CITY OF MUSKEGON

CITY COMMISSION MEETING

JULY 13, 2004

CITY COMMISSION CHAMBERS @ 5:30 P.M.

AGENDA

- **CALL TO ORDER:**
- **PRAYER:**
- **PLEDGE OF ALLEGIANCE:**
- **ROLL CALL:**
- **HONORS AND AWARDS:** Recognition of National Recreation Parks Month.
- **INTRODUCTIONS/PRESENTATION**
- **CONSENT AGENDA:**

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

  B. **Second Quarter 2004 Budget Reforecast.** FINANCE

  C. **Request to Purchase Tax-Reverted Properties.** PLANNING & ECONOMIC DEVELOPMENT

  D. **Leaking Underground Storage Tank Proposals.** LEISURE SERVICES

  E. **Local Law Enforcement Block Grant – Joint Spending Agreement** CITY MANAGER

  F. **Fisherman's Landing Grant request.** CITY MANAGER

- **PUBLIC HEARINGS:**

  A. **Request for an Industrial Facilities Exemption Certificate – SAPPI Fine Paper North America.** PLANNING & ECONOMIC DEVELOPMENT

  B. **Request for the Establishment of an Industrial Development District – Northern Machine Tool Company.** PLANNING & ECONOMIC DEVELOPMENT

the Industrial Development District for Northern Machine Tool Company.

  C. **Request for an Industrial Facilities Exemption Certificate – Northern Machine Tool Company.** PLANNING & ECONOMIC DEVELOPMENT

  D. **Amendments to Brownfield Plan.** PLANNING & ECONOMIC

DEVELOPMENT

1. **Northern Machine Tool Expansion.**
2. **Terrace Lots Office Building.**

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

A. **Amendment to the Ferry Development Agreement.** CITY MANAGER

B. **Relocation of Former Gas Station @ 793 W. Laketon.** CITY MANAGER

C. **Disclosure of Potential Conflict of Interest under CDBG Community Development Block Grant Program.** COMMUNITY & NEIGHBORHOOD
SECOND READING - Rezoning Request for Property Located at 955 W.
Request for Encroachment Agreement – Alley off Howden to the East.
ENGINEERING

D. **Concurrence with the Housing Board of Appeals Notice and Order to**

1. **331 Sumner-Garage**
2. **1837 Kinsey**
3. **307 Merrill**
4. **1124 Ambrosia-Garage**
5. **769 Amity-Garage** (garage repaired, staff requests removal from agenda)
6. **382 Amity-Garage**
7. **509 Amity**
8. **1194 Sixth**

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

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

- **CLOSED SESSION: To discuss Land Acquisition.**
- **ADJOURNMENT:**

ADA POLICY: THE CITY OF MUSKEGON WILL PROVIDE NECESSARY AUXILIARY AIDS AND SERVICES TO INDIVIDUALS WHO WANT TO ATTEND THE MEETING UPON TWENTY FOUR HOUR NOTICE TO THE CITY OF MUSKEGON. PLEASE CONTACT GAIL A. KUNDINGER, CITY CLERK, 933 TERRACE STREET, MUSKEGON, MI 49440 OR BY CALLING (231) 724-6705 OR TDD: (231) 724-4172.

2004-60

CITY OF MUSKEGON *State of Michigan*

Recognition of National Recreation Parks Month

WHEREAS, parks and recreation agencies touch the lives of individuals, families, groups and the entire community, positively impacting upon the social, economic, health and environmental quality; and

WHEREAS, parks and recreation provide opportunities for the development and growth of young people, and create links for older community members, therefore generating opportunities for people to come together and experience a sense of community; and

WHEREAS, parks, playgrounds, nature trails, open spaces, and historic sites make communities attractive and desirable places to live, work, play, and visit, providing a breather from our fast-paced lifestyles; and

WHEREAS, parks, greenways, and open spaces also help protect and preserve our natural environment; and

WHEREAS, our city offers an impressive array of recreational facilities and leisure-time activities for the benefit of all our citizens; and

NOW THEREFORE, I Stephen J. Warmington as Mayor of the City of Muskegon, speaking on behalf of the City Commission do hearby proclaim July as "Recreation and Parks Month", and encourage all citizens to celebrate a healthy lifestyle by participating in park and recreation activities.

IN WITNESS WHEREOF, I have hereunto set my hand and cause the seal of the City of Muskegon to be affixed this July 13, 2004.

Stephen J. Warmington, Mayor

Bill Larson, Vice Mayor

Chris Carter, Commissioner

Kevin Davis, Commissioner

Stephen J. Gawron, Commissioner

Clara Shepherd, Commissioner

Lawrence Spataro, Commissioner

Date: **July 13, 2004**

To: **Honorable Mayor and City Commissioners**

From: **Gail A. Kundinger, City Clerk**

RE: **Approval of Minutes**

SUMMARY OF REQUEST: To approve the minutes of the Regular Commission Meeting that was held on Tuesday, June 22, 2004.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the minutes.

CITY OF MUSKEGON

CITY COMMISSION MEETING

JULY 13, 2004

CITY COMMISSION CHAMBERS @ 5:30 P.M.

MINUTES

The Regular Commission Meeting of the City of Muskegon was held at City Hall, 933 Terrace Street, Muskegon, Michigan at 5:30 p.m., Tuesday, July 13, 2004.

Mayor Warmington opened the meeting with a prayer from Commissioner Gawron after which the Commission and public recited the Pledge of Allegiance to the Flag.

ROLL CALL FOR THE REGULAR COMMISSION MEETING:

Present: Mayor Stephen Warmington, Vice Mayor Bill Larson, Commissioner Chris Carter, Kevin Davis, Stephen Gawron, Clara Shepherd, and Lawrence Spataro, City Manager Bryon Mazade, City Attorney John Schrier, and City Clerk Gail Kundinger.

2004-60 HONORS AND AWARDS: Recognition of National Recreation Parks Month.

2004-61 CONSENT AGENDA:

A. Approval of Minutes. CITY CLERK

SUMMARY OF REQUEST: To approve the minutes of the Regular Commission Meeting that was held on Tuesday, June 22, 2004.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval of the minutes.

B. Second Quarter 2004 Budget Reforecast. FINANCE

SUMAMRY OF REQUEST: At this time staff is transmitting the **Second Quarter 2004 Budget Reforecast** which outlines proposed changes to the original budget that have come about as result of changes in policy priorities, labor contracts, updated economic conditions, or other factors. For the next meeting, an action item will be placed on the agenda for adoption of the second quarter budget reforecast together with any additional changes deemed necessary by

Commissioners.

Also included in the second quarter reforecast report is a very preliminary look at the 2005 budget based on currently available information. At this time, the projected 2005 budget shortfall is $589,017 which likely is understated due to incomplete departmental budget estimates. Staff will be refining these figures over the next several weeks in preparation for the September 1st submission of the 2005 budget to the City Commission.

FINANCIAL IMPACT: The projected 2004 shortfall in general fund revenues is $444,403, mostly attributable to lower than budgeted state shared revenues. The good news is that the revenue shortfall has held steady since the first quarter reforecast. The other good news is that general fund expenditures are projected at $487,752 less than original budget as the result of position elimination's, position vacancies and other cost-control measures. However, the projected year-end 2004 fund balance is $282,620 less than the targeted amount (i.e. 10% of prior year expenditures).

The 2003, 2004, and 2005 city budgets each include a $500,000 transfer from the budget stabilization fund. Obviously, without these infusions matters would be much worse. But it is also necessary to realize that recurring general fund revenues are falling far short of meeting recurring expenses. Absent a major pick-up in revenues in coming months, further major cost reductions will be required.

The second quarter reforecast also incorporates several significant changes to major capital project cost projections.

BUDGET ACTION REQUIRED: Self-explanatory.

STAFF RECOMMENDATION: The City Commission should review the *Reforecast* to ensure it reflects their policy initiatives. At the next City Commission meeting, staff will request formal approval of the *Reforecast* and related budget amendments.

COMMITTEE RECOMMENTDATION: There is no committee recommendation at this time. The budget forecast will be discussed at the July worksession.

C. Request to Purchase Tax-Reverted Properties. PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: The State of Michigan is again offering the City a number of tax-reverted lots acquired prior to 2002 and available to us under the "old program" for the bargain price of $300 for the first five lots and $20 for each of the remainder of the properties. Since the City continues to mow and maintain these lots, even though they are State-owned, it would be advantageous to the City to take ownership of them. We can then attempt to sell them and get them back on the tax rolls.

FINANCIAL IMPACT: The total cost of these 36 properties is $920.

BUDGET ACTION REQUIRED: Expend the additional $920 necessary to purchase these parcels.

STAFF RECOMMENDATION: To approve the request and to authorize the Mayor and Clerk to sign the resolution.

COMMITTEE RECOMMENDATION: The Land Reutilization Committee recommended approval at their June 22, 2004 meeting.

D. Leaking Underground Storage Tank Proposals. LEISURE SERVICES

SUMMARY OF REQUEST: To extend the contract with ERM to begin the closures of the contaminated sites at Hartshorn Marina and Restlawn Cemetery.

FINANCIAL IMPACT:	$5,850	Hartshorn Marina
	$15, 900	Restlawn Cemetery

BUDGET ACTION REQUIRED: Will need to adjust the Cemetery Budget. The Marina should not need adjustment.

STAFF RECOMMENDATION: Approve

E. Local Law Enforcement Block Grant – Joint Spending Agreement. CITY MANAGER

SUMMARY OF REQUEST: To approve a joint spending agreement with the County for the City's Local Law Enforcement Block Grant (LLEBG). This is required because the U.S. Department of Justice has determined that disparate funding exists.

FINANCIAL IMPACT:

City of Muskegon	$23,331
Muskegon County	$ 8,983 (use is for jail security services)
	$32,314

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To approve the above distributions.

F. Application for Grant Funding for Fisherman's Landing. CITY MANAGER

SUMMARY OF REQUEST: To support a grant application for funding for new restroom and shower facilities at Fisherman's Landing.

FINANCIAL IMPACT: None. Any grant match will be provided by Fisherman's Landing, Inc.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To support a grant application and authorize staff to sign appropriate application documents and provide letter of support and/or resolution executed by Mayor and City Clerk.

COMMITTEE RECOMMENDATION: The City Commission reviewed this matter at their work session on July 12, 2004.

Motion by Commissioner Spataro, second by Commissioner Carter to approve the consent agenda as read.

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

Nays: None

MOTION PASSES

2004-62 PUBLIC HEARINGS:

A. **Request for an Industrial Facilities Exemption Certificate – SAPPI Fine Paper North America.** PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: Pursuant to Public Act 198 of 1974, as amended, SAPPI Fine Paper North America, 2400 Lakeshore Drive, has requested the issuance of an Industrial Facilities Exemption Certificate. Since the total capital investment for this project is $13,500,111 in personal property, this request qualifies for a 9-year exemption. The project will not create any new employment opportunities, but will retain 500 jobs currently at the plant.

FINANCIAL IMPACT: The City will capture certain additional property taxes generated by the expansion.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval of the resolution granting an Industrial Facilities Exemption Certificate for a term of (9) years.

The Public Hearing opened at 5:37 p.m. to hear and consider any comments from the public. No comments were heard.

Motion by Commissioner Gawron, second by Commissioner Spataro to close the Public Hearing at 5:39 p.m. and approve the Industrial Facilities Exemption Certificate for SAPPI Fine Paper North America for a term of nine years.

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

Nays: None

MOTION PASSES

B. **Request for the Establishment of an Industrial Development District – Northern Machine Tool Company.** PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: Pursuant to Public Act 198 of 1974, as amended, Northern Machine Tool Company, 761 Alberta Avenue, Muskegon, Michigan, has requested the establishment of an Industrial Development District for property located at 2380 Henry Street, Muskegon, Michigan. The project will result in the creation of 3 new jobs and $770,000 in private investment.

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

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval of the resolution establishing the Industrial Development District for Northern Machine Tool Company.

The Public Hearing opened at 5:40 p.m. to hear and consider any comments from the public. No comments were heard.

Motion by Commissioner Spataro, second by Commissioner Gawron to close the Public Hearing at 5:42 p.m. and establish the Industrial Development District for Northern Machine Tool Company.

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

Nays: None

MOTION PASSES

C. <u>**Request for an Industrial Facilities Exemption Certificate – Northern Machine Tool Company.**</u> PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: Pursuant to Public Act 198 of 1974, as amended, Northern Machine Tool Company, 761 Alberta Avenue, has requested the issuance of an Industrial Facilities Exemption Certificate for the property located at 2380 Henry Street, Muskegon. The total capital investment for this project is $450,000 in real property and $250,000 in personal property for a total of $700,000 and will create 3 new employment opportunities. This request qualifies Northern Machine Tool Company for a 12-year exemption for real property and a 6-year exemption for personal property. Northern Machine Tool Company's current workforce is 45.

FINANCIAL IMPACT: The City will capture certain additional property taxes generated by the expansion.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval of the resolution granting an Industrial Facilities Exemption Certificate for a term of twelve (12) years for real property and six (6) years for personal property.

The Public Hearing opened at 5:42 p.m. to hear and consider any comments from the public. No comments were heard.

Motion by Commissioner Carter, second by Vice Mayor Larson to close the Public Hearing at 5:44 p.m. and approve the Industrial Facilities Exemption Certificate for Northern Machine Tool Company for a term of twelve years for real property and six years for personal property.

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

Nays: None

MOTION PASSES

D. **<u>Amendments to Brownfield Plan.</u>** PLANNING & ECONOMIC DEVELOPMENT

1. **Northern Machine Tool Expansion.**

SUMMARY OF REQUEST: To hold a public hearing and approve the resolution approving and adopting amendments for the Brownfield Plan. The amendments are for the inclusion of property owned by Triple O Enterprises, LLC in the Brownfield Plan.

FINANCIAL IMPACT: There is no direct financial impact in approving the Brownfield Plan amendments, although the Northern Machine Tool expansion will add to the tax base of the City of Muskegon.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To hold the public hearing and approve the resolution and authorize the Mayor and Clerk to sign the resolution.

COMMITTEE RECOMMENDATION: The Muskegon City Commission set the public hearing for July 13, 2004, at their June 22, 2004 meeting. Since that time, a notice of the public hearing has been sent to taxing jurisdictions, and it has been published twice in the Muskegon Chronicle. In addition, the Brownfield Redevelopment Authority approved the Plan amendment on June 21, 2004 and further recommends that the Muskegon City Commission approve the Plan amendment.

The Public Hearing opened at 5:44 p.m. to hear and consider any comments from the public. Comments were heard from Mr. Steve Olson, 761 Alberta, the owner.

Motion by Commissioner Gawron, second by Commissioner Spataro to close the Public Hearing at 5:47 p.m. and approve the amendments for the inclusion of property owned by Triple O Enterprises, LLC in the Brownfield Plan.

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

Nays: None

MOTION PASSES

2. Terrace Lots Office Building.

SUMMARY OF REQUEST: To hold a public hearing and approve the resolution approving and adopting amendments for the Brownfield Plan. The amendments are for the inclusion of property owned by MSB II, LLC in the Brownfield Plan.

FINANCIAL IMPACT: There is no direct financial impact in approving the Brownfield Plan amendments, although the completion of construction of the Terrace Lost Office Building will add to the tax base of the City of Muskegon.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To hold the public hearing and approve the resolution and authorize the Mayor and Clerk to sign the resolution.

COMMITTEE RECOMMENDATION: The Muskegon City Commission set the public hearing for July 13, 2004, at their June 22, 2004 meeting. Since that time, a notice of the public hearing has been sent to taxing jurisdictions, and it has been published twice in the Muskegon Chronicle. In addition, the Brownfield Redevelopment Authority approved the Plan amendment on June 21, 2004 and further recommends that the Muskegon City Commission approve the Plan amendment.

The Public Hearing opened at 5:48 p.m. to hear and consider any comments from the public. No comments were heard.

Motion by Commissioner Carter, second by Commissioner Davis to close the Public Hearing at 5:50 p.m. and approve the amendment for the inclusion of property owned by MSB II, LLC in the Brownfield Plan.

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

Nays: None

MOTION PASSES

3. Art Works Apartments.

SUMMARY OF REQUEST: To hold a public hearing and approve the resolution approving and adopting amendments for the Brownfield Plan. The amendments are for the inclusion of property owned by Boiler Works, LLC in the Brownfield Plan.

FINANCIAL IMPACT: There is no direct financial impact in approving the Brownfield Plan amendments, although the redevelopment of the property into an Art Works space (with residential and gallery space) will add to the tax base of the City of Muskegon.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To hold public hearing and approve the resolution and authorize the Mayor and Clerk to sign the resolution.

COMMITTEE RECOMMENDATION: The Muskegon City Commission set the public hearing for July 13, 2004, at their June 22, 2004 meeting. Since that time, a notice of the public hearing has been sent to taxing jurisdictions, and it has been published twice in the Muskegon Chronicle. In addition, the Brownfield Redevelopment Authority approved the Plan amendment on June 21, 2004 and further recommends that the Muskegon City Commission approve the Plan amendment.

The Public Hearing opened at 5:51 p.m. to hear and consider any comments from the public. Comments in favor of the project were heard from Gary Hydell from MSHDA; Michael Jacobsen, 2282 Fulton, Grand Rapids; Kevin Woods, Woods Consulting, Muskegon; and Paul Veltkamp, 592 W. Muskegon.

Motion by Commissioner Carter, second by Commissioner Spataro to close the Public Hearing at 7:10 p.m. and postpone vote until the July 27th meeting.

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

Nays: None

MOTION PASSES

2004-63 NEW BUSINESS:

A. <u>Lakefront, LLC – Special Assessment.</u> CITY MANAGER

SUMMARY OF REQUEST: To agree to allow Lakefront, LLC to delay the 1st installment payment on their special assessment for up to six months and agree not to invoke the payment acceleration provision of the special assessment agreement during that period. Lakefront will be responsible for paying late fees and interest in accordance with the special assessment agreement.

FINANCIAL IMPACT: Delay in payment of $220,000 in principal and interest payment.

BUDGET ACTION REQUIRED: None at this time.

STAFF RECOMMENDATION: To approve the request.

Motion by Vice Mayor Larson, second by Commissioner Gawron to allow Lakefront, LLC to delay the first installment payment.

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

Nays: None

MOTION PASSES

B. Amendment to the Ferry Development Agreement. CITY MANAGER

SUMMARY OF REQUEST: To enter into an amendment to the Ferry Development Agreement with Great Lakes Marina. This is necessary to accommodate additional costs associated with the project.

FINANCIAL IMPACT: Additional cost of $641,097.82 of which $200,000 will be covered by a grant from the County of Muskegon.

BUDGET ACTION REQUIRED: A budget adjustment will be necessary to accommodate this request.

STAFF RECOMMENDATION: None

Motion by Commissioner Spataro, second by Vice Mayor Larson to approve the amendment to the Ferry Development Agreement with Great Lakes Marina.

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

Nays: None

MOTION PASSES

C. Relocation of Former Gas Station @ 793 W. Laketon. CITY MANAGER

SUMMARY OF REQUEST: To consider sale of City owned lot to Brenda Moore to relocate the former gas station building (Freres) from 793 W. Laketon.

FINANCIAL IMPACT: Sale proceeds to City of $1,000.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: None

Motion by Commissioner Spataro, second by Commissioner Davis to approve relocation contingent on receipt of title of property from State of Michigan

MOTION AND SECOND WITHDRAWN.

Motion by Commissioner Spataro, second by Vice Mayor Larson to authorize staff to negotiate a purchase agreement contingent on receipt of title of property from the State.

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

Nays: None

MOTION PASSES

D. Disclosure of Potential Conflict of Interest Under CDBG Community Development Block Grant Program. COMMUNITY & NEIGHBORHOOD SERVICES

SUMMARY OF REQUEST: Under Community Development Block Grant regulations, potential Conflicts of Interest must be disclosed to the public prior to requesting a waiver from HUD. Sheliah Shah of 807 Wood, has applied for CDBG assistance under the City's Emergency Assistance Program. Ms. Shah is a member of the Citizen's District Council which governs how the monies are spent in this program. The City Attorney has determined that no Conflict of Interest is present in this case: however, this must be disclosed to the public before any further action can be taken.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: The legal opinion of the City Attorney must be kept on file with the City Clerk for future public review. If the public can present no evidence to support a potential conflict, a request for a Conflict of Interest waiver may be forwarded to HUD for approval.

Motion by Vice Mayor Larson, second by Commissioner Davis that the request for a Conflict of Interest waiver be forwarded to HUD.

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

Nays: None

Absent: Spataro (out of the room)

MOTION PASSES

E. **<u>SECOND READING - Rezoning Request for Property Located at 955 W. Laketon.</u>** PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: Request to rezone property located at 955 W. Laketon, form B-4, General Business to RT, Two Family Residential.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Staff recommends denial of the request due to lack of compliance with the future land use map and Master Land Use Plan.

COMMITTEE RECOMMENDATION: The Planning Commission voted to deny the request at their 3/11 meeting and recommended that the City Commission ask the ZBA to reconsider the hardship application for this property. The denial request was approved with Commissioners S. Warmington, B. Smith, and T. Michalski voting nay. T. Johnson was absent.

Motion by Vice Mayor Larson, second by Commissioner Spataro to approve the rezone request for property located at 955 W. Laketon from B-4, General Business to RT, Two Family Residential.

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

Nays: None

MOTION PASSES

F. <u>Request for Encroachment Agreement – Alley off Howden to the East.</u> ENGINEERING

SUMMARY OF REQUEST: Mr. Stephen Gawron, owner of 1952 Howden, has submitted the encroachment agreement form requesting your permission to install and maintain a berm with planting as well as a decorative fence along the north right of way line of the referenced alley.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To approve the encroachment agreement with the supplemental conditions.

Motion by Commissioner Spataro, second by Commissioner Carter to approve the encroachment agreement with the supplemental conditions.

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

Nays: None

Absent: Warmington (out of the room)

Abstain: Gawron

MOTION PASSES

G. <u>Concurrence with the Housing Board of Appeals Notice and Order to Demolish the Following:</u> PUBLIC SAFETY

SUMMARY OF REQUEST: This is to request that the City Commission concur with the findings of the Housing Board of Appeals that the structures listed below are unsafe, substandard, a public nuisance and that they be demolished within thirty (30) days. It is further requested that administration be directed to obtain bids for the demolition of the structures and that the Mayor and City Clerk be authorized and directed to execute a contractor for demolition with the lowest responsible bidder.

1837 Kinsey

CASE # & PROJECT ADDRESS: #EN-030169 – 1837 Kinsey

LOCATION AND OWNERSHIP: This structure is located on Kinsey between Laketon and Windsor and is owned by Bonaes, LLC.

STAFF CORRESPONDENCE: A dangerous building inspection was conducted on 10/24/03 and an interior inspection 11/12/03 and the notice and order to repair was issued on 1/27/04. On 4/1/04 the HBA declared the structure substandard and dangerous.

OWNER CONTACT: There has been no contact from the owner.

FINANCIAL IMPACT: CDBG Funds

BUDGET ACTION REQUIRED: None

STATE EQUALIZED VALUE: $24,400

ESTIMATED COST TO REPAIR: $40,000

STAFF RECOMMENDATION: To concur with the Housing Board of Appeals decision to demolish.

307 Merrill

CASE# & PROJECT ADDRESS: #EN-040024 – 307 Merrill

LOCATION AND OWNERSHIP: This structure is located on Merrill between Fourth and Fifth Street. It is owned by JP Morgan Chase Bank.

STAFF CORRESPONDENCE: A dangerous building inspection was conducted on 2/2/04 and the notice and order to repair was issued on 2/3/04. On 5/6/04 the HBA declared the structure substandard and dangerous.

OWNER CONTACT: There has been no contact from the owner.

FINANCIAL IMPACT: CDBG Funds

BUDGET ACTION REQUIRED: None

STATE EQUALIZED VALUE: $16,100

ESTIMATED COST TO REPAIR: $1,500 plus the cost of interior repairs

STAFF RECOMMENDATION: To concur with the Housing Board of Appeals decision to demolish.

382 Amity-Garage

CASE# & PROJECT ADDRESS: #EN-040008 – 382 Amity-Garage

LOCATION AND OWNERSHIP: This structure is located on Amity between Emerald and Wood Street. It is owned by Doris Brown.

STAFF CORRESPONDENCE: A dangerous building inspection was conducted on 1/26/04 and the notice and order to repair was issued on 1/27/04. On 4/1/04 the HBA declared the garage substandard and dangerous.

OWNER CONTACT: There has been no contact from the owner.

FINANCIAL IMPACT: CDBG Funds

BUDGET ACTION REQUIRED: None

STATE EQUALIZED VALUE: $24,100

ESTIMATED COST TO REPAIR: $2,000

STAFF RECOMMENDATION: To concur with the Housing Board of Appeals decision to demolish.

1194 Sixth

CASE# & PROJECT ADDRESS: #EN-040033 – 1194 Sixth

LOCATION AND OWNERSHIP: This structure is located on Sixth between Merrill and Monroe and is owned by Sam Hicks.

STAFF CORRESPONDENCE: A dangerous building inspection was conducted on 3/9/04 and the notice and order to repair was issued on 3/22/04. On 5/6/04 the HBA declared the structure substandard and dangerous. The case began with an appeal by the owner stemming from requirements from the rental inspection. The owner was not present at the HBA meeting for his appeal and was ordered to have the trade inspectors inspect the house. Once the trade inspectors saw the condition of the house, it was determined to be a dangerous building.

OWNER CONTACT: The owner scheduled the interior inspection.

FINANCIAL IMPACT: CDBG Funds

BUDGET ACTION REQUIRED: None

STATE EQUALIZED VALUE: $17,300

ESTIMATED COST TO REPAIR: $30,000

STAFF RECOMMENDATION: To concur with the Housing Board of Appeals decision to demolish.

Motion by Commissioner Carter, second by Comissioner Spataro to concur with the Housing Board of Appeals decision to demolish 1837 Kinsey, 307 Merrill, 382 Amity-Garage, and 1194 Sixth.

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

Nays: None

Absent: Larson (out of the room)

MOTION PASSES

331 Sumner-Garage

CASE# & PROJECT ADDRESS: #EN-030131 – 331 Sumner-Garage

LOCATION AND OWNERSHIP: This structure is located on Sumner between Erickson and Octavius Street. It is owned by Dorothy Bates.

STAFF CORRECPONDENCE: A dangerous building inspection was conducted on 5/29/03 and the notice and order to repair was issued on 6/12/03. On 11/6/03 the HBA declared the garage substandard and dangerous.

OWNER CONTACT: The owner pulled a permit to repair 7/23/03 which expired

9/30/03. The permit was extended to 10/30/03. The owner and her son came in and submitted a proposal for NIC to repair the garage. There has been no further contact and the garage was not repaired by NIC.

FINANCIAL IMPACT: CDBG Funds

BUDGET ACTION REQUIRED: None

STATE EQUALIZED VALUE: $19,000

Estimated cost to repair: $3,000

STAFF RECOMMENDATION: To concur with the Housing Board of Appeals decision to demolish.

Motion by Commissioner Spataro, second by Commissioner Gawron to concur with the Housing Board of Appeals decision to demolish 331 Sumner-Garage.

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

Nays: None

MOTION PASSES

1124 Ambrosia-Garage

CASE # & PROJECT ADDRESS: #EN-040030 – 1124 Ambrosia-Garage

LOCATION AND OWNERSHIP: This structure is located on Ambrosia between Iona and E. Isabella. It is owned by Dorothy Bailey.

STAFF CORRESPONDENCE: A dangerous building inspection was conducted on 2/6/04 and the notice and order to repair was issued on 2/9/04. On 4/1/04 the HBA declared the garage substandard and dangerous.

OWNER CONTACT: The owner spoke with the Director; she knows the garage needs to be demolished. The City will proceed with the process and she is going to work out a payment plan with Bob Robles for the demolition.

FINANCIAL IMPACT: CDBG Funds

BUDGET ACTION REQUIRED: None

STATE EQUALIZED VALUE: $19,400

ESTIMATED COST TO REPAIR: $5,000

STAFF RECOMMENDATION: To concur with the Housing Board of Appeals decision to demolish.

Motion by Commissioner Spataro, second by Commissioner Carter to concur with the Housing Board of Appeals decision to demolish 1124 Ambrosia.

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

Nays: None

MOTION PASSES

509 Amity

CASE# & PROJECT ADDRESS: #EN-040003 – 509 Amity

LOCATION AND OWNERSHIP: This structure is located on Amity between Williams and Scott Street. It is owned by Mary Barnes.

STAFF CORRESPONDENCE: A dangerous building inspection was conducted on 1/20/04 and the notice and order to repair was issued on 1/23/04. On 4/1/04 the HBA declared the garage substandard and dangerous.

OWNER CONTACT: This property was owned by Carrie Green, who is recently deceased. Her family was present at the 4/1/04 HBA meeting. Her daughter, Mary Barnes, stated the family was trying to sell the house at the time. They stated Marshall Redder might be interested in purchasing the home. The Director of Inspections explained the demolition process to Ms. Barnes, they can still sell the house, the new owner will have to bring it up to code. On 6/24/04 Mary Barnes came into the office to say that Marshall Redder was purchasing the house. She wanted to make sure it was ok for her to sell the house during this process. She was told she can sell it, but the demolition process will continue and it will be up to the new owner to stop the process.

FINANCIAL IMPACT: CDBG Funds

BUDGET ACTION REQUIRED: None

STATE EQUALIZED VALUE: $13,900

ESTIMATED COST TO REPAIR: $2,000 plus the cost of interior repairs.

STAFF RECOMMENDATION: To concur with the Housing Board of Appeals decision to demolish

Motion by Commissioner Spataro, second by Commissioner Gawron to concur with the Housing Board of Appeals decision to demolish 509 Amity.

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

Nays: None

MOTION PASSES

769 Amity-Garage – Removed per request of staff.

2004-64 CLOSED SESSION: Land Acquisition.

Motion by Commissioner Spataro, second by Vice Mayor Larson to go into Closed Session at 8:06 p.m. to discuss land acquisition.

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

Nays: None

MOTION PASSES

Motion by Commissioner Shepherd, second by Commissioner Carter to come out of Closed Session at 8:49 p.m.

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

Nays: None

MOTION PASSES

ADJOURNMENT: The City Commission Meeting adjourned at 8:50 p.m.

Respectfully submitted

Gail A. Kundinger

Gail A. Kundinger, MMC

City Clerk

Date: July 13, 2004

To: Honorable Mayor and City Commissioners

From: Finance Director

RE: Second Quarter 2004 Budget Reforecast

SUMMARY OF REQUEST: At this time staff is transmitting the ***Second Quarter 2004 Budget Reforecast*** which outlines proposed changes to the original budget that have come about as result of changes in policy priorities, labor contracts, updated economic conditions, or other factors. For the next meeting, an action item will be placed on the agenda for adoption of the second quarter budget reforecast together with any additional changes deemed necessary by Commissioners.

Also included in the second quarter reforecast report is a *very preliminary* look at the 2005 budget based on currently available information. At this time, the projected 2005 budget shortfall is $589,017 which likely is understated due to incomplete departmental budget estimates. Staff will be refining these figures over the next several weeks in preparation for the September 1st submission of the 2005 budget to the City Commission.

FINANCIAL IMPACT: The projected 2004 shortfall in general fund revenues is $444,403, mostly attributable to lower than budgeted state shared revenues. The good news is that the revenue shortfall has held steady since the first quarter reforecast. The other good news is that general fund expenditures are projected at $487,752 *less* than original budget as the result of position elimination's, position vacancies and other cost-control measures. However, the projected year-end 2004 fund balance is $282,620 less than the targeted amount (i.e. 10% of prior year expenditures).

The 2003, 2004 and 2005 city budgets each include a $500,000 transfer from the budget stabilization fund. Obviously, without these infusions matters would be much worse. But it is also necessary to realize that recurring general fund revenues are falling far short of meeting recurring expenses. Absent a major pick-up in revenues in coming months, further major cost reductions will be required.

The second quarter reforecast also incorporates several significant changes to major capital project cost projections.

BUDGET ACTION REQUIRED: Self-explanatory.

STAFF RECOMMENDATION: The City Commission should review the *Reforecast* to ensure it reflects their policy initiatives. At the next City Commission meeting, staff will request formal approval of the *Reforecast* and related budget amendments.

COMMITTEE RECOMMENDATION: There is no committee recommendation at this time. The budget reforecast will be discussed at the July worksession.

CITY OF MUSKEGON
GENERAL FUND

HISTORICAL SUMMARY

Year	Revenues & Transfers In	Expenditures & Transfers Out	Fund Balance at Year-End		
1994	$ 15,301,973	$ 15,572,689	$ 2,026,714		
1995	16,633,179	16,337,586	2,322,307		
1996	17,666,214	18,018,159	1,970,362		
1997	20,437,646	20,358,321	2,049,687		
1998	21,643,855	21,634,467	2,059,075		
1999	21,451,681	22,011,881	1,498,875		
2000	23,685,516	22,232,657	2,951,734		
2001	23,446,611	23,235,978	3,162,367		
2002	23,617,163	23,971,534	2,807,996		
2003	23,328,756	23,705,334	2,431,418	Target FB	
2004	22,800,457	23,143,962	2,087,913	2,370,533	(282,620)

Fiscal 2005 Budget Summary

FUND BALANCE AT START OF YEAR $ 2,087,913

MEANS OF FINANCING:

Taxes	13,408,325	57.9%
Licenses and Permits	1,123,000	4.8%
Federal Grants	100,087	0.4%
State Grants	27,000	0.1%
State Shared Revenue	4,688,657	20.2%
Other Charges	2,144,440	9.3%
Interest & Rentals	210,053	0.9%
Fines and Fees	460,750	2.0%
Other Revenue	406,250	1.8%
Other Financing Sources	595,000	2.6%
	23,163,562	100.0%

ESTIMATED REQUIREMENTS:

Customer Value Added Activities	17,699,648	75.2%
Business Value Added Activities	4,094,073	17.4%
Fixed Budget Items	1,732,375	7.4%
	23,526,096	100.0%

ESTIMATED FUND BALANCE AT END OF YEAR $ 1,725,379 ← Includes Cumulative Use of $1.5 million Budget Stabilization Funds: $500,000 in 2003, 2004 + 2005

OPERATING DEFICIT (USE OF FUND BALANCE)	$ (362,534)
TARGET FUND BALANCE (10% PRIOR YEAR EXPENDITURES)	$ 2,314,396
ESTIMATED EXCESS (SHORTFALL) vs. TARGET	$ (589,017)

City of Muskegon
Quarterly Budget Reforecast and 2005 Proposed Budget - General Fund
General Fund Revenue Summary By Source

2nd Qtr Reforecast

Preliminary '05 Budget

	Actual 2002	Actual 2003	Original Budget Estimate 2004	Actual Through May 2004	Revised Estimate 2004	Change From 2004 Original	Original Budget Estimate 2005	% Change From 2004 Revised
Available Fund Balance - BOY	$ 3,162,367	$ 2,807,996	$ 2,707,798	$ 2,431,418	$ 2,431,418	$ (276,380)	$ 2,097,913	
Taxes								
City income tax	$ 6,692,609	$ 6,542,355	$ 6,450,000	$ 3,349,260	$ 6,500,000	$ 50,000	$ 6,550,000	0.77%
Property taxes - general	4,221,258	4,212,477	4,760,458	4,053,392	4,702,934	(57,524)	4,817,222	2.43%
Property taxes - sanitation	1,788,871	1,805,752	1,570,152	1,337,308	1,551,171	(18,981)	1,589,076	2.44%
Property taxes - pass-through from LDFA II	270,337	157,632	-	-	-	-	-	0.00%
Industrial facilities taxes	388,718	446,557	364,327	330,879	364,327	-	357,027	-2.00%
Payments in lieu of taxes	73,191	70,085	80,000	-	80,000	-	80,000	0.00%
Delinquent chargeback collected	30,056	11,886	15,000	6,931	15,000	-	15,000	0.00%
	$ 13,465,040	$ 13,246,744	$ 13,239,937	$ 9,077,770	$ 13,213,432	$ (26,505)	$ 13,408,325	1.47%
Licenses and permits								
Business licenses	$ 31,525	$ 28,455	$ 34,500	$ 24,930	$ 34,500	$ -	$ 34,500	0.00%
Liquor licenses	35,542	36,427	37,500	7,449	37,500	-	37,500	0.00%
Cable TV franchise fees	258,425	265,532	270,000	-	265,000	(5,000)	260,000	-1.89%
Telecom franchise fees (Act 48)	-	32,024	140,000	-	-	(140,000)	-	0.00%
Rental property registration	-	4,905	5,000	9,964	10,000	5,000	10,000	0.00%
Property Maintenance Inspection Fees	64,565	91,360	75,000	23,490	65,000	(10,000)	75,000	15.38%
Burial permits	103,636	103,564	110,000	38,975	110,000	-	110,000	0.00%
Building permits	365,561	275,642	300,000	184,641	300,000	-	300,000	0.00%
Electrical permits	87,788	125,718	135,000	51,071	135,000	-	135,000	0.00%
Plumbing permits	66,741	50,030	60,000	19,357	60,000	-	60,000	0.00%
Mechanical permits	56,222	94,013	100,000	24,328	80,000	(20,000)	100,000	25.00%
Police gun registration	1,230	1,110	1,000	-	-	(1,000)	1,000	0.00%
	$ 1,071,235	$ 1,108,780	$ 1,268,000	$ 384,205	$ 1,097,000	$ (171,000)	$ 1,123,000	2.37%
Federal grants								
Federal operational grant	$ 278,308	$ 211,597	$ 100,087	$ 25,829	$ 100,087	$ -	$ 100,087	0.00%
	$ 278,308	$ 211,597	$ 100,087	$ 25,829	$ 100,087	$ -	$ 100,087	0.00%
State grants								
Act 302 police training grant	$ -	$ 17,148	$ 17,000	$ -	$ 17,000	$ -	$ 17,000	0.00%
State operational grant	11,316	6,117	10,000	12,855	15,000	5,000	10,000	-33.33%
	$ 11,316	$ 23,265	$ 27,000	$ 12,855	$ 32,000	$ 5,000	$ 27,000	-15.63%
State shared revenue								
State sales tax	$ 5,353,987	$ 4,938,861	$ 5,000,000	$ 509,066	$ 4,701,744	$ (298,256)	$ 4,688,657	-0.28%
	$ 5,353,987	$ 4,938,861	$ 5,000,000	$ 509,066	$ 4,701,744	$ (298,256)	$ 4,688,657	-0.28%

City of Muskegon
Quarterly Budget Reforecast and 2005 Proposed Budget - General Fund
General Fund Revenue Summary By Source

	Actual 2002	Actual 2003	Original Budget Estimate 2004	Actual Through May 2004	Revised Estimate 2004	Change From 2004 Original	Original Budget Estimate 2005	% Change From 2004 Revised
Other charges for sales and services								
Tax administration fees	$ 258,323	$ 264,949	$ 233,000	$ 197,743	$ 229,150	$ (3,850)	$ 233,748	2.01%
Utility administration fees	174,965	183,439	183,439	76,433	183,439	-	183,439	0.00%
Reimbursement for elections	24,455	30,648	13,000	292	13,000	-	13,000	0.00%
Indirect cost reimbursement	892,080	974,894	1,012,708	421,962	1,012,708	-	1,035,617	2.26%
Site-plan review fee	1,086	780	1,000	600	1,000	-	1,000	0.00%
Sale of cemetery lots	14,988	18,233	20,000	9,780	20,000	-	20,000	0.00%
Sale of columbarium niches	-	-	-	-	-	-	-	0.00%
Police miscellaneous	74,044	83,060	65,000	19,784	65,000	-	65,000	0.00%
Police impound fees	51,225	65,010	40,000	13,505	40,000	-	40,000	0.00%
Landlord's alert fee	2,630	315	-	40	100	100	-	-100.00%
Fire protection-state property	42,052	45,965	42,000	-	42,000	-	42,000	0.00%
Zoning fees	13,955	11,880	13,000	6,000	13,000	-	13,000	0.00%
Clerk fees	2,738	2,022	4,035	1,699	4,035	-	4,035	0.00%
Clerk - passport fees	-	1,735	2,500	1,440	2,500	-	2,500	0.00%
Tax abatement application fees	1,423	16,020	6,000	193	6,000	-	6,000	0.00%
Treasurer fees	40,635	20,702	33,000	11,821	33,000	-	33,000	0.00%
False alarm fees	17,738	11,429	20,000	440	12,000	(8,000)	20,000	66.67%
Miscellaneous cemetery income	25,569	21,763	24,000	5,737	24,000	-	24,000	0.00%
Senior transit program fees	7,376	6,651	8,000	2,565	8,000	-	8,000	0.00%
Township electrical services		11,410		13,608	13,608	13,608	-	-100.00%
Fire miscellaneous	3,858	13,297	5,000	9,277	10,000	5,000	5,000	-50.00%
Sanitation stickers	51,081	49,856	55,000	17,839	55,000	-	55,000	0.00%
Lot cleanup fees	134,156	91,709	70,000	(1,988)	70,000	-	70,000	0.00%
Reimbursements for mowing and demolitions	129,421	158,315	70,000	26,793	70,000	-	70,000	0.00%
Special events reimbursements	-	30,610	-	584	65,000	65,000	75,000	15.38%
Recreation program fees	127,558	116,174	125,101	68,959	125,101	-	125,101	0.00%
	$ 2,091,356	$ 2,230,866	$ 2,045,783	$ 905,106	$ 2,117,641	$ 71,858	$ 2,144,440	1.27%
Interest and rental income								
Interest	$ 181,931	$ 48,505	$ 70,000	$ 21,392	$ 70,000	$ -	$ 70,000	0.00%
Flea market	27,526	31,867	28,000	1,270	28,000	-	28,000	0.00%
Farmers market	27,783	29,880	28,000	2,112	28,000	-	28,000	0.00%
City right of way rental	6,400	4,400	4,400	4,400	4,400	-	4,400	0.00%
Parking rentals	24,991	6,017	5,000	1,612	5,000	-	5,000	0.00%
McGraft park rentals	37,697	41,338	46,288	4,032	46,288	-	46,288	0.00%
Other park rentals	26,232	27,400	28,365	13,112	28,365	-	28,365	0.00%
	$ 332,560	$ 189,407	$ 210,053	$ 47,930	$ 210,053	$ -	$ 210,053	0.00%

City of Muskegon
Quarterly Budget Reforecast and 2005 Proposed Budget - General Fund
General Fund Revenue Summary By Source

	Actual 2002	Actual 2003	Original Budget Estimate 2004	Actual Through May 2004	Revised Estimate 2004	Change From 2004 Original	Original Budget Estimate 2005	% Change From 2004 Revised
Fines and fees								
Income tax - penalty and interest	$ 166,621	$ 194,562	$ 150,000	$ 83,518	$ 175,000	$ 25,000	$ 175,000	0.00%
Late fees on current taxes	18,006	52,791	25,000	-	25,000	-	25,000	0.00%
Interest on late invoices	589	549	750	136	750	-	750	0.00%
Parking fines	61,957	71,698	100,000	49,614	100,000	-	100,000	0.00%
Court fines	146,141	152,082	160,000	49,174	160,000	-	160,000	0.00%
	$ 393,314	$ 471,682	$ 435,750	$ 182,442	$ 460,750	$ 25,000	$ 460,750	0.00%
Other revenue								
Sale of land and assets	$ -	$ -	$ 1,000	$ 1,044	$ 1,500	$ 500	$ 1,000	-33.33%
Police sale and auction proceeds	3,089	1,139	4,000	-	4,000	-	4,000	0.00%
CDBG program reimbursements	372,492	234,073	267,000	88,739	216,000	(51,000)	350,000	62.04%
Contributions	31,619	35,461	11,000	8,015	11,000	-	11,000	0.00%
Contributions - Veteran's Park Maintenance	-	14,232	17,250	-	17,250	-	17,250	0.00%
Muskegon County Community Foundation	13,521	33,000	7,000	-	7,000	-	7,000	0.00%
Miscellaneous reimbursements	-	-	1,000	-	1,000	-	1,000	0.00%
Miscellaneous and sundry	18,341	13,289	15,000	8,319	15,000	-	15,000	0.00%
	$ 439,062	$ 331,194	$ 323,250	$ 106,117	$ 272,750	$ (50,500)	$ 406,250	48.95%
Other financing sources								
Operating transfers in								
Cemetery Perpetual Care	$ 56,961	$ 61,360	$ 70,000	$ 18,205	$ 70,000	$ -	$ 70,000	0.00%
Criminal Forfeitures Fund	-	-	10,000	-	10,000	-	10,000	0.00%
Police Training Fund	22,281	-	-	-	-	-	-	0.00%
DDA for Administration	10,000	10,000	10,000	4,167	10,000	-	10,000	0.00%
Reese Playfield Fund	76,746	-	-	-	-	-	-	0.00%
RLF for Administration	5,000	5,000	5,000	2,083	5,000	-	5,000	0.00%
Budget Stabilization Fund	-	500,000	500,000	-	500,000	-	500,000	0.00%
Special Assessment Fund	-	-	-			-	-	0.00%
Hackley Park Improvement Fund	-		-			-	-	0.00%
Hackley Park Memorial Fund	9,997		-	-	-	-	-	0.00%
	$ 180,985	$ 576,360	$ 595,000	$ 24,455	$ 595,000	$ -	$ 595,000	0.00%
Total general fund revenues and other sources	$ 23,617,163	$ 23,328,756	$ 23,244,860	$ 11,275,775	$ 22,800,457	$ (444,403)	$ 23,163,562	1.59%

City of Muskegon
Quarterly Budget Reforecast and 2005 Proposed Budget - General Fund
General Fund Expenditure Summary By Function

		Actual 2002	Actual 2003	Original Budget Estimate 2004	Actual Through May 2004	Actual As % of Revised	Revised Estimate 2004	Change From 2004 Original	Original Budget Estimate 2005	% Change From 2003 Revised
	I. Customer Value Added Activities									
40301	**Police Department**									
5100	Salaries & Benefits	$ 5,848,623	$ 6,068,410	$ 6,834,819	$ 2,496,468	38%	$ 6,554,819	$ (280,000)	$ 7,021,881	7.13%
5200	Operating Supplies	148,091	100,795	147,961	35,344	24%	147,961	-	147,961	0.00%
5300	Contractual Services	981,682	907,969	920,000	399,934	43%	920,000	-	920,000	0.00%
5400	Other Expenses	73,558	15,774	40,000	11,895	30%	40,000	-	40,000	0.00%
5700	Capital Outlays	125,512	30,581	15,000	2,032	14%	15,000	-	15,000	0.00%
5900	Other Financing Uses	-	-	-	-	N/A	-	-	-	0.00%
		$ 7,177,466	$ 7,123,529	$ 7,957,780	$ 2,945,673	38%	$ 7,677,780	$ (280,000)	$ 8,144,842	6.08%
		$ 7,177,466	$ 7,123,529	$ 7,957,780	$ 2,945,673	38%	$ 7,677,780	$ (280,000)	$ 8,144,842	6.08%
50336	**Fire Department**									
5100	Salaries & Benefits	$ 2,964,455	$ 3,037,824	$ 3,155,178	$ 1,223,929	40%	$ 3,090,178	$ (65,000)	$ 3,203,299	3.66%
5200	Operating Supplies	105,122	95,604	79,500	30,122	38%	79,500	-	79,500	0.00%
5300	Contractual Services	165,970	187,853	180,000	122,634	60%	205,000	25,000	180,000	-12.20%
5400	Other Expenses	20,731	12,378	10,000	1,265	13%	10,000	-	10,000	0.00%
5700	Capital Outlays	57,570	98,132	15,000	32,218	81%	40,000	25,000	15,000	-62.50%
5900	Other Financing Uses	-	-	-	-	N/A	-	-	-	0.00%
		$ 3,313,848	$ 3,431,791	$ 3,439,678	$ 1,410,168	41%	$ 3,424,678	$ (15,000)	$ 3,487,799	1.84%
50387	**Fire Safety Inspections**									
5100	Salaries & Benefits	$ 693,916	$ 761,792	$ 785,804	$ 321,200	41%	$ 785,804	$ -	$ 815,908	3.83%
5200	Operating Supplies	22,393	18,780	24,000	13,207	55%	24,000	-	24,000	0.00%
5300	Contractual Services	266,610	152,279	244,330	82,479	34%	244,330	-	244,330	0.00%
5400	Other Expenses	11,903	11,094	7,500	4,760	63%	7,500	-	7,500	0.00%
5700	Capital Outlays	11,536	3,616	3,000	850	28%	3,000	-	3,000	0.00%
5900	Other Financing Uses	-	-	-	-	N/A	-	-	-	0.00%
		$ 1,006,358	$ 947,561	$ 1,064,634	$ 422,496	40%	$ 1,064,634	$ -	$ 1,094,738	2.83%
		$ 4,320,206	$ 4,379,352	$ 4,504,312	$ 1,832,664	41%	$ 4,489,312	$ (15,000)	$ 4,582,537	2.08%
60523	**General Sanitation**									
5100	Salaries & Benefits	$ 67,465	$ 75,757	$ 75,333	$ 27,055	36%	$ 75,333	$ -	$ 75,157	-0.23%
5200	Operating Supplies	344	109	-	141	94%	150	150	-	-100.00%
5300	Contractual Services	1,406,612	1,491,309	1,444,802	479,445	33%	1,444,652	(150)	1,444,802	0.01%
5400	Other Expenses	794	65	-	-	N/A	-	-	-	0.00%
5700	Capital Outlays	44,725	41,399	-	-	N/A	-	-	-	0.00%
5900	Other Financing Uses	-	-	-	-	N/A	-	-	-	0.00%
		$ 1,519,940	$ 1,608,639	$ 1,520,135	$ 506,641	33%	$ 1,520,135	$ -	$ 1,519,959	-0.01%

City of Muskegon
Quarterly Budget Reforecast and 2005 Proposed Budget - General Fund
General Fund Expenditure Summary By Function

		Actual 2002	Actual 2003	Original Budget Estimate 2004	Actual Through May 2004	Actual As % of Revised	Revised Estimate 2004	Change From 2004 Original	Original Budget Estimate 2005	% Change From 2003 Revised
60528	**Recycling**									
5100	Salaries & Benefits			$ -		N/A	$ -	$ -	$ -	0.00%
5200	Operating Supplies			-		N/A	-	-	-	0.00%
5300	Contractual Services	218,067	230,058	140,179	53,184	32%	165,000	24,821	140,179	-15.04%
5400	Other Expenses	-	-	-	-	N/A	-	-	-	0.00%
5700	Capital Outlays	-	3,250	-	-	N/A	-	-	-	0.00%
5900	Other Financing Uses	-	-	-	-	N/A	-	-	-	0.00%
		$ 218,067	$ 233,308	$ 140,179	$ 53,184	32%	$ 165,000	$ 24,821	$ 140,179	-15.04%
60550	**Stormwater Management**									
5100	Salaries & Benefits	$ 7,372	$ 3,835	$ -	$ 2,070	52%	$ 4,000	$ 4,000	$ -	-100.00%
5200	Operating Supplies	-	501	-	-	N/A	-	-	-	0.00%
5300	Contractual Services	16,352	2,569	15,429	7,568	66%	11,429	(4,000)	15,429	35.00%
5400	Other Expenses	-	-	-	-	N/A	-	-	-	0.00%
5700	Capital Outlays	-	-	-	-	N/A	-	-	-	0.00%
5900	Other Financing Uses	-	-	-	-	N/A	-	-	-	0.00%
		$ 23,724	$ 6,905	$ 15,429	$ 9,638	62%	$ 15,429	$ -	$ 15,429	0.00%
60448	**Streetlighting**									
5100	Salaries & Benefits	$ 12,983	$ 842	$ -	$ -	N/A	$ -	$ -	$ -	0.00%
5200	Operating Supplies	-	-	-	-	N/A	-	-	-	0.00%
5300	Contractual Services	505,079	504,832	515,000	210,715	41%	515,000	-	515,000	0.00%
5400	Other Expenses	-	-	-	-	N/A	-	-	-	0.00%
5700	Capital Outlays	4,350	3,850	-	-	N/A	-	-	-	0.00%
5900	Other Financing Uses	-	-	-	-	N/A	-	-	-	0.00%
		$ 522,412	$ 509,524	$ 515,000	$ 210,715	41%	$ 515,000	$ -	$ 515,000	0.00%
60707	**Senior Citizen Transit**									
5100	Salaries & Benefits	$ 44,863	$ 38,746	$ 50,968	$ 14,661	35%	$ 42,000	$ (8,968)	$ 51,847	23.45%
5200	Operating Supplies	-	-	-	-	N/A	-	-	-	0.00%
5300	Contractual Services	10,140	10,140	10,140	4,290	42%	10,140	-	10,140	0.00%
5400	Other Expenses	-	-	-	-	N/A	-	-	-	0.00%
5700	Capital Outlays	-	-	-	-	N/A	-	-	-	0.00%
5900	Other Financing Uses	-	-	-	-	N/A	-	-	-	0.00%
		$ 55,003	$ 48,886	$ 61,108	$ 18,951	36%	$ 52,140	$ (8,968)	$ 61,987	18.89%
60446	**Community Event Support**									
5100	Salaries & Benefits	$ 31,192	$ 34,581	$ -	$ 12,060	30%	$ 40,000	$ 40,000	$ -	-100.00%
5200	Operating Supplies	1,524	2,949	-	2,520	25%	10,000	10,000	-	-100.00%
5300	Contractual Services	11,004	17,574	15,429	680	4%	15,429	-	15,429	0.00%
5400	Other Expenses	-	-	-	-	N/A	-	-	-	0.00%
5700	Capital Outlays	-	-	-	-	N/A	-	-	-	0.00%
5900	Other Financing Uses	-	-	-	-	N/A	-	-	-	0.00%
		$ 43,720	$ 55,104	$ 15,429	$ 15,260	23%	$ 65,429	$ 50,000	$ 15,429	-76.42%
		$ 2,382,866	$ 2,462,366	$ 2,267,280	$ 814,389	35%	$ 2,333,133	$ 65,853	$ 2,267,983	

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		Actual 2002	Actual 2003	Original Budget Estimate 2004	Actual Through May 2004	Actual As % of Revised	Revised Estimate 2004	Change From 2004 Original	Original Budget Estimate 2005	% Change From 2003 Revised
70751	**Parks Maintenance**									
5100	Salaries & Benefits	$ 476,360	$ 478,197	$ 529,253	$ 170,995	35%	$ 495,253	$ (34,000)	$ 492,577	-0.54%
5200	Operating Supplies	150,285	140,573	112,695	26,578	24%	112,695	-	112,695	0.00%
5300	Contractual Services	601,199	586,465	534,700	210,644	39%	534,700	-	534,700	0.00%
5400	Other Expenses	2,548	168	-	41	41%	100	100	-	-100.00%
5700	Capital Outlays	152,224	85,387	53,500	6,247	12%	53,500	-	53,500	0.00%
5900	Other Financing Uses	-	-	-	-	N/A	-	-	-	0.00%
		$ 1,382,616	$ 1,290,790	$ 1,230,148	$ 414,505	35%	$ 1,196,248	$ (33,900)	$ 1,193,472	-0.23%
70757	**Mc Graft Park Maintenance**									
5100	Salaries & Benefits	$ 6,059	$ 8,765	$ 16,364	$ 2,220	14%	$ 16,364	$ -	$ 16,884	3.18%
5200	Operating Supplies	4,135	5,306	4,500	226	5%	4,500	-	4,500	0.00%
5300	Contractual Services	30,762	30,830	25,424	13,728	54%	25,424	-	25,424	0.00%
5400	Other Expenses	56	-	-	-	N/A	-	-	-	0.00%
5700	Capital Outlays	-	39	-	-	N/A	-	-	-	0.00%
5900	Other Financing Uses	-	-	-	-	N/A	-	-	-	0.00%
		$ 41,012	$ 44,940	$ 46,288	$ 16,174	35%	$ 46,288	$ -	$ 46,808	1.12%
70775	**General & Inner City Recreation**									
5100	Salaries & Benefits	$ 281,055	$ 290,235	$ 245,139	$ 49,949	20%	$ 245,139	$ -	$ 260,333	6.20%
5200	Operating Supplies	58,590	41,843	45,246	18,710	41%	45,246	-	45,246	0.00%
5300	Contractual Services	137,912	123,619	100,598	27,269	27%	100,498	(100)	100,598	0.10%
5400	Other Expenses	10,375	6,967	2,720	621	23%	2,720	-	2,720	0.00%
5700	Capital Outlays	-	2,127	-	32	32%	100	100	-	-100.00%
5900	Other Financing Uses	-	-	-	-	N/A	-	-	-	0.00%
		$ 487,932	$ 464,791	$ 393,703	$ 96,581	25%	$ 393,703	$ -	$ 408,897	3.86%
70276	**Cemeteries Maintenance**									
5100	Salaries & Benefits	$ 188,401	$ 205,975	$ 214,962	$ 88,551	46%	$ 190,962	$ (24,000)	$ 165,823	-13.16%
5200	Operating Supplies	22,607	10,846	14,087	3,775	27%	14,087	-	14,087	0.00%
5300	Contractual Services	258,681	251,300	229,250	52,264	23%	229,050	(200)	229,250	0.09%
5400	Other Expenses	1,121	751	-	138	69%	200	200	-	-100.00%
5700	Capital Outlays	14,626	41,908	21,000	945	5%	21,000	-	21,000	0.00%
5900	Other Financing Uses	-	-	-	-	N/A	-	-	-	0.00%
		$ 485,436	$ 510,780	$ 479,299	$ 145,673	32%	$ 455,299	$ (24,000)	$ 430,160	-5.52%
70585	**Parking Operations**									
5100	Salaries & Benefits	$ 14,831	$ 18,010	$ -	$ 1,555	62%	$ 2,500	$ 2,500	$ -	-100.00%
5200	Operating Supplies	1,032	1,738	3,000	18	4%	500	(2,500)	3,000	500.00%
5300	Contractual Services	40,972	235,608	20,144	19,761	53%	37,000	16,856	20,144	-45.56%
5400	Other Expenses	-	-	-	-	N/A	-	-	-	0.00%
5700	Capital Outlays	4,503	-	-	-	N/A	-	-	-	0.00%
5900	Other Financing Uses	-	-	-	-	N/A	-	-	-	0.00%
		$ 61,338	$ 255,356	$ 23,144	$ 21,334	53%	$ 40,000	$ 16,856	$ 23,144	-42.14%
70771	**Forestry**									
5100	Salaries & Benefits	$ 84,297	$ 103,509	$ 59,121	$ 28,196	48%	$ 59,121	$ -	$ 61,396	3.85%
5200	Operating Supplies	6,024	8,075	8,360	1,639	20%	8,360	-	8,360	0.00%
5300	Contractual Services	13,864	21,692	17,000	6,144	36%	17,000	-	17,000	0.00%
5400	Other Expenses	394	940	800	408	51%	800	-	800	0.00%
5700	Capital Outlays	2,844	2,458	3,500	15	0%	3,500	-	3,500	0.00%
5900	Other Financing Uses	-	-	-	-	N/A	-	-	-	0.00%
		$ 107,423	$ 136,674	$ 88,781	$ 36,402	41%	$ 88,781	$ -	$ 91,056	2.56%

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		Actual 2002	Actual 2003	Original Budget Estimate 2004	Actual Through May 2004	Actual As % of Revised	Revised Estimate 2004	Change From 2004 Original	Original Budget Estimate 2005	% Change From 2003 Revised
70863	**Farmers' Market & Flea Market**									
5100	Salaries & Benefits	$ 29,241	$ 30,792	$ 35,285	$ 8,786	25%	$ 35,285	$ -	$ 35,667	1.08%
5200	Operating Supplies	1,644	465	-	-	N/A	-	-	-	0.00%
5300	Contractual Services	14,292	14,462	4,832	2,922	60%	4,832	-	4,832	0.00%
5400	Other Expenses	-	-	-	-	N/A	-	-	-	0.00%
5700	Capital Outlays	-	225	-	-	N/A	-	-	-	0.00%
5900	Other Financing Uses	-	-	-	-	N/A	-	-	-	0.00%
		$ 45,177	$ 45,944	$ 40,117	$ 11,708	29%	$ 40,117	$ -	$ 40,499	0.95%
		$ 2,610,934	$ 2,749,275	$ 2,301,480	$ 742,377	33%	$ 2,260,436	$ (41,044)	$ 2,234,036	-1.17%
80387	**Environmental Services**									
5100	Salaries & Benefits	$ 173,926	$ 181,136	$ 194,392	$ 59,765	51%	$ 116,892	$ (77,500)	$ 106,450	-8.93%
5200	Operating Supplies	12,389	7,859	9,000	2,161	24%	9,000	-	9,000	0.00%
5300	Contractual Services	300,582	281,831	200,300	52,222	26%	200,300	-	200,300	0.00%
5400	Other Expenses	1,505	189	-	-	N/A	-	-	-	0.00%
5700	Capital Outlays	16,123	3,396	3,000	-	0%	3,000	-	3,000	0.00%
5900	Other Financing Uses	-	-	-	-	N/A	-	-	-	0.00%
		$ 504,525	$ 474,411	$ 406,692	$ 114,148	35%	$ 329,192	$ (77,500)	$ 318,750	-3.17%
		$ 504,525	$ 474,411	$ 406,692	$ 114,148	35%	$ 329,192	$ (77,500)	$ 318,750	
10875	**Other - Contributions to Outside Agencies**									
	Muskegon Area Transit (MATS)	$ 80,163	$ 80,163	$ 80,500	$ 40,082	50%	$ 80,500	-	$ 80,500	0.00%
	Neighborhood Association Grants	35,975	29,308	24,000	24,776	99%	25,000	1,000	24,000	-4.00%
	Muskegon Area First	46,066	42,000	20,000	5,000	25%	20,000	-	20,000	0.00%
	Veterans Memorial Day Costs	8,070	7,898	8,000	-	0%	8,000	-	8,000	0.00%
	WMSRDC - Muskegon Area Plan (MAP)	6,151	-	-	-	N/A	-	-	-	0.00%
	Institute for Healing Racism	4,000	3,000	1,000	1,000	100%	1,000	-	1,000	0.00%
	MLK Diversity Program	-	1,000	1,000	-	0%	1,000	-	1,000	0.00%
	Muskegon Area Labor Management (MALMC)	1,000	1,000	1,000	-	0%	1,000	-	1,000	0.00%
	Sister Cities' Youth Travel	-	-	-	-	N/A	-	-	-	0.00%
	Muskegon County and Humane Society - Feral Cat Control	14,157	17,890	16,000	5,975	37%	16,000	-	16,000	0.00%
	Other	-	-	-	-	N/A	-	-	-	0.00%
	Contributions To Outside Agencies	$ 195,582	$ 182,259	$ 151,500	$ 76,833	50%	$ 152,500	$ 1,000	$ 151,500	-0.66%
		$ 195,582	$ 182,259	$ 151,500	$ 76,833	50%	$ 152,500	$ 1,000	$ 151,500	-0.66%
	Total Customer Value Added Activities	$ 17,191,579	$ 17,371,192	$ 17,589,044	$ 6,526,084	38%	$ 17,242,353	$ (346,691)	$ 17,699,648	2.65%
	As a Percent of Total General Fund Expenditures	71.7%	73.3%	74.4%	74.2%		74.5%		75.2%	

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		Actual 2002	Actual 2003	Original Budget Estimate 2004	Actual Through May 2004	Actual As % of Revised	Revised Estimate 2004	Change From 2004 Original	Original Budget Estimate 2005	% Change From 2003 Revised
	II. Business Value Added Activities									
10101	**City Commission**									
5100	Salaries & Benefits	$ 60,555	$ 59,698	$ 62,255	$ 24,787	40%	$ 62,255	$ -	$ 62,733	0.77%
5200	Operating Supplies	12,538	9,367	15,000	11,578	77%	15,000	-	15,000	0.00%
5300	Contractual Services	48,510	28,258	18,323	416	2%	18,323	-	18,323	0.00%
5400	Other Expenses	9,758	6,126	7,500	612	8%	7,500	-	7,500	0.00%
5700	Capital Outlays	528	-	-	-	N/A	-	-	-	0.00%
5900	Other Financing Uses	-	-	-	-	N/A	-	-	-	0.00%
		$ 131,889	$ 103,449	$ 103,078	$ 37,393	36%	$ 103,078	$ -	$ 103,556	0.46%
10102	**City Promotions & Public Relations**									
5100	Salaries & Benefits	$ -	$ -	$ -	$ -	N/A	$ -	$ -	$ -	0.00%
5200	Operating Supplies	-	2,643	4,000	89	2%	4,000	-	4,000	0.00%
5300	Contractual Services	26,499	27,909	21,102	1,814	9%	21,002	(100)	21,102	0.48%
5400	Other Expenses	8	-	-	100	100%	100	100	-	-100.00%
5700	Capital Outlays	-	-	-	-	N/A	-	-	-	0.00%
5900	Other Financing Uses	-	-	-	-	N/A	-	-	-	0.00%
		$ 26,507	$ 30,552	$ 25,102	$ 2,003	8%	$ 25,102	$ -	$ 25,102	0.00%
10172	**City Manager**									
5100	Salaries & Benefits	$ 173,154	$ 182,226	$ 199,094	$ 80,306	40%	$ 199,094	$ -	$ 198,833	-0.13%
5200	Operating Supplies	1,683	1,846	2,750	186	7%	2,750	-	2,750	0.00%
5300	Contractual Services	2,563	2,609	3,250	776	24%	3,250	-	3,250	0.00%
5400	Other Expenses	3,037	1,646	2,500	519	21%	2,500	-	2,500	0.00%
5700	Capital Outlays	102	-	500	-	0%	500	-	500	0.00%
5900	Other Financing Uses	-	-	-	-	N/A	-	-	-	0.00%
		$ 180,539	$ 188,327	$ 208,094	$ 81,787	39%	$ 208,094	$ -	$ 207,833	-0.13%
10145	**City Attorney**									
5100	Salaries & Benefits	$ -	$ -	$ -	$ -	N/A	$ -	$ -	$ -	0.00%
5200	Operating Supplies	869	869	1,000	819	82%	1,000	-	1,000	0.00%
5300	Contractual Services	449,721	383,732	389,121	205,433	53%	389,121	-	389,121	0.00%
5400	Other Expenses	-	-	-	-	N/A	-	-	-	0.00%
5700	Capital Outlays	-	-	-	-	N/A	-	-	-	0.00%
5900	Other Financing Uses	-	-	-	-	N/A	-	-	-	0.00%
		$ 450,590	$ 384,601	$ 390,121	$ 206,252	53%	$ 390,121	$ -	$ 390,121	0.00%
		$ 789,525	$ 706,929	$ 726,395	$ 327,435	45%	$ 726,395	$ -	$ 726,612	0.03%
20173	**Administration**									
5100	Salaries & Benefits	$ 129,504	$ 133,545	$ 142,271	$ 60,829	43%	$ 142,271	$ -	$ 149,519	5.09%
5200	Operating Supplies	2,050	1,437	2,000	218	11%	2,000	-	2,000	0.00%
5300	Contractual Services	16,255	6,012	20,721	5,160	25%	20,721	-	20,721	0.00%
5400	Other Expenses	5,415	2,703	2,000	65	3%	2,000	-	2,000	0.00%
5700	Capital Outlays	73	2,013	1,000	-	0%	1,000	-	1,000	0.00%
5900	Other Financing Uses	-	-	-	-	N/A	-	-	-	0.00%
		$ 153,297	$ 145,710	$ 167,992	$ 66,272	39%	$ 167,992	$ -	$ 175,240	4.31%

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20228	**Affirmative Action**									
5100	Salaries & Benefits	$ 84,810	$ 93,074	$ 73,370	$ 29,984	41%	$ 73,370	$ -	$ 78,527	7.03%
5200	Operating Supplies	757	528	3,561	147	4%	3,561	-	3,561	0.00%
5300	Contractual Services	1,356	1,553	3,561	367	10%	3,561	-	3,561	0.00%
5400	Other Expenses	4,187	1,572	3,562	145	4%	3,562	-	3,562	0.00%
5700	Capital Outlays	723	977	-	-	N/A	-	-	-	0.00%
5900	Other Financing Uses	-	-	-	-	N/A	-	-	-	0.00%
		$ 91,833	$ 97,704	$ 84,054	$ 30,643	36%	$ 84,054	$ -	$ 89,211	6.14%
20744	**Julia Hackley Internships**									
5100	Salaries & Benefits	$ 8,885	$ 7,837	$ 7,736	$ -	0%	$ 7,736	$ -	$ 7,636	-1.29%
5200	Operating Supplies	-	-	-	-	N/A	-	-	-	0.00%
5300	Contractual Services	-	-	-	-	N/A	-	-	-	0.00%
5400	Other Expenses	-	-	-	-	N/A	-	-	-	0.00%
5700	Capital Outlays	-	-	-	-	N/A	-	-	-	0.00%
5900	Other Financing Uses	-	-	-	-	N/A	-	-	-	0.00%
		$ 8,885	$ 7,837	$ 7,736	$ -	0%	$ 7,736	$ -	$ 7,636	-1.29%
20215	**City Clerk & Elections**									
5100	Salaries & Benefits	$ 234,459	$ 237,090	$ 249,985	$ 87,294	35%	$ 249,985	$ -	$ 268,153	7.27%
5200	Operating Supplies	45,977	33,167	18,000	4,938	27%	18,000	-	18,000	0.00%
5300	Contractual Services	62,596	42,598	32,000	14,578	48%	30,300	(1,700)	32,000	5.61%
5400	Other Expenses	5,437	5,156	2,000	1,644	82%	2,000	-	2,000	0.00%
5700	Capital Outlays	5,813	1,910	2,000	3,516	95%	3,700	1,700	2,000	-45.95%
5900	Other Financing Uses	-	-	-	-	N/A	-	-	-	0.00%
		$ 354,282	$ 319,921	$ 303,985	$ 111,970	37%	$ 303,985	$ -	$ 322,153	5.98%
20220	**Civil Service**									
5100	Salaries & Benefits	$ 160,513	$ 176,851	$ 130,763	$ 53,803	41%	$ 130,763	$ -	$ 137,361	5.05%
5200	Operating Supplies	15,396	10,642	11,100	2,855	26%	11,100	-	11,100	0.00%
5300	Contractual Services	22,138	19,767	22,000	2,889	13%	22,000	-	22,000	0.00%
5400	Other Expenses	9,108	7,534	5,000	375	8%	5,000	-	5,000	0.00%
5700	Capital Outlays	1,129	-	1,000	277	28%	1,000	-	1,000	0.00%
5900	Other Financing Uses	-	-	-	-	N/A	-	-	-	0.00%
		$ 208,284	$ 214,794	$ 169,863	$ 60,199	35%	$ 169,863	$ -	$ 176,461	3.88%
		$ 816,581	$ 785,966	$ 733,630	$ 269,084	37%	$ 733,630	$ -	$ 770,701	5.05%
30202	**Finance Administration**									
5100	Salaries & Benefits	$ 280,785	$ 297,906	$ 318,031	$ 133,238	42%	$ 318,031	$ -	$ 331,032	4.09%
5200	Operating Supplies	6,663	7,010	6,250	2,284	37%	6,250	-	6,250	0.00%
5300	Contractual Services	115,025	87,221	82,000	46,464	57%	82,000	-	82,000	0.00%
5400	Other Expenses	3,935	156	500	12	2%	500	-	500	0.00%
5700	Capital Outlays	4,730	3,784	-	-	N/A	-	-	-	0.00%
5900	Other Financing Uses	-	-	-	-	N/A	-	-	-	0.00%
		$ 411,138	$ 396,077	$ 406,781	$ 181,998	45%	$ 406,781	$ -	$ 419,782	3.20%
30209	**Assessing Services**									
5100	Salaries & Benefits	$ 6,093	$ 6,199	$ 6,437	$ 5,431	84%	$ 6,437	$ -	$ 6,361	-1.18%
5200	Operating Supplies	-	-	-	-	N/A	-	-	-	0.00%
5300	Contractual Services	390,926	394,707	400,000	100,624	25%	400,000	-	400,000	0.00%
5400	Other Expenses	60	80	100	-	0%	100	-	100	0.00%
5700	Capital Outlays	-	-	-	-	N/A	-	-	-	0.00%
5900	Other Financing Uses	-	-	-	-	N/A	-	-	-	0.00%
		$ 397,079	$ 400,986	$ 406,537	$ 106,055	26%	$ 406,537	$ -	$ 406,461	-0.02%

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		Actual 2002	Actual 2003	Original Budget Estimate 2004	Actual Through May 2004	Actual As % of Revised	Revised Estimate 2004	Change From 2004 Original	Original Budget Estimate 2005	% Change From 2003 Revised
30205	**Income Tax Administration**									
5100	Salaries & Benefits	$ 194,487	$ 229,175	$ 256,096	$ 105,661	41%	$ 256,096	$ -	$ 269,446	5.21%
5200	Operating Supplies	21,941	20,667	18,250	10,649	58%	18,250	-	18,250	0.00%
5300	Contractual Services	49,928	46,251	39,278	12,078	31%	39,278	-	39,278	0.00%
5400	Other Expenses	1,410	642	300	99	33%	300	-	300	0.00%
5700	Capital Outlays	5,807	1,437	1,000	123	12%	1,000	-	1,000	0.00%
5900	Other Financing Uses	-	-	-	-	N/A	-	-	-	0.00%
		$ 273,573	$ 298,172	$ 314,924	$ 128,610	41%	$ 314,924	$ -	$ 328,274	4.24%
30253	**City Treasurer**									
5100	Salaries & Benefits	$ 272,839	$ 290,796	$ 283,261	$ 110,239	39%	$ 283,261	$ -	$ 292,797	3.37%
5200	Operating Supplies	32,865	33,750	32,012	8,505	27%	32,012	-	32,012	0.00%
5300	Contractual Services	43,750	65,831	36,400	25,219	69%	36,400	-	36,400	0.00%
5400	Other Expenses	2,933	545	1,500	254	17%	1,500	-	1,500	0.00%
5700	Capital Outlays	12,653	2,652	4,000	-	0%	4,000	-	4,000	0.00%
5900	Other Financing Uses	-	-	-	-	N/A	-	-	-	0.00%
		$ 365,040	$ 393,574	$ 357,173	$ 144,217	40%	$ 357,173	$ -	$ 366,709	2.67%
30248	**Information Systems Administration**									
5100	Salaries & Benefits	$ 235,640	$ 260,209	$ 284,985	$ 119,492	42%	$ 284,985	$ -	$ 298,400	4.71%
5200	Operating Supplies	2,345	1,361	4,700	771	16%	4,700	-	4,700	0.00%
5300	Contractual Services	66,905	44,653	54,095	5,092	9%	54,095	-	54,095	0.00%
5400	Other Expenses	8,049	7,619	4,500	-	0%	4,500	-	4,500	0.00%
5700	Capital Outlays	37,893	43,907	27,830	3,507	13%	27,830	-	27,830	0.00%
5900	Other Financing Uses	-	-	-	-	N/A	-	-	-	0.00%
		$ 350,832	$ 357,749	$ 376,110	$ 128,862	34%	$ 376,110	$ -	$ 389,525	3.57%
		$ 1,797,662	$ 1,846,558	$ 1,861,525	$ 689,742	37%	$ 1,861,525	$ -	$ 1,910,751	2.64%
60265	**City Hall Maintenance**									
5100	Salaries & Benefits	$ 66,138	$ 67,355	$ 59,345	$ 26,203	44%	$ 59,345	$ -	$ 61,611	3.82%
5200	Operating Supplies	15,693	12,925	13,000	4,248	33%	13,000	-	13,000	0.00%
5300	Contractual Services	203,498	188,186	180,000	63,865	35%	180,000	-	180,000	0.00%
5400	Other Expenses	-	-	500	5	1%	500	-	500	0.00%
5700	Capital Outlays	12,500	409	12,500	1,229	10%	12,500	-	12,500	0.00%
5900	Other Financing Uses	-	-	-	-	N/A	-	-	-	0.00%
		$ 297,829	$ 268,875	$ 265,345	$ 95,550	36%	$ 265,345	$ -	$ 267,611	0.85%
		$ 297,829	$ 268,875	$ 265,345	$ 95,550	36%	$ 265,345	$ -	$ 267,611	0.85%
80400	**Planning, Zoning and Economic Development**									
5100	Salaries & Benefits	$ 393,435	$ 424,969	$ 420,398	$ 138,590	38%	$ 363,398	$ (57,000)	$ 348,898	-3.99%
5200	Operating Supplies	12,765	14,518	14,000	3,557	25%	14,000	-	14,000	0.00%
5300	Contractual Services	44,078	67,030	51,500	17,698	34%	51,500	-	51,500	0.00%
5400	Other Expenses	10,293	4,278	2,000	828	41%	2,000	-	2,000	0.00%
5700	Capital Outlays	6,239	1,891	2,000	1,343	67%	2,000	-	2,000	0.00%
5900	Other Financing Uses	-	-	-	-	N/A	-	-	-	0.00%
		$ 466,810	$ 512,686	$ 489,898	$ 162,016	37%	$ 432,898	$ (57,000)	$ 418,398	-3.35%
		$ 466,810	$ 512,686	$ 489,898	$ 162,016	37%	$ 432,898	$ (57,000)	$ 418,398	-3.35%
	Total Business Value Added Activities	$ 4,168,407	$ 4,121,014	$ 4,076,793	$ 1,543,827	38%	$ 4,019,793	$ (57,000)	$ 4,094,073	1.85%
	As a Percent of Total General Fund Expenditures	17.4%	17.4%	17.3%	17.5%		17.4%		17.4%	

City of Muskegon
Quarterly Budget Reforecast and 2005 Proposed Budget - General Fund
General Fund Expenditure Summary By Function

		Actual 2002	Actual 2003	Original Budget Estimate 2004	Actual Through May 2004	Actual As % of Revised	Revised Estimate 2004	Change From 2004 Original	Original Budget Estimate 2005	% Change From 2003 Revised
	II. Fixed Budget Items									
30999	**Transfers To Other Funds**									
	Major Street Fund	$ 100,000	$ -	$ -	$ -	N/A	$ -	$ -	$ -	0.00%
	Local Street Fund	850,000	870,000	620,000	258,333	54%	480,000	(140,000)	480,000	0.00%
	Budget Stabilization Fund	-	-	-	-	N/A	-	-	-	0.00%
	L.C. Walker Arena Fund (Operating Subsidy)	271,837	210,000	200,000	83,333	42%	200,000	-	200,000	0.00%
	Public Improvement Fund (Fire Equipment Reserve)	150,000	150,000	150,000	62,500	42%	150,000	-	150,000	0.00%
	State Grants Fund (Grant Matches)	105,000	10,856	-	-	N/A	-	-	-	0.00%
	MOD State Rehab Loan Fund	-	-	-	-	N/A	-	-	-	0.00%
	TIFA Debt Service Fund	-	-	-	-	N/A	-	-	-	0.00%
	Tree Replacement	-	-	-	-	N/A	-	-	-	0.00%
		$ 1,476,837	$ 1,240,856	$ 970,000	$ 404,167	49%	$ 830,000	$ (140,000)	$ 830,000	0.00%
30851	**General Insurance**	$ 281,887	$ 335,805	$ 379,061	$ 317,420	98%	$ 325,000	$ (54,061)	$ 349,375	7.50%
30906	**Debt Retirement**	216,860	217,397	216,816	2,669	1%	216,816	-	153,000	-29.43%
10891	**Contingency and Bad Debt Expense**	495,550	133,760	400,000	-	0%	500,000	100,000	400,000	-20.00%
90000	**Major Capital Improvements**	140,414	285,310	-	5,910	59%	10,000	10,000	-	-100.00%
	Total Fixed-Budget Items	$ 2,611,548	$ 2,213,128	$ 1,965,877	$ 730,166	39%	$ 1,881,816	$ (84,061)	$ 1,732,375	-7.94%
	As a Percent of Total General Fund Expenditures	**10.9%**	**9.3%**	**8.3%**	**8.3%**		**8.1%**		**7.4%**	

	Actual 2002	Actual 2003	Original Budget Estimate 2004	Actual Through May 2004	Actual As % of Revised	Revised Estimate 2004	Change From 2004 Original	Original Budget Estimate 2005	% Change From 2003 Revised
Total General Fund	$ 23,971,534	$ 23,705,334	$ 23,631,714	$ 8,800,077	38%	$ 23,143,962	$ (487,752)	$ 23,526,096	1.65%

Recap: Total General Fund By Expenditure Object

		Actual 2002	Actual 2003	Original Budget Estimate 2004	Actual Through May 2004	Actual As % of Revised	Revised Estimate 2004	Change From 2004 Original	Original Budget Estimate 2005	% Change From 2003 Revised
5100	Salaries & Benefits	$ 13,226,336	$ 13,805,336	$ 14,690,645	$ 5,483,317	39%	$ 14,190,677	$ (499,968)	$ 14,818,529	4.42%
5200	Operating Supplies	705,722	586,173	593,072	185,285	31%	601,622	7,650	593,072	-1.27%
5300	Contractual Services	7,496,547	7,108,531	6,901,469	2,642,609	38%	7,008,835	107,366	6,871,783	-1.96%
5400	Other Expenses	186,615	86,383	92,982	23,786	25%	93,382	400	92,982	-0.43%
5700	Capital Outlays	662,617	660,658	165,830	58,244	29%	202,630	36,800	165,830	-18.16%
5900	All Other Financing Uses	1,693,697	1,458,253	1,186,816	406,836	39%	1,046,816	(140,000)	983,000	-6.10%
	Total General Fund	$ 23,971,534	$ 23,705,334	$ 23,631,714	$ 8,800,077	38%	$ 23,143,962	$ (487,752)	$ 23,526,096	1.65%

The starting point for salaries + benefits is higher in 2005 than in 2004 even after position cuts. This is due to higher healthcare + pension costs.

City of Muskegon
Quarterly Budget Reforecast and 2004 Proposed Budget - Non-General Funds

202 Major Streets and State Trunklines Fund

		Actual 2002	Actual 2003	Original Budget Estimate 2004	Actual Through May 2004	Actual As % of Revised	Revised Estimate 2004	Change From 2004 Original	Original Budget Estimate 2005	% Change From 2004 Revised	Comments
	Available Fund Balance - BOY	$ 2,361,992	$ 1,622,095	$ 443,895	$ 1,413,112		$ 1,413,112	$ 969,217	$ 718,988		
	Means of Financing										
	Special assessments	$ 324,200	$ 358,650	$ 250,000	$ -		$ 250,000	$ -	$ 250,000	0.00%	
	Federal grants	3,487,352	1,275,245	841,660	-		876,354	34,694	841,660	-3.96%	STP/TEDF GRANTS (HACKLEY, MC CRACKEN, SHERMAN PROJECTS)
	State grants	91,973	4,561,233	6,000,000	641,007		7,365,000	1,365,000	-	-100.00%	SHORELINE DRIVE GRANTS
	State shared revenue	2,582,023	2,499,758	2,870,326	679,578		2,870,326	-	2,870,326	0.00%	
	Interest income	95,702	169,533	50,000	86,621		110,000	60,000	25,000	-77.27%	
	Operating transfers in	100,000	-	-	-		-	-	-	0.00%	
	Other	2,635,118	439,276	300,000	1,387		300,000	-	300,000	0.00%	
		$ 9,316,368	$ 9,303,695	$ 10,311,986	$ 1,408,593		$ 11,771,680	$ 1,459,694	$ 4,286,986	-63.58%	
60900	**Operating Expenditures**										
5100	Salaries & Benefits	$ 608,476	$ 617,857	$ 1,004,582	$ 316,795	32%	$ 1,004,582	$ -	$ 980,766	-2.37%	
5200	Operating Supplies	194,808	165,364	209,200	92,832	44%	209,200	-	209,200	0.00%	
5300	Contractual Services	976,042	963,237	843,696	533,513	63%	843,696	-	843,696	0.00%	
5400	Other Expenses	6,082	5,351	4,000	1,265	32%	4,000	-	4,000	0.00%	
5700	Capital Outlays	-	-	-	-	N/A	-	-	-	0.00%	
5900	Other Financing Uses	3,059,793	1,172,474	937,326		0%	937,326	-	951,256	1.49%	DEBT SERVICE & TRANSFER TO LOCAL STREETS $300,000 IN 2003/04
		$ 4,845,201	$ 2,924,283	$ 2,998,804	$ 944,405	31%	$ 2,998,804	$ -	$ 2,988,918	-0.33%	
90000	**Project Expenditures**										
5200	Operating Supplies	$ -	$ -	$ -	$ -	N/A	$ -	$ -	$ -	0.00%	
5300	Contractual Services	5,211,064	6,588,395	7,560,000	1,122,535	12%	9,467,000	1,907,000	2,000,000	-78.87%	SEE "BUDGETED CAPITAL IMPROVEMENTS" FOR DETAIL
5700	Capital Outlays	-	-	-	-	N/A	-	-	-	0.00%	
		$ 5,211,064	$ 6,588,395	$ 7,560,000	$ 1,122,535	12%	$ 9,467,000	$ 1,907,000	$ 2,000,000	-78.87%	
		$ 10,056,265	$ 9,512,678	$ 10,558,804	$ 2,066,940	17%	$ 12,465,804		$ 4,988,918	-59.98%	
	Available Fund Balance - EOY	$ 1,622,095	$ 1,413,112	$ 197,077	$ 754,765		$ 718,988	$ 521,911	$ 17,056		

City of Muskegon
Quarterly Budget Reforecast and 2004 Proposed Budget - Non-General Funds

203 Local Streets Fund

Code	Item	Actual 2002	Actual 2003	Original Budget Estimate 2004	Actual Through May 2004	Actual As % of Revised	Revised Estimate 2004	Change From 2004 Original	Original Budget Estimate 2005	% Change From 2004 Revised	Comments
	Available Fund Balance - BOY	$ 156,747	$ 9,701	$ 2,866	$ 145,643		$ 145,643	$ 142,777	$ 530,808		
	Means of Financing										
	Special assessments	$ 143,845	$ 240,782	$ 125,000	$ -		$ 125,000	$ -	$ 125,000	0.00%	
	Federal grants	-	-	-	-		-	-	-	0.00%	
	State grants	-	1,366,771	-	-		-	-	-	0.00%	
	Metro act fees	-	-	-	-		140,000	-	140,000	0.00%	
	State shared revenue	638,602	666,649	693,934	187,800		693,934	-	693,934	0.00%	
	Interest income	14,516	15,133	1,000	12,920		1,000	-	1,000	0.00%	
	Operating transfers in	1,050,000	1,370,000	950,000	258,333		810,000	(140,000)	510,000	-37.04%	GENERAL FUND TRANSFER; $300,000 TRANSFER FROM MAJOR ST.
	Other	806	587	270,000	618		270,000	-	270,000	0.00%	POSSIBLE CONTRIBUTION FROM MCC FOR TECH CENTER ROAD
		$ 1,847,769	$ 3,659,922	$ 2,039,934	$ 459,671		$ 2,039,934	$ -	$ 1,739,934	-14.71%	
60900	**Operating Expenditures**										
5100	Salaries & Benefits	$ 546,438	$ 486,434	$ 463,828	$ 282,023	61%	$ 463,828	$ -	$ 544,153	17.32%	
5200	Operating Supplies	115,491	129,511	93,500	39,041	42%	93,500	-	93,500	0.00%	
5300	Contractual Services	705,199	631,566	604,441	340,981	56%	604,441	-	604,441	0.00%	
5400	Other Expenses	1,769	1,566	1,000	224	22%	1,000	-	1,000	0.00%	
5700	Capital Outlays	-	-	-	-	N/A	-	-	-	0.00%	
5900	Other Financing Uses	124,113	64,169	-	-	N/A	-	-	-	0.00%	
		$ 1,493,010	$ 1,313,246	$ 1,162,769	$ 662,269	57%	$ 1,162,769	$ -	$ 1,243,094	6.91%	
90000	**Project Expenditures**										
5200	Operating Supplies	$ -	$ -	$ -	$ -	N/A	$ -	$ -	$ -	0.00%	
5300	Contractual Services	501,805	2,210,734	860,000	126,377	26%	492,000	(368,000)	500,000	1.63%	SEE "BUDGETED CAPITAL IMPROVEMENTS" FOR DETAIL
		$ 501,805	$ 2,210,734	$ 860,000	$ 126,377	26%	$ 492,000	$ (368,000)	$ 500,000	1.63%	
		$ 1,994,815	$ 3,523,980	$ 2,022,769	$ 788,646	48%	$ 1,654,769		$ 1,743,094	5.34%	
	Available Fund Balance - EOY	$ 9,701	$ 145,643	$ 20,031	$ (183,332)		$ 530,808	$ 510,777	$ 527,648		

City of Muskegon
Quarterly Budget Reforecast and 2004 Proposed Budget - Non-General Funds

		Actual 2002	Actual 2003	Original Budget Estimate 2004	Actual Through May 2004	Actual As % of Revised	Revised Estimate 2004	Change From 2004 Original	Original Budget Estimate 2005	% Change From 2004 Revised	Comments
254 L.C. Walker Arena Fund											
	Available Fund Balance - BOY	$ 19,133	$ 34,476	$ 33,195	$ 37,589		$ 37,589	$ 4,394	$ (249,158)		
	Means of Financing										
	Special assessments	$ -	$ -	$ -	$ -		$ -	$ -	$ -	0.00%	
	State grants	-	-	-	-		-	-	-	0.00%	
	State shared revenue	-	-	-	-		-	-	-	0.00%	
	Charges for services	623,382	597,288	625,000	329,945		625,000	-	625,000	0.00%	
	Interest income	-	1,331	500	62		500	-	500	0.00%	
	Operating transfers in - General Fund	271,837	330,000	200,000	83,333		200,000	-	200,000	0.00%	
	Operating transfers in - TIFA Fund	-	-	60,000	-		60,000	-	60,000	0.00%	
	Other	371	3,066	1,000	-		1,000	-	1,000	0.00%	
		$ 895,590	$ 931,685	$ 886,500	$ 413,340		$ 886,500	$ -	$ 886,500	0.00%	
70805	**Operating Expenditures**										
5100	Salaries & Benefits	$ 11,942	$ 12,394	$ 13,247	$ 5,676	43%	$ 13,247	$ -	$ 13,800	4.17%	
5200	Operating Supplies	-	-	-	-	N/A	-	-	-	0.00%	
5300	Contractual Services	863,565	916,178	890,000	449,579	50%	900,000	10,000	910,000	1.11%	
5400	Other Expenses	-	-	-	-	N/A	-	-	-	0.00%	
5700	Capital Outlays	4,740	-	-	-	N/A	-	-	-	0.00%	
5900	Other Financing Uses	-	-	-	-	N/A	-	-	-	0.00%	
		$ 880,247	$ 928,572	$ 903,247	$ 455,255	50%	$ 913,247	$ 10,000	$ 923,800	1.16%	
90000	**Project Expenditures**										
5200	Operating Supplies	$ -	$ -	$ -	-	N/A	$ -	$ -	$ -	0.00%	
5300	Contractual Services	-	-	-	68,692	26%	260,000	260,000	-	-100.00%	
		$ -	$ -	$ -	$ 68,692	26%	$ 260,000	$ 260,000	$ -	-100.00%	
		$ 880,247	$ 928,572	$ 903,247	$ 523,947	45%	$ 1,173,247		$ 923,800	-21.26%	
	Available Fund Balance - EOY	$ 34,476	$ 37,589	$ 16,448	$ (73,018)		$ (249,158)	$ (265,606)	$ (286,458)		

City of Muskegon
Quarterly Budget Reforecast and 2004 Proposed Budget - Non-General Funds

403 Sidewalk Improvement Fund

	Actual 2002	Actual 2003	Original Budget Estimate 2004	Actual Through May 2004	Actual As % of Revised	Revised Estimate 2004	Change From 2004 Original	Original Budget Estimate 2005	% Change From 2004 Revised	Comments
Available Fund Balance - BOY	$ (95,006)	$ (55,002)	$ 1,094,083	$ 1,032,893		$ 1,032,893	$ (61,190)	$ 891,395		
Means of Financing										
Special assessments	$ 408,133	$ 345,052	$ 400,000	$ -		$ 400,000	$ -	$ 400,000	0.00%	
Federal grants	-	-	-	-		-	-	-	0.00%	
State shared revenue	-	-	-	-		-	-	-	0.00%	
Charges for services	-	-	-	-		-	-	-	0.00%	
Interest income	54,434	66,211	10,000	39,644		25,000	15,000	10,000	-60.00%	
Operating transfers in	195,201	89,218	50,000	-		50,000	-	50,000	0.00%	FROM STREET FUNDS FOR HANDICAP RAMPS
Other	-	1,578,012	-	-		-	-	-	0.00%	
	$ 657,768	$ 2,078,493	$ 460,000	$ 39,644		$ 475,000	$ 15,000	$ 460,000	-3.16%	
30906 Operating Expenditures										
5100 Salaries & Benefits	$ -	$ -	$ -	$ -	N/A	$ -	$ -	$ -	0.00%	
5200 Operating Supplies	-	-	-	-	N/A	-	-	-	0.00%	
5300 Contractual Services	-	1,013	-	700	N/A	-	-	-	0.00%	
5400 Other Expenses	-	-	-	-	N/A	-	-	-	0.00%	
5700 Capital Outlays	-	-	-	-	N/A	-	-	-	0.00%	
5900 Other Financing Uses	245,122	291,956	466,498	118,916	25%	466,498	-	408,333	-12.47%	DEBT SERVICE ON SIDEWALK ASSESSMENT BONDS
	$ 245,122	$ 292,969	$ 466,498	$ 119,616	26%	$ 466,498	$ -	$ 408,333	-12.47%	
90000 Project Expenditures										
5200 Operating Supplies	$ -	$ -	$ -	$ -	N/A	$ -	$ -	$ -	0.00%	
5300 Contractual Services	372,642	697,629	350,000	31,757	21%	150,000	(200,000)	-	-100.00%	SEE "BUDGETED CAPITAL IMPROVEMENTS" FOR DETAIL
5400 Other Expenses	-	-		-	N/A		-		0.00%	
5900 Other Financing Uses	-	-	-	-	N/A	-	-	-	0.00%	
	$ 372,642	$ 697,629	$ 350,000	$ 31,757	21%	$ 150,000	$ (200,000)	$ -	-100.00%	
	$ 617,764	$ 990,598	$ 816,498	$ 151,373	25%	$ 616,498		$ 408,333	-33.77%	
Available Fund Balance - EOY	$ (55,002)	$ 1,032,893	$ 737,585	$ 921,164		$ 891,395	$ 153,810	$ 943,062		

City of Muskegon
Quarterly Budget Reforecast and 2004 Proposed Budget - Non-General Funds

404 Public Improvement Fund

		Actual 2002	Actual 2003	Original Budget Estimate 2004	Actual Through May 2004	Actual As % of Revised	Revised Estimate 2004	Change From 2004 Original	Original Budget Estimate 2005	% Change From 2004 Revised	Comments
	Available Fund Balance - BOY	$ 1,564,898	$ 985,797	$ 1,113,797	$ 1,408,432		$ 1,408,432	$ 294,635	$ 568,432		
	Means of Financing										
	Special assessments	$ -	$ -	$ -	$ -		$ -	$ -	$ -	0.00%	
	Property taxes	-	-	-	-		-	-	-	0.00%	
	Federal grants	-	-	-	-		-	-	-	0.00%	EDA GRANT FOR SEAWAY INDUSTRIAL PARK
	State grants	52,850	390,600								
	Contributions	-	-	-	-		200,000	200,000	-	-100.00%	FROM MUSKEGON CO. FOR CROSS-LAKE FERRY
	Sales of Property	70,725	47,939	550,000	83,478		200,000	(350,000)	150,000	-25.00%	
	Interest income	32,294	16,347	20,000	3,852		10,000	(10,000)	20,000	100.00%	
	Operating transfers in	150,000	150,000	150,000	992,500		1,080,000	930,000	150,000	-86.11%	RLF FOR FERRY $930,000; GENERAL FUND TRANSFER $15,0000
	Other	39,352	75,454	-	-		-	-	-	0.00%	
		$ 345,221	$ 680,340	$ 720,000	$ 1,079,830		$ 1,490,000	$ 770,000	$ 320,000	-78.52%	
30936	**Operating Expenditures**										
5100	Salaries & Benefits	$ -	$ -	$ -	$ -	N/A	$ -	$ -	$ -	0.00%	
5200	Operating Supplies	-	-	-	-	N/A	-	-	-	0.00%	
5300	Contractual Services	60,350	-	5,000	-	0%	5,000	-	5,000	0.00%	
5400	Other Expenses	-	-	-	-	N/A	-	-	-	0.00%	
5700	Capital Outlays	-	-	-	-	N/A	-	-	-	0.00%	
5900	Other Financing Uses	-	150,000	150,000	-	0%	150,000	-	-	-100.00%	URBAN LAND ASSEMBLY (ULA) LOAN PAYMENT
		$ 60,350	$ 150,000	$ 155,000	$ -	0%	$ 155,000	$ -	$ 5,000	-96.77%	
90000	**Project Expenditures**										
5200	Operating Supplies	$ -	$ -	$ -	$ -	N/A	$ -	$ -	$ -	0.00%	
5300	Contractual Services	70,011	9,437	-	2,883	N/A	-	-	-	0.00%	
5400	Other Expenses	-	-	-	-	N/A	-	-	-	0.00%	
5700	Capital Outlays	793,961	98,268	375,000	1,051,450	48%	2,175,000	1,800,000	-	-100.00%	SEE "BUDGETED CAPITAL IMPROVEMENTS" FOR DETAIL
		$ 863,972	$ 107,705	$ 375,000	$ 1,054,333	48%	$ 2,175,000	$ 1,800,000	$ -	-100.00%	
		$ 924,322	$ 257,705	$ 530,000	$ 1,054,333	45%	$ 2,330,000		$ 5,000	-99.79%	
	Available Fund Balance - EOY	$ 985,797	$ 1,408,432	$ 1,303,797	$ 1,433,929		$ 568,432	$ (735,365)	$ 883,432		

City of Muskegon
Quarterly Budget Reforecast and 2004 Proposed Budget - Non-General Funds

474 Coastal Zone Management Fund

		Actual 2002	Actual 2003	Original Budget Estimate 2004	Actual Through May 2004	Actual As % of Revised	Revised Estimate 2004	Change From 2004 Original	Original Budget Estimate 2005	% Change From 2004 Revised	Comments
	Available Fund Balance - BOY	$ -	$ -	$ -	$ -		$ -	$ -	$ -		
	Means of Financing										
	Special assessments	$ -	$ -	$ -	$ -		$ -	$ -	$ -	0.00%	
	State grants	-	-	-	-		-	-	-	0.00%	
	Federal grants	-	-	-	-		-	-	-	0.00%	
	Sales of Property	-	-	-	-		-	-	-	0.00%	
	Interest income	-	-	-	-		-	-	-	0.00%	
	Operating transfers in	701	-	-	-		-	-	-	0.00%	LOCAL MATCH FROM GOLF COURSE FUND
	Other	-	-	-	-		-	-	-	0.00%	
		$ 701	$ -	$ -	$ -		$ -	$ -	$ -	0.00%	
30936	**Operating Expenditures**										
5100	Salaries & Benefits	$ -	$ -	$ -	$ -	N/A	$ -	$ -	$ -	0.00%	
5200	Operating Supplies	-	-	-	-	N/A	-	-	-	0.00%	
5300	Contractual Services	-	-	-	-	N/A	-	-	-	0.00%	
5400	Other Expenses	-	-	-	-	N/A	-	-	-	0.00%	
5700	Capital Outlays	-	-	-	-	N/A	-	-	-	0.00%	
5900	Other Financing Uses	-	-	-	-	N/A	-	-	-	0.00%	
		$ -	$ -	$ -	$ -	N/A	$ -	$ -	$ -	0.00%	
90000	**Project Expenditures**										
5200	Operating Supplies	$ -	$ -	$ -	$ -	N/A	$ -	$ -	$ -	0.00%	
5300	Contractual Services	701	-	-	-	N/A	-	-	-	0.00%	
5700	Capital Outlays	-	-	-	-	N/A	-	-	-	0.00%	SEE "BUDGETED CAPITAL IMPROVEMENTS" FOR DETAIL
		$ 701	$ -	$ -	$ -	N/A	$ -	$ -	$ -	0.00%	
		$ 701	$ -	$ -	$ -	N/A	$ -		$ -	0.00%	
	Available Fund Balance - EOY	$ -	$ -	$ -	$ -		$ -	$ -	$ -		

City of Muskegon
Quarterly Budget Reforecast and 2004 Proposed Budget - Non-General Funds

482 State Grants Fund

		Actual 2002	Actual 2003	Original Budget Estimate 2004	Actual Through May 2004	Actual As % of Revised	Revised Estimate 2004	Change From 2004 Original	Original Budget Estimate 2005	% Change From 2004 Revised	Comments
	Available Fund Balance - BOY	$ -	$ -	$ -	$ 1,519		$ 1,519	$ 1,519	$ -		
	Means of Financing										
	Special assessments	$ -	$ -	$ -	$ -		$ -	$ -	$ -	0.00%	
	State grants	984,837	882,403	660,076	76,237		2,008,748	1,348,672	-	-100.00%	
	Federal grants	-	-	-	-		-	-	-	0.00%	
	Sales of Property	-	-	-	-		-	-	-	0.00%	
	Interest income	-	-	-	-		-	-	-	0.00%	
	Operating transfers in	110,612	235,242	-	110,135		200,000	200,000	-	-100.00%	LOCAL MATCHES - FROM GOLF COURSE SALE PROCEEDS
	Other	10,000	25,000	-	-		-	-	-	0.00%	
		$ 1,105,449	$ 1,142,645	$ 660,076	$ 186,372		$ 2,208,748	$ 1,548,672	$ -	-100.00%	
30936	**Operating Expenditures**										
5100	Salaries & Benefits	$ -	$ -	$ -	$ -	N/A	$ -	$ -	$ -	0.00%	
5200	Operating Supplies	-	-	-	-	N/A	-	-	-	0.00%	
5300	Contractual Services	-	-	-	-	N/A	-	-	-	0.00%	
5400	Other Expenses	-	-	-	-	N/A	-	-	-	0.00%	
5700	Capital Outlays	-	-	-	-	N/A	-	-	-	0.00%	
5900	Other Financing Uses	-	-	-	-	N/A	-	-	-	0.00%	TRANSFER TO LOCAL STREET FOR SMARTZONE INFRASTRUCTURE
		$ -	$ -	$ -	$ -	N/A	$ -	$ -	$ -	0.00%	
90000	**Project Expenditures**										
5200	Operating Supplies	$ -	$ -	$ -	$ -	N/A	$ -	$ -	$ -	0.00%	
5300	Contractual Services	1,099,837	1,141,126	-	293,381	N/A	-	-	-	0.00%	
5700	Capital Outlays	5,612	-	660,076	110,181	5%	2,210,267	1,550,191	-	-100.00%	SEE "BUDGETED CAPITAL IMPROVEMENTS" FOR DETAIL
		$ 1,105,449	$ 1,141,126	$ 660,076	$ 403,562	18%	$ 2,210,267	$ 1,550,191	$ -	-100.00%	
		$ 1,105,449	$ 1,141,126	$ 660,076	$ 403,562	18%	$ 2,210,267		$ -	-100.00%	
	Available Fund Balance - EOY	$ -	$ 1,519	$ -	$ (215,671)		$ -	$ -	$ -		

City of Muskegon
Quarterly Budget Reforecast and 2004 Proposed Budget - Non-General Funds

594 Marina & Launch Ramp Fund

		Actual 2002	Actual 2003	Original Budget Estimate 2004	Actual Through May 2004	Actual As % of Revised	Revised Estimate 2004	Change From 2004 Original	Original Budget Estimate 2005	% Change From 2004 Revised	Comments
	Available Cash Balance - BOY	$ 66,148	$ (183,560)	$ 5,948	$ (20,982)		$ (20,982)	$ (26,930)	$ 16,171		
	Means of Financing										
	Special assessments	$ -	$ -	$ -	$ -		$ -	$ -	$ -	0.00%	
	State grants	37,352	256,612	-	-		-	-	-	0.00%	
	State shared revenue	-	-	-	-		-	-	-	0.00%	
	Charges for services	276,736	263,880	280,000	156,110		280,000	-	280,000	0.00%	
	Interest income	600	-	-	-		-	-	-	0.00%	
	Operating transfers in	-	-	-	-		-	-	-	0.00%	
	Other	575	10,378	-			-	-	-	0.00%	INTERFUND LOAN FOR LOCAL GRANT MATCH
		$ 315,263	$ 530,870	$ 280,000	$ 156,110		$ 280,000	$ -	$ 280,000	0.00%	
70756	**Operating Expenditures**										
5100	Salaries & Benefits	$ 106,934	$ 113,876	$ 115,247	$ 34,390	30%	$ 115,247	$ -	$ 119,986	4.11%	
5200	Operating Supplies	13,030	20,491	13,250	1,902	14%	13,250	-	13,250	0.00%	
5300	Contractual Services	107,812	130,577	114,350	51,300	45%	114,350	-	114,350	0.00%	
5400	Other Expenses	1,020	-	-	138	N/A	-	-	-	0.00%	
5700	Capital Outlays	-	841	-	-	N/A	-	-	-	0.00%	
5900	Other Financing Uses	-	-	-	-	N/A	-	-	-	0.00%	
	Other Cash Uses (e.g. Debt Principal)	(20,980)	(21,576)	-	-	N/A	-	-	-	0.00%	
		$ 207,816	$ 244,209	$ 242,847	$ 87,730	36%	$ 242,847	$ -	$ 247,586	1.95%	
90000	**Project Expenditures**										
5200	Operating Supplies	$ -	$ -	$ -	$ -	N/A	$ -	$ -	$ -	0.00%	
5300	Contractual Services	357,155	124,083	-	17,717	N/A	-	-	-	0.00%	SEE "BUDGETED CAPITAL IMPROVEMENTS" FOR DETAIL
5700	Capital Outlays	-	-	-	-	N/A	-	-	-	0.00%	
		$ 357,155	$ 124,083	$ -	$ 17,717	N/A	$ -	$ -	$ -	0.00%	
		$ 564,971	$ 368,292	$ 242,847	$ 105,447	43%	$ 242,847		$ 247,586	1.95%	
	Available Cash Balance - EOY	$ (183,560)	$ (20,982)	$ 43,101	$ 29,681		$ 16,171	$ (26,930)	$ 48,585		

City of Muskegon
Quarterly Budget Reforecast and 2004 Proposed Budget - Non-General Funds

584 Municipal Golf Course Fund

		Actual 2002	Actual 2003	Original Budget Estimate 2004	Actual Through May 2004	Actual As % of Revised	Revised Estimate 2004	Change From 2004 Original	Original Budget Estimate 2005	% Change From 2004 Revised	Comments
	Available Cash Balance - BOY	$ 492,650	$ 498,322	$ 276,322	$ 281,351		$ 281,351	$ 5,029	$ 85,351		
	Means of Financing										
	Special assessments	$ -	$ -	$ -	$ -		$ -	$ -	$ -	0.00%	
	State grants	-	-	-	-		-	-	-	0.00%	
	State shared revenue	-	-	-	-		-	-	-	0.00%	
	Charges for services	-	-	-	-		-	-	-	0.00%	
	Interest income	11,985	8,715	2,000	2,489		4,000	2,000	2,000	-50.00%	
	Operating transfers in	-	-	-	-		-	-	-	0.00%	
	Other	-	-	-	-		-	-	-	0.00%	
		$ 11,985	$ 8,715	$ 2,000	$ 2,489		$ 4,000	$ 2,000	$ 2,000	-50.00%	
70542	**Operating Expenditures**										
5100	Salaries & Benefits	$ -	$ -	$ -	$ -	N/A	$ -	$ -	$ -	0.00%	
5200	Operating Supplies	-	-	-	-	N/A	-	-	-	0.00%	
5300	Contractual Services	-	1,300	-	-	N/A	-	-	-	0.00%	
5400	Other Expenses	-	-	-	-	N/A	-	-	-	0.00%	
5700	Capital Outlays	-	-	-	-	N/A	-	-	-	0.00%	
5900	Other Financing Uses	6,313	224,386	-	110,135	55%	200,000	200,000	-	-100.00%	LOCAL MATCH FOR TRAIL PROJECT GRANTS
	Other Cash Uses (e.g. Debt Principal)	-	-	-	-	N/A	-	-	-	0.00%	
		$ 6,313	$ 225,686	$ -	$ 110,135	55%	$ 200,000	$ 200,000	$ -	-100.00%	
90000	**Project Expenditures**										
5200	Operating Supplies	$ -	$ -	$ -	$ -	N/A	$ -	$ -	$ -	0.00%	
5300	Contractual Services	-	-	-	-	N/A	-	-	-	0.00%	
5700	Capital Outlays	-	-	-	-	N/A	-	-	-	0.00%	
		$ -	$ -	$ -	$ -	N/A	$ -	$ -	$ -	0.00%	
		$ 6,313	$ 225,686	$ -	$ 110,135	55%	$ 200,000		$ -	-100.00%	
	Available Cash Balance - EOY	$ 498,322	$ 281,351	$ 278,322	$ 173,705		$ 85,351	$ (192,971)	$ 87,351		

City of Muskegon
Quarterly Budget Reforecast and 2004 Proposed Budget - Non-General Funds

661 Equipment Fund

Code	Item	Actual 2002	Actual 2003	Original Budget Estimate 2004	Actual Through May 2004	Actual As % of Revised	Revised Estimate - 2004	Change From 2004 Original	Original Budget Estimate 2005	% Change From 2004 Revised	Comments
	Available Cash Balance - BOY	$ 367,851	$ 657,212	$ 670,926	$ 936,872		$ 936,872	$ 265,946	$ 1,021,715		
	Means of Financing										
	Special assessments	$ -	$ -	$ -	$ -		$ -	$ -	$ -	0.00%	
	State grants	-	-	-	-		-	-	-	0.00%	GRANT FOR DVD RECORDERS
	State shared revenue	-	-	-	-		-	-	-	0.00%	
	Charges for services	2,287,485	2,299,746	2,150,000	1,111,900		2,150,000	-	2,150,000	0.00%	INTERDEPARTMENTAL RENTAL CHARGES
	Interest income	10,123	12,813	10,000	5,342		10,000	-	10,000	0.00%	
	Operating transfers in	-	-	-	-		-	-	-	0.00%	
	Other	135,071	110,057	100,000	5,840		100,000	-	100,000	0.00%	OUTSIDE SALES OF FUEL, ETC.
		$ 2,432,679	$ 2,422,616	$ 2,260,000	$ 1,123,082		$ 2,260,000	$ -	$ 2,260,000	0.00%	
60932	**Operating Expenditures**										
5100	Salaries & Benefits	$ 406,279	$ 456,014	$ 477,738	$ 196,958	42%	$ 473,000	$ (4,738)	$ 468,331	-0.99%	
5200	Operating Supplies	523,881	567,402	455,995	197,814	43%	455,995	-	455,995	0.00%	
5300	Contractual Services	449,607	498,770	551,072	295,513	54%	551,072	-	551,072	0.00%	
5400	Other Expenses	6,034	3,899	5,000	1,972	39%	5,000	-	5,000	0.00%	
5700	Capital Outlays	732,328	600,648	793,480	98,292	14%	690,090	(103,390)	96,000	-86.09%	SEE "BUDGETED CAPITAL IMPROVEMENTS" FOR DETAIL
5900	Other Financing Uses	-	-	-	-	N/A	-	-	-	0.00%	
	Other Cash Uses (e.g. Debt Principal)	25,189	16,223	-	-	N/A	-	-	-	0.00%	
		$ 2,143,318	$ 2,142,956	$ 2,283,285	$ 790,549	36%	$ 2,175,157	$ (108,128)	$ 1,576,398	-27.53%	
90000	**Project Expenditures**										
5200	Operating Supplies	$ -	$ -	$ -	$ -	N/A	$ -	$ -	$ -	0.00%	
5300	Contractual Services	-	-	-	-	N/A	-	-	-	0.00%	
5700	Capital Outlays	-	-	-	-	N/A	-	-	-	0.00%	
		$ -	$ -	$ -	$ -	N/A	$ -	$ -	$ -	0.00%	
		$ 2,143,318	$ 2,142,956	$ 2,283,285	$ 790,549	36%	$ 2,175,157		$ 1,576,398	-27.53%	
	Available Cash Balance - EOY	$ 657,212	$ 936,872	$ 647,641	$ 1,269,405		$ 1,021,715	$ 374,074	$ 1,705,317		

City of Muskegon
Quarterly Budget Reforecast and 2004 Proposed Budget - Non-General Funds

642 Public Service Building Fund

Code		Actual 2002	Actual 2003	Original Budget Estimate 2004	Actual Through May 2004	Actual As % of Revised	Revised Estimate 2004	Change From 2004 Original	Original Budget Estimate 2005	% Change From 2004 Revised	Comments
	Available Cash Balance - BOY	$ (110,802)	$ (75,628)	$ (103,250)	$ 124,264		$ 124,264	$ 227,514	$ 32,554		
	Means of Financing										
	Special assessments	$ -	$ -	$ -	$ -		$ -	$ -	$ -	0.00%	
	State grants	-	-	-	-		-	-	-	0.00%	
	State shared revenue	-	-	-	-		-	-	-	0.00%	
	Charges for services	612,766	612,766	569,872	237,447		569,872	-	569,872	0.00%	INTERDEPARTMENTAL RENTAL CHARGES
	Interest income	-	315	-	328		-	-	-	0.00%	
	Operating transfers in	-	-	-	-		-	-	-	0.00%	
	Other	-	14	-	127		-	-	-	0.00%	
		$ 612,766	$ 613,095	$ 569,872	$ 237,902		$ 569,872	$ -	$ 569,872	0.00%	
60442	**Operating Expenditures**										
5100	Salaries & Benefits	$ 177,196	$ 186,589	$ 216,259	$ 91,231	42%	$ 216,259	$ -	$ 230,556	6.61%	
5200	Operating Supplies	27,049	21,924	25,950	5,074	20%	25,950	-	25,950	0.00%	
5300	Contractual Services	225,738	259,163	283,373	109,910	39%	283,373	-	283,373	0.00%	
5400	Other Expenses	11,572	(18,515)	1,000	114	11%	1,000	-	1,000	0.00%	
5700	Capital Outlays	67,543	32,813	52,000	54,257	40%	135,000	83,000	100,000	-25.93%	SEE "BUDGETED CAPITAL IMPROVEMENTS" FOR DETAIL
5900	Other Financing Uses	-	-	-	-	N/A	-	-	-	0.00%	
	Other Cash Uses and Adjustments (e.g. Debt Principal)	68,494	(68,771)	-	-	N/A	-	-	-	0.00%	
		$ 577,592	$ 413,203	$ 578,582	$ 260,586	39%	$ 661,582	$ 83,000	$ 640,879	-3.13%	
90000	**Project Expenditures**										
5200	Operating Supplies	$ -	$ -	$ -	$ -	N/A	$ -	$ -	$ -	0.00%	
5300	Contractual Services	-	-	-	-	N/A	-	-	-	0.00%	
5700	Capital Outlays	-	-	-	-	N/A	-	-	-	0.00%	
		$ -	$ -	$ -	$ -	N/A	$ -	$ -	$ -	0.00%	
		$ 577,592	$ 413,203	$ 578,582	$ 260,586	39%	$ 661,582		$ 640,879	-3.13%	
	Available Cash Balance - EOY	$ (75,628)	$ 124,264	$ (111,960)	$ 101,580		$ 32,554	$ 144,514	$ (38,453)		

City of Muskegon
Quarterly Budget Reforecast and 2004 Proposed Budget - Non-General Funds

643 Engineering Services Fund

		Actual 2002	Actual 2003	Original Budget Estimate 2004	Actual Through May 2004	Actual As % of Revised	Revised Estimate 2004	Change From 2004 Original	Original Budget Estimate 2005	% Change From 2004 Revised	Comments
	Available Cash Balance - BOY	$ 144,167	$ 101,200	$ 56,370	$ 86,869		$ 86,869	$ 30,499	$ 19,626		
	Means of Financing										
	Special assessments	$ -	$ -	$ -	$ -		$ -	$ -	$ -	0.00%	
	State grants	-	-	-	-		-	-	-	0.00%	
	State shared revenue	-	-	-	-		-	-	-	0.00%	
	Charges for services	488,240	516,169	565,000	195,205		500,000	(65,000)	565,000	13.00%	INTERDEPARTMENTAL CHARGES
	Interest income	3,000	1,788	4,000	-		4,000	-	4,000	0.00%	
	Operating transfers in	-	-	-	-		-	-	-	0.00%	
	Other	27,206	6,308	50,000	-		50,000	-	50,000	0.00%	
		$ 518,446	$ 524,265	$ 619,000	$ 195,205		$ 554,000	$ (65,000)	$ 619,000	11.73%	
60447	**Operating Expenditures**										
5100	Salaries & Benefits	$ 373,101	$ 362,839	$ 467,131	$ 143,152	34%	$ 420,000	$ (47,131)	$ 439,692	4.69%	POSITION VACANCY SAVINGS
5200	Operating Supplies	22,198	18,514	18,493	10,814	58%	18,493	-	18,493	0.00%	
5300	Contractual Services	136,545	149,159	160,000	60,406	38%	160,000	-	160,000	0.00%	
5400	Other Expenses	1,441	2,896	4,000	688	17%	4,000	-	4,000	0.00%	
5700	Capital Outlays	6,326	15,265	18,750	5,226	28%	18,750	-	18,750	0.00%	
5900	Other Financing Uses	-	-	-	-	N/A	-	-	-	0.00%	
	Other Cash Uses and Adjustments (e.g. Debt Principal)	21,802	(10,077)	-	-	N/A	-	-	-	0.00%	
		$ 561,413	$ 538,596	$ 668,374	$ 220,286	35%	$ 621,243	$ (47,131)	$ 640,935	3.17%	
90000	**Project Expenditures**										
5200	Operating Supplies	$ -	$ -	$ -	$ -	N/A	$ -	$ -	$ -	0.00%	
5300	Contractual Services	-	-	-	-	N/A	-	-	-	0.00%	
5700	Capital Outlays	-	-	-	-	N/A	-	-	-	0.00%	
		$ -	$ -	$ -	$ -	N/A	$ -	$ -	$ -	0.00%	
		$ 561,413	$ 538,596	$ 668,374	$ 220,286	35%	$ 621,243		$ 640,935	3.17%	
	Available Cash Balance - EOY	$ 101,200	$ 86,869	$ 6,996	$ 61,788		$ 19,626	$ 12,630	$ (2,309)		

City of Muskegon
Quarterly Budget Reforecast and 2004 Proposed Budget - Non-General Funds

677 General Insurance Fund

		Actual 2002	Actual 2003	Original Budget Estimate 2004	Actual Through May 2004	Actual As % of Revised	Revised Estimate 2004	Change From 2004 Original	Original Budget Estimate 2005	% Change From 2004 Revised	Comments
	Available Cash Balance - BOY	$ 855,366	$ 684,953	$ 996,633	$ 902,877		$ 902,877	$ (93,756)	$ 1,050,093		
	Means of Financing										
	Special assessments	$ -	$ -	$ -	$ -		$ -	$ -	$ -	0.00%	
	State grants	-	-	-	-		-	-	-	0.00%	
	State shared revenue	-	-	-	-		-	-	-	0.00%	
	Charges for services	2,236,965	2,449,390	2,792,318	1,182,788		2,792,318	-	2,792,318	0.00%	INTERDEPARTMENTAL CHARGES
	Interest income	14,466	11,560	12,000	4,227		12,000	-	12,000	0.00%	
	Repayment of DDA Advance	-	-	-	-		142,000	142,000	41,933	-70.47%	REPAYMENT OF 1989 ADVANCE TO DDA FOR MALL SALE
	Operating transfers in	1,206,722	1,179,938	1,296,000	-		1,296,000	-	1,296,000	0.00%	TRANSFER FROM PENSION FUNDS FOR RETIREE HEALTH COSTS
	Other	151,517	127,635	25,000	1,467		25,000	-	25,000	0.00%	
		$ 3,609,670	$ 3,768,523	$ 4,125,318	$ 1,188,482		$ 4,267,318	$ 142,000	$ 4,167,251	-2.34%	
30851	**Operating Expenditures**										
5100	Salaries & Benefits	$ 41,577	$ 178,161	30,484	$ 347,433	1140%	30,484	$ -	32,604	6.95%	RISK MANAGER POSITION
5200	Operating Supplies	144	143	300	-	0%	300	-	300	0.00%	
5300	Contractual Services	3,569,898	3,354,562	4,088,318	1,561,602	38%	4,088,318	-	4,088,318	0.00%	
5400	Other Expenses	860	363	500	-	0%	500	-	500	0.00%	
5700	Capital Outlays	315	1,148	500	-	0%	500	-	500	0.00%	
5900	Other Financing Uses	-	-	-	-	N/A	-	-	-	0.00%	
	Other Cash Uses and Adjustments (e.g. Debt Principal)	(32,711)	216,202	-	-	N/A	-	-	-	0.00%	
		$ 3,580,083	$ 3,750,599	$ 4,120,102	$ 1,909,035	46%	$ 4,120,102	$ -	$ 4,122,222	0.05%	
90000	**Project Expenditures**										
5200	Operating Supplies	$ -	$ -	$ -	$ -	N/A	$ -	$ -	$ -	0.00%	
5300	Contractual Services	-	-	-	-	N/A	-	-	-	0.00%	
5700	Capital Outlays	-	-	-	-	N/A	-	-	-	0.00%	
		$ -	$ -	$ -	$ -	N/A	$ -	$ -	$ -	0.00%	
		$ 3,580,083	$ 3,750,599	$ 4,120,102	$ 1,909,035	46%	$ 4,120,102		$ 4,122,222	0.05%	
	Available Cash Balance - EOY	$ 684,953	$ 902,877	$ 1,001,849	$ 182,324		$ 1,050,093		$ 1,095,122		

City of Muskegon
Quarterly Budget Reforecast and 2004 Proposed Budget - Non-General Funds

591 Water Fund

		Actual 2002	Actual 2003	Original Budget Estimate 2004	Actual Through May 2004	Actual As % of Revised	Revised Estimate 2004	Change From 2004 Original	Original Budget Estimate 2005	% Change From 2004 Revised	Comments
	Available Cash Balance - BOY	$ 5,071,320	$ 4,189,460	$ 4,502,864	$ 3,422,264		$ 3,422,264	$ (1,080,600)	$ 2,364,470		
	Means of Financing										
	Special assessments	$ -	$ -	$ -	$ -		$ -	$ -	$ -	0.00%	
	Federal grants	-	-	-	-		-	-	-	0.00%	EDA GRANT FOR SEAWAY INDUSTRIAL PARK
	State grants	-	-	100,000	-		100,000	-	100,000	0.00%	SHORELINE DRIVE
	State shared revenue	-	-	-	-		-	-	-	0.00%	
	Charges for services - City	3,209,797	2,936,777	4,179,398	469,358		4,179,398	-	4,179,398	0.00%	
	Charges for services - Township	541,130	827,619	510,499	354,041		800,000	289,501	510,499	-36.19%	
	Maintenance services - Township	-	112,036	200,000	60,459		200,000	-	200,000	0.00%	
	Interest income	84,468	51,889	50,000	16,742		30,000	(20,000)	50,000	66.67%	
	Repayment of DDA Advance	-	-	-	-		91,000	91,000	26,977	-70.35%	REPAYMENT OF 1989 ADVANCE TO DDA FOR MALL SALE
	Operating transfers in	-	-	-	-		-	-	-	0.00%	
	Other	215,621	165,925	11,850,000	92,234		10,700,000	(1,150,000)	11,850,000	10.75%	NEW BOND ISSUANCE
		$ 4,051,016	$ 4,094,246	$ 16,889,897	$ 992,834		$ 16,100,398	$ (789,499)	$ 16,916,874	5.07%	
30548	**Operating Expenditures Administration**										
5100	Salaries & Benefits	$ -	$ -	$ -	$ -	N/A	$ -	$ -	$ -	0.00%	
5200	Operating Supplies	-	20	-	-	N/A	-	-	-	0.00%	
5300	Contractual Services	433,310	524,932	507,379	248,512	49%	507,379	-	509,763	0.47%	INSURANCE/INDIRECT COSTS/ADMINISTRATION FEE
5400	Other Expenses	7,966	5,681	-	443	N/A	-	-	-	0.00%	
5700	Capital Outlays	-	-	-	-	N/A	-	-	-	0.00%	
5900	Other Financing Uses	1,023,550	436,560	401,880	-	0%	401,880	-	385,204	-4.15%	INTEREST ON WATER BONDS
	Other Cash Uses and Adjustments (e.g. Debt Principal)	(155,361)	(117,325)	420,000	420,000	100%	420,000	-	435,000	3.57%	PRINCIPAL ON WATER BONDS
		$ 1,309,465	$ 849,868	$ 1,329,259	$ 668,955	50%	$ 1,329,259	$ -	$ 1,329,967	0.05%	
60559	**Operating Expenditures Maintenance - City**										
5100	Salaries & Benefits	$ 712,770	$ 993,724	$ 909,197	$ 375,582	42%	$ 890,000	$ (19,197)	$ 888,398	-0.18%	
5200	Operating Supplies	169,124	246,145	128,885	59,411	47%	126,000	(2,885)	128,885	2.29%	
5300	Contractual Services	336,967	436,252	495,674	146,802	30%	495,674	-	495,674	0.00%	
5400	Other Expenses	33,577	9,788	34,480	1,652	5%	34,480	-	34,480	0.00%	
5700	Capital Outlays	2,256	8,628	14,500	-	0%	14,500	-	14,500	0.00%	
5900	Other Financing Uses	-	-	-	-	N/A	-	-	-	0.00%	
		$ 1,254,694	$ 1,694,537	$ 1,582,736	$ 583,447	37%	$ 1,560,654	$ (22,082)	$ 1,561,937	0.08%	
60660	**Operating Expenditures Maintenance - Township**										
5100	Salaries & Benefits	$ 203,610	$ 117,799	$ -	$ 26,677	N/A	$ -	$ -	$ -	0.00%	
5200	Operating Supplies	10,219	5,494	-	59	N/A	-	-	-	0.00%	
5300	Contractual Services	126,067	111,495	-	24,613	N/A	-	-	-	0.00%	
5400	Other Expenses	792	805	-	-	N/A	-	-	-	0.00%	
5700	Capital Outlays	3,289	-	-	-	N/A	-	-	-	0.00%	
5900	Other Financing Uses	-	-	-	-	N/A	-	-	-	0.00%	
		$ 343,977	$ 235,593	$ -	$ 51,349	N/A	$ -	$ -	$ -	0.00%	
60558	**Operating Expenditures Filtration**										
5100	Salaries & Benefits	$ 476,572	$ 520,119	$ 575,431	$ 222,297	41%	$ 545,000	$ (30,431)	$ 615,684	12.97%	
5200	Operating Supplies	129,191	149,128	121,679	40,662	33%	121,679	-	121,679	0.00%	
5300	Contractual Services	340,767	396,949	472,400	195,758	41%	472,400	-	472,400	0.00%	
5400	Other Expenses	4,067	2,333	2,750	1,659	60%	2,750	-	2,750	0.00%	
5700	Capital Outlays	37,326	17,928	90,450	9,181	10%	90,450	-	90,450	0.00%	
5900	Other Financing Uses	-	-		-	N/A		-		0.00%	
	Replacement Reserve - DWRF	-	-	290,000	-	0%	290,000	-	290,000	0.00%	
		$ 987,923	$ 1,086,457	$ 1,552,710	$ 469,557	31%	$ 1,522,279	$ (30,431)	$ 1,592,963	4.64%	
90000	**Project Expenditures**										
5200	Operating Supplies	$ -	$ -	$ -	$ -	N/A	$ -	$ -	$ -	0.00%	
5300	Contractual Services	1,036,817	994,987	12,745,000	1,652,841	13%	12,746,000	1,000	-	-100.00%	
5700	Capital Outlays	-	-	-	-	N/A	-	-	-	0.00%	
		$ 1,036,817	$ 994,987	$ 12,745,000	$ 1,652,841	13%	$ 12,746,000	$ 1,000	$ -	-100.00%	
		$ 4,932,876	$ 4,861,442	$ 17,209,705	$ 3,426,149	20%	$ 17,158,192		$ 4,484,867	-73.86%	
	Available Cash Balance - EOY	$ 4,189,460	$ 3,422,264	$ 4,183,056	$ 988,949		$ 2,364,470	$ (1,818,586)	$ 14,796,477		

City of Muskegon
Quarterly Budget Reforecast and 2004 Proposed Budget - Non-General Funds

590 Sewer Fund

Code		Actual 2002	Actual 2003	Original Budget Estimate 2004	Actual Through May 2004	Actual As % of Revised	Revised Estimate 2004	Change From 2004 Original	Original Budget Estimate 2005	% Change From 2004 Revised	Comments
	Available Cash Balance - BOY	$ 1,027,063	$ 1,231,951	$ 1,558,530	$ 1,046,328		$ 1,046,328	$ (512,202)	$ 1,361,336		
	Means of Financing										
	Special assessments	$ -	$ -	$ -	$ -		$ -	$ -	$ -	0.00%	
	Federal grants	-	-	-	-		-	-	-	0.00%	EDA GRANT FOR SEAWAY INDUSTRIAL PARK
	State grants	462,131	-	100,000	-		100,000	-	100,000	0.00%	SHORELINE DRIVE
	State shared revenue	-	-	-	-		-	-	-	0.00%	
	Charges for services	4,009,593	4,008,773	4,500,000	824,108		4,500,000	-	4,500,000	0.00%	
	Interest income	22,263	19,739	40,000	6,084		40,000	-	40,000	0.00%	
	Repayment of DDA Advance	-	-	-	-		142,000	142,000	41,933	-70.47%	REPAYMENT OF 1989 ADVANCE TO DDA FOR MALL SALE
	Operating transfers in	-	-	-	-		-	-	-	0.00%	
	Other	7,591	48,971	80,000	7,514		80,000	-	80,000	0.00%	
		$ 4,501,578	$ 4,077,483	$ 4,720,000	$ 837,706		$ 4,862,000	$ 142,000	$ 4,761,933	-2.06%	
30548	**Operating Expenditures Administration**										
5100	Salaries & Benefits	$ -	$ -	$ -	$ -	N/A	$ -	$ -	$ -	0.00%	
5200	Operating Supplies	-	-	-	-	N/A	-	-	-	0.00%	
5300	Contractual Services	370,396	388,912	312,969	182,224	58%	312,969	-	315,353	0.76%	INSURANCE/INDIRECT COSTS/ADMINISTRATION FEE
5400	Other Expenses	13,300	6,865	-	560	N/A	-	-	-	0.00%	
5700	Capital Outlays	-	-	-	-	N/A	-	-	-	0.00%	
5900	Other Financing Uses	741,054	-	111,056	-	0%	111,056	-	88,424	-20.38%	INTEREST ON SEWER BONDS
	Other Cash Uses and Adjustments (e.g. Debt Principal)	32,972	507,081	455,308	-	0%	455,308	-	444,497	-2.37%	PRINCIPAL ON SEWER BONDS
		$ 1,157,722	$ 902,858	$ 879,333	$ 182,784	21%	$ 879,333	$ -	$ 848,274	-3.53%	
60559	**Operating Expenditures Maintenance**										
5100	Salaries & Benefits	$ 659,059	$ 609,560	$ 805,286	$ 280,605	37%	$ 750,000	$ (55,286)	$ 851,923	13.59%	
5200	Operating Supplies	95,733	44,036	63,159	7,881	12%	63,159	-	63,159	0.00%	
5300	Contractual Services	1,579,258	1,588,736	1,974,687	591,452	30%	1,970,000	(4,687)	1,974,687	0.24%	
5400	Other Expenses	3,004	2,248	2,500	1,269	51%	2,500	-	2,500	0.00%	
5700	Capital Outlays	4,055	9,096	8,000	1,311	16%	8,000	-	8,000	0.00%	
5900	Other Financing Uses	-	-	-	-	N/A	-	-	-	0.00%	
		$ 2,341,109	$ 2,253,676	$ 2,853,632	$ 882,518	32%	$ 2,793,659	$ (59,973)	$ 2,900,269	3.82%	
90000	**Project Expenditures**										
5200	Operating Supplies	$ -	$ -	$ -	$ -	N/A	$ -	$ -	$ -	0.00%	
5300	Contractual Services	797,859	1,106,572	945,000	244,265	28%	874,000	(71,000)	-	-100.00%	SEE "BUDGETED CAPITAL IMPROVEMENTS" FOR DETAIL
5700	Capital Outlays	-	-	-	-	N/A	-	-	-	0.00%	
		$ 797,859	$ 1,106,572	$ 945,000	$ 244,265	28%	$ 874,000	$ (71,000)	$ -	-100.00%	
		$ 4,296,690	$ 4,263,106	$ 4,677,965	$ 1,309,567	29%	$ 4,546,992		$ 3,748,543	-17.56%	
	Available Cash Balance - EOY	$ 1,231,951	$ 1,046,328	$ 1,600,565	$ 574,467		$ 1,361,336		$ 2,374,726		

		Responsibility	Original Budget	1st Quarter Budget Reforecast	2nd Quarter Budget Reforecast	3rd Quarter Budget Reforecast	Comments
City of Muskegon							
Quarterly Budget Reforecast and 2004 Proposed Budget							
2004 PROJECTS							
101	**General Fund**						
	GIS Update and Maintenenace		$ -	$ -	$ 10,000		
202	**Major Streets**						
91032	Mc Cracken, Sherman to Lakeshore Drive	Al-Shatel	600,000	950,000	940,000		Reconstruct and Service Replacements ($552,354 STP Grant)
92012	Sherman, Lincoln to Beach	Al-Shatel	500,000	450,000	450,000		Reconstruct and Service Replacements ($324,000 STP Grant)
92026	Walnut, Wilcox to Thompson (100')	Al-Shatel	35,000	35,000	35,000		Resurface Walnut and Reconstruct Cherry w/Watermain
93004	Beidler, Laketon to Southern (1600')	Al-Shatel	200,000	10,000	10,000		Special Assessment Failed
93005	Strong, Jefferson to Peck (700')	Al-Shatel	120,000	95,000	95,000		Reconstruct w/Watermain
93006	Campus, Jefferson to Washington (500')	Al-Shatel	80,000	150,000	160,000		Reconstruct
96017	Shoreline Drive East (Incl Terrace Extension, Spring, and W	Al-Shatel	3,000,000	4,500,000	4,500,000		New Construction - Funded by $8.80 million Build Michigan Fund
91635	Shoreline Drive from Terrace to Southern	Al-Shatel	3,000,000	3,000,000	3,000,000		Resurfacing - Funded by $3.05 million Build Michigan Fund
96059	Sidewalks - Handicap Ramps	Al-Shatel	25,000	20,000	20,000		
93023	Western Ave - Pine to Terrace	Al-Shatel	-	100,000	100,000		Reconstruct, could use Build Michigan Funds
	Hackley Avenue Culverts	Al-Shatel	-	-	150,000		Emergency Replacement
	State Jobs from past years	Al-Shatel	-	7,000	7,000		
			7,560,000	9,317,000	9,467,000		
203	**Local Streets**						
93007	Hudson, Forest to Southern (400')	Al-Shatel	65,000	7,000	7,000		Special Assessment Failed
93008	Yuba Street, Eastern to Sumner (1500')	Al-Shatel	250,000	12,000	12,000		Special Assessment Failed
93009	Ridge, Cumberland to Wickham (700')	Al-Shatel	90,000	8,000	8,000		Special Assessment Failed
93010	Torrent, LeTart to Sherman (350')	Al-Shatel	50,000	60,000	60,000		New Construction - Gravel
92018	Harvey, Marquette to Stebbins (2700') and Water Loop	Al-Shatel	250,000	250,000	250,000		Resurface w/12" Water Loop for Tech Center Building; Contingent Upon MCC Reimbursement
93012	Austin, Barney to Delano	Al-Shatel	130,000	135,000	135,000		Reconstruct
96059	Sidewalks - Handicap Ramps	Al-Shatel	25,000	20,000	20,000		
			860,000	492,000	492,000		
254	**L.C. Walker Arena**						
93015	Siemens Energy Improvements	Scott	-	260,000	260,000		Financed With Interfund Borrowing
403	**Sidewalks**						
96059	2004 Sidewalk Replacement Program	Al-Shatel	350,000	225,000	150,000		Financed With Special Assessment Bonds
404	**Public Improvement Fund**						
96051	Fire Quint	Kleibecker	375,000	375,000	375,000		
93022	Cross Lake Ferry Improvements	Mazade	-	1,200,000	1,800,000		$930,000 FROM RLF FUND; $200,000 MUSKEGON COUNTY
			375,000	1,575,000	2,175,000		
482	**State Grants Fund**						
91008	Core Communities Initiative (Teledyne-Boardwalk)	Brubaker-Clarke	500,000	500,000	956,000		Financed With Core Communities Grant (Carryover)
96096	Site Assessment Projects	Brubaker-Clarke	46,076	46,076	190,000		
	CMI Brownfield	Brubaker-Clarke	-	-	750,000		Carryover from 2003
99080	Lakeshore Trail Phase IV (Shoreline Drive)	Scott	114,000	114,000	314,267		
			660,076	660,076	2,210,267		

City of Muskegon
Quarterly Budget Reforecast and 2004 Proposed Budget

		Responsibility	Original Budget	1st Quarter Budget Reforecast	2nd Quarter Budget Reforecast	3rd Quarter Budget Reforecast	Comments

2004 PROJECTS

		Responsibility	Original Budget	1st Quarter Budget Reforecast	2nd Quarter Budget Reforecast	3rd Quarter Budget Reforecast	Comments
590	**Sewer**						
92004	Forest & Madison Lift Station	Al-Shatel	125,000	125,000	125,000		Replace Pumps, Panels and Rails
93007	Hudson, Forest to Southern (990')	Al-Shatel	50,000	2,000	2,000		Special Assessment Failed
91032	Mc Cracken, Sherman to Lakeshore Drive	Al-Shatel	50,000	50,000	50,000		Reconstruct and Service Replacements ($355,830 STP Grant)
93004	Beidler, Laketon to Southern (1600')	Al-Shatel	20,000	2,000	2,000		Special Assessment Failed
93016	Sanitary Sewer Upgrades (Barney Liftstation to 12" Main)	Al-Shatel	150,000	-	-		Added to Austin project
93012	Austin, Barney to Delano	Al-Shatel	50,000	100,000	100,000		New Sanitary Sewer Line
96017	Shoreline Drive East (Incl Terrace Extension, Spring, and W	Al-Shatel	100,000	150,000	150,000		Street Project - Associated Utility Work
	Sewer Rehab Project	Al-Shatel	400,000	400,000	400,000		Possible Pump Station - Young and Henry
93006	Campus, Jefferson to Washington	Al-Shatel	-	35,000	35,000		Sanitary sewer main & service
93005	Strong, Jefferson to Peck	Al-Shatel	-	10,000	10,000		Service repair
			945,000	874,000	874,000		
591	**Water**						
93007	Hudson, Forest to Southern (400')	Al-Shatel	50,000	2,000	2,000		Special Assessment Failed
91032	Mc Cracken, Sherman to Lakeshore Drive	Al-Shatel	50,000	300,000	360,000		New 12" Watermain and services
93008	Yuba Street, Eastern to Sumner (1500')	Al-Shatel	150,000	2,000	2,000		Special Assessment Failed
92021	Herrick, Sumner to Jackson	Al-Shatel	70,000	80,000	80,000		DWRF Bond Financed
93004	Beidler, Laketon to Southern (1600')	Al-Shatel	165,000	2,000	2,000		Special Assessment Failed
93005	Strong, Jefferson to Peck (700')	Al-Shatel	60,000	60,000	60,000		Reconstruct w/Watermain
92018	Harvey, Marquette to Stebbins (2700') and Water Loop	Al-Shatel	800,000	800,000	800,000		Resurface w/12" Water Loop for Tech Center Building; Contingent Upon MCC Reimbursement and Muskegon
92005	Nims St. Tank Painting	Al-Shatel	440,000	440,000	440,000		
96017	Shoreline Drive East (Incl Terrace Extension, Spring, and W	Al-Shatel	100,000	150,000	150,000		Street Project - Associated Utility Work
92006	Water Main Replacements	Al-Shatel	100,000	-	-		
92007	Breakwall - Beach Street	Kuhn	60,000	-	-		Delayed Until 2005
97041	Water Filtration Plant Improvements	Kuhn	10,700,000	10,700,000	10,700,000		DWRF Low Interest Loan Funding
93023	Western Ave, Pine to Terrace	Al-Shatel	-	70,000	70,000		New 12" Watermain
92026	Walnut, Wilcox to Thompson	Al-Shatel	-	20,000	20,000		
93010	Torrent, Sherman to Letart	Al-Shatel	-	35,000	35,000		
	Sherman, Lincoln to Beach	Al-Shatel	-	-	25,000		New Water Services
			12,745,000	12,661,000	12,746,000		
642	**Public Service Building**						
99040	Public Service Building HVAC Energy Upgrades	Kuhn	52,000	135,000	135,000		$83,000 Project Costs Not Completed in 2003 as Originally Projected.

City of Muskegon
Quarterly Budget Reforecast and 2004 Proposed Budget

		Responsibility	Original Budget	1st Quarter Budget Reforecast	2nd Quarter Budget Reforecast	3rd Quarter Budget Reforecast	Comments
	2004 PROJECTS						
661	**Equipment Fund**						
	Patrol Car Replacements (6)	Kuhn	132,000	132,000	-		Deferred
	Sedans (6)	Kuhn	96,000	96,000	16,000		Deferred
	Tractor	Kuhn	80,000	80,000	77,000		New
	Blazer	Kuhn	30,000	30,000	-		Deferred
	Plow Truck Replacements (2)	Kuhn	140,000	140,000	145,000		Replacement
	Small Dump Trucks (3)	Kuhn	75,000	75,000	75,000		Replacement
	Mini-Pickup Trucks (4)	Kuhn	72,000	72,000	72,000		Replacement
	Loader	Kuhn	98,000	98,000	77,000		Replacement
	Toro Seaway	Kuhn	20,000	20,000	16,540		Replacement
	25CY Dumpbox	Kuhn	20,000	20,000	20,000		New
	Other	Kuhn	-	-	161,070		
	Radios and Various Other Minor Equipment	Kuhn	30,480	30,480	30,480		Replacement
			793,480	793,480	690,090		
			$ 10,650,556	$ 12,362,556	$ 13,894,357		

Commission Meeting Date: July 13, 2004

Date:	**June 24, 2004**
To:	**Honorable Mayor and City Commissioners**
From:	**Planning & Economic Development** CBC
RE:	**Request to Purchase Tax-Reverted Properties**

SUMMARY OF REQUEST:

The State of Michigan is again offering the City a number of tax-reverted lots acquired prior to 2002 and available to us under the "old program" for the bargain price of $300 for the first five lots and $20 for each of the remainder of the properties. Since the City continues to mow and maintain these lots, even though they are State-owned, it would be advanatageous to the City to take ownership of them. We can then attempt to sell them and get them back on the tax rolls.

FINANCIAL IMPACT:

Total cost of these 36 properties is $920.

BUDGET ACTION REQUIRED:

Expend the additional $920 necessary to purchase these parcels.

STAFF RECOMMENDATION:

To approve the request and to authorize the Mayor and Clerk to sign the attached resolution.

COMMITTEE RECOMMENDATION:

The Land Reutilization Committee recommended approval at their June 22, 2004 meeting.

Resolution No. 2004-61(c)

MUSKEGON CITY COMMISSION

WHEREAS, Act 451, P. A. 1994, as amended, provides for the conveyance of State-owned tax-reverted lands to municipal units for public purposes; and

WHEREAS, such lands are under the jurisdiction of the State of Michigan, Department of Natural Resources and are available for acquisition under the provisions of the above mentioned act; and

WHEREAS, the parcel numbers of these parcels are attached; and

WHEREAS, the City of Muskegon desires to acquire such lands for purposes of residential developments;

NOW THEREFORE BE IT RESOLVED that the City of Muskegon is authorized to make application to the State of Michigan, Department of Natural Resources, Real Estate Division for conveyance of said land to the City of Muskegon for a nominal fee as set by the Natural Resources Commission; and

FURTHER BE IT RESOLVED that the City of Muskegon shall set up necessary procedures and controls to provide for the property distribution of funds arising from the subsequent sale of the acquired property in conformity with the above mentioned acts.

Adopted this 13th day of July, 2004.

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

Nays: None

Absent: None

By: ______________________
Stephen J. Warmington
Mayor

Attest: Gail A. Kundinger
Gail A. Kundinger, MMC
Clerk

CERTIFICATION

I hereby certify that the foregoing constitutes a true and complete copy of a resolution adopted by the City Commission of the City of Muskegon, County of Muskegon, Michigan at a regular meeting held on July 13, 2004.

By: Gail A. Kundinger
Gail A. Kundinger, MMC
Clerk

TAX REVERTED PROPERTIES 2004

	Parcel Number	Address	Lot Size	Buildable?	Zoning
1	24-121-300-0116-00	877 Amity	66 x 132	Yes	R-1
2	24-205-043-0012-00	462 White	66 x 66	No	R-1
3	24-205-068-0010-00	438 E. Isabella	66 x 132	Yes	R-1
4	24-205-069-0006-00	1060 Williams	66 x 66	No	R-1
5	24-205-069-0008-00	492 E. Isabella	32 x 132	No	R-1
6	24-205-076-0008-10	572 Catherine	33 x 132	No	R-1
7	24-205-079-0003-00	437 Catherine	35 x 132	No	R-1
8	24-205-085-0006-20	1230 Holt	46 x 78	No	R-1
9	24-205-094-0002-00	449 McLaughlin	66 x 132	Yes	R-1
10	24-205-146-0008-00	431 Seaway Dr.	27.14 x 66	No	B-4
11	24-205-188-0001-00	881 Pine	74 x 124	Yes	B-5
12	24-205-206-0013-00	206 Myrtle	66 x 140	Yes	R-1
13	24-205-209-0002-00	239 Amity	33 x 132	No	R-1
14	24-205-240-0004-00	1282 Arthur	66 x 87.5	No	RM-1
15	24-205-247-0006-00	360 E. Isabella	66 x 132	Yes	R-1
16	24-205-249-0005-00	384 Catherine	66 x 132	Yes	B-1
17	24-205-266-0005-00	206 Irwin	76.5 x 158	Yes	R-1
18	24-205-275-0009-00	58 E. Grand	67 x 78.5	No	R-1
19	24-205-275-0011-00	1469 Jiroch	34.85 x 33.59	No	R-1
20	24-205-284-0009-10	372 E Forest Ave.	24 x 51	No	R-1
21	24-205-292-0023-10	1679 Terrace	54 x 130	Yes	R-1
22	24-205-307-0010-00	1783 Smith	45 x 126	No	R-1
23	24-205-322-0002-10	607 W. Clay	44 x 139	No	H
24	24-205-371-0011-00	458 Monroe	66 x 132	Yes	R-1
25	24-205-376-0006-10	431 Monroe	33 x 132	No	R-1
26	24-205-389-0008-00	352 Mason	66 x 132	Yes	R-1
27	24-205-392-0004-00	231 Mason	32 x 132	No	R-1
28	24-205-392-0012-00	1299 4th	50 x 66	No	R-1
29	24-205-408-0003-00	465 Washington	50 x 135	Yes	R-1
30	24-205-418-0013-20	373 W. Grand	50 x 60	No	R-1
31	24-205-430-0012-00	1589 Park	50 x 134	Yes	R-1
32	24-205-439-0006-10	408 W. Dale	45 x 100	No	R-1
33	24-205-441-0016-00	1638 6th	50 x 148	Yes	R-1
34	24-215-001-0017-00	1885 Continental	40 x 128	No	R-1
35	24-771-000-0017-00	529 Catawba	44 x 125	No	RM-1
36	24-769-000-0002-10	654 Orchard	66 x 78	Yes	R-1

DNR

QUIT CLAIM
PUBLIC USE DEED

No.506293

MICHIGAN DEPARTMENT OF NATURAL RESOURCES
OFFICE OF PROPERTY MANAGEMENT
Issued under Act 451, Public Acts of 1994, as amended.

THIS DEED, made this 13th day of October, 2004 BY AND BETWEEN, the DEPARTMENT OF NATURAL RESOURCES for the STATE OF MICHIGAN, by authority of the Natural Resource and Environmental Protection Act, Act 451 of the Public Acts of 1994, being Sections 324.501 to 324.511 of the Michigan Compiled Laws, as amended, hereafter called "Grantor", and

City of Muskegon
Planning Department
933 Terrace Street
P.O. Box 536
Muskegon, Michigan 49443

hereafter called "Grantee".

WITNESS, that the Grantor, acting for and in behalf of the State of Michigan by authority of Act 451, P.A. 1994, as amended, and for the sum of Nine Hundred Twenty and No/100 ($920.00) DOLLARS paid to it by Grantee, hereby grants, conveys, and quit-claims unto the Grantee and to Grantee's successors and assigns, for Public purposes, all the right, title and interest acquired by the State of Michigan in and to the following described land located in the County of Muskegon, State of Michigan:

City of Muskegon
T10N, R16W, Section 21; The East 66 feet of the West 544.5 feet of the North 165 feet of the SW ¼ of the SW ¼ of the SW ¼ EXCEPT the North 33 feet for street purposes
Parcel #24-121-300-0116-00
877 Amity

City of Muskegon
Revised Plat of 1903

Lot 12, Block 43
Parcel #24-205-043-0012-00
462 White

Lot 10, Block 68
Parcel #24-205-068-0010-00
438 E. Isabella

The North ½ of Lot 6, Block 69
Parcel #24-205-069-0006-00
1060 Williams

The East 32 feet of the North 44.5 feet of Lot 7 AND Lot 8 EXCEPT the East 20 feet, Block 69
Parcel #24-205-069-0008-00
492 E. Isabella

CONTINUED ON EXHIBIT A

It is expressly understood that when the above described land is no longer needed by the Grantee and sold for a valuable consideration, the proceeds from any such sale, in excess of expenditures for acquisition or improvement, shall be accounted for to the State and the local units of Government pro rata according to their several interests therein arising from the non-payment of taxes and special assessments thereon as appear in the offices of the State Treasurer, County, City, Village or Township Treasurers.

Exemption from State Transfer Tax is claimed under authority of Section 6(h)(i), Act 255, P.A. 1994 (207.526, Michigan Compiled Laws).

Exemption from County Real Property Transfer Fee is claimed under authority of Section 5(h), Act 134, P.A. 1966 (207.505, Michigan Compiled Laws).

SAVING AND RESERVING unto the State of Michigan, all aboriginal antiquities including mounds, earthworks, forts, burial and village sites, mines or other relics and also reserving the right to explore and excavating for the same, by and through its duly authorized agents and employees, pursuant to the provisions of part 761, Aboriginal Records and Antiquities, of the Natural Resources and Environmental Protection Act, Act 451 of the Public Acts of 1994, as amended.

The terms of this conveyance prohibit the severance of the oil, gas, mineral and other subsurface rights associated with this conveyance from the surface rights. If the oil, gas, mineral or other subsurface rights are ever severed from the surface rights, the severed oil, gas, mineral or other subsurface rights will revert to the State of Michigan.

The terms of this conveyance shall extend to the heirs, executors, administrators, successors and assigns of the parties hereto.

This property may be located within the vicinity of farmlands or a farm operation. Generally accepted agricultural practices, which may generate noise, dust, odors, and other associated conditions may be used and are protected by the Michigan Right to Farm Act.

IN WITNESS WHEREOF, the Grantor, by its Manager, Real Estate Services, has signed and affixed the seal of the Department of Natural Resources.

DEPARTMENT OF NATURAL RESOURCES
FOR THE STATE OF MICHIGAN

By: Robert L. Couvreur

Robert L. Couvreur, Manager
Real Estate Services
Office of Land and Facilities

STATE OF MICHIGAN
County of Ingham } ss.

The foregoing instrument was acknowledged before me this 13th day of October, 2004, by Robert L. Couvreur, Real Estate Services, Office of Land and Facilities of the Department of Natural Resources for the State of Michigan.

Deborah K Strzelec

Deborah K. Strzelec, Notary Public
State of Michigan, County of Ingham
My Commission Expires: August 22, 2008
Acting in the County of Ingham

Prepared by:
Debbie Strzelec
OFFICE OF LAND AND FACILITIES
MICHIGAN DEPARTMENT OF NATURAL RESOURCES
PO BOX 30448
LANSING MI 48909-7948

5124186
L-3623 P-848
10/20/2004 03:12P
Mark Fairchild, Muskegon Co ROD D02

EXHIBIT A FOR PUBLIC USE DEED NO. 506293

City of Muskegan
Revised Plat 1903

The East ½ of Lot 8, Block 76
Parcel #24-205-076-0008-10
572 Catherine

The West 35 feet of Lot 3, Block 79
Parcel #24-205-079-0003-00
437 Catherine

The South 46 feet of Lot 6 AND the South 46 feet of the West 12 feet of Lot 5, Block 85
Parcel #24-205-085-0006-20
1230 Holt

Lot 2, Block 94
Parcel #24-205-094-0002-00
449 McLaughlin

All that part of Lot 8, Block 146, lying NW'ly of the State Highway ROW
Parcel #24-205-146-0008-00
431 Seaway Drive

Lots 1 and 2 AND the N'ly 19 feet of Lot 3, Block 188; ALSO the E'ly ½ of the adjacent vacant alley
Parcel #24-205-188-0001-00
881 Pine

Lot 13, Block 206
Parcel #24-205-206-0013-00
206 Myrtle

The East ½ of Lot 2, Block 209
Parcel #24-205-209-0002-00
239 Amity

The West 87.5 feet of Lot 4, Block 240
Parcel #24-205-240-0004-00
1282 Arthur

Lot 6, Block 247
Parcel #24-205-247-0006-00
360 E. Isabella

Lot 5, Block 249
Parcel #24-205-249-0005-00
384 Catherine

Lot 5, Block 266
Parcel #24-205-266-0005-00
206 Irwin

The West ½ of Lot 9 AND the West ½ of the South 14.25 feet of Lot 8, Block 275
Parcel #24-205-275-0009-00
58 E. Grand

Part of Lot 11, Block 275 described as commencing at the NW corner of said Lot for the POB; th S 00°30' W 34.55 feet; th S 89°50' W 33.59 feet; th North 34.85 feet; th W'ly 33.58 feet to the POB
Parcel #24-205-275-0011-00
1469 Jiroch

The East ½ of Lot 9 AND the South 25 feet of the East 42 feet of Lot 8, Block 284
Parcel #24-205-284-0009-10
372 E. Forest Avenue

The South 54 feet of Lot 23, Block 292
Parcel #24-205-292-0023-10
1679 Terrace

Lot 10 AND the South ½ of Lot 11, Block 307; ALSO the North ½ of the adjacent vacant alley
Parcel #24-205-307-0010-00
1783 Smith

5124186
L-3623 P-848
10/20/2004 03:12P
Mark Fairchild, Muskegon Co ROD D02
Page: 3 of 4

City of Muskegon
Revised Plat of 1903

The East 2/3 of Lot 2, Block 322
Parcel #24-205-322-0002-10
607 W. Clay

Lot 11, Block 371
Parcel #24-205-371-0011-00
458 Monroe

The NE'ly ½ of Lot 6 AND the NE'ly ½ of the W'ly 33 feet of the SW'ly 66 feet of Lot 7, Block 376
Parcel #24-205-376-0006-10
431 Monroe

Lot 8, Block 389
Parcel #24-205-389-0008-00
352 Mason

The West 32 feet of Lot 4, Block 392
Parcel #24-205-392-0004-00
231 Mason

The Northwest 50 feet of Lot 12, Block 392
Parcel #24-205-392-0012-00
1299 4th

Lot 3, Block 408
Parcel #24-205-408-0003-00
465 Washington

The East 50 feet of the North 60 feet of Lots 13 and 14, Block 418
Parcel #24-205-418-0013-20
373 W. Grand

Lot 12, Block 430
Parcel #24-205-430-0012-00
1589 Park

The West 45 feet of the East 85 feet of Lots 6 and 7, Block 439
Parcel #24-205-439-0006-10
408 W. Dale

Lot 16, Block 441
Parcel #24-205-441-0016-00
1638 6th

City of Muskegon
Continental Addition
Lot 17, Block 1
Parcel #24-215-001-0017-00
1885 Continental

City of Muskegon
Subdivision of Block 95
Lot 17
Parcel #24-771-000-0017-00
529 Catawba

Date:	**June 25, 2004**
To:	**Honorable Mayor and City Commissioners**
From:	**Ric Scott**
RE:	**Leaking Underground Storage Tank Proposals**

SUMMARY OF REQUEST:

To extend the contract with ERM to begin the closures of the contaminated sites at Hartshorn Marina and Restlawn Cemetery.

FINANCIAL IMPACT:

$5,850 Hartshorn Marina

$15,900 Restlawn Cemetery

BUDGET ACTION REQUIRED:

Will need to adjust the Cemetery Budget. The Marina should not need adjustment.

STAFF RECOMMENDATION:

Approve

COMMITTEE RECOMMENDATION:

Date: June 25, 2004

To: Honorable Mayor and City Commissioners

From: Ric Scott

Re: Leaking Underground Storage Tank Proposals

Many years ago, the city bid out for contractual services to deal with leaking underground storage tanks at both Hartshorn Marina and Restlawn Cemetery. ERM was awarded the contract and the tanks were removed and clean up started. With the changing regs with DEQ, it was decided to do nothing for some time to see what changes in the DEQ requirements might do to reduce our closure costs.

Eric Gielow of our attorney's staff is recommending that we complete the clean up. Because ERM has the original contractor and they have all the backup data, Mr. Gielow requested a new proposal from ERM to complete this work. This is how similar projects have been done in the past throughout the city, as this is the least expensive way to get the work done.

ERM submitted a proposal for Hartshorn at $5,850 and for Restlawn at $15,900. Mr. Gielow has reviewed the proposals and is recommending that we approve the proposals.

The Cemetery Budget will need to be changed to reflect this work. The Marina will pay for the work within the current budget.

I would ask that you approve the contracts with ERM for the clean up of Hartshorn Marina and Restlawn Cemetery.

Thank you for your consideration.

PARMENTER O'TOOLE

Attorneys at Law

John M. Briggs, III
Michael L. Rolf
George W. Johnson
W. Brad Groom
Eric R. Gielow
John C. Schrier
Christopher L. Kelly
Linda S. Kaare
James R. Scheuerle
Philip M. Stoffan
William J. Meier
Keith L. McEvoy
Anna Urick Duggins
Scott M. Knowlton

175 West Apple Avenue ▪ P.O. Box 786 ▪ Muskegon, Michigan 49443-0786
Phone 231.722.1621 ▪ Fax 231.722.7866 or 231.728.2206
www.Parmenterlaw.com

Scott R. Sewick
Jeffery A. Jacobson
Dawn M. Goodwin
Thad N. McCollum

Of Counsel
Thomas J. O'Toole
Eric J. Fauri
Michael M. Knowlton

George A. Parmenter, 1903-1993

June 21, 2004

Mr. Ric Scott
Dept. of Leisure Services
City of Muskegon
933 Terrace Street
P.O. Box 536
Muskegon, MI 49443-0536

Re: ERM Proposals – Restlawn Cemetery and Hartshorn Marina
Our File 00100.7

Dear Ric:

We have reviewed the June 9, 2004 proposals developed by ERM for the above-referenced sites. The work proposed by ERM is responsive to DEQ requests and appears to meet the requirements of Parts 201 and 213 of the Natural Resources and Environmental Protection Act (NREPA), Act 451, as amended, with regard to investigation and delineation of contamination at those sites.

Please sign the Notices to Proceed where indicated and return them to my attention (an envelope has been provided for your use). We will attend to forwarding the signed notices to ERM. I am enclosing a copy of ERM's Master Consulting Agreement for your information.

Should you have any questions, don't hesitate to call.

Very truly yours,

Eric R. Gielow
231.722.5427
231.728.2206 Fax
erg@parmenterlaw.com

Encl.

G:\EDSI\FILES\00100\7\LTR\BM1794.DOC

AGENDA ITEM NO. ________________

CITY COMMISSION MEETING July 13, 2004

TO: Honorable Mayor and City Commissioners

FROM: Bryon L. Mazade, City Manager

DATE: July 12, 2004

RE: Local Law Enforcement Block Grant – Joint Spending Agreement

SUMMARY OF REQUEST:

To approve a joint spending agreement with the County for the City's Local Law Enforcement Block Grant (LLEBG). This is required because the U.S. Department of Justice has determined that disparate funding exists.

FINANCIAL IMPACT:

City of Muskegon	\$23,331
Muskegon County	\$ 8, 983 (use is for jail security services)
	\$32,314

BUDGET ACTION REQUIRED:

None

STAFF RECOMMENDATION:

To approve the above distributions.

AGENDA ITEM NO. ________________

CITY COMMISSION MEETING <u>July 13, 2004</u>

TO: Honorable Mayor and City Commissioners

FROM: Bryon L. Mazade, City Manager

DATE: July 13, 2004

RE: Application for Grant Funding for Fisherman's Landing

<u>SUMMARY OF REQUEST</u>:

To support a grant application for funding for new restroom and shower facilities at Fisherman's Landing.

<u>FINANCIAL IMPACT</u>:

None. Any grant match will be provided by Fisherman's Landing, Inc.

<u>BUDGET ACTION REQUIRED</u>:

None.

<u>STAFF RECOMMENDATION</u>:

To support a grant application and authorize staff to sign appropriate application documents and provide letter of support and/or resolution executed by Mayor and City Clerk.

<u>COMMITTEE RECOMMENDATION</u>:

The City Commission reviewed this matter at their work session on July 12, 2004.

Commission Meeting Date: July 13, 2004

Date: **June 23, 2004**

To: **Honorable Mayor and City Commissioners**

From: **Planning & Economic Development** CBC

RE: **Public Hearing - Request for an Industrial Facilities Exemption Certificate - SAPPI Fine Paper North America**

SUMMARY OF REQUEST:

Pursuant to Public Act 198 of 1974, as amended, SAPPI Fine Paper North America, 2400 Lakeshore Drive, has requested the issuance of an Industrial Facilities Exemption Certificate. Since the total capital investment for this project is $13,500,111 in personal property, this request qualifies for a 9-year exemption. The project will not create any new employment opportunities, but will retain 500 jobs currently at the plant.

FINANCIAL IMPACT:

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

BUDGET ACTION REQUIRED:

None

STAFF RECOMMENDATION:

Approval of the attached resolution granting an Industrial Facilities Exemption Certificate for a term of (9) years.

COMMITTEE RECOMMENDATION:

None

Resolution No. 2004-62(a)

MUSKEGON CITY COMMISSION

RESOLUTION APPROVING APPLICATION FOR ISSUANCE
OF INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE
SAPPI FINE PAPER NORTH AMERICA

WHEREAS, pursuant to P.A. 198 of 1974 as amended, after duly noticed pubic hearing held on December 14, 1983, this Commission by resolution established an Industrial Development District as requested by S.D. Warren Company, 2400 Lakeshore Drive, Muskegon, Michigan 49441; and

WHEREAS, SAPPI Fine Paper North America has filed an application for the issuance of an Industrial Facilities Tax Exemption Certificate with respect to a new machinery and equipment to be installed within said Industrial Development District; and

WHEREAS, before acting on said application the Muskegon City Commission held a public hearing on July 13, 2004, at the Muskegon City Hall in Muskegon, Michigan at 5:30 p.m. at which hearing the applicant, the assessor and representatives of the affected taxing units were given written notice and were afforded an opportunity to be heard on said application; and

WHEREAS, installation of machinery and equipment had not begun earlier than six (6) months before June 14, 2004, the date of the acceptance of the application for the issuance of an Industrial Facilities Tax Exemption Certificate; and

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

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

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

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

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

   Blks 598, 599,600,601,602, 603, & 604, excluding Wly 260 ft. also Richards Street vacated from N line Lakeshore Drive to Shore of Muskegon Lake excluding C & O ROW also Lot 19 Blk 597 excluding com @ SE corner said Lot 19 thence Nwly on Ely line said Lot 125 ft. thence Wly 70 ft. thence Sely 125 ft. to S line said Lot thence Ely 70 ft. to POB.

3) The Industrial Facilities Tax Exemption Certificate is issued and shall be and remain in force and effect for a period of nine (9) years on personal property.

Adopted this 13th Day of July 2004

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

Nays: None

Absent: None

BY: ______________________
Stephen J. Warmington
Mayor

ATTEST: Gail Kundinger
Gail Kundinger, MMC
Clerk

CERTIFICATION

I hereby certify that the foregoing constitutes a true and complete copy of a resolution adopted by the Muskegon City Commission, County of Muskegon, Michigan, at a regular meeting held on July 13, 2004.

Gail Kundinger
Gail Kundinger, MMC
Clerk

Michigan Department of Treasury, STC
1012 (Rev. 4/04)

APPLICATION FOR INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE

Issued under authority of P.A. 198 of 1974, as amended. Filing is mandatory.

INSTRUCTIONS: File the original and two copies of this form and the required attachments (three complete sets) with the clerk of the local government unit. The State Tax Commission (STC) requires two complete sets (one original and one copy). One copy is retained by the clerk. If you have any questions regarding the completion of this form or would like to request an information al packet, call (517) 373-3272

To be completed by Clerk of Local Government Unit	
Signature of Clerk	Date received by Local Unit
STC Use Only	
Application Number	Date Received by STC

APPLICATION INFORMATION

All boxes must be completed

1a. Company Name (Applicant must be the occupant/operator of the facility
Sappi Fine Paper North America

1b. Standard Industrial Classification (SIC) Code Sec. 2(10) (Four Digit Code)
2621

1c. Location of Facility (Street, City, State, ZIP)
2400 Lakeshore Drive, Muskegon, MI 49443

1d. Name of City/Township/Village (indicate which)
City of Muskegon

1e. County
Muskegon

2. Type of Approval Requested
☒ NEW (SEC. 2(4))
☐ SPECULATIVE BUILDING (SEC. 3(8)) ☐ TRANSFER (1 copy to only)
☐ RESEARCH and DEVELOPMENT (SEC.2(9)) ☐ REHABILITATION (SEC. 3(1))

3. School District Where Facility Is Located
Muskegon

a. School Code
61010

4. Amount of years requested for exemption (1 – 12 Years)
9 years after completion of project

5. Thoroughly describe the project for which exemption is sought: Real Property (Type of Improvements to Land, Building, Size of Addition); Personal Property (Explain New, Used, Transferred from Out-of-State, etc.) and Proposed Use of Facility. (Please attach additional pages(s) if more room is needed).

The applicant is engaged in the manufacturing of high-quality coated commercial printing paper products. The projects proposed herein will be used to improve the applicant's production process and thus permit applicant to be more cost competitive in the paper industry.

6a. Cost of land and building improvements (excluding cost of land) .... Real Property Costs
* Attach list of improvements and associated costs.
Real Property Costs
* Also attach a copy of building permit if project has already begun *** Pollution Control** $4,855,394

6b. Cost of machinery, equipment, furniture and fixtures .... $8,644,717 Personal Property Costs
* Attach itemized listing with month, day and year of beginning of installation plus total costs
Personal Property Costs

6c. Total Project Costs .... $13,500,111 Total of Real & Personal Costs

7. Indicate the time schedule for start and finish of construction and equipment installation. Projects must be completed within a two year period of the effective date of the certificate unless otherwise approved by the STC.

	Begin Date (M/D/Y)	End Date (M/D/Y)	
Real Property Improvements			☐ Owned ☐ Leased
Personal Property Improvements	1/1/2004	11/8/2004	☒ Owned ☐ Leased

8. Are State Education Taxes reduced or abated by the Michigan Economic Development Corporation (MEDC)? If yes, applicant must attach a signed MEDC Letter of Commitment to receive this exemption.
☐ Yes ☒ No

9. Number of existing jobs at this facility that will be retained as a result of this project.
500

10. Number of new jobs at this facility expected to be created within two years of project completion.
N/A

11. Rehabilitation applications only: Complete a, b, and c of this section. You must attaché the assessor's statement of valuation for the entire plant rehabilitation district. The SEV date below must be as of December 31 of the year prior to the rehabilitation.
a. SEV of Real Property (excluding land) .... N/A
b. SEV of Personal Property (excluding inventory) .... N/A
c. Total SEV .... N/A

12a. Check the type of District the facility is located in:
☒ Industrial Development District ☐ Plant Rehabilitation District

12b. Date district was established by local government unit
12/13/83

12c. Is this application for a speculative building (sec. 3(8))
☐ Yes ☒ No

Continue on Page 2

APPLICANT CERTIFICATION

The undersigned, authorized officer of the company making this application certifies that, to the best of his/her knowledge, no information contained herein or in the attachments hereto is false in any way and that all are truly descriptive of the industrial property for which this application is being submitted.

It is further certified that the undersigned is familiar with the provisions of P.A. 198 of 1974, as amended, being Sections 207.551 to 207.572, inclusive, of the Michigan Complied Las; and to the best of his/her knowledge and belief, (s)he has complied or will be able to comply with all of the requirements thereof which are prerequisite to the approval of the application by the local unit of government and the issuance of an Industrial Facilities Exemption Certificate by the State Tax Commission.

13a. Preparer Name Cindy Hendon / Valu Tec, Inc.	13b. Phone Number 260-490-2121	13c. Fax Number 260-490-1707	13d. E-mail Address chendon@valutec.com
14a. Name of Contact Person Same as 13a.	14b. Phone Number	14c. Fax Number	14d. E-mail Address
15a. Name of Company Officer (No Authorized Agents) John O'Brien			
15b. Signature of Company Officer (No Authorized Agents)			15c. Date June 8, 2004
15d. mailing Address (Street, City, State, Zip) 2400 Lakeshore Dr, Muskegon, MI		15e. Phone Number 231-759-5242	15f. E-mail Address john.o'brien@sappi.com

LOCAL GOVERNMENT ACTION & CERTIFICATION

This section must be completed by the clerk of the local governing unit before submitting application to the State Tax Commission. Check items on file at the Local Unit and those included with the submittal.

16. Action taken by local government unit ☐ Abatement Approved for .... Years (1-12) After Completion ☐ Yes ☐ No ☐ Denied (Include Resolution Denying)	16b. The State Tax Commission Requires the following documents be filed for an administratively complete application: ☒ 1. Original Application plus attachments, and one complete copy ☐ 2 Resolution establishing district ☐ 3. Resolution approving/denying application ☒ 4. Letter of Agreement (Signed by local unit and applicant) ☒ 5. Affidavit of Fees (Signed by local unit and applicant) ☐ 6. Building Permit for real improvement if project has already begun ☒ 7. Equipment List with dates of beginning of installation ☐ 8. Form 3222 (if applicable) ☐ 9. Speculative building resolution and affidavits (if applicable)
16a. Documents Required to be on file with the Local Unit **Indicate N/A if Not Applicable** ☐ 1. Notice to the public prior to hearing establishing a district ☐ 2. Notice to taxing authorities of opportunity for a hearing. ☐ 3. List of taxing authorities notified for district and application action. ☐ 4. Lease Agreement showing applicants tax liability.	
12b. Date district was established by local government unit	12c. Is this application for a speculative building (sec. 3(8)) ☐ Yes ☐ No
17. Name of Government Body	

Attached hereto is an original and one copy of the application and all documents listed in 16b. I also certify that all documents listed in 16a are on file at the local unit for inspection at any time.

19a. Signature of Clerk	19b. Name of Clerk	19c. E-mail Address
19d. Clerk's Mailing Address (Street, City State, ZIP)	19e. Phone Number	19f Fax Number

State Tax Commission Rule Number 57: Complete applications approved by the local unit and received by the State Tax Commission by October 31 each year will be acted upon by December 31. Application received after October 31 may be acted upon in the following year

Local Unit: Mail one original and one copy of the completed application and all required attachments to:
State Tax Commission
Michigan Department of Treasury
P.O. Box 30471
Lansing, MI 48909-7971

STC USE ONLY			
LUCI Code	Begin Date	End Date	End Date2

MUSKEGON

West Michigan's Shoreline City

City of Muskegon Industrial Facilities Exemption Application Summary Sheet

Project Summary:

SAPPI FINE PAPER – NORTH AMERICA, an existing manufacturing company located at 2400 Lakeshore Drive, Muskegon, Michigan, is installing new machinery and equipment to expand its present operation. The company manufactures high quality coated commercial printing paper products. Due to the fact that the company is investing more than $13 million, it is eligible for the three (3) year investment bonus in addition to the standard six (6) year exemption for personal property.

Employment Information:

Racial Characteristics:			
	White	463	(84%)
	Minority	84	(16%)
	Total	547	
Gender Characteristics:			
	Male	477	(87.2%)
	Female	70	(12.8%)
	Total	547	

Investment Information:

Real Property:	$0
Personal Property	$13,500,111
Total:	$13,500,111

Property Tax Information (Annual)	All Jurisdictions	City Only
Total New Taxes Generated	$378,003	$67,500
Value of Abatement	$189,002	$33,750
Total New Taxes Collected	$189,002	$33,750

Income Tax Information: (Annual)
Total Additional Income Tax Generated: **$0**

Company Requirements:

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

Lonna Anguilm
Assistant Planner

Ken James
Affirmative Action

CITY OF MUSKEGON

LEGAL NOTICE

NOTICE IS HEREBY GIVEN that public hearings will be held concerning the issuance of an ***Industrial Facilities Exemption Certificate for Sappi Fine Paper North America, 2400 Lakeshore Drive, Muskegon, Michigan***, as provided for by Act 198 of the Michigan Public Acts of 1974 as amended. The hearing will be held by the City Commission of the City of Muskegon on ***July 13, 2004***, at 5:30 p.m. at the Muskegon City Hall, 933 Terrace Street, Muskegon, Michigan. Owners of property and any residents or taxpayers of the City of Muskegon shall have the right to appear and be heard.

Gail Kundinger, City Clerk

Publish: July 3, 2004

Commission Meeting Date: July 13, 2004

Date:	**June 29, 2004**
To:	**Honorable Mayor and City Commissioners**
From:	**Planning & Economic Development** CBC
RE:	**Public Hearing - Request for the Establishment of an Industrial Development District – Northern Machine Tool Company**

SUMMARY OF REQUEST:

Pursuant to Public Act 198 of 1974, as amended, Northern Machine Tool Company, 761 Alberta Avenue, Muskegon, Michigan, has requested the establishment of an Industrial Development District for property located at 2380 Henry Street, Muskegon, Michigan. The project will result in the creation of 3 new jobs and $770,000 in private investment.

FINANCIAL IMPACT:

Certain additional income and property taxes will be collected.

BUDGET ACTION REQUIRED:

None

STAFF RECOMMENDATION:

Approval of the attached resolution establishing the Industrial Development District for Northern Machine Tool Company.

COMMITTEE RECOMMENDATION:

None

Resolution No. 2004-62(b)

MUSKEGON CITY COMMISSION

RESOLUTION APPROVING REQUEST
FOR ESTABLISHMENT OF INDUSTRIAL DEVELOPMENT DISTRICT
Northern Machine Tool Company

WHEREAS, pursuant to Act No. 198 of the Public Acts of 1974, as amended, the City of Muskegon has the authority to establish an "Industrial Development District" within the City of Muskegon; and

WHEREAS, Northern Machine Tool Company, 761 Alberta Avenue Muskegon, Michigan, has requested the City of Muskegon to establish an Industrial Development District on property located at 2380 Henry Street, Muskegon, Muskegon hereinafter described; and

WHEREAS, Northern Machine Tool Company will locate production facilities within the Industrial Development District; and

WHEREAS, construction, acquisition, alterations, or installation of a proposed facility has not commenced at the time of filing the request to establish this district; and

WHEREAS, written notice has been given by mail to all owners of real property located within the proposed district, and to the public by newspaper advertisement in the *Muskegon Chronicle* and public posting of the hearing on the establishment of the proposed district; and

WHEREAS, a public hearing on the establishment of an Industrial Development District was held on July 13, 2000, at the regular City Commission meeting at the Muskegon City Hall at which time all of the owners of real property within the proposed district, all residents and taxpayers of the City of Muskegon, and the affected taxing jurisdictions were afforded an opportunity to be heard thereon.

NOW THEREFORE BE IT RESOLVED THAT, the Muskegon City Commission deems it to be in the best interest of the City of Muskegon that the following described land situated in the City of Muskegon, Muskegon County, and the State of Michigan, to wit:

> ***CITY OF MUSKEGON SEC 31 T10N R16W N 153.12 FT OF S 178.87 FT OF W 209 FT OF NW FLY ¼ OF SW ¼ SEC 31 T10N R16W W 33 FT USED FOR ST***

Be and here established as an Industrial Development District pursuant to the provisions of Act 198 of the Public Acts of 1974 to be known as **Northern Machine Tool Company District No.** 2004-62(b)

BE IT FURTHER RESOLVED that the Industrial Development District will be rescinded following the completion of capital acquisition and/or improvement activities.

Resolution declared adopted.

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

Nays: None

Absent: None

By: ______________________
Stephen J. Warmington
Mayor

Attest: Gail Kundinger
Gail Kundinger, MMC
Clerk

CERTIFICATION

I hereby certify that the foregoing constitutes a true and complete copy of a resolution adopted by the City Commission of the City of Muskegon, County of Muskegon, Michigan, at a regular meeting held on July 13, 2004.

Gail Kundinger
Gail Kundinger, MMC
Clerk

Commission Meeting Date: July 13, 2004

Date: **June 29, 2004**

To: **Honorable Mayor and City Commissioners**

From: **Planning & Economic Development** CBL

RE: **Public Hearing - Request for an Industrial Facilities Exemption Certificate – Northern Machine Tool Company**

SUMMARY OF REQUEST:

Pursuant to Public Act 198 of 1974, as amended, Northern Machine Tool Company, 761 Alberta Avenue, has requested the issuance of an Industrial Facilities Exemption Certificate for the property located at 2380 Henry Street, Muskegon. The total capital investment for this project is $450,000 in real property and $250,000 in personal property for a total of $700,000 and will create 3 new employment opportunities. This request qualifies Northern Machine Tool Company for a 12-year exemption for real property and a 6-year exemption for personal property. Northern Machine Tool Company's current workforce is 45.

FINANCIAL IMPACT:

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

BUDGET ACTION REQUIRED:

None

STAFF RECOMMENDATION:

Approval of the attached resolution granting an Industrial Facilities Exemption Certificate for a term of twelve (12) years for real property and six (6) years for personal property.

COMMITTEE RECOMMENDATION:

None

Resolution No. 2004-62(c)

MUSKEGON CITY COMMISSION

RESOLUTION APPROVING APPLICATION FOR ISSUANCE
OF INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE
NORTHERN MACHINE TOOL COMPANY

WHEREAS, pursuant to P.A. 198 of 1974 as amended, after duly noticed pubic hearing held on July 13, 2004, this Commission by resolution established an Industrial Development District as requested by Northern Machine Tool Company, 2380 Henry Street, Muskegon, Michigan 49441; and

WHEREAS, Northern Machine Tool Company has filed an application for the issuance of an Industrial Facilities Tax Exemption Certificate with respect to a building expansion and new machinery and equipment to be installed within said Industrial Development District ; and

WHEREAS, before acting on said application the Muskegon City Commission held a public hearing on July 13, 2004, at the Muskegon City Hall in Muskegon, Michigan at 5:30 p.m. at which hearing the applicant, the assessor and representatives of the affected taxing units were given written notice and were afforded an opportunity to be heard on said application; and

WHEREAS, the building expansion and installation of machinery and equipment has not begun as of July 13, 2004; and

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

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

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

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

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

   CITY OF MUSKEGON SEC 31 T10N R16W N 153.12 FT OF S 178.87 FT OF W 209 FT OF NW FLY ¼ OF SW ¼ SEC 31 T10N R16W W 33 FT USED FOR ST

3) The Industrial Facilities Tax Exemption Certificate is issued and shall be and remain in force and effect for a period of twelve (12) years on real property and six (6) years on personal property.

Adopted this 13th Day of July 2004

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

Nays: None

Absent: None

BY: ______________________
Stephen J. Warmington
Mayor

ATTEST: Gail Kundinger
Gail Kundinger, MMC
Clerk

CERTIFICATION

I hereby certify that the foregoing constitutes a true and complete copy of a resolution adopted by the Muskegon City Commission, County of Muskegon, Michigan, at a regular meeting held on July 13, 2004.

Gail Kundinger
Gail Kundinger, MMC
Clerk

Commission Meeting Date: July 13, 2004

Date: **May 17, 2004**

To: **Honorable Mayor & City Commission**

From: **Planning & Economic Development Department**

RE: **Public Hearing for Amendments to Brownfield Plan- Art Works Apartments**

SUMMARY OF REQUEST: To hold a public hearing and approve the attached resolution approving and adopting amendments for the Brownfield Plan. The amendments are for the inclusion of property owned by Boiler Works, LLC in the Brownfield Plan.

FINANCIAL IMPACT: There is no direct financial impact in approving the Brownfield Plan amendments, although the redevelopment of the property into an Art Works space (with residential and gallery space) will add to the tax base of the City of Muskegon.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To hold the public hearing and approve the attached resolution and authorize the Mayor and Clerk to sign the resolution.

COMMITTEE RECOMMENDATION: The Muskegon City Commission set the public hearing for July 13, 2004, at their June 22, 2004 meeting. Since that time, a notice of the public hearing has been sent to taxing jurisdictions, and it has been published twice In the Muskegon Chronicle. In addition, the Brownfield Redevelopment Authority approved the Plan amendment on June 21, 2004 and further recommends that the Muskegon City Commission approve the Plan amendment.

LEASE

This Lease was entered into as of July 1, 2004 between **Triple O Enterprises, LLC**, a Michigan limited liability company, of 761 Alberta Avenue, Muskegon, Michigan 49441 ("Landlord") and **Northern Machine Tool Company** a Michigan corporation, of 761 Alberta Avenue, Muskegon, Michigan 49441 ("Tenant").

Landlord and Tenant agree as follows:

1. **Description of Premises.** Landlord leases to Tenant, and Tenant rents from Landlord, the property located at 2380 and 2390 Henry Street, Muskegon Michigan (the "Premises"). Tenant has inspected the Premises, and agrees to accept the Premises in its present "as is" condition. The Premises is legally described on Exhibit A.

2. **Term.** The term of this lease (the "Term") shall commence on the date Landlord closes on the purchase of the Premises, and shall terminate on December 31, 2010, unless sooner terminated under the other terms of this Lease. If Tenant continues to use the Premises after expiration of the Term, Tenant shall become a tenant from month to month, at the rental and upon the same terms and conditions specified in this Lease.

3. **Use of Premises.** Tenant may use the Premises for the operating of a machine shop and tool and die manufacturing and for any other purpose not prohibited to Tenant under any laws and regulations to which Tenant or the Premises are subject.

4. **Rent.** Tenant shall pay to Landlord, as rent, an amount equal to $3.00 per square foot per year based on the final square footage of the building constructed on the Premises. The rent will be paid in equal monthly installments commencing on the day Landlord closes on the purchase of the Premises. Rent for the first month shall be prorated based on the actual number of days of the first month that Landlord owns the Premises. Thereafter, monthly installment of rent shall be paid in advance on the first day of each month during the Term. The rental provided for in this Lease shall be an absolute net return to Landlord for the Term, free from any offset for losses, expenses or charges with respect to the Premises, including maintenance, repair, insurance, taxes, assessments or other charges imposed upon or related to the Premises, or with respect to any easements or rights appurtenant thereto.

5. **Taxes.** Tenant shall pay, prior to the imposition of any penalty or interest, all real and personal property taxes, installments of special assessments and other governmental charges of any kind which become due during the Term and which are levied against the Premises, the leasehold estate or subleasehold estate (including any and all taxes imposed by the United States of America, or any state, municipality or political subdivision thereof), without proration. Landlord shall be responsible for all real property taxes and special assessments that become due prior to or after the Term without proration.

6. **Insurance and Indemnity.**

a. Tenant shall, at its own cost and expense, procure and maintain in full force and effect fire and extended coverage insurance with an all-risk endorsement on the Premises for its full insurable replacement cost (excluding foundations and excavation).

b. Tenant shall, at its sole cost and expense, procure and maintain in full force and effect during the Lease term, comprehensive public liability and property damage insurance for claims of personal injury, death or property damage occurring in, about or as a result of the use of the Premises, with single limit liability coverage of not less than $1,000,000.

c. All insurance policies required hereunder, which may be so-called "blanket policies," shall: (i) name Landlord, Tenant, and any mortgagees as insureds; (ii) be payable as provided in paragraph 11; and (iii) be purchased from companies reasonably satisfactory to Landlord.

d. Subject to the provisions of paragraph 11, Tenant shall indemnify and hold Landlord and any mortgagees harmless from all claims, demands, actions, losses, damages and liabilities and all fees, costs and expenses (including reasonable attorneys' fees) relating to or in any way arising with regard to the Premises or from the use of the Premises, from any cause whatsoever.

e. Tenant, for itself and its respective successors and assigns (including any person, firm or corporation which may become subrogated to any of its rights), waives any and all rights and claims for recovery against Landlord, and its officers, employees, agents, and assigns, or any of them, on account of any loss or damage to any of its property insured under any valid and collectible insurance policy or policies, to the extent of any recovery collectible under such insurance policies.

7. **Construction Liens.** Tenant shall keep the Premises free from any liens arising out of any work performed thereon, materials furnished thereto or obligations incurred by Tenant. Tenant shall indemnify, defend and hold Landlord harmless against all liability, loss, damage, costs and all other expenses arising out of claims of lien for work performed or materials furnished to or for the benefit of Tenant.

8. **Repairs and Maintenance.** Tenant shall keep and maintain the Premises, and every part thereof, including, but not limited to, all structural, nonstructural, roof, interior and exterior portions of the buildings and improvements located upon the Premises, in good and sanitary order, condition and repair, and will deliver the same to Landlord at the expiration of the Term in as good a condition as when received, except for reasonable use and wear thereof.

9. **Alterations or Improvements.** Tenant may, at its expense, make what alterations, improvements, additions, and changes to the Premises it deems necessary or expedient in the operation of the Premises. Tenant shall not, however, without Landlord's written consent, tear down or materially demolish any improvement on the Premises, or make any material change or alteration, if the improvement, when completed, will substantially diminish the value of the Premises. Tenant shall not make any change in or alteration to the Premises which violates the terms of any mortgage then a lien upon the Premises, or of any policy of insurance in force with respect to the Premises. All alterations, improvements or additions to the Premises shall become the property of Landlord and be surrendered with the Premises at the termination of this Lease.

10. **Utilities.** During the Term, Tenant shall pay for all gas, heat, light, power, water, sewer, telephone or other communication service, janitorial services, garbage disposal and all

other utilities and services supplied to Tenant upon the Premises. Landlord shall not be liable to Tenant for damages or otherwise for any failure or interruption of any such service furnished to the Premises.

11. **Restoration.**

a. If the Premises is damaged or destroyed, in whole or in part, Tenant shall repair, restore, replace or rebuild the Premises, or the part thereof so damaged, as nearly as possible to the value, condition and character of the Premises immediately prior to the occurrence of such damage or destruction. Tenant shall not be entitled to an abatement of rent during the construction period.

b. All insurance proceeds payable as a result of any damage to or destruction of the Premises shall be paid to Landlord or any mortgagee designated by Landlord and be disbursed as reconstruction work progresses. If the insurance proceeds are insufficient to pay for all restoration work, then Tenant shall pay any additional amounts necessary to restore the Premises, prior to disbursement of the insurance proceeds. Upon completion of the restoration, and payment for all restoration work, all remaining insurance proceeds shall be retained by Landlord or any mortgagee designated by Landlord.

c. Notwithstanding the foregoing provisions of this paragraph 12, if the damage to or destruction of the Premises cannot be repaired within 120 days of the damage, either Landlord or Tenant may terminate this Lease by giving 10 days' prior written notice to the other party within 30 days after the damage or destruction occurs. If the Lease is terminated pursuant to this paragraph, all insurance proceeds payable as a result of the damage or destruction shall be retained by Landlord or any mortgagee designated by Landlord.

12. **Condemnation.** If all or any substantial part of the Premises is taken or condemned by a governmental authority, or shall be conveyed by Landlord to a governmental authority under a threat of such taking or condemnation, the rights and obligations of Landlord and Tenant with respect to such taking or condemnation shall be as provided in this paragraph. If 25% or more of the gross floor area of the buildings located upon the Premises is so taken, condemned or conveyed, or if the Premises is rendered unsuitable for Tenant's use, this Lease shall terminate as of the date of such taking, condemnation or conveyance, and rent shall be prorated as of such date. If less than 25% of the gross floor area of the buildings located upon the Premises is taken, condemned or conveyed, and the Premises remains suitable for the Tenant's use, this Lease shall remain in effect; provided, however, that the rent payable by Tenant shall be reduced for the remainder of the Term in the same proportion which the number of square feet of gross floor area within the buildings located upon the Premises following such taking, condemnation or conveyance bears to the number of square feet of gross floor area within the buildings located upon the Premises prior to such taking, condemnation or conveyance. To the extent that the award made for the taking is available to Landlord, Landlord shall, at its own cost and expense, make all necessary repairs or alterations to the Premises so as to constitute the portion of the Premises not taken as a complete unit, and Tenant shall have no obligation to make any such repairs or alterations. Landlord shall be entitled to the entire award made for any taking, condemnation or conveyance, except that Tenant shall not be precluded from pursuing any claim directly against the condemning authority for its loss.

13. **Assignment and Subletting.** Tenant may not assign this Lease or sublet all or any part of the Premises at any time during the Term of this Agreement without the prior written consent of Landlord, which may be withheld for any reason. The sale, issuance, or transfer of any voting capital stock of Tenant which results in a change in the voting control of Tenant shall be deemed to be an assignment of this Lease which requires the Landlord's prior written consent under this paragraph 14. Sale or purchase of capital stock to or from employees or issuance of stock dividends or splits shall not require approval of the Landlord.

14. **Default.** If default is made by Tenant in the payment of rent or in the performance of any of the conditions or covenants in this Lease, and if such default shall continue for a period of 10 days after written notice is given to Tenant by Landlord specifying the default, then Landlord shall have the right to reenter the Premises and remove Tenant and all persons therefrom and shall have the right to terminate this Lease. If default is made by Tenant and Landlord exercises its option to terminate this Lease, in addition to all other remedies now or hereafter provided to Landlord, Landlord may proceed to re-rent the Premises and collect from Tenant any deficiency between the rent payable hereunder and the rent received from any replacement tenant.

15. **Quiet Enjoyment.** Landlord covenants that, upon Tenant's paying the rent and performing all of the terms, covenants and conditions Tenant is to perform hereunder, Tenant shall peaceably and quietly enjoy the Premises, free of claims of paramount title or of any person claiming under or through Landlord, and free and clear of all exceptions, reservations or encumbrances other than those set forth in this Lease, and those Tenant subsequently approves in writing.

16. **Successors and Assigns.** This Lease shall be binding upon and inure to the benefit of the parties hereto and their personal representatives, heirs, successors and assigns.

17. **Headings.** The headings contained herein are for the convenience of the parties and are not to be used in construing this Lease.

18. **Remedies Cumulative; Waiver.** All rights and remedies of Landlord are cumulative, and not exclusive, and shall be in addition to all other rights and remedies provided by applicable law. Failure to exercise or delay in exercising any right or remedy shall not operate as a waiver thereof, nor excuse future performance. No waiver, discharge or renunciation of any claim or right arising out of a breach of these terms and conditions shall be effective unless in a writing signed by the party so waiving and supported by consideration. Any waiver of any breach shall be a waiver of that breach only and not of any other breach, whether prior or subsequent thereto.

19. **Choice of Law; Invalidation of Terms.** This Lease shall be governed by and construed in accordance with the laws of the State of Michigan that are applicable to leases made and to be performed in that state. The invalidation of one or more Lease terms shall not affect the validity of the remaining terms.

20. **Notices.** All notices shall be given in writing upon the parties. Any notice shall be deemed to have been given when personally delivered or when sent by certified mail, return receipt requested and postage prepaid.

21. **Amendment.** This Lease represents the entire agreement between the parties. It may not be amended, altered or modified except by a writing signed by the party against whom enforcement of any waiver, change, modification or discharge is sought.

Landlord and Tenant have executed this Lease effective on the day and year first above written.

Landlord - Triple O Enterprises, LLC

By: ______________________________
Stephen G. Olsen, Member

and: ______________________________
Daniel P. Olsen, Member

Tenant - Northern Machine Tool Company

By: ______________________________
Stephen G. Olsen, President

Commission Meeting Date: July 13, 2004

Date: May 17, 2004

To: Honorable Mayor & City Commission

From: Planning & Economic Development Department

RE: Public Hearing for Amendments to Brownfield Plan- Northern Machine Tool Expansion

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SUMMARY OF REQUEST: To hold a public hearing and approve the attached resolution approving and adopting amendments for the Brownfield Plan. The amendments are for the inclusion of property owned by Triple O Enterprises, LLC in the Brownfield Plan.

FINANCIAL IMPACT: There is no direct financial impact in approving the Brownfield Plan amendments, although the Northern Machine Tool expansion will add to the tax base of the City of Muskegon.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To hold the public hearing and approve the attached resolution and authorize the Mayor and Clerk to sign the resolution.

COMMITTEE RECOMMENDATION: The Muskegon City Commission set the public hearing for July 13, 2004, at their June 22, 2004 meeting. Since that time, a notice of the public hearing has been sent to taxing jurisdictions, and it has been published twice In the Muskegon Chronicle. In addition, the Brownfield Redevelopment Authority approved the Plan amendment on June 21, 2004 and further recommends that the Muskegon City Commission approve the Plan amendment.

RESOLUTION APPROVING THE BROWNFIELD PLAN AMENDMENT

NORTHERN MACHINE TOOL EXPANSION PROJECT

City of Muskegon

County of Muskegon, Michigan

2004-62(d1)

Minutes of a Regular Meeting of the City Commission of the City of Muskegon, County of Muskegon, Michigan (the "City"), held in the City Commission Chambers, on the 13th day of July, 2004, at 5:30 o'clock p.m., prevailing Eastern Time.

PRESENT: Members

Carter, Davis, Gawron, Larson, Shepherd, Spataro, Warmington

ABSENT: Members

None

The following preamble and resolution were offered by Member Gawron, and supported by Member Spataro:

WHEREAS, in accordance with the provisions of Act 381, Public Acts of Michigan, 1996, as amended ("Act 381"), the City of Muskegon Brownfield Redevelopment Authority (the "Authority") has prepared and approved a Brownfield Plan Amendment to add Northern Machine Tool Expansion project; and

WHEREAS, the Authority has forwarded the Brownfield Plan Amendment to the City Commission requesting its approval of the Brownfield Plan Amendment; and

WHEREAS, the City Commission has provided notice and a reasonable opportunity to the taxing jurisdictions levying taxes subject to capture to express their views and recommendations regarding the Brownfield Plan Amendment, as required by Act 381; and

WHEREAS, not less than 20 days has passed since the City Commission provided notice of the proposed Brownfield Plan to the taxing units; and

WHEREAS, the City Commission held a public hearing on the proposed Brownfield Plan on July 13, 2004.

NOW, THEREFORE, BE IT RESOLVED, THAT:

1. Definitions. Where used in this Resolution the terms set forth below shall have the following meaning unless the context clearly requires otherwise:

"Eligible Property" means the property designated in the Brownfield Plan as the Eligible Property, as described in Act 381.

"Brownfield Plan" means the Brownfield Plan prepared by the Authority, as transmitted to the City Clerk by the Authority for approval, copies of which Brownfield Plan are on file in the office of the City Clerk.

"Taxing Jurisdiction" shall mean each unit of government levying an ad valorem property tax on the Eligible Property.

2. Public Purpose. The City Commission hereby determines that the Brownfield Plan Amendment constitutes a public purpose.

3. Best Interest of the Public. The City Commission hereby determines that it is in the best interests of the public to promote the revitalization of eligible properties in the City to proceed with the Brownfield Plan Amendment.

4. Review Considerations. As required by Act 381, the City Commission has, in reviewing the Brownfield Plan Amendment, taken into consideration

whether the Brownfield Plan Amendment meets the requirements set forth in Section 13 of Act 381.

5. Approval and Adoption of Brownfield Plan Amendment. The Brownfield Plan Amendment as submitted by the Authority is hereby approved and adopted. A copy of the Brownfield Plan and all amendments thereto shall be maintained on file in the City Clerk's office.

6. No Capture of Tax Increment Revenues by Authority. The Authority shall not capture Tax Increment Revenues on the Eligible Property, as described in the Brownfield Plan Amendment.

7. Disclaimer. By adoption of this resolution and approval of the Brownfield Plan Amendment, the City assumes no obligation or liability to the owner, developer or lessor of the Eligible Property for any loss or damage that may result to such persons from the adoption of this resolution and Brownfield Plan Amendment The City makes no guarantees or representations as to the determinations of the appropriate state officials regarding the ability of the owner, developer or lessor to qualify for a single business tax credit pursuant to Act 228, Public Acts of Michigan, 1975, as amended, or as to the ability of the Authority to capture tax increment revenues from the State and local school district taxes for the Brownfield Plan.

8. Repealer. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same hereby are rescinded.

AYES: Members

Spataro, Warmington, Carter, Davis, Gawron, Larson, Shepherd

NAYS: Members

None

RESOLUTION DECLARED ADOPTED.

Gail A. Kundinger

Gail A. Kundinger, City Clerk

Stephen J. Warmington, Mayor

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Commission of the City of Muskegon, County of Muskegon, State of Michigan, at a regular meeting held on July 13, 2004, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, as amended, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

Gail A. Kundinger

Gail A. Kundinger, City Clerk

CITY OF MUSKEGON

CONTRACT FOR TAX ABATEMENT
Act 198 Public Acts of 1974

AGREEMENT between CITY OF MUSKEGON, a municipal corporation of 933 Terrace Street, Muskegon, Michigan 49441, ("City") and NORTHERN MACHINE TOOL COMPANY ("Company").

Recitals:

A. The Company has applied to City for the establishment of an industrial development district or industrial rehabilitation district pursuant to the provisions of Act 198 of the Public Acts of 1974, as amended, which act requires a contract between the City and the Company to be agreed and submitted with the Company's subsequent anticipated application for an industrial facilities exemption certificate.

B. That in addition to the statutory requirement, the City has determined that it is in the best interests of the taxpayers, property owners and residents of the City that this Agreement be approved and executed prior to the establishment of the requested district, and the City deems this Contract, together with the conditions set forth in the said Act to constitute a necessary element in the City's determination whether or not to create the district.

C. The Company intends to install the project set forth in its application ("project") which it believes qualifies for the process of establishing the district and the application for industrial facilities exemption certificate.

D. The City, provided this Agreement is executed, will determine whether to create the district based upon the potential for the production of permanent jobs, the continuation, stabilization or increase of economic activity, planning and zoning considerations and the City's general plan and intentions regarding economic development. In addition to the City policy considerations and predictions that the Company's proposed district and certificate benefit the community in those ways, the City has further determined that the contractual commitments made by the Company to thereby assist the community shall be binding on the Company and necessary to continue the tax exemption made possible by the certificate.

E. This contract shall become effective upon the issuance of an Industrial Facilities Tax Exemption Certificate.

NOW THEREFORE THE PARTIES AGREE:

1. **COMPANY AGREEMENT**. The Company irrevocably commits to the investment, job retention and job creation promises made in its application, a copy of which is attached hereto and incorporated herein. In particular the Company agrees:

1.1 That _________ percent of the promised new jobs shall be in place with full-time employees on or before ____________, 20_____, and ___100_____ percent of the said jobs shall be in place with full time employees on or before July 13, 2006. Finally, 100% of the jobs shall be filled and in existence with full-time employees by a date no later than two (2) years from the date of the granting of the certificate by the State Tax Commission, subject to the provisions of section 3.4 of this agreement.

1.2 That the amount of jobs listed on the application, whether new or retained, will be maintained through the life of the abatement, subject to the provisions of section 3.4 of this agreement.

1.3 The Company shall meet the affirmative action goal included in the application or in any documents supplied by the City and utilized by the Company, including any additional representations made to the City Commission on or before the date two (2) years after the granting of the certificate by the State Tax Commission. It shall maintain the said levels of employment diversity during the period of the certificate, subject to the provisions of section 3.4 of this agreement.

1.4 The Company, by the end of two (2) years from the date of the grant of the certificate by the State Tax Commission shall have completed the investment of $700,000 in the equipment and improvements as shown in the application, subject to the provisions of section 3.4 of this agreement.

1.5 That the improvements and equipment to receive the tax abatement treatment shall be completed on or before the date two (2) years from the date of granting of the certificate by the State Tax Commission.

1.6 The Company shall pay its specific taxes required by the act in a timely manner, and shall not delay payments so as to incur any penalties or interest.

1.7 The Company shall fully cooperate with the City representatives in supplying all requested and required documentation regarding jobs, investment, the meeting of all goals and the timely installation and utilization of equipment and improvements. The City shall be entitled to inspect at reasonable hours the Company's premises where the said improvements and equipment have been installed and where the said jobs are performed.

1.8 The Company shall maintain, during the entire period for which the tax abatement is granted, the level of jobs, affirmative action goals, production and utilization of the improvements and equipment at the site where the district has been created and for which the tax exemption has been granted.

1.9 The Company shall not cause or fail to cure the release of any hazardous substance, or the violation of any environmental law on its premises in the City. It shall report any releases to the appropriate governmental authority in a timely and complete manner, and provide copies of said report documentation to the City. It shall comply with all orders and actions of any governmental agency having authority.

1.10 The Company shall maintain the equipment and improvements so as to minimize physical or functional obsolescence.

1.11 The Company shall continue to operate its business location in the City, containing the same number of and type of jobs, for the term of the certificate.

2. **AGREEMENT BY THE CITY**. Provided this contract has been executed and further provided all applications to create the district and achieve the industrial facility exemption certificate have been properly filed, the City shall, in a timely manner, determine in a public meeting to whether to create the district and whether to receive, process, and approve thereafter the Company's application for an industrial facilities exemption certificate. The City may consider this contract in a meeting separate from and prior to the meeting in which the City considers the creation of the district and/or approval of the application for certificate. Further, the City shall require the submission of this contract signed by the Company together with its applications, before creating the district.

3. **EVENTS OF DEFAULT**. The following actions or failures to comply shall be considered events of default by the Company:

3.1 Failure to meet any of the commitments set forth above.

3.2 The closing of the Company's facilities in the City. Closing shall mean for purpose of this Agreement, the removal, without transfer to another site within the City of substantially all of the production facilities, and the elimination of substantially all the jobs created or retained thereby, which are set forth in the Company's application.

3.3 Failure to afford to the City the documentation and reporting required.

3.4 The failure to create or retain jobs, meet affirmative action goals or expend the funds on equipment and improvements as represented in the application within the times required hereby, unless the company can show that there has been a loss of revenue and employment due to circumstances beyond the control of the company. In order to make that showing the company shall have the burden of supplying, to the City's satisfaction, complete and convincing documentation supporting and justifying reductions in investment, failures to attain affirmative action goals or job losses, such as, without limitation, written evidence of lost contracts, accounting information showing reduced revenues due to the loss of business, (not due to diversion of production to affiliate companies or divisions of the company), production records showing reduced quantities over significant periods of time, and such other information required by the City to support the Company's claim that the failure to invest, failure to achieve affirmative action goals, or loss of jobs should not form the basis for a finding of default.

3.5 The bankruptcy or insolvency of the Company.

3.6 The failure to pay any and all taxes and assessments levied on the Company's property or any other taxes, local, state or federal, including but not limited to City income taxes and the withholding of said City income taxes from employees as required by the City Income Tax Ordinance.

3.7 The performance or omission of any act which would lead to revocation under MCLA 207.565, being §15 of the Act.

3.8 The violation of any provisions, promises, commitments, considerations or covenants of this Agreement.

4. **REMEDIES ON DEFAULT.** In the event of any of the above defaults the City shall have the following remedies which it may invoke without notice, except as may be reasonably required by the Company's rights to due process:

4.1 In the event of closing as determined after investigation of the facts and a public hearing, the Company shall be immediately liable for penalties to be paid forthwith to the city as determined as follows:

4.1.1 The Company shall pay to the City for prorata distribution to the taxing units experiencing the abatement, an amount equal to the difference between the industrial facilities tax which it has paid, and the total property taxes to the relevant taxing units which it would have paid, given its installations of improvements and equipment, during the years for which the certificate was in effect.

4.1.2 Immediate Revocation. The Company hereby consents to revocation to the IFT certificate before the State Tax Commission, without hearing, and the City shall submit a copy of this Agreement to the State Tax Commission in connection with its revocation procedure, giving notice that the default has occurred and immediate revocation should occur.

4.2 In the event the improvements and equipment have not been installed before the two (2) year period, in addition to the revocation procedures before the State Tax Commission, the abatement should immediately be reduced by the City proportionately, and any installations which have not been finished at the end of said two (2) year period shall not be eligible for the abatement thereafter and shall be placed on the regular tax roll.

4.3 Failure to Expend the Funds Represented. In the event, (whether or not the installations have been completed), the Company has not expended the funds it has represented on its application that it would invest for the installation of equipment, the abatement shall be reduced prorata, and any remaining value of equipment shall be placed on the regular tax roll, unless the company can show, through receipts, etc. that the cost of the equipment was actually less than the amount estimated by the company (i.e., the same equipment was purchased as listed in the IFT application, but the bids came in less then expected).

4.4 Job Creation and Retention. In the event the promised number of jobs have not been created or retained at the end of the two (2) years after the grant of the certificate by the State Tax Commission, the abatement shall be proportionately reduced, unless the company can show that the loss of jobs, or inability to hire as many people as expected, is due to circumstances beyond the control of the company (such as an economic downturn).

4.5 Affirmative Action Goals. In the event, after one (1) year from the grant of the certificate by the State Tax Commission, the affirmative action goals of the City for additional jobs have not been met on a prorata basis, the abatement shall be revoked.

4.6 For other violations of this Agreement or for actions or omissions by the Company amounting to grounds for revocation by statue, the City shall recommend to the State Tax Commission immediate revocation of the certificate.

4.7 Special Assessment. For any amount due to be paid to the City, under this Section 4, the Company consents that the City shall have a personal action against the Company for the said amount, and in addition, cumulatively, and not by election, the City shall have a special assessment lien on all the property of the Company personal and real, located in the City, for the collection of the amounts due as and in the manner of property taxes and in such case the collection of the said special assessment shall be accomplished by addition by the City to the Company's property tax statement regularly rendered.

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

6. Counterparts. This Agreement may be executed in one or more counterparts. Notwithstanding such execution all such counterparts shall constitute one and the same Agreement.

7. Benefit. This Agreement shall be binding upon and inure to the benefit of the respective parties, their successors and personal representatives.

8. <u>Effective Date</u>. This Agreement shall be effective on the date the State of Michigan Tax Commission grants the company at Industrial Facilities Exemption Certificate.

CITY OF MUSKEGON

By__________________________
Stephen J. Warmington, Mayor

and__________________________
Gail A. Kundinger, Clerk

By__________________________

Its______________________

and__________________________

Its______________________

Commission Meeting Date: July 13, 2004

Date: **May 17, 2004**

To: **Honorable Mayor & City Commission**

From: **Planning & Economic Development Department**

RE: **Public Hearing for Amendments to Brownfield Plan- Terrace Lots Office Building**

SUMMARY OF REQUEST: To hold a public hearing and approve the attached resolution approving and adopting amendments for the Brownfield Plan. The amendments are for the inclusion of property owned by MSB II, LLC in the Brownfield Plan.

FINANCIAL IMPACT: There is no direct financial impact in approving the Brownfield Plan amendments, although the completion of construction of the Terrace Lots Office Building will add to the tax base of the City of Muskegon.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To hold the public hearing and approve the attached resolution and authorize the Mayor and Clerk to sign the resolution.

COMMITTEE RECOMMENDATION: The Muskegon City Commission set the public hearing for July 13, 2004, at their June 22, 2004 meeting. Since that time, a notice of the public hearing has been sent to taxing jurisdictions, and it has been published twice In the Muskegon Chronicle. In addition, the Brownfield Redevelopment Authority approved the Plan amendment on June 21, 2004 and further recommends that the Muskegon City Commission approve the Plan amendment.

RESOLUTION APPROVING THE BROWNFIELD PLAN AMENDMENT

TERRACE LOTS OFFICE BUILDING PROJECT

City of Muskegon

County of Muskegon, Michigan

2004-62(d2)

Minutes of a Regular Meeting of the City Commission of the City of Muskegon, County of Muskegon, Michigan (the "City"), held in the City Commission Chambers, on the 13th day of July, 2004, at 5:30 o'clock p.m., prevailing Eastern Time.

PRESENT: Members

Carter, Davis, Gawron, Larson, Shepherd, Spataro, Warmington

ABSENT: Members

None

The following preamble and resolution were offered by Member Carter and supported by Member Davis:

WHEREAS, in accordance with the provisions of Act 381, Public Acts of Michigan, 1996, as amended ("Act 381"), the City of Muskegon Brownfield Redevelopment Authority (the "Authority") has prepared and approved a Brownfield Plan Amendment to add the Terrace Lots Office Building project; and

WHEREAS, the Authority has forwarded the Brownfield Plan Amendment to the City Commission requesting its approval of the Brownfield Plan Amendment; and

WHEREAS, the City Commission has provided notice and a reasonable opportunity to the taxing jurisdictions levying taxes subject to capture to express their views and recommendations regarding the Brownfield Plan Amendment, as required by Act 381; and

WHEREAS, not less than 20 days has passed since the City Commission provided notice of the proposed Brownfield Plan to the taxing units; and

WHEREAS, the City Commission held a public hearing on the proposed Brownfield Plan on July 13, 2004.

NOW, THEREFORE, BE IT RESOLVED, THAT:

1. Definitions. Where used in this Resolution the terms set forth below shall have the following meaning unless the context clearly requires otherwise:

"Eligible Property" means the property designated in the Brownfield Plan as the Eligible Property, as described in Act 381.

"Brownfield Plan" means the Brownfield Plan prepared by the Authority, as transmitted to the City Clerk by the Authority for approval, copies of which Brownfield Plan are on file in the office of the City Clerk.

"Taxing Jurisdiction" shall mean each unit of government levying an ad valorem property tax on the Eligible Property.

2. Public Purpose. The City Commission hereby determines that the Brownfield Plan Amendment constitutes a public purpose.

3. Best Interest of the Public. The City Commission hereby determines that it is in the best interests of the public to promote the revitalization of eligible properties in the City to proceed with the Brownfield Plan Amendment.

4. Review Considerations. As required by Act 381, the City Commission has, in reviewing the Brownfield Plan Amendment, taken into consideration

whether the Brownfield Plan Amendment meets the requirements set forth in Section 13 of Act 381.

5. Approval and Adoption of Brownfield Plan Amendment. The Brownfield Plan Amendment as submitted by the Authority is hereby approved and adopted. A copy of the Brownfield Plan and all amendments thereto shall be maintained on file in the City Clerk's office.

6. No Capture of Tax Increment Revenues by Authority. The Authority shall not capture Tax Increment Revenues on the Eligible Property, as described in the Brownfield Plan Amendment.

7. Disclaimer. By adoption of this resolution and approval of the Brownfield Plan Amendment, the City assumes no obligation or liability to the owner, developer or lessor of the Eligible Property for any loss or damage that may result to such persons from the adoption of this resolution and Brownfield Plan Amendment The City makes no guarantees or representations as to the determinations of the appropriate state officials regarding the ability of the owner, developer or lessor to qualify for a single business tax credit pursuant to Act 228, Public Acts of Michigan, 1975, as amended, or as to the ability of the Authority to capture tax increment revenues from the State and local school district taxes for the Brownfield Plan.

8. Repealer. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same hereby are rescinded.

AYES: Members

Warmington, Carter, Davis, Gawron, Larson, Shepherd, Spataro

NAYS: Members

None

RESOLUTION DECLARED ADOPTED.

Gail A. Kundinger

Gail A. Kundinger, City Clerk

Stephen J. Warmington, Mayor

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Commission of the City of Muskegon, County of Muskegon, State of Michigan, at a regular meeting held on July 13, 2004, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, as amended, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

Gail A. Kundinger

Gail A. Kundinger, City Clerk

AGENDA ITEM NO. ___________

CITY COMMISSION MEETING 7/13/04

TO: Honorable Mayor and City Commissioners

FROM: Bryon L. Mazade, City Manager

DATE: July 2, 2004

RE: Lakefront, LLC – Special Assessment

SUMMARY OF REQUEST:

To agree to allow Lakefront, LLC to delay the 1st installment payment on their special assessment for up to six months and agree not to invoke the payment acceleration provision of the special assessment agreement during that period. Lakefront will be responsible for paying late fees and interest in accordance with the special assessment agreement.

FINANCIAL IMPACT:

Delay in payment of $220,000 in principal and interest payment.

BUDGET ACTION REQUIRED:

None at this time.

STAFF RECOMMENDATION:

To approve the request.

COMMITTEE RECOMMENDATION:

None.

CITY OF MUSKEGON
Resolution No. 2004-63(a)

LAKEFRONT L.L.C. SPECIAL ASSESSMENT AGREEMENT

WHEREAS, Lakefront L.L.C. and the City of Muskegon are parties to a Special Assessment Agreement for infrastructure improvements to Edison Landing property owned by Lakefront, L.L.C.; and

WHEREAS, the Special Assessment Agreement requires Lakefront, L.L.C. to make the first installment payment by July 1, 2004; and

WHEREAS, Lakefront, L.L.C. has requested that the City allow delaying the first installment payment until January 1, 2005; and

THEREFORE, BE IT RESOLVED, that the City Commission authorizes the City Manager to withhold the acceleration payment provision notification (per Section 13 of the Special Assessment Agreement) to Lakefront L.L.C. through January 1, 2005:

BE IT FURTHER RESOLVED, that this action does not waive the requirement of Lakefront, L.L.C. to pay interest and penalties for any late payments.

Adopted this 13th day of July, 2004.

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

Nays: None

Absent: None

By: [signature]
Stephen J. Warmington, Mayor

Attest: Gail A. Kundinger
Gail A. Kundinger, MMC, City Clerk

CERTIFICATION
2004-63(a)

This resolution was adopted at a regular meeting of the City Commission, held on July 13, 2004. 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 Gail A. Kundinger
Gail A. Kundinger, MMC, City Clerk

AGENDA ITEM NO. ___________

CITY COMMISSION MEETING __6/22/04__

TO: Honorable Mayor and City Commissioners

FROM: Bryon L. Mazade, City Manager

DATE: June 22, 2004

RE: Amendment to the Ferry Development Agreement

SUMMARY OF REQUEST:

To enter into an amendment to the Ferry Development Agreement with Great Lakes Marina. This is necessary to accommodate additional costs associated with the project.

FINANCIAL IMPACT:

Additional cost of $641,097.82 of which $200,000 will be covered by a grant from the County of Muskegon.

BUDGET ACTION REQUIRED:

A budget adjustment will be necessary to accommodate this request.

STAFF RECOMMENDATION:

None.

COMMITTEE RECOMMENDATION:

None.

AMENDMENT TO DEVELOPMENT AGREEMENT
2004-63(b)

This Agreement, made effective July 13, 2004, by and between Great Lakes Marina & Storage, LLC, a Michigan limited liability company (hereinafter referred to as "Great Lakes") and the City of Muskegon, a Michigan municipal corporation (hereinafter referred to as the "City").

WITNESSETH

A. Great Lakes and City, along with Lake Express, LLC, executed a Development Agreement dated November 25, 2003, relating to the establishment of a cross lake ferry.

B. Pursuant to that Development Agreement, Great Lakes committed to construct certain facilities for the cross lake ferry;

C. City committed to pay for construction of those facilities in an amount not to exceed One Million Two Hundred Thousand Dollars ($1,200,000.00);

D. Subsequent to the execution of the Development Agreement, the United States Government has imposed additional obligations pursuant to Homeland Security, to facilities of this nature. The parties have decided to make additional improvements and encountered additional construction costs. The additional construction was not anticipated by any party to the Development Agreement, but improves the project.

WHEREFORE, Great Lakes and City agree as follows:

1) Great Lakes shall construct facilities described in the Development Agreement plus additional facilities and fencing required by the United States Government due to Homeland Security for facilities of this nature and other improvements as decided by the parties.

GREAT LAKES DOCK & MATERIALS

TOTAL MARINE SERVICES

1920 Lakeshore Drive
Muskegon, Michigan 49441
Telephone (231) 759-8230
Fax (231) 755-8410

June 21, 2004

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

RE: City of Muskegon – Ferry Dock & Terminal
Second Revised Budget Estimate

Dear Bryon:

Attached please find the updated Schedule of Values # 6 for the above referenced project.

Due to the nature of this project; i.e. design build project for a startup business, with a compressed timeline and a lot of unknowns; there have been additional costs. Here is the breakdown to date:

1) November 10, 2003 - Great Lakes Dock & Materials, L.L.C. (GLD&M) Original Budget Estimate of $1,375,840.00
2) November 25, 2003 - City of Muskegon (City) committed funds up to $1,200,000.00
3) January 26, 2004 - GLD&M's letter for the Revised Budget Estimate of $1,599,562.00
4) April 13, 2004 – Muskegon County Board of Commissioners Grant to the City for the Purpose of Investing Capital Dollars into the Ferry Passenger Loading/ Unloading Dock Ramp of $200,000.00
5) June 21, 2004 - GLD&M's Second Revised Budget Estimate of $1,841,097.82

Here are the additional costs since the January 26, 2004 Revised Budget Estimate:

1. The Scheduled Value 1d (Engineering Services) covers a portion of the engineering hours performed by GLD&M; necessary additional costs were subcontracted for architectural and engineering services totaling $28,685.52.
2. Subcontracted Site Work in addition to the Scheduled Values in 2b, 2c, 2d, 2e, 2f, and 2g totaling $91,727.75. Due to the compressed timetable, a large percentage of the work was performed on overtime scale. Also, additional work was necessary to make the project functional, including raised curbs at the circle drop-off, queue lanes and parking lot, grading changes, additional stripping, additional storm sewer work, and other additional work.
3. New work item – Subcontracted stabilization of entrance road berm for $7,381.50. This work was necessary to prevent future soil erosion from clogging the storm piping system.
4. New work item – Purchase and install parking bumpers for $5,280.67. This work was necessary to protect existing buildings and prevent overhanging cars from blocking the ferry exit road.
5. New work item – Subcontracted installation of additional concrete walks for $1,327.41. These walks were placed according to how the site is actually used.
6. New work item – Subcontracted installation of gas service to the terminal building for $16,284.45. Our original estimate included a service extension, but did not account for an entirely new 1530 foot long service from Lakeshore Drive.
7. Subcontracted Fencing and Sign charges over the Scheduled Value 4b totaling $4,794.89. The fencing items included wood fencing used as screening along the entrance road, chain link fencing to separate the marina from the ferry site, and homeland security fencing. The only signs provided by GLD&M were the fire-lane no parking and handicap parking signs, which were installed by us at no charge.

GREAT LAKES DOCK & MATERIALS

Total Marine Services

1920 Lakeshore Drive
Muskegon, Michigan 49441
Telephone (231) 759-8230
Fax (231) 755-8410

8. Subcontracted Landscaping charges over the Scheduled Value 2i totaling $5,170.85. The majority of the extra work was to stabilize the roadway near the automobile and passenger ramps, and to repair a damaged phone cable.
9. Making the automobile hydraulically adjustable increased the scheduled value by $60,060.01. This was mentioned in the Jan 26 letter, but the increase under the first revision was adequate to only cover the changes from the original automobile ramp estimate, i.e. we did not have the design for the 50 foot ramp, the entrance ramp was "beefed up" with additional piling and beams, a cradle was made to hold the ramp during maintenance, etc.. The hydraulic system includes four winches, a power pack with hydraulic tank and controls, cable with rigging systems, padeyes, hydraulic piping system, and installation, testing and training.
10. New work item – Design and build a threshold ramp for $2,501.57. This ramp was added because the vessel has a 6" threshold at the passenger loading door. The mobile aluminum ramp is necessary for the loading wheelchairs and strollers through the passenger loading door.
11. Subcontracted Terminal Building charges over the Scheduled Value 10a totaling $18,321.45. The additional work included in part the gable roof, mezzanine, drinking fountain, north glass door and electrical service upgrade.
12. Open Items:
    a. Terminal Building HVAC System.
    b. Terminal Building Energy Management Issue.

    Both of these items are outlined in the City of Muskegon's May 19, 2004 letter to Northshore Construction. At this point, these items are still outstanding and most likely will require additional funding to cure.

Please contact me if you have any questions.

Sincerely,

George F. Bailey
Great Lakes Dock & Materials, LLC
1920 Lakeshore Drive
Muskegon, MI 49441-1798

JGB/jgb

Attachments:
Application for Payment #6
List of Invoices and Copy of Invoices
Copy of GLD&M's January 26, 2004 Letter to City
Copy of City of Muskegon's May 19, 2004 Letter to Northshore Construction

City of Muskegon
Ferry Dock & Terminal
Muskegon, MI

Schedule of Values

A		B	C	D	E	F	G		H	I
ITEM NO.	MOD. NO.	DESCRIPTION OF WORK	SCHEDULED VALUE	WORK COMPLETED: Previous Applications	WORK COMPLETED: This Application: Work in Place	WORK COMPLETED: This Application: Stored Materials (not in D or E)	TOTAL COMPLETED AND STORED TO DATE	% (G/C)	BALANCE TO FINISH (C-G)	RETAINAGE
001		**PROJECT PREPARATION:**	$ -	$ -	$ -	$ -	$ -		$ -	$ -
1a		MDEQ & USACE Permits	$ 5,700.00	$ 5,700.00	$ -	$ -	$ 5,700.00	100%	$ -	$ -
1b		Survey and Layout	$ 5,500.00	$ 5,500.00	$ -	$ -	$ 5,500.00	100%	$ -	$ -
1c		Equipment Mobilization	$ 5,040.00	$ 5,040.00	$ -	$ -	$ 5,040.00	100%	$ -	$ -
1d		Engineering Services	$ 12,600.00	$ 12,600.00	$ -	$ -	$ 12,600.00	100%	$ -	$ -
1e	1	Architectural and Engineering Services above Scheduled Value	$ 28,685.52	$ -	$ 28,685.52	$ -	$ 28,685.52	100%	$ -	$ -
002		**SITE WORK:**	$ -	$ -	$ -	$ -	$ -		$ -	$ -
2a		Demo / Clearing & Grubbing	$ 31,500.00	$ 31,500.00	$ -	$ -	$ 31,500.00	100%	$ -	$ -
2b		Site Earth Work	$ 16,275.00	$ 16,275.00	$ -	$ -	$ 16,275.00	100%	$ -	$ -
2c		Storm Sewer	$ 20,475.00	$ 20,475.00	$ -	$ -	$ 20,475.00	100%	$ -	$ -
2d		Water Piping System	$ 36,750.00	$ 36,750.00	$ -	$ -	$ 36,750.00	100%	$ -	$ -
2e		Sanitary Sewer System	$ 28,875.00	$ 28,875.00	$ -	$ -	$ 28,875.00	100%	$ -	$ -
2f		Aggregate Base / Paving	$ 141,750.00	$ 141,750.00	$ -	$ -	$ 141,750.00	100%	$ -	$ -
2g		Concrete Sidewalks	$ 9,975.00	$ 9,975.00	$ -	$ -	$ 9,975.00	100%	$ -	$ -
2h		Dumpster	$ 5,250.00	$ 5,250.00	$ -	$ -	$ 5,250.00	100%	$ -	$ -
2i		Landscaping	$ 42,000.00	$ 42,000.00	$ -	$ -	$ 42,000.00	100%	$ -	$ -
2j	1	JMC's additional Work	$ 91,727.75	$ -	$ 91,727.75	$ -	$ 91,727.75	100%	$ -	$ -
2k	1	Stabilization of Entrance Road Berm	$ 7,381.50	$ -	$ 7,381.50	$ -	$ 7,381.50	100%	$ -	$ -
2l	1	Parking Bumpers	$ 5,280.67	$ -	$ 5,280.67	$ -	$ 5,280.67	100%	$ -	$ -
2m	1	Concrete Walks	$ 1,327.41	$ -	$ 1,327.41	$ -	$ 1,327.41	100%	$ -	$ -
2n	1	Gas Service to Terminal Building	$ 16,284.45	$ -	$ 16,284.45	$ -	$ 16,284.45	100%	$ -	$ -
2o	1	Fencing & Signs over Scheduled Value	$ 4,794.89	$ -	$ 4,794.89	$ -	$ 4,794.89	100%	$ -	$ -
2p	1	Landscaping Costs over Scheduled Value	$ 5,170.85	$ -	$ 5,170.85	$ -	$ 5,170.85	100%	$ -	$ -
003		**ELECTRICAL:**	$ -	$ -	$ -	$ -	$ -		$ -	$ -
3a		Consumer's Power	$ 19,425.00	$ 19,425.00	$ -	$ -	$ 19,425.00	100%	$ -	$ -
3b		Site Lighting	$ 52,500.00	$ 52,500.00	$ -	$ -	$ 52,500.00	100%	$ -	$ -
004		**HOMELAND SECURITY:**	$ -	$ -	$ -	$ -	$ -		$ -	$ -
4a		Security Booth	$ 18,375.00	$ 18,375.00	$ -	$ -	$ 18,375.00	100%	$ -	$ -
4b		Fencing & Signs	$ 24,675.00	$ 24,675.00	$ -	$ -	$ 24,675.00	100%	$ -	$ -
005		**STEEL SHEET PILING WALL:**	$ -	$ -	$ -	$ -	$ -		$ -	$ -
5a		Purchase & Handle Materials	$ 31,020.00	$ 31,020.00	$ -	$ -	$ 31,020.00	100%	$ -	$ -
5b		Install Steel Sheet Pile Wall	$ 55,440.00	$ 55,440.00	$ -	$ -	$ 55,440.00	100%	$ -	$ -
5c		Concrete Walkway	$ 14,160.00	$ 14,160.00	$ -	$ -	$ 14,160.00	100%	$ -	$ -
006		**DREDGING:**	$ -	$ -	$ -	$ -	$ -		$ -	$ -
6a		Main Channel	$ 83,700.00	$ 83,700.00	$ -	$ -	$ 83,700.00	100%	$ -	$ -
6b		Turning Basin	$ 123,558.75	$ 123,558.75	$ -	$ -	$ 123,558.75	100%	$ -	$ -
6c		Construct Disposal Area	$ 24,828.00	$ 24,828.00	$ -	$ -	$ 24,828.00	100%	$ -	$ -
6d		Disposal of Dredge Material	$ 30,000.00	$ 30,000.00	$ -	$ -	$ 30,000.00	100%	$ -	$ -
007		**AUTOMOBILE RAMP:**	$ -	$ -	$ -	$ -	$ -		$ -	$ -

7a		Purchase & Handle Materials	$ 58,300.00	$ 58,300.00	$ -	$ -	$ 58,300.00	100%	$ -	$ -
7b		Fabrication of Ramp	$ 12,960.00	$ 12,960.00	$ -	$ -	$ 12,960.00	100%	$ -	$ -
7c		Fabrication of Platform	$ 8,640.00	$ 8,640.00	$ -	$ -	$ 8,640.00	100%	$ -	$ -
7d		Installation of Piling Supports	$ 13,500.00	$ 13,500.00	$ -	$ -	$ 13,500.00	100%	$ -	$ -
7e		Installation of Bump Piles	$ 13,500.00	$ 13,500.00	$ -	$ -	$ 13,500.00	100%	$ -	$ -
7f		Installation of Ramps & Platform	$ 22,650.00	$ 22,650.00	$ -	$ -	$ 22,650.00	100%	$ -	$ -
7g	1	Hydraulically Adjustable Automobile Ramp	$ 60,060.01	$ -	$ 60,060.01	$ -	$ 60,060.01	100%	$ -	$ -
008		**PASSENGER RAMP:**	$ -	$ -	$ -	$ -	$ -		$ -	$ -
8a		Purchase & Handle Materials	$ 65,890.00	$ 65,890.00	$ -	$ -	$ 65,890.00	100%	$ -	$ -
8b		Fabrication & Installation of Stairs & Handicap	$ 22,650.00	$ 22,650.00	$ -	$ -	$ 22,650.00	100%	$ -	$ -
8c		Fabrication & Installation of Walkway	$ 36,240.00	$ 36,240.00	$ -	$ -	$ 36,240.00	100%	$ -	$ -
8d		Installation of Piling Supports	$ 31,710.00	$ 31,710.00	$ -	$ -	$ 31,710.00	100%	$ -	$ -
8e		Hand Railings	$ 28,650.00	$ 28,650.00	$ -	$ -	$ 28,650.00	100%	$ -	$ -
8f		Adjustable Platform	$ 9,060.00	$ 9,060.00	$ -	$ -	$ 9,060.00	100%	$ -	$ -
8g	1	Threshold Ramp	$ 2,501.57	$ -	$ 2,501.57	$ -	$ 2,501.57	100%	$ -	$ -
009		**MOORING FENDER PILING:**	$ -	$ -	$ -	$ -	$ -		$ -	$ -
9a		Purchase & Handle Materials	$ 42,570.00	$ 42,570.00	$ -	$ -	$ 42,570.00	100%	$ -	$ -
9b		Install Mooring Piles	$ 40,770.00	$ 40,770.00	$ -	$ -	$ 40,770.00	100%	$ -	$ -
9c		Install Fender Material	$ 4,740.00	$ 4,740.00	$ -	$ -	$ 4,740.00	100%	$ -	$ -
010		**FERRY TERMINAL BUILDING:**	$ -	$ -	$ -	$ -	$ -		$ -	$ -
10a		Masonry Building	$ 333,900.00	$ 333,900.00	$ -	$ -	$ 333,900.00	100%	$ -	$ -
10b		Excavation / Piling	$ 14,460.00	$ 14,460.00	$ -	$ -	$ 14,460.00	100%	$ -	$ -
10c	1	Terminal Building charges over Scheduled Value	$ 18,321.45	$ -	$ 18,321.45	$ -	$ 18,321.45	100%	$ -	$ -
			$ 1,841,097.82	$ 1,599,561.75	$ 241,536.07	$ -	$ 1,841,097.82	100%	$ -	$ -

APPLICATION FOR PAYMENT #6

ORIGINAL SCHEDULE OF VALUES		$ 1,599,561.75
Net change by Change Orders		$ 241,536.07
CONTRACT AMOUNT TO DATE		$ 1,841,097.82
TOTAL COMPLETED & STORED TO DATE (Column G)		$ 1,841,097.82
RETAINAGE (or total in Column I)	0%	$ -
TOTAL EARNED LESS RETAINAGE		$ 1,841,097.82
LESS PREVIOUS PAYMENTS		$ 1,200,000.00
CURRENT PAYMENT DUE		$ 641,097.82

Includes Outstanding Balance of $399,561.75 from Application for Payment #5

Change Orders

Item No.	Mod No.	Description	Ammount
1e	1	Architectural and Engineering Services above Scheduled Value	$ 28,685.52
2j	1	JMC's additional Work	$ 91,727.75
2k	1	Stabilization of Entrance Road Berm	$ 7,381.50
2l	1	Parking Bumpers	$ 5,280.67
2m	1	Concrete Walks	$ 1,327.41
2n	1	Gas Service to Terminal Building	$ 16,284.45
2o	1	Fencing & Signs over Scheduled Value	$ 4,794.89
2p	1	Landscaping Costs over Scheduled Value	$ 5,170.85
7g	1	Hydraulically Adjustable Automobile Ramp	$ 60,060.01
8g	1	Threshold Ramp	$ 2,501.57
10c	1	Terminal Building charges over Scheduled Value	$ 18,321.45
		NET CHANGE BY CHANGE ORDERS	$ 241,536.07

GREAT LAKES DOCK & MATERIALS

TOTAL MARINE SERVICES

1920 Lakeshore Drive
Muskegon, Michigan 49441
Telephone (231) 759-8230
Fax (231) 755-8410

January 26, 2004

City of Muskegon
Mr. Bryon Mazade
Muskegon, MI 49442

RE: "Lake Express"
Budget Estimate for Construction

Dear Mr. Mazade:

Attached, please find the latest update of the Proposed Ferry Budget.

As can readily be seen, the numbers are above the original estimates for the Muskegon facility just as they are for the Milwaukee dock.

Basically, here is what changed since the original budget;

1. Dredging prices came in higher than expected. We used recently bid USACE project bid results to estimate the hydraulic dredging prices. The USACE requires the bidders to use specified higher wage rates, so we assumed that the ferry terminal bid numbers would come in similar or below the USCAE numbers. See the attached unit prices for USACE work and our actual bid results.

2. Originally we planned to build the passenger pier and ship mooring out of an existing barge. The MDEQ would not permit this type of construction, so we had to switch to an open pile construction. This change not only significantly changed the design, but also added an additional step of removing the existing barge. See attached drawings.

3. The car loading ramp was originally a manual adjustable design. We recently received a copy of the specification which requires the ramps to be automated. See attached original drawing, and the new specifications.

4. Security issues were discussed after the original estimate. There is additional fencing requirements as well as an added security booth that was not included in the original estimate. See the attached email regarding the security fencing.

5. Other miscellaneous changes also increased the estimate. Storm water management costs, addition of a dumpster enclosure, additional site earth work, site signage, and a pedestrian walkway to Lakeshore Drive. Another item not included in the original budget was landscaping.

6. There were a few items that decreased from the original budget. The steel sheet piling wall price was reduced as well as the ferry terminal building. The ferry terminal building price was reduced by switching from a pre-fabricated metal building to a masonry building. See attached drawing.

GREAT LAKES DOCK & MATERIALS
TOTAL MARINE SERVICES
1920 Lakeshore Drive
Muskegon, Michigan 49441
Telephone (231) 759-8230
Fax (231) 755-8410

Items not included in this revised budget include:
- Awnings on the terminal building to provide aesthetic appeal and a dry area to wait on a rainy day.
- Additional fencing the separate Great Lakes Marina & Storage from the Ferry Dock.
- The cost of relocating Great Lakes Dock & Materials, L.L.C. office trailer.
- Cost of running natural gas to the building
- Any contingency costs

Please contact me if you have any questions.

Sincerely,

Joseph G. Bailey

Joseph G. Bailey
Great Lakes Dock & Materials, LLC
1920 Lakeshore Drive
Muskegon, MI 49441-1798

JGB/jfb

Attachments:

Revised Estimate 1/26/03 (1 page)
Original Estimate 11/10/03 (1 page)
USACE Dredging Prices (3 pages) / Ferry Dock Dredging Quotes (3 pages)
Original Passenger Pier Drawing (1 page) / Permit Application Drawings (4 pages)
Original Car Ramp Design (1 page) / Vehicle and Pedestrian Access Ramp Specs (11 pages)
Security Fence Email (1 page)
Preliminary Terminal Building Drawings (2 pages)

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

Assessor/Equalization
(231)724-6708
FAX: (231)726-5181

Cemetery Department
(231)724-6783
FAX: (231)726-5617

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

Civil Service
(231)724-6716
FAX: (231)724-4405

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

Community and Neigh. Services
(231)724-6717
FAX: (231)726-2501

Computer Info. Systems
(231)724-6744
FAX: (231)722-4301

Engineering Dept.
(231)724-6707
FAX: (231)727-6904

Finance Dept.
(231)724-6713
FAX: (231)724-6768

Fire Dept.
(231)724-6792
FAX: (231)724-6985

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

Inspection Services
(231)724-6715
FAX: (231)728-4371

Leisure Services
(231)724-6704
FAX: (231)724-1196

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 Dept.
(231)724-4100
FAX: (231)722-4188

Treasurer's Office
(231)724-6720
FAX: (231)724-6768

Water Billing Dept.
(231)724-6718
FAX: (231)724-6768

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

MUSKEGON

West Michigan's Shoreline City

May 19, 2004

Mr. Ron Franklin
Northshore Construction
1700 Lakeshore Dr.
Muskegon, MI 49441

Re: Ferry Terminal Project Permits

Dear Mr. Franklin:

I am writing this letter in hopes of resolving three outstanding issues regarding the ferry terminal project. Resolution of these items in a timely manner will assist in moving this project toward final inspections and issuance of the certificate of occupancy.

First, the issue of the HVAC system needs to be addressed. We have received and reviewed the technical information for the code required improvements to the proposed system. Our review indicates the proposed equipment submitted on April 28, 2004 is sufficient to meet the code requirements. We are waiting for the engineer's drawings that would show the actual installation. These must be reviewed and approved prior to the installation of the system.

Second, the energy management issue must be addressed. It is my understanding that you or the property owner were to put in writing a plan to satisfy this particular code requirement. It was agreed that a timeline to complete the requirements after the first season would be submitted for review and approval.

Finally, this office has issued the footing/foundation, electrical, and plumbing permits. The mechanical contractor submitted an application for their permit in early April. However, due to the issues noted above, this permit was not issued. Once you have addressed these items the permit will be given. To date, our office has not received an application for the building permit.

Prompt action on the three items listed above will ensure that this project is not delayed. If you have any questions regarding these issues, please do not hesitate to call our office at 231-724-6715.

Sincerely,

Robert B. Grabinski

Robert B. Grabinski
Deputy Director of Public Safety

Cc: Tony Kleibecker, Director of Public Safety
Bryon Mazade, City Manager
John Bultema, Great Lakes Marina

RBG/lg

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FAX: (231)724-1196

Mayor's Office
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Planning/Zoning
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FAX: (231)724-6790

Police Department
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FAX: (231)724-6768

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

MUSKEGON

West Michigan's Shoreline City

Brgon

RECEIVED
JUN 1 2004
MUSKEGON
CITY MANAGER'S OFFICE

June 1, 2004

Mr. Ron Franklin
Northshore Construction
1700 Lakeshore Dr.
Muskegon, MI 49441

Re: Ferry Terminal Occupancy

Dear Mr. Franklin:

This letter is to inform you of the conditions that must be met prior to this office issuing a certificate of occupancy for the ferry terminal. We believe the structure is far enough along and the life safety related items have been satisfied, thus allowing the building to be open and operational for a sixty (60) day period. Listed below are the outstanding items and their resolution.

- The HVAC system currently installed does not meet the mechanical code requirements set forth in the 2003 Michigan Mechanical Code. This system cannot be utilized. You may derive the required air intake by natural ventilation means, namely leaving the doors open to supply the necessary air flow. You must submit for review the engineered plans for the correct system which will be examined, approved, and installation may begin once the necessary permits are taken from this office. This item must be resolved within the sixty (60) day time period.
- We have received the correspondence pertaining to the energy management audit and the work necessary to comply with the code requirements. It is acceptable to this office to complete the interior firring, insulation, and drywall installation after the inaugural season and prior to the 2005 season.
- All work currently incomplete must be completed, inspected, and approved by Inspection Services prior to this office issuing a certificate of occupancy. The contractors responsible for the work must call and schedule these inspections.

As with any code related issue, you as the contractor have the right to appeal a decision made by this office. The appeal process can only be utilized to determine if this office interprets a section of the code correctly. The appeals board does not have the authority to grant a variance to the code. You may start this process by submitting in writing the issue to be reviewed and what you believe to be the correct interpretation.

In summary, the structure is allowed to open and may remain so for a sixty day period. We are not issuing a certificate of occupancy at this time and can not until the items bulleted above have been resolved. Our staff will continue to work with you in order to make this project a success.

If you have any questions, I can be reached at 231-724-6715 or e-mail at bob.grabinski@shorelinecity.com.

Sincerely,

Robert B. Grabinski

Robert B. Grabinski
Deputy Director for Fire Services

Cc: Tony Kleibecker, Director of Public Safety
Bryon Mazade, City Manager
John Bultema, Great Lakes Marina

AGENDA ITEM NO. ___________

CITY COMMISSION MEETING __7/13/04__

TO: Honorable Mayor and City Commissioners

FROM: Bryon L. Mazade, City Manager

DATE: July 2, 2004

RE: Relocation of Former Gas Station @ 793 W. Laketon

SUMMARY OF REQUEST:

To consider sale of City owned lot to Brenda Moore to relocate the former gas station building (Freres) from 793 W. Laketon.

FINANCIAL IMPACT:

Sale proceeds to City of $1,000.

BUDGET ACTION REQUIRED:

None.

STAFF RECOMMENDATION:

None.

COMMITTEE RECOMMENDATION:

None.

July 1, 2004

To: Cathy Brubaker-Clarke, Director of Community & Economic Development
From: Brenda Moore
Cc: Bryon Mazade, City Manager
Re: The historic gas station at 793 W. Laketon Avenue

As you are aware, I got involved in trying to save the old Freres gas station, which is located on the corner of Laketon and Henry. What began as an attempt to facilitate a move of the building for the county quickly became a personal commitment. While the County Convention and Visitor's Bureau expressed interest in saving the gas station for a ticket booth at Heritage Landing, it soon became apparent that the time frame of the Hertz project would not allow a lengthy exploration of options. I decided to make a personal commitment to preserve this structure by obtaining a commercial line of credit through National City to pay for the move myself (see attached). Within a week I applied for and received loan approval, became incorporated, obtained insurance on the structure, and received commitments from Dietz Moving, Great Lakes Die Casting, and the Hertz contractor to help make this project work. Everyone seems to want to help save this piece of Muskegon's past. It has been truly amazing the way I have been assisted in this project:

- Sig Rudholm, the contractor for the Hertz project, has been very helpful making arrangements for the building's transition.
- Dietz Movers have rearranged their schedule to accommodate the tight construction schedule for the Hertz facility.
- National City expedited my loan paperwork understanding the urgency of my being able to pay the mover.
- My attorney at Parmenter O'Toole made time for me at a moment's notice and turned around my LLC within 24-hours.
- Great Lakes Die Cast has agreed to house the structure temporarily until it can be moved to a final resting spot.

The remaining (and perhaps most important) issue, however, is the need for a lot on which to permanently place the station. The logical location to me is two adjacent lots on Clay Avenue (a 22-foot city lot and 44-foot state lot). See attached map. This makes sense because:

- This is an historic area and the station would accentuate that fact;
- The lot is relatively small for a commercial use, yet the station is only 22 feet wide, so it could fit on the parcel and permit adequate parking on site;

- The cost of moving the small structure is significant compared to its size, because of the type of building it is. High land costs will make this project economically unviable.
- The lots are zoned Heritage, which permits small scale retail businesses. That is what I intend to rent the building for.

My request is that the combination of the two lots on Clay be sold to me ASAP to facilitate saving the historic Freres gas station. Further, I'm requesting both lots be put into and sold under the City's Historic Infill program adopted in resolution #2003-16(f)—"the $1,000 lot program." While the program was originally designed for housing infill, I believe this effort fulfills the spirit of the program. The preference is to permit me to buy the 22-foot lot that the City already has control of (for $1,000) so the building can be moved directly to that location. Once the state lot is in the City's control, I would be given that lot to merge the parcels and finish the project. Every stop and storage spot jeopardizes the structural integrity of the building and adds cost to the project —funds that could be used to upgrade the building and site.

As you can imagine, not having a final destination for the structure is a serious impediment. Frankly, it raises the business risk factors to a level that scares me. Sometimes, however, you just have to take a leap of faith because you know that it is the *right* thing to do. I'm hoping the City Commission agrees with me!

Once I have a lot to place the structure upon, I will obtain a commercial mortgage to complete the project (site plan review, foundation, parking lot, etc.)

I'm requesting to be placed on the City Commission's July 13th agenda, as I have a prior commitment for their work session on July 12th. Again, I'm requesting that they sell me the 22-foot lot on Clay for $1,000 with the understanding that the 44-foot lot will be turned over to me as soon as the state turns it over to the City.

I appreciate your time and consideration.

National City®

June 29, 2004

Brenda Moore
1873 Harrison Rd.
Muskegon, MI 49441

Dear Brenda:

We are pleased to advise you that National City Bank ("Bank") has approved your loan request on the following terms:

Loan Facility #1

Borrower:	Brenda Moore
Loan Facility:	Line of Credit- Revolving
Loan Amount:	**$30,000**
Collateral:	3rd mortgage position on 1873 Harrison Rd., Muskegon, MI 49441
Guarantor(s):	Brenda Moore
Term:	Demand
Amortization:	N/A
Rate:	Prime plus 3% (variable)
Payment:	**1 ½% of outstanding balance, monthly**
Fees:	**$300.00**

This commitment shall be effective upon our receipt before July 06, 2004 of this commitment bearing your signed acceptance and is made by the Bank to the Borrower and may not be assigned without the Bank's prior written consent. Upon the Borrower's acceptance of this commitment shall remain in full force and effect until July 30, 2004.

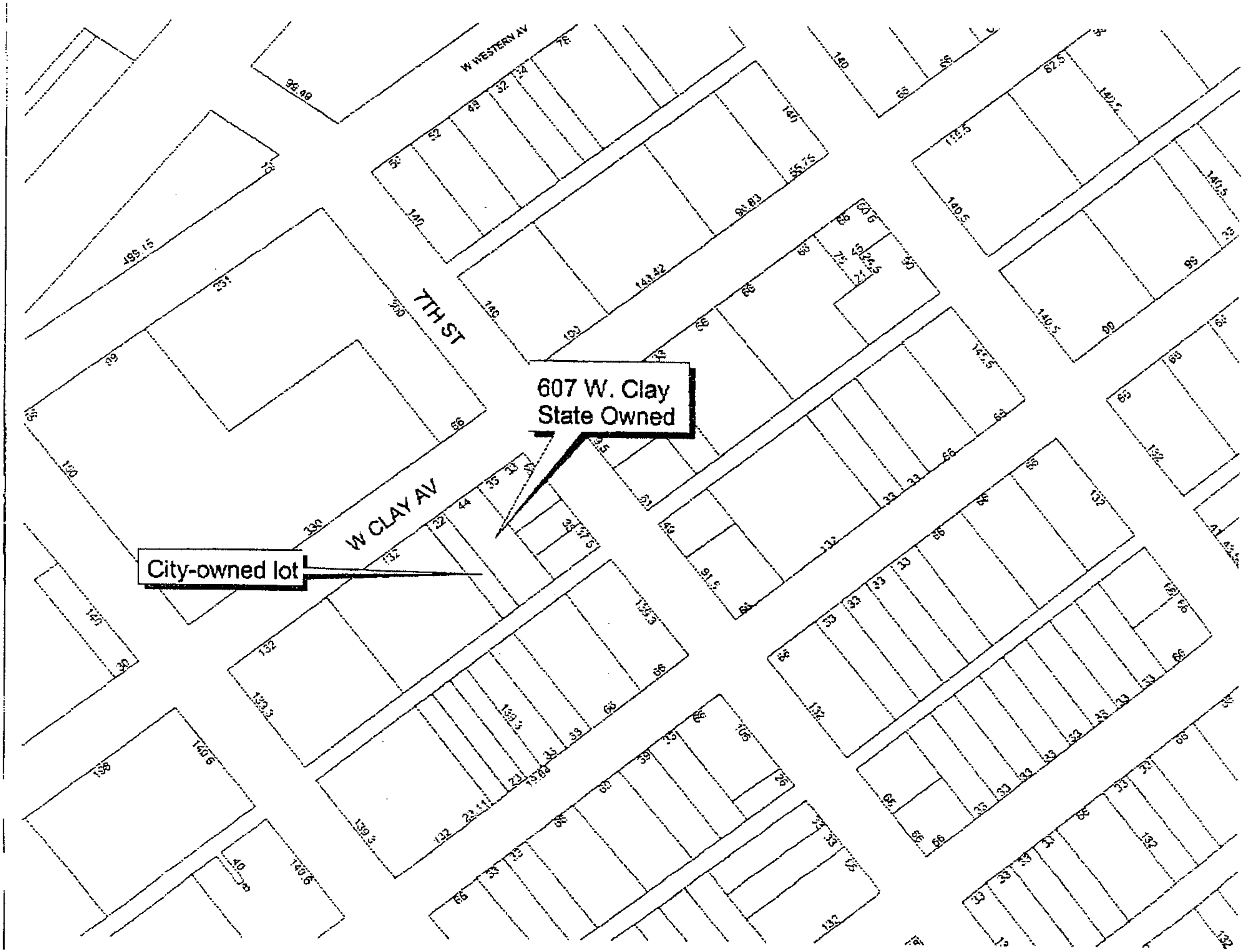
~~Very truly~~ yours,

Patrick Wittkopp
Assistant Vice President
Business Banking Division

ACCEPTED this 1st day of July, 2004.

Brenda Moore ("Borrower")

Brenda Moore
Brenda Moore


607 W. Clay
State Owned
City-owned lot
W CLAY AV
7TH ST
W WESTERN AV

Commission Meeting Date: July 13, 2004

Date: **July 6, 2004**

To: **Honorable Mayor & City Commission**

From: **Community & Neighborhood Services**

RE: **Disclosure of Potential Conflict of Interest Under CDBG Community Development Block Grant Program**

SUMMARY OF REQUEST: Under Community Development Block Grant regulations, potential Conflicts of Interest must be disclosed to the public prior to requesting a waiver from HUD. Sheliah Shah of 807 Wood, has applied for CDBG assistance under the City's Emergency assistance Program. Ms. Shah is a member of the Citizen's District Council which governs how the monies are spent in this program. The City Attorney has determined that no Conflict of Interest is present in this case; however, this must be disclosed to the public before any further action can be taken.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: The legal opinion of the City Attorney must be kept on file with the City Clerk for future public review. If the public can present no evidence to support a potential conflict, a request for a Conflict of Interest waiver may be forwarded to HUD for approval.

COMMITTEE RECOMMENDATION: Not Applicable

PARMENTER O'TOOLE
Attorneys at Law

175 West Apple Avenue ▪ P.O. Box 786 ▪ Muskegon, Michigan 49443-0786
Phone 231.722.1621 ▪ Fax 231.722.7866 or 231.728.2206
www.Parmenterlaw.com

June 24, 2004

Ardyce G. Haken
Housing Specialist
Community & Neighborhood Services
City of Muskegon
P.O. Box 536
Muskegon, MI 49443-0536

Re: **Sheliah Shah**

Dear Ms. Haken:

As a follow-up to your letter, the following opinion is provided.

Your letter indicates that Ms. Shah has applied for Emergency Repair Program funds. Ms. Shah meets all requirements of the program and, other than the conflict, making the granting is consistent with the CDBG program.

Ms. Shah is a member of the Citizen's District Council (CDC). The CDC makes decisions on rules and regulations administering the Emergency Repair Program. Ms. Shah will not participate in any decision affecting her application.

FEDERAL CONFLICT OF INTEREST CONCERNS

The federal regulations provide that:

> No person who is an employee ... of the grantee ... that receives rental rehabilitation grant amounts and who exercises ... any functions or responsibilities with respect to assisted rehabilitation activities, or who is in a position to participate in a decision-making process ... with regard to such activities, may obtain a personal or financial interest or benefit from the activities, or have an interest in any contract, sub-contract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family . . . ties....

24 CFR 511.12(a).

Ms. Shah is in a position to affect how monies are spent in this program, but is not in a position to insure that monies are spent on her house.

The appropriate course is to acknowledge the possibility of a conflict under the federal regulations and request HUD to determine that there is no conflict or provide a waiver.

The federal regulations provide for a waiver process. Upon the written request of the participating jurisdiction, HUD may grant an exception to the provisions on a case-by-case basis. An exception may be considered only after the participating jurisdiction has provided the following:

> (1) A disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made; and
>
> (2) An opinion of the participating jurisdiction's ... attorney that the interest for which the exception is sought would not violate state or local law.

29 CFR 92.356.

A waiver would appear to be appropriate. Ms. Shah is intended to be the beneficiary of the program, and will receive, generally, the same benefit as is made available to others. Failure to provide the benefit to Ms. Shah will impose an undue hardship on her.

STATE CONFLICT OF INTEREST CONCERNS

The state has adopted the Contracts for Public Entities Act, which generally regulates contracts between governmental entities and public servants and officials. The Act is not applicable in this case.

CITY OF MUSKEGON CONFLICT OF INTEREST CONCERNS

The City of Muskegon Charter regulates, and generally prohibits, contracts between the City and employees of the City. The Charter is not applicable in this case.

If you have any further questions or concerns, please feel free to contact me.

Very truly yours,

John C. Schrier
Direct: 231.722.5401
Fax: 231.728.2206
E-Mail Address: jcs@parmenterlaw.com

c: Wil Griffin

Commission Meeting Date: March 23, 2004

(2nd Reading)

Date: **March 16, 2004**

To: **Honorable Mayor and City Commissioners**

From: **Planning & Economic Development** CBC

RE: **Rezoning request for property located at 955 W. Laketon.**

SUMMARY OF REQUEST:

Request to rezone property located at 955 W. Laketon, from B-4, General Business to RT, Two Family Residential.

FINANCIAL IMPACT:

None

BUDGET ACTION REQUIRED:

None

STAFF RECOMMENDATION:

Staff recommends denial of the request due to lack of compliance with the future land use map and Master Land Use Plan.

COMMITTEE RECOMMENDATION:

The Planning Commission voted to deny the request at their 3/11 meeting and recommended that the City Commission ask the ZBA to reconsider the hardship application for this property. The denial request was approved with Commissioners S. Warmington, B. Smith, and T. Michalski voting nay. T. Johnson was absent.

CITY OF MUSKEGON

MUSKEGON COUNTY, MICHIGAN

ORDINANCE NO. 2136

An ordinance to amend the zoning map of the City to provide for a zone change for certain property from B-4 "General Business," to RT "Two Family Residential"

THE CITY COMMISSION OF THE CITY OF MUSKEGON HEREBY ORDAINS:

The zoning map of the City of Muskegon is hereby amended to change the zoning of the following described property from B-4 "General Business", to RT "Two Family Residential":

CITY OF MUSKEGON JURGENSEN ADDITION LOT 24

This ordinance adopted:

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

Nayes: None

Adoption Date: July 13, 2004

Effective Date: August 3, 2004

First Reading: June 22, 2004

Second Reading: July 13, 2004

CITY OF MUSKEGON

By: Gail A. Kundinger

Gail A. Kundinger, City Clerk

CITY OF MUSKEGON

NOTICE OF ADOPTION

Please take notice that on July 13, 2004, the City Commission of the City of Muskegon adopted an ordinance amending the zoning map to provide for the change of zoning of the following property from B-4 "General Business", to RT "Two Family Residential"

CITY OF MUSKEGON JURGENSEN ADDITION LOT 24

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

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

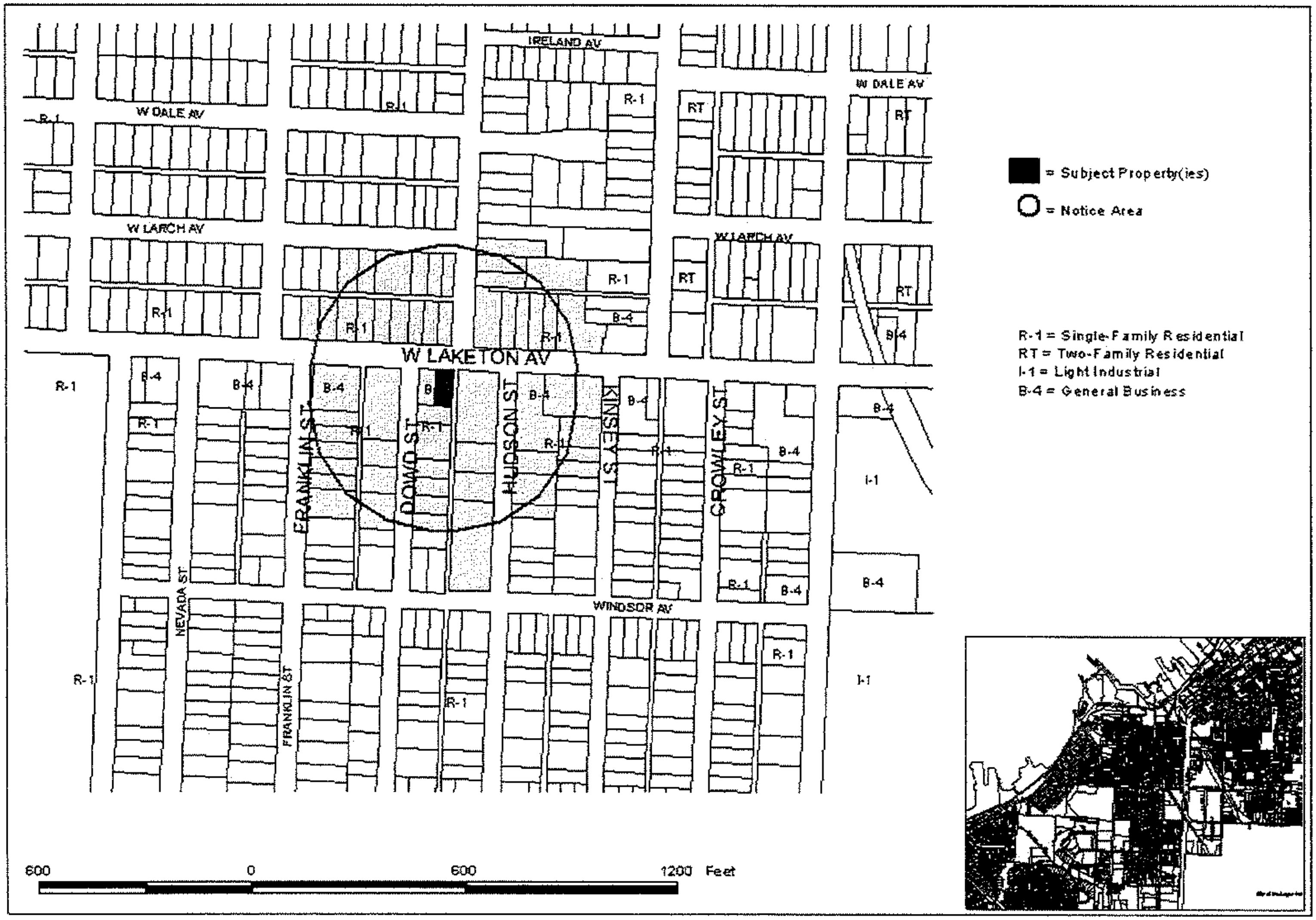
Published ____________________, 2004

CITY OF MUSKEGON

By ________________________________

Gail A. Kundinger, MMC
City Clerk

City of Muskegon
Planning Commission
Case # 2004-08



Staff Report [EXCERPT]
CITY OF MUSKEGON
PLANNING COMMISSION
REGULAR MEETING
March 11, 2004

Case 2004-8: Request to rezone the property located at 955 W. Laketon from B-4, General Business to RT, Two Family Residential, by Michael and Caterina Holt.

BACKGROUND
Applicant: Michael and Caterina Holt, 160 John Avenue, Muskegon, MI 49441
Address/Location of Subject Property: 955 W. Laketon
Current Use: Single Family Residential
Current Zoning: B-4, General Business
Proposed Zoning: RT, Two Family Residential

STAFF OBSERVATIONS

1. The subject property is located near the intersection of Hudson and Laketon Avenue. It is Zoned B-4, General Business. The properties to the East and West are also zoned B-4. The properties located to the North and South are zoned R-1, Single Family. This property is located across the street from the southern edge of Area 12.

2. This case is a result of an enforcement action and went before the ZBA twice for a Use Variance request to allow the property to be rented as a 2-unit apartment building in The B-4, General Business District as Case 2003-10 and 2004-02. In both instances, the ZBA denied the request. See excepts of ZBA minutes provided below.

3. Background excerpted from ZBA Staff report. The Housing Inspector brought the situation to staff's attention. The entire south side of Laketon Ave., from Seaway Dr. to Barclay St. is zoned B-4, including the subject property. From the subject property eastward on this side of Laketon is almost entirely commercial, with only one other residential property. The property was historically a legal nonconforming two-unit apartment building, with the first floor being owner-occupied by Edward Mikos. However, since at least 1996 the upper apartment had been vacant. The previous property owner had participated in the City's paint program in 1996, which allows financial assistance for paint only for single-family homes. In order to qualify for the program, the homeowner agreed not to rent out the upper apartment, and signed agreements to that effect in 1996, 1997 and 2000. Mr. Mikos has since passed away and the property has been sold. The Housing Inspector became aware that the new owners are renting out both units and alerted staff to the situation. Staff wrote an enforcement letter to the current owners apprising them of the

situation and explaining that the upper apartment has lost its nonconforming status since it had been vacant for more than 2 years.

4. The proposed use of the property is for a 2 – unit apartment building. Former Zoning staff gave the applicant several options after the variance was denied, these included: Conversion of a portion of the building to office use. The building could be used as a single family residential unit as a legal non-conforming use. Rezone the property. Finally the illegal upstairs unit could be closed off and left vacant.
5. The Future Land-Use Map shows the subject property as Commercial.
6. The subject property is located in Sub-Area 6: Barclay Street Sub-Area:
   - It is the goal of the Master Plan to retain the mixed-use character of Sub-Area 6 and to demonstrate how varying land uses may co-exist, as well as compliment each other.
   - Sub-Area issue: Commercial activity may also be found along Laketon Avenue, between Barclay Street and Seaway Drive. Commercial uses are situated in strip fashion along the roadway and include a variety of local retail and service facilities.
   - Sub-Area issue: Commercial development along Laketon Avenue has been restricted to the area between Seaway Drive and Barclay Street. Pressure may result to extend commercial uses farther west due to the large population concentration in this area.
   - Master Plan Recommendation: Restrict commercial development along Laketon Avenue to Barclay Street.
7. Public Comments:
   - Planning Staff received a phone call from Bob Ferris from Dowd street who is against having a 2-family home there, but when he learned what could be allowed under the current zoning, he would rather have the 2-family home there.
   - Planning Staff received a phone call from Robert Mooney of 1848 Dowd who said that he is opposed to the zoning. He stated that there are already enough problems in the neighborhood without rezoning the structure to a 2-family. He added that there are already 2 families living there.

ZBA Minutes:

Hearing, Case 2003-10: Use Variance request to allow 955 W. Laketon Ave. to be rented as a 2-unit apartment building in the B-4, General Business, zoning district, by Michael and Caterina Holt. D. Steenhagen presented the staff report. This case is the result of an enforcement action. The Housing Inspector brought the situation to staff's attention. The entire south side of Laketon Ave., from Seaway Dr. to Barclay St. is zoned B-4, including the subject property. From the subject property eastward on this side of Laketon is almost entirely commercial, with only one other residential property. The property was historically a legal nonconforming two-unit apartment building, with the first floor being owner-occupied by Edward Mikos. However, since at least 1996 the upper apartment had been vacant. The previous property owner had participated in the City's paint program in 1996, which allows financial assistance for paint only for single-family homes. In order to qualify for the program, the homeowner agreed not to rent out the upper apartment, and signed agreements to that effect in 1996, 1997 and 2000. Mr. Mikos has since passed away and the property has been sold. The Housing Inspector became aware that the new owners are renting out both units and alerted staff to the situation. Staff wrote an enforcement letter to the current owners apprising them of the situation and explaining that the upper apartment has lost its nonconforming status since it had been vacant for more than 2 years. The current owners had three choices, either to cease renting out the upper apartment and leaving the property as an existing non-conforming single-family building, to apply for a use variance to allow a 2-unit apartment building in the B-4 district, or to apply to have the property rezoned to a district which would allow a 2-unit apartment building. The owners have since made this use variance request. The Housing Inspector conducted an inspection of the property in May. There were several code violations found in both apartment units. If the use variance is approved, the property will still be required to have a Certificate of Compliance from the Inspections Department before the upper unit can legally be rented out. The zoning ordinance requires that all residential uses have 2 paved, off-street parking spaces per unit. If the use variance is approved and this property is used as a 2-unit, there would have to be four paved spaces provided. There is a paved driveway on the property and also a second access off of the alley, which is graveled, and leads to a graveled area behind the home, which appears to also be used for parking. Any parking area for the property needs to be paved. Staff has received a phone call from Bob Ferris, speaking for his mother Josephine who lives in the area. He was not sure which property would be affected but is opposed to the request because there are too many drifters in the area now and rental properties are not being kept up. Staff has also received a voice mail from Steve Gawron who is opposed to the request unless they are looking at all the zoning along Laketon Ave.

R. Hilt asked how long the home had to be single family in order to participate in the paint program. D. Steenhagen stated that the program required it be single-family at the time of the service. J. Clingman-Scott asked about the agreement not to rent. D. Steenhagen stated that the agreement was with the inspections department. R. Hilt asked when the property lost its non-conforming status after 2 years of not being used, and once the property is sold, were the new owners notified. D. Steenhagen stated that the purchaser should have been informed of this by the previous owner or the realtor. C. Holt provided members with pictures of the home and a type written response to staff's concerns and answers to the findings of fact. She stated that they are responsible landlords. When an inspection is performed, the repairs that need to be made are completed before the next visit. She has already made some of the requested repairs that the Inspections Department had listed from their visit this year. R. Schweifler asked how many entrances there were to the upstairs apartment. C. Holt stated that there is a common area at the rear for both apartments that contains a door to each of the apartments plus a door in front to the lower unit. C. Kufta asked why the applicant wasn't trying to utilize the lower apartment for commercial use, such as a realtor's office. C. Holt stated that there wouldn't be enough parking in the rear of the property that a business would require. C. Kufta asked how many parking spaces she thought there were on the property. C. Holt stated that there was about 4 spaces with an allowance for maneuvering. One of them may be parking on the grass a little. The way the property is set up is that you would pull in the driveway from the street and park in the back. You could leave the property by continuing to drive to the alley. R. Hilt asked if she was informed by the realtor or owner that the property had lost its non-conforming status. C. Holt stated that she wasn't informed of this. The realtor knew her intention was for this to be a 2 unit rental property. R. Hilt asked if she had spoken to the realtor since she found this out. C. Holt stated that she has. They found out the plumbing was faulty and the realtor told her that the property was sold "as is". The owner had passed away and his 4 children were the ones selling the property. R. Hilt stated that he felt the ordinance wasn't the problem. The fact that the applicant wasn't notified that the property had lost its non-conforming status is the problem. C. Kufta asked what the square footage of the home was. C. Holt stated that the main floor was just over 1,000 sq. ft. The upper apartment was about the same or just under that.
A motion to close the public hearing was made by R. Schweifler, supported by R. Hilt and unanimously approved.

C. Kufta stated that he couldn't get past the fact that this is in a commercial zoning and he felt that it wasn't proven that it couldn't be a commercial use. D. Steenhagen stated that B-4 is the most intensive use and almost any commercial use would be allowed there. C. Kufta asked how many parking spaces would be required for a commercial/retail space. D. Steenhagen stated that it would probably be 1 space per 300 or 400 sq. ft. of useable space depending on the use. R. Schweifler stated that the ordinance would allow for the lower apartment to be rented to a commercial use and residential for the upper apartment. He felt the ordinance is the problem and the building probably outdates the ordinance. He feels this is an appropriate use for the area and would support this variance. J. Clingman-Scott asked how the surrounding properties were zoned, such as on Dowd St. D. Steenhagen stated that it is zoned single family. C. Kufta stated that they would also need to look at what is compatible with the over all area since there is single family behind it. He has a couple of issues. The first is whether a multi-family residential would be compatible with the area. The second is whether this could be utilized with commercial located in the lower with residential in the upper. D. Steenhagen stated that in general, staff considers busier streets to be more compatible with multi-family residential. R. Hilt stated that the plight is that the applicant probably wouldn't have purchased the property if they knew the property couldn't be used as a two family residential. He felt it was the realtor's responsibility to know this. R. Schweifler agreed. There would need to be some extensive rehabbing to make this compliant with ADA codes to make this into a commercial use building. He felt the house lends itself to be a 2-unit home. C. Kufta stated that he is sympathetic with the plight of the applicant. When looking at the findings of fact, he doesn't feel that it was proven that this couldn't be used for commercial. J. Clingman-Scott stated that it could be made into commercial, but it would be costly. It would be easier to convert it to a single-family dwelling. Her preference would be to have it a single family home. R. Hilt stated that he is concerned with the number of exits for each apartment. D. Steenhagen stated that if there had been a problem, the Inspections Department would have probably noted it in their inspection report. C. Kufta stated that he felt it wasn't proven that this couldn't be used for commercial. R. Schweifler asked what the uses are for a B-4 zoning. S. Schiller read them to the commission members. R. Schweifler stated that he couldn't see this property being used for the uses that were read. C. Kufta added that B-2 zoning uses could also be allowed. He read them to the commission members. R. Schweifler asked what the parking requirements would be for the uses. D. Steenhagen stated that it would depend on the use. She gave some examples. R. Schweifler felt they should look at what is allowable and use reasonable judgement. It would be hard to use this home for the allowable uses under the zoning.

A motion that to deny the request because no proof was provided that the property at 955 W. Laketon Ave. couldn't be put to a reasonable use allowed in the B-4 zoning district was made by C. Kufta, supported by R. Hilt with discussion continuing on the motion.

R. Schweifler suggested that it may be more appropriate to table this and allow for the owner to prove that this couldn't be put to a reasonable use permitted in the zoning district instead of making the owner wait a year to try to get a variance then.

A motion to table the request was made by R. Schweifler, supported by J. Clingman-Scott and approved with S. Schiller voting nay.

Case 2003-10: Use Variance request to allow 955 W. Laketon Ave. to be rented as a 2-unit apartment building in the B-4, General Business, zoning district, by Michael and Caterina Holt (tabled). C. Holt provided the commission members with a quote from a general contractor for the conversion of the bathroom and back entrance so they would be handicap accessible. The quote was also for the flattening and paving of the rear portion of the property for parking. The quote came to $37,000. There would be additional costs involved with this to cater to any business that would locate there. She provided and explained pictures of the interior of the first floor apartment to the commission members.

D. Newsome arrived at 4:11 p.m.

R. Hilt asked if she had any further contact with the realtor. C. Holt stated that she had, but it didn't help the situation any. The home was sold to her "as is". R. Hilt felt realtors need to do their job and explain everything to a prospective purchaser. He felt the applicant had explained her intent for the property to the realtor and it was the realtor's job to make sure it would be okay. He stated that the realtor is at fault and not the City codes. J. Clingman-Scott asked if the applicant had investigated the possibility of a commercial use for the property. C. Holt stated that she doesn't own any commercial properties and wouldn't know how to go about doing this. She only owns residential properties. C. Kufta asked if the applicant was willing to use the home as a single family home. C. Holt stated that by doing this she would be required to perform renovations to the home. The stairway located in the common area would need to be refigured which would make the upstairs bathroom unusable. The area would also need to be insulated and drywalled. C. Kufta stated that his opinion hasn't changed. He felt that no proof was provided showing that the home couldn't be put to a reasonable use under the current zoning. R. Schweifler asked staff what would be required to convert this into a commercial use. D. Steenhagen stated that it would need to be brought up to commercial building code requirements. R. Schweifler added that it would also need to be ADA compliant, etc. He felt the quote the applicant had provided was expensive. J. Clingman-Scott stated that there had been no attempt to market the property as a commercial use. R. Hilt stated that he would like to see realtor do better research on properties prior to selling them. Especially if they know the intent of the purchaser is.

S. Schiller stated that only the members who were present when this case was first heard last month should be voting on this.

A motion to deny the request because no proof was provided that the property at 955 W. Laketon Ave. couldn't be put to a reasonable use allowed in the B-4 zoning district was made by C. Kufta, supported by J. Clingman-Scott and unanimously approved with E. Fordham and D. Newsome abstaining.

Hearing, Case 2004-2: Use Variance request to allow 955 W. Laketon Ave. to be rented as a 2-unit apartment building in the B-4, General Business, zoning district, by Michael and Caterina Holt. D. Steenhagen presented the staff report. This case came before the ZBA in June and July of last year. At that time the use variance was denied, an excerpt of the minutes from the previous two meetings was provided to the commission members. The Zoning Ordinance requires that if a variance is denied, the applicant must either wait a year before re-applying or must provide new evidence to the satisfaction of the Zoning Administrator. The applicant in this case has provided new evidence. Since the time of the variance denial, staff has worked with the applicant on the original enforcement case. The applicant understands that the options, if the variance were to be denied again, are to either convert the structure to a single-family residence, to convert the main floor to a commercial use with a residential apartment upstairs, or to leave the upstairs apartment vacant and only rent out the main floor apartment. The applicant has provided additional information which was provided to the commission members. At the previous meetings, it was stated that the ZBA did not feel that an attempt had been made to either market or rent out the main floor for a commercial use, to comply with the existing zoning. The applicant has provided letters from two commercial realtors addressing the potential marketing or use of the structure for commercial purposes. The applicant has also provided a survey of the other existing uses along this portion of Laketon Ave., as well as quotes for converting the structure into either a single-family structure or a commercial structure (main floor). In order to convert the structure into a single-family home, staff had indicated to the applicant that there would need to be one, common entrance to the home, and that the stairway must be opened up to be accessible only from the first floor living space. The meters must also be consolidated. The residence would have to be rented to a single family and would have to function as a single-family home. Staff has received one e-mail which was provided to the commission members regarding this case. Staff has also received 2 phone calls. The first was from Bob Ferris of 1832 Dowd. He is opposed to this request because he felt it's hard to get good tenants in multi-unit dwellings. The second was from Randy Kyle of 936 W. Laketon who had questions and stated that it seemed like a nice house. He gave no opinion.

B. Larson asked if the variance were approved, does it remain with the applicant or stay with the property. D. Steenhagen stated that it would stay with the property. C. Holt went over the history of the home. She has owned the home for almost a year. She purchased the home with the intention of renting it as a duplex. She stated that there are other commercial buildings along Laketon that are currently vacant. The commercial buildings look commercial and not like a home. She felt that this duplex would be better served as a 2 unit since that is the way it was originally set up. J. Clingman-Scott asked how the property is currently being used. C. Holt stated that she has 1 family that is renting it, but they are using both parts of the home. D. Steenhagen added that structurally, this is a 2 unit home. R. Hilt asked why the request is for a variance to use the home as a 2 unit if both units are being used by 1 family now. C. Holt stated that she is breaking the rules now because both units are being used.

A motion to close the public hearing was made by R. Hilt, supported by B. Larson and unanimously approved.

B. Larson stated that he drives past this home almost daily. He went over a few of the currently vacant commercial buildings in this area. He stated that the green building by the Sand Bar is vacant and has been since it went up for sale over 3 years ago. He felt that since this is a home, it should be allowed to be residential and not be converted into a commercial site. J. Clingman-Scott stated that whether a commercial area is marketable or not doesn't have much to do with the zoning ordinance. Whether a commercial area is desirable or not doesn't have anything to do with the zoning application. It is obviously rentable as a single family home because there is a single family living in it. There are always costs when rehabilitation is involved. She felt that the estimate of $14,000 was reasonable to convert this to as single family dwelling and there are ways to finance it that are affordable. She didn't see it as an impediment to make it a viable property for the owners. R. Hilt stated that this is not a zoning issue, but a realtor one. He added that the reason it had been used as a single family dwelling was because the previous owner had wanted to participate in the paint program the City offered. In order for him to do that, the home had to be single family. He felt that the realtor should be held liable for this.

A motion that the use variance to permit a 2-unit apartment building at 955 W. Laketon Ave., be denied, because it wasn't proven that the cost of rehabbing the home to single family was cost prohibitive, there weren't unique circumstances peculiar to this property, and the property hasn't proven to not be marketable since it is being rented by a single family currently, was made by J. Clingman-Scott, supported by C. Kufta, with discussion on the motion continuing.

B. Larson stated that he was inclined to support the variance request. D. Steenhagen added that if the applicant puts the money into converting the home into a single family dwelling and it ends up being destroyed more than 50% or the bottom unit to be vacant more than 2 years, it would lose it's nonconforming status. Should the building be destroyed, she wouldn't be allowed to rebuild the home. The property would need to conform with the current zoning requirements for the zoning district. She also knows of cases where owners haven't been able to get a loan on property that is nonconforming due to the fact that it wouldn't be able to be rebuilt if it is destroyed more than 50%. J. Clingman-Scott stated that with that information she would be inclined to approve the variance also because she encountered that portion of the zoning ordinance with a project she was involved with. Her original way of thinking was that $14,000 isn't much of an investment for a house, but if the home were destroyed then the money couldn't be recouped because of the nonconforming status.

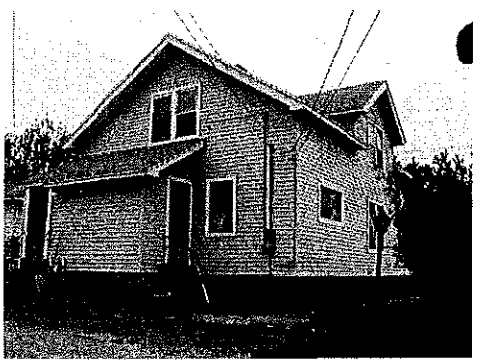
A motion to rescind the motion to deny was made by J. Clingman-Scott, supported by C. Kufta and unanimously approved.

C. Kufta stated that the applicant did do a great job of doing some homework, but he doesn't feel that this variance should be granted. The commission members are to take the ordinance they have in front of them and apply the facts that are given. The fact still remains that it wasn't persuasive. The purpose of both of the apartments to be occupied creates a return on the investment. He could sympathize with the applicant. The applicant does have the ability to still rent 1 of the apartments. J. Clingman-Scott stated that it is cost prohibitive to convert this home to commercial or to a single family dwelling which they may not be able to get financing for or insurance on or ½ of the benefit of the income that could be produced from the house. She questions if this would be an unfair burden to put on the applicant. C. Kufta stated that they would also need to look at what would be fair to the rest of the neighborhood. The reason for zoning is so people would have an idea of what they are getting into when they purchase property in any area.

The following findings of fact were offered: The property could not be used (put to a reasonable use) for the purposes permitted in that zone district because it would be cost prohibitive and not marketable per commercial realtors. The plight is due to unique circumstances peculiar to the property and is not to general neighborhood conditions because the house wasn't constructed to be commercial or to receive clients on a daily basis. The home was constructed as a 2-unit. The proposed use would not alter the essential character of the area and will not materially impair the purposes of this ordinance or the public interest because there are already other residential homes in the area. The alleged hardship is caused by the Ordinance and has not been created by any person presently having an interest in the property, or by any previous owner because the marketability of the building is affected negatively. By maintaining this zoning it will cause the home to be vacant and more prone to vandalism. The alleged hardship is not founded solely upon the opportunity to make the property more profitable or to reduce expense to the owner because it will help maintain the appearance and functionality of the property. The requested variance is the minimum action required to eliminate the hardship because this would be the most effective use for the property. The use variance does not permit a use specifically identified by this Ordinance as a use excluded from the particular zone in which requested because the use of a duplex isn't specifically listed as not being allowed under the current zoning. The extent to which the ordinance protect users or neighbors from threats to health, safety and welfare shall be considered. A use that seriously threatens the health of future residents or neighbors is not a beneficial or allowable use. The proposed use is not considered to be a threat to health, safety or welfare of future residents or neighbors because the properties to the rear of this are residential. In no case shall a use that is a nuisance per se, or a use, which in that particular location constitutes a nuisance, be granted as a use variance. Such uses are not legal uses of the land. The proposed use is not considered a nuisance it would better coincide this the neighboring residential neighborhood.

A motion that the findings of fact determined by the Zoning Board of Appeals be adopted and that the use variance to permit a 2-unit apartment building at 955 W. Laketon Ave., be approved, based on the findings of fact, with the following conditions: 1) The variance is recorded with the deed to keep record of it in the future. 2) The property owner must work on the existing code violations and obtain a Certificate of Compliance from the Inspections Dept. 3) Four paved, off-street parking spaces must be provided for the building, was made by B. Larson, supported by E. Fordham and failed with R. Hilt, S. Schiller, C. Kufta, and J. Clingman-Scott voting nay.

PHOTOS



RECOMMENDATION
Staff recommends denial of the request due to non compliance with the Master Plan and Future Land use Map.

DELIBERATION
Criteria-based questions typically asked during a rezoning include:

1. **What**, if any, identifiable **conditions** related to the petition **have changed which justify** the petitioned **change in zoning**.

2. **What** are the **precedents and the possible effects** of precedent which **might result from the approval or denial** of the petition.

3. What is the **impact** of the amendment on the ability of the city to provide **adequate public services** and **facilities and/or programs** that might reasonably be required in the future if the petition is approved.

4. Does the petitioned zoning change adversely affect the environmental conditions or value of the surrounding property.

5. Does the petitioned zoning change generally **comply with the adopted Future Land Use Plan of the City**.

6. Are there any **significant negative environmental impacts** which would reasonably occur if the petitioned zoning change and resulting allowed structures were built such as:

    a. **Surface water** drainage problems
    b. **Waste water** disposal problems
    c. Adverse effect on surface or subsurface **water quality**
    d. The **loss of valuable natural resources** such as **forest, wetland, historic sites, or wildlife areas**.

DETERMINATION
The following motions are offered for consideration:

I move that the request to rezone property at 955 W. Laketon, from **B-4, General Business** to **RT, Two Family Residential** be recommended for (**approval/denial**) to the City Commission pursuant to the City of Muskegon Zoning Ordinance, and the determination of (**compliance/lack of compliance**) with the intent of the City Master Land Use Plan and zoning district intent.

Date: July 13, 2004

To: Honorable Mayor and City Commissioners

From: Engineering

RE: Request for Encroachment Agreement
Alley off Howden to the East

SUMMARY OF REQUEST:

Mr. Stephen Gawron, owner of 195~~3~~2 Howden, has submitted the attached encroachment agreement form requesting your permission to install & maintain a berm with planting as well as a decorative fence along the north right of way line of the referenced alley.

FINANCIAL IMPACT:

None

BUDGET ACTION REQUIRED:

None

STAFF RECOMMENDATION:

To approve the encroachment agreement with the supplemental conditions.

COMMITTEE RECOMMENDATION:

CITY OF MUSKEGON

ENCROACHMENT AGREEMENT AND PERMIT

THIS AGREEMENT is made and entered into this 13th day of July 2004, by and between the CITY OF MUSKEGON, a municipal corporation (hereinafter called CITY), and Stephen Gawron (hereinafter called LICENSEE).

RECITALS

1. LICENSEE proposes to install, repair or maintain improvements or facilities ("the encroachment"), in or abutting a street, alley, sidewalk, park, terrace or other property controlled or owned by the City of Muskegon, the encroachment being described as

Berm along right of way, northside of alley, decorative fence and plantings. See attached drawing. Rational is to prevent use as through fair from Terrace St to Hadden St. and illegal parking

2. The City-owned or controlled property (herein "property") subject to the encroachment is described as:

[please insert a general description, and if required by the city, an accurate legal description]

same as above

3. The City is willing to grant such privilege upon the terms and conditions herein. This agreement shall constitute a permit under section 18-19 of the Code of Ordinances, but shall apply to any encroachment on public ways or property.

THEREFORE,

1. City does hereby grant unto LICENSEE the privilege of ✓ constructing, ✓ installing, ✓ maintaining, ✓ repairing ✓ performing all necessary functions relating to the encroachment, and for that purpose to enter the property, for the term hereing stated. This

privilege shall be effective upon the issuance of an encroachment permit, which shall be issued only after approval of this agreement by the City Commission and delivery to the City of the required evidence of insurance coverages.

This grant is subject to the following special conditions: See attached supplemental conditions

2. That LICENSEE shall pay to the City for the privilege hereby granted the sum of One hundred twenty-five Dollars ($125.00), such payment to be made upon the signing of this agreement to be dated as of the 13th day of July 2004, to the City Treasurer of the City of Muskegon, and the privilege hereby granted shall continue for a period to terminate the first day of May, 2009, unless sooner terminated as hereinafter provided.

3. INDEMNIFICATION. The LICENSEE shall indemnify and save harmless said GRANTOR of and from any liability for claims, damages, costs, expenses, or fees, including any attorney fees, or fines or awards brought against or charged to the city by any person, firm or corporation on account of or arising from the privilege hereby granted to LICENSEE or the activities of the LICENSEE related to the encroachment or this privilege. This indemnification obligation shall include all liabilities for environmental damage or releases of hazardous substances subject to any governmental or third party action. "Hazardous substance" is defined as any material constituting a prohibited or regulated substance under governmental law, rule, statute or regulation in force at any time, including future times.

4. INSURANCE. LICENSEE shall at all times carry liability insurance in such amounts as are satisfactory to City, and issued by companies acceptable to the City, licensed in the State of Michigan, naming City as an additional insured on any such policy. LICENSEE will file with

City certificates or policies evidencing such insurance coverage. The insurance policies or certificates shall provide that the City shall be given thirty days written notice before a cancellation or change in coverage may occur. The types of coverage and coverage limits to be required shall be as follows:

City will named Additional insured on 1952 Howden's insurance.

5. BONDING. Before this agreement/permit becomes valid, LICENSEE shall file with the city a bond conforming with the requirements of any ordinance, and shall keep same in force during the entire term of this agreement.

6. The privilege hereby granted may be canceled and revoked by the CITY at any time upon giving said LICENSEE _days of written notice of such cancellation and revocation.

7. LICENSEE may surrender up the privilege hereby granted at any time upon giving notice in writing to the city ________ days prior to such surrender; provided, however, that upon the voluntary relinquishment or abandonment of this privilege, or upon cancellation or revocation thereof by the City, the LICENSEE shall remove any structure(s) erected upon, within or overhanging the area of encroachment and restore the property at LICENSEE'S expense and in a manner satisfactory to City and in default thereof shall be liable to City for any cost, damage or expense the City may sustain in such restoration.

8. That should said LICENSEE fail or refuse to conform to any of the conditions on its part to be performed hereunder, the privilege hereby granted shall immediately terminate and become null and void.

9. This agreement shal be binding upon the respective heirs, representatives, successors and assigns of the parties hereto.

Witnesses:

CITY OF MUSKEGON

By ______________________________

__________________, Mayor

And ____________________________

__________________, Clerk

LICENSEE:

______________________________ 6-15-04

____

____

____

SUPPLEMENTAL CONDITIONS

1- The grantee shall be fully responsible for the maintenance of the berm and fence and any removal or relocation that becomes necessary to facilitate other public improvements projects within said right of way (s).

2- Grantee will be responsible for the maintenance and upkeep, for the duration of this agreement, a valid insurance coverage satisfactory to the City.

3- If approved (by City Commission), a permit to work in the right of way must be obtained from the Engineering Department before any work begins.

4- It shall be the responsibility of the grantor to ensure construction is not encroaching on any private property.

DATE: July 6, 2004

TO: Honorable Mayor and Commissioners

FROM: Anthony L. Kleibecker, Director of Public Safety

RE: Concurrence with the Housing Board of Appeals Notice and Order to Demolish. Dangerous Building Case #: EN-030169 Address: 1837 Kinsey.

SUMMARY OF REQUEST: This is to request that the City Commission Concur with the findings of the Housing Board of Appeals that the structure located at **1837 Kinsey** is unsafe, substandard, a public nuisance and that it be demolished within thirty (30) days. It is further requested that administration be directed to obtain bids for the demolition of the structure and that the Mayor and City Clerk be authorized and directed to execute a contract for demolition with the lowest responsible bidder.

Case# & Project Address: # EN-030169 – 1837 Kinsey

Location and ownership: This structure is located on Kinsey between Laketon and Windsor and is owned by Bonaes, LLC.

Staff Correspondence: A dangerous building inspection was conducted on 10/24/03and interior inspection 11/12/03 and the notice and order to repair was issued on 1/27/04. On 4/1/04 the HBA declared the structure substandard and dangerous.

Owner Contact: There has been no contact from the owner.

Financial Impact: CDBG Funds

Budget action required: None

State Equalized value: $24,400

Estimated cost to repair: $40,000

Staff Recommendation: To concur with the Housing Board of Appeals decision to demolish.

City Commission Recommendation: The commission will consider this item at it's meeting Tuesday, July 13, 2004.

CITY OF MUSKEGON

DANGEROUS BUILDING INTERIOR INSPECTION REPORT

1837 Kinsey-Interior
11/12/03

Inspection noted:

1. Electrical to be replaced to meet 2000 MRC.
2. Service to be replaced to meet 2000 MRC.
3. Smoke alarms to meet 2000 MRC.
4. Owner states he wants to tear house down – demolition permit required.
5. Floor system – upper in state of collapse.
6. Numerous ceiling damage – covering falling off ceiling.
7. Floors are severely buckled throughout – replace joists to code.
8. All stairs must meet code for handrail, guardrail requirements.
9. Doors are broken.
10. Due to extent of structural damage, engineer or architect is required to design repair.
11. Plumbing either missing or broken.
12. Mechanical does not function.

BASED UPON MY RECENT INSPECTION OF THE ABOVE PROPERTY, I HAVE DETERMINED THAT THE STRUCTURE MEETS THE DEFINITION OF A DANGEROUS AND/OR SUBSTANDARD BUILDING AS SET FORTH IN SECTION 10-61 OF THE MUSKEGON CITY CODE.

HENRY FALTINOWSKI, BUILDING INSPECTOR DATE

CITY OF MUSKEGON

DANGEROUS BUILDING INSPECTION REPORT

1837 Kinsey

10/24/03

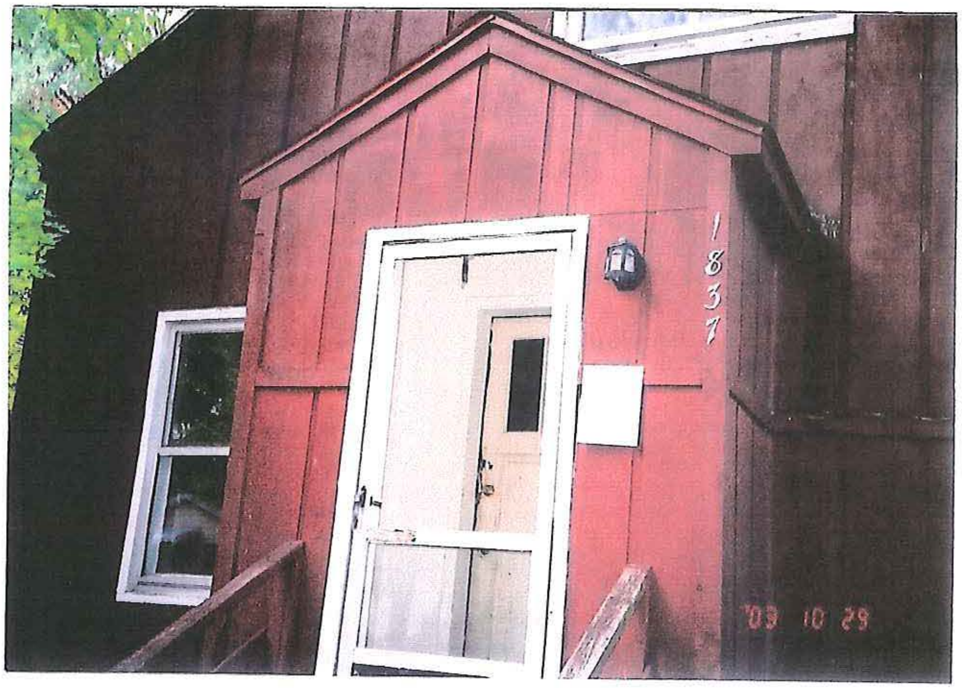
Inspection noted:

1. An interior inspection is required by all trade inspectors (plumbing, mechanical, electrical and building) before any permits or certificates of occupancy will be issued.
2. Roof covering deteriorated – replace shingles, damaged sheathing.
3. Call for rafter inspection, severe bow in rafter system.
4. Garage roof & walls are in a state of collapse.
5. Repair all damaged siding. Scrape and paint window frames.
6. Replace exterior stairs: they are loose and dangerous.
7. All stairs and handrails to meet 2000 code.
8. All electrical, plumbing, and mechanical work must be performed by licensed contractors and only after appropriate permits are obtained from Inspection Services.
9. All construction work requires permits. Permits must be pulled before work begins.

Please contact Inspection Services with any questions: 231-724-6715.

BASED UPON MY RECENT INSPECTION OF THE ABOVE PROPERTY, I HAVE DETERMINED THAT THE STRUCTURE MEETS THE DEFINITION OF A DANGEROUS AND/OR SUBSTANDARD BUILDING AS SET FORTH IN SECTION 10-61 OF THE MUSKEGON CITY CODE.

Henry Faltinowski, Building Inspector DATE



1837 KINSEY

DATE: July 6, 2004

TO: Honorable Mayor and Commissioners

FROM: Anthony L. Kleibecker, Director of Public Safety

RE: Concurrence with the Housing Board of Appeals Notice and Order to Demolish. Dangerous Building Case #: EN-040024 Address: 307 Merrill.

SUMMARY OF REQUEST: This is to request that the City Commission Concur with the findings of the Housing Board of Appeals that the structure located at **307 Merrill** is unsafe, substandard, a public nuisance and that it be demolished within thirty (30) days. It is further requested that administration be directed to obtain bids for the demolition of the structure and that the Mayor and City Clerk be authorized and directed to execute a contract for demolition with the lowest responsible bidder.

Case# & Project Address: # EN-040024 – 307 Merrill

Location and ownership: This structure is located on Merrill between Fourth and Fifth Street. It is owned by JP Morgan Chase Bank.

Staff Correspondence: A dangerous building inspection was conducted on 2/2/04 and the notice and order to repair was issued on 2/3/04. On 5/6/04 the HBA declared the structure substandard and dangerous.

Owner Contact: There has been no contact from the owner.

Financial Impact: CDBG Funds

Budget action required: None

State Equalized value: $16,100

Estimated cost to repair: $1500 plus the cost of interior repairs

Staff Recommendation: To concur with the Housing Board of Appeals decision to demolish.

City Commission Recommendation: The commission will consider this item at it's meeting Tuesday, July 13, 2004.

CITY OF MUSKEGON

DANGEROUS BUILDING INSPECTION REPORT

307 Merrill

2/2/04

Inspection noted:

1. An interior inspection is required by all trade inspectors (plumbing, mechanical, electrical and building) before any permits or certificates of occupancy will be issued.

2. Porch has structural damage and requires foundation repair.

3. Siding missing – repair/replace.

4. Fascia is damaged and falling off; repair or replace.

5. Broken and damaged doors – repair/replace.

6. All work requires construction permits. These permits must be obtained prior to work beginning.

Please contact Inspection Services with any questions at 231-724-6715.

BASED UPON MY RECENT INSPECTION OF THE ABOVE PROPERTY, I HAVE DETERMINED THAT THE STRUCTURE MEETS THE DEFINITION OF A DANGEROUS AND/OR SUBSTANDARD BUILDING AS SET FORTH IN SECTION 10-61 OF THE MUSKEGON CITY CODE.

HENRY FALTINOWSKI, BUILDING INSPECTOR   DATE

307 Merrill

7-13-04

AGREEMENT

THIS AGREEMENT, made this May 3, 2005 by and between:
Press's LLC.

(a corporation organized and existing under the law of the State of Michigan); (partnership consisting of ________________); (an individual trading as ______ ________________); hereinafter called the "Contractor," and the City of Muskegon, Michigan, hereinafter called the "City".

WITNESSTH, that the Contractor and the City, for the consideration stated herein, mutually agree as follows:

ARTICLE 1. Statement of Work. The Contractor shall furnish all supervision, technical personnel, labor, materials, machinery, tools, equipment, and services, including utility and transportation services, and perform and complete all work required for the demolition and clearance of **307 Merrill** as well as required supplemental work for the completion of this project, all in strict accordance with the Contract, including all Addenda.

ARTICLE 2. Contract Price. The City will pay the Contractor for the performance of this Contract and the completion of the work covered therein an amount not to exceed **$4395.00.**

ARTICLE 3. CONTRACT: The executed contract shall consist of, but not be limited to, the following:

Invitation for Bids
Instructions to Bidders
Bid Proposal
Agreement
General Specifications for Project Performance
Equal Opportunity and Employment Specifications
Demolition and Site Clearance Specifications

This Agreement, together with other documents listed in Article 3, which said other documents are as fully a part of the Contract as if attached hereto or repeated herein, form the contract between the parties hereto.

In the event any provision in any component part of this Contract conflicts with any provision of any other component part, the Contractor shall contact the City immediately in writing for a determination, interpretation, and/or classification of conflicting parts and priority of same. Said determination from the City shall be in writing and shall become an Addendum to this Contract.

IN WITNESS WHEREOF, the parties hereto have caused this AGREEMENT to be executed on the day and year first written above.

ATTEST:

CONTRACTOR:

BY: Tammy Sager -pre
Printed name and title

ATTEST:

Irene Dempsey

CITY OF MUSKEGON

BY:
Mayor

Gail A. Kundinger
City Clerk

(SEAL)

CERTIFICATION (IF APPLICABLE)

I, Alan Sager-, certify that I am the man

of the Corporation named as contractor herein;

That Tammy Sager, who signed this Agreement on behalf of the

Contractor, was then pre. of said Corporation:

That said Agreement was duly signed for and in behalf of said Corporation by authority of its governing body, and is within the scope of its corporate powers.

Signed:

Tammy Sager

Tammy Sager- pre
Printed Name and Title

(CORPORATE SEAL)

DATE: July 6, 2004

TO: Honorable Mayor and Commissioners

FROM: Anthony L. Kleibecker, Director of Public Safety

RE: Concurrence with the Housing Board of Appeals Notice and Order to Demolish. Dangerous Building Case #: EN-040008 Address: 382 Amity-Garage.

SUMMARY OF REQUEST: This is to request that the City Commission Concur with the findings of the Housing Board of Appeals that the structure located at **382 Amity-Garage** is unsafe, substandard, a public nuisance and that it be demolished within thirty (30) days. It is further requested that administration be directed to obtain bids for the demolition of the structure and that the Mayor and City Clerk be authorized and directed to execute a contract for demolition with the lowest responsible bidder.

Case# & Project Address: # EN-040008 – 382 Amity – Garage

Location and ownership: This structure is located on Amity between Emerald and Wood Street. It is owned by Doris Brown.

Staff Correspondence: A dangerous building inspection was conducted on 1/26/04 and the notice and order to repair was issued on 1/27/04. On 4/1/04 the HBA declared the garage substandard and dangerous.

Owner Contact: There has been no contact from the owner.

Financial Impact: CDBG Funds

Budget action required: None

State Equalized value: $24,100

Estimated cost to repair: $2,000

Staff Recommendation: To concur with the Housing Board of Appeals decision to demolish.

City Commission Recommendation: The commission will consider this item at it's meeting Tuesday, July 13, 2004.

CITY OF MUSKEGON

DANGEROUS BUILDING INSPECTION REPORT

382 Amity – Garage

1/26/04

Inspection noted:

1. Windows boarded.
2. Siding rotted, missing paint, or missing.
3. Foundation inspection required.
4. All work requires construction permits. These permits must be obtained prior to work beginning.

Please contact Inspection Services with any questions at 231-724-6715.

BASED UPON MY RECENT INSPECTION OF THE ABOVE PROPERTY, I HAVE DETERMINED THAT THE STRUCTURE MEETS THE DEFINITION OF A DANGEROUS AND/OR SUBSTANDARD BUILDING AS SET FORTH IN SECTION 10-61 OF THE MUSKEGON CITY CODE.

______________________________________ ______________

HENRY FALTINOWSKI, BUILDING INSPECTOR DATE

382 AMITY

7-13-04

AGREEMENT

THIS AGREEMENT, made this May 3, 2005 by and between:
Press's LLC.

(a corporation organized and existing under the law of the State of Michigan); (partnership consisting of ________________); (an individual trading as ________________); hereinafter called the "Contractor," and the City of Muskegon, Michigan, hereinafter called the "City".

WITNESSTH, that the Contractor and the City, for the consideration stated herein, mutually agree as follows:

ARTICLE 1. Statement of Work. The Contractor shall furnish all supervision, technical personnel, labor, materials, machinery, tools, equipment, and services, including utility and transportation services, and perform and complete all work required for the demolition and clearance of **382 Amity (Garage Only)** as well as required supplemental work for the completion of this project, all in strict accordance with the Contract, including all Addenda.

ARTICLE 2. Contract Price. The City will pay the Contractor for the performance of this Contract and the completion of the work covered therein an amount not to exceed **$1310.00.**

ARTICLE 3. CONTRACT: The executed contract shall consist of, but not be limited to, the following:

Invitation for Bids
Instructions to Bidders
Bid Proposal
Agreement
General Specifications for Project Performance
Equal Opportunity and Employment Specifications
Demolition and Site Clearance Specifications

This Agreement, together with other documents listed in Article 3, which said other documents are as fully a part of the Contract as if attached hereto or repeated herein, form the contract between the parties hereto.

In the event any provision in any component part of this Contract conflicts with any provision of any other component part, the Contractor shall contact the City immediately in writing for a determination, interpretation, and/or classification of conflicting parts and priority of same. Said determination from the City shall be in writing and shall become an Addendum to this Contract.

IN WITNESS WHEREOF, the parties hereto have caused this AGREEMENT to be executed on the day and year first written above.

ATTEST:

CONTRACTOR:

BY: Tammy Sager pre
Printed name and title

ATTEST:

Irene Dempsey

CITY OF MUSKEGON

BY: [signature]
Mayor

Gail A. Kundinger
City Clerk

(SEAL)

CERTIFICATION (IF APPLICABLE)

I, Alan Sager, certify that I am the man

of the Corporation named as contractor herein;

That Tammy Sager, who signed this Agreement on behalf of the

Contractor, was then Pres. of said Corporation:

That said Agreement was duly signed for and in behalf of said Corporation by authority of its governing body, and is within the scope of its corporate powers.

Signed: Tammy Sager

(CORPORATE SEAL)

Tammy Sager - Pres
Printed Name and Title

DATE: July 6, 2004

TO: Honorable Mayor and Commissioners

FROM: Anthony L. Kleibecker, Director of Public Safety

RE: Concurrence with the Housing Board of Appeals Notice and Order to Demolish. Dangerous Building Case #: EN-040033 Address: 1194 Sixth.

SUMMARY OF REQUEST: This is to request that the City Commission Concur with the findings of the Housing Board of Appeals that the structure located at **1194 Sixth** is unsafe, substandard, a public nuisance and that it be demolished within thirty (30) days. It is further requested that administration be directed to obtain bids for the demolition of the structure and that the Mayor and City Clerk be authorized and directed to execute a contract for demolition with the lowest responsible bidder.

Case# & Project Address: # EN-040033 – 1194 Sixth

Location and ownership: This structure is located on Sixth between Merrill and Monroe and is owned by Sam Hicks.

Staff Correspondence: A dangerous building inspection was conducted on 3/9/04 and the notice and order to repair was issued on 3/22/04. On 5/6/04 the HBA declared the structure substandard and dangerous. The case began with an appeal by the owner stemming from requirements from the rental inspection. The owner was not present at the HBA meeting for his appeal and was ordered to have the trade inspectors inspect the house. Once the trade inspectors saw the condition of the house, it was determined to be a dangerous building.

Owner Contact: The owner scheduled the interior inspection.

Financial Impact: CDBG Funds

Budget action required: None

State Equalized value: $17,300

Estimated cost to repair: $30,000

Staff Recommendation: To concur with the Housing Board of Appeals decision to demolish.

City Commission Recommendation: The commission will consider this item at it's meeting Tuesday, July 13, 2004.

CITY OF MUSKEGON

DANGEROUS BUILDING INSPECTION REPORT

1194 Sixth
3/9/04
(INTERIOR INSPECTION)

Inspection noted:

1. Complete rewire to comply with current Michigan Residential Code.
2. Smoke detectors to be installed per Michigan Residential Code.
3. Electrical service to be replaced to 2003 MRC.
4. House to be rewired to meet 2003 MRC.
5. Smoke alarms to meet 2003 MRC.
6. Complete plumbing & mechanical to be replaced to meet 2003 MRC.
7. All entry porches must be rebuilt to code
8. Siding needs to be scraped and repainted.
9. Foundation wall needs to be repaired.
10. Roof covering must be replaced.
11. Stabilize basement stairs (mechanical area of basement).
12. Foundation window opening must be replaced.
13. Shed roof on back needs structural replacement.
14. All damaged interior walls, ceilings, floors (coverings) need to be replaced.

All work requires a building permit. This permit must be obtained prior to work beginning.

Please contact Inspection Services with any questions at 231-724-6715.

BASED UPON MY RECENT INSPECTION OF THE ABOVE PROPERTY, I HAVE DETERMINED THAT THE STRUCTURE MEETS THE DEFINITION OF A DANGEROUS AND/OR SUBSTANDARD BUILDING AS SET FORTH IN SECTION 10-61 OF THE MUSKEGON CITY CODE.

HENRY FALTINOWSKI, BUILDING INSPECTOR DATE

1194
6th

DATE: July 6, 2004

TO: Honorable Mayor and Commissioners

FROM: Anthony L. Kleibecker, Director of Public Safety

RE: Concurrence with the Housing Board of Appeals Notice and Order to Demolish. Dangerous Building Case #: EN-030131 Address: 331 Sumner-Garage.

SUMMARY OF REQUEST: This is to request that the City Commission Concur with the findings of the Housing Board of Appeals that the structure located at **331 Sumner-Garage** is unsafe, substandard, a public nuisance and that it be demolished within thirty (30) days. It is further requested that administration be directed to obtain bids for the demolition of the structure and that the Mayor and City Clerk be authorized and directed to execute a contract for demolition with the lowest responsible bidder.

Case# & Project Address: # EN-030131, 331 Sumner – Garage

Location and ownership: This structure is located on Sumner between Erickson and Octavius Street. It is owned by Dorothy Bates.

Staff Correspondence: A dangerous building inspection was conducted on 5/29/03 and the notice and order to repair was issued on 6/12/03. On 11/6/03 the HBA declared the garage substandard and dangerous.

Owner Contact: The owner pulled a permit to repair 7/23/03 which expired 9/30/03. The permit was extended to 10/30/03. The owner and her son came in and submitted a proposal for NIC to repair the garage. There has been no further contact and the garage was not repaired by NIC.

Financial Impact: CDBG Funds

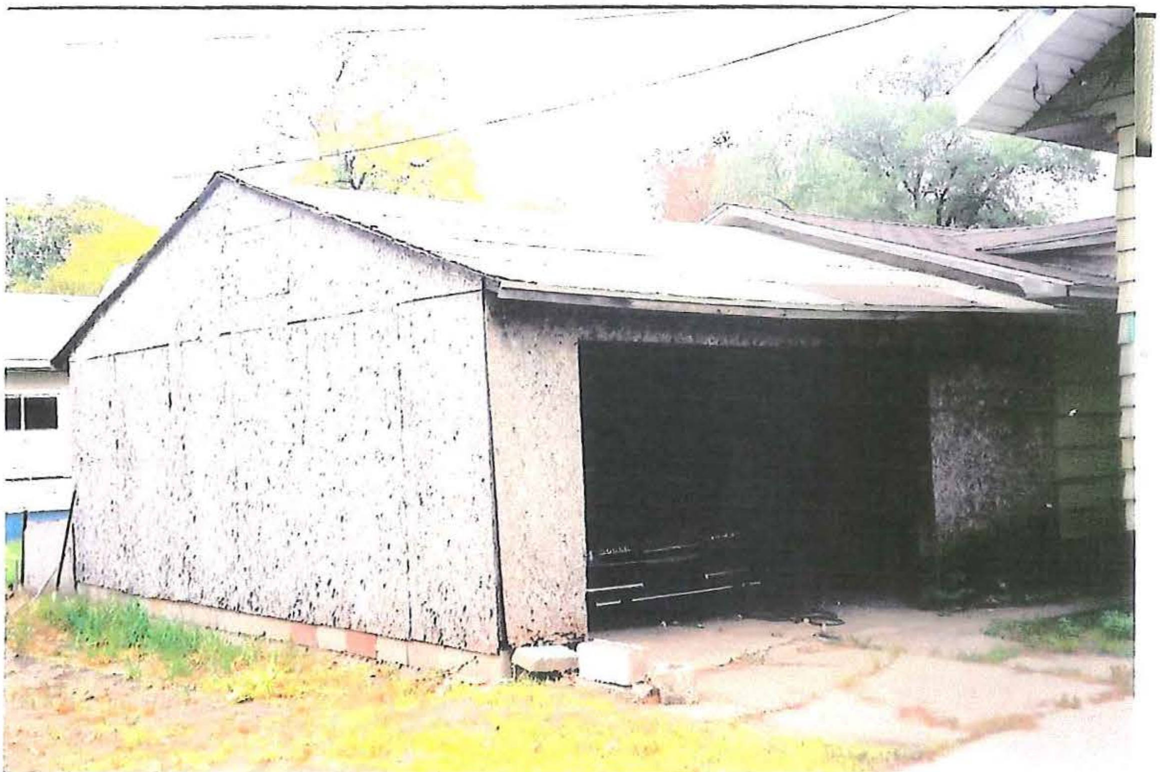
Budget action required: None

State Equalized value: $19, 000

Estimated cost to repair: $3,000

Staff Recommendation: To concur with the Housing Board of Appeals decision to demolish.

City Commission Recommendation: The commission will consider this item at it's meeting Tuesday, July 13, 2004.



331 Sumner

DATE: July 6, 2004

TO: Honorable Mayor and Commissioners

FROM: Anthony L. Kleibecker, Director of Public Safety

RE: Concurrence with the Housing Board of Appeals Notice and Order to Demolish. Dangerous Building Case #: EN-040030 Address: 1124 Ambrosia-Garage.

SUMMARY OF REQUEST: This is to request that the City Commission Concur with the findings of the Housing Board of Appeals that the structure located at **1124 Ambrosia-Garage** is unsafe, substandard, a public nuisance and that it be demolished within thirty (30) days. It is further requested that administration be directed to obtain bids for the demolition of the structure and that the Mayor and City Clerk be authorized and directed to execute a contract for demolition with the lowest responsible bidder.

Case# & Project Address: # EN-040030 – 1124 Ambrosia – Garage

Location and ownership: This structure is located on Ambrosia between Iona and E. Isabella. It is owned by Dorothy Bailey.

Staff Correspondence: A dangerous building inspection was conducted on 2/6/04 and the notice and order to repair was issued on 2/9/04. On 4/1/04 the HBA declared the garage substandard and dangerous.

Owner Contact: The owner spoke with the Director; she knows the garage needs to be demolished. The city will proceed with the process and she is going to work out a payment plan with Bob Robles for the demolition.

Financial Impact: CDBG Funds

Budget action required: None

State Equalized value: $19,400

Estimated cost to repair: $5,000

Staff Recommendation: To concur with the Housing Board of Appeals decision to demolish.

City Commission Recommendation: The commission will consider this item at it's meeting Tuesday, July 13, 2004.

CITY OF MUSKEGON

DANGEROUS BUILDING INSPECTION REPORT

1124 Ambrosia - Garage

2/6/04

Inspection noted:

1. Structural lean noted. Structural integrity inspection is required.
2. Doors missing.
3. Windows missing.
4. Wood appears rotted in areas.
5. All work requires construction permits. These permits must be obtained prior to work beginning.

Please contact Inspection Services with any questions at 231-724-6715.

BASED UPON MY RECENT INSPECTION OF THE ABOVE PROPERTY, I HAVE DETERMINED THAT THE STRUCTURE MEETS THE DEFINITION OF A DANGEROUS AND/OR SUBSTANDARD BUILDING AS SET FORTH IN SECTION 10-61 OF THE MUSKEGON CITY CODE.

ROBERT GRABINSKI, DIRECTOR OF INSPECTIONS　　　　DATE

1124 Ambrosia

7-13-04

AGREEMENT

THIS AGREEMENT, made this May 3, 2005 by and between:
Press's LLC.

(a corporation organized and existing under the law of the State of Michigan); (partnership consisting of ________________); (an individual trading as ________________); hereinafter called the "Contractor," and the City of Muskegon, Michigan, hereinafter called the "City".

WITNESSTH, that the Contractor and the City, for the consideration stated herein, mutually agree as follows:

ARTICLE 1. Statement of Work. The Contractor shall furnish all supervision, technical personnel, labor, materials, machinery, tools, equipment, and services, including utility and transportation services, and perform and complete all work required for the demolition and clearance of **1124 Ambrosia (Garage Only)** as well as required supplemental work for the completion of this project, all in strict accordance with the Contract, including all Addenda.

ARTICLE 2. Contract Price. The City will pay the Contractor for the performance of this Contract and the completion of the work covered therein an amount not to exceed **$1315.00.**

ARTICLE 3. CONTRACT: The executed contract shall consist of, but not be limited to, the following:

Invitation for Bids
Instructions to Bidders
Bid Proposal
Agreement
General Specifications for Project Performance
Equal Opportunity and Employment Specifications
Demolition and Site Clearance Specifications

This Agreement, together with other documents listed in Article 3, which said other documents are as fully a part of the Contract as if attached hereto or repeated herein, form the contract between the parties hereto.

In the event any provision in any component part of this Contract conflicts with any provision of any other component part, the Contractor shall contact the City immediately in writing for a determination, interpretation, and/or classification of conflicting parts and priority of same. Said determination from the City shall be in writing and shall become an Addendum to this Contract.

IN WITNESS WHEREOF, the parties hereto have caused this AGREEMENT to be executed on the day and year first written above.

ATTEST:

CONTRACTOR:

BY: Tammy Sager - pres
Printed name and title

ATTEST:

Irene Dempsey

CITY OF MUSKEGON

BY: ____________________
Mayor

Gail A. Kundinger
City Clerk

(SEAL)

CERTIFICATION (IF APPLICABLE)

I, Alan Sager, certify that I am the man

of the Corporation named as contractor herein;

That Tammy Sager, who signed this Agreement on behalf of the

Contractor, was then pres of said Corporation:

That said Agreement was duly signed for and in behalf of said Corporation by authority of its governing body, and is within the scope of its corporate powers.

Signed:

Tammy Sager

(CORPORATE SEAL)

Tammy Sager - pres
Printed Name and Title

DATE: July 6, 2004

TO: Honorable Mayor and Commissioners

FROM: Anthony L. Kleibecker, Director of Public Safety

RE: Concurrence with the Housing Board of Appeals Notice and Order to Demolish. Dangerous Building Case #: EN-040003 Address: 509 Amity.

SUMMARY OF REQUEST: This is to request that the City Commission Concur with the findings of the Housing Board of Appeals that the structure located at **509 Amity** is unsafe, substandard, a public nuisance and that it be demolished within thirty (30) days. It is further requested that administration be directed to obtain bids for the demolition of the structure and that the Mayor and City Clerk be authorized and directed to execute a contract for demolition with the lowest responsible bidder.

Case# & Project Address: # EN-040003 – 509 Amity

Location and ownership: This structure is located on Amity between Williams and Scott Street. It is owned by Mary Barnes.

Staff Correspondence: A dangerous building inspection was conducted on 1/20/04 and the notice and order to repair was issued on 1/23/04. On 4/1/04 the HBA declared the garage substandard and dangerous.

Owner Contact: This property was owned by Carrie Green, who is recently deceased. Her family was present at the 4/1/04 HBA meeting. Her daughter, Mary Barnes, stated the family was trying to sell the house at the time. They stated Marshall Redder might be interested in purchasing the home. The Director of Inspections explained the demolition process to Ms. Barnes, they can still sell the house, the new owner will have to bring it up to code. On 6/24/04 Mary Barnes came into the office to say that Marshall Redder was purchasing the house. She wanted to make sure it was ok for her to sell the house during this process. She was told she can sell it, but the demolition process will continue and it will be up to the new owner to stop the process.

Financial Impact: CDBG Funds

Budget action required: None

State Equalized value: $13,900

Estimated cost to repair: $2,000 plus the cost of interior repairs

Staff Recommendation: To concur with the Housing Board of Appeals decision to demolish.

City Commission Recommendation: The commission will consider this item at it's meeting Tuesday, July 13, 2004.

CITY OF MUSKEGON

DANGEROUS BUILDING INSPECTION REPORT

509 Amity

1/20/04

Inspection noted:

1. Structure boarded and vacant over 180 days.
2. Interior inspection with building, plumbing, mechanical, and electrical inspectors required.
3. All work requires construction permits. These permits must be obtained prior to work beginning.

Please contact Inspection Services with any questions at 231-724-6715.

BASED UPON MY RECENT INSPECTION OF THE ABOVE PROPERTY, I HAVE DETERMINED THAT THE STRUCTURE MEETS THE DEFINITION OF A DANGEROUS AND/OR SUBSTANDARD BUILDING AS SET FORTH IN SECTION 10-61 OF THE MUSKEGON CITY CODE.

HENRY FALTINOWSKI, BUILDING INSPECTOR DATE

509 AMITY

7-13-04

AGREEMENT

THIS AGREEMENT, made this May 3, 2005 by and between:
Press's LLC.

(a corporation organized and existing under the law of the State of Michigan); (partnership consisting of ________________); (an individual trading as ______ ________________); hereinafter called the "Contractor," and the City of Muskegon, Michigan, hereinafter called the "City".

WITNESSTH, that the Contractor and the City, for the consideration stated herein, mutually agree as follows:

ARTICLE 1. Statement of Work. The Contractor shall furnish all supervision, technical personnel, labor, materials, machinery, tools, equipment, and services, including utility and transportation services, and perform and complete all work required for the demolition and clearance of **509 Amity** as well as required supplemental work for the completion of this project, all in strict accordance with the Contract, including all Addenda.

ARTICLE 2. Contract Price. The City will pay the Contractor for the performance of this Contract and the completion of the work covered therein an amount not to exceed **$3500.00.**

ARTICLE 3. CONTRACT: The executed contract shall consist of, but not be limited to, the following:

Invitation for Bids
Instructions to Bidders
Bid Proposal
Agreement
General Specifications for Project Performance
Equal Opportunity and Employment Specifications
Demolition and Site Clearance Specifications

This Agreement, together with other documents listed in Article 3, which said other documents are as fully a part of the Contract as if attached hereto or repeated herein, form the contract between the parties hereto.

In the event any provision in any component part of this Contract conflicts with any provision of any other component part, the Contractor shall contact the City immediately in writing for a determination, interpretation, and/or classification of conflicting parts and priority of same. Said determination from the City shall be in writing and shall become an Addendum to this Contract.

IN WITNESS WHEREOF, the parties hereto have caused this AGREEMENT to be executed on the day and year first written above.

ATTEST:

CONTRACTOR:

BY: Tammy Jager - Pres.
Printed name and title

ATTEST:

CITY OF MUSKEGON

Irene Dempsey

BY: ______________________
Mayor

Gail A. Kundinger
City Clerk

(SEAL)

CERTIFICATION (IF APPLICABLE)

I, Alan Jager, certify that I am the Manager

of the Corporation named as contractor herein;

That Tammy Jager, who signed this Agreement on behalf of the

Contractor, was then Pres. of said Corporation:

That said Agreement was duly signed for and in behalf of said Corporation by authority of its governing body, and is within the scope of its corporate powers.

Signed:

Tammy Jager

Tammy Jager / Pres. / Manager
Printed Name and Title

(CORPORATE SEAL)

Potter, Linda

From: Grabinski, Lorraine
Sent: Thursday, July 08, 2004 2:23 PM
To: Kleibecker, Tony; Potter, Linda
Subject: 7/13 Commission

769 amity garage is repaired - please remove from agenda.

DATE: July 6, 2004

TO: Honorable Mayor and Commissioners

FROM: Anthony L. Kleibecker, Director of Public Safety

RE: Concurrence with the Housing Board of Appeals Notice and Order to Demolish. Dangerous Building Case #: EN-030020 Address: 769 Amity-Garage.

SUMMARY OF REQUEST: This is to request that the City Commission Concur with the findings of the Housing Board of Appeals that the structure located at **769 Amity-Garage** is unsafe, substandard, a public nuisance and that it be demolished within thirty (30) days. It is further requested that administration be directed to obtain bids for the demolition of the structure and that the Mayor and City Clerk be authorized and directed to execute a contract for demolition with the lowest responsible bidder.

Case# & Project Address: # EN-030020 – 769 Amity – Garage

Location and ownership: This structure is located on Amity between Kenneth and Getty Street. It is owned by Lucille Redd.

Staff Correspondence: A dangerous building inspection was conducted on 9/11/02 and the notice and order to repair was issued on 9/26/02. The owner pulled a permit to repair the garage on 3/31/03 with an expiration date of 5/1/03. On 7/3/03 the HBA declared the garage substandard because the repairs were not completed.

Owner Contact: On 11/4/02 the owner contacted the Inspection office and stated the garage would be repaired when her neighbor had the time to do it. She was in the office 3/31/03 to get the permit to repair. She scheduled an inspection 7/24/03 and the garage was found to be partially repaired.

Financial Impact: CDBG Funds

Budget action required: None

State Equalized value: $16,400

Estimated cost to repair: $1,000

Staff Recommendation: To concur with the Housing Board of Appeals decision to demolish.

City Commission Recommendation: The commission will consider this item at it's meeting Tuesday, July 13, 2004.

CITY OF MUSKEGON
DANGEROUS BUILDING INSPECTION REPORT

769 Amity - G
(GARAGE)

9/11/02

Inspection noted:

1. Partially demolished. Must be completed after permit is obtained.

TO REPAIR:

1. Finish removing back section of garage.
2. Re-frame back section. Use treated wood for bottom plate.
3. Re-side back of garage uniformly.
4. Re-install soffit panel.

BASED UPON MY RECENT INSPECTION OF THE ABOVE PROPERTY, I HAVE DETERMINED THAT THE STRUCTURE MEETS THE DEFINITION OF A DANGEROUS AND/OR SUBSTANDARD BUILDING AS SET FORTH IN SECTION 10-61 OF THE MUSKEGON CITY CODE.

HENRY FALTINOWSKI, BUILDING INSPECTOR DATE

769 AMITY 1-16-09