

CITY OF MUSKEGON

CITY COMMISSION MEETING

JULY 11, 2006

CITY COMMISSION CHAMBERS @ 5:30 P.M.

AGENDA

- ☐ CALL TO ORDER:
- ☐ PRAYER:
- ☐ PLEDGE OF ALLEGIANCE:
- ☐ ROLL CALL:
- ☐ HONORS AND AWARDS:
- ☐ INTRODUCTIONS/PRESENTATION:
- ☐ CONSENT AGENDA:
 - A. Approval of Minutes. CITY CLERK
 - B. Coagulant Model. WATER FILTRATION
 - C. Defined Contribution Retirement Plan for New Hires (DPW 517M).
FINANCE
 - D. Signing of 2006-2007 Subrecipient and Community Housing
Development Organization Agreements. COMMUNITY &
NEIGHBORHOOD SERVICES
- ☐ PUBLIC HEARINGS:
- ☐ COMMUNICATIONS:
- ☐ CITY MANAGER'S REPORT:
- ☐ UNFINISHED BUSINESS:
- ☐ NEW BUSINESS:
 - A. Finance Division Reorganization. FINANCE
 - B. Liquor License Request – CSTS, Inc., 2185 Henry (Pop-a-Top). CITY
CLERK
 - C. Sale of Clay Avenue Parking Ramp. CITY MANAGER
- ☐ ANY OTHER BUSINESS:
- ☐ PUBLIC PARTICIPATION:

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

❑ **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.

Date: July 11, 2006
To: Honorable Mayor and City Commissioners
From: Gail A. Kunding, City Clerk
RE: Approval of Minutes

SUMMARY OF REQUEST: To approve the minutes of the Regular Commission Meeting that was held on Tuesday, June 27, 2006.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the minutes.

CITY OF MUSKEGON

CITY COMMISSION MEETING

JULY 11, 2006

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 11, 2006.

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

ROLL CALL FOR THE REGULAR COMMISSION MEETING:

Present: Mayor Stephen Warmington, Vice Mayor Stephen Gawron, Commissioner Kevin Davis, Clara Shepherd, Lawrence Spataro, and Chris Carter, City Manager Bryon Mazade, City Attorney John Schrier, and Deputy City Clerk Linda Potter.

Absent: Commissioner Sue Wierengo (excused)

2006-60 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 27, 2006.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the minutes.

B. Coagulant Model. WATER FILTRATION

SUMMARY OF REQUEST: To purchase a coagulant model to assist the Water Filtration Plant operators in chemical coagulant dosage for proper water treatment.

FINANCIAL IMPACT: Coagulant model cost is \$9,000.

BUDGET ACTION REQUIRED: None. The coagulant model is budgeted at \$10,000.

STAFF RECOMMENDATION: Staff recommends purchasing the coagulant model from AY Consulting at a cost of \$9,000.

C. Defined Contribution Retirement Plan for New Hires (DPW 517M). FINANCE

SUMMARY OF REQUEST: The City Commission has previously approved a contract with the 517M union that includes provision for new hires to be members of a defined contribution retirement program in lieu of membership in the defined benefit General Employees' retirement system. The new DC plan calls for a City contribution of 3%/6% and an employee contribution of 0%/3% of wages. Present employees may also join the DC plan on an elective basis during a window period.

Documents for this plan are the same as for the previous plan set-ups for Clerical, Fire and non-union employees and are currently under review by the attorney's office. Because we are in the process of hiring several positions that will be covered under the new plan, staff at this time is requesting authorization to have the Mayor, Clerk and other required city officials sign the necessary documents for implementation.

FINANCIAL IMPACT: Moving to a defined contribution plan will help stabilize and better define the City's annual pension costs. We are negotiating similar arrangements for other employee groups. At this time, new employees in the Fire, Non-Union, Clerical and 517M groups are covered by a defined contribution arrangement. The status of this issue with the other employee groups is as follows: Police Patrol (in arbitration); Police Command (to be negotiated).

BUDGET ACTION REQUIRED: None at this time.

STAFF RECOMMENDATION: Approval

(ORDINANCE REQUIRES SECOND READING)

D. Signing of 2006-2007 Subrecipient and Community Housing Development Organization Agreements. COMMUNITY & NEIGHBORHOOD SERVICE

SUMMARY OF REQUEST: To direct staff to have the Subrecipient Agreements for the following agencies signed by the Mayor and Clerk. The funding allocations were approved by the Commission in April of this year.

- | | |
|-------------------------------|---------|
| 1. American Red Cross | \$2,500 |
| 2. HealthCARE | \$2,500 |
| 3. Legal Aid of West Michigan | \$2,500 |
| 4. Love INC | \$2,500 |
| 5. Sacred Suds | \$2,500 |
| 6. West Michigan Veterans | \$2,500 |

Also to have the Community Housing Development Organization Agreements signed for the following agencies:

1. Neighborhood Investment Corp. \$70,000

2. Habitat for Humanity \$35,000

FINANCIAL IMPACT: Funding will be allocated from the 2006-2007 Community Development Block Grant/HOME Funds as directed by the City Commission.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To direct staff to have documents signed by the Mayor and the Clerk.

Motion by Vice Mayor Gawron, second by Commissioner Carter to approve the Consent Agenda as presented.

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

Nays: None

MOTION PASSES

2006-61 NEW BUSINESS:

A. Finance Division Reorganization. FINANCE

SUMMARY OF REQUEST: Staff is recommending the reorganization of the Finance Division. The main elements of this reorganization are: 1) elimination of the Revenue Collections Administrator position, 2) upgrade of the Income Tax Administrator position and, 3) physical swap of the locations of the Income Tax and Finance Departments.

FINANCIAL IMPACT: The proposed reorganization will save between \$41,000 and \$55,000 annually (depending on whether a part-time position is filled). There will be some one-time moving costs estimated to be no more than \$5,000.

BUDGET ACTION REQUIRED: We anticipate this reorganization to be incorporated into the 2007 budget preparation process.

STAFF RECOMMENDATION: Staff recommends approval of the proposed reorganization as described, including salary schedule adjustments.

Motion by Vice Mayor Gawron, second by Commissioner Spataro to approve the Finance Division reorganization including salary schedule adjustments.

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

Nays: None

MOTION PASSES

B. Liquor License Request – CSTS, Inc., 2185 Henry (Pop-a-Top). CITY CLERK

SUMMARY OF REQUEST: The Liquor Control Commission is seeking local recommendation on a request from CSTS, Inc., (Pop-A-Top) for a new Outdoor Service (1 Area) to be held in conjunction with their 2006 Class C-SDM licensed business with Entertainment Permit.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: All departments are recommending approval subject to final inspection.

Motion by Commissioner Spataro, second by Commissioner Carter to approve the liquor licenser request from CSTS, Inc., 2185 Henry.

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

Nays: None

MOTION PASSES

C. Sale of Clay Avenue Parking Ramp. CITY MANAGER

SUMMARY OF REQUEST: To approve the sale of the City's Clay Avenue parking ramp to Press's Development, LLC.

FINANCIAL IMPACT: \$100,000 to the City, plus the property will be placed on the tax rolls.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve the purchase agreement between the City and Press's Development, LLC, and authorize the Mayor and Clerk to sign it.

Motion by Vice Mayor Gawron, second by Commissioner Shepherd to approve the purchase agreement between the City and Press's Development, LLC.

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

Nays: None

MOTION PASSES

PUBLIC PARTICIPATION: A Petition was given to Commission, and various comments were heard from the public.

ADJOURNMENT: The City Commission Meeting adjourned at 6:08 p.m.

Respectfully submitted,



Linda Potter, CMC
Deputy City Clerk

Date: July 11, 2006
To: Honorable Mayor and City Commissioners
From: Water Filtration Plant
RE: Coagulant model

SUMMARY OF REQUEST:

To purchase a coagulant model to assist the Water Filtration Plant operators in chemical coagulant dosage for proper water treatment.

FINANCIAL IMPACT:

Coagulant model cost is \$9000.00.

BUDGET ACTION REQUIRED:

None. The coagulant model is budgeted at \$10,000.00.

STAFF RECOMMENDATION:

Staff recommends purchasing the coagulant model from AY Consulting at a cost of \$9000.00.

MEMORANDUM

6/29/06

TO: M. AL-SHATEL, DEPUTY DIRECTOR - PUBLIC WORKS

FROM: R. VENEKLASEN, WATER FILTRATION SUPERVISOR

RE: COAGULANT MODEL PROPOSAL

HISTORY

The Water Filtration Plant uses Aluminum Sulfate (Alum) to coagulate, or clump together, the suspended materials in the raw (Lake Michigan) water. This step of the process is extremely critical as it is the initial step that sets the tone for the performance of the remainder of the treatment process. The Plant has experimented with alternate coagulants, Ferric Chloride and Hyper Ion, in the past but for a number of reasons has returned to using alum as the coagulant of choice.

COAGULANT DOSE

The coagulant dose is based on a number of conditions presented by the raw water quality – turbidity, alkalinity, pH, and color are the most prevalently used. Changes in the levels of these constituents influence coagulant application rates and effectiveness. Historically the coagulant dose has been determined by experience coupled with reduction in turbidity. Periodic jar tests are used to mimic the treatment process but seem to have limited success and are very time consuming.

STAFF INVOLVEMENT

The plant operators currently routinely perform the analysis previously indicated as part of their routine activities. Additionally, they have monitored water quality with the use of a particle counter in the past. The introduction of a coagulant model will require the addition of UV 254 analysis. This is simple analysis that requires a short period of time to perform.

OUTCOME

The anticipated results from the coagulant model are more timely and appropriate levels of coagulant application. The model is a tool for the operator that will provide a recommended coagulant application rate to the plant operator. In the event the raw water quality changes, the operator can perform their routine analysis, input the results and receive a coagulant dose recommendation in a timely manner. The operator can then respond to the water quality change more quickly and make subsequent minor adjustments to fine tune the application rate. This is in comparison to the approximate three hours required for a jar test.

It is expected this tool will provide the operator information to make accurate and timely adjustments in the treatment process resulting in improved water treatment and cost effective chemical application.

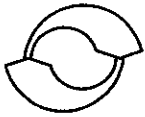
Further, the model has been adopted at other plants for their trials of alternatives to the use of alum as a coagulant. This is important as we begin to explore efficiencies and costs associated with treatment residuals and disposal, filter performance (turbidity removal), and the effect of the length of individual filter runs between washes on recycle water volumes. Additionally over time the model can include optimization of rapid mix and flocculator speeds for the treatment process.

MODEL USE

The coagulant model is tailored to each individual plant. It is currently being used successfully at a number of plants using Lake Michigan as a source. The plants currently using the model in West Michigan include: St. Joseph, Benton Harbor, South Haven, Holland, and Grand Rapids.

RECOMMENDATION

It is my recommendation the City purchase the coagulant model from AY Consulting at a cost of \$9,000.00 including one-year of technical support.



1418 Woodcliff Dr., Grand Rapids, MI 49506
Ph. (616) 975-0847 Fax (616) 975-2945

June 28, 2006

Proposal

Proposal ID: musk01_0606

Plant: Muskegon Water Filtration Plant, Muskegon, Michigan

Objectives: To develop coagulation computer model that will assist the plant operators in controlling the coagulant feed rate at the Muskegon Water Filtration Plant (WFP).

Scope of work:

- We will develop a site-specific computer model to optimize the chemical feed (coagulant) rate at the Muskegon WFP.
- Using this model, we will develop a chemical feed control computer program that will provide the plant operators with real-time advisement of the recommended coagulant doses.
- In addition, we will perform model and process analyses to determine if monitoring of specific water and operating parameters could further improve plant process control and performance.

Plant Information Needed:

- Equipment description (type, size, quantity)
- 4-5 years monthly operating reports (electronic files)

Expected completion:

Three months after project approval

Cost:

\$9,000 (billed upon delivery of the chemical feed control program)

Technical Support:

Upon completion of the chemical feed control program, AY Consulting will provide one year technical support at no additional cost, which will include:

- Monthly analysis of plant process and model performance, and, if necessary, model's fine-tuning.
- Model updates, if additional raw water quality monitoring techniques (e.g., UV254) are implemented.
- Support with any emerging operational issues related to the plant's coagulation process.

Confidentiality:

All data provided by the plant or generated by AY Consulting during the course of this project will be kept strictly confidential. No information pertaining to this work will be released in the form of publications, outside presentations, etc. without plant's prior consent.

Date: July 11, 2006

To: Honorable Mayor and City Commissioners

From: Finance Director

RE: Defined Contribution Retirement Plan for New Hires (DPW 517M)

*Needs
2nd Reading
(Ordinance)*

SUMMARY OF REQUEST: The city commission has previously approved a contract with the 517M union that includes provision for new hires to be members of a defined contribution retirement program in lieu of membership in the defined benefit General Employees' retirement system. The new DC plan calls for a city contribution of 3%/6% and an employee contribution of 0%/3% of wages. Present employees may also join the DC plan on an elective basis during a window period.

Documents for this plan are the same as for the previous plan set-ups for Clerical, Fire and Non-union employees and is currently under review by the attorney's office. Because we are in process of hiring several positions that will be covered under the new plan, staff at this time is requesting authorization to have the Mayor, Clerk and other required city officials sign the necessary documents for implementation.

FINANCIAL IMPACT: Moving to a defined contribution plan will help stabilize and better define the city's annual pension costs. We are negotiating similar arrangements for other employee groups. At this time, new employees in the Fire, Non-Union, Clerical and 517M groups are covered by a defined contribution arrangement. The status of this issue with the other employee groups is as follows: Police Patrol (in arbitration); Police Command (to be negotiated).

BUDGET ACTION REQUIRED: None at this time.

STAFF RECOMMENDATION: Approval

COMMITTEE RECOMMENDATION: None

RESOLUTION # 2006-60(c)

**RESOLUTION TO ADOPT MERS DEFINED CONTRIBUTION PLAN
FOR LOCAL 517M UNION EMPLOYEES**

WHEREAS, it has been discussed and negotiated with Local 517M, Unit 2 of the Service Employees International Union ("Union") that a defined contribution money purchase plan should be adopted for the union members in lieu of continuing the Defined Benefit Plan for new hires effective January 1, 2006; and,

WHEREAS, it has further been discussed and negotiated that current union members will be given a one time, irrevocable opportunity to convert the greater of their employee contributions, and the present value of their accrued benefit, disregarding vesting, in the City's Defined Benefit Plan, and transfer the corresponding lump sum dollar present value to the defined contribution plan to the credit of the transferring member, said election to be made within 90 days after execution of the 2005-2007 collective bargaining agreement, and

WHEREAS, the City desires to adopt the defined contribution money purchase plan through MERS (with ICMA being the current Third Party Administrator administering the plan);

NOW, THEREFORE, BE IT RESOLVED that the City Commission deems it in the best interest of the City and the Union to adopt a defined contribution money purchase retirement plan ("Plan") in the form of the MERS and ICMA documents, effective January 1, 2006. The Plan shall be maintained for the exclusive benefit of eligible employees and their beneficiaries, those eligible employees being members of the Union.

Relevant provisions related to the plan are as follows:

All Union employees hired on and after January 1, 2006 are mandatory participants in the Plan.

The City will contribute 3% of the eligible participant's Medicare taxable W-2 compensation each year.

In addition, when a participant first becomes eligible to participate in the plan, the employee must elect whether or not to contribute 3% of his or her Medicare taxable W-2 compensation. If the employee elects to contribute 3% of his or her compensation, the City will match that 3% contribution, dollar for dollar.

Employees will become vested in the City's 3% or 6% annual Plan contributions under a five-year graded vesting schedule with credit given for all years of service since hire with the City, i.e.,

<u>Full Years of Service</u>	<u>Vesting Percentage</u>
< 1 year	0%
1 year	20%
2 years	40%

3 years	60%
4 years	80%
5 years	100%

Additional relevant provisions related to the plan and transfers to the plan are as follows:

Existing Union employees may make a one time, irrevocable, election to transfer the greater of the employee's contributions to the City of Muskegon's Defined Benefit Plan, and the lump sum dollar present value, disregarding vesting, of the individual's accrued benefit in the City of Muskegon's Defined Benefit Plan (accrued benefit disregarding vesting) payable at their normal retirement date as a life annuity, to the Plan prior to November 15, 2006. If the defined benefit plan participant is eligible to receive an immediate benefit, the transfer will be based upon the present value of the individual's accrued benefit payable immediately as a life annuity.

Defined benefit plan participants shall have until November 15, 2006 to elect, in writing, to transfer. Failure to elect to transfer to the Plan constitutes a refusal to transfer. Upon an election to transfer to the Plan, that employee's participation in the defined benefit plan terminates effective November 30, 2006. Assets shall be transferred as soon as possible with values, specified above, as of November 30, 2006. Contributions will commence in the Plan with the pay period commencing November ____, 2006 with the first contribution occurring in December 2006. The Finance Director will work with MERS to develop any additional, detailed procedures and deadline dates for the transfer to the Plan.

BE IT FURTHER RESOLVED that the Mayor and Clerk are authorized to execute the MERS Revised Uniform Defined Contribution Program Resolution and the MERS Uniform Defined Contribution Program Adoption Agreement, copies of which are attached to this resolution along with the approved Declaration of Trust.

BE IT FURTHER RESOLVED that the City has investment direction under the Plan only for unvested employer contributions; each individual participant personally directs the investment for his/her account balance, including all employer contributions, which vest in the participant under the employer vesting schedule

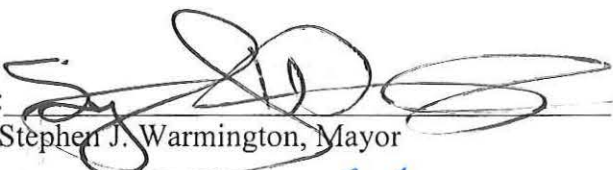
Adopted this 11th day of July 2006.

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

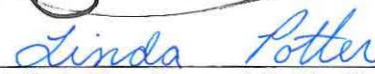
Nays: None

Absent: Wierengo

By:


Stephen J. Warmington, Mayor

Attest:


~~Gail A. Kunderger, MMC, City Clerk~~
Linda Potter, Deputy City Clerk

CERTIFICATION

(Adoption of defined contribution plan for Local 517M, Unit 2)

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 11, 2006.



Linda Potter, CMC
Deputy City Clerk

MERS REVISED UNIFORM DEFINED CONTRIBUTION PROGRAM RESOLUTION

WHEREAS, the MERS Plan Document of 1996, effective October 1, 1996, authorized a defined contribution option (Section 19A, Benefit Program DC) as a new benefit program that a participating municipality or court may adopt for MERS members to be administered under the discretion of the Municipal Employees' Retirement Board as trustee and fiduciary, directly by (or through a combination of) MERS or MERS' duly-appointed third-party administrator.

WHEREAS, as a new provision, Section 19A, along with the remainder of the Plan, received from the Internal Revenue Service a Letter of Favorable Determination (dated July 8, 1997) that the Plan is a qualified Plan under Section 401 of the Internal Revenue Code, and an exempt trust under Section 501.

WHEREAS, on May 5, 1997, the Municipal Employees' Retirement Board entered into an Alliance Agreement with ICMA-RC (the International City Management Association Retirement Corporation) as third-party administrator for the defined contribution plans under Plan Document Section 19A.

WHEREAS, on November 14, 2001, following MERS' due diligence search and review, the Retirement Board and ICMA-RC entered into the Amended and Restated Alliance Agreement (the "2001 Alliance Agreement") (Attachment 1) for third-party administrator services. Participating employees of MERS' municipalities and courts adopting Benefit Program DC receive enhanced services and favorable decreased participant fees under the 2001 Agreement. Additionally, such services and fees shall also be available where the participating municipality or court adopting Benefit Program DC has in effect (or subsequently establishes) an IRC section 457 deferred compensation plan or section 401(k) plan. Approval of this Revised Uniform Resolution by each MERS participating municipality and court which adopts or has adopted MERS Benefit Program DC is necessary and required in order that the benefits available under the 2001 Alliance Agreement may be extended to covered participants.

WHEREAS, this Revised Uniform Resolution has been approved by the Board under the authority of 1996 PA 220, Section 36(2)(a), MCL 38.1536(2)(a), declaring that the Retirement Board "shall determine . . . and establish" all provisions of the retirement system. Under this authority, the Board authorized Section 19A, the Defined Contribution Benefit Program, which shall not be implemented unless in strict compliance with the terms and conditions of this Revised Resolution.

- It is expressly agreed and understood as an integral and nonseverable part of this Revised Resolution that Section 43B of the Plan Document shall not apply to this Revised Uniform Resolution and its administration or interpretation.
- In the event any alteration of the terms or conditions stated in this Revised Uniform Resolution is made or occurs, under Section 43B or other plan provision or other law, it is expressly recognized that MERS and the Retirement Board, as sole trustee and fiduciary of the MERS Plan and its trust reserves, and whose authority is nondelegable, shall have no obligation or duty: to administer (or to have administered) the Defined Contribution Benefit

Program; to authorize the transfer of any defined benefit assets to the Defined Contribution Benefit Program; or to continue administration by the third-party administrator or by MERS directly.

WHEREAS, concurrent with this Revised Resolution, and as a continuing obligation, this governing body has completed and approved, and submitted to MERS documents necessary for adoption and implementation of the MERS Benefit Program DC. This obligation applies to any documents deemed necessary to the operation of the defined contribution program by MERS' third-party administrator.

NOW, THEREFORE, BE IT RESOLVED that the governing body adopts (or readopts) MERS Benefit Program Defined Contribution as provided below.

I. NEW EMPLOYEES

Effective January 1, 2006, (to be known as the **ADOPTION DATE**), the
City of Muskegon hereby adopts Benefit Program
(MERS municipality/court)

DC (as set forth in the MERS Uniform Defined Contribution Program Adoption Agreement) for
Local 517M, Unit 2 of the Service Employees International Union (specify employees/division #s)

first hired on and after the Adoption Date, and optional participation for any employee or officer of this municipality otherwise eligible to participate in MERS under Sections 2B(3)(a) and 3(3) of the Plan Document who has previously elected to not participate in MERS. **ONLY THOSE EMPLOYEES ELIGIBLE FOR MERS MEMBERSHIP (SECTIONS 2B(3) AND 3 OF THE PLAN DOCUMENT) SHALL BE ELIGIBLE TO PARTICIPATE.**

- (A) **CONTRIBUTIONS** shall be as allowed and specified in the Adoption Agreement (Attachment 2, completed and approved and a certified copy submitted to MERS concurrent with and incorporated by reference in this Resolution) **subject to the provisions of MERS Plan Document**: Section 19A(2) that employer contributions shall be in any percentage of compensation from 1% to the maximum allowed by the Internal Revenue Code, in increments of 0.1%; and Section 19A(3), under which an employee member may voluntarily contribute additional amounts to the extent allowed by the Code.
- (B) **EARNINGS** under the Adoption Agreement shall include items of "Compensation" under Section 2A(6) of the MERS Plan Document, being the Medicare taxable wages reported on the member's W-2 statement.
- (C) **VESTING** shall be as allowed and specified under:
- (1) Plan Section 19A(12), whose text is set out in Section II(G) of this Revised Resolution; and
 - (2) the Adoption Agreement.

STOP

If covering new employees only, skip II and go to III on page 5.

STOP

II. OPTIONAL PROVISION FOR CURRENT MERS MEMBERS WHERE DC PROGRAM FOR NEW EMPLOYEES ESTABLISHED (PLAN SECTION 19A(8)-(11))

THIS OPTIONAL PROVISION SHALL ONLY BE SELECTED WHERE THE TOTAL FUNDED PERCENT OF AGGREGATE ACCRUED LIABILITIES AND VALUATION ASSETS OF ALL RESERVES SPECIFIED IN TABLE 11 (OR SUCCESSOR TABLE) OF THE MOST RECENT MERS ANNUAL ACTUARIAL VALUATION REPORT IS AT LEAST SIXTY PERCENT (60%).

IT IS ADDITIONALLY RESOLVED, as provided in each of the following paragraphs:

- (A) Effective on the **Adoption Date**, pursuant to Plan Section 19A(8)(b) all current MERS defined benefit members who are members of the same employee classification described in Section I above on the **Adoption Date** shall:

**THE GOVERNING BODY SHALL
SELECT ONLY ONE OF THE FOLLOWING**

- _____ where vested under this municipality's MERS vesting program (10, 8, or 6 years)
- _____ where the employee has at least the following number of years of credited service for this municipality on **Adoption Date**: _____ (insert whole number less than vesting program)
- _____ without regard to vesting

be offered the opportunity to irrevocably elect coverage under Benefit Program DC, under the detailed procedures specified in Plan Section 19A(9)-(11).

- (B) For each eligible employee, an opportunity to irrevocably elect to participate in Benefit Program DC shall be offered. Section 19A(9) specifies an employee's written election to participate shall be filed with MERS: (a) not earlier than the last day of the third month after this Resolution is adopted and received by MERS; and (b) not later than the first day of the first calendar month that is at least six months after MERS receives this Resolution. This means each eligible employee will have about 90 days to make the decision.

After MERS receives this Resolution, this governing body's authorized official and eligible employees will be advised by MERS of the election window timelines and other information to consider in making the irrevocable decision whether to participate in Benefit Program DC.

- (C) Participation for those electing coverage shall be effective the first day of the first calendar month at least seven (7) months after MERS' receipt of the Resolution, here designated as being the month of _____, 20____, (insert month and year) which shall be known as the "**CONVERSION DATE**."

- (D) The opportunity for current employees on the **Adoption Date** to participate in the DC Program shall:

**THE GOVERNING BODY SHALL
SELECT ONLY ONE OF THE FOLLOWING**

- _____ apply to all employees who separate from or terminate employment with this municipality after the **Adoption Date** and before the **Conversion Date**, so long as the employee does not receive a retirement allowance from MERS based on service for this municipality.
- _____ not apply to any employee who separates from or terminates employment with this municipality after the **Adoption Date**.

- (E) **CONTRIBUTIONS** shall be as provided in Section I (A) above.

- (F) **EARNINGS** shall be as provided in Section I (B) above.

- (G) **VESTING** shall be as provided in Section I (C) above, and participants shall be credited, on participant written request and MERS' verification of such service, with all eligible service, if any, specified in Plan Section 19A(12) which states:

Where a member has previously acquired in the employ of any participating municipality or participating court:

- (a) not less than 1 year of defined benefit service in force with a participating municipality or participating court;
- (b) eligible credited service where the participating municipality or participating court has adopted the Reciprocal Retirement Act, 1961 PA 88;
- (c) at least 12 months in which employer contributions by a participating municipality or participating court have been made on behalf of the member under Benefit Program DC,

such service shall on the member's written request to the employer and MERS' verification of such service be applied toward satisfying the vesting schedule for employer contributions. This requirement shall apply to all adoptions of Benefit Program DC on and after October 1, 2000; where previously adopted, the participating municipality or participating court may adopt this subsection (12) with full effectiveness as of the original defined contribution adoption date for the employer division involved.

- (H) For each employee irrevocably electing to participate in Benefit Program DC, then under Plan Section 19A(11), MERS shall transfer to the member's credit (as adjusted through MERS' records to the **Conversion Date**) the **greater** of:

- (1) The member's accumulated contributions; or
- (2) The actuarial present value (as determined in Paragraph (I) below).

The transfer shall be made approximately 30 calendar days after the **Conversion Date**, and the transfer amount shall include pro-rated regular interest at the regular Board-established

rate of (currently four percent (4%)) measured from the **Conversion Date** to the actual transfer date.

- (I) Per Plan Section 19A(11)(b), the Retirement Board has established the assumptions for calculation of the actuarial present value of a member's accrued benefit that may be transferred. The assumptions are:

- (1) **The interest rate in effect as of the Adoption Date, to determine actuarial present value, shall be the Board-established investment earnings rate assumption (currently eight percent (8.00%)).**
- (2) **The funded level for the member's specific MERS division (total funded percentage of the present value of accrued benefits and valuation assets of all reserves) as of the Adoption Date from the most recent MERS annual actuarial valuation report data provided by MERS' actuary. In the APV calculation, the funded level used shall be:**

**THE GOVERNING BODY SHALL
SELECT ONLY ONE OF THE FOLLOWING**

_____ Funded level for the division (not to exceed 100% funded level).

_____ If greater than the division's funded level but not more than 100% funded level, then MERS is directed to compute the funded percentage for the transfer calculation on _____% funded basis (insert number not less than funded level percentage and not more than 100%). Where less than 100% funded level exists, this governing body recognizes that such direction shall increase its pension funding liability. MERS shall not implement such direction unless the governing body forwards to MERS sufficient cash up to the funded level selected for all members prior to the **Conversion Date**; if sufficient cash is not forwarded, then the governing body expressly covenants with MERS and directs, as a condition of this selection, to MERS billing and the governing body remitting to MERS all contributions necessary to fund the unfunded liability occasioned by the aggregate transfer of the difference between the actual funded level for the division and funded level directed above over a period of four (4) years.

**III. IMPLEMENTATION DIRECTIONS FOR MERS BENEFIT PROGRAM DC
THIRD-PARTY ADMINISTRATOR.**

- (A) The governing body of this MERS participating municipality or court as Employer desires that MERS Benefit Program DC be administered by MERS' duly-designated third-party administrator and that some or all of the funds held under such plan be invested in the TPA's retirement trust established for the collective investment of funds held under the Employer's retirement, defined contribution, and deferred compensation plans.
- (B) The Employer hereby establishes MERS Benefit Program Defined Contribution as authorized by Section 19A of the Municipal Employees' Retirement System of Michigan Plan Document, in the form of the third-party administrator's IRS-qualified retirement trust.

- (C) The Declaration of Trust (Attachment 2, Appendix A, approved and adopted concurrent with and incorporated by reference in this Resolution) is operative and applies with respect to any MERS Benefit Program DC plan or deferred compensation plan previously or subsequently established by the Employer, if the assets are to be invested in the third-party administrator's retirement trust.
- (D) Finance Director (use title of official, not name) shall be the Employer's MERS Benefit Program Defined Contribution Plan coordinator; shall receive necessary reports, notices, etc., from the third-party administrator or its retirement trust; shall cast, on behalf of the Employer, any required votes under the retirement trust; may delegate any administrative duties relating to the defined contribution plan to appropriate departments.
- (E) The Municipal Employees' Retirement Board retains full and unrestricted authority over the administration of MERS Benefit Program Defined Contribution, including but not limited to the appointment and termination of the third-party administrator, or MERS' self-administration of the defined contribution program in whole or in part.

IV. EFFECTIVENESS OF THIS REVISED RESOLUTION

BE IT FINALLY RESOLVED: This Resolution shall have no legal effect under the MERS Plan Document until a certified copy of this adopting Resolution shall be filed with MERS, and MERS determines that all necessary requirements under Plan Document Section 19A, the 2001 Alliance Agreement, the Adoption Agreement, and this Resolution have been met. All dates for implementation of Benefit Program DC under Section 19A shall be determined by MERS from the date of filing with MERS of this Revised Resolution in proper form and content. Upon MERS determination that all necessary documents have been submitted to MERS, MERS shall record its formal approval upon this Resolution, and return a copy to the Employer's defined contribution plan coordinator identified in Section III (D) above.

In the event an amendatory Resolution or other action by the municipality is required, such Resolution or action shall be deemed effective as of the date of the initial Resolution or action where concurred in by this governing body and MERS (and the third-party administrator if necessary). Section 54 of the Plan Document shall apply to this Resolution and all acts performed under its authority. The terms and conditions of this Revised Resolution supersede and stand in place of any prior resolution, and its terms are controlling.

I hereby certify that the above is a true copy of a Resolution adopted at the official meeting held on July 11, 2006. Linda Potter
(Signature of authorized official)

Please send MERS fully executed copy of: this Revised Resolution; Part II (Administrative Services Agreement) of the 2001 Alliance Agreement; Adoption Agreement with Declaration of Trust and certified minutes stating governing body approval, and/or union contract language.

Received and Approved by the Municipal Employees' Retirement System of Michigan

Dated: _____, 2006

(Authorized MERS signatory)

Att.

MERS UNIFORM DEFINED CONTRIBUTION PROGRAM ADOPTION AGREEMENT

The Employer, a participating municipality or participating court within the State of Michigan that has adopted MERS coverage, hereby establishes a Section 19A, Benefit Program DC to be known as Local 517M, Unit 2 DC Retirement Plan

(the "MERS Plan") in the form of the ICMA Retirement Corporation Governmental Money Purchase Plan and Trust and attached Declaration of Trust of VantageTrust, as amended and as authorized by Section 19A of the Municipal Employees' Retirement System of Michigan Plan Document.

I. EMPLOYER: City of Muskegon
(Name of municipality or court)

II. The Effective Date of the Benefit Program DC shall be the first day of the Plan Year during which the Employer adopts the Plan, unless an alternate Effective Date is hereby specified: January 1, 2006.

III. Normal Retirement Age shall be age 55 (not to exceed age 65).

IV. ELIGIBILITY REQUIREMENTS

1. The following group or groups of Employees are eligible to participate in the Program:

Local 517M, Unit 2, of the Service Employees
International Union

(Specify employee classification and division numbers)

2. Only those Employees eligible for MERS Membership (Section 3 of the MERS Plan) shall be eligible to participate. (A copy of ALL employee enrollment forms must be submitted to MERS as well as ICMA.)

V. CONTRIBUTION PROVISIONS

1. The Employer shall contribute on behalf of each Participant 3 % of Earnings or 6% of earnings for the Plan Year (subject to the limitations of sections 415(c) and (e) of the Internal Revenue Code). Each Participant is required to contribute _____ % of Earnings for the Plan Year to receive 6% from the Employer. The participant must elect to contribute 3% when first eligible to participate and the election is irrevocable.

If Employee contributions are required, an Employee shall not have the right to discontinue or vary the rate of such contributions after becoming a Plan Participant.

The Employer hereby elects to "pick up" the Mandatory/Required Employee contribution. (Allows employee contributions to be made on a pre-tax basis)



Yes



No

[Note to Employer: Picked up contributions are excludable from the Employee's gross income under Section 414(h)(2) of the Internal Revenue Code of 1986 only if they meet the requirements of Rev. Rul. 81-35, 1981-1 C.B. 255. Those requirements are (1) that the Employer must specify that the contributions, although designated as Employee contributions, are being paid by the Employer in lieu of contributions by the Employee; and (2) the Employee must not have the option of receiving the contributed amounts directly instead of having them paid by the Employer to the Plan.

Neither an advisory opinion letter issued by the Internal Revenue Service with respect to the MERS Plan, nor a determination letter issued to an adopting Employer, is a ruling by the Internal Revenue Service that Employee contributions that are picked up by the Employer are not includible in the Employee's gross income for federal income tax purposes. The Employer may seek such a ruling.]

2. Each Employee may make a voluntary (unmatched), after-tax contribution, subject to the limitations of Sections 415(c) and (e) of the Internal Revenue Code.

3. Employer contributions and Employee contributions shall be contributed to the Trust in accordance with the following payment schedule:

Bi-weekly

VI. EARNINGS

Earnings shall be the Medicare taxable wages reported on the Employee's W-2 statement.

VII. VESTING PROVISIONS

The Employer hereby specifies the following vesting schedule:

SEE NEXT PAGE

<u>Years of Service Completed</u>	<u>Specified Vesting Requirements</u>
Zero	<u>0</u> %
One	<u>20</u> %
Two	<u>40</u> %
Three	<u>60</u> %
Four	<u>80</u> %
Five	<u>100</u> %
Six	<u> </u> %
Seven or more	<u>100</u> %

VIII. Loans are permitted under the Program:

☐ Yes ☒ No

IX. The Plan will accept an eligible rollover distribution from an eligible retirement plan described in Section 401(a)(including "401(k)") or 403(a) of the Code, an annuity contract described in Section 403(b) of the Code, an eligible deferred compensation plan described in Section 457(b) of the Code maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state, or an individual retirement account or annuity described in Section 408(a) or 408(b) of the Code, including after-tax employee contributions, as applicable.

☒ Yes ☐ No

X. The Employer hereby agrees to the provisions of the MERS Uniform Defined Contribution Program and agrees that in the event of any conflict between Section 19A and the MERS Plan, the provisions of Section 19A shall control.

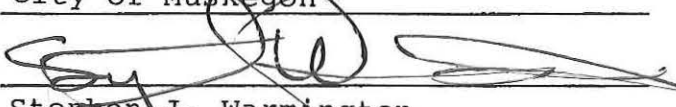
XI. The Employer hereby appoints the ICMA Retirement Corporation as the Plan Administrator pursuant to the terms and conditions of the Plan.

The Employer hereby agrees to the provisions of the Plan.

XII. The Employer hereby acknowledges it understands that failure to properly fill out this Adoption Agreement may result in the ineligibility of the Plan in the Benefit Program DC.

In Witness Whereof, the Employer hereby causes this Agreement to be executed on this
11th day of July, 2006.

Employer: City of Muskegon

By: 
Stephen J. Warmington

Title: Mayor

Attest: Linda Potter
~~Gail A. Kunding, MMC~~
~~City Clerk~~
Linda Potter, Deputy City Clerk

Appendix A

DECLARATION OF TRUST

This Declaration of Trust (the "Group Trust Agreement") is made as of the 19th day of May 2001, by **VantageTrust Company**, which declares itself to be the sole Trustee of the trust hereby created.

WHEREAS, the ICMA Retirement Trust was created as a vehicle for the commingling of the assets of governmental plans and governmental units described in Section 818(a)(6) of the Internal Revenue Code of 1986, as amended, pursuant to a Declaration of Trust dated October 4, 1982, as subsequently amended, a copy of which is attached hereto and incorporated by reference as set out below (the "ICMA Declaration"); and

WHEREAS, the trust created hereunder (the "Group Trust") is intended to meet the requirements of Revenue Ruling 81-100, 1981-1 C.B. 326, and is established as a common trust fund within the meaning of Section 391:1 of Title 35 of the New Hampshire Revised Statutes Annotated, to accept and hold for investment purposes the assets of the Deferred Compensation and Qualified Plans held by and through the ICMA Retirement Trust.

NOW, THEREFORE, the Group Trust is created by the execution of this Declaration of Trust by the Trustee and is established with respect to each Deferred Compensation and Qualified Plan by the transfer to the Trustee of such Plan's assets in the ICMA Retirement Trust, by the Trustees thereof, in accord with the following provisions:

1. **Incorporation of ICMA Declaration by Reference; ICMA By-Laws.** Except as otherwise provided in this Group Trust Agreement, and to the extent not inconsistent herewith, all provisions of the ICMA Declaration are incorporated herein by reference and made a part hereof, to be read by substituting the Group Trust for the Retirement Trust and the Trustee for the Board of Trustees referenced therein. In this respect, unless the context clearly indicates otherwise, all capitalized terms used herein and defined in the ICMA Declaration have the meanings assigned to them in the ICMA Declaration. In addition, the By-Laws of the ICMA Retirement Trust, as the same may be amended from time-to-time, are adopted as the By-Laws of the Group Trust to the extent not inconsistent with the terms of this Group Trust Agreement.

Notwithstanding the foregoing, the terms of the ICMA Declaration and By-Laws are further modified with respect to the Group Trust created hereunder, as follows:

- (a) any reporting, distribution, or other obligation of the Group Trust vis-à-vis any Deferred Compensation Plan, Qualified Plan, Public Employer, Public Employer Trustee, or Employer Trust shall be deemed satisfied to the extent that such

obligation is undertaken by the ICMA Retirement Trust (in which case the obligation of the Group Trust shall run to the ICMA Retirement Trust); and

- (b) all provisions dealing with the number, qualification, election, term and nomination of Trustees shall not apply, and all other provisions relating to trustees (including, but not limited to, resignation and removal) shall be interpreted in a manner consistent with the appointment of a single corporate trustee.

2. **Compliance with Revenue Procedure 81-100.** The requirements of Revenue Procedure 81-100 are applicable to the Group Trust as follows:

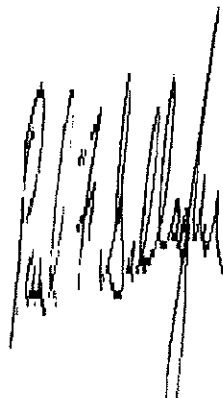
- (a) Pursuant to the terms of this Group Trust Agreement and Article X of the By-Laws, investment in the Group Trust is limited to assets of Deferred Compensation and Qualified Plans, investing through the ICMA Retirement Trust.
- (b) Pursuant to the By-Laws, the Group Trust is adopted as a part of each Qualified Plan that invests herein through the ICMA Retirement Trust.
- (c) In accord with the By-Laws, that part of the Group Trust's corpus or income which equitably belongs to any Deferred Compensation and Qualified Plan may not be used for or diverted to any purposes other than for the exclusive benefit of the Plan's employees or their beneficiaries who are entitled to benefits under such Plan.
- (d) In accord with the By-Laws, no Deferred Compensation Plan or Qualified Plan may assign any or part of its equity or interest in the Group Trust, and any purported assignment of such equity or interest shall be void.

3. **Governing Law.** Except as otherwise required by federal, state or local law, this Declaration of Trust (including the ICMA Declaration to the extent incorporated herein) and the Group Trust created hereunder shall be construed and determined in accordance with applicable laws of the State of New Hampshire.

4. **Judicial Proceedings.** The Trustee may at any time initiate an action or proceeding in the appropriate state or federal courts within or outside the state of New Hampshire for the settlement of its accounts or for the determination of any question of construction which may arise or for instructions.

IN WITNESS WHEREOF, the Trustee has executed this Declaration of Trust as of the day and year first above written.

VANTAGETRUST COMPANY

A handwritten signature in black ink, appearing to read "Paul F. Gallagher", written over a horizontal line.

By: _____

Name: Paul F. Gallagher

Title: Assistant Secretary

Commission Meeting Date: July 11, 2006

Date: July 3, 2006

To: Honorable Mayor and City Commission

From: Community & Neighborhood Services Department

**Re: Signing of 2006-2007 Subrecipient and Community
Housing Development Organization Agreements**

SUMMARY OF REQUEST: To direct staff to have the Subrecipient Agreements for the following agencies by the Mayor and Clerk. The funding allocations were approved by the Commission in April of this year.

1. American Red Cross	\$2,500
2. HealthCARE	\$2,500
3. Legal Aid of West Michigan	\$2,500
4. Love INC	\$2,500
5. Sacred Suds	\$2,500
6. West Michigan Veterans	\$2,500

Also to have the Community Housing Development Organization Agreements signed for the following agencies:

1. Neighborhood Investment Corp	\$70,000
2. Habitat for Humanity	\$35,000

FINANCIAL IMPACT: Funding will be allocated from the 2006-2007 Community Development Block Grant/HOME Funds as directed by the City Commission.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To direct staff to have documents signed by the Mayor and the Clerk.

COMMITTEE RECOMMENDATION: All of the allocations were previously approved by the Commission.

SUBRECIPIENT AGREEMENT / 2006-2007

This SUBRECIPIENT made this 1st day of June, 2006, by and between the City of Muskegon, Michigan, A Municipal Corporation, (hereinafter "Recipient") and _____ whose offices are located at _____, Muskegon, MI (hereinafter "Subrecipient"),

WITNESSETH:

WHEREAS, Subrecipient will receive Community Development Block Grant (CDBG) funds from the Recipient, in the amount of \$ _____, to be used for the following:

WHEREAS, the parties wish to set forth the conditions on which the funds are to be made available;

NOW THEREFORE, in consideration of the covenants herein contained, the parties do mutually agree as follow:

I. GENERAL CONDITIONS

1. Services to be delivered are eligible activities as defined in Section 570.200 and 570.201 of the CDBG Administrative Regulations (CFR 570).
2. The Subrecipient certifies that the service is either:
 - a. a new service or
 - b. a quantifiable increase in the level of a service above the level which has been provided by or in behalf of the applicant from local revenue sources or State funds received by the applicant in the twelve (12) calendar months prior to submission of the proposal, or
 - c. a continuation of a service that would otherwise be decreased due to events beyond the control of the Subrecipient.
3. The Subrecipient is incorporated as a non-profit organization in good standing under Michigan Law.
4. The Subrecipient warrants that a current copy of its charter (if applicable), Articles of Incorporation and By-Laws are on file with the Department of Community and Neighborhood Services. The Subrecipient shall also keep

a current list of its board members, its officers and their addresses on file with the Community & Neighborhood Services Department.

5. By resolution, the Subrecipient's Board of Directors shall certify to the City a responsible contact person, who shall be considered their representative in all matters relating to this Agreement for communication and administrative purposes.

Until further written notice from the Subrecipient, said contact person shall be:

II. PERSONNEL

1. The Subrecipient shall maintain direct control of all personnel employed by it and to provide the necessary training and supervision of its employees in carrying out contracted programs. However, implementation of the "project" must meet the requirement and approval of Community and Neighborhood Services.
2. In all work made possible by or resulting from this agreement, affirmative action will be taken to insure that low income persons, particularly minorities and women, are given maximum opportunity for training and employment; and that minority business concerns located in the area, to the greatest extent feasible, are awarded sub-contracts when permitted by this Agreement (Section 3, CDF 135).
3. Incorporated by reference are Title VI of the Civil Rights Act of 1964, Executive Order 11246 and OMB Circular A-102, Attachment O which relates to equal opportunity. Copies are available at the Community Development Office.
4. The Subrecipient (including its membership body, Board of Directors, committees, and paid and other volunteer staff) agrees that it will comply with City policies and procedures concerning equal opportunity, affirmative action, and non-discrimination in employment practices because of age, religion, race, color, national origin, sex, education association, marital status or physical limitation.

III. SCOPE OF SERVICES

The Subrecipient shall provide the services specified in Attachment "A", Scope of Services, in exchange for financial compensation detailed in Attachment "B".

IV. COMPENSATION AND METHOD OF PAYMENT

1. The maximum amount which the Subrecipient may receive pursuant to this Agreement is _____.
2. The Subrecipient warrants that its Board of Directors has approved a budget request to _____, shall remain unchanged during the year unless amended as permitted in this Agreement. The Subrecipient may not, without City Commission approval, make transfer between categories not exceeding 10% of the overall budget total, or \$2,000.00, or whichever is greater.
3. Upon approval of Subrecipient's request for payment, the Subrecipient shall be reimbursed for expenses within a maximum of twenty (20 days.)
4. To receive payments, the Subrecipient must complete and submit the following:
 - a. Request for Payment
 - b. Detailed Invoice for Actual Expenditures
 - c. Quarterly Performance Reports
5. All program income, received by the Subrecipient, (if any) shall be disbursed by the Subrecipient prior to request for payments from the Recipient. Program income resulting from the project will be handled in accordance with the requirements of 24 CFR 570.503 applicable to CDBG Recipients.
6. If at the end of the term of this Agreement there are unexpended portions of the contract amount set forth in this Agreement, the City may recapture said amount for reallocation to other purposes.
7. If Subrecipient fails to comply with terms specified in this Agreement or refused to accept and meet conditions imposed by the Department of Housing and Urban Development (HUD), the Recipient may immediately terminate payments to the Subrecipient and recover any funds it has advanced. In the event of the inability of Subrecipient to perform or complete the project, or termination of the Agreement by the City Commission, Recipient will pay only invoices for work performed or satisfactorily completed.
8. The Recipient shall not be held liable for expenditures or obligations incurred in excess of the authorized total budget, nor shall the City be held liable for expenditures or obligations for ineligible cost pursuant to Section 570.200 and 570.201 of the Housing and Community Development Act.

IV. FINANCING AUDITS AND INSPECTIONS

1. The Subrecipient shall document the costs incurred with CDBG funds with the support of properly executed payrolls, time records, invoices, contracts, vouchers, receipts, or other official documentation that shows in proper detail the nature and propriety of charges. All such documents must be clearly identifiable and readily assessable during the term of the Agreement to City and HUD officials or their authorized representative for audit and examination as often as the City may deem necessary. Additionally, the Subrecipient agrees to securely maintain such documents for a period of three (3) years after termination of this Agreement.
2. The Subrecipient is to act within thirty (30) days after the signing of this Agreement to establish a procedure for its accounting operation that will not be inconsistent with Federal Management Circular A-102, Attachment G, and can be certified auditable by the Accountant for the Community and Neighborhood Services Department. The auditable procedure shall insure that monies provided by the Community Development Block Grant program can be separately traced from other funds of the Subrecipient.
3. The Recipient shall provide the Subrecipient with a copy of any account requirements established by HUD, and the Subrecipient shall thenceforth be responsible for compliance with such requirements.
4. Program Income earned by the Service Agency during the grant period shall be retained by the Subrecipient, and in accordance with OMB Circulars A-102, A-110 and A-122 shall be:
 - a. Added to funds committed to the project by the City and the Subrecipient to be used to further eligible program objectives as defined in the scope of services of this Agreement (see Attachment A).
 - b. Deduct from the total project costs for the purposes of determining the net costs on which the Federal (CDBG) share of the cost will be based.
5. No CDBG funds shall be disbursed under this Agreement by the Subrecipient or any others contracted by the Subrecipient unless those contracted are in compliance with City and HUD requirements with regard to fiscal matter and civil rights to the extent such requirements are applicable. The Subrecipient shall provide the Recipient with a copy of such contracts.
6. The Subrecipient shall provide proof of Bonding Insurance for all employees who handle funds.

V. INSURANCE COVERAGE

The Subrecipient shall indemnify, defend, and hold the Recipient, its officers, and the employees harmless with respect to any damage claim arising out of activities specified by this Agreement. This Subrecipient shall maintain for the entire period of this Agreement a valid policy of liability insurance naming the City of Muskegon (Recipient) as an insured party with limits of not less than \$300,000 per occurrence. The Subrecipient shall also maintain coverage during the Agreement period for Workers' Compensation as required by law. The Subrecipient shall submit proof of insurance and amount of coverage to the Community and Neighborhood Services office prior to receiving any funds.

VI. REPORTS, MONITORING AND EVALUATION

1. The Subrecipient agrees to cooperate fully with the Community and Neighborhood Services office, City and HUD officials, Citizen Committees, or any other individuals appointed by City Commission to evaluate and monitor the requirements and performance of programs financed with CDBG funds. The Subrecipient agrees to provide to the same parties listed information and reports, oral or written, as may reasonably be required or requested during the term of this Agreement on matters relating to program activities, performance, or contract compliance.
2. The Subrecipient agrees to complete and submit to the Community and Neighborhood Services Office in a timely manner a Quarterly Performance Report.

The report forms are to be provided by the City. The Subrecipient agrees to collect and make available to the Community and Neighborhood Services Department the following information on its clients or program participants:

- a. Street (only) address of the client: (inside or outside City);
- b. Month and year of initial services;
- c. Number of services units rendered to each client served under this agreement;
- d. Age and sex of the client or participant;
- e. Whether the client or participant is the head of household;
- f. Whether client or participant is a member of a minority group (which group);
- g. Family income by family size (which will be indicated by checking an income range category);
- h. Whether client or participant head of household is handicapped;

The information is to be collected on a tabulation sheets provided by the City. The form will state that the client/participant information being collected is required in order for the Subrecipient to receive Community Development Block

Grant funds from the City of Muskegon. Client information will be submitted quarterly with the Performance Reports.

Alternate systems of collecting data required in this section can be developed in consultation with the Community and Neighborhood Services Office. The Recipient retains the final right to approve any waiver of, or amendment to, this reporting requirement.

VII. CONTRACT AMENDMENT

That except as expressly provided elsewhere in this Agreement, any modifications or amendments to this Agreement may be made by mutual Agreement of the Subrecipient and the City Commission. It is expressly understood that this Agreement is subject to HUD Community Development Block Grant funding regulations. Should HUD act to make changes in regulations or suspend or terminate funding, such actions shall automatically amend this Agreement, if applicable.

VIII. ASSIGNABILITY

The Subrecipient shall not assign or transfer any interest in this Agreement without consent of the City Commission.

IX. POLITICAL ACTIVITIES

None of the funds, materials, property or services provided directly or indirectly under this Agreement shall be used for any partisan political activities, or to further the election or defeat of any candidate for office.

X. CONFLICT OF INTEREST

No employee, officer or agent of the Recipient shall participate in the award or administration of this Agreement if a conflict of interest real or apparent, would be involved or any type of benefit financially, politically or asset wise. (i.e. obtain housing, illegal obtaining of contracts, etc.) See CFR 24.92.356 and CFR 570.611.

XI. CITY'S RIGHT TO ENFORCE

1. The Community and Neighborhood Services Department may unilaterally suspend (on a temporary basis) or alter this Agreement, including the amount of funds allocated, for failure to comply with the terms and conditions of this Agreement or failure to comply with regulations for the U.S. Government, or directives of the Muskegon City Commission, some examples of which follow:
 - a. Ineffective or improper use of the Community Development Block Grant funds:

- b. Failure to submit complete and correct performance or financial reports;
 - c. Failure to provide services called for in the Scope of Services section within the time frame stated; and
 - d. If for any reason, the program cannot be completed.
2. The City Commission may unilaterally terminate this Contract for failure to comply with the terms and conditions of the Agreement, the regulations of the U.S. government, or directives of the Muskegon City Commission.
3. The Community and Neighborhood Services Department office shall provide reasonable notice to the Subrecipient before action is taken to suspend, alter or terminate this Agreement. Such notice shall include the reasons for the contemplated action and the Subrecipient shall be give a right to protest.
4. In the event this Agreement is terminated by the City Commission, the Ownership of all documents, equipment and properties acquired by CDBG or Program Income funds shall revert to the Recipient with the decision for final disposition being left to the City Commission. However, the Subrecipient shall receive just compensation for any work satisfactorily completed prior to such termination.

XII. PURSUIT OF ADDITIONAL RESOURCES

The Subrecipient shall make bona fide efforts to secure funds and resources from other sources. Further, the Subrecipient shall cooperate with the Community and Neighborhood office, as requested, in its efforts to pursue additional or alternative funding. The Subrecipient shall report these efforts as part of the required Quarterly Performance Report.

XIII. TIME PERFORMANCE AGREEMENT TERM

All services rendered hereunder shall be completed by May 31, _____. This Agreement automatically terminates at that time unless specifically extended by the City Commission. All funds allocated which are unspent or encumbered for services under this Agreement shall be repaid to the City within fifteen (15) days of this date.

XIV. OTHER

1. That it will comply with all requirements applicable to HUD Block Grant Subrecipients set forth in the CDBG Program Requirements contained in 24 Code of Federal Regulation Part 570. Such requirements pertain to, but are not limited to, compliance with OMB Circular A-102, reports and information, audits and inspection, unearned payment, non-discrimination, disposition of real property, and miscellaneous grant administration requirements.

2. That should the Subrecipient utilize any portion of CDBG funds for acquisition of property or relocation of individuals, families, or businesses as a result of a project involving federal financial assistance from HUD, as defined in regulations at 24CFR Part 42.79, all acquisition and/or relocation shall conform to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91.646), and the regulations which implement the Act (24 CFR Part 42).
3. That except with respect to the rehabilitation of residential use for less than eight families, all contractors engaged under contracts in excess of \$2000 for the construction prosecution, completion or repair of any building or work financed in whole or in part with assistance provided under this agreement, shall comply with HUD requirements pertaining to such Contracts and the applicable requirements of the regulations of the Department of Labor under 29 CFR Parts 2, 5, and 5a, governing the payment of wages and the ratio of apprentices and trainees to journeymen; provided, that if wage rates higher than those required under such regulations are imposed by State or local law, nothing hereunder is intended to relieve the Subrecipient of its obligations, if any, to require payment of the higher rates. The Subrecipient shall require to be inserted in full in all such contracts subject to such regulations, provisions meeting the requirements of 29 CFR 5.5 and for such contracts in excess of \$10,000, 29n CFR 5a.3.
4. The Subrecipient agrees to abide by all other Federal requirements not highlighted in this Agreement, but included in the Community Development Block Grant regulations at the Community and Neighborhood Services Department, or other regulations subsequently supplied to the Subrecipeint.
5. That should the Subrecipient funding involve construction work, the Subrecipient contractors(s) agree to allow access to the City or its representative for inspection purposes.
6. Should the Subrecipient acquire any real or personal property with funds provided under this Agreement, it will not dispose of such property through sale or otherwise without written permission of Recipient. If property is disposed of without written permission, the proceeds shall be returned to the Recipient, and Subrecipient may be required to reimburse the Recipient for the Federal portion of participation in the project, subject to requirements in the Office of Management and Budget Circular A-102, Attachment N, Property Management Stands.

XV. CONTRACT CLOSEOUT

All contracts will be closed out in accordance with the procedures specified in OMB Circular A-102, Attachment L, and Portions of OMB Circulars A-110 and A-122 applicable to non-profit organizations.

In Witness Whereof, the parties hereto have caused this contract to be executed the day and year above written.

Signed In the Presence Of:

CITY OF MUSKEGON, MICHIGAN
A Municipal Corporation

Witness _____

By: _____
Stephen J. Warmington, Mayor

Witness _____

By: _____
Gail Kunding, MMC City Clerk

Agency Name

Witness _____

By: _____
It's President

Witness _____

By: _____
It's Secretary

ATTACHMENT "A"

SCOPE OF SERVICES

Subrecipient Name _____

SCOPE OF SERVICES

The Scope of Services section below lists the services to be provided under the terms of the Subrecipient Agreement. This description shall establish the basis for the Community and Neighborhood Services Office assessment of actual program accomplishments.

I. Location and Hours

The Service Agency shall provide the contracted services at the following locations(s):

II. Eligible Clients

The Subrecipient shall take affirmative action to insure that the primary beneficiaries of services rendered under this Agreement are eligible CDBG clients. Eligible clients are defined as those persons of household who:

- a. Reside in the City of Muskegon and
- b. Have household incomes less than or equal to 80 percent of the median of the City.

ATTACHMENT "A"

SCOPE OF SERVICES

III. Description and Quantity of Services to be provided

Describe and number each service to be provided separately. Include the job title of the person (s) who will primarily render the service, the time span, which the service will be offered, if less than the total contract year, and how the service will be rendered.

Estimated quantity of service to be provided (number of persons to be served).

ATTACHMENT "B"

BUDGET

REVENUES

CDBG FUNDS	\$ _____
*Other (Specify Below)	_____
Program Income	_____
TOTAL REVENUES	\$ _____

Total
Budgeted

Portion to be
Funded by CDBG

EXPENDITURES

Salaries & Fringes	\$ _____	\$ _____
Consultant & Contract Services	\$ _____	\$ _____
Office Supplies	\$ _____	\$ _____
Telephone	\$ _____	\$ _____
Rent & Related Expenses	\$ _____	\$ _____
Equipment	\$ _____	\$ _____
Office Furniture	\$ _____	\$ _____
Travel	\$ _____	\$ _____
Specific Assistance to Individuals	\$ _____	\$ _____

Miscellaneous (Specify)

_____	\$ _____
_____	\$ _____
_____	\$ _____

TOTAL EXPENDITURES	\$ _____	\$ _____
--------------------	----------	----------

*LIST OTHER REVENUE SOURCES:

1. \$ _____

2. \$ _____
3. \$ _____
4. \$ _____
5. \$ _____

CHDO AGREEMENT – 2006 - 2007

This CHDO AGREEMENT, made this 1st day of June, 2005, by and between the City of Muskegon, Michigan, A Municipal Corporation, (hereinafter "Recipient") _____ whose office is located at _____, (hereinafter "CHDO")

WITNESSETH:

WHEREAS, CHDO will receive Community Development Block Grant (CDBG/HOME) funds from the Recipient, in the amount of \$_____, to be used for the following:

WHEREAS, the parties wish to set forth the conditions on which the funds are to be made available;

NOW THEREFORE, in consideration of the covenants herein contained, the parties do mutually agree as follow:

I. GENERAL CONDITIONS

1. Services to be delivered are eligible activities as defined in Section 92.205 and 92.206 of HOME Administrative Regulations (CFR 92)
2. The CHDO certifies that the service is either:
 - a. a new service or
 - b. a quantifiable increase in the level of a service above the level which has been provided by or in behalf of the applicant from local revenue sources or State funds received by the applicant in the twelve (12) calendar months prior to submission of the proposal, or
 - c. a continuation of a service that would otherwise be decreased due to events beyond the control of the CHDO.
3. The CHDO is incorporated as a non-profit organization in good standing under Michigan Law.
4. The CHDO warrants that a current copy of its charter (if applicable), Articles of Incorporation and By-Laws are on file with the department of Community and Neighborhood Services. The CHDO shall also keep a current list of its board members, its officers and their addresses on file with the Community and Neighborhood Services department.
5. By resolution, the CHDO's Board of Directors shall certify to the City a responsible contact person, who shall be considered their representative in all matters relating to this Agreement for communication and administrative purposes.

Until further written notice from the CHDO, said contact person shall be:

II. PERSONNEL

1. The CHDO shall maintain direct control of all personnel employed by it and to provide the necessary training and supervision of its employees in carrying out contracted programs. However, implementation of the "project" must meet the requirement and approval of Community and Neighborhood Services.
2. In all work made possible by or resulting from this agreement, affirmative action will be taken to insure that low income persons, particularly minorities and women, are given maximum opportunity for training and employment; and that minority business concerns located in the area, to the greatest extent feasible, are awarded sub-contracts when permitted by this Agreement (Section 3, CDF 135).
3. Incorporated by reference are Title VI of the Civil Rights Act of 1964, Executive Order 11246 and OMB Circular A-102, Attachment O which relates to equal opportunity. Copies are available at the Community Development Office.
4. The CHDO (including its membership body, Board of Directors, committees, and paid and other volunteer staff) agrees that it will comply with City policies and procedures concerning equal opportunity, affirmative action, and non-discrimination in employment practices because of age, religion, race, color, national origin, sex, education association, marital status or physical limitation.

III. SCOPE OF SERVICES

The CHDO shall provide the services specified in Attachment "A", Scope of Services, in exchange for financial compensation detailed in Attachment "B".

IV. COMPENSATION AND METHOD OF PAYMENT

1. The maximum amount which the CHDO may receive pursuant to this Agreement is \$_____.
2. The CHDO warrants that its Board of Directors has approved a budget request to provide services detailed in this Agreement (attachment "B"). The budget total of \$_____, shall remain unchanged during the year unless amended as permitted in this Agreement. The CHDO may not, without City Commission approval, make transfer between categories not exceeding 10% of the overall budget total, or \$2,000.00, or whichever is greater.
3. Upon approval of CHDO's request for payment, the CHDO shall be reimbursed for expenses within a maximum of twenty (20 days.)
4. To receive payments, the CHDO must complete and submit the following:
 - a. Request for Payment
 - b. Detailed Invoice for Actual Expenditures
 - c. Quarterly Performance Reports
5. All program income, received by the CHDO, (if any) shall be disbursed by the CHDO prior to request for payments from the Recipient. Program income resulting from the project will be

handled in accordance with the requirements of 24 CFR 570.503 applicable to CDBG Recipients and 24 CFR 92.503 for HOME CHDO's. All program income derived from the HOME activities by CHDO must be reinvested to the recipient (City) to the HOME Investment Trust Fund.

6. If at the end of the term of this Agreement there are unexpended portions of the contract amount set forth in this Agreement, the City may recapture said amount for reallocation to other purposes.
7. If CHDO fails to comply with terms specified in this Agreement or refused to accept and meet conditions imposed by the Department of Housing and Urban Development (HUD), the Recipient may immediately terminate payments to the CHDO and recover any funds it has advanced. In the event of the inability of CHDO to perform or complete the project, or termination of the Agreement by the City Commission, Recipient will pay only invoices for work performed or satisfactorily completed.
8. The Recipient shall not be held liable for expenditures or obligations incurred in excess of the authorized total budget, nor shall the City be held liable for expenditures or obligations for ineligible cost pursuant to Section 570.200 and 570.201 of the Housing and Community Development Act. And 92.206, 92.207 and 92.208 of National Affordable Housing Act of 1990.

IV. FINANCING AUDITS AND INSPECTIONS

1. The CHDO shall document the costs incurred with CDBG/HOME funds with the support of properly executed payrolls, time records, invoices, contracts, vouchers, receipts, or other official documentation that shows in proper detail the nature and propriety of charges. All such documents must be clearly identifiable and readily assessable during the term of the Agreement to City and HUD officials or their authorized representative for audit and examination as often as the City may deem necessary. Additionally, the CHDO agrees to securely maintain such documents for a period of three (3) years after termination of this Agreement.
2. The CHDO is to act within thirty (30) days after the signing of this Agreement to establish a procedure for its accounting operation that will not be inconsistent with Federal Management Circular A-102, Attachment G, and can be certified auditable by the Accountant for the Community Development Department. The auditable procedure shall insure that monies provided by the Community Development Block Grant HOME program can be separately traced from other funds of the CHDO.
3. The Recipient shall provide the CHDO with a copy of any account requirements established by HUD, and the CHDO shall thenceforth be responsible for compliance with such requirements.
4. Program Income earned by the Service Agency during the grant period shall be retained by the CHDO, and in accordance with OMB Circulars A-102, A-110 and A-122 shall be:
 - a. Added to funds committed to the project by the City and the CHDO to be used to further eligible program objectives as defined in the scope of services of this Agreement (see Attachment A).
 - b. Deduct from the total project costs for the purposes of determining the net costs on which the Federal (CDBG / HOME) share of the cost will be based.
5. No CDBG / CHDO funds shall be disbursed under this Agreement by the CHDO or any others contracted by the CHDO unless those contracted are in compliance with City and HUD requirements with regard to fiscal matter and civil rights to the extent such requirements are applicable. The CHDO shall provide the Recipient with a copy of such contracts.
6. The CHDO shall provide proof of Bonding Insurance for all employees who handle funds.

V. INSURANCE COVERAGE

The CHDO shall indemnify, defend, and hold the Recipient, its officers, and the employees harmless with respect to any damage claim arising out of activities specified by this Agreement. This CHDO shall maintain for the entire period of this Agreement a valid policy of liability insurance naming the City of Muskegon (Recipient) as an insured party with limits of not less than \$300,000 per occurrence. The CHDO shall also maintain coverage during the Agreement period for Workers' Compensation as required by law. The CHDO shall submit proof of insurance and amount of coverage to the Community Development office prior to receiving any funds.

VI. REPORTS, MONITORING AND EVALUATION

1. The CHDO agrees to cooperate fully with the Community and Neighborhood Services office, City and HUD officials, Citizen Committees, or any other individuals appointed by City Commission to evaluate and monitor the requirements and performance of programs financed with CDBG HOME funds. The CHDO agrees to provide to the same parties listed information and reports, oral or written, as may reasonably be required or requested during the term of this Agreement on matters relating to program activities, performance, or contract compliance.
2. The CHDO agrees to complete and submit to the Community and Neighborhood Services Office in a timely manner a Quarterly Performance Report.

The report forms are to be provided by the City. The CHDO agrees to collect and make available to the Community and Neighborhood Services Department the following information on its clients or program participants:

- a. Street (only) address of the client: (inside or outside City);
- b. Month and year of initial services;
- c. Number of services units rendered to each client served under this agreement;
- d. Age and sex of the client or participant;
- e. Whether the client or participant is the head of household;
- f. Whether client or participant is a member of a minority group (which group);
- g. Family income by family size (which will be indicated by checking an income range category);
- h. Whether client or participant head of household is handicapped;

The information is to be collected on a "Client Card" or tabulation sheets provided by the City. The form will state that the client/participant information being collected is required in order for the CHDO to receive HOME funds from the City of Muskegon. Client information will be submitted quarterly with the Performance Reports.

Alternate systems of collecting data required in this section can be developed in consultation with the Community and Neighborhood Services Office. The Recipient retains the final right to approve any waiver of, or amendment to, this reporting requirement.

VII. CONTRACT AMENDMENT

That except as expressly provided elsewhere in this Agreement, any modifications or amendments to this Agreement may be made by mutual Agreement of the CHDO and the City Commission. It is expressly understood that this Agreement is subject to HUD HOME funding regulations. Should HUD act to make changes in regulations or suspend or terminate funding, such actions shall automatically amend this Agreement, if applicable.

VIII. ASSIGNABILITY

The CHDO shall not assign or transfer any interest in this Agreement without consent of the City Commission.

IX. POLITICAL ACTIVITIES

None of the funds, materials, property or services provided directly or indirectly under this Agreement shall be used for any partisan political activities, or to further the election or defeat of any candidate for office.

X. CONFLICT OF INTEREST

No employee, officer or agent of the Recipient shall participate in the award or administration of this Agreement if a conflict of interest real or apparent, would be involved, or any type of benefit financially, politically or asset wise. (i.e. obtain housing, illegal obtaining of contracts, etc.) See CFR24.92.356 and CFR 570.611.

XI. CITY'S RIGHT TO ENFORCE

1. The Community and Neighborhood Services Department may unilaterally suspend (on a temporary basis) or alter this Agreement, including the amount of funds allocated, for failure to comply with the terms and conditions of this Agreement or failure to comply with regulations for the U.S. Government, or directives of the Muskegon City Commission, some examples of which follow:
 - a. Ineffective or improper use of the HOME funds;
 - b. Failure to submit complete and correct performance or financial reports;
 - c. Failure to provide services called for in the Scope of Services section within the time frame stated; and
 - d. If for any reason, the program cannot be completed.
2. The City Commission may unilaterally terminate this Contract for failure to comply with the terms and conditions of the Agreement, the regulations of the U.S. government, or directives of the Muskegon City Commission.
3. The Community and Neighborhood Services Department office shall provide reasonable notice to the CHDO before action is taken to suspend, alter or terminate this Agreement. Such notice shall include the reasons for the contemplated action and the CHDO shall be given a right to protest.

4. In the event this Agreement is terminated by the City Commission, the Ownership of all documents, equipment and properties acquired by HOME or Program Income funds shall revert to the Recipient with the decision for final disposition being left to the City Commission. However, the CHDO shall receive just compensation for any work satisfactorily completed prior to such termination.

XII. PURSUIT OF ADDITIONAL RESOURCES

The CHDO shall make bona fide efforts to secure funds and resources from other sources. Further, the CHDO shall cooperate with the Community and Neighborhood office, as requested, in its efforts to pursue additional or alternative funding. The CHDO shall report these efforts as part of the required Quarterly Performance Report.

XIII. TIME PERFORMANCE AGREEMENT TERM

All services rendered hereunder shall be completed by May 31, 2006. This Agreement automatically terminates at that time unless specifically extended by the City Commission. All funds allocated which are unspent or encumbered for services under this Agreement shall be repaid to the City within fifteen (15) days of this date.

XIV. OTHER

1. That it will comply with all requirements applicable to HUD Block Grant Subrecipients set forth in the HOME Program Requirements contained in 24 Code of Federal Regulation Part 570. Such requirements pertain to, but are not limited to, compliance with OMB Circular A-102, reports and information, audits and inspection, unearned payment, non-discrimination, disposition of real property, and miscellaneous grant administration requirements.
2. That should the CHDO utilize any portion of HOME funds for acquisition of property or relocation of individuals, families, or businesses as a result of a project involving federal financial assistance from HUD, as defined in regulations at 24CFR Part 42.79, all acquisition and/or relocation shall conform to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91.646), and the regulations which implement the Act (24 CFR Part 42).
3. That except with respect to the rehabilitation of residential use for less than eight families, all contractors engaged under contracts in excess of \$2000 for the construction prosecution, completion or repair of any building or work financed in whole or in part with assistance provided under this agreement, shall comply with HUD requirements pertaining to such Contracts and the applicable requirements of the regulations of the Department of Labor under 29 CFR Parts 2, 5, and 5a, governing the payment of wages and the ratio of apprentices and trainees to journeymen; provided, that if wage rates higher than those required under such regulations are imposed by State or local law, nothing hereunder is intended to relieve the CHDO of its obligations, if any, to require payment of the higher rates. The CHDO shall require to be inserted in full in all such contracts subject to such regulations, provisions meeting the requirements of 29 CFR 5.5 and for such contracts in excess of \$10,000, 29n CFR 5a.3.
4. The CHDO agrees to abide by all other Federal requirements not highlighted in this Agreement, but included in the regulations HOME Regulation available at the Community and Neighborhood Services Department, or other regulations subsequently supplied to the Subrecipeint.

5. That should the CHDO funding involve construction work, the CHDO contractors(s) agree to allow access to the City or its representative for inspection purposes.

6. Should the CHDO acquire any real or personal property with funds provided under this Agreement, it will not dispose of such property through sale or otherwise without written permission of Recipient. If property is disposed of without written permission, the proceeds shall be returned to the Recipient, and CHDO may be required to reimburse the Recipient for the Federal portion of participation in the project, subject to requirements in the Office of Management and Budget Circular A-102, Attachment N, Property Management Standards.

XV. CONTRACT CLOSEOUT

All contracts will be closed out in accordance with the procedures specified in OMB Circular A-102, Attachment L, and Portions of OMB Circulars A-110 and A-122 applicable to non-profit organizations.

In Witness Whereof, the parties hereto have caused this contract to be executed the day and year above written.

Signed In the Presence Of:

CITY OF MUSKEGON, MICHIGAN
A Municipal Corporation

Witness _____

By: _____
Steve Warmington, Mayor

Witness _____

By: _____
Gail Kunding, City Clerk

Agency Name

Witness _____

By: _____
It's President

Witness _____

By: _____
It's Secretary

ATTACHMENT "A"

SCOPE OF SERVICES

CHDO's Name _____

SCOPE OF SERVICES

The Scope of Services section below lists the services to be provided under the terms of the CHDO Agreement. This description shall establish the basis for the Community and Neighborhood Services Office assessment of actual program accomplishments.

I. Location and Hours

The Service Agency shall provide the contracted services at the following locations(s):

II. Eligible Clients

The CHDO shall take affirmative action to insure that the primary beneficiaries of services rendered under this Agreement are eligible HOME clients. Eligible clients are defined as those persons of household who:

- a. Reside in the City of Muskegon and
- b. Have household incomes less than or equal to 80 percent of the median of the City.

ATTACHMENT "A"

SCOPE OF SERVICES

III. Description and Quantity of Services to be provided

Describe and number each service to be provided separately. Include the job title of the person (s) who will primarily render the service, the time span, which the service will be offered, if less than the total contract year, and how the service will be rendered.

Estimated quantity of service to be provided (number of persons to be served).

ATTACHEMENT "B"

BUDGET

REVENUES

HOME FUNDS	\$ _____
*Other (Specify Below)	_____
Program Income	_____
TOTAL REVENUES	\$ _____

EXPENDITURES

	<u>Total Budgeted</u>	<u>Portion to be Funded by HOME</u>
Salaries & Fringes	\$ _____	\$ _____
Consultant & Contract Services	\$ _____	\$ _____
Office Supplies	\$ _____	\$ _____
Telephone	\$ _____	\$ _____
Rent & Related Expenses	\$ _____	\$ _____
Equipment	\$ _____	\$ _____
Office Furniture	\$ _____	\$ _____
Travel	\$ _____	\$ _____
Specific Assistance to Individuals	\$ _____	\$ _____
Miscellaneous (Specify)		
_____	\$ _____	
_____	\$ _____	
_____	\$ _____	
TOTAL EXPENDITURES	\$ _____	\$ _____

*LIST OTHER REVENUE SOURCES:

1.	\$ _____
2.	\$ _____
3.	\$ _____
4.	\$ _____
5.	\$ _____

Date: July 3, 2006

To: Honorable Mayor and City Commissioners

From: Finance Director

RE: Finance Division Reorganization

SUMMARY OF REQUEST: As described in the attached memo, staff is recommending the reorganization of the Finance Division. The main elements of this reorganization are: 1) elimination of the Revenue Collections Administrator position, 2) upgrade of the Income Tax Administrator position and, 3) physical swap of the locations of the Income Tax and Finance departments.

FINANCIAL IMPACT: The proposed reorganization will save between \$41,000 and \$55,000 annually (depending on whether a part-time position is filled). There will be some one-time moving costs estimated to be no more than \$5,000.

BUDGET ACTION REQUIRED: We anticipate this reorganization to be incorporated into the 2007 budget preparation process.

STAFF RECOMMENDATION: Staff recommends approval of the proposed reorganization as described, including salary schedule adjustments.

COMMITTEE RECOMMENDATION: None.

Memo

To: City Commission City Manager

From: Finance Director

Date: July 3, 2006

Re: Finance Division Reorganization

The Finance Division team has considered various options for filling the void left by the recent departure of the Revenues Collections Administrator (Roberto Robles). We believe we have a plan to restructure the Finance Division in a fashion that will both improve customer service and reduce overall costs.

The basic elements of this plan are as follows:

1. Eliminate the now vacant Revenue Collections Administrator position. (\$60,000 annual savings)
2. Upgrade the Income Tax Administrator position to a new position titled Income Tax Administrator/Deputy Treasurer. This will provide full coordination of collection efforts, additional management capacity, and cross-training opportunities between these key department head-level positions. (\$5,000 annual cost)
3. Swap the physical locations of the Finance and Income Tax offices. This will result in a combined pool of six Customer Service Rep II positions in one location and enhance staff coverage, cross-training opportunities, and, ultimately, customer service. (\$5,000 one-time cost)

4. *Potentially* create an additional p/t Customer Service Rep position if determined necessary after implementing the first three steps. (\$14,000 annual cost)

We would like to implement these changes in time for the 2007 budget process and respectfully ask for the City Commission's approval of:

1. The overall reorganization plan as described and,
2. Creation of the new Income Tax Administrator/Deputy Treasurer position within Range III (\$55,370 - \$73,678) of the Non-Represented Employees Salary Schedule.

If you have any questions, please let me know.

Thank you.

Income Tax Administrator/Deputy Treasurer

SUMMARY: Oversees customer service and resolves customer complaints/concerns where Customer Service Representatives are unable to reconcile the dispute. Will follow up on delinquent income tax, property tax and utility accounts and make every effort to collect debts, including but not limited to small claims court filings, property tax liens, and working with outside collection agencies.

Implements and administers City's program for collection of municipal income tax, including withholdings, filings and delinquent actions, as defined by the Michigan Uniform Income Tax law.

ESSENTIAL DUTIES AND RESPONSIBILITIES:

1. Select, train, schedule, supervise and evaluate the work of professional, technical and clerical employees.
2. Facilitate cross-training and coordination of Customer Service Representatives.
3. Ensure strict adherence to federal, state, and local confidentially laws.
4. Ensure strict adherence to state and federal laws governing debt collection and bankruptcy.
5. General accounts receivable collections management.
6. Personal property tax collections.
7. Oversee the preparation and processing of service orders for various City services, including water turn-ons and turn-offs, new utility billing accounts, and discontinuance of accounts. Approve extensions for utility customers.
8. Report delinquent accounts to credit reporting agencies/bureaus.
9. Prepare necessary reports in a timely fashion.
10. Property lien filing.
11. Confer with individuals and business representatives by telephone, correspondence, or in person to determine amount of income tax or delinquent taxes and enforce collection.
12. Select appropriate remedy for delinquent taxes when necessary, such as payment agreements, offers of compromise, or seizure and sale of property.
13. Develop, implement and maintain computer system for processing income tax data.
14. Direct service of legal documents, such as subpoenas, warrants, notices of assessment, and garnishments.
15. Monitor federal and state legislation that affects city taxing regulations, make recommendations for adoption, amendment, or repeal of the city income tax ordinance and implement city income tax revisions.

- 16. Educate taxpayers through the development and revision of income tax return forms and instruction booklets, dissemination of informational materials, answering inquiries and conducting seminars for tax practitioners.**
- 17. Disseminate and process income tax returns, supervise audits of these returns and administer system of fines, payment schedules or extensions for delinquency.**
- 18. Performs other work related duties as required.**

Date: July 11, 2006
To: Honorable Mayor and City Commissioners
From: City Clerk
RE: Liquor License Request
CSTS, Inc., 2185 Henry

SUMMARY OF REQUEST: The Liquor Control Commission is seeking local recommendation on a request from CSTS, Inc., (Pop-A-Top) for a new Outdoor Service (1 Area) to be held in conjunction with their 2006 Class C-SDM licensed business with Entertainment Permit.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: All departments are recommending approval subject to final inspection.

Copy 2006-61(b) 17711 5-24-06

Michigan Department of Consumer & Industry Services
MICHIGAN LIQUOR CONTROL COMMISSION (MLCC)
7150 Harris Drive, P.O. Box 30005 - Lansing, Michigan 48909-7505

LAW ENFORCEMENT RECOMMENDATION

(MCL 436.1501)

May 17, 2006

TO: Muskegon Police Department
Chief of Police
980 Jefferson Street PO Box 536
Muskegon MI 49443-0536

RE: CSTS, INC.
2185 Henry
Muskegon MI 49441
Muskegon County
REQ ID# 362322

We have received a request from the above licensee for the type of permit indicated below. Please make an investigation and submit your report and/or recommendation, as requested below, to the offices of the Liquor Control Commission at the above address. Questions about this request should be directed to the MLCC Licensing Division at (517) 322-1400.

☐	OFFICIAL PERMIT FOR EXTENDED HOURS OF OPERATION FOR _____	Two copies of Form LC 1112 will be left with you, the upper portions already executed. Indicate your recommendation and return one copy to the Commission, retaining the other. (Authorized by MAC R436.1403)
☐	LIVING QUARTERS	Indicate your recommendation on the bottom of this letter and return one copy to the Commission. (Authorized by MCL 436.1217 and 436.1201)
☒	XXXXX CSTS, INC. REQUESTS NEW OUTDOOR SERVICE (1 AREA) to be held in conjunction with 2006 Class C-SDM licensed business with Entertainment Permit located at the above address in Muskegon County.	

Recommendation: (Recommended / Not recommended) Subject to final inspection.

Signed: J. L. Blalock

Director of Public Safety

Signature and Title

Date: 6-13-06

ljt

Affirmative Action
616/724-6703

Assessor
616/724-6708

Cemetery
616/724-6783

Civil Service
616/724-6716

Clerk
616/724-6705

C. N. Services
616/724-6717

Engineering
616/724-6707

Finance
616/724-6713

Fire Dept.
616/724-6792

Income Tax
616/724-6770

Inspections
616/724-6715

Leisure Service
616/724-6704

Manager's Office
616/724-6724

Mayor's Office
616/724-6701

Planning/Zoning
616/724-6702

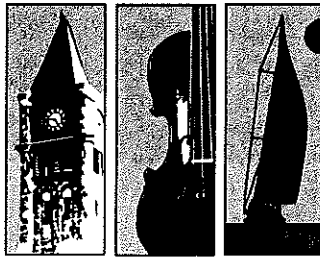
Police Dept.
616/724-6750

Public Works
616/726-4786

Treasurer
616/724-6720

Water Dept.
616/724-6718

MUSKEGON



West Michigan's Shoreline City

July 6, 2006

Pop-A-Top Tavern
Ms. Tammy Slater
2185 Henry Street
Muskegon, MI 49441

Dear Tammy:

This letter is to inform you that your request for a New Outdoor Service to be held in conjunction with your 2006 Class C-SDM Licensed Business with Entertainment Permit will be presented to the City Commission on July 11, 2006. This meeting begins at 5:30 p.m. and is located in the City Commission Chambers, 933 Terrace, Muskegon, MI.

This request has also been sent to the Campbell Field Neighborhood Association for their comments. It is Commission practice to let the Neighborhood Association know of any liquor license requests that are located within their boundaries. This allows for comments from the people who live there and not just from the owners of the business' who are located there.

Sincerely,

A handwritten signature in cursive script that reads 'Linda Potter'.

Linda Potter
Deputy Clerk

Affirmative Action
616/724-6703

Assessor
616/724-6708

Cemetery
616/724-6783

Civil Service
616/724-6716

Clerk
616/724-6705

C. N. Services
616/724-6717

Engineering
616/724-6707

Finance
616/724-6713

Fire Dept.
616/724-6792

Income Tax
616/724-6770

Inspections
616/724-6715

Leisure Service
616/724-6704

Manager's Office
616/724-6724

Mayor's Office
616/724-6701

Planning/Zoning
616/724-6702

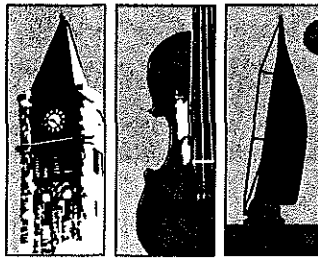
Police Dept.
616/724-6750

Public Works
616/726-4786

Treasurer
616/724-6720

Water Dept.
616/724-6718

MUSKEGON



West Michigan's Shoreline City

July 6, 2006

Mr. Harold Kiel, President
Campbell Field Neighborhood Assoc.
2111 Dowd
Muskegon, MI 49441

Dear Mr. Kiel:

We have received a letter from the Liquor Control Commission reference a request from Pop-A-Top Tavern, 2185 Henry, for a New Outdoor Service to be held in conjunction with their 2006 Class C-SDM licensed business with Entertainment Permit. They would like to add a deck onto their building. On Tuesday, July 11, 2006, the City Commission will review this request and determine whether or not it should be recommended for approval.

You are being sent this notice because the City Commission would like to know how the Neighborhood Association feels and would appreciate any comments that they may have. You may send these comments to 933 Terrace, Muskegon, MI 49440 or attend the City Commission Meeting on July 11, 2006, at 5:30 p.m. in the Commission Chambers.

If you have any questions, please feel free to contact me at 724-6705.

Sincerely,

Linda Potter
Deputy Clerk

LIQUOR LICENSE REVIEW FORM

Business Name: CS TS, Inc

AKA Business Name (if applicable): Pop-A-Top

Operator/Manager's Name: _____

Business Address: 2185 Henry

Muskegon, MI

Reason for Review:

New License ☐ Transfer of Ownership ☐ Dance Permit ☐

Drop/Add Name on License ☐ Transfer Location ☐

Drop/Add Stockholder Name ☐ New Entertainment Permit ☐

Other New Outdoor Service

Deadline for receipt of all information: _____

Public Safety Approved ☐ Denied ☐ No Action Needed ☐

Income Tax Approved ☒ Owing ☐ Amount: _____

Treasurer Approved ☐ Owing ☐ Amount: _____

Zoning Approved ☐ Denied ☐ Pending ZBA ☐

Clerk's Approved ☐ Owing ☐ Amount: _____

Fire/Inspections Approved ☐ Denied ☐ Remaining Defects ☐

Department Signature Dannel D K

Please return to the City Clerk's Office
Gail A. Kunding,
Liquor License Coordinator

LIQUOR LICENSE REVIEW FORM

☐ FAXED ☐ RECEIVED ☐

JUN 16 2006

Business Name: CSTS, Inc ☐ APPROVED ☐ POSTED ☐
CITY OF MUSKEGON TREASURY

AKA Business Name (if applicable): Pop-A-Top

Operator/Manager's Name: _____

Business Address: 2185 Henry

Muskegon, MI

Reason for Review:

New License ☐ Transfer of Ownership ☐ Dance Permit ☐

Drop/Add Name on License ☐ Transfer Location ☐

Drop/Add Stockholder Name ☐ New Entertainment Permit ☐

Other New Outdoor Service

Deadline for receipt of all information: _____

Public Safety Approved ☐ Denied ☐ No Action Needed ☐

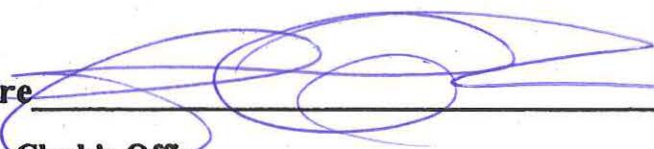
Income Tax Approved ☐ Owing ☐ Amount: _____

Treasurer Approved ☒ Owing ☐ Amount: _____
but owing 1/2 Business - Annual hotel & other items agent

Zoning Approved ☐ Denied ☐ Pending ZBA ☐

Clerk's Approved ☐ Owing ☐ Amount: _____

Fire/Inspections Approved ☐ Denied ☐ Remaining Defects ☐

Department Signature 

Please return to the City Clerk's Office
Gail A. Kunding,
Liquor License Coordinator

LIQUOR LICENSE REVIEW FORM

RECEIVED

JUN 10 2006

CITY OF MUSKEGON
PLANNING DEPARTMENT

Business Name: CS TS, Inc

AKA Business Name (if applicable): Pop-A-Top

Operator/Manager's Name: _____

Business Address: 2185 Henry

Muskegon, MI

Reason for Review:

New License ☐ Transfer of Ownership ☐ Dance Permit ☐

Drop/Add Name on License ☐ Transfer Location ☐

Drop/Add Stockholder Name ☐ New Entertainment Permit ☐

Other New Outdoor Service

Deadline for receipt of all information: _____

Public Safety Approved ☐ Denied ☐ No Action Needed ☐

Income Tax Approved ☐ Owing ☐ Amount: _____

Treasurer Approved ☐ Owing ☐ Amount: _____

Zoning Approved ☒ Denied ☐ Pending ZBA ☐

Clerk's Approved ☐ Owing ☐ Amount: _____

Fire/Inspections Approved ☐ Denied ☐ Remaining Defects ☐

some permits may be required for decks or fences.

Department Signature _____

Please return to the City Clerk's Office
Gail A. Kunding,
Liquor License Coordinator

LIQUOR LICENSE REVIEW FORM

Business Name: CS TS, Inc

AKA Business Name (if applicable): Pop-A-Top

Operator/Manager's Name: _____

Business Address: 2185 Henry

Muskegon, MI

Reason for Review:

New License ☐ Transfer of Ownership ☐ Dance Permit ☐

Drop/Add Name on License ☐ Transfer Location ☐

Drop/Add Stockholder Name ☐ New Entertainment Permit ☐

Other New Outdoor Service

Deadline for receipt of all information: _____

Public Safety Approved ☐ Denied ☐ No Action Needed ☐

Income Tax Approved ☐ Owing ☐ Amount: _____

Treasurer Approved ☐ Owing ☐ Amount: _____

Zoning Approved ☐ Denied ☐ Pending ZBA ☐

Clerk's Approved ☒ Owing ☐ Amount: _____

Fire/Inspections Approved ☐ Denied ☐ Remaining Defects ☐

L. Pitter

Department Signature _____

Please return to the City Clerk's Office
Gail A. Kunding,
Liquor License Coordinator

LIQUOR LICENSE REVIEW FORM

Business Name: CS TS, Inc

AKA Business Name (if applicable): Pop-A-Top

Operator/Manager's Name: _____

Business Address: 2185 Henry

Muskegon, MI

Reason for Review:

New License ☐ Transfer of Ownership ☐ Dance Permit ☐

Drop/Add Name on License ☐ Transfer Location ☐

Drop/Add Stockholder Name ☐ New Entertainment Permit ☐

Other New Outdoor Service

Deadline for receipt of all information: _____

Public Safety Approved ☐ Denied ☐ No Action Needed ☐

Income Tax Approved ☐ Owing ☐ Amount: _____

Treasurer Approved ☐ Owing ☐ Amount: _____

Zoning Approved ☐ Denied ☐ Pending ZBA ☐

Clerk's Approved ☐ Owing ☐ Amount: _____

Fire/Inspections Approved ☒ Denied ☐ Remaining Defects ☐

Approval contingent on the ^{Submittal} of Construction documents by the owner for this project. Documents shall be reviewed and approved by City Inspectors

Department Signature Mayor Matusz

Please return to the City Clerk's Office
Gail A. Kunding,
Liquor License Coordinator

LIQUOR LICENSE REVIEW FORM

Business Name: CS TS, Inc

AKA Business Name (if applicable): Pop-A-Top

Operator/Manager's Name: _____

Business Address: 2185 Henry

Muskegon, MI

Reason for Review:

New License ☐

Transfer of Ownership ☐

Dance Permit ☐

Drop/Add Name on License ☐

Transfer Location ☐

Drop/Add Stockholder Name ☐

New Entertainment Permit ☐

Other New Outdoor Service

Deadline for receipt of all information: _____

Public Safety

Approved ☐

Denied ☐

No Action Needed ☐

Income Tax

Approved ☐

Owing ☐

Amount: _____

Treasurer

Approved ☐

Owing ☐

Amount: _____

Zoning

Approved ☐

Denied ☐

Pending ZBA ☐

Clerk's

Approved ☐

Owing ☐

Amount: _____

Fire/Inspections

Approved ☒

Denied ☐

Remaining Defects ☐

OUTDOOR SERVICE

AREA MAY NOT REDUCE
PARKING

Department Signature [Signature]

Please return to the City Clerk's Office
Gail A. Kunding,
Liquor License Coordinator

POP A TOP



WESTSHORE CONSULTING

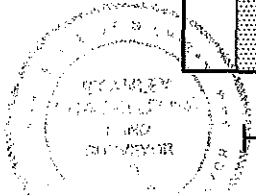
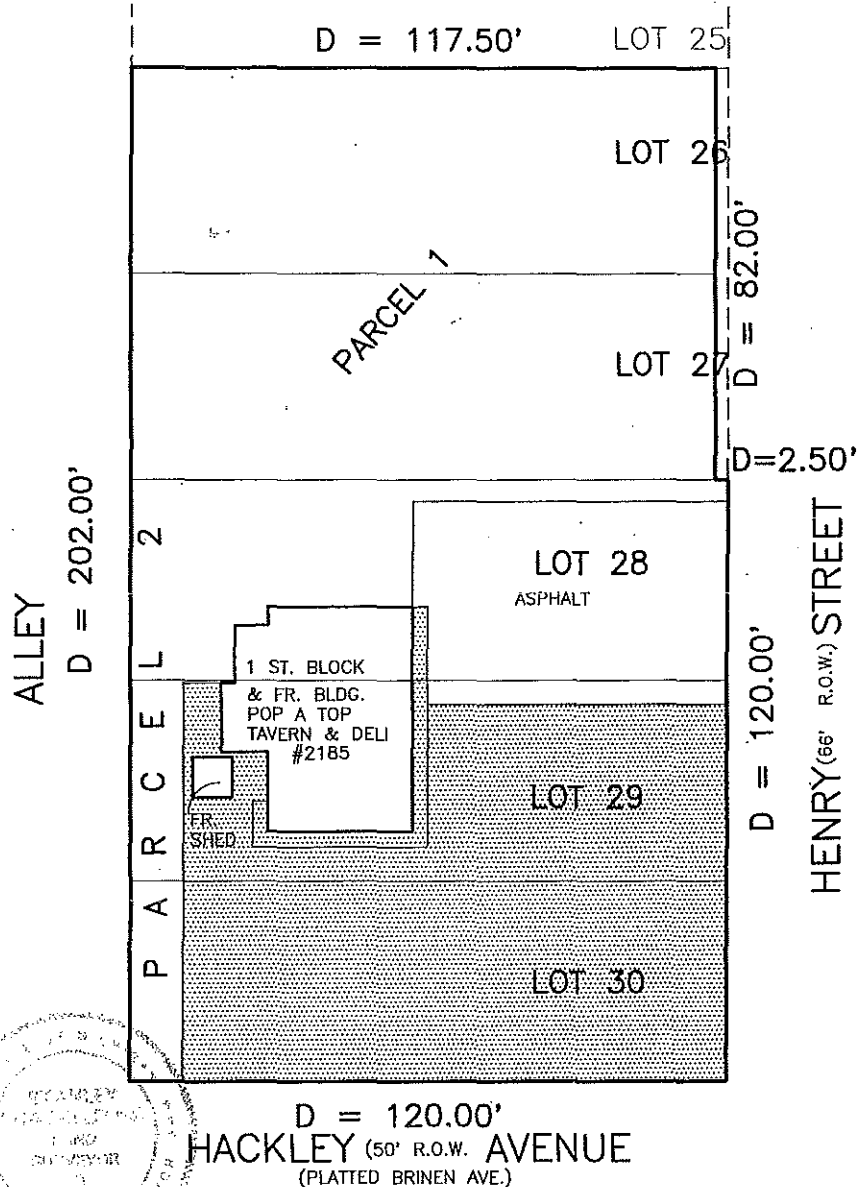
Engineers ■ Scientists ■ Surveyors ■ Planners

MORTGAGE INSPECTION

FOR: COMMUNITY SHORES BANK

RE: CHARLES SLATER, TAMMY SLATER
& THRASHER LEASING

FURNISHED DESCRIPTION: PARCEL 1: LOTS 26 AND 27, EXCEPT THE EAST 2.5 FEET THEREOF, ORCHARD GROVE ADDITION TO THE CITY OF MUSKEGON, AS RECORDED IN LIBER 6 OF PLATS, PAGE 40, MUSKEGON COUNTY RECORDS.
PARCEL 2: LOTS 28 AND 29, AND 30 ORCHARD GROVE ADDITION TO THE CITY OF MUSKEGON, AS RECORDED IN LIBER 6 OF PLATS, PAGE 40, MUSKEGON COUNTY RECORDS. CITY OF MUSKEGON, COUNTY OF MUSKEGON, STATE OF MICHIGAN.



I HEREBY DECLARE TO COMMUNITY SHORES BANK THAT THE PROPERTY AS DESCRIBED AND SHOWN HEREIN HAS BEEN INSPECTED AND THAT TO THE BEST OF MY PROFESSIONAL KNOWLEDGE AND BELIEF, THE BUILDINGS AND IMPROVEMENTS ARE LOCATED AS SHOWN AND THERE EXISTS NO VISIBLE ENCROACHMENTS UPON SAID PROPERTY UNLESS NOTED AND SHOWN. THIS INSPECTION WAS PREPARED FOR THE EXCLUSIVE USE OF COMMUNITY SHORES BANK AND DOES NOT EXTEND TO ANY UNNAMED PERSON WITHOUT AN EXPRESS REDACTION BY THE SURVEYOR NAMING SAID PERSON. THIS INSPECTION IS NOT A LAND OR BOUNDARY SURVEY AND THE SETBACK DIMENSIONS AS SHOWN BETWEEN STRUCTURES AND LOT LINES SHOULD NOT BE USED TO REESTABLISH PROPERTY LINES OR FOR THE ESTABLISHMENT OF ANY IMPROVEMENTS. FURTHER, THAT NO MONUMENTS WERE SET AND THIS REPORT IS NOT INTENDED OR REPRESENTED TO BE A BOUNDARY SURVEY.

Stanley W. Muskeg
PROFESSIONAL SURVEYOR
2534 BLACK CREEK ROAD
MUSKEGON, MI. 49444
PHONE : (231) 777-3447
FAX : (231) 773-3453

30 © COPYRIGHT 2000

LEGEND

CHIMNEY
CONCRETE
RECORD
DEED
OVERHEAD UTILITY

FILE NO: WM-01-0010

DATE: 1-11-01

CK'D. BY:

AM

EXISTING STRUCTURE

16'-0" CEMENT PAD

23'-6" CEMENT PAD

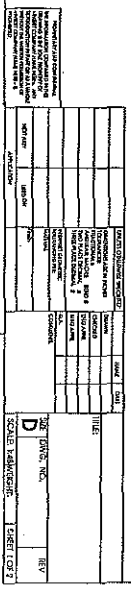
24'-0"

CLIPDATA POSTS: 4'-0" ON CENTER
48" IN GROUND

CEMENT
PAD

-28-

—B'S SLEDER—



EXISTING STRUCTURE

EXISTING STRUCTURE

[illegible]

DATE: 07/11/2011	TIME: 10:00	HEV
D		
SCALE: 1/8" = 1'-0"	WEIGHT: 1/8"	SHEET 2 OF 2

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

Assessor
(231)724-6708
FAX (231)726-5181

Cemetery
(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

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

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

Finance
(231)724-6713
FAX (231)724-6768

Fire Department
(231)724-6792
FAX (231)724-6985

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

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

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

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

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

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



West Michigan's Shore!
www.shorelinecity.com

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

7006 0100 0004 8340 6988

U.S. Postal ServiceTM
CERTIFIED MAILTM RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

Postmark	Here

Very address below:	Yes	No
Is this the correct address for the item?	☐	☐
Is the item being returned to the sender?	☐	☐

Very address below:	Yes	No
Is this the correct address for the item?	☐	☐
Is the item being returned to the sender?	☐	☐

Very address below:	Yes	No
Is this the correct address for the item?	☐	☐
Is the item being returned to the sender?	☐	☐

Very address below:	Yes	No
Is this the correct address for the item?	☐	☐
Is the item being returned to the sender?	☐	☐

Very address below:	Yes	No
Is this the correct address for the item?	☐	☐
Is the item being returned to the sender?	☐	☐

July 12, 2006

Liquor Control Commission
7150 Harris
PO Box 30005
Lansing, MI 48909-7505

REF: Req ID #362322
CSTS, Inc.
2185 Henry
Muskegon, MI 49441

To Whom It May Concern:

Enclosed is the Law Enforcement Recommendation which was recommended for approval subject to final inspection at the July 11, 2006, City Commission Meeting.

Please do not hesitate to call me at (231) 724-6705 if you have any questions.

Sincerely,

Linda Potter

Linda Potter
Deputy Clerk

enc.

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

MM/5-24-06

Michigan Department of Consumer & Industry Services
MICHIGAN LIQUOR CONTROL COMMISSION (MLCC)
7150 Harris Drive, P.O. Box 30005 - Lansing, Michigan 48909-7505

LAW ENFORCEMENT RECOMMENDATION

(MCL 436.1501)

May 17, 2006

TO: Muskegon Police Department
Chief of Police
980 Jefferson Street PO Box 536
Muskegon MI 49443-0536

RE: CSTS, INC.
2185 Henry
Muskegon MI 49441
Muskegon County
REQ ID# 362322

We have received a request from the above licensee for the type of permit indicated below. Please make an investigation and submit your report and/or recommendation, as requested below, to the offices of the Liquor Control Commission at the above address. Questions about this request should be directed to the MLCC Licensing Division at (517) 322-1400.

☐	OFFICIAL PERMIT FOR EXTENDED HOURS OF OPERATION FOR	Two copies of Form LC 1112 will be left with you, the upper portions already executed. Indicate your recommendation and return one copy to the Commission, retaining the other. (Authorized by MAC R436.1403)
☐	LIVING QUARTERS	Indicate your recommendation on the bottom of this letter and return one copy to the Commission. (Authorized by MCL 436.1217 and 436.1201)
☒	XXXXX CSTS, INC. REQUESTS NEW OUTDOOR SERVICE (1 AREA) to be held in conjunction with 2006 Class C-SDM licensed business with Entertainment Permit located at the above address in Muskegon County.	

Recommendation: (Recommended / Not recommended) Subject to final inspection.

Signed: J. L. Shelton Director of Public Safety
Signature and Title

Date: 6-13-06

ljt

AGENDA ITEM NO. _____

CITY COMMISSION MEETING _____

TO: Honorable Mayor and City Commissioners

FROM: Bryon L. Mazade, City Manager

DATE: June 30, 2006

RE: Sale of Clay Avenue Parking Ramp

SUMMARY OF REQUEST:

To approve the sale of the City's Clay Avenue parking ramp to Press's Development, LLC.

FINANCIAL IMPACT:

\$100,000 to the City, plus the property will be placed on the tax rolls.

BUDGET ACTION REQUIRED:

None.

STAFF RECOMMENDATION:

To approve the attached purchase agreement between the City and Press's Development, LLC, and authorize the Mayor and Clerk to sign it.

COMMITTEE RECOMMENDATION:

None.

Affirmative Action

231/724-6703
FAX/722-1214

Assessor

231/724-6708
FAX/726-5181

Cemetery

231/724-6783
FAX/726-5617

Civil Service

231/724-6716
FAX/724-4055

Clerk

231/724-6705
FAX/724-4178

Comm. & Neigh.

Services
231/724-6717
FAX/726-2501

Engineering

231/724-6707
FAX/727-6904

Finance

231/724-6713
FAX/724-6768

Fire Dept.

231/724-6792
FAX/724-6985

Income Tax

231/724-6770
FAX/724-6768

Info. Systems

231/724-6744
FAX/722-4301

Leisure Service

231/724-6704
FAX/724-1196

Manager's Office

231/724-6724
FAX/722-1214

Mayor's Office

231/724-6701
FAX/722-1214

Neigh. & Const.

Services
231/724-6715
FAX/726-2501

Planning/Zoning

231/724-6702
FAX/724-6790

Police Dept.

231/724-6750
FAX/722-5140

Public Works

231/724-4100
FAX/722-4188

Treasurer

231/724-6720
FAX/724-6768

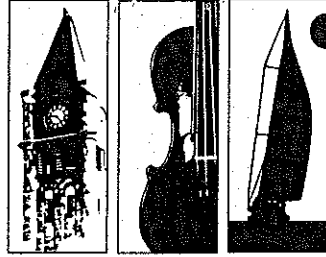
Water Billing Dept.

231/724-6718
FAX/724-6768

Water Filtration

231/724-4106
FAX/755-5290

MUSKEGON



West Michigan's Shoreline City

July 19, 2006

Mr. Gary Veurink,
Attorney at Law
425 W. Western Avenue, Ste. 307
Muskegon, MI 49440

Dear Mr. Veurink:

Enclosed is a copy of the completed purchase agreement between the City of Muskegon and Press's Development, LLC, for the city's parking ramp.

We have ordered the title commitment and I will forward a copy of it to you as soon as it is received.

Sincerely,

CITY OF MUSKEGON

A handwritten signature in cursive script, reading 'Bryon L. Mazade'.

Bryon L. Mazade
City Manager

PURCHASE AGREEMENT

This Agreement is made on July 11, 2006 between the **City of Muskegon**, a Michigan municipal corporation, with offices located at 933 Terrace Street, Muskegon, Michigan, 49440 ("City") and **Press's Development, LLC**, a Michigan limited liability company, of 8081 Holton Duck Lake Rd, Holton MI 49425 ("Buyer").

1. **Purchase and Sale of Premises.** City shall sell and Buyer shall purchase on the conditions set forth in this Agreement the premises, and all improvements thereon, with all beneficial easements, and with all of City's right, title and interest in all adjoining public ways, commonly known as the City of Muskegon Parking Ramp, Muskegon Buyer, Michigan and legally described on **Exhibit A** ("Premises") subject to the reservations, restrictions and easements of record, provided said reservations, restrictions and easements of record are reasonably acceptable to Buyer upon disclosure and review of the same.

2. **Purchase Price and Manner of Payment.** The purchase price for the Premises shall be \$100,000, payable in full at closing to City, by wire transfer, certified or cashier's check. Buyer shall deposit with the City a refundable down-payment of \$10,000 upon the execution of this Agreement ("Deposit"). The Deposit shall be credited against the purchase price at closing.

3. **Title Insurance.** City shall order an owner's policy of title insurance issued by a mutually agreeable title company in the standard A.L.T.A. form, without the standard exceptions, certified to the date of closing, in the amount of the purchase price. Buyer may raise any objections to the exceptions or encumbrances shown on the commitment within 20 days after Buyer receives the commitment by giving written notice to City. If Buyer raises a title objection, Buyer shall not be required to close this transaction unless City cures the objection or Buyer waives its objection. Additionally, if Buyer raises a title objection, City shall have the right not to cure the objection; in which case this Agreement shall terminate and City shall return the Deposit to Buyer. If City elects to cure the objection, City shall take action to remove the exception or the encumbrance from the chain of title, in order to remove it from the commitment and the policy. The title insurance policy shall include a tax lien search certified to the date of closing that shows no tax liens against the Premises.

4. **Property Taxes and Assessments.** City shall be responsible for the payment of all real estate taxes and assessments that become due and payable prior to the date of closing. Buyer shall be responsible for the payment of all real estate taxes and assessments that become due and payable after the date of closing.

5. **Survey.** City shall provide Buyer with copies of any surveys City has of the Premises. Buyer may obtain a survey of the Premises at Buyer's expense, and Buyer or Buyer's surveyor or other agents may enter the Premises for that purpose prior to closing. In the event that a survey by a registered land surveyor made prior to closing discloses an encroachment or

substantial variation from the presumed land boundaries or area, City shall have the option of effecting a remedy within 30 days after disclosure, or terminating this Agreement. Buyer may elect to purchase the Premises subject to said encroachment or variation.

6. **Inspection Period.** Commencing on the date of this Agreement, Buyer, and Buyer's agents, employees, contractors and consultants may, prior to the Date of Closing, conduct such inspections, investigations, appraisals, tests, feasibility studies, and determinations of the Premises as Buyer, in its sole discretion, shall desire in order to determine that the condition of the Premises is acceptable and that the Premises is suitable for Buyer's intended uses ("Due Diligence Investigation"). Buyer and City agree that it is the intent of the Buyer to demolish the parking structure currently existing on the Premises. All costs related to the Due Diligence Investigation shall be paid for by Buyer. The Due Diligence Investigation shall be completed within a reasonable time, not to exceed 30 days ("Inspection Period") after execution of this Agreement by both parties.

7. **Representations, Covenants and Warranties of City.** City represents, covenants and warrants the following to be true:

a. **Organization and Standing of City.** City is a Michigan municipal corporation duly organized, validly existing and in good standing under the laws of the State of Michigan.

b. **Authority.** City has the power and authority to enter into and perform its obligations under this Agreement.

c. **Title to Purchased Assets.** City has good and marketable title to the Premises, except as set forth in this Agreement. The Premises are subject to no mortgage, pledge, lien, encumbrance, security interest, or charge except as will be set forth on the title insurance commitment.

8. **Representations, Covenants, and Warranties of Buyer.** Buyer represents, covenants, and warrants the following to be true:

a. **Status of Buyer.** Buyer is validly existing and in good standing under the laws of the State of Michigan.

b. **Authority.** Buyer has the power and authority to enter into and perform Buyer's obligation under this Agreement.

c. **"As-Is" Sale.** **BUYER UNDERSTANDS AND AGREES THAT THERE SHALL BE NO IMPLIED WARRANTIES OF HABITABILITY, QUALITY, CONDITION, FITNESS FOR A PARTICULAR PURPOSE, OR ANY OTHER IMPLIED WARRANTIES BETWEEN CITY AND BUYER, AND UPON CLOSING, BUYER WAIVES ANY AND ALL SUCH IMPLIED WARRANTIES, AND ACCEPTS THE PROPERTY "AS IS," "WHERE IS," SUBJECT ONLY TO THE EXPRESS COVENANTS, CONDITIONS AND/OR WARRANTIES CONTAINED IN THIS PURCHASE AGREEMENT. AT CLOSING, BUYER SHALL REPRESENT THAT IT HAS PERSONALLY INSPECTED THE**

PROPERTY AND IS SATISFIED WITH THE CONDITION OF THE LAND, AND THAT THE PROPERTY IS BEING PURCHASED AS A RESULT OF SUCH INSPECTION AND INVESTIGATION, AND NOT DUE TO ANY REPRESENTATIONS MADE BY OR ON BEHALF OF CITY

d. **Demolition.** Buyer agrees to demolish the parking structure and remove the parking structure materials currently located on the premises by June 30, 2008. At closing, Buyer shall provide City a bond in the amount of \$100,000 and execute Exhibit B, which shall be a lien on the property and recorded in order to ensure demolition and removal of the parking structure as provided for in this section.

e. **Parking.** Buyer agrees to use the Premises solely as parking for five years after the date of closing. Such parking must be open to the general public, but Buyer may charge the public a commercially reasonable rate for parking. The parking spaces may be either surface parking or ramp parking, but if Buyer decides to construct a new parking ramp on the Premises, the parking ramp must be open and available for public parking.

9. **Conditions Precedent.** This Agreement and all of the obligations of Buyer under this Agreement are, at Buyer's option, subject to the fulfillment, before or at the time of the Closing, of each of the following conditions:

a. **Representations and Warranties True at the Closing.** The representations, covenants, and warranties of City contained in this Agreement shall be true in all material respects at the time of the Closing.

b. **Performance.** The obligations, agreements, documents and conditions required to be signed and performed by City shall have been performed and complied with before or at the date of the Closing.

c. **Due Diligence Investigation.** Buyer has not terminated this Agreement according to the provisions of paragraph 6.

10. **Default.**

a. **By Buyer.** In the event Buyer fails to comply with any or all of the obligations, covenants, warranties or agreements under this Agreement and such default is not cured within 10 days after receipt of notice (other than Buyer's failure to tender the purchase price in full at Closing, a default for which no notice is required), then City may terminate this Agreement, in which event both parties will be released from any further liability under this Agreement, or City may pursue its legal and/or equitable remedies against Buyer.

b. **By City.** In the event City fails to comply with any or all of the obligations, covenants, warranties or agreements under this Agreement, and such default is not cured within 10 days after receipt of notice, then Buyer may either terminate this Agreement, in which event both parties will be released from any further liability under this Agreement, or Buyer may pursue its legal and/or equitable remedies against City.

11. **Real Estate Commission.** Buyer and City both acknowledge and agree that neither has dealt with any real estate agents, brokers or salespersons regarding this sale, and that no agent, broker, salesperson or other party is entitled to a real estate commission upon the closing of this sale. Buyer and City both agree to indemnify and hold the other harmless from any liability, including reasonable attorney fees, occasioned by reason of any person or entity asserting a claim for a real estate commission arising from actions taken by the other party.

12. **Closing.**

a. **Date of Closing.** Unless the parties otherwise mutually agree, the closing shall be held within 60 days of the date of this Agreement ("Date of Closing"). The closing shall be held at a mutually convenient location.

b. **Costs.** The costs associated with this Agreement and the closing shall be paid as follows:

i. Buyer shall pay the premium for the owner's policy of title insurance.

ii. City shall be responsible to pay for the recording of any instrument that must be recorded to clear title to the extent required by this Agreement.

iii. Buyer shall pay for the cost of recording the quit claim deed.

iv. City shall pay the cost associated the title company closing this transaction.

c. **Deliveries.** At closing, City shall deliver at its sole cost and expense the following documents in a form reasonably satisfactory to Buyer.

i. the quit claim deed to the Premises.

ii. such other documents as may be reasonably required by Buyer or the title company to effectuate the transaction contemplated by this Agreement.

13. **Possession.** Possession of the Premises is to be delivered to Buyer by City at Closing.

14. **Risk of Loss.** Until the time of closing, risk of loss because of the damage to or destruction of any improvements located on the Premises shall be solely that of City, except to the extent that Buyer caused the damage or destruction. However, because it is the intent of the Buyer to demolish any improvements located on the Premises, any damage to or destruction of any improvements located on the Premises prior to closing shall not act to terminate this Agreement and the closing shall proceed as scheduled. In the event the improvements located on the Premises are damaged prior to the date of closing, the City shall retain any insurance proceeds to be received by City because of said damage or other destruction.

15. **Notice.** All notices and other deliveries required under this Agreement shall be made and given to the appropriate party, or the office of the party, at the address set forth above or at such other address as may hereafter be specified by such parties by written notice from time to time. Notices shall be effective on the date of receipt, if given by hand, express delivery or recognized courier service. Notices given by certified mail shall be deemed effective three business days after the date of deposit in an authorized postal facility, as shown by its receipt for certified mail. Either party may designate a telephone number to be used for fax notices to such party, in which event any notice transmitted to such number shall be effective on the date shown in the printed confirmation of such transmission, free of error, generated by the sender's machine.

16. **Miscellaneous.**

a. **Governing Law.** This Agreement is executed in accordance with, shall be governed by, and construed and interpreted in accordance with the laws of the State of Michigan.

b. **Entire Agreement.** This Agreement shall constitute the entire agreement, and shall supersede any other agreements, written or oral, that may have been made or entered into, by and between the parties with respect to the subject matter of this Agreement and shall not be modified or amended except in a subsequent writing signed by the party against whom enforcement is sought.

c. **Binding Effect.** This Agreement shall be binding upon, and inure to the benefit of and be enforceable by, the parties and their respective legal representatives, permitted successors and assigns.

d. **Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original as against any party whose signature appears thereon, and all of which together shall constitute one and the same instrument. This Agreement shall become binding upon the parties when one or more counterparts, individually or taken together, shall bear the signatures of all parties.

e. **Non-Waiver.** No waiver by any party of any provision of this Agreement shall constitute a waiver by such party of such provision on any other occasion or a waiver by such party of any other provision of this Agreement.

f. **Severability.** Should any one or more of the provisions of this Agreement be determined to be invalid, unlawful or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions of this Agreement shall not in any way be impaired or affected.

g. **Assignment or Delegation.** Except as otherwise specifically set forth in this Agreement, Buyer shall not assign all or any portion of their rights and obligations contained in this Agreement without the express prior written approval of City, which approval may be withheld in City's sole discretion.

h. **Venue.** The parties agree that for purposes of any dispute in connection with this Agreement, the Muskegon County Circuit Court shall have exclusive personal and subject matter jurisdiction and venue.

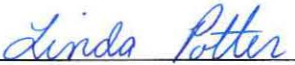
i. **Survival of Representations and Warranties.** The representations, warranties, covenants and agreements contained in this Agreement and in any instrument provided for in this Agreement shall survive the closing date and continue in full force and effect after the consummation of this purchase and sale and continue until all liabilities of Buyer have been fully satisfied.

This Agreement is executed effective as of the date set forth above.

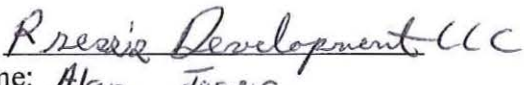
City - City of Muskegon

By: 
Name: Stephen Warmington
Title: Mayor

Attest:


Name: ~~Gail A. Kunding~~, MMC
Title: ~~Clerk~~ Linda Potter
Deputy Clerk

Buyer - Press's Development, LLC

By: 
Name: Alan Tiger
Title: President

07-07-06

Exhibit A
Legal Description

Lots 1 - 3 and Lots 10 – 12 including the easterly 198 feet of vacated alley of Block 328 of the Revised Plat of 1903 in the City of Muskegon, Muskegon County, Michigan.

NOTICE OF LIEN

The **City of Muskegon**, a Michigan municipal corporation, of 933 Terrace Street, Muskegon, Michigan, 49440 ("City"), is hereby granted a lien by **Press's Development, LLC**, a Michigan limited liability company, of 8081 Holton Duck Lake Rd, Holton, Michigan, 49425 ("Owner") pursuant to the Purchase Agreement entered into by the parties on July 11, 2006, for the property legally described as follows:

Lots 1 - 3 and Lots 10 - 12 including the easterly 198 feet of vacated alley of Block 328 of the Revised Plat of 1903 in the City of Muskegon, Muskegon County, Michigan. ("Premises").

In the Purchase Agreement, Owner made a covenant to the City that it will demolish the parking structure and remove the parking structure materials currently located on the Premises by June 30, 2008.

In the event that Owner does not fulfill the demolition and removal covenant, City shall have the right to complete the demolition and removal of the parking structure and this lien shall be in the full amount of the City's costs to demolish and remove the parking structure, less monies actually collected from the Bond posted by Press' Development, LLC for this purpose.

Owner represents and warrants that there are no encumbrances on the Premises senior to this lien, and any attempt to subordinate this lien to future encumbrances shall be void without City's written consent.

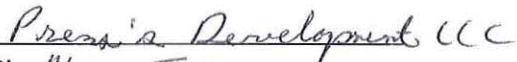
City agrees that upon completion of demolition and removal of the parking structure by Owner, City shall release and discharge this lien at City's expense.

The parties agree that for purposes of any dispute in connection with this Lien, the Muskegon County Circuit Court shall have exclusive personal and subject matter jurisdiction and venue.

City - City of Muskegon

By: 
Name: Stephen Warmington
Title: Mayor
Date: 7-19-06

Buyer - Press's Development, LLC

By: 
Name: Alan Tager
Title: President
Date: 07-03-06

Attest:

Linda Potter
Name: ~~Gail A. Kunding~~, MMC
Title: ~~Clerk~~ Linda Potter
Date: 7-19-06 Deputy Clerk

STATE OF MICHIGAN
COUNTY OF Muskegon

Acknowledged before me in the County of Muskegon, State of Michigan,
on July 3, ~~2006~~ by Alan Jager, member of Press's Development,
LLC, a Michigan limited liability company, for the company.

Suzanne L. Fiero
Suzanne L. Fiero, Notary Public
State of Michigan, County of Muskegon
Acting in Muskegon County, Michigan
My Commission Expires: 03/30/11

STATE OF MICHIGAN
COUNTY OF Muskegon

Signed and sworn to before me in Muskegon County, Michigan, on July 19,
2006, by STEPHEN J. WARMINGTON and ~~GAIL A. KUNDINGER~~, MMC, the Mayor and Deputy
Clerk, respectively, of the CITY OF MUSKEGON, a municipal corporation, on behalf of the
City.

JoAnn Krkowski
JoAnn Krkowski, Notary Public
State of Michigan, County of Muskegon
Acting in Muskegon County, Michigan
My Commission Expires: 05-13-2012

Drafted by & when recorded return to:
John C. Schrier
PARMENTER O'TOOLE
175 W. Apple Ave., P.O. Box 786
Muskegon, MI 49443-0786

Parking Ramp

Clerk

Quit Claim Deed

City of Muskegon, a municipal corporation, of 933 Terrace Street, Muskegon, Michigan 49440 ("City"),

Conveys and Quit Claims To: **Press's Development, LLC**, a Michigan limited liability company, of 8081 Holton Duck Lake Road, Holton, Michigan, 49425

the parking facility property in the City of Muskegon, County of Muskegon, State of Michigan, which is legally described as follows:

LOTS 1-3 AND LOTS 10-12 INCLUDING THE EASTERLY 198 FEET OF VACATED ALLEY OF BLOCK 328 OF THE REVISED PLAT OF 1903 IN THE CITY OF MUSKEGON, MUSKEGON COUNTY, MICHIGAN.

for the sum of: One Hundred Thousand Dollars (\$100,000.00).

This deed is exempt from real estate transfer tax pursuant to the provisions of MCLA 207.505(h)(i) and MCLA 207.526 Sec. 6(h)(i).

Dated: Aug 28, 2006

CITY OF MUSKEGON

By [Signature]
Stephen J. Warmington, Its Mayor

and Linda Potter
Linda Potter, Its Acting Clerk

STATE OF MICHIGAN
COUNTY OF MUSKEGON

The foregoing instrument was acknowledged before me this 28 day of August, 2006, by Stephen J. Warmington and Linda Potter, Mayor and Acting Clerk of the City of Muskegon, a municipal corporation.

Jo Ann M. Kruskowski
Jo Ann M. Kruskowski, Notary Public
Muskegon County, Michigan
My commission expires: 05-13-2012
Acting in Muskegon County, Michigan

Drafted by & when recorded return to:
John C. Schrier
PARMENTER O'TOOLE
175 West Apple Avenue, P.O. Box 786
Muskegon, Michigan 49443-0786

Send subsequent tax bills to:
Press's Development, LLC
8081 Holton Duck Lake Road
Holton, Michigan, 49425

BUYERS ACCEPT PROPERTY "AS IS"

Date: April 23, 2007

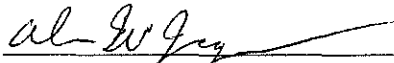
Property: 275 Clay
Muskegon, MI 49440
Commitment No.: WMS1504

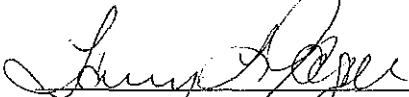
We, the undersigned, being the buyers of the above captioned property, understand and acknowledge that Buyer(s) are buying the property in an "AS IS" condition and that neither the Seller(s) nor Realtor make any warranties as to the structure(s) located upon the land purchased or the condition thereof.

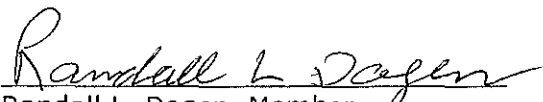
Further, the undersigned agree to indemnify, save and hold harmless and Transnation Title Insurance Company, from any responsibility and/or liability, loss or damage relative thereto.

The foregoing agreement is hereby accepted and approved on April 23, 2007.

Press's Development, LLC, a
Michigan Limited Liability Company


Alan W. Jager, Member


Tammy L. Jager, Member


Randall L. Dagen, Member

CONTINGENCY REMOVAL

Date: April 23, 2007

Property: 275 Clay
Muskegon, MI 49440

Seller(s): City Of Muskegon, a municipal corporation

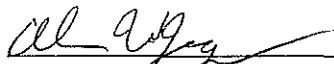
Buyer(s): Press's Development, LLC, a Michigan Limited Liability Company

Commitment No.: WMS1504

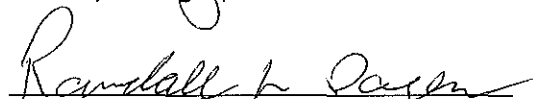
In reference to the sales agreement dated between the Buyer(s) and Seller(s) herein identified, and all subsequent addendums to that agreement for the property stated above, it is agreed by the Buyer(s) and Seller(s) that all contingencies pursuant to said agreement, have been met, resolved or removed to the satisfaction of all parties concerned.

Further, the undersigned agree to indemnify, save and hold harmless and and Transnation Title Insurance Company, from any responsibility and/or liability, loss or damage relative thereto.

Press's Development, LLC, a
Michigan Limited Liability Company


Alan W. Jager, Member


Tammy L. Jager, Member


Randall L. Dagen, Member

City of Muskegon, a municipal
corporation


Hope Mitchell, Planner I

SURVEY WAIVER

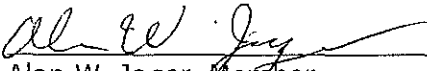
Date: April 23, 2007

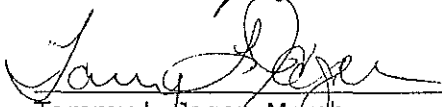
Property: 275 Clay
Muskegon, MI 49440
Commitment No.: WMS1504

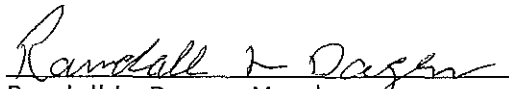
We, the undersigned, herein acknowledge that we have been strongly advised to obtain a land survey showing the dimensions of the property and the location of all buildings situated thereon. We have agreed, completely of our own volition, not to obtain a survey and wish to complete the transaction without the recommended survey.

Further, the undersigned agree to indemnify, save and hold harmless and Transnation Title Insurance Company, from any responsibility and/or liability, loss or damage concerning or pertaining to survey matters, including but not limited to size of lot or land, location of boundary lines, locations of buildings and encroachments of any kind.

Press's Development, LLC, a
Michigan Limited Liability Company


Alan W. Jager, Member


Tammy L. Jager, Member


Randall L. Dagen, Member

AFFIDAVIT BY OWNER/SELLER/BORROWER

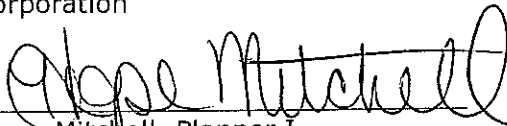
The undersigned is an authorized representative of the owner/seller/borrower who personally knows the facts relative to the matters attested herein. The undersigned, as an authorized representative of the owner/seller/borrower, attests that he/she is empowered by the owner/seller/borrower to bind the owner/seller/borrower to the representations and undertakings made herein. The undersigned being first duly sworn on oath, deposes, states and warrants as follows:

1. That Affiant is the owner of the real estate referred to in Transnation Title Insurance Company Commitment No. WMS1504 above-referenced.
2. The Affiant is in sole possession of said property, and there are no unrecorded deeds, mortgages, leases, easements, land contracts for sale, purchase agreements or options except:
none
3. The Affiant has not negotiated to convey or assign any water, mineral or oil rights relative to said property.
4. The Affiant's has no knowledge of any covenants, conditions or restrictions of record affecting the Property, other than what is recorded, or unrecorded easements or claims of easements affecting said property.
5. That the Affiant is not aware of any boundary line disputes with any abutting property owners as to the location of property lines, nor is the owner/seller/borrower aware of any encroachments of their improvements onto the lands of any adjoining property owners or onto any easements. Likewise, the owner/seller/borrower is not aware of any improvements of adjoining owners encroaching onto said land.
6. That no work has been performed or materials delivered to said property for a period of (120) days prior to the date of this affidavit, and if any work has been performed or materials delivered during said 120 day period, proper sworn statements and waiver of liens showing payment or release of lien rights have been obtained and submitted to Transnation Title Insurance Company for its approval.
7. That the Affiant is not aware of any improvements made, or to be made, to said land, including, but not limited to, sidewalk, curb or street repairs or replacements, weed cutting, debris removal etc., that would result in an assessment or bill to the premises, except as addressed in the purchase agreement.
8. There are no other mortgages, equity loans, revolving credit loans, bridge loans, remodeling loans, judgment liens or tax liens affecting said property, except as set forth in the above-referenced title commitment.
9. There are no proceedings in bankruptcy or receivership by or against the owner/seller/borrower, which are now pending, nor have the owners made any assignment for the benefit of creditors.

In the event that any of the representations made herein prove to be incorrect, for any reason, and a claim is made by third party with respect to these matters, Affiant agrees to indemnify and hold harmless Transnation Title Insurance Company from all claims and damages, including litigation costs and attorney fees arising as the result of such claim.

AFFIANT:

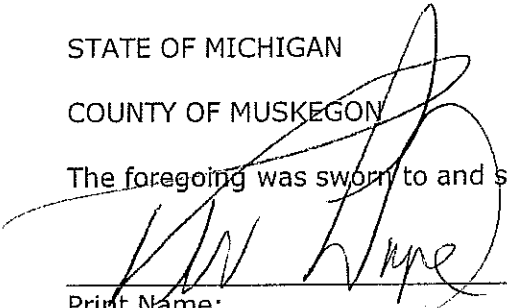
City of Muskegon, a municipal
corporation


Hope Mitchell, Planner I

STATE OF MICHIGAN

COUNTY OF MUSKEGON

The foregoing was sworn to and subscribed in my presence on April 23, 2007.


Print Name:

Notary Public Muskegon County, Michigan

Acting in Muskegon County

My commission expires: _____

TERESA LAVIGNE

Notary Public, Muskegon County, Michigan

Acting in Muskegon County

My Commission Expires: 6/22/12

ADDENDUM TO PURCHASE AGREEMENT

Relative to the Purchase Agreement by and between City Of Muskegon, a municipal corporation as Seller(s) and Press's Development, LLC, a Michigan Limited Liability Company as Buyer(s) of property located at 275 Clay, Muskegon, MI 49440 dated November 14, 2006, it is hereby agreed that the said Purchase Agreement is amended as follows:

The complete legal description of the property as attached.

Buyers have given the City an additional deposit (11/21/06) which represents the balance owed , plus the cost of title insurance and the recording fee. City to forward said payment to Transnation Title.

Not recording the "Notice of lien".

All other terms and conditions of said Purchase Agreement remain unchanged.

Date: 4-23-07

City of Muskegon, a municipal
corporation


Hope Mitchell, Planner I

Press's Development, LLC, a
Michigan Limited Liability Company


Alan W. Jager, Member


Tammy L. Jager, Member

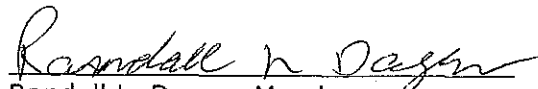

Randall L. Dagen, Member

EXHIBIT A

File Number - WMS1504

Legal Description:

Lots 1, 2, 3, 10, 11 and 12, Block 328, Revised Plat (of 1903) of the City of Muskegon, as recorded in Liber 3 of Plats, Page 71, Muskegon County Records. Together with the Easterly 198 feet of the vacated alley lying between Lots 1, 2, 3 10, 11 and 12.



To the City Commission:

We, the undersigned property owners bordering on either side of E. Forest between Wood St. and Terrace, do hereby petition your Honorable Body, to help clear out the area of Youth's and Young Adults, who have found it "cool" to hang out in the following intersections: Terrace and East Forest, Pine and East Forest, Smith and East Forest, and Wood and East Forest. These youth's and young adults, make it difficult for the property owners to live in their homes, safe and secure. They have trashed the corner of East Forest and Pine, with garbage etc. they sit on the front steps/yards/sidewalks of empty rental units, and other units, playing dice, there have been several fights on the corners, they have their cell phones, going off at all hours of the day and night, they flag down vehicles for whatever, causing traffic backup, and obstruction. We as the property owners, are asking that something be done about this hazard and danger, to our safety and security.

NAME

ADDRESS

Cheryl & Raymond Miller 283 E. Forest

Larry D. Dent 1643 Pine St.

Patricia Whiggers 294 E. Forest Ave

~~Donna Miller~~ 1586 Terrace St.

Carmelita L. Coleman 1637 Pine St.

Christopher J. Whitlock 1649 Pine St.

Michelle Plant 1657 Pine St.

Val Jensen # 300 E. Forest

John A. Coleman 1637 Pine St.

Alan Wang 313 E. Forest

Barb Woods 326 E Forest