

CITY OF MUSKEGON

CITY COMMISSION MEETING

JUNE 28, 2016

CITY COMMISSION CHAMBERS @ 5:30 P.M.

AGENDA

- **CALL TO ORDER:**
- **PRAYER:**
- **PLEDGE OF ALLEGIANCE:**
- **ROLL CALL:**
- **HONORS AND AWARDS:**
- **INTRODUCTIONS/PRESENTATION:**
- **CITY MANAGER'S REPORT:**
- **CONSENT AGENDA:**
 - A. **Approval of Minutes** City Clerk
 - B. **Gaming License Request from Muskegon Polish Festival** City Clerk
 - C. **Approval of Resolution Regarding Precinct Boundary Adjustments**
City Clerk
 - D. **Community Relations Committee Recommendation** City Clerk
 - E. **Interview Room Audio & Visual Recording Device** Public Safety
 - F. **Backhoe Purchase** DPW/Equipment
 - G. **Fuel System Upgrade** DPW/Equipment
 - H. **New Plow Truck** DPW/Equipment
 - I. **Plow Truck Build** DPW/Equipment
 - J. **A & E Barbecue Concession Contract for City of Muskegon Parks**
Department of Public Works
 - K. **Vinyl Siding Supplier Contract for Fiscal Year 2016** Community and
Neighborhood Services
 - L. **Vinyl Siding Installer Contracts for Fiscal Year 2016** Community and
Neighborhood Services
 - M. **Sewer Rate Adjustment** Finance Director
 - N. **Reese Field Management Agreement** Department of Public Works

☐ **PUBLIC HEARINGS:**

- A. Public Hearing – Request to Create a New Neighborhood Enterprise Zone District at 285 W. Western Avenue Planning and Economic Development

☐ **COMMUNICATIONS:**

☐ **UNFINISHED BUSINESS:**

☐ **NEW BUSINESS:**

- A. Concurrence with the Housing Board of Appeals Notice and Order to Demolish Public Safety

330 Washington

1592 5th Street

1761 Getty Street

1363 7th Street

1524 Hoyt Street

- B. Skate Park Fund Agreement City Manager

- C. LC Walker Arena Lease Agreement City Manager

☐ **ANY OTHER BUSINESS:**

☐ **PUBLIC PARTICIPATION:**

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

☐ **CLOSED SESSION:**

☐ **ADJOURNMENT:**

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

Memorandum

To: Mayor and Commissioners

From: Frank Peterson

Re: City Commission Meeting

Date: June 23, 2016

Here is a quick outline of the items on next week's agenda:

1. Under the consent agenda, we are asking the Commission for approval of the following:
 - a. Last meeting's minutes.
 - b. A gaming license for the Muskegon Polish Festival.
 - c. Adjusting a precinct boundary to accommodate the new houses at Terrace Point Landing. They will vote at City Hall.
 - d. Approval of the purchase of new audio and visual recording devices for the interview room to better document our police interview efforts.
 - e. The purchase of a backhoe for the Department of Public Works
 - f. The purchase of an upgrade to our current fuel system at the Public Services Building.
 - g. Approval of the purchase of a new plow truck chassis. One was previously approved earlier this year. This will leave us with two new plow trucks for the upcoming season.
 - h. Approval of a contract to build the two plow trucks – including the installation of the dump box and plowing equipment.
 - i. Approval of a concession agreement with A&E Barbeque for Pere Marquette Park. There are requirements that they stay a certain distance away from The Deck restaurant, but still allows them access to serve food to the volleyball courts north of the bathhouse.
 - j. Approval of our vinyl siding supplier for the coming year – to service the CNS Department.
 - k. Approval of our vinyl siding installer for the coming year – to service the CNS Department.
 - l. Approval of an agreement to manage Reese Field. The management group has agreed to provide Muskegon Residents with free access to the clinics and programs that they offer.

2. We are holding a public hearing for the creation of a new Neighborhood Enterprise Zone District at 285 West Western Avenue. The zone is expected to help facilitate the redevelopment of the Highpoint Flats project. At this time, staff is only asking for the creation of the district, and not the issuance of any certificates. Staff is still analyzing/reviewing the request from Parkland Properties, and will be ready to make a recommendation in terms of length of the NEZ Certificates in the coming weeks.
3. Under New Business, we have the following items:
 - a. Concurrence with the HBA's decision to demolish 5 structures.
 - b. Authorization of the sewer rate adjustment included in the 2016-17 budget. This will set the multiplier for of the County billing rate at 1.49. No water rate adjustment is requested.
 - c. Approval of the management agreement with the Community Foundation regarding collecting funds for the replacement of the skate park at Seyferth Park. We have budgeted \$10,000 at this time to initially establish the fund.
 - d. Authorization of a development agreement and subsequent lease with the West Michigan Rum Company to develop and occupy space in the LC Walker Arena. The tenant would operate a restaurant and distillery out of facility. If approved, the next steps would be for the city and tenant to design the improvements and take bids on the construction. If the construction is higher than estimated or feasible, we have the opportunity to reevaluate and/or cancel the lease. The goal here is to take otherwise unused /extra space at the LC Walker arena and generate additional capital for the facility's operations. We are expecting a return on our \$300,000-\$350,000 investment within 7-8 years, based on the proposed rental rate. We are still in the due diligence period and have a few variables to work out, but overall, the concept is a positive for the LC Walker and all of downtown Muskegon.

If there are questions on any agenda items, please try to let staff know in advance, and we will be sure to have the appropriate data/research available at the meeting.

Date: June 21, 2016
To: Honorable Mayor and City Commissioners
From: Ann Marie Meisch, City Clerk
RE: Approval of Minutes

SUMMARY OF REQUEST: To approve minutes of the June 10, Special City Commission Meeting, June 13, 2016 Worksession Meeting and the June 14, 2016 Regular City Commission Meeting.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the minutes.

City of Muskegon
Special City Commission Meeting
June 10, 2016
Central Fire Station
12:30 PM

MINUTES

2016-47

Present: Commissioners German (left at 3:45 p.m.), Hood, Gawron, Johnson, Turnquist, Rinsema-Sybenga, and Warren.

Absent: None.

Action Plan

Lew Bender facilitated the meeting. Commissioners discussed certain items in the action plan adopted earlier this year. Items included in the discussion is as follows:

Potential Revenue Sources:

1. Rental space at City Hall. Must be a company that fits well in City Hall with similar hours as the city. Space must be consolidated to create more space to rent.
2. Provide services to other agencies. Consideration of a metro authority or fire authority is a possibility.
3. Raise revenues through taxes and maintain/provide serves.
4. Pension millage for police and fire.
5. Vacation rentals of \$500 for cleaning of the beach. 100% of the funds would go back into the parks.
6. Raise the fee at the Farmers Market.
7. Selling naming rights at the LC Walker Arena
8. Add recycling depot centers, keep it at 3 mils, and add the deficit of the cost of trash pick-up to water bill.
9. Special Assessment – streetlighting.
10. Bond Sale for \$5 million

City Manager Frank Peterson, provided more detailed information on his vision of the proposed revenue streams. Commissioners asked questions and voiced their opinion. Some of the proposed ideas to raise revenue will be brought to future Commission Meetings to be considered by Commissioners.

Adjournment.

Adjourned at 4:20 p.m.

**Ann Marie Meisch, MMC
City Clerk**

City of Muskegon
City Commission Worksession
June 13, 2016
Smith Ryerson Park
5:30 PM

MINUTES

2016-47.5

Present: Commissioners German, Hood, Gawron, Johnson, Turnquist, Rinsema-Sybenga, and Warren.

Absent: None.

Budget Review.

The proposed 2016/2017 budget was reviewed department by department. Commissioners asked for clarification on some items and explanations were given. A public hearing on the budget will be held on June 14, 2016.

The City Manager presented several revenue sources the city could implement. The possibilities include:

Rental space at City Hall

Providing additional services to other agencies for a fee

Creating a Public Safety Authority, Parks Authority, or Building Authority

Parking fees at Pere Marquette Park and/or Kruse Park for non-residents

Development of a temporary food and retail event at Pere Marquette Park

Registration of vacation rentals with fees dedicated to Pere Marquette Park

Increase fees in 2017 for Farmers Market

Allowing the sale of alcohol in support of Farmers Market projects

Selling naming rights at the LC Walker Arena

Consider changing the way certain services are paid for

Consider increasing the income tax and reducing the property tax

Consider a special assessment for street lighting

Bond sale

Reorganization of workforce

Consider updating and readopting fiscal policies as ordinances vs. resolutions

Sewer rate increase

Additional discussion took place about a potential streetlight assessment.

The Commission will take the suggestions into consideration for discussion at a future meeting.

Adjournment.

Motion by Hood, seconded by Johnson to adjourn the meeting.

Ann Marie Meisch, MMC
City Clerk

CITY OF MUSKEGON

CITY COMMISSION MEETING

JUNE 14, 2016

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, MI at 5:30 p.m., Tuesday, June 14, 2016.

Pastor Marcy Miller, Crestwood United Methodist Church, opened the meeting with prayer, after which the Commission and public recited the Pledge of Allegiance to the Flag.

ROLL CALL FOR THE REGULAR COMMISSION MEETING:

Present: Mayor Stephen Gawron, Vice Mayor Eric Hood, Commissioners Ken Johnson, Debra Warren, Willie German, Jr., Dan Rinsema-Sybenga, and Byron Turnquist, City Manager Franklin Peterson, City Attorney John Schrier, and City Clerk Ann Meisch.

2016-48 INTRODUCTIONS/PRESENTATIONS:

A. Recognition of Spring 2016 Citizen's Academy Graduates Public Safety

Mayor, Stephen J. Gawron, read the resolution and thanked the 2016 Citizen's Police Academy for their faithful attendance, completion, and graduation from the ten week academy.

2016-49 CONSENT AGENDA:

A. Approval of Minutes City Clerk

SUMMARY OF REQUEST: To approve minutes of the May 24, 2016 Regular City Commission Meeting.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the minutes.

B. Gaming License Request from Lakeshore Museum Center City Clerk

SUMMARY OF REQUEST: The Lakeshore Museum Center is requesting a resolution recognizing them as a non-profit organization operating in the City for the purpose of obtaining a Gaming License.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval.

C. Special Event Liquor License – Farmer’s Market City Clerk

SUMMARY OF REQUEST: At the May 9, 2016 Commission meeting, staff requested approval for a special liquor license on June 30, July 7, July 28, August 11, and September 24.

After further review, staff has decided not to utilize a liquor license for Thursday events this year. We are requesting to modify the request for a special liquor license on July 30th, September 10th, and September 24th (this date was previously approved by Commission). The two added dates are fundraisers at the market.

FINANCIAL IMPACT: \$50 permit from the State for every date requested.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve a special liquor license for the dates of July 30, September 10, and September 24, 2016.

D. Special Event Request – Burning Foot Beer Festival Request to Allow Overnight Camping at Pere Marquette Park – Planning & Economic Development

SUMMARY OF REQUEST: The Lakeshore Brewer’s Guild is holding their 2nd annual Burning Foot Beer Festival at Pere Marquette Park on Saturday, August 27, 2016. This year, they are requesting permission to allow tent camping overnight on the beach on Saturday night. They plan to limit the number of tents to 75 for the first year. The designated camping area is 150 feet by 250 feet and will be defined by a fence as shown on the site plan. They will have security present overnight and portajons available in the camping area. Event volunteers will be there to check people in. There will be no alcohol in the camping area.

In addition, they would like to allow an estimated 24 RVs to park across the street in the large Ovals parking lot on Friday night and Saturday night. The RVs will be for brewers and festival organizers, who will start setting up on Friday night and Saturday morning.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Staff recommends approval.

E. Love Bites Treatery Concession Contract for City of Muskegon Parks
Department of Public Works

SUMMARY OF REQUEST: Staff is asking permission to enter into a 1-year contractual agreement with Devin “Josie” Richardson of Love Bites Treatery LLC,

at Kruse Park, located within the City of Muskegon, to sell organic dog treats from a concession stand/informational booth.

FINANCIAL IMPACT: Concession revenue is 10% of gross receipts.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Authorize DPW staff to enter into concession agreement with Devin “Josie” Richardson of Love Bites Treatery, LLC.

G. Memorandum of Understanding – Justice Assistance Grant Public Safety

SUMMARY OF REQUEST: The Director of Public Safety requests that the Commission authorize the Director and the City Manager to enter into an agreement with the City of Muskegon Heights and Muskegon County in regards to the disbursement of the FY 2016 Justice Assistance Grant. It is further requested that the Mayor be authorized to sign the Memorandum of Understanding. Note that time is of the essence as this grant requires a 30-day governing body review period and the grant submission and the grant deadline is June 30.

Although the Bureau of Justice Assistance (BJA) has designated us as being in a disparate funding situation due to the County providing more than 50% of the jail facilities, our proposal is to keep the allocations exactly as they initially came down from the BJA which is as follows: County of Muskegon \$ 0; City of Muskegon \$26,703 and City of Muskegon Heights \$19,085. Note that BJA uses crime data versus population in making these allocation decisions.

The City of Muskegon portion is planned to be used in continuation of the manner in which the previous year’s JAG funding was used, which is for the prosecution of City ordinance cases dealing primarily with neighborhood issues.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Staff recommends approval of this request.

I. Sale of Buildable Vacant Lot at 88 Monroe Planning & Economic Development

SUMMARY OF REQUEST: To approve the sale of a vacant buildable lot at 88 Monroe to William Galy, to combine with his property at 1140 Jefferson St., Muskegon, MI. The lot is 66 x 132 ft. and is being offered to Mr. Galy for \$2,500 plus the fee to register the deed. The City has owned the property since December 2013 with no inquiries for potential construction. By combining this with Mr. Galy’s property; this will give him a back yard. The City has spent an average of \$202.00 per year in maintenance of the vacant lot since 2013.

FINANCIAL IMPACT: The sale of this lot will generate additional tax revenue

for the City and will place the property back on the City's tax rolls thus relieving the City of continued maintenance costs.

BUDGET ACTION REQUIRED: None.

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

J. MDOT-City 2nd Amendment of the Agreement for Muskegon & Webster Engineering

SUMMARY OF REQUEST: Authorize staff to sign the amendment to the agreement with Michigan Department of Transportation extending the completion date of the project to June 30, 2016 instead of the May 27, 2016 date in the previous amendment and to adopt a resolution authorizing Mohammed Al-Shatel to execute said agreement.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Authorize Mohammed Al-Shatel to sign the agreement/contract amendment.

Motion by Commissioner Johnson, second by Commissioner German, to approve the Consent Agenda as presented with the exception of Items F and H.

ROLL VOTE: Ayes: Gawron, Hood, Warren, German, Rinsema-Sybenga, Turnquist, and Johnson

Nays: None

MOTION PASSES

2016-50 ITEMS REMOVED FROM THE CONSENT AGENDA:

F. Keep in Touch Massage Concession/Business Contract for City of Muskegon Parks Department of Public Works

SUMMARY OF REQUEST: Staff is asking permission to enter into a 1-year contractual agreement with Laura Crawford of Keep in Touch Massage, at various parks as outlined in the proposal, located within the City of Muskegon, to provide chair massages.

FINANCIAL IMPACT: Concession revenue is 10% of gross receipts.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Authorize DPW staff to enter into concession/business agreement with Laura Crawford of Keep in Touch Massage.

Motion by Commissioner Turnquist, second by Commissioner German, to authorize DPW staff to enter into concession/business agreement with Laura

Crawford of Keep in Touch Massage.

**ROLL VOTE: Ayes: Hood, Warren, German, Rinsema-Sybenga, Turnquist,
Johnson, and Gawron**

Nays: None

MOTION PASSES

H. Special Liquor Licenses – Rebel Road Public Safety

SUMMARY OF REQUEST: To approve a Special Liquor License for the Child Abuse Council to serve spirits at the following locations, dates, and times:

LC Walker Arena Parking Lot, 477 W. Western Avenue

July 14, 2016 from 6:00 PM until 12 midnight

July 15 and 16, 2016 from 11:00 AM until 12 midnight

July 17, 2016 from 10:00 AM until 6:00 PM

LC Walker Arena Terrace, 470 W. Western Avenue

July 15 and 16, 2016 from 11:00 AM until 12 midnight

Sand Lot, 351 W. Western Avenue

July 15 and 16, 2016 from 11:00 AM until 12 midnight

Muskegon County Convention and Visitor's Bureau, 610 W. Western Avenue

July 15 and 16, 2016 from 11:00 AM until 12 midnight

They have already submitted a Special Event Application. Each serving of spirits must be in a pre-measured format. This event is a four-day music and motorcycle festival with food, merchandise vendors, music stages, and spirits tents.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Staff recommends approval of this request.

Motion by Commissioner Turnquist, second by Commissioner Rinsema-Sybenga, to approve a Special Liquor License for the Child Abuse Council.

**ROLL VOTE: Ayes: Warren, German, Rinsema-Sybenga, Turnquist, Johnson,
Gawron, and Hood**

Nays: None

MOTION PASSES

2016-51 PUBLIC HEARINGS:

A. Transmittal of 2016-17 Proposed Budget City Manager

SUMMARY OF REQUEST: At this time staff is transmitting to the City Commission the proposed budget for fiscal year 2016-17 which starts July 1, 2016. An electronic version of the budget has been distributed to Commissioners. Additionally, the budget is available for public inspection on the City's website and at the City Clerk's office or Hackley Public Library.

The proposed budget will be reviewed in detail with staff at the June 13 work session. A public hearing on the budget will be held at the regular Commission meeting the following evening on June 14th. City ordinance requires that the budget be adopted by the Commission on or before the second Commission meeting in June.

FINANCIAL IMPACT: The budget is the City's financial plan for the coming fiscal year.

BUDGET ACTION REQUIRED: None at this time.

STAFF RECOMMENDATION: Approval of the proposed budget for fiscal year 2016-17.

PUBLIC HEARING COMMENCED: NO PUBLIC COMMENTS WERE RECEIVED

Motion by Commissioner Rinsema-Sybenga, second by Commissioner Warren, to close the public hearing and approve the proposed budget for fiscal year 2016-17.

ROLL VOTE: Ayes: German, Rinsema-Sybenga, Turnquist, Johnson, Gawron, Hood, and Warren

Nays: None

MOTION PASSES

B. Public Hearing – Request to Establish an Obsolete Property District – 1129 3rd Street Planning & Economic Development

SUMMARY OF REQUEST: Pursuant to Public Act 146 of the Michigan Public Acts of 2000, Hamburger Mikey, LLC, has requested the establishment of an Obsolete Property District for their property at 1129 3rd Street. The establishment of the Obsolete Property District would allow them to apply for an Obsolete Property Rehabilitation Exemption Certificate.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Staff recommends approval of the Obsolete Property District.

PUBLIC HEARING COMMENCED: PUBLIC COMMENTS WERE RECEIVED

Motion by Commissioner Rinsema-Sybenga, second by Commissioner Johnson, to close the public hearing and approve the obsolete property district.

ROLL VOTE: Ayes: Rinsema-Sybenga, Turnquist, Johnson, Gawron, Hood, Warren, and German

Nays: None

MOTION PASSES

C. Public Hearing – Request to issue an Obsolete Property Certificate – Hamburger Mikey, LLC – 1129 3rd Street Planning & Economic Development

SUMMARY OF REQUEST: Pursuant to Public Act 146 of the Michigan Public Acts of 2000, Hamburger Mikey, LLC, has requested the issuance of an Obsolete Property Certificate for their property located at 1129 3rd Street. Total capital investment for this project is \$134,000. The applicant is eligible for a nine-year abatement because of the amount of investment.

FINANCIAL IMPACT: If an Obsolete Property Certificate is issued, the property taxes would be frozen at the pre-rehabilitated rate for the duration of the certificated.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Staff recommends approval of the Obsolete Property Rehabilitation Exemption Certificate.

PUBLIC HEARING COMMENCED: NO PUBLIC COMMENTS WERE RECEIVED

Motion by Commissioner Rinsema-Sybenga, second by Commissioner Johnson, to close the public hearing and approve the obsolete property rehabilitation certificate.

ROLL VOTE: Ayes: Turnquist, Johnson, Gawron, Hood, Warren, German and Rinsema-Sybenga

Nays: None

MOTION PASSES

PUBLIC PARTICIPATION: Public Comments were received.

2016-52 CLOSED SESSION:

A. Discuss City Manager Evaluation

Motion by Commissioner Rinsema-Sybenga, second by Vice Mayor Hood, to go into closed session to discuss the City Manager's evaluation.

ROLL VOTE: Ayes: Gawron, Hood, Warren, German, Rinsema-Sybenga, Turnquist, and Johnson

Nays: None

MOTION PASSES

Motion by Commissioner Johnson, second by Commissioner Warren, to come out of closed session.

ROLL VOTE: Ayes: Hood, Warren, German, Rinsema-Sybenga, Turnquist, Johnson, and Gawron

Nays: None

MOTION PASSES

ADJOURNMENT: The City Commission adjourned at 7:37 p.m.

Respectfully Submitted,

Ann Marie Meisch, MMC, City Clerk

Date: June 21, 2016
To: Honorable Mayor and City Commissioners
From: Ann Marie Meisch, City Clerk
RE: Gaming License Request from Muskegon Polish Festival

SUMMARY OF REQUEST: The Muskegon Polish Festival is requesting a resolution recognizing them as a non-profit organization operating in the City for the purpose of obtaining a Gaming License.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval

City of Muskegon

RESOLUTION

WHEREAS; voter registration adjustments are needed between Precinct 5 and Precinct 7; and

WHEREAS; County District and City Precinct lines were adjusted in 2012 after the 2010 Census; and

WHEREAS; Terrace Point Circle did not exist at the time of redistricting, there are now a number of newly constructed residential properties at that location;

WHEREAS; the current precinct boundary runs through the subdivision and is not a natural boundary as required by Michigan State Law; and

WHEREAS; recognizing voters on Viridian Drive will benefit from a closer polling location by voting at City Hall (Precinct 7); and

WHEREAS; Terrace Point Circle and Viridian Drive voters will be adjusted from Precinct 5 to Precinct 7 by new boundaries set as indicated in the attached map.

NOW THEREFORE BE IT RESOLVED, all voters located in Terrace Point Circle subdivision shall be added to the Michigan Qualified Voter File in Precinct 7 effective immediately and voters in the area of Viridian Drive will be moved into Precinct 7, effective January 1, 2017 as mandated by State law.

Signed the 28th day of June 2016

Stephen J. Gawron, Mayor

Date: June 22, 2016
To: Honorable Mayor and City Commissioners
From: Ann Marie Meisch, City Clerk
RE: Approval of Resolution Regarding Precinct Boundary
Adjustments

SUMMARY OF REQUEST: To approve a resolution to allow for the adjustment of precinct boundaries in precincts 5 and 7. Terrace Point Circle did not exist when the current precinct boundaries were decided. Terrace Point Circle is currently sitting in two precincts with no natural boundary. Further adjustments will be made to this area to include the voters on Viridian Drive, the natural boundary used for the new precinct division is the census block where the properties are located. Voters registered on Viridian will have a new polling place of City Hall effective January 1, 2017 if the resolution is approved. Changes to Terrace Point Circle will become effective immediately.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval the resolution.

City of Muskegon

RESOLUTION

WHEREAS; voter registration adjustments are needed between Precinct 5 and Precinct 7; and

WHEREAS; County District and City Precinct lines were adjusted in 2012 after the 2010 Census; and

WHEREAS; Terrace Point Circle did not exist at the time of redistricting, there are now a number of newly constructed residential properties at that location;

WHEREAS; the current precinct boundary runs through the subdivision and is not a natural boundary as required by Michigan State Law; and

WHEREAS; recognizing voters on Viridian Drive will benefit from a closer polling location by voting at City Hall (Precinct 7); and

WHEREAS; Terrace Point Circle and Viridian Drive voters will be adjusted from Precinct 5 to Precinct 7 by new boundaries set as indicated in the attached map.

NOW THEREFORE BE IT RESOLVED, all voters located in Terrace Point Circle subdivision shall be added to the Michigan Qualified Voter File in Precinct 7 effective immediately and voters in the area of Viridian Drive will be moved into Precinct 7, effective January 1, 2017 as mandated by State law.

Signed the 28th day of June 2016

Stephen J. Gawron, Mayor

Here is the old delineation...



And here is the new...



Date: June 28, 2016
To: Honorable Mayor and City Commissioners
From: City Clerk
RE: Community Relations Committee Recommendation

SUMMARY OF REQUEST: To concur with recommendations from the Community Relations Committee to appoint Barbara VanFossen to the District Library Board.

FINANCIAL IMPACT:

BUDGET ACTION REQUIRED:

STAFF RECOMMENDATION: To concur with recommendations

COMMITTEE RECOMMENDATION:

COMMISSION MEETING DATE: June 28, 2016

Date: June 14, 2016

To: Honorable Mayor and City Commissioners

From: Director of Public Safety Jeffrey Lewis

RE: Interview Room Audio & Visual Recording Device

SUMMARY OF REQUEST:

The Director of Public Safety requests that the Commission authorize the amount of \$15,361.00 for an audio & visual recording device for the Detective Bureau interview room. This recording system, with needed attachments, accessories, and backend storage server, will replace the current out-of-date recording system. This upgrade will also assist the Muskegon Police Department to be in compliance with the Audio Recording of Custodial Interrogations ~ Public Act 479 of 2012 (see *attachments for details*). The equipment enhancement should be completed by August 15, 2016. **This equipment is a sole source purchase which is compatible with the L3 Communications Dash Cam system in our patrol vehicles.*

FINANCIAL IMPACT:

N/A – Budgeted

BUDGET ACTION REQUIRED:

Equipment was budgeted in the 2015/2016 (amended) budget cycle to support the equipment upgrade (*Police Forfeiture Fund*).

STAFF RECOMMENDATION:

Staff recommends approval of this equipment purchase to update & enhance essential audio & visual recording during criminal interrogations.

MUSKEGON POLICE DEPARTMENT
CITY OF MUSKEGON
TELEPHONE BID TABULATION FORM

Date: 1/21/16

Employee: Shawn Bride

	Bidder #1 *	Bidder #2	Bidder #3
Vendor	L3 Communications		
Address	400 Commons Way Rockaway, NJ 07866		
Telephone Number	973-453-8562		
Fax Number	973-257-3024		
Accept Mastercard			
Quoted By	Ryan Phillips - L3 Regional		

Description & Quantity	Unit Price	Total	Unit Price	Total	Unit Price	Total
Flashback 3 interview room base unit - DVR, 8GB SD card, monitor, cables, mic	\$3495					
Multi-interview monitoring device	\$595					
Interview room software module	\$1000					
8TB Dell SAS JBOD w/SAS cable, 2U	\$5289.60					
Dell DAD PCI-e H830 RAID Card for use with T630 System	\$845.98					
Remote Professional Services	\$950.00					
Installation by Absolute Sales -includes cameras, stop/start switch, CAT 6 cables	\$3085					
S&H	\$100					
* L3 is sole distributor of proprietary software. MI-Deal: #071B1300182						
Total	15,360.58					

Bidder ~~#~~ 1 approved by _____

 6/8/16



Mobile-Vision, Inc.

1000 New York Highway, NJ 07846
 201-261-7700 / 201-261-7701

QUOTE

Number 204315215

Date January 21, 2016

Sold To

Muskegon Police Department

Shawn Bride
 1350 E. Keating Avenue
 Muskegon, MI 49442

Phone 231-724-6750

Fax 231-722-5140

Ship To

Muskegon Police Department

Shawn Bride
 1350 E. Keating Avenue
 Muskegon, MI 49442

Phone 231-724-6750

Fax 231-722-5140

Salesperson

Ryan Phillips

P.O. Number

Ship Via

None

Terms

Line	Qty	SKU	Description	Unit Price	Ext.Price	Comments
1	1	MVD-FB3DVS-INTR	Flashback3 interview room base kit - Includes the DVR, 8GB SD card, Monitor, Power supply, 2 interview room microphones, cable kit, and hardware kit	\$3,495.00	\$3,495.00	
2	1	MVD-NDVRN-8960	Multi-Interview Monitoring Device. Supports 8 video / audio inputs from Interview room DVRs. Does not have DVR capabilities.	\$595.00	\$595.00	
3	1	LSSWRINTMOD	Software, Interview Room Module Software, unlimited DVR's Digital Evidence Software includes: Interview Room Module	\$1,000.00	\$1,000.00	
4	1	LSESA12B08T	8TB Dell SAS JBOD w/SAS cable, 2U	\$5,289.60	\$5,289.60	
5	1	LSCMPASASH830	Dell SAS PCI-e H830 RAID Card for use with T630 systems	\$845.98	\$845.98	
6	1	MVD-TRAN-RPS	Remote professional services	\$950.00	\$950.00	
7	1	/C32	Installation to be provided by	\$3,085.00	\$3,085.00	

MI STATE CONTRACT 071B1300182

Installation provided by Absolute Sales. Please see attached statement of work.

Shipping estimates is 4 weeks from date of receiving the order and is also dependent upon installation scheduling.

Signing below is in lieu of a formal Purchase Order.
 Your signature will authorize acceptance of both pricing and product:
 Signed: _____ Dated: _____

SubTotal 15,260.58
Tax TBD
S&H 100.00
Total 15,360.58

L-3 Shipping Terms are FOB Rockaway, NJ. By signing below you agree to
 waive your shipping terms and ship this order FOB Rockaway, NJ.
 Signed: _____ Dated: _____

L-3 Mobile-Vision, Inc. is not responsible for any errors or omissions in this document. The information is provided for informational purposes only. The information is not intended to be used for any other purpose. The information is not intended to be used for any other purpose. The information is not intended to be used for any other purpose.

ABSOLUTE

SALES INTERNATIONAL

314 WEST WALTON BOULEVARD
PONTIAC, MICHIGAN 48340-1041
LOCAL: (248) 334-3995
FAX: (248) 334-3558
E MAIL: bill@altronint.com

APPLYING TECHNOLOGY TO SAVE LIVES

18, January 2016

Ryan Phillips
Regional Sales Representative
L-3 Mobile Vision, Inc.

RE: L3 Flashback3 Interview Room Installation for Muskegon Police Department

Dear Ryan:

Absolute Sales International is pleased to present L-3 Mobile Vision the following quotation for the L3 interview room system. We have been installing interview room recording systems for over 10 years. Our team has designed and install many interview room systems and are very excited about the level of technology that the L3 Mobile-Vision system offers.

Per your request, we will be providing equipment to record via a L3 Flashback3, a single interview room. This proposal is based on your description of interview room to control room distances, ceiling & wall types. We have also incorporated components to provide the audio, video & mouse control of the Northern observation DVR. I assume you will be using the 4 channel DVR for this single room. We will provide a "Y" cable to connect the audio output of the microphone to both camera DVR inputs. This will allow you to listen to the audio regardless of the camera view.

Having said that, we understand the bill of materials and scope of work for this project to be:

- Install one (1) L3 Mobile-Vision Flashback3 interview room recording system
- Provide and install one (1) wall mounted "start/stop" switch with cover in back box & wiremold
- Provide and install one (1) high resolution color smoke detector camera in drop ceiling
- Provide and install one (1) high resolution covert wall plate camera in back box & wiremold
- Provide and install one (1) covert microphone in drop ceiling & audio receiver to DVR
- Provide and install one camera power supply
- Provide and install required L3 cable adaptor kits with connection to plenum cable
- Provide and install one (1) HDMI over CAT6 adaptor for control monitor (assumed 150' via drop ceiling)
- Provide and install one (1) USB 2.0 over CAT6 adaptor for mouse control of Northern DVR (assumed 150' via drop ceiling)
- Provide and install required plenum signal, audio, and power cables, connectors, and supports

This estimate is based on the following exclusions and assumptions:

- Owner to provide adequate 120 VAC power @ all CCTV equipment locations
- Owners existing computer network has availability for necessary static IP addresses and increased bandwidth activity. Problems or issues related to the network that delay the project will not be the responsibility of the contractor
- Owner to provide adequate video card for streaming video on any LAN/WAN computer
- Absolute Sales International not responsible for any connection, installation or programming at remote location(s)

- Absolute Sales International is not responsible for programming of the L3 DVR nor training of the customer on it's use
- Absolute Sales International will mount, tune, and focus the cameras. This requires that the servers are in place prior to the installation of the cameras and that "*approval of view authority*" is available during this process
- The cost for any permits if required, are not inclusive of this proposal and will be bill as additional
- Any changes to the scope with may be required by the local fire marshal and/or other AHJ are not inclusive of this proposal and will be bill as additional
- Work to be performed during normal business hours & no hindrances in gaining access to any of the necessary facilities, with prior planning and approval by client

Absolute Sales International (and it's contracted installation firms) standard warranty is twelve (12) months on parts and three (3) months on labor for the hardware installation and twelve (12) hours of normal business hour support on the software installation (if applicable). The warranty will commence upon the earlier of customer acceptance or established beneficial use.

Per the listed scope of work, bill of materials, assumptions and maintenance summary, cost for this project will be \$3,085.00. If L3 is supplying the 2 camera bodies, you can deduct \$275.00

Absolute Sales International and our installation partner PCT Technologies, have been installing and servicing interview room recording systems for many years. Some of our clients include:

- Oakland County Sheriff's Office - Main
- Oakland County Sheriff's Office - Rochester Hills
- Oakland County Sheriff's Office - Pontiac
- Oakland County Sheriff's Office - Brandon Township
- Oakland County Sheriff's Office - Oakland Township
- Oakland County Sheriff's Office - Orion Township
- St. Clair County Sheriff's Office
- Washtenaw County Sheriff's Office
- West Bloomfield Police Department
- Sterling Heights Police Department
- Port Huron Police Department
- Chesterfield Township Police Department
- Meridian Township Police Department
- Clinton Township Police Department
- Emmett Township Police Department
- Flint Township Police Department
- Romulus Police Department
- Lathrup Village Police Department
- Cadillac Police Department
- Wixom Police Department

We thank you for this opportunity. Please contact us with any questions or comments. Thanking you in advance for your anticipated approval.

Sincerely,

William M. Rogers
President

Staff Comments

Interview Room Upgrade

Compliance with State Law

ACTION ITEM: Request approval to waive the bid process and allow purchase of a digital recording system for the Police Department's Interview Room from L3 Mobile-Vision Inc.

Policy Issue: Should the Police Department be authorized to waive the bid process and complete a sole-source purchase from L3 Mobile-Vision Inc.

Background: The Police Department has previously received authority for sole-source purchases from L3 Mobile Vision Inc. to equip patrol vehicles with digital in-car video recorders in 2007 and to update that system as necessary.

The Interview Room is currently equipped with a Windows XP supported recording system purchased in 2008. Resulting standalone external hard drives must be submitted to the Property Room as evidence. The drives are later transferred back and forth between the Property Unit and the Detective Unit to satisfy discovery requests for the Prosecuting Attorney's Office and the City Attorney's Office.

Video from the Patrol Car L3 System is digitally stored on a server equipped with L3 proprietary software. Upgrading the current Interview Room system to a L3 digital system will no longer require labor intensive searches, packaging hard drives as evidence and numerous chain-of-custody transfers to satisfy discovery requests and court appearances. This will significantly reduce the amount of time on these tasks by Officers, Property Room personnel, and Detective Bureau personnel.

L3 Mobile-Vision Inc. is the sole-source supplier for compatible proprietary digital recording equipment. The cost for 2 cameras and an integrated recording system is \$15,360.58.

Public Act 479 of 2012 was signed into law late in 2013. This Act requires all law enforcement agencies to "make a time-stamped, audiovisual recording" of custodial interrogations for certain felonies. MCOLES was required to set the quality standards for the recordings as well as standards for geographic accessibility of equipment. This proposed system meets and exceeds all aspects of the MCOLES standard for police recordings.

Budget Impact Future: An annual software and tech support contract with L3 will be sole reoccurring associated cost.

Attachment: L-3 Quote, Absolute Sales Inc. Installation Quote, MCOLES recording standards

- MCOLES Home
- Contact MCOLES



Go



- **Standards & Training**
 - Audio Visual Recording Standard
 1. MCOLES
 2. STANDARDS & TRAINING
 3. AUDIO VISUAL RECORDING STANDARD

Audiovisual Recording of Custodial Interrogations ~ Public Act 479 of 2012

Public Act 479 of 2012 was signed into law late last year. This Act requires all law enforcement agencies to "make a time-stamped, audiovisual recording" of custodial interrogations for certain felonies. MCOLES was required to set the quality standards for the recordings as well as standards for geographic accessibility of equipment. Public Act 479 of 2012 is accessible by following this link: <http://www.legislature.mi.gov/documents/2011-2012/publicact/htm/2012-PA-0479.htm>.

The MCOLES' goal was to create standards that are logistically achievable and practical for Michigan law enforcement. The challenge was to identify existing law enforcement audiovisual recording practices, research other states and federal procedures, and identify reasonable equipment options and costs. MCOLES staff completed the relevant research, conducted site visits at several law enforcement agencies with a variety of audiovisual systems, and consulted with two advisory groups. The groups offered insight from both managerial and organizational perspectives as well as technical specifications of audiovisual equipment and their application in law enforcement as defined by the Act. A field survey was also conducted in which all Michigan law enforcement agencies were invited to participate.

Based on the completed analysis, staff recommended six standards for the audiovisual recording of certain felonies as defined by the Act. On September 18, 2013 the Commission accepted the standards as follows:

Standard 1: Recording Capability

Audiovisual equipment shall:

- Use a digital recording format;
- Capture at least 24 frames per second;
- Be compatible with a universal playback system;
- Have the capability for an authorized user to redact a copy of the original digital evidence;
- Export duplicate recordings in the original format;
- Allow for a compressed file sharing copy without loss of picture/audio quality;
- Record, without user intervention, at least a continuous 6-hour event; and
- Playback recordings in original quality, without loss of picture/audio integrity.

Standard 2: Camera

Video cameras must:

- Record in color;
- Have a minimum of 452 horizontal lines of resolution; and
- Be positioned so all individuals within the interrogation room are captured.

Standard 3: Microphone

Audio recording equipment shall:

- Record simultaneously with the video for recording and archiving;
- Be positioned to capture voices of individuals within the interrogation room; and
- Be of a quality to accurately record all verbal communication taking place in the interrogation room.

Standard 4: Date/Time Stamp

Recording systems shall:

- Continually record the time/date stamp as metadata; and
- Be administrator-configurable to allow or disallow visual display.

Standard 5: Agency Policy and Procedure

Michigan law enforcement agencies shall establish operational guidelines for the audiovisual recording of interrogations identified in law. The guidelines shall include:

- Procedures for audiovisual recordings;
- Miranda rights within the recording;
- The treatment of recordings as evidence;
- The secured storage of audiovisual recordings;
- Procedures for the copying of recordings;

- Procedures for the retention and/or destruction of recordings; and
- How the recording equipment is tested and verified.

Standard 6: Geographic Accessibility

The geographic accessibility requirement shall be met by an agency if all of the following occur:

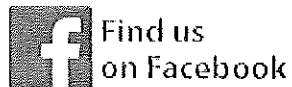
- Equipment meeting MCOLES audiovisual standards is reasonably accessible by an agency; and
- There is a mutual agreement in place for use of another agency's audiovisual equipment in effect; and
- The location housing the audiovisual equipment is considered to be a place of detention as defined in the Act.

It is important to note the MCOLES cannot interpret law. If there are questions regarding the legislation, definitions, or timelines it is recommended those concerns be addressed with agency counsel or local prosecutors.

MCOLES was also mandated to conduct an assessment of the initial cost necessary for law enforcement agencies to purchase audiovisual recording equipment and this process is ongoing. No funds have been appropriated for agency implementation of these standards by the legislature. Should an agency decide to purchase, enhance, or upgrade equipment prior to the legislature appropriating funding, those purchases will not be reimbursable as the state budget process does not work retroactively.

Updates will be posted on this Web page as they occur. Questions regarding the specific standards should be addressed to Wayne Carlson of the Career Development Section at 517-322-5614, carlsonw1@michigan.gov.

Stay Connected



- [Michigan.gov Home](#)
- [MCOLES Home](#)
- [Contact MCOLES](#)

Date: 6/28/16

To: Honorable Mayor and City Commissioners

From: DPW/Equipment

RE: Backhoe Purchase

SUMMARY OF REQUEST:

Authorize staff to purchase one (1) Michigan Cat Backhoe from Michigan Caterpillar, the Mi Deal State Contract holder. This machine will replace the 2000 model that we will retire from service.

FINANCIAL IMPACT:

\$111,000.00 on State Contract.

BUDGET ACTION REQUIRED:

None. Amount is within what was budgeted.

STAFF RECOMMENDATION:

Authorize staff to purchase one (1) Michigan Cat Backhoe from Michigan Caterpillar, the Mi Deal State Contract holder.

420F2/420F2 IT

Backhoe Loaders



Date: 6/28/16

To: Honorable Mayor and City Commissioners

From: DPW/Equipment

RE: Fuel System Up-grade

SUMMARY OF REQUEST:

Authorize staff to purchase new Fuel Master Fuel Dispensing Module and Fuel pumps from Van Manen Petroleum Group. This is the second phase of our up-grade that started last year when our monitoring and leak detection system failed requiring emergency repairs to keep us compliant with DEQ regulations. This purchase is product exclusive to the previous repairs done last year due to the age of our system, we are reaching the point where it is getting hard to find replacement parts for our pumps. With the Police and Fire as well as DPW staff fueling at our facility it would not be good for our pumps to be down for an extended period of time.

FINANCIAL IMPACT:

\$23,000.00

BUDGET ACTION REQUIRED:

None. Amount is what was budgeted.

STAFF RECOMMENDATION:

Authorize staff to purchase new Fuel Master Module and Pumps.

Date: June 28, 2016

To: Honorable Mayor and City Commissioners

From: DPW/Equipment

RE: New Plow Truck

SUMMARY OF REQUEST:

The Equipment Division is requesting permission to purchase one new plow truck from West Michigan International the State Mi-Deal contract holder.

FINANCIAL IMPACT:

\$84,292.85

BUDGET ACTION REQUIRED:

None. This is the amount budgeted for.

STAFF RECOMMENDATION:

Authorize staff to purchase (1) one new plow truck from West Michigan International,LLC



Date: 6/28/16

To: Honorable Mayor and City Commissioners

From: DPW/Equipment

RE: Plow Truck Build

SUMMARY OF REQUEST:

Authorize staff to allow Arista Truck Systems to build two new Plow trucks, the lowest qualified bidder.

FINANCIAL IMPACT:

\$111,224.00

BUDGET ACTION REQUIRED:

None. Amount is with in what was budgeted.

STAFF RECOMMENDATION:

Authorize staff to allow Arista Truck Systems to build two new Plow trucks, the lowest qualified bidder.



Equipment & Design for Commercial Trucks
sales@aristatrucksystems.com

Arista Truck Systems, Inc.

5125 Clay Ave. SW Grand Rapids, MI 49548

Ph. 800-858-3659
Ph. 616-530-6000
Fax 866-703-8598

QUOTATION

Muskegon, City of
Andy Twork
1350 E. Keating
Muskegon, MI 49442
Bus: (231) 724-6912
Bus Fax: (231) 722-8450
E-mail: andy.twork@shorelinecity.com

Quote Date: 3/15/2016

Order Date:

Terms: Payment due upon delivery
F.O.B. Grand Rapids, MI

Estimated delivery time:

60 days after receipt of chassis and Arista equipment

Current Arista equipment lead time is 9 weeks

Chassis: 2016 International 7400 177" w/b 102" c/a 75" a/f 3500RDSP auto. trans.
1WDS front frame extension, 1WDU front pump mounting crossmember, 8HAB body
builder electrical interface left frame rail behind cab, 8THB back alarm, 8THJ front plow light
harness with 3' leads, 12851 front pto adapter flange, 12VZA speed pickup for ground speed control,
15SPT temporary fuel tank, 60 AAG remote power module with 6 switched circuits behind driver seat.

See drawing dated 3-25-16

Note: Chassis must be equipped with proper body builder interface circuit. If not additional charges may occur.
V.I.N.

Chassis arrival date:

Dump body

Henderson Mark E 11' stainless steel dump body

201 stainless steel construction

26" side height.

Boxed top rail with pockets for side boards. 2" of flat surface then sloped.

86" interior width

34" high rear tail gate.

Six panel tail gate bracing

Tail gate removal lifting loop on the outside of the tail gate

1-1/4" diameter top tail gate pins with 1" thick hinge plates

Greaseable lower tail gate latch jaws

52" high front

5-7 yard capacity.

Crossmemberless under structure to eliminate floor wash-boarding.

1/4" thick AR-450 high strength abrasion resistant steel floor.

5" radius where the floor meets the sides to improve dump clean out

8" tall structural I beam longsills instead of formed steel

Continuous welding on the longbeams to the floor.

7 gauge, 201 stainless steel sides and ends.

Single horizontal "V" shape stiffener formed into the side sheet.

7 gauge, 201 stainless steel rear corner posts

Two oblong tail lights holes in each rear post.

2.5" diameter round clearance light on the sides of the posts

Continuous welding.

Grip strut walk rails along the sides of stainless steel

Grip type steps and grab handles of stainless steel .

Steps to be 16" wide. One over the tire. One at the front

Locate steps one over the tire and one at the front on each side. 4 steps total

Two heavy duty body props of 3" square tubing

Oblong light holes in the rear corner posts for taillights / warning lights

LED oblong tail lights in the rear posts.

LED amber flashing warning lights above the tail lights in the rear posts.

LED marker lights with molded one piece sealed wiring harness.

Air powered tailgate latch release using a brake chamber type actuator for reliability

Stainless steel pivot bushings on the tail gate linkage

Push / pull air tailgate control valve in the cab on center console

2" diameter hoist rear hinge pins.

Mailhot brand telescopic front mount hoist with power down. Model CS100-4.5-3

21 ton dump capacity with a 12" rear overhang past the hinge.

No subframe to reduce overall height.

Small internal hoist enclosure. Maximum protrusion into the floor 12".

Rear hinge crossmember constructed of 8" x 6" x 1/2" thick angle.

2" diameter hinge pins

Greaseless, replaceable composite pin bushings

89" wide x 16" long cab protector with integrate tarp roll housing

Cab protector constructed of 10 gauge with 7 gauge end plates

Stainless steel body is not painted. The bottom of the body is painted black

Electric powered tarp system with asphalt heat resistant tarp.

Tarp roll housed in the integrated cab protector housing

Aluminum arms with loader clearance bend.

Under body torsion springs.

Hydraulic system

Hydraulic pump mounted at the front and driven by the engine.

Fixed displacement hydraulic pump with a displacement of approximately 4 cubic inches

1310 series drive shaft connected to the engine crank shaft flange.

1.5" diameter suction hose with ball valve shut off at oil tank

1" diameter pressure hose between the pump and the hydraulic control valve.

Pneumatic shifted hydraulic valves for the following functions:

- Dump body raise and lower. Power down. 500 psi down pressure.

- Under body scraper raise and lower. 600 psi down pressure

- Under body scraper swing

- Front plow raise and lower. Power down. 500 psi down pressure

- Front plow swing

Hydraulic control valves mounted in a stainless steel enclosure on the side of the frame.

Pneumatic proportional control levers in the cab mounted on a riser console to the right of the drivers seat.

Customer to provide the desired sequence of the following controls in the cab.

- 1) Control with center lock out for dump body function

- 1) Control for plow raise and lower function

- 1) Control for plow angle function

- 1) Control for under body scraper raise and lower function

- 1) Control for under body scraper angle function

Electronic salt spreader controller with open loop ground speed orientation capabilities.

Hydraulic lines for the front plow run to the front with stainless steel quick couplers and dust covers

Cross over relief valve for front plow angle function

Hydraulic lines for the spreader run to the rear with quick couplers and dust covers.

These lines are for the customer's existing spreader.

No new spreader included in this project.

Hydraulic hoses with JIC fittings. Clamped in place with metal clamps to prevent chaffing.

Hydraulic hoses to be protected from abrasion in critical areas.

Fuel and oil tanks

80 gallon fuel tank and 26 gallon oil tank mounted up on the frame behind the cab

Riverside TP812 10 gauge steel tanks

Tanks and mounting cradle painted to match the cab.

Inverted angle type carriage with straps to secure the tanks.

Delete the step under the driver's side base of the tank.

Hydraulic oil

Oil level sight gauge on the hydraulic tank

Suction screen in the bottom of the oil tank.

Integrated return line filter in the top of the oil tank

Return line filter condition indicator gauge

Electronic fuel sending unit for the new fuel tank

Ball shut off valves for fuel lines

Under body scraper

Henderson UBS 10 underbody scraper with power angle

10' long moldboard

Moldboard is 1" thick x 20" wide

96" long, 2.5" diameter hinge shaft with four 6.5" wide hinge supports

1" thick rotation circle

Large 1" thick plate clamps with 3/8" thick replaceable polyurethane wear / slide pads

Swing cylinders to be 4" diameter with 2" diameter nitrided rods. 2" diameter pins

Actuating cylinders to be 3.5" diameter with 2" diameter nitrided rods

5" diameter center pin with 6.5" diameter replaceable bushing.

Center pivot is greaseable

Cross over relief valve protection in the swing circuit set to 2,200 psi

1/2" X 6" double bevel cutting edge with standard highway bolt pattern

Port relief valves in the main valve for proper swing and down pressure settings

Pressure gauge on the control console in the cab to monitor scraper down pressure.

LED light illuminating the pressure gauge

Front plow hitch

Husting type hitch (34" wide)

Heavy duty fabricated 12.75" x 3/8" thick steel channel front bumper with 4" flanges. Painted black.

Hitch bracing on top of and below the truck's frame

3" double acting lift cylinder.

High level plowing lights mounted on the sides of the hood with aluminum brackets and stainless steel bolts

Selector switch for switching between the truck's headlights and the plow lights

Rear mud flaps with mounting brackets

Wiring connections to have shrink tube over the connections

Wiring junction connections to be inside a sealed junction box.

Heavy duty rear hitch mounting structure with 4" x 4" x 1/4" tube rear bumper

No pintle hook. The city will install their own pintle hook

Electric brake controller with 7 pole, flat pin electrical plug at the rear.

Relocate the chassis manufacturer's electrical plugs to the rear hitch area in the center above the hitch

Do not relocate the air brake couplers

\$ 55,612.00

Taxes are not included

Price valid for 30 days

Quote accepted as an order _____ Date _____

A 2% cash discount has been included in this price.

Standard installation does not include movement or modifications of chassis components. This will be extra..

Thank you very much, Todd Jensen

Shults Equipment, LLC.
Highway Maintenance Equipment
P.O. Box 127
Ithaca, MI 48847
1-800-292-9297
FAX: 1-989-875-2922

Date: 3-24-2016

To: City of Muskegon

Galion model 433U 11' dump body, 6.4/8.6 cu. yd., with 1/2 "L" type cab shield, all 7 ga. 304#4 stainless steel, 28" sides & 36" front, 36" tailgate, air operated, 1/4" **AR-450** steel floor, crossmemberless understructure, **433FT-11 mailhot trunion telescopic hoist, with 12" dog house**, (2) body props, backup alarm, grip strut step will be installed above the lower rub-rail over the rear tire on both sides, with a grab handle, body raise light, LED light kit & reflectors per NMVSS #108, No paint on body with the underside painted black. A set of mud flaps will be installed behind the rear tires. A heavy duty channel hitch plate will be installed at the rear of the chassis with a 15 ton pintle hitch, set of H.D. D-rings for safety chains, and a seven round pin female half trailer plug. In the cab an electric brake controller will be installed in the best location. Roll-Rite aluminum electric tarp system complete with housing, and a premium mesh cover.

Strobe light system which consist of six (6) self contained oval LED strobe lights, two mounted in the front lip of the cab shield facing forward, two mounted in the sides of the cab shield facing outward, and two in the top hole of the three oval hole stainless steel light housings mounted on the rear corner posts of the dump body. In the middle hole LED oval stop/turn/tail lights will be mounted, and in the bottom hole LED oval backup lights will be installed. Mounted to the bottom of the housing on the drivers side will be a LED spreader work light. Switches will be in the dash of the truck.

Root model F-8900-DPR-12' scraper complete with 1" solid circle, 1" moldboard, dual cylinder power reverse, and 20.5" circle clamps with H.D. poly shims. A cushion relief valve will be installed for the reversing cylinders.

Root 34" quick hitch truck half only with lift cylinder and bracing, mounted to a 12" channel bumper flared back on both ends, and bolted to truck frame. One set of snow plow lights mounted on side of hood with stainless steel brackets and rubber backer.

A set of stainless steel disconnects with rubber caps and plugs will be installed for the front plow reversing. A cushion relief valve will be installed for the reversing cylinders.

Riverside back of cab combination 80 gal. fuel & 26 gal. hydraulic oil tanks, all 10 ga., complete with electronic fuel sending unit, oil tank to have 5" sight & temp gauge, in-tank return filter, with extra filter element and visual indicator gauge, 1-1/2" shut off valve on suction, suction strainer, lockable AB cap with screen on a 1" riser, magnetic drain plug, tanks painted to match cab, and labeled "HYDRAULIC OIL" and "DIESEL FUEL", mounted on a carriage bracket with three straps.

Out front gear pump setup to operate above equipment, air operated main control valve mounted on outside of truck frame in a stainless steel enclosure, mounted in best location, run hoses to rear for spreader with 1/2" stainless steel quick couplers and rubber caps & plugs, electric spreader controller, installation of all equipment, per the specifications.

Total price for one (1) unit: \$ 55,702.00.

Price is firm for 30 days.

Price: F.O.B.: Ithaca, MI.- Installed.

Delivery: 90 to 120 WORKING DAYS ARO.

Terms: Net 30 days.

Warranty: One (1) year materials & workmanship.

Note:

1. Cummins fuel check valves are NOT included (if needed).
2. For installation of above equipment, trucks must have:
 - a. **min. CA 108" measurement for body & back of cab tanks, and hoist.**
 - b. opening and adapter plate for front mount pump,
 - c. front integral frame extension minimum 18", stationary grill.
 - d. bucket seats in cab.
 - e. 24" ground clearance for installation of scraper.
 - f. vertical muffler & exhaust on passenger side.
 - g. switch in dash for plow lights, and wiring harness.
 - h. 4 or 6 pack switches in dash for other functions.
 - i. OEM stop/turn/tail lights on rear frame.
 - j. hookup for ground speed operation.

We thank you for your inquiry and look forward to being of service.

Shults Equipment, LLC.

Pat Vernon, Sales Rep.

QDTUHL.MUS

HEIGHTS MACHINERY

8434 M-72 East Williamsburg, Michigan 49690

Phone (231) 267-9300 Fax (231)-267-9324

www.heightsmachinery.com

March 21, 2016

City of Muskegon
Dept. of Public Works
1350 E. Keating
Muskegon, MI 49442

Attn.: Mr. Andy Twork

We are pleased to submit the following proposal for your consideration.

Item 1 Quantity (1)

Truck Equipment as per specification sent via e-mail, consisting of the following:

Henderson 11 ft. Stainless Steel Dump Body as per spec including a double-acting telescopic hoist.

RollRite electric Tarp with in-cab controls

Hydraulic System to be provided by Certified Power, consisting of engine crankshaft driven Sauer Danfoss Load Sense Piston Pump and valves enclosed in a stainless steel frame mounted enclosure, custom center console with (5) Apsco air controls, Tarp switch, and mount for Freedom II Spreader Control.

Riverside 'Behind the Cab' above frame mounted Fuel and Hydraulic tanks

Michigan Model 201-12' Underbody Scraper

34 inch Husting Type plow hitch mounted on a fabricated 3/8 X 13 custom bumper.

Pintle hitch plate with PH-20 hitch

Lighting to include hood mounted plow lights on stainless steel brackets, cab shield mounted LED Beacon Strobes and oval strobes in rear corner post of dump body. All lighting in accordance with FMVSS 108.

Equipment to be installed onto city provided cab and chassis, fully tested and work ready.

Price: \$68,900.00 Equipment Delivery: 12-14 Weeks ARO Installation: 10 – 12 Weeks

This Proposal is valid for 45 Days.

Thank you for this opportunity to service your equipment requirements.

Sincerely,

Tim Lederer
Shop Mgr.

AGENDA ITEM NO._____

CITY COMMISSION MEETING _____

TO: Honorable Mayor and City Commission

FROM: Department of Public Works

DATE: June 28, 2016

SUBJECT: A & E Barbecue Concession Contract for City of Muskegon Parks.

SUMMARY OF REQUEST:

Staff is asking permission to enter into a 1-year contractual agreement with Eric Jewel of A & E Barbecue LLC, at Pere Marquette Park, located within the City of Muskegon, to sell various Barbecue items from a mobile “smoker on wheels”.

FINANCIAL IMPACT:

Concession revenue is 10% of gross receipts.

BUDGET ACTION REQUIRED:

None

STAFF RECOMMENDATION:

Authorize DPW staff to enter into concession agreement with Eric Jewel of A & E Barbecue LLC.

COMMITTEE RECOMMENDATION:

Food Vendor Proposal at Pere Marquette Beach

My company A & E Barbecue L.L.C. would like to be a food vendor in Muskegon Michigan at Pere Marquette Beach for the month of July and August. We would like to vend for as many days as the weather and good business permit. My company and I (Eric Jewell) have a ten foot smoker on wheels and a pop up tent where we would sale our food from. Our menu will consist of Barbecue Rib Tips served with a soft dinner roll and a Barbecue Pull Pork Sandwich served with Texas fries and hot deep fried fish as an option.

We would like to vend for the hours of 12 noon to 6pm or 1pm to 7pm. We would like to be set up on the beach area near the volley ball or bathroom area. If I have missed anything please don't hesitate to call me at (616) 710-8901 ask for Eric Jewell/CEO and Founder. Thanks!

Commission Meeting Date: June 28, 2016

Date: June 21, 2016

To: Honorable Mayor & City Commission

From: Community and Neighborhood Services Department

Re: Vinyl Siding Supplier Contract for Fiscal Year 2016

SUMMARY OF REQUEST: To authorize Community and Neighborhood Services to enter a new contract with Keene Lumber Company to be the Vinyl Siding Supplier for 2016 fiscal year. Keene Lumber has agreed to honor the existing contract price of \$46.95 (forty-six dollars and ninety-five cents) per building square for standard siding and \$85.00 (eighty-five dollars) per building square for premium siding.

FINANCIAL IMPACT: Funding will be disbursed from the 2016 Community Development Block Grant Vinyl Siding fund.

BUDGET ACTION REQUIRED: None at this time.

STAFF RECOMMENDATION: To approve request.

COMMITTEE RECOMMENDATION: The funding for the Vinyl Siding Program was approved by the Citizens District Council during the 2016 CDBG Grant process.

MEMO

**Community and
Neighborhood Services**
City of Muskegon
933 Terrace Street
Second Floor
Muskegon, MI 49442
Ph: 231-724-6717
Fax: 231-726-2501

Date: May 25, 2016

To: Vinyl Siding Supplier Bidders

From: Carrie Kotchka, Housing Rehabilitation Counselor
Community and Neighborhood Services
City of Muskegon

Re: Vinyl Siding Supplier Bids – 2016 - 2017 Program

The following is a list of installers with the price per square to install vinyl siding.

Keene Lumber	\$46.95 – standard \$85.00 – premium
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Foundation Building Material	\$54.25 – standard \$60.25 – premium \$62.25 – elite
------------------------------	--

Weber Lumber	\$65.40 – standard
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The City of Muskegon reserves the right to accept or reject any and all bids. The City of Muskegon is also not restricted to accept the lowest bid.

We appreciate everyone's interest in being a part of the City of Muskegon's neighborhood revitalization efforts.

Commission Meeting Date: June 28, 2016

Date: June 21, 2016

To: Honorable Mayor and City Commission

From: Community and Neighborhood Services Department

Re: Vinyl Siding Installer Contracts for Fiscal Year 2016

SUMMARY OF REQUEST: To authorize Community and Neighborhood Services to enter a new contract with JR Tucker Construction to install vinyl siding at an agreed price of \$52.00 (fifty-two dollars) per building square for the Vinyl Siding Program's 2016 fiscal year.

FINANCIAL IMPACT: Funding will be disbursed from the July 1, 2016 – June 30, 2017 Community Development Block Grant Vinyl Siding fund.

BUDGET ACTION REQUIRED: None at this time.

STAFF RECOMMENDATION: To approve request.

COMMITTEE RECOMMENDATION: The funding for the Vinyl Siding Program was approved by the Citizens District Council during the 2016 CDBG Grant process.

MEMO

**Community and
Neighborhood Services**
City of Muskegon
933 Terrace Street
Second Floor
Muskegon, MI 49442
Ph: 231-724-6717
Fax: 231-726-2501

Date: May 25, 2016

To: Vinyl Siding Installer Bidders

From: Carrie Kotchka, Housing Rehabilitation Counselor
Community and Neighborhood Services
City of Muskegon

Re: Vinyl Siding Installer Bids – 2016 - 2017 Program

The following is a list of installers with the price per square to install vinyl.

Mark Tucker \$52.00

JR Walker Construction Incomplete Bid Package

The City of Muskegon reserves the right to accept or reject any and all bids. The City of Muskegon is also not restricted to accept the lowest bid.

We appreciate everyone's interest in being a part of the City of Muskegon's neighborhood revitalization efforts. The selected bidder will be contacted in the next few days.

Commission Meeting Date: June 28, 2016

Date: June 22, 2016
To: Honorable Mayor and City Commissioners
From: Finance Director
RE: Sewer Rate Adjustment

SUMMARY OF REQUEST: Prior to 2015, there had not been a sewer rate increase since 2010. The 2015 sewer rate resolution that was adopted has not adequately addressed the needs of the sewer fund. Accordingly, we are asking the City Commission to rescind the sewer rate resolution that was adopted in 2015 and now approve a new resolution with a treatment rate for our customers that is based on a multiplier of 1.49 times the rate the county bills the city for wastewater treatment.

FINANCIAL IMPACT: None at this time.

BUDGET ACTION REQUIRED: None at this time. The proposed rate change was incorporated into the FY 2016-17 budget that was recently approved by the City Commission.

STAFF RECOMMENDATION: Adoption of the attached fee adjustment resolution.

CITY OF MUSKEGON
RESOLUTION NO. _____

At a regular meeting of the City Commission of Muskegon, Michigan, held at the City Commission Chambers on June 28, 2016.

RECITALS

A review of the rates for sewer service has been accomplished by the city's staff, recommendations received, and the City Commission has determined that the following rate changes are justified. Accordingly, this resolution is made for the purpose of maintaining the financial viability of the city's sewer system.

THEREFORE, THE CITY COMMISSION OF THE CITY OF MUSKEGON HEREBY RESOLVES:

1. Effective July 1, 2016, to rescind City of Muskegon Resolution No. 2015-44(B-1), which was adopted June 9, 2015.
2. Charges for residential sewer service shall be changed from \$2.76 per 100 cubic feet to a rate based on a multiplier of the rate the county bills the city for wastewater treatment as follows: effective July 1, 2016 – 1.49 multiplier with future rates to be adjusted as the county charges are adjusted.
3. Charges for commercial/industrial sewer service shall be changed from \$3.45 per 100 cubic feet to a rate of 1.25 times (1.25x) the city rate for residential sewer service.
4. Charges for all non-metered residential sewer customers will be calculated based on an assumed usage rate of 12 hundred cu. ft. per month.
5. Unless there is a separate agreement specifying a different billing method, non-resident users of the city sewer system will be billed at a rate that is double (2x) the city rate for that class of user.

The above changes to be effective as noted above.

This resolution adopted.

YEAS:

NAYS:

CITY OF MUSKEGON

By: _____
Ann Marie Meisch, MMC, City Clerk

STATE OF MICHIGAN COUNTY OF MUSKEGON

I hereby certify that the foregoing is a true and complete copy of a resolution adopted at a meeting of the Board of Commissioners of the City of Muskegon, Michigan, held on the 28th day of June, 2016 and that the minutes of the meeting are on file in the office of the City Clerk and are available to the public. Public notice of the meeting was given pursuant to and in compliance with Act 267, Public Acts of Michigan, 1976.

CITY OF MUSKEGON (MICHIGAN) SEWER FUND

COMPARATIVE STATEMENT OF NET POSITION

	As of			
	6/30/2012	6/30/2013	6/30/2014	6/30/2015
	(-----Per Audit-----)			
Assets				
Current assets:				
Cash and investments	\$3,701,462	\$4,158,969	\$3,545,607	\$2,339,749
Accounts receivable	1,021,398	975,036	902,555	867,045
Due from other governmental units	-	-	118,946	114,883
Inventories	42,173	35,391	27,743	37,399
Prepaid items	43,720	41,848	40,957	42,696
Total current assets	<u>4,808,753</u>	<u>5,211,244</u>	<u>4,635,808</u>	<u>3,401,772</u>
Noncurrent assets:				
Capital assets:				
Land	16,188	16,188	16,188	16,188
Buildings, improvements and systems	20,580,862	20,787,414	21,201,158	21,429,041
Machinery and equipment	39,722	50,082	83,643	83,643
Construction in progress	356,994	168,019	112,125	4,578
Subtotal	<u>20,993,766</u>	<u>21,021,703</u>	<u>21,413,114</u>	<u>21,533,450</u>
Less: Accumulated depreciation	<u>(7,990,463)</u>	<u>(8,420,733)</u>	<u>(8,858,011)</u>	<u>(9,307,714)</u>
Total noncurrent assets	<u>13,003,303</u>	<u>12,600,970</u>	<u>12,555,103</u>	<u>12,225,736</u>
Total Assets	<u>\$17,812,056</u>	<u>\$17,812,214</u>	<u>\$17,190,911</u>	<u>\$15,627,508</u>
Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,261</u>
Liabilities				
Current liabilities:				
Accounts payable	\$9,396	\$12,911	\$94,455	\$130,209
Accrued liabilities	9,742	7,250	8,822	9,311
Due to other governmental units	439,401	562,732	619,093	568,696
Bonds and other obligations, due within one year	7,300	7,300	7,300	7,900
Total current liabilities	<u>465,839</u>	<u>590,193</u>	<u>729,670</u>	<u>716,116</u>
Noncurrent liabilities:				
Bonds and other obligations, less amounts due within one year	36,465	36,393	36,263	39,566
Net pension liability	-	-	-	219,117
Total noncurrent liabilities	<u>36,465</u>	<u>36,393</u>	<u>36,263</u>	<u>258,683</u>
Total Liabilities	<u>502,304</u>	<u>626,586</u>	<u>765,933</u>	<u>974,799</u>
Net Position				
Net investment in capital assets	13,003,303	12,600,970	12,555,103	12,225,736
Unrestricted	<u>4,306,449</u>	<u>4,584,658</u>	<u>3,869,875</u>	<u>2,452,234</u>
Total Net Position	<u>17,309,752</u>	<u>17,185,628</u>	<u>16,424,978</u>	<u>14,677,970</u>
Total Liabilities and Net Position	<u>\$17,812,056</u>	<u>\$17,812,214</u>	<u>\$17,190,911</u>	<u>\$15,652,769</u>

CITY OF MUSKEGON (MICHIGAN) SEWER FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	Fiscal Year Ended			
	6/30/2012	6/30/2013	6/30/2014	6/30/2015
	(-----Per Audit-----)			
Operating Revenues				
Charges for services	\$6,308,525	\$6,502,293	\$6,501,812	\$6,237,327
Other	147,109	556,022	132,099	126,481
Total operating revenues	6,455,634	7,058,315	6,633,911	6,363,808
Operating Expenses				
Administration	333,857	304,916	291,653	297,397
Wastewater treatment	5,405,696	5,286,893	5,679,994	6,210,557
Wastewater maintenance	-	1,181,143	1,124,966	1,465,445
Subtotal	5,739,553	6,772,952	7,096,613	7,973,399
Depreciation expense	421,949	430,270	437,278	449,703
Total operating expenses	6,161,502	7,203,222	7,533,891	8,423,102
Net operating income (loss)	294,132	(144,907)	(899,980)	(2,059,294)
Non-Operating Revenues (Expenses)				
Investment earning	25,008	20,783	20,384	16,106
Capital Contributions	-	-	118,946	474,681
Change in net position	319,140	(124,124)	(760,650)	(1,568,507)
Net position, beginning of year	16,990,612	17,309,752	17,185,628	16,246,477 [1]
Net position, end of year	<u>\$17,309,752</u>	<u>\$17,185,628</u>	<u>\$16,424,978</u>	<u>\$14,677,970</u>

[1] Restated, per client.

CITY OF MUSKEGON (MICHIGAN) SEWER FUND

COMPARATIVE DETAIL OF OPERATING EXPENSES

	Fiscal Year Ended						
	6/30/2014	6/30/2015	6/30/2016	Test Year	Multiplier	2016/17	2017/18
Operating Expenses							
Dept: 30548 - Bond Interest, Insurance & Other							
##### Contractual Services	\$0	\$0	\$435,352	\$435,352	1.0%	439,706	444,103
##### Other Insurance & Bonds	62,326	62,304	-	-	0.0%	-	-
##### Printing	422	440	-	-	0.0%	-	-
##### Indirect Cost Allocation	101,185	106,849	-	-	0.0%	-	-
##### Right of Way Lease	11	11	-	-	0.0%	-	-
##### Payment to Other Government	2,709	2,793	-	-	0.0%	-	-
##### Utility Administration Fees	125,000	125,000	-	-	0.0%	-	-
##### Bad Debts	24,535	16,215	12,000	12,000	1.0%	12,120	12,241
##### Depreciation Expense	-	-	-	[1]	0.0%	-	-
Total Bond Interest, Insurance & Other Expenses	316,188	313,613	447,352	447,352		451,826	456,344
Dept: 60557 - Muskegon County Wastewater Treatment							
##### Payment to Other Government	5,679,994	6,210,557	6,200,000	5,673,628	[2]	5,808,986	5,949,082
Dept: 60559 - Water & Sewer Maintenance							
##### Salaries & Benefits	-	-	710,898	710,898	3.5%	735,779	761,532
##### Salary Permanent	242,238	232,856	-	-	0.0%	-	-
##### Lead Person & Shift Premium	1,419	-	-	-	0.0%	-	-
##### Overtime	31,977	34,006	-	-	0.0%	-	-
##### Sick Leave Pay	18,343	22,993	-	-	0.0%	-	-
##### Vacation Pay	29,953	29,230	-	-	0.0%	-	-
##### Personal & Other Leave	8,832	8,981	-	-	0.0%	-	-
##### Holiday Pay	12,207	12,423	-	-	0.0%	-	-
##### Retiree Healthcare - General	12,116	11,153	-	-	0.0%	-	-
##### MERS Retirement System	19,046	25,462	-	-	0.0%	-	-
##### Health Insurance	89,030	89,007	-	-	0.0%	-	-
##### Life Insurance	841	827	-	-	0.0%	-	-
##### Dental Insurance	6,797	6,776	-	-	0.0%	-	-
##### Disability Insurance	1,102	1,067	-	-	0.0%	-	-
##### Social Security	25,975	25,476	-	-	0.0%	-	-
##### Workers' Compensation	11,988	11,160	-	-	0.0%	-	-
##### Unemployment	297	94	-	-	0.0%	-	-
##### Education Incentive Pay	524	971	-	-	0.0%	-	-
##### Longevity Pay	6,621	6,840	-	-	0.0%	-	-
##### Operating Supplies	-	-	55,340	55,340	1.5%	56,170	57,013
##### Clothing & Uniforms	724	104	-	-	0.0%	-	-
##### Tools	143	738	-	-	0.0%	-	-
##### Motor Fuel & Lubricants	23	-	-	-	0.0%	-	-
##### Licenses	125	95	-	-	0.0%	-	-
##### Miscellaneous Material & Supplies	962	1,010	-	-	0.0%	-	-
##### Sewer/Water System Supplies	19,761	14,926	-	-	0.0%	-	-
##### Repair Supplies	143	192	-	-	0.0%	-	-
##### Equipment Supplies	1,866	1,754	-	-	0.0%	-	-
##### Road Maintenance Supplies	33,479	26,350	-	-	0.0%	-	-
##### Seeding & Planting Supplies	-	259	-	-	0.0%	-	-
##### Traffic Control Device Supplies	4,545	-	-	-	0.0%	-	-
##### Contractual Services	-	-	430,830	430,830	1.5%	437,292	443,852
##### Laundry & Uniform Cleaning	1,569	1,855	-	-	0.0%	-	-
##### Contractual Services	51,012	37,126	-	-	0.0%	-	-
##### Medical Services	354	300	-	-	0.0%	-	-
##### Printing	115	-	-	-	0.0%	-	-
##### Rental of Buildings	84,612	76,776	-	-	0.0%	-	-
##### Right of Way Lease	354	354	-	-	0.0%	-	-
##### Vehicle Rental	249,600	220,959	-	-	0.0%	-	-
##### Telephone	1,077	605	-	-	0.0%	-	-
##### Electricity	22,826	24,375	-	-	0.0%	-	-
##### Other Expenses	-	-	11,000	11,000	1.0%	11,110	11,221
##### Inventory Purchases	-	31,540	-	-	0.0%	-	-
##### Conference, Training and Travel	228	254	-	-	0.0%	-	-
##### Capital Outlays	-	-	18,000	18,000	1.0%	18,180	18,362
##### Equipment Purchases	5,484	1,271	-	-	0.0%	-	-
##### Equipment Repair	1,077	3,499	-	-	0.0%	-	-
Total Water & Sewer Maintenance Expenses	999,386	963,665	1,226,068	1,226,068		1,258,532	1,291,979

[1] We have removed Depreciation Expense from this report as it is performed on the cash basis.

[2] See County Charges (page 8).

CITY OF MUSKEGON (MICHIGAN) SEWER FUND

(Continued)

COMPARATIVE DETAIL OF OPERATING EXPENSES

	Fiscal Year Ended			Test Year	Multiplier	2016/17	2017/18
	6/30/2014	6/30/2015	6/30/2016				
Operating Expenses (Continued)							
Dept: 60966 - Muskegon/Webster 9th to Spring							
##### Contractual Services	-	4,412	-	-	0.0%	-	-
Dept: 90000 - Project Expenditures							
##### Contractual Services	-	-	1,795,000	125,000	0.0%	125,000	125,000
Dept: 91131 - Sherman, Estes to Glenside							
##### Contractual Services	73,145	-	-	-	0.0%	-	-
Dept: 91134 - Estes, Fair to Lakeshore							
##### Contractual Services	30,358	-	-	-	0.0%	-	-
##### Engineering Services	1,331	-	-	-	0.0%	-	-
Total Estes, Fair to Lakeshore Expenses	31,689	-	-	-		-	-
Dept: 91205 - Austin Street Lift Station							
##### Contractual Services	206,438	-	-	-	0.0%	-	-
##### Engineering Services	10,674	-	-	-	0.0%	-	-
Total Austin Street Lift Station Expenses	217,112	-	-	-		-	-
Dept: 91307 - Merrill, Fifth to Third							
##### Contractual Services	-	102,057	-	-	0.0%	-	-
##### Engineering Services	1,715	13,939	-	-	0.0%	-	-
Total Merrill, Fifth to Third Expenses	1,715	115,996	-	-		-	-
Dept: 91308 - Palmer, McGraft to Southern							
##### Contractual Services	36,861	-	-	-	0.0%	-	-
Dept: 91312 - Sewer Infiltration							
##### Consultant Fees	62,005	97,995	-	-	0.0%	-	-
Dept: 91318 - Getty St, Evanston to Apple							
##### Contractual Services	-	166	-	-	0.0%	-	-
Dept: 91325 - Storm & Waste Water Asset Mgmt - SAW Grant							
##### Contractual Services	49,113	364,385	-	-	0.0%	-	-
##### Engineering Services	-	22,141	-	-	0.0%	-	-
Total Storm & Waste Water Asset Mgmt - SAW Grant Expenses	49,113	386,526	-	-		-	-
Dept: 91408 - Henry St, Sherman to Hackley							
##### Engineering Services	-	1,666	-	-	0.0%	-	-
Dept: 99012 - GIS Training							
##### Contractual Services	43	-	-	-	0.0%	-	-
##### Engineering Services	45,309	-	-	-	0.0%	-	-
Total GIS Training Expenses	45,352	-	-	-		-	-
Total Sewer Operating Expenses	\$7,512,559	\$8,094,595	\$9,668,420	\$7,472,048		\$7,644,344	\$7,822,405

CITY OF MUSKEGON (MICHIGAN) SEWER FUND

SCHEDULE OF 2015/16 BUDGETED OPERATING EXPENSES AND ADJUSTMENTS

	<u>2015/16 Budget</u> (Per Client)	<u>Adjustments</u>	<u>Test Year</u>
Operating Expenses			
Dept: 30548 - Bond Interest, Insurance & Other			
5300 Contractual Services	\$435,352		\$435,352
5319 Other Insurance & Bonds	-		-
5353 Printing	-		-
5360 Indirect Cost Allocation	-		-
5364 Right of Way Lease	-		-
5370 Payment to Other Government	-		-
5374 Utility Administration Fees	-		-
5471 Bad Debts	12,000		12,000
5990 Depreciation Expense	-		-
Total Bond Interest, Insurance & Other Expenses	447,352	-	447,352
Dept: 60557 - Muskegon County Wastewater Treatment			
5370 Payment to Other Government	6,200,000	(\$526,372)	5,673,628
Dept: 60559 - Water & Sewer Maintenance			
5100 Salaries & Benefits	710,898		710,898
5101 Salary Permanent	-		-
5110 Lead Person & Shift Premium	-		-
5111 Overtime	-		-
5112 Sick Leave Pay	-		-
5113 Vacation Pay	-		-
5114 Personal & Other Leave	-		-
5115 Holiday Pay	-		-
5141 Retiree Healthcare - General	-		-
5144 MERS Retirement System	-		-
5151 Health Insurance	-		-
5153 Life Insurance	-		-
5155 Dental Insurance	-		-
5159 Disability Insurance	-		-
5161 Social Security	-		-
5163 Workers' Compensation	-		-
5165 Unemployment	-		-
5181 Education Incentive Pay	-		-
5183 Longevity Pay	-		-
5200 Operating Supplies	55,340		55,340
5213 Clothing & Uniforms	-		-
5221 Tools	-		-
5225 Motor Fuel & Lubricants	-		-
5227 Licenses	-		-
5231 Miscellaneous Material & Supplies	-		-
5239 Sewer/Water System Supplies	-		-
5243 Repair Supplies	-		-
5249 Equipment Supplies	-		-
5255 Road Maintenance Supplies	-		-
5257 Seeding & Planting Supplies	-		-
5259 Traffic Control Device Supplies	-		-
5300 Contractual Services	430,830		430,830
5341 Laundry & Uniform Cleaning	-		-
5346 Contractual Services	-		-
5351 Medical Services	-		-
5353 Printing	-		-
5362 Rental of Buildings	-		-
5364 Right of Way Lease	-		-
5366 Vehicle Rental	-		-
5390 Telephone	-		-
5391 Electricity	-		-
5400 Other Expenses	11,000		11,000
5405 Inventory Purchases	-		-
5450 Conference, Training and Travel	-		-
5700 Capital Outlays	18,000		18,000
5720 Equipment Purchases	-		-
5770 Equipment Repair	-		-
Total Water & Sewer Maintenance Expenses	1,226,068	-	1,226,068

CITY OF MUSKEGON (MICHIGAN) SEWER FUND

(Cont'd)

SCHEDULE OF 2015/16 BUDGETED OPERATING EXPENSES AND ADJUSTMENTS

	<u>2015/16 Budget</u> (Per Client)	<u>Adjustments</u>	<u>Test Year</u>
Operating Expenses (Cont'd)			
Dept: 60966 - Muskegon/Webster 9th to Spring			
5346 Contractual Services	-	-	-
Dept: 90000 - Project Expenditures			
5300 Contractual Services	1,795,000	(1,670,000)	125,000
Dept: 91131 - Sherman, Estes to Glenside			
5346 Contractual Services	-	-	-
Dept: 91134 - Estes, Fair to Lakeshore			
5346 Contractual Services	-	-	-
5355 Engineering Services	-	-	-
Total Estes, Fair to Lakeshore Expenses	-	-	-
Dept: 91205 - Austin Street Lift Station			
5346 Contractual Services	-	-	-
5355 Engineering Services	-	-	-
Total Austin Street Lift Station Expenses	-	-	-
Dept: 91307 - Merrill, Fifth to Third			
5346 Contractual Services	-	-	-
5355 Engineering Services	-	-	-
Total Merrill, Fifth to Third Expenses	-	-	-
Dept: 91308 - Palmer, McGraft to Southern			
5346 Contractual Services	-	-	-
Dept: 91312 - Sewer Infiltration			
5345 Consultant Fees	-	-	-
Dept: 91318 - Getty St, Evanston to Apple			
5346 Contractual Services	-	-	-
Dept: 91325 - Storm & Waste Water Asset Mgmt - SAW Grant			
5346 Contractual Services	-	-	-
5355 Engineering Services	-	-	-
Total Storm & Waste Water Asset Mgmt - SAW Grant Expenses	-	-	-
Dept: 91408 - Henry St, Sherman to Hackley			
5355 Engineering Services	-	-	-
Dept: 99012 - GIS Training			
5346 Contractual Services	-	-	-
5355 Engineering Services	-	-	-
Total GIS Training Expenses	-	-	-
Total Sewer Operating Expenses	<u>\$9,668,420</u>	<u>(\$2,196,372)</u>	<u>\$7,472,048</u>

CITY OF MUSKEGON (MICHIGAN) SEWER FUND

PROOF OF RATES

Administration Charge

Total Number of Customers	13,055
Monthly Administration Charge	\$2.67
Times: 12 months	12
Administration Charge Revenue	<u>\$418,282</u>

Non-metered Flat Charge

Total Number of Non-Metered City customers	22
Non-metered City charge	\$29.52
Times: 12 months	12
Non-metered City flat charge Revenue	<u>\$7,793</u>

Total Number of Non-Metered Non-resident customers	101
Non-metered non-resident charge	\$59.04
Times: 12 months	12
Non-metered Non-resident flat charge Revenue	<u>\$71,556</u>

Commodity Charge

Residential	
2014/15 estimated flow (ccf)	731,411
Times: Flow rate per 100 cf	\$2.46
Residential Commodity Charge Revenue	<u>\$1,799,271</u>

Commercial/Industrial Inside City	
2014/15 estimated flow (ccf)	1,059,667
Times: Flow rate per 100 cf	\$3.10
Commercial Commodity Charge Revenue	<u>\$3,284,968</u>

Commercial/Industrial Outside City	
2014/15 estimated flow (ccf)	96,676
Times: Flow rate per 100 cf	\$6.20
Commercial Commodity Charge Revenue	<u>\$599,391</u>

Total revenue from all sources	\$6,181,262
Less: 6/30/2015 revenue per audit	<u>6,237,327</u>
Difference	<u><u>(\$56,065)</u></u>

CITY OF MUSKEGON (MICHIGAN) SEWER FUND

COUNTY CHARGES

		Fiscal Year Ended			Test Year	Multiplier	2016/17	2017/18
		6/30/2014	6/30/2015	6/30/2016				
Gallorage	Flow per County (Mgal)	1,857						
	Rate from County	\$2,082.71						
		<u>\$3,867,384</u>		3,867,384	3,867,384	3.5%	4,002,743	4,142,839
				1.95			2.06	2.10
\$17MM Bond	Flow per County (Mgal)	1,857						
	Rate from County	\$291.21						
		<u>\$540,748</u>		540,748	540,748	0.0%	540,748	540,748
				0.27			0.28	0.28
Phase I	Flow per County (Mgal)	1,857						
	Rate from County	\$192.92						
		<u>\$358,233</u>		358,233	358,233	0.0%	358,233	358,233
				0.18			0.18	0.19
Phase II	Flow per County (Mgal)	1,857						
	Rate from County	\$152.97						
		<u>\$284,050</u>		284,050	284,050	0.0%	284,050	284,050
				0.14			0.15	0.15
60" Segment 1	Flow per County (Mgal)	1,857						
	Rate from County	\$155.25						
		<u>\$288,284</u>		288,284	288,284	0.0%	288,284	288,284
				0.15			0.15	0.15
60" Segment 2	Flow per County (Mgal)	1,857						
	Rate from County	\$180.37						
		<u>\$334,929</u>		334,929	334,929	0.0%	334,929	334,929
				0.17			0.17	0.18
Total County Charges per Calculation				<u>5,673,628</u>	<u>5,673,628</u>		<u>5,808,986</u>	<u>5,949,082</u>
				2.86			2.98	3.04

CITY OF MUSKEGON (MICHIGAN) SEWER FUND

SEWER CASH FLOW ANALYSIS

		2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Assumptions	Increase									
Customers billed - month		13,055	13,055	13,055	13,055	13,055	13,055	13,055	13,055	13,055
Administration charge - month	0.00%	\$2.67	\$2.67	\$2.67	\$2.67	\$2.67	\$2.67	\$2.67	\$2.67	\$2.67
Non-metered City customers billed - month		22	22	22	22	22	22	22	22	22
Non-metered City flat charge - month		\$29.52	\$33.12	\$40.80	\$41.92	\$43.07	\$44.26	\$45.48	\$46.73	\$48.01
Non-metered non-resident customers billed - month		101	101	101	101	101	101	101	101	101
Non-metered non-resident flat charge - month		\$59.04	\$66.24	\$81.60	\$83.84	\$86.15	\$88.52	\$90.95	\$93.45	\$96.02
Residential volume billed - annual ccf		731,411	731,411	731,411	731,411	731,411	731,411	731,411	731,411	731,411
Residential Commodity charge - ccf	2.75%	\$2.46	\$2.76	\$3.40	\$3.49	\$3.59	\$3.69	\$3.79	\$3.89	\$4.00
Commercial/Industrial City volume billed - annual ccf		1,059,667	1,059,667	1,059,667	1,059,667	1,059,667	1,059,667	1,059,667	1,059,667	1,059,667
Commercial/Industrial City commodity charge - ccf		\$3.10	\$3.45	\$4.25	\$4.37	\$4.49	\$4.61	\$4.74	\$4.87	\$5.00
Commercial/Industrial outside City volume billed - annual ccf [1]		96,676								
Commercial/Industrial outside City commodity charge - ccf		\$6.20								
Revenues										
Rates & charges										
Administration charge		\$418,282	\$418,282	\$418,282	\$418,282	\$418,282	\$418,282	\$418,282	\$418,282	\$418,282
Non-metered City flat rate charge		7,793	8,744	10,771	11,067	11,372	11,684	12,006	12,336	12,675
Non-metered non-resident flat rate charge		71,556	80,283	98,899	101,619	104,413	107,285	110,235	113,267	116,381
Residential commodity charge		1,799,271	2,018,694	2,486,797	2,555,184	2,625,452	2,697,652	2,771,837	2,848,063	2,926,385
Commercial/Industrial City commodity charge		3,284,968	3,655,851	4,503,585	4,627,433	4,754,688	4,885,442	5,019,791	5,157,836	5,299,676
Commercial/Industrial outside City commodity charge		599,391	-	-	-	-	-	-	-	-
Total rates & charges revenue		6,181,262	6,181,854	7,518,335	7,713,586	7,914,207	8,120,345	8,332,152	8,549,783	8,773,399
Other		126,481	126,481	126,481	126,481	126,481	126,481	126,481	126,481	126,481
Total revenues		6,307,743	6,308,335	7,644,816	7,840,067	8,040,688	8,246,826	8,458,633	8,676,264	8,899,880
Total operating expenditures		7,708,069	7,472,048	7,644,344	7,822,405	8,006,430	8,196,625	8,393,201	8,596,378	8,806,384
Net operating revenue		(1,400,326)	(1,163,713)	472	17,662	34,258	50,201	65,432	79,886	93,496
Less: Estimated cash-funded capital improvements										
Estimated debt-funded capital improvements										
Net cash flow		<u>(\$1,400,326)</u>	<u>(\$1,163,713)</u>	<u>\$472</u>	<u>\$17,662</u>	<u>\$34,258</u>	<u>\$50,201</u>	<u>\$65,432</u>	<u>\$79,886</u>	<u>\$93,496</u>
Unrestricted cash & investments		\$2,339,749	\$1,176,036	\$1,176,508	\$1,194,170	\$1,228,428	\$1,278,629	\$1,344,061	\$1,423,947	\$1,517,443

[1] This flow pertained to Peerless Plating who is no longer in business.

AGENDA ITEM NO._____

CITY COMMISSION MEETING _____

TO: Honorable Mayor and City Commission

FROM: Department of Public Works

DATE: June 28, 2016

SUBJECT: Reese Field Management Agreement

SUMMARY OF REQUEST:

Authorize the Mayor and City Clerk to execute the attached “Reese Field Soccer Facility Management Agreement” with Sailors Soccer Club DBA, West Michigan Storm Soccer Club (WMSSC).

FINANCIAL IMPACT:

West Michigan Storm Soccer Club will expand the operations of this facility and will invest in improvements to the facility.

BUDGET ACTION REQUIRED:

None. The contract will offer savings in maintenance costs for the City and create opportunities for capital improvements by WMSSC that the City is unable to accomplish at this time.

STAFF RECOMMENDATION:

Approve request.

COMMITTEE RECOMMENDATION:

To: Honorable Mayor and City Commission
From: DPW Staff
Date: 6/22/2016
Re: Reese Field Management Agreement

The Department of Public Works Staff is requesting permission to enter into a three (3) year contractual agreement, with annual one (1) year extensions, thus creating a perpetual three (3) year contract, with the West Muskegon Storm Soccer Club (WMSSC), of Muskegon MI.

Previous Management Agreements have in the past proven to be not only a cost savings to the City, through reduced maintenance and utility costs, but has also realized major improvements to the facilities.

Staff has met with WMSSC and is negotiating a contract with the following proposed contract items referenced in the individual sections below:

- WMSSC responsibilities under the **Maintenance** section of the contract states that they are to *“Perform all maintenance/repair/purchasing of all items pertaining to the soccer playing surface, perform mowing of grass, garbage clean-up and providing of ADA portable restrooms within the Soccer Facility,*
- The City’s responsibilities under the Maintenance section of the contract states that the *“City is responsible to provide Dumpster service and trash cans for the soccer facility and provide mowing and maintenance outside the Soccer Facility and throughout Reese Field Park”*.
- **Electrical and Water/Sewer** usage shall be paid by the “City” at this time with WMSSC paying for any usage above the normal usage for the Park/Facility (3-5 year averages used in calculating normal usage).
- **Improvements** may be made to the facility by WMSSC subject to the “City’s” approval including but not limited to:

Field upgrades, landscape improvements and seating/bleacher improvements
Reseeding, fertilizing and weed control as needed
Soccer goal and netting installation/upgrades
Field lighting upgrades and improvements

REESE FIELD SOCCER FACILITY MANAGEMENT AGREEMENT

This Agreement is made this ____ day of June, 2016 by and between the City of Muskegon, a Michigan municipal corporation, 933 Terrace Street, Muskegon, Michigan 49443-0536 (“the City”) and Sailors Soccer Club DBA, West Michigan Storm Soccer Club, 2743 Henry Street, PO Box 2743, Muskegon, MI 49441, a Michigan 501-C-3 Entity, (“WMSSC”).

Background

WHEREAS, Reese Field Soccer Facility (RFSF) is a soccer field located within Reese Field Park, within the park system of the City and is located at 1345 E. Forest Avenue, Muskegon, Michigan, at the intersection of Creston Street and Forest Avenue;

WHEREAS, Reese Field consists of a soccer facility, softball facility, basketball court, tennis court a playground, picnic equipment, and “green space”;

WHEREAS, the City owns the RFSF and WMSSC wishes to operate and maintain the RFSF for eight months of the year;

In consideration of the mutual promises of the parties set forth in this Agreement and other valuable consideration, the receipt and adequacy of which are acknowledged, the parties agree as follows:

Definitions. The “Season” shall be defined as the period beginning on March 1st of any given year and ending on October 31st of the same year.

The “Soccer Facility” shall be defined as the semi-fenced area surrounding the soccer fields inclusive of the perimeter fencing, outfield lighting, and spectator seating areas.

Term. This Agreement shall be for a period of three (3) years. At the end of each “Season” during the term of the agreement, the parties may agree to extend the life of the agreement by one (1) year, thus creating a perpetual three (3) year contract. Both parties must agree in writing to the extension of the term of the contract. In the event that the results of operations, for any year during the term, are insufficient to allow WMSSC to fulfill its obligations hereunder, WMSSC shall be permitted to terminate this Agreement upon ninety (90) days advance written notice. In the event that WMSSC fails to provide the services, as outlined on page 2, under “Maintenance”, in the sole discretion of the City, the City shall be permitted to terminate this Agreement upon ninety (90) days advance written notice.

Maintenance. WMSSC shall operate and maintain the RFSF in an efficient and competent manner, reflecting the standards and expectations of the City as provided and outlined in the City of Muskegon's' Vision/Value/Mission Statement, throughout the "Season". During the off-Season period, from November 1 until March 1 of the following year, the WMSSC may use the RFSF only with prior approval and permission from the City, which approval and permission shall not be unreasonably withheld or delayed. During the "Season", WMSSC shall have the exclusive right to control the use of and have sole responsibility for maintaining the schedule for use of the RFSF.

WMSSC shall be responsible for the following during the "Season":

Repair or replace as needed all goals/poles, netting, marking/painting of said soccer fields, purchasing of paint/chalk for marking/painting said surfaces or any other soccer related items pertaining to the playing surface (i.e. outfield lighting).

Maintenance of the RFSF, including but not limited to, picking up trash/emptying garbage cans within the "Soccer Facility" and the maintenance of the permanent restrooms, as needed, during WMSSC scheduled and non-scheduled events. The City assists in cleaning of restrooms from Memorial Day thru Labor Day, during our normal business hours. The usage/control of permanent restrooms is at the sole discretion of the City.

Performance of mowing of grass and maintenance within the "Soccer Facility" is to be done by WMSSC staff or designee throughout the "growing season".

Provide an adequate supply of trash bags, paper products, and cleaning supplies for the permanent restrooms and "Soccer Facility" area.

Provide "current ADA standard" portable restrooms, as needed, to be located at a mutually agreed upon location between the City and WMSSC, from on or around March 1st to November 30th of each contract year.

The City shall be responsible for the following year-round, including during the "Season":

Provide dumpster service and trash cans.

Mowing and maintenance outside of the "Soccer Facility" area and surrounding facility.

Concessions. WMSSC shall control all concessions directly or through its designated vendor or licensee and receive any profits from these concessions. WMSSC or its designated vendor or licensee will be responsible for all sales tax reports and remittance. WMSSC shall be responsible for maintenance and cleaning of concession areas.

Improvements. WMSSC may upgrade the assets of the RFSF to make the facility more desirable for future tournaments and leagues, in a manner subject to review and approval of the City, which shall not be unreasonably withheld or delayed. All such improvements must comply with all current laws and ordinances, including but not limited to the Americans with Disabilities Act. WMSSC shall apply for all necessary permits associated with such improvements through the City or its designated contractor.

ADA Compliance. WMSSC shall insure that reasonable accommodations will be met as required by the Americans with Disabilities Act.

Entrance and Parking Fees. WMSSC may charge a gate entrance fee or other use fee, for spectators attending events within the RFSF. All parking shall be free of charge to accommodate the “general public” and non-soccer related activities.

Historic Character and Reese Field Name. WMSSC shall protect and promote the unique history, character and charm of the Reese Field/Park, including the “Reese Field” name. The name of the facility shall not be changed, but WMSSC shall be permitted a license to use and promote the name in any of its advertising, promotions, fundraising and other activities as it may conduct from time to time at the RFSF.

Electrical Utilities. The City shall pay and WMSSC shall reimburse the City for the costs for above normal usage of electrical service for the “Soccer Facility” area including but not limited to the concessions, outfield lights and irrigation within the RFSF facility during the “Season” (3-5 years averages used in calculations).

Water and Sewer. WMSSC shall reimburse the City for the cost of water and sewer service for above normal usage for the restrooms and concession stands during the operational period covered by this contract. Irrigation water is separately metered and the WMSSC shall pay for all sprinkling/irrigation above normal usage (3-5 year averages used in calculations).

Improvements. During the term of this contract, WMSSC may make the following improvements, subject to site and other environmental conditions:

- Field upgrades (Immediately upon approval of this contract)
- Reseeding, fertilizing, weed control, as needed
- Goal and netting installation/upgrades
- Field lighting upgrades and improvement
- Seating improvement
- Landscaping improvements

WMSSC will retain possession of any “portable” improvements and the City shall retain possession of any “attached” improvements.

Promotions, advertising, fund-raising. WMSSC may operate and promote soccer leagues and tournaments and events to increase use of WMSSC and provide activities for our residents and guests, for which it may charge a fee. WMSSC shall promote participation of local City of Muskegon youth in tournaments. The City shall assist WMSSC in recruiting City of Muskegon youth to participate in existing leagues or programs offered by or through soccer organizations using the RFSF. The City's Events Committee may assist WMSSC in the promotion of soccer leagues and tournaments.

WMSSC may advertise and obtain sponsors for a fee. Non-permanent banners may be displayed inside the RFSF on the fences for the duration of the "Season", subject to the City's right to approve or disapprove the material, size and content of banners. The City shall not unreasonably withhold approval.

WMSSC may charge team fees, entry fees, and tournament fees to provide funds for RFSF operating expenses and to provide funds for future upgrades of the RFSF facility.

Programs. WMSSC will continue to provide recreational soccer opportunities similar to those previously provided by the City of Muskegon, and to expand and promote additional opportunities whenever possible.

WMSSC, either directly or through a third party, may at times conduct soccer camps. WMSSC will waive registrations fees for City of Muskegon youth upon proof of residency. WMSSC shall coordinate with the City for the promotion of these events.

WMSSC will cooperate with the City for the scheduling of any special non-soccer events that may need to use the RFSF. The City shall pay all extraordinary expenses incurred for such non-soccer events and WMSSC shall have no liability with respect thereto.

Use of Other City Facilities. The City shall assist WMSSC whenever practical to use additional City of Muskegon soccer facilities at cost to WMSSC as specified in the City User Fee Schedule. The use of these facilities will be subject to scheduling and availability (*other management agreements may limit the use of such facilities/fields*). The modification of these additional facilities to accommodate play/use will be at the expense of WMSSC.

Reports. WMSSC shall provide an annual report of participation and demographics to the City. MCBC shall provide an annual financial report showing revenues and expenses and the amounts invested in the facility to the City.

Portable Restrooms. WMSSC will provide additional portable restrooms at RFSF and at any other City facilities if needed.

Notice of Schedule. WMSSC will notify the City of any scheduled events as far in advance as possible so that the City can assist in answering questions and to assist in promotion both through its Events Committee and through its website.

Insurance. WMSSC shall obtain the following types of insurance with the minimum coverage amounts as follows:

Comprehensive General Liability Insurance. WMSSC shall obtain a comprehensive liability policy acceptable to the City carrying limits of at least \$1,000,000, single limit.

Automobile Liability. WMSSC shall obtain automobile liability insurance in an amount not less than minimum state requirements.

Workers Compensation insurance. WMSSC shall carry workers' compensation insurance in the amounts required by law for any of its employees.

The City shall be named as additional insured on the Comprehensive General Liability Insurance and Automobile Liability policies. Each policy shall carry the commitment by the company that no cancellation shall be effective against the City with less than thirty (30) days written notice to the City.

Language on the above named insurance certificates shall read specifically:

“The City of Muskegon, all elected and appointed officials, all employees and volunteers, all boards, commissions and/or authorities and board members, including employees and volunteers thereof; it is understood and agreed that by naming the City of Muskegon as additional insured, coverage afforded is considered to be primary and any other insurance the City of Muskegon may have in effect shall be considered secondary and/or excess”.

Liens. WMSSC shall be responsible for protecting the City from any and all liens, mortgages, and security interests or claims for any interest in any property owned by the City relating to WMSSC's use thereof.

This Agreement was entered into on the date set forth above.

BY:

City of Muskegon, a Michigan municipal corporation

By: _____
Stephen Gawron, Mayor

By: _____
Ann Marie Meisch, MMC, Clerk

AND:

West Michigan Storm Soccer Club, a Michigan 501-C-3 Entity

By: _____
Jason Fisher, Its: President

April 29, 2016



To: City of Muskegon – Department of Public Works
Attn: Bernadette M. Young and Douglas Sayles
1350 E. Keating Ave.
Muskegon, MI 49442
From: West Michigan Storm Soccer Club

Subject: Reese Field Soccer Complex City of Muskegon/West Michigan Storm Partnership

Dear Ms. Young and Mr. Sayles,

First of all, let us start by saying thank you for the opportunity to present this proposal, and thank you for your time and consideration.

The West Michigan Storm Soccer Club is a select level club, affiliated with the Sailors Soccer Club. As a whole we have 1,400+ registered players between our 2 clubs. The West Michigan Storm serves the entire Muskegon County Soccer community, and parts of Ottawa County as well. Currently we have 400+ registered players playing for the West Michigan Storm Soccer Club. We have made a concerted effort in recent years to reach out to as many Muskegon area communities and clubs as we can, in an effort to involve our area youth in the positive growth and development taking place within our club. In doing so, the West Michigan Storm Soccer Club has nearly doubled in size in the past three years. We are truly excited about the opportunity to partner with the City of Muskegon at Reese Field! We see this as an opportunity to not only help maintain and enhance Reese field, but even more importantly an opportunity to reach out to many youth in the City of Muskegon who may not have as much access to recreational sports, and may be in need of a safe environment to learn, grow, and develop.

We would like to propose a partnership at the Reese Field Soccer Complex between the City of Muskegon and the West Michigan Storm Soccer Club. The main purpose of this partnership would be to.....

- 1) Provide resources and support to help the City of Muskegon maintain and enhance the Soccer facilities at Reese Field. West Michigan Storm would be willing to invest time and resources to assist the City with mowing, fertilizing, irrigation repairs/maintenance, and anything else needed to keep the Soccer fields in good playable condition. We'd also provide our own Soccer goals/equipment, and labor and material to line the fields.
- 2) Provide a safe, positive environment for Muskegon area youth to learn and enjoy the game of Soccer.
- 3) Foster an atmosphere for area youth to feel welcome, and encouraged to learn the importance and value of Teamwork, Respect, Responsibility, Leadership, and Stewardship.
- 4) Provide community outreach Soccer camps in the City to reach area youth who may benefit from positive Summer, evening, or weekend activities.

We have reached out to the Muskegon Risers (Semi-Pro Soccer team), as they are interested in partnering with us to host community outreach Soccer Camps, and may be interested in playing a regular season game at Reese in the near future, again to reach out to the City of Muskegon area youth/community. We have also had discussions with Muskegon Community College Men's and Women's coaches who may be interested in assisting at local camps at Reese, and potentially other City parks as well.

Please feel free to contact us any time if you'd like to move forward with this partnership. If there's anything you'd like to discuss, or if you'd like any further information, please feel free to email us:

Adam Schultz adam.schultz@ymail.com

Jason Fisher fisherja@hotmail.com

Art Dorsey adkicks11@hotmail.com

Thanks again for your time and consideration, and the opportunity to present this proposal.

Respectfully submitted,



Adam Schultz (West Michigan Storm Board Member)

cc: Jason Fisher (West Michigan Storm/Sailors Club President)
Art Dorsey (West Michigan Storm/Sailors Coaching Director)



Commission Meeting Date: June 28, 2016

Date: June 21, 2016
To: Honorable Mayor and City Commissioners
From: Planning & Economic Development
RE: Public Hearing - Request to Create a New Neighborhood
Enterprise Zone District at 285 W Western Ave

SUMMARY OF REQUEST:

Pursuant to Public Act 147 of the Michigan Public Acts of 1992, the developer of the Highpoint Flats project has requested to create a new Neighborhood Enterprise Zone (NEZ) district for the parcel at 285 W Western Ave. Properties located in NEZ districts are eligible to apply for NEZ certificates, which will lower the residential property taxes on new or rehab construction. The State requires that notices are to be sent to the local taxing jurisdictions regarding the request and that the resolution may not be passed until after 60 days of the notice letters being sent. Also, a public hearing must be held no more than 45 days after the notice is sent. Notices were mailed on June 20, 2016. The resolution is planned to come back in front of the City Commission on August 23, 2016. This project will include between 49-61 apartment units with first floor retail and/or office space. The NEZ will only affect the residential component of the project. The City is allowed to designate up to 15% of its total area as NEZ designations, which calculates out to 2.802 square miles. We currently have 2.06 square miles designated as NEZ districts. This new district would only add 0.0004 square miles for an overall total of 2.0604 square miles of designated NEZ districts in the City.

FINANCIAL IMPACT:

For those properties that are approved for a NEZ Certificate, taxation will be levied using half of the State average of millages of local entities.

BUDGET ACTION REQUIRED:

None

STAFF RECOMMENDATION:

Staff recommends approval of the new NEZ district.

COMMITTEE RECOMMENDATION:

None

COMMISSION MEETING DATE: June 28,, 2016

TO: Honorable Mayor and Commissioners

FROM: Jeffrey Lewis, Director of Public Safety

RE: Concurrence with the Housing Board of Appeals Notice and Order to Demolish. Dangerous Building Case #: EN1600653

SUMMARY OF REQUEST: This is to request that the City Commission Concur with the findings of the Housing Board of Appeals that the structure located at **330 Washington Ave.** is unsafe, substandard, a public nuisance and that it be demolished within thirty (30) days or infraction tickets may be issued. It is further requested that administration be directed to obtain bids for the demolition of the structure and that the Mayor and City Clerk be authorized and directed to execute a contract for demolition with the lowest responsible bidder or staff may issue infraction tickets to the owner, agent or responsible party if they do not demolish the structure.

Case# & Project Address: # EN1600653 – 330 Washington

Location and ownership: This structure is located on Washington Ave. between 7th and 6th Streets and is owned by Fred Pfeiffer & Monroe Davis.

Staff Correspondence: A fire inspection was conducted on 3/22/2013. The Notice and Order to Repair was issued on 3/25/2016. On 5/5/2016 the HBA declared the structure substandard and dangerous.

Financial Impact: CDBG or General Funds

Budget action required: None

State Equalized value: \$ 13,500.

Estimated cost to repair: \$ 40,000.

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

Notification procedures:

- 1) Title search is performed so all interested parties are notified.
- 2) All notifications are posted on the structure.
- 3) All notifications are mailed by certified mail with a return card for signature.

Owner Contact: None since the Notice & Order.

Permits obtained:

PE140727 – Upgrade electrical service – Completed 11/6/2014.
No other permits were obtained.

Additional Information:

**12/8/14 – Mr. Pfeifer had contacted SAFEbuilt to state that no one was living there. He stated that his cleaning crew had been there cleaning & he had someone there giving him cost estimates for the repairs only. The VA was going to give him enough money to do the repairs. As of 6/20/16 – nothing more was completed in regards to the VA providing any funds for repairs.

If you disagree with the decision of the City Commission, you have the right to file a petition for superintending control in the Circuit Court for the County of Muskegon within 21 days after the City Commission concurs.



Front of home.



Rear of structure showing 2nd floor.



Rear of structure from fire.



Side after fire-rear windows boarded.

CITY OF MUSKEGON/SAFEbuilt
933 Terrace St. Ste 204, P.O. Box 536, Muskegon, MI 49443

FIRE INSPECTION REPORT
10/23/2013

Owner PFEIFFER FRED/DAVIS MONROE
330 WASHINGTON AVE
MUSKEGON, MI 49441

Property Address: 330 WASHINGTON AVE **Parcel #** 24-205-390-0007-00

Inspector: Red Sloan, Ken Murar, Jim Hoppus

Date completed: 10/22/13

DEFICENCIES:

1. Main floor system will need to be replaced – all new subfloor, new floor joist & hangers
2. Smoke damage to all walls – must be properly cleaned or repaired
3. Must install smoke alarms to code
4. Stairs to basement must be replaced
5. Electric service to be replaced to code
6. Replace all burned/damaged wiring
7. All wiring throughout home to meet current code
8. Gas system must be pressure tested
9. Ductwork must be cleaned
10. All house plumbing must be inspected and certified; repair or replace as needed
11. Furnace, water heater and chimney must be inspected and certified
12. All repairs must conform to current codes

The above repairs must be completed in a timely manner before a certificate of occupancy can be issued. Proper permits must be in place before any work can commence.

Kirk Briggs, Building Inspector

Date

COMMISSION MEETING DATE: June 28, 2016

TO: Honorable Mayor and Commissioners
FROM: Jeffrey Lewis, Director of Public Safety
RE: Concurrence with the Housing Board of Appeals Notice and Order to Demolish. Dangerous Building Case #: EN158002

SUMMARY OF REQUEST: This is to request that the City Commission Concur with the findings of the Housing Board of Appeals that the structure located at 1592 5th St. is unsafe, substandard, a public nuisance and that it be demolished within thirty (30) days or infraction tickets may be issued. It is further requested that administration be directed to obtain bids for the demolition of the structure and that the Mayor and City Clerk be authorized and directed to execute a contract for demolition with the lowest responsible bidder or staff may issue infraction tickets to the owner, agent or responsible party if they do not demolish the structure.

Case# & Project Address: # EN158002 – 1592 5th St.

Location and ownership: This structure is located on 5th St. between W. Southern and W. Forest and is owned by Donald Cheeks.

Staff Correspondence: A dangerous building inspection was conducted on 5/27/2015. The Notice and Order to Repair was issued on 8/14/2015. On 5/5/2016 the HBA declared the structure substandard and dangerous.

Financial Impact: CDBG

Budget action required: None

State Equalized value: \$ 20,800.

Estimated cost to repair: \$ 50,000

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

Notification procedures:

- 1) Title search is performed so all interested parties are notified.
- 2) All notifications are posted on the structure.
- 3) All notifications are mailed by certified mail with a return card for signature.

Owner Contact/Mailings:

- 8/14/15 - Notice & Order
- 8/28/15 – Owner contacted SAFEbuilt & would schedule an interior inspection the following week. – No contact & nothing scheduled.
- 9/21/15 – HBA Meeting notice posted & mailed certified for the 10/1/15 meeting.
- 9/28/15 – Owner scheduled Interior Inspection for 10/5/15.
- 10/1/15 – HBA Declared as Dangerous at their meeting. Owner did not attend.
- 10/5/15 – Trades inspection was performed. After the Trades inspection was completed; staff decided to take the case back to the HBA with the new information.
- 10/23/15-HBA Meeting notice posted & mailed certified for the 11/5/15 meeting.

This property had been before the HBA 5 times & tabled for most of them so the owner could either submit a timeline with costs to repair the home or to sell it. Nothing had been submitted nor any sales.

Permits obtained: None.

If you disagree with the decision of the City Commission, you have the right to file a petition for superintending control in the Circuit Court for the County of Muskegon within 21 days after the City Commission concurs.

SAFEbuilt pictures from Interior Inspection:



Ceiling.



Sink area.



Interior electrical outlet.



Basement.



Bathroom.



Basement.

Exterior Pictures:



Front of home.



2nd floor wood exposure-paint.



Garage roof-moss



Mossy side roof.



Roofing materials falling.

CITY OF MUSKEGON - CODE COMPLIANCE DEPARTMENT
933 TERRACE ST STE 202, MUSKEGON, MI 49440
(231) 724-6702 (Office), (231) 724-6790 (Fax)

DANGEROUS BUILDING REPORT - 1592 5TH ST

Exterior Inspection noted:

- 1) Shed - Accessory structure is not maintained in good repair. Siding is missing & wood is exposed & not properly sealed, painted, or varnished.
- 2) Garage - Overhead, sliding, or swing door is broken or missing parts so it may not work properly.
- 3) Garage - Roof is totally deteriorated - must be replaced.
- 4) Have eave boards that are rotted or missing.
- 5) Trim is broken, missing, loose, or incomplete.
- 6) Trim is bare wood - must be painted, varnished or sealed.
- 7) Exterior trim has peeling paint that needs to be properly scraped and needs to be protected from weather by properly applied water-resistant paint or waterproof finish.
- 8) Foundation walls have missing mortar or open cracks.
- 9) Window trim is broken or missing.
- 10) Window sill is broken, missing or rotted.
- 11) Window has glazing that is missing or deteriorated.
- 12) All structures - Roof has shingles that are deteriorated, missing, and need replacing. Many areas are moss covered.
- 13) There are areas of the roof where the roof and home meet that are badly deteriorated.
- 14) Contact SAFEbuilt for a Trades Inspection of the interior if you dispute any of this within 15 days of this notice.

This listing is a list of exterior items. An interior inspection had not been completed. You would need to contact SAFEbuilt for a trades inspection to get a complete listing of any additional items that need to be completed.

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



DANGEROUS BUILDING INSPECTION REPORT
10/07/2015

Owner CHEEKS DONALD W/BETTY J TRUST
1488 OAK AVE
MUSKEGON, MI 49442

Enforcement # EN158002

Property Address: 1592 5TH ST

Parcel # 24-205-426-0005-00

Date completed: 10/5/15

DEFICENCIES:

1. House to be rewired to code
2. Smoke alarms to be installed to code
3. Electric service to be replaced to code
4. The furnace and water heater have been removed and some ducts are missing.
Need to replace both and all missing ducts including a new thermostat.
5. New garage door
6. New roof on garage
7. Needs all new plumbing and water heater and tubs
8. New drywall
9. Lead abatment
10. new doors and windows
11. Needs insulation
12. New floor coverings
13. Paint inside and out

Kirk Briggs, Building Official

Date

COMMISSION MEETING DATE: June 28, 2016

TO: Honorable Mayor and Commissioners

FROM: Jeffrey Lewis, Director of Public Safety

RE: Concurrence with the Housing Board of Appeals Notice and Order to Demolish. Dangerous Building Case #: EN1600650

SUMMARY OF REQUEST: This is to request that the City Commission Concur with the findings of the Housing Board of Appeals that the structure located at **1761 S Getty St.** is unsafe, substandard, a public nuisance and that it be demolished within thirty (30) days or infraction tickets may be issued. It is further requested that administration be directed to obtain bids for the demolition of the structure and that the Mayor and City Clerk be authorized and directed to execute a contract for demolition with the lowest responsible bidder or staff may issue infraction tickets to the owner, agent or responsible party if they do not demolish the structure.

Case# & Project Address: # EN1600650 – 1761 S. Getty St.

Location and ownership: This structure is located on Getty St. between E. Larch Ave. and E. Laketon Ave. and is owned by Jeffery York.

Staff Correspondence: A dangerous building inspection was conducted on 9/25/2015. The Notice and Order to Repair was issued on 3/25/2016. On 5/5/2016 the HBA declared the structure substandard and dangerous.

Financial Impact: General Funds

Budget action required: None

State Equalized value: \$ 13,900.

Estimated cost to repair: \$ 55,000.

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

Notification procedures:

- 1) Title search is performed so all interested parties are notified.
- 2) All notifications are posted on the structure.
- 3) All notifications are mailed by certified mail with a return card for signature.

Owner Contact: None.

Permits obtained: None.

If you disagree with the decision of the City Commission, you have the right to file a petition for superintending control in the Circuit Court for the County of Muskegon within 21 days after the City Commission concurs.

Interior:



Front of home:



Rear of home/garge:



CITY OF MUSKEGON - CODE COMPLIANCE DEPARTMENT
933 TERRACE ST STE 202, MUSKEGON, MI 49440
(231) 724-6702 (Office) (231) 724-6790 (Fax)

DANGEROUS BUILDING REPORT - 1761 S GETTY ST

Inspection noted (exterior only):

Garage:

- 1) Overhead, sliding, or swing door is broken or missing parts so it may not work properly.
- 2) Is open and not secure.

Roof:

- 1) Roof is totally deteriorated - must be replaced.
- 2) Rafter tails are broken or rotted.
- 3) Rafters are bowed and the roof is sagging. Roof rafters need bracing in the attic.
- 4) Has eave boards that are rotted or missing.
- 5) Roof has shingles that are deteriorated and need replacing.

Siding, Trim, Windows & Doors:

- 1) Siding has holes in it or is rotted or missing.
- 2) Siding is loose or falling off.
- 3) Has broken siding.
- 4) Siding has peeling paint--and is not protected from weather by a properly applied water resistant paint or finish. This must be properly scraped before painting.
- 5) Is not protected from weather by a properly applied water-resistant paint or waterproof finish. Surface must be scraped prior to applying any water -resistant paint or waterproof finish.
- 6) Trim is broken, missing or incomplete.
- 7) Trim is rotted.
- 8) Trim is bare wood - must be painted, varnished or sealed.
- 9) Exterior trim has peeling paint that needs to be properly scraped and needs to be protected from weather by properly applied water-resistant paint or waterproof finish.
- 10) Window is not weathertight and in good repair.
- 11) Window(s) has/have broken or cracked glass.
- 12) Window(s) are painted shut and are needed for egress or ventilation-make windows operable.
- 13) Operable window(s) does/do not have a screen - - must cover the complete bottom sash from April 30th thru September 30th.
- 14) Window has glazing that is missing or deteriorated.
- 15) Door hardware is broken, missing or incomplete.
- 16) Door does not have a lock.
- 17) Door does not fit tight-install weatherseal.
- 18) Screen door is missing.
- 19) Door threshold is broken, rotted or missing.

Foundation:

- 1) Foundation walls have missing mortar or open cracks.
- 2) Foundation walls have peeling paint. Paint must be properly scraped prior to painting.

This listing is a list of exterior items. An interior inspection had not been completed. You would need to contact SAFEbuilt for a trades inspection to get a complete listing of any additional items that need to be completed.

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

COMMISSION MEETING DATE: June 28, 2016

TO: Honorable Mayor and Commissioners

FROM: Jeffrey Lewis, Director of Public Safety

RE: Concurrence with the Housing Board of Appeals Notice and Order to Demolish. Dangerous Building Case #: EN1600654

SUMMARY OF REQUEST: This is to request that the City Commission Concur with the findings of the Housing Board of Appeals that the structure located at 1363 7th St. is unsafe, substandard, a public nuisance and that it be demolished within thirty (30) days or infraction tickets may be issued. It is further requested that administration be directed to obtain bids for the demolition of the structure and that the Mayor and City Clerk be authorized and directed to execute a contract for demolition with the lowest responsible bidder or staff may issue infraction tickets to the owner, agent or responsible party if they do not demolish the structure.

Case# & Project Address: # EN1600654 – 1363 7th St.

Location and ownership: This structure is located on 7th St. which is bounded by 7th St., Park St. & Washington Ave. (triangle shaped block) and is now owned by the County of Muskegon Treasurer.

Staff Correspondence: A fire had happened to this structure on 10/17/2015. The main fire damage is most noticeable to the rear of the structure which faces Park St. The Notice and Order to Repair was issued on 3/3/2016. On 5/5/2016 the HBA declared the structure substandard and dangerous.

Financial Impact: CDBG

Budget action required: None

State Equalized value: \$ 20,200.

Estimated cost to repair: Loss due to fire.

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

Notification procedures:

- 1) Title search is performed so all interested parties are notified.
- 2) All notifications are posted on the structure.
- 3) All notifications are mailed by certified mail with a return card for signature.

Additional Notes:

The owner had not made any contact with SAFEbuilt at the time of the fire for a fire inspection to be performed. They also did not have insurance.

Since the fire; the County Treasurer had foreclosed on this for delinquent taxes. They have also been notified since the beginning of this case through certified letters as they showed up as having an interest in the property.

Owner Contact: None.

Permits obtained: None.

If you disagree with the decision of the City Commission, you have the right to file a petition for superintending control in the Circuit Court for the County of Muskegon within 21 days after the City Commission concurs.



Front of the home.



Rear of the structure.



South side from the rear.



2nd floor from the rear.

COMMISSION MEETING DATE: June 28, 2016

TO: Honorable Mayor and Commissioners
FROM: Jeffrey Lewis, Director of Public Safety
RE: Concurrence with the Housing Board of Appeals Notice and Order to Demolish. Dangerous Building Case #: EN1600652

SUMMARY OF REQUEST: This is to request that the City Commission Concur with the findings of the Housing Board of Appeals that the structure located at 1524 Hoyt St. is unsafe, substandard, a public nuisance and that it be demolished within thirty (30) days or infraction tickets may be issued. It is further requested that administration be directed to obtain bids for the demolition of the structure and that the Mayor and City Clerk be authorized and directed to execute a contract for demolition with the lowest responsible bidder or staff may issue infraction tickets to the owner, agent or responsible party if they do not demolish the structure.

Case# & Project Address: # EN1600652 – 1524 Hoyt St.

Location and ownership: This structure is located on Hoyt St. between E. Grand Ave. and E. Forest Ave. and is now owned by the Muskegon County Treasurer.

Staff Correspondence: A dangerous building inspection was conducted on 5/22/2015. The Notice and Order to Repair was issued on 3/25/2016. On 5/5/2016 the HBA declared the structure substandard and dangerous.

Financial Impact: CDBG or General Funds

Budget action required: None

State Equalized value: \$ 14,200.

Estimated cost to repair: \$ 60,000.

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

Notification procedures:

- 1) Title search is performed so all interested parties are notified.
- 2) All notifications are posted on the structure.
- 3) All notifications are mailed by certified mail with a return card for signature.

Additional Notes:

The County Treasurer had foreclosed on this for delinquent taxes. They have also been notified since the beginning of this case through certified letters as they showed up as having an interest in the property.

Owner Contact: None.

Permits obtained: None.

If you disagree with the decision of the City Commission, you have the right to file a petition for superintending control in the Circuit Court for the County of Muskegon within 21 days after the City Commission concurs.



Front of home.



Electric mass knocked off of home.



Branch inside of home.



Tree on roof (south side).

AGENDA ITEM NO. _____
CITY COMMISSION MEETING _____

TO: Honorable Mayor and City Commissioners

FROM: Frank Peterson, City Manager

DATE: June 23, 2016

RE: Skate Park Fund Agreement

SUMMARY OF REQUEST:

The City Commission's 4th Quarter Budget Reforecast for FY 2015-16 included a \$10,000 expenditure for improvements to the Skate Park at Seyferth Park. Staff is requesting permission to utilize those dollars to establish a fund at the Community Foundation for Muskegon County to allow for additional contributions to be made by interested community members.

FINANCIAL IMPACT:

None.

BUDGET ACTION REQUIRED:

None.

STAFF RECOMMENDATION:

To approve the Non-Profit Support Services Agreement with the Community Foundation for Muskegon County, and authorize the Mayor to sign.

COMMITTEE RECOMMENDATION:

**COMMUNITY FOUNDATION *for* MUSKEGON COUNTY
NONPROFIT SUPPORT SERVICES AGREEMENT**

MUSKEGON SKATE PARK FUND

AGREEMENT made June ____, 2016, between the City of Muskegon (the "Client") and the COMMUNITY FOUNDATION *for* MUSKEGON COUNTY (the "Foundation"), a Michigan nonprofit corporation.

The Foundation shall provide the Client the services outlined in Schedule A, for the fees described. Either party may terminate this agreement upon 60 days written notice to the other party.

The Client agrees to provide the Foundation with any and all records and data necessary for the Foundation to provide the Client with the services set forth. Further, the Client warrants that such records and data provided shall be accurate and true and the Foundation may rely on such records and data in fulfilling its obligations hereunder. Further, the Client shall cooperate in any audit of the Foundation for which information related to the services provided hereunder is requested by the Foundation's auditors. The Client agrees to provide the Foundation with any and all information needed to fulfill the Foundation's obligations hereunder on such forms and in such format as may be requested by the Foundation.

This Agreement and its Schedule contain the entire understanding of the parties and shall not be supplemented with any other term or condition unless such term or condition is in writing and specifically incorporated by amendment to this agreement.

The Foundation accepts the property transferred to it by the Client and its contributors and agrees to hold, administer and distribute it as provided in this document.

MUSKEGON SKATE PARK FUND

By: _____
Stephen Gawron, Mayor, City of Muskegon

COMMUNITY FOUNDATION *for* MUSKEGON COUNTY

By: _____
Chris A. McGuigan, President/CEO

SCHEDULE A

The Foundation agrees to accept gifts and other deposits designated for the **Muskegon Skate Park Fund** (the "Fund"). The purpose of the Fund is to support the efforts to repair, upgrade and install (or re-install) a skate park in the City of Muskegon.

- A minimum deposit of \$500 is required to open the Fund and a balance of \$250 must be maintained unless the Client requests to close the Fund.
- The Foundation agrees to provide tax receipts to individuals or organizations that make gifts to the Fund. Gift solicitations by the Client must be in accordance with the Foundation's Donor Initiated Fundraising Policy.
- The Foundation agrees to maintain a database of the donors and will provide online access to the Client.
- The Foundation will invest the gifts in a money market account and/or certificates of deposit and will add the interest earned to the Fund on a monthly basis.
- The Foundation agrees to make disbursements from the Fund to qualified 501(c)(3) organizations, schools, or units of government upon the receipt of a written request from the Client's Commission, including minutes of the meeting authorizing the disbursement.
- If the balance of the Fund falls below the minimum, the Foundation may choose to pay out the balance to the Client or other qualified organization and close the Fund.
- Any disbursements from the Fund must be for the stated purpose of the Fund. The Foundation reserves the right to withhold a disbursement from the Fund if it is not for the stated purpose cited above.
- Each calendar year, the Foundation will charge an administrative fee of 1% of any amounts received in that year, with a minimum fee level of \$250. The \$250 minimum administrative fee will be deducted from the Fund in the first calendar quarter of each year. The remaining administrative fee, if any, will be calculated and deducted from the Fund on a quarterly basis. In the year the Fund is created, the minimum administrative fee level of \$250 will be prorated and deducted in the calendar quarter in which the Fund is created. The fee structure may periodically be evaluated and adjusted.

AGENDA ITEM NO. _____
CITY COMMISSION MEETING _____

TO: Honorable Mayor and City Commissioners

FROM: Frank Peterson, City Manager

DATE: June 23, 2016

RE: LC Walker Arena Lease Agreement

SUMMARY OF REQUEST:

As the City continues to manage the LC Walker Arena, staff's top priorities are to reduce or eliminate General Fund subsidies and strategically improve the arena in a manner that provides for more frequent use and higher-quality experience for tenants and event attendees. The greatest way to accomplish this is to add value in ways that do not disrupt ice utilization, which is the facility's greatest revenue source. Accordingly, staff is proposing a lease agreement and corresponding development agreement with West Michigan Rum Company, LLC to provide for the buildout and leasing of approximately 5,000 square feet of space in the concourse area of the Arena, adjacent to the corner of Western Avenue and 4th Street. The West Michigan Rum Company will operate a distillery and restaurant in this space that will active the Western Avenue side of the building and add to the food and beverage opportunities in the LC Walker Arena on event days. The lease has an initial 5- year term with nine three-year extension options. Rent shall be \$10.00 per square foot – or approximately \$4,166.66 per month initially.

FINANCIAL IMPACT:

Development costs are estimated between \$300,000 and \$350,000. Annual rental income is estimated at \$50,000.

BUDGET ACTION REQUIRED:

None.

STAFF RECOMMENDATION:

To authorize staff to sign the agreements and begin the due diligence period as outlined in the Development Agreement.

COMMITTEE RECOMMENDATION:

LEASE

This lease ("Lease"), is made effective as of _____, 2016 (Effective Date") by and between the **City of Muskegon Downtown Development Authority**, a Michigan municipal corporation , 933 Terrace Street, Muskegon, MI 49440 ("Landlord"), and **West Michigan Rum Company, LLC**, a Michigan limited liability company, of 470 W. Western Ave., Muskegon, MI 49440 ("Tenant").

1. **Description of Premises and Leased Premises.** In consideration of the rents and covenants to be paid, performed and observed by Tenant, Landlord leases to Tenant and Tenant accepts from Landlord that certain space in what is commonly known as the LC Walker Arena, including the Annex located at 470 W. Western Ave., Muskegon, MI 49440 as legally described on **Exhibit A** and consisting of _____ square feet ("Premises") and depicted on the drawing attached as **Exhibit B** ("Leased Premises"). The parties shall work together cooperatively with respect to the design of the Leased Premises, which may result in a change to Exhibit B and the number of square feet being leased.

2. **Term.** The term of this lease shall be for five years, with nine three year options, which may be exercised by Tenant providing Landlord with written notice of such not less than sixty days from the expiration of the application term or option. The term shall commence on either the date the Tenant receives its Distilled Spirits Plant License from the Michigan Liquor Control Commission for its intended use or the Delivery Date (as defined herein) whichever last occurs. Each renewal period shall be on the same terms and conditions as this Lease.

3. **Rent**

a. **Base Rent.** Tenant shall pay to Landlord annual rent of \$10.00 per square foot of rentable lease space as shown on Exhibit A. The rent shall be payable in equal monthly installments (the "Rent") in advance on the 1st day of each month of the term. The Rent shall be payable at the above office of Landlord without abatement, deduction or setoff. For example, if Tenant rents 5,000 square feet, rent would be \$4,166.66 per month. No rent shall be due during the first six months of the term during which Tenant will be conducting pre-opening equipment installation, and testing and development of its product. In the seventh month of the term, Rent shall be reduced to 25% of its original amount, and increase by 25% each month until the full Rent rate is achieved.

b. **Additional Rent.** Tenant shall also pay to Landlord as "Additional Rent," on demand, an amount equal to its "Pro-Rata Share" (which for purposes of this Lease shall be a fraction, the numerator of which is the square footage of the Leased Premises and the denominator of which is the total square footage of the Premises) of all expenses actually incurred by Landlord for (a) CAM (as defined below) expenses incurred by Landlord; (b) commonly used dumpsters; and, (c) garbage service. Tenant shall pay a monthly amount equal to Landlord's reasonable estimate of these annual costs, and which Tenant shall pay in advance, on the first day of each month during the Term. Not less often than once every 12 months, Landlord shall provide to Tenant a statement of costs, and with the statement a reconciliation of the monthly estimate of Tenant's Pro-

Not less often than once every 12 months, Landlord shall provide to Tenant a statement of costs, and with the statement a reconciliation of the monthly estimate of Tenant's Pro-Rata Share as appropriate, with any excess or deficiency being applied or added to Tenant's next installment of Additional Rent. All other sums that Tenant is required to pay under the terms of this Lease shall also be paid as Additional Rent. Tenant shall be entitled on reasonable advance written notice to Landlord, and at Tenant's cost, to inspect Landlord's books and records as they may relate to the statements submitted by Landlord to Tenant for Additional Rent.

c. **Property Taxes.** Tenant shall also pay before delinquent, all real estate taxes for the Leased Premises and personal property taxes for personal property used therein.

4. **Common Areas.** So long as Tenant is not in default under this Lease, Tenant, its agents, employees, customers, and invitees, shall have the use, in common with all others to whom the Landlord has granted or may later grant rights to use them, of the sidewalks, parking areas, and drives designated by Landlord, as these shall exist from time to time, for the Premises ("Common Areas"). During the Term Landlord, Landlord's agents or permitted third parties shall perform all necessary maintenance ("CAM") to the Common Areas (including, without limitation, general cleaning, snow removal, grass cutting, parking lot cleanup, repairs of exterior light fixtures, and light bulb replacement).

5. **Utilities.** The Leased Premises shall be separately metered for gas, electricity, water and sewer. Tenant shall pay all charges for gas, electricity, water, power, telephone cable television and internet service used, rendered or supplied upon or in connection with the Leased Premises, and shall indemnify the Landlord against any liability or damages on such account. Tenant will have no responsibility to pay for utilities outside of the Leased Premises, provided all of Tenants exterior signage shall be wired through meter serving the Leased Premises.

6. **Right of Landlord to Lease.** The Landlord covenants and warrants that it is in lawful possession and control of said Leased Premises, and has the authority to enter into this lease agreement.

7. **Quiet Enjoyment.** Landlord covenants that Tenant, on payment of all the aforesaid installments and performing all the covenants aforesaid, shall and may peacefully and quietly have, hold and enjoy the said Leased Premises for the term hereof. Landlord agrees that there are no restrictions applicable to the Leased Premises which affect and limit the right of Tenant to exercise any of the rights granted to Tenant by this lease. Landlord agrees that it will not grant any easements on the Leased Premises, or create any restrictions thereto, during the term of the lease without the prior consent of Tenant.

8. **Use of Premises.** Tenant is granted the right during the term of this lease, or any renewals hereof, to occupy and use the Leased Premises for operating a distillery, bar and restaurant. In the event Tenant does not obtain all necessary licenses for the operation of the distillery and bar from the Michigan Liquor Control Commission within (18) months of the Effective Date, either party may terminate this Lease immediately thereafter.

9. **Tenant's Acceptance of Leased Premises As Is.** Landlord shall deliver the Leased Premises with "Landlord's Work," as defined herein, completed ("Delivery Date"). If Tenant takes possession of the Leased Premises, Tenant shall be deemed to accept the same in its then "AS IS, WHERE IS" condition, subject to Landlord's obligation to complete any so-called punchlist items and repair any defects in construction. Tenant acknowledges that Landlord shall not be required to make any renovations or improvements to the Leased Premises except for Landlord's Work as defined in this Lease. Landlord shall construct the Leased Premises in accordance with the blueprints attached **Exhibit C** ("Landlord's Work"). Tenant shall not be liable for any cost or expense incurred by Landlord in completing Landlord's Work, all of which shall be Landlord's obligation. Tenant waives any warranties, express or implied, of fitness, liability, and usefulness for Tenant's particular purpose or otherwise, except to the extent specifically set forth in Exhibit C hereto.

Landlord covenants to deliver to Tenant possession of the Leased Premises with Landlord's Work complete and all regulatory approvals and sign-offs received by the Delivery Date but not later than 120 days from the date of the Agreement to Proceed as defined in the Development Agreement ("Development Agreement") among Landlord, Tenant and the City of Muskegon of even date ("Delivery Date Deadline"). If for any reason Landlord is unable to deliver possession of the Leased Premises by the Delivery Date Deadline, Landlord, prior to the Delivery Date Deadline, shall provide written notice to Tenant of the date on which Landlord anticipates delivery to Tenant of the Leased Premises (the "Late Delivery Date"), which date shall be no later than Sixty Days (60) after the Delivery Date Deadline. If Landlord does not deliver the Leased Premises to Tenant in accordance with the Lease by the Late Delivery Date, then Tenant shall have the right to terminate this Lease ("Delivery Termination Right") without penalty upon the Thirtieth (30th) day following the date on which Tenant provides written notice ("Delivery Termination Notice") to Landlord of Tenant's intent to exercise its Delivery Termination Right ("Effective Termination Date"), which notice must be given, if at all, anytime during the period commencing on the day following the Late Delivery Date and continuing until the Thirtieth (30th) day following the Late Delivery Date (provided, however, that Tenant may not terminate the Lease, even if Tenant has provided Delivery Termination Notice, if Landlord has delivered the Leased Premises to Tenant in accordance with this Lease prior to the Effective Termination Date). Upon such termination on the Effective Termination Date, neither party shall have any further obligation or liability to the other relating to this Lease.

10. **Maintenance.** Tenant shall, at its own expense, make all necessary repairs and replacements within the Leased Premises, including pipes, heating system, plumbing system, window glass, fixtures and all other appliances belonging thereto, all equipment used in connection with the Leased Premises, and the sidewalks, curbs and vaults adjoining or appurtenant to the Leased Premises. Such repairs and replacements ordinary as well as extraordinary and structural and non-structural, shall be made promptly, when necessary. All repairs and replacements shall be in quality and class at least equal to the original work. On default of Tenant in making necessary repairs or replacements, Landlord may, but shall not be required to make such repairs and replacements for Tenant's account, and the expenses thereof shall constitute and be collectible as Additional Rent. Landlord shall be solely responsible for all necessary repairs and maintenance of the Premises except for the Leased Premises.

11. **Alterations or Improvements.** Except as provided in the Development Plan, Tenant shall not make any alterations, additions, or improvements to the Premises except with the written consent of Landlord. Any alteration, addition or improvement made by the Tenant after such consent shall have been given, and any fixtures installed as part thereof, shall at the Landlord's option become the property of the Landlord upon the expiration or other sooner termination of this lease, provided, however, that Landlord shall have the right to require Tenant to remove such fixtures, additions or improvements at the Tenant's cost upon such termination of this lease provided that in the event of any such removal, Tenant shall make all repairs necessitated by such removal so as to leave the premises in like condition as when taken except for ordinary wear and tear.

12. **Public Orders and Zoning.** Tenant shall, at its own expense, make all alterations, improvements, or repairs in the Leased Premises that may be ordered by public authorities, or required by changes in or additions to state and local zoning ordinances.

13. **Mechanical Failures.** Landlord shall not be liable for any damage to persons or property on account of the stoppage or failure of operation of any part of the mechanical plant of the building, or heating, air conditioning, plumbing or electrical facilities, whether for necessary or desirable repairs or improvements thereof, or occasioned by accident or other cause. All personal property in the Leased Premises shall be at the risk of Tenant only, and Landlord shall not be liable for any loss of or damage to said personal property, to said premises or to Tenant arising from the bursting, stoppage or leaking of water, gas, sewer or steampipes, the stoppage or failure of operation of any part of the mechanical plant of the building, or heating, air conditioning, plumbing or electrical facilities, or from any acts or neglect of co-tenants or other occupants of the building, or any other persons.

14. **Security.** Landlord shall not be liable for any injury to the person or property of the Tenant or any other persons caused by the criminal acts of third persons occurring at the Leased Premises.

15. **Insurance.**

(a) Tenant shall, at its own expense, maintain policies of fire and extended coverage insurance on the Leased Premises and on all of its trade fixtures, furnishings and equipment in an amount equal to the full insurable value of such property. At the request of Landlord at any time, Tenant shall furnish Landlord evidence that such insurance is in force.

(b) Tenant shall, at its own expense, provide and keep in force general public liability insurance protecting Tenant and Landlord against all claims for damages to person or property or for loss of life or of property occurring upon, in, or about the Leased Premises, the streets, gutters, sidewalks, curbs, or vaults adjacent thereto, to such limits as Landlord may reasonably, from time to time, require in respect to injuries to any one person, in respect to any one accident or disaster or incident of negligence, and in respect to property damage. Limits of \$1,000,000 in respect to injuries to any one person, \$1,000,000 in respect to any one accident or disaster or incident of negligence and \$1,000,000 in respect to property damage are deemed reasonable as of the date hereof.

(c) Tenant shall, at its own expense, provide and keep in force such other insurance against other insurable hazards in such amounts as may from time to time be required by Landlord, provided that such insurable hazards are commonly insured against with respect to similar premises, due regard being given to the height and type of construction, location, use and occupancy.

(d) Landlord shall obtain insurance on the Premises in amounts and with such terms that are commercially reasonable for a building of similar size and with similar uses.

16. **Compliance with Laws.** Tenant, under penalty of forfeiture and damages, agrees to promptly comply with all requirements of law and with all ordinances, regulations or orders of any state, municipal or other public authority affecting all or any part of the Leased Premises and with all requirements of the Board of Fire Underwriters or similar body and of any liability insurance company insuring the Landlord against liability for accidents in or connected with all or any part of the Leased Premises, and Tenant further agrees to save Landlord harmless from any and all penalties, fines or liabilities that may result from Tenant's failure to so comply.

17. **Destruction of Building.** In the event the Premises or Leased Premises shall be partially or totally destroyed by fire or other casualty insured under the insurance carried by Landlord, as to become partially or totally untenable, the damage to the Premises and Leased Premises shall be promptly repaired by Landlord, unless Landlord shall elect not to rebuild as provided below. The obligation of Landlord to reconstruct the Leased Premises shall be limited to the City's obligations under the Development Plan. All other reconstruction within the Leased Premises shall be the sole responsibility of Tenant. In no event shall Landlord be required to repair or replace Tenant's trade fixtures, furnishings or equipment. If any such fire or other casualty shall occur within eighteen (18) months of the end the term of this Lease or any renewal term, Landlord or Tenant may, at its option, terminate this Lease with written notice to the other party within thirty days of the destruction.

18. **Risk of Loss.** During the term of this lease, and any extension or renewal thereof, the risk of loss with respect to all risks insurable under a fire and extended coverage insurance policy meeting the requirements of the laws of the State of Michigan, together with the risk of loss with respect to all uninsurable losses to the premises which are subject to the control or prevention by Tenant, shall rest upon Tenant. (The parties agree that for purposes of interpreting the foregoing provision, an example of an uninsurable loss which shall be the responsibility of Tenant would be Tenant's failure, as possessor of the premises, to detect a malfunction in the heating system during the winter, resulting in the freezing and bursting of water pipes in the premises. If the freezing and bursting of the water pipes and consequent damage flowing therefrom is not covered by the insurance required to be maintained by Tenant, all such damages resulting therefrom are the responsibility of and must be paid for by Tenant.)

19. **Subrogation.** Tenant, its officers, agents or employees shall not be liable for damage to the Leased Premises or for interruption of rent resulting from any of the perils covered by fire and extended coverage insurance, or which would be covered if such insurance were in force, and Landlord agrees not to sue for such damage and that every applicable policy of insurance will contain or be endorsed with the standard waiver of subrogation clause. Landlord

shall not be liable for damage to the property or business of Tenant in or on the Leased Premises resulting from any of the perils covered if such insurance were in force, and Tenant agrees not to sue for such damage and that every applicable policy of insurance will contain or be endorsed with the standard waiver of subrogation clause.

20. **Liens and Encumbrances.** Tenant covenants that Tenant will not create or permit to be created or to remain, and will promptly discharge, at Tenant's sole cost and expense, any lien, encumbrance or charge upon the Leased Premises or any part thereof, or upon Tenant's leasehold interest therein, which lien, encumbrance or charge arises out of the use or occupancy of the Leased Premises by Tenant or by reason of any labor or materials furnished or claimed to have been furnished to Tenant or by reason of any construction, alteration, addition, repair or demolition of any part of the Leased Premises. The existence of any construction, mechanic's, laborer's, materialman's, supplier's or vendor's lien, or any right in respect thereof, shall not constitute a violation of this paragraph, if payment is not yet due upon the contract or for the goods or services in respect of which any such lien has arisen or where there is a good faith dispute relating thereto, provided that in such event Tenant shall promptly prosecute an action to resolve the validity of the lien. Nothing in this lease contained shall be construed as constituting the consent or request of Landlord, expressed or implied, to any contractor, subcontractor, laborer, materialman or vendor to or for the performance of any labor or construction, alteration, addition, repair or demolition of or to the Leased Premises or any part thereof. Notice is hereby given that Landlord will not be liable for any labor, services or materials furnished or to be furnished to Tenant, or to anyone holding the Leased Premises or any part thereof through or under Tenant, and that no mechanic's or other liens for any such labor or materials shall attach to the interest of Landlord in and to the Leased Premises.

21. **Assignment or Subletting.** Tenant shall not sublease, assign, mortgage, or encumber this lease without the prior written consent of the Landlord in each instance, which consent shall not be unreasonably withheld. If this lease is assigned, or if the Leased Premises or any part thereof is sublet, or occupied by anybody other than the Tenant, the Landlord may, after default by the Tenant, collect rent from the assignee, subtenant, or occupant and apply the net amount collected to the rent herein reserved. No such assignment, subletting, occupancy or collection shall be deemed a waiver of this covenant, or the acceptance of the assignee as tenant, or a release of the Tenant from the further performance by the Tenant of the covenants in this lease. The consent by the Landlord to an assignment shall not be construed to relieve the Tenant from obtaining the consent in writing of the Landlord to any further assignment.

22. **Eminent Domain.** If the Leased Premises are taken by a public authority under power of eminent domain, Tenant shall be entitled to a pro rata refund of any rent paid in advance. Landlord and Tenant, in any condemnation proceedings, shall each be entitled to recover their own damages, provided that Tenant agrees to cooperate with Landlord in Landlord's attempt to recover damages in any such condemnation proceedings and to furnish any and all information that Landlord may request in such attempt and provided further that Landlord agrees to cooperate with Tenant in Tenant's attempt to recover damages in any such condemnation proceedings and to furnish any and all information that Tenant may request in such attempt.

23. **Default and Repossession.** If the Leased Premises shall be deserted or vacated, or if proceedings are commenced against the Tenant in any court under a bankruptcy act or for the appointment of a trustee or receiver of the Tenant's property either before or after the commencement of the lease term, or if there shall be a default in the payment of rent or any part thereof for more than five days after written notice of such default by the Landlord, or if there shall be default in the performance of any other covenant, agreement, condition, rule or regulation herein contained or hereafter established on the part of the Tenant for more than twenty days after written notice of such default by the Landlord, this lease (if the Landlord so elects) shall thereupon become null and void, and the Landlord shall have the right to reenter or repossess the Leased Premises, either by force, summary proceedings, surrender, or otherwise, and dispossess and remove therefrom the Tenant, or other occupants thereof, and their effects, without being liable to any prosecution therefor. In such case, the Landlord may, at its option, relet the Leased Premises or any part thereof, as the agent of the Tenant, and the Tenant shall pay the Landlord the difference between the rent hereby reserved and agreed to be paid by the Tenant for the portion of the term remaining at the time of reentry or repossession and the amount, if any, received or to be received under such reletting for such portion of the term. The Tenant hereby expressly waives the service of notice of intention to reenter or of instituting legal proceedings to that end. Tenant agrees to pay all expenses and damages incurred by Landlord as a result of Tenant's default, including Landlord's attorney fees.

24. **Curing of Tenant's Default.** If Tenant shall fail to perform any of its obligations hereunder, Landlord may, if it so elects, and after five (5) days prior notice to Tenant, cure such default at Tenant's expense, and Tenant agrees to reimburse Landlord (as Additional Rent) for all costs and expenses incurred as a result thereof upon demand.

25. **Right to Show the Premises.** Tenant agrees that ninety (90) days prior to the expiration of the term of this lease, or any extension hereof, Landlord may display in and about the Leased Premises "For Rent" or "For Sale" signs and may have reasonable access to the Leased Premises for the purpose of exhibiting same to prospective tenants.

26. **Surrender.** Tenant shall quit and surrender the premises at the expiration of the lease term, in as good a state and condition as the premises were at the commencement of the term, reasonable use and wear thereof excepted.

27. **Holding Over.** It is agreed that any holding over by the Tenant upon expiration of the term of this lease or any extension hereof, shall operate as an extension of this lease from month to month only.

28. **Notices.** Any notice required to be given in writing under the provisions of this lease shall be deemed to be delivered if given personally to the party entitled to such notice or if deposited in the U.S. mail and addressed with the business address of the party entitled to such notice with postage thereon fully prepaid.

29. **Waiver.** One or more waivers of any covenant or condition by Landlord shall not be construed as a waiver of a subsequent breach of the same covenant or condition.

30. **Laws of Michigan to Govern.** This lease agreement shall be interpreted under the laws of the State of Michigan.

31. **Binding upon Successors and Assigns.** This lease shall be binding upon the parties hereto and their respective heirs, administrators, personal representatives, successors and assigns.

{Signatures appear on the following 2 pages.}

Landlord –
City of Muskegon Downtown Development Authority,
a Michigan municipal corporation

By: _____
Name: Eugene Fethke
Title: President
Date: June ____, 2016

Tenant–
West Michigan Rum Company,
a Michigan limited liability company

By: _____
Name: Peter C. Johnson
Title: Manager
Date: June ____, 2016

EXHIBIT A

Premises

EXHIBIT B

Leased Premises

EXHIBIT C

Blueprints

DEVELOPMENT AGREEMENT

This Development Agreement (the “Agreement”) is effective _____, 2016 (“Effective Date”), among the **City of Muskegon**, a Michigan municipal corporation, (“**City**”), **City of Muskegon Downtown Development Authority**, a Michigan municipal corporation (“**DDA**”), and **West Michigan Rum Company, LLC**, a Michigan limited liability company (“**Developer**”).

BACKGROUND

A. City owns a building known as the LC Walker Arena (the “**Building**”), which is located at 470 W. Western Ave., Muskegon, MI 49440 on the real property described on **Exhibit A (“Project Property”)**.

B. Developer has proposed to lease and develop a portion of the Building, as shown on the diagram attached as **Exhibit B (the “Project Space”)**. The City will build out the Project Space in accordance with the Development Plan submitted by Developer and attached to this Agreement as **Exhibit C (the “Development Plan”)** and the Project Plans as defined herein and attached as Exhibit D.

C. In order for Developer to obtain licensing with the Michigan Liquor Control Commission (“**License**”), City has agreed to convey the Building to DDA, and DDA has agreed to accept ownership of the Building (“**Property Transfer**”). In no event shall the Property Transfer take place until after the License has been granted.

D. The development and operation of the Project Space in accordance with the Development Plan and this Agreement is referred to in this Agreement as the “**Project**”.

AGREEMENT

ARTICLE I DEFINITIONS

The following definitions shall apply in the interpretation of this Agreement:

“**Applicable Law**” means all mandatory laws, statutes, codes, acts, ordinances, orders, judgments, decrees, injunctions, rules, regulations, permits, licenses, authorizations, directions and requirements of all federal, state or local governments, departments, commissions, boards, courts, authorities, agencies, officials and officers of governments which now or at any time hereafter may be applicable to and enforceable against the relevant work in question.

“Development Schedule” means the development schedule set out in the Development Plan as the same may be amended or modified from time to time with the approval of City;

“Event of Default” means if City, DDA or Developer fails or defaults, in the performance of an obligation under this Agreement, including, without limitation, failure to meet any deadlines or milestones set forth in the Development Schedule, and if such failure or default continues unremedied for a period of 20 days after written notice from a non-defaulting party of such failure or default.

“Project” means, collectively, the Project Space and all improvements to be constructed thereon;

“Project Property” means real property depicted on **Exhibit A** hereto; and,

“Project Plans” means the blue prints, construction plans and specifications relating to the construction and development of the Project evolving from the Development Plan, as amended from time to time, with the written approval of all parties.

ARTICLE 2 DEVELOPMENT OF PROJECT SPACE

2.1 Objectives.

Both City and Developer acknowledge common objectives which include the construction of a distillery, bar and restaurant within the Project Space to increase foot traffic in and around the Building, and the downtown Muskegon area in general.

2.2. Development of Project Space.

City agrees to construct the Project Space in accordance with the Development Plan and the Project Plans (“City Work”), including obtaining all necessary approvals and permits to complete City Work. Once City Work is complete and the Project Space is turned over to Developer, Developer shall install interior finishes, décor and electronics as more specifically described in the Development Plan (“Developer Work”) including obtaining all necessary approvals and permits to complete Developer Work. Upon completion of Developer Work, Developer shall operate the Project within the Project Space. In constructing the Project, both Parties agree to comply with all Applicable Laws as well as the terms of this Agreement.

The Development Plan shall track with the following phases:

(i) Upon full execution of this Agreement, the parties shall engage Concept Design Studio to prepare the Project Plans. Once the Project Plans are complete and approved in writing by both the City and the Developer, City will seek bids for the City Work. The cost of such drawings shall be shared equally between City and Developer.

(ii) After the parties agree as to the Project Plans, Developer shall enter into the lease with the DDA attached as **Exhibit E** (the “Lease”), and Developer shall apply for licensure (“Licenses”) with the Michigan Liquor Control Commission (“MLCC”). The legal fees incurred in connection with the preparation and execution of this Agreement and the Lease shall be shared equally between City and Developer. The cost obtaining the Licenses shall be paid solely by Developer.

(iii) After Developer has received initial approval of the Licenses from MLCC and the City has received all bids for City Work, City and the Developer shall agree in writing to proceed with the Project (“**Agreement to Proceed**”) Upon full execution of the Agreement to Proceed, City shall commence the City Work and transfer title to the Building to the DDA. Either party may elect not proceed. The cost of the City Work shall be paid solely by City.

(iv) Once the City work is complete or sooner if all Parties agree, Developer shall commence the Developer Work. The cost of the Developer Work shall be paid solely by Developer.

(v) Following completion of the City Work and Developer Work and complete all necessary testing. Developer will then conduct pre-opening operations and open for business to the public. The cost of testing, pre-operations and opening the Project shall be paid solely by Developer.

2.3 City Obligations.

With respect to the City Work, the City shall, at its own cost and expense, except as otherwise provided in this Agreement:

- (a) retain and oversee the performance of the Project architect and any other consultants for the Project;
- (b) ensure that all agreements with the Project architect and other consultants are on terms that provide for a release of any copyright in plans, designs, and other similar property (to the extent that such plans, designs, and other similar property may be used in the Project) and on terms that permit City the right to assume such agreements without interference by the other contracting party and without payment of any penalty;
- (c) obtain all other necessary governmental and other third party approvals pertaining to the City Work, including any necessary site plan approvals;
- (d) enter into all necessary development, site plan, servicing and other governmental and utility agreements in respect of the Project;

- (e) obtain the building permit and other necessary governmental approvals, consents, permits and licenses required for construction and operation of the Project in accordance with the Project Plans, Development Plan and this Agreement.
- (g) oversee the preparation of the tender packages, the bidding process and the selection of the successful contractors for the Project;
- (h) ensure that the general construction contract and the other construction contracts and consulting agreements permit City the right to assume such contracts without interference by the other contracting party and without payment of any penalty;
- (i) ensure that such performance bonds, labor and materials bonds, other bonds and sureties and such guarantees and warranties as are required by City have been provided or arranged, with City being shown as an obligee thereunder or other party benefited thereby;
- (j) arrange for satisfactory insurance for the Project;
- (k) except as specifically stated in the Development Plan, be responsible for all costs pertaining to the proposed development of the Project and all third party costs and expenses incurred by or on behalf of the City during the preconstruction and construction phases in respect of the Project and the preconstruction and construction activities pertaining to the Project; and,
- (l) establish, review, update and finalize the Development Schedule.

2.4 Project Integration.

The following terms shall apply to the integrated development and operation of the Project Space:

- (a) Developer will use reasonable efforts to coordinate construction activities so as to minimize disruption to the Building outside the Project Space;
- (b) City shall use all reasonable efforts to organize and coordinate the Building in a manner which minimizes disruption to Development Work and which ensures convenient access to the Project Space.

2.5 Developer Access.

Developer and its representatives and consultants shall have access to the Project Space at all times during construction and shall have the right to attend site meetings, among other things, for the purpose of monitoring preconstruction activities and confirming that such preconstruction activities are being proceeded with substantially in accordance with the Project Plans, Development Plan and shall have access, upon reasonable prior notice at all reasonable times, to all of the material, reports (including inspection and testing reports), studies, models and other documentation related to the Development Plan, including, without limitation, shop drawings, working drawings and construction details and, upon request, Developer shall be expeditiously provided with copies of all such documentation. Any cost in providing such materials shall be shared equally by City and Developer.

2.6 Standard of Performance.

City and Developer shall both perform the services and functions to be performed by it in a diligent and efficient manner, in keeping with the standards of the industry for projects comparable to the Project and in that regard, shall exercise the same degree of care, skill and supervision as would be exercised by a reasonable and prudent person who is experienced in performing like services and functions for projects of similar size, quality and use to those of the Project.

ARTICLE 3 TERMINATION

3.1 Rights of Termination.

In addition to any other rights or remedies available to the parties under this Agreement or Applicable Law, if an Event of Default shall have occurred the non-defaulting party may immediately terminate this Agreement upon written notice to the other party. In addition, either City or Developer may terminate this agreement upon written notice to the other parties at any time prior to execution of the Agreement to Proceed or in the event Developer is unable to obtain the License. In the event this Agreement is terminated, the Lease shall become null and void.

3.2 Remedies.

Any termination of this Agreement shall be with prejudice and the sole remedy of the Parties.

ARTICLE 4 MISCELLANEOUS

4.1. Amendment. Except as hereafter provided, this Agreement and any document or plan referred to herein may only be amended in writing, signed by all Parties.

4.2. Recording and Binding Effect. The obligations under this Agreement are covenants that run with the land, and thus bind successors in title of the Property. Any Party may record this Agreement at any time with the Muskegon County Register of Deeds.

4.3. Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the enforceability or validity of the remaining provisions and this Agreement shall be construed in all respects as if any invalid or unenforceable provision were omitted.

4.4. Notices. All notices, approvals, consents and other communications hereunder shall be in writing and, except when receipt is required to start the running of a period of time, shall be deemed given: (i) when delivered in person; (ii) when sent by fax or email (the sender shall also send "hard copy" following the fax or email; however, the notice shall be effective upon the transmission of the fax or email); (iii) two (2) days after depositing in the custody of a nationally-recognized receipted overnight delivery service with delivery fees prepaid; or (iv) five (5) days after posting in the United States Mail first-class or registered or certified mail, postage prepaid and return receipt requested. Notices shall be sent to the parties as follows:

To City: Frank Peterson
City Manager
933 Terrace Street
Muskegon, MI 49443-0536
231-724-6724
frank.peterson@shorelinecity.com

To Developer: Peter C. Johnson
468 East Circle Drive
North Muskegon, MI 49445
231-726-2550
pj@powerhousedistillery.net

To DDA: Gene Fethke
71 West Webster
Muskegon, MI 49440
616-722-2375
Email: _____

4.5 Waiver. No failure or delay on the part of any party in exercising any right, power, or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power, or privilege under this Agreement preclude further exercise thereof or the exercise of any other right, power, or privilege. The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights and remedies provided by law.

4.6. Governing Law. This Agreement is being executed and delivered and is intended to be performed in the State of Michigan and shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the laws of the State of Michigan that are applied to contracts made and to be performed in the State of Michigan without reference to conflicts of law principles.

4.7. Authorization. The parties affirm that their representatives executing this Agreement on their behalf are authorized to do so and that all resolutions or similar actions necessary to approve this Agreement have been adopted and approved.

4.8. Assignment. This Agreement may not be assigned by any party without the prior written consent of both other parties.

4.9 Counterparts. This Agreement may be executed in any number of counterparts, either by original or electronic signature, all of which when taken together shall be treated as the fully executed Agreement.

{Signatures appear on the following 3 pages.}

DEVELOPER-

West Michigan Rum Company,
a Michigan limited liability company

By: _____

Name: Peter C. Johnson

Title: Manager

Date: June ____, 2016

CITY-

City of Muskegon,
a Michigan municipal corporation

By: _____
Name: Stephen Gawron
Title: Mayor
Date: June ____, 2016

By: _____
Name: Ann Cummings
Title: City Clerk
Date: June ____, 2016

DDA-

City of Muskegon Downtown Development Authority,
a Michigan municipal corporation

By: _____

Name: Eugene Fethke

Title: President

Date: June ____, 2016

EXHIBIT A

Project Property

EXHIBIT B

Project Space

EXHIBIT C

Development Plan

Description of City Work	Description of Developer Work
All Demolition	Acquisition and installation of all equipment, furniture and fixtures to operate the Project
Construction of all walls, insulation, windows and doors all with fire rating standards applicable for the Project	Installation of all plumbing from shut-off valve installed as part of City Work to equipment that needs plumbing and sinks
Construction of ceiling with the Project Space	Wiring and installation of secondary lighting
Installation of all plumbing for the water supply (hot and cold), fire suppression and drainage for the Project, including shut-off valves and installation of all rest room fixtures, toilets, urinals, sinks and partitions. City may use current fixtures from current rest rooms.	Construction of the Bar, including bar finishes, electrical, lighting and plumbing
Wiring and installation of all power for the Project per code, including primary lighting and stubbed power for Project including secondary lighting and equipment.	All network infrastructure, including computers, routers, CAT 5, cabling and wiring
Installation of all HVAC ductwork and equipment, including kitchen hoods, hot water heaters, boiler, and distillery ventilation.	All necessary software for operation of the Project, including POS systems, spirit manufacturing software and management systems, website and apps
Construction of a new entrance to the Project Space at the corner of fourth and W. Western, including a roof (canopy), foyer, doors, door hardware, railings façade and sidewalks	All exterior signage
All floor repairs and finishes	Installation of sound systems, surveillance equipment
Installation of all gas supply lines and stubbed shut off valves for the Project.	All wall/décor treatments with the Project Space

This list may be modified during the creation of the complete Development Plan.

EXHIBIT D

Project Plans

EXHIBIT E

Lease