The Plan covers all full-time employees hired prior to January 2005. Beginning in January 2005, the various employee divisions began to be closed. By July 2006, all employee divisions were closed.

City of Muskegon
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE M—EMPLOYEE RETIREMENT SYSTEM AND PENSION PLAN—Continued

Defined Benefit Pension Plan—Continued

Benefits Provided—Continued

Benefits provided are based on the following by employee division:

		Vesting	Normal	Early	Reduced
	Multplier	Period	Retirement	Retirement	Early Retirement
			Age		
Non-Union General	2.25%*	5 years	60	55/25	50/25 or 55/15
Non-Union Police	3.00%	10 years	55	53/25	50/25
Clerical	2.25%*	5 years	60	55/25	50/25 or 55/15
Department of Public Works	2.25%*	10 years	60	55/30	50/25 or 55/15
Police Patrol	3.00%*	10 years	55	50/25	Not applicable
Police Command	3.00%	10 years	55	50/25	Not applicable
Fire	2.75%	10 years	55	53/25	50/25

*Effective January 2017, the multiplier for Non-Union General and Department of Public Works was changed to 2.00% and the multiplier for Police Patrol was changed to 2.675%. Effective December 2018, the multiplier for Clerical was changed to 2.00%.

Final average compensation is calculated based on 3 years.

Employees Covered by Benefit Terms

At December 31, 2023 valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	338
Inactive employees entitled to but not yet receiving benefits	28
Active employees	47
Total employees covered by MERS	<u><u>413</u></u>

Contributions

The City is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS Retirement Board. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City may establish contribution rates to be paid by its covered employees.

For the year ended June 30, 2024, the City had a flat-dollar employer contribution to the Plan of \$3,652,758 in lieu of a percentage of covered employee payroll, as the Plan is closed to new employees. Member contributions range from 4 percent to 6.5 percent.

Net Pension Liability

The City's net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an annual actuarial valuation as of that date.

City of Muskegon
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE M—EMPLOYEE RETIREMENT SYSTEM AND PENSION PLAN—Continued

Defined Benefit Pension Plan—Continued

Actuarial Assumptions

The total pension liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increases	3.0 percent in the long-term
Investment rate of return	7.00 percent, net of investment and administrative expenses including inflation

Although no specific price inflation assumptions are needed for the valuation, the 3.0 percent long-term wage inflation assumption would be consistent with a price inflation of 3-4 percent. Mortality rates used were based on a version of Pub-2010 and fully generational MP-2019.

The actuarial assumptions used in valuation were based on the results of the most recent actuarial experience study of 2014 through 2018.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment and administrative expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Target Gross Rate of Return	Long-Term Expected Gross Rate of Return	Inflation Assumption	Long-Term Expected Real Rate of Return
Global equity	60.0%	7.00%	4.20%	2.50%	2.70%
Global fixed income	20.0%	4.50%	0.90%	2.50%	0.40%
Private assets	20.0%	9.50%	1.90%	2.50%	1.40%
Total	100.0%		7.00%		4.50%

Discount Rate

The discount rate used to measure the total pension liability was 7.25 percent for 2023. The current discount rate shown for GASB 68 purposes is higher than the MERS assumed rate of return. This is because, for GASB 68 purposes, the discount rate must be gross of administrative expenses, whereas for funding purposes, it is net of administrative expense. The projection of cash flows used to determine the discount rate assumed that employer and employee contributions will be made at rates agreed upon for employees and the actuarially determined rate for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

City of Muskegon
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE M—EMPLOYEE RETIREMENT SYSTEM AND PENSION PLAN—Continued

Defined Benefit Pension Plan—Continued

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Position (b)	Net Pension Liability (a)-(b)
Balance at January 1, 2023	\$ 132,171,503	\$ 83,833,545	\$ 48,337,958
Changes for the year			
Service cost	493,193	-	493,193
Interest	9,239,502	-	9,239,502
Difference between expected and actual experience	892,360	-	892,360
Changes in assumptions	906,131	-	906,131
Contributions - employer	-	3,845,400	(3,845,400)
Contributions - employee	-	185,454	(185,454)
Net investment income (loss)	-	9,186,598	(9,186,598)
Administrative expenses	-	(191,688)	191,688
Benefit payments including refund of employee contributions	(9,953,374)	(9,953,374)	-
Other changes	2,642	-	2,642
Net changes	1,580,454	3,072,390	(1,491,936)
Balance at December 31, 2023	\$ 133,751,957	\$ 86,905,935	\$46,846,022

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City, calculated using the discount rate of 7.25 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
City's net pension liability	\$ 61,070,076	\$ 46,846,022	\$ 34,859,838

City of Muskegon
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE M—EMPLOYEE RETIREMENT SYSTEM AND PENSION PLAN—Continued

Defined Benefit Pension Plan—Continued

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2024, the City recognized pension expense of \$5,556,998. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net differences between projected and actual net investment income	\$ 4,553,561	\$ -
Contributions subsequent to the measurement date*	1,825,434	-
Total	<u><u>\$ 6,378,995</u></u>	<u><u>\$ -</u></u>

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the year ending June 30, 2025.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2025	\$ 800,436
2026	1,615,429
2027	2,803,758
2028	(666,062)

Payables to the Pension Plan

At June 30, 2024, the City reported a payable of \$318,446 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2024.

City of Muskegon
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE M—EMPLOYEE RETIREMENT SYSTEM AND PENSION PLAN—Continued

Defined Contribution Pension Plan

The City also maintains a defined contribution plan offered by MERS for its full-time employees hired after the defined benefit plan was closed to new participants.

Benefit terms, including contribution requirements, for the MERS defined contribution plan are established and may be amended by the City Commission as determined by negotiated labor contracts. The City is required to contribute 6 percent to 13 percent of a qualified employees' annual compensation each year depending on employee group. Qualified employees are required to contribute 0 percent to 8 percent of annual compensation depending on employee group. For the year ended June 30, 2024, City and employee contributions were \$1,589,953 and \$691,519, respectively.

Employees are immediately vested in their own contributions and earnings on those contributions and become vested in City contributions and earnings on City contributions by 20 percent for each full year of service, leaving employees fully vested after five years of service. Nonvested City contributions are forfeited upon termination of employment. Such forfeitures are used to cover a portion of the pension plan's administrative expenses. For the year ended June 30, 2024, forfeitures reduced the City's pension expense by \$80,986.

Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all full-time employees at their option, permits participants to defer a portion of their salary until future years. Payments from the deferred compensation plan are not available to participants until termination, retirement, death, or unforeseeable emergency. Active participants are allowed to borrow from their accumulated assets for limited purposes such as family education costs, medical costs, or down payment for a new home. The City must approve program loans.

The Plan has created a trust for the exclusive benefit of the Plan's participants and beneficiaries under rules provided by Internal Revenue Code Section 401(f).

NOTE N—OTHER POSTEMPLOYMENT BENEFITS

Retiree Healthcare Plan

Plan Description

The City's defined benefit OPEB Plan, the City of Muskegon Retiree Healthcare Plan (OPEB Plan), provides healthcare benefits to certain employees and their spouses upon retirement. The Plan is a single-employer defined benefit plan administered by the City Commission. The benefits are provided under collective bargaining agreements and at the discretion of the City Commission. The OPEB Plan does not issue a publicly available report.

For the year ended June 30, 2024 the OPEB Plan's valuation date, measurement date, and reporting date were changed from December 31, 2023 to June 30, 2024 as a result of an accounting policy change. Consequently, there are 18 months of activity reflected in changes in the net OPEB liability (asset) for both the total OPEB liability as well as the net OPEB liability (asset) balance, both measured as of June 30, 2024

City of Muskegon
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE N—OTHER POSTEMPLOYMENT BENEFITS—CONTINUED

Retiree Healthcare Plan—Continued

Benefits Provided

The OPEB Plan provides medical and dental insurances for eligible retirees and spouses who meet the following criteria:

	Eligibility	Vesting Period	Normal Retirement Age	Early Retirement
Non-Union General	Hired before January 1, 2011	5 years	60	55/25
Non-Union Police	Hired before January 1, 2011	10 years	55	53/25
Clerical	Hired before January 1, 2009	10 years	60	55/30
Department of Public Works	Hired before January 1, 2011	10 years	60	55/30
Police Patrol	Hired before January 1, 2012	10 years	55	50/25
Police Command	Hired before January 1, 2010	10 years	55	50/25
Fire	Hired before January 1, 2010	10 years	55	53/25

Benefits are provided through a third party insurer.

Employees Covered by Benefit Terms

At the June 30, 2024 valuation, the following employees were covered by the benefit terms:

Active members	74
Inactive members	16
Retirees and beneficiaries	312
Total employees covered by OPEB Plan	<u><u>402</u></u>

Contributions

The OPEB Plan's funding policy is that the City will contribute any required amounts as determined by an annual actuarial valuation as a reference but not as a definitive requirement. There are no long-term contracts for contributions to the OPEB Plan. The OPEB Plan has no legally required reserves. For the year ended June 30, 2024, the City made payments for postemployment healthcare benefits of \$1,624,141.

Net OPEB Liability (Asset)

The City's net OPEB liability (asset) was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as June 30, 2024.

City of Muskegon
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE N—OTHER POSTEMPLOYMENT BENEFITS—Continued

Retiree Healthcare Plan—Continued

Actuarial Assumptions

The total OPEB liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increases	0.0 percent
Investment rate of return	7.00 percent (including inflation), net of administrative and investment expenses
Healthcare cost trend rates	Pre-Medicare: 7.25 percent for one year, then graded down by .25 per year to an ultimate rate of 4.5 percent
	Post-Medicare: 5.5 percent for one year, then graded down by .25 per year to an ultimate rate of 4.5 percent

Mortality

Mortality rates were as set forth in the Public General 2010 Employee and Healthy Retiree, headcount weighted, IRS 2024 adjusted MP-2021 improvement scale.

Investment Rate of Return

The long-term rate of return on retirement plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB Plan's target asset allocation are summarized in the following table:

Asset Class	Target Allocation	Target Gross Rate of Return	Long-Term Expected Gross Rate of Return	Inflation Assumption	Long-Term Expected Real Rate of Return
Global equity	60.0%	7.00%	4.20%	2.50%	2.70%
Global fixed income	20.0%	4.50%	0.90%	2.50%	0.40%
Private investments	20.0%	9.50%	1.90%	2.50%	1.40%
Total	100.0%		7.00%		4.50%

Discount Rate

The discount rate used to measure the total OPEB liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that the City will make future contributions at levels at least as high as the 2022 contribution increasing up to 8 percent higher per year. Based on this assumption, the OPEB Plan's fiduciary net position was projected to be sufficient to make projected future benefit payments of current plan members. For projected benefits that are covered by projected assets, the long-term expected rate was used to discount the projected benefits. From the year that benefit payments were not projected be covered by the projected assets (the "depletion date", not applicable for this plan), projected benefits were discounted at a discount rate reflecting a 20-year AA/Aa tax-exempt municipal bond yield. A single equivalent discount rate that yields the same present value of benefits is calculated. This discount rate is used to determine the total OPEB liability. As of December 31, 2022 the discount rate used to value OPEB liabilities was 7.00 percent.

City of Muskegon
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE N—OTHER POSTEMPLOYMENT BENEFITS—Continued

Retiree Healthcare Plan—Continued

Changes in the Net OPEB Liability (Asset)

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Position (b)	Net OPEB Liability (Asset) (a)-(b)
Balance at January 1, 2023	\$ 28,981,336	\$ 23,052,158	\$ 5,929,178
Changes for the year			
Service cost	75,231	-	75,231
Interest	2,931,154	-	2,931,154
Difference between expected and actual experience	(4,369,955)	-	(4,369,955)
Changes of assumptions	(508,402)	-	(508,402)
Contributions - employer	-	2,862,264	(2,862,264)
Net investment income (loss)	-	3,855,821	(3,855,821)
Administrative expenses	-	(81,766)	81,766
Benefit payments including refund of employee contributions	(3,222,631)	(3,222,631)	-
Net changes	(5,094,603)	3,413,688	(8,508,291)
Balance at June 30, 2024	\$ 23,886,733	\$ 26,465,846	\$ (2,579,113)

Plan fiduciary net position as a percentage of total OPEB liability 110.80%

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate

The following presents the net OPEB liability (asset) of the City, calculated using the discount rate of 7.00 percent, as well as what the City's net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
City's net OPEB liability (asset) \$	(328,097)	\$ (2,579,113)	\$ (4,479,753)

City of Muskegon
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE N—OTHER POSTEMPLOYMENT BENEFITS—Continued

Retiree Healthcare Plan—Continued

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Healthcare Cost Trend Rate

The following presents the net OPEB liability (asset) of the City, calculated using the healthcare cost trend rate for pre-Medicare of 7.25 percent, decreasing to 4.5 percent and post-Medicare of 5.5 percent decreasing to 4.5 percent, as well as what the City's net OPEB liability (asset) would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.25 percent decreasing to 3.5 percent or 4.5 percent decreasing to 3.5 percent) or 1-percentage-point higher (8.25 percent decreasing to 5.5 percent or 6.5 percent decreasing to 5.5 percent) than the current rate:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
City's net OPEB liability (asset) \$	(4,387,227)	(2,579,133)	(461,399)

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB Plan's fiduciary net position is not available in a separately issued financial report. For purposes of measuring the net OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expenses, information about the fiduciary net position of the OPEB Plan and additions to/deductions from the City's fiduciary net position have been determined on the same basis as they are reported by the City. For these purposes, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2024, the City recognized OPEB expense of \$(3,347,119). At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in experience	\$ -	\$ 817,146
Changes in assumptions	-	95,067
Net difference between projected and actual net investment income	923,849	-
Total	<u><u>\$ 923,849</u></u>	<u><u>\$ 912,213</u></u>

City of Muskegon
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE N—OTHER POSTEMPLOYMENT BENEFITS—Continued

Retiree Healthcare Plan—Continued

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB—Continued

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	Amount
2025	\$ (706,423)
2026	386,339
2027	615,212
2028	(283,492)

Payables to the OPEB Plan

At June 30, 2024, the City did not have a payable to the OPEB Plan.

Healthcare Savings Plan

The City also maintains a defined contribution OPEB Plan (Health Care Savings Plan or HCSP) which provides certain health care benefits to plan member and legal dependents upon termination of employment. The HCSP covers all City employees hired after July 1, 2012 in lieu of the traditional retiree healthcare plan. The City participates in the Municipal Employees Retirement System (MERS) of Michigan. MERS is an agent multiple employer, statewide public employee defined contribution OPEB Plan established by the Michigan Legislature under Public Act 135 of 1945 and administered by a nine-member Retirement Board. Public Act 427 of 1984, as amended, establishes and amends the benefit provisions of the participants in MERS. MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained accessing the MERS website at www.mersofmich.com.

Depending on employee group, the Plan covers all qualified City employees hired after January 2009 to December 2012 in lieu of the traditional retiree healthcare plan. The City is required to contribute 1 or 2 percent of a qualified employees' annual compensation each year depending on employee group. Qualified employees are also required to contribute 1 or 2 percent of annual compensation. Additionally, some employees, regardless of hire date, may make voluntary contributions to the HCSP.

Employees are immediately vested in all contributions and earnings of those contributions.

For the year ended June 30, 2024, City and employee contributions were \$905,524 and \$436,297, respectively.

City of Muskegon
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE O—ACCOUNTING CHANGES AND ERROR CORRECTIONS

Correction of an Error in Previously Issued Financial Statements

During the year ended June 30, 2024, the City discovered errors in the calculation of several leases receivable. The following adjustments were made to correct this error by restating the balances of leases receivable and deferred inflows as of July 1, 2023. The restatement of these balances has no impact on net position or fund balance.

	General Fund	
	Leases Receivable	Deferred Inflows
Balances as of July 1, 2023, as previously stated	\$ 3,493,276	\$ 3,493,276
Correction of error—omitted lease agreement	440,230	440,230
Balances as of July 1, 2023, as restated	\$ 3,933,506	\$ 3,933,506

	Trinity Health Arena Fund	
	Leases Receivable	Deferred Inflows
Balances as of July 1, 2023, as previously stated	\$ 4,375,289	\$ 4,375,289
Correction of error—incorrect calculation	(211,544)	(211,544)
Balances as of July 1, 2023, as restated	\$ 4,163,745	\$ 4,163,745

	Other Governmental Funds	
	Leases Receivable	Deferred Inflows
Balances as of July 1, 2023, as previously stated	\$ -	\$ -
Correction of error—omitted lease agreement	496,022	496,022
Balances as of July 1, 2023, as restated	\$ 496,022	\$ 496,022

	Governmental Activities	
	Leases Receivable	Deferred Inflows
Balances as of July 1, 2023, as previously stated	\$ 7,868,565	\$ 7,868,565
Correction of errors above	724,708	724,708
Balances as of July 1, 2023, as restated	\$ 8,593,273	\$ 8,593,273

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REQUIRED SUPPLEMENTARY INFORMATION

City of Muskegon
BUDGETARY COMPARISON SCHEDULE
 General Fund
 For the year ended June 30, 2024
 (with comparative actual amounts for the year ended June 30, 2023)

	2024			2023	
	Budgeted Amounts			Variance with	
	Original	Final	Actual	Final Budget	Actual
REVENUES					
Taxes					
City income taxes	\$ 11,250,000	\$ 12,600,000	\$ 12,243,618	\$ (356,382)	\$ 11,957,105
Property taxes	8,916,349	9,036,284	9,034,793	(1,491)	8,317,400
Excise tax distribution	625,000	655,000	653,283	(1,717)	622,222
Industrial facilities taxes	155,000	180,742	180,742	-	242,192
Payments in lieu of taxes	662,519	662,519	702,919	40,400	666,069
Total taxes	21,608,868	23,134,545	22,815,355	(319,190)	21,804,988
Licenses and permits					
Business licenses	45,000	37,000	37,410	410	40,745
Liquor licenses	65,000	71,000	70,052	(948)	60,036
Marihuana facilities licenses	175,000	180,000	180,000	-	141,337
Cable TV fees	352,000	316,000	312,085	(3,915)	349,044
Rental property registration	451,000	562,000	573,965	11,965	520,590
Burial permits	60,000	64,300	62,520	(1,780)	68,240
Building permits	1,000,000	929,500	877,387	(52,113)	1,395,235
Electrical permits	200,000	180,000	175,741	(4,259)	210,651
Plumbing permits	110,000	118,000	122,162	4,162	113,789
Mechanical permits	146,000	125,000	123,991	(1,009)	159,145
Vacant building fees	25,000	5,000	4,458	(542)	15,200
Total licenses and permits	2,629,000	2,587,800	2,539,771	(48,029)	3,074,012
Intergovernmental revenues					
Federal grants	401,000	526,600	299,779	(226,821)	182,483
State					
Grants	900,000	945,000	1,238,036	293,036	1,440,862
State shared revenue	5,749,318	5,354,191	5,321,361	(32,830)	5,180,344
Total intergovernmental revenues - State	6,649,318	6,299,191	6,559,397	260,206	6,621,206
Local	-	-	50,000	50,000	50,000

City of Muskegon
BUDGETARY COMPARISON SCHEDULE—CONTINUED
 General Fund
 For the year ended June 30, 2024
 (with comparative actual amounts for the year ended June 30, 2023)

	2024			2023	
	Budgeted Amounts		Actual	Variance with	Actual
	Original	Final		Final Budget	
Charges for services					
Tax administration fees	\$ 400,000	\$ 445,000	\$ 445,099	\$ 99	\$ 411,981
Utility administration fees	310,000	310,000	310,000	-	310,000
Reimbursement for elections	25,000	25,000	181	(24,819)	29,999
Brownfield authority admin fee	-	273,673	273,673	-	201,851
Indirect cost reimbursements	1,748,335	1,748,335	1,748,335	-	1,587,749
Site plan review fee	11,000	11,000	6,000	(5,000)	7,400
Sale of cemetery lots	36,000	38,000	31,110	(6,890)	36,881
Police miscellaneous	241,000	208,000	214,797	6,797	118,143
Police impound fees	40,000	40,000	28,410	(11,590)	34,658
Landlord's alert fee	30,000	45,000	41,010	(3,990)	45,407
Fire protection—state property	99,000	99,647	99,647	-	99,233
Zoning fees	17,300	17,300	14,850	(2,450)	14,563
Clerk fees	3,000	37,500	36,098	(1,402)	4,489
Clerk fees—passport fees	65,000	80,000	77,575	(2,425)	68,415
Tax abatement application fees	5,000	5,000	2,772	(2,228)	9,272
Treasurer fees	52,500	81,500	80,812	(688)	84,315
False alarm fees	7,000	7,000	5,511	(1,489)	4,005
Miscellaneous cemetery income	24,000	26,500	25,762	(738)	25,694
Downtown social district	45,000	45,000	37,925	(7,075)	45,450
Fire miscellaneous	21,000	21,000	12,547	(8,453)	21,403
Sanitation stickers	645,000	650,000	681,665	31,665	595,690
Lot cleanup fees	37,500	30,150	27,760	(2,390)	34,480
Special events reimbursements	30,000	40,000	31,394	(8,606)	35,918
Recreation program fees	15,000	55,000	36,677	(18,323)	9,803
Parking	800,000	860,000	898,404	38,404	841,843
Other charges for services	10,000	10,000	8,000	(2,000)	24,000
Total charges for services	4,717,635	5,209,605	5,176,014	(33,591)	4,702,642
Fines and forfeitures					
Income tax—penalty and interest	260,000	320,000	315,526	(4,474)	288,786
Late fees on current taxes	20,000	30,000	28,144	(1,856)	20,473
Interest on late invoices	13,400	22,600	22,220	(380)	21,713
Parking fines	170,000	177,500	179,906	2,406	174,945
Court fines	70,000	70,000	77,450	7,450	79,246
Civil infractions	21,500	15,000	15,520	520	18,875
Total fines and forfeitures	554,900	635,100	638,766	3,666	604,038
Investment earnings and rental income					
Interest income	325,000	558,000	1,112,306	554,306	901,798
Net increase (decrease) in the fair value of investments	100,000	35,000	175,997	140,997	(428,700)
City right of way rental	7,000	7,000	4,400	(2,600)	4,400
Fire station lease—Central Dispatch	465,000	465,000	331,837	(133,163)	322,925
Parking rentals	88,925	56,800	56,800	-	94,295
McGraft Park rentals	140,000	144,000	133,743	(10,257)	126,633
Other park rentals	47,800	56,408	56,391	(17)	54,040
Total investment earnings and rental income	1,173,725	1,322,208	1,871,474	549,266	1,075,391

City of Muskegon
BUDGETARY COMPARISON SCHEDULE—CONTINUED
 General Fund
 For the year ended June 30, 2024
 (with comparative actual amounts for the year ended June 30, 2023)

	2024				2023
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
Other					
Police sale and auction proceeds	\$ 1,100	\$ 3,000	\$ 2,575	\$ (425)	\$ 1,100
CDBG program reimbursements	269,760	269,760	239,832	(29,928)	375,542
Fisherman's Landing reimbursement	25,000	25,625	25,625	-	28,319
Contributions	75,000	60,000	89,681	29,681	104,882
Contributions—Veteran's Park maintenance	17,000	71,000	70,026	(974)	73,122
Community Foundation for Muskegon County	10,000	11,000	10,979	(21)	10,885
Miscellaneous and sundry	126,000	394,800	404,007	9,207	449,263
Total other	523,860	835,185	842,725	7,540	1,043,113
Total revenues	38,258,306	40,550,234	40,793,281	243,047	39,157,873
EXPENDITURES					
Current					
Public representation services					
City commission	147,376	137,900	139,725	(1,825)	137,289
City promotions and public relations	182,223	167,550	147,899	19,651	123,219
City manager	714,619	964,258	943,118	21,140	546,886
Contributions to outside agencies	574,426	928,426	904,736	23,690	492,375
City attorney	420,000	440,000	609,788	(169,788)	605,869
Total public representation services	2,038,644	2,638,134	2,745,266	(107,132)	1,905,638
Administrative services					
City clerk	836,450	830,159	776,960	53,199	842,713
Civil service	325,164	303,641	300,475	3,166	237,094
Total administrative services	1,161,614	1,133,800	1,077,435	56,365	1,079,807
Financial services					
Finance administration	752,641	786,100	781,519	4,581	665,136
Assessing	430,000	443,000	443,418	(418)	429,591
Income tax administration	485,142	514,185	491,806	22,379	474,611
Information systems	699,693	780,116	736,693	43,423	656,777
City treasurer	729,654	715,223	674,083	41,140	695,791
Pension administration	2,857,808	2,857,808	2,851,374	6,434	3,167,679
Total financial services	5,954,938	6,096,432	5,978,893	117,539	6,089,585
Public safety					
Police department	11,498,377	12,194,264	12,057,971	136,293	11,073,924
Fire department	3,845,375	4,337,733	4,290,087	47,646	3,894,030
Building inspections	2,406,083	2,130,286	2,107,726	22,560	2,830,396
Total public safety	17,749,835	18,662,283	18,455,784	206,499	17,798,350

City of Muskegon
BUDGETARY COMPARISON SCHEDULE—CONTINUED
 General Fund
 For the year ended June 30, 2024
 (with comparative actual amounts for the year ended June 30, 2023)

	2024				2023
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
Public works					
Street lighting	\$ 310,000	\$ 322,000	\$ 319,762	\$ 2,238	\$ 296,561
Community event support	172,871	89,000	80,382	8,618	121,143
General sanitation	2,570,612	2,590,365	2,716,449	(126,084)	2,558,983
Storm water management	24,250	24,618	10,494	14,124	35,929
City hall maintenance	474,279	562,842	555,665	7,177	493,912
Cemeteries maintenance	598,103	593,521	583,093	10,428	565,457
Total public works	4,150,115	4,182,346	4,265,845	(83,499)	4,071,985
Community and economic development					
Planning, zoning and economic development	554,263	797,352	804,954	(7,602)	675,384
Environmental services	-	-	-	-	37,831
Edison Landing subsidy	-	200,000	200,000	-	200,000
Total community and economic development	554,263	997,352	1,004,954	(7,602)	913,215
Culture and recreation					
Parks maintenance	2,633,060	2,895,343	2,928,323	(32,980)	2,640,748
McGraft Park maintenance	117,651	153,075	154,160	(1,085)	206,870
General and inner city recreation programs	340,419	367,318	360,912	6,406	77
Forestry	28,000	35,079	25,254	9,825	64,684
Parking operations	432,617	421,609	397,388	24,221	425,909
Social district	46,528	36,528	37,581	(1,053)	41,097
Total culture and recreation	3,598,275	3,908,952	3,903,618	5,334	3,379,385
General administration					
Insurance premiums	810,000	700,000	629,859	70,141	1,003,306
Other	-	-	43,339	(43,339)	(52,517)
Total other governmental functions	810,000	700,000	673,198	26,802	950,789
Debt service					
Principal	1,260,428	1,164,000	1,163,802	198	1,022,509
Interest and fees	387,995	376,004	369,469	6,535	377,330
Total debt service	1,648,423	1,540,004	1,533,271	6,733	1,399,839
Capital outlay	582,700	665,276	683,697	(18,421)	5,198,799
Total expenditures	38,248,807	40,524,579	40,321,961	202,618	42,787,392
Excess of revenues over (under) expenditures	9,499	25,655	471,320	445,665	(3,629,519)

City of Muskegon
BUDGETARY COMPARISON SCHEDULE—CONTINUED
 General Fund
 For the year ended June 30, 2024
 (with comparative actual amounts for the year ended June 30, 2023)

	2024			2023	
	Budgeted Amounts		Actual	Variance with	Actual
	Original	Final		Final Budget	
OTHER FINANCING SOURCES (USES)					
Long-term debt issued	\$ -	\$ -	\$ -	\$ -	\$ 761,603
Transfers in	430,000	50,000	-	(50,000)	4,251,451
Transfers out	(1,430,000)	(1,380,000)	(900,000)	480,000	(2,227,000)
Total other financing sources (uses)	(1,000,000)	(1,330,000)	(900,000)	430,000	2,786,054
Net change in fund balance	<u>\$ (990,501)</u>	<u>\$(1,304,345)</u>	(428,680)	<u>\$ 875,665</u>	(843,465)
Fund balance at beginning of year			10,017,908		10,861,373
Fund balance at end of year			<u>\$ 9,589,228</u>		<u>\$ 10,017,908</u>

Note: Both budgets and actual figures are prepared in accordance with generally accepted accounting principles.

City of Muskegon
BUDGETARY COMPARISON SCHEDULE
Major Street and Trunkline Fund
For the year ended June 30, 2024

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental revenues - State	\$ 5,060,000	\$ 5,060,000	\$ 5,225,946	\$ 165,946
Investment earnings	-	-	22,472	22,472
Other	-	-	14,784	14,784
Total revenues	5,060,000	5,060,000	5,263,202	203,202
EXPENDITURES				
Current				
Highways, streets and bridges	3,385,937	3,425,937	4,008,873	(582,936)
Excess of revenues over (under) expenditures	1,674,063	1,634,063	1,254,329	(379,734)
OTHER FINANCING USES				
Transfers out	(400,000)	(400,000)	(178,856)	221,144
Net change in fund balance	\$ 1,274,063	\$ 1,234,063	1,075,473	\$ (158,590)
Fund balance at beginning of year			4,708,324	
Fund balance at end of year			\$ 5,783,797	

Note: Both budgets and actual figures are prepared in accordance with generally accepted accounting principles.

City of Muskegon
BUDGETARY COMPARISON SCHEDULE
Trinity Health Arena Fund
For the year ended June 30, 2024

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental revenues—Federal	\$ -	\$ -	\$ 410,471	\$ 410,471
Charges for services	1,804,500	1,956,651	1,892,531	(64,120)
Investment earnings	7,500	15,750	106,348	90,598
Other	10,000	14,000	13,193	(807)
Total revenues	1,822,000	1,986,401	2,422,543	436,142
EXPENDITURES				
Current				
Culture and recreation	2,146,963	2,400,403	2,446,772	(46,369)
Capital outlay	73,935	40,429	40,492	(63)
Total expenditures	2,220,898	2,440,832	2,487,264	(46,432)
Excess of revenues over (under) expenditures	(398,898)	(454,431)	(64,721)	389,710
OTHER FINANCING SOURCES				
Transfers in	400,000	550,000	103,239	(446,761)
Net change in fund balance	<u>\$ 1,102</u>	<u>\$ 95,569</u>	38,518	<u>\$ (57,051)</u>
Fund balance at beginning of year			42,636	
Fund balance at end of year			<u>\$ 81,154</u>	

Note: Both budgets and actual figures are prepared in accordance with generally accepted accounting principles.

City of Muskegon
Required Supplemental Information
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
Last Ten Fiscal Years (Amounts were determined as of December 31 of each fiscal year)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
TOTAL PENSION LIABILITY										
Service cost	\$ 493,193	\$ 510,157	\$ 529,832	\$ 615,293	\$ 732,228	\$ 806,565	\$ 1,018,541	\$ 1,130,408	\$ 1,194,909	\$ 1,190,507
Interest	9,239,502	9,162,662	9,237,064	8,787,617	8,718,797	8,345,836	8,429,233	8,345,661	8,034,035	7,817,503
Differences between expected and actual experience	892,360	1,074,817	256,636	2,829,299	1,830,804	3,642,392	1,326,122	(1,697,797)	(647,017)	-
Changes in assumptions	906,131	1,800,812	4,396,829	2,974,495	4,134,788	-	-	-	4,779,382	-
Benefit payments, including refunds of employee contributions	(9,953,374)	(9,852,666)	(9,285,923)	(9,214,462)	(8,218,689)	(7,512,608)	(6,937,544)	(6,417,825)	(6,363,249)	(6,407,932)
Other changes	2,642	(1,577,082)	-	-	-	(229,967)	(4,485,289)	-	-	-
Net change in total pension liability	1,580,454	1,118,700	5,134,438	5,992,242	7,197,928	5,052,218	(648,937)	1,360,447	6,998,060	2,600,078
Total pension liability at beginning of year	132,171,503	131,052,803	125,918,365	119,926,123	112,728,195	107,675,977	108,324,914	106,964,467	99,966,407	97,366,329
Total pension liability at end of year (a)	\$ 133,751,957	\$ 132,171,503	\$ 131,052,803	\$ 125,918,365	\$ 119,926,123	\$ 112,728,195	\$ 107,675,977	\$ 108,324,914	\$ 106,964,467	\$ 99,966,407
PLAN FIDUCIARY NET POSITION										
Contributions-employer	\$ 3,845,400	\$ 3,896,659	\$ 3,313,056	\$ 2,468,311	\$ 2,712,204	\$ 2,671,175	\$ 1,801,016	\$ 1,996,512	\$ 1,420,218	\$ 1,166,652
Contributions-employee	185,454	291,821	304,680	374,806	491,814	848,562	687,391	563,898	566,045	564,409
Net investment income (loss)	9,186,598	(10,311,712)	12,779,029	10,575,596	11,059,388	(3,452,538)	10,964,115	8,890,951	(1,237,895)	5,282,031
Benefit payments, including refunds or employee contributions	(9,953,374)	(9,852,666)	(9,285,923)	(9,214,462)	(8,218,689)	(7,512,608)	(6,937,544)	(6,417,825)	(6,363,249)	(6,407,932)
Administrative expense	(191,688)	(180,011)	(146,581)	(173,766)	(190,108)	(173,509)	(173,921)	(175,718)	(183,599)	(193,139)
Net change in plan fiduciary net position	3,072,390	(16,155,909)	6,964,261	4,030,485	5,854,609	(7,618,918)	6,341,057	4,857,818	(5,798,480)	412,021
Plan fiduciary net position at beginning of year	83,833,545	99,989,454	93,025,193	88,994,708	83,140,099	90,759,017	84,417,960	79,560,142	85,358,622	84,946,601
Plan fiduciary net position at end of year (b)	\$ 86,905,935	\$ 83,833,545	\$ 99,989,454	\$ 93,025,193	\$ 88,994,708	\$ 83,140,099	\$ 90,759,017	\$ 84,417,960	\$ 79,560,142	\$ 85,358,622
City's net pension liability at end of year (a)-(b)	\$ 46,846,022	\$ 48,337,958	\$ 31,063,349	\$ 32,893,172	\$ 30,931,415	\$ 29,588,096	\$ 16,916,960	\$ 23,906,954	\$ 27,404,325	\$ 14,607,785
Plan fiduciary net position as a percentage of the total pension liability	64.98%	63.43%	76.30%	73.88%	74.21%	73.75%	84.29%	77.93%	74.38%	85.39%
Covered payroll	\$ 4,096,144	\$ 4,200,465	\$ 4,608,816	\$ 5,408,268	\$ 6,110,950	\$ 6,565,169	\$ 7,645,789	\$ 8,460,078	\$ 9,108,948	\$ 9,171,511
City's net pension liability as a percentage of covered payroll	1143.66%	1150.78%	674.00%	608.20%	506.16%	450.68%	221.26%	282.59%	300.85%	159.27%

Notes to Schedule

The following were significant changes to actuarial assumptions:

2015 Valuation - The investment rate of return assumption was reduced from 8.25 percent to 8.0 percent, the wage inflation assumption was reduced from 4.5 percent to 3.75 percent, inflation rates changed from 3.0 - 4.0 percent to 2.5 percent.

2019 Valuation - The investment rate of return assumption was reduced from 8.0 percent to 7.6 percent, the wage inflation assumption was reduced from 3.75 percent to 3.0 percent.

2020 Valuation - Mortality rates were changed to the recently issued Pub-2010 mortality general rates as published by the Society of Actuaries along with a change to sex-distinct assumptions.

2021 Valuation - The investment rate of return assumption was reduced from 7.6 percent to 7.25 percent.

City of Muskegon
Required Supplemental Information
PENSION SYSTEM SCHEDULE OF CONTRIBUTIONS
Last Ten Fiscal Years (Amounts were determined as of June 30 of each fiscal year)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 3,652,758	\$ 4,052,695	\$ 3,724,080	\$ 2,902,032	\$ 1,855,248	\$ 1,902,696	\$ 1,798,140	\$ 1,897,158	\$ 1,546,440	\$ 1,293,996
Contributions in relation to the actuarially determined contribution	3,652,758	4,052,695	3,724,080	2,902,032	2,777,641	2,218,663	1,964,214	2,276,200	1,753,272	1,293,996
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ (922,393)	\$ (315,967)	\$ (166,074)	\$ (379,042)	\$ (206,832)	\$ -
Covered payroll	\$ 4,340,654	\$ 4,200,465	\$ 4,608,816	\$ 5,408,268	\$ 6,110,950	\$ 6,561,169	\$ 7,645,789	\$ 8,460,078	\$ 9,108,948	\$ 9,171,511
Contributions as percentage of covered payroll	84.2%	96.5%	80.8%	53.7%	45.5%	33.8%	25.7%	26.9%	19.2%	14.1%

Notes to Schedule

Valuation Date:

Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, Closed
Remaining amortization period	15 years
Asset valuation method	5-year smoothed market
Inflation	2.5 percent
Salary increases	3.0 percent in the long-term
Investment rate of return	7.00 percent, net of administrative and investment expenses
Retirement age	Varies depending on plan adoption
Mortality	Based on a version of Pub-2010 and fully generational MP-2019

City of Muskegon
REQUIRED SUPPLEMENTARY INFORMATION
RETIREE HEALTHCARE SYSTEM SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY (ASSET) AND RELATED RATIOS
Last Ten Fiscal Years (Amounts were determined as of June 30, 2024 and as of December 31 of each fiscal year for years prior to 2024)

	2024	2022	2021	2020	2019	2018	2017
TOTAL OPEB LIABILITY							
Service cost	\$ 75,231	\$ 47,962	\$ 142,556	\$ 156,214	\$ 165,306	\$ 178,243	\$ 165,423
Interest	2,931,154	1,995,623	1,999,639	2,058,432	2,191,233	2,035,720	1,954,979
Differences between expected and actual experience	(4,369,955)	(433,044)	(2,420,665)	(325,146)	(2,119,868)	(992,432)	-
Changes of assumptions	(508,402)	1,161,708	(2,771,809)	(1,152,266)	6,288,823	2,349,210	-
Benefit payments, including refunds of employee contributions	(3,222,631)	(1,788,553)	(1,710,064)	(1,621,453)	(1,983,928)	(1,118,442)	(1,064,376)
Net change in total OPEB liability	(5,094,603)	983,696	(4,760,343)	(884,219)	4,541,566	2,452,299	1,056,026
Total OPEB liability at beginning of year	28,981,336	27,997,640	32,757,983	33,642,202	29,100,636	26,648,337	25,592,311
Total OPEB liability at end of year (a)	\$ 23,886,733	\$ 28,981,336	\$ 27,997,640	\$ 32,757,983	\$ 33,642,202	\$ 29,100,636	\$ 26,648,337
PLAN FIDUCIARY NET POSITION							
Contributions-employer	\$ 2,862,264	\$ 1,997,928	\$ 1,767,843	\$ 1,154,926	\$ 1,001,447	\$ 671,363	\$ 736,039
Net investment income (loss)	3,855,821	(2,613,129)	2,574,713	2,210,729	2,660,470	(699,603)	2,110,019
Benefit payments, including refunds or employee contributions	(3,222,631)	(1,788,553)	(1,710,064)	(1,621,453)	(1,983,928)	(1,118,442)	(1,064,376)
Administrative expense	(81,766)	(46,001)	(47,967)	(42,375)	(41,397)	(53,927)	(52,313)
Net change in plan fiduciary net position	3,413,688	(2,449,755)	2,584,525	1,701,827	1,636,592	(1,200,609)	1,729,369
Plan fiduciary net position at beginning of year	23,052,158	25,501,913	22,917,388	21,215,561	19,578,969	20,779,578	19,050,209
Plan fiduciary net position at end of year (b)	\$ 26,465,846	\$ 23,052,158	\$ 25,501,913	\$ 22,917,388	\$ 21,215,561	\$ 19,578,969	\$ 20,779,578
City's net OPEB liability at end of year (a)-(b)	\$ (2,579,113)	\$ 5,929,178	\$ 2,495,727	\$ 9,840,595	\$ 12,426,641	\$ 9,521,667	\$ 5,868,759
Plan fiduciary net position as a percentage of the total OPEB liability	110.80%	79.54%	91.09%	69.96%	63.06%	67.28%	77.98%
Covered payroll	Not Available	\$ 6,711,986	\$ 6,978,841	\$ 7,848,543	\$ 8,952,683	Not Available	\$ 8,095,840
City's net OPEB liability as a percentage of covered payroll	Not Available	88.34%	35.76%	125.38%	138.80%	Not Available	72.49%

Notes to Schedule

Additional actuarial data is not available and will be provided in subsequent years.

Fiscal year 2024 is the first year presented as of June 30 due to a change in the OPEB Plan reporting year, and as such, the net change in total OPEB liability and the net change in plan fiduciary net position for this fiscal year each reflect 18 months of activity

See the following page for significant changes to actuarial assumptions.

City of Muskegon
REQUIRED SUPPLEMENTARY INFORMATION
RETIREE HEALTHCARE SYSTEM SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY (ASSET) AND RELATED RATIOS—CONTINUED
Last Ten Fiscal Years (Amounts were determined as of June 30, 2024 and as of December 31 of each fiscal year for years prior to 2024)

Notes to Schedule—Continued

The following were significant changes to actuarial assumptions

2019 Valuation

Mortality improvement scale updated.
Medical trend rates updated.
Salary scale updated from 3.5 percent to 3.0 percent.
Discount rate changed from 7.75 percent to 6.24 percent.

2020 Valuation

Mortality improvement scale updated.
Medical and dental trend updated.

2021 Valuation

Salary scale updated from 3.0 percent to 0.0 percent.
Mortality improvement scale updated.
Discount rate updated from 6.24 percent to 7.35 percent.

2022 Valuation

Medical trend rates updated.
Discount rate changed from 7.35 percent to 7.0 percent.

2024 valuation

Disability rates implemented
Retirement rates updated
Medical trend updated
Terminated vested members assumed to retire at age 60

City of Muskegon
REQUIRED SUPPLEMENTARY INFORMATION
RETIREE HEALTHCARE SYSTEM SCHEDULE OF CONTRIBUTIONS
Last Ten Fiscal Years (Amounts were determined as of June 30 of each fiscal year)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 1,324,414	\$ 908,913	\$ 1,344,010	\$ 2,289,405	\$ 2,115,188	\$ 1,470,562	\$ 956,532	\$ 606,506	\$ 639,428	\$ 659,451
Contributions in relation to the actuarially determined contribution	1,624,141	1,865,895	650,383	1,206,464	1,233,505	1,260,887	687,642	606,506	639,428	659,451
Contribution deficiency (excess)	\$ (299,727)	\$ (956,982)	\$ 693,627	\$ 1,082,941	\$ 881,683	\$ 209,675	\$ 268,890	\$ -	\$ -	\$ -
Covered payroll	Not Available	\$ 6,711,986	\$ 6,978,841	\$ 7,848,543	\$ 8,952,683	Not Available	\$ 8,095,840	\$ 10,830,000	\$ 10,830,000	\$ 10,005,000
Contributions as percentage of covered payroll	Not Available	27.8%	9.3%	15.4%	13.8%	Not Available	8.5%	5.6%	5.9%	6.6%

Notes to Schedule

Valuation Date:

Actuarially determined contribution rates are calculated as of June 30, 2024

Methods and assumptions used to determine contribution rates:

Actuarial cost method Entry age normal (level percentage of compensation)

Amortization method Level percentage of payroll, Closed

Remaining amortization period 6 years

Asset valuation method Equal to market value of assets

Inflation 2.5 percent

Salary increases 0.0 percent

Investment rate of return 7.00 percent (including inflation), net of administrative and investment expenses

Retirement age 55 - 60 years of age

Mortality Mortality rates were as set forth in the Public General 2010 Employee and Healthy Retiree, headcount weighted, IRS 2024 adjusted MP-2021 improvement scale.

City of Muskegon
REQUIRED SUPPLEMENTARY INFORMATION
RETIREE HEALTHCARE SYSTEM SCHEDULE OF INVESTMENT RETURNS
 Last Ten Fiscal Years (Amounts were determined as of June 30, 2024 and as of December 31 of each fiscal year for years prior to 2024)

	<u>2024</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual money-weighted rate of return, net of investment expense	16.89%	-10.21%	11.23%	10.55%	13.95%	-3.41%	11.19%

Notes to Schedule

Additional data is not available and will be provided in subsequent years

Fiscal year 2024 is the first year presented as of June 30 due to a change in the OPEB Plan reporting year, and as such, the annual money-weighted rate of return, net of investment expense for this fiscal year reflects 18 months of activity

OTHER SUPPLEMENTAL INFORMATION

DESCRIPTION OF OTHER GOVERNMENTAL FUNDS

Special Revenue Funds

The special revenue funds are used to account for the proceeds of special revenue sources that are legally restricted to expenditures for specific purposes.

Local Street – to account for gas and weight allocations to the City by the Michigan Department of Transportation for construction and maintenance of local streets within the City.

Farmers Market and Kitchen 242 – to account for revenues received for the City’s Farmers Market and Kitchen 242.

Criminal Forfeitures – to account for receipts generated through the sale of assets seized through criminal court proceedings.

Downtown BID – to account for the collection of special assessment revenue in the downtown to be used for improvement and maintenance of downtown public infrastructure.

Lakeshore BID – to account for the collection of special assessment revenue in the lakeshore area to be used for improvement and maintenance of lakeshore infrastructure.

Tree Replacement – to account for contributions and other revenues earmarked for tree replacement throughout the City.

Capital Projects Funds

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital assets other than those financed by proprietary funds and trust funds.

Public Improvement Fund – to account for grants, private contributions, sale of property, and other resources used to finance various capital projects.

Michcon Remediation – to account for reimbursements received from Michcon Gas Company for environmental remediation of their former downtown site.

EDC Revolving Loan – to account for funds received upon repayment of Urban Development Action Grant loans and subsequently relaned to small business enterprises.

Community Development Block Grant – to account for categorical grants received from the U. S. Department of Housing and Urban Development for the construction of major city public improvements and the rehabilitation of residential housing and other qualifying expenditures.

**DESCRIPTION OF
OTHER GOVERNMENTAL FUNDS—CONTINUED**

Capital Projects Funds—Continued

HOME Rehabilitation – to account for grant revenues received from the U. S. Department of Housing and Urban Development for the purpose of providing housing assistance to low and moderate income households in the City.

Lead Abatement – to account for grant revenues received from the U. S. Department of Health and Human Services for the purpose of abatement of lead from homes in the City.

Senior Millage – to account for proceeds from the County millage for senior services that were distributed to the City for specific projects.

Convention Center Construction – to account for proceeds from debt issuance for the construction of a convention center in downtown Muskegon.

Healthy Homes – to account for grant revenues received from the U. S. Department of Housing and Urban Development for the purpose of addressing multiple residential health and safety hazards.

Permanent Funds

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.

Cemetery Perpetual Care – to account for charges for services collected and investment income earned and to account for transfers to the General Fund to partially cover cemetery care expenses.

City of Muskegon
COMBINING BALANCE SHEET
Other Governmental Funds
June 30, 2024

	Total Other Governmental Funds	Other Special Revenue Funds	Other Capital Projects Funds	Permanent Fund - Cemetery Perpetual Care
ASSETS				
Cash and investments	\$ 4,089,160	\$ 553,763	\$ 2,684,614	\$ 850,783
Assets managed by others	1,636,146	-	41,186	1,594,960
Receivables				
Accounts and loans (net of allowance for uncollectibles)	654,442	32,290	616,060	6,092
Leases	485,682	-	485,682	-
Due from other governmental units	1,094,454	216,448	878,006	-
Advances to component units	51,274	-	-	51,274
Prepaid items	7,148	7,148	-	-
Total assets	\$ 8,018,306	\$ 809,649	\$ 4,705,548	\$ 2,503,109
LIABILITIES				
Accounts payable	\$ 505,022	\$ 24,271	\$ 480,751	\$ -
Accrued liabilities	19,154	13,172	5,982	-
Due to other governmental units	36	-	36	-
Due to other funds	606,214	-	606,214	-
Short-term draw note	549,995	-	549,995	-
Unearned revenues—unused Farmers Market tokens	58,853	58,853	-	-
Total liabilities	1,739,274	96,296	1,642,978	-
DEFERRED INFLOWS OF RESOURCES				
Related to leases	485,682	-	485,682	-
FUND BALANCES				
Nonspendable				
Prepaid items	7,148	7,148	-	-
Perpetual care	1,782,814	-	-	1,782,814
Restricted				
Highways, streets and bridges	491,893	491,893	-	-
Law enforcement	23,388	23,388	-	-
Business improvement districts	21,491	21,491	-	-
Perpetual care	720,295	-	-	720,295
Other purposes	169,433	169,433	-	-
Assigned for capital projects and public improvements	2,576,888	-	2,576,888	-
Total fund balances	5,793,350	713,353	2,576,888	2,503,109
Total liabilities and fund balances	\$ 8,018,306	\$ 809,649	\$ 4,705,548	\$ 2,503,109

City of Muskegon
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Other Governmental Funds
For the year ended June 30, 2024

	Total Other Governmental Funds	Other Special Revenue Funds	Other Capital Projects Funds	Permanent Fund - Cemetery Perpetual Care
REVENUES				
Intergovernmental revenues				
Federal	\$ 3,098,185	\$ -	\$ 3,098,185	\$ -
State	1,596,334	1,542,927	53,407	-
Local	1,125,391	92,651	1,032,740	-
Charges for services	659,033	555,877	35,355	67,801
Investment earnings	106,135	3,525	95,792	6,818
Income from assets managed by others	131,749	-	7,592	124,157
Other	1,145,804	121,285	1,024,519	-
Total revenues	7,862,631	2,316,265	5,347,590	198,776
EXPENDITURES				
Current				
Public works	152,789	152,789	-	-
Highways, streets, and bridges	1,814,703	1,814,703	-	-
Culture and recreation	702,521	702,521	-	-
Debt service				
Principal	300,000	-	300,000	-
Interest and fees	602,740	-	602,740	-
Capital outlay	8,878,069	-	8,878,069	-
Total expenditures	12,450,822	2,670,013	9,780,809	-
Excess of revenues over (under) expenditures	(4,588,191)	(353,748)	(4,433,219)	198,776
OTHER FINANCING SOURCES				
Proceeds from sale of capital assets	3,187,917	-	3,187,917	-
Net change in fund balances	(1,400,274)	(353,748)	(1,245,302)	198,776
Fund balances at beginning of year	7,193,624	1,067,101	3,822,190	2,304,333
Fund balances at end of year	\$ 5,793,350	\$ 713,353	\$ 2,576,888	\$ 2,503,109

City of Muskegon
COMBINING BALANCE SHEET
Other Special Revenue Funds
June 30, 2024

	Total Other Special Revenue Funds	Local Street	Farmers Market and Kitchen 242	Criminal Forfeitures	Downtown BID	Lakeshore BID	Tree Replacement
ASSETS							
Cash and investments	\$ 553,763	\$ 298,295	\$ 197,566	\$ 23,388	\$ -	\$ 21,716	\$ 12,798
Accounts receivable	32,290	1,126	31,164	-	-	-	-
Due from other governmental units	216,448	216,448	-	-	-	-	-
Prepaid items	7,148	7,148	-	-	-	-	-
Total assets	\$ 809,649	\$ 523,017	\$ 228,730	\$ 23,388	\$ -	\$ 21,716	\$ 12,798
LIABILITIES							
Accounts payable	\$ 24,271	\$ 12,741	\$ 10,953	\$ -	\$ -	\$ 225	\$ 352
Accrued liabilities	13,172	11,235	1,937	-	-	-	-
Unearned revenues—unused Farmers Market tokens	58,853	-	58,853	-	-	-	-
Total liabilities	96,296	23,976	71,743	-	-	225	352
FUND BALANCES							
Nonspendable—prepaid items	7,148	7,148	-	-	-	-	-
Restricted							
Highways, streets, and bridges	491,893	491,893	-	-	-	-	-
Law enforcement	23,388	-	-	23,388	-	-	-
Business improvement districts	21,491	-	-	-	-	21,491	-
Other purposes	169,433	-	156,987	-	-	-	12,446
Total fund balances	713,353	499,041	156,987	23,388	-	21,491	12,446
Total liabilities and fund balances	\$ 809,649	\$ 523,017	\$ 228,730	\$ 23,388	\$ -	\$ 21,716	\$ 12,798

City of Muskegon
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Other Special Revenue Funds
For the year ended June 30, 2024

	Total Other Special Revenue Funds	Local Street	Farmers Market and Kitchen 242	Criminal Forfeitures	Downtown BID	Lakeshore BID	Tree Replacement
REVENUES							
Intergovernmental revenues							
State	\$ 1,542,927	\$ 1,542,927	\$ -	\$ -	\$ -	\$ -	\$ -
Local	92,651	-	92,651	-	-	-	-
Charges for services	555,877	28,398	527,479	-	-	-	-
Investment earnings	3,525	1,962	1,027	112	229	122	73
Other	121,285	1,750	77,756	-	-	34,779	7,000
Total revenues	2,316,265	1,575,037	698,913	112	229	34,901	7,073
EXPENDITURES							
Current							
Public works	152,789	-	-	-	105,171	47,618	-
Highways, streets, and bridges	1,814,703	1,814,703	-	-	-	-	-
Culture and recreation	702,521	-	685,999	-	-	-	16,522
Total expenditures	2,670,013	1,814,703	685,999	-	105,171	47,618	16,522
Net change in fund balances	(353,748)	(239,666)	12,914	112	(104,942)	(12,717)	(9,449)
Fund balances at beginning of year	1,067,101	738,707	144,073	23,276	104,942	34,208	21,895
Fund balances at end of year	\$ 713,353	\$ 499,041	\$ 156,987	\$ 23,388	\$ -	\$ 21,491	\$ 12,446

City of Muskegon
BUDGETARY COMPARISON SCHEDULE
Other Special Revenue Funds
For the year ended June 30, 2024

	Local Street			Farmers Market and Kitchen 242		
	Final Budget	Actual	Variance with Final Budget	Final Budget	Actual	Variance with Final Budget
REVENUES						
Intergovernmental revenues						
State	\$ 1,500,000	\$ 1,542,927	\$ 42,927	\$ -	\$ -	\$ -
Local	-	-	-	92,650	92,651	1
Charges for services	5,000	28,398	23,398	527,769	527,479	(290)
Investment earnings	2,500	1,962	(538)	900	1,027	127
Other	-	1,750	1,750	68,581	77,756	9,175
Total revenues	1,507,500	1,575,037	67,537	689,900	698,913	9,013
EXPENDITURES						
Current						
Highways, streets and bridges	2,078,392	1,814,703	263,689	-	-	-
Culture and recreation	-	-	-	700,760	685,999	14,761
Total expenditures	2,078,392	1,814,703	263,689	700,760	685,999	14,761
Excess of revenues over (under) expenditures	(570,892)	(239,666)	331,226	(10,860)	12,914	23,774
OTHER FINANCING SOURCES						
Transfers in	400,000	-	(400,000)	-	-	-
Net change in fund balances	<u>\$ (170,892)</u>	(239,666)	<u>\$ (68,774)</u>	<u>\$ (10,860)</u>	12,914	<u>\$ 23,774</u>
Fund balances at beginning of year		<u>738,707</u>			<u>144,073</u>	
Fund balances at end of year		<u>\$ 499,041</u>			<u>\$ 156,987</u>	

City of Muskegon
BUDGETARY COMPARISON SCHEDULE—CONTINUED
Other Special Revenue Funds
For the year ended June 30, 2024

	Criminal Forfeitures			Downtown BID		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
REVENUES						
Fines and forfeitures	\$ 1,000	\$ -	\$ (1,000)	\$ -	\$ -	\$ -
Investment earnings	100	112	12	-	229	229
Total revenues	1,100	112	(988)	-	229	229
EXPENDITURES						
Current						
Public works	-	-	-	134,900	105,171	29,729
Net change in fund balances	<u>\$ 1,100</u>	112	<u>\$ (988)</u>	<u>\$ (134,900)</u>	(104,942)	<u>\$ 29,958</u>
Fund balances at beginning of year		<u>23,276</u>			<u>104,942</u>	
Fund balances at end of year		<u>\$ 23,388</u>			<u>\$ -</u>	

City of Muskegon
BUDGETARY COMPARISON SCHEDULE—CONTINUED
Other Special Revenue Funds
For the year ended June 30, 2024

	Lakeshore BID			Tree Replacement		
	Final Budget	Actual	Variance with Final Budget	Final Budget	Actual	Variance with Final Budget
REVENUES						
Investment earnings	\$ 151	\$ 122	\$ (29)	\$ -	\$ 73	\$ 73
Other	41,001	34,779	(6,222)	7,000	7,000	-
Total revenues	41,152	34,901	(6,251)	7,000	7,073	73
EXPENDITURES						
Current						
Public works	45,929	47,618	(1,689)	-	-	-
Culture and recreation	-	-	-	12,009	16,522	(4,513)
Total expenditures	45,929	47,618	(1,689)	12,009	16,522	(4,513)
Excess of revenues over (under) expenditures	(4,777)	(12,717)	(7,940)	(5,009)	(9,449)	(4,440)
OTHER FINANCING SOURCES						
Transfers in	3,920	-	(3,920)	-	-	-
Net change in fund balances	<u>\$ (857)</u>	(12,717)	<u>\$ (11,860)</u>	<u>\$ (5,009)</u>	(9,449)	<u>\$ (4,440)</u>
Fund balances at beginning of year		<u>34,208</u>			<u>21,895</u>	
Fund balances at end of year		<u>\$ 21,491</u>			<u>\$ 12,446</u>	

City of Muskegon
COMBINING BALANCE SHEET
Other Capital Projects Funds
June 30, 2024

	Total Other Capital Projects Funds	Public Improvement	Michcon Remediation	EDC Revolving Loan	Community Development Block Grant	HOME Rehabilitation	Lead Abatement	Senior Millage	Convention Center Construction	Healthy Homes
ASSETS										
Cash and investments	\$ 2,684,614	\$ 704,214	\$ 230,932	\$ 1,114,175	\$ -	\$ 370,926	\$ -	\$ 149,959	\$ 114,408	\$ -
Assets managed by others	41,186	41,186	-	-	-	-	-	-	-	-
Receivables										
Accounts and loans (net of allowance for uncollectibles)	616,060	471,555	-	133,381	11,124	-	-	-	-	-
Leases	485,682	-	-	485,682	-	-	-	-	-	-
Due from other governmental units	878,006	-	-	-	300,423	85,756	227,073	-	-	264,754
Total assets	\$ 4,705,548	\$ 1,216,955	\$ 230,932	\$ 1,733,238	\$ 311,547	\$ 456,682	\$ 227,073	\$ 149,959	\$ 114,408	\$ 264,754
LIABILITIES										
Accounts payable	\$ 480,751	\$ 380,306	\$ -	\$ -	\$ 17,639	\$ -	\$ 9,537	\$ 29,439	\$ -	\$ 43,830
Accrued liabilities	5,982	-	-	-	2,994	1,839	779	14	-	356
Due to other governmental units	36	-	-	-	36	-	-	-	-	-
Due to other funds	606,214	-	-	-	168,889	-	216,757	-	-	220,568
Short-term draw note	549,995	549,995	-	-	-	-	-	-	-	-
Total liabilities	1,642,978	930,301	-	-	189,558	1,839	227,073	29,453	-	264,754
DEFERRED INFLOWS OF RESOURCES										
Related to leases	485,682	-	-	485,682	-	-	-	-	-	-
FUND BALANCES										
Assigned for capital projects and public improvements	2,576,888	286,654	230,932	1,247,556	121,989	454,843	-	120,506	114,408	-
Total liabilities and fund balances	\$ 4,705,548	\$ 1,216,955	\$ 230,932	\$ 1,733,238	\$ 311,547	\$ 456,682	\$ 227,073	\$ 149,959	\$ 114,408	\$ 264,754

City of Muskegon
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Other Capital Projects Funds
For the year ended June 30, 2024

	Total Other Capital Projects Funds	Public Improvement	Michcon Remediation	EDC Revolving Loan	Community Development Block Grant	HOME Rehabilitation	Lead Abatement	Senior Millage	Convention Center Construction	Healthy Homes
REVENUES										
Intergovernmental revenues										
Federal	\$ 3,098,185	\$ -	\$ -	\$ -	\$ 918,204	\$ 110,259	\$ 1,527,518	\$ -	\$ -	\$ 542,204
State	53,407	-	-	-	-	-	53,407	-	-	-
Local	1,032,740	130,000	-	-	-	-	-	-	902,740	-
Charges for services	35,355	25,015	-	10,340	-	-	-	-	-	-
Investment earnings	95,792	5,889	1,100	88,159	-	-	-	237	407	-
Income from assets managed by others	7,592	7,592	-	-	-	-	-	-	-	-
Other	1,024,519	618,305	-	63,548	100,650	-	-	242,016	-	-
Total revenues	5,347,590	786,801	1,100	162,047	1,018,854	110,259	1,580,925	242,253	903,147	542,204
EXPENDITURES										
Debt service										
Principal	300,000	-	-	-	-	-	-	-	300,000	-
Interest and fees	602,740	-	-	-	-	-	-	-	602,740	-
Capital outlay	8,878,069	5,289,894	-	100,983	1,048,625	170,126	1,580,925	145,188	124	542,204
Total expenditures	9,780,809	5,289,894	-	100,983	1,048,625	170,126	1,580,925	145,188	902,864	542,204
Excess of revenues over (under) expenditures	(4,433,219)	(4,503,093)	1,100	61,064	(29,771)	(59,867)	-	97,065	283	-
OTHER FINANCING SOURCES (USES)										
Proceeds from sale of capital assets	3,187,917	2,960,684	-	-	5,400	221,833	-	-	-	-
Net change in fund balances	(1,245,302)	(1,542,409)	1,100	61,064	(24,371)	161,966	-	97,065	283	-
Fund balances at beginning of year	3,822,190	1,829,063	229,832	1,186,492	146,360	292,877	-	23,441	114,125	-
Fund balances at end of year	\$ 2,576,888	\$ 286,654	\$ 230,932	\$ 1,247,556	\$ 121,989	\$ 454,843	\$ -	\$ 120,506	\$ 114,408	\$ -

DESCRIPTION OF INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods or services provided by one department to other departments of a governmental unit or to other governments on a cost-reimbursement basis.

A list and description of internal service funds maintained by the City follows:

Engineering Services – to account for salary, benefit, and other costs related to the provision of internal engineering services for City projects; to account for charges to the user funds and projects to cover those expenses.

Equipment – to account for the purchase, operation, maintenance, and depreciation of all City-owned vehicles and equipment; to account for charges to the user funds and departments to cover those expenses.

General Insurance – to account for the payment of claims and benefits, excess liability premiums, and operating expenses; to account for charges to other funds and departments to cover the expenses.

Public Service Building – to account for the operation, maintenance, and depreciation of the City's Public Service Building; to account for charges to the user funds and departments to cover these expenses.

City of Muskegon
COMBINING STATEMENT OF NET POSITION
Internal Service Funds
June 30, 2024

	Total Internal Service Funds	Engineering Services	Equipment	General Insurance	Public Service Building
ASSETS					
Current assets					
Cash and investments	\$ 4,379,000	\$ 147,122	\$ 1,703,092	\$ 1,432,464	\$ 1,096,322
Accounts receivable	301,849	10,267	8,998	282,584	-
Inventories	5,427	-	5,427	-	-
Prepaid items	340,541	3,505	83,387	244,403	9,246
Total current assets	5,026,817	160,894	1,800,904	1,959,451	1,105,568
Noncurrent assets					
Advances to component units	102,548	-	51,274	51,274	-
Capital assets					
Land	65,000	-	-	-	65,000
Land improvements	301,715	-	-	-	301,715
Buildings and improvements	1,668,215	-	-	-	1,668,215
Machinery and equipment	11,249,457	51,346	11,103,747	-	94,364
Less accumulated depreciation	(9,937,160)	(38,643)	(8,031,324)	-	(1,867,193)
Net capital assets	3,347,227	12,703	3,072,423	-	262,101
Net other postemployment benefits asset	103,165	-	38,687	-	64,478
Total noncurrent assets	3,552,940	12,703	3,162,384	51,274	326,579
Total assets	8,579,757	173,597	4,963,288	2,010,725	1,432,147
DEFERRED OUTFLOWS OF RESOURCES					
Related to pension	255,160	-	95,685	-	159,475
Related to other postemployment benefits	36,954	-	13,858	-	23,096
Total deferred outflows of resources	292,114	-	109,543	-	182,571
Total assets and deferred outflows of resources	8,871,871	173,597	5,072,831	2,010,725	1,614,718
LIABILITIES					
Current liabilities					
Accounts payable	483,872	5,267	90,839	342,419	45,347
Accrued liabilities	30,517	7,832	8,291	821	13,573
Bonds and other obligations, due within one year	31,042	11,300	642	1,500	17,600
Total current liabilities	545,431	24,399	99,772	344,740	76,520
Noncurrent liabilities					
Bonds and other obligations, less amounts due within one year	213,946	45,094	92,232	6,220	70,400
Net pension liability	1,873,841	-	702,690	-	1,171,151
Total noncurrent liabilities	2,087,787	45,094	794,922	6,220	1,241,551
Total liabilities	2,633,218	69,493	894,694	350,960	1,318,071
DEFERRED INFLOWS OF RESOURCES					
Related to other postemployment benefits	36,488	-	13,683	-	22,805
Total liabilities and deferred inflows of resources	2,669,706	69,493	908,377	350,960	1,340,876
NET POSITION					
Net investment in capital assets	3,347,227	12,703	3,072,423	-	262,101
Restricted for other postemployment benefits	103,165	-	38,687	-	64,478
Unrestricted	2,751,773	91,401	1,053,344	1,659,765	(52,737)
Total net position	\$ 6,202,165	\$ 104,104	\$ 4,164,454	\$ 1,659,765	\$ 273,842

City of Muskegon
COMBINING STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
Internal Service Funds
For the year ended June 30, 2024

	Total Internal Service Funds	Engineering Services	Equipment	General Insurance	Public Service Building
OPERATING REVENUES					
Charges for services	\$ 10,189,117	\$ 663,044	\$ 3,624,320	\$ 3,908,866	\$ 1,992,887
Other	2,213,310	53,921	84,521	2,074,868	-
Total operating revenues	12,402,427	716,965	3,708,841	5,983,734	1,992,887
OPERATING EXPENSES					
Administration	1,042,428	158,865	194,014	49,771	639,778
Insurance premiums and claims	5,567,896	-	-	5,567,896	-
Other operations	4,578,423	711,137	2,393,310	75,051	1,398,925
Depreciation	607,195	2,499	579,701	-	24,995
Total operating expenses	11,795,942	872,501	3,167,025	5,692,718	2,063,698
Operating income (loss)	606,485	(155,536)	541,816	291,016	(70,811)
NONOPERATING REVENUES (EXPENSES)					
Investment earnings	25,412	446	11,546	7,857	5,563
Gain (loss) on sale of capital assets	119,578	-	119,578	-	-
Total nonoperating revenues (expenses)	144,990	446	131,124	7,857	5,563
Income (loss) before transfers	751,475	(155,090)	672,940	298,873	(65,248)
TRANSFERS					
Transfers in	200,000	150,000	-	-	50,000
Change in net position	951,475	(5,090)	672,940	298,873	(15,248)
Net position at beginning of year	5,250,690	109,194	3,491,514	1,360,892	289,090
Net position at end of year	\$ 6,202,165	\$ 104,104	\$ 4,164,454	\$ 1,659,765	\$ 273,842

City of Muskegon
COMBINING STATEMENT OF CASH FLOWS
Internal Service Funds
For the year ended June 30, 2024

	Total Internal Service Funds	Engineering Services	Equipment	General Insurance	Public Service Building
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 127,128	\$ 51,605	\$ 75,523	\$ -	\$ -
Receipts from interfund services provided	10,189,117	663,044	3,624,320	3,908,866	1,992,887
Other receipts	2,138,930	-	-	2,138,930	-
Payments to suppliers	(8,297,527)	(224,700)	(1,171,582)	(6,221,201)	(680,044)
Payments to employees	(2,425,928)	(516,939)	(584,245)	(62,774)	(1,261,970)
Payments for interfund services used	(1,218,476)	(127,058)	(907,500)	-	(183,918)
Net cash provided by (used for) operating activities	513,244	(154,048)	1,036,516	(236,179)	(133,045)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers in	200,000	150,000	-	-	50,000
Collections on advances to component units	99,294	-	49,647	49,647	-
Net cash provided by (used for) noncapital financing activities	299,294	150,000	49,647	49,647	50,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchases of capital assets	(1,122,818)	-	(1,122,818)	-	-
Proceeds from sale of capital assets	260,107	-	260,107	-	-
Net cash provided by (used for) capital and related financing activities	(862,711)	-	(862,711)	-	-
CASH FLOW FROM INVESTING ACTIVITIES					
Investment earnings	25,412	446	11,546	7,857	5,563
Net increase (decrease) in cash and investments	(24,761)	(3,602)	234,998	(178,675)	(77,482)
Cash and investments at beginning of year	4,403,761	150,724	1,468,094	1,611,139	1,173,804
Cash and investments at end of year	\$ 4,379,000	\$ 147,122	\$ 1,703,092	\$ 1,432,464	\$ 1,096,322
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities					
Operating income (loss)	\$ 606,485	\$ (155,536)	\$ 541,816	\$ 291,016	\$ (70,811)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities					
Depreciation expense	607,195	2,499	579,701	-	24,995
Change in assets and liabilities					
Receivables	52,748	(2,316)	(8,998)	64,062	-
Inventories	12,197	-	12,197	-	-
Prepaid items	(253,708)	(184)	(7,123)	(244,403)	(1,998)
Accounts payable	(395,072)	(54)	(42,002)	(345,192)	(7,824)
Accrued liabilities	(116,601)	1,543	(39,075)	(1,662)	(77,407)
Net cash provided by (used for) operating activities	\$ 513,244	\$ (154,048)	\$ 1,036,516	\$ (236,179)	\$ (133,045)

DESCRIPTION OF FIDUCIARY FUNDS

Fiduciary funds are used to account for assets held by a government in a trustee capacity for individuals, private organizations, other governments or other funds.

A list and description of the fiduciary funds maintained by the City follows:

CUSTODIAL FUNDS are used to report resources that were collected for the benefit of others.

Collector – to account for the collections and disbursement of funds to other entities and individuals.

Current Tax – to account for levy, collection, and payment of taxes levied for the general and other funds of the City, county, public school districts, and other governmental entities.

Rehab Loan Escrow – to account for deposits made by housing rehabilitation program participants and their expenditures for the intended purposes.

City of Muskegon
COMBINING STATEMENT OF NET POSITION
Custodial Funds
June 30, 2024

	Total Custodial Funds	Collector	Current Tax	Rehab Loan Escrow
ASSETS				
Cash and investments	\$ 827,281	\$ 826,900	\$ -	\$ 381
Accounts receivable	297,276	297,276	-	-
Total assets	1,124,557	1,124,176	-	381
LIABILITIES				
Accounts payable	14,588	14,207	-	381
Due to other governmental units	859,860	859,860	-	-
Deposits held for others	250,109	250,109	-	-
Total liabilities	1,124,557	1,124,176	-	381
NET POSITION				
Restricted for individuals, organizations, and other governments	\$ -	\$ -	\$ -	\$ -

City of Muskegon
COMBINING STATEMENT OF CHANGES IN NET POSITION
Custodial Funds
For the year ended June 30, 2024

	<u>Total Custodial Funds</u>	<u>Collector</u>	<u>Current Tax</u>	<u>Rehab Loan Escrow</u>
ADDITIONS				
Tax collections for other governments	\$ 27,522,654	\$ 236,945	\$ 27,285,709	\$ -
Other collections for third parties	5,102,897	5,102,897	-	-
Total additions	32,625,551	5,339,842	27,285,709	-
DEDUCTIONS				
Payment of taxes to other governments	27,522,654	236,945	27,285,709	-
Other payments to third parties	5,102,897	5,102,897	-	-
Total deductions	32,625,551	5,339,842	27,285,709	-
Change in net position	-	-	-	-
Net position at beginning of year	-	-	-	-
Net position at end of year	\$ -	\$ -	\$ -	\$ -

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DESCRIPTION OF DISCRETELY PRESENTED COMPONENT UNITS

A list and description of the discretely presented component units maintained by the City are as follows:

Downtown Development Authority – to account for the collection of tax increment revenues, the issuance and repayment of debt, and the construction of public facilities to promote and facilitate economic growth in the downtown.

Local Development Finance Authority—SmartZone – to account for the collection of tax increment revenues and the construction of public facilities to promote and facilitate economic growth in the SmartZone Hi-Tech Park.

Tax Increment Finance Authority – to account for the collection of tax increment revenues and the issuance and repayment of debt to promote and facilitate economic growth in a sub section of the downtown.

Lakeside Corridor Improvement Authority – to account for the collection of tax increment revenues to facilitate and promote economic growth in the Lakeside Business District corridor.

Brownfield Redevelopment Authorities – to account for the collection of tax increment revenues for environmental remediation in designated brownfield areas. Currently there are eight designated brownfield areas capturing tax increments.

- Area I – Betten-Henry Street brownfield site.
- Area II – Former downtown mall brownfield site.
- Area III – Terrace Point brownfield site.
- Area IV – Pigeon Hill brownfield site.
- Area V – Hartshore Marina site.
- Area VI – Scattered housing site.
- Area VII – Sweetwater
- Area VII – Adelaide Pointe

City of Muskegon
COMBINING BALANCE SHEET
Discretely Presented Component Units
June 30, 2024

	Total Discretely Presented Component Units	Local Development Finance Authority - SmartZone	Downtown Development Authority	Tax Increment Finance Authority	Lakeside Corridor Improvement Authority	Brownfield Redevelopment Authorities
ASSETS						
Cash and investments	\$ 620,879	\$ 70,748	\$ 489,868	\$ 30,513	\$ 29,750	\$ -
Accounts receivable	35,273	-	35,273	-	-	-
Total assets	\$ 656,152	\$ 70,748	\$ 525,141	\$ 30,513	\$ 29,750	\$ -
LIABILITIES						
Accounts payable	\$ 62,643	\$ -	\$ 62,643	\$ -	\$ -	\$ -
Accrued liabilities	1,512	-	1,512	-	-	-
Advances from primary government	553,233	-	-	-	-	553,233
Total liabilities	617,388	-	64,155	-	-	553,233
FUND BALANCES (DEFICITS)						
Unassigned	38,764	70,748	460,986	30,513	29,750	(553,233)
Total liabilities and fund balances (deficits)	\$ 656,152	\$ 70,748	\$ 525,141	\$ 30,513	\$ 29,750	\$ -

City of Muskegon
**RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION**
Discretely Presented Component Units
June 30, 2024

Total fund balances (deficits)—governmental funds	\$	38,764
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Amounts reported for governmental activities in the Statement of Net Position
are different because:

Capital assets used in governmental activities are not current financial
resources and, therefore, are not reported in the governmental funds.

Cost of capital assets	\$ 4,198,258	
Accumulated depreciation	<u>(3,553,673)</u>	644,585

Long-term liabilities in governmental activities are not due and payable in the
current period and, therefore, are not reported in the governmental funds.

Accrued interest payable	(2,800)	
Bonds and notes payable	<u>(562,824)</u>	<u>(565,624)</u>

Net position of governmental activities	\$	<u><u>117,725</u></u>
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City of Muskegon
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS)
Discretely Presented Component Units
For the year ended June 30, 2024

	Total Discretely Presented Component Units	Local Development Finance Authority - SmartZone	Downtown Development Authority	Tax Increment Finance Authority	Lakeside Corridor Improvement Authority	Brownfield Redevelopment Authorities
REVENUES						
Property taxes	\$ 1,682,077	\$ 100,244	\$ 481,207	\$ 46,950	\$ 22,198	\$ 1,031,478
Intergovernmental revenues						
State	51,907	3,105	12,750	9,546	-	26,506
Local	203,137	200,000	3,137	-	-	-
Investment earnings	3,387	155	1,867	96	68	1,201
Other	404,060	-	404,060	-	-	-
Total revenues	2,344,568	303,504	903,021	56,592	22,266	1,059,185
EXPENDITURES						
Current						
Community and economic development	1,680,699	-	843,430	50,000	-	787,269
Debt service						
Principal	265,000	265,000	-	-	-	-
Interest and fees	29,414	20,775	-	-	-	8,639
Total expenditures	1,975,113	285,775	843,430	50,000	-	795,908
Net change in fund balances (deficits)	369,455	17,729	59,591	6,592	22,266	263,277
Fund balances (deficits) at beginning of year	(330,691)	53,019	401,395	23,921	7,484	(816,510)
Fund balances (deficits) at end of year	\$ 38,764	\$ 70,748	\$ 460,986	\$ 30,513	\$ 29,750	\$ (553,233)

City of Muskegon
**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES (DEFICITS)
TO THE STATEMENT OF ACTIVITIES**
Discretely Presented Component Units
For the year ended June 30, 2024

Net change in fund balances (deficits)—total governmental funds	\$ 369,455
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report outlays for capital assets as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.

Depreciation expense	(172,648)
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The issuance of long-term debt provides current financial resources to governmental funds, but increases liabilities in the Statement of Net Position. Repayment of debt is an expenditure in the governmental funds, but reduces long-term liabilities in the Statement of Net Position.

Repayment of principal on long-term debt	265,000
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Changes in accrual of interest and amortization of premiums and discounts

Change in accrued interest payable	\$ 1,300	
Amortization of premiums	5,549	6,849

Change in net position of governmental activities	\$	<u><u>468,656</u></u>
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SCHEDULE OF INDEBTEDNESS

City of Muskegon

SCHEDULE OF INDEBTEDNESS

June 30, 2024

	Date of Issue	Amount of Issue	Interest Rate	Date of Maturity	6/30/2023	6/30/2024	Annual Interest Payable
Business-Type Activities Bonds and Loans Payable:							
Drinking Water State Revolving Fund	3/2/2004	\$ 13,900,000	2.13%	10/01/23	\$ 810,000	\$ -	\$ -
			2.13%	10/01/24	825,000	825,000	26,616
			2.13%	10/01/25	840,000	840,000	8,925
Type of debt: state loan					2,475,000	1,665,000	35,541
Revenue Pledged: water system net revenues							
Drinking Water State Revolving Fund*	8/30/2019	\$ 1,600,000	2.00%	10/01/23	70,000	-	-
			2.00%	10/01/24	70,000	70,000	27,900
			2.00%	10/01/25	70,000	70,000	26,500
Type of debt: state loan			2.00%	10/01/26	75,000	75,000	25,100
Revenue Pledged: water system net revenues			2.00%	10/01/27	75,000	75,000	23,600
Forgiveness: 20%			2.00%	10/01/28	75,000	75,000	22,100
			2.00%	10/01/29	75,000	75,000	20,600
			2.00%	10/01/30	80,000	80,000	19,100
			2.00%	10/01/31	80,000	80,000	17,500
			2.00%	10/01/32	80,000	80,000	15,900
			2.00%	10/01/33	85,000	85,000	14,300
			2.00%	10/01/34	85,000	85,000	12,600
			2.00%	10/01/35	85,000	85,000	10,900
			2.00%	10/01/36	90,000	90,000	9,200
			2.00%	10/01/37	90,000	90,000	7,400
			2.00%	10/01/38	90,000	90,000	5,600
			2.00%	10/01/39	95,000	95,000	3,800
			2.00%	10/01/40	95,000	95,000	1,900
					1,465,000	1,395,000	264,000
Sanitary Sewer State Revolving Fund*	8/30/2019	\$ 2,875,000	2.00%	10/01/23	125,000	-	-
			2.00%	10/01/24	125,000	125,000	48,950
Type of debt: state loan			2.00%	10/01/25	130,000	130,000	46,400
Revenue Pledged: sanitary sewer system net revenues			2.00%	10/01/26	130,000	130,000	43,800
Forgiveness: 75%			2.00%	10/01/27	135,000	135,000	41,150
			2.00%	10/01/28	135,000	135,000	38,450
			2.00%	10/01/29	140,000	140,000	35,700
			2.00%	10/01/30	140,000	140,000	32,900
			2.00%	10/01/31	145,000	145,000	30,050
			2.00%	10/01/32	145,000	145,000	27,150
			2.00%	10/01/33	150,000	150,000	24,200
			2.00%	10/01/34	150,000	150,000	21,200
			2.00%	10/01/35	155,000	155,000	18,150
			2.00%	10/01/36	160,000	160,000	15,000
			2.00%	10/01/37	160,000	160,000	11,800
			2.00%	10/01/38	165,000	165,000	8,550
			2.00%	10/01/39	170,000	170,000	5,200
			2.00%	10/01/40	175,000	175,000	1,750
					2,635,000	2,510,000	450,400
Drinking Water State Revolving Fund*	9/30/2020	\$ 3,844,750	2.00%	04/01/24	150,000	-	-
			2.00%	04/01/25	150,000	150,000	59,908
Type of debt: state loan			2.00%	04/01/26	155,000	155,000	56,908
Revenue Pledged: water system net revenues			2.00%	04/01/27	155,000	155,000	53,808
Forgiveness: 9%			2.00%	04/01/28	160,000	160,000	50,708
			2.00%	04/01/29	165,000	165,000	47,508
			2.00%	04/01/30	170,000	170,000	44,208
			2.00%	04/01/31	170,000	170,000	40,808
			2.00%	04/01/32	175,000	175,000	37,408
			2.00%	04/01/33	175,000	175,000	33,908
			2.00%	04/01/34	180,000	180,000	30,408
			2.00%	04/01/35	180,000	180,000	26,808
			2.00%	04/01/36	185,000	185,000	23,208
			2.00%	04/01/37	185,000	185,000	19,508
			2.00%	04/01/38	190,000	190,000	15,808
			2.00%	04/01/39	190,000	190,000	12,008
			2.00%	04/01/40	200,000	200,000	8,208
			2.00%	04/01/41	210,390	210,390	4,208
					3,145,390	2,995,390	565,336

City of Muskegon

SCHEDULE OF INDEBTEDNESS

June 30, 2024

	Date of Issue	Amount of Issue	Interest Rate	Date of Maturity	6/30/2023	6/30/2024	Annual Interest Payable
Business-Type Activities Bonds and Loans Payable—Continued:							
Sanitary Sewer State Revolving Fund*	9/30/2020	\$ 3,772,000	2.00%	04/01/24	\$ 157,000	\$ -	\$ -
			2.00%	04/01/25	162,000	162,000	64,810
Type of debt: state loan			2.00%	04/01/26	167,000	167,000	61,570
Revenue Pledged: sanitary sewer system net revenues			2.00%	04/01/27	167,000	167,000	58,230
Forgiveness: 20%			2.00%	04/01/28	172,000	172,000	54,890
			2.00%	04/01/29	176,000	176,000	51,450
			2.00%	04/01/30	181,000	181,000	47,930
			2.00%	04/01/31	181,000	181,000	44,310
			2.00%	04/01/32	186,000	186,000	40,690
			2.00%	04/01/33	186,000	186,000	36,970
			2.00%	04/01/34	191,000	191,000	33,250
			2.00%	04/01/35	196,000	196,000	29,430
			2.00%	04/01/36	201,000	201,000	25,510
			2.00%	04/01/37	206,000	206,000	21,490
			2.00%	04/01/38	211,000	211,000	17,370
			2.00%	04/01/39	216,000	216,000	13,150
			2.00%	04/01/40	221,000	221,000	8,830
			2.00%	04/01/41	220,498	220,498	4,410
					3,397,498	3,240,498	614,290
Drinking Water State Revolving Fund*	9/30/2022	\$ 55,032	1.875%	10/01/24	-	-	1,032
			1.875%	10/01/25	-	-	1,032
Type of debt: state loan			1.875%	10/01/26	10,000	10,000	1,032
Revenue Pledged: water system net revenues			1.875%	10/01/27	10,000	10,000	844
Forgiveness: 92.5%			1.875%	10/01/28	10,000	10,000	657
			1.875%	10/01/29	5,431	10,000	469
			1.875%	10/01/30	-	10,000	282
			1.875%	10/01/31	-	5,032	94
					35,431	55,032	5,442
Sanitary Sewer State Revolving Fund*	9/30/2022	\$ 2,485,781	1.875%	10/01/24	118,000	-	-
			1.875%	10/01/25	120,000	118,000	46,608
Type of debt: state loan			1.875%	10/01/26	120,000	120,000	44,396
Revenue Pledged: sanitary sewer system net revenues			1.875%	10/01/27	125,000	120,000	42,146
Forgiveness: 20%			1.875%	10/01/28	125,000	125,000	39,896
			1.875%	10/01/29	130,000	125,000	37,552
			1.875%	10/01/30	130,000	130,000	35,208
			1.875%	10/01/31	125,771	130,000	32,771
			1.875%	10/01/32	-	135,000	30,333
			1.875%	10/01/33	-	135,000	27,802
			1.875%	10/01/34	-	140,000	25,271
			1.875%	10/01/35	-	140,000	22,646
			1.875%	10/01/36	-	145,000	20,021
			1.875%	10/01/37	-	150,000	17,302
			1.875%	10/01/38	-	150,000	14,490
			1.875%	10/01/39	-	155,000	11,677
			1.875%	10/01/40	-	155,000	8,771
			1.875%	10/01/41	-	160,000	5,865
			1.875%	10/01/42	-	152,781	2,865
					993,771	2,485,781	465,620
Drinking Water State Revolving Fund*	9/8/2023	\$ 906,437	1.875%	10/01/24	-	48,130	16,996
			1.875%	10/01/25	-	50,000	16,093
Type of debt: state loan			1.875%	10/01/26	-	50,000	15,156
Revenue Pledged: water system net revenues			1.875%	10/01/27	-	50,000	14,218
Forgiveness: 49%			1.875%	10/01/28	-	50,000	13,281
			1.875%	10/01/29	-	50,000	12,343
			1.875%	10/01/30	-	50,000	11,406
			1.875%	10/01/31	-	55,000	10,468
			1.875%	10/01/32	-	55,000	9,437
			1.875%	10/01/33	-	55,000	8,406
			1.875%	10/01/34	-	60,000	7,375
			1.875%	10/01/35	-	60,000	6,250
			1.875%	10/01/36	-	60,000	5,125
			1.875%	10/01/37	-	60,000	4,000
			1.875%	10/01/38	-	60,000	2,875
			1.875%	10/01/39	-	65,000	1,750
			1.875%	10/01/40	-	28,307	531
					-	906,437	155,710

City of Muskegon

SCHEDULE OF INDEBTEDNESS

June 30, 2024

	Date of Issue	Amount of Issue	Interest Rate	Date of Maturity	6/30/2023	6/30/2024	Annual Interest Payable
Business-Type Activities Bonds and Loans Payable—Continued:							
Sanitary Sewer State Revolving Fund*	9/8/2023	\$ 360,338	1.875%	10/01/24	\$ -	\$ 80,000	\$ 6,756
			1.875%	10/01/25	-	85,000	5,256
Type of debt: state loan			1.875%	10/01/26	-	85,000	3,663
Revenue Pledged: sanitary sewer system net revenues			1.875%	10/01/27	-	85,000	2,069
Forgiveness: 50%			1.875%	10/01/28	-	25,338	475
					-	360,338	18,219
TOTAL BUSINESS TYPE ACTIVITIES BONDS AND LOAN PAYABLE:					\$ 14,147,090	\$ 15,613,476	\$ 2,574,558

*If certain conditions are met, a portion of the principal amount on these debts may be forgiven.

Governmental Activities Bonds and Loan Payable:

Capital Improvement Refunding Bonds of 2016 (\$107,903 unamortized premium)	3/8/2016	\$ 4,535,000	3.00%	10/01/23	\$ 300,000	\$ -	\$ -
			3.00%	10/01/24	320,000	320,000	110,000
			4.00%	10/01/25	325,000	325,000	97,100
Type of debt: limited general obligation bonds			4.00%	10/01/26	325,000	325,000	84,100
Revenue pledged: general revenues			4.00%	10/01/27	325,000	325,000	71,100
			4.00%	10/01/28	325,000	325,000	58,100
			4.00%	10/01/29	325,000	325,000	45,100
			4.00%	10/01/30	325,000	325,000	32,100
			4.00%	10/01/31	320,000	320,000	19,200
			4.00%	10/01/32	320,000	320,000	6,400
					3,210,000	2,910,000	523,200
Capital Improvement Bonds of 2019 Convention Center (\$113,650 unamortized discount)	10/9/2019	\$ 19,420,000	1.88%	10/01/23	300,000	-	-
			1.93%	10/01/24	320,000	320,000	596,645
			2.00%	10/01/25	340,000	340,000	589,875
			2.10%	10/01/26	360,000	360,000	582,273
Type of debt: limited general obligation bonds			2.24%	10/01/27	380,000	380,000	573,795
Revenue Pledged: excise tax on hotel rooms levied by the County of Muskegon pursuant to Act 263			2.34%	10/01/28	405,000	405,000	564,429
			2.43%	10/01/29	430,000	430,000	553,918
			2.60%	10/01/30	455,000	455,000	542,412
			2.60%	10/01/31	480,000	480,000	530,066
			2.68%	10/01/32	510,000	510,000	516,544
			2.78%	10/01/33	540,000	540,000	501,815
			2.83%	10/01/34	570,000	570,000	485,822
			2.93%	10/01/35	605,000	605,000	467,399
			3.30%	10/01/36	640,000	640,000	446,670
			3.30%	10/01/37	680,000	680,000	424,692
			3.30%	10/01/38	720,000	720,000	401,382
			3.30%	10/01/39	760,000	760,000	376,740
			3.30%	10/01/40	800,000	800,000	350,166
			3.48%	10/01/41	845,000	845,000	321,543
			3.48%	10/01/42	895,000	895,000	291,267
			3.48%	10/01/43	940,000	940,000	259,338
			3.48%	10/01/44	995,000	995,000	225,669
			3.48%	10/01/45	1,045,000	1,045,000	189,651
			3.58%	10/01/46	1,105,000	1,105,000	151,165
			3.58%	10/01/47	1,160,000	1,160,000	110,622
			3.58%	10/01/48	1,225,000	1,225,000	67,931
			3.58%	10/01/49	1,285,000	1,285,000	23,001
					18,790,000	18,490,000	10,144,830
Capital Improvement Bonds of 2020 Series 2020A (\$494,924 unamortized premium)	11/12/2020	\$ 4,325,000	4.00%	10/01/23	360,000	-	-
			4.00%	10/01/24	370,000	370,000	142,300
			4.00%	10/01/25	385,000	385,000	127,200
			4.00%	10/01/26	405,000	405,000	109,375
Type of debt: limited general obligation bonds			5.00%	10/01/27	420,000	420,000	88,750
Revenue pledged: general revenues			5.00%	10/01/28	445,000	445,000	67,125
			5.00%	10/01/29	470,000	470,000	44,250
			5.00%	10/01/30	485,000	485,000	20,375
			5.00%	10/01/31	30,000	30,000	7,875
			2.50%	10/01/32	30,000	30,000	7,125
			2.50%	10/01/33	30,000	30,000	6,375
			2.50%	10/01/34	30,000	30,000	5,625
			2.50%	10/01/35	35,000	35,000	4,813
			2.50%	10/01/36	35,000	35,000	3,937
			2.50%	10/01/37	35,000	35,000	3,063
			2.50%	10/01/38	35,000	35,000	2,187
			2.50%	10/01/39	35,000	35,000	1,313
			2.50%	10/01/40	35,000	35,000	437
					3,670,000	3,310,000	642,125

City of Muskegon

SCHEDULE OF INDEBTEDNESS

June 30, 2024

	Date of Issue	Amount of Issue	Interest Rate	Date of Maturity	6/30/2023	6/30/2024	Annual Interest Payable
Governmental Activities Bonds and Loan Payable—Continued:							
Capital Improvement Bonds of 2020 Series 2020B	11/12/2020	\$ 2,055,000	0.68%	10/01/23	\$ 90,000	\$ -	\$ -
			0.68%	10/01/24	90,000	90,000	44,038
			1.35%	10/01/25	90,000	90,000	42,823
Type of debt: limited general obligation bonds			1.35%	10/01/26	90,000	90,000	41,608
Revenue pledged: general revenues			1.35%	10/01/27	95,000	95,000	40,050
			2.00%	10/01/28	95,000	95,000	38,150
			2.00%	10/01/29	95,000	95,000	36,250
			2.00%	10/01/30	100,000	100,000	34,300
			2.00%	10/01/31	100,000	100,000	32,000
			2.60%	10/01/32	105,000	105,000	29,335
			2.60%	10/01/33	105,000	105,000	26,605
			2.60%	10/01/34	110,000	110,000	23,810
			2.60%	10/01/35	110,000	110,000	20,950
			3.20%	10/01/36	115,000	115,000	17,680
			3.20%	10/01/37	120,000	120,000	13,920
			3.20%	10/01/38	120,000	120,000	10,080
			3.20%	10/01/39	125,000	125,000	6,160
			3.20%	10/01/40	130,000	130,000	2,080
					<u>1,885,000</u>	<u>1,795,000</u>	<u>459,838</u>
Installment Purchase Agreement of 2021 (fire tower ladder truck)	9/15/2021	\$ 1,370,873	1.78%	09/25/23	273,023	-	-
			1.78%	09/25/24	277,860	277,860	8,880
			1.78%	09/25/25	282,784	282,784	3,956
Type of debt: installment purchase agreements			1.78%	09/25/26	71,475	71,476	210
Revenue pledged: general revenues					<u>905,142</u>	<u>632,120</u>	<u>13,046</u>
Installment Purchase Agreement of 2023 (fire pumper truck)	3/20/2023	\$ 761,603	4.40%	04/20/24	140,780	-	-
			4.40%	04/20/25	147,101	147,101	22,867
			4.40%	04/20/26	153,706	153,706	16,262
Type of debt: installment purchase agreements			4.40%	04/20/27	160,607	160,607	9,361
Revenue pledged: general revenues			4.40%	04/20/28	125,169	125,169	2,306
					<u>727,363</u>	<u>586,583</u>	<u>50,796</u>
					<u>\$ 29,187,505</u>	<u>\$ 27,723,703</u>	<u>\$ 11,833,835</u>
TOTAL GOVERNMENTAL ACTIVITIES BONDS AND LOANS PAYABLE					<u>\$ 43,334,595</u>	<u>\$ 43,337,179</u>	<u>\$ 14,408,393</u>
TOTAL PRIMARY GOVERNMENT BONDS AND LOANS PAYABLE							
Discretely Presented Component Unit Bonds and Loans Payable:							
Local Development Finance Authority Smartzone Refunding Bonds (\$2,824 unamortized premium)	3/20/2012	\$ 4,100,000	3.00%	11/01/23	\$ 265,000	\$ -	\$ -
			3.00%	11/01/24	275,000	275,000	12,675
Type of debt: limited general obligation bonds			3.00%	11/01/25	285,000	285,000	4,275
Revenue pledged: LDFA tax increments, general revenues					<u>825,000</u>	<u>560,000</u>	<u>16,950</u>
TOTAL DISCRETELY PRESENTED COMPONENT UNIT BONDS AND LOANS PAYABLE					<u>\$ 825,000</u>	<u>\$ 560,000</u>	<u>\$ 16,950</u>
TOTAL REPORTING ENTITY BONDS AND LOANS PAYABLE					<u>\$ 44,159,595</u>	<u>\$ 43,897,179</u>	<u>\$ 14,425,343</u>

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Statistical Section

This part of the City of Muskegon's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

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Revenue Capacity	
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Debt Capacity	
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	148
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.	152
Operating Information	
These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	154

Sources: Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports for the relevant year.

City of Muskegon

NET POSITION BY COMPONENT

Last Ten Fiscal Years

	2015	2016	2017	2018 (a)	2019	2020	2021	2022	2023	2024
<u>Governmental Activities</u>										
Net Investment in Capital Assets	\$ 63,514,691	\$ 64,326,891	\$ 62,520,466	\$ 61,267,518	\$ 66,734,006	\$ 70,274,679	\$ 72,200,515	\$ 75,201,511	\$ 77,169,106	\$ 77,859,834
Restricted	4,807,531	4,140,342	3,777,410	6,138,596	5,519,207	4,459,799	5,003,269	5,845,255	7,228,272	10,591,168
Unrestricted	<u>491,914</u>	<u>(4,142,119)</u>	<u>(5,566,349)</u>	<u>(8,350,634)</u>	<u>(14,355,143)</u>	<u>(28,084,776)</u>	<u>(29,065,065)</u>	<u>(22,938,317)</u>	<u>(23,043,056)</u>	<u>(22,876,950)</u>
Total Governmental Net Position	<u>\$ 68,814,136</u>	<u>\$ 64,325,114</u>	<u>\$ 60,731,527</u>	<u>\$ 59,055,480</u>	<u>\$ 57,898,070</u>	<u>\$ 46,649,702</u>	<u>\$ 48,138,719</u>	<u>\$ 58,108,449</u>	<u>\$ 61,354,322</u>	<u>\$ 65,574,052</u>
<u>Business-type Activities</u>										
Net Investment in Capital Assets	\$ 39,231,223	\$ 39,013,529	\$ 38,114,686	\$ 38,549,547	\$ 41,741,666	\$ 44,543,391	\$ 54,257,461	\$ 54,668,925	\$ 57,495,571	\$ 60,003,475
Restricted	599,500	599,500	599,500	599,500	599,500	599,500	822,000	822,000	822,000	1,013,943
Unrestricted	<u>6,423,540</u>	<u>5,762,272</u>	<u>6,382,906</u>	<u>6,041,091</u>	<u>2,424,616</u>	<u>(2,353,801)</u>	<u>(873,805)</u>	<u>424,949</u>	<u>2,644,375</u>	<u>7,552,656</u>
Total Business-type Activities Net Position	<u>\$ 46,254,263</u>	<u>\$ 45,375,301</u>	<u>\$ 45,097,092</u>	<u>\$ 45,190,138</u>	<u>\$ 44,765,782</u>	<u>\$ 42,789,090</u>	<u>\$ 54,205,656</u>	<u>\$ 55,915,874</u>	<u>\$ 60,961,946</u>	<u>\$ 68,570,074</u>
<u>Primary Government</u>										
Net Investment in Capital Assets	\$ 102,745,914	\$ 103,340,420	\$ 100,635,152	\$ 99,817,065	\$ 108,475,672	\$ 114,818,070	\$ 126,457,976	\$ 129,870,436	\$ 134,664,677	\$ 137,863,309
Restricted	5,407,031	4,739,842	4,376,910	6,738,096	6,118,707	5,059,299	5,825,269	6,667,255	8,050,272	11,605,111
Unrestricted	<u>6,915,454</u>	<u>1,620,153</u>	<u>816,557</u>	<u>(2,309,543)</u>	<u>(11,930,527)</u>	<u>(30,438,577)</u>	<u>(29,938,870)</u>	<u>(22,513,368)</u>	<u>(20,398,681)</u>	<u>(15,324,294)</u>
Total Primary Government Net Position	<u>\$ 115,068,399</u>	<u>\$ 109,700,415</u>	<u>\$ 105,828,619</u>	<u>\$ 104,245,618</u>	<u>\$ 102,663,852</u>	<u>\$ 89,438,792</u>	<u>\$ 102,344,375</u>	<u>\$ 114,024,323</u>	<u>\$ 122,316,268</u>	<u>\$ 134,144,126</u>

(a) In 2018, the City implemented GASB 75 which changed how governments measure and report other postemployment benefit liabilities.

SOURCE: The information in these schedules (unless otherwise noted) is derived from the annual comprehensive financial reports for the relevant year.

City of Muskegon
CHANGES IN NET POSITION
Last Ten Fiscal Years

	2015	2016	2017	2018 (a)	2019	2020	2021	2022	2023	2024
EXPENSES										
<u>Governmental Activities</u>										
Public representation	\$ 939,907	\$ 1,107,551	\$ 1,113,897	\$ 1,347,618	\$ 1,336,014	\$ 1,501,079	\$ 1,603,410	\$ 1,715,050	\$ 1,977,993	\$ 2,722,607
Administrative services	614,757	663,077	679,139	507,275	800,887	962,981	826,344	913,923	1,094,528	1,036,809
Financial services	2,547,766	2,331,236	2,483,519	1,995,426	2,700,775	3,007,018	5,039,787	5,473,498	6,145,566	5,792,181
Public safety	14,243,233	17,118,742	16,910,473	12,404,126	20,433,642	25,982,246	18,249,379	13,387,378	18,908,078	16,242,732
Public works	3,183,627	3,109,454	3,551,230	3,471,618	4,438,358	4,581,526	4,025,982	4,687,660	4,561,496	4,677,404
Highways, streets and bridges	7,165,703	7,251,882	6,996,540	6,917,260	7,185,642	7,593,019	6,862,862	7,308,858	7,480,486	7,755,393
Community and economic development	2,712,131	5,223,431	3,738,566	5,015,160	2,890,216	5,359,282	4,999,907	9,857,082	13,217,161	11,004,354
Culture and recreation	1,806,790	3,551,692	3,918,814	3,994,582	4,541,739	5,269,578	4,507,120	6,588,542	7,869,866	8,150,578
General administration	389,248	326,452	301,287	376,112	302,582	389,863	404,303	511,323	977,506	701,800
Interest on long-term debt	271,607	248,223	172,591	165,023	151,304	732,065	1,112,166	881,204	866,450	860,809
Total Governmental Activities Expenses	33,874,769	40,931,740	39,866,056	36,194,200	44,781,159	55,378,657	47,631,260	51,324,518	63,099,130	58,944,667
<u>Business-type Activities</u>										
Water	6,047,244	6,750,826	7,206,564	7,090,770	7,752,703	8,437,862	8,612,574	9,261,276	10,758,625	10,434,898
Sewer	8,460,509	8,669,469	8,876,690	8,093,752	9,119,941	9,902,515	8,084,729	8,153,673	8,608,922	8,982,844
Marina and launch ramp	305,990	327,832	336,912	377,614	430,431	529,007	515,025	461,504	490,079	530,454
Total Business-type Activities Expenses	14,813,743	15,748,127	16,420,166	15,562,136	17,303,075	18,869,384	17,212,328	17,876,453	19,857,626	19,948,196
Total Primary Government Expenses	48,688,512	56,679,867	56,286,222	51,756,336	62,084,234	74,248,041	64,843,588	69,200,971	82,956,756	78,892,863
PROGRAM REVENUES										
<u>Governmental Activities</u>										
Charges for Services										
Public representation	188,638	226,559	228,767	232,736	250,931	253,511	280,395	324,314	367,723	408,586
Administrative services	415,308	474,737	572,739	539,178	604,290	538,791	504,281	715,421	697,070	804,969
Financial services	823,547	925,474	895,924	903,322	921,748	913,968	988,501	1,085,220	1,129,918	1,122,315
Public safety	1,218,644	1,248,911	1,824,114	2,794,347	2,292,158	2,290,640	2,207,996	2,680,675	3,270,826	2,831,835
Public works	571,426	379,877	646,876	743,110	691,312	835,149	828,098	854,793	1,361,232	1,311,829
Highways, streets and bridges	258,475	234,861	256,190	188,248	191,883	193,267	187,478	522,779	243,319	278,573
Community and economic development	576,863	444,632	706,195	348,933	786,120	769,860	912,247	498,766	609,408	349,316
Culture and recreation	368,168	1,229,067	1,463,839	1,651,304	1,853,547	2,124,968	1,976,029	4,389,524	3,624,178	3,666,818
General administration	48,764	52,512	37,892	38,549	40,400	59,537	65,592	76,182	89,072	167,316
Operating grants and contributions	5,071,239	5,330,825	5,208,818	6,478,526	6,892,530	7,398,202	9,839,245	11,024,058	12,340,614	11,468,301
Capital grants and contributions	3,496,623	3,804,656	862,074	2,305,620	4,015,097	4,064,216	2,901,176	2,815,119	3,801,190	5,345,394
Total Governmental Program Revenues	13,037,695	14,352,111	12,703,428	16,223,873	18,540,016	19,442,109	20,691,038	24,986,851	27,534,550	27,755,252
<u>Business-type Activities</u>										
Water	6,375,869	7,485,013	7,430,314	7,445,669	7,946,983	8,316,552	8,752,570	8,903,549	10,311,141	10,327,739
Sewer	6,363,808	6,305,554	7,620,208	8,217,497	8,098,828	8,397,838	9,298,156	10,298,642	10,177,369	10,494,925
Marina and launch ramp	255,638	287,547	278,753	325,917	298,312	74,659	178,706	292,416	329,518	316,603
Operating grants and contributions	-	-	2,436	42,531	510,533	94,462	-	103,208	427,075	129,989
Capital grants and contributions	474,681	765,363	784,969	-	-	-	10,354,544	-	2,289,819	5,516,827
Total Business-type program revenues	13,469,996	14,843,477	16,116,680	16,031,614	16,854,656	16,883,511	28,583,976	19,597,815	23,534,922	26,786,083
Total Primary Government program revenues	26,507,691	29,195,588	28,820,108	32,255,487	35,394,672	36,325,620	49,275,014	44,584,666	51,069,472	54,541,335
NET (EXPENSE) REVENUE										
Governmental Activities	(20,837,074)	(26,579,629)	(27,162,628)	(19,970,327)	(26,241,143)	(35,936,548)	(26,940,222)	(26,337,667)	(35,564,580)	(31,189,415)
Business-type Activities	(1,343,747)	(904,650)	(303,486)	469,478	(448,419)	(1,985,873)	11,371,648	1,721,362	3,677,296	6,837,887
Total Primary Government net expense	(22,180,821)	(27,484,279)	(27,466,114)	(19,500,849)	(26,689,562)	(37,922,421)	(15,568,574)	(24,616,305)	(31,887,284)	(24,351,528)

City of Muskegon
CHANGES IN NET POSITION
Last Ten Fiscal Years

	2015	2016	2017	2018 (a)	2019	2020	2021	2022	2023	2024
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
<u>Governmental Activities</u>										
Property taxes	\$ 7,894,189	\$ 8,366,212	\$ 8,389,243	\$ 8,450,103	\$ 8,230,573	\$ 8,466,886	\$ 8,813,155	\$ 9,182,184	\$ 10,259,863	\$ 11,016,837
Income taxes	8,478,231	8,386,775	8,707,279	8,995,294	8,939,887	9,437,451	9,609,218	10,020,370	12,196,364	12,767,289
Franchise fees	369,965	372,117	378,955	368,495	380,343	361,405	374,219	369,420	349,044	312,085
Grants and contributions not restricted for specific programs	3,989,178	4,051,050	4,630,111	4,955,168	5,102,602	5,276,036	6,427,138	15,303,423	13,168,368	6,342,222
Unrestricted investment earnings	99,733	189,408	106,653	92,771	546,533	568,408	229,177	(644,067)	765,542	1,680,189
Miscellaneous	805,432	626,014	512,738	545,536	550,381	577,677	370,268	918,179	688,390	738,714
Gain on sale of capital asset	20,302	99,031	844,062	712,415	1,333,414	317	2,641,064	1,122,888	2,724,195	3,281,710
Transfers	-	-	-	-	-	-	(35,000)	35,000	(1,341,313)	(729,901)
Total Governmental Program Revenues	21,657,030	22,090,607	23,569,041	24,119,782	25,083,733	24,688,180	28,429,239	36,307,397	38,810,453	35,409,145
<u>Business-type Activities</u>										
Unrestricted investment earnings	29,879	25,688	25,277	28,550	24,063	9,181	9,918	23,856	27,463	40,340
Transfers	-	-	-	-	-	-	35,000	(35,000)	1,341,313	729,901
Total Business-type program revenues	29,879	25,688	25,277	28,550	24,063	9,181	44,918	(11,144)	1,368,776	770,241
Total Primary Government program revenues	21,686,909	22,116,295	23,594,318	24,148,332	25,107,796	24,697,361	28,474,157	36,296,253	40,179,229	36,179,386
CHANGE IN NET POSITION										
<u>Governmental Activities</u>	819,956	(4,489,022)	(3,593,587)	4,149,455	(1,157,410)	(11,248,368)	1,489,017	9,969,730	3,245,873	4,219,730
<u>Business-type Activities</u>	(1,313,868)	(878,962)	(278,209)	498,028	(424,356)	(1,976,692)	11,416,566	1,710,218	5,046,072	7,608,128
Total Primary Government	\$ (493,912)	\$ (5,367,984)	\$ (3,871,796)	\$ 4,647,483	\$ (1,581,766)	\$ (13,225,060)	\$ 12,905,583	\$ 11,679,948	\$ 8,291,945	\$ 11,827,858

(a) In 2018, the City implemented GASB 75 which changed how governments measure and report other postemployment benefit liabilities.

SOURCE: The information in these schedules (unless otherwise noted) is derived from the annual comprehensive financial reports for the relevant year.

City of Muskegon

FUND BALANCE OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General fund										
Nonspendable	\$ 220,178	\$ 232,332	\$ 209,353	\$ 222,458	\$ 241,684	\$ 280,986	\$ 269,920	\$ 881,961	\$ 873,226	\$ 701,808
Restricted	-	-	-	-	-	-	66,965	8,701	201,500	174,825
Committed	-	-	-	-	-	-	39,000	189,037	295,113	413,107
Assigned	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,800,000	2,790,501	3,175,064
Unassigned	5,883,318	6,098,977	6,148,292	6,469,108	6,563,511	5,920,869	9,121,955	7,981,674	5,857,568	5,124,424
Total general fund	\$ 7,803,496	\$ 8,031,309	\$ 8,057,645	\$ 8,391,566	\$ 8,505,195	\$ 7,901,855	\$ 11,197,840	\$ 10,861,373	\$ 10,017,908	\$ 9,589,228
All other governmental funds										
Nonspendable	\$ 2,073,747	\$ 1,597,371	\$ 1,716,825	\$ 1,589,699	\$ 1,624,737	\$ 1,663,979	\$ 1,709,000	\$ 1,737,125	\$ 1,749,272	\$ 1,827,230
Restricted	3,159,130	2,995,610	2,726,754	5,130,188	4,621,126	3,842,461	4,397,502	5,170,662	6,373,122	7,254,183
Assigned	2,146,050	1,373,669	3,510,747	2,619,342	1,823,959	9,764,600	1,907,590	2,195,895	3,823,737	2,578,435
Unassigned	-	-	-	-	-	(1,601,331)	(2,919,404)	-	-	-
Total all other governmental funds	\$ 7,378,927	\$ 5,966,650	\$ 7,954,326	\$ 9,339,229	\$ 8,069,822	\$ 13,669,709	\$ 5,094,688	\$ 9,103,682	\$ 11,946,131	\$ 11,659,848

SOURCE: The information in these schedules (unless otherwise noted) is derived from the annual comprehensive financial reports for the relevant year.

City of Muskegon

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Taxes	\$ 15,830,137	\$ 16,178,761	\$ 16,667,272	\$ 16,877,055	\$ 16,582,030	\$ 17,253,857	\$ 17,700,658	\$ 18,795,646	\$ 21,804,988	\$ 22,815,355
Intergovernmental	12,301,594	11,711,788	10,743,434	13,488,014	15,776,333	16,777,402	18,131,093	28,487,691	28,839,074	22,496,498
Charges for services	2,468,889	3,468,938	3,918,217	4,229,797	4,430,419	4,563,652	4,898,325	7,744,999	7,202,418	7,727,578
Other	4,003,105	3,868,958	4,005,126	5,251,208	5,312,773	5,745,006	5,745,273	5,399,182	7,063,899	7,433,221
Total revenues	34,603,725	35,228,445	35,334,049	39,846,074	42,101,555	44,339,917	46,475,349	60,427,518	64,910,379	60,472,652
Expenditures										
Public representation	930,788	1,064,503	1,080,032	1,383,573	1,281,107	1,379,406	1,556,327	1,758,928	1,905,638	2,745,266
Administrative services	554,330	577,454	624,284	537,913	739,301	844,270	783,403	945,841	1,079,807	1,077,435
Financial services	2,476,740	2,068,208	2,236,941	2,191,245	2,394,866	2,358,848	4,810,339	5,668,254	6,089,585	5,978,893
Public safety	13,285,004	13,476,557	14,086,619	15,156,977	16,131,196	16,820,356	14,641,568	15,781,113	17,798,350	18,455,784
Public works	2,876,576	2,864,878	3,206,050	3,377,174	4,176,904	4,187,956	3,604,722	4,472,813	4,239,317	4,418,634
Highways, streets and bridges	2,986,909	3,102,391	3,096,875	4,554,968	2,963,498	2,965,598	2,666,529	3,330,669	3,355,487	3,997,001
Community and economic development	2,957,071	5,415,436	3,878,547	3,962,759	2,930,725	4,986,000	5,281,825	10,306,669	13,450,233	11,204,118
Culture and recreation	1,444,471	3,100,338	3,523,178	3,713,177	4,050,986	4,662,534	3,836,817	6,085,847	6,610,019	7,052,911
Other governmental functions	369,408	305,807	280,416	355,241	281,711	371,461	380,232	485,024	950,789	673,198
Debt service										
Principal	417,842	428,199	283,563	288,934	294,313	818,285	2,813,804	1,342,462	1,272,509	1,463,802
Interest	272,946	257,516	211,242	197,723	189,905	543,740	943,216	1,011,004	985,750	972,209
Issuance costs	-	97,578	-	-	-	70,525	140,750	1,000	-	-
Capital outlay	3,992,111	3,867,579	2,328,615	3,134,369	9,363,862	21,498,055	19,695,829	7,775,915	6,935,934	5,406,380
Total expenditure	32,564,196	36,626,444	34,836,362	38,854,053	44,798,374	61,507,034	61,155,361	58,965,539	64,673,418	63,445,631
Excess of revenues over (under) expenditures	2,039,529	(1,397,999)	497,687	992,021	(2,696,819)	(17,167,117)	(14,680,012)	1,461,979	236,961	(2,972,979)
Other financing sources (uses)										
Transfers in	853,910	1,563,094	1,805,000	1,370,000	1,210,236	2,017,077	895,000	9,832,799	6,116,212	282,095
Transfers out	(942,933)	(1,638,094)	(1,818,000)	(1,385,000)	(1,210,236)	(2,037,077)	(1,555,000)	(10,197,799)	(8,092,525)	(1,211,996)
Long-term debt issued	-	97,578	-	-	-	21,691,740	7,152,424	1,370,873	761,603	-
Proceeds from sale of capital assets	244,685	190,957	1,529,325	741,803	1,541,041	491,924	2,908,552	1,204,675	2,976,733	3,187,917
Total other financing sources (uses)	155,662	213,535	1,516,325	726,803	1,541,041	22,163,664	9,400,976	2,210,548	1,762,023	2,258,016
Net change in fund balances	\$ 2,195,191	\$ (1,184,464)	\$ 2,014,012	\$ 1,718,824	\$ (1,155,778)	\$ 4,996,547	\$ (5,279,036)	\$ 3,672,527	\$ 1,998,984	\$ (714,963)
Debt service as a percentage of noncapital expenditures	2.42%	2.09%	1.52%	1.36%	1.37%	3.40%	9.06%	4.60%	3.91%	4.20%

SOURCE: The information in these schedules (unless otherwise noted) is derived from the annual comprehensive financial reports for the relevant year.

City of Muskegon

GOVERNMENTAL FUNDS REVENUES BY SOURCE

Last Ten Fiscal Years

Fiscal Year	Property Tax	% of Total	Income Tax	% of Total	Intergovernmental	% of Total	Charges for Service	% of Total	Licenses and Permits	% of Total	Fines and Fees	% of Total	Interest and Rent	% of Total	Other	% of Total	Total	% Change
2015	\$ 7,555,471	21.8%	\$ 8,274,666	23.9%	\$ 12,301,594	35.5%	\$ 2,468,889	7.1%	\$ 1,361,721	3.9%	\$ 452,004	1.3%	\$ 343,105	1.0%	\$ 1,846,275	5.3%	\$ 34,603,725	12.6%
2016	8,026,859	22.8%	8,151,902	23.1%	11,711,788	33.2%	3,468,938	9.8%	1,443,144	4.1%	459,181	1.3%	455,671	1.3%	1,510,962	4.3%	35,228,445	1.8%
2017	8,056,460	22.8%	8,610,812	24.4%	10,743,434	30.4%	3,918,217	11.1%	1,884,341	5.3%	494,369	1.4%	290,578	0.8%	1,335,838	3.8%	35,334,049	0.3%
2018	8,118,381	20.4%	8,758,674	22.0%	13,488,014	33.9%	4,229,797	10.6%	2,965,599	7.4%	457,172	1.1%	212,069	0.5%	1,616,368	4.1%	39,846,074	12.8%
2019	7,890,357	18.7%	8,691,673	20.6%	15,776,333	37.5%	4,430,419	10.5%	2,452,807	5.8%	488,578	1.2%	757,911	1.8%	1,613,477	3.8%	42,101,555	5.7%
2020	8,116,143	18.3%	9,137,714	20.6%	16,777,402	37.8%	4,563,652	10.3%	2,420,604	5.5%	412,575	0.9%	742,567	1.7%	2,169,260	4.9%	44,339,917	5.3%
2021	8,443,832	18.2%	9,256,826	19.9%	18,131,093	39.0%	4,898,325	10.5%	2,246,375	4.8%	594,813	1.3%	477,559	1.0%	2,426,526	5.2%	46,475,349	4.8%
2022	8,793,023	14.6%	10,002,623	16.6%	28,487,691	47.1%	7,744,999	12.8%	2,306,048	3.8%	582,633	1.0%	35,018	0.1%	2,475,483	4.1%	60,427,518	30.0%
2023	9,847,883	15.2%	11,957,105	18.4%	28,839,074	44.4%	7,202,418	11.1%	3,074,012	4.7%	604,038	0.9%	1,233,994	1.9%	2,151,855	3.3%	64,910,379	7.4%
2024	10,571,737	17.5%	12,243,618	20.2%	22,496,498	37.2%	7,727,578	12.8%	2,539,771	4.2%	638,766	1.1%	2,106,429	3.5%	2,148,255	3.6%	60,472,652	-6.8%

SOURCE: The information in these schedules (unless otherwise noted) is derived from the annual comprehensive financial reports for the relevant year.

City of Muskegon

Taxable, Assessed and Equalized and Estimated Actual Valuation of Property

Last Ten Fiscal Years

Taxable Valuation of Property

Ad Valorem Assessment Roll								Industrial and Commercial Facilities Assessment Roll				Total Taxable Valuation	Total City	Taxable Value As a Percent Actual
Year	Residential	Agriculture	Commercial	Industrial	Total Real Property	Personal Property	Total Ad Valorem	Industrial Real Property	Industrial Personal Property	Commercial Real Property	Total IFT and CFT			
2014	\$ 312,031,296	\$ -	\$ 115,070,943	\$ 61,196,955	\$ 488,299,194	\$ 91,020,452	\$ 579,319,646	\$ 3,874,303	\$ 6,512,600	\$ -	\$ 10,386,903	\$ 589,706,549	13.0875	96.26%
2015	314,055,244	-	116,448,947	54,898,389	485,402,580	95,098,912	580,501,492	3,149,352	7,772,000	-	10,921,352	591,422,844	13.0869	95.28%
2016	314,299,363	-	114,855,236	50,232,295	479,386,894	74,155,243	553,542,137	3,628,098	5,690,600	-	9,318,698	562,860,835	13.0905	93.60%
2017	319,768,625	-	113,497,599	50,381,292	483,647,516	67,760,237	551,407,753	3,692,357	4,627,400	-	8,319,757	559,727,510	13.0908	91.38%
2018	331,347,976	-	113,370,852	48,272,032	492,990,860	65,728,440	558,719,300	3,990,263	3,739,800	-	7,730,063	566,449,363	13.0899	89.69%
2019	346,233,797	-	120,836,165	48,156,907	515,226,869	61,993,800	577,220,669	6,561,033	3,146,800	-	9,707,833	586,928,502	13.0865	87.80%
2020	362,796,641	-	125,649,743	48,231,815	536,678,199	67,398,400	604,076,599	14,874,922	2,612,700	-	17,487,622	621,564,221	13.0865	83.40%
2021	411,808,285	-	143,992,198	53,700,376	609,500,859	73,874,500	683,375,359	15,756,956	1,312,300	-	17,069,256	700,444,615	12.9722	76.41%
2022	409,432,249	-	142,894,033	53,700,376	606,026,658	73,772,100	679,798,758	15,713,408	1,575,400	-	17,288,808	696,087,566	12.7971	75.94%
2023	452,941,194	-	154,077,304	57,655,896	664,674,394	74,071,500	738,745,894	16,333,392	726,600	-	17,059,992	755,805,886	12.7918	68.68%

Assessed and Equalized Valuation of Property

Ad Valorem Assessment Roll								Industrial and Commercial Facilities Assessment Roll				Total Assessed Valuation	Estimated Actual Value
Year	Residential	Agriculture	Commercial	Industrial	Total Real Property	Personal Property	Total Ad Valorem	Industrial Real Property	Industrial Personal Property	Commercial Real Property	Total IFT and CFT		
2014	\$ 326,690,900	\$ -	\$ 120,803,800	\$ 63,704,200	\$ 511,198,900	\$ 91,004,400	\$ 602,203,300	\$ 3,877,300	\$ 6,512,600	\$ -	\$ 10,389,900	\$ 612,593,200	\$ 1,225,186,400
2015	335,445,400	-	122,235,800	57,024,100	514,705,300	95,084,900	609,790,200	3,149,800	7,772,000	-	10,921,800	620,712,000	1,241,424,000
2016	342,767,600	-	122,574,300	52,323,600	517,665,500	74,140,100	591,805,600	3,851,200	5,690,600	-	9,541,800	601,347,400	1,202,694,800
2017	363,318,800	-	120,587,210	52,278,900	536,184,910	67,745,200	603,930,110	3,957,900	4,639,600	-	8,597,500	612,527,610	1,225,055,220
2018	382,994,200	-	124,938,600	50,130,470	558,063,270	65,713,100	623,776,370	4,017,100	3,739,800	-	7,756,900	631,533,270	1,263,066,540
2019	409,745,000	-	135,884,102	51,070,400	596,699,502	61,981,500	658,681,002	6,649,100	3,146,800	-	9,795,900	668,476,902	1,336,953,804
2020	461,026,400	-	146,950,200	52,388,900	660,365,500	67,388,800	727,754,300	14,929,600	2,612,700	-	17,542,300	745,296,600	1,490,593,200
2021	580,236,600	-	186,202,700	58,746,100	825,185,400	73,866,200	899,051,600	16,273,300	1,312,300	-	17,585,600	916,637,200	1,833,274,400
2022	576,926,300	-	185,097,800	58,746,100	820,770,200	73,763,800	894,534,000	16,227,500	1,575,400	-	17,802,900	912,336,900	1,824,673,800
2023	729,954,400	-	214,005,200	64,048,400	1,008,008,000	74,063,900	1,082,071,900	17,654,200	726,600	-	18,380,800	1,100,452,700	2,200,905,400

Property is assessed at 50% of true cash value. The assessed and equalized valuation of taxable property is determined as of December 31st of each year and is the basis upon which taxes are levied during the succeeding fiscal year. The passage of Proposal A in May, 1994 altered how tax values are determined. Beginning in the 1995-1996 fiscal year, property taxes are based on taxable value instead of state equalized value. Proposal A also capped taxable value of each parcel of property, adjusted for additions and losses, at the previous year's rate of inflation or 5% whichever is less, until the property is sold or transferred. When ownership of a parcel of property is transferred, the taxable value becomes 50% of true cash value, or the state equalized valuation. The Industrial and Commercial Facilities Tax Acts permit certain property to be taxed at one-half the tax rate for a period up to twelve years.

City of Muskegon
Principal Property Taxpayers
Current Year and Ten Years Ago

Taxpayer	6/30/2024			6/30/2015		
	Taxable Valuation	Rank	Percent of Total Taxable Valuation	Taxable Valuation	Rank	Percent of Total Taxable Valuation
Consumers Energy	\$ 22,125,130	1	2.93%	\$ 31,855,180	1	5.4%
DTE Gas Company	15,746,855	2	2.08%	6,501,000	4	1.1%
James Street Capital Holdings	11,434,825	3	1.51%			
Muskegon SC Holdings LLC	7,314,390	4	0.97%	3,880,700	9	0.7%
Michigan Electric Transmission	6,026,500	5	0.80%			
Glen Oaks Apartments LLC	3,840,162	6	0.51%			
West Urban Properties LLC	3,762,237	7	0.50%			
B & S Holdings, LLC	3,448,631	8	0.46%			
OHAT-1 LLC/OHAT-2 LLC	3,256,400	9	0.43%			
Verplank Port Facility, LLC	3,193,100	10	0.42%			
Adac Plastics				7,334,100	2	1.2%
Esco Company				6,675,096	3	1.1%
GE Aviation				5,116,098	5	0.9%
Mercy General				4,597,307	6	0.8%
Fleet Engineers Inc.				4,446,114	7	0.8%
Lorin Industries				4,014,909	8	0.7%
Coles Quality Foods				3,350,610	10	0.6%
Total - 10 Largest	80,148,230		10.60%	77,771,114		13.2%
Total - All Other	675,657,656		89.40%	511,935,435		86.8%
	\$ 755,805,886		100.0%	\$ 589,706,549		100.0%

Source: Muskegon County Equalization Department; City of Muskegon Treasurer's Office

City of Muskegon

Property Tax Rates - Direct and Overlapping Government Units
Property Tax Rates Per \$1,000 Taxable Valuation

Last Ten Fiscal Years

Year	City-Wide Rates					
	Operating	Promotion	Sanitation	Total City	Library District	Library Debt
2014	10.0000	0.0875	3.0000	13.0875	2.4000	-
2015	10.0000	0.0869	3.0000	13.0869	2.4000	0.5611
2016	10.0000	0.0905	3.0000	13.0905	2.4000	0.4962
2017	10.0000	0.0908	3.0000	13.0908	2.4000	0.4999
2018	10.0000	0.0899	3.0000	13.0899	2.4000	0.4866
2019	10.0000	0.0865	3.0000	13.0865	2.4000	0.4522
2020	9.9930	0.0824	2.9979	13.0733	2.3997	0.4532
2021	9.9180	0.0788	2.9754	12.9722	2.3821	0.4351
2022	9.7880	0.0727	2.9364	12.7971	2.3516	0.4999
2023	9.7880	0.0674	2.9364	12.7918	2.3516	0.4999

Overlapping - County-Wide Rates

Year	Muskegon County	Intermediate School	Special Education	Vocational Education	Community College	MAISD Gen Ed	Community College Debt
2014	6.6557	0.4597	2.2987	0.9996	2.2037	1.0000	0.3400
2015	6.6357	0.4597	2.2987	0.9996	2.2037	1.0000	0.3400
2016	6.8957	0.4597	2.2987	0.9996	2.2037	1.0000	0.3400
2017	6.8957	0.4597	2.2987	0.9996	2.2037	1.0000	0.3400
2018	6.8957	0.4597	2.2987	0.9996	2.2037	1.0000	0.3400
2019	6.8957	0.4597	2.2987	0.9996	2.2037	1.0000	0.3400
2020	6.8947	0.4593	2.2968	0.9988	2.2034	0.9992	0.3400
2021	6.8490	0.4562	2.2815	0.9922	2.1888	0.9926	0.3400
2022	6.7878	0.4518	2.2597	0.9827	2.1693	0.9831	0.3400
2023	6.7878	0.4518	2.2597	0.9827	2.1693	0.9831	0.2700

Overlapping - School District					Grand Total	
Year	Operating	Debt	Total	State Education	Homestead	Non-Homestead
2014	18.0000	7.6000	25.6000	6.0000	43.0449	61.0449
2015	18.0000	6.8000	24.8000	6.0000	42.7854	60.7854
2016	18.0000	6.3500	24.3500	6.0000	42.5341	60.5341
2017	18.0000	7.6800	25.6800	6.0000	43.8681	61.8681
2018	18.0000	8.3600	26.3600	6.0000	44.5339	62.5339
2019	18.0000	8.3600	26.3600	6.0000	44.4961	62.4961
2020	17.9838	8.3581	26.3419	6.0000	44.4765	62.4603
2021	17.7518	9.3467	27.0985	6.0000	45.2364	62.9882
2022	17.3754	8.9712	26.3466	6.0000	44.5942	61.9696
2023	18.0000	8.7212	26.7212	6.0000	44.2689	62.2689

SOURCE: City of Muskegon Treasurer' Office

City of Muskegon

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

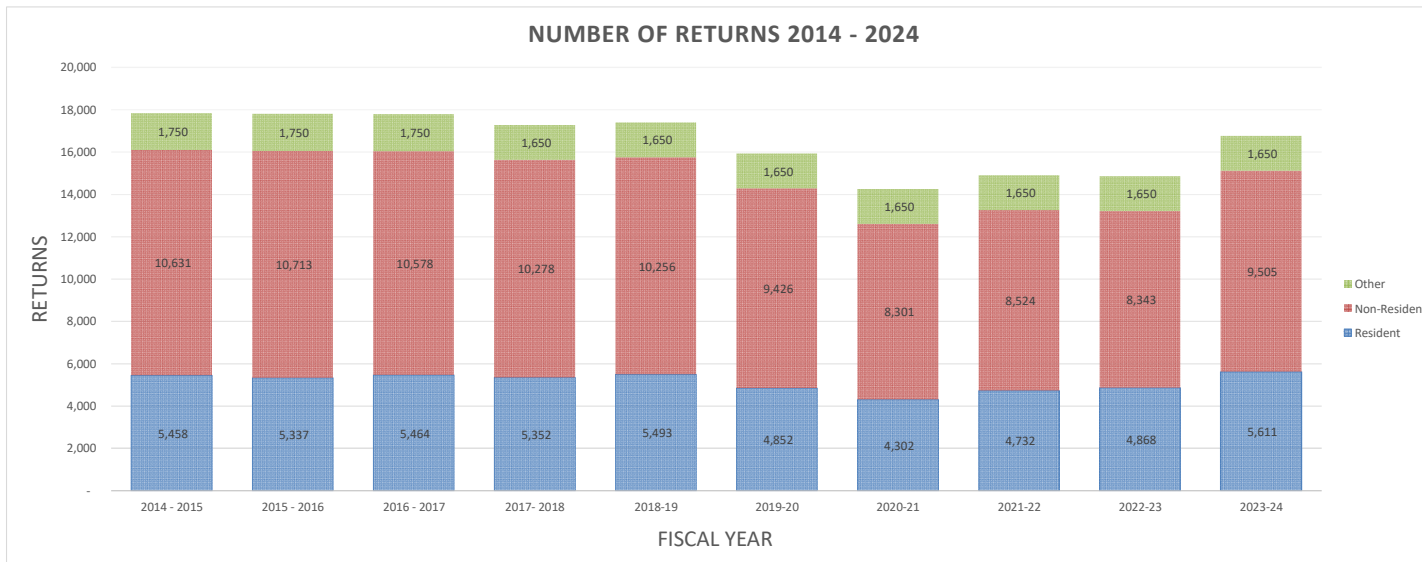
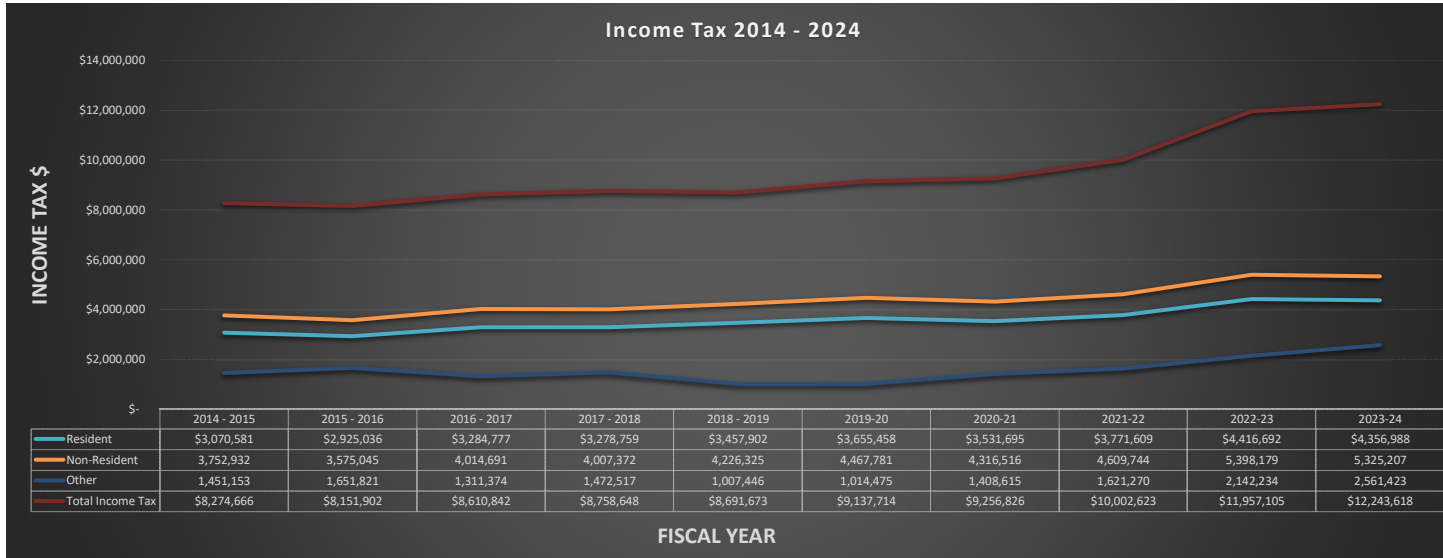
Fiscal Year	Total Tax Levy	Current Tax Collections	Percent Of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Total Tax Collections as % of Levy	Charge backs On Uncollected Delinquent Taxes	Outstanding Delinquent Personal	Outstanding Delinquent Specific	Percent of Delinquent Taxes to Levy
2014	\$ 8,032,955	\$ 7,069,804	88.0%	\$ 917,806	\$ 7,987,610	99.4%	\$ 57,680	\$ 41,074	\$ 2,788	1.26%
2015	8,132,782	7,247,701	89.1%	848,266	8,095,967	99.5%	62,345	33,407	1,862	1.20%
2016	7,719,829	6,828,816	88.5%	853,639	7,682,455	99.5%	42,063	23,671	1,365	0.87%
2017	7,633,290	6,776,856	88.8%	795,164	7,572,020	99.2%	51,584	43,665	11,728	1.40%
2018	9,545,232	8,631,502	90.4%	839,208	9,470,710	99.2%	-	53,873	13,529	0.71%
2019	9,737,757	8,873,258	91.1%	821,601	9,694,859	99.6%	-	20,987	15,355	0.37%
2020	9,943,231	9,114,832	91.7%	749,195	9,864,027	99.2%	-	35,111	31,560	0.67%
2021	9,987,802	9,121,784	91.3%	637,083	9,758,867	97.7%	-	19,026	41,200	0.60%
2022	11,061,640	9,944,396	89.9%	904,123	10,848,519	98.1%	-	49,489	96,863	1.32%
2023	12,049,276	10,910,234	90.5%	991,862	11,902,096	98.8%	-	95,007	36,291	1.09%

SOURCE: City of Muskegon Treasurer' Office

City of Muskegon

TOTAL INCOME TAX COLLECTED AND NUMBER OF RETURNS FILED - GRAPHICAL

Last Ten Fiscal Years



City of Muskegon

TOTAL INCOME TAX COLLECTED AND NUMBER OF RETURNS FILED - DATA

Last Ten Fiscal Years

Income Tax 2014 - 2024

Year	2014 - 2015	2015 - 2016	2016 - 2017	2017 - 2018	2018 - 2019	2019-20	2020-21	2021-22	2022-23	2023-24
Resident	\$3,070,581	\$2,925,036	\$3,284,777	\$3,278,759	\$3,457,902	\$3,655,458	\$3,531,695	\$3,771,609	\$4,416,692	\$4,356,988
Non-Resident	3,752,932	3,575,045	4,014,691	4,007,372	4,226,325	4,467,781	4,316,516	4,609,744	5,398,179	5,325,207
Other	1,451,153	1,651,821	1,311,374	1,472,517	1,007,446	1,014,475	1,408,615	1,621,270	2,142,234	2,561,423
Total Income Tax	\$8,274,666	\$8,151,902	\$8,610,842	\$8,758,648	\$8,691,673	\$9,137,714	\$9,256,826	\$10,002,623	\$11,957,105	\$12,243,618

Number of Returns 2014-2024

Year	2014 - 2015	2015 - 2016	2016 - 2017	2017- 2018	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Resident	5,458	5,337	5,464	5,352	5,493	4,852	4,302	4,732	4,868	5,611
Non-Resident	10,631	10,713	10,578	10,278	10,256	9,426	8,301	8,524	8,343	9,505
Other	1,750	1,750	1,750	1,650	1,650	1,650	1,650	1,650	1,650	1,650
Total Returns	17,839	17,800	17,792	17,280	17,399	15,928	14,253	14,906	14,861	16,766

City of Muskegon

RATIO OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Year	Governmental Activities				Business-Type Activities				
	General Obligation Limited Tax Bonds	Installment Purchase Agreements	State Loans	Total Governmental Activities	Revenue Bonds	State Loans	Total Business- Type Activities	Total Primary Government	Per Capita
2015	\$ 6,555,436	\$ -	\$ 94,708	\$ 6,650,144	\$ 2,949,368	\$ 8,360,000	\$ 11,309,368	\$ 17,959,512	\$ 483
2016	6,243,903	-	76,509	6,320,412	2,246,962	7,675,000	9,921,962	16,242,374	436
2017	5,940,903	-	57,946	5,998,849	1,523,661	6,980,000	8,503,661	14,502,510	378
2018	5,633,903	-	39,012	5,672,915	774,614	6,270,000	7,044,614	12,717,529	331
2019	5,322,903	-	19,699	5,342,602	-	5,545,000	5,545,000	10,887,602	284
2020	24,059,753	2,123,804	-	26,183,557	-	6,607,956	6,607,956	32,791,513	854
2021	30,496,677	-	-	30,496,677	-	9,056,453	9,056,453	39,553,130	1,051
2022	29,229,777	1,173,411	-	30,403,188	-	14,374,715	14,374,715	44,777,903	1,192
2023	28,147,477	1,632,505	-	29,779,982	-	14,147,090	14,147,090	43,927,072	1,170
2024	26,994,177	1,218,703	-	28,212,880	-	15,613,476	15,613,476	43,826,356	1,167

NOTE: None of the debt issued by the City is payable through the levy of property tax millages.

SOURCE: The information in these schedules (unless otherwise noted) is derived from the annual comprehensive financial reports for the relevant year.

City of Muskegon

DIRECT AND OVERLAPPING DEBT

June 30, 2024

Name of Governmental Unit	Total Debt Outstanding	Self Supporting	Debt Supported by City General Revenues
<u>Direct Debt</u>			
City of Muskegon:			
Revenue Bonds	\$ 15,613,476	\$ 15,613,476	\$ -
Capital Improvement Bonds	26,994,177	-	26,994,177
Installment Purchase Agreements	1,218,703	-	1,218,703
Component Unit Debt:			
Local Development Finance Authority	562,824	562,824	-
Total City Direct Debt	\$ 44,389,180	\$ 16,176,300	\$ 28,212,880

	Gross	City Share as Percent of Gross	Net
<u>Overlapping Debt</u>			
Muskegon School District	\$ 78,200,000	95.66%	\$ 74,806,120
Orchard View School District	31,340,494	16.12%	5,052,088
Reeth's Puffer School District	51,292,550	0.74%	379,565
Hackley Public Library	1,385,000	95.66%	1,324,891
Muskegon County	117,195,517	13.16%	15,422,930
Muskegon Community College	22,880,000	13.16%	3,011,008
Total Overlapping Debt	\$ 302,293,561		99,996,602
Total City Direct and Overlapping Debt			\$ 128,209,482

NOTE: None of the debt issued by the City is payable through the levy of property tax millages

The percentage of overlapping debt is estimated using taxable property values. Applicable percentages were estimated by determining the portion of the City's taxable value that is within each overlapping government unit's boundaries. Details regarding the City's outstanding debt can be found in the notes to the financial statements.

SOURCE: Municipal Advisory Council of Michigan and City of Muskegon Finance Department. The information in these schedules (unless otherwise noted) is derived from the annual comprehensive financial reports for the relevant year.

City of Muskegon
LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Debt Limit	\$ 61,510,980	\$ 60,962,090	\$ 61,333,841	\$ 64,124,907	\$ 101,083,635	\$ 108,732,428	\$ 128,830,259	\$ 144,430,377	\$ 167,769,346	\$ 188,153,551
Total net debt applicable to limit	11,969,708	11,313,794	10,290,785	9,240,855	8,510,021	27,943,934	31,848,925	31,499,735	30,613,355	28,775,704
Legal debt margin	\$ 49,541,272	\$ 49,648,296	\$ 51,043,056	\$ 54,884,052	\$ 92,573,614	\$ 80,788,494	\$ 96,981,334	\$ 112,930,642	\$ 137,155,991	\$ 159,377,847
Total net debt applicable to the limit as a percentage of debt limit	19.46%	18.56%	16.78%	14.41%	8.42%	25.70%	24.72%	21.81%	18.25%	15.29%

Legal Debt Margin Calculation for 2024:

Assessed Valuation:	\$ 1,881,535,509
Legal Debt Limit (10%)	188,153,551
Total Indebtedness:	\$ 44,389,180
Debt not Subject to Limitation:	
Paid by Special Assessment	-
Revenue Bonds	(15,613,476)
Debt Subject to Limitation	28,775,704
Legal Debt Margin	\$ 159,377,847

SOURCE: The information in these schedules (unless otherwise noted) is derived from the annual comprehensive financial reports for the relevant year.

City of Muskegon
REVENUE BOND COVERAGE

Last Ten Fiscal Years

Water Supply System

Fiscal Year	Gross Revenue (a)	Direct Operating Expenses (b)	Net Revenue Available For Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2015	\$ 6,388,474	\$ 3,774,508	\$ 2,613,966	\$ 1,330,000	\$ 320,857	\$ 1,650,857	1.58
2016	7,498,376	4,460,076	3,038,300	1,370,000	283,360	1,653,360	1.84
2017	7,449,646	4,997,912	2,451,734	1,405,000	246,434	1,651,434	1.48
2018	7,507,323	4,949,807	2,557,516	1,450,000	203,106	1,653,106	1.55
2019	8,472,413	5,672,522	2,799,891	1,495,000	158,260	1,653,260	1.69
2020	8,417,771	6,374,033	2,043,738	745,000	109,916	854,916	2.39
2021	8,762,308	6,481,996	2,280,312	760,000	107,860	867,860	2.63
2022	9,026,192	7,255,731	1,770,461	994,750	146,568	1,141,318	1.55
2023	10,752,667	8,581,636	2,171,031	1,020,000	157,421	1,177,421	1.84
2024	10,477,251	8,286,595	2,190,656	1,030,000	162,364	1,192,364	1.84

Sewage Disposal System

Fiscal Year	Gross Revenue (a)	Direct Operating Expenses (b)	Net Revenue Available For Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2015			No Direct System Indebtedness				
2016			No Direct System Indebtedness				
2017			No Direct System Indebtedness				
2018			No Direct System Indebtedness				
2019			No Direct System Indebtedness				
2020	\$ 8,399,047	\$ 9,307,397	\$ (908,350)	\$ -	\$ -	\$ -	-
2021	9,298,294	7,481,042	1,817,252	-	3,151	3,151	576.72
2022	10,303,063	7,502,182	2,800,881	272,000	84,439	356,439	7.86
2023	10,190,360	7,738,670	2,451,690	275,000	124,455	399,455	6.14
2024	10,515,742	8,083,834	2,431,908	282,000	143,188	425,188	5.72

For years in which "revenue bond coverage" is less than 1.00, the shortfall was made up either by use of net position or by transfer in.

(a) "Gross Revenue" equals total operating revenues plus interest income.

(b) "Direct Operating Expenses" equal total operating expenses net of depreciation expense.

SOURCE: The information in these schedules (unless otherwise noted) is derived from the annual comprehensive financial reports for the relevant year.

City of Muskegon

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Fiscal Years

Fiscal Year	Population	Personal Income	Per Capita Income	Median Age	Public School Enrollment	Building Permits		Unemployment
						Number	Value	
2015	37,213	789,034,450	21,203	35.8	4,387	1,102	46,541,966	10.3%
2016	37,213	808,760,311	21,733	35.8	4,206	1,112	58,924,856	8.3%
2017	38,349	854,285,543	22,277	35.8	3,985	1,075	78,271,395	4.8%
2018	38,401	876,830,025	22,834	35.4	3,732	1,202	171,523,877	4.1%
2019	38,401	898,750,775	23,404	35.4	3,589	1,295	94,667,004	4.2%
2020	38,401	921,219,545	23,989	36.3	3,625	1,233	92,319,998	17.7%
2021	37,633	925,365,524	24,589	35.8	3,472	1,266	53,810,437	5.0%
2022	37,552	946,458,144	25,204	34.9	3,478	1,051	65,634,790	10.3%
2023	38,220	987,376,731	25,834	35.3	3,353	1,050	158,396,766	8.8%
2024	38,318	1,014,656,178	26,480	36.1	3,559	1,126	246,148,439	8.8%

SOURCE: US Census Bureau, Muskegon Area Intermediate School District (MAISD), City of Muskegon Inspections Department, Michigan Department of Technology, Management, & Budget

City of Muskegon

PRINCIPAL EMPLOYERS

Current Year and Ten Years Ago

Employer	2024			2015		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Mercy General Health Partners	3,536	1	28.90%	4,114	1	27.8%
County of Muskegon	1,078	2	8.81%	755	3	5.1%
State of Michigan	762	3	6.23%			
Muskegon Public School District	739	4	6.04%	565	5	3.8%
G.E. Aviation	685	5	5.60%	331	8	2.2%
ADAC Automotive	670	6	5.48%	970	2	6.6%
Muskegon Community College	459	7	3.75%	198	9	1.3%
Johnson Technologies	456	8	3.73%			
Muskegon Area Intermediate School District	400	9	3.27%			
Orthopaedic Associates	279	10	2.28%			
Port City Group Companies				667	4	4.5%
Cole's Quality Foods				180	10	1.2%
SAF Holland USA				345	7	2.3%
Baker College				476	6	3.2%

SOURCE: City of Muskegon; Muskegon Area First; Michigan Department of Energy, Labor & Economic Growth

City of Muskegon

BUDGETED FULL-TIME CITY GOVERNMENT POSITIONS BY DEPARTMENT

Last Ten Fiscal Years

Department	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Administration	-	-	-	-	-	-	-	-	-	-
Affirmative Action	1.30	1.30	1.46	0.40	1.00	1.00	1.00	1.00	1.00	1.00
Cemetaries	1.25	1.25	1.25	1.25	1.25	2.25	2.25	2.25	2.25	2.25
City Clerk & Elections	3.00	3.00	3.54	3.80	3.80	4.80	5.80	5.80	5.80	5.80
City Commission	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
City Hall Maintenance	0.55	0.55	0.55	0.55	0.55	1.05	1.00	1.00	1.00	1.00
City Manager's Office	2.05	2.05	1.75	2.75	2.75	2.75	3.30	3.30	4.30	4.30
City Treasurer's Office	5.50	5.50	5.50	5.50	5.50	5.50	5.30	5.30	5.50	5.50
Environmental Services	2.00	2.00	2.00	2.00	-	-	-	-	-	-
Farmers Market	0.05	0.05	-	0.20	1.20	1.20	0.70	0.70	1.20	1.20
Finance Administration	3.00	3.00	3.00	3.60	3.00	3.45	3.70	3.70	3.70	3.70
Fire	32.00	35.00	35.00	35.00	26.00	29.00	29.50	29.50	29.50	29.50
Fire Safety Inspections	-	-	-	-	-	-	-	-	-	-
Income Tax Administration	3.50	3.50	3.50	3.50	3.50	3.50	3.70	3.70	3.50	3.50
Information Systems	3.00	3.00	3.00	3.50	3.50	3.50	3.50	3.50	3.50	3.50
Parks	6.00	6.00	7.05	7.05	10.05	10.05	10.05	10.05	11.00	11.00
Planning, Zoning & Economic Development	3.40	3.40	3.45	3.45	5.45	6.00	7.00	7.00	6.75	6.75
Police	88.00	88.00	88.00	88.00	89.00	89.00	91.00	91.00	92.00	92.00
Sanitation	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20
Senior Transit	-	-	-	-	-	-	-	-	-	-
MVH-Major Streets	10.70	10.70	10.70	10.70	12.20	12.20	13.20	13.20	12.75	12.75
MVH-Local Streets	6.70	6.70	6.70	6.70	7.20	7.20	7.20	7.20	6.75	6.75
Community Development	4.00	4.00	4.00	3.55	3.55	4.30	5.30	5.30	5.30	5.30
Sewer Maintenance	9.80	9.80	9.80	9.80	9.80	10.80	10.95	10.95	10.70	10.70
Water Filtration	10.00	10.00	10.00	10.00	10.00	11.00	12.15	12.15	11.90	11.90
Water Maintenance	11.75	11.75	11.75	11.75	11.75	12.75	14.90	14.90	16.65	16.65
Hartshorn Marina Fund	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.25	0.25
Mercy Health Arena	-	-	-	-	-	3.00	6.00	6.00	6.50	6.50
Public Service Building	8.50	8.50	8.50	8.50	8.50	8.75	8.75	8.75	9.50	9.50
Engineering	4.95	4.95	4.95	4.95	5.95	5.20	4.25	4.25	5.50	5.50
Equipment	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25
	228.00	231.00	232.45	233.50	232.50	245.25	257.50	257.50	263.50	263.50

SOURCE: City of Muskegon Finance Department

City of Muskegon

OPERATING INDICATORS BY FUNCTION/PROGRAM

Last Ten Fiscal Years

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<u>Administrative Services</u>										
Elections										
Number of registered voters	24,014	24,005	24,612	26,136	25,182	28,127	27,889	28,004	28,004	28,699
Number of votes cast:										
Last general election	7,763	2,547	13,179	15,271	11,407	3,105	15,156	15,519	15,519	3,386
Last city election	7,763	2,547	13,179	2,254	1,938	3,105	2,968	4,459	4,459	3,386
Percentage of registered voters voting:										
Last general election	32%	11%	54%	58%	45%	11%	54%	55%	55%	16%
Last city election	32%	11%	54%	9%	8%	11%	12%	16%	16%	16%
<u>Financial Services</u>										
Property Tax Bills	14,528	14,611	14,243	14,229	14,180	15,090	15,117	15,103	15,145	15,060
Income Tax Returns	17,839	17,800	17,792	17,280	17,399	15,928	14,253	14,906	14,861	16,766
Paper Check Issued to Vendors	1,527	1,608	1,675	1,782	1,863	1,946	1,676	1,853	1,689	1,742
Electronic Payments to Vendors	1,471	1,849	1,998	2,104	2,307	2,494	2,465	3,654	3,948	4,109
<u>Public Safety</u>										
Fire Protection										
Number of firefighter and officer positions	35	35	35	23	29	26	29	25	26	27
Number of emergency calls	4,881	4,938	4,895	4,948	5,106	5,147	4,203	6,018	5,729	5,735
Police Protection										
Number of sworn officer positions	76	76	75	79	80	80	89	80	80	80
Part I (Major) Crimes	2,107	1,989	2,816	2,357	1,728	1,621	1,442	808	1,364	1,502
<u>Public Works</u>										
Refuse Collected (Tons per Year)	10,512	10,994	11,009	10,801	10,753	11,534	12,289	10,326	11,233	11,180
Recyclables Collected (Tons per Year)	-	-	-	-	-	160	224	341	356	336
Yard Waste	-	-	-	-	-	-	-	-	7,252	6,412
<u>Water & Sewer</u>										
Average daily water consumption (GPD)	8,293,570	11,027,945	10,947,233	9,559,304	10,867,590	10,674,712	7,570,000	10,789,900	10,950,579	10,619,983
Number of consumers	13,223	13,307	13,248	13,104	13,343	13,422	12,660	12,821	12,876	12,933
Water main breaks repaired	15	16	12	15	11	17	13	15	7	7
Sewer flows (Millions Gallons per Year)	2,013	1,794	1,815	1,832	2,048	2,138	1,596	1,462	1,464	1,437
Sewer Service Calls	501	521	462	451	443	475	541	426	463	497

SOURCE: City of Muskegon Departments

City of Muskegon

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

Last Ten Fiscal Years

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<u>Public Safety</u>										
Fire Protection										
Number of stations	3	3	3	3	3	3	3	3	3	3
Police Protection										
Number of stations	1	1	1	1	1	1	1	1	1	1
<u>Highways, Streets and Bridges</u>										
Miles of Streets	196.95	196.95	196.95	196.95	197.19	187.34	187.34	187.28	187.28	184.29
Number of streetlights	2,838	2,900	2,984	2,967	2,930	2,995	2,995	2,995	2,995	2,994
<u>Culture and Recreation</u>										
Number of parks (acres)	701	701	701	701	701	701	701	701	701	701
Lake Michigan beaches (acres)	119	119	119	119	119	119	119	119	119	119
Hockey/Entertainment Arena	1	1	1	1	1	1	2	2	2	2
<u>Sewer</u>										
Sanitary sewers (miles)	177.04	177.04	177.04	177.04	177.04	177.04	176.69	166.63	166.63	167.50
Storm sewers (miles)	184.35	184.35	184.35	184.35	184.35	184.35	147.58	148.38	148.38	148.38
<u>Water</u>										
Water mains (miles)	195.95	195.95	195.95	195.95	195.27	195.27	213.92	214.70	214.70	215.60

SOURCE: City of Muskegon Departments

SINGLE AUDIT OF FEDERAL FINANCIAL ASSISTANCE PROGRAMS

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

City Commission
City of Muskegon
Muskegon, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Muskegon, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise City of Muskegon's basic financial statements, and have issued our report thereon dated December 18, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Muskegon's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Muskegon's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Muskegon's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as **Findings 2024-001, 2024-002, and 2024-003** to be material weaknesses.

City Commission
City of Muskegon
Page 2

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Muskegon's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City of Muskegon's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on City of Muskegon's response to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. City of Muskegon's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Brickley DeLong, P.C." The signature is written in a cursive, flowing style.

Muskegon, Michigan
December 18, 2024

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

City Commission
City of Muskegon
Muskegon, Michigan

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited City of Muskegon's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of City of Muskegon's major federal programs for the year ended June 30, 2024. City of Muskegon's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, City of Muskegon complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of City of Muskegon and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of City of Muskegon's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to City of Muskegon's federal programs.

Report on Compliance for Each Major Federal Program—Continued

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on City of Muskegon's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about City of Muskegon's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding City of Muskegon's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of City of Muskegon's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of City of Muskegon's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

City Commission
City of Muskegon
Page 3

Report on Internal Control Over Compliance—Continued

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Brickley DeLong, P.C." The signature is written in a cursive, flowing style.

Muskegon, Michigan
December 18, 2024

City of Muskegon
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2024

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title/Identifying Number	Assistance Listing Number	Entitlement Program or Award Amount	Accrued (Unearned) Revenue July 1, 2023	Adjustments and Transfers	Cash or Payments In- Kind Received (Cash Basis)	Amount of Grant Expenditures	Accrued (Unearned) Revenue June 30, 2024	Passed Through to Subrecipients	Notes
U.S. Department of Housing and Urban Development									
Direct programs									
CDBG - Entitlement/Special Purpose Grants Cluster									
Community Development Block Grants/Entitlement Grants	14.218								
B-19-MC-26-0026		\$ 973,451	\$ 6,712	\$ -	\$ 6,712	\$ -	\$ -	\$ -	
B-20-MC-26-0026		994,698	10,644	-	50,123	64,605	25,126	-	
COVID-19 - B-20-MW-26-0026		794,564	2,045	-	9,045	7,000	-	-	
B-21-MC-26-0026		988,508	32,323	-	82,859	172,849	122,313	-	
B-22-MC-26-0026		912,894	55,902	-	150,835	120,100	25,167	-	
B-23-MC-26-0026		901,291	-	-	425,832	553,649	127,817	11,993	
Program Income		7,660	-	-	7,660	7,660	-	-	
Total CDBG - Entitlement Grants Cluster		5,573,066	107,626	-	733,066	925,863	300,423	11,993	
Home Investment Partnerships Program	14.239								
M-19-MC-26-0215		334,818	6,241	-	6,241	59,502	59,502	-	
M-20-MC-26-0215		343,362	-	-	-	-	-	-	
M-21-MC-26-0215		336,456	449	(449)	-	-	-	-	
COVID-19 - M-21-MP-26-0215		1,218,250	-	449	769	320	-	-	
M-22-MC-26-0215		339,650	11,061	-	33,966	22,905	-	-	
M-23-MC-26-0215		325,495	-	-	1,279	27,533	26,254	-	
Program Income		221,833	-	-	221,833	221,833	-	-	
Total Home Investment Partnerships Program		3,119,864	17,751	-	264,088	332,093	85,756	-	
Healthy Homes Production Program	14.913								
MIHHP0083-22		1,500,000	100,558	-	378,008	542,204	264,754	-	
Total U.S. Department of Housing and Urban Development		10,192,930	225,935	-	1,375,162	1,800,160	650,933	11,993	

City of Muskegon
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS—Continued
For the year ended June 30, 2024

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title/Identifying Number	Assistance Listing Number	Entitlement Program or Award Amount	Accrued (Unearned) Revenue July 1, 2023	Adjustments and Transfers	Cash or Payments In- Kind Received (Cash Basis)	Amount of Grant Expenditures	Accrued (Unearned) Revenue June 30, 2024	Passed Through to Subrecipients	Notes
<i>U.S. Department of Justice</i>									
Direct programs									
Bulletproof Vest Partnership Program	16.607								
2021 Grant		\$ 4,410	\$ 4,410	\$ (4,410)	\$ 2,290	\$ 2,290	\$ -	\$ -	3
Passed through Michigan Department of Health and Human Services									
Violence Against Women Formula Grants	16.588								
E20231736-00		282,512	18,752	-	51,582	32,830	-	-	
E20244624-00		282,512	-	-	122,072	137,850	15,778	-	
		565,024	18,752	-	173,654	170,680	15,778	-	
Passed through Ottawa County									
Edward Byrne Memorial Justice Assistance Grant Program	16.738								
2018-MU-BX-0886		14,313	-	-	14,313	14,313	-	-	
2022-15PBJA-22-GG-00		16,698	-	-	14,313	16,698	2,385	-	
15PBJA-23-GG-03505-JAGX		43,247	-	-	-	25,571	25,571	-	
		74,258	-	-	28,626	56,582	27,956	-	
Total U.S. Department of Justice		643,692	23,162	(4,410)	204,570	229,552	43,734	-	
<i>U.S. Department of Treasury</i>									
Passed through Michigan Department of Treasury									
Coronavirus State and Local Fiscal Recovery Funds	21.027								
COVID-19 - American Rescue Plan Act		22,881,894	(6,573,722)	-	-	1,626,157	(4,947,565)	1,107,500	
Passed through Michigan Strategic Fund									
Coronavirus State and Local Fiscal Recovery Funds	21.027								
COVID-19 - Revitalization and Placemaking Program		410,471	-	-	410,471	410,471	-	-	
Passed through Michigan Department of Environment, Great Lakes, and Energy									
Coronavirus State and Local Fiscal Recovery Funds	21.027								
COVID-19 - 7467-01		3,236,505	-	-	718,446	1,887,651	1,169,205	-	
Total U.S. Department of Treasury		26,528,870	(6,573,722)	-	1,128,917	3,924,279	(3,778,360)	1,107,500	

City of Muskegon
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS—Continued
For the year ended June 30, 2024

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title/Identifying Number	Assistance Listing Number	Entitlement Program or Award Amount	Accrued (Unearned) Revenue July 1, 2023	Adjustments and Transfers	Cash or Payments In- Kind Received (Cash Basis)	Amount of Grant Expenditures	Accrued (Unearned) Revenue June 30, 2024	Passed Through to Subrecipients	Notes
<i>Environmental Protection Agency</i>									
Passed through Department of Environment, Great Lakes, and Energy									
Capitalization Grants for Drinking Water State Revolving Funds	66.468								
7467-01		\$ 2,757,963	\$ -	\$ -	\$ 50,000	\$ 50,000	\$ -	\$ -	
<i>U.S. Department of Health and Human Services</i>									
Passed through Michigan Department of Health and Human Services									
Children's Health Insurance Program	93.767								
E20231461-00		1,395,100	249,618	-	814,237	564,619	-	-	
E20241696-00		1,500,000	-	-	727,576	962,899	235,323	-	
Total U.S. Department of Health and Human Services		2,895,100	249,618	-	1,541,813	1,527,518	235,323	-	
<i>Department of Homeland Security</i>									
Direct programs									
Assistance to Firefighters Grant	97.044								
EMW-2022-FG-06297		70,277	-	-	70,227	70,227	-	-	
TOTAL FEDERAL ASSISTANCE		\$ 43,088,832	\$ (6,075,007)	\$ (4,410)	\$ 4,370,689	\$ 7,601,736	\$ (2,848,370)	\$ 1,119,493	

The accompanying notes are an integral part of this statement.

City of Muskegon
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2024

1. The accompanying Schedule of Expenditures of Federal Awards (the “schedule”) includes the federal award activity of the City under programs of the federal government for the year ended June 30, 2024. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position or change in net position of the City.
2. Please see the financial statement footnotes for the significant accounting policies used in preparing this schedule. Expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The City is not using the ten-percent de minimis indirect cost rate as allowed under the Uniform Guidance.
3. The beginning accrual for the Bulletproof Vest Partnership Program was restated for a prior year receivable inadvertently reported on an incorrect line.
4. The following is a reconciliation of federal revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances of the City of Muskegon's financial statements for the year ended June 30, 2024 and federal expenditures per the Schedule of Expenditures of Federal Awards.

Federal revenues per City of Muskegon financial statements	
General Fund	\$ 299,779
Trinity Health Arena Fund	410,471
Water Fund	1,937,651
Other governmental funds	<u>4,724,342</u>
	7,372,243
Plus program income	<u>229,493</u>
Federal expenditures per the Schedule of Expenditures of Federal Awards	<u><u>\$ 7,601,736</u></u>

City of Muskegon
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2024

SECTION I—SUMMARY OF AUDITOR’S RESULTS

A. Financial Statements

1. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified
2. Internal control over financial reporting:
 - Material weakness(es) identified? X yes no
 - Significant deficiency(ies) identified? yes X none reported
3. Noncompliance material to financial statements noted? yes X no

B. Federal Awards

1. Internal control over major federal programs:
 - Material weakness(es) identified? yes X no
 - Significant deficiency(ies) identified? yes X none reported
2. Type of auditor’s report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? yes X no

4. Identification of major programs:

Assistance Listing Number(s)

Name of Federal Program or Cluster

U.S. Department of Treasury

21.027

• Coronavirus State and Local Fiscal Recovery Funds

5. Dollar threshold used to distinguish between type A and type B programs: **\$750,000**
6. Auditee qualified as low-risk auditee? X yes no

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding 2024-001: MATERIAL WEAKNESS—Completeness of Accounts Payable

Criteria: All material expenditures should be identified and recorded in the proper fiscal year.

Condition: There were material expenditures which were attributable to the year under audit but were not properly identified or recorded in the proper fiscal year.

Context: During our year-end substantive testing over accounts payable, we noted material unrecorded accounts payable, which resulted in significant year-end adjustments.

Effect: Failure to properly identify accounts payable can adversely affect the accuracy of the financial statements and potentially result in significant budget violations if unbudgeted transactions are not identified.

City of Muskegon
SCHEDULE OF FINDINGS AND QUESTIONED COSTS—Continued
For the year ended June 30, 2024

SECTION II – FINANCIAL STATEMENT FINDINGS—Continued

Finding 2024-001: MATERIAL WEAKNESS—Completeness of Accounts Payable—Continued

Cause: The City failed to identify significant accounts payable, and recorded the related expenditures in the wrong period.

Repeat finding: This is not a repeat finding.

Recommendation: Controls over recording expenditures and accounts payable should be strengthened such that there is a higher degree of oversight over the period in which the expenditure is recorded.

Views of responsible officials: The City agrees with the finding and will improve year-end closing procedures to ensure that all payables are recorded in the proper period.

Finding 2024-002: MATERIAL WEAKNESS—Accuracy of Compensated Absences

Criteria: The liability for compensated absences should be calculated accurately and reconciled to detailed supporting documentation during the financial close process.

Condition: There were unrecognized material clerical errors made in the calculation of the liability for compensated absences.

Context: During our year-end substantive testing over compensated absences, we noted clerical errors resulting in a material misstatement of the liability for compensated absences.

Effect: The City was unable to accurately calculate the liability for compensated absences.

Cause: The City experienced personnel changes which resulted in difficulty consistently following City accounting procedures.

Repeat finding: This is not a repeat finding.

Recommendation: The City should review its accounting procedures with appropriate personnel and regularly review compliance with these procedures.

Views of responsible officials: The City agrees with the finding and will improve year-end closing procedures to ensure that the liability for compensated absences is properly recorded at year-end.

Finding 2024-003: MATERIAL WEAKNESS—Completeness of Leases Receivable

Criteria: All material leases receivable should be identified and recorded.

Condition: There were material leases receivable which were not recorded in the City's accounting records.

Context: During our inquiries of City personnel, we noted unrecorded leases receivable, which resulted in significant year-end adjustments.

City of Muskegon
SCHEDULE OF FINDINGS AND QUESTIONED COSTS—Continued
For the year ended June 30, 2024

SECTION II – FINANCIAL STATEMENT FINDINGS—Continued

Finding 2024-003: MATERIAL WEAKNESS—Completeness of Leases Receivable

Effect: Failure to properly identify material account balances can result in a material misstatement of the financial statements.

Cause: The City failed to identify significant leases receivable, so the related receivables and deferred inflows of resources were not properly recorded.

Repeat finding: This is not a repeat finding.

Recommendation: The City should regularly review its portfolio of leases receivable with all relevant supervisory personnel to ensure it is complete.

Views of responsible officials: The City agrees with the finding and will improve communication between departments to ensure that all leases are identified and properly recorded.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

NONE

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CLIENT DOCUMENTS

Affirmative Action
(231)724-6703
FAX (231)722-1214

Assessor/
Equalization Co.
(231)724-6386
FAX (231)724-1129

Cemetery/Forestry
(231)724-6783
FAX (231)724-4188

City Manager
(231)724-6724
FAX (231)722-1214

Clerk
(231)724-6705
FAX (231)724-4178

Comm. & Neigh.
Services
(231)724-6717
FAX (231)726-2501

Computer Info.
Technology
(231)724-4126
FAX (231)722-4301

Engineering
(231)724-6707
FAX (231)727-6904

Finance
(231)724-6713
FAX (231)726-2325

Fire Department
(231)724-6795
FAX (231)724-6985

Human Resources
Co. (Civil Service)
(231)724-6442
FAX (231)724-6840

Income Tax
(231)724-6770
FAX (231)724-6768

Mayor's Office
(231)724-6701
FAX (231)722-1214

Planning/Zoning
(231)724-6702
FAX (231)724-6790

Police Department
(231)724-6750
FAX (231)722-5140

Public Works
(231)724-4100
FAX (231)722-4188

SafeBuilt
(Inspections)
(231)724-6715
FAX (231)728-4371

Treasurer
(231)724-6720
FAX (231)724-6768

Water Billing
(231)724-6718
FAX (231)724-6768

Water Filtration
(231)724-4106
FAX (231)755-5290



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

December 18, 2024

U.S. Department of Housing and Urban Development
Washington D.C.

City of Muskegon respectfully advises you that there were ***no*** audit findings reported in our single audit report, dated December 27, 2023, for the year ended June 30, 2023.

Sincerely,

A handwritten signature in black ink, appearing to read "Ken Grant", is positioned above the printed name.

Ken Grant
Finance Director

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CORRECTIVE ACTION PLAN

December 18, 2024

U.S. Department of Housing and Urban Development
Washington D.C.

City of Muskegon respectfully submits the following Corrective Action Plan for the year ended June 30, 2024.

Name and address of independent public accounting firm:

Brickley DeLong, P.C.
P.O. Box 999
Muskegon, Michigan 49443

Audit period: June 30, 2024

The findings from the Schedule of Findings and Questioned Costs for the year ended June 30, 2024 are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding 2024-001: MATERIAL WEAKNESS—Completeness of Accounts Payable

Recommendation: Controls over recording expenditures and accounts payable should be strengthened such that there is a higher degree of oversight over the period in which the expenditure is recorded.

Action Taken: The Finance department will create an end of fiscal year checklist for all departments to ensure that accounts payable are recorded in the proper fiscal year. The Finance Analyst will review all payables above \$25,000 to make sure that they are recorded in the proper period.

Responsible Person and Anticipated Completion Date: Finance Analyst, June 30, 2025

City of Muskegon, 933 Terrace Street, P.O. Box 536, Muskegon, MI 49443-0536
<http://www.shorelinecity.com>

SECTION II – FINANCIAL STATEMENT FINDINGS—Continued

Finding 2024-002: MATERIAL WEAKNESS—Accuracy of Compensated Absences

Recommendation: The City should review its accounting procedures with appropriate personnel and regularly review compliance with these procedures.

Action Taken: The Payroll Clerk will run the proper reports from the City's payroll system. The Payroll Clerk will review the data from the report with her supervisor. The Payroll Clerk will enter the data on the spreadsheet which will be reviewed a second time by the Financial Manager for errors.

Responsible Person and Anticipated Completion Date: Financial Manager, June 30, 2025

Finding 2024-003: MATERIAL WEAKNESS—Completeness of Leases Receivable

Recommendation: The City should regularly review its portfolio of leases receivable with all relevant supervisory personnel to ensure it is complete.

Action Taken: The Finance Director will work with all departments to identify leases receivable during the budget process. The Finance Director will also have Division Heads forward all new lease contracts to the Finance Director to determine whether they need to be added to the City's leases receivable list. Finally, when items are added to the Commission Agenda for approval, Division Heads will identify items that are leased over multiple years.

Responsible Person and Anticipated Completion Date: Finance Director, June 30, 2025

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were **no** findings in relation to the major federal award program.

If the U.S. Department of Housing and Urban Development has questions regarding this plan, please call Ken Grant at (231) 724-6932.

Sincerely,



Ken Grant
Finance Director



Agenda Item Review Form

Muskegon City Commission

Commission Meeting Date: January 14, 2025	Title: Approval of Minutes															
Submitted by: Ann Meisch, City Clerk	Department: City Clerk															
Brief Summary: To approve minutes of the December 2nd Special Commission Meeting, the December 9th Commission Worksession Meeting, and the December 10th City Commission Meeting.																
Detailed Summary & Background:																
Goal/Focus Area/Action Item Addressed: <u>Key Focus Areas:</u> <u>Goal/Action Item:</u>																
Amount Requested:	Budgeted Item: <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <tr> <td style="width: 15%;">Yes</td> <td style="width: 15%;"></td> <td style="width: 15%;">No</td> <td style="width: 15%;"></td> <td style="width: 15%;">N/A</td> <td style="width: 15%;">X</td> <td style="width: 15%;"></td> </tr> </table>	Yes		No		N/A	X									
Yes		No		N/A	X											
Fund(s) or Account(s):	Budget Amendment Needed: <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <tr> <td style="width: 15%;">Yes</td> <td style="width: 15%;"></td> <td style="width: 15%;">No</td> <td style="width: 15%;"></td> <td style="width: 15%;">N/A</td> <td style="width: 15%;">X</td> <td style="width: 15%;"></td> </tr> </table>	Yes		No		N/A	X									
Yes		No		N/A	X											
Recommended Motion: Approval of the minutes.																
Approvals: <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">Immediate Division Head</td> <td style="width: 10%;"></td> <td style="width: 20%;"></td> </tr> <tr> <td>Information Technology</td> <td></td> <td></td> </tr> <tr> <td>Other Division Heads</td> <td></td> <td></td> </tr> <tr> <td>Communication</td> <td></td> <td></td> </tr> <tr> <td>Legal Review</td> <td></td> <td></td> </tr> </table>	Immediate Division Head			Information Technology			Other Division Heads			Communication			Legal Review			Guest(s) Invited / Presenting: No
Immediate Division Head																
Information Technology																
Other Division Heads																
Communication																
Legal Review																

CITY OF MUSKEGON

SPECIAL CITY COMMISSION **MEETING**

December 2, 2024 @ 3:00 PM

MUSKEGON RESCUE MISSION

400 W. LAKETON AVE., MUSKEGON, MI 49442

MINUTES

A quorum of the City Commission met at the Muskegon Rescue Mission.

Present: Mayor Ken Johnson, Vice Mayor Rebecca St.Clair, Commissioners Katrina Kochin, Jay Kilgo, and Willie German, Jr., City Manager Jonathan Seyferth

Absent: Commissioners Destinee Keener and Rachel Gorman

Dan Skoglund, Melissa Boughner, and Jonathan Scouten gave the Commission a tour of the men's facility, the Community Resource Center, and the Bright Futures Daycare and Preschool.

ADJOURNMENT: The meeting adjourned at 4:50 p.m.

Respectfully Submitted,

Ann Marie Meisch, MMC
City Clerk

CITY OF MUSKEGON

CITY COMMISSION WORKSESSION

December 9, 2024 @ 5:30 PM
MUSKEGON CITY COMMISSION CHAMBERS
933 TERRACE STREET, MUSKEGON, MI 49440
MINUTES

CALL TO ORDER

Present: Mayor Ken Johnson, Vice Mayor Rebecca St.Clair, Commissioners Destinee Keener (left at 6:56 p.m.), Rachel Gorman, Katrina Kochin, and Jay Kilgo, City Manager Jonathan Seyferth, and City Clerk Ann Marie Meisch
Absent: Commissioner Willie German, Jr.

2024-99 NEW BUSINESS

A. Muskegon Social Equity Program - Economic Development Grants Planning

The Planning Department has created a draft Facade Improvement Grant that would utilize funds from the Muskegon Social Equity Program (MSEP). The MSEP application has been updated to show the proposed Facade Improvement Grant, which can be found at the end of the document. Any commercial, industrial or non-profit business located within one mile of a marihuana retailer would be eligible for up to \$10,000 in grant funding, with no matching funds required. This grant is intended to beautify our commercial corridors by funding building facade improvements, signage upgrades, parking lot improvements, landscaping, fencing/screening, etc. In June of this year, the Commission approved the plan to allocate 35% (\$56,870) of the MSEP funds towards business grants, with a proposed program to be presented at a later date. Mike Franzak, Planning Director, explained the item and answered questions. There was a consensus of the City Commission.

B. Beach Parking Fees Summer 2025 - Update Manager's Office

Staff is requesting a change to the recently approved beach parking fees. In an effort to address concerns with the newly adopted beach parking fees, staff is recommending the following changes:

Reduce the weekend daily rate from \$20 per day to \$15 per day.

Offer a special sale price for the month of December 2024 for seasonal passes. Each person purchasing a 2025 season pass at a city office will receive 1 free 2025 season pass. Members of the public are welcome to purchase as many

season passes as they wish, but only one free pass will be provided. City Manager Jonathan Seyferth and Deputy City Manager LeighAnn Mikesell gave an overview of the item. Commission suggested that the BOGO should end January 16, 2025, and that they should be limited to two free passes. It was also suggested that the weekend would mean Saturday and Sunday.

C. 880 First St. Demolition- Asbestos Abatement Proposal Economic Development

City staff requests approval of Asbestos Abatement Inc.'s proposal for asbestos abatement to proceed with the approved demolition of the 880 First St. structure. The City of Muskegon solicited bids from qualified contractors for the demolition of the building located at 880 First St., Muskegon, MI 49440. The scope of work includes complete demolition and removal of the structure, including all foundations and footings, backfilling the site, hydroseeding, and asbestos abatement. The primary objective is to eliminate blight, improve the area's aesthetic appeal, and encourage economic development by preparing the site for future opportunities.

Asbestos Abatement Inc. was awarded the bid by the City Commission on October 8, 2024. They have completed an asbestos survey. To proceed with demolition, asbestos abatement must be completed. Asbestos Abatement Inc. has submitted their abatement proposal.

Scope of Work

- Removal and disposal of asbestos-containing materials as identified in the NESHAP survey dated 11/25/24.
- Required personal air monitoring and clearances included.
- Continuous third-party air monitoring is **not** included.
- State notifications and permits included.

Total Cost: \$94,125

City Manager Jonathan Seyferth explained the item.

PUBLIC COMMENT: Public comments received.

ADJOURNMENT: Motion by Commissioner Kochin, second by Vice Mayor St.Clair to adjourn at 7:09 p.m.

MOTION PASSES

Respectfully Submitted,

Ann Marie Meisch, MMC City Clerk

CITY OF MUSKEGON

CITY COMMISSION MEETING

December 10, 2024 @ 5:30 PM

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

MINUTES

The Regular Commission Meeting of the City of Muskegon was held at City Hall, 933 Terrace Street, Muskegon, Michigan at 5:30 p.m., Tuesday, December 10, 2024. Pastor Apollo McCullough from Port City Church, opened the meeting with prayer, after which the Commission and public recited the Pledge of Allegiance to the Flag.

ROLL CALL

Present: Mayor Ken Johnson, Vice Mayor Rebecca St.Clair, Commissioners Jay Kilgo, Rachel Gorman, and Katrina Kochin, City Manager Jonathan Seyferth, City Attorney John Schrier, and City Clerk Ann Marie Meisch
Absent: Commissioners Willie German, Jr., and Destinee Keener

PUBLIC COMMENT ON AGENDA ITEMS

Public comments received.

2024-100 CONSENT AGENDA

A. Approval of Minutes City Clerk

To approve minutes of the November 26, 2024, City Commission Meeting.

STAFF RECOMMENDATION: Approval of the minutes.

B. Sale of 1221 Sanford Planning

Staff is seeking authorization to sell the vacant lot at 1221 Sanford to Kara Novak (Orangefin Properties LLC). Kara Novak (Orangefin Properties LLC) would like to purchase the vacant buildable lot at 1221 Sanford for \$4,125 (75% of the True Cash Value of \$5,500) plus half of the closing costs and the fee to register the deed. Kara Novak (Orangefin Properties LLC) will be constructing a single-family home on the property. The County traded the City this address after selling us 1694 Pine in error, which was already part of a development agreement with Allen Edwin Homes.

STAFF RECOMMENDATION: Authorize the Code Coordinator to complete the sale of 1221 Sanford, as described in the purchase agreement, and to have the Mayor and Clerk sign both the purchase agreement and the deed.

C. Resolution Designating a Portion of Western Avenue as "L.C. Walker Way" in Honor of Louis Carlisle Walker Manager's Office

This resolution proposes designating a portion of Western Avenue as "L.C. Walker Way" in honor of Louis Carlisle Walker, co-founder of the Shaw-Walker Company. L.C. Walker significantly influenced Muskegon's industrial growth, economic development, and cultural life. His philanthropic efforts include contributions to the Hackley Art Gallery and the creation of the L.C. Walker Arena, integral to the City's community and entertainment landscape. The designation, covering Western Avenue between Division and Franklin Streets, adds an honorary title without changing official addresses. Signage will commemorate his contributions, symbolizing his enduring legacy in Muskegon's history and civic identity.

STAFF RECOMMENDATION: To approve the resolution to designate a portion of Western Avenue as "L.C. Walker Way" in honor of Louis Carlisle Walker.

D. MDNR Urban & Community Forestry Grant Public Works

Staff seeks authorization to enter into an agreement with the West Michigan Shoreline Regional Development Commission (WMSRDC) for administration of a \$225,000 MDNR forestry grant on behalf of the City.

Staff worked with WMSRDC to apply for a forestry grant that will provide a complete inventory of all publicly-owned trees within the City. The data will include location, species, condition, a photo and more. The data will be presented to the City in a software system that will integrate with DPW's asset management and GIS software, and will recommend actions that will improve the health of each tree, or will recommend removal of a tree if necessary. WMSRDC will manage the grant, and the agreement sets up the framework for that to happen. The grant is exclusively for the City of Muskegon, however WMSRDC's environmental programs staff has more experience applying for and managing grants of this type. The grant also includes a limited amount of tree removals and plantings, which City staff will perform in concert with WMSRDC's management. The City's staff and equipment time (worth \$43,500) is the only match necessary, which will be accommodated within the department's budget.

STAFF RECOMMENDATION: Authorize staff to enter into an agreement with the West Michigan Shoreline Regional Development Commission (WMSRDC) for administration of a \$225,000 MDNR forestry grant on behalf of the City.

E. Ordinance Change: Parental Responsibility Ordinance Public Safety

The City of Muskegon's Parental Responsibility Ordinance needs to change its definition of juvenile from under the age of 17 years to under the age of 18 years to follow State of Michigan law.

In 2021, in accordance with the Michigan Juvenile Justice Reform Act of 2018, the definition of juvenile changed from age 17 and under to 18 and under in MCL Section 712A.1.

STAFF RECOMMENDATION: I move to change the definition of minor in the City of Muskegon's Parental Responsibility Ordinance from any juvenile under the age of 17 to any juvenile under the age of 18.

F. Cost of Living Adjustment - Non-Union Employees Manager's Office

At the end of the calendar year, management recommends an adjustment to non-union wages. Union wage adjustments are planning through their various contracts.

The administration recommends a 3.3% cost-of-living adjustment (COLA). This COLA is consistent with US Bureau of Labor Statistics (BLS) data, which shows that as of mid-November 2024 (the period for which information is most recently available), inflation was 3.3% for the Midwest region compared to a year ago (BLS report follows this memo).

STAFF RECOMMENDATION: I move to approve the 3.3% wage increase for non-union team members effective January 1, 2025.

G. Non Union Part Time & Limited Term Wage Matrix Employee Relations

Each year we update the Part-time and Limited-term Wage Matrix for the upcoming year.

STAFF RECOMMENDATION: Approve the recommendations for the 2025 Part-time and Limited-term Wage Matrix.

H. Rezoning of 1095 3rd St from B-2 to FBC, NC. SECOND READING Planning

Staff initiated request to rezone a portion of 1095 3rd Street from Convenience Comparison Business (B-2), to Form Based Code, Neighborhood Core.

The City of Muskegon recently sold the former "Catholic Charities" property at the corner of 3rd/Houston. The developer plans to rehab the existing building into apartments and to also add additional residential units, such as rowhouses, on the vacant portion of land along Houston Ave. The portion of the property that contains the existing building is zoned Form Based Code, Mainstreet. Staff is proposing to rezone the current B-2 portion of the property to Form Based Code, Neighborhood Core. Staff believes this zoning designation would allow the most flexibility for different types of housing units, as the addition is still being designed.

The Planning Commission unanimously voted (7-0, 2 absent) to recommend approval of the rezoning.

STAFF RECOMMENDATION: I move to approve the request to rezone the property at 1095 3rd St from B-2, Convenience and Comparison Business to Form Based Code, Neighborhood Core.

K. Mutual Aid Box Alarm System Public Safety

The City of Muskegon Fire Department would like to enter into the interlocal agreement with the Muskegon County Mutual Aid Box Alarm System (MABAS) Division 3602.

As was discussed during the Legislative Policy Committee meeting on Monday, Dec. 2, the Mutual Aid Box Alarm System (MABAS) is a statewide mutual aid agreement that covers liability and authority to receive and provide mutual aid to other Fire Departments that have signed the MABAS Agreement. These department resources that come from across the state or in the neighboring community.

Through mutual aid, MI-MABAS has the capability to provide emergency response locally or statewide when lives, property or the environment is threatened by man-made, technological or natural disasters or emergencies by deploying fire resources, emergency medical services, technical rescue teams, hazardous materials teams and other special rescue operations needed and requested by the host/stricken community.

There are currently 13 fire departments in the Muskegon County MABAS Division 3602.

STAFF RECOMMENDATION: I move to have the Mayor and the City Clerk sign the resolution for the City of Muskegon Fire Department to participate in the Muskegon County Mutual Aid Box Alarm System Division.

L. Emergency Sewage Pump & Haul Public Works

Staff is requesting retroactive authorization to pay for sewage pumping and hauling services provided by West Michigan Septic, Sewer & Drain at the Muskegon Correctional Facility site.

The Muskegon Correctional Facility (MCF) on Sheridan Drive has a sewer pump station that pumps the facility's sewage into the City's sewer mains. A 1971 agreement required the State to pay for the construction of the sewer pump station, and it also required the City to maintain the pump station at its expense. A 2016 assessment found this station to be deteriorating and undersized. The City began pushing the State to build a new pump station, and construction finally began this fall. According to the current construction schedule, the new pump station should be completed within the next month.

Unfortunately, the existing pump station suffered a catastrophic failure on the morning of December 1. An emergency pump and haul operation was immediately implemented to keep the MCF operational. West Michigan Septic, Sewer & Drain provided two trucks with staff to remove and haul sewage around the clock for 57 hours. The pump and haul operation was ended upon the installation of a temporary pumping system. Staff is requesting retroactive authorization to pay the invoice from West Michigan Septic, Sewer & Drain for \$30,825.00.

STAFF RECOMMENDATION: Authorize staff to pay West Michigan Septic, Sewer & Drain \$30,825.00 for emergency sewage pumping and hauling services.

N. 880 First St. Demolition- Asbestos Abatement Proposal Economic Development

City staff requests approval of Asbestos Abatement Inc.'s proposal for asbestos abatement to proceed with the approved demolition of the 880 First St. structure.

The City of Muskegon solicited bids from qualified contractors for the demolition of the building located at 880 First St., Muskegon, MI 49440. The scope of work includes complete demolition and removal of the structure, including all foundations and footings, backfilling the site, hydroseeding, and asbestos abatement. The primary objective is to eliminate blight, improve the area's aesthetic appeal, and encourage economic development by preparing the site for future opportunities.

Asbestos Abatement Inc. was awarded the bid by the City Commission on October 8, 2024. They have completed an asbestos survey, and the report is available for your review. To proceed with demolition, asbestos abatement must be completed. Asbestos Abatement Inc. has submitted their abatement proposal, which is also available for your review.

Scope of Work

- Removal and disposal of asbestos-containing materials as identified in the NESHAP survey dated 11/25/24.
- Required personal air monitoring and clearances included.
- Continuous third-party air monitoring is **not** included.
- State notifications and permits included.

Total Cost: \$94,125

STAFF RECOMMENDATION: I move to approve the asbestos abatement proposal submitted by Asbestos Abatement Inc. for the property located at 880 First St., Muskegon, MI 49440, in the amount of \$94,125.

O. Concur with CRC Recommendations to Accept Resignations and Make Appointment City Clerk

To concur with the Community Relations Committee recommendation to accept the resignation of Barry Williams from the Housing Commission and to appoint Jesse De Los Santos.

STAFF RECOMMENDATION: Concur with the Community Relations Committee recommendation to accept the resignation of Barry Williams from the Housing Commission and to appoint Jesse De Los Santos.

Motion by Commissioner Kilgo, second by Vice Mayor St.Clair, to approve the Consent Agenda minus Items I, J, and M.

ROLL VOTE: Ayes: St.Clair, Johnson, Kilgo, Gorman, and Kochin
Nays: None

MOTION PASSES

2024-101 ITEMS REMOVED FROM THE CONSENT AGENDA

I. Beach Parking Fees Summer 2025 - Update Manager's Office

Staff is requesting a change to the recently approved beach parking fees. Staff is recommending the following changes to address concerns about the newly adopted beach parking fees.

The weekend (Saturday and Sunday) daily rate will be reduced from \$20 to \$15. Weekday rates (Monday, Tuesday, Thursday, and Friday) will be \$10 per day, and Wednesdays will be a free day.

We will offer a special sale price for seasonal passes until January 16, 2025. The special will be a buy one full-price beach pass and get another pass free. Public members are welcome to purchase as many season passes as they wish, but only up to two free passes will be provided (you must buy two full-price passes to receive two free passes).

STAFF RECOMMENDATION: To approve the modifications to the 2025 beach parking rates as recommended.

Motion by Commissioner Kochin, second by Commissioner Kilgo, to approve the modifications to the 2025 beach parking rates as recommended.

ROLL VOTE: Ayes: Kochin, St.Clair, Johnson, Kilgo, and Gorman
Nays: None

MOTION PASSES

J. Senior Municipal Funding FY25 Community & Neighborhood Services

To approve allocations of the Municipal Senior Millage funding to City programs geared toward citizens who are 60 years of age, or older. An allocation of

\$122,780.00 from the County of Muskegon FY24 Municipal Senior Millage funding is budgeted for the following programs;

Home Repairs (CNS): \$102,780.00

Senior Power of Produce: \$20,000.00

STAFF RECOMMENDATION: To approve the budget proposed for City of Muskegon programs utilizing FY25 Municipal Senior Millage Funds from the County of Muskegon.

Motion by Commissioner Kochin, second by Commissioner Kilgo, to approve the budget proposed for City of Muskegon programs utilizing FY25 Municipal Senior Millage Funds from the County of Muskegon.

ROLL VOTE: Ayes: Gorman, Kochin, St.Claire, Johnson, and Kilgo
Nays: None

MOTION PASSES

M. Amity Bridge Removal MDOT Project Agreement Public Works

Staff requests authorization to enter into an agreement with the Michigan Department of Transportation (MDOT) for the removal of the Amity Bridge, including \$433,208 in federal funding with \$138,967 of local match for a total of \$599,250.

City staff submitted this project to the local bridge program several years ago and multiple times, and in 2022 were informed the Amity Bridge Removal was selected. The Engineering Department has worked with MDOT to develop project plans, and the project agreement is ready to be executed. It is included with this item, and is of the standard MDOT format.

STAFF RECOMMENDATION: To authorize staff to enter into an agreement with the Michigan Department of Transportation (MDOT) for the removal of the Amity Bridge, including \$433,208 in Federal Funding with \$138,967 of local match for a total of \$599,250.

Motion by Commissioner Kochin, second by Vice Mayor St.Claire, to authorize staff to enter into an agreement with the Michigan Department of Transportation (MDOT) for the removal of the Amity Bridge, including \$433,208 in Federal Funding with \$138,967 of local match for a total of \$599,250.

ROLL VOTE: Ayes: Gorman, Kochin, St.Claire, Johnson, and Kilgo
Nays: None

MOTION PASSES

2024-102 PUBLIC HEARINGS

A. Brownfield Plan Amendment, Lakeshore Hotel Partners, LLC, 181 and 201 Viridian Drive Economic Development

Lakeshore Hotel Partners, LLC has submitted a Brownfield Plan Amendment for the Harbor 31 Hotel redevelopment at 181 and 201 Viridian Drive. The project involves constructing a five-story hotel with 126 rooms, and 146 parking spaces. The project site, located at 181 and 201 Viridian Drive, is currently vacant but has a long history of industrial use dating back to the 1800s. This industrial activity has left the property with various contaminants. The developer is in the process of completing both a Phase I Environmental Site Assessment (ESA) and a Baseline Environmental Assessment (BEA).

The contaminants identified on-site include benzo(a)pyrene, fluoranthene, naphthalene, phenanthrene, arsenic, cadmium, chromium (total), copper, lead, selenium, zinc, and nickel. Given the historical usage and the presence of these contaminants, the property qualifies as an eligible property under the Michigan Redevelopment Financing Act, Act 381 of 1996.

A Brownfield Plan has been established to reimburse both existing and anticipated eligible costs to the developer. Tax increment revenues (TIR) will be captured from local sources only to facilitate this reimbursement. The total cost of eligible activities anticipated for reimbursement, inclusive of contingencies, is estimated at \$2,392,792. Additionally, the BRA administrative costs are expected to be up to \$364,771, with an estimated capture of TIR for the Local Brownfield Revolving Fund (LBRF) up to \$890,145.

Project Overview and Tax Increment Financing Plan

The redevelopment project, with an initial taxable value set at the 2024 combined amount of \$200,800, is scheduled to begin construction in fall 2024 and reach completion by fall 2025. Upon completion, the taxable value of the property is projected to increase to approximately \$5,000,000.

Tax Increment Revenue (TIR) Collection

Tax increment revenue collection will commence within five years of the plan's adoption, it is anticipated to start as early as 2026. An estimated schedule of captured taxable value by year is presented in Table 2 of the Brownfield Plan. Reimbursements will be based on the actual tax increment realized. Once all eligible expenses have been reimbursed, the Brownfield Redevelopment Authority (BRA) may capture up to five additional years of tax increment revenues to deposit into the Local Brownfield Revolving Fund (LBRF), or until the total eligible activity costs are met, whichever is sooner.

Public Act 255 Commercial Redevelopment Act Tax Abatement

The project also seeks a 12-year tax abatement under Public Act 255, the Commercial Redevelopment Act, to support the redevelopment efforts.

Plan Duration and Capture Timeline

The plan is designed to remain in place for 25 years or until all eligible activities are fully reimbursed. If eligible costs are covered sooner, up to five additional years of TIR capture may continue for LBRF funding. However, the maximum

plan duration will not exceed 30 years.

Eligible Activities and Costs

The following are the estimated costs for eligible activities under this plan:

- Site Assessment and Baseline Environmental Assessment Activities: \$20,000
- Site Demolition Activities: \$10,000
- Due Care Activities: \$370,000
- Site Preparation: \$997,000
- Local Only Eligible Activities Subtotal: \$1,397,000
- Contingency (15%): \$205,050
- Interest Expense (5%): \$770,742
- Brownfield Plan/Work Plan Preparation: \$10,000
- Brownfield Plan/Work Plan Implementation: \$10,000

Total Cost for Local Only Eligible Activities: \$2,392,792

STAFF RECOMMENDATION: I motion to approve the resolution for the Brownfield Plan Amendment for the Harbor 31 Hotel and authorize the City Mayor and City Clerk to sign the resolution.

The Public Hearing opened to hear and consider any comments from the public. No public comments were made.

Motion by Commissioner Kilgo, second by Vice Mayor St.Clair, to close the Public Hearing and approve the resolution for the Brownfield Plan Amendment for the Harbor 31 Hotel and authorize the City Mayor and City Clerk to sign the resolution.

ROLL VOTE: Ayes: Gorman, Kochin, St.Clair, Johnson, and Kilgo

Nays: None

MOTION PASSES

ANY OTHER BUSINESS

Mayor Johnson stated that there was an incident at a local business located at Hackley and Barclay, vandalism of the owners vehicle. The act was abhorrent and unacceptable. Wanted to acknowledge that this happened and repudiate it and urge folks to support the business owner.

Commissioner Kilgo mentioned the City's leaf ordinance, leaves cannot be raked into streets and alleys. Would like us to take a look at this issue.

PUBLIC COMMENT ON NON-AGENDA ITEMS

Public comments received.

ADJOURNMENT

The City Commission Meeting adjourned at 6:43 p.m.

Respectfully Submitted,

Ann Marie Meisch, MMC, City Clerk



Agenda Item Review Form

Muskegon City Commission

Commission Meeting Date: January 14, 2025	Title: Cameras for City Hall and Police Department							
Submitted by: Ann Meisch, City Clerk	Department: City Clerk							
Brief Summary: City staff have identified a need to update and improve our building security at City Hall.								
Detailed Summary & Background: Staff recommends we purchase a fully advanced, cloud-based solution providing us with 24/7 access to the cameras without the need to worry about the security challenges of hosting the footage in-house. After going through product trials with multiple solutions, staff recommended Verkada, the lowest-cost solution from Sentinel. The majority of the system will be purchased using a \$30,000 Election Security Grant received by the Clerk's Office and the remaining amount of \$2,753.62 comes from the General Fund. The action will require a budget amendment to both revenue and expenditures.								
Goal/Focus Area/Action Item Addressed: <u>Key Focus Areas:</u> <u>Goal/Action Item:</u>								
Amount Requested: \$2,753.62 General Fund, \$30,000 Grant Funded	Budgeted Item: <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <tr> <td style="width: 12.5%;">Yes</td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;">No</td> <td style="width: 12.5%;">X</td> <td style="width: 12.5%;">N/A</td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> </tr> </table>	Yes		No	X	N/A		
Yes		No	X	N/A				
Fund(s) or Account(s): General Fund	Budget Amendment Needed: <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <tr> <td style="width: 12.5%;">Yes</td> <td style="width: 12.5%;">X</td> <td style="width: 12.5%;">No</td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;">N/A</td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;"></td> </tr> </table>	Yes	X	No		N/A		
Yes	X	No		N/A				
Recommended Motion: Authorize staff to enter into an agreement to purchase the Verkada system in the amount of \$32,753.62.								
Approvals: <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Immediate Division Head</td> <td style="width: 10%; text-align: center;">X</td> <td style="width: 30%;"></td> </tr> <tr> <td>Information</td> <td style="text-align: center;">X</td> <td></td> </tr> </table>	Immediate Division Head	X		Information	X		Guest(s) Invited / Presenting: No	
Immediate Division Head	X							
Information	X							

Technology			
Other Division Heads			
Communication			
Legal Review			



We have prepared a contract for you

City Hall Cameras

Budgetary Proposal # 007678

Prepared for:

City Of Muskegon

Jason Boes
jason.boes@shorelinecity.com



Verkada Cameras 5YR

Product Description	Qty	Price	Ext. Price
Verkada Hardware			
Discount	1	(\$4,000.00)	(\$4,000.00)
Angle Mount, 30 deg	1	\$75.34	\$75.34
PoE++ (802.3bt-2018) Injector, GigE, High Surge Protect, NA	2	\$90.51	\$181.02
CB62-E Outdoor Bullet Camera, 512GB, 30 Days Max	1	\$909.61	\$909.61
CD62 Indoor Dome Camera, 512GB, 30 Days Max	20	\$757.92	\$15,158.40
CD62-E Outdoor Dome Camera, 512GB, 30 Days Max	2	\$859.04	\$1,718.08
CF83-E Outdoor Fisheye Camera, 512GB, 30 Days Max \$	1	\$909.61	\$909.61
CH52-E Outdoor Multisensor Camera, 1TB, 30 Days Max	2	\$1,819.72	\$3,639.44
Shipping & Handling	1	\$523.60	\$523.60
Verkada Licensing			
Initial Term: 60 Months Requested Start Date: Upon Shipment Billing Model: Prepaid Renewal Term: Requote			
5-Year Camera License	24	\$454.55	\$10,909.20
5-Year CH52 Multisensor Camera License	2	\$1,364.66	\$2,729.32
Solution Subscriptions - Unless explicitly indicated otherwise within this contract, the below term for these subscription services will automatically renew, absent at least ninety (90) days' notice of cancelation by Customer before the start of the renewal term. For subscription services that do not automatically renew, Customer must provide Sentinel with at least ninety (90) days' notice of its intention to renew the services and shall hold Sentinel harmless from any service interruption to result from the cessation of services due to Customer's failure to provide timely notice as stated herein.			

Subtotal: **\$32,753.62**



Invoicing, General Terms and Assumptions

Hardware Invoicing

☒ Upon Shipment

If over \$100K, 50% deposit at time of order, will be invoiced in advance of shipment.

Subscription/License Invoicing

☒ At the beginning of the contract - In Full

By issuing a purchase order in response to this quote or contract, Customer hereby agrees to be bound by the below terms and conditions, which shall prevail in the event of a conflict with any terms and conditions included within Customer's purchase order.

- *The manufacturer/support provider has the right to inspect any products that have either never had support coverage or have not had support coverage for an extended period to determine their eligibility for maintenance/support. Devices subject to inspection will be flagged as such and are subject to a non-refundable inspection fee, which shall be the responsibility of Customer. Sentinel will work with the manufacturer/support provider on Customer's behalf until device eligibility is determined. Devices that do not pass the inspection will be ineligible for support.*
- *For products purchased pursuant to this agreement, Contractor agrees to provide storage at no additional charge for up to 90 days. If the storage period exceeds 90 days, Customer agrees to the following: a.) Customer will be responsible to pay a fee of 2% per month for storage of purchased products from that point forward, b.) Customer will be invoiced and will be responsible to pay the unpaid balance for any products purchased from Contractor that have not been paid in full and, c.) Ownership will transfer from Contractor to Customer.*
- *For all products purchased, it is assumed that prior to order execution with Contractor, Customer has reviewed, understood, and agreed to each manufacturer's respective terms and conditions governing the purchase of products, including, but not limited to, applicable warranties, order cancellation, and return policies. In the event of a return request, Sentinel may assist Customer by facilitating the request between Customer and the manufacturer. In addition, product return requests will be subject to Sentinel's own return policies, which may include restocking fees and/or shipping and handling costs.*
- *Under no circumstances will Customer have the right to withhold payment to Sentinel due to an alleged breach of any express or implied warranties with regard to the products purchased herein. Any such claim shall be handled directly between the manufacturer and Customer. If Contractor receives any financial relief or incentives intended for Customer as a result of a settlement between Customer and the manufacturer, Contractor agrees to pass through the incentives or financial relief to Customer.*



City Hall Cameras

Prepared by:

Sentinel Technologies, Inc

Patrick Elkins

pelkins@sentinel.com

Prepared for:

City Of Muskegon

933 Terrace St

Muskegon, MI 49440-1348

Jason Boes

+12317243345

jason.boes@shorelinecity.com

Contract Information:

Budgetary Proposal # 007678

Version: 4

Delivery Date: 11/21/2024

Expiration Date: 11/30/2024

Quote Summary

Description	Amount
Verkada Cameras 5YR	\$32,753.62

Total: \$32,753.62

Taxes, shipping, handling and other fees may apply. We reserve the right to cancel orders arising from pricing or other errors.

Regarding the resale of any products, pricing may be subject to a manufacturer price increase before the expiration date of the quote.

Total Project - Project Total Cost is based on the combined purchase of all Hardware/Software, Professional Services and Solution Maintenance from Sentinel as detailed in the attached Bill of Materials. Unbundling or materially reducing any of these essential elements of the solution may result in modifications to the cost of the remaining elements.

TO: City of Muskegon
Jason Boes
933 Terrance
Muskegon, MI 49440

jason.boes@shorelinecity.com
(p) 231.724.3345

FROM: Presidio Networked Solutions Group, LLC
Matt Boes
625 Kenmoor Avenue
Suite 309
Grand Rapids, MI 49546

mortwineboes@presidio.com
(p) +1.616.871.1517

BILL TO: City of Muskegon
Jason Boes
933 Terrace St.
Muskegon, MI 49440

jason.boes@shorelinecity.com
(p) 231.724.3345

SHIP TO: City of Muskegon
Jason Boes
933 Terrace St.
Muskegon, MI 49440

jason.boes@shorelinecity.com
(p) 231.724.3345

Customer#: CITYM041

Contract Vehicle: Michigan REMC SAVE 2024-27 Networking & Security Contract

Account Manager: Matt Boes

Inside Sales Rep: Sandra Terrell

Title: Physec - Alta Cloud Camera System

Comments: *Pricing here is for camera equipment and licensing only. Cable and camera installation services have not been included.

#	Part #	Description	Unit Price	Qty	Ext Price
1	15C-H5A-3MH-30	5MP; 30 Day; Alta; 3 head H5A Multisensor Camera; up to 10 year warranty with an active Aware license	\$1,486.17	4.00	\$5,944.68
2	12C-H5A-4MH-30	3MP; 30 Day; Alta; 4 head H5A Multisensor Camera; up to 10 year warranty with an active Aware license	\$1,536.57	1.00	\$1,536.57
3	9C-H5A-3MH-30	3MP; 30 Day; Alta; 3 head H5A Multisensor Camera; up to 10 year warranty with an active Aware license	\$1,316.07	1.00	\$1,316.07
4	5.0C-H6SL-BO1-IR-30	5MP; 30 Day; Alta; WDR; Day/Night Outdoor Bullet; 3.4-10.5mm f/1.6 Integrated IR; up to 10 year warranty with an active Aware license	\$881.37	1.00	\$881.37
5	3.0C-H6SL-D1-30	3MP; 30 Day; Alta; WDR; Day/Night Indoor Dome; 3.4-10.5mm f/1.6; up to 10 year warranty with an active Aware license	\$465.57	14.00	\$6,517.98
6	360-W-30	Ava cloud-native camera - 360 White. 12MP resolution. 30 days retention. AI-powered; IR and advanced microphone array; indoor and outdoor; up to 10 year warranty with an active Aware license.	\$881.37	2.00	\$1,762.74
7	CRNMT-1001	CORNER MNT FOR LRGE PENDT WLMT-1001	\$91.35	4.00	\$365.40
8	H5AMH-AD-PEND1	Outdoor pendant mount adapter. For use with the Avigilon H5A Multisensor	\$125.55	4.00	\$502.20
9	WLMT-1001	Wall Mount for large pendant camera	\$76.43	4.00	\$305.72
10	H5AMH-DO-COVR1	Dome bubble and cover; for outdoor surface mount or pendant mount; clear. For use with the Avigilon H5A Multisensor	\$125.55	4.00	\$502.20
11	H4AMH-DC-CPNL1	Drop Ceiling Metal Panel for H4 Multisensor	\$81.77	2.00	\$163.54
12	H5AMH-AD-CEIL1	In-ceiling adapter; must order either a H5AMH-DC-COVR1 or H5AMH-DC-COVR1-SMOKE.	\$111.51	2.00	\$223.02
13	H5AMH-DC-COVR1	Dome bubble and cover; for in-ceiling mount; clear. For use with the Avigilon H5A Multisensor	\$55.43	2.00	\$110.86
14	H4AMH-AD-IRIL1	Optional IR illuminator ring; up to 30m (100ft); for use with H4AMH-DO-COVR1.	\$245.32	4.00	\$981.28
15	POE60U-1BTE	Gigabit 802.3bt 60 W PoE Injector; Indoor; single port	\$111.51	4.00	\$446.04
16	AWA-CLD-5Y	Alta Video Subscription; per camera; including 30 days cloud storage; 5 years	\$503.37	23.00	\$11,577.51

Sub Total: \$33,137.18



QUOTE: 2001824024749-01

DATE: 11/11/2024

PAGE: 2 of 2

Shipping:	\$220.00
Grand Total:	\$33,357.18

This quote is governed by Terms and Conditions of REMC SAVE 2024-27 Networking & Security Contract
Standard-Terms-for-Purchase-of-Services or Goods
Quote valid for 30 days from date shown above.
All prices subject to change without notice. Supply subject to availability.

Purchase Order should be issued to:
Presidio Networked Solutions Group LLC
625 Kenmoor Avenue, Suite 309
Grand Rapids, MI 49546

Pursuant to this contract your PO must reflect the following contract:
REMC SAVE 2024-27 Networking & Security Contract

Tax ID# 76-0515249; Size Business: Large; CAGE Code: OKDO5; DUNS#15-405-0959; CEC 15-506005G
Credit: Net 30 days (all credit terms subject to prior Presidio credit department approval)
Delivery: FOB Terms Destination

Customer hereby authorizes and agrees to make timely payment for products delivered and services rendered, including payments for partial shipments

Customer Signature

Date



We have prepared a contract for you

City Hall Cameras

Budgetary Proposal # 007678

Prepared for:

City Of Muskegon

Jason Boes
jason.boes@shorelinecity.com



Meraki Cameras

Product Description	Qty	Price	Ext. Price
Initial Term: 60 Months Requested Start Date: Upon booking Billing Model: Prepaid Renewal Term: Requote			
<i>Solution Subscriptions - Unless explicitly indicated otherwise within this contract, the below term for these subscription services will automatically renew, absent at least ninety (90) days' notice of cancelation by Customer before the start of the renewal term. For subscription services that do not automatically renew, Customer must provide Sentinel with at least ninety (90) days' notice of its intention to renew the services and shall hold Sentinel harmless from any service interruption to result from the cessation of services due to Customer's failure to provide timely notice as stated herein.</i>			
MERAKI MV ENTERPRISE LICENSE AND SUPPORT	32	\$580.91	\$18,589.12
Meraki Varifocal Lens MV73 Dome, 8MP Outdoor Camera- 512GB	3	\$999.47	\$2,998.41
Meraki 360-degree MV93, Outdoor rated fish eye camera- 512GB	1	\$908.56	\$908.56
Meraki Varifocal Lens MV23 Dome, 8MP Indoor Camera- 512GB	20	\$863.11	\$17,262.20
WIDE ANGLE MV12 MINI DOME HD CAMERA WITH	8	\$388.30	\$3,106.40
Subtotal:			\$42,864.69



Invoicing, General Terms and Assumptions

Hardware Invoicing

☒ Upon Shipment

If over \$100K, 50% deposit at time of order, will be invoiced in advance of shipment.

Subscription/License Invoicing

☒ At the beginning of the contract - In Full

By issuing a purchase order in response to this quote or contract, Customer hereby agrees to be bound by the below terms and conditions, which shall prevail in the event of a conflict with any terms and conditions included within Customer's purchase order.

- *The manufacturer/support provider has the right to inspect any products that have either never had support coverage or have not had support coverage for an extended period to determine their eligibility for maintenance/support. Devices subject to inspection will be flagged as such and are subject to a non-refundable inspection fee, which shall be the responsibility of Customer. Sentinel will work with the manufacturer/support provider on Customer's behalf until device eligibility is determined. Devices that do not pass the inspection will be ineligible for support.*
- *For products purchased pursuant to this agreement, Contractor agrees to provide storage at no additional charge for up to 90 days. If the storage period exceeds 90 days, Customer agrees to the following: a.) Customer will be responsible to pay a fee of 2% per month for storage of purchased products from that point forward, b.) Customer will be invoiced and will be responsible to pay the unpaid balance for any products purchased from Contractor that have not been paid in full and, c.) Ownership will transfer from Contractor to Customer.*
- *For all products purchased, it is assumed that prior to order execution with Contractor, Customer has reviewed, understood, and agreed to each manufacturer's respective terms and conditions governing the purchase of products, including, but not limited to, applicable warranties, order cancellation, and return policies. In the event of a return request, Sentinel may assist Customer by facilitating the request between Customer and the manufacturer. In addition, product return requests will be subject to Sentinel's own return policies, which may include restocking fees and/or shipping and handling costs.*
- *Under no circumstances will Customer have the right to withhold payment to Sentinel due to an alleged breach of any express or implied warranties with regard to the products purchased herein. Any such claim shall be handled directly between the manufacturer and Customer. If Contractor receives any financial relief or incentives intended for Customer as a result of a settlement between Customer and the manufacturer, Contractor agrees to pass through the incentives or financial relief to Customer.*



City Hall Cameras

Prepared by:

Sentinel Technologies, Inc

Patrick Elkins

pelkins@sentinel.com

Prepared for:

City Of Muskegon

933 Terrace St

Muskegon, MI 49440-1348

Jason Boes

+12317243345

jason.boes@shorelinecity.com

Contract Information:

Budgetary Proposal # 007678

Version: 4

Delivery Date: 12/11/2024

Expiration Date: 11/30/2024

Quote Summary

Description	Amount
Meraki Cameras	\$42,864.69

Total: \$42,864.69

Taxes, shipping, handling and other fees may apply. We reserve the right to cancel orders arising from pricing or other errors.

Regarding the resale of any products, pricing may be subject to a manufacturer price increase before the expiration date of the quote.

Total Project - Project Total Cost is based on the combined purchase of all Hardware/Software, Professional Services and Solution Maintenance from Sentinel as detailed in the attached Bill of Materials. Unbundling or materially reducing any of these essential elements of the solution may result in modifications to the cost of the remaining elements.



Agenda Item Review Form

Muskegon City Commission

Commission Meeting Date: January 14, 2025	Title: EGLE Grant Development Agreement, City of Muskegon and Muskegon Limited Dividend Housing Association, Lofts of Muskegon, 122 W. Muskegon Ave.
Submitted by: Contessa Alexander, Development Analyst	Department: Economic Development
Brief Summary: Muskegon Limited Dividend Housing Association has been invited to apply for an EGLE Grant in the amount of \$850,000 on behalf of the City of Muskegon.	
Detailed Summary & Background: Muskegon Limited Dividend Housing Association, LLC (the developer) has been invited to apply for an EGLE Grant on behalf of the City of Muskegon (applicant) for the proposed Lofts of Muskegon development located at 122 W. Muskegon Avenue. The grant request totals \$850,000. The site, last occupied by a fast-food restaurant from 1997 to 2015, is currently vacant. The proposed redevelopment involves the construction of a 4-story multifamily affordable housing complex with 46 units, following the demolition of existing site features. The total private investment is estimated at approximately \$16 million, with the creation of two part-time jobs anticipated. Due to its historical uses—including a gas station, battery storage shop, dry cleaner, and auto repair shop—the site has documented contamination. Soil and soil gas samples collected from the property reveal the presence of contaminants, necessitating the proper management of contaminated soil and the implementation of a vapor mitigation system (VMS) to safeguard indoor air quality for future residents. Grant funds will be utilized to cover the design and installation of the VMS and the removal and proper disposal of contaminated soil generated during site demolition and redevelopment (excluding the cost of excavation). The project is expected to commence in March 2025, with completion anticipated by March 2026. EGLE requires a development agreement between the applicant and the developer, outlining the responsibilities of each party. A draft of the proposed development agreement is attached for review.	
Goal/Focus Area/Action Item Addressed: Key Focus Areas: Diverse housing types Diversity reflected in businesses and business owners Improved reputation for inspections department Micro-commercial areas in neighborhoods	

Retain youth within the city
Neighborhood commercial center development
Progress toward completion of ongoing economic development projects

Goal/Action Item:

2027 Goal 2: Economic Development Housing and Business

Amount Requested:

N/A

Budgeted Item:

Yes		No		N/A	
-----	--	----	--	-----	--

Fund(s) or Account(s):

N/A

Budget Amendment Needed:

Yes		No		N/A	
-----	--	----	--	-----	--

Recommended Motion:

I move to approve the EGLE grant development agreement between the City of Muskegon and Muskegon Limited Dividend Housing Association, LLC, for the Lofts of Muskegon project at 122 W. Muskegon Ave. and authorize the City Mayor to sign.

Approvals:

Immediate Division Head	
Information Technology	
Other Division Heads	
Communication	
Legal Review	

Guest(s) Invited / Presenting:

No

**CITY OF MUSKEGON, MICHIGAN
BROWNFIELD REDEVELOPMENT GRANT AGREEMENT**

This Brownfield Redevelopment Grant Agreement (the “Agreement”) made by the City of Muskegon Brownfield Redevelopment Authority, a Michigan public body corporate whose address is 933 Terrace Street, Muskegon, MI 49443 (the “Authority”), the City of Muskegon, a Michigan municipal corporation, whose address is 933 Terrace St., Muskegon, Michigan 49440 (the “City”); the Muskegon Housing Commission (the “Sponsor”), and Muskegon Limited Dividend Housing Association LLC, an Ohio company, with a business address of 9100 Centre Pointe Drive, Suite 210, West Chester, Ohio 45069 (the “Developer”).

RECITALS

WHEREAS, ~~The~~the Sponsor is a nonprofit member of the Developer, and the Developer intends to develop the property in the City of Muskegon which is described on the attached Exhibit A (the “Property”) and which, as defined by Part 201 of Michigan’s Natural Resources and Environmental Protection Act (P.A. 451 of 1994, as amended), is an “eligible property” and is therefore commonly referred to as a “brownfield”, and

WHEREAS, the City has applied for and expects to receive a \$850,000 Michigan Department of Environment, Great Lakes & Energy (EGLE, formerly Department of Environmental Quality) Brownfield Redevelopment Grant (the “Grant Funds”), as authorized by Part 196 of Michigan Public Act 451 of 1994 the Natural Resources and Environmental Protection Act (the “Part 196”) on the behalf of the Developer; and

WHEREAS, pursuant to Part 196, Grant Funds are to be used to undertake cleanup of brownfield sites by making low interest loans and grants to parties willing to undertake cleanup of these sites; and that the LEDC is responsible for the administration of the Grant Funds; and

WHEREAS, the City intends to use the Grant Funds to reimburse costs incurred by the Developer for undertaking certain work related to the assessment, investigation, remediation, and mitigation of environmental contamination (the “Developer Eligible Activities”) in connection with the redevelopment of the Property, per the Michigan Department of Environment, Great Lakes & Energy (EGLE, formerly Department of Environmental Quality) Brownfield Redevelopment Grant Contract (Project Name: Lofts of Muskegon, Location Code: NA, Tracking Code: NA) (“Grant Contract”), a copy of which is attached as Exhibit B, and approved EGLE Work Plan (together the “Project”). As part of the Project, the City may conduct certain eligible public infrastructure improvement activities as further described in the Work Plan (“City Eligible Activities”);

Brennen J. Gorman [BG1] December 5, 2024 10:39 AM
If we could more clearly spell out the project itself, I think it would be beneficial.

WHEREAS, to effectuate this reimbursement, the Grant Funds shall be funded by the City to the Sponsor, which Sponsor is a member of the Developer, and the Sponsor shall contribute or loan the Grant Funds (as determined by Developer’s tax counsel) to the Developer to reimburse Developer Eligible Activities undertaken in accordance with the terms of this Agreement.

AGREEMENT

NOW THEREFORE, for good and valuable consideration including the mutual covenants of the Parties made herein, the receipt and sufficiency of which consideration is hereby acknowledged, the parties agree as follows:

1.0 Reimbursement Source.

1.1 During the Term (as defined below) of this Agreement, and subject to and as provided by the terms and conditions of this Agreement, and subject to determination by the City in its sole discretion that the Developer has sufficient funding and the Project is otherwise likely to be completed and occupied, the Authority agrees to use the Grant Funds to ~~reimburse~~fund the Sponsor, which shall effectuate the reimbursement of the Developer and City ~~for~~ for the costs of their Eligible Activities, as defined by Part 196, per Grant Contract and Work Plan, in an amount not to exceed the amount of the Grant. The amount reimbursed to the Developer and City, respectively, for their Eligible Activities shall not exceed the Total Grant Funds, and reimbursements shall be made on approved costs submitted and approved in connection with the Developer Eligible Activities and the City Eligible Activities, as follows:

1.1.1 the Authority shall pay 100% of available Grant Funds to the City until such time as the City is paid in full for 100% of the City Eligible Expenses; and

1.1.2 At such time as the City is paid in full for 100% of the City Eligible Expenses, the Authority shall pay 100% of available Grant Funds to Developer to reimburse the cost of the remaining Developer Eligible Activities submitted and approved for reimbursement by the Authority until Developer is fully reimbursed.

~~**1.2**~~ The Developer accepts and agrees to the requirements and limitations stated in the terms and conditions of the Grant Contract and Work Plan, a copy of which is attached as Exhibit B, and which terms and conditions are incorporated herein by reference. The Developer agrees to comply with such terms and conditions to the extent same are under its control or influence, even though the Developer is not a party to the Grant Contract, and to fully cooperate with the City in the City's efforts to comply with said terms and conditions.

2.0 Developer's Indemnification. The Developer acknowledges that the City and Authority will have certain obligations under the Grant Contract and Work Plan and agrees to indemnify and hold harmless the City, its employees, officers, agents, and assigns for any and all losses incurred by the City or Authority, including reasonable and actually incurred attorney's fees, related to the terms and conditions of the Grant Contract and Work Plan, which losses are caused directly and proximately by the acts or omissions of the Developer, its employees, officers, agents, and assigns. Both the Grant Contract and

McKinney, Emily [ME2] January 6,
2025 02:16 PM

Note to drafter: Can we get a determination of how much this will be, so that we can confirm if we have adequate funding for the Developer's project?

Work Plan are incorporated by reference upon their creation. Developer agrees to comply with all conditions of the Grant Contract and Work Plan.

3.0 Developer Reimbursement Process.

3.1 The Developer, with the Sponsor's consent, shall submit to the Authority, not more frequently than on a quarterly basis, a "Request for Cost Reimbursement" for Developer Eligible Activities paid for by the Developer during the prior period. All costs for the Developer Eligible Activities must be consistent with the approved Grant Contract and Work Plan. The Developer must include documentation sufficient for the Authority to determine whether the costs incurred were for Developer Eligible Activities, including detailed invoices and proof of payment. Copies of all invoices for Developer Eligible Activities must note what Developer Eligible Activities they support.

~~3.2~~ Unless the Authority disputes whether such costs are for Developer Eligible Activities within thirty (30) days after receiving a Request for Cost Reimbursement from the Developer, the Authority shall pay the ~~Developer~~ Sponsor the amounts for which submissions have been made pursuant to paragraph 1 of this Agreement, from which the costs shall be wholly or partially paid from available Grant Funds. The Sponsor agrees to accept such Grant Fund amounts and remit them to the Developer for reimbursement of the approved costs. The Authority shall have no further liability with respect to the Grant Funds after they have been funded to the Sponsor.

3.1.1 ~~3.2.1~~ The Developer and Sponsor shall cooperate with the Authority's review of its Request for Cost Reimbursement by providing all customarily required and necessary supplemental information and documentation which may be reasonably requested by the Authority. The Developer and Sponsor each agrees to provide to the Authority with all information reasonably requested by the Authority.

3.1.2 ~~3.2.2~~ If the Authority determines that requested costs are ineligible for reimbursement, the Authority shall notify the Sponsor and Developer in writing of its reasons for such ineligibility within the Authority's thirty (30) day period of review. The Developer and Sponsor shall then have thirty (30) days to provide supplemental information or documents to the Authority demonstrating that the costs are for Developer Eligible Activities and are eligible for reimbursement.

3.2 ~~3.3~~ The Authority is not required to reimburse the Sponsor or Developer from any source other than Grant Funds.

3.3 ~~3.4~~ The Authority shall send all payments to the Developer by registered or certified mail, addressed to the Developer at the address shown below, or by electronic funds transfer directly to the Developer's bank account. The Developer may change its address by providing written notice sent by registered or certified mail to the Authority.

4.0 City Reimbursement Process.

- 4.1 The City shall submit to the Authority, not more frequently than on a quarterly basis, a “Request for Cost Reimbursement” for City Eligible Activities paid for by the City during the prior period. All costs for the City Eligible Activities must be consistent with the approved Grant Contract and Work Plan. The City must include documentation sufficient for the Authority to determine whether the costs incurred were for City Eligible Activities, including detailed invoices and proof of payment. Copies of all invoices for City Eligible Activities must note what City Eligible Activities they support.
- 4.2 Unless the Authority disputes whether such costs are for City Eligible Activities within thirty (30) days after receiving a Request for Cost Reimbursement from the City, until such time as the City is paid in full for 100% of the City Eligible Expenses, the Authority shall pay the City the amounts for which submissions have been made pursuant to paragraph 4.2 of this Agreement in accordance with the priority set forth in paragraph 1, from which the submission may be wholly or partially paid from available Grand Funds.
- 4.2.1 The City shall cooperate with the Authority's review of its Request for Cost Reimbursement by providing supplemental information and documentation which may be reasonably requested by the Authority. The City agrees to provide to the Authority with all information reasonably requested by the Authority.
- 4.2.2 If the Authority determines that requested costs are ineligible for reimbursement, the Authority shall notify the City in writing of its reasons for such ineligibility within the Authority's thirty (30) day period of review. The City shall then have thirty (30) days to provide supplemental information or documents to the Authority demonstrating that the costs are for City Eligible Activities and are eligible for reimbursement.
- 4.3 The Authority shall send all payments to the City by registered or certified mail, addressed to the City at the address shown above, or by electronic funds transfer directly to the City's bank account. The City may change its address by providing written notice sent by registered or certified mail to the Authority.

- 5.0 **Term.** The Authority's obligation to reimburse Developer and City for the Eligible Activities incurred under this Agreement shall terminate earlier of the date when all reimbursements to the Developer and City under this Agreement or for **Eligible Activities completed prior to December 31, 2027 (the “Term”)**. This Agreement is subject to the approval and receipt of the Grant Funds. If the City's grant application is not approved and funded by EGLE then this Agreement shall be deemed null and void.

McKinney, Emily [ME3] January 6, 2025 02:39 PM
[Parties to confirm this is adequate time.](#)

- 6.0 The Sponsor's and Developer's addresses are as follows:

Developer:

Mail: 9100 Centre Pointe Drive, Suite 210
West Chester, Ohio 45069

Attn: J.P. Buckingham
Email: jp.buckingham@tritterra.us
Phone: (517) 853-2151

Sponsor:

MAIL: 1080 Terrace Street
Muskegon, MI 49442-3346

Attn: [REDACTED]

Email: [REDACTED]

Phone: (231) 722-2647

7.0 The City's addresses are as follows:

Mail: 601 Terrace St.
Muskegon, MI 49440

Attn: City Attorney
Email: john@parmenterlaw.com
Phone: 231-722-5401

7.0 Assignment. This Agreement and the rights and obligations under this Agreement shall not be assigned or otherwise transferred by any party without the consent of the other parties, which shall not be unreasonably withheld, conditioned or delayed, provided, however, the Developer and City may assign their interest in this Agreement to ~~an affiliate~~ one of their respective affiliates, as defined below without the prior written consent of the City if such affiliate acknowledges its obligations to the City under this Agreement upon assignment in writing on or prior to the effective date of such assignment. As used in this paragraph, "affiliate" means any corporation, company, partnership, limited liability company, trust, sole proprietorship or other entity or individual which (a) is owned or controlled by the Developer or City (as applicable), (b) owns or controls the Developer or City (as applicable) or (c) is under common ownership or control with the Developer or City (as applicable). This Agreement shall be binding upon and inure to the benefit of any successors or permitted assigns of the parties. Own, control and common ownership shall mean that not less than 80% of the ownership/control of the assignee is owned and controlled by Developer.

8.0 Miscellaneous.

8.1 All notices shall be given by registered or certified mail addressed to the parties at their respective addresses as shown above. Any party may change the address by written notice sent by registered or certified mail to the other party.

8.2 The headings preceding each section of this Agreement are for convenience of reference only and shall not affect the construction or meaning of the provisions hereof.

- 8.3** If any part of this Agreement is found to be invalid or unenforceable, it shall not affect any remaining portion of this Agreement, which shall continue to be in full force and effect and be severable from any invalid provision.
- 8.4** This Agreement, including any exhibits hereto, constitutes the entire agreement between the Parties and shall supersede any other agreements, written or oral, dated prior to the execution of this Agreement. No provision of this Agreement may be waived, changed, cancelled, modified or discharged orally, but only by an agreement in writing and signed by the Party against whom enforcement of any waiver, change, cancellation, modification or discharge is sought. This Agreement represents the entire agreement between the Parties, and fully and completely sets forth all terms and conditions of the transactions embodied in this Agreement.
- 8.5** No delay or failure by either party to exercise any right under this Agreement, and no partial or single exercise of that right, constitutes a waiver of that or any other right, unless otherwise expressly provided herein.
- 8.6** Except as otherwise provided in this Agreement, all representations, warranties, covenants and agreements of the parties contained or made pursuant to this Agreement shall survive the execution of this Agreement.
- 8.7** The recitals set forth above are incorporated by reference into the Agreement as if fully set forth therein.
- 8.8** This Agreement may be executed in counterparts, each of which is an original and all of which together constitute one and the same instrument.
- 8.9** This Agreement shall be binding upon, and inure to the benefit of and be enforceable by, the Parties and their respective legal Representatives, permitted successors and assigns.
- 8.10** The Parties hereby agree that this Agreement shall be governed by and construed and enforced in accordance with the internal laws of the State of Michigan without giving reference to principles of conflict of laws. The state courts of the State of Michigan shall have jurisdiction to hear and determine any dispute among the Parties pertaining directly or indirectly to this Agreement or any matter arising therefrom, and Developer expressly consents and submits in advance to such jurisdiction in any action or proceeding commenced in such courts by either Party hereto. The Parties agree that for purposes of any dispute in connection with this Agreement, the Muskegon County Circuit Court shall have exclusive personal and subject matter jurisdiction and venue.

(Signatures on the following page)

The City – City of Muskegon

By: _____
Name: Ken Johnson
Title: Mayor

By: _____
Name: Ann Meisch
Title: Clerk

~~Developer – Muskegon Limited Dividend Housing Association, Ltd.~~

~~By: _____
Name: _____
Title: _____~~

**The Developer – Lofts of Muskegon Limited Dividend Housing Association LLC,
a Michigan limited liability company**

By: PHP Lofts of Muskegon LLC,
an Ohio limited liability company
Its: Managing Member

By: Pivotal GP Holding LLC,
a Georgia limited liability company
Its: Sole Member

By: _____
Name: _____
Its: Authorized Signer

The Sponsor – Muskegon Housing Commission

By: _____
Name: _____
Title: _____

EXHIBIT A
LEGAL DESCRIPTION OF PROPERTY

Land situated in the City of Muskegon, Muskegon County, Michigan:

Block 331, except the Easterly 59 feet thereof, and except the Northerly 175 feet thereof,
Revised Plat (of 1903) of the City of Muskegon, according to the Plat thereof, as recorded in
Liber 3 of Plats, Page 71.

Parcel #: 61-24-205-331-0001-00

Commonly known as: 122 W. Muskegon Avenue, Muskegon, MI 49440.

EXHIBIT B
MICHIGAN DEPARTMENT OF ENVIRONMENT, GREAT LAKES & ENERGY
BROWNFIELD REDEVELOPMENT GRANT

DRAFT

Summary report: Litera Compare for Word 11.10.0.38 Document comparison done on 1/6/2025 2:42:27 PM	
Style name: Default Style	
Intelligent Table Comparison: Active	
Original filename: Developer EGLE Grant Agreement - The City of Muskegon and MLDFA_bjg edits 12.5.docx	
Modified DMS: iw://dinsmore.cloudmanage.com/DINSMORE/52212160/2	
Changes:	
Add	55
Delete	18
Move From	0
Move To	0
Table Insert	0
Table Delete	0
Table moves to	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	73



Agenda Item Review Form

Muskegon City Commission

Commission Meeting Date: January 14, 2025	Title: Ordinance Change: Parental Responsibility Ordinance - SECOND READ									
Submitted by: Timothy Kozal, Public Safety Director	Department: Public Safety									
Brief Summary: The City of Muskegon's Parental Responsibility Ordinance, Chapter 54, Article VII, Section 54-218 needs to update its definition of juvenile from under the age of 17 years to under the age of 18 years to follow State of Michigan law.										
Detailed Summary & Background: In 2021, in accordance with the Michigan Juvenile Justice Reform Act of 2018, the definition of juvenile changed from age 17 and under to 18 and under in MCL Section 712A.1.										
Goal/Focus Area/Action Item Addressed: <u>Key Focus Areas:</u> <u>Goal/Action Item:</u>										
Amount Requested: N/A	Budgeted Item: <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%; text-align: center;">Yes</td> <td style="width: 25%; text-align: center;">No</td> <td style="width: 25%; text-align: center;">N/A</td> <td style="width: 25%; text-align: center;"> ☒ </td> </tr> </table>	Yes	No	N/A	☒					
Yes	No	N/A	☒							
Fund(s) or Account(s): N/A	Budget Amendment Needed: <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%; text-align: center;">Yes</td> <td style="width: 25%; text-align: center;">No</td> <td style="width: 25%; text-align: center;">N/A</td> <td style="width: 25%; text-align: center;"> ☒ </td> </tr> </table>	Yes	No	N/A	☒					
Yes	No	N/A	☒							
Recommended Motion: I move to change the definition of minor in Chapter 54, Article VII, Section 54-218 of the Code of Ordinances of the City of Muskegon to any juvenile under the age of 18.										
Approvals: <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Immediate Division Head</td> <td style="width: 10%; text-align: center;"> ☒ </td> <td style="width: 30%;"></td> </tr> <tr> <td>Information Technology</td> <td style="text-align: center;"> ☐ </td> <td></td> </tr> <tr> <td>Other Division Heads</td> <td style="text-align: center;"> ☐ </td> <td></td> </tr> </table>	Immediate Division Head	☒		Information Technology	☐		Other Division Heads	☐		Guest(s) Invited / Presenting: No
Immediate Division Head	☒									
Information Technology	☐									
Other Division Heads	☐									

Communication			
Legal Review			

**City of Muskegon
Parental Responsibility Ordinance**

DIVISION 3. PARENTAL RESPONSIBILITY

Sec. 54-281. Definitions.

The following words, terms and phrases when used in this division, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Criminal acts means those acts which violate statutes of the state or the ordinances of the city.

Habitual offender means one who commits two or more criminal acts within a 12-month period.

Minor means any juvenile under the age of 17 years residing with his parents.

Parent means mother, father, legal guardian or any other adult person having the care or custody of a minor or with whom a minor may be found residing.

Sec. 54-282. Finding of fact.

The city commission finds and determines that many crimes committed by minors are a direct result of a failure on the part of the parents of such minors to exercise reasonable parental control and supervision over the activities of such minors and that some parents have allowed or encouraged their minor children to commit criminal acts or become delinquent within the meaning of the state probate code as pertains to juveniles, contrary to the best interests of the community.

Sec. 54-283. Penalty for violation of division.

Any parent, legal guardian, or person determined responsible for a minor who is found guilty of a violation of this division shall be responsible for a civil infraction.

Sec. 54-284. Notice to parent when minor arrested.

Whenever a minor shall be arrested or detained for the commission of any criminal act within the city, the parent of such minor shall be immediately notified by the police department, either by personally delivering the notice in writing, or by United States mail, advising the parent of such arrest or detention, the reasons there for and his responsibility under this division. A record of such notification shall be kept by the police department.

Sec. 54-285. Parental neglect--Prohibited.

It shall be unlawful for the parent of any minor to fail to exercise reasonable parental control and supervision of any minor, which failure results in the minor committing any criminal act, or to allow or encourage any minor to commit any criminal act or become delinquent in accordance with the probate code as it pertains to juveniles.

Sec. 54-286. Same--Presumptions and required proof.

In any prosecution for a violation of section 54-285:

- (1) The presence of property stolen by a minor upon the premises occupied by the parent shall be prima facie evidence that the parent has failed to exercise reasonable parental control over the minor.
- (2) The parent of a habitual offender shall be presumed to have failed to exercise reasonable parental control over a minor who commits subsequent criminal offenses.
- (3) Failure of the parent to report a felony or high court misdemeanor committed by the minor, of which the parent has knowledge, to the police, shall be prima facie evidence of a failure of the parent to exercise reasonable parental control.
- (4) Violation by a minor of the provisions of section 54-241 or of any other lawful curfew shall be prima facie evidence that the parent has failed to exercise reasonable parental control over the minor.
- (5) Trial or conviction of a minor for a criminal act giving rise to the charge against the parent shall not be required in order to convict the parent. Proof beyond a reasonable doubt that the minor did in fact commit the criminal act shall, however, be required in order to convict the parent.



Michigan Supreme Court

State Court Administrative Office

Court Services Division

Michigan Hall of Justice

P.O. Box 30048

Lansing, Michigan 48909

Phone (517) 373-4835

MEMORANDUM

DATE: March 24, 2021

TO: Family Division Judges
Family Division Administrators
Circuit Court Administrators

FROM: Tanya Morrow, Management Analyst

RE: Public Act 389 of 2020 (SB 700)
Detainment of Status Offenders Who Violate a Valid Court Order

Part of the Juvenile Justice Reform Act of 2018¹ requires the state's Juvenile Justice and Delinquency Plans be modified to provide alternatives to detention, reduce the number of children in secure detention and correctional facilities, and promote evidence-based programs and practices. [Public Act 389 of 2020](#) will bring the state into compliance with the requirements of the Juvenile Justice Reform Act of 2018. It amends the Juvenile Code to address the detainment of status offenders under the jurisdiction of the court who violate a valid court order. This legislation was signed into law on January 4, 2021, and is effective April 4, 2021. This memo is intended to provide a summary of the legislation and guidance to courts to assist with successful implementation.

[MCL 712A.1](#) amends the definition of juvenile to a person less than 18 years of age. This provides for the change in age from 17 years of age to 18 years of age effective October 1, 2021. Additionally, the amendments define the terms "public agency" and "secured facility".

[MCL 712A.15](#) amends the definition of the term "petition" to include a petition or supplemental petition for violation of valid court order for status offenders.

MCL 712A.15(2) removes juveniles who have run away from the list of children who may be taken into custody pending a hearing. Further, it adds status offenders who violate a valid court order to the list of children who can be detained pending a hearing.

MCL 712A.15(3) provides that, if a juvenile is taken into custody for violating a valid court order, as a status offender and is detained in a secure facility, the petitioner shall ensure that an

¹ [Juvenile Justice Reform Act of 2018](#)

appropriately trained, licensed, or certified mental health or substance abuse professional interviews the juvenile in person within 24 hours to assess their immediate mental health and substance abuse needs. The assessment may be completed upon filing the petition, prior to any order for placement in a secure facility. The law does not require the use of a specific assessment tool; however, the Department of Health and Human Services (DHHS) recommends using CAFAS.² If the assessment occurs while the juvenile is in secure detention, the cost of the assessment is reimbursable under the Child Care Fund (CCF). If the assessment occurs before the juvenile's placement in secure detention, it may³ be reimbursed under the CCF.

The petitioner must provide the assessment to the court within 48 hours of the placement, and the court must conduct a hearing to determine if there is reasonable cause to believe that the juvenile violated the court order and to determine their appropriate placement pending the alleged violation.

[MCL 712A.18](#) provides additional procedures for courts to follow when a status offender who has violated a valid court order is detained. The addition of MCL 712A.18(k) adds a requirement for the court to include specific findings and language in a court order, if the court finds that a juvenile status offender has violated a valid court order and orders the juvenile placed in secure detention. In that case, the court order must include all of the following:

- The specific court order the juvenile violated;
- The factual basis for determining that the juvenile violated the court order;
- The court's findings of fact to support a determination that there is no appropriate, less restrictive alternative placement available considering the juvenile's best interest;
- The length of time the juvenile may remain in the secure facility shall not exceed seven days;
- The plan for the juvenile's release from the facility; and
- A statement that the order cannot be renewed or extended.

The addition of MCL 712A.18(l) requires that upon a juvenile status offender's second or subsequent violation of a court order, the court must find both of the following have occurred:

- The juvenile violated a court order after the date the court issued the first order under subdivision (k); and
- The court has procedures in place to ensure that a juvenile held in a secure facility is not in custody more than seven days or the length of time authorized by the court, whichever is shorter.

The State Court Administrative Office is working to address needed amendments to court rules, procedures, and forms.

² [Functional Assessment Systems : Child And Adolescent Functional Assessment Scale - CAFAS \(fasoutcomes.com\)](#)

³ If the assessment is ordered and the youth is not placed in a secured detention facility, the assessment would only be reimbursable through the Child Care Fund if 1) the youth was already involved in an intensive In Home Care program that budgeted for assessments; OR 2) the youth was placed in a community-based Juvenile Justice out-of-home care placement, as the assessment could be reimbursed as a non-scheduled payment. These options are applicable only in the event that no other fund source (Medicaid, private insurance, etc.) is available and the assessment is not ordered as a competency evaluation. Contact DHHS for additional details regarding eligibility.

**City of Muskegon
Muskegon County, Michigan
Ordinance Amendment No. _____**

THE CITY OF MUSKEGON HEREBY ORDAINS:

1. Chapter 54, Article VII, Section 54-218 of the Code of Ordinances of the City of Muskegon, Michigan, is amended as follows:

The following words, terms and phrases when used in this division, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Criminal acts means those acts which violate statutes of the state or the ordinance of the city.

Habitual offender means one who commits two or more criminal acts within a 12-month period.

Minor means any juvenile under the age of 18 years residing with their parents.

Parent means mother, father, legal guardian or any other adult person having the care or custody of a minor or with whom a minor may be found residing.

This ordinance adopted:

Ayes: _____
Nays: _____

Adoption Date: _____
Effective Date: _____
First Reading: _____
Second Reading: _____

CITY OF MUSKEGON

By: _____
Ann Marie Meisch, MMC
City Clerk

CERTIFICATE

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 _____ day of _____, 2025, 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 Act No. 267, Public Acts of Michigan of 1976, as amended, and that minutes were kept and will be or have been made available as required thereby.

DATED: _____, 2025

Ann Marie Meisch, MCC
City Clerk

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

**CITY OF MUSKEGON
NOTICE OF ADOPTION**

TO: ALL PERSONS INTERESTED

Please take notice that on _____, 2025 the City Commission of the City of Muskegon amended Section 54-28 of Chapter 54, Article VII, "Offenses and Miscellaneous Provisions", whereby the following change was made:

1. Chapter 54, Article VII, Section 54-281 was amended to define minor as any juvenile under the age of 18.

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 (10) days from the date of this publication.

CITY OF MUSKEGON

Published: _____, 2025

Ann Marie Meisch, MMC
City Clerk

PUBLISH ONCE WITHIN TEN (10) DAYS OF FINAL PASSAGE



Agenda Item Review Form

Muskegon City Commission

Commission Meeting Date: January 14, 2025	Title: Amity Bridge Resolution							
Submitted by: Dan VanderHeide, Public Works Director	Department: Public Works							
Brief Summary: Staff requests adoption of a resolution authorizing the DPW Director and Clerk to sign the Amity Bridge Removal (and Reconstruction) Contract with MDOT.								
Detailed Summary & Background: On December 10, 2024 the City Commission approved the attached contract with the Michigan Department of Transportation to fund removal of the Amity Avenue Bridge and to build a new roadway in the same place. While the contract was approved on the 10th, MDOT requests that the individuals that are authorized to sign the contract be specifically named in a resolution. The attached resolution satisfies that requirement and will allow staff to sign the approved contract.								
Goal/Focus Area/Action Item Addressed: Key Focus Areas: Decrease infrastructure burden on residents Goal/Action Item: 2027 GOAL 4: FINANCIAL INFRASTRUCTURE - Maximized efficient use of existing infrastructure								
Amount Requested: N/A	Budgeted Item: <table border="1"><tr><td>Yes</td><td></td><td>No</td><td></td><td>N/A</td><td>X</td><td></td></tr></table>	Yes		No		N/A	X	
Yes		No		N/A	X			
Fund(s) or Account(s): N/A	Budget Amendment Needed: <table border="1"><tr><td>Yes</td><td></td><td>No</td><td></td><td>N/A</td><td>X</td><td></td></tr></table>	Yes		No		N/A	X	
Yes		No		N/A	X			
Recommended Motion: To adopt the following resolution authorizing the DPW Director and Clerk to sign the Amity Bridge Removal (and Reconstruction) Contract with MDOT.								
Approvals: <table border="1"><tr><td>Immediate Division Head</td><td>X</td><td></td></tr><tr><td>Information Technology</td><td></td><td></td></tr></table>	Immediate Division Head	X		Information Technology			Guest(s) Invited / Presenting: No	
Immediate Division Head	X							
Information Technology								

Other Division Heads			
Communication			
Legal Review			

RESOLUTION _____

RESOLUTION FOR APPROVAL OF A CONTRACT AGREEMENT BETWEEN THE MICHIGAN DEPARTMENT OF TRANSPORTATION AND THE CITY OF MUSKEGON FOR THE REMOVAL OF THE STRUCTURE #7699, WHICH CARRIES AMITY AVENUE OVER THE ABANDONED RAILROAD GRADE, SECTION 20, T10N, R16W, CITY OF MUSKEGON, MUSKEGON COUNTY, MICHIGAN; INCLUDING EARTHWORK, HOT MIX ASPHALT PAVEMENT RECONSTRUCTION, CONCRETE CURB AND GUTTER, CURB RAMPS, STORM SEWER AND PERMANENT SIGNING; AND ALL TOGETHER WITH NECESSARY RELATED WORK.

Moved by Commissioner _____ and supported by Commissioner _____ the following Resolution be adopted:

WHEREAS, entry by the City of Muskegon into Contract no. **24-5478** between the Michigan Department of Transportation and the City of Muskegon for the **Removal of the Amity Avenue Bridge and Reconstruction of Amity Avenue from Myrtle to Fork** within the City is in the best interests of the City of Muskegon.

RESOLVED, that entry by the City into Contract Agreement Number **24-5478** be and the same is hereby authorized and approved and the DPW Director and Clerk are authorized to execute said contract for and on behalf of the City of Muskegon.

Adopted this 14th Day of January, 2025.

BY _____

Dan VanderHeide, Director of Public Works

ATTEST _____

Ann Meisch, City Clerk

CERTIFICATION

This resolution was adopted at a meeting of the City Commission, held on June 13, 2023. The meeting was properly held and noticed pursuant to the Open Meetings Act of the State of Michigan, Act 267 of the Public Acts of 1976.

CITY OF MUSKEGON

By _____
Ann Meisch, City Clerk

LOCAL BRIDGE
FEDERAL

CAB

Control Section	BO 61000
Job Number	218168CON
Project	25A0043
Structure	#7699
CFDA No.	20.205 (Highway Research Planning & Construction)
Contract No.	24-5478

PART I

THIS CONTRACT, consisting of PART I and PART II (Standard Agreement Provisions), is made by and between the MICHIGAN DEPARTMENT OF TRANSPORTATION, hereinafter referred to as the "DEPARTMENT"; and the CITY OF MUSKEGON, a Michigan municipal corporation, hereinafter referred to as the "REQUESTING PARTY"; for the purpose of fixing the rights and obligations of the parties in agreeing to the following improvements, in Muskegon, Michigan, hereinafter referred to as the "PROJECT" and estimated in detail on EXHIBIT "I", dated November 15, 2024, attached hereto and made a part hereof:

PART A – FEDERAL AND STATE PARTICIPATION

The removal of the structure #7699, which carries Amity Avenue over the abandoned railroad grade, Section 20, T10N, R16W, City of Muskegon, Muskegon County, Michigan; including earthwork, hot mix asphalt pavement reconstruction, concrete curb and gutter, curb ramps, storm sewer and permanent signing; and all together with necessary related work.

PART B – NO FEDERAL OR STATE PARTICIPATION

Sanitary sewer and concrete sidewalk along the limits as described in PART A; and all together with necessary related work.

WITNESSETH:

WHEREAS, pursuant to Federal and State law, monies have been provided for the performance of certain improvements on public roads; and

WHEREAS, the reference "FHWA" in PART I and PART II refers to the United States Department of Transportation, Federal Highway Administration; and

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WHEREAS, the PROJECT, or portions of the PROJECT, at the request of the REQUESTING PARTY, are being programmed with the FHWA, for implementation with the use of Federal funds under the following Federal program:

SECTION 144 OF TITLE 23 USC
(HIGHWAY BRIDGE REPLACEMENT AND REHABILITATION PROGRAM)

WHEREAS, the PROJECT has been approved for financing in part with funds appropriated to the Local Bridge Fund pursuant to Section 10(5) of Act 51, Public Acts of 1951, as amended, for the state Local Bridge Program; and

WHEREAS, the parties hereto have reached an understanding with each other regarding the performance of the PROJECT work and desire to set forth this understanding in the form of a written contract.

NOW, THEREFORE, in consideration of the premises and of the mutual undertakings of the parties and in conformity with applicable law, it is agreed:

1. The parties hereto shall undertake and complete the PROJECT in accordance with the terms of this contract.

2. The term "PROJECT COST", as herein used, is hereby defined as the cost of the physical construction necessary for the completion of the PROJECT, including any other costs incurred by the DEPARTMENT as a result of this contract, except for construction engineering and inspection.

No charges will be made by the DEPARTMENT to the PROJECT for any inspection work or construction engineering.

The costs incurred by the REQUESTING PARTY for preliminary engineering, construction engineering, construction materials testing, inspection, and right-of-way are excluded from the PROJECT COST as defined by this contract.

The Michigan Department of Environment, Great Lakes, and Energy has informed the DEPARTMENT that it adopted new administrative rules (R 325.10101, et. seq.) which prohibit any governmental agency from connecting and/or reconnecting lead and/or galvanized service lines to existing and/or new water main. Questions regarding these administrative rules should be directed to the Michigan Department of Environment, Great Lakes, and Energy. The cost associated with replacement of any lead and/or galvanized service lines, including but not limited to contractor claims, will be the sole responsibility of the REQUESTING PARTY.

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3. The DEPARTMENT is authorized by the REQUESTING PARTY to administer on behalf of the REQUESTING PARTY all phases of the project including advertising and awarding the construction contract for the PROJECT. Such administration shall be in accordance with PART II Section II of this contract.

Any items of the PROJECT COST incurred by the DEPARTMENT may be charged to the PROJECT.

4. The REQUESTING PARTY, at no cost to the PROJECT or to the DEPARTMENT, shall:

- A. Design or cause to be designed the plans for the PROJECT.
- B. Appoint a project engineer who shall be in responsible charge of the PROJECT and ensure that the plans and specifications are followed.
- C. Perform or cause to be performed the construction engineering, construction materials testing, and inspection services necessary for the completion of the PROJECT.

5. The PROJECT COST shall be met in accordance with the following:

PART A

The PART A portion of the PROJECT COST shall be met in part by Federal Funds and by state Local Bridge Funds. Upon final settlement of costs, Federal Funds will be applied to the eligible items of the PART A portion of the PROJECT COST. The state Local Bridge Funds will be applied to the balance of the PROJECT COST for PART A, after deduction of Federal Funds, such that the combined Federal Funds and state Local Bridge Funds shall equal 85 percent of those PROJECT COSTS for PART A eligible for participation by such funds. The remaining 15 percent of the eligible items of the PART A portion of the PROJECT COST, as well as any ineligible items of PROJECT COST, shall be paid 100 percent by the REQUESTING PARTY in the manner and at the times hereinafter set forth.

PART B

The PART B portion of the PROJECT COST is not eligible for Federal or State participation and shall be charged to and paid 100 percent by the REQUESTING PARTY in the manner and at the times hereinafter set forth.

Any items of PROJECT COST not reimbursed by Federal Funds or paid by state Local Bridge Funds will be the sole responsibility of the REQUESTING PARTY.

6. No working capital deposit will be required for this PROJECT.

In order to fulfill the obligations assumed by the REQUESTING PARTY under the provisions of this contract, the REQUESTING PARTY shall make prompt payments of its share of the PROJECT COST upon receipt of progress billings from the DEPARTMENT as herein provided. All payments will be made within 30 days of receipt of billings from the DEPARTMENT. Billings to the REQUESTING PARTY will be based upon the REQUESTING PARTY'S share of the actual costs incurred less Federal Funds and State Funds earned as the PROJECT progresses.

7. Upon completion of construction of the PROJECT, the REQUESTING PARTY will promptly cause to be enacted and enforced such ordinances or regulations as may be necessary to prohibit parking in the roadway right-of-way throughout the limits of the approaches being constructed as a part of the PROJECT.

8. The performance of the entire PROJECT under this contract, whether Federally funded or not, will be subject to the provisions and requirements of PART II that are applicable to a Federally funded project.

In the event of any discrepancies between PART I and PART II of this contract, the provisions of PART I shall prevail.

Buy America Requirements (23 CFR 635.410) shall apply to the PROJECT and will be adhered to, as applicable, by the parties hereto.

9. The REQUESTING PARTY certifies that it is not aware if and has no reason to believe that the property on which the work is to be performed under this agreement is a facility, as defined by the Michigan Natural Resources and Environmental Protection Act [(NREPA), PA 451, 1994, as amended 2012]; MCL 324.20101(1)(s). The REQUESTING PARTY also certifies that it is not a liable party pursuant to either Part 201 or Part 213 of NREPA, MCL 324.20126 et seq. and MCL 324.21323a et seq. The REQUESTING PARTY is a local unit of government that has acquired or will acquire property for the use of either a transportation corridor or public right-of-way and was not responsible for any activities causing a release or threat of release of any hazardous materials at or on the property. The REQUESTING PARTY is not a person who is liable for response activity costs, pursuant to MCL 324.20101 (vv) and (ww).

10. If, subsequent to execution of this contract, previously unknown hazardous substances are discovered within the PROJECT limits, which require environmental remediation pursuant to either state or federal law, the REQUESTING PARTY, in addition to reporting that fact to the Michigan Department of Environment, Great Lakes, and Energy, shall immediately notify the DEPARTMENT, both orally and in writing of such discovery. The DEPARTMENT shall consult with the REQUESTING PARTY to determine if it is willing to pay for the cost of remediation and, with the FHWA, to determine the eligibility, for reimbursement, of the remediation costs. The REQUESTING PARTY shall be charged for and shall pay all costs associated with such remediation, including all delay costs of the contractor for the PROJECT, in the event that remediation and delay costs are not deemed eligible by the FHWA. If the REQUESTING PARTY refuses to participate in the cost of remediation, the DEPARTMENT shall terminate the PROJECT. The parties agree that any costs or damages that the DEPARTMENT incurs as a result of such termination shall be considered a PROJECT COST.

11. If federal and/or state funds administered by the DEPARTMENT are used to pay the cost of remediating any hazardous substances discovered after the execution of this contract and if there is a reasonable likelihood of recovery, the REQUESTING PARTY, in cooperation with the Michigan Department of Environment, Great Lakes, and Energy and the DEPARTMENT, shall make a diligent effort to recover such costs from all other possible entities. If recovery is made, the DEPARTMENT shall be reimbursed from such recovery for the proportionate share of the amount paid by the FHWA and/or the DEPARTMENT and the DEPARTMENT shall credit such sums to the appropriate funding source.

12. The DEPARTMENT'S sole reason for entering into this contract is to enable the REQUESTING PARTY to obtain and use funds provided by the Federal Highway Administration pursuant to Title 23 of the United States Code and/or State Funds.

Any and all approvals of, reviews of, and recommendations regarding contracts, agreements, permits, plans, specifications, or documents, of any nature, and any inspections of work by the DEPARTMENT pursuant to the terms of this contract are done to assist the REQUESTING PARTY in meeting program guidelines in order to qualify for available funds. Such approvals, reviews, inspections and recommendations by the DEPARTMENT shall not relieve the REQUESTING PARTY and the local agencies, as applicable, of their ultimate control and shall not be construed as a warranty of their propriety or that the DEPARTMENT is assuming any liability, control or jurisdiction.

The providing of recommendations or advice by the DEPARTMENT does not relieve the REQUESTING PARTY and the local agencies, as applicable, of their

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exclusive jurisdiction of the highway or bridge structure(s) and responsibility under MCL 691.1402 et seq., as amended.

When providing approvals, reviews and recommendations under this contract, the DEPARTMENT is performing a governmental function, as that term is defined in MCL 691.1401 et seq., as amended, which is incidental to the completion of the PROJECT.

Upon completion of the PROJECT, the REQUESTING PARTY shall accept the facilities constructed as built to specifications within the contract documents. It is understood that the REQUESTING PARTY shall own the facilities and shall operate and maintain the facilities in accordance with all applicable Federal and State laws and regulations, including, but not limited to, Title II of the Americans with Disabilities Act (ADA), 42 USC 12131 et seq., and its associated regulations and standards, and DEPARTMENT Road and Bridge Standard Plans and the Standard Specifications for Construction.

13. The DEPARTMENT, by executing this contract, and rendering services pursuant to this contract, has not and does not assume jurisdiction of the highway or bridge structure(s), described as the PROJECT, for purposes of MCL 691.1402 et seq., as amended. Exclusive jurisdiction of such highway for the purposes of MCL 691.1402 et seq., as amended, rests with the REQUESTING PARTY and other local agencies having respective jurisdiction.

14. The REQUESTING PARTY shall approve all of the plans and specifications to be used on the PROJECT and shall be deemed to have approved all changes to the plans and specifications when put into effect. It is agreed that ultimate responsibility and control over the PROJECT rests with the REQUESTING PARTY and local agencies, as applicable.

15. The REQUESTING PARTY agrees that the costs reported to the DEPARTMENT for this contract will represent only those items that are properly chargeable in accordance with this contract. The REQUESTING PARTY also certifies that it has read the contract terms and has made itself aware of the applicable laws, regulations, and terms of this contract that apply to the reporting of costs incurred under the terms of this contract.

16. Each party to this contract will remain responsible for any and all claims arising out of its own acts and/or omissions during the performance of the contract, as provided by this contract or by law. In addition, this is not intended to increase or decrease either party's liability for or immunity from tort claims. This contract is also not intended to nor will it be interpreted as giving either party a right of indemnification, either by contract or by law, for claims arising out of the performance of this contract.

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17. The parties shall promptly provide comprehensive assistance and cooperation in defending and resolving construction claims brought against the DEPARTMENT by the contractor, vendors or suppliers as a result of the DEPARTMENT'S award of the construction contract for the PROJECT. Costs incurred by the DEPARTMENT in defending or resolving such claims shall be reasonable and necessary and shall be considered PROJECT COSTS.

18. The DEPARTMENT shall require the contractor who is awarded the contract for the construction of the PROJECT to provide insurance in the amounts specified and in accordance with the DEPARTMENT'S current Standard Specifications for Construction, and to:

- A. Maintain bodily injury and property damage insurance for the duration of the PROJECT.
- B. Provide owner's protective liability insurance naming as insureds the State of Michigan, the Michigan State Transportation Commission, the DEPARTMENT, and its officials, agents and employees, the REQUESTING PARTY and any other county, county road commission, or municipality in whose jurisdiction the PROJECT is located, and their employees, for the duration of the PROJECT and to provide, upon request, copies of certificates of insurance to the insureds. It is understood that the DEPARTMENT does not assume jurisdiction of the highway described as the PROJECT as a result of being named as an insured on the owner's protective liability insurance policy.
- C. Comply with the requirements of notice of cancellation and reduction of insurance set forth in the current standard specifications for construction and to provide, upon request, copies of notices and reports prepared to those insured.

19. This contract shall become binding on the parties hereto and of full force and effect upon the signing thereof by the duly authorized officials for the parties hereto; upon the adoption of the necessary resolution approving said contract and authorizing the signatures thereto of the respective officials of the REQUESTING PARTY, a certified copy of which resolution shall be attached to this contract; and with approval by the State Administrative Board.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed as written below.

CITY OF MUSKEGON

MICHIGAN DEPARTMENT
OF TRANSPORTATION

By _____
Title:

By _____
for Department Director MDOT

By _____
Title:



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EXHIBIT I

CONTROL SECTION BO 61000
JOB NUMBER 218168CON
PROJECT 25A0043
STRUCTURE #7699

	<u>TOTAL ESTIMATED COST</u>	<u>FEDERAL FUNDS (EST 80%)</u>	<u>STATE LOCAL BRIDGE FUNDS (EST 5%)</u>	<u>TOTAL FEDERAL & STATE AID</u>	<u>BALANCE REQ. PARTY'S SHARE</u>
PART A - STRUCTURE AND APPROACH WORK (FEDERAL AND STATE PARTICIPATION)					
Construction (Contracted)	\$541,510	\$433,208	\$27,075	\$460,283	\$81,227
PART B – NAMEPLATE INSTALLATION WORK (NO FEDERAL OR STATE PARTICIPATION)					
Construction (Contracted)	\$57,740	\$0	\$0	\$0	\$57,740
GRAND TOTAL	\$599,250	\$433,208	\$27,075	\$460,283	\$138,967

NO DEPOSIT REQUIRED

DOT

TYPE B
BUREAU OF HIGHWAYS
03-15-93

PART II

STANDARD AGREEMENT PROVISIONS

SECTION I COMPLIANCE WITH REGULATIONS AND DIRECTIVES

SECTION II PROJECT ADMINISTRATION AND SUPERVISION

SECTION III ACCOUNTING AND BILLING

SECTION IV MAINTENANCE AND OPERATION

SECTION V SPECIAL PROGRAM AND PROJECT CONDITIONS

SECTION I

COMPLIANCE WITH REGULATIONS AND DIRECTIVES

- A. To qualify for eligible cost, all work shall be documented in accordance with the requirements and procedures of the DEPARTMENT.
- B. All work on projects for which reimbursement with Federal funds is requested shall be performed in accordance with the requirements and guidelines set forth in the following Directives of the Federal-Aid Policy Guide (FAPG) of the FHWA, as applicable, and as referenced in pertinent sections of Title 23 and Title 49 of the Code of Federal Regulations (CFR), and all supplements and amendments thereto.
 - 1. Engineering
 - a. FAPG (6012.1): Preliminary Engineering
 - b. FAPG (23 CFR 172): Administration of Engineering and Design Related Service Contracts
 - c. FAPG (23 CFR 635A): Contract Procedures
 - d. FAPG (49 CFR 18.22): Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments—Allowable Costs
 - 2. Construction
 - a. FAPG (23 CFR 140E): Administrative Settlement Costs-Contract Claims
 - b. FAPG (23 CFR 140B): Construction Engineering Costs
 - c. FAPG (23 CFR 17): Recordkeeping and Retention Requirements for Federal-Aid Highway Records of State Highway Agencies
 - d. FAPG (23 CFR 635A): Contract Procedures
 - e. FAPG (23 CFR 635B): Force Account Construction
 - f. FAPG (23 CFR 645A): Utility Relocations, Adjustments and Reimbursement

- g. FAPG (23 CFR 645B): Accommodation of Utilities (PPM 30-4.1)
 - h. FAPG (23 CFR 655F): Traffic Control Devices on Federal-Aid and other Streets and Highways
 - i. FAPG (49 CFR 18.22): Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments—Allowable Costs
- 3. Modification Or Construction Of Railroad Facilities
 - a. FAPG (23 CFR 140I): Reimbursement for Railroad Work
 - b. FAPG (23 CFR 646B): Railroad Highway Projects
- C. In conformance with FAPG (23 CFR 630C) Project Agreements, the political subdivisions party to this contract, on those Federally funded projects which exceed a total cost of \$100,000.00 stipulate the following with respect to their specific jurisdictions:
 - 1. That any facility to be utilized in performance under or to benefit from this contract is not listed on the Environmental Protection Agency (EPA) List of Violating Facilities issued pursuant to the requirements of the Federal Clean Air Act, as amended, and the Federal Water Pollution Control Act, as amended.
 - 2. That they each agree to comply with all of the requirements of Section 114 of the Federal Clean Air Act and Section 308 of the Federal Water Pollution Control Act, and all regulations and guidelines issued thereunder.
 - 3. That as a condition of Federal aid pursuant to this contract they shall notify the DEPARTMENT of the receipt of any advice indicating that a facility to be utilized in performance under or to benefit from this contract is under consideration to be listed on the EPA List of Violating Facilities.
- D. Ensure that the PROJECT is constructed in accordance with and incorporates all committed environmental impact mitigation measures listed in approved environmental documents unless modified or deleted by approval of the FHWA.
- E. All the requirements, guidelines, conditions and restrictions noted in all other pertinent Directives and Instructional Memoranda of the FHWA will apply to this contract and will be adhered to, as applicable, by the parties hereto.

SECTION II

PROJECT ADMINISTRATION AND SUPERVISION

- A. The DEPARTMENT shall provide such administrative guidance as it determines is required by the PROJECT in order to facilitate the obtaining of available federal and/or state funds.
- B. The DEPARTMENT will advertise and award all contracted portions of the PROJECT work. Prior to advertising of the PROJECT for receipt of bids, the REQUESTING PARTY may delete any portion or all of the PROJECT work. After receipt of bids for the PROJECT, the REQUESTING PARTY shall have the right to reject the amount bid for the PROJECT prior to the award of the contract for the PROJECT only if such amount exceeds by ten percent (10%) the final engineer's estimate therefor. If such rejection of the bids is not received in writing within two (2) weeks after letting, the DEPARTMENT will assume concurrence. The DEPARTMENT may, upon request, readvertise the PROJECT. Should the REQUESTING PARTY so request in writing within the aforesaid two (2) week period after letting, the PROJECT will be cancelled and the DEPARTMENT will refund the unused balance of the deposit less all costs incurred by the DEPARTMENT.
- C. The DEPARTMENT will perform such inspection services on PROJECT work performed by the REQUESTING PARTY with its own forces as is required to ensure compliance with the approved plans & specifications.
- D. On those projects funded with Federal monies, the DEPARTMENT shall as may be required secure from the FHWA approval of plans and specifications, and such cost estimates for FHWA participation in the PROJECT COST.
- E. All work in connection with the PROJECT shall be performed in conformance with the Michigan Department of Transportation Standard Specifications for Construction, and the supplemental specifications, Special Provisions and plans pertaining to the PROJECT and all materials furnished and used in the construction of the PROJECT shall conform to the aforesaid specifications. No extra work shall be performed nor changes in plans and specifications made until said work or changes are approved by the project engineer and authorized by the DEPARTMENT.

- F. Should it be necessary or desirable that portions of the work covered by this contract be accomplished by a consulting firm, a railway company, or governmental agency, firm, person, or corporation, under a subcontract with the REQUESTING PARTY at PROJECT expense, such subcontracted arrangements will be covered by formal written agreement between the REQUESTING PARTY and that party.

This formal written agreement shall: include a reference to the specific prime contract to which it pertains; include provisions which clearly set forth the maximum reimbursable and the basis of payment; provide for the maintenance of accounting records in accordance with generally accepted accounting principles, which clearly document the actual cost of the services provided; provide that costs eligible for reimbursement shall be in accordance with clearly defined cost criteria such as 49 CFR Part 18, 48 CFR Part 31, 23 CFR Part 140, OMB Circular A-87, etc. as applicable; provide for access to the department or its representatives to inspect and audit all data and records related to the agreement for a minimum of three years after the department's final payment to the local unit.

All such agreements will be submitted for approval by the DEPARTMENT and, if applicable, by the FHWA prior to execution thereof, except for agreements for amounts less than \$100,000 for preliminary engineering and testing services executed under and in accordance with the provisions of the "Small Purchase Procedures" FAPG (23 CFR 172), which do not require prior approval of the DEPARTMENT or the FHWA.

Any such approval by the DEPARTMENT shall in no way be construed as a warranty of the subcontractor's qualifications, financial integrity, or ability to perform the work being subcontracted.

- G. The REQUESTING PARTY, at no cost to the PROJECT or the DEPARTMENT, shall make such arrangements with railway companies, utilities, etc., as may be necessary for the performance of work required for the PROJECT but for which Federal or other reimbursement will not be requested.
- H. The REQUESTING PARTY, at no cost to the PROJECT, or the DEPARTMENT, shall secure, as necessary, all agreements and approvals of the PROJECT with railway companies, the Railroad Safety & Tariffs Division of the DEPARTMENT and other concerned governmental agencies other than the FHWA, and will forward same to the DEPARTMENT for such reviews and approvals as may be required.
- I. No PROJECT work for which reimbursement will be requested by the REQUESTING PARTY is to be subcontracted or performed until the DEPARTMENT gives written notification that such work may commence.

- J. The REQUESTING PARTY shall be responsible for the payment of all costs and expenses incurred in the performance of the work it agrees to undertake and perform.
- K. The REQUESTING PARTY shall pay directly to the party performing the work all billings for the services performed on the PROJECT which are authorized by or through the REQUESTING PARTY.
- L. The REQUESTING PARTY shall submit to the DEPARTMENT all paid billings for which reimbursement is desired in accordance with DEPARTMENT procedures.
- M. All work by a consulting firm will be performed in compliance with the applicable provisions of 1980 PA 299, Subsection 2001, MCL 339.2001; MSA 18.425(2001), as well as in accordance with the provisions of all previously cited Directives of the FHWA.
- N. The project engineer shall be subject to such administrative guidance as may be deemed necessary to ensure compliance with program requirement and, in those instances where a consultant firm is retained to provide engineering and inspection services, the personnel performing those services shall be subject to the same conditions.
- O. The DEPARTMENT, in administering the PROJECT in accordance with applicable Federal and State requirements and regulations, neither assumes nor becomes liable for any obligations undertaken or arising between the REQUESTING PARTY and any other party with respect to the PROJECT.
- P. In the event it is determined by the DEPARTMENT that there will be either insufficient Federal funds or insufficient time to properly administer such funds for the entire PROJECT or portions thereof, the DEPARTMENT, prior to advertising or issuing authorization for work performance, may cancel the PROJECT, or any portion thereof, and upon written notice to the parties this contract shall be void and of no effect with respect to that cancelled portion of the PROJECT. Any PROJECT deposits previously made by the parties on the cancelled portions of the PROJECT will be promptly refunded.
- Q. Those projects funded with Federal monies will be subject to inspection at all times by the DEPARTMENT and the FHWA.

SECTION III

ACCOUNTING AND BILLING

A. Procedures for billing for work undertaken by the REQUESTING PARTY:

1. The REQUESTING PARTY shall establish and maintain accurate records, in accordance with generally accepted accounting principles, of all expenses incurred for which payment is sought or made under this contract, said records to be hereinafter referred to as the "RECORDS". Separate accounts shall be established and maintained for all costs incurred under this contract.

The REQUESTING PARTY shall maintain the RECORDS for at least three (3) years from the date of final payment of Federal Aid made by the DEPARTMENT under this contract. In the event of a dispute with regard to the allowable expenses or any other issue under this contract, the REQUESTING PARTY shall thereafter continue to maintain the RECORDS at least until that dispute has been finally decided and the time for all available challenges or appeals of that decision has expired.

The DEPARTMENT, or its representative, may inspect, copy, or audit the RECORDS at any reasonable time after giving reasonable notice.

If any part of the work is subcontracted, the REQUESTING PARTY shall assure compliance with the above for all subcontracted work.

In the event that an audit performed by or on behalf of the DEPARTMENT indicates an adjustment to the costs reported under this contract, or questions the allowability of an item of expense, the DEPARTMENT shall promptly submit to the REQUESTING PARTY, a Notice of Audit Results and a copy of the audit report which may supplement or modify any tentative findings verbally communicated to the REQUESTING PARTY at the completion of an audit.

Within sixty (60) days after the date of the Notice of Audit Results, the REQUESTING PARTY shall: (a) respond in writing to the responsible Bureau or the DEPARTMENT indicating whether or not it concurs with the audit report, (b) clearly explain the nature and basis for any disagreement as to a disallowed item of expense and, (c) submit to the DEPARTMENT a written explanation as to any questioned or no opinion expressed item of expense, hereinafter referred to as the "RESPONSE". The RESPONSE shall be clearly stated and provide any supporting documentation necessary to resolve any disagreement or questioned or no opinion expressed item of expense. Where the documentation is voluminous, the REQUESTING PARTY may supply appropriate excerpts and make alternate

arrangements to conveniently and reasonably make that documentation available for review by the DEPARTMENT. The RESPONSE shall refer to and apply the language of the contract. The REQUESTING PARTY agrees that failure to submit a RESPONSE within the sixty (60) day period constitutes agreement with any disallowance of an item of expense and authorizes the DEPARTMENT to finally disallow any items of questioned or no opinion expressed cost.

The DEPARTMENT shall make its decision with regard to any Notice of Audit Results and RESPONSE within one hundred twenty (120) days after the date of the Notice of Audit Results. If the DEPARTMENT determines that an overpayment has been made to the REQUESTING PARTY, the REQUESTING PARTY shall repay that amount to the DEPARTMENT or reach agreement with the DEPARTMENT on a repayment schedule within thirty (30) days after the date of an invoice from the DEPARTMENT. If the REQUESTING PARTY fails to repay the overpayment or reach agreement with the DEPARTMENT on a repayment schedule within the thirty (30) day period, the REQUESTING PARTY agrees that the DEPARTMENT shall deduct all or a portion of the overpayment from any funds then or thereafter payable by the DEPARTMENT to the REQUESTING PARTY under this contract or any other agreement, or payable to the REQUESTING PARTY under the terms of 1951 PA 51, as applicable. Interest will be assessed on any partial payments or repayment schedules based on the unpaid balance at the end of each month until the balance is paid in full. The assessment of interest will begin thirty (30) days from the date of the invoice. The rate of interest will be based on the Michigan Department of Treasury common cash funds interest earnings. The rate of interest will be reviewed annually by the DEPARTMENT and adjusted as necessary based on the Michigan Department of Treasury common cash funds interest earnings. The REQUESTING PARTY expressly consents to this withholding or offsetting of funds under those circumstances, reserving the right to file a lawsuit in the Court of Claims to contest the DEPARTMENT'S decision only as to any item of expense the disallowance of which was disputed by the REQUESTING PARTY in a timely filed RESPONSE.

The REQUESTING PARTY shall comply with the Single Audit Act of 1984, as amended, including, but not limited to, the Single Audit Amendments of 1996 (31 USC 7501-7507).

The REQUESTING PARTY shall adhere to the following requirements associated with audits of accounts and records:

- a. Agencies expending a total of \$500,000 or more in federal funds, from one or more funding sources in its fiscal year, shall comply with the requirements of the federal Office of Management and Budget (OMB) Circular A-133, as revised or amended.

The agency shall submit two copies of:

The Reporting Package
The Data Collection Form
The management letter to the agency, if one issued by the audit firm

The OMB Circular A-133 audit must be submitted to the address below in accordance with the time frame established in the circular, as revised or amended.

b. Agencies expending less than \$500,000 in federal funds must submit a letter to the Department advising that a circular audit was not required. The letter shall indicate the applicable fiscal year, the amount of federal funds spent, the name(s) of the Department federal programs, and the CFDA grant number(s). This information must also be submitted to the address below.

c. Address: Michigan Department of Education
Accounting Service Center
Hannah Building
608 Allegan Street
Lansing, MI 48909

d. Agencies must also comply with applicable State laws and regulations relative to audit requirements.

e. Agencies shall not charge audit costs to Department's federal programs which are not in accordance with the OMB Circular A-133 requirements.

f. All agencies are subject to the federally required monitoring activities, which may include limited scope reviews and other on-site monitoring.

2. Agreed Unit Prices Work - All billings for work undertaken by the REQUESTING PARTY on an agreed unit price basis will be submitted in accordance with the Michigan Department of Transportation Standard Specifications for Construction and pertinent FAPG Directives and Guidelines of the FHWA.
3. Force Account Work and Subcontracted Work - All billings submitted to the DEPARTMENT for Federal reimbursement for items of work performed on a force account basis or by any subcontract with a consulting firm, railway company, governmental agency or other party, under the terms of this contract, shall be prepared in accordance with the provisions of the pertinent FHPM Directives and the procedures of the DEPARTMENT. Progress billings may be submitted monthly during the time work is being performed provided, however, that no bill of a lesser amount than \$1,000.00 shall be submitted unless it is a final

or end of fiscal year billing. All billings shall be labeled either "Progress Bill Number _____", or "Final Billing".

4. Final billing under this contract shall be submitted in a timely manner but not later than six months after completion of the work. Billings for work submitted later than six months after completion of the work will not be paid.
5. Upon receipt of billings for reimbursement for work undertaken by the REQUESTING PARTY on projects funded with Federal monies, the DEPARTMENT will act as billing agent for the REQUESTING PARTY, consolidating said billings with those for its own force account work and presenting these consolidated billings to the FHWA for payment. Upon receipt of reimbursement from the FHWA, the DEPARTMENT will promptly forward to the REQUESTING PARTY its share of said reimbursement.
6. Upon receipt of billings for reimbursement for work undertaken by the REQUESTING PARTY on projects funded with non-Federal monies, the DEPARTMENT will promptly forward to the REQUESTING PARTY reimbursement of eligible costs.

B. Payment of Contracted and DEPARTMENT Costs:

1. As work on the PROJECT commences, the initial payments for contracted work and/or costs incurred by the DEPARTMENT will be made from the working capital deposit. Receipt of progress payments of Federal funds, and where applicable, State Critical Bridge funds, will be used to replenish the working capital deposit. The REQUESTING PARTY shall make prompt payments of its share of the contracted and/or DEPARTMENT incurred portion of the PROJECT COST upon receipt of progress billings from the DEPARTMENT. Progress billings will be based upon the REQUESTING PARTY'S share of the actual costs incurred as work on the PROJECT progresses and will be submitted, as required, until it is determined by the DEPARTMENT that there is sufficient available working capital to meet the remaining anticipated PROJECT COSTS. All progress payments will be made within thirty (30) days of receipt of billings. No monthly billing of a lesser amount than \$1,000.00 will be made unless it is a final or end of fiscal year billing. Should the DEPARTMENT determine that the available working capital exceeds the remaining anticipated PROJECT COSTS, the DEPARTMENT may reimburse the REQUESTING PARTY such excess. Upon completion of the PROJECT, payment of all PROJECT COSTS, receipt of all applicable monies from the FHWA, and completion of necessary audits, the REQUESTING PARTY will be reimbursed the balance of its deposit.

2. In the event that the bid, plus contingencies, for the contracted, and/or the DEPARTMENT incurred portion of the PROJECT work exceeds the estimated cost therefor as established by this contract, the REQUESTING PARTY may be advised and billed for the additional amount of its share.

C. General Conditions:

1. The DEPARTMENT, in accordance with its procedures in existence and covering the time period involved, shall make payment for interest earned on the balance of working capital deposits for all projects on account with the DEPARTMENT. The REQUESTING PARTY in accordance with DEPARTMENT procedures in existence and covering the time period involved, shall make payment for interest owed on any deficit balance of working capital deposits for all projects on account with the DEPARTMENT. This payment or billing is processed on an annual basis corresponding to the State of Michigan fiscal year. Upon receipt of billing for interest incurred, the REQUESTING PARTY promises and shall promptly pay the DEPARTMENT said amount.
2. Pursuant to the authority granted by law, the REQUESTING PARTY hereby irrevocably pledges a sufficient amount of funds received by it from the Michigan Transportation Fund to meet its obligations as specified in PART I and PART II. If the REQUESTING PARTY shall fail to make any of its required payments when due, as specified herein, the DEPARTMENT shall immediately notify the REQUESTING PARTY and the State Treasurer of the State of Michigan or such other state officer or agency having charge and control over disbursement of the Michigan Transportation Fund, pursuant to law, of the fact of such default and the amount thereof, and, if such default is not cured by payment within ten (10) days, said State Treasurer or other state officer or agency is then authorized and directed to withhold from the first of such monies thereafter allocated by law to the REQUESTING PARTY from the Michigan Transportation Fund sufficient monies to remove the default, and to credit the REQUESTING PARTY with payment thereof, and to notify the REQUESTING PARTY in writing of such fact.
3. Upon completion of all work under this contract and final audit by the DEPARTMENT or the FHWA, the REQUESTING PARTY promises to promptly repay the DEPARTMENT for any disallowed items of costs previously disbursed by the DEPARTMENT. The REQUESTING PARTY pledges its future receipts from the Michigan Transportation Fund for repayment of all disallowed items and, upon failure to make repayment for any disallowed items within ninety (90) days of demand made by the DEPARTMENT, the DEPARTMENT is hereby authorized to withhold an equal amount from the REQUESTING PARTY'S share of any future distribution of Michigan Transportation Funds in settlement of said claim.

4. The DEPARTMENT shall maintain and keep accurate records and accounts relative to the cost of the PROJECT and upon completion of the PROJECT, payment of all items of PROJECT COST, receipt of all Federal Aid, if any, and completion of final audit by the DEPARTMENT and if applicable, by the FHWA, shall make final accounting to the REQUESTING PARTY. The final PROJECT accounting will not include interest earned or charged on working capital deposited for the PROJECT which will be accounted for separately at the close of the State of Michigan fiscal year and as set forth in Section C(1).
5. The costs of engineering and other services performed on those projects involving specific program funds and one hundred percent (100%) local funds will be apportioned to the respective portions of that project in the same ratio as the actual direct construction costs unless otherwise specified in PART I.

SECTION IV

MAINTENANCE AND OPERATION

- A. Upon completion of construction of each part of the PROJECT, at no cost to the DEPARTMENT or the PROJECT, each of the parties hereto, within their respective jurisdictions, will make the following provisions for the maintenance and operation of the completed PROJECT:

1. All Projects:

Properly maintain and operate each part of the project, making ample provisions each year for the performance of such maintenance work as may be required, except as qualified in paragraph 2b of this section.

2. Projects Financed in Part with Federal Monies:

- a. Sign and mark each part of the PROJECT, in accordance with the current Michigan Manual of Uniform Traffic control Devices, and will not install, or permit to be installed, any signs, signals or markings not in conformance with the standards approved by the FHWA, pursuant to 23 USC 109(d).

- b. Remove, prior to completion of the PROJECT, all encroachments from the roadway right-of-way within the limits of each part of the PROJECT.

With respect to new or existing utility installations within the right-of-way of Federal Aid projects and pursuant to FAPG (23 CFR 645B): Occupancy of non-limited access right-of-way may be allowed based on consideration for traffic safety and necessary preservation of roadside space and aesthetic quality. Longitudinal occupancy of non-limited access right-of-way by private lines will require a finding of significant economic hardship, the unavailability of practicable alternatives or other extenuating circumstances.

- c. Cause to be enacted, maintained and enforced, ordinances and regulations for proper traffic operations in accordance with the plans of the PROJECT.

- d. Make no changes to ordinances or regulations enacted, or traffic controls installed in conjunction with the PROJECT work without prior review by the DEPARTMENT and approval of the FHWA, if required.

- B. On projects for the removal of roadside obstacles, the parties, upon completion of construction of each part of the PROJECT, at no cost to the PROJECT or the DEPARTMENT, will, within their respective jurisdictions, take such action as is necessary to assure that the roadway right-of-way, cleared as the PROJECT, will be maintained free of such obstacles.
- C. On projects for the construction of bikeways, the parties will enact no ordinances or regulations prohibiting the use of bicycles on the facility hereinbefore described as the PROJECT, and will amend any existing restrictive ordinances in this regard so as to allow use of this facility by bicycles. No motorized vehicles shall be permitted on such bikeways or walkways constructed as the PROJECT except those for maintenance purposes.
- D. Failure of the parties hereto to fulfill their respective responsibilities as outlined herein may disqualify that party from future Federal-aid participation in projects on roads or streets for which it has maintenance responsibility. Federal Aid may be withheld until such time as deficiencies in regulations have been corrected, and the improvements constructed as the PROJECT are brought to a satisfactory condition of maintenance.

SECTION V

SPECIAL PROGRAM AND PROJECT CONDITIONS

- A. Those projects for which the REQUESTING PARTY has been reimbursed with Federal monies for the acquisition of right-of-way must be under construction by the close of the twentieth (20th) fiscal year following the fiscal year in which the FHWA and the DEPARTMENT projects agreement covering that work is executed, or the REQUESTING PARTY may be required to repay to the DEPARTMENT, for forwarding to the FHWA, all monies distributed as the FHWA'S contribution to that right-of-way.
- B. Those projects for which the REQUESTING PARTY has been reimbursed with Federal monies for the performance of preliminary engineering must be under construction by the close of the tenth (10th) fiscal year following the fiscal year in which the FHWA and the DEPARTMENT projects agreement covering that work is executed, or the REQUESTING PARTY may be required to repay to the DEPARTMENT, for forwarding to the FHWA, all monies distributed as the FHWA'S contribution to that preliminary engineering.
- C. On those projects funded with Federal monies, the REQUESTING PARTY, at no cost to the PROJECT or the DEPARTMENT, will provide such accident information as is available and such other information as may be required under the program in order to make the proper assessment of the safety benefits derived from the work performed as the PROJECT. The REQUESTING PARTY will cooperate with the DEPARTMENT in the development of reports and such analysis as may be required and will, when requested by the DEPARTMENT, forward to the DEPARTMENT, in such form as is necessary, the required information.
- D. In connection with the performance of PROJECT work under this contract the parties hereto (hereinafter in Appendix "A" referred to as the "contractor") agree to comply with the State of Michigan provisions for "Prohibition of Discrimination in State Contracts", as set forth in Appendix A, attached hereto and made a part hereof. The parties further covenant that they will comply with the Civil Rights Acts of 1964, being P.L. 88-352, 78 Stat. 241, as amended, being Title 42 U.S.C. Sections 1971, 1975a-1975d, and 2000a-2000h-6 and the Regulations of the United States Department of Transportation (49 C.F.R. Part 21) issued pursuant to said Act, including Appendix "B", attached hereto and made a part hereof, and will require similar covenants on the part of any contractor or subcontractor employed in the performance of this contract.
- E. The parties will carry out the applicable requirements of the DEPARTMENT'S Disadvantaged Business Enterprise (DBE) program and 49 CFR, Part 26, including, but not limited to, those requirements set forth in Appendix C.

APPENDIX A

PROHIBITION OF DISCRIMINATION IN STATE CONTRACTS

In connection with the performance of work under this contract; the contractor agrees as follows:

1. In accordance with Public Act 453 of 1976 (Elliott-Larsen Civil Rights Act), the contractor shall not discriminate against an employee or applicant for employment with respect to hire, tenure, treatment, terms, conditions, or privileges of employment or a matter directly or indirectly related to employment because of race, color, religion, national origin, age, sex, height, weight, or marital status. A breach of this covenant will be regarded as a material breach of this contract. Further, in accordance with Public Act 220 of 1976 (Persons with Disabilities Civil Rights Act), as amended by Public Act 478 of 1980, the contractor shall not discriminate against any employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment or a matter directly or indirectly related to employment because of a disability that is unrelated to the individual's ability to perform the duties of a particular job or position. A breach of the above covenants will be regarded as a material breach of this contract.
2. The contractor hereby agrees that any and all subcontracts to this contract, whereby a portion of the work set forth in this contract is to be performed, shall contain a covenant the same as hereinabove set forth in Section 1 of this Appendix.
3. The contractor will take affirmative action to ensure that applicants for employment and employees are treated without regard to their race, color, religion, national origin, age, sex, height, weight, marital status, or any disability that is unrelated to the individual's ability to perform the duties of a particular job or position. Such action shall include, but not be limited to, the following: employment; treatment; upgrading; demotion or transfer; recruitment; advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.
4. The contractor shall, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, national origin, age, sex, height, weight, marital status, or disability that is unrelated to the individual's ability to perform the duties of a particular job or position.
5. The contractor or its collective bargaining representative shall send to each labor union or representative of workers with which the contractor has a collective bargaining agreement or other contract or understanding a notice advising such labor union or workers' representative of the contractor's commitments under this Appendix.
6. The contractor shall comply with all relevant published rules, regulations, directives, and orders of the Michigan Civil Rights Commission that may be in effect prior to the taking of bids for any individual state project.

7. The contractor shall furnish and file compliance reports within such time and upon such forms as provided by the Michigan Civil Rights Commission; said forms may also elicit information as to the practices, policies, program, and employment statistics of each subcontractor, as well as the contractor itself, and said contractor shall permit access to the contractor's books, records, and accounts by the Michigan Civil Rights Commission and/or its agent for the purposes of investigation to ascertain compliance under this contract and relevant rules, regulations, and orders of the Michigan Civil Rights Commission.
8. In the event that the Michigan Civil Rights Commission finds, after a hearing held pursuant to its rules, that a contractor has not complied with the contractual obligations under this contract, the Michigan Civil Rights Commission may, as a part of its order based upon such findings, certify said findings to the State Administrative Board of the State of Michigan, which State Administrative Board may order the cancellation of the contract found to have been violated and/or declare the contractor ineligible for future contracts with the state and its political and civil subdivisions, departments, and officers, including the governing boards of institutions of higher education, until the contractor complies with said order of the Michigan Civil Rights Commission. Notice of said declaration of future ineligibility may be given to any or all of the persons with whom the contractor is declared ineligible to contract as a contracting party in future contracts. In any case before the Michigan Civil Rights Commission in which cancellation of an existing contract is a possibility, the contracting agency shall be notified of such possible remedy and shall be given the option by the Michigan Civil Rights Commission to participate in such proceedings.
9. The contractor shall include or incorporate by reference, the provisions of the foregoing paragraphs (1) through (8) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Michigan Civil Rights Commission; all subcontracts and purchase orders will also state that said provisions will be binding upon each subcontractor or supplier.

Revised June 2011

APPENDIX B TITLE VI ASSURANCE

During the performance of this contract, the contractor, for itself, its assignees, and its successors in interest (hereinafter referred to as the "contractor"), agrees as follows:

1. **Compliance with Regulations:** For all federally assisted programs, the contractor shall comply with the nondiscrimination regulations set forth in 49 CFR Part 21, as may be amended from time to time (hereinafter referred to as the Regulations). Such Regulations are incorporated herein by reference and made a part of this contract.
2. **Nondiscrimination:** The contractor, with regard to the work performed under the contract, shall not discriminate on the grounds of race, color, sex, or national origin in the selection, retention, and treatment of subcontractors, including procurements of materials and leases of equipment. The contractor shall not participate either directly or indirectly in the discrimination prohibited by Section 21.5 of the Regulations, including employment practices, when the contractor covers a program set forth in Appendix B of the Regulations.
3. **Solicitation for Subcontracts, Including Procurements of Materials and Equipment:** All solicitations made by the contractor, either by competitive bidding or by negotiation for subcontract work, including procurement of materials or leases of equipment, must include a notification to each potential subcontractor or supplier of the contractor's obligations under the contract and the Regulations relative to nondiscrimination on the grounds of race, color, or national origin.
4. **Information and Reports:** The contractor shall provide all information and reports required by the Regulations or directives issued pursuant thereto and shall permit access to its books, records, accounts, other sources of information, and facilities as may be determined to be pertinent by the Department or the United States Department of Transportation (USDOT) in order to ascertain compliance with such Regulations or directives. If required information concerning the contractor is in the exclusive possession of another who fails or refuses to furnish the required information, the contractor shall certify to the Department or the USDOT, as appropriate, and shall set forth the efforts that it made to obtain the information.
5. **Sanctions for Noncompliance:** In the event of the contractor's noncompliance with the nondiscrimination provisions of this contract, the Department shall impose such contract sanctions as it or the USDOT may determine to be appropriate, including, but not limited to, the following:
 - a. Withholding payments to the contractor until the contractor complies; and/or
 - b. Canceling, terminating, or suspending the contract, in whole or in part.

6. **Incorporation of Provisions:** The contractor shall include the provisions of Sections (1) through (6) in every subcontract, including procurement of material and leases of equipment, unless exempt by the Regulations or directives issued pursuant thereto. The contractor shall take such action with respect to any subcontract or procurement as the Department or the USDOT may direct as a means of enforcing such provisions, including sanctions for non-compliance, provided, however, that in the event a contractor becomes involved in or is threatened with litigation from a subcontractor or supplier as a result of such direction, the contractor may request the Department to enter into such litigation to protect the interests of the state. In addition, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

Revised June 2011

APPENDIX C

TO BE INCLUDED IN ALL FINANCIAL ASSISTANCE AGREEMENTS WITH LOCAL AGENCIES

Assurance that Recipients and Contractors Must Make (Excerpts from US DOT Regulation 49 CFR 26.13)

- A. Each financial assistance agreement signed with a DOT operating administration (or a primary recipient) must include the following assurance:**

The recipient shall not discriminate on the basis of race, color, national origin, or sex in the award and performance of any US DOT-assisted contract or in the administration of its DBE program or the requirements of 49 CFR Part 26. The recipient shall take all necessary and reasonable steps under 49 CFR Part 26 to ensure nondiscrimination in the award and administration of US DOT-assisted contracts. The recipient's DBE program, as required by 49 CFR Part 26 and as approved by US DOT, is incorporated by reference in this agreement. Implementation of this program is a legal obligation and failure to carry out its terms shall be treated as a violation of this agreement. Upon notification to the recipient of its failure to carry out its approved program, the department may impose sanctions as provided for under Part 26 and may, in appropriate cases, refer the matter for enforcement under 18 U.S.C. 1001 and/or the Program Fraud Civil Remedies Act of 1986 (31 U.S.C. 3801 et seq.).

- B. Each contract MDOT signs with a contractor (and each subcontract the prime contractor signs with a subcontractor) must include the following assurance:**

The contractor, sub recipient or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of US DOT-assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the recipient deems appropriate.



Agenda Item Review Form

Muskegon City Commission

Commission Meeting Date: January 14, 2025	Title: Downtown Development Authority On-Premises Liquor License- Puerto Vallarta Mexican Grill and Bar, LLC, 292 W. Western Ave. Ste. 103
Submitted by: Contessa Alexander, Development Analyst	Department: Economic Development
Brief Summary: Puerto Vallarta Mexican Grill and Bar, LLC, is requesting a Downtown Development Authority On-Premise Liquor License for the building at 292 W. Western Ave. Ste. 103. The Liquor Control Commission allows for additional liquor licenses within Downtown Development Authority Districts under certain conditions.	
Detailed Summary & Background: Puerto Vallarta Mexican Grill and Bar, LLC, is seeking approval for a Downtown Development Authority (DDA) On-Premise Liquor License for their location at 292 W. Western Ave., Suite 103. This type of license is specifically designed to support economic development and promote vibrant, thriving downtown districts. Under Michigan law, the Liquor Control Commission permits the issuance of additional liquor licenses within designated Downtown Development Authority Districts. These licenses are granted under certain conditions, including alignment with the DDA's goals for economic revitalization, enhancement of the district's character, and promotion of tourism and local business growth. Approval of this request would enable Puerto Vallarta Mexican Grill and Bar to serve alcoholic beverages at their establishment, further contributing to the appeal of the downtown area as a dining and entertainment destination. The license is a vital tool for attracting and retaining businesses that foster a dynamic and engaging environment for residents and visitors alike.	
Goal/Focus Area/Action Item Addressed: <u>Key Focus Areas:</u> Progress toward completion of ongoing economic development projects <u>Goal/Action Item:</u> 2027 Goal 2: Economic Development Housing and Business - Progress toward new and ongoing economic development projects	
Amount Requested: N/A	Budgeted Item:

	<table border="1"> <tr> <td>Yes</td><td></td><td>No</td><td></td><td>N/A</td><td>☒</td><td></td></tr> </table>	Yes		No		N/A	☒														
Yes		No		N/A	☒																
Fund(s) or Account(s): N/A	Budget Amendment Needed: <table border="1"> <tr> <td>Yes</td><td></td><td>No</td><td></td><td>N/A</td><td>☒</td><td></td></tr> </table>	Yes		No		N/A	☒														
Yes		No		N/A	☒																
Recommended Motion: I move to approve the request from Puerto Vallarta Mexican Grill and Bar, LLC, for a Downtown Development Authority On-Premise Liquor License at 292 W. Western Ave., Suite 103, and to forward this approval to the Michigan Liquor Control Commission for their consideration.																					
Approvals: <table border="1"> <tr> <td>Immediate Division Head</td><td>☒</td><td></td></tr> <tr> <td>Information Technology</td><td></td><td></td></tr> <tr> <td>Other Division Heads</td><td></td><td></td></tr> <tr> <td>Communication</td><td></td><td></td></tr> <tr> <td>Legal Review</td><td></td><td></td></tr> </table>			Immediate Division Head	☒		Information Technology			Other Division Heads			Communication			Legal Review			Guest(s) Invited / Presenting: No			
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Information Technology																					
Other Division Heads																					
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Legal Review																					

**CITY OF MUSKEGON
MUSKEGON COUNTY, MICHIGAN**

RESOLUTION NO. _____

**A resolution concerning the issuance of a Downtown Development Authority
District On-Premises Liquor License pursuant to 436.1521a(1)(b) of the Michigan
Compiled Laws.**

The City Commission of the City of Muskegon hereby RESOLVES:

Recitals

1. Puerto Vallarta Mexican Grill and Bar, LLC has applied for a Downtown Development Authority District On-Premises Liquor License for the premises at 292 W Western Ave. Ste. 103, which is located within an area established by the City Commission as a redevelopment project area pursuant to 436.1521a(1)(b) of the Michigan Compiled Laws.
2. It is required that the City Commission approve a specific applicant, at a specific location "ABOVE ALL OTHERS".
3. This resolution was approved at the regular meeting of the City Commission on January 14, 2025.

City Commission Findings

The City Commission is satisfied that:

1. That the applicant has sufficiently demonstrated a commitment for a capital investment of not less than \$75,000 for the build-out and improvements of the building that will house the licensed premises, which amounts shall be expended before the issuance of the license.
2. That the licensed business shall be engaged in dining, entertainment or recreation, that is open to the general public, with a seating capacity of not less than 50 persons.

NOW, THEREFORE, THE CITY COMMISSION RESOLVES:

The City Commission deems it to be in the best interest of the City of Muskegon to approve the application of Puerto Vallarta Mexican Grill and Bar, LLC, for a Downtown Development Authority District On-Premises Liquor License for the premises at 292 W Western Ave Ste 103, pursuant to 436.1521a(1)(b) of the Michigan Compiled Laws, and recommends to the Michigan Liquor Control Commission the issuance of said requested license "ABOVE ALL OTHERS".

Adopted this 14th day of January, 2025.

AYES: _____

NAYES: _____

ABSENT: _____

By: _____
Ken Johnson
Mayor

By: _____
Ann Meisch,
City Clerk



Local Government Approval
(Authorized by MCL 436.1501)

Instructions for Applicants:

- You must obtain a recommendation from the local legislative body for a new on-premises license application, certain types of license classification transfers, and/or a new banquet facility permit.

Instructions for Local Legislative Body:

- Complete this resolution or provide a resolution, along with certification from the clerk or adopted minutes from the meeting at which this request was considered.

At a _____ meeting of the _____ council/board
(regular or special) (name of township, city, village)

called to order by _____ on _____ at _____
(date) (time)

the following resolution was offered:

Moved by _____ and supported by _____

that the application from _____
(name of applicant - if a corporation or limited liability company, please state the company name)

for the following license(s): _____
(list specific licenses requested)

to be located at: _____

and the following permit, if applied for:

☐ Banquet Facility Permit Address of Banquet Facility: _____

It is the consensus of this body that it _____ this application be considered for
(recommends/does not recommend)

approval by the Michigan Liquor Control Commission.

If disapproved, the reasons for disapproval are _____

Vote

Yeas: _____

Nays: _____

Absent: _____

I hereby certify that the foregoing is true and is a complete copy of the resolution offered and adopted by the _____
council/board at a _____ meeting held on _____
(regular or special) (date) (name of township, city, village)

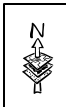
Print Name of Clerk

Signature of Clerk

Date

Under Article IV, Section 40, of the Constitution of Michigan (1963), the Commission shall exercise complete control of the alcoholic beverage traffic within this state, including the retail sales thereof, subject to statutory limitations. Further, the Commission shall have the sole right, power, and duty to control the alcoholic beverage traffic and traffic in other alcoholic liquor within this state, including the licensure of businesses and individuals.

Please return this completed form along with any corresponding documents to:
Michigan Liquor Control Commission
Mailing address: P.O. Box 30005, Lansing, MI 48909
Overnight packages: 2407 N. Grand River, Lansing, MI 48906
Fax to: 517-763-0059



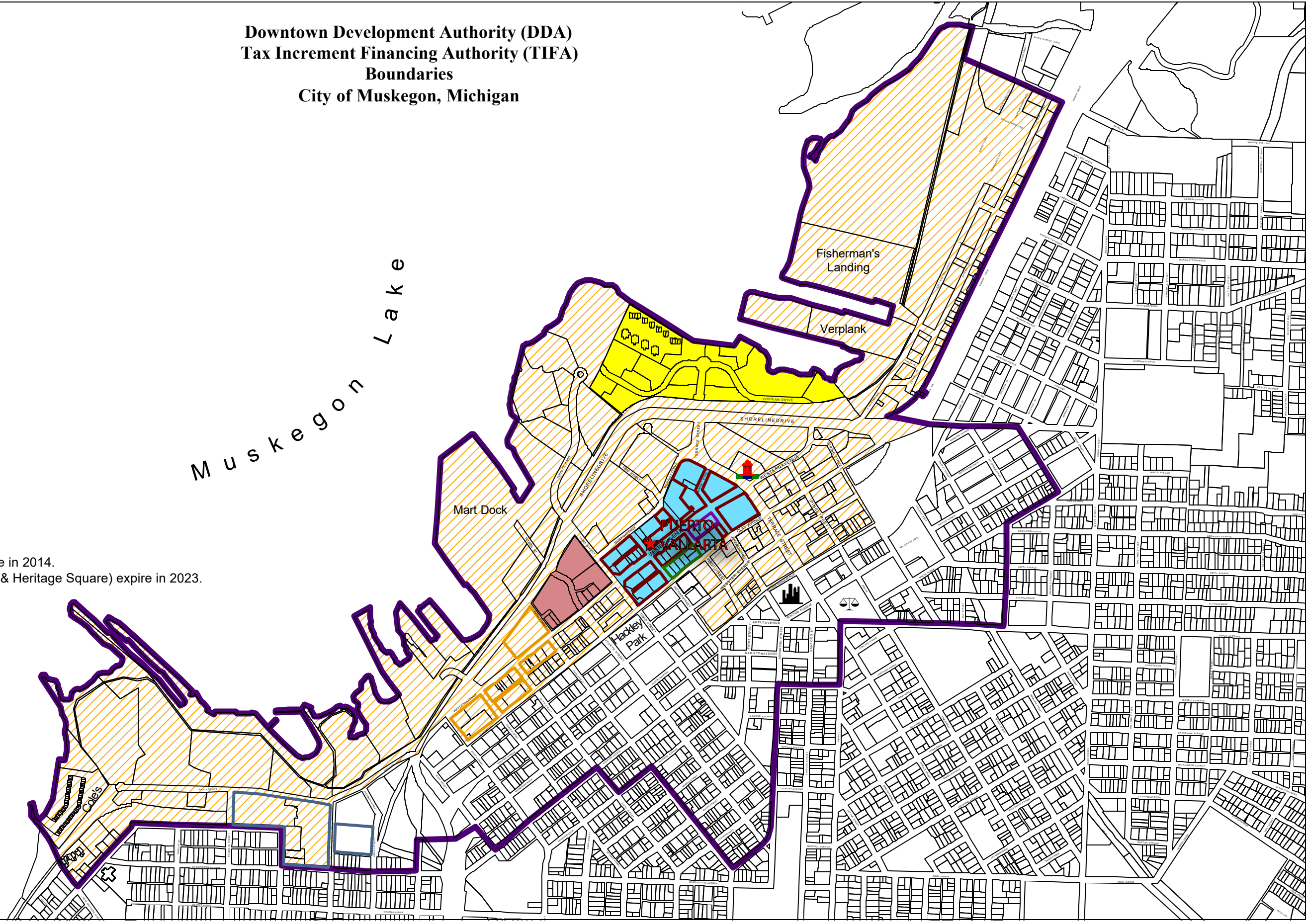
**Downtown Development Authority (DDA)
Tax Increment Financing Authority (TIFA)
Boundaries
City of Muskegon, Michigan**

Renaissance Zone Name

	Boilerworks/Amazon
	Heritage Square
	High Point Flats
	Muskegon Mall
	Shaw Walker
	DDA_Boundary
	Brownfield TIF
	SmartZone LDFA
	TIFA
	TIFA-II

Central Fire Station
 County Building
 City Hall

Renaissance Zone Notes:
1) Existing Renaissance Zones expire in 2014.
2) Extended Zones (High Point Flats & Heritage Square) expire in 2023.





Application for Liquor License

License Type (s):

Redevelopment Liquor License	Development District (DDA) License
☐ Tax Increment Finance Authority	☐ Tax Increment Finance Authority
☐ Corridor Improvement Authority	☐ Corridor Improvement Authority
☐ Downtown Development Authority	☒ Downtown Development Authority
☐ Principal Shopping District	☐ Principal Shopping District
Application fee: \$2,500 per license	

Company Information:

Name of Business (<i>as it would be listed on City resolution and other licensing applications</i>)	PUERTO VALLARTA MEXICAN GRILL AND BAR, LLC
Street Address	292 W WESTERN AVE STE 103
City, State, Zip	MUSKEGON, MI 49440
Phone Number	(989) 350-8306
Email	martinbernal27.w@gmail.com
Seating capacity of establishment	156

Property Owner Information:

Name	COREY V. LEONARD
Street Address	292 W WESTERN AVE STE 201
City, State, Zip	MUSKEGON, MI 49440
Phone Number	(231) 206-0311
Email	corey@bigsigns.com

Applicant Signature: MARTIN BERNAL Date: 12/11/2024

Application for Liquor License



Internal Purposes Only:

	Yes	No
Located in the DDA		
Paid Application		
Downtown Development Boundary Map		
Assessor Letter/Chart		
Approved Resolution		

Affidavit of Public and Private Investment

I, Donna VanderVries, in my capacity as Assessor for the City of Muskegon, a municipal corporation, of 933 Terrace Street, Muskegon, Michigan 49440, being duly sworn, depose and say:

THAT I am familiar with and make this affidavit with regard to public and private investment in real and personal property within the qualified Downtown Development Authority in the City of Muskegon established pursuant to Ordinance No. 969 ("DDA District"); and

THAT, upon information and belief, attached Exhibit A reflects actual public and private investment in real and personal property within the DDA District during the period beginning January 1, 2020 through December 31, 2024; and

THAT the foregoing is true to the best of my knowledge and belief.

Dated this 20th day of DECEMBER, 2024



Donna VanderVries, City Assessor
For the City of Muskegon, Michigan

STATE OF MICHIGAN
COUNTY OF MUSKEGON

Signed and sworn before me in Muskegon County, Michigan on December 20, ~~2021~~, 2024
by Donna VanderVries, Assessor for the City of Muskegon, a municipal corporation.



SHIRLEY WYATT Notary Public
Acting in the County of Muskegon,
Muskegon County, ~~Michigan~~ state of Michigan
My Commission Expires: 15 Jan 2029

DEVELOPMENT AREA DISTRICT - PUBLIC AND PRIVATE INVESTMENT

Page 269 of 369



Agenda Item Review Form

Muskegon City Commission

Commission Meeting Date: January 14, 2025	Title: Rezoning of 1727 Beidler St.							
Submitted by: Mike Franzak, Planning Director	Department: Planning							
Brief Summary: Request to rezone 1727 Beidler Street from Neighborhood Residential (R) to Form-Based Code, Neighborhood Edge (FBC-NE).								
Detailed Summary & Background: 1. The property measures 84' wide x 100' deep (8,400 sf). 2. The property is zoned R, Neighborhood Residential, but it contains a commercial structure on site. The building measures 1,472 sf and is used for storage for a construction company. The use is considered legally, non-conforming. 3. The zoning allows for legally non-conforming uses to be increased in size with a special use permit, but only up to 25% of the size of the existing building. The property is considered a double lot and has enough space for a larger addition. The applicant would like to at least double the size of the building. 4. The FBC, NE designation would allow this retail-type building to be expanded as long as it meets the setback requirements (10 feet rear/ 3 feet sides). The rezoning would also make the storage use legally conforming. 5. The property is located just north of the business district on Laketon Ave and is near other mixed-use buildings on Beidler St. 6. Although the property is small in size, staff and the Planning Commission do not believe this request to be considered a spot zone. A "Findings of Facts" exercise was conducted at the Planning Commission meeting to determine that it was not considered a spot zone. 7. The Planning Commission unanimously recommended in favor of the rezoning request (6-0, 3 absent).								
Goal/Focus Area/Action Item Addressed: <u>Key Focus Areas:</u> <u>Goal/Action Item:</u> 2027 Goal 2: Economic Development Housing and Business								
Amount Requested: N/A	Budgeted Item: <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <tr> <td style="width: 12.5%;">Yes</td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;">No</td> <td style="width: 12.5%;"></td> <td style="width: 12.5%;">N/A</td> <td style="width: 12.5%;">X</td> <td style="width: 12.5%;"></td> </tr> </table>	Yes		No		N/A	X	
Yes		No		N/A	X			
Fund(s) or Account(s):	Budget Amendment Needed:							

N/A		<table border="1"><tr><td>Yes</td><td></td><td>No</td><td></td><td>N/A</td><td>X</td><td></td></tr></table>						Yes		No		N/A	X									
Yes		No		N/A	X																	
Recommended Motion: I move to approve the request to rezone the property at 1727 Beidler Street from Neighborhood Residential to Form-Based Code, Neighborhood Edge.																						
Approvals: <table border="1"><tr><td>Immediate Division Head</td><td>X</td><td></td></tr><tr><td>Information Technology</td><td></td><td></td></tr><tr><td>Other Division Heads</td><td></td><td></td></tr><tr><td>Communication</td><td></td><td></td></tr><tr><td>Legal Review</td><td></td><td></td></tr></table>				Immediate Division Head	X		Information Technology			Other Division Heads			Communication			Legal Review			Guest(s) Invited / Presenting: No			
Immediate Division Head	X																					
Information Technology																						
Other Division Heads																						
Communication																						
Legal Review																						

Planning Commission Staff Report Excerpt

December 12, 2024

Hearing, Case 2024-35: Request to rezone 1727 Beidler Street from R-1, Neighborhood Residential, to Form-Based Code, Neighborhood Edge, FBC-NE.

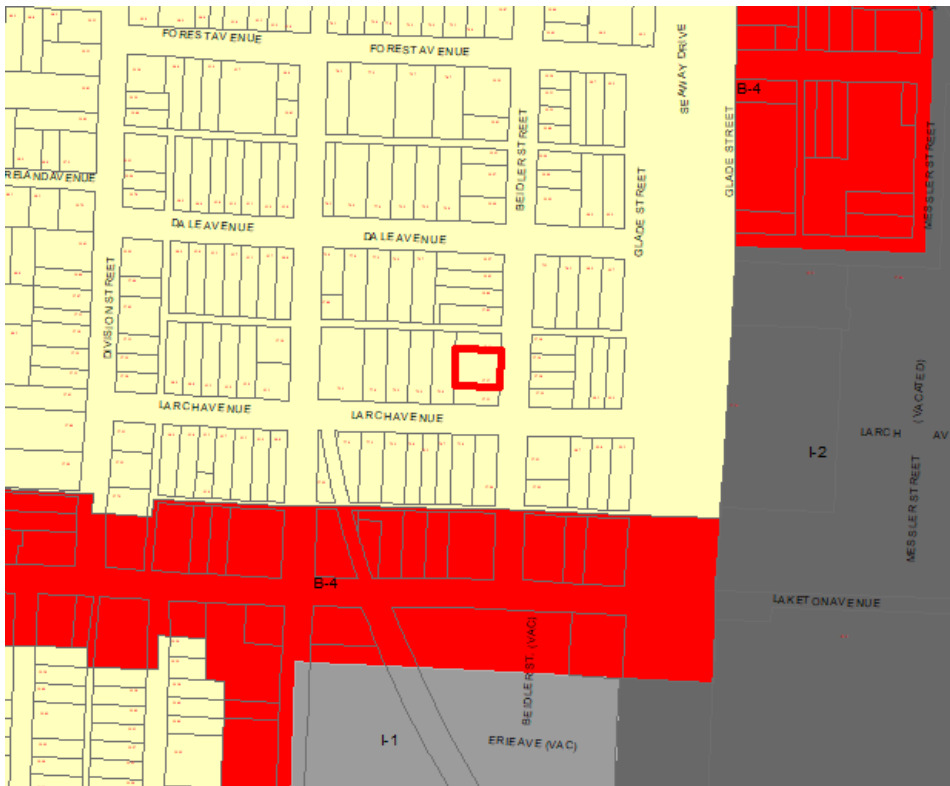
SUMMARY

1. The property measures 84' wide x 100' deep (8,400 sf).
2. The property is zoned R-1, Neighborhood Residential, but it contains a commercial structure on site. The building measures 1,472 sf and is used for storage for a construction company. The use is considered legally, non-conforming.
3. The zoning allows for legally non-conforming uses to be increased in size with a special use permit, but only up to 25% of the size of the existing building. The property is considered a double lot and has enough space for a larger addition. The applicant would like to at least double the size of the building.
4. The FBC, NE designation would allow this retail-type building to be expanded as long as it meets the setback requirements (10 feet rear/ 3 feet sides). The rezoning would also make the storage use legally conforming.
5. The property is located just north of the business district on Laketon Ave and is near other mixed-use buildings on Beidler St.
6. Please see the enclosed zoning ordinance excerpt for FBC, NE.
7. Notification was sent to every property within 300 feet of this address. At the time of this writing, staff had not received any public comments.

1727 Beidler St



Zoning Map



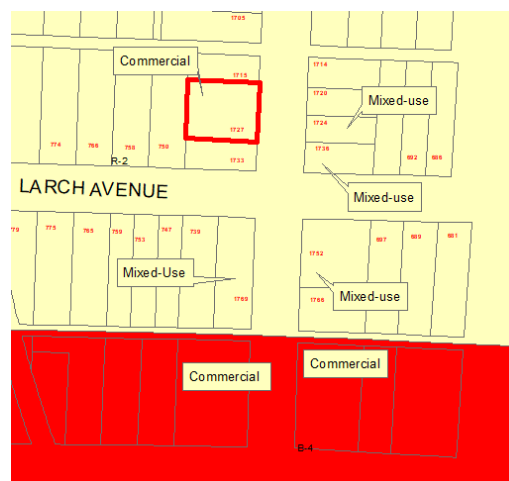
Aerial Map



STAFF RECOMMENDATION

Staff recommends approval of the rezoning request. This legally, non-conforming use is located near other legally, conforming uses just north of the main business district. These historically commercial and mixed-use buildings should be protected by a zoning designation that allows for their continued uses, while also protecting the neighborhood from unreasonable uses and expansions. Staff believes the FBC, NE designation is a great fit for this entire section of Beidler St and recommends approval of this request as well as looking into rezoning the other mixed-use buildings across the street to create a northern leg to the business district. The master plan recommends increasing neighborhood commercial options throughout the City, specifically in this identified commercial node.

Improperly Zoned Commercial Properties on Beidler between Laketon and Dale



Notes on the Spot Zoning Exercise

M. Franzak: We have some handouts in front of you because we may have some questions about whether this is a spot zoning, we don't believe this is a spot zone. The MSU Extension has created a pretty good definition of a spot zone, even though one doesn't really exist. So we have four criteria that we can talk about and how they meet or don't meet some of these, but it's staff's recommendation that this would not be considered a spot zone and that we would be in favor of the rezoning. There is also a handout for everyone from the recently approved Master Plan, this is from the Economic Development section. Bullet point E2.5 talks about this, which is another reason why we would not consider it a spot zone because it's in alignment with the Master Plan. The second paragraph speaks to the issue of how zoning regulations should encourage the re-utilization of existing buildings through expanding their footprints and increasing permitted uses. Currently, inappropriate zoning designations have led to vacant or underutilized commercial and industrial buildings located away from traditional neighborhood corridors and the interior of the neighborhood.

Public Hearing Closed.

J. Seyferth: So as the Planning staff pointed out, the MSU Extension has four criteria that should be considered when looking at if something is a spot zone, or not. For the record, these four questions will be reflected in the minutes, it does say that the circumstances in question must satisfy the following four criteria. Not just one, or a combination, but all criteria must be met.

- The area is small compared to districts surrounding the parcel in question.

The property is small compared to surrounding properties in the district, which can be seen just by looking at the map.

- The new district allows land uses inconsistent with those allowed in the vicinity.

As staff has pointed out in the memo with the photos and pointed out on the map, there are similar uses directly across the street and down the block, so this is not inconsistent with what's in the vicinity.

- The spot zone would confer a special benefit on the individual property owner not commonly enjoyed by the owners of similar property.

That would not be the case here because similar properties have the same options, as do adjacent properties.

- The existence of the spot zone conflicts with the policies in the text of the master plan and the future land use map.

As the Planning Director pointed out, this is consistent with the Master Plan. So for those reasons, this, in my opinion, would not be a spot zone.

Due to all four criteria being met, the rezoning of 1827 Beidler Street would not be considered spot zoning.

MOTION

J. Montgomery-Keast moved, seconded by J. Seyferth, that the request to rezone 1727 Beidler Street from Neighborhood Residential to Form-Based Code, Neighborhood Edge be recommended for approval to the City Commission.

ROLL CALL VOTE

B. Mazade: Yes

Montgomery-Keast: Yes

J. Seyferth: Yes

L. Willet-Leroi: Yes

S. Blake: Yes

MOTION PASSES



Agenda Item Review Form

Muskegon City Commission

Commission Meeting Date: January 14, 2025	Title: Neighborhood Enterprise Zone Certificates - 558, 568, 601, 608, 613, 621 Jackson; 522, 532 Leonard; 501, 503, 505 Alva; 502, 504 Herrick and 460 Langley.							
Submitted by: Jocelyn Hines, Development Analyst	Department: Economic Development							
Brief Summary: Staff is requesting the approval of Neighborhood Enterprise Zone (NEZ) certificates for 15 years for new construction homes at 558, 568, 601, 608, 613, 621 Jackson; 522, 532 Leonard; 501, 503, 505 Alva; 502, 504 Herrick and 460 Langley.								
Detailed Summary & Background: Applications for Neighborhood Enterprise Zone (NEZ) certificates has been received from Green Rabbit Home Builders for the new construction of homes at 558, 568, 601, 608, 613, 621 Jackson; 522, 532 Leonard; 501, 503, 505 Alva; 502, 504 Herrick and 460 Langley. The cost of construction is approximately \$190,000 per home. The applicant has met local and state requirements for the issuance of the NEZ certificate. You will also find a copy of the new NEZ resolution and map outlining new NEZ boundaries.								
Goal/Focus Area/Action Item Addressed: <u>Key Focus Areas:</u> Diverse housing types <u>Goal/Action Item:</u> 2027 Goal 2: Economic Development Housing and Business - Additional attainable housing units and increased rates of home ownership								
Amount Requested: N/A	Budgeted Item: <table border="1"><tr><td>Yes</td><td></td><td>No</td><td></td><td>N/A</td><td>X</td><td></td></tr></table>	Yes		No		N/A	X	
Yes		No		N/A	X			
Fund(s) or Account(s): N/A	Budget Amendment Needed: <table border="1"><tr><td>Yes</td><td></td><td>No</td><td></td><td>N/A</td><td>X</td><td></td></tr></table>	Yes		No		N/A	X	
Yes		No		N/A	X			
Recommended Motion: I move to close the public hearing and approve the Neighborhood Enterprise Zone District certificates at 558, 568, 601, 608, 613, 621 Jackson; 522, 532 Leonard; 501, 503, 505 Alva; 502, 504 Herrick and 460 Langley and authorize the City Clerk and Mayor to sign the certificate resolution.								

Approvals:

Immediate Division Head		
Information Technology		
Other Division Heads		
Communication		
Legal Review		

Guest(s) Invited / Presenting:

Yes

Application for Neighborhood Enterprise Zone Certificate

Issued under authority of Public Act 147 of 1992, as amended.

LOCAL GOVERNMENTAL UNIT USE ONLY	
▶ Application No.	▶ Date Received

STATE USE ONLY	
▶ Application No.	▶ Date Received

Read the instructions before completing the application. This application must be filed prior to building permit issuance and start of construction except as provided in the instructions on page 3 under Owner/Developer/Applicant Instructions. Initially file completed application and required documents with the clerk of the local governmental unit. The additional documents to complete the application process will be required by the State of Michigan only after the original application is filed with the clerk of the local governmental unit (LGU). This form is also used to file a request for the transfer of an existing NEZ certificate. Please see the instruction sheet.

PART 1: OWNER/DEVELOPER/APPLICANT INFORMATION (Applicant must complete all fields)			
Owner/Developer/Applicant Name GreenRabbit Home Builders		Type of NEZ ☒ OPRA eligible community NEZ ☐ Workforce Housing NEZ	
Facility's Street Address 460 Langley Ave.		Type of Approval Requested	
City Muskegon	State MI	ZIP Code 49442	☒ New Facility ☐ Rehabilitated Facility ☐ Transfer (1 copy only)
Name of City, Township or Village (taxing authority) Muskegon		No. of years requested for exemption (6-15; 11-17 for qualified historic building) 15	
☒ City ☐ Township ☐ Village		Is the facility owned or rented by occupants? ☒ Owned ☐ Rented	
County Muskegon		Type of Property (check one) ☒ House ☐ Duplex ☐ Condo	
School District Muskegon		☐ Loft ☐ Apartment - No. of Units _____	
Name of LGU that established district City of Muskegon		Name or Number of Neighborhood Enterprise Zone Jackson Hill	Date district was established 10/22/2024
Identify who will complete the work ☒ Licensed Contractor ☐ Other _____		Estimated Project Cost (per unit) \$190,000.00	
Describe the general nature and extent of the new construction or rehabilitation to be undertaken. For rehabilitation only, include Breakdown of Investment Costs. Use attachments if necessary. New home built on a vacant city infill lot. Green Rabbit Home Builders is building 2 and 3 bedroom homes (with full basement for future expansion) targeting the missing middle home buyer.			
Timetable for undertaking and completing the rehabilitation or construction of the facility.		Additional Timetable Information (if applicable)	
Begin Date 12/18/2024	End Date 8/31/2025	We expect to complete all 14 homes in the Jackson Hill project by 12/31/2025.	
PART 2: OWNER/DEVELOPER/APPLICANT CERTIFICATION			
Contact Name Ellyn Olney			
Contact Telephone Number (616) 299-7600		Contact Email Address ellyn@greenrabbitbuilders.com	
Owner/Developer/Applicant Name GreenRabbit Home Builders			
Owner/Developer/Applicant Telephone Number (616) 552-3745		Owner/Developer/Applicant Email Address greenrabbithomes@gmail.com	
Owner/Developer/Applicant Mailing Address 1801 44th Street SE		City Grand Rapids	State MI
		ZIP Code 49508	
I certify the information contained herein and in the attachments are true and that all are truly descriptive of the residential real property for which this application is being submitted.			
I certify I am familiar with the provisions of Public Act 147 of 1992, as amended, (MCL 207.771 to 207.787) and to the best of my knowledge, I have complied or will be able to comply with all of the requirements thereof which are prerequisite to the approval of the application by the LGU and the issuance of Neighborhood Enterprise Zone Certificate by the State Tax Commission.			
Owner/Developer/Applicant Signature 		Date 12-5-2024	

Continue on Page 2

PART 3: LGU ASSESSOR CERTIFICATION (Assessor of LGU must complete Part 3)

The property to be covered by this exemption may not be included on any other specific tax roll while receiving the Neighborhood Enterprise Zone Exemption. For example, property on the Eligible Tax Reverted Property (Land Bank) specific tax roll cannot be granted a Neighborhood Enterprise Zone Exemption that would also put the same property on the Neighborhood Enterprise Zone specific tax roll.

☒ By checking this box I certify that, if approved, the property to be covered by this exemption will be on the Neighborhood Enterprise Zone Exemption specific tax roll and not on any other specific tax roll.

Name of LGU

City of Muskegon

Name of Assessor (First and last name)

Donna VanderVries

Telephone Number

231 750 6750

Email Address

VanderVriesdoo@MuskegonCounty.net

I certify that, to the best of my knowledge, the information contained in Part 3 of this application is complete and accurate.

Assessor's Signature

D VanderVries

Date

12/17/24

PART 4: LGU ACTION/CERTIFICATION (LGU clerk must complete this section before submitting to the State Tax Commission)

Action taken by LGU:

☐ Exemption Approved for _____ Years (6-15)

☐ Exemption Approved for _____ Years
(11-17 qualified historic building)

☐ Exemption Denied (include Resolution Denying)

Date of resolution approving/denying this application

Clerk's Name (First and Last)

Telephone Number

Email Address

Mailing Address

The State Tax Commission requires the following documents be filed for an administratively complete application:

☐ 1. Original Application

☐ 2. Legal description of the real property with parcel identification number

☐ 3. Resolution approving the zone.

☐ 4. Resolution approving the application.

☐ 5. REHABILITATION APPLICATIONS ONLY.

Statement by the assessor showing the taxable value of the rehabilitated facility not including the land, for the tax year immediately preceding the effective date of the rehabilitation.

City

State

ZIP Code

I certify that I have reviewed this application for complete and accurate information and determined that the subject property is located within a qualified Neighborhood Enterprise Zone.

I certify this application meets the requirements as outlined by Public Act 147 of 1992 and hereby request the State Tax Commission issue a Neighborhood Enterprise Zone Certificate.

Clerk Signature

Date

For faster service, the LGU should email the completed application and required documents to PTE@michigan.gov.

An additional submission option is to mail the completed application and required documents to:

Michigan Department of Treasury, State Tax Commission
P.O. Box 30471
Lansing, MI 48909

Note: Additional documentation will be required for further processing of the application and for the issuance of the certificate of exemption. These documents should be sent by email or mail directly to the State of Michigan only after the original application is filed with the LGU clerk and approved by the LGU. See the instruction sheet attached.

Any questions concerning the completion of this application should be directed to the LGU clerk.

***LEGAL DESCRIPTIONS:**

1. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 EAST 5 FEET LOT 20 & LOT 21 BLOCK 14
Address: 568 JACKSON AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-014-0021-00
Price: \$1,687.50
2. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 EAST 1/2 LOT 19 AND WEST 44 1/2 FEET LOT 20 BLOCK 14
Address: 558 JACKSON AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-014-0020-01
Price: \$1,687.50
3. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 EAST 44 FEET LOT 12 BLOCK 9
Address: 532 LEONARD AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-009-0012-01
Price: \$1,500.00
4. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 EAST 22 FEET LOT 11 & WEST 22 FEET LOT 12 BLOCK 9
Address: 522 LEONARD AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-009-0012-10
Price: \$1,500.00
5. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 WEST 66 FEET OF NORTH 132 FEET LOT 1 BLOCK 21
Address: 601 JACKSON AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-021-0001-00
Price: \$3,000.00
6. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 LOT 2 BLOCK 20
Address: 613 JACKSON AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-020-0002-00
Price: \$1,687.50
7. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 LOT 1 BLOCK 20
Address: 621 JACKSON AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-020-0001-01
Price: \$1,687.50
8. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 SOUTHERLY 89.75 FEET ON LANGLEY STREET & 64.75 FEET ON EAST LINE LOT 6 BLOCK 15
Address: 608 JACKSON AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-015-0006-11
Price: \$1,500.00
9. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 LOT 6 EXCEPT NORTHERLY 50 FEET BEING 50 FEET ON LANGLEY STREET & 62.32 FEET ON EAST LINE LOT 6 EXCEPT SOUTHERLY 89.75 FEET ON LANGLEY STREET & SOUTHERLY 64.75 FEET ON EAST LINE BLOCK 15
Address: 460 LANGLEY AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-015-0006-20
Price: \$1,500.00
10. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 NORTH 50 FEET LOT 1 & NORTH 50 FEET EXCEPT WESTERLY 10.5 FEET LOT 2 BLOCK 22
Address: 501 ALVA, MUSKEGON, MI 49442
Parcel #: 61-24-205-022-0001-01
Price: \$1,562.50

11. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 LOT 1 EXCEPT
NORTHERLY 50 FEET & SOUTHERLY 32 FEET & LOT 2 EXCEPT NORTHERLY 50 FEET
& SOUTHERLY 32 FEET & WESTERLY 10.5 FEET BLOCK 22
Address: 503 ALVA ST, MUSKEGON, MI 49442
Parcel #: 61-24-205-022-0001-10
Price: \$1,562.50
12. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 SLY 32 FT LOT 1 &
SLY 32 FT EXCEPT WESTERLY 10.5 FEET LOT 2 & LOT 11 EXCEPT WESTERLY 10.5
FEET OF NORTHERLY 33 FEET BLOCK 22
Address: 505 ALVA ST, MUSKEGON, MI 49442
Parcel #: 61-24-205-022-0011-01
Price: \$3,125.00
13. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 NORTH 55 FEET LOT 3
& NORTH 55 FEET OF WESTERLY 10.5 FEET LOT 2 BLOCK 22
Address: 502 HERRICK ST, MUSKEGON, MI 49442
Parcel #: 61-24-205-022-0003-30
Price: \$1,562.50
14. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 SOUTH 95 FEET OF
NORTH 150 FEET LOT 3 & WEST 10.5 FEET LOT 2 EXCEPT NORTH 55 FEET THEREOF
& THE NORTH 33 FEET OF WEST 10.5 FEET LOT 11 BLOCK 22
Address: 504 HERRICK ST, MUSKEGON, MI 49442
Parcel #: 61-24-205-022-0003-40
Price: \$1,562.50

Resolution No. _____

MUSKEGON CITY COMMISSION

**RESOLUTION TO APPROVE THE ISSUANCE
OF A NEIGHBORHOOD ENTERPRISE ZONE CERTIFICATE**

WHEREAS, an application for a Neighborhood Enterprise Zone Certificate has been filed with the City Clerk by Green Rabbit Home Builders to construct a new home at 460 Langley St. in the Jackson Hill neighborhood, and;

WHEREAS, the applicant has satisfied both the local and state eligibility criteria for a Neighborhood Enterprise Zone Certificate;

WHEREAS, the local unit of government is allowing the six (6) month grace period after construction commencement to apply, which is allowed under the law;

WHEREAS, the Neighborhood Enterprise Zone Certificate has been approved for fifteen (15) years;

NOW, THEREFORE, BE IT RESOLVED that the application for a Neighborhood Enterprise Zone Certificate for the new construction of a home by Green Rabbit Home Builders be approved.

Adopted this 14th day of January, 2025.

Ayes:

Nays:

Absent:

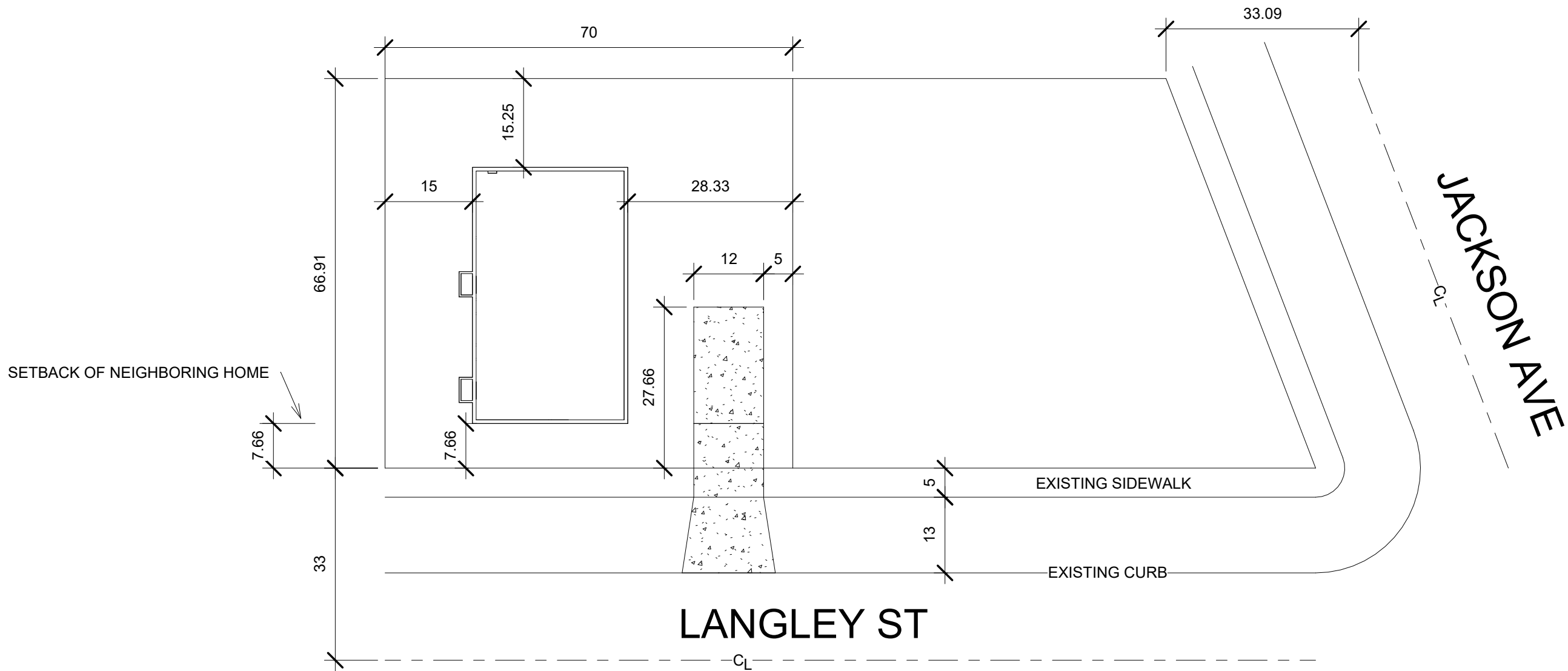
By: _____
Ken Johnson, Mayor

Attest: _____
Ann Meisch
City Clerk

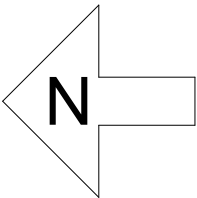
CERTIFICATION

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 January 14, 2025.

By: _____
Ann Meisch
City Clerk



1 Site Plan 460
1" = 20'-0"



Acorn Home Solutions LLC

Ron@Acornhomesolution.com

BRYANT MITCHELL
460 LANGLEY ST

No.	Description	Date

Site Plan

Project number	Project Number	C1
Date	11/18/2024	
Drawn by	RWWA	
Checked by	Checker	
		Scale 1" = 20'-0"

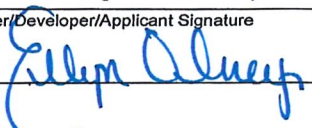
Application for Neighborhood Enterprise Zone Certificate

Issued under authority of Public Act 147 of 1992, as amended.

LOCAL GOVERNMENTAL UNIT USE ONLY	
▶ Application No.	▶ Date Received

STATE USE ONLY	
▶ Application No.	▶ Date Received

Read the instructions before completing the application. This application must be filed prior to building permit issuance and start of construction except as provided in the instructions on page 3 under Owner/Developer/Applicant Instructions. Initially file completed application and required documents with the clerk of the local governmental unit. The additional documents to complete the application process will be required by the State of Michigan only after the original application is filed with the clerk of the local governmental unit (LGU). This form is also used to file a request for the transfer of an existing NEZ certificate. Please see the instruction sheet.

PART 1: OWNER/DEVELOPER/APPLICANT INFORMATION (Applicant must complete all fields)			
Owner/Developer/Applicant Name GreenRabbit Home Builders		Type of NEZ ☒ OPRA eligible community NEZ ☐ Workforce Housing NEZ	
Facility's Street Address 501 Alva St.		Type of Approval Requested	
City Muskegon	State MI	ZIP Code 49442	☒ New Facility ☐ Rehabilitated Facility ☐ Transfer (1 copy only)
Name of City, Township or Village (taxing authority) Muskegon		No. of years requested for exemption (6-15; 11-17 for qualified historic building) 15	
☒ City ☐ Township ☐ Village		Is the facility owned or rented by occupants? ☒ Owned ☐ Rented	
County Muskegon		Type of Property (check one)	
School District Muskegon		☒ House ☐ Duplex ☐ Condo ☐ Loft ☐ Apartment - No. of Units _____	
Name of LGU that established district City of Muskegon		Name or Number of Neighborhood Enterprise Zone Jackson Hill	Date district was established 10/22/2024
Identify who will complete the work ☒ Licensed Contractor ☐ Other _____		Estimated Project Cost (per unit) \$190,000.00	
Describe the general nature and extent of the new construction or rehabilitation to be undertaken. For rehabilitation only, include Breakdown of Investment Costs. Use attachments if necessary. New home built on a vacant city infill lot. Green Rabbit Home Builders is building 2 and 3 bedroom homes (with full basement for future expansion) targeting the missing middle home buyer.			
Timetable for undertaking and completing the rehabilitation or construction of the facility.		Additional Timetable Information (if applicable)	
Begin Date 12/18/2024	End Date 12/31/2025	We expect to complete all 14 homes in the Jackson Hill project by 12/31/2025.	
PART 2: OWNER/DEVELOPER/APPLICANT CERTIFICATION			
Contact Name Ellyn Olney			
Contact Telephone Number (616) 299-7600		Contact Email Address ellyn@greenrabbitbuilders.com	
Owner/Developer/Applicant Name GreenRabbit Home Builders			
Owner/Developer/Applicant Telephone Number (616) 552-3745		Owner/Developer/Applicant Email Address greenrabbithomes@gmail.com	
Owner/Developer/Applicant Mailing Address 1801 44th Street SE		City Grand Rapids	State MI
		ZIP Code 49508	
I certify the information contained herein and in the attachments are true and that all are truly descriptive of the residential real property for which this application is being submitted.			
I certify I am familiar with the provisions of Public Act 147 of 1992, as amended, (MCL 207.771 to 207.787) and to the best of my knowledge, I have complied or will be able to comply with all of the requirements thereof which are prerequisite to the approval of the application by the LGU and the issuance of Neighborhood Enterprise Zone Certificate by the State Tax Commission.			
Owner/Developer/Applicant Signature 		Date 12-5-2024	

Continue on Page 2

PART 3: LGU ASSESSOR CERTIFICATION (Assessor of LGU must complete Part 3)			
The property to be covered by this exemption may not be included on any other specific tax roll while receiving the Neighborhood Enterprise Zone Exemption. For example, property on the Eligible Tax Reverted Property (Land Bank) specific tax roll cannot be granted a Neighborhood Enterprise Zone Exemption that would also put the same property on the Neighborhood Enterprise Zone specific tax roll.			
☒ By checking this box I certify that, if approved, the property to be covered by this exemption will be on the Neighborhood Enterprise Zone Exemption specific tax roll and not on any other specific tax roll.			
Name of LGU <i>City of Muskegon</i>			
Name of Assessor (First and last name) <i>Donna VanderVries</i>			
Telephone Number <i>231-750-6750</i>		Email Address <i>vandervriesdo@muskegoncounty.net</i>	
I certify that, to the best of my knowledge, the information contained in Part 3 of this application is complete and accurate.			
Assessor's Signature <i>Donna VanderVries</i>			Date <i>12/17/24</i>
PART 4: LGU ACTION/CERTIFICATION (LGU clerk must complete this section before submitting to the State Tax Commission)			
Action taken by LGU: ☐ Exemption Approved for _____ Years (6-15) ☐ Exemption Approved for _____ Years (11-17 qualified historic building) ☐ Exemption Denied (include Resolution Denying)		The State Tax Commission requires the following documents be filed for an administratively complete application: ☐ 1. Original Application ☐ 2. Legal description of the real property with parcel identification number ☐ 3. Resolution approving the zone. ☐ 4. Resolution approving the application. ☐ 5. REHABILITATION APPLICATIONS ONLY. Statement by the assessor showing the taxable value of the rehabilitated facility not including the land, for the tax year immediately preceding the effective date of the rehabilitation.	
Date of resolution approving/denying this application			
Clerk's Name (First and Last)			
Telephone Number			
Email Address			
Mailing Address		City	State
		ZIP Code	
I certify that I have reviewed this application for complete and accurate information and determined that the subject property is located within a qualified Neighborhood Enterprise Zone.			
I certify this application meets the requirements as outlined by Public Act 147 of 1992 and hereby request the State Tax Commission issue a Neighborhood Enterprise Zone Certificate.			
Clerk Signature			Date

For faster service, the LGU should email the completed application and required documents to PTE@michigan.gov.

An additional submission option is to mail the completed application and required documents to:

Michigan Department of Treasury, State Tax Commission
P.O. Box 30471
Lansing, MI 48909

Note: Additional documentation will be required for further processing of the application and for the issuance of the certificate of exemption. These documents should be sent by email or mail directly to the State of Michigan only after the original application is filed with the LGU clerk and approved by the LGU. See the instruction sheet attached.

Any questions concerning the completion of this application should be directed to the LGU clerk.

***LEGAL DESCRIPTIONS:**

1. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 EAST 5 FEET LOT 20 & LOT 21 BLOCK 14
Address: 568 JACKSON AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-014-0021-00
Price: \$1,687.50
2. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 EAST 1/2 LOT 19 AND WEST 44 1/2 FEET LOT 20 BLOCK 14
Address: 558 JACKSON AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-014-0020-01
Price: \$1,687.50
3. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 EAST 44 FEET LOT 12 BLOCK 9
Address: 532 LEONARD AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-009-0012-01
Price: \$1,500.00
4. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 EAST 22 FEET LOT 11 & WEST 22 FEET LOT 12 BLOCK 9
Address: 522 LEONARD AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-009-0012-10
Price: \$1,500.00
5. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 WEST 66 FEET OF NORTH 132 FEET LOT 1 BLOCK 21
Address: 601 JACKSON AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-021-0001-00
Price: \$3,000.00
6. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 LOT 2 BLOCK 20
Address: 613 JACKSON AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-020-0002-00
Price: \$1,687.50
7. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 LOT 1 BLOCK 20
Address: 621 JACKSON AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-020-0001-01
Price: \$1,687.50
8. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 SOUTHERLY 89.75 FEET ON LANGLEY STREET & 64.75 FEET ON EAST LINE LOT 6 BLOCK 15
Address: 608 JACKSON AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-015-0006-11
Price: \$1,500.00
9. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 LOT 6 EXCEPT NORTHERLY 50 FEET BEING 50 FEET ON LANGLEY STREET & 62.32 FEET ON EAST LINE LOT 6 EXCEPT SOUTHERLY 89.75 FEET ON LANGLEY STREET & SOUTHERLY 64.75 FEET ON EAST LINE BLOCK 15
Address: 460 LANGLEY AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-015-0006-20
Price: \$1,500.00
10. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 NORTH 50 FEET LOT 1 & NORTH 50 FEET EXCEPT WESTERLY 10.5 FEET LOT 2 BLOCK 22
Address: 501 ALVA, MUSKEGON, MI 49442
Parcel #: 61-24-205-022-0001-01
Price: \$1,562.50

11. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 LOT 1 EXCEPT
NORTHERLY 50 FEET & SOUTHERLY 32 FEET & LOT 2 EXCEPT NORTHERLY 50 FEET
& SOUTHERLY 32 FEET & WESTERLY 10.5 FEET BLOCK 22
Address: 503 ALVA ST, MUSKEGON, MI 49442
Parcel #: 61-24-205-022-0001-10
Price: \$1,562.50
12. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 SLY 32 FT LOT 1 &
SLY 32 FT EXCEPT WESTERLY 10.5 FEET LOT 2 & LOT 11 EXCEPT WESTERLY 10.5
FEET OF NORTHERLY 33 FEET BLOCK 22
Address: 505 ALVA ST, MUSKEGON, MI 49442
Parcel #: 61-24-205-022-0011-01
Price: \$3,125.00
13. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 NORTH 55 FEET LOT 3
& NORTH 55 FEET OF WESTERLY 10.5 FEET LOT 2 BLOCK 22
Address: 502 HERRICK ST, MUSKEGON, MI 49442
Parcel #: 61-24-205-022-0003-30
Price: \$1,562.50
14. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 SOUTH 95 FEET OF
NORTH 150 FEET LOT 3 & WEST 10.5 FEET LOT 2 EXCEPT NORTH 55 FEET THEREOF
& THE NORTH 33 FEET OF WEST 10.5 FEET LOT 11 BLOCK 22
Address: 504 HERRICK ST, MUSKEGON, MI 49442
Parcel #: 61-24-205-022-0003-40
Price: \$1,562.50

Resolution No. _____

MUSKEGON CITY COMMISSION

**RESOLUTION TO APPROVE THE ISSUANCE
OF A NEIGHBORHOOD ENTERPRISE ZONE CERTIFICATE**

WHEREAS, an application for a Neighborhood Enterprise Zone Certificate has been filed with the City Clerk by Green Rabbit Home Builders to construct a new home at 501 Alva St. in the Jackson Hill neighborhood, and;

WHEREAS, the applicant has satisfied both the local and state eligibility criteria for a Neighborhood Enterprise Zone Certificate;

WHEREAS, the local unit of government is allowing the six (6) month grace period after construction commencement to apply, which is allowed under the law;

WHEREAS, the Neighborhood Enterprise Zone Certificate has been approved for fifteen (15) years;

NOW, THEREFORE, BE IT RESOLVED that the application for a Neighborhood Enterprise Zone Certificate for the new construction of a home by Green Rabbit Home Builders be approved.

Adopted this 14th day of January, 2025.

Ayes:

Nays:

Absent:

By: _____
Ken Johnson, Mayor

Attest: _____
Ann Meisch
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 January 14, 2025.

By: _____
Ann Meisch
City Clerk

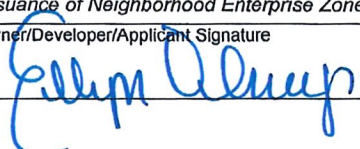
Application for Neighborhood Enterprise Zone Certificate

Issued under authority of Public Act 147 of 1992, as amended.

LOCAL GOVERNMENTAL UNIT USE ONLY	
▶ Application No.	▶ Date Received

STATE USE ONLY	
▶ Application No.	▶ Date Received

Read the instructions before completing the application. This application must be filed prior to building permit issuance and start of construction except as provided in the instructions on page 3 under Owner/Developer/Applicant Instructions. Initially file completed application and required documents with the clerk of the local governmental unit. The additional documents to complete the application process will be required by the State of Michigan only after the original application is filed with the clerk of the local governmental unit (LGU). This form is also used to file a request for the transfer of an existing NEZ certificate. Please see the instruction sheet.

PART 1: OWNER/DEVELOPER/APPLICANT INFORMATION (Applicant must complete all fields)			
Owner/Developer/Applicant Name GreenRabbit Home Builders		Type of NEZ ☒ OPRA eligible community NEZ ☐ Workforce Housing NEZ	
Facility's Street Address 502 Herriek St.		Type of Approval Requested ☒ New Facility ☐ Rehabilitated Facility ☐ Transfer (1 copy only)	
City Muskegon	State MI	ZIP Code 49442	No. of years requested for exemption (6-15; 11-17 for qualified historic building) 15
Name of City, Township or Village (taxing authority) Muskegon			Is the facility owned or rented by occupants? ☒ Owned ☐ Rented
☒ City ☐ Township ☐ Village			Type of Property (check one) ☒ House ☐ Duplex ☐ Condo ☐ Loft ☐ Apartment - No. of Units _____
County Muskegon		School District Muskegon	
Name of LGU that established district City of Muskegon		Name or Number of Neighborhood Enterprise Zone Jackson Hill	Date district was established 10/22/2024
Identify who will complete the work ☒ Licensed Contractor ☐ Other _____		Estimated Project Cost (per unit) \$190,000.00	
Describe the general nature and extent of the new construction or rehabilitation to be undertaken. For rehabilitation only, include Breakdown of Investment Costs. Use attachments if necessary. New home built on a vacant city infill lot. Green Rabbit Home Builders is building 2 and 3 bedroom homes (with full basement for future expansion) targeting the missing middle home buyer.			
Timetable for undertaking and completing the rehabilitation or construction of the facility.		Additional Timetable Information (if applicable)	
Begin Date 12/18/2024	End Date 12/31/2025	We expect to complete all 14 homes in the Jackson Hill project by 12/31/2025.	
PART 2: OWNER/DEVELOPER/APPLICANT CERTIFICATION			
Contact Name Ellyn Olney			
Contact Telephone Number (616) 299-7600		Contact Email Address ellyn@greenrabbitbuilders.com	
Owner/Developer/Applicant Name GreenRabbit Home Builders			
Owner/Developer/Applicant Telephone Number (616) 552-3745		Owner/Developer/Applicant Email Address greenrabbithomes@gmail.com	
Owner/Developer/Applicant Mailing Address 1801 44th Street SE		City Grand Rapids	State MI
		ZIP Code 49508	
I certify the information contained herein and in the attachments are true and that all are truly descriptive of the residential real property for which this application is being submitted.			
I certify I am familiar with the provisions of Public Act 147 of 1992, as amended, (MCL 207.771 to 207.787) and to the best of my knowledge, I have complied or will be able to comply with all of the requirements thereof which are prerequisite to the approval of the application by the LGU and the issuance of Neighborhood Enterprise Zone Certificate by the State Tax Commission.			
Owner/Developer/Applicant Signature 		Date 12-5-2024	

Continue on Page 2

PART 3: LGU ASSESSOR CERTIFICATION (Assessor of LGU must complete Part 3)			
The property to be covered by this exemption may not be included on any other specific tax roll while receiving the Neighborhood Enterprise Zone Exemption. For example, property on the Eligible Tax Reverted Property (Land Bank) specific tax roll cannot be granted a Neighborhood Enterprise Zone Exemption that would also put the same property on the Neighborhood Enterprise Zone specific tax roll.			
☒ By checking this box I certify that, if approved, the property to be covered by this exemption will be on the Neighborhood Enterprise Zone Exemption specific tax roll and not on any other specific tax roll.			
Name of LGU City of Muskegon			
Name of Assessor (First and last name) Donna VanderVries			
Telephone Number 231 750 6750		Email Address VanderVriesdo@MuskegonCounty.net	
I certify that, to the best of my knowledge, the information contained in Part 3 of this application is complete and accurate.			
Assessor's Signature (D) Vander Vries			Date 12/17/24
PART 4: LGU ACTION/CERTIFICATION (LGU clerk must complete this section before submitting to the State Tax Commission)			
Action taken by LGU: ☐ Exemption Approved for _____ Years (6-15) ☐ Exemption Approved for _____ Years (11-17 qualified historic building) ☐ Exemption Denied (include Resolution Denying)		The State Tax Commission requires the following documents be filed for an administratively complete application: ☐ 1. Original Application ☐ 2. Legal description of the real property with parcel identification number ☐ 3. Resolution approving the zone. ☐ 4. Resolution approving the application. ☐ 5. REHABILITATION APPLICATIONS ONLY. Statement by the assessor showing the taxable value of the rehabilitated facility not including the land, for the tax year immediately preceding the effective date of the rehabilitation.	
Date of resolution approving/denying this application			
Clerk's Name (First and Last)			
Telephone Number			
Email Address			
Mailing Address	City	State	ZIP Code
I certify that I have reviewed this application for complete and accurate information and determined that the subject property is located within a qualified Neighborhood Enterprise Zone. I certify this application meets the requirements as outlined by Public Act 147 of 1992 and hereby request the State Tax Commission issue a Neighborhood Enterprise Zone Certificate.			
Clerk Signature			Date

For faster service, the LGU should email the completed application and required documents to PTE@michigan.gov.

An additional submission option is to mail the completed application and required documents to:

Michigan Department of Treasury, State Tax Commission
P.O. Box 30471
Lansing, MI 48909

Note: Additional documentation will be required for further processing of the application and for the issuance of the certificate of exemption. These documents should be sent by email or mail directly to the State of Michigan only after the original application is filed with the LGU clerk and approved by the LGU. See the instruction sheet attached.

Any questions concerning the completion of this application should be directed to the LGU clerk.

11. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 LOT 1 EXCEPT NORTHERLY 50 FEET & SOUTHERLY 32 FEET & LOT 2 EXCEPT NORTHERLY 50 FEET & SOUTHERLY 32 FEET & WESTERLY 10.5 FEET BLOCK 22
Address: 503 ALVA ST, MUSKEGON, MI 49442
Parcel #: 61-24-205-022-0001-10
Price: \$1,562.50
12. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 SLY 32 FT LOT 1 & SLY 32 FT EXCEPT WESTERLY 10.5 FEET LOT 2 & LOT 11 EXCEPT WESTERLY 10.5 FEET OF NORTHERLY 33 FEET BLOCK 22
Address: 505 ALVA ST, MUSKEGON, MI 49442
Parcel #: 61-24-205-022-0011-01
Price: \$3,125.00
13. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 NORTH 55 FEET LOT 3 & NORTH 55 FEET OF WESTERLY 10.5 FEET LOT 2 BLOCK 22
Address: 502 HERRICK ST, MUSKEGON, MI 49442
Parcel #: 61-24-205-022-0003-30
Price: \$1,562.50
14. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 SOUTH 95 FEET OF NORTH 150 FEET LOT 3 & WEST 10.5 FEET LOT 2 EXCEPT NORTH 55 FEET THEREOF & THE NORTH 33 FEET OF WEST 10.5 FEET LOT 11 BLOCK 22
Address: 504 HERRICK ST, MUSKEGON, MI 49442
Parcel #: 61-24-205-022-0003-40
Price: \$1,562.50

***LEGAL DESCRIPTIONS:**

1. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 EAST 5 FEET LOT 20 & LOT 21 BLOCK 14
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Parcel #: 61-24-205-014-0020-01
Price: \$1,687.50
3. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 EAST 44 FEET LOT 12 BLOCK 9
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Parcel #: 61-24-205-009-0012-01
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Price: \$1,500.00
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Price: \$3,000.00
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Parcel #: 61-24-205-022-0001-01
Price: \$1,562.50

Resolution No. _____

MUSKEGON CITY COMMISSION

**RESOLUTION TO APPROVE THE ISSUANCE
OF A NEIGHBORHOOD ENTERPRISE ZONE CERTIFICATE**

WHEREAS, an application for a Neighborhood Enterprise Zone Certificate has been filed with the City Clerk by Green Rabbit Home Builders to construct a new home at 502 Herrick St. in the Jackson Hill neighborhood, and;

WHEREAS, the applicant has satisfied both the local and state eligibility criteria for a Neighborhood Enterprise Zone Certificate;

WHEREAS, the local unit of government is allowing the six (6) month grace period after construction commencement to apply, which is allowed under the law;

WHEREAS, the Neighborhood Enterprise Zone Certificate has been approved for fifteen (15) years;

NOW, THEREFORE, BE IT RESOLVED that the application for a Neighborhood Enterprise Zone Certificate for the new construction of a home by Green Rabbit Home Builders be approved.

Adopted this 14th day of January, 2025.

Ayes:

Nays:

Absent:

By: _____
Ken Johnson, Mayor

Attest: _____
Ann Meisch
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 January 14, 2025.

By: _____
Ann Meisch
City Clerk

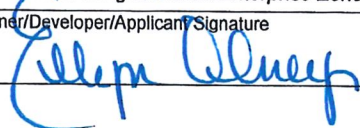
Application for Neighborhood Enterprise Zone Certificate

Issued under authority of Public Act 147 of 1992, as amended.

LOCAL GOVERNMENTAL UNIT USE ONLY	
▶ Application No.	▶ Date Received

STATE USE ONLY	
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Facility's Street Address 503 Alva St.		Type of Approval Requested	
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☒ City ☐ Township ☐ Village		Is the facility owned or rented by occupants? ☒ Owned ☐ Rented	
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School District Muskegon		☒ House ☐ Duplex ☐ Condo ☐ Loft ☐ Apartment - No. of Units _____	
Name of LGU that established district City of Muskegon		Name or Number of Neighborhood Enterprise Zone Jackson Hill	Date district was established 10/22/2024
Identify who will complete the work ☒ Licensed Contractor ☐ Other _____		Estimated Project Cost (per unit) \$190,000.00	
Describe the general nature and extent of the new construction or rehabilitation to be undertaken. For rehabilitation only, include Breakdown of Investment Costs. Use attachments if necessary. New home built on a vacant city infill lot. Green Rabbit Home Builders is building 2 and 3 bedroom homes (with full basement for future expansion) targeting the missing middle home buyer.			
Timetable for undertaking and completing the rehabilitation or construction of the facility.		Additional Timetable Information (if applicable)	
Begin Date 12/18/2024	End Date 12/31/2025	We expect to complete all 14 homes in the Jackson Hill project by 12/31/2025.	
PART 2: OWNER/DEVELOPER/APPLICANT CERTIFICATION			
Contact Name Ellyn Olney			
Contact Telephone Number (616) 299-7600		Contact Email Address ellyn@greenrabbitbuilders.com	
Owner/Developer/Applicant Name GreenRabbit Home Builders			
Owner/Developer/Applicant Telephone Number (616) 552-3745		Owner/Developer/Applicant Email Address greenrabbithomes@gmail.com	
Owner/Developer/Applicant Mailing Address 1801 44th Street SE		City Grand Rapids	State MI
		ZIP Code 49508	
I certify the information contained herein and in the attachments are true and that all are truly descriptive of the residential real property for which this application is being submitted.			
I certify I am familiar with the provisions of Public Act 147 of 1992, as amended, (MCL 207.771 to 207.787) and to the best of my knowledge, I have complied or will be able to comply with all of the requirements thereof which are prerequisite to the approval of the application by the LGU and the issuance of Neighborhood Enterprise Zone Certificate by the State Tax Commission.			
Owner/Developer/Applicant Signature 		Date 12/5/2024	

Continue on Page 2

PART 3: LGU ASSESSOR CERTIFICATION (Assessor of LGU must complete Part 3)			
The property to be covered by this exemption may not be included on any other specific tax roll while receiving the Neighborhood Enterprise Zone Exemption. For example, property on the Eligible Tax Reverted Property (Land Bank) specific tax roll cannot be granted a Neighborhood Enterprise Zone Exemption that would also put the same property on the Neighborhood Enterprise Zone specific tax roll.			
☒ By checking this box I certify that, if approved, the property to be covered by this exemption will be on the Neighborhood Enterprise Zone Exemption specific tax roll and not on any other specific tax roll.			
Name of LGU City of Muskegon			
Name of Assessor (First and last name) Donna Vandervries			
Telephone Number 231 750 6750		Email Address vandervriesdoo@MuskegonCounty.net	
I certify that, to the best of my knowledge, the information contained in Part 3 of this application is complete and accurate.			
Assessor's Signature D. Vandervries			Date 12/17/24
PART 4: LGU ACTION/CERTIFICATION (LGU clerk must complete this section before submitting to the State Tax Commission)			
Action taken by LGU:		The State Tax Commission requires the following documents be filed for an administratively complete application:	
☐ Exemption Approved for _____ Years (6-15) ☐ Exemption Approved for _____ Years (11-17 qualified historic building) ☐ Exemption Denied (include Resolution Denying)		☐ 1. Original Application ☐ 2. Legal description of the real property with parcel identification number ☐ 3. Resolution approving the zone. ☐ 4. Resolution approving the application. ☐ 5. REHABILITATION APPLICATIONS ONLY. Statement by the assessor showing the taxable value of the rehabilitated facility not including the land, for the tax year immediately preceding the effective date of the rehabilitation.	
Date of resolution approving/denying this application			
Clerk's Name (First and Last)			
Telephone Number			
Email Address			
Mailing Address		City	State ZIP Code
I certify that I have reviewed this application for complete and accurate information and determined that the subject property is located within a qualified Neighborhood Enterprise Zone.			
I certify this application meets the requirements as outlined by Public Act 147 of 1992 and hereby request the State Tax Commission issue a Neighborhood Enterprise Zone Certificate.			
Clerk Signature			Date

For faster service, the LGU should email the completed application and required documents to PTE@michigan.gov.

An additional submission option is to mail the completed application and required documents to:

Michigan Department of Treasury, State Tax Commission
P.O. Box 30471
Lansing, MI 48909

Note: Additional documentation will be required for further processing of the application and for the issuance of the certificate of exemption. These documents should be sent by email or mail directly to the State of Michigan only after the original application is filed with the LGU clerk and approved by the LGU. See the instruction sheet attached.

Any questions concerning the completion of this application should be directed to the LGU clerk.

11. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 LOT 1 EXCEPT NORTHERLY 50 FEET & SOUTHERLY 32 FEET & LOT 2 EXCEPT NORTHERLY 50 FEET & SOUTHERLY 32 FEET & WESTERLY 10.5 FEET BLOCK 22

Address: 503 ALVA ST, MUSKEGON, MI 49442

Parcel #: 61-24-205-022-0001-10

Price: \$1,562.50

12. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 SLY 32 FT LOT 1 & SLY 32 FT EXCEPT WESTERLY 10.5 FEET LOT 2 & LOT 11 EXCEPT WESTERLY 10.5 FEET OF NORTHERLY 33 FEET BLOCK 22

Address: 505 ALVA ST, MUSKEGON, MI 49442

Parcel #: 61-24-205-022-0011-01

Price: \$3,125.00

13. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 NORTH 55 FEET LOT 3 & NORTH 55 FEET OF WESTERLY 10.5 FEET LOT 2 BLOCK 22

Address: 502 HERRICK ST, MUSKEGON, MI 49442

Parcel #: 61-24-205-022-0003-30

Price: \$1,562.50

14. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 SOUTH 95 FEET OF NORTH 150 FEET LOT 3 & WEST 10.5 FEET LOT 2 EXCEPT NORTH 55 FEET THEREOF & THE NORTH 33 FEET OF WEST 10.5 FEET LOT 11 BLOCK 22

Address: 504 HERRICK ST, MUSKEGON, MI 49442

Parcel #: 61-24-205-022-0003-40

Price: \$1,562.50

***LEGAL DESCRIPTIONS:**

1. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 EAST 5 FEET LOT 20 & LOT 21 BLOCK 14
Address: 568 JACKSON AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-014-0021-00
Price: \$1,687.50
2. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 EAST 1/2 LOT 19 AND WEST 44 1/2 FEET LOT 20 BLOCK 14
Address: 558 JACKSON AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-014-0020-01
Price: \$1,687.50
3. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 EAST 44 FEET LOT 12 BLOCK 9
Address: 532 LEONARD AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-009-0012-01
Price: \$1,500.00
4. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 EAST 22 FEET LOT 11 & WEST 22 FEET LOT 12 BLOCK 9
Address: 522 LEONARD AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-009-0012-10
Price: \$1,500.00
5. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 WEST 66 FEET OF NORTH 132 FEET LOT 1 BLOCK 21
Address: 601 JACKSON AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-021-0001-00
Price: \$3,000.00
6. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 LOT 2 BLOCK 20
Address: 613 JACKSON AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-020-0002-00
Price: \$1,687.50
7. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 LOT 1 BLOCK 20
Address: 621 JACKSON AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-020-0001-01
Price: \$1,687.50
8. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 SOUTHERLY 89.75 FEET ON LANGLEY STREET & 64.75 FEET ON EAST LINE LOT 6 BLOCK 15
Address: 608 JACKSON AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-015-0006-11
Price: \$1,500.00
9. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 LOT 6 EXCEPT NORTHERLY 50 FEET BEING 50 FEET ON LANGLEY STREET & 62.32 FEET ON EAST LINE LOT 6 EXCEPT SOUTHERLY 89.75 FEET ON LANGLEY STREET & SOUTHERLY 64.75 FEET ON EAST LINE BLOCK 15
Address: 460 LANGLEY AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-015-0006-20
Price: \$1,500.00
10. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 NORTH 50 FEET LOT 1 & NORTH 50 FEET EXCEPT WESTERLY 10.5 FEET LOT 2 BLOCK 22
Address: 501 ALVA, MUSKEGON, MI 49442
Parcel #: 61-24-205-022-0001-01
Price: \$1,562.50

Resolution No. _____

MUSKEGON CITY COMMISSION

**RESOLUTION TO APPROVE THE ISSUANCE
OF A NEIGHBORHOOD ENTERPRISE ZONE CERTIFICATE**

WHEREAS, an application for a Neighborhood Enterprise Zone Certificate has been filed with the City Clerk by Green Rabbit Home Builders to construct a new home at 503 Alva St. in the Jackson Hill neighborhood, and;

WHEREAS, the applicant has satisfied both the local and state eligibility criteria for a Neighborhood Enterprise Zone Certificate;

WHEREAS, the local unit of government is allowing the six (6) month grace period after construction commencement to apply, which is allowed under the law;

WHEREAS, the Neighborhood Enterprise Zone Certificate has been approved for fifteen (15) years;

NOW, THEREFORE, BE IT RESOLVED that the application for a Neighborhood Enterprise Zone Certificate for the new construction of a home by Green Rabbit Home Builders be approved.

Adopted this 14th day of January, 2025.

Ayes:

Nays:

Absent:

By: _____
Ken Johnson, Mayor

Attest: _____
Ann Meisch
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 January 14, 2025.

By: _____
Ann Meisch
City Clerk

Application for Neighborhood Enterprise Zone Certificate

Issued under authority of Public Act 147 of 1992, as amended.

LOCAL GOVERNMENTAL UNIT USE ONLY	
▶ Application No.	▶ Date Received

STATE USE ONLY	
▶ Application No.	▶ Date Received

Read the instructions before completing the application. This application must be filed prior to building permit issuance and start of construction except as provided in the instructions on page 3 under Owner/Developer/Applicant Instructions. Initially file completed application and required documents with the clerk of the local governmental unit. The additional documents to complete the application process will be required by the State of Michigan only after the original application is filed with the clerk of the local governmental unit (LGU). This form is also used to file a request for the transfer of an existing NEZ certificate. Please see the instruction sheet.

PART 1: OWNER/DEVELOPER/APPLICANT INFORMATION (Applicant must complete all fields)			
Owner/Developer/Applicant Name GreenRabbit Home Builders		Type of NEZ ☒ OPRA eligible community NEZ ☐ Workforce Housing NEZ	
Facility's Street Address 504 Herrick St.		Type of Approval Requested ☒ New Facility ☐ Rehabilitated Facility ☐ Transfer (1 copy only)	
City Muskegon	State MI	ZIP Code 49442	
Name of City, Township or Village (taxing authority) Muskegon		No. of years requested for exemption (6-15; 11-17 for qualified historic building) 15	
☒ City ☐ Township ☐ Village		Is the facility owned or rented by occupants? ☒ Owned ☐ Rented	
County Muskegon		Type of Property (check one) ☒ House ☐ Duplex ☐ Condo ☐ Loft ☐ Apartment - No. of Units _____	
School District Muskegon			
Name of LGU that established district City of Muskegon		Name or Number of Neighborhood Enterprise Zone Jackson Hill	Date district was established 10/22/2024
Identify who will complete the work ☒ Licensed Contractor ☐ Other _____		Estimated Project Cost (per unit) \$190,000.00	
Describe the general nature and extent of the new construction or rehabilitation to be undertaken. For rehabilitation only, include Breakdown of Investment Costs. Use attachments if necessary. New home built on a vacant city infill lot. Green Rabbit Home Builders is building 2 and 3 bedroom homes (with full basement for future expansion) targeting the missing middle home buyer.			
Timetable for undertaking and completing the rehabilitation or construction of the facility.		Additional Timetable Information (if applicable)	
Begin Date 12/18/2024	End Date 12/31/2025	We expect to complete all 14 homes in the Jackson Hill project by 12/31/2025.	
PART 2: OWNER/DEVELOPER/APPLICANT CERTIFICATION			
Contact Name Ellyn Olney			
Contact Telephone Number (616) 299-7600		Contact Email Address ellyn@greenrabbitbuilders.com	
Owner/Developer/Applicant Name GreenRabbit Home Builders			
Owner/Developer/Applicant Telephone Number (616) 552-3745		Owner/Developer/Applicant Email Address greenrabbithomes@gmail.com	
Owner/Developer/Applicant Mailing Address 1801 44th Street SE		City Grand Rapids	State MI
		ZIP Code 49508	
I certify the information contained herein and in the attachments are true and that all are truly descriptive of the residential real property for which this application is being submitted.			
I certify I am familiar with the provisions of Public Act 147 of 1992, as amended, (MCL 207.771 to 207.787) and to the best of my knowledge, I have complied or will be able to comply with all of the requirements thereof which are prerequisite to the approval of the application by the LGU and the issuance of Neighborhood Enterprise Zone Certificate by the State Tax Commission.			
Owner/Developer/Applicant Signature 		Date 12-5-2024	

Continue on Page 2

PART 3: LGU ASSESSOR CERTIFICATION (Assessor of LGU must complete Part 3)			
The property to be covered by this exemption may not be included on any other specific tax roll while receiving the Neighborhood Enterprise Zone Exemption. For example, property on the Eligible Tax Reverted Property (Land Bank) specific tax roll cannot be granted a Neighborhood Enterprise Zone Exemption that would also put the same property on the Neighborhood Enterprise Zone specific tax roll.			
☒ By checking this box I certify that, if approved, the property to be covered by this exemption will be on the Neighborhood Enterprise Zone Exemption specific tax roll and not on any other specific tax roll.			
Name of LGU City of Muskegon			
Name of Assessor (First and last name) Donna VanderVries			
Telephone Number 231 750 6750		Email Address VanderVriesdo@MuskegonCounty.net	
I certify that, to the best of my knowledge, the information contained in Part 3 of this application is complete and accurate.			
Assessor's Signature D VanderVries			Date 12/27/24
PART 4: LGU ACTION/CERTIFICATION (LGU clerk must complete this section before submitting to the State Tax Commission)			
Action taken by LGU: ☐ Exemption Approved for _____ Years (6-15) ☐ Exemption Approved for _____ Years (11-17 qualified historic building) ☐ Exemption Denied (include Resolution Denying) Date of resolution approving/denying this application Clerk's Name (First and Last) Telephone Number Email Address Mailing Address		The State Tax Commission requires the following documents be filed for an administratively complete application: ☐ 1. Original Application ☐ 2. Legal description of the real property with parcel identification number ☐ 3. Resolution approving the zone. ☐ 4. Resolution approving the application. ☐ 5. REHABILITATION APPLICATIONS ONLY. Statement by the assessor showing the taxable value of the rehabilitated facility not including the land, for the tax year immediately preceding the effective date of the rehabilitation.	
City		State	ZIP Code
I certify that I have reviewed this application for complete and accurate information and determined that the subject property is located within a qualified Neighborhood Enterprise Zone. I certify this application meets the requirements as outlined by Public Act 147 of 1992 and hereby request the State Tax Commission issue a Neighborhood Enterprise Zone Certificate.			
Clerk Signature			Date

For faster service, the LGU should email the completed application and required documents to PTE@michigan.gov.

An additional submission option is to mail the completed application and required documents to:

Michigan Department of Treasury, State Tax Commission
P.O. Box 30471
Lansing, MI 48909

Note: Additional documentation will be required for further processing of the application and for the issuance of the certificate of exemption. These documents should be sent by email or mail directly to the State of Michigan only after the original application is filed with the LGU clerk and approved by the LGU. See the instruction sheet attached.

Any questions concerning the completion of this application should be directed to the LGU clerk.

11. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 LOT 1 EXCEPT NORTHERLY 50 FEET & SOUTHERLY 32 FEET & LOT 2 EXCEPT NORTHERLY 50 FEET & SOUTHERLY 32 FEET & WESTERLY 10.5 FEET BLOCK 22
Address: 503 ALVA ST, MUSKEGON, MI 49442
Parcel #: 61-24-205-022-0001-10
Price: \$1,562.50
12. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 SLY 32 FT LOT 1 & SLY 32 FT EXCEPT WESTERLY 10.5 FEET LOT 2 & LOT 11 EXCEPT WESTERLY 10.5 FEET OF NORTHERLY 33 FEET BLOCK 22
Address: 505 ALVA ST, MUSKEGON, MI 49442
Parcel #: 61-24-205-022-0011-01
Price: \$3,125.00
13. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 NORTH 55 FEET LOT 3 & NORTH 55 FEET OF WESTERLY 10.5 FEET LOT 2 BLOCK 22
Address: 502 HERRICK ST, MUSKEGON, MI 49442
Parcel #: 61-24-205-022-0003-30
Price: \$1,562.50
14. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 SOUTH 95 FEET OF NORTH 150 FEET LOT 3 & WEST 10.5 FEET LOT 2 EXCEPT NORTH 55 FEET THEREOF & THE NORTH 33 FEET OF WEST 10.5 FEET LOT 11 BLOCK 22
Address: 504 HERRICK ST, MUSKEGON, MI 49442
Parcel #: 61-24-205-022-0003-40
Price: \$1,562.50

***LEGAL DESCRIPTIONS:**

1. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 EAST 5 FEET LOT 20 & LOT 21 BLOCK 14
Address: 568 JACKSON AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-014-0021-00
Price: \$1,687.50
2. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 EAST 1/2 LOT 19 AND WEST 44 ½ FEET LOT 20 BLOCK 14
Address: 558 JACKSON AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-014-0020-01
Price: \$1,687.50
3. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 EAST 44 FEET LOT 12 BLOCK 9
Address: 532 LEONARD AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-009-0012-01
Price: \$1,500.00
4. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 EAST 22 FEET LOT 11 & WEST 22 FEET LOT 12 BLOCK 9
Address: 522 LEONARD AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-009-0012-10
Price: \$1,500.00
5. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 WEST 66 FEET OF NORTH 132 FEET LOT 1 BLOCK 21
Address: 601 JACKSON AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-021-0001-00
Price: \$3,000.00
6. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 LOT 2 BLOCK 20
Address: 613 JACKSON AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-020-0002-00
Price: \$1,687.50
7. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 LOT 1 BLOCK 20
Address: 621 JACKSON AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-020-0001-01
Price: \$1,687.50
8. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 SOUTHERLY 89.75 FEET ON LANGLEY STREET & 64.75 FEET ON EAST LINE LOT 6 BLOCK 15
Address: 608 JACKSON AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-015-0006-11
Price: \$1,500.00
9. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 LOT 6 EXCEPT NORTHERLY 50 FEET BEING 50 FEET ON LANGLEY STREET & 62.32 FEET ON EAST LINE LOT 6 EXCEPT SOUTHERLY 89.75 FEET ON LANGLEY STREET & SOUTHERLY 64.75 FEET ON EAST LINE BLOCK 15
Address: 460 LANGLEY AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-015-0006-20
Price: \$1,500.00
10. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 NORTH 50 FEET LOT 1 & NORTH 50 FEET EXCEPT WESTERLY 10.5 FEET LOT 2 BLOCK 22
Address: 501 ALVA, MUSKEGON, MI 49442
Parcel #: 61-24-205-022-0001-01
Price: \$1,562.50

Resolution No. _____

MUSKEGON CITY COMMISSION

**RESOLUTION TO APPROVE THE ISSUANCE
OF A NEIGHBORHOOD ENTERPRISE ZONE CERTIFICATE**

WHEREAS, an application for a Neighborhood Enterprise Zone Certificate has been filed with the City Clerk by Green Rabbit Home Builders to construct a new home at 504 Herrick St. in the Jackson Hill neighborhood, and;

WHEREAS, the applicant has satisfied both the local and state eligibility criteria for a Neighborhood Enterprise Zone Certificate;

WHEREAS, the local unit of government is allowing the six (6) month grace period after construction commencement to apply, which is allowed under the law;

WHEREAS, the Neighborhood Enterprise Zone Certificate has been approved for fifteen (15) years;

NOW, THEREFORE, BE IT RESOLVED that the application for a Neighborhood Enterprise Zone Certificate for the new construction of a home by Green Rabbit Home Builders be approved.

Adopted this 14th day of January, 2025.

Ayes:

Nays:

Absent:

By: _____
Ken Johnson, Mayor

Attest: _____
Ann Meisch
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 January 14, 2025.

By: _____
Ann Meisch
City Clerk

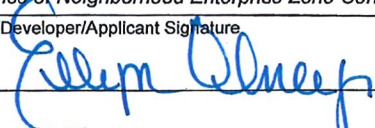
Application for Neighborhood Enterprise Zone Certificate

Issued under authority of Public Act 147 of 1992, as amended.

LOCAL GOVERNMENTAL UNIT USE ONLY	
▶ Application No.	▶ Date Received

STATE USE ONLY	
▶ Application No.	▶ Date Received

Read the instructions before completing the application. This application must be filed prior to building permit issuance and start of construction except as provided in the instructions on page 3 under Owner/Developer/Applicant Instructions. Initially file completed application and required documents with the clerk of the local governmental unit. The additional documents to complete the application process will be required by the State of Michigan only after the original application is filed with the clerk of the local governmental unit (LGU). This form is also used to file a request for the transfer of an existing NEZ certificate. Please see the instruction sheet.

PART 1: OWNER/DEVELOPER/APPLICANT INFORMATION (Applicant must complete all fields)			
Owner/Developer/Applicant Name GreenRabbit Home Builders		Type of NEZ ☒ OPRA eligible community NEZ ☐ Workforce Housing NEZ	
Facility's Street Address 505 Alva St.		Type of Approval Requested	
City Muskegon	State MI	ZIP Code 49442	☒ New Facility ☐ Rehabilitated Facility ☐ Transfer (1 copy only)
Name of City, Township or Village (taxing authority) Muskegon		No. of years requested for exemption (6-15; 11-17 for qualified historic building) 15	
☒ City ☐ Township ☐ Village		Is the facility owned or rented by occupants? ☒ Owned ☐ Rented	
County Muskegon	Type of Property (check one) ☒ House ☐ Duplex ☐ Condo ☐ Loft ☐ Apartment - No. of Units _____		
School District Muskegon			
Name of LGU that established district City of Muskegon		Name or Number of Neighborhood Enterprise Zone Jackson Hill	Date district was established 10/22/2024
Identify who will complete the work ☒ Licensed Contractor ☐ Other _____		Estimated Project Cost (per unit) \$190,000.00	
Describe the general nature and extent of the new construction or rehabilitation to be undertaken. For rehabilitation only, include Breakdown of Investment Costs. Use attachments if necessary. New home built on a vacant city infill lot. Green Rabbit Home Builders is building 2 and 3 bedroom homes (with full basement for future expansion) targeting the missing middle home buyer.			
Timetable for undertaking and completing the rehabilitation or construction of the facility.		Additional Timetable Information (if applicable)	
Begin Date 12/18/2024	End Date 12/31/2025	We expect to complete all 14 homes in the Jackson Hill project by 12/31/2025.	
PART 2: OWNER/DEVELOPER/APPLICANT CERTIFICATION			
Contact Name Ellyn Olney			
Contact Telephone Number (616) 299-7600		Contact Email Address ellyn@greenrabbitbuilders.com	
Owner/Developer/Applicant Name GreenRabbit Home Builders			
Owner/Developer/Applicant Telephone Number (616) 552-3745		Owner/Developer/Applicant Email Address greenrabbithomes@gmail.com	
Owner/Developer/Applicant Mailing Address 1801 44th Street SE		City Grand Rapids	State MI
		ZIP Code 49508	
I certify the information contained herein and in the attachments are true and that all are truly descriptive of the residential real property for which this application is being submitted.			
I certify I am familiar with the provisions of Public Act 147 of 1992, as amended, (MCL 207.771 to 207.787) and to the best of my knowledge, I have complied or will be able to comply with all of the requirements thereof which are prerequisite to the approval of the application by the LGU and the issuance of Neighborhood Enterprise Zone Certificate by the State Tax Commission.			
Owner/Developer/Applicant Signature 		Date 12/5/2024	

Continue on Page 2

PART 3: LGU ASSESSOR CERTIFICATION (Assessor of LGU must complete Part 3)

The property to be covered by this exemption may not be included on any other specific tax roll while receiving the Neighborhood Enterprise Zone Exemption. For example, property on the Eligible Tax Reverted Property (Land Bank) specific tax roll cannot be granted a Neighborhood Enterprise Zone Exemption that would also put the same property on the Neighborhood Enterprise Zone specific tax roll.

☒ By checking this box I certify that, if approved, the property to be covered by this exemption will be on the Neighborhood Enterprise Zone Exemption specific tax roll and not on any other specific tax roll.

Name of LGU

City of Muskegon

Name of Assessor (First and last name)

Donna VanderVries

Telephone Number

231 750 6750

Email Address

Vandervriesdo@Muskegoncounty.net

I certify that, to the best of my knowledge, the information contained in Part 3 of this application is complete and accurate.

Date

12/17/24

Assessor's Signature

D VanderVries

PART 4: LGU ACTION/CERTIFICATION (LGU clerk must complete this section before submitting to the State Tax Commission)

Action taken by LGU:

☐ Exemption Approved for _____ Years (6-15)

☐ Exemption Approved for _____ Years
(11-17 qualified historic building)

☐ Exemption Denied (include Resolution Denying)

Date of resolution approving/denying this application

Clerk's Name (First and Last)

Telephone Number

Email Address

Mailing Address

The State Tax Commission requires the following documents be filed for an administratively complete application:

☐ 1. Original Application

☐ 2. Legal description of the real property with parcel identification number

☐ 3. Resolution approving the zone.

☐ 4. Resolution approving the application.

☐ 5. **REHABILITATION APPLICATIONS ONLY.**
Statement by the assessor showing the taxable value of the rehabilitated facility not including the land, for the tax year immediately preceding the effective date of the rehabilitation.

City

State

ZIP Code

I certify that I have reviewed this application for complete and accurate information and determined that the subject property is located within a qualified Neighborhood Enterprise Zone.

I certify this application meets the requirements as outlined by Public Act 147 of 1992 and hereby request the State Tax Commission issue a Neighborhood Enterprise Zone Certificate.

Clerk Signature

Date

For faster service, the LGU should email the completed application and required documents to PTE@michigan.gov.

An additional submission option is to mail the completed application and required documents to:

Michigan Department of Treasury, State Tax Commission
P.O. Box 30471
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Price: \$1,687.50
2. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 EAST 1/2 LOT 19 AND WEST 44 1/2 FEET LOT 20 BLOCK 14
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Parcel #: 61-24-205-014-0020-01
Price: \$1,687.50
3. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 EAST 44 FEET LOT 12 BLOCK 9
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Parcel #: 61-24-205-009-0012-01
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Parcel #: 61-24-205-009-0012-10
Price: \$1,500.00
5. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 WEST 66 FEET OF NORTH 132 FEET LOT 1 BLOCK 21
Address: 601 JACKSON AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-021-0001-00
Price: \$3,000.00
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Parcel #: 61-24-205-020-0001-01
Price: \$1,687.50
8. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 SOUTHERLY 89.75 FEET ON LANGLEY STREET & 64.75 FEET ON EAST LINE LOT 6 BLOCK 15
Address: 608 JACKSON AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-015-0006-11
Price: \$1,500.00
9. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 LOT 6 EXCEPT NORTHERLY 50 FEET BEING 50 FEET ON LANGLEY STREET & 62.32 FEET ON EAST LINE LOT 6 EXCEPT SOUTHERLY 89.75 FEET ON LANGLEY STREET & SOUTHERLY 64.75 FEET ON EAST LINE BLOCK 15
Address: 460 LANGLEY AVE, MUSKEGON, MI 49442
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10. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 NORTH 50 FEET LOT 1 & NORTH 50 FEET EXCEPT WESTERLY 10.5 FEET LOT 2 BLOCK 22
Address: 501 ALVA, MUSKEGON, MI 49442
Parcel #: 61-24-205-022-0001-01
Price: \$1,562.50

11. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 LOT 1 EXCEPT NORTHERLY 50 FEET & SOUTHERLY 32 FEET & LOT 2 EXCEPT NORTHERLY 50 FEET & SOUTHERLY 32 FEET & WESTERLY 10.5 FEET BLOCK 22
Address: 503 ALVA ST, MUSKEGON, MI 49442
Parcel #: 61-24-205-022-0001-10
Price: \$1,562.50
12. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 SLY 32 FT LOT 1 & SLY 32 FT EXCEPT WESTERLY 10.5 FEET LOT 2 & LOT 11 EXCEPT WESTERLY 10.5 FEET OF NORTHERLY 33 FEET BLOCK 22
Address: 505 ALVA ST, MUSKEGON, MI 49442
Parcel #: 61-24-205-022-0011-01
Price: \$3,125.00
13. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 NORTH 55 FEET LOT 3 & NORTH 55 FEET OF WESTERLY 10.5 FEET LOT 2 BLOCK 22
Address: 502 HERRICK ST, MUSKEGON, MI 49442
Parcel #: 61-24-205-022-0003-30
Price: \$1,562.50
14. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 SOUTH 95 FEET OF NORTH 150 FEET LOT 3 & WEST 10.5 FEET LOT 2 EXCEPT NORTH 55 FEET THEREOF & THE NORTH 33 FEET OF WEST 10.5 FEET LOT 11 BLOCK 22
Address: 504 HERRICK ST, MUSKEGON, MI 49442
Parcel #: 61-24-205-022-0003-40
Price: \$1,562.50

Resolution No. _____

MUSKEGON CITY COMMISSION

**RESOLUTION TO APPROVE THE ISSUANCE
OF A NEIGHBORHOOD ENTERPRISE ZONE CERTIFICATE**

WHEREAS, an application for a Neighborhood Enterprise Zone Certificate has been filed with the City Clerk by Green Rabbit Home Builders to construct a new home at 505 Alva St. in the Jackson Hill neighborhood, and;

WHEREAS, the applicant has satisfied both the local and state eligibility criteria for a Neighborhood Enterprise Zone Certificate;

WHEREAS, the local unit of government is allowing the six (6) month grace period after construction commencement to apply, which is allowed under the law;

WHEREAS, the Neighborhood Enterprise Zone Certificate has been approved for fifteen (15) years;

NOW, THEREFORE, BE IT RESOLVED that the application for a Neighborhood Enterprise Zone Certificate for the new construction of a home by Green Rabbit Home Builders be approved.

Adopted this 14th day of January, 2025.

Ayes:

Nays:

Absent:

By: _____
Ken Johnson, Mayor

Attest: _____
Ann Meisch
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 January 14, 2025.

By: _____
Ann Meisch
City Clerk

Application for Neighborhood Enterprise Zone Certificate

Issued under authority of Public Act 147 of 1992, as amended.

LOCAL GOVERNMENTAL UNIT USE ONLY	
▶ Application No.	▶ Date Received

STATE USE ONLY	
▶ Application No.	▶ Date Received

Read the instructions before completing the application. This application must be filed prior to building permit issuance and start of construction except as provided in the instructions on page 3 under Owner/Developer/Applicant Instructions. Initially file completed application and required documents with the clerk of the local governmental unit. The additional documents to complete the application process will be required by the State of Michigan only after the original application is filed with the clerk of the local governmental unit (LGU). This form is also used to file a request for the transfer of an existing NEZ certificate. Please see the instruction sheet.

PART 1: OWNER/DEVELOPER/APPLICANT INFORMATION (Applicant must complete all fields)			
Owner/Developer/Applicant Name GreenRabbit Home Builders		Type of NEZ ☒ OPRA eligible community NEZ ☐ Workforce Housing NEZ	
Facility's Street Address 522 Leonard Ave		Type of Approval Requested ☒ New Facility ☐ Rehabilitated Facility ☐ Transfer (1 copy only)	
City Muskegon	State MI	ZIP Code 49442	
Name of City, Township or Village (taxing authority) Muskegon		No. of years requested for exemption (6-15; 11-17 for qualified historic building) 15	
☒ City ☐ Township ☐ Village		Is the facility owned or rented by occupants? ☒ Owned ☐ Rented	
County Muskegon		Type of Property (check one) ☒ House ☐ Duplex ☐ Condo ☐ Loft ☐ Apartment - No. of Units _____	
School District Muskegon			
Name of LGU that established district City of Muskegon		Name or Number of Neighborhood Enterprise Zone Jackson Hill	Date district was established 10/22/2024
Identify who will complete the work ☒ Licensed Contractor ☐ Other _____		Estimated Project Cost (per unit) \$190,000.00	
Describe the general nature and extent of the new construction or rehabilitation to be undertaken. For rehabilitation only, include Breakdown of Investment Costs. Use attachments if necessary. New home built on a vacant city infill lot. Green Rabbit Home Builders is building 2 and 3 bedroom homes (with full basement for future expansion) targeting the missing middle home buyer.			
Timetable for undertaking and completing the rehabilitation or construction of the facility.		Additional Timetable Information (if applicable)	
Begin Date 12/18/2024	End Date 12/31/2025	We expect to complete all 14 homes in the Jackson Hill project by 12/31/2025.	
PART 2: OWNER/DEVELOPER/APPLICANT CERTIFICATION			
Contact Name Elynn Olney			
Contact Telephone Number (616) 299-7600		Contact Email Address ellynn@greenrabbitbuilders.com	
Owner/Developer/Applicant Name GreenRabbit Home Builders			
Owner/Developer/Applicant Telephone Number (616) 552-3745		Owner/Developer/Applicant Email Address greenrabbithomes@gmail.com	
Owner/Developer/Applicant Mailing Address 1801 44th Street SE		City Grand Rapids	State MI
		ZIP Code 49508	
I certify the information contained herein and in the attachments are true and that all are truly descriptive of the residential real property for which this application is being submitted.			
I certify I am familiar with the provisions of Public Act 147 of 1992, as amended, (MCL 207.771 to 207.787) and to the best of my knowledge, I have complied or will be able to comply with all of the requirements thereof which are prerequisite to the approval of the application by the LGU and the issuance of Neighborhood Enterprise Zone Certificate by the State Tax Commission.			
Owner/Developer/Applicant Signature Elynn Olney		Date 12-5-2024	

Continue on Page 2

PART 3: LGU ASSESSOR CERTIFICATION (Assessor of LGU must complete Part 3)

The property to be covered by this exemption may not be included on any other specific tax roll while receiving the Neighborhood Enterprise Zone Exemption. For example, property on the Eligible Tax Reverted Property (Land Bank) specific tax roll cannot be granted a Neighborhood Enterprise Zone Exemption that would also put the same property on the Neighborhood Enterprise Zone specific tax roll.

☒ By checking this box I certify that, if approved, the property to be covered by this exemption will be on the Neighborhood Enterprise Zone Exemption specific tax roll and not on any other specific tax roll.

Name of LGU

City of Muskegon

Name of Assessor (First and last name)

Donna VanderVries

Telephone Number

231 86 750-6750

Email Address

vanderVriesdo@muskegoncounty.net

I certify that, to the best of my knowledge, the information contained in Part 3 of this application is complete and accurate.

Assessor's Signature

D VanderVries

Date

12/17/21

PART 4: LGU ACTION/CERTIFICATION (LGU clerk must complete this section before submitting to the State Tax Commission)

Action taken by LGU:

☐ Exemption Approved for _____ Years (6-15)

☐ Exemption Approved for _____ Years
(11-17 qualified historic building)

☐ Exemption Denied (include Resolution Denying)

Date of resolution approving/denying this application

Clerk's Name (First and Last)

Telephone Number

Email Address

Mailing Address

The State Tax Commission requires the following documents be filed for an administratively complete application:

☐ 1. Original Application

☐ 2. Legal description of the real property with parcel identification number

☐ 3. Resolution approving the zone.

☐ 4. Resolution approving the application.

☐ 5. **REHABILITATION APPLICATIONS ONLY.**
Statement by the assessor showing the taxable value of the rehabilitated facility not including the land, for the tax year immediately preceding the effective date of the rehabilitation.

City

State

ZIP Code

I certify that I have reviewed this application for complete and accurate information and determined that the subject property is located within a qualified Neighborhood Enterprise Zone.

I certify this application meets the requirements as outlined by Public Act 147 of 1992 and hereby request the State Tax Commission issue a Neighborhood Enterprise Zone Certificate.

Clerk Signature

Date

For faster service, the LGU should email the completed application and required documents to PTE@michigan.gov.

An additional submission option is to mail the completed application and required documents to:

Michigan Department of Treasury, State Tax Commission
P.O. Box 30471
Lansing, MI 48909

Note: Additional documentation will be required for further processing of the application and for the issuance of the certificate of exemption. These documents should be sent by email or mail directly to the State of Michigan only after the original application is filed with the LGU clerk and approved by the LGU. See the instruction sheet attached.

Any questions concerning the completion of this application should be directed to the LGU clerk.

***LEGAL DESCRIPTIONS:**

1. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 EAST 5 FEET LOT 20 & LOT 21 BLOCK 14
Address: 568 JACKSON AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-014-0021-00
Price: \$1,687.50
2. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 EAST 1/2 LOT 19 AND WEST 44 1/2 FEET LOT 20 BLOCK 14
Address: 558 JACKSON AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-014-0020-01
Price: \$1,687.50
3. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 EAST 44 FEET LOT 12 BLOCK 9
Address: 532 LEONARD AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-009-0012-01
Price: \$1,500.00
4. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 EAST 22 FEET LOT 11 & WEST 22 FEET LOT 12 BLOCK 9
Address: 522 LEONARD AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-009-0012-10
Price: \$1,500.00
5. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 WEST 66 FEET OF NORTH 132 FEET LOT 1 BLOCK 21
Address: 601 JACKSON AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-021-0001-00
Price: \$3,000.00
6. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 LOT 2 BLOCK 20
Address: 613 JACKSON AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-020-0002-00
Price: \$1,687.50
7. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 LOT 1 BLOCK 20
Address: 621 JACKSON AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-020-0001-01
Price: \$1,687.50
8. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 SOUTHERLY 89.75 FEET ON LANGLEY STREET & 64.75 FEET ON EAST LINE LOT 6 BLOCK 15
Address: 608 JACKSON AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-015-0006-11
Price: \$1,500.00
9. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 LOT 6 EXCEPT NORTHERLY 50 FEET BEING 50 FEET ON LANGLEY STREET & 62.32 FEET ON EAST LINE LOT 6 EXCEPT SOUTHERLY 89.75 FEET ON LANGLEY STREET & SOUTHERLY 64.75 FEET ON EAST LINE BLOCK 15
Address: 460 LANGLEY AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-015-0006-20
Price: \$1,500.00
10. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 NORTH 50 FEET LOT 1 & NORTH 50 FEET EXCEPT WESTERLY 10.5 FEET LOT 2 BLOCK 22
Address: 501 ALVA, MUSKEGON, MI 49442
Parcel #: 61-24-205-022-0001-01
Price: \$1,562.50

11. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 LOT 1 EXCEPT
NORTHERLY 50 FEET & SOUTHERLY 32 FEET & LOT 2 EXCEPT NORTHERLY 50 FEET
& SOUTHERLY 32 FEET & WESTERLY 10.5 FEET BLOCK 22
Address: 503 ALVA ST, MUSKEGON, MI 49442
Parcel #: 61-24-205-022-0001-10
Price: \$1,562.50

12. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 SLY 32 FT LOT 1 &
SLY 32 FT EXCEPT WESTERLY 10.5 FEET LOT 2 & LOT 11 EXCEPT WESTERLY 10.5
FEET OF NORTHERLY 33 FEET BLOCK 22
Address: 505 ALVA ST, MUSKEGON, MI 49442
Parcel #: 61-24-205-022-0011-01
Price: \$3,125.00

13. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 NORTH 55 FEET LOT 3
& NORTH 55 FEET OF WESTERLY 10.5 FEET LOT 2 BLOCK 22
Address: 502 HERRICK ST, MUSKEGON, MI 49442
Parcel #: 61-24-205-022-0003-30
Price: \$1,562.50

14. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 SOUTH 95 FEET OF
NORTH 150 FEET LOT 3 & WEST 10.5 FEET LOT 2 EXCEPT NORTH 55 FEET THEREOF
& THE NORTH 33 FEET OF WEST 10.5 FEET LOT 11 BLOCK 22
Address: 504 HERRICK ST, MUSKEGON, MI 49442
Parcel #: 61-24-205-022-0003-40
Price: \$1,562.50

Resolution No. _____

MUSKEGON CITY COMMISSION

**RESOLUTION TO APPROVE THE ISSUANCE
OF A NEIGHBORHOOD ENTERPRISE ZONE CERTIFICATE**

WHEREAS, an application for a Neighborhood Enterprise Zone Certificate has been filed with the City Clerk by Green Rabbit Home Builders to construct a new home at 522 Leonard Ave. in the Jackson Hill neighborhood, and;

WHEREAS, the applicant has satisfied both the local and state eligibility criteria for a Neighborhood Enterprise Zone Certificate;

WHEREAS, the local unit of government is allowing the six (6) month grace period after construction commencement to apply, which is allowed under the law;

WHEREAS, the Neighborhood Enterprise Zone Certificate has been approved for fifteen (15) years;

NOW, THEREFORE, BE IT RESOLVED that the application for a Neighborhood Enterprise Zone Certificate for the new construction of a home by Green Rabbit Home Builders be approved.

Adopted this 14th day of January, 2025.

Ayes:

Nays:

Absent:

By: _____
Ken Johnson, Mayor

Attest: _____
Ann Meisch
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 January 14, 2025.

By: _____
Ann Meisch
City Clerk

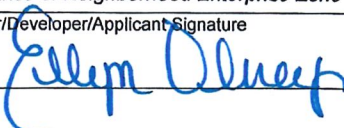
Application for Neighborhood Enterprise Zone Certificate

Issued under authority of Public Act 147 of 1992, as amended.

LOCAL GOVERNMENTAL UNIT USE ONLY	
▶ Application No.	▶ Date Received

STATE USE ONLY	
▶ Application No.	▶ Date Received

Read the instructions before completing the application. This application must be filed prior to building permit issuance and start of construction except as provided in the instructions on page 3 under Owner/Developer/Applicant Instructions. Initially file completed application and required documents with the clerk of the local governmental unit. The additional documents to complete the application process will be required by the State of Michigan only after the original application is filed with the clerk of the local governmental unit (LGU). This form is also used to file a request for the transfer of an existing NEZ certificate. Please see the instruction sheet.

PART 1: OWNER/DEVELOPER/APPLICANT INFORMATION (Applicant must complete all fields)			
Owner/Developer/Applicant Name GreenRabbit Home Builders		Type of NEZ ☒ OPRA eligible community NEZ ☐ Workforce Housing NEZ	
Facility's Street Address 532 Leonard Ave.		Type of Approval Requested ☒ New Facility ☐ Rehabilitated Facility ☐ Transfer (1 copy only)	
City Muskegon	State MI	ZIP Code 49442	
Name of City, Township or Village (taxing authority) Muskegon		No. of years requested for exemption (6-15; 11-17 for qualified historic building) 15	
☒ City ☐ Township ☐ Village		Is the facility owned or rented by occupants? ☒ Owned ☐ Rented	
County Muskegon		Type of Property (check one) ☒ House ☐ Duplex ☐ Condo ☐ Loft ☐ Apartment - No. of Units _____	
School District Muskegon			
Name of LGU that established district City of Muskegon		Name or Number of Neighborhood Enterprise Zone Jackson Hill	Date district was established 10/22/2024
Identify who will complete the work ☒ Licensed Contractor ☐ Other _____		Estimated Project Cost (per unit) \$190,000.00	
Describe the general nature and extent of the new construction or rehabilitation to be undertaken. For rehabilitation only, include Breakdown of Investment Costs. Use attachments if necessary. New home built on a vacant city infill lot. Green Rabbit Home Builders is building 2 and 3 bedroom homes (with full basement for future expansion) targeting the missing middle home buyer.			
Timetable for undertaking and completing the rehabilitation or construction of the facility.		Additional Timetable Information (if applicable)	
Begin Date 12/18/2024	End Date 12/31/2025	We expect to complete all 14 homes in the Jackson Hill project by 12/31/2025.	
PART 2: OWNER/DEVELOPER/APPLICANT CERTIFICATION			
Contact Name Elynn Olney			
Contact Telephone Number (616) 299-7600		Contact Email Address ellynn@greenrabbitbuilders.com	
Owner/Developer/Applicant Name GreenRabbit Home Builders			
Owner/Developer/Applicant Telephone Number (616) 552-3745		Owner/Developer/Applicant Email Address greenrabbithomes@gmail.com	
Owner/Developer/Applicant Mailing Address 1801 44th Street SE		City Grand Rapids	State MI
		ZIP Code 49508	
<i>I certify the information contained herein and in the attachments are true and that all are truly descriptive of the residential real property for which this application is being submitted.</i>			
<i>I certify I am familiar with the provisions of Public Act 147 of 1992, as amended, (MCL 207.771 to 207.787) and to the best of my knowledge, I have complied or will be able to comply with all of the requirements thereof which are prerequisite to the approval of the application by the LGU and the issuance of Neighborhood Enterprise Zone Certificate by the State Tax Commission.</i>			
Owner/Developer/Applicant Signature 		Date 12-5-2025	

Continue on Page 2

PART 3: LGU ASSESSOR CERTIFICATION (Assessor of LGU must complete Part 3)			
The property to be covered by this exemption may not be included on any other specific tax roll while receiving the Neighborhood Enterprise Zone Exemption. For example, property on the Eligible Tax Reverted Property (Land Bank) specific tax roll cannot be granted a Neighborhood Enterprise Zone Exemption that would also put the same property on the Neighborhood Enterprise Zone specific tax roll.			
☒ By checking this box I certify that, if approved, the property to be covered by this exemption will be on the Neighborhood Enterprise Zone Exemption specific tax roll and not on any other specific tax roll.			
Name of LGU <i>City of Muskegon</i>			
Name of Assessor (First and last name) <i>Donna Vandervries</i>			
Telephone Number <i>231-750-6750</i>		Email Address <i>vandervriesdo@muskegoncounty.net</i>	
I certify that, to the best of my knowledge, the information contained in Part 3 of this application is complete and accurate.			
Assessor's Signature <i>(D) Vandervries</i>			Date <i>12/17/24</i>
PART 4: LGU ACTION/CERTIFICATION (LGU clerk must complete this section before submitting to the State Tax Commission)			
Action taken by LGU:		The State Tax Commission requires the following documents be filed for an administratively complete application:	
☐ Exemption Approved for _____ Years (6-15)		☐ 1. Original Application	
☐ Exemption Approved for _____ Years (11-17 qualified historic building)		☐ 2. Legal description of the real property with parcel identification number	
☐ Exemption Denied (include Resolution Denying)		☐ 3. Resolution approving the zone.	
Date of resolution approving/denying this application		☐ 4. Resolution approving the application.	
Clerk's Name (First and Last)		☐ 5. REHABILITATION APPLICATIONS ONLY.	
Telephone Number		Statement by the assessor showing the taxable value of the rehabilitated facility not including the land, for the tax year immediately preceding the effective date of the rehabilitation.	
Email Address			
Mailing Address		City	State ZIP Code
I certify that I have reviewed this application for complete and accurate information and determined that the subject property is located within a qualified Neighborhood Enterprise Zone.			
I certify this application meets the requirements as outlined by Public Act 147 of 1992 and hereby request the State Tax Commission issue a Neighborhood Enterprise Zone Certificate.			
Clerk Signature			Date

For faster service, the LGU should email the completed application and required documents to PTE@michigan.gov.

An additional submission option is to mail the completed application and required documents to:

Michigan Department of Treasury, State Tax Commission
P.O. Box 30471
Lansing, MI 48909

Note: Additional documentation will be required for further processing of the application and for the issuance of the certificate of exemption. These documents should be sent by email or mail directly to the State of Michigan only after the original application is filed with the LGU clerk and approved by the LGU. See the instruction sheet attached.

Any questions concerning the completion of this application should be directed to the LGU clerk.

***LEGAL DESCRIPTIONS:**

1. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 EAST 5 FEET LOT 20 & LOT 21 BLOCK 14
Address: 568 JACKSON AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-014-0021-00
Price: \$1,687.50
2. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 EAST 1/2 LOT 19 AND WEST 44 1/2 FEET LOT 20 BLOCK 14
Address: 558 JACKSON AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-014-0020-01
Price: \$1,687.50
3. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 EAST 44 FEET LOT 12 BLOCK 9
Address: 532 LEONARD AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-009-0012-01
Price: \$1,500.00
4. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 EAST 22 FEET LOT 11 & WEST 22 FEET LOT 12 BLOCK 9
Address: 522 LEONARD AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-009-0012-10
Price: \$1,500.00
5. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 WEST 66 FEET OF NORTH 132 FEET LOT 1 BLOCK 21
Address: 601 JACKSON AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-021-0001-00
Price: \$3,000.00
6. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 LOT 2 BLOCK 20
Address: 613 JACKSON AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-020-0002-00
Price: \$1,687.50
7. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 LOT 1 BLOCK 20
Address: 621 JACKSON AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-020-0001-01
Price: \$1,687.50
8. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 SOUTHERLY 89.75 FEET ON LANGLEY STREET & 64.75 FEET ON EAST LINE LOT 6 BLOCK 15
Address: 608 JACKSON AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-015-0006-11
Price: \$1,500.00
9. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 LOT 6 EXCEPT NORTHERLY 50 FEET BEING 50 FEET ON LANGLEY STREET & 62.32 FEET ON EAST LINE LOT 6 EXCEPT SOUTHERLY 89.75 FEET ON LANGLEY STREET & SOUTHERLY 64.75 FEET ON EAST LINE BLOCK 15
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NORTHERLY 50 FEET & SOUTHERLY 32 FEET & LOT 2 EXCEPT NORTHERLY 50 FEET
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FEET OF NORTHERLY 33 FEET BLOCK 22
Address: 505 ALVA ST, MUSKEGON, MI 49442
Parcel #: 61-24-205-022-0011-01
Price: \$3,125.00
13. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 NORTH 55 FEET LOT 3
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14. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 SOUTH 95 FEET OF
NORTH 150 FEET LOT 3 & WEST 10.5 FEET LOT 2 EXCEPT NORTH 55 FEET THEREOF
& THE NORTH 33 FEET OF WEST 10.5 FEET LOT 11 BLOCK 22
Address: 504 HERRICK ST, MUSKEGON, MI 49442
Parcel #: 61-24-205-022-0003-40
Price: \$1,562.50

Resolution No. _____

MUSKEGON CITY COMMISSION

**RESOLUTION TO APPROVE THE ISSUANCE
OF A NEIGHBORHOOD ENTERPRISE ZONE CERTIFICATE**

WHEREAS, an application for a Neighborhood Enterprise Zone Certificate has been filed with the City Clerk by Green Rabbit Home Builders to construct a new home at 532 Leonard Ave. in the Jackson Hill neighborhood, and;

WHEREAS, the applicant has satisfied both the local and state eligibility criteria for a Neighborhood Enterprise Zone Certificate;

WHEREAS, the local unit of government is allowing the six (6) month grace period after construction commencement to apply, which is allowed under the law;

WHEREAS, the Neighborhood Enterprise Zone Certificate has been approved for fifteen (15) years;

NOW, THEREFORE, BE IT RESOLVED that the application for a Neighborhood Enterprise Zone Certificate for the new construction of a home by Green Rabbit Home Builders be approved.

Adopted this 14th day of January, 2025.

Ayes:

Nays:

Absent:

By: _____
Ken Johnson, Mayor

Attest: _____
Ann Meisch
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 January 14, 2025.

By: _____
Ann Meisch
City Clerk

Application for Neighborhood Enterprise Zone Certificate

Issued under authority of Public Act 147 of 1992, as amended.

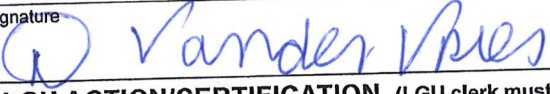
LOCAL GOVERNMENTAL UNIT USE ONLY	
▶ Application No.	▶ Date Received

STATE USE ONLY	
▶ Application No.	▶ Date Received

Read the instructions before completing the application. This application must be filed prior to building permit issuance and start of construction except as provided in the instructions on page 3 under Owner/Developer/Applicant Instructions. Initially file completed application and required documents with the clerk of the local governmental unit. The additional documents to complete the application process will be required by the State of Michigan only after the original application is filed with the clerk of the local governmental unit (LGU). This form is also used to file a request for the transfer of an existing NEZ certificate. Please see the instruction sheet.

PART 1: OWNER/DEVELOPER/APPLICANT INFORMATION (Applicant must complete all fields)			
Owner/Developer/Applicant Name GreenRabbit Home Builders		Type of NEZ ☒ OPRA eligible community NEZ ☐ Workforce Housing NEZ	
Facility's Street Address 558 Jackson Ave		Type of Approval Requested	
City Muskegon	State MI	ZIP Code 49442	☒ New Facility ☐ Rehabilitated Facility ☐ Transfer (1 copy only)
Name of City, Township or Village (taxing authority) Muskegon		No. of years requested for exemption (6-16; 11-17 for qualified historic building) 15	
☒ City ☐ Township ☐ Village		Is the facility owned or rented by occupants? ☒ Owned ☐ Rented	
County Muskegon		Type of Property (check one)	
School District Muskegon		☒ House ☐ Duplex ☐ Condo ☐ Loft ☐ Apartment - No. of Units _____	
Name of LGU that established district City of Muskegon		Name or Number of Neighborhood Enterprise Zone Jackson Hill	Date district was established 10/22/2024
Identify who will complete the work ☒ Licensed Contractor ☐ Other _____		Estimated Project Cost (per unit) \$190,000.00	
Describe the general nature and extent of the new construction or rehabilitation to be undertaken. For rehabilitation only, include Breakdown of Investment Costs. Use attachments if necessary. New home built on a vacant city infill lot. Green Rabbit Home Builders is building 2 and 3 bedroom homes (with full basement for future expansion) targeting the missing middle home buyer.			
Timetable for undertaking and completing the rehabilitation or construction of the facility.		Additional Timetable Information (if applicable)	
Begin Date 12/18/2024	End Date 12/31/2025	We expect to complete all 14 homes in the Jackson Hill project by 12/31/2025.	
PART 2: OWNER/DEVELOPER/APPLICANT CERTIFICATION			
Contact Name Ellyn Olney			
Contact Telephone Number (616) 299-7600		Contact Email Address ellyn@greenrabbitbuilders.com	
Owner/Developer/Applicant Name GreenRabbit Home Builders			
Owner/Developer/Applicant Telephone Number (616) 552-3745		Owner/Developer/Applicant Email Address greenrabbithomes@gmail.com	
Owner/Developer/Applicant Mailing Address 1801 44th Street SE		City Grand Rapids	State MI
		ZIP Code 49508	
I certify the information contained herein and in the attachments are true and that all are truly descriptive of the residential real property for which this application is being submitted.			
I certify I am familiar with the provisions of Public Act 147 of 1992, as amended, (MCL 207.771 to 207.787) and to the best of my knowledge, I have complied or will be able to comply with all of the requirements thereof which are prerequisite to the approval of the application by the LGU and the issuance of Neighborhood Enterprise Zone Certificate by the State Tax Commission.			
Owner/Developer/Applicant Signature Ellyn Olney		Date 12-5-2025	

Continue on Page 2

PART 3: LGU ASSESSOR CERTIFICATION (Assessor of LGU must complete Part 3)			
The property to be covered by this exemption may not be included on any other specific tax roll while receiving the Neighborhood Enterprise Zone Exemption. For example, property on the Eligible Tax Reverted Property (Land Bank) specific tax roll cannot be granted a Neighborhood Enterprise Zone Exemption that would also put the same property on the Neighborhood Enterprise Zone specific tax roll.			
☒ By checking this box I certify that, if approved, the property to be covered by this exemption will be on the Neighborhood Enterprise Zone Exemption specific tax roll and not on any other specific tax roll.			
Name of LGU City of Muskegon			
Name of Assessor (First and last name) Donna VanderVries			
Telephone Number 231 750 6750		Email Address vanderriesdoo@muskegoncounty.net	
I certify that, to the best of my knowledge, the information contained in Part 3 of this application is complete and accurate.			
Assessor's Signature 			Date 12/12/24
PART 4: LGU ACTION/CERTIFICATION (LGU clerk must complete this section before submitting to the State Tax Commission)			
Action taken by LGU: ☐ Exemption Approved for _____ Years (6-15) ☐ Exemption Approved for _____ Years (11-17 qualified historic building) ☐ Exemption Denied (include Resolution Denying) Date of resolution approving/denying this application Clerk's Name (First and Last) Telephone Number Email Address Mailing Address		The State Tax Commission requires the following documents be filed for an administratively complete application: ☐ 1. Original Application ☐ 2. Legal description of the real property with parcel identification number ☐ 3. Resolution approving the zone. ☐ 4. Resolution approving the application. ☐ 5. REHABILITATION APPLICATIONS ONLY. Statement by the assessor showing the taxable value of the rehabilitated facility not including the land, for the tax year immediately preceding the effective date of the rehabilitation.	
		City	State
		ZIP Code	
I certify that I have reviewed this application for complete and accurate information and determined that the subject property is located within a qualified Neighborhood Enterprise Zone.			
I certify this application meets the requirements as outlined by Public Act 147 of 1992 and hereby request the State Tax Commission issue a Neighborhood Enterprise Zone Certificate.			
Clerk Signature			Date

For faster service, the LGU should email the completed application and required documents to PTE@michigan.gov.

An additional submission option is to mail the completed application and required documents to:

Michigan Department of Treasury, State Tax Commission
 P.O. Box 30471
 Lansing, MI 48909

Note: Additional documentation will be required for further processing of the application and for the issuance of the certificate of exemption. These documents should be sent by email or mail directly to the State of Michigan only after the original application is filed with the LGU clerk and approved by the LGU. See the instruction sheet attached.

Any questions concerning the completion of this application should be directed to the LGU clerk.

***LEGAL DESCRIPTIONS:**

1. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 EAST 5 FEET LOT 20 & LOT 21 BLOCK 14
Address: 568 JACKSON AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-014-0021-00
Price: \$1,687.50
2. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 EAST 1/2 LOT 19 AND WEST 44 ½ FEET LOT 20 BLOCK 14
Address: 558 JACKSON AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-014-0020-01
Price: \$1,687.50
3. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 EAST 44 FEET LOT 12 BLOCK 9
Address: 532 LEONARD AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-009-0012-01
Price: \$1,500.00
4. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 EAST 22 FEET LOT 11 & WEST 22 FEET LOT 12 BLOCK 9
Address: 522 LEONARD AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-009-0012-10
Price: \$1,500.00
5. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 WEST 66 FEET OF NORTH 132 FEET LOT 1 BLOCK 21
Address: 601 JACKSON AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-021-0001-00
Price: \$3,000.00
6. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 LOT 2 BLOCK 20
Address: 613 JACKSON AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-020-0002-00
Price: \$1,687.50
7. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 LOT 1 BLOCK 20
Address: 621 JACKSON AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-020-0001-01
Price: \$1,687.50
8. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 SOUTHERLY 89.75 FEET ON LANGLEY STREET & 64.75 FEET ON EAST LINE LOT 6 BLOCK 15
Address: 608 JACKSON AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-015-0006-11
Price: \$1,500.00
9. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 LOT 6 EXCEPT NORTHERLY 50 FEET BEING 50 FEET ON LANGLEY STREET & 62.32 FEET ON EAST LINE LOT 6 EXCEPT SOUTHERLY 89.75 FEET ON LANGLEY STREET & SOUTHERLY 64.75 FEET ON EAST LINE BLOCK 15
Address: 460 LANGLEY AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-015-0006-20
Price: \$1,500.00
10. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 NORTH 50 FEET LOT 1 & NORTH 50 FEET EXCEPT WESTERLY 10.5 FEET LOT 2 BLOCK 22
Address: 501 ALVA, MUSKEGON, MI 49442
Parcel #: 61-24-205-022-0001-01
Price: \$1,562.50

11. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 LOT 1 EXCEPT
NORTHERLY 50 FEET & SOUTHERLY 32 FEET & LOT 2 EXCEPT NORTHERLY 50 FEET
& SOUTHERLY 32 FEET & WESTERLY 10.5 FEET BLOCK 22
Address: 503 ALVA ST, MUSKEGON, MI 49442
Parcel #: 61-24-205-022-0001-10
Price: \$1,562.50
12. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 SLY 32 FT LOT 1 &
SLY 32 FT EXCEPT WESTERLY 10.5 FEET LOT 2 & LOT 11 EXCEPT WESTERLY 10.5
FEET OF NORTHERLY 33 FEET BLOCK 22
Address: 505 ALVA ST, MUSKEGON, MI 49442
Parcel #: 61-24-205-022-0011-01
Price: \$3,125.00
13. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 NORTH 55 FEET LOT 3
& NORTH 55 FEET OF WESTERLY 10.5 FEET LOT 2 BLOCK 22
Address: 502 HERRICK ST, MUSKEGON, MI 49442
Parcel #: 61-24-205-022-0003-30
Price: \$1,562.50
14. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 SOUTH 95 FEET OF
NORTH 150 FEET LOT 3 & WEST 10.5 FEET LOT 2 EXCEPT NORTH 55 FEET THEREOF
& THE NORTH 33 FEET OF WEST 10.5 FEET LOT 11 BLOCK 22
Address: 504 HERRICK ST, MUSKEGON, MI 49442
Parcel #: 61-24-205-022-0003-40
Price: \$1,562.50

Resolution No. _____

MUSKEGON CITY COMMISSION

**RESOLUTION TO APPROVE THE ISSUANCE
OF A NEIGHBORHOOD ENTERPRISE ZONE CERTIFICATE**

WHEREAS, an application for a Neighborhood Enterprise Zone Certificate has been filed with the City Clerk by Green Rabbit Home Builders to construct a new home at 558 Jackson Avenue in the Jackson Hill neighborhood, and;

WHEREAS, the applicant has satisfied both the local and state eligibility criteria for a Neighborhood Enterprise Zone Certificate;

WHEREAS, the local unit of government is allowing the six (6) month grace period after construction commencement to apply, which is allowed under the law;

WHEREAS, the Neighborhood Enterprise Zone Certificate has been approved for fifteen (15) years;

NOW, THEREFORE, BE IT RESOLVED that the application for a Neighborhood Enterprise Zone Certificate for the new construction of a home by Green Rabbit Home Builders be approved.

Adopted this 14th day of January, 2025.

Ayes:

Nays:

Absent:

By: _____
Ken Johnson, Mayor

Attest: _____
Ann Meisch
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 January 14, 2025.

By: _____
Ann Meisch
City Clerk

Application for Neighborhood Enterprise Zone Certificate

Issued under authority of Public Act 147 of 1992, as amended.

LOCAL GOVERNMENTAL UNIT USE ONLY	
Application No.	Date Received

STATE USE ONLY	
Application No.	Date Received

Read the instructions before completing the application. This application must be filed prior to building permit issuance and start of construction except as provided in the instructions on page 3 under Owner/Developer/Applicant Instructions. Initially file completed application and required documents with the clerk of the local governmental unit. The additional documents to complete the application process will be required by the State of Michigan only after the original application is filed with the clerk of the local governmental unit (LGU). This form is also used to file a request for the transfer of an existing NEZ certificate. Please see the instruction sheet.

PART 1: OWNER/DEVELOPER/APPLICANT INFORMATION (Applicant must complete all fields)			
Owner/Developer/Applicant Name GreenRabbit Home Builders		Type of NEZ ☒ OPRA eligible community NEZ ☐ Workforce Housing NEZ	
Facility's Street Address 568 Jackson Ave		Type of Approval Requested ☒ New Facility ☐ Rehabilitated Facility ☐ Transfer (1 copy only)	
City Muskegon	State MI	ZIP Code 49442	
Name of City, Township or Village (taxing authority) Muskegon		No. of years requested for exemption (6-15; 11-17 for qualified historic building) 15	
☒ City ☐ Township ☐ Village		Is the facility owned or rented by occupants? ☒ Owned ☐ Rented	
County Muskegon	Type of Property (check one) ☒ House ☐ Duplex ☐ Condo ☐ Loft ☐ Apartment - No. of Units _____		
School District Muskegon	Name or Number of Neighborhood Enterprise Zone Jackson Hill		Date district was established 10/22/2024
Name of LGU that established district City of Muskegon	Estimated Project Cost (per unit) \$190,000.00		
Identify who will complete the work ☒ Licensed Contractor ☐ Other _____			
Describe the general nature and extent of the new construction or rehabilitation to be undertaken. For rehabilitation only, include Breakdown of Investment Costs. Use attachments if necessary. New home built on a vacant city infill lot. Green Rabbit Home Builders is building 2 and 3 bedroom homes (with full basement for future expansion) targeting the missing middle home buyer.			
Timetable for undertaking and completing the rehabilitation or construction of the facility. Begin Date 12/18/2024		Additional Timetable Information (if applicable) We expect to complete all 14 homes in the Jackson Hill project by 12/31/2025.	
End Date 12/31/2025			
PART 2: OWNER/DEVELOPER/APPLICANT CERTIFICATION			
Contact Name Ellyn Olney		Contact Email Address ellyn@greenrabbitbuilders.com	
Contact Telephone Number (616) 299-7600			
Owner/Developer/Applicant Name GreenRabbit Home Builders		Owner/Developer/Applicant Email Address greenrabbithomes@gmail.com	
Owner/Developer/Applicant Telephone Number (616) 552-3745			
Owner/Developer/Applicant Mailing Address 1801 44th Street SE		City Grand Rapids	State MI
		ZIP Code 49508	
I certify the information contained herein and in the attachments are true and that all are truly descriptive of the residential real property for which this application is being submitted.			
I certify I am familiar with the provisions of Public Act 147 of 1992, as amended, (MCL 207.771 to 207.787) and to the best of my knowledge, I have complied or will be able to comply with all of the requirements thereof which are prerequisite to the approval of the application by the LGU and the issuance of Neighborhood Enterprise Zone Certificate by the State Tax Commission.			
Owner/Developer/Applicant Signature Ellyn Olney		Date 12-5-2025	

Continue on Page 2

PART 3: LGU ASSESSOR CERTIFICATION (Assessor of LGU must complete Part 3)			
The property to be covered by this exemption may not be included on any other specific tax roll while receiving the Neighborhood Enterprise Zone Exemption. For example, property on the Eligible Tax Reverted Property (Land Bank) specific tax roll cannot be granted a Neighborhood Enterprise Zone Exemption that would also put the same property on the Neighborhood Enterprise Zone specific tax roll.			
☒ By checking this box I certify that, if approved, the property to be covered by this exemption will be on the Neighborhood Enterprise Zone Exemption specific tax roll and not on any other specific tax roll.			
Name of LGU <i>City of Muskegon</i>			
Name of Assessor (First and last name) <i>Donna VanderVries</i>			
Telephone Number <i>231 750 6750</i>		Email Address <i>vanderuriesdo@muskegoncounty.net</i>	
I certify that, to the best of my knowledge, the information contained in Part 3 of this application is complete and accurate.			
Assessor's Signature <i>D VanderVries</i>			Date <i>12/17/24</i>
PART 4: LGU ACTION/CERTIFICATION (LGU clerk must complete this section before submitting to the State Tax Commission)			
Action taken by LGU: ☐ Exemption Approved for _____ Years (6-15) ☐ Exemption Approved for _____ Years (11-17 qualified historic building) ☐ Exemption Denied (include Resolution Denying)		The State Tax Commission requires the following documents be filed for an administratively complete application: ☐ 1. Original Application ☐ 2. Legal description of the real property with parcel identification number ☐ 3. Resolution approving the zone. ☐ 4. Resolution approving the application. ☐ 5. REHABILITATION APPLICATIONS ONLY. Statement by the assessor showing the taxable value of the rehabilitated facility not including the land, for the tax year immediately preceding the effective date of the rehabilitation.	
Date of resolution approving/denying this application			
Clerk's Name (First and Last)			
Telephone Number			
Email Address			
Mailing Address	City	State	ZIP Code
I certify that I have reviewed this application for complete and accurate information and determined that the subject property is located within a qualified Neighborhood Enterprise Zone. I certify this application meets the requirements as outlined by Public Act 147 of 1992 and hereby request the State Tax Commission issue a Neighborhood Enterprise Zone Certificate.			
Clerk Signature			Date

For faster service, the LGU should email the completed application and required documents to PTE@michigan.gov.

An additional submission option is to mail the completed application and required documents to:

Michigan Department of Treasury, State Tax Commission
P.O. Box 30471
Lansing, MI 48909

Note: Additional documentation will be required for further processing of the application and for the issuance of the certificate of exemption. These documents should be sent by email or mail directly to the State of Michigan only after the original application is filed with the LGU clerk and approved by the LGU. See the instruction sheet attached.

Any questions concerning the completion of this application should be directed to the LGU clerk.

***LEGAL DESCRIPTIONS:**

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Parcel #: 61-24-205-014-0020-01
Price: \$1,687.50
3. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 EAST 44 FEET LOT 12 BLOCK 9
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Parcel #: 61-24-205-009-0012-01
Price: \$1,500.00
4. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 EAST 22 FEET LOT 11 & WEST 22 FEET LOT 12 BLOCK 9
Address: 522 LEONARD AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-009-0012-10
Price: \$1,500.00
5. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 WEST 66 FEET OF NORTH 132 FEET LOT 1 BLOCK 21
Address: 601 JACKSON AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-021-0001-00
Price: \$3,000.00
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Address: 613 JACKSON AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-020-0002-00
Price: \$1,687.50
7. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 LOT 1 BLOCK 20
Address: 621 JACKSON AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-020-0001-01
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8. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 SOUTHERLY 89.75 FEET ON LANGLEY STREET & 64.75 FEET ON EAST LINE LOT 6 BLOCK 15
Address: 608 JACKSON AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-015-0006-11
Price: \$1,500.00
9. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 LOT 6 EXCEPT NORTHERLY 50 FEET BEING 50 FEET ON LANGLEY STREET & 62.32 FEET ON EAST LINE LOT 6 EXCEPT SOUTHERLY 89.75 FEET ON LANGLEY STREET & SOUTHERLY 64.75 FEET ON EAST LINE BLOCK 15
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Address: 501 ALVA, MUSKEGON, MI 49442
Parcel #: 61-24-205-022-0001-01
Price: \$1,562.50

- - - - -
11. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 LOT 1 EXCEPT
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FEET OF NORTHERLY 33 FEET BLOCK 22
Address: 505 ALVA ST, MUSKEGON, MI 49442
Parcel #: 61-24-205-022-0011-01
Price: \$3,125.00
 13. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 NORTH 55 FEET LOT 3
& NORTH 55 FEET OF WESTERLY 10.5 FEET LOT 2 BLOCK 22
Address: 502 HERRICK ST, MUSKEGON, MI 49442
Parcel #: 61-24-205-022-0003-30
Price: \$1,562.50
 14. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 SOUTH 95 FEET OF
NORTH 150 FEET LOT 3 & WEST 10.5 FEET LOT 2 EXCEPT NORTH 55 FEET THEREOF
& THE NORTH 33 FEET OF WEST 10.5 FEET LOT 11 BLOCK 22
Address: 504 HERRICK ST, MUSKEGON, MI 49442
Parcel #: 61-24-205-022-0003-40
Price: \$1,562.50

Resolution No. _____

MUSKEGON CITY COMMISSION

**RESOLUTION TO APPROVE THE ISSUANCE
OF A NEIGHBORHOOD ENTERPRISE ZONE CERTIFICATE**

WHEREAS, an application for a Neighborhood Enterprise Zone Certificate has been filed with the City Clerk by Green Rabbit Home Builders to construct a new home at 568 Jackson Ave. in the Jackson Hill neighborhood, and;

WHEREAS, the applicant has satisfied both the local and state eligibility criteria for a Neighborhood Enterprise Zone Certificate;

WHEREAS, the local unit of government is allowing the six (6) month grace period after construction commencement to apply, which is allowed under the law;

WHEREAS, the Neighborhood Enterprise Zone Certificate has been approved for fifteen (15) years;

NOW, THEREFORE, BE IT RESOLVED that the application for a Neighborhood Enterprise Zone Certificate for the new construction of a home by Green Rabbit Home Builders be approved.

Adopted this 14th day of January, 2025.

Ayes:

Nays:

Absent:

By: _____
Ken Johnson, Mayor

Attest: _____
Ann Meisch
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 January 14, 2025.

By: _____
Ann Meisch
City Clerk

Application for Neighborhood Enterprise Zone Certificate

Issued under authority of Public Act 147 of 1992, as amended.

LOCAL GOVERNMENTAL UNIT USE ONLY	
▶ Application No.	▶ Date Received

STATE USE ONLY	
▶ Application No.	▶ Date Received

Read the instructions before completing the application. This application must be filed prior to building permit issuance and start of construction except as provided in the instructions on page 3 under Owner/Developer/Applicant Instructions. Initially file completed application and required documents with the clerk of the local governmental unit. The additional documents to complete the application process will be required by the State of Michigan only after the original application is filed with the clerk of the local governmental unit (LGU). This form is also used to file a request for the transfer of an existing NEZ certificate. Please see the instruction sheet.

PART 1: OWNER/DEVELOPER/APPLICANT INFORMATION (Applicant must complete all fields)			
Owner/Developer/Applicant Name GreenRabbit Home Builders		Type of NEZ ☒ OPRA eligible community NEZ ☐ Workforce Housing NEZ	
Facility's Street Address 601 Jackson		Type of Approval Requested ☒ New Facility ☐ Rehabilitated Facility ☐ Transfer (1 copy only)	
City Muskegon	State MI	ZIP Code 49442	
Name of City, Township or Village (taxing authority) Muskegon		No. of years requested for exemption (6-15; 11-17 for qualified historic building) 15	
☒ City ☐ Township ☐ Village		Is the facility owned or rented by occupants? ☒ Owned ☐ Rented	
County Muskegon		Type of Property (check one) ☒ House ☐ Duplex ☐ Condo ☐ Loft ☐ Apartment - No. of Units _____	
School District Muskegon			
Name of LGU that established district City of Muskegon		Name or Number of Neighborhood Enterprise Zone Jackson Hill	Date district was established 10/22/2024
Identify who will complete the work ☒ Licensed Contractor ☐ Other _____		Estimated Project Cost (per unit) \$190,000.00	
Describe the general nature and extent of the new construction or rehabilitation to be undertaken. For rehabilitation only, include Breakdown of Investment Costs. Use attachments if necessary. New home built on a vacant city infill lot. Green Rabbit Home Builders is building 2 and 3 bedroom homes (with full basement for future expansion) targeting the missing middle home buyer.			
Timetable for undertaking and completing the rehabilitation or construction of the facility.		Additional Timetable Information (if applicable)	
Begin Date 12/18/2024	End Date 8/31/2025	We expect to complete all 14 homes in the Jackson Hill project by 12/31/2025.	
PART 2: OWNER/DEVELOPER/APPLICANT CERTIFICATION			
Contact Name Ellyn Olney			
Contact Telephone Number (616) 299-7600		Contact Email Address ellyn@greenrabbitbuilders.com	
Owner/Developer/Applicant Name GreenRabbit Home Builders			
Owner/Developer/Applicant Telephone Number (616) 552-3745		Owner/Developer/Applicant Email Address greenrabbithomes@gmail.com	
Owner/Developer/Applicant Mailing Address 1801 44th Street SE		City Grand Rapids	State MI ZIP Code 49508
I certify the information contained herein and in the attachments are true and that all are truly descriptive of the residential real property for which this application is being submitted.			
I certify I am familiar with the provisions of Public Act 147 of 1992, as amended, (MCL 207.771 to 207.787) and to the best of my knowledge, I have complied or will be able to comply with all of the requirements thereof which are prerequisite to the approval of the application by the LGU and the issuance of Neighborhood Enterprise Zone Certificate by the State Tax Commission.			
Owner/Developer/Applicant Signature 		Date 12/5/2024	

Continue on Page 2

PART 3: LGU ASSESSOR CERTIFICATION (Assessor of LGU must complete Part 3)			
The property to be covered by this exemption may not be included on any other specific tax roll while receiving the Neighborhood Enterprise Zone Exemption. For example, property on the Eligible Tax Reverted Property (Land Bank) specific tax roll cannot be granted a Neighborhood Enterprise Zone Exemption that would also put the same property on the Neighborhood Enterprise Zone specific tax roll.			
☒ By checking this box I certify that, if approved, the property to be covered by this exemption will be on the Neighborhood Enterprise Zone Exemption specific tax roll and not on any other specific tax roll.			
Name of LGU <i>City of Muskegon</i>			
Name of Assessor (First and last name) <i>Donna VanderVries</i>			
Telephone Number <i>231 750 6750</i>		Email Address <i>VanderVriesdo@muskegoncounty.net</i>	
I certify that, to the best of my knowledge, the information contained in Part 3 of this application is complete and accurate.			
Assessor's Signature <i>D VanderVries</i>			Date <i>12/12/24</i>
PART 4: LGU ACTION/CERTIFICATION (LGU clerk must complete this section before submitting to the State Tax Commission)			
Action taken by LGU:		The State Tax Commission requires the following documents be filed for an administratively complete application:	
☐ Exemption Approved for _____ Years (6-15) ☐ Exemption Approved for _____ Years (11-17 qualified historic building) ☐ Exemption Denied (include Resolution Denying)		☐ 1. Original Application ☐ 2. Legal description of the real property with parcel identification number ☐ 3. Resolution approving the zone. ☐ 4. Resolution approving the application. ☐ 5. REHABILITATION APPLICATIONS ONLY. Statement by the assessor showing the taxable value of the rehabilitated facility not including the land, for the tax year immediately preceding the effective date of the rehabilitation.	
Date of resolution approving/denying this application			
Clerk's Name (First and Last)			
Telephone Number			
Email Address			
Mailing Address		City	State
		ZIP Code	
I certify that I have reviewed this application for complete and accurate information and determined that the subject property is located within a qualified Neighborhood Enterprise Zone.			
I certify this application meets the requirements as outlined by Public Act 147 of 1992 and hereby request the State Tax Commission issue a Neighborhood Enterprise Zone Certificate.			
Clerk Signature			Date

For faster service, the LGU should email the completed application and required documents to PTE@michigan.gov.

An additional submission option is to mail the completed application and required documents to:

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P.O. Box 30471
Lansing, MI 48909

Note: Additional documentation will be required for further processing of the application and for the issuance of the certificate of exemption. These documents should be sent by email or mail directly to the State of Michigan only after the original application is filed with the LGU clerk and approved by the LGU. See the instruction sheet attached.

Any questions concerning the completion of this application should be directed to the LGU clerk.

***LEGAL DESCRIPTIONS:**

1. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 EAST 5 FEET LOT 20 & LOT 21 BLOCK 14
Address: 568 JACKSON AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-014-0021-00
Price: \$1,687.50
2. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 EAST 1/2 LOT 19 AND WEST 44 1/2 FEET LOT 20 BLOCK 14
Address: 558 JACKSON AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-014-0020-01
Price: \$1,687.50
3. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 EAST 44 FEET LOT 12 BLOCK 9
Address: 532 LEONARD AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-009-0012-01
Price: \$1,500.00
4. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 EAST 22 FEET LOT 11 & WEST 22 FEET LOT 12 BLOCK 9
Address: 522 LEONARD AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-009-0012-10
Price: \$1,500.00
5. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 WEST 66 FEET OF NORTH 132 FEET LOT 1 BLOCK 21
Address: 601 JACKSON AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-021-0001-00
Price: \$3,000.00
6. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 LOT 2 BLOCK 20
Address: 613 JACKSON AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-020-0002-00
Price: \$1,687.50
7. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 LOT 1 BLOCK 20
Address: 621 JACKSON AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-020-0001-01
Price: \$1,687.50
8. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 SOUTHERLY 89.75 FEET ON LANGLEY STREET & 64.75 FEET ON EAST LINE LOT 6 BLOCK 15
Address: 608 JACKSON AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-015-0006-11
Price: \$1,500.00
9. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 LOT 6 EXCEPT NORTHERLY 50 FEET BEING 50 FEET ON LANGLEY STREET & 62.32 FEET ON EAST LINE LOT 6 EXCEPT SOUTHERLY 89.75 FEET ON LANGLEY STREET & SOUTHERLY 64.75 FEET ON EAST LINE BLOCK 15
Address: 460 LANGLEY AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-015-0006-20
Price: \$1,500.00
10. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 NORTH 50 FEET LOT 1 & NORTH 50 FEET EXCEPT WESTERLY 10.5 FEET LOT 2 BLOCK 22
Address: 501 ALVA, MUSKEGON, MI 49442
Parcel #: 61-24-205-022-0001-01
Price: \$1,562.50

11. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 LOT 1 EXCEPT
NORTHERLY 50 FEET & SOUTHERLY 32 FEET & LOT 2 EXCEPT NORTHERLY 50 FEET
& SOUTHERLY 32 FEET & WESTERLY 10.5 FEET BLOCK 22
Address: 503 ALVA ST, MUSKEGON, MI 49442
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Price: \$1,562.50
12. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 SLY 32 FT LOT 1 &
SLY 32 FT EXCEPT WESTERLY 10.5 FEET LOT 2 & LOT 11 EXCEPT WESTERLY 10.5
FEET OF NORTHERLY 33 FEET BLOCK 22
Address: 505 ALVA ST, MUSKEGON, MI 49442
Parcel #: 61-24-205-022-0011-01
Price: \$3,125.00
13. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 NORTH 55 FEET LOT 3
& NORTH 55 FEET OF WESTERLY 10.5 FEET LOT 2 BLOCK 22
Address: 502 HERRICK ST, MUSKEGON, MI 49442
Parcel #: 61-24-205-022-0003-30
Price: \$1,562.50
14. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 SOUTH 95 FEET OF
NORTH 150 FEET LOT 3 & WEST 10.5 FEET LOT 2 EXCEPT NORTH 55 FEET THEREOF
& THE NORTH 33 FEET OF WEST 10.5 FEET LOT 11 BLOCK 22
Address: 504 HERRICK ST, MUSKEGON, MI 49442
Parcel #: 61-24-205-022-0003-40
Price: \$1,562.50

Resolution No. _____

MUSKEGON CITY COMMISSION

**RESOLUTION TO APPROVE THE ISSUANCE
OF A NEIGHBORHOOD ENTERPRISE ZONE CERTIFICATE**

WHEREAS, an application for a Neighborhood Enterprise Zone Certificate has been filed with the City Clerk by Green Rabbit Home Builders to construct a new home at 601 Jackson Ave. in the Jackson Hill neighborhood, and;

WHEREAS, the applicant has satisfied both the local and state eligibility criteria for a Neighborhood Enterprise Zone Certificate;

WHEREAS, the local unit of government is allowing the six (6) month grace period after construction commencement to apply, which is allowed under the law;

WHEREAS, the Neighborhood Enterprise Zone Certificate has been approved for fifteen (15) years;

NOW, THEREFORE, BE IT RESOLVED that the application for a Neighborhood Enterprise Zone Certificate for the new construction of a home by Green Rabbit Home Builders be approved.

Adopted this 14th day of January, 2025.

Ayes:

Nays:

Absent:

By: _____
Ken Johnson, Mayor

Attest: _____
Ann Meisch
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 January 14, 2025.

By: _____
Ann Meisch
City Clerk

Application for Neighborhood Enterprise Zone Certificate

Issued under authority of Public Act 147 of 1992, as amended.

LOCAL GOVERNMENTAL UNIT USE ONLY	
▶ Application No.	▶ Date Received

STATE USE ONLY	
▶ Application No.	▶ Date Received

Read the instructions before completing the application. This application must be filed prior to building permit issuance and start of construction except as provided in the instructions on page 3 under Owner/Developer/Applicant Instructions. Initially file completed application and required documents with the clerk of the local governmental unit. The additional documents to complete the application process will be required by the State of Michigan only after the original application is filed with the clerk of the local governmental unit (LGU). This form is also used to file a request for the transfer of an existing NEZ certificate. Please see the instruction sheet.

PART 1: OWNER/DEVELOPER/APPLICANT INFORMATION (Applicant must complete all fields)			
Owner/Developer/Applicant Name GreenRabbit Home Builders		Type of NEZ ☒ OPRA eligible community NEZ ☐ Workforce Housing NEZ	
Facility's Street Address 608 Jackson		Type of Approval Requested	
City Muskegon	State MI	☒ New Facility ☐ Rehabilitated Facility ☐ Transfer (1 copy only)	
ZIP Code 49442		No. of years requested for exemption (6-15; 11-17 for qualified historic building) 15	
Name of City, Township or Village (taxing authority) Muskegon		Is the facility owned or rented by occupants? ☒ Owned ☐ Rented	
☒ City ☐ Township ☐ Village		Type of Property (check one)	
County Muskegon	☒ House ☐ Duplex ☐ Condo		
School District Muskegon	☐ Loft ☐ Apartment - No. of Units _____		
Name of LGU that established district City of Muskegon		Name or Number of Neighborhood Enterprise Zone Jackson Hill	Date district was established 10/22/2024
Identify who will complete the work ☒ Licensed Contractor ☐ Other _____		Estimated Project Cost (per unit) \$190,000.00	
Describe the general nature and extent of the new construction or rehabilitation to be undertaken. For rehabilitation only, include Breakdown of Investment Costs. Use attachments if necessary. New home built on a vacant city infill lot. Green Rabbit Home Builders is building 2 and 3 bedroom homes (with full basement for future expansion) targeting the missing middle home buyer.			
Timetable for undertaking and completing the rehabilitation or construction of the facility.		Additional Timetable Information (if applicable)	
Begin Date 12/18/2024	End Date 8/31/2025	We expect to complete all 14 homes in the Jackson Hill project by 12/31/2025.	
PART 2: OWNER/DEVELOPER/APPLICANT CERTIFICATION			
Contact Name Ellyn Olney			
Contact Telephone Number (616) 299-7600		Contact Email Address ellyn@greenrabbitbuilders.com	
Owner/Developer/Applicant Name GreenRabbit Home Builders			
Owner/Developer/Applicant Telephone Number (616) 552-3745		Owner/Developer/Applicant Email Address greenrabbithomes@gmail.com	
Owner/Developer/Applicant Mailing Address 1801 44th Street SE		City Grand Rapids	State MI
		ZIP Code 49508	
I certify the information contained herein and in the attachments are true and that all are truly descriptive of the residential real property for which this application is being submitted.			
I certify I am familiar with the provisions of Public Act 147 of 1992, as amended, (MCL 207.771 to 207.787) and to the best of my knowledge, I have complied or will be able to comply with all of the requirements thereof which are prerequisite to the approval of the application by the LGU and the issuance of Neighborhood Enterprise Zone Certificate by the State Tax Commission.			
Owner/Developer/Applicant Signature Ellyn Olney		Date 12/5/2024	

Continue on Page 2

PART 3: LGU ASSESSOR CERTIFICATION (Assessor of LGU must complete Part 3)

The property to be covered by this exemption may not be included on any other specific tax roll while receiving the Neighborhood Enterprise Zone Exemption. For example, property on the Eligible Tax Reverted Property (Land Bank) specific tax roll cannot be granted a Neighborhood Enterprise Zone Exemption that would also put the same property on the Neighborhood Enterprise Zone specific tax roll.

☒ By checking this box I certify that, if approved, the property to be covered by this exemption will be on the Neighborhood Enterprise Zone Exemption specific tax roll and not on any other specific tax roll.

Name of LGU

City of Muskegon

Name of Assessor (First and last name)

Donna VanderVries

Telephone Number

231 750 6750

Email Address

VanderVriesdoo@muskegoncounty.net

I certify that, to the best of my knowledge, the information contained in Part 3 of this application is complete and accurate.

Assessor's Signature

D VanderVries

Date

12/17/20

PART 4: LGU ACTION/CERTIFICATION (LGU clerk must complete this section before submitting to the State Tax Commission)

Action taken by LGU:

- ☐ Exemption Approved for _____ Years (6-15)
- ☐ Exemption Approved for _____ Years
(11-17 qualified historic building)
- ☐ Exemption Denied (include Resolution Denying)

Date of resolution approving/denying this application

Clerk's Name (First and Last)

Telephone Number

Email Address

Mailing Address

The State Tax Commission requires the following documents be filed for an administratively complete application:

- ☐ 1. Original Application
- ☐ 2. Legal description of the real property with parcel identification number
- ☐ 3. Resolution approving the zone.
- ☐ 4. Resolution approving the application.
- ☐ 5. **REHABILITATION APPLICATIONS ONLY.**
Statement by the assessor showing the taxable value of the rehabilitated facility not including the land, for the tax year immediately preceding the effective date of the rehabilitation.

City

State

ZIP Code

I certify that I have reviewed this application for complete and accurate information and determined that the subject property is located within a qualified Neighborhood Enterprise Zone.

I certify this application meets the requirements as outlined by Public Act 147 of 1992 and hereby request the State Tax Commission issue a Neighborhood Enterprise Zone Certificate.

Clerk Signature

Date

For faster service, the LGU should email the completed application and required documents to PTE@michigan.gov.

An additional submission option is to mail the completed application and required documents to:

Michigan Department of Treasury, State Tax Commission
P.O. Box 30471
Lansing, MI 48909

Note: Additional documentation will be required for further processing of the application and for the issuance of the certificate of exemption. These documents should be sent by email or mail directly to the State of Michigan only after the original application is filed with the LGU clerk and approved by the LGU. See the instruction sheet attached.

Any questions concerning the completion of this application should be directed to the LGU clerk.

***LEGAL DESCRIPTIONS:**

1. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 EAST 5 FEET LOT 20 & LOT 21 BLOCK 14
Address: 568 JACKSON AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-014-0021-00
Price: \$1,687.50
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Price: \$1,687.50
3. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 EAST 44 FEET LOT 12 BLOCK 9
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Parcel #: 61-24-205-009-0012-01
Price: \$1,500.00
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Parcel #: 61-24-205-009-0012-10
Price: \$1,500.00
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Parcel #: 61-24-205-021-0001-00
Price: \$3,000.00
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Parcel #: 61-24-205-020-0001-01
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Parcel #: 61-24-205-015-0006-11
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9. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 LOT 6 EXCEPT NORTHERLY 50 FEET BEING 50 FEET ON LANGLEY STREET & 62.32 FEET ON EAST LINE LOT 6 EXCEPT SOUTHERLY 89.75 FEET ON LANGLEY STREET & SOUTHERLY 64.75 FEET ON EAST LINE BLOCK 15
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Parcel #: 61-24-205-015-0006-20
Price: \$1,500.00
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Parcel #: 61-24-205-022-0001-01
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FEET OF NORTHERLY 33 FEET BLOCK 22
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Parcel #: 61-24-205-022-0011-01
Price: \$3,125.00
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Address: 502 HERRICK ST, MUSKEGON, MI 49442
Parcel #: 61-24-205-022-0003-30
Price: \$1,562.50
14. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 SOUTH 95 FEET OF
NORTH 150 FEET LOT 3 & WEST 10.5 FEET LOT 2 EXCEPT NORTH 55 FEET THEREOF
& THE NORTH 33 FEET OF WEST 10.5 FEET LOT 11 BLOCK 22
Address: 504 HERRICK ST, MUSKEGON, MI 49442
Parcel #: 61-24-205-022-0003-40
Price: \$1,562.50

Resolution No. _____

MUSKEGON CITY COMMISSION

**RESOLUTION TO APPROVE THE ISSUANCE
OF A NEIGHBORHOOD ENTERPRISE ZONE CERTIFICATE**

WHEREAS, an application for a Neighborhood Enterprise Zone Certificate has been filed with the City Clerk by Green Rabbit Home Builders to construct a new home at 608 Jackson Ave. in the Jackson Hill neighborhood, and;

WHEREAS, the applicant has satisfied both the local and state eligibility criteria for a Neighborhood Enterprise Zone Certificate;

WHEREAS, the local unit of government is allowing the six (6) month grace period after construction commencement to apply, which is allowed under the law;

WHEREAS, the Neighborhood Enterprise Zone Certificate has been approved for fifteen (15) years;

NOW, THEREFORE, BE IT RESOLVED that the application for a Neighborhood Enterprise Zone Certificate for the new construction of a home by Green Rabbit Home Builders be approved.

Adopted this 14th day of January, 2025.

Ayes:

Nays:

Absent:

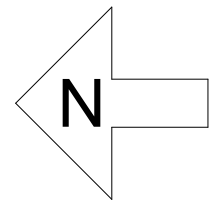
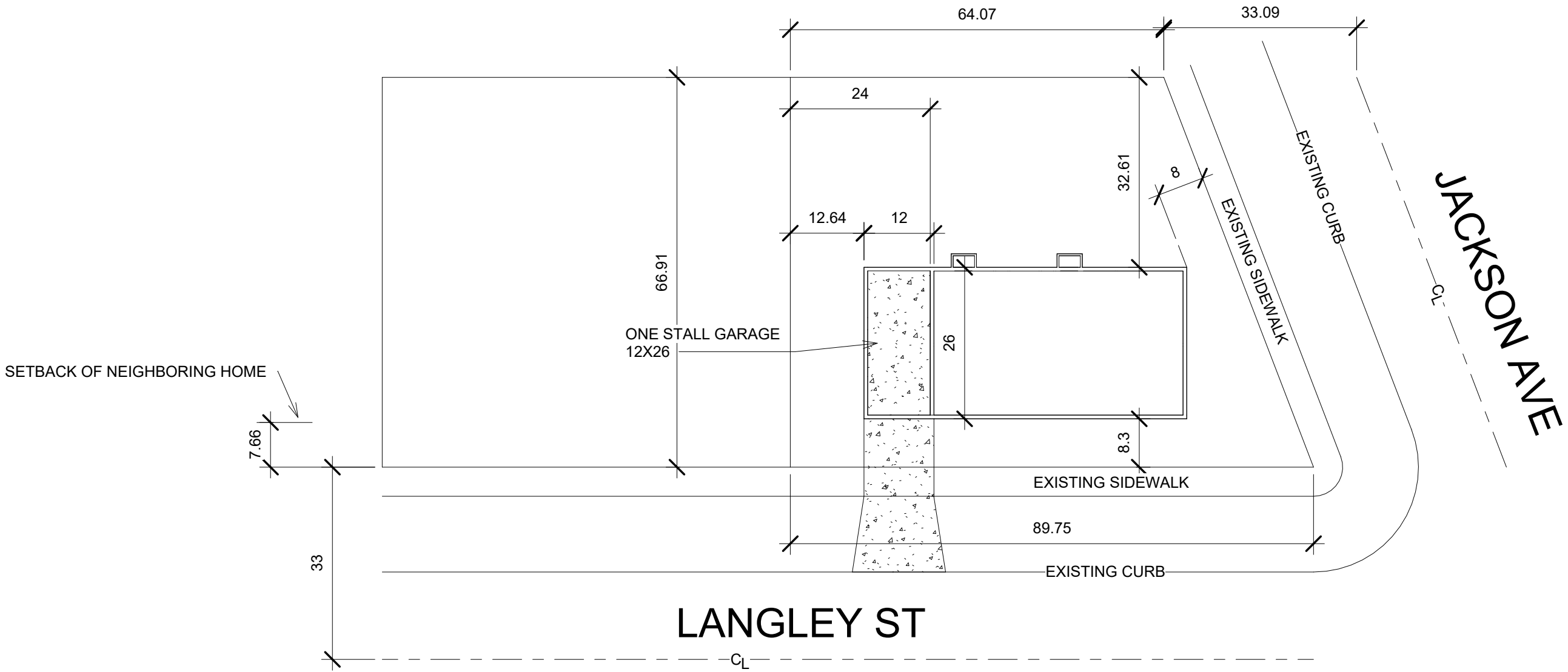
By: _____
Ken Johnson, Mayor

Attest: _____
Ann Meisch
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 January 14, 2025.

By: _____
Ann Meisch
City Clerk



Acorn Home Solutions LLC

Ron@Acornhomesolution.com

Green Rabbit Home Builders
608 JACKSON AVE

No.	Description	Date

Site Plan

Project number	Project Number
Date	11/18/2024
Drawn by	RWWA
Checked by	Checker

C1

Scale 1" = 20'-0"

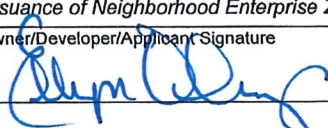
Application for Neighborhood Enterprise Zone Certificate

Issued under authority of Public Act 147 of 1992, as amended.

LOCAL GOVERNMENTAL UNIT USE ONLY	
▶ Application No.	▶ Date Received

STATE USE ONLY	
▶ Application No.	▶ Date Received

Read the instructions before completing the application. This application must be filed prior to building permit issuance and start of construction except as provided in the instructions on page 3 under Owner/Developer/Applicant Instructions. Initially file completed application and required documents with the clerk of the local governmental unit. The additional documents to complete the application process will be required by the State of Michigan only after the original application is filed with the clerk of the local governmental unit (LGU). This form is also used to file a request for the transfer of an existing NEZ certificate. Please see the instruction sheet.

PART 1: OWNER/DEVELOPER/APPLICANT INFORMATION (Applicant must complete all fields)			
Owner/Developer/Applicant Name GreenRabbit Home Builders		Type of NEZ ☒ OPRA eligible community NEZ ☐ Workforce Housing NEZ	
Facility's Street Address 6613 Jackson		Type of Approval Requested ☒ New Facility ☐ Rehabilitated Facility ☐ Transfer (1 copy only)	
City Muskegon	State MI	ZIP Code 49442	
Name of City, Township or Village (taxing authority) Muskegon		No. of years requested for exemption (6-15; 11-17 for qualified historic building) 15	
☒ City ☐ Township ☐ Village		Is the facility owned or rented by occupants? ☒ Owned ☐ Rented	
County Muskegon	Type of Property (check one) ☒ House ☐ Duplex ☐ Condo ☐ Loft ☐ Apartment - No. of Units _____		
School District Muskegon			
Name of LGU that established district City of Muskegon		Name or Number of Neighborhood Enterprise Zone Jackson Hill	Date district was established 10/22/2024
Identify who will complete the work ☒ Licensed Contractor ☐ Other _____		Estimated Project Cost (per unit) \$190,000.00	
Describe the general nature and extent of the new construction or rehabilitation to be undertaken. For rehabilitation only, include Breakdown of Investment Costs. Use attachments if necessary. New home built on a vacant city infill lot. Green Rabbit Home Builders is building 2 and 3 bedroom homes (with full basement for future expansion) targeting the missing middle home buyer.			
Timetable for undertaking and completing the rehabilitation or construction of the facility.		Additional Timetable Information (if applicable)	
Begin Date 12/18/2024	End Date 8/31/2025	We expect to complete all 14 homes in the Jackson Hill project by 12/31/2025.	
PART 2: OWNER/DEVELOPER/APPLICANT CERTIFICATION			
Contact Name Ellyn Olney			
Contact Telephone Number (616) 299-7600		Contact Email Address ellyn@greenrabbitbuilders.com	
Owner/Developer/Applicant Name GreenRabbit Home Builders			
Owner/Developer/Applicant Telephone Number (616) 552-3745		Owner/Developer/Applicant Email Address greenrabbit-homes@gmail.com	
Owner/Developer/Applicant Mailing Address 1801 44th Street SE		City Grand Rapids	State MI ZIP Code 49508
I certify the information contained herein and in the attachments are true and that all are truly descriptive of the residential real property for which this application is being submitted.			
I certify I am familiar with the provisions of Public Act 147 of 1992, as amended, (MCL 207.771 to 207.787) and to the best of my knowledge, I have complied or will be able to comply with all of the requirements thereof which are prerequisite to the approval of the application by the LGU and the issuance of Neighborhood Enterprise Zone Certificate by the State Tax Commission.			
Owner/Developer/Applicant Signature 		Date 12/18/2024	

Continue on Page 2

PART 3: LGU ASSESSOR CERTIFICATION (Assessor of LGU must complete Part 3)			
The property to be covered by this exemption may not be included on any other specific tax roll while receiving the Neighborhood Enterprise Zone Exemption. For example, property on the Eligible Tax Reverted Property (Land Bank) specific tax roll cannot be granted a Neighborhood Enterprise Zone Exemption that would also put the same property on the Neighborhood Enterprise Zone specific tax roll. ☒ By checking this box I certify that, if approved, the property to be covered by this exemption will be on the Neighborhood Enterprise Zone Exemption specific tax roll and not on any other specific tax roll.			
Name of LGU <i>City of Muskegon</i>			
Name of Assessor (First and last name) <i>Donna VanderVries</i>			
Telephone Number <i>231-750-6750</i>		Email Address <i>vandervriesdoo@MuskegonCounty.net</i>	
<i>I certify that, to the best of my knowledge, the information contained in Part 3 of this application is complete and accurate.</i>			
Assessor's Signature			Date
PART 4: LGU ACTION/CERTIFICATION (LGU clerk must complete this section before submitting to the State Tax Commission)			
Action taken by LGU: ☐ Exemption Approved for _____ Years (6-15) ☐ Exemption Approved for _____ Years (11-17 qualified historic building) ☐ Exemption Denied (include Resolution Denying) Date of resolution approving/denying this application Clerk's Name (First and Last) Telephone Number Email Address Mailing Address		The State Tax Commission requires the following documents be filed for an administratively complete application: ☐ 1. Original Application ☐ 2. Legal description of the real property with parcel identification number ☐ 3. Resolution approving the zone. ☐ 4. Resolution approving the application. ☐ 5. REHABILITATION APPLICATIONS ONLY. Statement by the assessor showing the taxable value of the rehabilitated facility not including the land, for the tax year immediately preceding the effective date of the rehabilitation.	
City		State	ZIP Code
<i>I certify that I have reviewed this application for complete and accurate information and determined that the subject property is located within a qualified Neighborhood Enterprise Zone.</i> <i>I certify this application meets the requirements as outlined by Public Act 147 of 1992 and hereby request the State Tax Commission issue a Neighborhood Enterprise Zone Certificate.</i>			
Clerk Signature			Date

For faster service, the LGU should email the completed application and required documents to PTE@michigan.gov.

An additional submission option is to mail the completed application and required documents to:

Michigan Department of Treasury, State Tax Commission
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Parcel #: 61-24-205-009-0012-10
Price: \$1,500.00
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Parcel #: 61-24-205-021-0001-00
Price: \$3,000.00
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Parcel #: 61-24-205-022-0011-01
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13. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 NORTH 55 FEET LOT 3 & NORTH 55 FEET OF WESTERLY 10.5 FEET LOT 2 BLOCK 22
Address: 502 HERRICK ST, MUSKEGON, MI 49442
Parcel #: 61-24-205-022-0003-30
Price: \$1,562.50
14. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 SOUTH 95 FEET OF NORTH 150 FEET LOT 3 & WEST 10.5 FEET LOT 2 EXCEPT NORTH 55 FEET THEREOF & THE NORTH 33 FEET OF WEST 10.5 FEET LOT 11 BLOCK 22
Address: 504 HERRICK ST, MUSKEGON, MI 49442
Parcel #: 61-24-205-022-0003-40
Price: \$1,562.50

Resolution No. _____

MUSKEGON CITY COMMISSION

**RESOLUTION TO APPROVE THE ISSUANCE
OF A NEIGHBORHOOD ENTERPRISE ZONE CERTIFICATE**

WHEREAS, an application for a Neighborhood Enterprise Zone Certificate has been filed with the City Clerk by Green Rabbit Home Builders to construct a new home at 613 Jackson Ave. in the Jackson Hill neighborhood, and;

WHEREAS, the applicant has satisfied both the local and state eligibility criteria for a Neighborhood Enterprise Zone Certificate;

WHEREAS, the local unit of government is allowing the six (6) month grace period after construction commencement to apply, which is allowed under the law;

WHEREAS, the Neighborhood Enterprise Zone Certificate has been approved for fifteen (15) years;

NOW, THEREFORE, BE IT RESOLVED that the application for a Neighborhood Enterprise Zone Certificate for the new construction of a home by Green Rabbit Home Builders be approved.

Adopted this 14th day of January, 2025.

Ayes:

Nays:

Absent:

By: _____
Ken Johnson, Mayor

Attest: _____
Ann Meisch
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 January 14, 2025.

By: _____
Ann Meisch
City Clerk

Application for Neighborhood Enterprise Zone Certificate

Issued under authority of Public Act 147 of 1992, as amended.

LOCAL GOVERNMENTAL UNIT USE ONLY	
Application No.	Date Received

STATE USE ONLY	
Application No.	Date Received

Read the instructions before completing the application. This application must be filed prior to building permit issuance and start of construction except as provided in the instructions on page 3 under Owner/Developer/Applicant Instructions. Initially file completed application and required documents with the clerk of the local governmental unit. The additional documents to complete the application process will be required by the State of Michigan only after the original application is filed with the clerk of the local governmental unit (LGU). This form is also used to file a request for the transfer of an existing NEZ certificate. Please see the instruction sheet.

PART 1: OWNER/DEVELOPER/APPLICANT INFORMATION (Applicant must complete all fields)			
Owner/Developer/Applicant Name GreenRabbit Home Builders		Type of NEZ ☒ OPRA eligible community NEZ ☐ Workforce Housing NEZ	
Facility's Street Address 621 Jackson		Type of Approval Requested ☒ New Facility ☐ Rehabilitated Facility ☐ Transfer (1 copy only)	
City Muskegon	State MI	ZIP Code 49442	No. of years requested for exemption (6-15; 11-17 for qualified historic building) 15
Name of City, Township or Village (taxing authority) Muskegon		Is the facility owned or rented by occupants? ☒ Owned ☐ Rented	
☒ City ☐ Township ☐ Village		Type of Property (check one) ☒ House ☐ Duplex ☐ Condo ☐ Loft ☐ Apartment - No. of Units _____	
County Muskegon	Name of LGU that established district City of Muskegon		Date district was established 10/22/2024
School District Muskegon	Name or Number of Neighborhood Enterprise Zone Jackson Hill		
Identify who will complete the work ☒ Licensed Contractor ☐ Other _____		Estimated Project Cost (per unit) \$190,000.00	
Describe the general nature and extent of the new construction or rehabilitation to be undertaken. For rehabilitation only, include Breakdown of Investment Costs. Use attachments if necessary. New home built on a vacant city infill lot. Green Rabbit Home Builders is building 2 and 3 bedroom homes (with full basement for future expansion) targeting the missing middle home buyer.			
Timetable for undertaking and completing the rehabilitation or construction of the facility. Begin Date 12/18/2024		Additional Timetable Information (if applicable) We expect to complete all 14 homes in the Jackson Hill project by 12/31/2025.	
End Date 8/31/2025			
PART 2: OWNER/DEVELOPER/APPLICANT CERTIFICATION			
Contact Name Ellyn Olney			
Contact Telephone Number (616) 299-7600		Contact Email Address ellyn@greenrabbitbuilders.com	
Owner/Developer/Applicant Name GreenRabbit Home Builders			
Owner/Developer/Applicant Telephone Number (616) 552-3745		Owner/Developer/Applicant Email Address	
Owner/Developer/Applicant Mailing Address 1801 44th Street SE		City Grand Rapids	State MI
		ZIP Code 49508	
I certify the information contained herein and in the attachments are true and that all are truly descriptive of the residential real property for which this application is being submitted.			
I certify I am familiar with the provisions of Public Act 147 of 1992, as amended, (MCL 207.771 to 207.787) and to the best of my knowledge, I have complied or will be able to comply with all of the requirements thereof which are prerequisite to the approval of the application by the LGU and the issuance of Neighborhood Enterprise Zone Certificate by the State Tax Commission.			
Owner/Developer/Applicant Signature Ellyn Olney		Date 12-5-2024	

Continue on Page 2

PART 3: LGU ASSESSOR CERTIFICATION (Assessor of LGU must complete Part 3)			
The property to be covered by this exemption may not be included on any other specific tax roll while receiving the Neighborhood Enterprise Zone Exemption. For example, property on the Eligible Tax Reverted Property (Land Bank) specific tax roll cannot be granted a Neighborhood Enterprise Zone Exemption that would also put the same property on the Neighborhood Enterprise Zone specific tax roll.			
☒ By checking this box I certify that, if approved, the property to be covered by this exemption will be on the Neighborhood Enterprise Zone Exemption specific tax roll and not on any other specific tax roll.			
Name of LGU City of Muskegon			
Name of Assessor (First and last name) Donna VanderVries			
Telephone Number 231 750-6750		Email Address VanderVriesdb@MuskegonCounty.net	
I certify that, to the best of my knowledge, the information contained in Part 3 of this application is complete and accurate.			
Assessor's Signature 			Date 12/17/24
PART 4: LGU ACTION/CERTIFICATION (LGU clerk must complete this section before submitting to the State Tax Commission)			
Action taken by LGU: ☐ Exemption Approved for _____ Years (6-15) ☐ Exemption Approved for _____ Years (11-17 qualified historic building) ☐ Exemption Denied (include Resolution Denying)		The State Tax Commission requires the following documents be filed for an administratively complete application: ☐ 1. Original Application ☐ 2. Legal description of the real property with parcel identification number ☐ 3. Resolution approving the zone. ☐ 4. Resolution approving the application. ☐ 5. REHABILITATION APPLICATIONS ONLY. Statement by the assessor showing the taxable value of the rehabilitated facility not including the land, for the tax year immediately preceding the effective date of the rehabilitation.	
Date of resolution approving/denying this application			
Clerk's Name (First and Last)			
Telephone Number			
Email Address			
Mailing Address	City	State	ZIP Code
I certify that I have reviewed this application for complete and accurate information and determined that the subject property is located within a qualified Neighborhood Enterprise Zone.			
I certify this application meets the requirements as outlined by Public Act 147 of 1992 and hereby request the State Tax Commission issue a Neighborhood Enterprise Zone Certificate.			
Clerk Signature			Date

For faster service, the LGU should email the completed application and required documents to PTE@michigan.gov.

An additional submission option is to mail the completed application and required documents to:

Michigan Department of Treasury, State Tax Commission
 P.O. Box 30471
 Lansing, MI 48909

Note: Additional documentation will be required for further processing of the application and for the issuance of the certificate of exemption. These documents should be sent by email or mail directly to the State of Michigan only after the original application is filed with the LGU clerk and approved by the LGU. See the instruction sheet attached.

Any questions concerning the completion of this application should be directed to the LGU clerk.

***LEGAL DESCRIPTIONS:**

1. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 EAST 5 FEET LOT 20 & LOT 21 BLOCK 14
Address: 568 JACKSON AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-014-0021-00
Price: \$1,687.50
2. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 EAST 1/2 LOT 19 AND WEST 44 1/2 FEET LOT 20 BLOCK 14
Address: 558 JACKSON AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-014-0020-01
Price: \$1,687.50
3. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 EAST 44 FEET LOT 12 BLOCK 9
Address: 532 LEONARD AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-009-0012-01
Price: \$1,500.00
4. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 EAST 22 FEET LOT 11 & WEST 22 FEET LOT 12 BLOCK 9
Address: 522 LEONARD AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-009-0012-10
Price: \$1,500.00
5. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 WEST 66 FEET OF NORTH 132 FEET LOT 1 BLOCK 21
Address: 601 JACKSON AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-021-0001-00
Price: \$3,000.00
6. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 LOT 2 BLOCK 20
Address: 613 JACKSON AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-020-0002-00
Price: \$1,687.50
7. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 LOT 1 BLOCK 20
Address: 621 JACKSON AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-020-0001-01
Price: \$1,687.50
8. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 SOUTHERLY 89.75 FEET ON LANGLEY STREET & 64.75 FEET ON EAST LINE LOT 6 BLOCK 15
Address: 608 JACKSON AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-015-0006-11
Price: \$1,500.00
9. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 LOT 6 EXCEPT NORTHERLY 50 FEET BEING 50 FEET ON LANGLEY STREET & 62.32 FEET ON EAST LINE LOT 6 EXCEPT SOUTHERLY 89.75 FEET ON LANGLEY STREET & SOUTHERLY 64.75 FEET ON EAST LINE BLOCK 15
Address: 460 LANGLEY AVE, MUSKEGON, MI 49442
Parcel #: 61-24-205-015-0006-20
Price: \$1,500.00
10. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 NORTH 50 FEET LOT 1 & NORTH 50 FEET EXCEPT WESTERLY 10.5 FEET LOT 2 BLOCK 22
Address: 501 ALVA, MUSKEGON, MI 49442
Parcel #: 61-24-205-022-0001-01
Price: \$1,562.50

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NORTHERLY 50 FEET & SOUTHERLY 32 FEET & LOT 2 EXCEPT NORTHERLY 50 FEET
& SOUTHERLY 32 FEET & WESTERLY 10.5 FEET BLOCK 22
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FEET OF NORTHERLY 33 FEET BLOCK 22
Address: 505 ALVA ST, MUSKEGON, MI 49442
Parcel #: 61-24-205-022-0011-01
Price: \$3,125.00
13. Legal Description: CITY OF MUSKEGON REVISED PLAT OF 1903 NORTH 55 FEET LOT 3
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Address: 502 HERRICK ST, MUSKEGON, MI 49442
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NORTH 150 FEET LOT 3 & WEST 10.5 FEET LOT 2 EXCEPT NORTH 55 FEET THEREOF
& THE NORTH 33 FEET OF WEST 10.5 FEET LOT 11 BLOCK 22
Address: 504 HERRICK ST, MUSKEGON, MI 49442
Parcel #: 61-24-205-022-0003-40
Price: \$1,562.50

Resolution No. _____

MUSKEGON CITY COMMISSION

**RESOLUTION TO APPROVE THE ISSUANCE
OF A NEIGHBORHOOD ENTERPRISE ZONE CERTIFICATE**

WHEREAS, an application for a Neighborhood Enterprise Zone Certificate has been filed with the City Clerk by Green Rabbit Home Builders to construct a new home at 621 Jackson Ave. in the Jackson Hill neighborhood, and;

WHEREAS, the applicant has satisfied both the local and state eligibility criteria for a Neighborhood Enterprise Zone Certificate;

WHEREAS, the local unit of government is allowing the six (6) month grace period after construction commencement to apply, which is allowed under the law;

WHEREAS, the Neighborhood Enterprise Zone Certificate has been approved for fifteen (15) years;

NOW, THEREFORE, BE IT RESOLVED that the application for a Neighborhood Enterprise Zone Certificate for the new construction of a home by Green Rabbit Home Builders be approved.

Adopted this 14th day of January, 2025.

Ayes:

Nays:

Absent:

By: _____
Ken Johnson, Mayor

Attest: _____
Ann Meisch
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 January 14, 2025.

By: _____
Ann Meisch
City Clerk



MARK F. FAIRCHILD
REGISTER OF DEEDS
Muskegon County Michigan
5833727 D02

Liber: 4368 Page: 166
Page: 1 of 3
10/10/2024 11:51:40 AM

QUIT-CLAIM DEED

KNOW ALL PERSONS BY THESE PRESENTS: That the **CITY OF MUSKEGON**, a municipal corporation, of 933 Terrace Street, Muskegon, Michigan 49440,

QUIT CLAIMS to EB2 Development Limited Liability Company d/b/a **Green Rabbit Home Builders**, of 1801 44th St SE, Grand Rapids, MI, 49058,

the following described premises situated in the City of Muskegon, County of Muskegon, State of Michigan, to wit:

***See Attached Legal Descriptions**

for the sum of Twenty-Five Thousand, One Hundred Twenty-Five and 00/100 Dollars (\$25,125.00)

PROVIDED, HOWEVER, Grantee, or its assigns, shall complete construction of one (1) single family home on each of the fourteen (14) parcels for a total of fourteen (14) single family homes on the premises herein conveyed within twenty-four (24) months after the date hereof. In default of such construction, title to the premises shall revert to the City of Muskegon free and clear of any claim of Grantee or its assigns. In addition, the City of Muskegon may retain the consideration for this conveyance free and clear of any claim of Grantee or its assigns. Buyer shall remove only those trees necessary for construction of the homes and driveways. "Complete construction" means: (1) issuance of a residential building permits by the City of Muskegon; and (2) in the sole opinion of the City of Muskegon's Director of Inspections, substantial completion of the dwellings described in the said building permits. In the event of reversion of titles of the above-described premises, improvements made thereon shall become the property of Grantor.

This deed is exempt from real estate transfer tax pursuant to the provisions of MCLA 207.505(h)(i) and MCLA 207.526 Sec. 6(h)(i).

Dated this 8th day of October, 2024.

Signed in the presence of:

Linda Potter

Jenny Muth

CITY OF MUSKEGON

By Ken Johnson
Ken Johnson, Its Mayor

and Ann Marie Meisch
Ann Marie Meisch, MMC, Its Clerk

STATE OF MICHIGAN
COUNTY OF MUSKEGON

The foregoing instrument was acknowledged

Signed and sworn to before me in Muskegon County, Michigan, on October 8th, 2024, *Personally Appeared* by KEN JOHNSON and ANN MARIE MEISCH, MMC, the Mayor and Clerk, respectively, of the CITY OF MUSKEGON, a municipal corporation, on behalf of the City.

PREPARED BY: Samantha Pulos
City of Muskegon Planning Dept.

933 Terrace St. Room 202
Muskegon, MI 49440
Telephone: 231-724-6702

Linda S. Potter
Linda S. Potter, Notary Public
Acting in the County of Muskegon

Muskegon County, Michigan
My Comm. Expires: 9-25-2030

WHEN RECORDED RETURN TO: Grantees
Grantees

SEND SUBSEQUENT TAX BILLS TO:
Green Rabbit Home Builders
1801 44th St. SE
Grand Rapids, MI 49058

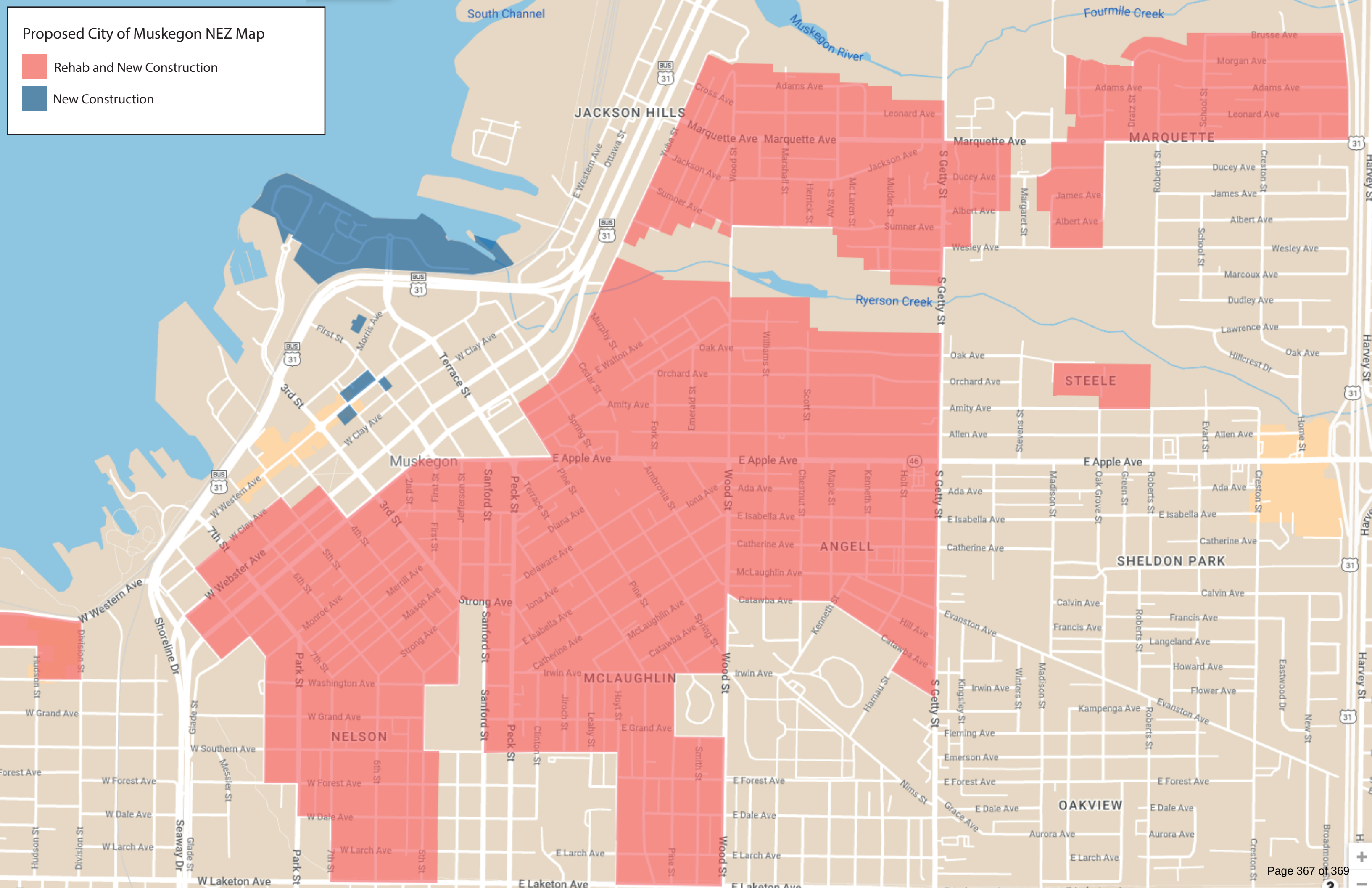
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Address: 504 HERRICK ST, MUSKEGON, MI 49442
Parcel #: 61-24-205-022-0003-40
Price: \$1,562.50

Proposed City of Muskegon NEZ Map

- Rehab and New Construction
- New Construction



Resolution No. 2024-90(A)

MUSKEGON CITY COMMISSION

RESOLUTION TO CREATE AND AMEND NEIGHBORHOOD ENTERPRIZE ZONE DISTRICTS WITHIN
THE CITY OF MUSKEGON

WHEREAS, the City of Muskegon currently has established Neighborhood Enterprise Zone districts within the City pursuant to Public Act 147 of the Michigan Public Acts of 1992, and;

WHEREAS, the City of Muskegon would like to amend existing Neighborhood Enterprise Zone districts to new locations within the City, and;

WHEREAS, the City of Muskegon would like to remove certain areas from the Neighborhood Enterprise Zone and;

WHEREAS, notices were sent to the local taxing jurisdictions on October 10, 2024, and;

WHEREAS, a public hearing was held regarding the creation of this new district on October 22, 2024 at a regular commission meeting of the City of Muskegon; and;

WHEREAS, the old district boundaries will include properties as shown in Exhibit A, and;

WHEREAS, the new and removed boundaries will include properties as shown in Exhibit B, and;

WHEREAS, the total square footage of Neighborhood Enterprise Zone districts in Muskegon will not exceed 15% of the total square footage of the City pursuant to the Act;

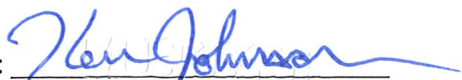
NOW, THEREFORE, BE IT RESOLVED that the new Neighborhood Enterprise Zone districts in the City of Muskegon have been approved.

Adopted this 22nd day of October, 2024.

Ayes: Gorman, Kochin, St.Clair, Johnson, Kilgo, Keener, and German

Nays: None

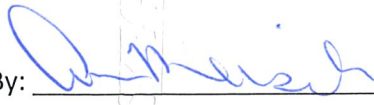
Absent: None

By: 
Ken Johnson, Mayor

Attest: 
Ann Meisch 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 October 22, 2024.

By: 
Ann Meisch City Clerk