

January 10, 2023, 5:30 pm
Muskegon City Hall
933 Terrace Street, Muskegon, MI 49440

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Agenda Item Review Form

Muskegon City Commission

Commission Meeting Date: January 10, 2023	Title: Approval of Minutes
Submitted By: Ann Marie Meisch, MMC	Department: City Clerk
Brief Summary: To approve the minutes of the November 22, 2022 Regular Meeting, December 12, 2022 Worksession, and December 13, 2022 Regular Meeting.	
Detailed Summary: N/A	
Amount Requested: N/A	Amount Budgeted: N/A
Fund(s) or Account(s): N/A	Fund(s) or Account(s): N/A
Recommended Motion: To approve the minutes.	
For City Clerk Use Only: Commission Action:	

CITY OF MUSKEGON

CITY COMMISSION MEETING

NOVEMBER 22, 2022 @ 5:30 P.M.

MUSKEGON CITY COMMISSION CHAMBERS

933 TERRACE STREET, MUSKEGON, MI 49440

MINUTES

The Regular Commission Meeting of the City of Muskegon was held at City Hall, 933 Terrace Street, Muskegon, Michigan at 5:30 p.m., Tuesday, November 22, 2022, Reverend D.W. Tolbert, New Hope Baptist Church, opened the meeting with a prayer, after which the Commission and public recited the Pledge of Allegiance to the Flag.

Present: Mayor Ken Johnson, Commissioners, Rebecca St.Clair, Rachel Gorman, Michael Ramsey, Interim City Manager LeighAnn Mikesell, City Attorney John Schrier, and City Clerk Ann Meisch.

Absent: Vice Mayor Willie German, Jr., Commissioners Eric Hood and Teresa Emory

HONORS, AWARDS, AND PRESENTATIONS:

A. Years of Service Award/Recognition

The Mayor and Commissioners congratulated and thanked city employees for various levels of years of distinguished, loyal service. Certificates of Appreciation were presented to those employees that were in attendance.

PUBLIC COMMENT ON AGENDA ITEMS: Public comments were received.

2022-99 CONSENT AGENDA:

A. Approval of Minutes City Clerk

SUMMARY OF REQUEST: To approve the minutes of the October 25, 2022 Regular Meeting.

STAFF RECOMMENDATION: To approve the minutes.

B. Sale – 522 Ottawa Planning

SUMMARY OF REQUEST: City staff is seeking authorization to sell the City owned unbuildable vacant lot to West Urban Properties, LLC.

West Urban Properties LLC would like to purchase the City owned unbuildable lot to join with the property adjacent to it in order to construct commercial structure(s) on the lots (once combined) within eighteen (18) months. The property is zoned B-4 (General Business). The buyer made an offer of \$5,625 which is less than 75% of the True Cash Value (TCV). If this were a buildable lot; then the asking price would be \$11,250. There has been no interest in developing this property. The City has owned this property since 1983. There are easements on this property for the vacated Giddings Avenue as well as a telephone company easement.

STAFF RECOMMENDATION: To authorize the Code Coordinator to work with the developer and complete the sale of the City-owned buildable lot as described and to have the Mayor and Clerk sign the purchase agreement and deed.

C. Sale – 754 Leonard Planning

SUMMARY OF REQUEST: City staff is seeking authorization to sell the city-owned home at 754 Leonard in Jackson Hill to Nicole R. Blackshire.

The city is constructing a single-family detached home as part of our ARP infill housing program with Mr. Rubin Briggs and LRS Enterprises. Our contract to construct six homes was for \$1.5 million, and the estimated finished costs of this home will be \$235,000. We also anticipated \$10,000 in sales commissions. The accepted purchase price is \$220,000, and the incurred sales commissions are \$10,000. The City will not contribute funds toward closing costs outside of seller's agent commission.

STAFF RECOMMENDATION: To authorize the Code Coordinator to complete the sale of 754 Leonard Street, as described in the purchase agreement and for the Mayor and Clerk to sign the deed.

D. CSX Rail Line Acquisition City Manager

SUMMARY OF REQUEST: Staff is requesting that Commission authorize an extension to the closing deadline for the acquisition of the CSX Rail Line Property.

CSX is working on their contracted due diligence period for the closing of the Rail Line property and has requested an extension. The City Attorney's Office has prepared the attached amendment that has been mutually agreed upon.

STAFF RECOMMENDATION: To approve the Amended Closing Agreement as presented and authorize the Mayor and Clerk to sign.

E. Stormwater Maintenance Agreements Public Works

SUMMARY OF REQUEST: Staff seeks authorization to enter into stormwater maintenance agreements with two recent property owners, Newkirk Electric and Pioneer Resources, in accordance with the recently adopted stormwater ordinance.

The recently adopted stormwater ordinance requires that private developers subject to the rules enter into an agreement with the City. The agreement requires them to maintain their private stormwater system in perpetuity, because it connects to the City's system and good maintenance of the private system ensures problems do not migrate downstream and become the City's problems. Previously, developers subject to the rules were required to enter into these agreements with the County Drain Commissioner's Office; as a part of taking over management of our own stormwater ordinance, the City must now be a party to the agreements. We are required to enter into these agreements as a part of our responsibilities to the Michigan Department of Environment, Great Lakes and Energy (EGLE).

Two developments have gone through reviews under the City's rules during the transition process, and now seek to close out their stormwater permitting by completing the agreements. They are Newkirk Electric located at the corner of Roberts and Laketon, and Pioneer Resources, located at the corner of Roberts and Wesley.

The agreements, if approved, will be recorded at the County Register of Deeds and include requirements to make sure the property owner maintains the system and provides records of that maintenance to the City. EGLE will audit the City occasionally to make sure the maintenance and records are according to procedure.

Staff also seeks guidance as to whether the Commission would like these agreements to continue to come to Commission for approval, or if staff should develop a policy that authorizes an appropriate staff member to be designated to enter into these agreements on behalf of the City.

STAFF RECOMMENDATION: To authorize staff to enter into stormwater maintenance agreements with Newkirk Electric and Pioneer Resources in accordance with the recently adopted stormwater ordinance.

G. Amendment to Marihuana Overlay District – Drive Thrus/Signs 2nd Reading Planning

SUMMARY OF REQUEST: Staff-initiated request to amend Section 2331 of the zoning ordinance to reduce signage restrictions on marihuana businesses and to allow drive-thru marihuana facilities under certain conditions.

After discussing the proposed ordinance at the Planning Commission meeting, the board decided to slightly modify the proposal and request that all drive thru's require a special use permit. The final language approved in the motion is as follows:

Section 2331:

B. Grower, Excess Grower, and Processor Requirements:

1. Signage. Signage shall follow the regulations set forth by the underlying zoning district.
- C. Provisioning Center, Retailer, Microbusiness and Designated Consumption Establishment Requirements:
1. Signage. Signage shall follow the regulations set forth by the underlying zoning district.
 4. Curbside/Drive Thru. Curbside delivery is allowed at all retail sale locations with an approved site plan that does not impede traffic or pedestrian safety. Drive thru's are allowed as a special use permitted under the following conditions:
 - a. The underlying zoning designation must be B-2, B-4, MC, I-1, I-2 or any Form Based Code designation/building type that allows for drive thru businesses.
 - b. Drive-thru windows must be located on private property. Streets and alleys may only be used for the movement of traffic and may not be used for drive-thru vehicular stacking.
 - c. A traffic study must be performed showing anticipated number of stacking spaces and where they would be located on site.

STAFF RECOMMENDATION: To approve the request to amend Section 2331 of the zoning ordinance to reduce signage restrictions on marihuana businesses and to allow drive-thru marihuana facilities with the conditions listed as proposed.

Motion by Commissioner Ramsey, second by Commissioner Gorman, to accept the consent agenda as presented, minus item F.

ROLL VOTE: Ayes: Johnson, Ramsey, Gorman, and St.Clair

Nays: None

MOTION PASSES

2022-100 REMOVED FROM CONSENT AGENDA:

F. MDNR Conversion Assistance Public Works

SUMMARY OF REQUEST: Staff requests authorization to enter into a Professional Services Agreement with Ramboll for assistance in resolving the conversion of several grant-encumbered recreation properties throughout the City.

The Adelaide Pointe and Hartshorn Village projects are going to impact grant-encumbered recreation properties in the form of Hartshorn Marina and the Lakeshore Trail. As those development projects progress, the city will need to work with the MDNR and the National Park Service to ensure that the impacts to those and other encumbered properties are properly mitigated.

The MDNR manages this process on the state level and terms this as a “conversion,” wherein an area that is encumbered for public outdoor recreation is *converted* into another use. The encumbered area that is converted into non-recreation space must be replaced by an equal or greater value area that is newly dedicated to public outdoor recreation.

The MDNR allows for multiple conversions to be resolved concurrently. As such, we have requested assistance with other potential conversion properties, such as the Third Street Wharf, Fisherman’s Landing and Mid-Michigan Railroad Muskegon Lake south spur properties so that we may reach a more complete resolution that mitigates the possibility of future conversions.

No one on city staff has experience working through the multi-step process proscribed by the MDNR, so we have requested solicit proposals from interested firms to provide us technical assistance and experience in navigating the complex process.

Upon reviewing the proposals, it was clear that the first half of the MDNR-proscribed process is quite different from the second half. The first half involves identifying potential candidate new recreation properties and discussing their value with the MDNR, while the second half involves detailed appraisals and environmental work on properties that have been determined good candidates. To that end, staff recommends award only of the first half of the process at this time. This will help to ensure expensive appraisal and environmental services are only invested in good candidates, and will allow staff to more accurately budget for the second half of the process in the next fiscal year.

Staff is requesting to award the services for the first half of the process to Ramboll, the highest scoring firm. Staff scored the proposals using Qualifications Based Selection criteria to ensure we were selecting the best partner for this important project. The scoring showed Ramboll as the leading firm, and staff recommends contracting with them based on their proposal and their history of service. Ramboll has provided engineering services for partner organizations in the past, including award-winning service to WMSRDC for the Amoco Fish and Wildlife Habitat Restoration Project near the west end of Laketon Ave, which included repairs to the Lakeshore Trail from high water damage.

As was noted in July when the RFP for these services was presented to the Commission:

- This item was not included in the FY22-23 budget due to the unknown timelines for the development of the Adelaide Pointe and Hartshorn Village properties. With development now moving forward quickly, the properties are already considered to be under conversion by the MDNR, and this process needs to move forward to begin to resolve them.
- Entering into the conversion process will effectively eliminate the City from consideration for most MDNR grant programs until such time that the conversion is satisfactorily resolved. This does not include the Spark grant program, which does not have scoring implications for being in an active conversion.

The conversion process is expected to take at least a year to complete as some of the impacted properties are encumbered through the National Park Service and require federal concurrence.

AMOUNT REQUESTED: \$58,501

FUND OR ACCOUNT: 101-770 (Parks Maintenance)

STAFF RECOMMENDATION: Authorize staff to enter into a Professional Services Agreement with Ramboll for assistance in resolving the conversion of several grant-encumbered recreation properties throughout the city.

Motion by Commissioner St.Clair, second by Commissioner Gorman, to authorize staff to enter into a Professional Services agreement with Ramboll for assistance in resolving the conversion of several grant-encumbered recreation properties throughout the city.

ROLL VOTE: Ayes: Gorman, St.Clair, Johnson, and Ramsey

Nays: None

MOTION PASSES

2022-101 NEW BUSINESS:

A. First Quarter Budget Reforecast Finance

SUMMARY OF REQUEST: At this time staff is asking for approval of the 1st Quarter Budget Reforecast for the FY2022-23 budget year.

Staff has prepared the 1st Quarter Budget Reforecast memo outlining some of the highlights is attached and supporting documentation.

STAFF RECOMMENDATION: To approve the 1st Quarter FY 2022-23 Budget Reforecast as presented.

Motion by Commissioner Ramsey, second by Commissioner St.Clair, to approve

the 1st Quarter FY 2022-23 Budget Reforecast as presented.

ROLL VOTE: Ayes: Gorman, St.Clair, Johnson, and Ramsey

Nays: None

MOTION PASSES

ANY OTHER BUSINESS:

Commissioner St.Clair recognized the clerk and staff as well as other city staff that helped with the election. Mayor Johnson expressed the commission's appreciation to Interim City Manager, LeighAnn Mikesell, as this will be her last meeting as Interim.

Mayor Johnson invited all to the house swearing-in ceremony for Jonathan at 9:00 a.m. with light refreshments. The Mayor also invited all to participate in the Christmas Tree Lighting on Saturday, November 26, 2022 at 5:15 at Hackley Park.

PUBLIC COMMENT ON NON-AGENDA ITEMS: Public comments were received.

ADJOURNMENT: The City Commission meeting adjourned at 6:46 p.m.

Respectfully Submitted,

Ann Marie Meisch, MMC – City Clerk

CITY OF MUSKEGON
CITY COMMISSION WORKSESSION
Monday, December 12, 2022
5:30 pm
City Commission Chambers

MINUTES

Present: Commissioners Hood, Emory, Johnson, Gorman, and German.

Absent: Commissioners St. Clair and Ramsey.

Kris Collee - AgeWell Services – Presentation Regarding Senior Millage

Kris Collee gave a presentation regarding the services AgeWell Services offer through the Senior Millage program.

Long Term Goals Review

City staff has made great strides working on long term goals. The goals were approved in July 2022. Deputy City Manager LeighAnn Mikesell listed many projects that staff from all departments has been assisting with in the areas of destination community & quality of life, economic development, housing, and business, community connection, and financial infrastructure.

Muskegon Ordinance & Muskegon Social Equity Program Update

Staff is seeking guidance in the following areas:

How to spend this years Education/Hard Reduction funds

How to spend 2021 & 2022 Expungement Clinic funds

How to roll over unused funds from previous years

How to advertise for scholarships

Direction for 2023 funds

Mike Franzak reviewed the current guidelines and offered some suggested changes for tomorrow's Commission meeting.

The Commission discussed possibly doing a Request For Proposal for an expungement clinic and that the service be offered completely for free to any City of Muskegon resident. The RFP will be presented to the City Commission the first meeting in January.

The Commission would like to see education to younger people possibly through the school system and to provide discussion about the recreational use and possible repercussions with employment.

Crayton Goins, with Greenwood Gardens, 1839 Peck Street, would be willing to provide higher learning state-certified training and have offered to split the cost of the training with the City of Muskegon.

This item will be on the December 13, 2022 Commission meeting for consideration.

Brownfield and Infill Housing Presentation

Jake Eckholm presented a powerpoint presentation on the infill housing program. Most of the parcels and houses have been placed in the City's Brownfield Plan Amendment to recover costs and losses related to the program. The City also uses Tax Increment Financing that allows municipalities to withhold and retain other taxing jurisdictions funds for eligible expenses.

Any Other Business

Commissioner Emory indicated she has received several complaints of residents receiving parking tickets at Grand Trunk. She has been told this is for paid parking only for ice fishermen in the winter time.

The parking stickers are currently not available. Citizens may purchase a voucher for a sticker that can be turned in at a later date.

Public Comments

None.

Adjourn.

Moved by Commissioner Hood, seconded by Commissioner Emory to adjourn the meeting at 6:59 pm

Respectfully Submitted,

Ann Marie Meisch, MMC – City Clerk

CITY OF MUSKEGON

CITY COMMISSION MEETING

DECEMBER 13, 2022 @ 5:30 P.M.

MUSKEGON CITY COMMISSION CHAMBERS

933 TERRACE STREET, MUSKEGON, MI 49440

MINUTES

The Regular Commission Meeting of the City of Muskegon was held at City Hall, 933 Terrace Street, Muskegon, Michigan at 5:30 p.m., Tuesday, December 13, 2022, Reverend Diane Stark from Unity of Muskegon, opened the meeting with a prayer, after which the Commission and public recited the Pledge of Allegiance to the Flag.

Present: Mayor Ken Johnson, Vice Mayor Willie German, Jr., Commissioners Rachel Gorman, Michael Ramsey, and Teresa Emory, City Manager Jonathan Seyferth, City Attorney John Schrier, and City Clerk Ann Meisch.

Absent: Commissioners Michael Ramsey and Rebecca St.Clair

HONORS, AWARDS, AND PRESENTATIONS:

A. Recognition of 9/11 Event Participants by BSA Troop 1053

Dave Paulson, Scout Master of Troop 1053, and Eagle Scout Parker Macjewski presented certificates of Appreciation and Recognition to participants from two separate 9/11 events that were held at the USS LST 393 and USS Silversides. Those recognized included Mayor Johnson, 92nd District State Representative Terry Sabo, 34th District State Senator Jon Bumstead, Master of Ceremonies, James Flood, and Petty Officer First Class Jeff Fisher. An appreciation certificate and event patch were presented to each participant that was in attendance. All are invited to attend the events next year on September 11, 2023 at both the USS LST 393 and USS Silversides.

B. Recognition of Muskegon Police Officers

Public Safety Director, Chief Tim Kozal, recognized three officers of the Muskegon Police Department - Mike Lamsma promoted to Sergeant in 2018 and recently retired. Sergeant John Burns, promoted to his current position on December 22, 2022. Officer Al Hairston received the Black Magic Award from the Young Black Professionals Group on November 28, 2022 for serving as a positive role model.

C. New Staff Introductions – Planning & Economic Development

Jake Eckholm, Development Services Director, introduced Contessa Hood, Development Analyst, a new hire in the department. Contessa was born and raised in Muskegon, graduated from Reeth's Puffer and Central Michigan University and is excited to be here after being away from Muskegon for several years.

D. Resolution Presentation to Leo Evans, Outgoing Director of Department of Public Works

Mayor Johnson presented Leo Evans, Department of Public Works Director, with a resolution recognizing his service to the City of Muskegon. We all wish him the best at his new position in Colorado.

PUBLIC COMMENT ON AGENDA ITEMS: No public comments received.

2022-103 CONSENT AGENDA:

A. Approval of Minutes City Clerk

SUMMARY OF REQUEST: To approve the minutes of the November 7, 2022 Worksession Meeting.

STAFF RECOMMENDATION: To approve the minutes.

B. Sale of 1318 Pine Street City Manager

SUMMARY OF REQUEST: Staff is requesting approval of the purchase agreement for 1318 Pine Street.

1318 Pine Street was constructed through the agreement with Dave Dusendang to construct infill housing with ARPA funding.

STAFF RECOMMENDATION: To approve the purchase agreement for 1318 Pine Street.

D. Non-Union Part Time & Limited Term Wage Matrix EEO & Employee Relations

SUMMARY OF REQUEST: This is the proposed non-union, part-time and limited-term wage matrix for 2023.

STAFF RECOMMENDATION: Approve the non-union, part-time and limited-term wage matrix for 2023.

E. Amendments to the Muskegon Social Equity Program Application
Planning

SUMMARY OF REQUEST: Request to amend the programs and the requirements for the Muskegon Social Equity Program and associated application.

Changes include:

- Clarified how much funding an applicant may receive (Up to \$10,000 unless approved by the Commission).
- For "Education/Training Scholarship", "Business Start-Up Grant" and "Business Start-Up Loan", added a stipulation that a parent could also have had the conviction while the applicant was in school.
- Created a new category, the "Marihuana Industry Training Scholarship". This is for residents that want to get into the marihuana industry. There are more options to qualify for this than the "Education/Training Scholarship."
- Removed the "Marihuana Equipment Grant" category since it could be covered by the "Business Start-Up Grant."

STAFF RECOMMENDATION: To approve the changes to the Muskegon Social Equity Program and associated application as presented.

F. Roberts Street Reconstruction Award Public Works

SUMMARY OF REQUEST: Staff is requesting approval of a contract with McCormick Sand, Inc. in the amount of \$828,230.30 for the reconstruction of Roberts Street from Sherman to Laketon, with \$372,703.61 being covered by a TEDF Category F grant from MDOT.

On November 7, 2022, Commission approved a grant agreement with MDOT that awarded up to \$375,000 to the City for a Transportation Economic Development Fund (Category F) Grant, with the specific amount being 45% of the construction contract.

The City received bids on November 28, 2022, and McCormick Sand, Inc. was the low bidder at \$828,230.30. The grant, at 45%, will cover \$372,703.64 of the project cost, leaving \$455,526.66 for the City to pay out of the highway fund. The bids came in substantially below the estimate, so this request is for over \$200,000 less than was authorized at the time of the grant agreement. McCormick Sand has performed admirably for the City in the past, and staff recommends award.

AMOUNT REQUESTED: \$455,546.66 AMOUNT BUDGETED: \$825,000 Requested
\$31,880.07 Expended
\$793,119.93 Remaining

FUND OR ACCOUNT: 202 (Major Streets)

STAFF RECOMMENDATION: Approval of the contract with McCormick Sand, Inc. in the amount of \$828,230.30 for the reconstruction of Roberts street from Sherman to Laketon.

I. Muskegon Conservation District (MCD) Native Planting Project

Public Works

SUMMARY OF REQUEST: Staff is requesting a letter of support and commitment of matching funds to support a joint initiative with the Silversides Museum and the Muskegon Conservation District for a native planting project.

The Silversides Museum has worked with the City and Muskegon Conservation District (MCD) to identify several areas surrounding the museum campus that they would like to see converted into native plantings. Much of the area is currently maintained as lawn and provides limited recreational/pollinator value while requiring routine maintenance to maintain. The conversion of these areas to native plantings would achieve all of the goals outlined on page 2 of the 2018 Urban Pollinator Habitat Plan. This area was not specifically identified in the 2018 plan, however most of the areas that were identified have already been accomplished or have run into obstacles that have prevented or delayed implementation.

The project has received a letter of support from the Silversides Museum who is currently responsible for the maintenance of a portion of the designated area, and is also supported by City staff that maintain the remainder of the area. Staff from the Silversides Museum has also engaged the Beachwood-Bluffton Neighborhood Association and has solicited a letter of support from that group. Staff from the Silversides Museum will also be engaging with the six (6) residents along Channel Drive regarding the conversion of the property across from them.

MCD is currently in the process of applying for a grant through the Wildflower Association of Michigan to partially fund this project and is seeking a formal letter of support from the City, authorization to use the property (City is the underlying land owner of all the impacted property), and a commitment of up to \$4,500 in matching funds to support the invoiced implementation costs. In addition, the city will provide in kind services to support the implementation should the grant be successful by assisting with yard waste removal and cleanup on the site. A majority of the work will be completed by MCD staff with assistance from volunteer groups organized through the Silversides Museum.

Though this project was not specifically identified in the initial budget drafting the expense is relatively small and staff is comfortable that it can be allocated within the existing Parks budget with minimal to no adverse impacts.

AMOUNT REQUESTED: \$4,500 **AMOUNT BUDGETED:** \$0

FUND OR ACCOUNT: 101-770 (Parks Maint)

STAFF RECOMMENDATION: To authorize the DPW Director to sign the letter of support, the grant authorization and the property access letter, the MCD Cooperator

Agreement and commit up to \$4,500 in matching funds towards the project implementation should the grant be successful.

J. MDNR SPARK Grant Resolution Public Works

SUMMARY OF REQUEST: Staff is requesting approval of the resolution for inclusion with our SPARK Grant Application due on December 19, 2022.

Staff has been working to identify a potential target project for the newly established MDNR SPARK Grant program and based on previous staff recommendation and commission action staff is working towards submitting a packet related to reconstruction of the Muskegon Splash Pad.

An RFP was issued and proposals received from interested firms on Tuesday, November 29th. Staff is working to vet and shortlist the submitted proposals so they can be presented to the commission and community for feedback in help determining the best proposal for the site.

Given that the design and selection is not yet finalized at the application deadline, staff is pursuing a grant in the amount of \$250,000 and proposing that the remaining cost be provided by the city as a local match. This creates a variable match amount ranging from \$23,913.00 to \$218,300 depending on which design is selected to pursue.

Application packets are due on December 19th, 2022 with an expected quick turn around and announcement of the first-round recipients in January 2023. If the project is not successful in the first round of funding it will be automatically enrolled for consideration in future rounds of funding.

If the project is selected for funding in the first round it is possible that construction could take place as quickly as the Spring/Summer of 2023.

AMOUNT REQUESTED: \$23,913 - \$218,300 AMOUNT BUDGETED: \$0

FUND OR ACCOUNT: TBD

STAFF RECOMMENDATION: Approve the resolution and authorize the Clerk to sign.

K. Non-Union Pay/Benefits 2023 City Manager

SUMMARY OF REQUEST: Staff is seeking approval of the 2023 non-union employee wage and benefit program.

CPI is 8.5% this year. A review and comparison of past increases to union and non-union staff is noted below.

2021: union staff received from 1% - 3% increases with an average of 2.1%

Non-union staff received 0% plus a \$500 lump sum payment

2022: union staff received from 1% - 14.5% increases with an average of 4.6%

Non-union staff received a 2% wage increase plus a 0.5% lump sum payment

2023: union staff will receive from 0% - 16% increases with an average of 5.6%

Between 2020 and 2023, union staff have received an average of 11.2% in wage increases while non-union staff have received 2%.

We are seeking approval of the following:

8% wage increase

AMOUNT REQUESTED: \$3,536,331.47

AMOUNT BUDGETED: \$3,400,072.55

STAFF RECOMMENDATION: To approve the 8% wage increase for non-union staff effective January 1, 2023.

L. Virtual Public Participation Policy City Clerk

SUMMARY OF REQUEST: To adopt a virtual public participation policy.

The Legislative Committee requested a policy be drafted allowing citizens the ability too call in to make comment on any meeting played live on social media or television.

For any other meetings that fall under the Open Meetings Act, citizens must submit a request at least tow business days in advance. A zoom link will be provided to those individuals. They will have the ability to give up to three minutes of public comment.

STAFF RECOMMENDATION: To adopt the Virtual Public Participation Policy as presented.

M. Conservation Easement Agreement at Remembrance Drive Site Development Services

SUMMARY OF REQUEST: Staff is requesting that Commission authorize a conservation easement agreement between the City of Muskegon and James Street Capital, owner of the 500,000 square foot warehousing facility that is operated by KL Outdoors.

During the planning and construction of the large warehousing building in 2017 and 2018, MDEQ (now EGLE) cited a small piece of regulated wetland and the build-site. The Developers at the time requested that the city consider allowing a conservation easement on an adjacent, non-buildable city-owned parcel. This was principally agreed upon by all parties as a logical solution, but never completed. The agreement codifies the easement and completes the wetland mitigation process for this development.

Attached in this item is the easement agreement signed by the current owners of KL Outdoor, a letter from the city manager's office allowing a mitigation study and easement due diligence on our property, and an aerial photo illustrating the impacted wetland (which is now built on) in red and the proposed easement area in blue.

STAFF RECOMMENDATION: To approve the Conservation Easement Agreement as presented and authorize the Mayor and Clerk to sign.

O. CRC Recommendation Regarding Attendance Policy City Clerk

SUMMARY OF REQUEST: The CRC recommends making amendments to have a set number of excused and unexcused absences that is the same for all boards within the Community Relations Committees. The number of absences would be different depending on how often the board meets.

The CRC recommends making amendments to have a set number of excused and unexcused absences that is the same for all boards within the Community Relations Committees. The number of absences would be different depending on how often the board meets.

Meetings that meet monthly:

- Not more than 3 Unexcused missed meeting during the year.
- Not more the 4Excused/Absent missed meetings during the year.

Meetings that meet quarterly:

- Not more than 1 Unexcused missed meeting during the year.
- Not more the 2 Excused/Absent missed meetings during the year.

Meetings the meet semiannually:

- Not more than 1 Unexcused missed meeting during the year.
- Not more the 1 Excused/Absent missed meeting during the year.

Meetings that meet annually

- No Unexcused or Excused missed meetings permitted.

Definition of Terms:

Unexcused – Does not notify Board Liaison of absence and does not attend meeting.

Excused – Notifies Board Liaison of absence at least 72 hours in advance of missed meeting.

Absent – Reserved for emergency situations and up to the discretion of the Board Liaison and Community Relations Committee members.

STAFF RECOMMENDATION: To concur with the Community Relations Committee and adopt the revised Attendance Policy.

P. CRC Recommendation Regarding Reappointments to BID BoardCity Clerk

SUMMARY OF REQUEST: To concur with Community Relations Committee on

reappointments to Business Improvement District Board.

The CRC recommends reappointing Bruce Lindstrom and Bob Tarrant – Assessed property owners or their representatives – Terms Expiring 12/31/2025, to the Business Improvement District.

STAFF RECOMMENDATION: To approve the reappointments.

Motion by Commissioner Gorman, second by Commissioner Emory, to accept the consent agenda as presented, minus items C, G, H, and N.

ROLL VOTE: Ayes: Johnson, Hood, German, Gorman, and Emory

Nays: None

MOTION PASSES

2022-104 REMOVED FROM CONSENT AGENDA:

C. Good Temps Staffing Services Extension EEO & Employee Relations

SUMMARY OF REQUEST: The City is requesting an extension for the Good Temps Staffing Service Agreement of one year. This agreement will be from January – December, 2023.

STAFF RECOMMENDATION: To approve the one-year extension of the Good Temps Staffing Service Agreement for 2023.

Motion by Commissioner Gorman, second by Commissioner Emory, to approve the one-year extension of the Good Temps Staffing Service Agreement for 2023.

ROLL VOTE: Ayes: Johnson, Hood, German, Gorman, and Emory

Nays: None

MOTION PASSES

G. Hartshorn Marina 2023 Rates Public Works

SUMMARY OF REQUEST: Staff is seeking Commission approval to set the 2023 Rates for Hartshorn Municipal Marina.

Staff is proposing to set the rates at Hartshorn Marina for the 2023 season as follows, these rates are also currently under the review b MDNR for the 2023 season as follows, these rates are also currently under review by MDNR for their concurrence as a Grant-In-Aid Harbor which we are obligated to operate as through the 2024 boating season.

- 30 FT Slip = \$2,580 (2022 Rate = \$2,310)
- 40 FT Slip = \$3,440 (2022 Rate = \$3,080)
- 60 FT Slip = \$4,620 (2022 Rate = \$4,080)

- Mooring Field = \$583 (2022 Rate \$583)
- Transient = Range H (2022 Rate = Range G)

This is the first fee adjustment that has been proposed since the 2019 season. The marina was closed in 2020, and the rates shown above for 2022 were also used during the 2022 season.

It should be noted that since the loss of the T-Dock and the small boat basin following the high-water cycles there has been limited to no availability for transient slips. All of the 77 current slips are slated for seasonal slip holders and roughly half of the mooring field is reserved on an annual basis.

FUND OR ACCOUNT: 594

STAFF RECOMMENDATION: Approve the 2023 user fee rates as proposed for Hartshorn Marina provided the proposed rates are also approved by the Michigan Department of Natural Resources (MDNR).

Motion by Commissioner Emory, second by Vice Mayor German, to approve the 2023 user fee rates as proposed for Hartshorn Marina provided the proposed rates are also approved by the Michigan Department of Natural Resources (MDNR).

ROLL VOTE: Ayes: Hood, German, Gorman, Emory, and Johnson

Nays: None

MOTION PASSES

H. Sanitation Contract Extension Public Works

SUMMARY OF REQUEST: Staff is seeking Commission approval to adopt a proposed 5.5. Yearn Extension of Sanitation Services with Republic Services, Inc. to provide Solid Waste, Recycling, and Yard Waste Services for city residents.

The proposal from Republic Services proposed to largely extend the existing services in place. The major changes are as follows:

- 5.5 Year Extension (January 1, 2023 – June 30, 2028). Similar to previous extension terms but modified to align with the city fiscal year with a 4% rate increase on January 1, annually each year starting in 2024.
- Solid Waste cost per unit (residence) in 2023 at \$12.26/unit (2022 Rate is \$11.62/Unit)
- Recycling cost per unit in 2023 is \$4.78/Unit (2022 Rate is \$4.50/Unit)
- Solid Waste Cost is \$100/Load (2022 Rate is \$10.50/Ton or roughly \$125/Load)
- Offers a soft reopener clause for changes in material elements of work greater than 15% year over year.

- Provides complimentary service to several city utilized dumpsters around town that support Park and event operations.
- Provides that by 2027 Republic Services will implement a tracking mechanism to record which properties are collected and which are not on a daily basis and report that out in electronic format to the City. This information can be the basis of considering an alternative funding mechanism in future extensions if there is a desire to switch to a pay per use model rather than a pay per unit model, or to explore options that further incentivize recycling similar to how Grand Rapids handles their solid waste programming.
- No change to the bulk item (pink sticker) program, or the Neighborhood Dumpster Day program. Those remain in place at the costs established in previous contracts.

The current contract is set to expire at the end of the calendar year. Staff is very satisfied with the service that Republic provides in terms of the level of support and cooperation that is involved, as well as the price per unit to deliver this service to the city.

The first full year of the program is expected to cost approximately \$2.2 million. The 22/23 budget includes \$2.107 million for Republic Services. Being that on ½ of the fiscal year will fall under this new contract we expect that the 22/23 budgeted amount will very nearly cover the cost of this increase.

Revenue to support these costs are derived from the 3 mill sanitation fee levied on all properties in the city, in addition to the Sanitation Fee charged on all water bills, and any user fees collected for bulk item stickers, etc. These revenue sources should continue to fully support the expenses of this contract with the potential need for minor annual adjustments depending on the growth of the levied millage.

AMOUNT REQUESTED:	AMOUNT BUDGETED:
No Change to Budgeted Amount (22/23)	\$2.075M (22/23)
\$2.20 Million (23/24)	TBD (23/24, and beyond)
\$2.29 Million (24/25)	
\$2.38 Million (25/26)	
\$2.47 Million (26/27)	
\$2.57 Million (27/28)	

FUND OR ACCOUNT: 101-521 (Sanitation)

STAFF RECOMMENDATION: To approve the 5.5 year contract extension for sanitation with Republic Services, Inc.

Motion by Commissioner Gorman, second by Commissioner Hood, to approve the 5.5 year contract extension for sanitation with Republic Services, Inc.

ROLL VOTE: Ayes: German, Gorman, Emory, Johnson, and Hood

Nays: None

MOTION PASSES

N. 2023 FOP Contract City Manager

SUMMARY OF REQUEST: Staff is seeking approval of the proposed collective bargaining agreement with the Fraternal Order of Police Labor Council.

City staff and Fraternal Order of Police Labor Council representatives have agreed upon new contract items that would take effect January 1, 2023. A summary of the tentative agreements and wage scale is attached, and the FOP has ratified the contract. The new wage scale provides better distribution among classifications in patrol and command over time. There is an impact to the budget with the revised wages. The formal agreement is being prepared by counsel. The new agreement is beneficial to both parties. Staff is prepared to begin implementing the provision of the contract on January 1, 2023.

AMOUNT REQUESTED: \$97,341.55 increase AMOUNT BUDGETED: \$9,100,000

FUND OR ACCOUNT: 40301

STAFF RECOMMENDATION: To approve the collective bargaining agreement with the Fraternal Order of Police Labor Council as presented.

Motion by Commissioner Gorman, second by Commissioner Emory, to approve the collective bargaining agreement with the Fraternal Order of Police Labor Council as presented, which may be corrected for technical and grammatical reasons.

ROLL VOTE: Ayes: German, Gorman, Emory, Johnson, and Hood

Nays: None

MOTION PASSES

2022-105 NEW BUSINESS:

A. Housing Board of Appeals Demolition – 808 Oak Avenue Public Safety

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

The Housing Board of Appeals has deemed 808 Oak Avenue to be in property maintenance violation since 2016. Property has been a long-standing area of blight and public nuisance/hazard. Property includes a house, multiple outbuildings, two garages, and two large pole barns. House is gutted down to the studs, has multiple holes in the roof, and is unsecured. Garages, outbuildings, and pole barns are severely dilapidated. Staff has not been inside buildings so the extent of the dilapidation is unknown. Owner has expressed desire to sell property but has not provided any plan to bring the property or buildings into compliance. No permits have been applied for. HBA declared the house in September 2022. Owner has not been to any HBA meetings.

STAFF RECOMMENDATION: To concur with the Housing Board of Appeals decision to demolish and authorize administration to obtain bids for the demolition and that the Mayor and Clerk be authorized and directed to execute a contract for demolition with the lowest responsible bidder.

Motion by Commissioner Hood, second by Vice Mayor German, to refer this item back to the Housing Board of Appeals.

ROLL VOTE: Ayes: Gorman, Emory, Johnson, Hood, and German

Nays: None

MOTION PASSES

B. Adelaide Pointe Reimbursement Agreement City Manager

SUMMARY OF REQUEST: Staff is seeking approval of the development reimbursement agreement for Adelaide Pointe.

The development reimbursement agreement is the next step in the process of finalizing the city's partnership with the developer through the Brownfield Redevelopment Authority. This agreement provides the outline for how the partners will cooperate on funding the improvements to the site. The city will sell bonds for agreed upon expenses and be reimbursed through tax capture. The developer will also incur brownfield eligible expenses which will be repaid through tax capture. Individual addenda will be prepared, throughout the term of the development project, to reflect project phases. Each addendum will be presented to the BRA and the Commission for consideration and approval.

Staff hosted a public forum on October 3, 2022 to gather public input and answer questions about the development. The Brownfield Redevelopment Authority considered the agreement at their December 13, 2022 meeting.

STAFF RECOMMENDATION: To approve the development and reimbursement agreement for Adelaide Pointe.

Motion by Commissioner Gorman, second by Commissioner Hood, to approve the development and reimbursement agreement for Adelaide Pointe.

ROLL VOTE: Ayes: Gorman, Emory, Johnson, Hood, and German

Nays: None

MOTION PASSES

ANY OTHER BUSINESS: Vice Mayor German asked if there was an update on the Mart Dock property lawsuit in Circuit Court - no update at this time.

Chief Kozal provided information about parking at Grand Trunk. The ordinances that govern launch ramp parking 58-3 and 97-74.92-71 LO15 says that passes are required. Recommends making it so that the ordinances so that they are easier to read for our boat launch/marina. There is no enforcement at this time.

PUBLIC COMMENT ON NON-AGENDA ITEMS: Public comments were received.

ADJOURNMENT: The City Commission meeting adjourned at 6:45 p.m.

Respectfully Submitted,

Ann Marie Meisch, MMC – City Clerk

**AGREEMENT BETWEEN THE CITY OF MUSKEGON
AND
LAKESHORE CREATIVE SERVICES, LLC**

This agreement is made this 10th day of January, 2023, by and between **City of Muskegon**, a Michigan municipal corporation (“City”) and **Lakeshore Creative Service, LLC**, a domestic limited liability company (“Lakeshore”), who agree as follows:

RECITAL

1. The City desires to have its City Commission meetings recorded and broadcasted on its cable television, public educational, and governmental (“PEG”) access channels provided pursuant to federal law.
2. In exchange for broadcasting City Commission meetings, the City agrees to compensate Lakeshore and to encourage expansion of Lakeshore’s responsibilities and access to City’s Government Access Channel to broadcast programming consistent with PEG Channel purposes.

NOW THEREFORE, in consideration of the mutual promises and covenants set forth herein, the parties agree as follows:

SECTION 1. SCOPE OF SERVICES: Lakeshore shall provide the following services.

1.1 *BROADCASTING LOCAL GOVERNMENT PROGRAMMING.* Produce and broadcast, regularly scheduled, City Commission meetings, excluding work sessions, and meeting of other committees, boards and commissions that the City might require, and other reasonable programs or issues that the City Commission may deem necessary.

1.2 *OTHER ACTIVITIES.* Undertake other PEG access programming activities and services deemed appropriate by Lakeshore and consistent with the obligation to facilitate and promote PEG access programming and provide non-discriminatory access pursuant to an amendment(s) to this Agreement.

SECTION 2. COMPENSATION: City shall compensate Lakeshore as follows:

2.1 *CITY COMMISSION MEETINGS.* Lakeshore shall be paid \$450 per City Commission meeting. Payment shall be made in the calendar month following services provided.

2.2 *EQUIPMENT.* Lakeshore paid up to \$2,500 in 2019 for additional equipment, as approved in writing by the City Clerk. The equipment shall be owned by the City and shall be delivered to the City Clerk upon termination of this Agreement.

2.3 *EXTRA SERVICES.* City Clerk and Lakeshore may agree to additional services for a specified fee and insurance requirements. Such Agreement must be in writing and signed by both parties to be effective.

SECTION 3. COPYRIGHT:

3.1 *OWNERSHIP:* The City shall own the copyright of any programs that the City requests Lakeshore to produce and Lakeshore agrees to assign all such rights to the City and shall execute all documents reasonably requested to effect such assignment and registration of copyrights assigned. Copyright of all other programs shall be held by the person(s) who produced the program.

SECTION 4. NON-DISCRIMINATION IN: Lakeshore shall not discriminate in the delivery of services or against any person, employee, or applicant for employment or contract work on the basis of race, color, creed, religion, sex, sexual preference, marital status, ancestry, national origin or physical or mental disability.

SECTION 5. INDEPENDENT CONTRACTOR: It is understood and agreed that Lakeshore is an independent contractor and that no relationship of principal/agent or employer/employee exists between the City and Lakeshore. If in the performance of this Agreement and third persons are employed by Lakeshore, such persons shall be entirely and exclusively under the control, direction and supervision of Lakeshore. All terms of employment, including hours, wages, working conditions, discipline, hiring and discharging, or any other term of employment, shall be determined by Lakeshore and the City shall have no authority over such persons or terms of employment.

SECTION 6. ASSIGNMENT AND SUBLETTING: Neither this Agreement nor any interest herein shall be assigned or transferred by Lakeshore, except as expressly authorized in writing by the City.

SECTION 7. TERMS OF AGREEMENT: This Agreement shall be for a period of two years commencing January 10, 2023 and ending January 31, 2025, unless terminated earlier, as provided in this Agreement.

SECTION 8. TERMINATION OF AGREEMENT/TRANSFER OF ASSETS: Either party shall have the right upon sixty (60) days written notice.

SECTION 9. TIME: This is of the essence in this Agreement and for the performance of all covenants and conditions of this Agreement.

SECTION 10. COOPERATION: Each party agrees to execute all documents and do all things necessary and appropriate to carry out the provisions of this Agreement.

SECTION 11. APPLICABLE LAW: This Agreement shall be interpreted and enforced under the laws of the State of Michigan.

SECTION 12. NOTICES: All notices and other communication to be given by either party may be given in writing, depositing the same in the United States mail, postage prepaid and addressed to the appropriate party as follows:

TO: CITY OF MUSKEGON
Attn: City Clerk
933 Terrace Street
Muskegon, MI 49440

TO: LAKESHORE CREATIVE SERVICES, LLC
Attn: Andy O'Riley
NEED TO COMPLETE ADDRESS

Any party may change its address by written notice to the other party at any time.

SECTION 13. ENTIRE AGREEMENT: This Agreement is the entire agreement of the parties and supersedes all prior negotiations and agreements whether written or verbal. This Agreement may be amended only by written agreement and no purported verbal amendment to this agreement shall be valid.

CITY OF MUSKEGON

By _____
Ken Johnson, Its Mayor

By _____
Ann Marie Meisch, Its Clerk

LAKESHORE CREATIVE SERVICES, LLC

By _____
Andy O'Riley, Owner

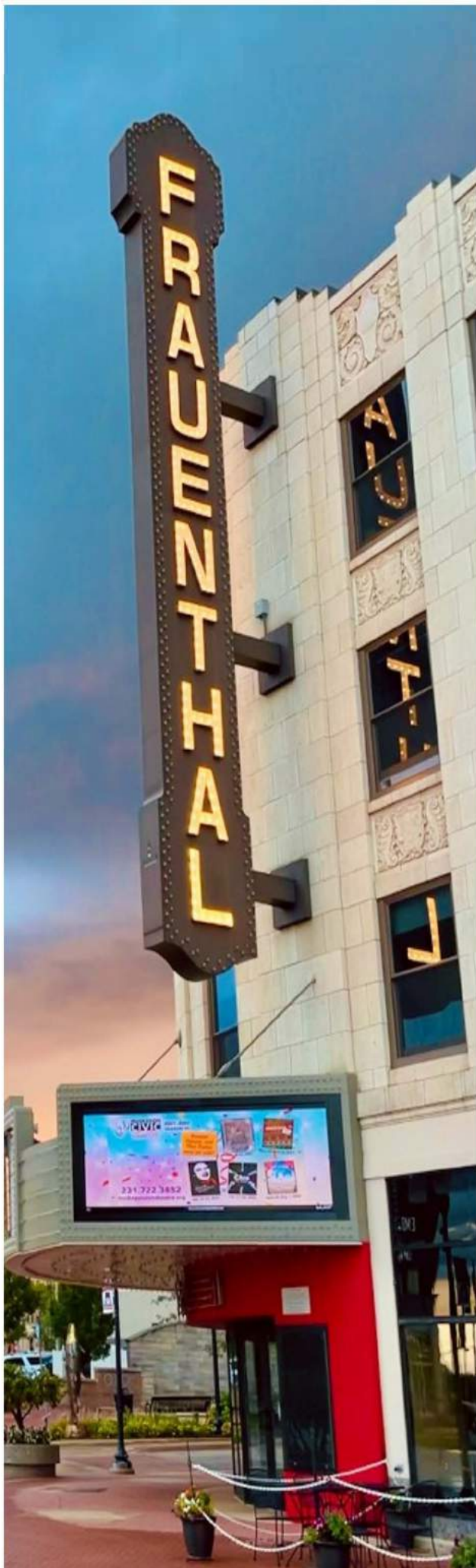
WATCH MUSKEGON

Agenda Item Review Form Muskegon City Commission

Commission Meeting Date: January 10, 2023		Title: Transmittal of 6/30/22 Annual Comprehensive Financial Report	
Submitted By: Kenneth D. Grant		Department: Finance Director	
Brief Summary: The City's June 30, 2022 Annual Comprehensive Financial Report (ACFR) will be distributed to the City Commissioners via email and hard copy. The ACFR will also be available on the City's website. The ACFR includes the annual independent auditor's report as required by state law. At this time the ACFR is being formally transmitted to the City Commission. The ACFR has been prepared in accordance with all current Governmental Accounting Standards Board (GASB) pronouncements and also includes the single audit of federal grants received by the City. CAFR2022.pdf (muskegon-mi.gov)			
Detailed Summary & Background:			
Goal/Focus Area/Action Item Addressed:			
Amount Requested:		Amount Budgeted:	
Fund(s) or Account(s):		Fund(s) or Account(s):	
Recommended Motion: To accept the June 30, 2022 ACFR and authorize staff to transmit the ACFR to appropriate Federal, State and private agencies.			
Approvals: <i>Get approval from division head at a minimum prior to sending to the Clerk.</i> Immediate Division Head ☒ Information Technology ☐ Other Division Heads ☒ Communication ☐ Legal Review ☒		Guest(s) Invited / Presenting No ☐ Yes ☒	
For City Clerk Use Only: Commission Action:			

Annual Comprehensive Financial Report City of Muskegon

Fiscal Year Ended June 30, 2022



**CITY OF MUSKEGON,
MICHIGAN**

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT
FOR THE YEAR ENDED
JUNE 30, 2022**

**Prepared By
FINANCIAL SERVICES DIVISION**

**Kenneth D. Grant
Finance Director**

**Jessica Rabe
Assistant Finance Director**

**Sarah Wilson
City Treasurer**

**Jason Boes
Information Systems Director**

**Hayden Nickell
Management Assistant**

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City of Muskegon

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



December 21, 2022

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

State law requires that every general-purpose local government publish, within six months of the close of each fiscal year, a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2022.

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

Brickley DeLong, PC, Certified Public Accountants, have issued an unmodified ("clean") opinion on the City of Muskegon's financial statements for the year ended June 30, 2022. The independent auditor's report is located at the front of the financial section of this report.

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

Profile of the government

The City of Muskegon operates under a commission-manager form of government and provides a full range of traditional municipal services. Policy-making and legislative authority are vested in the governing board (Commission) consisting of the mayor and six commissioners. Two commissioners are elected at large and each of the four ward commissioners is elected by the voters of their respective wards. Commission members serve four-year terms, with the two at large members elected every four years in odd years and the four ward commissioners elected every four years in even years. The Mayor is also elected at-large for a four-year term. The Mayor and Commission appoint the City of Muskegon's manager.



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

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

Local economy

The City of Muskegon is located in western Michigan on the shores of Lake Michigan. The City covers 18 square miles (including 4 miles of water) and, with a 2020 US Census population of 37,552 is the largest city on the eastern shore of Lake Michigan. The City is located in Muskegon County and is part of the Muskegon-Norton Shores Metropolitan Statistical Area (MSA), and the larger Grand Rapids-Wyoming-Muskegon Combined Statistical Area (CSA).

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

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



- Muskegon is the cultural hub for west Michigan with numerous museums and live performance venues: The Muskegon Museum of Art has one of the largest premier art collections in the Midwest, while the Lakeshore Museum Center provides insight into the area's storied past. The Lakeshore Museum Center's attractions include the Muskegon Heritage Museum, the former residences of lumber barons Charles H. Hackley and Thomas Hume, the Fire Barn Museum, and the Scolnik Depression Era House. Frauenthal Center for the Performing Arts operates throughout the year, hosting the West Michigan Symphony Orchestra and the Muskegon Civic Theater.
- Muskegon's downtown is home to dozens of monumental public art pieces, with new pieces acquired each year. In 2022, "*One Drop*," a 27-foot sculpture of a single drop of water, by Georgia artist Marc Moulton, was added to the public art collection outside the City's VanDyke Mortgage Convention Center along Shoreline Drive.
- Muskegon is home to three historic museum ships that attract thousands of visitors each year:
 - *USS Silversides*, a rare surviving World War II submarine maintained in pristine condition is docked at the Muskegon Lake Channel;
 - *LST-393*, a landing craft used in the D-day invasion and one of only two such vessels remaining in existence is docked downtown Muskegon at the West Michigan Dock and Market; and the
 - *Milwaukee Clipper*, a Great Lakes passenger ship built before the *Titanic* that for many years served as a cross-lake ferry between Muskegon and Milwaukee is docked in the Lakeside Business District.

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

The local economy has experienced some significant adjustments to the COVID-19 pandemic. However, headed into the pandemic, all local indicators pointed to a strong economy – with both corporate profits and income tax withholdings significantly higher than in previous years.

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



Long-term financial planning and major initiatives

The unassigned fund balance in the General Fund at year-end was 24.1% of total actual General Fund revenues for the preceding year. This amount was well above the policy guidelines set by the Commission for budgetary and planning purposes (i.e., 13% of total actual General Fund revenue for the preceding year). Adequate fund balances are maintained to allow the City to continue providing services to the community in case of unexpected emergencies or requirements and/or economic downturns.

The City incorporates a five-year fiscal forecast into its yearly budget process. The forecast is a macro-level projection of major revenue sources, expenses, and fund balances while accounting for identifiable factors, recent trends, and management's judgment as to future developments.

Among the City's major initiatives and accomplishments in the fiscal year 2021-22 were the following:

- Downtown Muskegon's Leonard Building, a five-story mixed-use building, began welcoming tenants in 2022; Samaritas opened a 50+ unit senior affordable apartment building; Terrace Street was reconstructed and turned into a traditional two-lane road from a large boulevard allowing for better connections between the core of downtown and businesses east of Terrace Street, including the Pine Street commercial corridor.
- Staff is nearing completion of an agreement to allow the City to acquire an old railroad line through the Nims and Lakeside neighborhoods. The acquisition will allow for the development of Windward Point in Lakeside and the conversion of much of the corridor into pedestrian and commuter bike trails.
- In 2019 the City started an ambitious infill housing program to provide new housing stock across the community. In 2022 the program constructed new homes in the Jackson Hill, Angell, McLaughlin, Nelson, and Campbell Field neighborhoods. Since the program's inception, the City has completed or initiated the construction of more than 125 homes. A portion of homes are available for rent or purchase to individuals and families at 120% or less of the Area Median Income (AMI).
- Progress continues to move forward on the Adelaide Point (which now includes the former Hartshorn Marina Village Development) and Viridian Shores Developments. These two waterfront developments will feature more than \$200 million in investments and create hundreds of new housing opportunities in the City.
- Parkland Properties announced in December 2022 it would be purchasing and redeveloping the former Shaw Walker property into a mix-use development.
- In 2022, the City approved site plans for the Lakeside Dunes development at the Muskegon Country Club. Phase one is underway and will see 34 single-family semi-custom club homes built and designed by David C. Bos Homes.



Relevant financial policies

The City of Muskegon has adopted a comprehensive set of financial policies used to ensure adequate protection of the City's assets from loss, theft, or misuse, and provide adequate accounting data to allow for the preparation of financial statements in conformity with generally accepted accounting principles.

Budgetary control is maintained through an annual budget resolution passed by the City Commission. Budgetary control at the functional level is maintained by review of estimated expenditures prior to making purchases. Encumbrances are not recorded in the City's funds. The City does, however, utilize an informal monitoring system to facilitate budgetary control over proposed purchases. Essentially, this system entails the use of on-line budgetary information that details year-to-date "actual versus budgeted" expenditure comparisons by budget category. This information is accessible to appropriate personnel to enable them to ascertain the budget status of an expenditure category prior to authorizing additional purchases.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Muskegon for its annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2020. This was the 34th consecutive year that the City has received this award. The City has submitted the June 30, 2021 ACFR for consideration but has not received award confirmation at this time. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR that satisfies both generally accepted accounting principles and applicable program requirements.

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

MUSKEGON



West Michigan's Shoreline City
www.shorelinecity.com

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

Respectfully submitted,

Jonathan C. Seyferth
City Manager

Kenneth D. Grant
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Muskegon
Michigan**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

Organizational Structure 2021-22

Mayor and City Commission

City Manager

Public Safety

Police
Fire
Code Enforcement

Environmental Code (SAFEbuilt)
Inspections (SAFEbuilt)
Prosecutions (Parmenter O'Toole)

Finance and Administrative Services

Finance Administration
Treasury/Income Tax
City Clerk
Information Systems
Public Relations
Elections
Risk Management
Employee Relations
Farmers Market

Human Resources (County)
Assessing (County)
LC Walker Arena (Two T's LLC)

Public Works

Streets/Highways
Utilities
Parks and Recreation
Cemeteries Sanitation
Streetlights

Consumers Energy
Republic Waste Services
County Wastewater

Development Services

Community Development
Neighborhood Services
Planning/Zoning
Economic Development
Strategic Planning
Special Events

Muskegon Area First

External Auditors
City Attorney
Planning Commission
Zoning Board of Appeals
Historic District Commission
Housing Code Board of Appeals
Board of Review
Income Tax Board of Review
Civil Service Commission
DDA/BRA
LDFA
BID Board
Equal Opportunities Committee
Local Officers Compensation Committee
Citizen's Police Review Board
CDBG District Council
Election Commission
Construction Board of Appeals
Housing Commission

Elected Officials

Independent Bodies

Municipal Executive

Division Heads

Frontline Staff

Contractual

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

June 30, 2022

ELECTED OFFICIALS

Mayor. Ken Johnson
At Large

Vice Mayor-Commissioner. Willie German
Ward 2

Commissioner. Eric Hood
Ward 1

Commissioner. Michael Ramsey
Ward 3

Commissioner. Teresa Emory
Ward 4

Commissioner. Rachel Gorman
At Large

Commissioner. Rebecca St. Clair
At Large

APPOINTED OFFICIALS

City Manager. Jonathan Seyferth

City Attorney. John C. Schrier

Finance Director. Kenneth D. Grant

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

City Commission
City of Muskegon
Muskegon, Michigan

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Muskegon, Michigan, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City of Muskegon, Michigan's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Muskegon, Michigan, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Change in Accounting Principle

As discussed in Note O to the financial statements, in the year ended June 30, 2022 the City adopted new accounting guidance, GASB Statement No. 87, *Leases*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

Responsibilities of Management for the Financial Statements–Continued

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

Auditor’s Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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



Muskegon, Michigan
December 21, 2022

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2022 MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the City of Muskegon's annual financial report presents our discussion and analysis of the City's financial performance during the fiscal year ended June 30, 2022. Please read it in conjunction with the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

The assets/deferred outflows of resources of the City of Muskegon exceeded its liabilities/deferred inflows of resources by \$114,024,323 as of June 30, 2022. The City has a deficit in unrestricted net position of \$22,513,368. The deficit in unrestricted net position is caused by the City's pension and other postemployment benefits plans liabilities.

The City's total combined net position increased by \$11,679,948 during the year ended June 30, 2022.

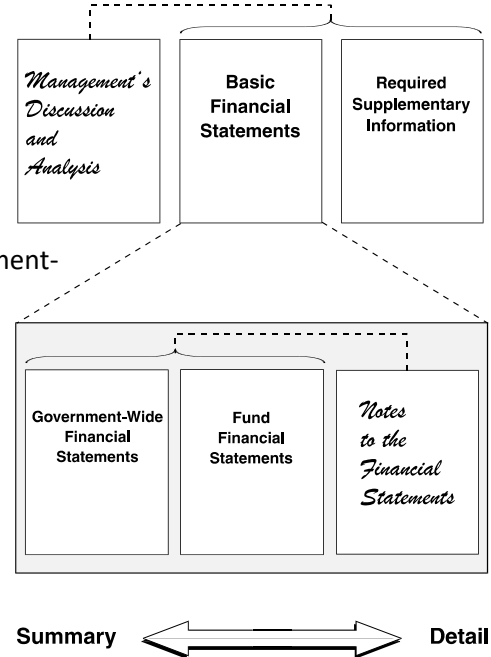
The City's governmental funds reported combined ending fund balance of \$19,965,055, an increase of \$3,672,527(23%) from the prior year.

The City's General Fund reported a total fund balance of \$10,861,373, a decrease of \$336,467 from the prior year balance of \$11,197,840.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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



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

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

Government-Wide Statements

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

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

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

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

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

Fund Financial Statements

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

The City has the following kinds of funds:

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

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

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

The total net position of the City was \$114,024,323 as of June 30, 2022. This is an increase of \$11,679,948 from reported net position for the prior year. An overview of the City's net position follows:

City's Net Position							
(In Thousands of Dollars)							
	Governmental		Business-Type		Total		Percentage
	Activities		Activities				
	6/30/2022	6/30/2021	6/30/2022	6/30/2021	6/30/2022	6/30/2021	Change
Current and other assets	\$53,203	\$40,446	\$6,947	\$8,568	\$60,150	\$49,014	22.72%
Capital assets	105,605	102,697	69,088	63,314	174,693	166,011	5.23%
Total Assets	158,808	143,143	76,035	71,882	234,843	215,025	9.22%
Deferred outflow s of resources	2,692	2,006	187	139	2,879	2,145	34.22%
Total Assets and Deferred Outflows of Resources	161,500	145,149	76,222	72,021	237,722	217,170	9.46%
Long-term liabilities	62,472	71,213	15,516	10,793	77,988	82,006	-4.90%
Current liabilities	23,700	22,650	3,225	6,804	26,925	29,454	-8.59%
Total Liabilities	86,172	93,863	18,741	17,597	104,913	111,460	-5.87%
Deferred inflow s of resources	17,219	3,147	1,564	219	18,783	3,366	458.02%
Total Liabilities and Deferred Outflows of Resources	103,391	97,010	20,305	17,816	123,696	114,826	7.72%
Net Position							
Net investment in capital assets	75,202	72,201	54,669	54,257	129,871	126,458	2.70%
Restricted	5,845	5,003	822	822	6,667	5,825	14.45%
Unrestricted	-22,938	-29,065	425	-874	-22,513	-29,939	-24.80%
Total Net Position	\$58,109	\$48,139	\$55,916	\$54,205	\$114,025	\$102,344	11.41%

The bulk of the City's net position \$129,870,436 represents investments in capital assets net of accumulated depreciation, less the remaining balance of debt issued to acquire those assets. These infrastructure assets are used to provide public services to citizens and are not available for spending.

Another \$6,667,255 of the City's net position are legally restricted as to use. The City has a deficit in unrestricted net position of \$22,513,368. The deficit in unrestricted net position is caused by the City's long-term pension and other postemployment benefits plans liabilities. The City's unrestricted net position improved \$7,425,502 during the year.

Changes in net position. The City's total revenues were \$80,880,919 for the year ended June 30, 2022. This represents a 4.12% increase over total revenues collected during the prior fiscal year. Approximately 37.9% of the City's revenue stream came from charges to users of specific services such as water or sewer. Another 13.7% came from grants from the state and federal governments and 23.7% was from local property and income taxes. The remainder was comprised of state revenue sharing and other sources such as franchise fees and investment income.

The total cost of all City programs and services for the year ended June 30, 2022 was \$69,200,971. This represents a 6.7% increase from reported expenses for the last fiscal year ended June 30, 2021. 74.2% of the City's expenses were for governmental activities such as police and fire protection, streets, parks, and general administration. The remaining 25.8% represents the costs of the City's business-type activities, specifically, water, sewer and marina operations.

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

As can be seen, net position for governmental activities increased \$9,969,730 and the net position for business-type activities increased by \$1,710,218. For governmental activities, most of these changes are related to the changes in the pension and other postemployment benefits plans. For business-type activities, the changes similarly represent the impact of the changes in the pension and other postemployment benefits plans.

Changes in City's Net Position							
(In thousands of dollars)							
	Governmental		Business-Type		Total		Percentage
	Activities		Activities				
	6/30/2022	6/30/2021	6/30/2022	6/30/2021	6/30/2022	6/30/2021	Change
Program revenues							
Charges for services	\$11,148	\$7,951	\$19,495	\$18,229	\$30,643	\$26,180	17.05%
Operating grants and contributions	11,024	9,839	-	-	11,024	9,839	12.04%
Capital grants and contributions	2,815	2,901	103	10,354	2,918	13,255	-77.99%
General revenues							
Property taxes	9,182	8,813	-	-	9,182	8,813	4.19%
Income taxes	10,020	9,609	-	-	10,020	9,609	4.28%
State shared revenues	15,303	6,427	-	-	15,303	6,427	138.10%
All other	1,802	3,580	24	10	1,826	3,590	-49.14%
Total revenues	61,294	49,120	19,622	28,593	80,916	77,713	4.12%
Governmental activities expenses							
Public representation	1,715	1,604	-	-	1,715	1,604	6.92%
Administrative services	914	826	-	-	914	826	10.65%
Financial services	5,473	5,040	-	-	5,473	5,040	8.59%
Public safety	13,387	18,249	-	-	13,387	18,249	-26.64%
Public works	4,688	4,026	-	-	4,688	4,026	16.44%
Highways, streets and bridges	7,309	6,863	-	-	7,309	6,863	6.50%
Community and economic development	9,857	5,000	-	-	9,857	5,000	97.14%
Culture and recreation	6,589	4,507	-	-	6,589	4,507	46.19%
General administration	511	404	-	-	511	404	26.49%
Interest on long-term debt	881	1,112	-	-	881	1,112	-20.77%
Business-type activities expenses							
Sewer	-	-	8,154	8,085	8,154	8,085	0.85%
Water	-	-	9,261	8,612	9,261	8,612	7.54%
Marina and launch ramp	-	-	461	515	461	515	-10.49%
Total expenses	51,324	47,631	17,876	17,212	69,200	64,843	6.72%
Change in net position before transfers	9,970	1,489	1,746	11,381	11,716	12,870	-8.97%
Transfers	-	-	(35)	35	(35)	35	-
Change in net position	9,970	1,489	1,711	11,416	11,681	12,905	-9.48%
Net position at beginning of year	48,138	46,650	54,205	42,789	102,343	89,439	14.43%
Net position at end of year	\$58,108	\$48,139	\$55,916	\$54,205	\$114,024	\$102,344	11.41%

Governmental Activities

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

- The operational cost of all governmental activities during the year ended June 30, 2022 was \$51,324,518.
- The net cost that City taxpayers paid for these activities through local property taxes and income taxes was \$19,202,554, or about 37% of the total.
- The remaining cost was paid by user charges to those directly benefitting from the programs or by state and federal grants and contributions or use of net position.

Net Cost of Selected City Functions (in thousands of dollars)						
	Total Cost of Services			Net Cost of Services		
	6/30/2022	6/30/2021	% Change	6/30/2022	6/30/2021	% Change
Governmental activities						
Public safety	\$13,387	\$18,249	-26.64%	\$10,703	\$14,257	-24.93%
Public works	4,688	4,026	16.44%	3,831	3,131	22.36%
Highways, streets and bridges	7,309	6,863	6.50%	672	864	-22.22%
Community and economic development	9,857	5,000	97.14%	6,329	(78)	-8214.10%
Culture and recreation	6,589	4,507	46.19%	-2,430	2,102	-215.60%
All other	9,494	8,986	5.65%	7,233	6,664	8.54%
Total governmental activities	\$51,324	\$47,631	7.75%	\$26,338	\$26,940	-2.23%

Business-Type Activities

The financial goal of the City's business-type activities (i.e. water, sewer and marina and launch ramp operations) is to operate on a self-supporting basis without making significant profit or needing general tax subsidies. For the fiscal year ended June 30, 2022, the City's total business-type activities realized an overall increase in net position of \$1,710,218.

Sewer Fund net position increased \$2,086,272 primarily from the result of adjustments to utility rates. The Water Fund saw a net position decrease of \$323,415. Marina and Launch Ramp Fund net position decreased \$171,475.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The fund financial statements provide detailed information about the major City funds, not the City as a whole. The City's major funds for the fiscal year ended June 30, 2022 were the General Fund, the Major Street and Trunkline Fund, and the State Grants Fund.

General Fund Highlights

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

Year Ended	Year-End Unassigned Fund Balance	Year-to-Year % Change	Prior Year's Revenues	Unassigned Fund Balance as a % of Prior Year Revenues (Policy Target=13%)
6/30/2022	\$7,981,674	-12.50%	\$33,056,483	24.15%
6/30/2021	9,121,955	54.06%	29,653,448	30.76%
6/30/2020	5,920,869	-9.79%	28,747,772	20.60%
6/30/2019	6,563,511	1.46%	28,729,919	22.85%
6/30/2018	6,469,108	5.22%	27,051,766	23.91%

For the year ended June 30, 2022, General Fund revenues were \$326,085 higher than the final amended budget estimate due to higher than anticipated income taxes and revenue sharing.

General Fund expenditures were \$42,712 lower than projected in the final amended budget.

Major Street and Trunkline and State Grant Fund Highlights

The Major Street and Trunkline Fund accounts for all of the City's street construction and maintenance activities on its primary road system. Primary funding comes from the State of Michigan. For the year ended June 30, 2022, the fund balance of the Major Street and Trunkline Fund increased \$1,112,193.

The State Grants Fund received \$11,440,947 in funding from the American Rescue Plan Act (ARPA) which will be expended over the next few years.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2022, the City had invested \$174,692,339 in a variety of capital assets, including land, streets, equipment, buildings, water and sewer lines, and vehicles. This is an increase of \$8,681,233 from capital assets reported as of June 30, 2021. The increase is due to current year additions offset by normal depreciation of assets. Note G of the notes to the basic financial statements provides detailed information on the City's capital asset investment.

Long-Term Debt

At June 30, 2022, the City had \$47,507,897 in bonds and other long-term obligations outstanding. This represents a 12.8% increase from the prior year. The City issued new debt for a fire truck and water and sewer improvements.

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

Bond Ratings

The City's limited full faith and credit bonds (bonds guaranteed by the City's taxing powers) were upgraded by Standard & Poor's from a rating of "A+" to "AA-" in early 2016. The City's rating remained at "AA-" in 2022.

City's Long Term Debt – Bonds and Other Obligations

(In thousands of dollars)

	Governmental		Business-Type		Total		Percentage
	<u>Activities</u>		<u>Activities</u>		<u>Total</u>		<u>Change</u>
	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2022</u>	<u>6/30/2021</u>	
Due within one year	\$1,720	\$1,526	\$1,359	\$1,312	\$3,079	\$2,838	8.49%
Due in more than one year	<u>31,094</u>	<u>31,257</u>	<u>13,335</u>	<u>8,015</u>	<u>44,429</u>	<u>39,272</u>	<u>13.13%</u>
Total bonds & other obligations	\$32,814	\$32,783	\$14,694	\$9,327	\$47,508	\$42,110	12.82%

In addition to direct City debt, component units such as the Downtown Development Authority (DDA) and Local Development Finance Authority (LDFA) had outstanding debt totaling \$1,096,547 at year-end as shown in the table below. This represents a decrease of 18.9% from the prior year.

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

Component Unit Long Term Debt – Bonds and Other Obligations

(In thousands of dollars)

	Local Development Finance Authority		Total		Percentage
	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>Change</u>
Due within one year	\$255	\$245	\$255	\$245	4.08%
Due in more than one year	<u>842</u>	<u>1,107</u>	<u>842</u>	<u>1,107</u>	<u>-23.94%</u>
Total bonds & other obligations	\$1,097	\$1,352	\$1,097	\$1,652	-18.86%

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City's fiscal year 2022-23 capital budget anticipates spending \$20,841,772 for capital projects, consisting of street improvements, water and sewer system improvements, scheduled equipment replacements, the rehab of houses in a city neighborhood and the replacement of fire department rescue equipment.

From an operating standpoint, the City's 2022-23 budget will be relatively stable while the City attempts to maintain a healthy fund balance and allow time to plan for and address economic challenges with a long-term solution:

- The full-time personnel complement will increase slightly to approximately 260.5.
- Some user fees will be increased and new fees recommended during the course of the year.
- The City will continue to look for opportunities to partner with other entities to deliver quality services in a cost-effective manner (e.g. Farmers' Market kitchen management, Marsh Field and recreation programs).

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

Local Income Tax

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

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

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

Income tax revenues increased 8.1% from \$9,256,826 for the year ended June 30, 2021 to \$10,002,623 for the year ended June 30, 2022. For 2022-23, the City has estimated income tax revenue to be \$10,250,000.

Year	City Income Tax Revenues	Percent Change
6/30/2022	\$10,002,623	8.1%
6/30/2021	\$9,256,826	1.3%
6/30/2020	\$9,137,714	5.1%
6/30/2019	\$8,691,673	-0.8%
6/30/2018	\$8,758,674	1.7%

Local Property Tax

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

For 2022-23, the City tax levy will be at 9.7880 mills for general operations and 2.9364 mills for sanitation service. We project that \$8,150,000 in total property tax revenue will be collected during fiscal year 2022-23.

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

State Shared Revenues

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

Year	State Shared Revenues	Percent Change
6/30/2022	\$5,087,587	7.5%
6/30/2021	\$4,733,888	14.9%
6/30/2020	\$4,117,935	-3.6%
6/30/2019	\$4,271,438	2.8%
6/30/2018	\$4,153,072	2.8%

For 2022-23, the City projects \$5,063,948 in state shared revenues.

Street Funds

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

Year	Street Revenues from State	Percent Change
6/30/2022	\$6,271,210	5.2%
6/30/2021	\$5,961,524	9.4%
6/30/2020	\$5,450,220	6.2%
6/30/2019	\$5,134,277	1.4%
6/30/2018	\$5,060,936	25.9%

Based on recent legislative changes, the City began seeing increases in street funding that will carry into future years. At this time, the City is projecting street revenues for fiscal year 2022-23 of \$5,791,000.

Water and Sewer Fees

From a government-wide entity perspective, combined water and sewer fees represent one of the City's largest income streams, totaling \$18,871,053 during the year ended June 30, 2022. Charges to customers are based on the amount of metered services used times rates periodically set by the City Commission. During the year ended June 30, 2022 water rates increased by 4%. Water rates will increase by 4% in the next fiscal year to pay for improvements being made at the Water Filtration Plant. The City began providing treated water to the City of Norton Shores and Fruitport Charter Township in May 2015. The addition of these two new large municipal customers allows the spreading of water treatment costs over a larger customer base while remaining well within the plant's rated treatment capacity.

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

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

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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

FINANCIAL STATEMENTS

City of Muskegon
STATEMENT OF NET POSITION
June 30, 2022

	Governmental Activities	Business-type Activities	Total	Component Units
ASSETS				
Current assets				
Cash and investments	\$ 34,483,950	\$ 1,883,569	\$ 36,367,519	\$ 403,928
Assets managed by others	1,356,585	-	1,356,585	-
Receivables				
Accounts and notes	4,081,055	3,142,057	7,223,112	32,616
Leases	384,081	83,003	467,084	-
Due from other governmental units	2,201,173	132,610	2,333,783	-
Internal balances	458,620	(458,620)	-	-
Due from component units	64,211	-	64,211	-
Inventories	38,867	327,524	366,391	-
Prepaid items	560,480	149,850	710,330	-
Total current assets	43,629,022	5,259,993	48,889,015	436,544
Noncurrent assets				
Restricted cash and investments	-	829,000	829,000	-
Advances to component units	1,046,980	-	1,046,980	-
Leases receivable, less amounts due within one year	7,868,565	857,733	8,726,298	-
Notes receivable, less amounts due within one year	658,160	-	658,160	-
Capital assets, net				
Nondepreciable	22,269,876	14,966,408	37,236,284	400,000
Depreciable	83,334,823	54,121,232	137,456,055	589,881
Total noncurrent assets	115,178,404	70,774,373	185,952,777	989,881
Total assets	158,807,426	76,034,366	234,841,792	1,426,425
DEFERRED OUTFLOWS OF RESOURCES				
Related to pension	1,741,007	121,033	1,862,040	-
Related to other postemployment benefits	951,112	66,120	1,017,232	-
Total deferred outflows of resources	2,692,119	187,153	2,879,272	-
Total assets and deferred outflows of resources	161,499,545	76,221,519	237,721,064	1,426,425

The accompanying notes are an integral part of this statement.

City of Muskegon
STATEMENT OF NET POSITION—CONTINUED
June 30, 2022

	Governmental Activities	Business-type Activities	Total	Component Units
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	\$ 5,865,462	\$ 848,762	\$ 6,714,224	\$ 119,386
Due to other governmental units	22,189	903,943	926,132	2,000
Due to primary government	-	-	-	64,211
Short-term note	84,297	-	84,297	-
Unearned revenues - unused Farmers Market tokens	26,331	-	26,331	-
Unearned revenues - expenditure-driven grants	15,914,190	-	15,914,190	-
Unearned revenues - prepaid events	67,658	-	67,658	-
Unearned revenues - prepaid fees	-	113,943	113,943	-
Bonds and other obligations, due within one year	1,720,469	1,358,700	3,079,169	255,000
Total current liabilities	23,700,596	3,225,348	26,925,944	440,597
Noncurrent liabilities				
Advances from primary government	-	-	-	1,046,980
Bonds and other obligations, less amounts due within one year	31,093,831	13,334,897	44,428,728	841,547
Net pension liability	29,044,232	2,019,117	31,063,349	-
Net other postemployment benefits liability	2,333,505	162,222	2,495,727	-
Total noncurrent liabilities	62,471,568	15,516,236	77,987,804	1,888,527
Total liabilities	86,172,164	18,741,584	104,913,748	2,329,124
DEFERRED INFLOWS OF RESOURCES				
Related to leases	8,252,646	940,736	9,193,382	-
Related to pension	6,498,416	451,762	6,950,178	-
Related to other postemployment benefits	2,467,870	171,563	2,639,433	-
Total deferred inflows of resources	17,218,932	1,564,061	18,782,993	-
Total liabilities and deferred inflows of resources	103,391,096	20,305,645	123,696,741	2,329,124
NET POSITION				
Net investment in capital assets	75,201,511	54,668,925	129,870,436	(106,666)
Restricted				
Highways, streets and bridges	3,244,753	-	3,244,753	-
Debt service	-	822,000	822,000	-
Trinity Health Arena	61,968	-	61,968	-
Law enforcement	23,161	-	23,161	-
Business improvement districts	176,733	-	176,733	-
Perpetual care				
Expendable	477,332	-	477,332	-
Non-expendable	1,687,702	-	1,687,702	-
Other purposes	173,606	-	173,606	-
Unrestricted	(22,938,317)	424,949	(22,513,368)	(796,033)
Total net position	\$ 58,108,449	\$ 55,915,874	\$ 114,024,323	\$ (902,699)

The accompanying notes are an integral part of this statement.

City of Muskegon
STATEMENT OF ACTIVITIES
For the year ended June 30, 2022

Functions/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units
					Governmental Activities	Business-type Activities	Total	
Primary government								
Governmental activities								
Public representation services	\$ 1,715,050	\$ 324,314	\$ -	\$ -	\$ (1,390,736)	\$ -	\$ (1,390,736)	\$ -
Administrative services	913,923	715,421	-	10,691	(187,811)	-	(187,811)	-
Financial services	5,473,498	1,085,220	50,000	-	(4,338,278)	-	(4,338,278)	-
Public safety	13,387,378	2,680,675	3,447	-	(10,703,256)	-	(10,703,256)	-
Public works	4,687,660	854,793	2,000	-	(3,830,867)	-	(3,830,867)	-
Highways, streets and bridges	7,308,858	522,779	6,114,381	-	(671,698)	-	(671,698)	-
Community and economic development	9,857,082	498,766	3,029,193	-	(6,329,123)	-	(6,329,123)	-
Culture and recreation	6,588,542	4,389,524	1,825,037	2,804,428	2,430,447	-	2,430,447	-
General administration	511,323	76,182	-	-	(435,141)	-	(435,141)	-
Interest on long-term debt	881,204	-	-	-	(881,204)	-	(881,204)	-
Total governmental activities	51,324,518	11,147,674	11,024,058	2,815,119	(26,337,667)	-	(26,337,667)	-
Business-type activities								
Sewer	8,153,673	10,298,642	-	-	-	2,144,969	2,144,969	-
Water	9,261,276	8,903,549	103,208	-	-	(254,519)	(254,519)	-
Marina and launch ramp	461,504	292,416	-	-	-	(169,088)	(169,088)	-
Total business-type activities	17,876,453	19,494,607	103,208	-	-	1,721,362	1,721,362	-
Total primary government	\$ 69,200,971	\$ 30,642,281	\$ 11,127,266	\$ 2,815,119	(26,337,667)	1,721,362	(24,616,305)	-
Component units								
Local Development Finance Authority - SmartZone	\$ 197,647	\$ -	\$ -	\$ 200,000	-	-	-	2,353
Downtown Development Authority	810,219	-	655,765	-	-	-	-	(154,454)
Tax Increment Finance Authority	50,000	-	-	-	-	-	-	(50,000)
Brownfield Redevelopment Authorities	666,005	-	-	-	-	-	-	(666,005)
Total component units	\$ 1,723,871	\$ -	\$ 655,765	\$ 200,000	-	-	-	(868,106)
General revenues								
Property taxes					9,182,184	-	9,182,184	1,139,110
Income taxes					10,020,370	-	10,020,370	-
Cable franchise agreement					369,420	-	369,420	-
Grants and contributions not restricted to specific programs					15,303,423	-	15,303,423	36,895
Unrestricted investment earnings					(644,067)	23,856	(620,211)	1,357
Miscellaneous					918,179	-	918,179	674
Gain on sale of capital asset					1,122,888	-	1,122,888	-
Transfers					35,000	(35,000)	-	-
Total general revenues and transfers					36,307,397	(11,144)	36,296,253	1,178,036
Change in net position					9,969,730	1,710,218	11,679,948	309,930
Net position at beginning of year					48,138,719	54,205,656	102,344,375	(1,212,629)
Net position at end of year					\$ 58,108,449	\$ 55,915,874	\$ 114,024,323	\$ (902,699)

The accompanying notes are an integral part of this statement.

City of Muskegon
BALANCE SHEET
Governmental Funds
June 30, 2022

	General Fund	Major Street and Trunkline Fund	Trinity Health Arena Fund	State Grants Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and investments	\$ 8,027,306	\$ 2,900,461	\$ -	\$ 16,995,473	\$ 3,001,131	\$ 30,924,371
Assets managed by others	-	-	-	-	1,356,585	1,356,585
Receivables						
Accounts and loans (net of allowance for uncollectibles)	254,404	66,400	1,456,956	-	989,779	2,767,539
Property taxes	60,397	-	-	-	-	60,397
Income taxes	1,578,087	-	-	-	-	1,578,087
Leases	3,794,403	-	4,458,243	-	-	8,252,646
Due from other governmental units	939,809	707,096	-	49,049	505,219	2,201,173
Due from other funds	2,396,560	-	-	-	-	2,396,560
Due from component units	64,211	-	-	-	-	64,211
Advances to component units	600,000	-	-	-	148,994	748,994
Prepaid items	271,961	25,067	26,451	-	7,905	331,384
Total assets	<u>\$ 17,987,138</u>	<u>\$ 3,699,024</u>	<u>\$ 5,941,650</u>	<u>\$ 17,044,522</u>	<u>\$ 6,009,613</u>	<u>\$ 50,681,947</u>
LIABILITIES						
Accounts payable	\$ 2,165,692	\$ 154,402	\$ 263,449	\$ 1,229,639	\$ 303,168	\$ 4,116,350
Accrued liabilities	588,110	19,681	17,599	-	41,424	666,814
Due to other governmental units	16,706	4,695	-	-	788	22,189
Due to other funds	-	-	1,072,733	-	33,684	1,106,417
Short-term note	-	-	-	-	84,297	84,297
Unearned revenues - unused Farmers Market tokens	-	-	-	-	26,331	26,331
Unearned revenues - expenditure-driven grants	100,854	-	-	15,813,336	-	15,914,190
Unearned revenues - prepaid events	-	-	67,658	-	-	67,658
Total liabilities	<u>2,871,362</u>	<u>178,778</u>	<u>1,421,439</u>	<u>17,042,975</u>	<u>489,692</u>	<u>22,004,246</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenues - income taxes	460,000	-	-	-	-	460,000
Related to leases	3,794,403	-	4,458,243	-	-	8,252,646
Total deferred inflows of resources	<u>4,254,403</u>	<u>-</u>	<u>4,458,243</u>	<u>-</u>	<u>-</u>	<u>8,712,646</u>
FUND BALANCES						
Nonspendable						
Prepaid items	271,961	25,067	26,451	-	7,905	331,384
Long-term advances	600,000	-	-	-	-	600,000
Perpetual care	10,000	-	-	-	1,677,702	1,687,702
Restricted						
Highways, streets and bridges	8,701	3,495,179	-	-	789,134	4,293,014
Trinity Health Arena	-	-	35,517	-	-	35,517
Law enforcement	-	-	-	-	23,161	23,161
Business improvement districts	-	-	-	-	176,733	176,733
Perpetual care	-	-	-	-	477,332	477,332
Other purposes	-	-	-	-	173,606	173,606
Committed for social equity program	189,037	-	-	-	-	189,037
Assigned for capital projects and public improvements	1,800,000	-	-	1,547	2,194,348	3,995,895
Unassigned	7,981,674	-	-	-	-	7,981,674
Total fund balances	<u>10,861,373</u>	<u>3,520,246</u>	<u>61,968</u>	<u>1,547</u>	<u>5,519,921</u>	<u>19,965,055</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 17,987,138</u>	<u>\$ 3,699,024</u>	<u>\$ 5,941,650</u>	<u>\$ 17,044,522</u>	<u>\$ 6,009,613</u>	<u>\$ 50,681,947</u>

The accompanying notes are an integral part of this statement.

City of Muskegon
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION**
June 30, 2022

Total fund balance—governmental funds	\$ 19,965,055
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Amounts reported for governmental activities in the Statement of Net Position are different because:

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

Cost of capital assets	\$ 179,639,742	
Accumulated depreciation	<u>(76,858,507)</u>	102,781,235

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

Income taxes	460,000
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Long-term liabilities in governmental activities are not due and payable in the current period and, therefore, are not reported in the governmental funds.

Accrued interest payable	(242,800)	
Bonds and notes payable	(30,403,188)	
Compensated absences	(2,215,261)	
Net pension liability and related deferred outflows/inflows of resources	(32,355,582)	
Net other post employment benefits liability and related outflows/inflows of resources	<u>(3,685,546)</u>	(68,902,377)

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

Net position of the internal service funds	4,636,059	
Internal balances representing the cumulative difference between actual costs and amounts charged to business-type activities	<u>(831,523)</u>	<u>3,804,536</u>

Net position of governmental activities	<u>\$ 58,108,449</u>
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The accompanying notes are an integral part of this statement.

City of Muskegon
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Governmental Funds
For the year ended June 30, 2022

	General Fund	Major Street and Trunkline Fund	Trinity Health Arena Fund	State Grants Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	\$ 18,795,646	\$ -	\$ -	\$ -	\$ -	\$ 18,795,646
Licenses and permits	2,306,048	-	-	-	-	2,306,048
Intergovernmental revenues						
Federal	291,918	-	625,498	9,234,029	2,952,413	13,103,858
State	6,479,990	4,809,424	-	1,244,987	2,538,375	15,072,776
Local	50,000	-	-	-	261,057	311,057
Charges for services	4,566,029	-	2,683,567	-	495,403	7,744,999
Fines and forfeitures	581,369	-	-	-	1,264	582,633
Investment earnings and rental income	(93,350)	11,627	79,782	-	36,959	35,018
Income from assets managed by others	-	-	-	-	(134,215)	(134,215)
Other	1,167,117	323,508	14,904	-	1,104,169	2,609,698
Total revenues	34,144,767	5,144,559	3,403,751	10,479,016	7,255,425	60,427,518
EXPENDITURES						
Current						
Public representation services	1,758,928	-	-	-	-	1,758,928
Administrative services	945,841	-	-	-	-	945,841
Financial services	5,668,254	-	-	-	-	5,668,254
Public safety	15,520,982	-	-	-	443	15,521,425
Public works	3,728,293	-	-	-	156,277	3,884,570
Highways, streets and bridges	-	3,798,863	-	-	1,998,785	5,797,648
Community and economic development	743,693	-	-	-	-	743,693
Culture and recreation	2,839,480	-	2,274,570	-	484,929	5,598,979
Other governmental functions	485,024	-	-	-	-	485,024
Debt service						
Principal	907,462	230,000	-	-	205,000	1,342,462
Interest and fees	390,771	3,503	-	-	616,730	1,011,004
Bond issuance costs	1,000	-	-	-	-	1,000
Capital outlay	4,662,678	-	1,987,141	4,721,218	4,835,674	16,206,711
Total expenditures	37,652,406	4,032,366	4,261,711	4,721,218	8,297,838	58,965,539
Excess of revenues over (under) expenditures	(3,507,639)	1,112,193	(857,960)	5,757,798	(1,042,413)	1,461,979
OTHER FINANCING SOURCES (USES)						
Proceeds from sale of capital assets	-	-	-	-	1,204,675	1,204,675
Long-term debt issued	1,370,873	-	-	-	-	1,370,873
Transfers in	5,798,549	-	865,000	40,750	3,128,500	9,832,799
Transfers out	(3,998,250)	-	-	(5,798,549)	(401,000)	(10,197,799)
Total other financing sources (uses)	3,171,172	-	865,000	(5,757,799)	3,932,175	2,210,548
Net change in fund balances	(336,467)	1,112,193	7,040	(1)	2,889,762	3,672,527
Fund balances at beginning of year	11,197,840	2,408,053	54,928	1,548	2,630,159	16,292,528
Fund balances at end of year	<u>\$ 10,861,373</u>	<u>\$ 3,520,246</u>	<u>\$ 61,968</u>	<u>\$ 1,547</u>	<u>\$ 5,519,921</u>	<u>\$ 19,965,055</u>

The accompanying notes are an integral part of this statement.

City of Muskegon
**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES**
For the year ended June 30, 2022

Net change in fund balances—total governmental funds \$ 3,672,527

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

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

Depreciation expense	\$ (4,992,455)	
Capital outlay	<u>7,775,915</u>	2,783,460

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

Income taxes		(190,000)
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The issuance of long-term debt provides current financial resources to governmental funds, but increases liabilities in the Statement of Net Position. Repayment of debt is an expenditure in the governmental funds, but reduces long-term liabilities in the Statement of Net Position.

Issuance of long-term debt	(1,370,873)	
Repayment of principal on long-term debt	<u>1,342,462</u>	(28,411)

Changes in accrual of interest and amortization of premiums and discounts

Change in accrued interest payable	8,900	
Amortization of premiums and discounts	<u>121,900</u>	130,800

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

Change in compensated absences	(89,499)	
Change in net pension liability and related deferred outflows/inflows of resources	(1,779,430)	
Change in net other post employment benefits liability and related deferred outflows/inflows of resources	<u>5,078,209</u>	3,209,280

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

Change in net position of the internal service funds	510,910	
Change in internal balances representing the current year difference between actual costs and amounts charged to business-type activities	<u>(118,836)</u>	<u>392,074</u>
Change in net position of governmental activities		<u>\$ 9,969,730</u>

The accompanying notes are an integral part of this statement.

City of Muskegon
STATEMENT OF NET POSITION
 Proprietary Funds
 June 30, 2022

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Sewer	Water	Marina and Launch Ramp	Total	
ASSETS					
Current assets					
Cash and investments	\$ 1,883,569	\$ -	\$ -	\$ 1,883,569	\$ 3,559,579
Receivables					
Accounts	1,636,556	1,490,380	15,121	3,142,057	333,192
Leases	-	83,003	-	83,003	-
Due from other governmental units	50,101	82,509	-	132,610	-
Inventories	44,157	283,367	-	327,524	38,867
Prepaid items	62,653	83,677	3,520	149,850	229,096
Total current assets	3,677,036	2,022,936	18,641	5,718,613	4,160,734
Noncurrent assets					
Restricted cash and investments	101,000	728,000	-	829,000	-
Leases receivable, less amounts due within one year	-	857,733	-	857,733	-
Advances to component units	-	-	-	-	297,986
Capital assets					
Land	16,188	103,500	22,562	142,250	65,000
Land improvements	-	62,948	1,923,404	1,986,352	301,715
Buildings, improvements and systems	34,456,135	75,761,108	2,535,088	112,752,331	1,668,215
Machinery and equipment	157,622	3,101,790	60,620	3,320,032	10,313,517
Construction in progress	5,478,995	9,345,163	-	14,824,158	-
Less accumulated depreciation	(12,681,088)	(47,696,197)	(3,560,198)	(63,937,483)	(9,524,983)
Net capital assets	27,427,852	40,678,312	981,476	69,087,640	2,823,464
Total noncurrent assets	27,528,852	42,264,045	981,476	70,774,373	3,121,450
Total assets	31,205,888	44,286,981	1,000,117	76,492,986	7,282,184
DEFERRED OUTFLOWS OF RESOURCES					
Related to pension	27,931	93,102	-	121,033	74,482
Related to other postemployment benefits	15,258	50,862	-	66,120	40,689
Total deferred outflows of resources	43,189	143,964	-	187,153	115,171
Total assets and deferred outflows of resources	31,249,077	44,430,945	1,000,117	76,680,139	7,397,355

The accompanying notes are an integral part of this statement.

City of Muskegon
STATEMENT OF NET POSITION—CONTINUED
Proprietary Funds
June 30, 2022

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Sewer	Water	Marina and Launch Ramp	Total	
LIABILITIES					
Current liabilities					
Accounts payable	\$ 73,830	\$ 562,003	\$ 23,581	\$ 659,414	\$ 779,382
Accrued liabilities	54,043	134,267	1,038	189,348	60,116
Due to other governmental units	898,388	5,555	-	903,943	-
Due to other funds	-	1,014,690	275,453	1,290,143	-
Unearned revenues - prepaid fees	-	-	113,943	113,943	-
Bonds and other obligations, due within one year	294,700	1,064,000	-	1,358,700	39,200
Total current liabilities	1,320,961	2,780,515	414,015	4,515,491	878,698
Noncurrent liabilities					
Bonds and other obligations, less amounts due within one year	6,084,589	7,250,308	-	13,334,897	156,651
Net pension liability	465,950	1,553,167	-	2,019,117	1,242,534
Net other postemployment benefits liability	37,436	124,786	-	162,222	99,829
Total noncurrent liabilities	6,587,975	8,928,261	-	15,516,236	1,499,014
Total liabilities	7,908,936	11,708,776	414,015	20,031,727	2,377,712
DEFERRED INFLOWS OF RESOURCES					
Related to leases	-	940,736	-	940,736	-
Related to pension	104,253	347,509	-	451,762	278,007
Related to other postemployment benefits	39,591	131,972	-	171,563	105,577
Total deferred inflows of resources	143,844	1,420,217	-	1,564,061	383,584
Total liabilities and deferred inflows of resources	8,052,780	13,128,993	414,015	21,595,788	2,761,296
NET POSITION					
Net investment in capital assets	21,147,238	32,540,211	981,476	54,668,925	2,823,464
Restricted for debt service	101,000	721,000	-	822,000	-
Unrestricted	1,948,059	(1,959,259)	(395,374)	(406,574)	1,812,595
Total net position	<u>\$ 23,196,297</u>	<u>\$ 31,301,952</u>	<u>\$ 586,102</u>	55,084,351	<u>\$ 4,636,059</u>
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time				831,523	
Net position of business-type activities				<u>\$ 55,915,874</u>	

The accompanying notes are an integral part of this statement.

City of Muskegon
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Proprietary Funds
For the year ended June 30, 2022

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Sewer	Water	Marina and Launch Ramp	Total	
OPERATING REVENUES					
Charges for services	\$ 10,104,566	\$ 8,483,668	\$ 282,819	\$ 18,871,053	\$ 10,433,668
Other	194,076	523,089	9,597	726,762	158,582
Total operating revenues	10,298,642	9,006,757	292,416	19,597,815	10,592,250
OPERATING EXPENSES					
Administration	664,312	1,439,537	11,169	2,115,018	958,063
Insurance premiums and claims	-	-	-	-	5,386,649
Wastewater treatment	4,847,582	-	-	4,847,582	-
Wastewater maintenance	1,990,288	-	-	1,990,288	-
Filtration plant operations	-	2,621,015	-	2,621,015	-
Water distribution	-	3,195,179	-	3,195,179	-
Other operations	-	-	345,305	345,305	3,701,160
Depreciation	630,870	1,916,908	107,417	2,655,195	499,466
Total operating expenses	8,133,052	9,172,639	463,891	17,769,582	10,545,338
Operating income (loss)	2,165,590	(165,882)	(171,475)	1,828,233	46,912
NONOPERATING REVENUES (EXPENSES)					
Investment earnings	4,421	19,435	-	23,856	25,649
Gain on sale of capital assets	-	-	-	-	38,349
Interest expense	(83,739)	(141,968)	-	(225,707)	-
Total nonoperating revenue (expenses)	(79,318)	(122,533)	-	(201,851)	63,998
Income (loss) before transfers	2,086,272	(288,415)	(171,475)	1,626,382	110,910
TRANSFERS					
Transfers in	-	-	-	-	400,000
Transfers out	-	(35,000)	-	(35,000)	-
Total transfers	-	(35,000)	-	(35,000)	400,000
Change in net position	2,086,272	(323,415)	(171,475)	1,591,382	510,910
Net position at beginning of year	21,110,025	31,625,367	757,577		4,125,149
Net position at end of year	\$ 23,196,297	\$ 31,301,952	\$ 586,102		\$ 4,636,059
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds				118,836	
Change in net position of business-type activities				\$ 1,710,218	

The accompanying notes are an integral part of this statement.

City of Muskegon
STATEMENT OF CASH FLOWS
Proprietary Funds
For the year ended June 30, 2022

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Sewer	Water	Marina and Launch Ramp	Total	
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 11,047,199	\$ 8,975,052	\$ 316,684	\$ 20,338,935	\$ 169,736
Receipts from interfund services provided	132,980	257,743	-	390,723	10,433,668
Other receipts	-	-	-	-	1,266,428
Payments to suppliers	(6,213,667)	(3,421,627)	(329,730)	(9,965,024)	(6,865,909)
Payments to employees	(994,237)	(2,655,749)	(51,457)	(3,701,443)	(1,954,355)
Payments for interfund services used	(846,355)	(1,353,616)	(24,735)	(2,224,706)	(848,990)
Net cash provided by (used for) operating activities	3,125,920	1,801,803	(89,238)	4,838,485	2,200,578
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers in	-	-	-	-	400,000
Transfers out	-	(35,000)	-	(35,000)	-
Interfund borrowing	(29,970)	1,014,690	267,063	1,251,783	(384,381)
Advances to component units	-	-	-	-	93,094
Net cash provided by (used for) noncapital financing activities	(29,970)	979,690	267,063	1,216,783	108,713
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Proceeds from long-term debt	3,913,081	2,671,931	-	6,585,012	-
Purchases of capital assets	(4,773,444)	(6,610,907)	(177,825)	(11,562,176)	(659,722)
Principal paid on capital debt	(272,000)	(994,750)	-	(1,266,750)	-
Interest paid on capital debt	(84,439)	(146,568)	-	(231,007)	-
Proceeds from sale of capital assets	-	-	-	-	74,558
Net cash provided by (used for) capital and related financing activities	(1,216,802)	(5,080,294)	(177,825)	(6,474,921)	(585,164)
CASH FLOW FROM INVESTING ACTIVITIES					
Investment earnings	4,421	19,435	-	23,856	25,649
Net increase (decrease) in cash and investments	1,883,569	(2,279,366)	-	(395,797)	1,749,776
Cash and investments at beginning of year	101,000	3,007,366	-	3,108,366	1,809,803
Cash and investments at end of year	\$ 1,984,569	\$ 728,000	\$ -	\$ 2,712,569	\$ 3,559,579
Reconciliation of cash and investments to the Statement of Net Position					
Cash and investments	\$ 1,883,569	\$ -	\$ -	\$ 1,883,569	\$ 3,559,579
Restricted cash and investments	101,000	728,000	-	829,000	-
	\$ 1,984,569	\$ 728,000	\$ -	\$ 2,712,569	\$ 3,559,579
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities					
Operating income (loss)	\$ 2,165,590	\$ (165,882)	\$ (171,475)	\$ 1,828,233	\$ 46,912
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities					
Depreciation expense	630,870	1,916,908	107,417	2,655,195	499,466
Change in assets and liabilities					
Receivables	881,537	226,038	23,319	1,130,894	1,277,582
Inventories	(13,923)	(78,314)	-	(92,237)	(31,549)
Prepaid items	(2,710)	(1,420)	(1,063)	(5,193)	386
Accounts payable	(511,981)	40,412	(39,367)	(510,936)	510,189
Unearned revenues	-	-	949	949	-
Accrued liabilities	(23,463)	(135,939)	(9,018)	(168,420)	(102,408)
Net cash provided by (used for) operating activities	\$ 3,125,920	\$ 1,801,803	\$ (89,238)	\$ 4,838,485	\$ 2,200,578

The accompanying notes are an integral part of this statement.

City of Muskegon
STATEMENT OF NET POSITION
 Fiduciary Funds
 June 30, 2022

	Other Post- Employment Benefits Trust Fund	Custodial Funds
ASSETS		
Cash and investments	\$ 22,146,026	\$ 816,055
Accounts receivable	-	13,835
Total assets	22,146,026	829,890
LIABILITIES		
Accounts payable	-	19,517
Due to other governmental units	-	622,373
Deposits held for others	-	188,000
Total liabilities	-	829,890
NET POSITION		
Restricted for individuals, organizations, and other governments	\$ 22,146,026	\$ -

The accompanying notes are an integral part of this statement.

City of Muskegon
STATEMENT OF CHANGES IN NET POSITION
 Fiduciary Funds
 For the year ended June 30, 2022

	Other Post- Employment Benefits Trust Fund	Custodial Funds
ADDITIONS		
Tax collections for other governments	\$ -	\$ 24,329,719
Other collections for third parties	-	1,521,847
Employer contributions	2,091,172	-
Net investment income (loss)	(2,001,928)	-
Total additions	89,244	25,851,566
DEDUCTIONS		
Payment of taxes to other governments	-	24,329,719
Other payments to third parties	-	1,521,847
Benefit payments	3,041,543	-
Administrative expenses	47,910	-
Total deductions	3,089,453	25,851,566
Change in net position	(3,000,209)	-
Net position at beginning of year	25,146,235	-
Net position at end of year	\$ 22,146,026	\$ -

The accompanying notes are an integral part of this statement.

City of Muskegon
STATEMENT OF NET POSITION
Discretely Presented Component Units
June 30, 2022

	Local Development Finance Authority - SmartZone	Downtown Development Authority	Tax Increment Finance Authority	Brownfield Redevelopment Authorities	Total
ASSETS					
Current assets					
Cash and investments	\$ 46,925	\$ 336,989	\$ 20,014	\$ -	\$ 403,928
Accounts receivable	-	32,616	-	-	32,616
Total current assets	46,925	369,605	20,014	-	436,544
Noncurrent assets					
Capital assets, net					
Nondepreciable	400,000	-	-	-	400,000
Depreciable	589,881	-	-	-	589,881
Total noncurrent assets	989,881	-	-	-	989,881
Total assets	1,036,806	369,605	20,014	-	1,426,425
LIABILITIES					
Current liabilities					
Accounts payable	-	109,697	-	-	109,697
Accrued liabilities	5,400	4,289	-	-	9,689
Due to other governmental units	-	2,000	-	-	2,000
Due to primary government	-	-	-	64,211	64,211
Bonds and other obligations, due within one year	255,000	-	-	-	255,000
Total current liabilities	260,400	115,986	-	64,211	440,597
Noncurrent liabilities					
Advances from primary government	-	-	-	1,046,980	1,046,980
Bonds and other obligations, less amounts due within one year	841,547	-	-	-	841,547
Total noncurrent liabilities	841,547	-	-	1,046,980	1,888,527
Total liabilities	1,101,947	115,986	-	1,111,191	2,329,124
NET POSITION					
Net investment in capital assets	(106,666)	-	-	-	(106,666)
Unrestricted	41,525	253,619	20,014	(1,111,191)	(796,033)
Total net position	<u>\$ (65,141)</u>	<u>\$ 253,619</u>	<u>\$ 20,014</u>	<u>\$ (1,111,191)</u>	<u>\$ (902,699)</u>

The accompanying notes are an integral part of this statement.

City of Muskegon
STATEMENT OF ACTIVITIES
Discretely Presented Component Units
For the year ended June 30, 2022

Functions/Programs	Net (Expense) Revenue and Changes in Net Position							
	Expenses	Program Revenue		Local Development Finance Authority - SmartZone	Downtown Development Authority	Tax Increment Finance Authority	Brownfield Redevelopment Authorities	Total
		Operating Grants and Contributions	Capital Grants and Contributions					
Local Development Finance Authority - SmartZone								
Community and economic development	\$ 172,648	\$ -	\$ -	\$ (172,648)	\$ -	\$ -	\$ -	\$ (172,648)
Interest on long-term debt	24,999	-	200,000	175,001	-	-	-	175,001
Total Local Development Finance Authority - SmartZone	197,647	-	200,000	2,353	-	-	-	2,353
Downtown Development Authority								
Economic development	810,219	655,765	-	-	(154,454)	-	-	(154,454)
Tax Increment Finance Authority								
Community and economic development	50,000	-	-	-	-	(50,000)	-	(50,000)
Brownfield Redevelopment Authorities								
Community and economic development	648,065	-	-	-	-	-	(648,065)	(648,065)
Interest on long-term debt	17,940	-	-	-	-	-	(17,940)	(17,940)
Total Brownfield Redevelopment Authorities	666,005	-	-	-	-	-	(666,005)	(666,005)
Total discretely presented component units	\$ 1,723,871	\$ 655,765	\$ 200,000	2,353	(154,454)	(50,000)	(666,005)	(868,106)
General revenues								
Property taxes				85,861	321,446	42,475	689,328	1,139,110
Grants and contributions not restricted to specific programs				3,084	-	9,596	24,215	36,895
Unrestricted investment income				112	543	58	644	1,357
Miscellaneous				-	-	-	674	674
Total general revenues				89,057	321,989	52,129	714,861	1,178,036
Change in net position				91,410	167,535	2,129	48,856	309,930
Net position at beginning of year				(156,551)	86,084	17,885	(1,160,047)	(1,212,629)
Net position at end of year				\$ (65,141)	\$ 253,619	\$ 20,014	\$ (1,111,191)	\$ (902,699)

The accompanying notes are an integral part of this statement.

City of Muskegon
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

Discretely Presented Component Units

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

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

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

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

City of Muskegon
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

Reporting Entity—Continued

Discretely Presented Component Units—Continued

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

Related Organizations

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

Muskegon Hospital Finance Authority. The Muskegon Hospital Finance Authority was created by the City of Muskegon in accordance with the laws of the State of Michigan. Members of the Hospital Finance Authority are appointed by the City, but the City is not financially accountable for the Authority and therefore the Authority is excluded from the accompanying financial statements. The Hospital Finance Authority's sole purpose is to issue tax-exempt debt for the benefit of Mercy Health Partners Hospital, which is located within the City. The Authority has no assets or financial activity and does not prepare financial statements. The Hospital Finance Authority has no taxing power. As of June 30, 2022, there was no outstanding debt issued by the Hospital Finance Authority. The City is not obligated in any manner for repayment of debt issued by the Hospital Finance Authority, as any debt is payable solely from contractual payments from the hospitals.

Muskegon Housing Commission. The Muskegon Housing Commission was created by the City of Muskegon in accordance with the laws of the State of Michigan. Members of the Housing Commission are appointed by the City, but the City is not financially accountable for the Commission and therefore the Commission is excluded from the accompanying financial statements. The Housing Commission's main purpose is to administer activities that provide adequate housing facilities for low-income families and the elimination of housing conditions that are detrimental to the public peace, health, safety, and welfare. The Commission's policy is to prepare its financial statements on the basis prescribed by the Department of Housing and Urban Development. Accordingly, the summary information below (which is required by federal regulations), is not intended to present financial position and results of operations in conformity with generally accepted accounting principles. Summary financial information for the fiscal year ended September 30, 2021, the date of its latest audited financial statements is as follows:

Total assets and deferred outflows of resources	\$ 3,562,172
Total liabilities and deferred inflows of resources	<u>(526,830)</u>
Total net position	<u>\$ 3,035,342</u>
Total operating income	\$ 2,222,489
Total operating expenses	(2,408,929)
Total nonoperating revenues	8
Capital contributions	4,557
Prior period adjustment	<u>12,823</u>
Change in net position	<u>\$ (169,052)</u>

City of Muskegon
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

Basis of Presentation—Government-wide and Fund Financial Statements

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

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

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

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

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

The City reports the following major governmental funds:

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

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

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

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

City of Muskegon
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

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

The City reports the following three major proprietary funds:

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

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

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

Additionally, the City reports the following fund types:

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

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

The Custodial Funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds.

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

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

Measurement Focus and Basis of Accounting

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

City of Muskegon
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

Measurement Focus and Basis of Accounting—Continued

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

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

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

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

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

Cash and Investments

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

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

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

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

City of Muskegon
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

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

Cash and Investments—Continued

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

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

Inventories and Prepaid Items

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

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

Leases Receivable

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

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

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

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

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

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

Capital Assets

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

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

City of Muskegon
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

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

Capital Assets—Continued

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

<u>Capital Asset Classes</u>	<u>Years</u>
Land improvements	5-25
Leasehold improvements	10-25
Buildings and improvements	25-50
Utility buildings, improvements and systems	40-100
Furniture, vehicles and equipment	5-20
Infrastructure	15-50
Shared improvements	20

Defined Benefit Plan

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

Other Postemployment Benefit Costs

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

Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

City of Muskegon
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

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

Net Position Flow Assumption

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

Fund Balance Flow Assumptions

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

Fund Balance Policies

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

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

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

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

Revenues and Expenditures/Expenses

Program Revenues

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

City of Muskegon
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

Revenues and Expenditures/Expenses—Continued

Property Taxes

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

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

The 2021 state taxable value for real/personal property of the City totaled approximately \$628,694,000 of which approximately \$32,406,000 was captured by the component units. The ad valorem taxes levied consisted of 9.918, 2.9754 and .0788 mills for the City's general operating, sanitation and community promotion purposes. These amounts are recognized in the General Fund with captured amounts shown in the TIFA, LDFA SmartZone, DDA, and BRA component units.

Compensated Absences

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

Proprietary Funds Operating and Nonoperating Revenues and Expenses

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

Comparative Data

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of changes in the City's financial position and operations. However, comparative (i.e. presentation of prior year's totals by fund type) data has not been presented in each of the statements since its inclusion would make the statements unduly complex and difficult to read. In addition, certain items in the 2021 financial statements have been reclassified to conform to the 2022 presentation.

City of Muskegon
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE B—STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

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

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

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

Excess of Expenditures Over Appropriations

During the year ended June 30, 2022, actual expenditures exceeded appropriations for:

	Final Budget	Actual
General Fund		
Culture and recreation		
Parks maintenance	\$ 2,379,089	\$ 2,482,189
Capital outlay	4,552,706	4,662,678
Transfers out	3,130,000	3,998,250
Trinity Health Arena Fund		
Culture and recreation	2,160,000	2,274,570

These overexpenditures were funded with available fund balance.

Fund Deficits

As of June 30, 2022, the City’s Water Fund, Marina and Launch Ramp Fund, and Public Service Building Fund had unrestricted fund net position deficits of \$1,959,259, \$395,374, and \$204,432, respectively. These deficits will be eliminated through future operations or an interfund transfer.

City of Muskegon
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE C—DEPOSITS AND INVESTMENTS

As of June 30, 2022, the City had the following investments:

	<u>Fair Value</u>	<u>Weighted Average Maturity (Months)</u>	<u>S&P</u>	<u>Percent</u>
Investment Type				
Money market funds	\$ 229,997	1	AAA	0.5 %
Negotiable certificates of deposit	1,440,497	25	not rated	3.0
US agency obligations	8,606,409	318	AA+	18.0
Commercial paper	597,900	2	AA	1.2
External investment pool	14,913,867	2	AAA	31.1
MERS investment funds	<u>22,146,026</u>	N/A	not rated	<u>46.2</u>
Total fair value	<u>\$ 47,934,696</u>			<u>100.0 %</u>
Portfolio weighted average maturity		<u>109</u>		

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

Deposit and Investment Risks

Interest rate risk

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

Credit risk

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

Concentration of credit risk

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

<u>Security</u>	<u>Percent of Total Investments</u>
Federal Home Loan Mortgage Corporation obligations	7.4%
Government National Mortgage Association obligations	9.6%

Custodial credit risk - deposits

In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. As of June 30, 2022, \$12,371,824 of the City's bank balance of \$12,871,824 was exposed to custodial credit risk because it was uninsured and uncollateralized. The City's investment policy sets certain credit requirements that a bank must meet for the City to deposit funds in it.

City of Muskegon
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE C—DEPOSITS AND INVESTMENTS—Continued

Deposit and Investment Risks—Continued

Custodial credit risk - investments

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

Foreign currency risk

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

Restricted Assets

Restrictions are placed on assets by bond ordinance and City Commission action. At June 30, 2022, restricted cash and investments in the Sewer and Water Fund of \$101,000 and \$728,000, respectively, were restricted by bond ordinance.

NOTE D—ASSETS MANAGED BY OTHERS

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

The Funds

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

Lakeshore Trails Improvement Fund

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

Cemetery Perpetual Care Fund

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

Pere Marquette and Margaret Drake Elliot Park Fund

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

Darl and Kathleen Staley Charity Fund

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

City of Muskegon Parks Fund

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

City of Muskegon
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE D—ASSETS MANAGED BY OTHERS—Continued

The Funds—Continued

City of Muskegon Events and Sponsorships Fund

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

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

Reporting of the Assets of the Funds

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

Summary of the Community Foundation Funds

A summary of revenues, expenses, and changes in the assets at fair value of the funds for the year ended June 30, 2022 follows:

	Lakeshore Trails Improvement Fund	Cemetery Perpetual Care Fund	Marquette and Elliot Park Fund	Staley Charity Fund	Muskegon Parks Fund	Events and Sponsorships Fund	Totals
Revenues							
Contributions	\$ 2,155	\$ -	\$ -	\$ -	\$ -	\$ 28,006	\$ 30,161
Dividends and interest	1,733	37,167	2,407	11,099	619	11	53,036
Realized and unrealized gain (loss) on investments	(13,227) (9,339)	(158,498) (121,331)	(17,993) (15,586)	(83,654) (72,555)	(4,675) (4,056)	- 28,017	(278,047) (194,850)
Expenses							
Grants and scholarships	-	-	4,316	-	-	41,592	45,908
Administration fees	619	7,711	1,932	5,210	228	560	16,260
Revenues over expenses	(9,958)	(129,042)	(21,834)	(77,765)	(4,284)	(14,135)	(257,018)
Total assets at beginning of year	78,543	1,456,616	115,338	512,550	28,597	14,688	2,206,332
Total assets at end of year	68,585	1,327,574	93,504	434,785	24,313	553	1,949,314
Less assets recorded as those of the Foundation	(48,489)	-	(93,504)	(434,785)	(15,398)	(553)	(592,729)
Assets reported on the Balance Sheet/Statement of Net Position	\$ 20,096	\$ 1,327,574	\$ -	\$ -	\$ 8,915	\$ -	\$ 1,356,585

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

City of Muskegon
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE E—FAIR VALUE MEASUREMENTS

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

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

Level 2 Inputs to the valuation methodology include the following:

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

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

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

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2022.

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

Negotiable certificates of deposit, US agency obligations, and commercial paper: Valued at the closing price reported on the active market on which the individual securities are traded.

City of Muskegon
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE E—FAIR VALUE MEASUREMENTS—Continued

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

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

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

The following table sets forth by level, within the fair value hierarchy, the City’s assets at fair value on a recurring basis as of June 30, 2022:

	Assets at Fair Value as of June 30, 2022			
	Level 1	Level 2	Level 3	Total
Money market funds	\$ -	\$ 229,997	\$ -	\$ 229,997
Negotiable certificates of deposit	1,440,497	-	-	1,440,497
US agency obligations	8,606,409	-	-	8,606,409
Commercial paper	597,900	-	-	597,900
External investment pools	-	14,913,867	-	14,913,867
MERS investment funds	-	22,146,026	-	22,146,026
Assets managed by others	-	1,356,585	-	1,356,585
Total assets at fair value	\$ 10,644,806	\$ 38,646,475	\$ -	\$ 49,291,281

City of Muskegon
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE F—LEASES RECEIVABLE

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

Cell Towers

The City leases the right to use space on land and buildings owned by the City to various third parties as part of three separate lease agreements for the operation of cell phone antennas. These lease terms are generally for 5 years with automatic renewals and the City receives monthly payments totaling \$94,615, increasing by 3 percent each year.

Trinity Health Arena

The City leases the right to use shared space at Trinity Health Arena to a third party as part of an agreement with a term of 5 years and with automatic renewals. The City receives monthly payments totaling \$127,500, increasing by 4 percent each renewal period.

The City also leases the right to use and manage restaurant space at Trinity Health Arena to various third parties as part of two separate lease agreements. These lease terms are generally for 5 years with automatic renewals and the City receives monthly payments totaling \$49,034, increasing by 5-10 percent each year.

Fire Station

The City leases the right to use office space at the West Western Avenue Fire Station to a third party as part of an agreement with terms through December 2045. The City receives monthly payments totaling \$465,667, which are tied to the reimbursement of payments on the City's 2016 Limited Tax General Obligation Refunding and 2020A Capital Improvement Bonds at a rate of 20.24 percent and 100 percent of the bond payments attributable to improvements and additions of the fire station, respectively.

For the year ended June 30, 2022, the City recognized \$412,760 and \$79,027 in lease revenue for governmental activities and business-type activities, respectively. For the year ended June 30, 2022, the City also recognized \$223,157 and \$15,588 in interest revenue for governmental activities and business-type activities, respectively. The City has deferred inflows of resources associated with these leases that will be recognized as revenue over the term of the leases. As of June 30, 2022, the balances of these deferred inflows of resources were \$8,252,646 and \$940,736 for governmental activities and business-type activities, respectively.

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

Year Ending June 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2023	\$ 384,081	\$ 258,752	\$ 83,003	\$ 14,451
2024	395,885	245,088	87,286	13,091
2025	408,699	230,893	72,822	11,725
2026	424,591	216,160	57,495	10,746
2027	447,353	200,622	60,484	9,804
2028-2032	2,099,022	752,842	154,762	39,837
2033-2037	845,416	536,767	175,718	27,377
2038-2042	1,086,360	396,733	223,961	11,481
2043-2047	1,023,496	235,271	25,205	118
2048-2052	824,394	116,289	-	-
2053-2057	307,540	27,774	-	-
2058	5,809	24	-	-
	\$ 8,252,646	\$ 3,217,215	\$ 940,736	\$ 138,630

City of Muskegon
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE G—CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022 was as follows:

	Balance July 1, 2021	Additions	Deductions	Balance June 30, 2022
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 14,258,844	\$ 45,538	\$ -	\$ 14,304,382
Construction in progress	29,095,524	7,078,678	28,208,708	7,965,494
Total capital assets, not being depreciated	43,354,368	7,124,216	28,208,708	22,269,876
Capital assets, being depreciated:				
Land improvements	5,446,304	532,932	-	5,979,236
Leasehold improvements	534,821	-	-	534,821
Buildings and improvements	32,106,677	23,863,141	-	55,969,818
Furniture, vehicles and equipment	16,791,683	2,631,539	96,375	19,326,847
Infrastructure	81,269,715	2,492,517	2,759,934	81,002,298
Shared improvements	6,905,293	-	-	6,905,293
Total capital assets, being depreciated	143,054,493	29,520,129	2,856,309	169,718,313
Less accumulated depreciation:				
Land improvements	2,413,770	159,223	-	2,572,993
Leasehold improvements	497,384	5,674	-	503,058
Buildings and improvements	18,797,687	510,135	-	19,307,822
Furniture, vehicles and equipment	13,013,673	872,833	60,166	13,826,340
Infrastructure	43,496,575	3,598,791	2,759,934	44,335,432
Shared improvements	5,492,580	345,265	-	5,837,845
Total accumulated depreciation	83,711,669	5,491,921	2,820,100	86,383,490
Total capital assets, being depreciated, net	59,342,824	24,028,208	36,209	83,334,823
Capital assets, net	\$ 102,697,192	\$ 31,152,424	\$ 28,244,917	\$ 105,604,699
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 142,250	\$ -	\$ -	\$ 142,250
Construction in progress	11,912,532	8,394,483	5,482,857	14,824,158
Total capital assets, not being depreciated	12,054,782	8,394,483	5,482,857	14,966,408
Capital assets, being depreciated:				
Land improvements	1,951,913	34,439	-	1,986,352
Buildings, improvements and systems	107,269,475	5,482,856	-	112,752,331
Machinery and equipment	3,320,032	-	-	3,320,032
Total capital assets, being depreciated	112,541,420	5,517,295	-	118,058,715
Less accumulated depreciation:				
Land improvements	1,850,120	10,901	-	1,861,021
Buildings, improvements and systems	56,527,098	2,578,528	-	59,105,626
Machinery and equipment	2,905,070	65,766	-	2,970,836
Total accumulated depreciation	61,282,288	2,655,195	-	63,937,483
Total capital assets, being depreciated, net	51,259,132	2,862,100	-	54,121,232
Capital assets, net	\$ 63,313,914	\$ 11,256,583	\$ 5,482,857	\$ 69,087,640

City of Muskegon
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE G—CAPITAL ASSETS—Continued

Depreciation

Depreciation expense was charged to functions as follows:

Governmental activities:

Public representation services	\$ 4,503
Administrative services	2,832
Public safety	261,386
Public works	18,017
Highways, streets and bridges	4,073,665
Community and economic development	66,269
Culture and recreation	539,484
General administration	26,299
Internal Service Fund depreciation	499,466
	<u><u>\$ 5,491,921</u></u>

Business-type activities:

Sewer	\$ 630,870
Water	1,916,908
Marina and Launch Ramp	107,417
	<u><u>\$ 2,655,195</u></u>

	<u>Balance</u> <u>July 1, 2021</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2022</u>
Component units:				
Capital assets, not being depreciated:				
Land	\$ 400,000	\$ -	\$ -	\$ 400,000
Capital assets, being depreciated:				
Building and improvements	3,798,258	-	-	3,798,258
Less accumulated depreciation:				
Building and improvements	3,035,729	172,648	-	3,208,377
Total capital assets, being depreciated, net	762,529	(172,648)	-	589,881
Capital assets, net	<u><u>\$ 1,162,529</u></u>	<u><u>\$ (172,648)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 989,881</u></u>

Depreciation expense was charged to economic development.

City of Muskegon
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE H—INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2022 is as follows:

Due To/From Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Trinity Health Arena Fund	\$ 1,072,733
General Fund	Lead Abatement Fund	32,418
General Fund	Healthy Homes Fund	1,266
General Fund	Water Fund	1,014,690
General Fund	Marina and Launch Ramp Fund	275,453
		<u>\$2,396,560</u>

The outstanding balances between funds result from the payable funds having negative positions in the City's cash and investment pool. In addition, the Brownfield Redevelopment Authorities owe the General Fund \$64,211 for having a negative position in the City's cash and investment pool.

The Brownfield Redevelopment Authorities have also been advanced \$1,046,980 from the City's governmental activities as a long-term loan.

Interfund Transfers:

<u>Transfers In</u>	<u>Amount</u>	<u>Transfers Out</u>	<u>Amount</u>
Nonmajor Governmental Funds			
Local Streets Fund	\$ 100,000	General Fund	\$ 3,557,500
Trinity Health Arena Fund	865,000		
Tree Replacement Fund	2,500		
Farmers Market and Kitchen 242 Fund	40,000		
Public Improvement Fund	50,000		
Convention Center Fund	2,500,000		
	<u>3,557,500</u>		<u>3,557,500</u>
Internal Service Funds			
Public Service Building Fund	400,000	General Fund	400,000
General Fund	5,798,549	State Grants Fund	5,798,549
State Grants Fund	40,750	General Fund	40,750
Nonmajor Governmental Funds		Nonmajor Governmental Funds	
Farmers Market and Kitchen 242 Fund	85,000	Senior Millage Fund	85,000
Public Improvement Fund	316,000	HOME Rehabilitation Fund	316,000
	<u>401,000</u>		<u>401,000</u>
Nonmajor Governmental Funds			
Lakeshore BID Fund	35,000	Water Fund	35,000
	<u>\$ 10,232,799</u>		<u>\$ 10,232,799</u>

City of Muskegon
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE H—INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS—Continued

The General Fund transferred funds to the Trinity Health Arena Fund, Public Service Building Fund, and other funds for operation subsidies. The General Fund transferred funds to the Local Streets Fund and Convention Center Fund for capital purposes. The State Grants Fund transferred funds to the General Fund for various American Rescue Plan Act projects. The Senior Millage Fund transferred funds to the Farmers Market and Kitchen 242 Fund to provide services to seniors. Other transfers between funds were made to meet grant matching requirements or other operational needs.

NOTE I—SHORT-TERM DEBT

Summary of Changes in Short-Term Liabilities

The following is a summary of short-term liabilities activity for the City for the year ended June 30, 2022.

	<u>Balance</u> <u>July 1, 2021</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2022</u>
Governmental activities:				
Short-term note	<u>\$ 1,108,007</u>	<u>\$ 233,503</u>	<u>\$ 1,257,213</u>	<u>\$ 84,297</u>

The purpose of all short-term borrowings are to provide resources for infill housing within the City of Muskegon. The form of financing used is a short-term non-revolving draw note with amounts advanced at the City's discretion. Interest amounts are at a variable interest rate of 1.25 percent above the 30 day LIBOR, adjusted monthly. Borrowed amounts will be repaid as infill housing units are sold with final payment being due three years from the closing date.

City of Muskegon
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE J—LONG-TERM DEBT

Summary of Changes in Long-Term Liabilities

The following is a summary of long-term liabilities activity for the City for the year ended June 30, 2022.

	Balance July 1, 2021	Additions	Deductions	Balance June 30, 2022	Due Within One Year
Governmental activities:					
Public placement debt					
General obligation debt	\$ 29,670,000	\$ -	\$ 1,145,000	\$ 28,525,000	\$ 970,000
Discount	(135,650)	-	(7,500)	(128,150)	-
Premium	962,327	-	129,400	832,927	-
Direct borrowings and direct placements					
Installment purchase agreements	-	1,370,873	197,462	1,173,411	268,269
Compensated absences	2,286,388	1,944,694	1,819,970	2,411,112	482,200
Governmental activities long-term liabilities	\$ 32,783,065	\$ 3,315,567	\$ 3,284,332	\$ 32,814,300	\$ 1,720,469
Business-type activities:					
Public placement debt					
Revenue obligations	\$ 9,056,453	\$ 6,585,012	\$ 1,266,750	\$ 14,374,715	\$ 1,295,000
Compensated absences	270,451	336,577	288,146	318,882	63,700
Business-type activities long-term liabilities	\$ 9,326,904	\$ 6,921,589	\$ 1,554,896	\$ 14,693,597	\$ 1,358,700
Component units:					
Public placement debt					
General obligation debt	\$ 1,325,000	\$ -	\$ 245,000	\$ 1,080,000	\$ 255,000
Premium	27,248	-	10,701	16,547	-
Component unit long- term liabilities	\$ 1,352,248	\$ -	\$ 255,701	\$ 1,096,547	\$ 255,000

City of Muskegon
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE J—LONG-TERM DEBT—Continued

Public Placement Debt

General Obligation Debt

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

General obligation debt outstanding as of June 30, 2022 is as follows:

	<u>Original Borrowing</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Balance</u>
General obligation debt:				
Governmental activities:				
2016 Limited Tax General Obligation Refunding Bonds	\$ 4,535,000	3% - 4%	October 2032	\$ 3,510,000
2019 Capital Improvement Bonds	19,420,000	1.88% - 3.58%	December 2049	19,040,000
2020A Capital Improvement Bonds	4,325,000	2.5% - 5%	October 2040	4,005,000
2020B Capital Improvement Bonds	2,055,000	.68% - 3.2%	October 2041	1,970,000
				<u><u>\$ 28,525,000</u></u>
Component units:				
2012 LDFA Tax Increment Refunding Bonds	\$ 4,100,000	3% - 4%	November 2025	<u><u>\$ 1,080,000</u></u>

Revenue Obligations

The City has issued bonds where the income derived from the acquired or constructed assets is pledged to pay debt service. Revenue obligations outstanding as of June 30, 2022 are as follows:

	<u>Original Borrowing</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Balance</u>
Revenue obligations:				
Business-type activities:				
2004 Drinking Water State Revolving Fund	\$ 13,900,000	2.13%	October 2025	\$ 3,265,000
2019 Water Supply System Junior Lien Bond	2,000,000	2%	October 2025	1,535,000
2019 Sanitary Sewer System Junior Lien Bond	11,500,000	2%	October 2033	2,755,000
2020 Water Supply System Junior Lien Bond	3,829,101	2%	April 2041	3,294,101
2020 Sanitary Sewer System Junior Lien Bond	4,620,614	2%	April 2041	3,525,614
				<u><u>\$ 14,374,715</u></u>

The City has pledged future water customer revenues, net of specified operating expenses, to repay the 2004 Drinking Water State Revolving Fund Loan. Proceeds from the issuance were used to make improvements to the City's water supply system. The bond is payable solely from water customer net revenues and is payable through 2025. Annual principal and interest payments on the bond are expected to require less than 48 percent of net revenues through 2025. The total principal and interest remaining to be paid on the bond is \$3,405,517. Principal and interest paid for the year ended June 30, 2022 and total customer net revenues were \$852,616 and \$1,770,461, respectively.

The City was in compliance in all material respects with all the revenue bond ordinances at June 30, 2022.

City of Muskegon
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE J—LONG-TERM DEBT—Continued

Public Placement Debt—Continued

Installment Purchase Agreements

The City has entered into an installment agreement for a ladder truck in 2021. The installment purchase agreement is secured by the equipment purchase if the City defaults under the agreement. Installment purchase agreements outstanding as of June 30, 2022 are as follows:

	<u>Original Borrowing</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Balance</u>
Installment purchase agreements:				
Governmental activities:				
2021 Equipment Installment Loan	\$ 1,370,873	1.78%	October 2025	<u><u>\$ 1,173,411</u></u>

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

In 2005, the County of Muskegon began making improvements to the regional sewer treatment facilities. The project was funded with \$17,500,000 bonds issued through the State of Michigan Clean Water Revolving Fund Loan Program. The County operates the system and makes payments on the bonds with user charges to the local units. The City has pledged its limited tax full faith and credit for the payment of its portion of the debt should user charges collected by the County be insufficient to make the debt payments. The City's portion of the debt on June 30, 2022 was approximately \$1,813,000. The City is unaware of any circumstances that would cause a shortfall in the near future.

Annual debt service requirements to maturity for public placement debt and for direct borrowings and direct placements outstanding as of June 30, 2022 follow:

Year Ending June 30,	Governmental Activities				Business-type Activities	
	Public Placement Debt		Direct Borrowings and Direct Placements		Public Placement Debt	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 970,000	\$ 957,231	\$ 268,269	\$ 18,471	\$ 1,295,000	\$ 283,870
2024	1,050,000	926,991	273,023	13,717	1,330,000	256,720
2025	1,100,000	892,982	277,860	8,880	1,355,000	228,948
2026	1,140,000	856,998	282,784	3,956	1,380,000	200,607
2027	1,180,000	817,356	71,475	210	550,000	180,882
2028-2032	6,105,000	3,399,345	-	-	2,925,000	734,260
2033-2037	3,890,000	2,570,905	-	-	3,210,000	430,510
2038-2042	4,440,000	1,913,763	-	-	2,329,715	107,546
2043-2047	4,980,000	1,117,090	-	-	-	-
2048-2050	3,670,000	201,554	-	-	-	-
	<u><u>\$28,525,000</u></u>	<u><u>\$13,654,215</u></u>	<u><u>\$ 1,173,411</u></u>	<u><u>\$ 45,234</u></u>	<u><u>\$14,374,715</u></u>	<u><u>\$ 2,423,343</u></u>

City of Muskegon
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE J—LONG-TERM DEBT—Continued

Public Placement Debt—Continued

Year Ending June 30,	Component Units	
	Public Placement Debt	
	Principal	Interest
2023	\$ 255,000	\$ 28,575
2024	265,000	20,775
2025	275,000	12,675
2026	285,000	4,275
2027	-	-
2028-2032	-	-
2033-2037	-	-
2038-2042	-	-
2043-2047	-	-
2048-2050	-	-
	\$ 1,080,000	\$ 66,300

Annual debt service requirements to maturity by type of debt as of June 30, 2022 follow:

Year Ending June 30,	General Obligation Debt		Revenue Obligations	Installment Purchase Agreements
	Governmental Activities	Component Units	Business-type Activities	Governmental Activities
2023	\$ 1,927,231	\$ 283,575	\$ 1,578,870	\$ 286,740
2024	1,976,991	285,775	1,586,720	286,740
2025	1,992,982	287,675	1,583,948	286,740
2026	1,996,998	289,275	1,580,607	286,740
2027	1,997,356	-	730,882	71,685
2028-2032	9,504,345	-	3,659,260	-
2033-2037	6,460,905	-	3,640,510	-
2038-2042	6,353,763	-	2,437,261	-
2043-2047	6,097,090	-	-	-
2048-2050	3,871,554	-	-	-
	\$ 42,179,215	\$ 1,146,300	\$ 16,798,058	\$ 1,218,645

City of Muskegon
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE K—OTHER INFORMATION

Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The City manages its liability and property risk by participating in the Michigan Municipal Risk Management Authority (MMRMA), a public entity risk pool providing property and liability coverage to its participating members. The City pays an annual premium to MMRMA for its insurance coverage. The MMRMA is self-sustaining through member premiums and provides, subject to certain deductibles, occurrence-based casualty coverage for each incident and occurrence-based property coverage to its members by internally assuring certain risks and reinsuring risks through commercial companies. A \$150,000 deductible is maintained to place the responsibility for small charges with the City. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years. Changes in the fund's claim liability amount in 2022 and 2021 were as follows:

<u>Year Ended</u>	<u>Balance at Beginning of Year</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Balance at End of Year</u>
June 30, 2022	\$ 103,646	\$ 556,421	\$ 173,314	\$ 486,753
June 30, 2021	133,364	138,186	167,904	103,646

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

The City is self-insured for employee health care benefits for those employees selecting the City plan over other options. Under this plan, the General Insurance Fund provides coverage for up to a maximum of up to \$500,000 per covered individual's lifetime. As of June 30, 2022, the claims liability including incurred but not reported claims was \$33,172. A liability was recorded in the accompanying financial statements for the estimated claims liability. The claims liability was based on past experience, a review of pending claims and other social and economic factors. The above estimate was not discounted and there were no outstanding claims for which annuity contracts have been purchased in the claimant's name. No significant reductions in insurance coverage were made in the last fiscal year. Settled claims have not exceeded the commercial coverage in any of the past three fiscal years. Changes in the fund's claim liability amount in 2022 and 2021 were as follows:

<u>Year Ended</u>	<u>Balance at Beginning of Year</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Balance at End of Year</u>
June 30, 2022	\$ 63,118	\$ 4,738,715	\$ 4,768,661	\$ 33,172
June 30, 2021	111,410	4,414,715	4,463,007	63,118

City of Muskegon
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE K—OTHER INFORMATION—Continued

Contingencies

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

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

Commitments

The City has several contracts for street projects including water and sewer system improvements and other capital improvements as of June 30, 2022 with a remaining amount of approximately \$13,605,000. Approximately \$1,722,000 and \$1,351,000 of the commitments in the Sewer and Water funds, respectively, are being financed by long-term debt with the remainder being paid out of available funds as follows:

<u>Fund</u>	<u>Amount</u>
General	\$ 621,000
Major Street and Trunkline	4,078,000
Mercy Health Arena	833,000
Public Improvement	105,000
State Grant	2,203,000
Sewer	2,237,000
Water	3,528,000
	<u>\$ 13,605,000</u>

The City has also committed to allocating 35 percent of local marihuana excise taxes received to their Michigan Social Equity Program. As of June 30, 2022, the City has committed approximately \$189,000 of fund balance in the General Fund to this program.

City of Muskegon
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE L—TAX ABATEMENTS

Industrial Facilities Exemption

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

For the year ended June 30, 2022, the City abated property taxes revenues totaling \$107,143 under this program.

Brownfield Redevelopment Authority

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

For the year ended June 30, 2022, the City abated property taxes revenues totaling \$185,801 under this program.

Payment in Lieu of Taxes (PILOT)

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

For the year ended June 30, 2022, the City abated property taxes revenues totaling \$149,880 under this program.

NOTE M—EMPLOYEE RETIREMENT SYSTEM AND PENSION PLAN

Defined Benefit Pension Plan

Plan Description

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

Benefits Provided

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

City of Muskegon
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE M—EMPLOYEE RETIREMENT SYSTEM AND PENSION PLAN—Continued

Defined Benefit Pension Plan—Continued

Benefits Provided—Continued

Benefits provided are based on the following by employee division:

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

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

Final average compensation is calculated based on 3 years.

Employees Covered by Benefit Terms

At December 31, 2021 valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	337
Inactive employees entitled to but not yet receiving benefits	33
Active employees	62
Total employees covered by MERS	<u><u>432</u></u>

Contributions

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

For the year ended June 30, 2022, the City had a flat-dollar employer contribution to the Plan of \$3,724,080 in lieu of a percentage of covered employee payroll, as the Plan is closed to new employees. Member contributions range from 4 percent to 6.5 percent.

Net Pension Liability

The City's net pension liability was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an annual actuarial valuation as of that date.

City of Muskegon
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE M—EMPLOYEE RETIREMENT SYSTEM AND PENSION PLAN—Continued

Defined Benefit Pension Plan—Continued

Actuarial Assumptions

The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

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

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

Discount Rate

The discount rate used to measure the total pension liability was 7.25 percent for 2021. The current discount rate shown for GASB 68 purposes is higher than the MERS assumed rate of return. This is because for GASB 68 purposes, the discount rate must be gross of administrative expenses, whereas for funding purposes, it is net of administrative expense. The projection of cash flows used to determine the discount rate assumed that employer and employee contributions will be made at rates agreed upon for employees and the actuarially determined rate for employers. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

City of Muskegon
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE M—EMPLOYEE RETIREMENT SYSTEM AND PENSION PLAN—Continued

Defined Benefit Pension Plan—Continued

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension	Plan	Net Pension
	Liability (a)	Fiduciary	Liability
		Position (b)	(a)-(b)
Balance at January 1, 2021	\$ 125,918,365	\$ 93,025,193	\$ 32,893,172
Changes for the year			
Service cost	529,832	-	529,832
Interest	9,237,064	-	9,237,064
Difference between expected and actual experience	256,636	-	256,636
Changes in assumptions	4,396,829	-	4,396,829
Contributions - employer	-	3,313,056	(3,313,056)
Contributions - employee	-	304,680	(304,680)
Net investment income	-	12,779,029	(12,779,029)
Administrative expenses	-	(146,581)	146,581
Benefit payments including refund of employee contributions	(9,285,923)	(9,285,923)	-
Net changes	5,134,438	6,964,261	(1,829,823)
Balance at December 31, 2021	\$ 131,052,803	\$99,989,454	\$31,063,349

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

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

	1% Decrease	Current Discount	1% Increase
	(6.25%)	Rate (7.25%)	(8.25%)
City's net pension liability	\$ 45,217,643	\$ 31,063,349	\$ 19,159,352

City of Muskegon
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE M—EMPLOYEE RETIREMENT SYSTEM AND PENSION PLAN—Continued

Defined Benefit Pension Plan—Continued

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

For the year ended June 30, 2022, the City recognized pension expense of \$5,712,267. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net differences between projected and actual net investment income	\$ -	\$ 6,950,178
Contributions subsequent to the measurement date*	1,862,040	-
Total	<u><u>\$ 1,862,040</u></u>	<u><u>\$ 6,950,178</u></u>

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the year ending June 30, 2023.

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

<u>Year Ending June 30,</u>	<u>Amount</u>
2023	\$ (827,997)
2024	(2,930,530)
2025	(2,003,322)
2026	(1,188,329)

Payables to the Pension Plan

At June 30, 2022, the City reported a payable of \$329,476 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2022.

City of Muskegon
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE M—EMPLOYEE RETIREMENT SYSTEM AND PENSION PLAN—Continued

Defined Contribution Pension Plan

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

Benefit terms, including contribution requirements, for the MERS defined contribution plan are established and may be amended by the City Commission as determined by negotiated labor contracts. The City is required to contribute 3 percent to 13 percent of a qualified employees' annual compensation each year depending on employee group. Qualified employees are required to contribute 0 percent to 8 percent of annual compensation depending on employee group. For the year ended June 30, 2022, City and employee contributions were \$1,225,250 and \$520,495, respectively.

Employees are immediately vested in their own contributions and earnings on those contributions and become vested in City contributions and earnings on City contributions by 20 percent for each full year of service, leaving employees fully vested after five years of service. Nonvested City contributions are forfeited upon termination of employment. Such forfeitures are used to cover a portion of the pension plan's administrative expenses. For the year ended June 30, 2022, forfeitures reduced the City's pension expense by \$83,099.

Deferred Compensation Plan

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

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

NOTE N—OTHER POSTEMPLOYMENT BENEFITS

Retiree Healthcare Plan

Plan Description

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

City of Muskegon
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE N—OTHER POSTEMPLOYMENT BENEFITS—CONTINUED

Retiree Healthcare Plan—Continued

Benefits Provided

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

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

Benefits are provided through a third party insurer.

Employees Covered by Benefit Terms

At the December 31, 2021 valuation, the following employees were covered by the benefit terms:

Active members	81
Inactive members	31
Retirees and beneficiaries	309
Total employees covered by OPEB Plan	<u><u>421</u></u>

Contributions

The OPEB Plan's funding policy is that the City will contribute any required amounts as determined by an annual actuarial valuation as a reference but not as a definitive requirement. There are no long-term contracts for contributions to the OPEB Plan. The OPEB Plan has no legally required reserves. For the year ended June 30, 2022, the City made payments for postemployment healthcare benefits of \$650,383.

Net OPEB Liability

The City's net OPEB liability was measured as of December 31, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as December 31, 2021.

City of Muskegon
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE N—OTHER POSTEMPLOYMENT BENEFITS—Continued

Retiree Healthcare Plan—Continued

Actuarial Assumptions

The total OPEB liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increases	0.0 percent
Investment rate of return	7.35 percent (including inflation), net of administrative and investment expenses
Healthcare cost trend rates	Pre-Medicare: 7.25 percent graded down by .25 per year to an ultimate rate of 4.5 percent Post-Medicare: 5.5 percent graded down by .25 per year to an ultimate rate of 4.5 percent

Mortality

Mortality rates for police and fire were as set forth in the Public Safety 2010 Employee and Healthy Retiree, headcount weighted, MP-2021 improvement scale. Mortality rates for others were as set forth in the Public General 2010 Employee and Healthy Retiree, headcount weighted, MP-2021 improvement scale.

Investment Rate of Return

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

Asset Class	Target Allocation	Target Gross Rate of Return	Long-Term Expected Gross Rate of Return	Inflation Assumption	Long-Term Expected Real Rate of Return
Global equity	60.0%	7.75%	4.65%	2.50%	3.15%
Global fixed income	20.0%	3.75%	0.75%	2.50%	0.25%
Private investments	20.0%	9.75%	1.95%	2.50%	1.45%
Total	100.0%		7.35%		4.85%

Discount Rate

The discount rate used to measure the total OPEB liability was 7.35 percent. The projection of cash flows used to determine the discount rate assumed that the City will make future contributions at levels at least as high as the 2021 contribution up to 8 percent higher per year. Based on this assumption, the OPEB Plan's fiduciary net position was projected to be sufficient to make projected future benefit payments of current plan members. For projected benefits that are covered by projected assets, the long-term expected rate was used to discount the projected benefits. From the year that benefit payments were not projected be covered by the projected assets (the "depletion date", not applicable for this plan), projected benefits were discounted at a discount rate reflecting a 20-year AA/Aa tax-exempt municipal bond yield. A single equivalent discount rate that yields the same present value of benefits is calculated. This discount rate is used to determine the total OPEB liability. As of December 31, 2020 the discount rate used to value OPEB liabilities was 6.24 percent.

City of Muskegon
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE N—OTHER POSTEMPLOYMENT BENEFITS—Continued

Retiree Healthcare Plan—Continued

Changes in the Net OPEB Liability

	Increase (Decrease)		Net OPEB
	Total OPEB Liability (a)	Plan Fiduciary Position (b)	Liability (a)-(b)
Balance at January 1, 2021	\$ 32,757,983	\$ 22,917,388	\$ 9,840,595
Changes for the year			
Service cost	142,556	-	142,556
Interest	1,999,639	-	1,999,639
Difference between expected and actual experience	(2,420,665)	-	(2,420,665)
Changes of assumptions	(2,771,809)	-	(2,771,809)
Contributions - employer	-	1,767,843	(1,767,843)
Net investment income	-	2,574,713	(2,574,713)
Administrative expenses	-	(47,967)	47,967
Benefit payments including refund of employee contributions	(1,710,064)	(1,710,064)	-
Net changes	(4,760,343)	2,584,525	(7,344,868)
Balance at December 31, 2021	\$ 27,997,640	\$ 25,501,913	\$ 2,495,727

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

The following presents the net OPEB liability of the City, calculated using the discount rate of 7.35 percent, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.35 percent) or 1-percentage-point higher (8.35 percent) than the current rate:

	1% Decrease (6.35%)	Current Discount Rate (7.35%)	1% Increase (8.35%)
City's net OPEB liability	\$ 5,123,437	\$ 2,495,727	\$ 271,550

City of Muskegon
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE N—OTHER POSTEMPLOYMENT BENEFITS—Continued

Retiree Healthcare Plan—Continued

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

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

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
City's net OPEB liability	\$ 310,673	\$ 2,495,727	\$ 5,044,676

OPEB Plan Fiduciary Net Position

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

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

For the year ended June 30, 2022, the City recognized OPEB expense of (\$3,582,893). At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in experience	\$ -	\$ 544,181
Changes in assumptions	-	623,120
Net difference between projected and actual net investment income	-	1,472,132
Contributions subsequent to the measurement date*	1,017,232	-
Total	<u>\$ 1,017,232</u>	<u>\$ 2,639,433</u>

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the year ending June 30, 2023.

City of Muskegon
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE N—OTHER POSTEMPLOYMENT BENEFITS—Continued

Retiree Healthcare Plan—Continued

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

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

Year Ending June 30,	Amount
2023	\$ (1,355,158)
2024	(645,978)
2025	(409,423)
2026	(228,874)

Payables to the OPEB Plan

At June 30, 2022, the City did not have a payable to the OPEB Plan.

Healthcare Savings Plan

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

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

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

For the year ended June 30, 2022, City and employee contributions were \$530,720 and \$248,630, respectively.

City of Muskegon
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE O—CHANGE IN ACCOUNTING PRINCIPLE

For the year ended June 30, 2022, the City implemented the following new pronouncement: GASB Statement No. 87, *Leases*.

Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, was issued by the GASB in June 2017. The objective of this Statement is to increase the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use the underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

The restatement of beginning of the year has no impact on net position or fund balance. The change in receivables and deferred inflows are as follows:

Balance Sheet - General Fund		
	Leases Receivable	Deferred Inflows
Balances as of July 1, 2021, as previously stated	\$ -	\$ -
Adoption of GASB Statement 87	4,114,819	4,114,819
Balances as of July 1, 2021, as restated	\$ 4,114,819	\$ 4,114,819
Balance Sheet - Trinity Health Arena Fund		
	Leases Receivable	Deferred Inflows
Balances as of July 1, 2021, as previously stated	\$ -	\$ -
Adoption of GASB Statement 87	3,324,454	3,324,454
Balances as of July 1, 2021, as restated	\$ 3,324,454	\$ 3,324,454
Statement of Net Position - Water Fund		
	Leases Receivable	Deferred Inflows
Balances as of July 1, 2021, as previously stated	\$ -	\$ -
Adoption of GASB Statement 87	1,019,762	1,019,762
Balances as of July 1, 2021, as restated	\$ 1,019,762	\$ 1,019,762

City of Muskegon
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE O—CHANGE IN ACCOUNTING PRINCIPLE—Continued

Statement of Net Position - Governmental Activities		
	Leases Receivable	Deferred Inflows
Balances as of July 1, 2021, as previously stated	\$ -	\$ -
Adoption of GASB Statement 87	7,439,273	7,439,273
Balances as of July 1, 2021, as restated	\$ 7,439,273	\$ 7,439,273

Statement of Net Position - Business-type Activities		
	Leases Receivable	Deferred Inflows
Balances as of July 1, 2021, as previously stated	\$ -	\$ -
Adoption of GASB Statement 87	1,019,762	1,019,762
Balances as of July 1, 2021, as restated	\$ 1,019,762	\$ 1,019,762

NOTE P—UPCOMING ACCOUNTING PRONOUNCEMENT

GASB Statement 96—*Subscription-Based Information Technology Arrangements* was issued by the GASB in May 2020 and will be effective for the City's 2023 fiscal year. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended.

NOTE Q—SUBSEQUENT EVENT

On September 20, 2022, the City issued Revenue Bonds for the Water Fund of \$4,843,000 for improvements to the drinking water system.

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REQUIRED SUPPLEMENTARY INFORMATION

City of Muskegon
BUDGETARY COMPARISON SCHEDULE
 General Fund
 For the year ended June 30, 2022
 (with comparative actual amounts for the year ended June 30, 2021)

	2022			2021	
	Budgeted Amounts		Actual	Variance with	Actual
	Original	Final		Final Budget	
REVENUES					
Taxes					
City income taxes	\$ 9,100,000	\$ 9,300,000	\$ 10,002,623	\$ 702,623	\$ 9,256,826
Property taxes	7,916,754	8,263,500	7,980,885	(282,615)	7,624,483
Industrial facilities taxes	200,000	175,000	155,353	(19,647)	211,811
Payments in lieu of taxes	662,541	662,541	656,785	(5,756)	607,538
Total taxes	17,879,295	18,401,041	18,795,646	394,605	17,700,658
Licenses and permits					
Business licenses	43,000	45,000	43,875	(1,125)	45,415
Liquor licenses	50,000	65,000	65,054	54	45,808
Marihuana facilities licenses	102,500	195,000	175,500	(19,500)	189,200
Cable TV fees	370,000	370,000	369,420	(580)	374,219
Rental property registration	397,500	399,500	412,225	12,725	397,236
Burial permits	80,000	75,000	69,200	(5,800)	74,435
Building permits	800,000	775,000	755,346	(19,654)	683,883
Electrical permits	201,000	190,000	172,506	(17,494)	194,056
Plumbing permits	98,000	98,000	87,562	(10,438)	99,165
Mechanical permits	146,000	135,000	130,775	(4,225)	136,858
Vacant building fees	3,500	30,000	24,585	(5,415)	6,100
Total licenses and permits	2,291,500	2,377,500	2,306,048	(71,452)	2,246,375
Intergovernmental revenues					
Federal grants	333,344	270,000	291,918	21,918	1,667,916
State					
Grants	924,000	1,393,000	1,392,403	(597)	1,018,505
State shared revenue	4,399,008	4,399,008	5,087,587	688,579	4,733,888
Total intergovernmental revenues - State	5,323,008	5,792,008	6,479,990	687,982	5,752,393
Local	-	-	50,000	50,000	50,000

City of Muskegon
BUDGETARY COMPARISON SCHEDULE—CONTINUED
 General Fund
 For the year ended June 30, 2022
 (with comparative actual amounts for the year ended June 30, 2021)

	2022			2021	
	Budgeted Amounts		Actual	Variance with	Actual
	Original	Final		Final Budget	
Charges for services					
Tax administration fees	\$ 327,000	\$ 386,000	\$ 389,161	\$ 3,161	\$ 369,323
Utility administration fees	310,000	310,000	310,000	-	310,000
Reimbursement for elections	-	20,000	2,464	(17,536)	75
Brownfield authority admin fee	275,000	275,000	275,000	-	175,000
Indirect cost reimbursements	1,481,624	1,440,116	1,440,116	-	1,278,590
Site plan review fee	5,800	12,000	10,900	(1,100)	8,900
Sale of cemetery lots	30,000	40,000	33,493	(6,507)	47,339
Police miscellaneous	145,200	224,200	250,874	26,674	130,990
Police impound fees	40,000	40,000	37,903	(2,097)	46,309
Landlord's alert fee	30,000	30,000	25,783	(4,217)	25,766
Fire protection - state property	119,574	101,158	101,158	-	119,574
Zoning fees	19,500	30,300	27,785	(2,515)	21,580
Muskegon Heights zoning	15,000	7,600	2,310	(5,290)	11,270
Clerk fees	2,000	9,000	32,493	23,493	1,387
Clerk fees - passport fees	40,000	44,000	45,480	1,480	5,555
Tax abatement application fees	14,400	9,500	7,280	(2,220)	4,085
Treasurer fees	42,000	34,900	76,621	41,721	57,618
False alarm fees	7,000	7,000	7,785	785	5,880
Miscellaneous cemetery income	16,000	40,000	32,615	(7,385)	34,956
Downtown social district	36,750	75,000	79,102	4,102	7,281
Fire miscellaneous	14,000	14,500	10,922	(3,578)	16,334
Sanitation stickers	404,100	437,700	451,038	13,338	435,659
Lot cleanup fees	39,500	37,500	27,808	(9,692)	34,615
Reimbursements - lot mowing and demolitions	5,000	-	-	-	-
Special events reimbursements	50,000	15,000	22,621	7,621	(34,762)
Recreation program fees	8,000	21,500	22,192	692	14,890
Parking	500,000	720,000	837,125	117,125	543,794
Other charges for services	-	10,000	6,000	(4,000)	-
Total charges for services	3,977,448	4,391,974	4,566,029	174,055	3,672,008
Fines and forfeitures					
Income tax - penalty and interest	200,000	200,000	189,868	(10,132)	286,818
Late fees on current taxes	20,000	20,000	17,878	(2,122)	15,574
Interest on late invoices	11,000	17,400	17,777	377	16,179
Parking fines	135,000	242,000	249,725	7,725	149,864
Court fines	120,000	90,000	74,789	(15,211)	97,979
Civil infractions	15,000	31,000	31,332	332	18,057
Total fines and forfeitures	501,000	600,400	581,369	(19,031)	584,471
Investment earnings and rental income					
Interest income	100,000	75,000	254,524	179,524	98,623
Net increase (decrease) in the fair value of investments	-	-	(918,392)	(918,392)	(163,278)
City right of way rental	6,800	2,400	2,400	-	2,000
Fire station lease - Central Dispatch	480,708	490,000	353,579	(136,421)	101,084
Parking rentals	68,750	68,750	55,239	(13,511)	61,935
Great Lakes Naval Memorial lease	15,000	-	-	-	-
McGraft Park rentals	97,000	97,000	92,841	(4,159)	48,016
Other park rentals	49,000	68,500	66,459	(2,041)	50,028
Total investment earnings and rental income	817,258	801,650	(93,350)	(895,000)	198,408

City of Muskegon
BUDGETARY COMPARISON SCHEDULE—CONTINUED
 General Fund
 For the year ended June 30, 2022
 (with comparative actual amounts for the year ended June 30, 2021)

	2022			2021	
	Budgeted Amounts		Actual	Variance with Final Budget	Actual
	Original	Final			
Other					
Sale of land and assets	\$ -	\$ -	\$ 356	\$ 356	\$ -
Police sale and auction proceeds	1,000	500	4,872	4,372	385
CDBG program reimbursements	438,910	399,910	412,269	12,359	495,554
Fisherman's Landing reimbursement	17,500	28,039	28,039	-	23,706
Contributions	62,000	302,000	265,700	(36,300)	558,945
Contributions - Veteran's Park maintenance	18,500	16,900	16,889	(11)	12,904
Community Foundation for Muskegon County	35,534	10,691	10,691	-	10,144
Miscellaneous and sundry	95,000	426,069	428,301	2,232	82,616
Total other	668,444	1,184,109	1,167,117	(16,992)	1,184,254
Total revenues	31,791,297	33,818,682	34,144,767	326,085	33,056,483
EXPENDITURES					
Current					
Public representation services					
City commission	87,223	107,877	106,980	897	96,287
City promotions and public relations	76,200	76,200	66,682	9,518	56,041
City manager	529,550	504,900	490,999	13,901	430,424
Contributions to outside agencies	405,329	577,622	567,952	9,670	541,614
City attorney	380,000	505,000	526,315	(21,315)	431,961
Total public representation services	1,478,302	1,771,599	1,758,928	12,671	1,556,327
Administrative services					
City clerk	688,230	683,500	709,596	(26,096)	569,368
Civil service	241,545	255,965	236,245	19,720	214,035
Total administrative services	929,775	939,465	945,841	(6,376)	783,403
Financial services					
Finance administration	643,850	642,300	642,543	(243)	643,392
Assessing	415,948	416,500	415,917	583	348,753
Arena administration	-	-	8,196	(8,196)	10,797
Income tax administration	414,753	409,000	403,538	5,462	400,206
Information systems	550,571	675,500	651,932	23,568	524,565
City treasurer	647,227	625,500	637,622	(12,122)	615,675
Pension administration	2,908,506	2,908,506	2,908,506	-	2,266,951
Total financial services	5,580,855	5,677,306	5,668,254	9,052	4,810,339
Public safety					
Police department	10,234,869	10,738,500	10,758,657	(20,157)	9,862,730
Fire department	3,164,026	3,021,811	3,034,373	(12,562)	2,908,093
Fire safety inspections	2,007,745	2,022,000	1,727,952	294,048	1,870,745
Total public safety	15,406,640	15,782,311	15,520,982	261,329	14,641,568

City of Muskegon
BUDGETARY COMPARISON SCHEDULE—CONTINUED
General Fund
For the year ended June 30, 2022
(with comparative actual amounts for the year ended June 30, 2021)

	2022			2021	
	Budgeted Amounts		Actual	Variance with	Actual
	Original	Final		Final Budget	
Public works					
Street lighting	\$ 350,000	\$ 350,000	\$ 356,973	\$ (6,973)	\$ 382,729
Community event support	92,100	121,000	130,198	(9,198)	100,206
General sanitation	2,037,262	2,345,700	2,344,186	1,514	2,285,497
Storm water management	14,000	30,000	22,233	7,767	4,000
City hall maintenance	325,711	350,000	365,188	(15,188)	310,492
Cemeteries maintenance	473,402	481,382	509,515	(28,133)	360,056
Total public works	3,292,475	3,678,082	3,728,293	(50,211)	3,442,980
Community and economic development					
Planning, zoning and economic development	556,100	565,500	542,191	23,309	488,691
Environmental services	-	1,500	1,502	(2)	177
Edison Landing subsidy	200,000	200,000	200,000	-	350,000
Total community and economic development	756,100	767,000	743,693	23,307	838,868
Culture and recreation					
Parks maintenance	1,899,516	2,379,089	2,482,189	(103,100)	1,665,740
McGraft Park maintenance	123,075	148,175	142,840	5,335	131,222
General and inner city recreation programs	-	5,500	5,482	18	305
Forestry	80,000	82,500	81,501	999	56,567
Parking operations	45,600	51,330	100,522	(49,192)	89,542
Farmers market and flea market	-	-	41	(41)	99
Social district	36,750	47,000	26,905	20,095	5,639
Total culture and recreation	2,184,941	2,713,594	2,839,480	(125,886)	1,949,114
Other governmental functions					
Insurance premiums	389,881	464,000	450,719	13,281	351,344
Other	50,000	50,000	34,305	15,695	28,888
Total other governmental functions	439,881	514,000	485,024	28,976	380,232
Debt service					
Principal	710,000	907,462	907,462	-	2,285,300
Interest and fees	372,000	390,593	390,771	(178)	250,991
Bond issuance costs	-	1,000	1,000	-	140,750
Total debt service	1,082,000	1,299,055	1,299,233	(178)	2,677,041
Capital outlay	1,829,588	4,552,706	4,662,678	(109,972)	4,358,050
Total expenditures	32,980,557	37,695,118	37,652,406	42,712	35,437,922
Excess of revenues over (under) expenditures	(1,189,260)	(3,876,436)	(3,507,639)	368,797	(2,381,439)

City of Muskegon
BUDGETARY COMPARISON SCHEDULE—CONTINUED
 General Fund
 For the year ended June 30, 2022
 (with comparative actual amounts for the year ended June 30, 2021)

	2022			2021	
	Budgeted Amounts		Actual	Variance with	Actual
	Original	Final		Final Budget	
OTHER FINANCING SOURCES (USES)					
Long-term debt issued	\$ 1,085,275	\$ 289,176	\$ 1,370,873	\$ 1,081,697	\$ 4,325,000
Refunding bonds issued	-	-	-	-	2,055,000
Premium on bonds issued	-	-	-	-	772,424
Transfers in	1,080,000	6,828,548	5,798,549	(1,029,999)	-
Transfers out	(915,000)	(3,130,000)	(3,998,250)	(868,250)	(1,475,000)
Total other financing sources (uses)	1,250,275	3,987,724	3,171,172	(816,552)	5,677,424
Net change in fund balance	\$ 61,015	\$ 111,288	(336,467)	\$ (447,755)	3,295,985
Fund balance at beginning of year			11,197,840		7,901,855
Fund balance at end of year			\$ 10,861,373		\$ 11,197,840

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

City of Muskegon
BUDGETARY COMPARISON SCHEDULE
Major Street and Trunkline Fund
For the year ended June 30, 2022

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental revenues				
Federal	\$ 1,109,848	\$ 566,848	\$ -	\$ (566,848)
State	4,881,000	5,111,000	4,809,424	(301,576)
Investment earnings	5,000	10,000	11,627	1,627
Other	-	360,000	323,508	(36,492)
Total revenues	5,995,848	6,047,848	5,144,559	(903,289)
EXPENDITURES				
Current				
Highways, streets and bridges	5,892,486	5,040,138	3,798,863	1,241,275
Debt service				
Principal	-	230,000	230,000	-
Interest and fees	-	3,503	3,503	-
Total expenditures	5,892,486	5,273,641	4,032,366	1,241,275
Net change in fund balance	\$ 103,362	\$ 774,207	1,112,193	\$ 337,986
Fund balance at beginning of year			2,408,053	
Fund balance at end of year			\$ 3,520,246	

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

City of Muskegon
BUDGETARY COMPARISON SCHEDULE
Trinity Health Arena Fund
For the year ended June 30, 2022

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental revenues				
Federal	\$ -	\$ 625,498	\$ 625,498	\$ -
Charges for services	1,075,267	1,961,518	2,683,567	722,049
Investment earnings	-	-	79,782	79,782
Other	9,500	662,202	14,904	(647,298)
Total revenues	1,084,767	3,249,218	3,403,751	154,533
EXPENDITURES				
Current				
Culture and recreation	1,723,805	2,160,000	2,274,570	(114,570)
Capital outlay	125,000	2,137,760	1,987,141	150,619
Total expenditures	1,848,805	4,297,760	4,261,711	36,049
Excess of revenues over (under) expenditures	(764,038)	(1,048,542)	(857,960)	190,582
OTHER FINANCING SOURCES				
Transfers in	1,029,203	779,203	865,000	85,797
Net change in fund balance	<u>\$ 265,165</u>	<u>\$ (269,339)</u>	7,040	<u>\$ 276,379</u>
Fund balance at beginning of year			54,928	
Fund balance at end of year			<u>\$ 61,968</u>	

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

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

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

Notes to Schedule

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

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution	\$ 3,724,080	\$ 2,902,032	\$ 1,855,248	\$ 1,902,696	\$ 1,798,140	\$ 1,897,158	\$ 1,546,440	\$ 1,293,996	\$ 1,043,040	\$ 1,035,772
Contributions in relation to the actuarially determined contribution	3,724,080	2,902,032	2,777,641	2,218,663	1,964,214	2,276,200	1,753,272	1,293,996	1,543,040	1,035,772
Contribution deficiency (excess)	\$ -	\$ -	\$ (922,393)	\$ (315,967)	\$ (166,074)	\$ (379,042)	\$ (206,832)	\$ -	\$ (500,000)	\$ -
Covered payroll	\$ 4,608,816	\$ 5,408,268	\$ 6,110,950	\$ 6,561,169	\$ 7,645,789	\$ 8,460,078	\$ 9,108,948	\$ 9,171,511	\$ 9,198,938	\$ 10,185,425
Contributions as percentage of covered payroll	80.8%	53.7%	45.5%	33.8%	25.7%	26.9%	19.2%	14.1%	16.8%	10.2%

Notes to Schedule

Valuation Date:

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, Closed
Remaining amortization period	17 years
Asset valuation method	5-year smoothed market
Inflation	2.5 percent
Salary increases	3.0 percent in the long-term
Investment rate of return	7.35 percent, net of administrative and investment expenses
Retirement age	Varies depending on plan adoption
Mortality	Based on a version of Pub-2010 and fully generational MP-2019

City of Muskegon
REQUIRED SUPPLEMENTARY INFORMATION
RETIREE HEALTHCARE SYSTEM SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
 Last Ten Fiscal Years (Amounts were determined as of December 31 of each fiscal year)

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

Notes to Schedule

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

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution	\$ 1,344,010	\$ 2,289,405	\$ 2,115,188	\$ 1,470,562	\$ 956,532	\$ 606,506	\$ 639,428	\$ 659,451	\$ 696,634	\$ 728,863
Contributions in relation to the actuarially determined contribution	650,383	1,206,464	1,233,505	1,260,887	687,642	606,506	639,428	659,451	696,634	728,863
Contribution deficiency (excess)	\$ 693,627	\$ 1,082,941	\$ 881,683	\$ 209,675	\$ 268,890	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 6,978,841	\$ 7,848,543	\$ 8,952,683	Not Available	\$ 8,095,840	\$ 10,830,000	\$ 10,830,000	\$ 10,005,000	\$ 10,005,000	\$ 12,365,000
Contributions as percentage of covered payroll	9.3%	15.4%	13.8%	Not Available	8.5%	5.6%	5.9%	6.6%	7.0%	5.9%

Notes to Schedule

Valuation Date:

Actuarially determined contribution rates are calculated as of December 31, 2021.

Methods and assumptions used to determine contribution rates:

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

Amortization method Level percentage of payroll, Closed

Remaining amortization period 7 years

Asset valuation method Equal to market value of assets

Inflation 2.5 percent

Salary increases 0.0 percent

Investment rate of return 7.35 percent (including inflation), net of administrative and investment expenses

Retirement age 55 - 60 years of age

Mortality Mortality rates for police and fire were as set forth in the Public Safety 2010 Employee and Healthy Retiree, headcount weighted, MP-2021 improvement scale.

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

City of Muskegon
REQUIRED SUPPLEMENTARY INFORMATION
RETIREE HEALTHCARE SYSTEM SCHEDULE OF INVESTMENT RETURNS
 Last Ten Fiscal Years (Amounts were determined as of December 31 of each fiscal year)

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

Notes to Schedule

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

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OTHER SUPPLEMENTAL INFORMATION

DESCRIPTION OF OTHER GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

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

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

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

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

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

Capital Projects Funds

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

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

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

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

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

**DESCRIPTION OF
OTHER GOVERNMENTAL FUNDS—CONTINUED**

Capital Projects Funds—Continued

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

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

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

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

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

Permanent Funds

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

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

City of Muskegon
COMBINING BALANCE SHEET
Other Governmental Funds
June 30, 2022

	Total Other Governmental Funds	Other Special Revenue Funds	Other Capital Projects Funds	Permanent Fund - Cemetery Perpetual Care
ASSETS				
Cash and investments	\$ 3,001,131	\$ 1,040,460	\$ 1,285,084	\$ 675,587
Assets managed by others	1,356,585	-	29,011	1,327,574
Receivables				
Accounts and loans (net of allowance for uncollectibles)	989,779	13,085	973,815	2,879
Due from other governmental units	505,219	196,197	309,022	-
Advances to component units	148,994	-	-	148,994
Prepaid items	7,905	7,905	-	-
Total assets	\$ 6,009,613	\$ 1,257,647	\$ 2,596,932	\$ 2,155,034
LIABILITIES				
Accounts payable	\$ 303,168	\$ 37,286	\$ 265,882	\$ -
Accrued liabilities	41,424	22,703	18,721	-
Due to other governmental units	788	788	-	-
Due to other funds	33,684	-	33,684	-
Short-term draw note	84,297	-	84,297	-
Unearned revenues - unused Farmers Market tokens	26,331	26,331	-	-
Total liabilities	489,692	87,108	402,584	-
FUND BALANCES				
Nonspendable				
Prepaid items	7,905	7,905	-	-
Perpetual care	1,677,702	-	-	1,677,702
Restricted				
Highways, streets and bridges	789,134	789,134	-	-
Law enforcement	23,161	23,161	-	-
Business improvement districts	176,733	176,733	-	-
Perpetual care	477,332	-	-	477,332
Other purposes	173,606	173,606	-	-
Assigned for capital projects and public improvements	2,194,348	-	2,194,348	-
Total fund balances	5,519,921	1,170,539	2,194,348	2,155,034
Total liabilities and fund balances	\$ 6,009,613	\$ 1,257,647	\$ 2,596,932	\$ 2,155,034

City of Muskegon
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS)
Other Governmental Funds
For the year ended June 30, 2022

	Total Other Governmental Funds	Other Special Revenue Funds	Other Capital Projects Funds	Permanent Fund - Cemetery Perpetual Care
REVENUES				
Intergovernmental revenues				
Federal	\$ 2,952,413	\$ -	\$ 2,952,413	\$ -
State	2,538,375	1,461,786	1,076,589	-
Local	261,057	-	261,057	-
Charges for services	495,403	401,906	58,204	35,293
Fines and forfeitures	1,264	1,264	-	-
Investment earnings	36,959	4,445	23,356	9,158
Income from assets managed by others	(134,215)	-	(5,173)	(129,042)
Other	1,104,169	275,176	828,993	-
Total revenues	7,255,425	2,144,577	5,195,439	(84,591)
EXPENDITURES				
Current				
Public safety	443	443	-	-
Public works	156,277	156,277	-	-
Highways, streets and bridges	1,998,785	1,998,785	-	-
Culture and recreation	484,929	484,929	-	-
Debt service				
Principal	205,000	-	205,000	-
Interest and fees	616,730	-	616,730	-
Capital outlay	4,835,674	-	4,835,674	-
Total expenditures	8,297,838	2,640,434	5,657,404	-
Excess of revenues over (under) expenditures	(1,042,413)	(495,857)	(461,965)	(84,591)
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	1,204,675	-	1,204,675	-
Transfers in	3,128,500	262,500	2,866,000	-
Transfers out	(401,000)	-	(401,000)	-
Total other financing sources (uses)	3,932,175	262,500	3,669,675	-
Net change in fund balances (deficits)	2,889,762	(233,357)	3,207,710	(84,591)
Fund balances (deficits) at beginning of year	2,630,159	1,403,896	(1,013,362)	2,239,625
Fund balances at end of year	\$ 5,519,921	\$ 1,170,539	\$ 2,194,348	\$ 2,155,034

City of Muskegon
COMBINING BALANCE SHEET
 Other Special Revenue Funds
 June 30, 2022

	Total Other Special Revenue Funds	Local Street	Farmers Market and Kitchen 242	Criminal Forfeitures	Downtown BID	Lakeshore BID	Tree Replacement
ASSETS							
Cash and investments	\$ 1,040,460	\$ 613,349	\$ 222,106	\$ 23,161	\$ 135,442	\$ 45,791	\$ 611
Receivables							
Accounts	13,085	7,550	5,535	-	-	-	-
Due from other governmental units	196,197	196,197	-	-	-	-	-
Prepaid items	7,905	7,905	-	-	-	-	-
Total assets	\$ 1,257,647	\$ 825,001	\$ 227,641	\$ 23,161	\$ 135,442	\$ 45,791	\$ 611
LIABILITIES							
Accounts payable	\$ 37,286	\$ 8,503	\$ 24,283	\$ -	\$ 4,500	\$ -	\$ -
Accrued liabilities	22,703	19,459	3,244	-	-	-	-
Due to other governmental units	788	-	788	-	-	-	-
Unearned revenues - unused Farmers Market tokens	26,331	-	26,331	-	-	-	-
Total liabilities	87,108	27,962	54,646	-	4,500	-	-
FUND BALANCES							
Nonspendable - prepaid items	7,905	7,905	-	-	-	-	-
Restricted							
Highways, streets and bridges	789,134	789,134	-	-	-	-	-
Law enforcement	23,161	-	-	23,161	-	-	-
Business improvement districts	176,733	-	-	-	130,942	45,791	-
Other purposes	173,606	-	172,995	-	-	-	611
Total fund balances	1,170,539	797,039	172,995	23,161	130,942	45,791	611
Total liabilities and fund balances	\$ 1,257,647	\$ 825,001	\$ 227,641	\$ 23,161	\$ 135,442	\$ 45,791	\$ 611

City of Muskegon
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Other Special Revenue Funds
For the year ended June 30, 2022

	Total Other Special Revenue Funds	Local Street	Farmers Market and Kitchen 242	Criminal Forfeitures	Downtown BID	Lakeshore BID	Tree Replacement
REVENUES							
Intergovernmental revenues							
State	\$ 1,461,786	\$ 1,461,786	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	401,906	2,800	399,106	-	-	-	-
Fines and forfeitures	1,264	-	-	1,264	-	-	-
Investment earnings	4,445	2,960	614	111	641	82	37
Other	275,176	39,642	61,778	-	117,193	43,126	13,437
Total revenues	2,144,577	1,507,188	461,498	1,375	117,834	43,208	13,474
EXPENDITURES							
Current							
Public safety	443	-	-	443	-	-	-
Public works	156,277	-	-	-	119,880	36,397	-
Highways, streets and bridges	1,998,785	1,998,785	-	-	-	-	-
Culture and recreation	484,929	-	455,886	-	-	-	29,043
Total expenditures	2,640,434	1,998,785	455,886	443	119,880	36,397	29,043
Excess of revenues over (under) expenditures	(495,857)	(491,597)	5,612	932	(2,046)	6,811	(15,569)
OTHER FINANCING SOURCES							
Transfers in	262,500	100,000	125,000	-	-	35,000	2,500
Net change in fund balances	(233,357)	(391,597)	130,612	932	(2,046)	41,811	(13,069)
Fund balances at beginning of year	1,403,896	1,188,636	42,383	22,229	132,988	3,980	13,680
Fund balances at end of year	\$ 1,170,539	\$ 797,039	\$ 172,995	\$ 23,161	\$ 130,942	\$ 45,791	\$ 611

City of Muskegon
BUDGETARY COMPARISON SCHEDULE
 Other Special Revenue Funds
 For the year ended June 30, 2022

	Local Street			Farmers Market and Kitchen 242		
	Final Budget	Actual	Variance with Final Budget	Final Budget	Actual	Variance with Final Budget
REVENUES						
Intergovernmental revenues						
State	\$ 1,460,000	\$ 1,461,786	\$ 1,786	\$ -	\$ -	\$ -
Charges for services	5,000	2,800	(2,200)	363,225	399,106	35,881
Investment earnings	3,500	2,960	(540)	500	614	114
Other	40,000	39,642	(358)	36,000	61,778	25,778
Total revenues	1,508,500	1,507,188	(1,312)	399,725	461,498	61,773
EXPENDITURES						
Current						
Highways, streets and bridges	2,117,950	1,998,785	119,165	-	-	-
Culture and recreation	-	-	-	429,200	455,886	(26,686)
Total expenditures	2,117,950	1,998,785	119,165	429,200	455,886	(26,686)
Excess of revenues over (under) expenditures	(609,450)	(491,597)	117,853	(29,475)	5,612	35,087
OTHER FINANCING SOURCES						
Transfers in	100,000	100,000	-	40,000	125,000	85,000
Net change in fund balances	<u>\$ (509,450)</u>	(391,597)	<u>\$ 117,853</u>	<u>\$ 10,525</u>	130,612	<u>\$ 120,087</u>
Fund balances at beginning of year		1,188,636			42,383	
Fund balances at end of year		<u>\$ 797,039</u>			<u>\$ 172,995</u>	

City of Muskegon
BUDGETARY COMPARISON SCHEDULE—CONTINUED
 Other Special Revenue Funds
 For the year ended June 30, 2022

	Criminal Forfeitures			Downtown BID		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
REVENUES						
Fines and forfeitures	\$ -	\$ 1,264	\$ 1,264	\$ -	\$ -	\$ -
Investment earnings	100	111	11	-	641	641
Other	-	-	-	114,888	117,193	2,305
Total revenues	100	1,375	1,275	114,888	117,834	2,946
EXPENDITURES						
Current						
Public safety	500	443	57	-	-	-
Public works	-	-	-	114,888	119,880	(4,992)
Total expenditures	500	443	57	114,888	119,880	(4,992)
Net change in fund balances	<u>\$ (400)</u>	932	<u>\$ 1,332</u>	<u>\$ -</u>	(2,046)	<u>\$ (2,046)</u>
Fund balances at beginning of year		<u>22,229</u>			<u>132,988</u>	
Fund balances at end of year		<u>\$ 23,161</u>			<u>\$ 130,942</u>	

City of Muskegon
BUDGETARY COMPARISON SCHEDULE—CONTINUED
 Other Special Revenue Funds
 For the year ended June 30, 2022

	Lakeshore BID			Tree Replacement		
	Final Budget	Actual	Variance with Final Budget	Final Budget	Actual	Variance with Final Budget
REVENUES						
Investment earnings	\$ -	\$ 82	\$ 82	\$ -	\$ 37	\$ 37
Other	26,944	43,126	16,182	13,500	13,437	(63)
Total revenues	26,944	43,208	16,264	13,500	13,474	(26)
EXPENDITURES						
Current						
Public works	41,944	36,397	5,547	-	-	-
Culture and recreation	-	-	-	30,000	29,043	957
Total expenditures	41,944	36,397	5,547	30,000	29,043	957
Excess of revenues over (under) expenditures	(15,000)	6,811	21,811	(16,500)	(15,569)	931
OTHER FINANCING SOURCES						
Transfers in	-	35,000	35,000	5,000	2,500	(2,500)
Net change in fund balances	<u>\$ (15,000)</u>	41,811	<u>\$ 56,811</u>	<u>\$ (11,500)</u>	(13,069)	<u>\$ (1,569)</u>
Fund balances at beginning of year		3,980			13,680	
Fund balances at end of year		<u>\$ 45,791</u>			<u>\$ 611</u>	

City of Muskegon
COMBINING BALANCE SHEET
Other Capital Projects Funds
June 30, 2022

	Total Other Capital Projects Funds	Public Improvement	Michcon Remediation	EDC Revolving Loan	Community Development Block Grant	HOME Rehabilitation	Lead Abatement	Senior Millage	Convention Center Construction	Healthy Homes
ASSETS										
Cash and investments	\$ 1,285,084	\$ 317,741	\$ 228,686	\$ 506,837	\$ 21,197	\$ 25,768	\$ -	\$ 31,377	\$ 153,478	\$ -
Assets managed by others	29,011	29,011	-	-	-	-	-	-	-	-
Receivables										
Accounts and loans (net of allowance for uncollectibles)	973,815	299,916	-	661,160	12,739	-	-	-	-	-
Due from other governmental units	309,022	-	-	-	174,570	57,713	74,724	-	-	2,015
Total assets	\$ 2,596,932	\$ 646,668	\$ 228,686	\$ 1,167,997	\$ 208,506	\$ 83,481	\$ 74,724	\$ 31,377	\$ 153,478	\$ 2,015
LIABILITIES										
Accounts payable	\$ 265,882	\$ 10,976	\$ -	\$ -	\$ 77,606	\$ 80,854	\$ 41,801	\$ 13,003	\$ 41,642	\$ -
Accrued liabilities	18,721	-	-	-	16,323	1,144	505	-	-	749
Due to other funds	33,684	-	-	-	-	-	32,418	-	-	1,266
Short-term draw note	84,297	84,297	-	-	-	-	-	-	-	-
Total liabilities	402,584	95,273	-	-	93,929	81,998	74,724	13,003	41,642	2,015
FUND BALANCES										
Assigned for capital projects and public improvements	2,194,348	551,395	228,686	1,167,997	114,577	1,483	-	18,374	111,836	-
Total liabilities and fund balances	\$ 2,596,932	\$ 646,668	\$ 228,686	\$ 1,167,997	\$ 208,506	\$ 83,481	\$ 74,724	\$ 31,377	\$ 153,478	\$ 2,015

City of Muskegon
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS)
Other Capital Projects Funds
For the year ended June 30, 2022

	Total Other Capital Projects Funds	Public Improvement	Michcon Remediation	EDC Revolving Loan	Community Development Block Grant	HOME Rehabilitation	Lead Abatement	Senior Millage	Convention Center Construction	Healthy Homes
REVENUES										
Intergovernmental revenues										
Federal	\$ 2,952,413	\$ -	\$ -	\$ -	\$ 1,748,418	\$ 580,355	\$ 621,625	\$ -	\$ -	\$ 2,015
State	1,076,589	-	-	-	-	-	21,804	-	1,054,785	-
Local	261,057	261,057	-	-	-	-	-	-	-	-
Charges for services	58,204	52,204	-	6,000	-	-	-	-	-	-
Investment earnings	23,356	-	1,141	21,879	-	-	-	298	38	-
Income from assets managed by others	(5,173)	(5,173)	-	-	-	-	-	-	-	-
Other	828,993	471,709	-	107,916	5,758	6	3	243,601	-	-
Total revenues	5,195,439	779,797	1,141	135,795	1,754,176	580,361	643,432	243,899	1,054,823	2,015
EXPENDITURES										
Debt service										
Principal	205,000	-	-	-	-	-	-	-	205,000	-
Interest and fees	616,730	4,519	-	-	-	-	-	-	612,211	-
Capital outlay	4,835,674	647,099	-	410,900	1,707,058	426,476	643,432	265,356	733,338	2,015
Total expenditures	5,657,404	651,618	-	410,900	1,707,058	426,476	643,432	265,356	1,550,549	2,015
Excess of revenues over (under) expenditures	(461,965)	128,179	1,141	(275,105)	47,118	153,885	-	(21,457)	(495,726)	-
OTHER FINANCING SOURCES (USES)										
Proceeds from sale of capital assets	1,204,675	1,084,182	-	-	67,459	53,034	-	-	-	-
Transfers in	2,866,000	366,000	-	-	-	-	-	-	2,500,000	-
Transfers out	(401,000)	-	-	-	-	(316,000)	-	(85,000)	-	-
Total other financing sources (uses)	3,669,675	1,450,182	-	-	67,459	(262,966)	-	(85,000)	2,500,000	-
Net change in fund balances (deficits)	3,207,710	1,578,361	1,141	(275,105)	114,577	(109,081)	-	(106,457)	2,004,274	-
Fund balances (deficits) at beginning of year	(1,013,362)	(1,026,966)	227,545	1,443,102	-	110,564	-	124,831	(1,892,438)	-
Fund balances at end of year	<u>\$ 2,194,348</u>	<u>\$ 551,395</u>	<u>\$ 228,686</u>	<u>\$ 1,167,997</u>	<u>\$ 114,577</u>	<u>\$ 1,483</u>	<u>\$ -</u>	<u>\$ 18,374</u>	<u>\$ 111,836</u>	<u>\$ -</u>

DESCRIPTION OF INTERNAL SERVICE FUNDS

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

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

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

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

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

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

City of Muskegon
COMBINING STATEMENT OF NET POSITION
Internal Service Funds
June 30, 2022

	Total Internal Service Funds	Engineering Services	Equipment	General Insurance	Public Service Building
ASSETS					
Current assets					
Cash and investments	\$ 3,559,579	\$ 67,853	\$ 1,534,275	\$ 1,012,141	\$ 945,310
Accounts receivable	333,192	24,619	9,357	299,216	-
Inventories	38,867	-	38,867	-	-
Prepaid items	229,096	2,906	62,719	158,586	4,885
Total current assets	4,160,734	95,378	1,645,218	1,469,943	950,195
Noncurrent assets					
Advances to component units	297,986	-	148,993	148,993	-
Capital assets					
Land	65,000	-	-	-	65,000
Land improvements	301,715	-	-	-	301,715
Buildings and improvements	1,668,215	-	-	-	1,668,215
Machinery and equipment	10,313,517	51,346	10,167,807	-	94,364
Less accumulated depreciation	(9,524,983)	(33,645)	(7,676,636)	-	(1,814,702)
Net capital assets	2,823,464	17,701	2,491,171	-	314,592
Total noncurrent assets	3,121,450	17,701	2,640,164	148,993	314,592
Total assets	7,282,184	113,079	4,285,382	1,618,936	1,264,787
DEFERRED OUTFLOWS OF RESOURCES					
Related to pension	74,482	-	27,931	-	46,551
Related to other postemployment benefits	40,689	-	15,258	-	25,431
Total deferred outflows of resources	115,171	-	43,189	-	71,982
Total assets and deferred outflows of resources	7,397,355	113,079	4,328,571	1,618,936	1,336,769
LIABILITIES					
Current liabilities					
Accounts payable	779,382	4,808	210,469	520,956	43,149
Accrued liabilities	60,116	14,296	16,094	1,825	27,901
Bonds and other obligations, due within one year	39,200	8,800	14,100	900	15,400
Total current liabilities	878,698	27,904	240,663	523,681	86,450
Noncurrent liabilities					
Bonds and other obligations, less amounts due within one year	156,651	34,990	56,497	3,722	61,442
Net pension liability	1,242,534	-	465,950	-	776,584
Net other postemployment benefits liability	99,829	-	37,436	-	62,393
Total noncurrent liabilities	1,499,014	34,990	559,883	3,722	900,419
Total liabilities	2,377,712	62,894	800,546	527,403	986,869
DEFERRED INFLOWS OF RESOURCES					
Related to pension	278,007	-	104,253	-	173,754
Related to other postemployment benefits	105,577	-	39,591	-	65,986
Total deferred inflows of resources	383,584	-	143,844	-	239,740
Total liabilities and deferred inflows of resources	2,761,296	62,894	944,390	527,403	1,226,609
NET POSITION					
Net investment in capital assets	2,823,464	17,701	2,491,171	-	314,592
Unrestricted	1,812,595	32,484	893,010	1,091,533	(204,432)
Total net position	\$ 4,636,059	\$ 50,185	\$ 3,384,181	\$ 1,091,533	\$ 110,160

City of Muskegon
COMBINING STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
Internal Service Funds
For the year ended June 30, 2022

	Total Internal Service Funds	Engineering Services	Equipment	General Insurance	Public Service Building
OPERATING REVENUES					
Charges for services	\$ 10,433,668	\$ 575,183	\$ 3,328,303	\$ 5,208,979	\$ 1,321,203
Other	158,582	69,709	81,105	7,768	-
Total operating revenues	10,592,250	644,892	3,409,408	5,216,747	1,321,203
OPERATING EXPENSES					
Administration	958,063	111,814	198,505	46,960	600,784
Insurance premiums and claims	5,386,649	-	-	5,386,649	-
Other operations	3,701,160	516,787	2,189,569	49,469	945,335
Depreciation	499,466	2,500	469,305	-	27,661
Total operating expenses	10,545,338	631,101	2,857,379	5,483,078	1,573,780
Operating income (loss)	46,912	13,791	552,029	(266,331)	(252,577)
NONOPERATING REVENUES (EXPENSES)					
Investment earnings	25,649	336	12,892	8,751	3,670
Gain (loss) on sale of capital assets	38,349	-	38,349	-	-
Total nonoperating revenues (expenses)	63,998	336	51,241	8,751	3,670
Income (loss) before transfers	110,910	14,127	603,270	(257,580)	(248,907)
TRANSFERS					
Transfers in	400,000	-	-	-	400,000
Change in net position	510,910	14,127	603,270	(257,580)	151,093
Net position at beginning of year	4,125,149	36,058	2,780,911	1,349,113	(40,933)
Net position at end of year	\$ 4,636,059	\$ 50,185	\$ 3,384,181	\$ 1,091,533	\$ 110,160

City of Muskegon
COMBINING STATEMENT OF CASH FLOWS
Internal Service Funds
For the year ended June 30, 2022

	Total Internal Service Funds	Engineering Services	Equipment	General Insurance	Public Service Building
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 169,736	\$ 48,212	\$ 121,524	\$ -	\$ -
Receipts from interfund services provided	10,433,668	575,183	3,328,303	5,208,979	1,321,203
Other receipts	1,266,428	-	-	1,266,428	-
Payments to suppliers	(6,865,909)	(150,664)	(1,169,326)	(5,081,357)	(464,562)
Payments to employees	(1,954,355)	(370,696)	(502,520)	(52,826)	(1,028,313)
Payments for interfund services used	(848,990)	(91,098)	(633,632)	-	(124,260)
Net cash provided by (used for) operating activities	2,200,578	10,937	1,144,349	1,341,224	(295,932)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers in	400,000	-	-	-	400,000
Interfund borrowing	(384,381)	-	-	(384,381)	-
Collections on advances to component units	93,094	-	46,547	46,547	-
Net cash provided by (used for) noncapital financing activities	108,713	-	46,547	(337,834)	400,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchases of capital assets	(659,722)	-	(659,722)	-	-
Proceeds from sale of capital assets	74,558	-	74,558	-	-
Net cash provided by (used for) capital and related financing activities	(585,164)	-	(585,164)	-	-
CASH FLOW FROM INVESTING ACTIVITIES					
Investment earnings	25,649	336	12,892	8,751	3,670
Net increase (decrease) in cash and investments	1,749,776	11,273	618,624	1,012,141	107,738
Cash and investments at beginning of year	1,809,803	56,580	915,651	-	837,572
Cash and investments at end of year	\$ 3,559,579	\$ 67,853	\$ 1,534,275	\$ 1,012,141	\$ 945,310
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities					
Operating income (loss)	\$ 46,912	\$ 13,791	\$ 552,029	\$ (266,331)	\$ (252,577)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities					
Depreciation expense	499,466	2,500	469,305	-	27,661
Change in assets and liabilities					
Receivables	1,277,582	(21,497)	40,419	1,258,660	-
Inventories	(31,549)	-	(31,549)	-	-
Prepaid items	386	(1,129)	4,217	(4,286)	1,584
Accounts payable	510,189	(429)	147,804	353,703	9,111
Accrued liabilities	(102,408)	17,701	(37,876)	(522)	(81,711)
Net cash provided by (used for) operating activities	\$ 2,200,578	\$ 10,937	\$ 1,144,349	\$ 1,341,224	\$ (295,932)

DESCRIPTION OF FIDUCIARY FUNDS

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

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

CUSTODIAL FUNDS are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds.

Collector – to account for the collections and disbursement of funds to other entities and individuals and to account for payroll withholdings and their remittance to the appropriate governmental agencies.

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

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

City of Muskegon
COMBINING STATEMENT OF NET POSITION
 Custodial Funds
 June 30, 2022

	Total Custodial Funds	Collector	Current Tax	Rehab Loan Escrow
ASSETS				
Cash and investments	\$ 816,055	\$ 815,674	\$ -	\$ 381
Accounts receivable	13,835	13,835	-	-
Total assets	829,890	829,509	-	381
LIABILITIES				
Accounts payable	19,517	19,136	-	381
Due to other governmental units	622,373	622,373	-	-
Deposits held for others	188,000	188,000	-	-
Total liabilities	829,890	829,509	-	381
NET POSITION				
Restricted for individuals, organizations, and other governments	\$ -	\$ -	\$ -	\$ -

City of Muskegon
COMBINING STATEMENT OF CHANGES IN NET POSITION
 Custodial Funds
 For the year ended June 30, 2022

	Total Custodial Funds	Collector	Current Tax	Rehab Loan Escrow
ADDITIONS				
Tax collections for other governments	\$ 24,329,719	\$ 378,627	\$ 23,951,092	\$ -
Other collections for third parties	1,521,847	1,521,847	-	-
Total additions	25,851,566	1,900,474	23,951,092	-
DEDUCTIONS				
Payment of taxes to other governments	24,329,719	378,627	23,951,092	-
Other payments to third parties	1,521,847	1,521,847	-	-
Total deductions	25,851,566	1,900,474	23,951,092	-
Change in net position	-	-	-	-
Net position at beginning of year	-	-	-	-
Net position at end of year	\$ -	\$ -	\$ -	\$ -

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DESCRIPTION OF DISCRETELY PRESENTED COMPONENT UNITS

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

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

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

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

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

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

City of Muskegon
COMBINING BALANCE SHEET
Discretely Presented Component Units
June 30, 2022

	Total Discretely Presented Component Units	Local Development Finance Authority - SmartZone	Downtown Development Authority	Tax Increment Finance Authority	Brownfield Redevelopment Authorities
ASSETS					
Cash and investments	\$ 403,928	\$ 46,925	\$ 336,989	\$ 20,014	\$ -
Accounts receivable	32,616	-	32,616	-	-
Total assets	\$ 436,544	\$ 46,925	\$ 369,605	\$ 20,014	\$ -
LIABILITIES					
Accounts payable	\$ 109,697	\$ -	\$ 109,697	\$ -	\$ -
Accrued liabilities	4,289	-	4,289	-	-
Due to other governmental units	2,000	-	2,000	-	-
Due to primary government	64,211	-	-	-	64,211
Advances from primary government	1,046,980	-	-	-	1,046,980
Total liabilities	1,227,177	-	115,986	-	1,111,191
FUND BALANCES (DEFICITS)					
Unassigned	(790,633)	46,925	253,619	20,014	(1,111,191)
Total liabilities and fund balances (deficits)	\$ 436,544	\$ 46,925	\$ 369,605	\$ 20,014	\$ -

City of Muskegon
**RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION**
Discretely Presented Component Units
June 30, 2022

Total fund balances (deficits)—governmental funds		\$ (790,633)
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Amounts reported for governmental activities in the Statement of Net Position
are different because:

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

Cost of capital assets	\$ 4,198,258	
Accumulated depreciation	<u>(3,035,729)</u>	1,162,529

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

Accrued interest payable	(7,000)	
Bonds and notes payable	<u>(1,352,248)</u>	<u>(1,359,248)</u>

Net position of governmental activities		<u>\$ (987,352)</u>
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City of Muskegon
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS)
Discretely Presented Component Units
For the year ended June 30, 2022

	Total Discretely Presented Component Units	Local Development Finance Authority - SmartZone	Downtown Development Authority	Tax Increment Finance Authority	Brownfield Redevelopment Authorities
REVENUES					
Property taxes	\$ 1,139,110	\$ 85,861	\$ 321,446	\$ 42,475	\$ 689,328
Intergovernmental revenues					
State	36,895	3,084	-	9,596	24,215
Local	217,000	200,000	17,000	-	-
Investment earnings	1,357	112	543	58	644
Other	639,439	-	638,765	-	674
Total revenues	2,033,801	289,057	977,754	52,129	714,861
EXPENDITURES					
Current					
Community and economic development	1,508,284	-	810,219	50,000	648,065
Debt service					
Principal	245,000	245,000	-	-	-
Interest and fees	55,240	37,300	-	-	17,940
Total expenditures	1,808,524	282,300	810,219	50,000	666,005
Net change in fund balances (deficits)	225,277	6,757	167,535	2,129	48,856
Fund balances (deficits) at beginning of year	(1,015,910)	40,168	86,084	17,885	(1,160,047)
Fund balances (deficits) at end of year	\$ (790,633)	\$ 46,925	\$ 253,619	\$ 20,014	\$ (1,111,191)

City of Muskegon
**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES (DEFICITS)
TO THE STATEMENT OF ACTIVITIES**
Discretely Presented Component Units
For the year ended June 30, 2022

Net change in fund balances (deficits)—total governmental funds	\$ 225,277
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Amounts reported for governmental activities in the Statement of Activities are different because:

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

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

Repayment of principal on long-term debt	395,000
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Changes in accrual of interest and amortization of premiums and discounts

Change in accrued interest payable	\$ 2,650	
Amortization of premiums	13,129	15,779

Change in net position of governmental activities	\$ 463,408	
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SCHEDULE OF INDEBTEDNESS

City of Muskegon

SCHEDULE OF INDEBTEDNESS

June 30, 2022

	Date of Issue	Amount of Issue	Interest Rate	Date of Maturity	6/30/2021	6/30/2022	Annual Interest Payable
Business-Type Activities Bonds and Loans Payable:							
Drinking Water State Revolving Fund	3/2/2004	\$ 13,900,000	2.13%	10/01/21	\$ 775,000	\$ -	\$ -
			2.13%	10/01/22	790,000	790,000	60,988
			2.13%	10/01/23	810,000	810,000	43,988
Type of debt: state loan			2.13%	10/01/24	825,000	825,000	26,616
Revenue pledged: water system net revenues			2.13%	10/01/25	840,000	840,000	8,925
					4,040,000	3,265,000	140,517
Drinking Water State Revolving Fund*	8/30/2019	\$ 1,600,000	2.00%	10/01/21	65,000	-	-
			2.00%	10/01/22	70,000	70,000	30,700
Type of debt: state loan			2.00%	10/01/23	70,000	70,000	29,300
Revenue Pledged: water system net revenues			2.00%	10/01/24	70,000	70,000	27,900
Forgiveness: 20%			2.00%	10/01/25	70,000	70,000	26,500
			2.00%	10/01/26	75,000	75,000	25,100
			2.00%	10/01/27	75,000	75,000	23,600
			2.00%	10/01/28	75,000	75,000	22,100
			2.00%	10/01/29	75,000	75,000	20,600
			2.00%	10/01/30	80,000	80,000	19,100
			2.00%	10/01/31	80,000	80,000	17,500
			2.00%	10/01/32	80,000	80,000	15,900
			2.00%	10/01/33	85,000	85,000	14,300
			2.00%	10/01/34	85,000	85,000	12,600
			2.00%	10/01/35	85,000	85,000	10,900
			2.00%	10/01/36	90,000	90,000	9,200
			2.00%	10/01/37	90,000	90,000	7,400
			2.00%	10/01/38	90,000	90,000	5,600
			2.00%	10/01/39	95,000	95,000	3,800
			2.00%	10/01/40	86,874	95,000	1,900
					1,591,874	1,535,000	324,000
Sanitary Sewer State Revolving Fund*	8/30/2019	\$ 2,875,000	2.00%	10/01/21	120,000	-	-
			2.00%	10/01/22	120,000	120,000	53,900
Type of debt: state loan			2.00%	10/01/23	125,000	125,000	51,450
Revenue Pledged: sanitary sewer system net revenues			2.00%	10/01/24	125,000	125,000	48,950
Forgiveness: 75%			2.00%	10/01/25	130,000	130,000	46,400
			2.00%	10/01/26	130,000	130,000	43,800
			2.00%	10/01/27	135,000	135,000	41,150
			2.00%	10/01/28	135,000	135,000	38,450
			2.00%	10/01/29	140,000	140,000	35,700
			2.00%	10/01/30	140,000	140,000	32,900
			2.00%	10/01/31	145,000	145,000	30,050
			2.00%	10/01/32	145,000	145,000	27,150
			2.00%	10/01/33	150,000	150,000	24,200
			2.00%	10/01/34	150,000	150,000	21,200
			2.00%	10/01/35	155,000	155,000	18,150
			2.00%	10/01/36	139,459	160,000	15,000
			2.00%	10/01/37	-	160,000	11,800
			2.00%	10/01/38	-	165,000	8,550
			2.00%	10/01/39	-	170,000	5,200
			2.00%	10/01/40	-	175,000	1,750
					2,184,459	2,755,000	555,750
Drinking Water State Revolving Fund*	9/30/2020	\$ 3,844,750	2.00%	04/01/22	154,750	-	-
			2.00%	04/01/23	160,000	160,000	65,882
Type of debt: state loan			2.00%	04/01/24	165,000	165,000	62,682
Revenue Pledged: water system net revenues			2.00%	04/01/25	170,000	170,000	59,382
Forgiveness: 9%			2.00%	04/01/26	135,296	170,000	55,982
			2.00%	04/01/27	-	175,000	52,582
			2.00%	04/01/28	-	180,000	49,082
			2.00%	04/01/29	-	180,000	45,482
			2.00%	04/01/30	-	185,000	41,882
			2.00%	04/01/31	-	190,000	38,182
			2.00%	04/01/32	-	195,000	34,382
			2.00%	04/01/33	-	195,000	30,482
			2.00%	04/01/34	-	200,000	26,582
			2.00%	04/01/35	-	205,000	22,582
			2.00%	04/01/36	-	210,000	18,482
			2.00%	04/01/37	-	215,000	14,282
			2.00%	04/01/38	-	220,000	9,982
			2.00%	04/01/39	-	220,000	5,582
			2.00%	04/01/40	-	59,101	1,182
					785,046	3,294,101	634,676

City of Muskegon

SCHEDULE OF INDEBTEDNESS

June 30, 2022

	Date of Issue	Amount of Issue	Interest Rate	Date of Maturity	6/30/2021	6/30/2022	Annual Interest Payable
Business-Type Activities Bonds and Loans Payable—Continued:							
Sanitary Sewer State Revolving Fund*	9/30/2020	\$ 3,772,000	2.00%	04/01/22	\$ 152,000	\$ -	\$ -
			2.00%	04/01/23	155,000	155,000	72,400
Type of debt: state loan			2.00%	04/01/24	148,074	160,000	69,300
Revenue Pledged: water system net revenues			2.00%	04/01/25	-	165,000	66,100
Forgiveness: 20%			2.00%	04/01/26	-	170,000	62,800
			2.00%	04/01/27	-	170,000	59,400
			2.00%	04/01/28	-	175,000	56,000
			2.00%	04/01/29	-	180,000	52,500
			2.00%	04/01/30	-	185,000	48,900
			2.00%	04/01/31	-	185,000	45,200
			2.00%	04/01/32	-	190,000	41,500
			2.00%	04/01/33	-	190,000	37,700
			2.00%	04/01/34	-	195,000	33,900
			2.00%	04/01/35	-	200,000	30,000
			2.00%	04/01/36	-	205,000	26,000
			2.00%	04/01/37	-	210,000	21,900
			2.00%	04/01/38	-	215,000	17,900
			2.00%	04/01/39	-	220,000	13,400
			2.00%	04/01/40	-	225,000	9,000
			2.00%	04/01/41	-	130,614	4,500
					455,074	3,525,614	768,400
TOTAL BUSINESS TYPE ACTIVITIES BONDS AND LOAN PAYABLE:					\$ 9,056,453	\$ 14,374,715	\$ 2,423,343
*If certain conditions are met, a portion of the principal amount on these debts may be forgiven.							
Governmental Activities Bonds and Loan Payable:							
Capital Improvement Refunding Bonds of 2016 (\$159,903 unamortized premium)	3/8/2016	\$ 4,815,000	3.00%	10/01/21	\$ 305,000	\$ -	\$ -
			3.00%	10/01/22	300,000	300,000	132,900
			3.00%	10/01/23	300,000	300,000	122,400
Type of debt: limited general obligation bonds			4.00%	10/01/24	320,000	320,000	110,000
Revenue pledged: general revenues			4.00%	10/01/25	325,000	325,000	97,100
			4.00%	10/01/26	325,000	325,000	84,100
			4.00%	10/01/27	325,000	325,000	71,100
			4.00%	10/01/28	325,000	325,000	58,100
			4.00%	10/01/29	325,000	325,000	45,100
			4.00%	10/01/30	325,000	325,000	32,100
			4.00%	10/01/31	320,000	320,000	19,200
			4.00%	10/01/32	320,000	320,000	6,400
					3,815,000	3,510,000	778,500
Capital Improvement Bonds of 2011 (streets)	9/30/2011	\$ 2,000,000	2.98%	09/01/21	230,000	-	-
					230,000	-	-
Type of debt: limited general obligation bonds							
Revenue pledged: gas tax, general revenues							
Capital Improvement Bonds of 2019 Convention Center (\$128,150 unamortized discount)	10/9/2019	\$ 19,420,000	1.83%	10/01/21	205,000	-	-
			1.88%	10/01/22	250,000	250,000	607,985
			1.93%	10/01/23	300,000	300,000	602,740
			2.00%	10/01/24	320,000	320,000	596,645
Type of debt: limited general obligation bonds			2.10%	10/01/25	340,000	340,000	589,875
Revenue Pledged: excise tax on hotel rooms levied by the			2.24%	10/01/26	360,000	360,000	582,273
County of Muskegon pursuant to Act 263			2.34%	10/01/27	380,000	380,000	573,795
			2.43%	10/01/28	405,000	405,000	564,429
			2.60%	10/01/29	430,000	430,000	553,918
			2.60%	10/01/30	455,000	455,000	542,412
			2.68%	10/01/31	480,000	480,000	530,066
			2.78%	10/01/32	510,000	510,000	516,544
			2.83%	10/01/33	540,000	540,000	501,815
			2.93%	10/01/34	570,000	570,000	485,822
			3.30%	10/01/35	605,000	605,000	467,399
			3.30%	10/01/36	640,000	640,000	446,670
			3.30%	10/01/37	680,000	680,000	424,692
			3.30%	10/01/38	720,000	720,000	401,382
			3.30%	10/01/39	760,000	760,000	376,740
			3.48%	10/01/40	800,000	800,000	350,166
			3.48%	10/01/41	845,000	845,000	321,543
			3.48%	10/01/42	895,000	895,000	291,267
			3.48%	10/01/43	940,000	940,000	259,338
			3.48%	10/01/44	995,000	995,000	225,669
			3.58%	10/01/45	1,045,000	1,045,000	189,651
			3.58%	10/01/46	1,105,000	1,105,000	151,165
			3.58%	10/01/47	1,160,000	1,160,000	110,622
			3.58%	10/01/48	1,225,000	1,225,000	67,931
			3.58%	10/01/49	1,285,000	1,285,000	23,001
					19,245,000	19,040,000	11,355,555

City of Muskegon

SCHEDULE OF INDEBTEDNESS

June 30, 2022

	Date of Issue	Amount of Issue	Interest Rate	Date of Maturity	6/30/2021	6/30/2022	Annual Interest Payable
Governmental Activities Bonds and Loan Payable—Continued:							
Capital Improvement Bonds of 2020 Series 2020A (\$673,024 unamortized premium)	11/12/2020	\$ 4,325,000	4.00%	10/01/21	\$ 320,000	\$ -	\$ -
			4.00%	10/01/22	335,000	335,000	170,800
			4.00%	10/01/23	360,000	360,000	156,900
			4.00%	10/01/24	370,000	370,000	142,300
			4.00%	10/01/25	385,000	385,000	127,200
Type of debt: limited general obligation bonds			5.00%	10/01/26	405,000	405,000	109,375
Revenue pledged: general revenues			5.00%	10/01/27	420,000	420,000	88,750
			5.00%	10/01/28	445,000	445,000	67,125
			5.00%	10/01/29	470,000	470,000	44,250
			5.00%	10/01/30	485,000	485,000	20,375
			2.50%	10/01/31	30,000	30,000	7,875
			2.50%	10/01/32	30,000	30,000	7,125
			2.50%	10/01/33	30,000	30,000	6,375
			2.50%	10/01/34	30,000	30,000	5,625
			2.50%	10/01/35	35,000	35,000	4,813
			2.50%	10/01/36	35,000	35,000	3,937
			2.50%	10/01/37	35,000	35,000	3,063
			2.50%	10/01/38	35,000	35,000	2,187
			2.50%	10/01/39	35,000	35,000	1,313
			2.50%	10/01/40	35,000	35,000	437
					<u>4,325,000</u>	<u>4,005,000</u>	<u>969,825</u>
Capital Improvement Bonds of 2020 Series 2020B	11/12/2020	\$ 2,055,000	0.68%	10/01/21	85,000	-	-
			0.68%	10/01/22	85,000	85,000	45,546
			0.68%	10/01/23	90,000	90,000	44,951
			1.35%	10/01/24	90,000	90,000	44,038
Type of debt: limited general obligation bonds			1.35%	10/01/25	90,000	90,000	42,823
Revenue pledged: general revenues			1.35%	10/01/26	90,000	90,000	41,608
			2.00%	10/01/27	95,000	95,000	40,050
			2.00%	10/01/28	95,000	95,000	38,150
			2.00%	10/01/29	95,000	95,000	36,250
			2.00%	10/01/30	100,000	100,000	34,300
			2.60%	10/01/31	100,000	100,000	32,000
			2.60%	10/01/32	105,000	105,000	29,335
			2.60%	10/01/33	105,000	105,000	26,605
			2.60%	10/01/34	110,000	110,000	23,810
			3.20%	10/01/35	110,000	110,000	20,950
			3.20%	10/01/36	115,000	115,000	17,680
			3.20%	10/01/37	120,000	120,000	13,920
			3.20%	10/01/38	120,000	120,000	10,080
			3.20%	10/01/39	125,000	125,000	6,160
			3.20%	10/01/40	130,000	130,000	2,080
					<u>2,055,000</u>	<u>1,970,000</u>	<u>550,335</u>
Installment Purchase Agreement of 2021 (fire tower ladder truck)	9/15/2021	\$ 1,370,873	1.78%	09/25/22	-	268,269	18,471
			1.78%	09/25/23	-	273,023	13,717
			1.78%	09/25/24	-	277,860	8,880
Type of debt: installment purchase agreements			1.78%	09/25/25	-	282,784	3,956
Revenue pledged: general revenues			1.78%	09/25/26	-	71,475	210
					<u>-</u>	<u>1,173,411</u>	<u>45,234</u>
TOTAL GOVERNMENTAL ACTIVITIES BONDS AND LOANS PAYABLE					<u>\$ 29,670,000</u>	<u>\$ 29,698,411</u>	<u>\$ 13,699,449</u>
TOTAL PRIMARY GOVERNMENT BONDS AND LOANS PAYABLE					<u>\$ 38,726,453</u>	<u>\$ 44,073,126</u>	<u>\$ 16,122,792</u>
Discretely Presented Component Unit Bonds and Loans Payable:							
Local Development Finance Authority Smartzone Refunding Bonds (\$16,547 unamortized premium)	3/20/2012	\$ 4,100,000	4.00%	11/01/21	\$ 245,000	\$ -	\$ -
			3.00%	11/01/22	255,000	255,000	28,575
			3.00%	11/01/23	265,000	265,000	20,775
			3.00%	11/01/24	275,000	275,000	12,675
Type of debt: limited general obligation bonds			3.00%	11/01/25	285,000	285,000	4,275
Revenue pledged: LDFA tax increments, general revenues					<u>1,325,000</u>	<u>1,080,000</u>	<u>66,300</u>
TOTAL DISCRETELY PRESENTED COMPONENT UNIT BONDS AND LOANS PAYABLE					<u>\$ 1,325,000</u>	<u>\$ 1,080,000</u>	<u>\$ 66,300</u>
TOTAL REPORTING ENTITY BONDS AND LOANS PAYABLE					<u>\$ 40,051,453</u>	<u>\$ 45,153,126</u>	<u>\$ 16,189,092</u>

Statistical Section

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

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Financial Trends	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	134
Revenue Capacity	
These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.	139
Debt Capacity	
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	146
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.	150
Operating Information	
These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	152

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

City of Muskegon
NET POSITION BY COMPONENT
Last Ten Fiscal Years

	2013	2014	2015 (a)	2016	2017	2018 (b)	2019	2020	2021	2022
Governmental Activities										
Net Investment in Capital Assets	\$ 63,842,092	\$ 63,731,255	\$ 63,514,691	\$ 64,326,891	\$ 62,520,466	\$ 61,267,518	\$ 66,734,006	\$ 70,274,679	\$ 72,200,515	\$ 75,201,511
Restricted	4,572,848	4,023,895	4,807,531	4,140,342	3,777,410	6,138,596	5,519,207	4,459,799	5,003,269	5,845,255
Unrestricted	13,299,523	12,811,852	491,914	(4,142,119)	(5,566,349)	(8,350,634)	(14,355,143)	(28,084,776)	(29,065,065)	(22,938,317)
Total Governmental Net Position	\$ 81,714,463	\$ 80,567,002	\$ 68,814,136	\$ 64,325,114	\$ 60,731,527	\$ 59,055,480	\$ 57,898,070	\$ 46,649,702	\$ 48,138,719	\$ 58,108,449
Business-type Activities										
Net Investment in Capital Assets	\$ 40,032,858	\$ 39,365,043	\$ 39,231,223	\$ 39,013,529	\$ 38,114,686	\$ 38,549,547	\$ 41,741,666	\$ 44,543,391	\$ 54,257,461	\$ 54,668,925
Restricted	599,500	599,500	599,500	599,500	599,500	599,500	599,500	599,500	822,000	822,000
Unrestricted	8,491,848	8,377,093	6,423,540	5,762,272	6,382,906	6,041,091	2,424,616	(2,353,801)	(873,805)	424,949
Total Business-type Activities Net Position	\$ 49,124,206	\$ 48,341,636	\$ 46,254,263	\$ 45,375,301	\$ 45,097,092	\$ 45,190,138	\$ 44,765,782	\$ 42,789,090	\$ 54,205,656	\$ 55,915,874
Primary Government										
Net Investment in Capital Assets	\$ 103,874,950	\$ 103,096,298	\$ 102,745,914	\$ 103,340,420	\$ 100,635,152	\$ 99,817,065	\$ 108,475,672	\$ 114,818,070	\$ 126,457,976	\$ 129,870,436
Restricted	5,172,348	4,623,395	5,407,031	4,739,842	4,376,910	6,738,096	6,118,707	5,059,299	5,825,269	6,667,255
Unrestricted	21,791,371	21,188,945	6,915,454	1,620,153	816,557	(2,309,543)	(11,930,527)	(30,438,577)	(29,938,870)	(22,513,368)
Total Primary Government Net Position	\$ 130,838,669	\$ 128,908,638	\$ 115,068,399	\$ 109,700,415	\$ 105,828,619	\$ 104,245,618	\$ 102,663,852	\$ 89,438,792	\$ 102,344,375	\$ 114,024,323

(a) In 2015, the City implemented GASB 68 and 71 which changed how governments measure and report pension liabilities.
(b) In 2018, the City implemented GASB 75 which changed how governments measure and report other postemployment benefit liabilities.

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

City of Muskegon

CHANGES IN NET POSITION

Last Ten Fiscal Years

	2013	2014	2015 (a)	2016	2017	2018 (b)	2019	2020	2021	2022
EXPENSES										
<u>Governmental Activities</u>										
Public representation	\$ 893,981	\$ 1,030,066	\$ 939,907	\$ 1,107,551	\$ 1,113,897	\$ 1,347,618	\$ 1,336,014	\$ 1,501,079	\$ 1,603,410	\$ 1,715,050
Administrative services	565,307	543,425	614,757	663,077	679,139	507,275	800,887	962,981	826,344	913,923
Financial services	2,241,061	2,171,958	2,547,766	2,331,236	2,483,519	1,995,426	2,700,775	3,007,018	5,039,787	5,473,498
Public safety	12,987,842	12,946,466	14,243,233	17,118,742	16,910,473	12,404,126	20,433,642	25,982,246	18,249,379	13,387,378
Public works	3,201,806	3,361,422	3,183,627	3,109,454	3,551,230	3,471,618	4,438,358	4,581,526	4,025,982	4,687,660
Highways, streets and bridges	6,672,374	7,053,326	7,165,703	7,251,882	6,996,540	6,917,260	7,185,642	7,593,019	6,862,862	7,308,858
Community and economic development	2,499,404	2,417,518	2,712,131	5,223,431	3,738,566	5,015,160	2,890,216	5,359,282	4,999,907	9,857,082
Culture and recreation	1,592,358	1,671,185	1,806,790	3,551,692	3,918,814	3,994,582	4,541,739	5,269,578	4,507,120	6,588,542
General administration	322,348	366,634	389,248	326,452	301,287	376,112	302,582	389,863	404,303	511,323
Interest on long-term debt	291,535	277,345	271,607	248,223	172,591	165,023	151,304	732,065	1,112,166	881,204
Total Governmental Activities Expenses	31,268,016	31,839,285	33,874,769	40,931,740	39,866,056	36,194,200	44,781,159	55,378,657	47,631,260	51,324,518
<u>Business-type Activities</u>										
Water	6,228,788	6,016,192	6,047,244	6,750,826	7,206,564	7,090,770	7,752,703	8,437,862	8,612,574	9,261,276
Sewer	7,226,839	7,582,602	8,460,509	8,669,469	8,876,690	8,093,752	9,119,941	9,902,515	8,084,729	8,153,673
Marina and launch ramp	426,553	503,997	305,990	327,832	336,912	377,614	430,431	529,007	515,025	461,504
Total Business-type Activities Expenses	13,882,180	14,102,791	14,813,743	15,748,127	16,420,166	15,562,136	17,303,075	18,869,384	17,212,328	17,876,453
Total Primary Government Expenses	\$ 45,150,196	\$ 45,942,076	\$ 48,688,512	\$ 56,679,867	\$ 56,286,222	\$ 51,756,336	\$ 62,084,234	\$ 74,248,041	\$ 64,843,588	\$ 69,200,971
PROGRAM REVENUES										
<u>Governmental Activities</u>										
Charges for Services										
Public representation	\$ 173,739	\$ 189,444	\$ 188,638	\$ 226,559	\$ 228,767	\$ 232,736	\$ 250,931	\$ 253,511	\$ 280,395	\$ 324,314
Administrative services	268,535	325,937	415,308	474,737	572,739	539,178	604,290	538,791	504,281	715,421
Financial services	830,919	871,632	823,547	925,474	895,924	903,322	921,748	913,968	988,501	1,085,220
Public safety	1,133,666	1,407,722	1,218,644	1,248,911	1,824,114	2,794,347	2,292,158	2,290,640	2,207,996	2,680,675
Public works	671,494	796,739	571,426	379,877	646,876	743,110	691,312	835,149	828,098	854,793
Highways, streets and bridges	245,609	351,962	258,475	234,861	256,190	188,248	191,883	193,267	187,478	522,779
Community and economic development	432,240	477,486	576,863	444,632	706,195	348,933	786,120	769,860	912,247	498,766
Culture and recreation	606,818	535,211	368,168	1,229,067	1,463,839	1,651,304	1,853,547	2,124,968	1,976,029	4,389,524
General administration	287,729	50,728	48,764	52,512	37,892	38,549	40,400	59,537	65,592	76,182
Operating grants and contributions	4,681,345	4,664,098	5,071,239	5,330,825	5,208,818	6,478,526	6,892,530	7,398,202	9,839,245	11,024,058
Capital grants and contributions	886,108	1,408,424	3,496,623	3,804,656	862,074	2,305,620	4,015,097	4,064,216	2,901,176	2,815,119
Total Governmental Program Revenues	10,218,202	11,079,383	13,037,695	14,352,111	12,703,428	16,223,873	18,540,016	19,442,109	20,691,038	24,986,851
<u>Business-type Activities</u>										
Water	5,890,614	6,099,480	6,375,869	7,485,013	7,430,314	7,445,669	7,946,983	8,316,552	8,752,570	8,903,549
Sewer	7,058,315	6,633,911	6,363,808	6,305,554	7,620,208	8,217,497	8,098,828	8,397,838	9,298,156	10,298,642
Marina and launch ramp	234,229	228,339	255,638	287,547	278,753	325,917	298,312	74,659	178,706	292,416
Operating grants and contributions	6,188	-	-	-	2,436	42,531	510,533	94,462	-	103,208
Capital grants and contributions	88,046	327,240	474,681	765,363	784,969	-	-	-	10,354,544	-
Total Business-type program revenues	13,277,392	13,288,970	13,469,996	14,843,477	16,116,680	16,031,614	16,854,656	16,883,511	28,583,976	19,597,815
Total Primary Government program revenues	\$ 23,495,594	\$ 24,368,353	\$ 26,507,691	\$ 29,195,588	\$ 28,820,108	\$ 32,255,487	\$ 35,394,672	\$ 36,325,620	\$ 49,275,014	\$ 44,584,666
NET (EXPENSE) REVENUE										
Governmental Activities	\$ (21,049,814)	\$ (20,759,902)	\$ (20,837,074)	\$ (26,579,629)	\$ (27,162,628)	\$ (19,970,327)	\$ (26,241,143)	\$ (35,936,548)	\$ (26,940,222)	\$ (26,337,667)
Business-type Activities	(604,788)	(813,821)	(1,343,747)	(904,650)	(303,486)	469,478	(448,419)	(1,985,873)	11,371,648	1,721,362
Total Primary Government net expense	\$ (21,654,602)	\$ (21,573,723)	\$ (22,180,821)	\$ (27,484,279)	\$ (27,466,114)	\$ (19,500,849)	\$ (26,689,562)	\$ (37,922,421)	\$ (15,568,574)	\$ (24,616,305)

City of Muskegon
CHANGES IN NET POSITION
Last Ten Fiscal Years

	2013	2014	2015 (a)	2016	2017	2018 (b)	2019	2020	2021	2022
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
<u>Governmental Activities</u>										
Property taxes	\$ 7,592,847	\$ 7,383,236	\$ 7,894,189	\$ 8,366,212	\$ 8,389,243	\$ 8,450,103	\$ 8,230,573	\$ 8,466,886	\$ 8,813,155	\$ 9,182,184
Income taxes	8,057,145	7,762,719	8,478,231	8,386,775	8,707,279	8,995,294	8,939,887	9,437,451	9,609,218	10,020,370
Franchise fees	358,785	358,754	369,965	372,117	378,955	368,495	380,343	361,405	374,219	369,420
Grants and contributions not restricted for specific programs	3,700,871	3,813,221	3,989,178	4,051,050	4,630,111	4,955,168	5,102,602	5,276,036	6,427,138	15,303,423
Unrestricted investment earnings	73,157	146,590	99,733	189,408	106,653	92,771	546,533	568,408	229,177	(644,067)
Miscellaneous	102,388	124,085	805,432	626,014	512,738	545,536	550,381	577,677	370,268	918,179
Gain on sale of capital asset	44,899	23,836	20,302	99,031	844,062	712,415	1,333,414	317	2,641,064	1,122,888
Transfers	-	-	-	-	-	-	-	-	(35,000)	35,000
Total Governmental Program Revenues	19,930,092	19,612,441	21,657,030	22,090,607	23,569,041	24,119,782	25,083,733	24,688,180	28,429,239	36,307,397
<u>Business-type Activities</u>										
Unrestricted investment earnings	33,148	31,251	29,879	25,688	25,277	28,550	24,063	9,181	9,918	23,856
Transfers	-	-	-	-	-	-	-	-	35,000	(35,000)
Total Business-type program revenues	33,148	31,251	29,879	25,688	25,277	28,550	24,063	9,181	44,918	(11,144)
Total Primary Government program revenues	\$ 19,963,240	\$ 19,643,692	\$ 21,686,909	\$ 22,116,295	\$ 23,594,318	\$ 24,148,332	\$ 25,107,796	\$ 24,697,361	\$ 28,474,157	\$ 36,296,253
CHANGE IN NET POSITION										
<u>Governmental Activities</u>	\$ (1,119,722)	\$ (1,147,461)	\$ 819,956	\$ (4,489,022)	\$ (3,593,587)	\$ 4,149,455	\$ (1,157,410)	\$ (11,248,368)	\$ 1,489,017	\$ 9,969,730
<u>Business-type Activities</u>	(571,640)	(782,570)	(1,313,868)	(878,962)	(278,209)	498,028	(424,356)	(1,976,692)	11,416,566	1,710,218
Total Primary Government	\$ (1,691,362)	\$ (1,930,031)	\$ (493,912)	\$ (5,367,984)	\$ (3,871,796)	\$ 4,647,483	\$ (1,581,766)	\$ (13,225,060)	\$ 12,905,583	\$ 11,679,948

(a) In 2015, the City implemented GASB 68 and 71 which changed how governments measure and report pension liabilities.
(b) In 2018, the City implemented GASB 75 which changed how governments measure and report other postemployment benefit liabilities.

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

City of Muskegon

FUND BALANCE OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General fund										
Nonspendable	\$ 447,341	\$ 300,952	\$ 220,178	\$ 232,332	\$ 209,353	\$ 222,458	\$ 241,684	\$ 280,986	\$ 269,920	\$ 881,961
Restricted	-	-	-	-	-	-	-	-	66,965	8,701
Committed	-	-	-	-	-	-	-	-	39,000	189,037
Assigned	2,292,495	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,800,000
Unassigned	4,613,722	5,495,145	5,883,318	6,098,977	6,148,292	6,469,108	6,563,511	5,920,869	9,121,955	7,981,674
Total general fund	\$ 7,353,558	\$ 7,496,097	\$ 7,803,496	\$ 8,031,309	\$ 8,057,645	\$ 8,391,566	\$ 8,505,195	\$ 7,901,855	\$ 11,197,840	\$ 10,861,373
All other governmental funds										
Nonspendable	\$ 1,547,793	\$ 1,556,347	\$ 2,073,747	\$ 1,597,371	\$ 1,716,825	\$ 1,589,699	\$ 1,624,737	\$ 1,663,979	\$ 1,709,000	\$ 1,737,125
Restricted	2,749,396	2,305,385	3,159,130	2,995,610	2,726,754	5,130,188	4,621,126	3,842,461	4,397,502	5,170,662
Assigned	2,087,359	1,729,457	2,146,050	1,373,669	3,510,747	2,619,342	1,823,959	9,764,600	1,907,590	2,195,895
Unassigned	(82,048)	(100,054)	-	-	-	-	-	(1,601,331)	(2,919,404)	-
Total all other governmental funds	\$ 6,302,500	\$ 5,491,135	\$ 7,378,927	\$ 5,966,650	\$ 7,954,326	\$ 9,339,229	\$ 8,069,822	\$ 13,669,709	\$ 5,094,688	\$ 9,103,682

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

City of Muskegon

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Taxes	\$ 14,832,027	\$ 14,954,904	\$ 15,830,137	\$ 16,178,761	\$ 16,667,272	\$ 16,877,055	\$ 16,582,030	\$ 17,253,857	\$ 17,700,658	\$ 18,795,646
Intergovernmental	9,403,554	9,945,065	12,301,594	11,711,788	10,743,434	13,488,014	15,776,333	16,777,402	18,131,093	28,487,691
Charges for services	2,769,227	2,569,335	2,468,889	3,468,938	3,918,217	4,229,797	4,430,419	4,563,652	4,898,325	7,744,999
Other	<u>2,795,952</u>	<u>3,256,324</u>	<u>4,003,105</u>	<u>3,868,958</u>	<u>4,005,126</u>	<u>5,251,208</u>	<u>5,312,773</u>	<u>5,745,006</u>	<u>5,745,273</u>	<u>5,399,182</u>
Total revenues	<u>29,800,760</u>	<u>30,725,628</u>	<u>34,603,725</u>	<u>35,228,445</u>	<u>35,334,049</u>	<u>39,846,074</u>	<u>42,101,555</u>	<u>44,339,917</u>	<u>46,475,349</u>	<u>60,427,518</u>
Expenditures										
Public representation	892,113	1,031,984	930,788	1,064,503	1,080,032	1,383,573	1,281,107	1,379,406	1,556,327	1,758,928
Administrative services	508,130	497,025	554,330	577,454	624,284	537,913	739,301	844,270	783,403	945,841
Financial services	2,196,917	2,197,651	2,476,740	2,068,208	2,236,941	2,191,245	2,394,866	2,358,848	4,810,339	5,668,254
Public safety	12,724,094	12,987,898	13,285,004	13,476,557	14,086,619	15,156,977	16,131,196	16,820,356	14,641,568	15,781,113
Public works	2,878,328	2,918,305	2,876,576	2,864,878	3,206,050	3,377,174	4,176,904	4,187,956	3,604,722	4,472,813
Highways, streets and bridges	2,815,337	3,011,611	2,986,909	3,102,391	3,096,875	4,554,968	2,963,498	2,965,598	2,666,529	3,330,669
Community and economic development	2,578,073	2,687,933	2,957,071	5,415,436	3,878,547	3,962,759	2,930,725	4,986,000	5,281,825	10,306,669
Culture and recreation	1,248,174	1,308,481	1,444,471	3,100,338	3,523,178	3,713,177	4,050,986	4,662,534	3,836,817	6,085,847
Other governmental functions	299,812	643,666	369,408	305,807	280,416	355,241	281,711	371,461	380,232	485,024
Debt service										
Principal	395,211	402,492	417,842	428,199	283,563	288,934	294,313	818,285	2,813,804	1,342,462
Interest	292,554	278,412	272,946	257,516	211,242	197,723	189,905	543,740	943,216	1,011,004
Issuance costs	-	-	-	97,578	-	-	-	70,525	140,750	1,000
Capital outlay	<u>3,230,586</u>	<u>3,577,837</u>	<u>3,992,111</u>	<u>3,867,579</u>	<u>2,328,615</u>	<u>3,134,369</u>	<u>9,363,862</u>	<u>21,498,055</u>	<u>19,695,829</u>	<u>7,775,915</u>
Total expenditure	<u>30,059,329</u>	<u>31,543,295</u>	<u>32,564,196</u>	<u>36,626,444</u>	<u>34,836,362</u>	<u>38,854,053</u>	<u>44,798,374</u>	<u>61,507,034</u>	<u>61,155,361</u>	<u>58,965,539</u>
Excess of revenues over (under) expenditures	(258,569)	(817,667)	2,039,529	(1,397,999)	497,687	992,021	(2,696,819)	(17,167,117)	(14,680,012)	1,461,979
Other financing sources (uses)										
Transfers in	1,356,229	743,035	853,910	1,563,094	1,805,000	1,370,000	1,210,236	2,017,077	895,000	9,832,799
Transfers out	(784,275)	(771,081)	(942,933)	(1,638,094)	(1,818,000)	(1,385,000)	(1,210,236)	(2,037,077)	(1,555,000)	(10,197,799)
Long-term debt issued	-	-	-	97,578	-	-	-	21,691,740	7,152,424	1,370,873
Proceeds from sale of capital assets	<u>190,263</u>	<u>176,887</u>	<u>244,685</u>	<u>190,957</u>	<u>1,529,325</u>	<u>741,803</u>	<u>1,541,041</u>	<u>491,924</u>	<u>2,908,552</u>	<u>1,204,675</u>
Total other financing sources (uses)	<u>762,217</u>	<u>148,841</u>	<u>155,662</u>	<u>213,535</u>	<u>1,516,325</u>	<u>726,803</u>	<u>1,541,041</u>	<u>22,163,664</u>	<u>9,400,976</u>	<u>2,210,548</u>
Net change in fund balances	<u>\$ 503,648</u>	<u>\$ (668,826)</u>	<u>\$ 2,195,191</u>	<u>\$ (1,184,464)</u>	<u>\$ 2,014,012</u>	<u>\$ 1,718,824</u>	<u>\$ (1,155,778)</u>	<u>\$ 4,996,547</u>	<u>\$ (5,279,036)</u>	<u>\$ 3,672,527</u>
Debt service as a percentage of noncapital expenditures	2.56%	2.43%	2.42%	2.09%	1.52%	1.36%	1.37%	3.40%	9.06%	4.60%

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

City of Muskegon

GOVERNMENTAL ACTIVITIES REVENUES BY SOURCE

Last Ten Fiscal Years

Fiscal Year	Property Tax	% of Total	Income Tax	% of Total	Intergovernmental	% of Total	Charges for Service	% of Total	Licenses and Permits	% of Total	Fines and Fees	% of Total	Interest and Rent	% of Total	Other	% of Total	Total	% Change
2013	\$ 7,325,555	24.6%	\$ 7,506,472	25.2%	\$ 9,403,554	31.6%	\$ 2,769,227	9.3%	\$ 1,238,285	4.2%	\$ 435,893	1.5%	\$ 267,397	0.9%	\$ 854,377	2.9%	\$ 29,800,760	-4.6%
2014	7,123,481	23.2%	7,831,423	25.5%	9,945,065	32.4%	2,569,335	8.4%	1,570,137	5.1%	418,691	1.4%	352,153	1.1%	915,343	3.0%	30,725,628	3.1%
2015	7,555,471	21.8%	8,274,666	23.9%	12,301,594	35.5%	2,468,889	7.1%	1,361,721	3.9%	452,004	1.3%	343,105	1.0%	1,846,275	5.3%	34,603,725	12.6%
2016	8,026,859	22.8%	8,151,902	23.1%	11,711,788	33.2%	3,468,938	9.8%	1,443,144	4.1%	459,181	1.3%	455,671	1.3%	1,510,962	4.3%	35,228,445	1.8%
2017	8,056,460	22.8%	8,610,812	24.4%	10,743,434	30.4%	3,918,217	11.1%	1,884,341	5.3%	494,369	1.4%	290,578	0.8%	1,335,838	3.8%	35,334,049	0.3%
2018	8,118,381	20.4%	8,758,674	22.0%	13,488,014	33.9%	4,229,797	10.6%	2,965,599	7.4%	457,172	1.1%	212,069	0.5%	1,616,368	4.1%	39,846,074	12.8%
2019	7,890,357	18.7%	8,691,673	20.6%	15,776,333	37.5%	4,430,419	10.5%	2,452,807	5.8%	488,578	1.2%	757,911	1.8%	1,613,477	3.8%	42,101,555	5.7%
2020	8,116,143	18.3%	9,137,714	20.6%	16,777,402	37.8%	4,563,652	10.3%	2,420,604	5.5%	412,575	0.9%	742,567	1.7%	2,169,260	4.9%	44,339,917	5.3%
2021	8,443,832	18.2%	9,256,826	19.9%	18,131,093	39.0%	4,898,325	10.5%	2,246,375	4.8%	594,813	1.3%	477,559	1.0%	2,426,526	5.2%	46,475,349	4.8%
2022	8,793,023	14.6%	10,002,623	16.6%	28,487,691	47.1%	7,744,999	12.8%	2,306,048	3.8%	582,633	1.0%	35,018	0.1%	2,475,483	4.1%	60,427,518	30.0%

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

City of Muskegon
Taxable, Assessed and Equalized and Estimated Actual Valuation of Property
Last Ten Fiscal Years

Taxable Valuation of Property

Ad Valorem Assessment Roll								Industrial and Commercial Facilities Assessment Roll				Total Taxable Valuation	Total City	Taxable Value As a Percent Actual
Year	Residential	Agriculture	Commercial	Industrial	Total Real Property	Personal Property	Total Ad Valorem	Industrial Real Property	Industrial Personal Property	Commercial Real Property	Total IFT and CFT			
2012	\$ 312,930,252	\$ -	\$ 134,635,427	\$ 81,575,476	\$ 529,141,155	\$ 91,750,891	\$ 620,892,046	\$ 3,587,223	\$ 6,161,900	\$ -	\$ 9,749,123	\$ 630,641,169	12.0789	96.40%
2013	310,252,865	-	118,856,014	76,331,458	505,440,337	91,730,093	597,170,430	6,677,737	7,472,900	-	14,150,637	611,321,067	12.0865	96.97%
2014	312,031,296	-	115,070,943	61,196,955	488,299,194	91,020,452	579,319,646	3,874,303	6,512,600	-	10,386,903	589,706,549	13.0875	96.26%
2015	314,055,244	-	116,448,947	54,898,389	485,402,580	95,098,912	580,501,492	3,149,352	7,772,000	-	10,921,352	591,422,844	13.0869	95.28%
2016	314,299,363	-	114,855,236	50,232,295	479,386,894	74,155,243	553,542,137	3,628,098	5,690,600	-	9,318,698	562,860,835	13.0905	93.60%
2017	319,768,625	-	113,497,599	50,381,292	483,647,516	67,760,237	551,407,753	3,692,357	4,627,400	-	8,319,757	559,727,510	13.0908	91.38%
2018	331,347,976	-	113,370,852	48,272,032	492,990,860	65,728,440	558,719,300	3,990,263	3,739,800	-	7,730,063	566,449,363	13.0899	89.69%
2019	346,233,797	-	120,836,165	48,156,907	515,226,869	61,993,800	577,220,669	6,561,033	3,146,800	-	9,707,833	586,928,502	13.0865	87.80%
2020	362,796,641	-	125,649,743	48,231,815	536,678,199	67,398,400	604,076,599	14,874,922	2,612,700	-	17,487,622	621,564,221	13.0865	83.40%
2021	411,808,285	-	143,992,198	53,700,376	609,500,859	73,874,500	683,375,359	15,756,956	1,312,300	-	17,069,256	700,444,615	12.9722	93.98%

Assessed and Equalized Valuation of Property

Ad Valorem Assessment Roll								Industrial and Commercial Facilities Assessment Roll				Total Assessed Valuation	Estimated Actual Value
Year	Residential	Agriculture	Commercial	Industrial	Total Real Property	Personal Property	Total Ad Valorem	Industrial Real Property	Industrial Personal Property	Commercial Real Property	Total IFT and CFT		
2012	\$ 327,226,000	\$ -	\$ 141,238,834	\$ 84,084,000	\$ 552,548,834	\$ 91,740,800	\$ 644,289,634	\$ 3,719,300	\$ 6,161,900	\$ -	\$ 9,881,200	\$ 654,170,834	\$ 1,308,341,668
2013	321,604,220	-	123,831,400	79,037,400	524,473,020	91,720,300	616,193,320	6,766,000	7,472,900	-	14,238,900	630,432,220	1,260,864,440
2014	326,690,900	-	120,803,800	63,704,200	511,198,900	91,004,400	602,203,300	3,877,300	6,512,600	-	10,389,900	612,593,200	1,225,186,400
2015	335,445,400	-	122,235,800	57,024,100	514,705,300	95,084,900	609,790,200	3,149,800	7,772,000	-	10,921,800	620,712,000	1,241,424,000
2016	342,767,600	-	122,574,300	52,323,600	517,665,500	74,140,100	591,805,600	3,851,200	5,690,600	-	9,541,800	601,347,400	1,202,694,800
2017	363,318,800	-	120,587,210	52,278,900	536,184,910	67,745,200	603,930,110	3,957,900	4,639,600	-	8,597,500	612,527,610	1,225,055,220
2018	382,994,200	-	124,938,600	50,130,470	558,063,270	65,713,100	623,776,370	4,017,100	3,739,800	-	7,756,900	631,533,270	1,263,066,540
2019	409,745,000	-	135,884,102	51,070,400	596,699,502	61,981,500	658,681,002	6,649,100	3,146,800	-	9,795,900	668,476,902	1,336,953,804
2020	461,026,400	-	146,950,200	52,388,900	660,365,500	67,388,800	727,754,300	14,929,600	2,612,700	-	17,542,300	745,296,600	1,490,593,200
2021	580,236,600	-	186,202,700	58,746,100	825,185,400	73,866,200	899,051,600	16,273,300	1,312,300	-	17,585,600	916,637,200	1,833,274,400

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

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

Taxpayer	6/30/2022			6/30/2013		
	Taxable Valuation	Rank	Percent of Total Taxable Valuation	Taxable Valuation	Rank	Percent of Total Taxable Valuation
Consumers Energy	\$ 19,074,117	1	2.86%	\$ 46,472,581	1	7.4%
DTE Gas Company	15,309,976	2	2.30%	6,918,200	2	1.1%
James Street Capital Holdings	10,214,100	3	1.53%			
Muskegon SC Holdings LLC	6,147,883	4	0.92%	4,240,100	6	0.7%
Michigan Electric Transmission	5,871,800	5	0.88%			0.0%
Glen Oaks Apartments LLC	3,607,163	6	0.54%	3,914,200	7	0.6%
Mercy Health Partners	3,246,556	7	0.49%			
Core Sherman LLC	3,160,129	8	0.47%			
Verplank Port Facility LLC	3,035,700	9	0.46%			
Hinman Lake LLC	2,902,866	10	0.44%			
Adac Plastics				6,079,926	5	1.0%
Esco Company				6,798,181	3	1.1%
GE Aviation				6,123,500	4	1.0%
Coles Quality Foods				3,491,200	9	0.6%
Lorin Industries				3,854,731	8	0.6%
P&G Holdings NY LLC				3,462,180	10	0.5%
Total - 10 Largest	72,570,290		10.90%	91,354,799		14.5%
Total - All Other	593,289,262		89.10%	539,286,370		85.5%
	\$ 665,859,552		100.0%	\$ 630,641,169		100.0%

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

City of Muskegon

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

Last Ten Fiscal Years

Year	City-Wide Rates					
	Operating	Promotion	Sanitation	Total City	Library District	Library Debt
2012	9.5000	0.0789	2.5000	12.0789	2.4000	-
2013	9.5000	0.0865	2.5000	12.0865	2.4000	-
2014	10.0000	0.0875	3.0000	13.0875	2.4000	-
2015	10.0000	0.0869	3.0000	13.0869	2.4000	0.5611
2016	10.0000	0.0905	3.0000	13.0905	2.4000	0.4962
2017	10.0000	0.0908	3.0000	13.0908	2.4000	0.4999
2018	10.0000	0.0899	3.0000	13.0899	2.4000	0.4866
2019	10.0000	0.0865	3.0000	13.0865	2.4000	0.4522
2020	9.9930	0.0824	2.9979	13.0733	2.3997	0.4532
2021	9.9180	0.0788	2.9754	12.9722	2.3821	0.4351

Overlapping - County-Wide Rates

Year	Muskegon County	Intermediate School	Special Education	Vocational Education	Community College	MAISD Gen Ed	Community College Debt
2012	6.6957	0.4597	2.2987	0.9996	2.2037	-	-
2013	6.6957	0.4597	2.2987	0.9996	2.2037	-	-
2014	6.6557	0.4597	2.2987	0.9996	2.2037	1.0000	0.3400
2015	6.6357	0.4597	2.2987	0.9996	2.2037	1.0000	0.3400
2016	6.8957	0.4597	2.2987	0.9996	2.2037	1.0000	0.3400
2017	6.8957	0.4597	2.2987	0.9996	2.2037	1.0000	0.3400
2018	6.8957	0.4597	2.2987	0.9996	2.2037	1.0000	0.3400
2019	6.8957	0.4597	2.2987	0.9996	2.2037	1.0000	0.3400
2020	6.8947	0.4593	2.2968	0.9988	2.2034	0.9992	0.3400
2021	6.8490	0.4562	2.2815	0.9922	2.1888	0.9926	0.3400

Overlapping - School District					Grand Total	
Year	Operating	Debt	Total	State Education	Homestead	Non-Homestead
2012	18.0000	7.1000	25.1000	6.0000	40.2363	58.2363
2013	18.0000	7.1000	25.1000	6.0000	40.2439	58.2439
2014	18.0000	7.6000	25.6000	6.0000	43.0449	61.0449
2015	18.0000	6.8000	24.8000	6.0000	42.7854	60.7854
2016	18.0000	6.3500	24.3500	6.0000	42.5341	60.5341
2017	18.0000	7.6800	25.6800	6.0000	43.8681	61.8681
2018	18.0000	8.3600	26.3600	6.0000	44.5339	62.5339
2019	18.0000	8.3600	26.3600	6.0000	44.4961	62.4961
2020	17.9838	8.3581	26.3419	6.0000	44.4765	62.4603
2021	17.7518	9.3467	27.0985	6.0000	45.2364	62.9882

SOURCE: City of Muskegon Treasurer' Office

City of Muskegon

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

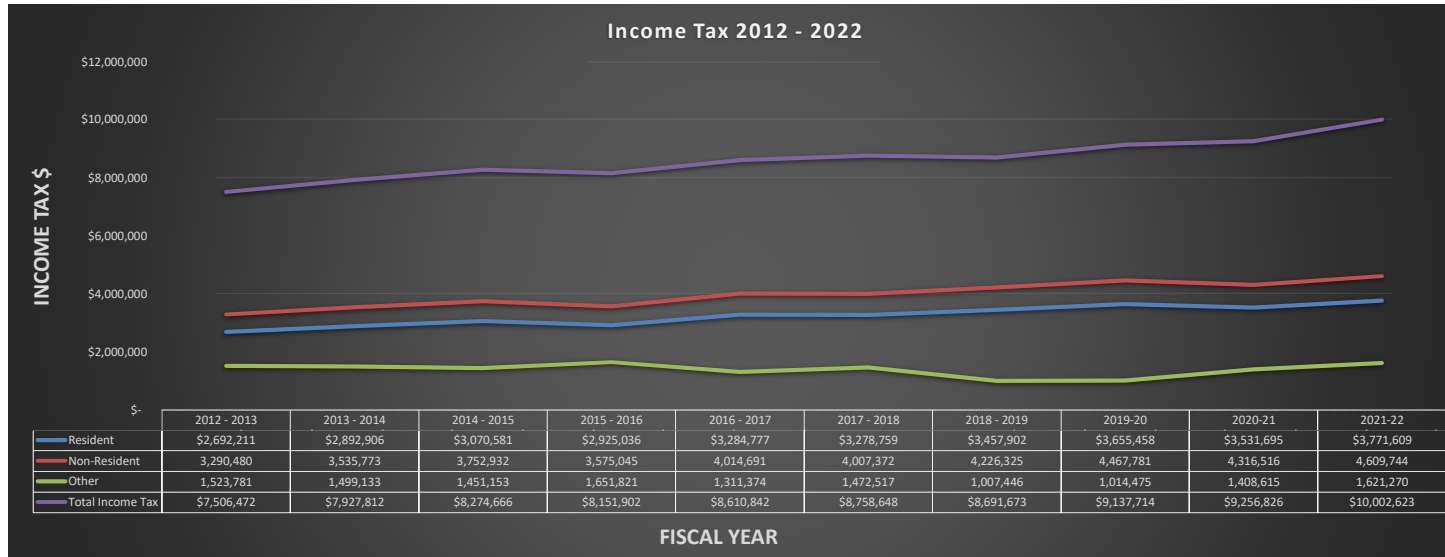
Fiscal Year	Total Tax Levy	Current Tax Collections	Percent Of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Total Tax Collections as % of Levy	Charge backs On Uncollected Delinquent Taxes	Outstanding Delinquent Personal	Outstanding Delinquent Specific	Percent of Delinquent Taxes to Levy
2012	\$ 7,872,541	\$ 6,882,534	87.4%	\$ 915,950	\$ 7,798,484	99.1%	\$ 27,163	\$ 68,945	\$ 5,113	1.29%
2013	7,668,166	6,703,147	87.4%	912,362	7,615,509	99.3%	102,713	45,361	7,296	2.03%
2014	8,032,955	7,069,804	88.0%	917,806	7,987,610	99.4%	57,680	41,074	2,788	1.26%
2015	8,132,782	7,247,701	89.1%	848,266	8,095,967	99.5%	62,345	33,407	1,862	1.20%
2016	7,719,829	6,828,816	88.5%	853,639	7,682,455	99.5%	42,063	23,671	1,365	0.87%
2017	7,633,290	6,776,856	88.8%	795,164	7,572,020	99.2%	51,584	43,665	11,728	1.40%
2018	9,545,232	8,631,502	90.4%	839,208	9,470,710	99.2%	-	53,873	13,529	0.71%
2019	9,737,757	8,873,258	91.1%	821,601	9,694,859	99.6%	-	20,987	15,355	0.37%
2020	9,943,231	9,114,832	91.7%	749,195	9,864,027	99.2%	-	35,111	31,560	0.67%
2021	9,987,802	9,121,784	91.3%	637,083	9,758,867	97.7%	-	19,026	41,200	0.60%

SOURCE: City of Muskegon Treasurer' Office

City of Muskegon

TOTAL INCOME TAX COLLECTED AND NUMBER OF RETURNS FILED - GRAPHICAL

Last Ten Fiscal Years



City of Muskegon

TOTAL INCOME TAX COLLECTED AND NUMBER OF RETURNS FILED - DATA

Last Ten Fiscal Years

Income Tax 2012 - 2022

Year	2012 - 2013	2013 - 2014	2014 - 2015	2015 - 2016	2016 - 2017	2017 - 2018	2018 - 2019	2019-20	2020-21	2021-22
Resident	\$2,692,211	\$2,892,906	\$3,070,581	\$2,925,036	\$3,284,777	\$3,278,759	\$3,457,902	\$3,655,458	\$3,531,695	\$ 3,771,609
Non-Resident	3,290,480	3,535,773	3,752,932	3,575,045	4,014,691	4,007,372	4,226,325	4,467,781	4,316,516	4,609,744
Other	1,523,781	1,499,133	1,451,153	1,651,821	1,311,374	1,472,517	1,007,446	1,014,475	1,408,615	1,621,270
Total Income Tax	\$7,506,472	\$7,927,812	\$8,274,666	\$8,151,902	\$8,610,842	\$8,758,648	\$8,691,673	\$9,137,714	\$9,256,826	\$10,002,623

Number of Returns 2012-2022

Year	2012 - 2013	2013 - 2014	2014 - 2015	2015 - 2016	2016 - 2017	2017 - 2018	2018-19	2019-20	2020-21	2021-22
Resident	5,110	5,463	5,458	5,337	5,464	5,352	5,493	4,852	4,302	4,732
Non-Resident	10,997	11,009	10,631	10,713	10,578	10,278	10,256	9,426	8,301	8,524
Other	1,750	1,750	1,750	1,750	1,750	1,650	1,650	1,650	1,650	1,650
Total Returns	17,857	18,222	17,839	17,800	17,792	17,280	17,399	15,928	14,253	14,906

City of Muskegon

RATIO OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Year	Governmental Activities				Business-Type Activities				
	General Obligation Limited Tax Bonds	Installment Purchase Agreements	State Loans	Total Governmental Activities	Revenue Bonds	State Loans	Total Business- Type Activities	Total Primary Government	Per Capita
2013	\$ 7,350,000	\$ -	\$ 130,042	\$ 7,480,042	\$ 4,205,000	\$ 9,685,000	\$ 13,890,000	\$ 21,370,042	\$ 577
2014	6,954,535	-	112,550	7,067,085	3,630,728	9,030,000	12,660,728	19,727,813	533
2015	6,555,436	-	94,708	6,650,144	2,949,368	8,360,000	11,309,368	17,959,512	483
2016	6,243,903	-	76,509	6,320,412	2,246,962	7,675,000	9,921,962	16,242,374	436
2017	5,940,903	-	57,946	5,998,849	1,523,661	6,980,000	8,503,661	14,502,510	378
2018	5,633,903	-	39,012	5,672,915	774,614	6,270,000	7,044,614	12,717,529	331
2019	5,322,903	-	19,699	5,342,602	-	5,545,000	5,545,000	10,887,602	284
2020	24,059,753	2,123,804	-	26,183,557	-	6,607,956	6,607,956	32,791,513	854
2021	30,496,677	-	-	30,496,677	-	9,056,453	9,056,453	39,553,130	1,051
2022	29,229,777	1,173,411	-	30,403,188	-	14,374,715	14,374,715	44,777,903	1,192

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

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

City of Muskegon

DIRECT AND OVERLAPPING DEBT

June 30, 2022

Name of Governmental Unit	Total Debt Outstanding	Self Supporting	Debt Supported by City General Revenues
<u>Direct Debt</u>			
City of Muskegon:			
Revenue Bonds	\$ 14,374,715	\$ 14,374,715	\$ -
Capital Improvement Bonds	29,229,777	-	29,229,777
Installment Purchase Agreements	1,173,411	-	1,173,411
Component Unit Debt:			
Local Development Finance Authority	1,096,547	1,096,547	-
Total City Direct Debt	\$ 45,874,450	\$ 15,471,262	\$ 30,403,188

	Gross	City Share as Percent of Gross	Net
<u>Overlapping Debt</u>			
Muskegon School District	\$ 81,265,000	95.82%	\$ 77,868,123
Orchard View School District	35,479,418	16.93%	6,006,665
Reeth's Puffer School District	60,921,723	0.95%	578,756
Hackley Public Library	1,775,000	95.82%	1,700,805
Muskegon County	100,828,458	12.98%	13,087,534
Muskegon Community College	28,360,000	12.98%	3,681,128
Total Overlapping Debt	\$ 308,629,599		102,923,012
Total City Direct and Overlapping Debt			\$ 133,326,200

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

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

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

City of Muskegon
LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt Limit	\$ 68,555,700	\$ 61,706,477	\$ 61,510,980	\$ 60,962,090	\$ 61,333,841	\$ 64,124,907	\$ 101,083,635	\$ 108,732,428	\$ 128,830,259	\$ 144,430,377
Total net debt applicable to limit	13,655,042	12,847,550	11,969,708	11,313,794	10,290,785	9,240,855	8,510,021	27,943,934	31,848,925	31,499,735
Legal debt margin	\$ 54,900,658	\$ 48,858,927	\$ 49,541,272	\$ 49,648,296	\$ 51,043,056	\$ 54,884,052	\$ 92,573,614	\$ 80,788,494	\$ 96,981,334	\$ 112,930,642
Total net debt applicable to the limit as a percentage of debt limit	19.92%	20.82%	19.46%	18.56%	16.78%	14.41%	8.42%	25.70%	24.72%	21.81%

Legal Debt Margin Calculation for 2022:

Assessed Valuation:	\$ 1,444,303,769
Legal Debt Limit (10%)	144,430,377
Total Indebtedness:	\$ 45,874,450
Debt not Subject to Limitation:	
Paid by Special Assessment	-
Revenue Bonds	(14,374,715)
Debt Subject to Limitation	31,499,735
Legal Debt Margin	\$ 112,930,642

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

City of Muskegon
REVENUE BOND COVERAGE

Last Ten Fiscal Years

Water Supply System

Fiscal Year	Gross Revenue (a)	Direct Operating Expenses (b)	Net Revenue Available For Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2013	\$ 5,907,784	\$ 3,729,276	\$ 2,178,508	\$ 1,250,000	\$ 384,694	\$ 1,634,694	1.33
2014	6,109,144	3,511,477	2,597,667	1,295,000	352,634	1,647,634	1.58
2015	6,388,474	3,774,508	2,613,966	1,330,000	320,857	1,650,857	1.58
2016	7,498,376	4,460,076	3,038,300	1,370,000	283,360	1,653,360	1.84
2017	7,449,646	4,997,912	2,451,734	1,405,000	246,434	1,651,434	1.48
2018	7,507,323	4,949,807	2,557,516	1,450,000	203,106	1,653,106	1.55
2019	8,472,413	5,672,522	2,799,891	1,495,000	158,260	1,653,260	1.69
2020	8,417,771	6,374,033	2,043,738	745,000	109,916	854,916	2.39
2021	8,762,308	6,481,996	2,280,312	760,000	107,860	867,860	2.63
2022	9,026,192	7,255,731	1,770,461	994,750	146,568	1,141,318	1.55

Sewage Disposal System

Fiscal Year	Gross Revenue (a)	Direct Operating Expenses (b)	Net Revenue Available For Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2013			No Direct System Indebtedness				
2014			No Direct System Indebtedness				
2015			No Direct System Indebtedness				
2016			No Direct System Indebtedness				
2017			No Direct System Indebtedness				
2018			No Direct System Indebtedness				
2019			No Direct System Indebtedness				
2020	\$ 8,399,047	\$ 9,307,397	\$ (908,350)	\$ -	\$ -	\$ -	-
2021	9,298,294	7,481,042	1,817,252	-	3,151	3,151	576.72
2022	10,303,063	7,502,182	2,800,881	272,000	84,439	356,439	7.86

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

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

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

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

City of Muskegon
DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Fiscal Years

Fiscal Year	Population	Personal Income	Per Capita Income	Median Age	Public School Enrollment	Building Permits		Unemployment
						Number	Value	
2013	37,046	\$ 747,644,037	\$ 20,182	34.1	4,367	826	\$ 24,613,938	12.0%
2014	37,213	769,789,707	20,686	34.1	4,808	1,108	54,065,115	9.6%
2015	37,213	789,034,450	21,203	35.8	4,387	1,102	46,541,966	10.3%
2016	37,213	808,760,311	21,733	35.8	4,206	1,112	58,924,856	8.3%
2017	38,349	854,285,543	22,277	35.8	3,985	1,075	78,271,395	4.8%
2018	38,401	876,830,025	22,834	35.4	3,732	1,202	171,523,877	4.1%
2019	38,401	898,750,775	23,404	35.4	3,589	1,295	94,667,004	4.2%
2020	38,401	921,219,545	23,989	36.3	3,625	1,233	92,319,998	17.7%
2021	37,633	925,365,524	24,589	35.8	3,472	1,266	53,810,437	5.0%
2022	37,552	946,458,144	25,204	34.9	3,478	1,051	65,634,790	10.3%

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

City of Muskegon

PRINCIPAL EMPLOYERS

Current Year and Ten Years Ago

Employer	2022			2013		
	Employees	Rank	Percentage of total City employment	Employees	Rank	Percentage of total City employment
Mercy General Health Partners	4,003	1	32.72%	3,657	1	24.7%
ADAC Automotive	1,168	2	9.55%	750	5	5.1%
County of Muskegon	990	3	8.09%	1,028	2	7.0%
G.E. Aviation	624	4	5.10%	644	6	4.4%
Port City Group Companies	421	5	3.44%	419	7	2.8%
KL Outdoors	375	6	3.07%			
Muskegon Public School District	360	7	2.94%	941	3	6.4%
Muskegon Area Intermediate School District	355	8	2.90%			
Knoll Inc	270	9	2.21%	403	8	2.7%
Muskegon Community College	214	10	1.75%	211	10	1.4%
State of Michigan				772	4	5.2%
Baker College						
SAF Holland USA				330	9	2.2%

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

City of Muskegon

BUDGETED FULL-TIME CITY GOVERNMENT POSITIONS BY DEPARTMENT

Last Ten Fiscal Years

Department	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Administration	0.40	0.40	-	-	-	-	-	-	-	-
Affirmative Action	1.10	1.10	1.30	1.30	1.46	0.40	1.00	1.00	1.00	1.00
Cemetaries	1.25	1.25	1.25	1.25	1.25	1.25	1.25	2.25	2.25	2.25
City Clerk & Elections	3.00	3.00	3.00	3.00	3.54	3.80	3.80	4.80	5.80	5.80
City Commission	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
City Hall Maintenance	0.55	0.55	0.55	0.55	0.55	0.55	0.55	1.05	1.00	1.00
City Manager's Office	2.25	2.25	2.05	2.05	1.75	2.75	2.75	2.75	3.30	3.30
City Treasurer's Office	5.00	4.50	5.50	5.50	5.50	5.50	5.50	5.50	5.30	5.30
Environmental Services	5.00	5.00	2.00	2.00	2.00	2.00	-	-	-	-
Farmers Market	0.05	0.05	0.05	0.05	-	0.20	1.20	1.20	0.70	0.70
Finance Administration	2.00	2.00	3.00	3.00	3.00	3.60	3.00	3.45	3.70	3.70
Fire	28.00	28.83	32.00	35.00	35.00	35.00	26.00	29.00	29.50	29.50
Fire Safety Inspections	6.00	0.83	-	-	-	-	-	-	-	-
Income Tax Administration	5.00	4.50	3.50	3.50	3.50	3.50	3.50	3.50	3.70	3.70
Information Systems	3.00	3.00	3.00	3.00	3.00	3.50	3.50	3.50	3.50	3.50
Parks	6.05	6.00	6.00	6.00	7.05	7.05	10.05	10.05	10.05	10.05
Planning, Zoning & Economic Development	3.00	3.00	3.40	3.40	3.45	3.45	5.45	6.00	7.00	7.00
Police	88.00	87.34	88.00	88.00	88.00	88.00	89.00	89.00	91.00	91.00
Sanitation	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20
Senior Transit	0.05	0.05	-	-	-	-	-	-	-	-
MVH-Major Streets	10.70	10.70	10.70	10.70	10.70	10.70	12.20	12.20	13.20	13.20
MVH-Local Streets	6.70	6.70	6.70	6.70	6.70	6.70	7.20	7.20	7.20	7.20
Community Development	4.00	4.00	4.00	4.00	4.00	3.55	3.55	4.30	5.30	5.30
Home Program	-	-	-	-	-	-	-	-	-	-
Lead Program	-	-	-	-	-	-	-	-	-	-
Sewer Maintenance	9.75	9.80	9.80	9.80	9.80	9.80	9.80	10.80	10.95	10.95
Water Filtration	10.00	10.00	10.00	10.00	10.00	10.00	10.00	11.00	12.15	12.15
Water Maintenance	11.75	11.75	11.75	11.75	11.75	11.75	11.75	12.75	14.90	14.90
Hartshorn Marina Fund	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
Mercy Health Arena	-	-	-	-	-	-	-	3.00	6.00	6.00
Public Service Building	8.45	8.45	8.50	8.50	8.50	8.50	8.50	8.75	8.75	8.75
Engineering	4.95	4.95	4.95	4.95	4.95	4.95	5.95	5.20	4.25	4.25
Equipment	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25	6.25
	233.00	227.00	228.00	231.00	232.45	233.50	232.50	245.25	257.50	257.50

SOURCE: City of Muskegon Finance Department

City of Muskegon
OPERATING INDICATORS BY FUNCTION/PROGRAM

Last Ten Fiscal Years

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<u>Administrative Services</u>										
Elections										
Number of registered voters	26,098	26,025	24,014	24,005	24,612	26,136	25,182	28,127	27,889	28,004
Number of votes cast:										
Last general election	13,487	3,029	7,763	2,547	13,179	15,271	11,407	3,105	15,156	15,519
Last city election	2,131	3,029	7,763	2,547	13,179	2,254	1,938	3,105	2,968	4,459
Percentage of registered voters voting:										
Last general election	52%	12%	32%	11%	54%	58%	45%	11%	54%	55%
Last city election	8%	12%	32%	11%	54%	9%	8%	11%	12%	16%
<u>Financial Services</u>										
Property Tax Bills	15,291	15,211	14,528	14,611	14,243	14,229	14,180	15,090	15,117	15,103
Income Tax Returns	17,857	18,222	17,839	17,800	17,792	17,280	17,399	15,928	14,253	14,906
Paper Check Issued to Vendors	1,677	1,404	1,527	1,608	1,675	1,782	1,863	1,946	1,676	1,853
Electronic Payments to Vendors	1,251	1,579	1,471	1,849	1,998	2,104	2,307	2,494	2,465	3,654
<u>Public Safety</u>										
Fire Protection										
Number of firefighter and officer positions	41	38	35	35	35	23	29	26	29	25
Number of emergency calls	4,563	4,354	4,881	4,938	4,895	4,948	5,106	5,147	4,203	6,018
Police Protection										
Number of sworn officer positions	79	76	76	76	75	79	80	80	89	80
Part I (Major) Crimes	2,647	2,240	2,107	1,989	2,816	2,357	1,728	1,621	1,442	808
<u>Public Works</u>										
Refuse Collected (Tons per Year)	9,958	10,217	10,512	10,994	11,009	10,801	10,753	11,534	12,289	10,326
Recyclables Collected (Tons per Year)	-	-	-	-	-	-	-	160	224	341
<u>Water & Sewer</u>										
Number of consumers	13,144	13,086	13,223	13,307	13,248	13,104	13,343	13,422	12,660	12,821
Average daily water consumption (GPD)	7,651,000	7,666,000	8,293,570	11,027,945	10,947,233	9,559,304	10,867,590	10,674,712	7,570,000	10,789,900
Water main breaks repaired	11	30	15	16	12	15	11	17	13	15
Sewer flows (Millions Gallons per Year)	1,777	1,833	2,013	1,794	1,815	1,832	2,048	2,138	1,596	1,462
Sewer Service Calls	508	532	501	521	462	451	443	475	541	426

SOURCE: City of Muskegon Departments

City of Muskegon

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

Last Ten Fiscal Years

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<u>Public Safety</u>										
Fire Protection										
Number of stations	3	3	3	3	3	3	3	3	3	3
Police Protection										
Number of stations	1	1	1	1	1	1	1	1	1	1
<u>Highways, Streets and Bridges</u>										
Miles of Streets	196.95	196.95	196.95	196.95	196.95	196.95	197.19	187.34	187.34	187.28
Number of streetlights	2,838	2,838	2,838	2,900	2,984	2,967	2,930	2,995	2,995	2,995
<u>Culture and Recreation</u>										
Number of parks (acres)	701	701	701	701	701	701	701	701	701	701
Lake Michigan beaches (acres)	119	119	119	119	119	119	119	119	119	119
Hockey/Entertainment Arena	1	1	1	1	1	1	1	1	2	2
<u>Sewer</u>										
Sanitary sewers (miles)	177.04	177.04	177.04	177.04	177.04	177.04	177.04	177.04	176.69	166.63
Storm sewers (miles)	184.35	184.25	184.35	184.35	184.35	184.35	184.35	184.35	147.58	148.38
<u>Water</u>										
Water mains (miles)	195.95	195.95	195.95	195.95	195.95	195.95	195.27	195.27	213.92	214.70

SOURCE: City of Muskegon Departments

SINGLE AUDIT OF FEDERAL FINANCIAL ASSISTANCE PROGRAMS

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

City Commission
City of Muskegon
Muskegon, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Muskegon as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise City of Muskegon's basic financial statements, and have issued our report thereon dated December 21, 2022.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

City Commission
City of Muskegon
Page 2

Report on Compliance and Other Matters

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

City of Muskegon's Response to Findings

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

Purpose of this Report

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

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

Muskegon, Michigan
December 21, 2022

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

City Commission
City of Muskegon
Muskegon, Michigan

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited City of Muskegon's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of City of Muskegon's major federal programs for the year ended June 30, 2022. City of Muskegon's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, City of Muskegon complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Report on Compliance for Each Major Federal Program—Continued

Auditor's Responsibility for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

City Commission
City of Muskegon
Page 3

Report on Internal Control Over Compliance—Continued

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

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

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

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

Muskegon, Michigan
December 21, 2022

City of Muskegon
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2022

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title/Identifying Number	Assistance Listing Number	Program or Award Amount	Accrued (Unearned) Revenue July 1, 2021	Adjustments and Transfers	Cash or Payments In- Kind Received (Cash Basis)	Amount of Grant Expenditures	Accrued (Unearned) Revenue June 30, 2022	Passed Through to Subrecipients
<i>U.S. Department of Housing and Urban Development</i>								
Direct programs								
CDBG - Entitlement Grants Cluster								
Community Development Block Grants/Entitlement Grants	14.218							
B-14-MC-26-0026		\$ 897,025	\$ 17,403	\$ -	\$ 17,403	\$ -	\$ -	\$ -
B-16-MC-26-0026		886,662	-	-	118,732	118,732	-	-
B-17-MC-26-0026		871,542	-	-	3,973	13,922	9,949	-
B-18-MC-26-0026		937,658	-	-	-	71,725	71,725	-
B-19-MC-26-0026		973,451	8,404	-	201,592	213,897	20,709	-
B-20-MC-26-0026		994,698	54,405	-	82,924	43,563	15,044	-
COVID-19 - B-20-MW-26-0026		794,564	27,855	-	533,440	541,595	36,010	-
B-21-MC-26-0026		988,508	-	-	723,851	744,984	21,133	100,000
Program Income		73,217	-	-	73,217	73,217	-	-
Total CDBG - Entitlement Grants Cluster		7,417,325	108,067	-	1,755,132	1,821,635	174,570	100,000
Home Investment Partnerships Program	14.239							
M-17-MC-26-0215		249,537	-	-	10,902	10,902	-	-
M-18-MC-26-0215		327,681	-	-	49,152	49,152	-	-
M-19-MC-26-0215		334,818	-	-	235,951	245,770	9,819	-
M-20-MC-26-0215		343,362	1,781	-	214,690	218,493	5,584	-
M-21-MC-26-0215		336,456	-	-	13,728	56,038	42,310	-
Program Income		53,040	-	-	53,040	53,040	-	-
Total Home Investment Partnerships Program		1,644,894	1,781	-	577,463	633,395	57,713	-
Healthy Homes Production Program	14.913							
MIHHP0083-22		1,500,000	-	-	-	2,015	2,015	-
Total U.S. Department of Housing and Urban Development		10,562,219	109,848	-	2,332,595	2,457,045	234,298	100,000

City of Muskegon
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS—Continued
For the year ended June 30, 2022

	Assistance Listing Number	Program or Award Amount	Accrued (Unearned) Revenue July 1, 2021	Adjustments and Transfers	Cash or Payments In- Kind Received (Cash Basis)	Amount of Grant Expenditures	Accrued (Unearned) Revenue June 30, 2022	Passed Through to Subrecipients
<i>U.S. Department of Justice</i>								
Direct programs								
Bulletproof Vest Partnership Program 2020 Grant	16.607	\$ 6,615	\$ -	\$ -	\$ -	\$ 6,615	\$ 6,615	\$ -
Edward Byrne Memorial Justice Assistance Grant Program 2020-DJ-BX-0470	16.738	32,996	17,866	-	27,751	9,885	-	9,885
15PBJA-21-GG-01586-JAGX		40,467	-	-	21,906	21,906	-	-
		73,463	17,866	-	49,657	31,791	-	9,885
Criminal and Juvenile Justice and Mental Health Collaboration Program 2019-MO-BX-0006	16.745	100,000	4,837	-	63,909	59,072	-	-
Total direct programs		180,078	22,703	-	113,566	97,478	6,615	9,885
Passed through Michigan Department of Health and Human Services Violence Against Women Formula Grants E20211656-002	16.588	177,934	9,965	-	26,844	16,879	-	-
E20221719-001		282,512	-	-	117,173	132,952	15,779	-
		460,446	9,965	-	144,017	149,831	15,779	-
Passed through Battle Creek Community Foundation Project Safe Neighborhoods 2018 Project Safe Neighborhoods Grant	16.609	6,420	-	-	6,420	6,420	-	-
2019 Project Safe Neighborhoods Grant		21,905	-	-	21,905	21,905	-	-
		28,325	-	-	28,325	28,325	-	-
Passed through Ottawa County Edward Byrne Memorial Justice Assistance Grant Program 2020-MU-BX-0011	16.738	16,284	-	-	16,284	16,284	-	-
Total U.S. Department of Justice		685,133	32,668	-	302,192	291,918	22,394	9,885
<i>U.S. Department of Treasury</i>								
Passed through Michigan Department of Treasury Coronavirus State and Local Fiscal Recovery Funds COVID-19 - American Rescue Plan Act	21.027	22,881,894	-	(11,440,947)	11,440,947	9,234,029	(13,647,865)	3,000,000
<i>U.S. Small Business Administration</i>								
Direct programs								
Shuttered Venue Operators Grant Program SBAHQ21SV010622	59.075	625,498	-	-	625,498	625,498	-	-

City of Muskegon
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS—Continued
For the year ended June 30, 2022

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title/Identifying Number	Assistance Listing Number	Program or Award Amount	Accrued (Unearned) Revenue July 1, 2021	Adjustments and Transfers	Cash or Payments In- Kind Received (Cash Basis)	Amount of Grant Expenditures	Accrued (Unearned) Revenue June 30, 2022	Passed Through to Subrecipients
Environmental Protection Agency								
Passed through Department of Environment, Great Lakes, and Energy								
Clean Water State Revolving Fund Cluster								
Capitalization Grants for Clean Water State Revolving Funds	66.458							
5675-01		\$ 11,500,000	\$ 497,694	\$ -	\$ 924,976	\$ 427,282	\$ -	\$ -
5679-01		4,715,000	232,190	-	3,297,075	3,114,986	50,101	-
		16,215,000	729,884	-	4,222,051	3,542,268	50,101	-
Drinking Water State Revolving Fund Cluster								
Capitalization Grants for Drinking Water State Revolving Funds	66.468							
7446-01		4,225,000	-	-	124,394	124,394	-	-
Total Environmental Protection Agency		20,440,000	729,884	-	4,346,445	3,666,662	50,101	-
U.S. Department of Health and Human Services								
Passed through Michigan Department of Health and Human Services								
Children's Health Insurance Program	93.767							
E20211485-002		943,785	56,290	-	125,354	69,064	-	-
E20221736-001		880,100	-	-	477,837	552,561	74,724	-
Total Department of Health and Human Services		1,823,885	56,290	-	603,191	621,625	74,724	-
TOTAL FEDERAL ASSISTANCE		\$ 57,018,629	\$ 928,690	\$ (11,440,947)	\$ 19,650,868	\$ 16,896,777	\$ (13,266,348)	\$ 3,109,885

The accompanying notes are an integral part of this statement.

City of Muskegon
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2022

1. The accompanying Schedule of Expenditures of Federal Awards (the "schedule") includes the federal award activity of the City under programs of the federal government for the year ended June 30, 2022. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position or change in net position of the City.
2. Please see the financial statement footnotes for the significant accounting policies used in preparing this schedule. Expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The City is not using the ten-percent de minimis indirect cost rate as allowed under the Uniform Guidance.
3. Unearned revenue for the American Rescue Plan Act at June 30, 2021 was inadvertently omitted from the prior year Schedule of Expenditures of Federal Awards.
4. The following is a reconciliation of federal revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances of the City of Muskegon's financial statements for the year ended June 30, 2022 and federal expenditures per the Schedule of Expenditures of Federal Awards.

Federal revenues per City of Muskegon financial statements	
General Fund	\$ 291,918
Other governmental funds	<u>12,811,940</u>
	13,103,858
Plus drawdowns on federal loans	3,666,662
Plus program income	<u>126,257</u>
Federal expenditures per the Schedule of Expenditures of Federal Awards	<u>\$ 16,896,777</u>

City of Muskegon
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2022

SECTION I—SUMMARY OF AUDITOR’S RESULTS

A. Financial Statements

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

B. Federal Awards

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

Assistance Listing Number(s)

Name of Federal Program/Cluster

21.027

U.S. Department of Treasury

- **Coronavirus State and Local Recovery Funds**

U.S. Small Business Administration

59.075

- **Shuttered Venue Operators Grant**

Environmental Protection Agency

66.458

- **Capitalization Grants for Clean Water State Revolving Funds**

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

SECTION II – FINANCIAL STATEMENT FINDINGS

NONE

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

NONE

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CLIENT DOCUMENTS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

December 21, 2022

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

City of Muskegon respectfully advises you that there were **no** audit findings reported in our single audit report, dated December 9, 2021, for the year ended June 30, 2021.

Sincerely,

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

Ken Grant
Finance Director

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FAX (231)755-5290

MUSKEGON



West Michigan's Shoreline City
www.shorelinecity.com

CORRECTIVE ACTION PLAN

December 21, 2022

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

City of Muskegon respectfully submits the following Corrective Action Plan for the year ended June 30, 2022.

Name and address of independent public accounting firm:

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

Audit period: June 30, 2022

The findings from the Schedule of Findings and Questioned Costs for the year ended June 30, 2022 provided **no** findings in either Section II or Section III. Accordingly, there are **no** matters requiring corrective action as shown below.

SECTION II – FINANCIAL STATEMENT FINDINGS

There were **no** findings in relation to the financial statement audit.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

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

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

Sincerely,

Ken Grant
Finance Director

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

WATCH MUSKEGON

Agenda Item Review Form Muskegon City Commission

Commission Meeting Date: January 10, 2023		Title: MIHAF Application	
Submitted By: Sarah Wilson		Department: Treasurer	
Brief Summary: The Homeowner Assistance Fund was established as part of the American Rescue Plan Act of 2021 (ARP). The State of Michigan received more than 242 million dollars, to be used to mitigate hardships associated with the coronavirus pandemic, including utility payments. The State created the Michigan Homeowner Assistance Fund (MIHAF) to provide these funds to eligible homeowners. The City Treasurer is requesting authorization to sign the attached documents to partner with MIHAF so that any eligible city residents can receive utility payment assistance.			
Detailed Summary & Background: The Michigan Homeowner Assistance Fund (MIHAF) is a statewide program that uses federal resources to provide financial assistance to homeowners who have fallen behind on homeownership-related expenses because of the COVID-19 Pandemic. It provides funds to eligible entities for the purpose of preventing homeowner mortgage delinquencies, defaults, foreclosures, loss of utilities or home energy services, and displacements of homeowners through qualified expenses related to mortgages and housing. Eligibility criteria and eligible expenses are detailed on the attached documents. Participation in the program does not guarantee our residents will receive funding from this program; however, it does make them eligible to apply for funding. If we choose not to partner with MIHAF, our residents cannot apply for these funds to assist in paying their utility bills.			
Goal/Focus Area/Action Item Addressed: Goal 2: Housing; Goal 4: Financial Infrastructure			
Amount Requested: N/A		Amount Budgeted: N/A	
Fund(s) or Account(s): N/A		Fund(s) or Account(s): N/A	
Recommended Motion: To authorize the City Treasurer to sign all necessary documents to partner with the Michigan Homeowner Assistance Fund so that the City will be eligible to receive assistance payments made on behalf of eligible utility customers.			
Approvals: <i>Get approval from division head at a minimum prior to sending to the Clerk.</i> Immediate Division Head ☒ Information Technology ☐ Other Division Heads ☐ Communication ☒		Guest(s) Invited / Presenting Yes ☐ No ☒	

Legal Review	☐	
For City Clerk Use Only: Commission Action:		

The Homeowner Assistance Fund was established under section 3206 of the American Rescue Plan Act of 2021 (the ARP) to mitigate hardships associated with the coronavirus pandemic by providing funds to prevent homeowner mortgage delinquencies, defaults, foreclosure, loss of utilities or home energy services and displacements of homeowners experiencing financial hardship on or after January 21, 2020 or for those homeowners who experience a coronavirus pandemic financial hardship that began before January 21, 2020 but continued after that date.

The U.S. Department of the Treasury notified MSHDA on April 14, 2021 that it will allocate \$242,812,277 to the State of Michigan. This number was based on unemployed individuals and the number of mortgagors with delinquent mortgage payments.

Governor Gretchen Whitmer has designated the Michigan State Housing Development Authority (the Authority or MSHDA) as the operating agency to set up the Michigan Homeowner Assistance Fund (MIHAF) program in accordance with the guidance provided by the Treasury.

Who Is Eligible?

- Homeowners with household incomes less than 150% of Area Median Income (AMI)
- Homeowners who own and occupy the property as their primary residence
- Homeowners must have and explain a financial hardship directly related to COVID-19 on or after **January 21, 2020**

Up to \$25,000 Grant Per Household to Pay:

- Delinquent mortgage/housing expenses, including property tax and insurance escrow shortages
- Delinquent land contract payments, mobile home consumer loan payments or mobile home park lot payments
- Delinquent property taxes
- Delinquent condominium/homeowners' association fees
- Delinquent homeowner's insurance,
- Delinquent utilities, gas, electric, water, sewer
- Delinquent internet broadband services

MICHIGAN HOMEOWNER ASSISTANCE FUND

Program Overview and FAQ

ABOUT THE MICHIGAN HOMEOWNER ASSISTANCE FUND (MIHAF)

The Michigan Homeowner Assistance Fund (MIHAF) is a statewide program that uses federal resources to provide financial assistance to homeowners who have fallen behind on homeownership-related expenses because of the COVID-19 pandemic.

Funding for the MIHAF program was established under section 3206 of the American Rescue Plan Act of 2021 to mitigate financial hardships associated with the coronavirus pandemic by providing funds to eligible entities for the purpose of preventing homeowner mortgage delinquencies, defaults, foreclosures, loss of utilities or home energy services, and displacements of homeowners experiencing financial hardship after January 21, 2020, through qualified expenses related to mortgages and housing.

A total of \$242,812,277 was allocated to the State of Michigan to fund the MIHAF program by the U.S. Treasury, which MSHDA anticipates will help more than 8,300 homeowners across the state. Half of the funds have been allocated by the state Legislature, and the remaining approximately \$121 million must be approved at a later date.

ABOUT MSHDA

The Michigan State Housing Development Authority (MSHDA), established in 1966, serves the people of Michigan by offering financial and technical assistance through public and private partnerships to provide quality housing that is affordable, a cornerstone of diverse, thriving communities.

MSHDA's loans and operating expenses are financed through the sale of tax-exempt and taxable bonds and notes to private investors, not from state tax revenues. Proceeds of the bonds and notes are loaned at below-market interest rates to developers of rental housing and also fund home mortgages and home improvement loans. MSHDA also administers various federal housing programs.

FREQUENTLY ASKED QUESTIONS – MIHAF

Q. Who is eligible for MIHAF?

A. To qualify for financial assistance through MIHAF, applicants must be able to show a qualified pandemic-related financial hardship that occurred on or after January 21, 2020. They must currently own and occupy the home as their primary residence and have a household income equal to or less than 150% of area median income.

Q. What qualifies as a “pandemic-related financial hardship”?

A. Applicants must have a material reduction in income or a material increase in living expenses stemming from the COVID-19 pandemic that has increased a risk in mortgage delinquency, mortgage default, foreclosure, loss of utilities or home energy services, or displacement for a homeowner, such as:

- Attest to a temporary or permanent loss of earned income on or after January 21, 2020; or
- Attest to an increase in living expenses, such as medical expenses, inadequate medical insurance, increase in household size, or costs to reconnect utility services on or after January 21, 2020

Q. How much financial assistance does MIHAF provide?

A. Applicants are eligible to receive up to \$25,000 in financial assistance per household. Financial assistance allocated through the MIHAF program will be paid directly to the lender.

Q. What types of homeownership-related expenses does MIHAF assist with?

A. Eligible applicants can use MIHAF assistance for:

- Delinquent mortgage/housing expenses, such as delinquent payments, property tax or insurance escrow shortages
- Delinquent land contract payments, mobile home consumer loan payments or contracted mobile home park lot payments
- Delinquent property taxes
- Delinquent condominium/homeowners' association fees
- Delinquent homeowner's insurances, hazard, flood, or mortgage insurance (if not escrowed)
- Delinquent utilities, such as gas, electric, water, and sewer
- Delinquent internet broadband services

Q. How do you apply for the MIHAF program?

A. Homeowners interested in applying for financial assistance through MIHAF can visit MSHDA's online application portal [here](#), or call 844-756-4423 for additional information and assistance in the application process.

Q. When should I apply for MIHAF?

A. As soon as possible!



STATE OF MICHIGAN

GRETCHEN WHITMER
GOVERNOR

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
LANSING

GARY HEIDEL
ACTING EXECUTIVE DIRECTOR

Become a MIHAF Partner

The Michigan State Housing Development Authority (MSHDA) opened the Michigan Homeowner Assistance Fund (MIHAF) program on February 14, 2022.

Michigan was allocated \$242.8 million from the American Rescue Plan Act of 2021's (the ARP) Homeowner Assistance Fund (HAF) program which Governor Gretchen Whitmer designated MSHDA as the program's operating agency.

We can help homeowners with delinquent mortgage/housing payments, delinquent property taxes, delinquent condominium association fees or delinquent utility payments to help them avoid foreclosure, displacement, or utility shut-off once you sign up to participate in this much needed program.

If you are a mortgage lender or servicer, please return the fully executed and completed MIHAF Collaboration Agreement and Service Provider Contact and ACH Instructions documents to MSHDA-HO-HAF-Program@michigan.gov.

If you are a County Treasurer, condominium association, utility company, local municipality collecting water/sewer payments, land contract seller or land contract management company, mobile home consumer lender or park manager, or broadband internet provider, please return the fully executed and completed MIHAF Provider Participation Agreement and Service Provider Contact and ACH Instructions documents to MSHDA-HO-HAF-Program@michigan.gov.

You only need to sign up one time. Your name will be added to our Partner Provider Database.

We always disburse MIHAF funds directly to the MIHAF Program Partner to be applied to your client's delinquent account once the homeowner is determined eligible for the MIHAF program assistance.

If you need further information please contact us 517-335-6481 or email your questions to MSHDA-HO-HAF-Program@michigan.gov.

735 EAST MICHIGAN AVENUE P.O. Box 30044, LANSING, MICHIGAN 48909
michigan.gov/mshda • TOLL-FREE 855-MI-MSHDA (855-646-7432) • FAX 517.335.4797



WE CAN HELP YOU KEEP YOUR HOME.

With up to \$25,000. MIHAF – the Michigan Homeowner Assistance Fund – is for homeowners with financial hardships due to the COVID-19 pandemic. It can help pay delinquent:

- mortgage/housing expenses and escrow shortages
- land contracts, mobile home consumer loans, park lot fees
- property taxes
- condominium/homeowner's association fees
- homeowner's property insurances, hazard, flood, or mortgage insurance
- utilities, gas, electric, water, sewer
- internet broadband services



Scan to apply

To apply: 844-756-4423 or Michigan.gov/MIHAF



**Michigan Homeowner Assistance Fund
Michigan State Housing Development Authority
Provider Participation Agreement**

This Participation Agreement (Agreement) made this ____ day of _____, 20__ by and between the Michigan State Housing Development Authority (MSHDA) and _____ (Provider), the undersigned, and hereby confirm their mutual agreement on the following principles relating to the Michigan Homeowner Assistance Fund (MIHAF).

RECITALS:

WHEREAS, MSHDA has created a federally funded program under its Michigan Homeowner Assistance Fund (MIHAF) Program; and

WHEREAS the MIHAF program was established to mitigate financial hardships associated with the coronavirus pandemic by providing funds to eligible entities, the Provider(s) as described herein, for the purpose of preventing homeowner mortgage delinquencies, defaults, foreclosures, loss of utilities or home energy services, and displacements of qualified homeowners ("Homeowners") experiencing financial hardship after January 21, 2020, through qualified expenses related to mortgages and housing, for the benefit of those Homeowners; and

WHEREAS, Provider is mortgage-loan servicer, mortgage holder, County Treasurer, land contract vendor, condominium association, or provider of public utilities, to whom one or more debts are owed that are eligible as Qualified Expenses under the MIHAF; and

WHEREAS, if a mortgage-loan servicer or mortgage-holder, Provider is a State, Federal, or national bank regulated by the Federal Reserve, a national bank or federally chartered bank regulated by the Office of the Comptroller of the Currency (OCC), a state bank regulated by the Federal Deposit Insurance Corporation (FDIC), a state or federal chartered credit union regulated by the National Credit Union Administration (NCUA), a state-chartered bank, credit union, or mortgage servicing organization regulated by the Michigan Department of Insurance and Financial Services (DIFS), or a governmental agency, that own the mortgage servicing rights of mortgage loans and services certain mortgage loans for borrowers who may be eligible to participate in the MIHAF program; or

WHEREAS, if a County Treasurer, Provider is the office of the duly designated receipt of real-property taxes for a county of the State of Michigan, with statutory powers of collection and foreclosure pursuant to the General Property Tax Act, Act 206 of 189; or

WHEREAS, if land-contract vendor, Provider is the vendor of an enforceable land contract governing real property located within the State of Michigan, and possessing legitimate powers of forfeiture and/or foreclosure pursuant to Michigan law; or

WHEREAS, if a condominium association, Provider is a legally recognized entity with authority to administer a condominium project located within the State of Michigan, and possessing a power of foreclosure pursuant to the Michigan Condominium Act, Act 59 of 1978; or

WHEREAS, if a provider of public utilities, Provider is an entity that provides electric, gas, home energy, water, internet service, or related goods and services to one or more residential properties within the State of Michigan, possessing a power to discontinue such services in the event of non-payment by the affected residents; and

WHEREAS, the above-defined Provider is able to document their authority to conduct business within the State of Michigan; where Provider is a company, Provider is able to provide a certified copy of Articles of Incorporation/Organization and certificate of Good Standing from the State of Michigan, or comparable verification of legitimate organization, upon request by MSHDA; where Provider is a County Treasurer, Provider is able to provide confirmation of same on County letterhead; where Provider is a land-contract vendor, Provider is able to provide confirmation that Provider is the person or entity eligible to receive payment under the terms of the land contract. If Provider is a non-Michigan business entity, Provider must upon request provide a certified copy of Articles of Incorporation/Organization filed in the State of Michigan, together with a Certificate of Authority to transact business in Michigan; and

WHEREAS Provider desires to participate in the MIHAF Program; and

WHEREAS Provider understands that participation in the MIHAF Program is voluntary and is distinct from Provider's participation in any other local, state, or federal foreclosure prevention, eviction prevention, or utility-access preservation programs; and

WHEREAS Provider and MSHDA desire to enter into this Agreement to set forth certain premises and mutual covenants:

NOW, WHEREFORE, MSHDA and Provider agree as follows:

1. **Application Process.** Homeowners will access the MIHAF Program through an online MIHAF application, or through a secure phone link, using systems established or designated by MSHDA. Provider understands that it will not be involved in determining eligibility for MIHAF Program, and that MSHDA shall make eligibility determinations according to its sole interpretation of MIHAF program guidelines.
2. **Selection/Qualification of Borrowers.** MSHDA shall be responsible for the selection/qualification of Homeowners to receive MIHAF Program funding. Provider may refer potentially eligible borrowers to MSHDA, and Provider is encouraged but not required to market the MIHAF Program. MSHDA shall make marketing materials available to Provider including web graphics and brochures in pdf format. Providers may refer Homeowners to MIHAF's website at www.michigan.gov/mihaf or MIHAF customer service at 844-756-4423 to apply or for MIHAF Program information.
3. **Point of Contact.** MSHDA shall provide a list of key contacts to Provider. Provider agrees to provide a primary and secondary point of contact, and electronic funds transfer information to MSHDA to facilitate communication and transfer of program funds (**Exhibit A**) and shall provide accessible contacts to MIHAF Program eligible Homeowners to address Provider's participation in the MIHAF Program and the administration of MIHAF payments as to Homeowner's accounts with Provider.

4. **ACH Payments.** Provider shall promptly provide ACH transmission information to MSHDA, as described in **Exhibit A**. Provider agrees that all MIHAF payments will be made via ACH.

5. **Information Sharing/Written Authorization.** MSHDA shall be responsible for procuring written authorization from each Homeowner to share information with Provider. A copy of the signed authorization will be provided to Provider through secured e-mail or web portal. Provider agrees to communicate information about the resolution of the assisted Homeowner's deficiency or default including suspension or termination of foreclosure or forfeiture proceedings, or other resolution options, to MSHDA. MSHDA and Provider agree to use a defined automated and secure process to submit borrowers to Provider for workout consideration.

6. **Transmission of Non-Public Personal Information.** All communication that includes a Homeowner's **Nonpublic Personal Information** (as defined below) between MSHDA and Provider shall be sent through encrypted e-mail, secure loan portal or other similar secure electronic delivery system. MSHDA and Provider agree that they will maintain or implement appropriate measures designed to (a) ensure the security and confidentiality of any Nonpublic Personal information it received from the other party, (b) protect against any anticipated threats or hazards to the security or integrity of such information, (c) protect against unauthorized access to or use of such information that could result in substantial harm or inconvenience to the subject of such information, (d) ensure the proper disposal of all Nonpublic Personal Information received from the other party upon the termination of the Agreement for any reason, unless the information is required to be retained for legal or regulatory record retention purposes, (e) treat the Nonpublic Personal Information with at least the same degree of care that it uses to protect its own confidential and proprietary information of a similar nature but with no less than a reasonable degree of care, and (f) implement or utilize appropriate technological safeguards that are at least in compliance with the Gramm-Leach Bliley Act and generally recognized industry standards.

"Nonpublic Personal Information" means any information received from or provided by the other party which pertains to or identifies an individual, such as name, postal address, e-mail or IP address, facsimile or phone number, mother's maiden name, social security or identification number, transactional, employment, financial data, medical or health records, personal, gender, political profile, account, and password information.

7. **Homeowner Assistance.** Once a Homeowner is accepted to the MIHAF Program, Provider shall not initiate foreclosure, forfeiture, nor collections, and if the Homeowner is already in the foreclosure, forfeiture, or collections process, shall not continue such process during the term of assistance. In the case of utility assistance, utility service shall be restored. Where a Homeowner's obligations to Provider exceed the maximum assistance that the MIHAF Program will pay on Homeowner's behalf, the MIHAF Program may still pay such benefits for the benefit of the Homeowner, but any agreement addressing the remaining deficiency will be strictly between Provider and Homeowner; neither MSHDA nor the MIHAF Program shall have any further obligation as to such a deficiency, nor shall MSHDA participate in the resolution of, nor be a party to, any agreement resolving such a deficiency. Providers are encouraged but not required to consider mechanisms for addressing such a deficiency that will delay the risk of additional default, such as amortizing the deficiency into future payments due from Homeowner.

MSHDA and Provider agree that all MIHAF Program Homeowner assistance options will be conducted in accordance with the MIHAF program descriptions and requirements detailed in the respective program term sheet(s), which are attached as **Exhibit B** and incorporated herein. Although Homeowner may be eligible for more than one type of relief under the MIHAF Program, Homeowner may only receive such relief one time, and once per home address: there shall be no duplication of relief within the MIHAF program, or between the MIHAF program and any other federal assistance programs. Provider recognizes that the MIHAF program is a federal program administered by the U.S. Treasury, may be subject to program guideline changes issued after the date of this agreement, and agrees to abide by the terms of subsequent or superseding federal guidance.

Provider agrees the program guidelines may be amended by MSHDA from time to time. Provider has reviewed the program term sheet and agrees to comply with all Program guidelines as outlined by MSHDA. MSHDA will notify the primary contact provided by Provider of any program amendments and/or changes. Provider is responsible to obtain any required investor and mortgage insurer approval.

8. MIHAF Program Approval. Upon notification by MSHDA that a Homeowner has been conditionally approved for MIHAF, Provider agrees to promptly accept or deny each Homeowner's participation in the MIHAF Program. Provider agrees that denial shall be only for good cause such as pending litigation, potential fraud, bankruptcy restrictions, and foreclosure status or if denied by investor or mortgage insurer for good cause.

9. MIHAF Program. Provider agrees to provide timely communication of Homeowner's deficiency status to the MSHDA, including sufficient information to identify that the correct deficiency matched to the correct Homeowner, and the amount owed. Provider agrees to apply MIHAF funds towards principal, interest, taxes, and insurance (collectively PITI). MSHDA agrees Provider may apply such funds towards attorney's fees, late charges and NSF fees, property inspection fees, escrow shortage and/or delinquent property taxes, one year of standard homeowner's insurance if forced place insurance has been invoked, and other fees and expenses if they are deemed an advance on Program funds towards delinquent property taxes.

10. Timing. Provider acknowledges that it is responsible for timely application of MIHAF Program funds. Provider shall hold the Homeowner harmless if payments are not applied timely. Provider agrees that it will timely provide MSHDA with written reports documenting application of MIHAF Program funds or alternatively to provide MSHDA an exception report for any funds that could not be applied. All remaining delinquencies identified after MIHAF funding must be resolved between Homeowner and Provider. The period of performance for MIHAF Program awards begins on the date hereof and ends on September 30, 2026, unless otherwise extended by U.S. Treasury. Provider shall not be eligible to receive MIHAF Program funds after such period of performance ends.

11. Repayment of Funds. Where the Homeowner has an ongoing obligation to the Provider that will continue after application of program funds to the deficiency, such as with an ongoing mortgage loan, MSHDA agrees that Provider will not be required to repay amounts applied to a borrower's loan if that borrower is later determined to be ineligible. If the Provider is eligible to

retain excess funds and overages, those may be retained by Provider and applied for the benefit of the Homeowner's ongoing obligation. Provider may be required by MSHDA to demonstrate how retained excess funds will be applied for the benefit of the homeowner, in such format as MSHDA shall require. If Provider is not eligible to retain and apply excess assistance due to the lack of an ongoing obligation or shall otherwise fail to apply Grant funds to the Homeowner's housing delinquencies, such unapplied funds are the property of MSHDA and shall be promptly returned to Grantor within thirty (30) days of determination of excess funding, but in any event shall not be paid directly to the Homeowner.

12. **Homeowner Actions/Fraud.** Provider agrees to promptly notify MSHDA in writing of any ongoing legal action against a Homeowner, including fraud-related activities.

13. **Cessation of Mortgage Payments.** MSHDA agrees it will promptly provide notice before it ceases payment of MIHAF Program funds to allow Provider time to evaluate the Homeowner for other loss mitigation options.

14. **MIHAF Program Eligibility.** Provider agrees that it is not authorized or empowered to determine and/or communicate to the Homeowner eligibility for MIHAF Program funds. MSHDA agrees that it is not authorized or empowered to determine and/or communicate to the Homeowner eligibility for foreclosure, forfeiture, or shut-off prevention programs of Provider. MSHDA retains sole authority for its MIHAF Program eligibility determination and communication to the Homeowner and Provider. Provider will communicate with Homeowner and MSHDA regarding modification and other Provider-driven approvals.

15. **Provider Legal Compliance Obligations.** Provider recognizes and accepts that the MIHAF Program is a federally funded grant program and acknowledges that failure to abide by MIHAF Program terms may result in recapture of grant funds or other sanctions.

Provider will comply with local, state, and federal laws pertaining to discrimination, including, but not limited to: the Fair Housing Act (42 U.S.C. 3601-19) and implementing regulations; Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d-2000d-4) and implementing regulations; Title VIII of the Civil Rights Act of 1968 (as amended by the Fair Housing Amendments Act of 1988) and implementing regulations; the Age Discrimination Act of 1975 (42 U.S.C. 6101-07) and implementing regulations; Title II of the Americans with Disabilities Act (42 U.S.C. 12101, et seq); the Elliott-Larsen Civil Rights Act; and the Michigan Persons With Disabilities Civil Rights Act.

16. **Termination.** Participation in the MIHAF Program is voluntary, and either Provider or Homeowner may terminate their respective participation agreement without cause, with 30 days written notice, unless or until MIHAF Program funds have been paid to Provider by MSHDA and accepted by Provider for the benefit of the Homeowner. Either party may terminate immediately upon material breach from the other party; in event of such termination, Provider shall accept and apply payments as agreed on behalf of a Homeowner already approved prior to the immediate termination, or shall return applicable assistance funds to MSHDA, at Provider's discretion.

Accepted and agreed to by:

Provider: _____

By: _____

Print: _____

Its: _____

Date: _____

Address: _____

Michigan State Housing Development Authority

By: _____

Its: _____

Date: _____

EXHIBIT A

Provider Contact and ACH Instructions

EXHIBIT B

MIHAF Program Term Sheet

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

**735 E Michigan Avenue
Lansing, Michigan 48912**

**Michigan Homeowner Assistance Fund (MIHAF) Provider Contact
Information
and ACH Instructions**

MiEncrypt is used to exchange secure communication. The State of Michigan Data Exchange (DEG) is used to send records back and forth. When your MSHDA MIHAF Advisor reaches out to the contacts below, the Provider will be assigned a username and password to access the site. MIHAF will communicate case level detail to the individual listed below using the Common Data File (CDF) or Excel or encrypted email. Approved funds will be deposited into the Depository Financial Institution (DFI) account provided.

Service Provider Name:

Primary/Management Contact Information:

(name, phone number, email address)

Case Level Contact Information:

(name, phone number, email address)

ACH Instructions for Provider's Depository Financial Institution (DFI):

DFI Routing-Transit Number _____

DFI Name: _____

Account Name: _____

Account Number: _____

Type of Account: _____ Checking _____ Savings

WATCH MUSKEGON

Agenda Item Review Form

Muskegon City Commission

Commission Meeting Date: January 10, 2023		Title: Leads Online
Submitted By: Director Timothy E. Kozal		Department: Public Safety
Brief Summary: Electronic reporting for Pawn Shops, secondhand dealers and precious Metaugem dealers		
Detailed Summary & Background: The purpose of Leads Online is to improve the system of reporting to law enforcement officials all items collected by pawn brokers, secondhand dealers and precious metal/gem dealers for the purpose of aiding law enforcement in locating and retrieving stolen property. Leads Online has nationwide search capabilities, and email notification when suspects are active nationwide for National pawn, scrap, jewelry, firearms, consignment, cell phone re-sale access and online sales such as Ebay and Offerup. Leads Online has the ability to track suspect sales activity across the country, access to over 20,000 businesses reporting and free software, training, and support for local businesses. Currently the city has no means to collect or view reported data.		
Goal/Focus Area/Action Item Addressed: <i>Refer to the 2022-2027 Long Term Goals document.</i>		
Amount Requested: \$15,662 3-year contract	Amount Budgeted: <i>Contact Finance if your item does not fit into the current budget.</i>	
Fund(s) or Account(s):101-301-861	Fund(s) or Account(s):	
Recommended Motion: To approve the Police Department to acquire this 3-year contract with Leads Online program		
Approvals: <i>Get approval from division head at a minimum prior to sending to the Clerk.</i> Immediate Division Head ☐ Information Technology ☐ Other Division Heads ☐ Communication ☐ Legal Review ☐		Guest(s) Invited / Presenting Yes ☐ No ☐
For City Clerk Use Only: Commission Action:		

Leads Online

City Ordinance requiring Reporting.

ARTICLE VII. ELECTRONIC REPORTING: PAWN SHOPS, SECONDHAND DEALERS AND PRECIOUS METAL/GEM DEALERS Sec. 50-201. Purpose of article. The purpose of this article is to improve the system of reporting to law enforcement officials all items collected by pawn brokers, secondhand dealers and precious metal/gem dealers for the purpose of aiding law enforcement in locating and retrieving stolen property. (Ord. No. 2311, § 50-201, 5-14-2013)

Sec. 50-202. Electronic filing required. (a) Pursuant to state statutes, MCL 445.404, 445.405, 446.205 and 445.484, second hand or junk dealers, pawnbrokers, and precious metal and gem dealers are all required to keep detailed records of all articles received during the course of business and to send a copy of all such records to local law enforcement. Supp. No. 2 CD50:17 § 50-202 MUSKEGON CITY CODE (b) All such required reports shall be submitted electronically using the services of an electronic reporting service company selected by the city. All such filings shall comply with all requirements regarding the specific information to be supplied and time frame for doing so, as outlined within the applicable state statute. Each transaction report shall include a digital photograph of the article attached to the electronic transfer. (Ord. No. 2311, § 50-202, 5-14-2013)

Sec. 50-203. Penalty. If a pawn broker, secondhand or junk dealer, or a precious metal/gem dealer does not comply with this article and/or any applicable state law, their license may be revoked for a period of up to one year. In addition, violation of this article shall result in the imposition of a civil fine, pursuant to section 46-204. (Ord. No. 2311, § 50-203, 5-14-2013)

The city currently has no means to collect or view reported data. The Prior system "Safe Report"

Safe Report vs. Leads On line

Safe Report

- Photos of sold items in Michigan
- ID Photos of sellers from Michigan
- Local pawn shops, Scrap Yards

Leads Online

- Nationwide search ability
- Email notification when suspects are active nationwide.
- National pawn, Scrap, Jewelry, firearms, consignment, cell phone re-sale access.
- Online sales: Ebay, Offerup.
- Ability to track suspect sales activity across the country
- Access to over 20000 businesses reporting
- Free software, training, and support for local businesses.

Successful Case:

On 08-27-22. A Muskegon resident met was selling a cell phone on Facebook market place. The victim in this matter met the suspects at a gas station and exchanged the phone for money. After the suspect left the victim realized the money that the suspect paid with was fake.

Officers were called and developed a suspect based on Facebook images but were unable to positively identify the suspect.

During the trial phase of Leads on-line access I searched for the make, model, and color of the cell phone. I did not have any serial numbers. I found that the cell phone was sold to an Echo ATM at the Walmart on Sherman. Leads Online was able to give me photos of the suspect, ID information and a fingerprint.

We think Leads On-line is currently the most effective and comprehensive way to track the movement of stolen goods and suspects. It will very likely change the way the we investigate property crime. Specially Larceny from vehicle, scrap theft, and catalytic convert theft in the city.

Cost

Prorated cost from 12-01-22 to 07-01-23	\$3132
Full yearly cost from 07-01-23 to 07-01-24	\$6265
Full yearly cost from 07-01-24 to 07-01-25	\$6265
Total cost	\$15662

LeadsOnline Ticket - Ecoatm - Walmart #2238

Ticket Date: 8/28/2022 (3:11 PM)

Upload Date: 8/29/2022

Ticket No. 0000006567420220828151125 (Buy)

ID: MI Drivers License MI [REDACTED]

DOB: 11/6/2001

Muskegon, MI 49442-5624

Ecoatm - Walmart #2238

1879 E Sherman Blvd

Muskegon, Michigan 49444

Phone: 858-766-7241

Clerk: Cathy Kaignavongsa

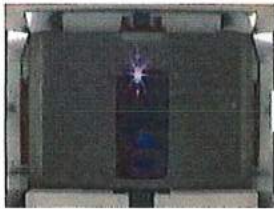
Physical Description

Sex: M Race: Eye Color: BROWN Hair Color: BLACK Height: 6'2" Weight: 185 lbs

Item Listing

Type	Make / Brand	Model	Serial No.	Details	Amount
1.) Other	Apple	IPhone 12 64GB T-Mobile A2172	DX3GW3F90DXR	(Qty: 1) CELL PHONE USB: DX3GW3F90DXR BARCODE: 3020220828151201383180 Red Condition: Perfect Phone IMEI Number: D:355690407599389	\$155.00
TOTAL: \$155.00					

Images



Reported as Item 1

Uploaded on 8/29/2022 (7:06 PM)



Reported as Item 1

Uploaded on 8/29/2022 (7:06 PM)



Reported as Customer

Uploaded on 8/29/2022 (7:06 PM)



Reported as Customer

Uploaded on 8/29/2022 (7:06 PM)



Reported as Customer

Uploaded on 8/29/2022 (7:06 PM)



Reported as Customer ID

Uploaded on 8/29/2022 (7:06 PM)



Reported as Fingerprint

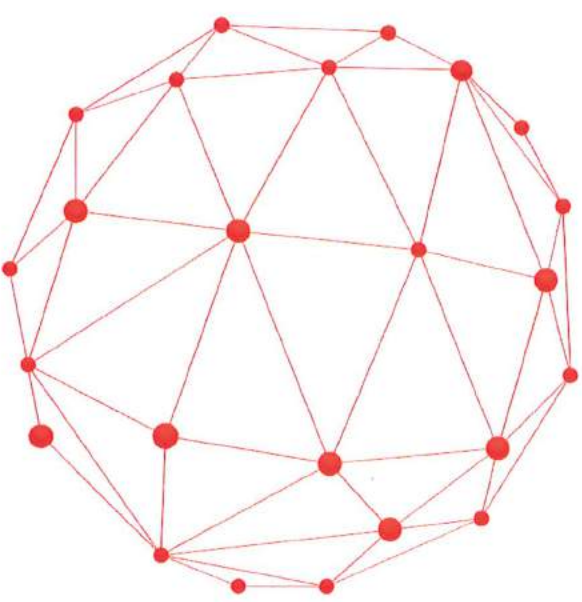
Uploaded on 8/29/2022 (7:06 PM)

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PROPOSAL PREPARED FOR
Muskegon Police Department

Advance cases faster with LeadsOnline

**Get accurate information on suspects,
stolen items, and criminal activity patterns.
All in one place.**



**We're the
link between
investigators,
stolen property,
and suspects.**



Our mission

We exist to advance cases, careers, causes, and compliance with our unique data, well-designed technology, and exceptional teamwork.



Current Scenario

- Understaffed with more retirements coming
- Inefficient technology ecosystem
- Hard to find and recruit top talent
- Limited to jurisdictional intelligence



Future Scenario

- Increased productivity
- Nationwide network
- The right tools in the right hands
- Automated, ongoing searches
- Inspire faith among your residents
- More successful prosecutions

**More agencies trust
LeadsOnline for their
investigations than all
other platforms.**

Call us (800) 311-2656

5,000

Over 5,000 law enforcement agencies use LeadsOnline to advance their cases faster by casting a nationwide data net to catch criminals no matter where they try to hide.

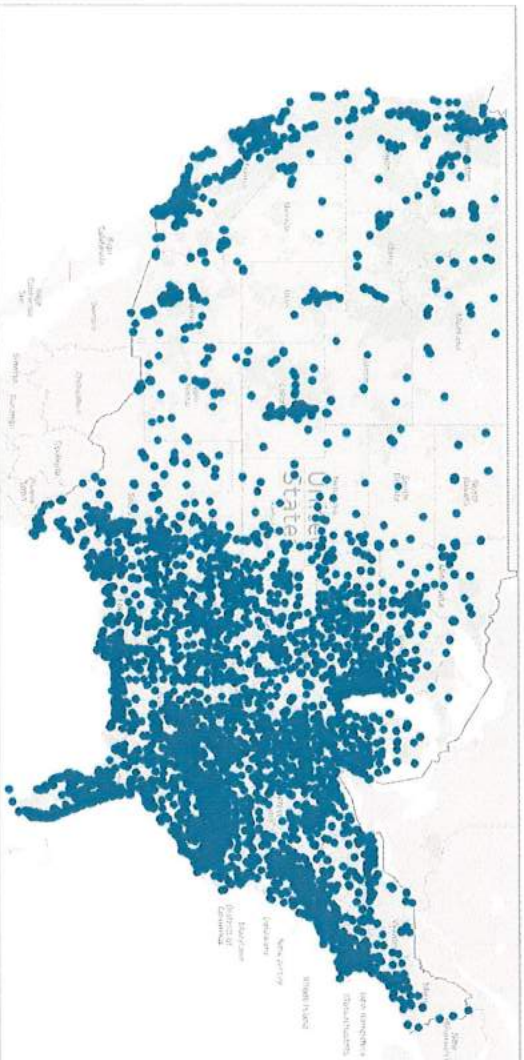


"We had more success in our very first week with LeadsOnline than in all last year using other information sources."

—Washington County Sheriff's Office, Oregon

Call Us (800) 311-2656

More than 20,000 businesses from all 50 states have chosen LeadsOnline to help them comply with local reporting ordinances.



Notable corporate partnerships

OfferUp **EZCORP** **GameStop**
FirstCash **ebay** **ecoATM** **TheRealReal**

BAM!
 BOOKS-A-MILLION

**BEST
 BUY**

Why LeadsOnline?

Because LeadsOnline:

- Is free for businesses
- Accepts all file formats
- Supports businesses without their own software
- Serves them just like paying clients

Call Us (800) 311-2656

No agency starts out with a budget set aside for LeadsOnline. But 5,000+ agencies have gotten it funded.

Here's why:



Out of Jurisdiction

Out of town is out of reach. You know it. The crooks know it.



Ongoing Evidence Collection

LeadsOnline will keep looking for people and property in your cases even after your initial search to allow you to multiply your time without missing key information.



Technology as a Time Suck

Most databases waste time instead of boosting productivity. Yet ours provides actionable connections and intelligence that drive successful investigations and prosecutions.



Accurate Information

Misspelled or mistyped names or serial numbers are not a problem with LeadsOnline. We seamlessly turn the information you've been given into actionable intelligence on people, property, patterns of activity, known associates, and more. No asking your team or businesses to "do better".

Unlimited users. Unlimited searches. Unlimited cases. Unlimited access. Unlimited training.

Call Us (800) 311-2656

It's not just a software

**You're getting a whole team of nerds
who love to help you solve crimes!**

Seriously, we're here for you. All the time.

Your team works tirelessly to protect and serve.

We work every day to optimize and support your efforts.

Call us when you need us. Our number is on every page.

Even better, our computers work around the clock and don't even
need coffee!

Call Us (800) 311-2656



PRODUCTS

Find intelligence on people, property, and patterns to advance cases, while reducing the hassles of reporting.



Real Time Crime
Technology Doing More



PowerPlus
Nationwide Coverage+ Advanced Tools



TotalTrack
Nationwide Coverage

Call Us (800) 311-2656

Real Time Crime

**Technology doing more.
Let your cases run themselves.**

Real Time Crime (RTC) works your open, active cases AND cold cases behind the scenes to support your detectives and crime analysts.

RTC isn't only about property crimes, it's about **automatically** running every person and item on all cases to find actionable leads to advance every case.

We get the ball moving to make it easier for your team to carry cases across the finish line.

With RTC, you can identify, track, and address crime patterns that no other system can show you.

Confidently tell every victim their case is being investigated daily.

Work all your cases 24/7 with continuous monitoring for new leads nationwide

Prep cases with leads for a quick solve, even before they hit an investigator's desk



Identify fresh evidence on cold cases and improve overall closure rates

Automatically route new lead to the right detective to keep cases moving forward faster

Call Us (800) 311-2656

PowerPlus

Nationwide Coverage + Advanced Tools

PowerPlus includes all our nationwide data on property, images, addresses, and phone numbers, saved search capabilities, plus much more.

Leverage advanced tools: Scrapyard search, phone extraction analysis, CompStat mapping, and nationwide image search. Catalytic converter problems? Search scrap yards from all over the country.

Have CCTV footage of that Agg Robbery suspect? Search our 650 million images the day before, day of, and day after the crime. We may have an image of your suspect in the same clothing.

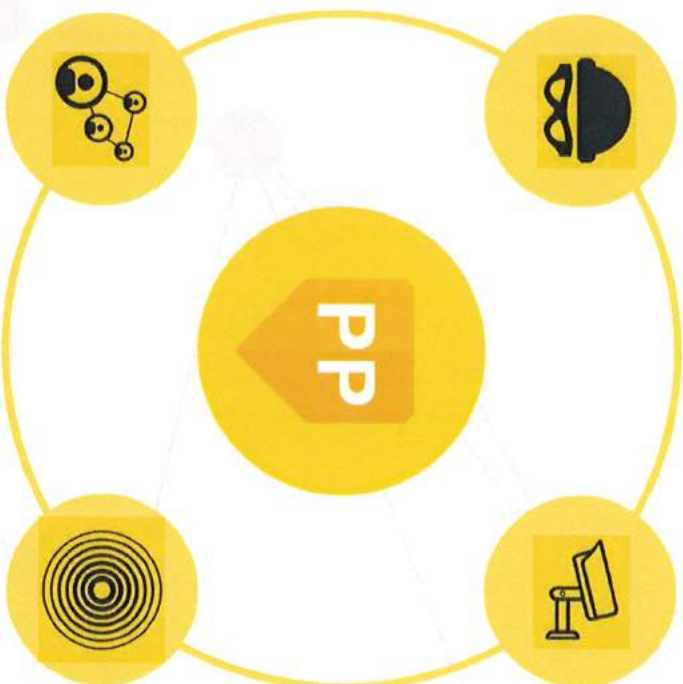
Have a subject's phone? Cross-reference the extraction data from their device. We may have the person behind that mystery number.

Break up theft rings and put a damper on scrap metal theft in your community

Find images that help you identify people and property faster

Turn unknown associates into known associates with advanced phone forensics

Map person and transaction results to visualize activity for action



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TotalTrack

Nationwide Coverage

Outside Jurisdiction Support: Suspects and property travel. Wherever they go, you'll find them here.

TotalTrack brings you investigative coverage from Alaska to Florida and everywhere in-between. With hundreds of thousands of transactions reported to us daily, we have the phone numbers, addresses, and images that can advance your cases nationwide.

Access data from pawn/secondhand stores AND online marketplaces like eBay & OfferUp.

Bookmark your suspects, recidivists, SXOs, and more. We'll run them 24/7 so you don't have to. We'll even send you an alert when new intel comes in.

Run Repeated Transactions weekly and see who is moving high volumes of product. You'll recognize a suspect before you've even identified a victim.

With nationwide data, criminals can run, but they can't hide

See what suspects and POIs are doing once they cross your city, county, or state line

Search for and find connections and patterns that move cases forward

Get proactive alerts to keep hot new leads from slipping through the cracks



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REPORTING

Compliance stinks. We get it. Make it free and easy with LeadsOnline.



Automated Reporting

Receive files from any system



Ticket Assistant

No software? No problem.



Transaction Monitor

Compliance monitoring made easy

Call Us (800) 311-2656

Reporting for businesses

In this case, there *is* a better way

Whether it's dedicated headcount picking up or hand keying tickets into a system or a small business owner incurring time and cost to stay in good standing with reporting ordinances, we can all say confidently: Compliance stinks. Enter LeadsOnline.

Free and easy reporting for businesses

Have your own pawn, secondhand, or scrap software? LeadsOnline can accept and automate the file to let business owners set it and forget it at no cost to you or the business. Don't have software? Use LeadsOnline's Ticket Assistant system to enter transaction information.

Simple monitoring for compliance officers and records clerks

The days of driving around to local businesses to collect tickets then using precious man-hours to key in tickets are over. Log into LeadsOnline to see which businesses are in good standing and which need a little extra attention.

There is no cheaper or easier way for your businesses to comply with your reporting ordinances. Let us show you how more than 20,000 businesses and 5,000 agencies have trusted us with this coordination problem.

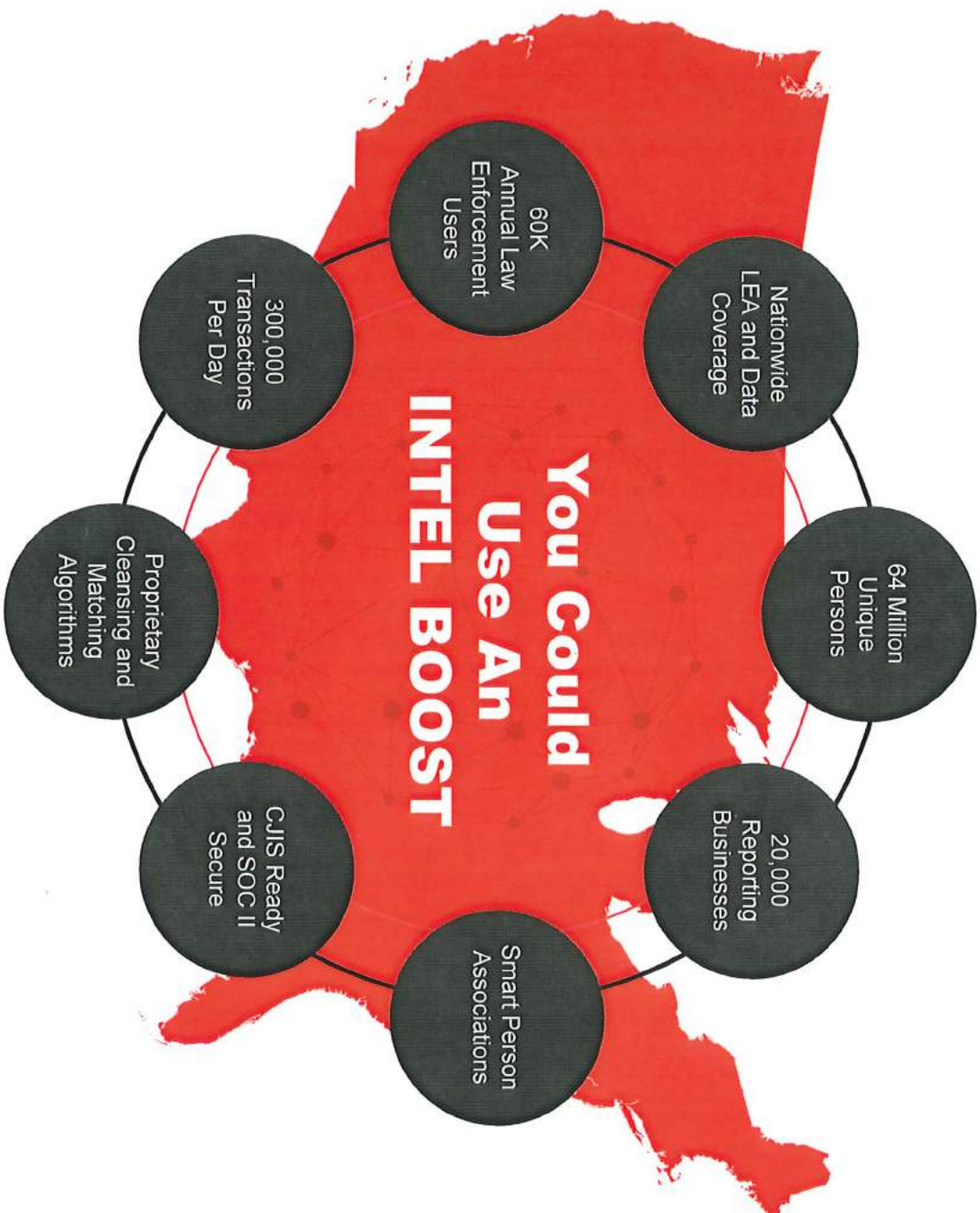
Businesses submit transaction information to LeadsOnline



Compliance officers and records clerks use LeadsOnline to monitor reporting activity



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30,000,000

When “Everyone else is doing it” is a legitimately good reason

Nearly half of the 64 million unique persons in LeadsOnline have transactions outside of their home city. Having “good relationships with your businesses” or “no businesses in your jurisdiction” isn’t going to keep your crooks at home.

We’ve found that more than 60% of the time, your suspect has transactions in LeadsOnline.

Join the LeadsOnline network and make it impossible for the bad guys to hide.

Notable regional agencies in the LeadsOnline Network:

1. Kalamazoo Department of Public Safety, Since 2019
2. City of Battle Creek Police, Since 2013
3. City of Racine, Wisconsin, Since 2019
4. Michigan State Police, Since 2016
5. Kenosha Police Department, Since 2018

Feel free to check our references. Ask us if you’d like a contact.

Call Us (800) 311-2656



COMPARE & SELECT

Which package is right for your agency?

We have options for law enforcement departments of all sizes and missions.



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Real Time Crime

- ✓ Work ALL your cases, all the time, active or cold.
- ✓ Automatically route new leads to the right investigator.
- ✓ Use your limited time to work the cases with investigative merit.
- ✓ Not just property. See additional intel on violent case persons.



PowerPlus

- ✓ Crack down on catalytic converter thefts with data from scrap recyclers.
- ✓ Use advanced phone forensics to find more connections.
- ✓ Get nationwide image search & CompStat mapping.



TotalTrack

- ✓ Find people, property, & patterns anywhere in the U.S.
- ✓ Access eBay, OfferUp, and other online marketplace data.
- ✓ Utilize saved searches & repeated transactions to find more leads with less effort.



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PRODUCT CAPABILITIES	REAL TIME CRIME			POWERPLUS	TOTALTRACK
	Nationwide	Nationwide	Nationwide		
Millions of pawn transactions in 50 states going back to 2015	✓	✓	✓		
Automated NCIC Stolen Item: Get hits even with incorrect serial # entry	✓	✓	✓		
eBay and OfferUp Search: Law enforcement-only access to listing information	✓	✓	✓		
Saved Search Hit Alerts: Automate monitoring for new leads	✓	✓	✓		✓
Person Intel: More addresses, phone #s, license plates, images, & associates	✓	✓	✓		
Metal Theft Investigations: Property info, photos, thumbprints, & digital signatures	✓	✓	✓		
Phone Forensics Search: Upload Cellebrite files and CDRs to identify more suspects	✓	✓	✓		
Automatically Run POI Lists: Track offenders & collaborate with other agencies	✓	✓	✓		
Image Search: Easily identify items like jewelry that are hard to describe	✓	✓	✓		
CompStat Mapping System: See burglary patterns as stolen items are sold anywhere	✓	✓	✓		
Automatically identifies patterns	✓	✓	✓		
Presents cases with investigative merit	✓	✓	✓		
CJIS Compliant, Automated Records Extract and Secure Transfer	✓	✓	✓		
Enables agencies to run every case	✓	✓	✓		
FULL YEAR SUBSCRIPTION FEE	\$11,909	\$5,855	\$5,123		

Agreement with initial term commitment of 36 months or longer caps price increases at 3% annually during the initial term. A formal written Agency Agreement executed by both parties is required. This proposal expires on 12/19/2022.

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DON'T TAKE OUR WORD FOR IT...

Hear how some of our clients use
LeadsOnline to advance cases and
reduce the hassles of reporting.

Call Us (800) 311-2656

Some of our successes!

To: imarockstar@leadsonline.com
Subject: Success from Lancaster, PA

I was given information about an employee that the employer believed may have been stealing from him over the past year but wasn't sure what all was missing. I looked the employee up in LeadsOnline and found that he had numerous transactions at our local pawn shop. I printed photographs of the items that were pawned and showed them to the employer/victim. The victim was able to identify all the items pawned as being his. Using LeadsOnline, I was able to easily locate 58 items that were stolen and link them to the victim's employee. I was able to charge the employee with Felony Theft by Unlawful taking as well as return approximately half of the stolen items to the victim. Once again, Leads has proven to be an extremely effective tool in our toolbox.

Det. Todd Grager
Lancaster Police Department

To: imarockstar@leadsonline.com
Subject: Success from Memphis, TN

I uploaded 2,259 felony warrants into the LeadsOnline database earlier this month. Since uploading those warrants into the system, multiple hits have started coming in from all over the country. This gives us an idea of where our fugitives are. The hits come in the form of an email showing all the information associated. We have been receiving a bunch of these hits anywhere from Atlanta to Chicago. This could be a huge victory for us moving forward as this somewhat automates locating fugitives.

Sgt. Matthew Keaton
Shelby County Sheriff's Office

Head over to leadsonline.com for over a thousand success stories from law enforcement!

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Advance your shootings, missing persons, aggro assaults, robberies, and other violent crimes.

Whatever the case may be, LeadsOnline has the intel.

Did you know LeadsOnline has intel on more than half of your case persons? Don't believe us? We'll show you.

To: imarockstar@leadsonline.com
Subject: Success from Fayette County, GA

On May 28, 2021 the Fayette County Sheriff's Office responded to an armed robbery that just occurred. The investigation started with only the description of two suspects and a phone number. Using LeadsOnline I was able to identify the first suspect by using his phone number and finding his pawn history. By using the information found on LeadsOnline I was able to develop a case on the suspect which lead to an arrest warrant being issued a few days later. The suspect identified using the phone number and pawn history was found guilty and sentence to 20 years in prison.

Det. Kevin Zai
Fayette County Sheriff's Office

Call Us (800) 311-2656

Thank you!

**We look forward to helping Muskegon
Police Department advance more cases,
faster.**

Let's get started today.

Blake Baxter
LeadsOnline
972-331-6783
blakeb@leadsonline.com

WATCH MUSKEGON

Agenda Item Review Form Muskegon City Commission

Commission Meeting Date: January 10, 2023	Title: Towing Agreement
Submitted By: Director Timothy Kozal	Department: Public Safety
Brief Summary: 2023 Towing Contract, Ramos Towing, 2-year contact	
Detailed Summary: Bids were submitted to the Clerks office on December 13, 2022 with several bidders. Towing to facility \$80.00, Storage fee per day \$30.00.	
Amount Requested: 0	Amount Budgeted: not applicable
Fund(s) or Account(s):	Fund(s) or Account(s):
Recommended Motion: To award the 2023 Towing Contract to Ramos Towing and authorize the Mayor and Clerk to sign.	
Approvals: <i>Get approval from division head at a minimum prior to sending to the Clerk.</i> Immediate Division Head ☐ Information Technology ☐ Other Division Heads ☐ Communication ☐ Legal Review ☐	
For City Clerk Use Only: Commission Action:	

CITY OF MUSKEGON POLICE DEPARTMENT

2022 BID SHEET

TOWING SERVICE AND STORAGE OF AN IMPOUNDED VEHICLE WITHIN THE CORPORATE LIMITS OF THE CITY OF MUSKEGON

BID PROPOSAL

Service Description	1st Year	2nd Year	3rd Year
DATES	2023	2024	2025
TOWING to Impound Facility only minimum bid to start at \$70.00			
Towing To Impound Facility	80.00	90.00	100.00
Towing of Investigation Vehicles	0.00	0.00	0.00
Towing of City vehicles to Muskegon Locales (i.e. DPW, MPD, dealerships)	0.00	0.00	0.00
Same as above for City vehicles 15 to 50 tons	0.00	0.00	0.00
STORAGE			
Storage per day at facility	30.00	30.00	30.00
Storage per day for Investigation	0.00	0.00	0.00
Moped storage per day	30.00	30.00	30.00
City vehicle flat tire change/exchange (DPW heavy equipment exempt)	0.00	0.00	0.00

BIDDER INFORMATION

Bidder:	
Marybeth Ramos	
Representing:	
Ramos Towing	
Address	City/Zip
710 Alberta	Muskegon, MI 49441
Phone	Website/Email:
231-733-1597	marybeth@Ramosautobody.com
Dated:	For Office Use Only:
11-21-22	Notes:

All bids are to be submitted to:

City Of Muskegon Clerk's Office
933 Terrace
Muskegon, MI 49440

Bid Sheet Continued:

1) Owner Information:

Bidder is to list the names of all those who hold an interest in the company.

a. Marybeth Ramos

b. David Ramos

c. _____

d. _____

e. _____

IF ANY INFORMATION CONTAINED WITHIN THIS
BID PROPOSAL IS DETERMINED TO BE FALSE THEN
THE BID SHALL BE REJECTED.

TOWING AGREEMENT

This Towing Agreement is made on November 22, 2023: between the **City of Muskegon**, Michigan Municipal Corporation, with offices at 933 Terrace Street, Muskegon, Michigan 49440 ("City"), and **Ramos Towing**, with offices at **710 Alberta St., Muskegon, MI.** ("Contractor").

Recitals

A. Contractor operates a vehicle towing service, impound service and facility licensed by the State of Michigan; and,

B. City desires to retain Contractor to operate a vehicle towing service, impoundment service and facility pursuant to the terms and conditions of this Agreement.

Therefore, the parties mutually agree as follows:

1. **Retention of Contractor.** City retains Contractor as an independent contractor to operate a towing and wrecker service and impoundment facility for the storage of certain motor vehicles for the City pursuant to the terms and conditions of this Agreement. City agrees to exclusively utilize Contractor's towing and wrecker service and impoundment facility, providing the owner/operator of said motor vehicle does not expressly select some other alternative and reasonable provider of said services. Notwithstanding the foregoing, City may call another towing company if Contractor does not respond in a timely manner or does not provide adequate equipment necessary to provide the services as provided by this Agreement. The City reserves the right to hire specialized equipment outside the scope of this Agreement when needed, i.e., mobile cranes, or other heavy equipment which might be needed for special situations. The parties specifically agree that all fees, charges and expenses incurred by Contractor in performance of this Agreement are **not** City's obligation, and all collection attempts will be directed to the owner/operator of the subject motor vehicle.

2. **Term.** The term of this Agreement will commence on **January 1, 2023** and will continue until **December 31, 2025**, unless earlier terminated by City pursuant to Section 10. City will have the unilateral option to extend this Agreement for two additional one-year terms under the same terms and conditions of this Agreement if, in City's sole discretion, the extension is in the City's best interest. This

extension will be exercised by the City providing written notice to Contractor at least 60 days prior to the termination date.

3. **Duties of Contractor.** Contractor will operate a vehicle towing service, impound service and facility seven days a week, 24-hours a day, in such a manner that Contractor can be reached by telephone at all times by Muskegon Central Dispatch, the Muskegon Police Department, and the Muskegon Department of Public Works. Contractor will tow and/or store all motor vehicles, including tractors and trailers, directed to be towed and/or stored by the City's agents and employees.

a. **Equipment.** At all times during the term of this Agreement, Contractor will own and keep in good operating condition the following equipment:

- i. FCC licensed radio dispatched wreckers;
- ii. Set of dollies;
- iii. Equipment for changing tires, air tanks for inflating tires, tools for lock-outs;
- iv. Booster battery or cables for starting cars or trucks;
- v. Fire extinguishers, flares;
- vi. Extra chains, pry bar, broom and shovel, bucket, oil dry;
- vii. Two standard wreckers fully equipped as specified herein and one large heavy-duty wrecker capable of handling trucks, trailers, semi-trailers, and other large vehicles, up to a gross weight of 50 tons;
- viii. Power winch on each unit set forth in (vii) above; and,
- iv. Gross vehicle weight per wrecker unit rating of not less than 8,000 pounds, and the manufacturer's specifications for rated capacity of at least one ton.
- x. Wrecker for 50-ton vehicles (or sub contracted for this equipment)

All equipment must be maintained in good working order to safely perform the service required by this Agreement, and conform to the standards, requirements and regulations mandated by federal, state, county and City agencies.

All towing vehicles will be equipped with communication devices capable of covering all of the territory within the City limits and its immediate bordering jurisdictions and will be subject to periodic inspections by the City regarding their mechanical condition.

Contractor will keep the City informed of the number of tow trucks it has available for use in the performance of this Agreement, including the year, make, model, and capacity. This information must be supplied to the Director of Public Safety.

Contractor will display the company name and phone number prominently on each of its vehicles used in accordance with this Agreement.

b. **Facility.** At all times during the term of this Agreement, Contractor's towing and impound service facility must:

- i. be located within Muskegon County;
- ii. contain a heated, secure building;
- iii. have a fenced area able to accommodate up to 75 vehicles;
- iv. comply with the laws of Michigan and the City of Muskegon;
- v. have prominently posted a list of towing and storage charges, hours of operation as approved by the City, as well as the Contractor's business telephone number; and,
- vi. be maintained in a clean and presentable condition.

c. **Fees.** At all times during the term of this Agreement, Contractor will abide by the table of fees attached to Contractor's bid documents, which is incorporated herein and made a part hereof as **Appendix A**. Any customer service, including accidents, impounds or private tows, received through a request of the City, will be invoiced according to this fee schedule. Notwithstanding the foregoing, if a vehicle is impounded for evidence, contractor agrees that all storage fees will cease and tow fees in certain exigent circumstances relating to victims may be waived at the sole discretion of the Director of Public Safety.

During the term of this Agreement, Contractor may not increase its fees except upon prior approval granted by the Muskegon City Commission, following review and recommendation by the Muskegon Police Department and/or Department of Public Works.

Contractor will charge only for equipment actually needed and requested by City at the scene.

City reserves the right to cancel a request for services of the Contractor at any time, including up to the time of hook up, without either the City or owner or operator incurring any charges. If the owner of the vehicle arrives on scene before the vehicle is towed, and the vehicle can be safely moved by the owner in the opinion of the police officer in charge at the scene, no charges will be incurred and the vehicle will be released to the owner.

Contractor will not charge storage fees for any day Contractor is closed to the general public. Contractor will not charge storage fees for the first 24 hours of storage.

d. **Personnel Qualifications.** Contractor will maintain adequate staffing in order to insure proper and timely response to any and all police requirements for impounding vehicles. Contractor will provide the City with a list of the names and addresses of all current operators/drivers and will notify the City of all changes in operators/drivers. Every operator/driver will:

- i. be competent by reason of demonstrated experience or training, in the sole judgment of the City, to safely operate the type of tow truck used by the impound service;
- ii. possess the ability to rig, move, pick up and transport vehicles without increasing the original damage, insofar as possible;
- iii. be free from the influence of alcoholic beverages, narcotics, or dangerous drugs while on duty;
- iv. be familiar with the ordinances, rules and regulations pertaining to tow trucks; and,
- v. be licensed as provided by applicable federal, state and local laws and ordinances.

e. **Expenses.** Contractor will be solely responsible for all expenses incurred by Contractor, its agents and employees, in connection with the performance of this Agreement.

f. **Auctions.** Contractor will be responsible for the holding of public auctions for abandoned vehicles, furnishing all documentation attendant to any sale at said auction, paying for the auctioneer, and paying for the public notice advertised in the local daily newspaper. Contractor agrees to hold said

auctions under the supervision of the Muskegon Police Department. Auctions will be conducted based on the number of vehicles held, but not less than once per calendar quarter. If no bids are received at the auction, Contractor will become the owner of the vehicle or group of vehicles and will be responsible for disposal. Public auctions will comply with State law. Contractor shall be responsible for \$55 city fee for each impounded vehicle sold at auction.

g. **Storage of Vehicles.** All vehicles impounded will be stored in a storage lot or building which is fenced with all gates securely locked and a responsible person in charge of the business 24 hours a day that may be called to respond to the lot by someone from the City. Vehicles stored in the building or storage yard will be parked so as to allow one foot of space between vehicles. Storage charges will not be assessed for the first 24 hours of storage.

h. **Release of Vehicles.** The owner of an impounded vehicle or authorized representative of the owner will be required to have a signed approval by the City's Police Department prior to the vehicle being released. Whenever impounded vehicles are claimed by the owner, Contractor will provide the owner with an itemized statement of all charges relating to impounding the vehicle, including a written justification for fees over and above the standard towing fee. Contractor will make every reasonable effort to verify that the individual claiming a stored vehicle is the actual owner or authorized representative of the owner before the vehicle is released.

i. **Hours of Operation.** Contractor will be available and capable of providing towing services 24 hours a day on each and every day (365 days a year) during the term of this Agreement. Contractor will be open to the general public from 8:00 am through 5:00 pm, Monday through Friday, on each and every week during the term of this Agreement to release motor vehicles to their rightful owners. No storage fees may be charged by Contractor for any day that the business is closed to the general public.

j. **Services.** Contractor will have a tow truck at the scene in a timely manner to tow vehicles as requested by the City. Furthermore, Contractor will clean up accident debris from the street upon response to accident scenes. If clean-up is requested and towing is not required there will be no clean-up charge to the City. Clean-up will be deemed completed when inspected and approved by the City official in charge at the scene. If Contractor does not arrive at the requested location within 25 minutes, the police officer or City employee may have the vehicle towed to Contractor's yard at Contractor's expense, and Contractor will accept the vehicle for storage.

At the towing scene, or upon reasonable dispatch thereafter, Contractor must provide the owner or operator of the motor vehicle with a written list itemizing towing fees, storage rates and other expenses. Additionally, Contractor must advise in writing the owner/operator of the right to remove any and all unattached personal property from the motor vehicle at the impoundment yard.

k. **Driving of Vehicles.** Neither Contractor nor any of its employees and/or agents will at any time drive or remove from the premises any motor vehicles placed with Contractor for storage purposes, except with the written permission of the owner of the motor vehicle or by operation of law.

l. **Recommendation of Repair or Collision Shop.** Under no circumstances will Contractor recommend a repair or collision shop to the vehicle owner/operator.

4. Recordkeeping and Documentation. Contractor will maintain all required records and complete all necessary forms for the state of Michigan, Muskegon Police Department, and the Muskegon Department of Public Works. Contractor will maintain all records relating to the disposition of impounded vehicles for a period not less than four years, and the City will have the right to inspect, copy and audit these records during any business hours.

a. **Invoices.** A written or computerized record or invoice will be kept by Contractor and include the following information for each vehicle:

- i. Vehicle identification number;
- ii. Gross vehicle weight rating;
- iii. Year, make, and model of vehicle;
- iv. Name of owner of vehicle;
- v. Details of all services rendered regarding vehicle;
- vi. Location from which the vehicle was towed or impounded;
- vii. Mileage of the vehicle; and,
- viii. Any other information the City may require.

These records will be maintained and kept throughout the term of this Agreement (plus one year following the termination of this Agreement) and will be made available to the City for inspection upon request.

b. **Monthly Audit.** A monthly audit will be conducted by Contractor of all vehicles impounded, including the reason the vehicle was impounded. The audit will be submitted to the City's Police Department by the fifteenth day of the following month. Any invoice for special equipment or added services which exceed the standard towing fees will be

specifically itemized and contain written justification for such additional fees.

5. Independent Contractor. Contractor is an independent contractor and not an employee of the City. Neither the Contractor, nor the Contractor's employees or subcontractors, will be entitled to any or additional insurance, health, retirement or similar benefits which are or may become available to City employees, as a result of this Agreement. In addition, current or future City employees or agents will not be construed or considered to be employees or agents of Contractor.

6. Taxes. Contractor will be solely responsible for the payment and withholding of any and all taxes, levies and assessments under any federal, state or local law and will provide for the payment of taxes on or for income, unemployment, old age, social security, workman's compensation, or any other taxes with respect to the Contractor, the Contractor's employees or subcontractors in connection with the work performed pursuant to this Agreement.

7. Insurance.

a. **Liability Insurance.** During the term of this Agreement, Contractor must maintain comprehensive general liability insurance and vehicle liability insurance, including coverage of all operations as a towing service and name the City as co-insured in at least the following amounts:

i. Comprehensive general liability insurance in an amount not less than \$1,000,000 for each occurrence;

ii. Vehicle liability insurance in an amount no less than \$1,000,000 for each occurrence;

iii. An umbrella policy for liability insurance covering any and all of such risks in an amount not less than \$1,000,000; and,

iii. A garage keeper's insurance policy in the amount of not less than \$250,000.

Contractor will provide City with copies of these insurance policies.

b. **Worker's Compensation Insurance.** During the term of this Agreement Contractor must maintain in full force and effect, workers compensation insurance with limits established under state law, and provide City with a copy of the appropriate certificate evidencing same.

8. Warranty. Contractor warrants and represents that it is familiar with the towing and impoundment requirements of the City and is capable of rendering all services as required in this Agreement. Contractor acknowledges that it has made a thorough independent investigation as to its undertakings under this Agreement and as to the actual conditions and requirements of the work and the amount of work to be done.

Contractor acknowledges that the City has not made and does not make any warranties or representations with respect to the City's obligations set forth in this Agreement except as provided in this Agreement.

9. City Inspections. Contractor will allow members of the City of Muskegon Police Department or other authorized City representatives to inspect the Contractor's lot or building, stored vehicles, office or other buildings and records relative to this Agreement whenever it is deemed necessary by the City. City reserves the right to conduct an audit at least twice a year of all bills and records relative to this Agreement. Contractor agrees to provide access to the records for inspection by the City and its auditors.

10. Cancellation of Agreement. This Agreement may be canceled by City upon two days written notice, delivered by hand or sent by ordinary mail addressed to the Contractor at Contractor's address provided in this Agreement. This Agreement may be cancelled, if, in the sole-judgment of the City's Director of Public Safety, the Contractor has not performed according to the terms of this Contract.

This Agreement may be canceled by the Contractor upon 60 days written notice to City's Director of Public Safety.

11. Indemnification. Except as otherwise provided in this Section, City and its elected officials, appointed officials, employees and agents (collectively hereinafter referred to as the "Indemnified Persons"), will not be liable to Contractor for any reasons. Contractor will indemnify and hold City and the Indemnified Persons harmless from any loss, expenses, or liability of any nature (including attorneys' fees) due to any and all suits, demands, actions, legal or administrative proceedings or claims arising or resulting from or in connection with:

a. Any act or failure to act including negligence or misrepresentation by the City or any Indemnified Person, whether attributable to the City or Contractor in connection with or resulting from this Agreement, the operations of Contractor, or any other activity; provided however, that Contractor will not be obligated to indemnify the City or any Indemnified Person under this Section including costs and counsel fees if a court of competent jurisdiction finds that the liability in question was caused by the intentional misconduct or gross negligence of

the City and any Indemnified Person unless the court determines that, despite the adjudication of liability but in view of all circumstances of the case, the City or any Indemnified Person is fairly and reasonably entitled to indemnification which the court considers proper; and/or

b. The negligent performance by Contractor or its agents, employees, or officers of any work purportedly authorized to be performed under this Agreement; and/or

c. Any loss or damage connected to or resulting from any work performed or authorized to be performed under this Agreement; and/or

d. Any injury or damage to any person or property arising out of this Agreement or the Contractor's performance of this Agreement.

If any action or proceeding is brought against the City or any Indemnified Person, connected to or resulting from any work performed or authorized to be performed under this Agreement, that action or proceeding will be defended by counsel to the City or the Contractor as City will determine. If the defense is by counsel to the City, the City will pay the costs of that defense including its counsel fees. If the City determines that the Contractor will defend the City or an Indemnified Person, the Contractor will immediately assume the defense at its sole costs.

The Contractor and the City agree to act cooperatively in the defense of any action brought against the City and the Contractor to the greatest extent possible. The City agrees that it will not settle any action or proceeding against it without prior written consent of the Contractor, unless the City has provided written notice to the Contractor of its decision to waive any right to indemnification for the proposed settlement (including any costs, expenses or counsel fee associated therewith).

Contractor will also indemnify City for all costs and expenses, including reasonable counsel fees, incurred in enforcing any obligation of the Contractor under this Agreement.

12. **Non-Discrimination.** Contractor covenants not to discriminate on the basis of race, color, religion, or national origin against any employee or applicant for employment to be employed in the performance of this Agreement with respect to his/her hire, compensation, tenure, terms, conditions or privileges of employment, and Contractor further covenants not to so discriminate against any other person using or attempting to use the facility and services described in this Agreement. Further, Contractor covenants to require similar covenants on the part of any sub-contractor(s) or agent(s) employed in the performance of this Agreement. Contractor will furnish his services on a fair, equal, and non-

discriminatory basis to all users.

13. **Prevention and Satisfaction of Liens.** Contractor agrees not to file, assert, prosecute, and will not allow construction, mechanic's or material men's liens to be filed or continued against any City property for services performed, or for materials, machine '1/ or equipment furnished in connection with the work to be performed by Contractor or by Contractor's sub-contractors. If any such lien is nevertheless filed, Contractor agrees, at Contractor's expense, to take any and all steps necessary and proper for the release, satisfaction and discharge of said lien.

14. **Permits and Licensing.** Contractor agrees to comply with all federal, state and local laws, ordinances, rules regulations and requirements that are now, or may in the future become, applicable to Contractor's business or equipment for the work to be performed pursuant to this Agreement. Contractor will provide employees who possess a Commercial Driver's License with the appropriate designation with providing service under this Agreement. It is Contractor's responsibility to provide services in compliance with the Americans' Disabilities Act. Contract will also meet the requirements of the Michigan Commercial Driver's License Standards, Federal Drug Free Workplace Act, the Elliott-Larson Act, the Michigan Civil Rights Act, and any other applicable employee related legislation.

15. **State of Michigan Abandoned Vehicle Fee.** Contractor agrees not to charge a customer the State of Michigan abandoned vehicle fee until the customer's vehicle is entered into the LEIN system as an abandoned vehicle. If Contractor fails to comply with this Section, then Contractor agrees to fully reimburse the customer, and pay City two times the amount of the abandoned vehicle fee (currently \$40-so, Contractor would pay City \$80 per occurrence). Contractor shall abide by state law and pay the required abandon vehicle fees to the Michigan Secretary of State.

16. **Default.** It is expressly agreed between the parties that if the impoundment or storage facilities described in this Agreement are vacated, abandoned or not maintained or operated in accordance with this Agreement, or if Contractor attempts to sell, convey or assign this Agreement, or if Contractor fails to provide notices in a timely and proper manner in accordance with Public Act 1981, No. 104 as amended, or if Contractor defaults in any of the terms of this Agreement, or if Contractor fails to comply with any statutes, ordinances, rules, orders, regulations, or requirements of the federal, state and/or City government or of any and all of their departments and bureaus applicable to the premises and operations described in this Agreement, or if the Contractor files a petition in bankruptcy or be adjudicated as bankrupt, or make an assignment for the benefit of creditors, or take advantage of any insolvency act, City may elect to terminate this Agreement immediately and, if City elects to terminate this

Agreement because of the violation of this paragraph, upon such termination Contractor will compensate City for the loss suffered by reason of the termination and the default hereunder.

17. **Right to Control.** Contractor agrees to perform and supervise all work under this Agreement efficiently and in accordance with the highest standards of the industry. Contractor will be solely responsible for the means, methods, techniques, sequences and procedures for completing the work.

18. **Miscellaneous.**

a. **Sale or Assignment.** This Agreement may not be assigned or sub- contracted without the City's prior written consent. Contractor's owner(s) agree not to sell or assign their interest, including their stock, membership interest, or assets in Contractor without City's prior written consent.

b. **Validity.** The invalidity of any portion of this Agreement will not affect the remainder of the Agreement, unless the City so elects. Unless the City elects otherwise, if any terms of this Agreement shall be held invalid, illegal, or unenforceable in whole or in part, the validity of the other terms of this Agreement shall not be affected and shall remain in full force and effect.

c. **Governing Law.** This Agreement will be governed by the laws of the State of Michigan.

d. **Entire Agreement.** This Agreement represents the entire and integrated Agreement between the City and Contractor and supersedes all prior negotiations, representations or agreements, either written or oral.

e. **Amendments.** All amendments to this Agreement must be made in writing and signed by City and by Contractor.

The parties have signed this Agreement the date first above set forth.

City of Muskegon, a Michigan Municipal Corporation

By: _____
Mayor

Contractor- Ramos Towing

By: _____
Owner

WATCH MUSKEGON

Agenda Item Review Form Muskegon City Commission

Commission Meeting Date: January 10, 2023		Title: Arena – Janitorial Contract
Submitted By: Jake Laime		Department: Arena Director
Brief Summary: Seeking approval of the proposed amended Janitorial contract with Goodwill Industries to provide service to Trinity Health Arena.		
Detailed Summary: Staff is seeking the approval of the amendment to the current City Janitorial Contract with Goodwill Industries – West Michigan to include Trinity Health Arena. Goodwill Industries – West Michigan was recently approved for a one year extension to their current contract with the City of Muskegon to include DPW and City Hall.		
Goal/Focus Area/Action Item Addressed:		
Amount Requested: \$1,080/event (60 events max)	Amount Budgeted:	
Fund(s) or Account(s): 254	Fund(s) or Account(s):	
Recommended Motion: Authorize staff to add Trinity Health Arena to the amended City janitorial contract (Goodwill Industries – West Michigan) which was approved in 2020.		
Approvals: <i>Get approval from division head at a minimum prior to sending to the Clerk.</i> Immediate Division Head ☒ Information Technology ☐ Other Division Heads ☒ Communication ☐ Legal Review ☒		Guest(s) Invited / Presenting Yes ☐ No ☒
For City Clerk Use Only: Commission Action:		

Professional Services Agreement Amendment

Amendment Number: 1

Project Name: Janitorial Contract – Goodwill Industries – West Michigan

Goodwill Representative: Kathleen Harris

Client: City of Muskegon

Client Representative: Jake Laime

AGREEMENT: The Agreement Amendment modifies the original agreement for professional services dated: 1/14/2020

Client hereby requests and authorizes a change in services in accordance with the following:

SCOPE OF SERVICE MODIFICATION:

Service to include Trinity Health Arena to the janitorial contract per submitted contract

SCHEDULE OF SERVICES MODIFICATION:

NA

BUDGET MODIFICATION:

\$1,080/event (60 events maximum)

METHOD OF COMPENSATION:

ADDITIONAL PROVISIONS (IF ANY):

None

By: *Janette M. Hoyer*
Print Name: Janette M. Hoyer
Title: President & CEO
Date: 12/13/2022

By: _____
Print Name: _____
Title: _____
Date: _____



GOODWILL
INDUSTRIES OF WEST MICHIGAN, INC.
Our business works...so people can.

11/22/22

JANITORIAL SERVICES CONTRACT

Between

GOODWILL INDUSTRIES OF WEST MI, INC.

271 EAST APPLE AVE

MUSKEGON, MI 49442

And

CUSTOMER NAME & ADDRESS: Trinity Health Arena 470 W. Western Muskegon MI 49440		TELEPHONE: (231) 246-8668
		CONTACT PERSON: Jake Laime Arena Director Jake@trinityhealtharena.com
CONTRACT PERIOD: One Year	START DATE: 12/01/22	END DATE: 12/01/23

PRICING SHEET

Part I

Price quote for the daily, weekly, and monthly routine services as outlined in the Statement of Work. Billing will be submitted monthly for janitorial services performed.

DESCRIPTION	NO. OF SERVICES	PRICE PER Service	TOTAL PRICE FOR CONTRACT
Janitorial Services			
Weekend Post Event Clean up (For Lumberjacks, Risers, and Ironman Events)		\$1080.00	
Reeths Puffer Port City Church		\$960.00	
MCC Graduation Baker College Graduation HS Graduations by date		\$1,080	

Part II

Price quote for the periodical cleaning as outlined in the Statement of Work. A separate billing will be submitted as floor care services are performed.

DESCRIPTION	NO.OF SERVICES	PRICE PER SERVICE	TOTAL PRICE FOR SERVICES
WEEKEND/EXTRA SERVICE			
EMERGENCY CALL IN (2 Staff)	As Needed	\$275.00 per hour	
Additional Services			

Locker Room SEASONAL DEEP CLEAN SERVICE	As Requested	Quote Available	
Carpet Extraction, stain removal	As needed	Quote Available	
PERIODICAL SERVICES			
Exterior Glass ground floor and Interior Glass in Entrances and Interior rooms	As Requested	Quote Available	

STATEMENT OF WORK

A. General Description of Contract:

A.1 Main Concourse: Entrances, bars & Stations, suites

A.2 Common areas and Stadium seating areas; stairs

A.3 Four Concourse Restrooms:

A.4 All Services will be performed after business hours and general expectation is

Until the work is complete beginning at (10 pm or after) conclusion of events. See Estimated per service calculation

A.5 Additional services as outlined in the provided Arena Schedule shall take place on various days, and cleaning times will be provided one week prior to event

B. Janitorial Requirements of Contract:

B.1 Per Service Cleaning:

- A. Sweep up trash, popcorn and debris from all designated areas on concourse and behind bars, stations, suites & Jack club; and place in bags provided. Empty trash cans, and install liners provided. Take trash collections cans in elevator down to garage area and neatly place trash in designated area to be taken to the outside dumpster by arena staff the following morning.

- B. Sweep and spot mop steps, arena seating areas, rest rooms and any sticky or wet areas behind bars, or in suites as needed.
- C. Clean and disinfect any handrails, switches, door knobs, railings, fixtures and other touch points as appropriate, especially counters/ chair rail / bar area along concourse walk way.

Spot clean sticky walls, doors as needed. Wipe off seats if sticky

- D. Full sweep & spot mop hard floors (Arena staff will run scrubber following morning).
- E. Restrooms:

1. Sweep up all paper, trash and debris
2. Empty trash and reinstall liners.
3. Clean mirrors with glass cleaner.
4. Clean and disinfect receptacles: dispensers, sinks, counters, toilets, handrails, and door handles. Disinfect stall walls and doors.
5. Spot clean interior walls and doors.
6. Wet mop floor.

**** Arena staff will fill all dispensers**

B.2 Periodical Services Available (See Pricing Sheet):

- A. Spot clean carpet stains (monthly) and upholstery as needed.

C. General Description of Periodical Floor Care Services

C.1 Carpet Care

A variety of carpet care techniques are available as needed to remove general soil and stains, which include: spot cleaning, dry carpet cleaning, steam cleaning and a full carpet extraction.

Carpet extractions consist of using high pressure, high heat extraction equipment with necessary chemicals to produce a deep cleaning of the carpeted areas. *Note: Though Carpet extractions get your floors very clean it is important to develop a routine carpet-cleaning program to avoid permanent damage to your carpets. Goodwill is not responsible for assured quality on carpets that have been neglected and/or have been permanently damaged.*

C.2 Seasonal Locker Room Deep Clean

A seasonal deep clean is available upon request and will consist of ceiling to floor deep cleaning of all common areas of the locker room, and will include high and low dusting, interior glass not requiring ladder access, detailed dusting of surfaces and baseboard, detail vacuuming of carpets, baseboards, corners and edges, wipe down of blinds, carpet cleaning and Upholstery cleaning. Deep cleaning and sanitizing process for rest rooms will also be included; sinks, toilets, urinals, handles and touch points, stalls and doors. This process for rest rooms utilizes a power washer/wet vac system which we refer to as a rest room blast for all areas of the rest rooms and showers that are appropriately tiled or sealed. The deep clean service is designed to refresh all areas and recover from seasonal extremes such as salt, sand and mud. The addition of locker cleaning, benches and seats, etc. can all be customized and

quoted as requested. This is proposed in addition to the general janitorial service for your facility, and will take place per your schedule. This option is an excellent approach post COVID exposure or other types of illness, such as post flu season, or in preparation for a special event, or following a particularly messy event.

Replenishables

Customer has requested that they will stock all dispensers themselves, and will provide all required supplies for all rest rooms, etc.

	ANNUAL USAGE	Customer	Contractor
Paper Towels		X	
Bathroom tissue		X	
Can Liners- various sizes		X	
Hand Soap and Sanitizer		X	

SUPERVISION & SECURITY

Duplicate keys to the building will be furnished by the building owner/leaser. Any such keys will not be duplicated. Keys will be returned to the contractor's office after service, and not kept with the employee.

The contractor will maintain a secure environment while cleaning the facility. No one will be allowed into the facility other than those individuals responsible for performing services.

The contractor will lock the building when leaving and set any security alarm systems, if required, according to written instructions.

In addition, the building owner/leaser will advise employees to secure all personal items.

BILLING

All invoices will be submitted monthly for payment within 30 days. Contractor is to submit billing at the close of each calendar

Month to:

Goodwill Industries of West Michigan, Inc.

Accounts Receivable

271 E. Apple Ave

TERMS & PAYMENT

Contract invoicing and payment shall occur on a monthly basis for work

Performed - See attached Pricing Sheet for price breakdown. It is also agreed that these rates are subject to renegotiation in the event of increases in the federal, state, or local minimum wage rates or payroll taxes.

CANCELLATION

Either party may cancel the contract by notifying the other in writing with a 30-day notice. The cost of changing any building locks/keys and re-coding security alarms, if applicable, will be the building owner's/leaser's responsibility.

MODIFICATION OF SERVICE

Changes in service and/or specifications during the contract period require a 30-day written notice prior to the effective date. Documentation of such changes must be provided. A new bid and/or Statement of Work will be prepared to amend the current contract. Requests are subject to written acceptance before becoming effective.

MISCELLANEOUS

Observed Holidays by contractor include:

Easter Sunday

Memorial Day

4th Of July

Labor Day

Thanksgiving Day

Christmas Day (and day after)

New Year's Day

LIABILITY INSURANCE

Certificates on file. A copy can be supplied if requested.

ACCEPTANCE



President, Goodwill Industries of West Michigan, Inc

Date: 12/15/2022

Date: _____

Arena Director, Trinity Health Arena

WATCH MUSKEGON

Agenda Item Review Form

Muskegon City Commission

Commission Meeting Date: January 10 th , 2023	Title: Boys & Girls Club Agreement
Submitted By: Matt Schwemin	Department: Public Works
Brief Summary: Staff is seeking Commission approval to extend the staffing agreement with Boys and Girls Club through calendar year 2023.	
Detailed Summary & Background: Staff is proposing to extend the staffing agreement with Boys and Girls Club through calendar year 2023. Boys and Girls Club provided staffing to assist with our seasonal staffing needs during the 2022 calendar year, which was viewed positively by both parties. The original agreement was approved at the April 12th, 2022 Commission Meeting and included a clause that allowed for extension if approved by both parties. Staff is seeking commission approval for the extension.	
Goal/Focus Area/Action Item Addressed: Blight Cleanup	
Amount Requested: \$40,000	Amount Budgeted: \$40,000
Fund(s) or Account(s): 101-770-801	Fund(s) or Account(s): 101-770-801
Recommended Motion: Approve the extension of the staffing contract with Boys and Girls Club and authorize the Mayor and Clerk to sign.	
Approvals: Immediate Division Head ☒ Information Technology ☐ Other Division Heads ☒ Communication ☒ Legal Review ☐	Guest(s) Invited / Presenting Yes ☐ No ☒
For City Clerk Use Only: Commission Action:	

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



January 10th, 2022

Boys and Girls Club
900 W. Western Ave.
Muskegon, MI 49441

**RE: Extension of Partnership Agreement
Boys and Girls Club of the Muskegon Lakeshore.**

Dear Mr. Randy Vander Weit:

The City of Muskegon hereby requests that the Agreement be extended for the period of January 1, 2023 – December 31, 2023. The proposed budget for the extension period will be as listed in the previous contract with the discretion of the city. We have agreed this be taken into consideration with this extension.

This modification is requested for the following reason(s):

- The City of Muskegon utilizes a contract to assist the City of Muskegon Parks Department. The extension proposes to request approximately 15 seasonal employees & 2 field coordinators. Services include contract laborers for seasonal projects on an as-needed basis.
- The City intends to solicit bids for a new contract in the fall of 2023.
- The City of Muskegon is an AA/EEO/ADA Employer.

Thank you for your consideration of this request.

The City of Muskegon

By: Ken Johnson, Mayor

Date

And: Ann Meisch, Clerk

Date

Contractor

By: Randy Vander Weit, Dir. Of Extended Programs

Date

Department of Public Works & Utilities, 1350 E. Keating Avenue, Muskegon, MI 49442

<http://www.shorelinecity.com>



CITY OF MUSKEGON CONTRACT FOR TEMPORARY STAFFING SERVICES

This Agreement is effective upon execution between the City of Muskegon, a Michigan municipal corporation, of 933 Terrace Street, Muskegon, MI 49443 (“City”) and the Boys and Girls Club of the Muskegon Lakeshore, of 900 W Western Avenue, Muskegon, MI 49441 (“Contractor”) with reference to the following facts:

RECITALS

- A. Contractor requested to partner with the Public Works Department to maintain parks, landscaping and other facilities throughout the city.
- B. Contractor agreed to provide approximately eight staff in two teams of approximately four each, with one supervisor per team, to support the Public Works Department in maintaining the parks, landscaping and other facilities.

NOW, THEREFORE, for valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties agree as follows:

1. **Services.** Contractor shall provide the following services:
 - a. In the area known as the Business Improvement District (BID), including nearby parks and city properties, maintaining flower beds and other landscaping by removing weeds and other undesirable plants and items, turf maintenance using push mowers and other hand-operated equipment, picking up loose debris and refuse (trash), emptying refuse containers, and performing other cleaning and maintenance tasks as designated by Public Works Department Staff.
 - b. Picking up loose debris and refuse (trash), emptying refuse containers, cleaning restrooms, and performing other cleaning and maintenance tasks as designated by Public Works Department Staff in parks and other City-owned properties. This effort is primarily envisioned at Beukema Playfield, Reese Playfield, Sheldon Park, and McCrea Playfield, however other parks or properties may be assigned by Public Works Department Staff in consultation with Contractor.
 - c. During the months of June, July and August, the contractor will provide up to 35 hours of labor per week per employee. During April, May, September and October, the contractor will provide a reduced workforce to support critical efforts. The employees are students and will not have as much availability during the school year.
2. **Equipment.** The City shall supply safety equipment mandated for employees while on assignment with the City, together with other equipment described herein.

- a. The City shall supply hand-operated equipment that directly supports the tasks described in this agreement and other duties as assigned by Public Works Department Staff in consultation with the Contractor; examples of this equipment includes hand-operated lawn mowers, string trimmers, leaf blowers, hand tools such as rakes and spades, and cleaning equipment such as brushes and bottles. The City will provide materials to support the efforts, such as gasoline, string line, paper towel(s), cleaning solutions and refuse bags.
 - b. If available for use, the City may supply a self-propelled utility cart to assist with refuse disposal, carrying equipment and staff relocation, based from a facility within or near the BID, for Contractor's use. All operators of such a cart must be licensed within the State of Michigan to operate a motor vehicle and carry a current driver's license. The City will provide materials to support the cart, such as gasoline.
 - c. If available for use, the City may supply a motor vehicle and/or utility trailer to assist with refuse disposal, carrying equipment and staff relocation, based from the City's Public Works Facility at 1350 E. Keating Avenue, Muskegon, MI 49442, for Contractor's use. All operators of such a vehicle and/or utility trailer must be licensed within the State of Michigan to operate a motor vehicle and carry a current driver's license. The City will provide materials to support the vehicle, such as gasoline.
 - d. The City will perform any required maintenance on City-owned equipment. The City reserves the right, in its sole discretion, to withdraw the use of equipment if deemed in the best interest of the City. Any damage caused to rented or borrowed equipment is the responsibility of the Contractor.
 - e. In the event the City is unable to provide equipment, and upon written approval from City, the Contractor may rent equipment that is deemed necessary for the Services. The City will provide materials to support rented equipment, such as gasoline and other consumables not included in rental costs. Maintenance of rented equipment shall be the responsibility of the Contractor. The City will reimburse the cost of the equipment rental at actual cost, including maintenance costs.
3. **Expenses.** Contractor shall be responsible to pay for all expenses incurred by Contractor related to the performance of its duties under this Agreement, except as described in Section 2.e of this agreement.
 4. **Contract Billing.** City agrees to pay Contractor, in full consideration for the complete performance of Contractor's obligations under this Agreement:
 - a. Youth will be paid at a rate of \$12/hour.
 - b. Supervisors will be paid at a rate of \$15/hour.

- c. For all labor, Contractor will bill a markup of 37.5% to cover taxes, insurance and administrative costs. Expenses, when reimbursable, will be billed at actual cost.
5. **Payment.** Contractor shall submit detailed invoices on a monthly basis for the prior month's services. Payments according to this agreement are invoiced and paid on a monthly basis. Requests for payment shall be submitted on a detailed invoice to the City monthly for the previous month. The City agrees that payment shall be due on net 30-day terms.
6. **Specific Reservations.** City reserves the right to discontinue its use of temporary employees from contractor as it determines appropriate.
7. **Terms and Termination.** This Agreement shall be effective on the date of execution, and shall remain in full force and at the same terms through October 31, 2022, with an option to renew for an additional term, if mutually agreed upon by both parties as memorialized in a written and signed agreement.
8. **Commencement and Damages.**
 - a. **Commencement.** Contractor shall commence performance under this Agreement upon its execution.

The City shall notify Contractor of any violation of the Agreement. It shall be the duty of Contractor to remedy a Contractor violation.

Failure to perform pursuant to this Agreement for a period in excess of five (5) consecutive scheduled, working days, or failure for a similar period, to perform in the manner required, and provided such failure is not a result of war, insurrection, riots, or acts of God, the City may, at its option and after written notice to Contractor, utilize any or all of Contractor's equipment used in performance of this Agreement until such time the matter is resolved and the Contractor is performing under the terms of the Agreement.
 - b. **Appeal.** The City's determination regarding damages shall be final and binding on both parties unless appealed, in writing, to the City Manager or his designee within ten (10) working days after notice. The City Manager or his designee shall grant Contractor an informal hearing upon such request. The decision of the City Manager shall be final and binding.
9. **Insurance and Indemnity.**
 - a. **City Insurance Requirement.** The contractor, and any and all of their subcontractors, shall not commence work under this contract until they have obtained the insurance required under this paragraph, and shall keep such insurance in force during the entire life of this contract. All coverage shall be with insurance companies licensed and admitted to do business in the State of Michigan and

acceptable to City of Muskegon. The requirements below should not be interpreted to limit the liability of the Contractor. All deductibles and SIRs are the responsibility of the Contractor.

- b. **Worker's Compensation Insurance**, including Employers' Liability Coverage, in accordance with all applicable statutes of the State of Michigan.
- c. **Commercial General Liability Insurance** on an "Occurrence Basis" with limits of liability not less than \$1,000,000 per occurrence and aggregate. Coverage shall include the following extensions: (A) Contractual Liability; (B) Products and Completed Operations; (C) Independent Contractors Coverage; (D) Broad Form General Liability Extensions or equivalent, if not already included; (E) Deletion of all Explosion, Collapse, and Underground (XCU) Exclusions, if applicable.
- d. **Automobile Liability**, including Michigan No-Fault Coverages, with limits of liability not less than \$1,000,000 per occurrence combined single limit for Bodily Injury, and Property Damage. Coverage shall include all owned vehicles, all non-owned vehicles, and all hired vehicles
- e. **Additional Insured:** Commercial General Liability and Automobile Liability, as described above, shall include an endorsement stating the following shall be **Additional Insureds:** The City of Muskegon, all elected and appointed officials, all employees and volunteers, agents, all boards, commissions, and/or authorities and board members, including employees and volunteers thereof. It is understood and agreed 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.
- f. **Cancellation Notice:** Worker's Compensation Insurance, Commercial General Liability Insurance, and Automobile Liability Insurance, as described above, shall be endorsed to state the following: It is understood and agreed Thirty (30) days, Ten (10) days for non-payment of premium, Advance Written Notice of Cancellation, Non-Renewal, Reduction, and/or Material Change shall be sent to: City of Muskegon, Finance and Administrative Services Director, 933 Terrace St, PO Box 536, Muskegon, Michigan 49443-0536.
- g. **Proof of Insurance Coverage.** Contractor shall provide the City at the time the contracts are returned for execution, certificates and policies endorsing the City as additional insured as listed below:
 - i. Two (2) copies of Certificates of Insurance for Workers' Compensation Insurance, if applicable;
 - ii. Two (2) copies of Certificate of Insurance for Commercial General Liability Insurance; and

- iii. If so requested, Certified Copies of all policies mentioned above will be furnished.

If any of the above coverages expire during the term of this contract, Contractor shall deliver renewal certificates and/or policies to City at least ten (10) days prior to the expiration date.

- h. **Indemnity.** Contractor shall indemnify and save harmless the City against and from all costs, expenses, liabilities, claims, suits, action, and demands of every kind or nature, including reasonable attorney fees, by or on behalf of any person, party, or governmental authority whatsoever arising out of Contractor's services performed under this agreement, Contractor's failure to perform under this agreement, Contractor's use of City equipment, or Contractor's failure to comply with any laws, ordinances, requirements, orders, directions, rules, or regulations of any federal, state, county, or local governmental authority.
10. **Income Tax Withholding.** Contractor shall withhold income taxes from each employee, and pay such tax in accordance with the City of Muskegon Income Tax Ordinance and all applicable laws associated with that ordinance. Contractor shall require the same from each subcontractor, consultant or vendor used in the performance of his duties and obligations in this Agreement. City reserves the right to withhold payments otherwise due to Contractor to assure compliance with this Agreement or to cure such noncompliance.
11. **General Provisions.**
- a. **Notices.** Any notice that either party may give or is required to give under this Agreement shall be in writing, specify the position, department and location assigned, and, if mailed, shall be effective on the day it is delivered to the other party at the other party's address set forth in this Agreement or at any other address that the other party provides in writing. Notices given in person are effective on the day they are given. Notices to the City must copy the City Attorney at 601 Terrace St., Muskegon, MI 49440.
 - b. **Governing Law.** This Agreement is executed in accordance with, shall be governed by, and construed and interpreted in accordance with, the laws of the State of Michigan.
 - c. **Assignment or Delegation.** Neither party shall assign all nor any portion of its rights nor obligations contained in this Agreement without express prior written approval of the other party, which approval may be withheld in the other party's sole discretion.
 - d. **Entire Agreement.** This Agreement and the documents specified in section 1 shall constitute the entire agreement, and shall supersede any other Agreements, written or oral, that may have been made or entered into, by, and between the parties with respect to the subject matter of this Agreement, and shall not be modified or

amended except in a subsequent writing signed by the party against whom enforcement is sought.

- e. **Binding Effect.** This Agreement shall be binding upon, and to the benefit of, and be enforceable by, the parties and their respective legal representatives, permitted successors, and assigns.
- f. **Waiver.** City may waive all or any portion of damages without prejudicing its rights under this Agreement.
- g. **Severability.** Should any one or more of the provisions of this Agreement be determined to be invalid, unlawful, or unenforceable in any respect, the validity, legality, and enforceability of the remaining provisions of this agreement shall not in any way be impaired or affected.
- h. **Venue.** The parties agree that, for purposes of any dispute in connection with this Agreement, the Muskegon County District or Circuit Court shall have exclusive personal and subject matter jurisdiction and venue.
- i. **Survival.** All representations, warranties, and covenants in this Agreement shall survive the signing of this Agreement.
- j. **Written Clarification.** In the event that there are inconsistencies within the Agreement, the Contractor shall immediately notify the City, in writing, for a determination, interpretation, clarification and/or prioritization of the inconsistencies.

City and Contractor have executed this Agreement on the date written next to their signatures to be effective according to the term(s) stated in this document.

Date: _____, 2022

CITY OF MUSKEGON

By: _____
Ken Johnson, Mayor

And: _____
Ann Meisch, Clerk

Date: _____, 2022

BOYS AND GIRLS CLUB OF
THE MUSKEGON LAKESHORE

By: _____

WATCH MUSKEGON

Agenda Item Review Form

Muskegon City Commission

Commission Meeting Date: January 10 th , 2023	Title: Community EnCompass Agreement
Submitted By: Matt Schwemin	Department: Public Works
Brief Summary: Staff is seeking Commission approval to extend the staffing agreement with Community EnCompass through calendar year 2023.	
Detailed Summary & Background: Staff is proposing to extend the staffing agreement with Community EnCompass through calendar year 2023. Community EnCompass provided staffing to assist with our seasonal staffing needs during the 2022 calendar year, which was viewed positively by both parties. The original agreement was approved at the April 12 th , 2022 Commission Meeting and included a clause that allowed for extension if approved by both parties. Staff is seeking commission approval for the extension.	
Goal/Focus Area/Action Item Addressed: Blight Cleanup	
Amount Requested: \$21,000	Amount Budgeted: \$21,000
Fund(s) or Account(s): 101-770-801	Fund(s) or Account(s): 101-770-801
Recommended Motion: Approve the extension of the staffing contract with Community EnCompass and authorize the Mayor and Clerk to sign.	
Approvals: Immediate Division Head ☒ Information Technology ☐ Other Division Heads ☒ Communication ☒ Legal Review ☐	Guest(s) Invited / Presenting Yes ☐ No ☒
For City Clerk Use Only: Commission Action:	

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



January 10th, 2022

Community enCompass
19 Hartford Ave
Muskegon, MI 49442

**RE: Extension of Partnership Agreement
Community enCompass**

Dear Mrs. Mary McDonald:

The City of Muskegon hereby requests that the Agreement be extended for the period of January 1, 2023 – December 31, 2023. The proposed budget for the extension period will be as listed in the previous contract with the discretion of the city. We have agreed this be taken into consideration with this extension.

This modification is requested for the following reason(s):

- The City of Muskegon utilizes a contract to assist the City of Muskegon Parks Department. The extension proposes to request approximately 15 seasonal employees & 1 field coordinator. Services include contract laborers for seasonal projects on an as-needed basis.
- The City intends to solicit bids for a new contract in the fall of 2023.
- The City of Muskegon is an AA/EEO/ADA Employer.

Thank you for your consideration of this request.

The City of Muskegon

By: Ken Johnson, Mayor

Date

And: Ann Meisch, Clerk

Date

Contractor

By: Anetri'a Conyers

Date

Department of Public Works & Utilities, 1350 E. Keating Avenue, Muskegon, MI 49442

<http://www.shorelinecity.com>



CITY OF MUSKEGON CONTRACT FOR TEMPORARY STAFFING SERVICES

This Agreement is effective upon execution between the City of Muskegon, a Michigan municipal corporation, of 933 Terrace Street, Muskegon, MI 49440 (“City”) and Community enCompass, of 1105 Terrace Street, Muskegon, MI 49442 (“Contractor”), with reference to the following facts:

RECITALS

- A. Contractor requested to partner with the Public Works Department to maintain parks, landscaping and other facilities throughout the city, primarily in the McLaughlin and Nelson neighborhoods.
- B. Contractor agrees to provide approximately ten to fifteen staff, with one supervisor per team of four to five students, to support the Public Works Department in maintaining the parks, landscaping and other facilities.

NOW, THEREFORE, for valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties agree as follows:

- 1. **Services.** Contractor shall provide the following services:
 - a. Picking up loose debris and refuse (trash), emptying refuse containers, cleaning restrooms, maintaining landscaping by removing weeds and other undesirable plants and items, and performing other cleaning and maintenance tasks as designated by Public Works Department Staff in parks and other City-owned properties. This effort is primarily envisioned at Marsh Field, McLaughlin Community Park, Clara Shepherd Park, the Dog Park, and Campbell Field, however other parks or properties may be assigned by Public Works Department Staff in consultation with Contractor.
 - b. During the months of June, July and August, the contractor will provide up to 35 hours of labor per week per employee. During September and October, the contractor will provide a reduced workforce to support critical efforts. The employees are students and will not have as much availability during the school year.
- 2. **Equipment.** The City shall supply safety equipment mandated for employees while on assignment with the City, together with other equipment described herein.
 - a. The City shall supply hand-operated equipment that directly supports the tasks described in this agreement and other duties as assigned by Public Works Department Staff in consultation with the Contractor; examples of this equipment

includes hand tools such as rakes and spades, and cleaning equipment such as brushes and bottles. The City will provide materials to support the efforts, such as paper towel(s), cleaning solutions and refuse bags.

- b. If available for use, the City may supply a motor vehicle and/or utility trailer to assist with refuse disposal, carrying equipment and staff relocation, based from the City's Public Works Facility at 1350 E. Keating Avenue, Muskegon, MI 49442, for Contractor's use. All operators of such a vehicle and/or utility trailer must be licensed within the State of Michigan to operate a motor vehicle and carry a current driver's license. The City will provide materials to support the vehicle, such as gasoline.
 - c. The City will perform any required maintenance on City-owned equipment. The City reserves the right, in its sole discretion, to withdraw the use of equipment if deemed in the best interest of the City. Any damage caused to rented or supplied equipment is the responsibility of the Contractor.
 - d. In the event the City is unable to provide equipment, and upon written approval from City, the Contractor may rent equipment that is deemed necessary for the Services. The City will provide materials to support rented equipment, such as gasoline and other consumables not included in rental costs. Maintenance of rented equipment shall be the responsibility of the Contractor. The City will reimburse the cost of the equipment rental at actual cost, including maintenance costs.
3. **Expenses.** Contractor shall be responsible to pay for all expenses incurred by Contractor related to the performance of its duties under this Agreement, except as described in Section 2.d of this agreement.
4. **Contract Billing.** City agrees to pay Contractor, in full consideration for the complete performance of Contractor's obligations under this Agreement:
- a. Youth will be paid at a rate of \$12/hour.
 - b. Supervisors will be paid at a rate of \$15/hour.
 - c. For all labor, Contractor will bill a markup of 37.5% to cover taxes, insurance and administrative costs. Expenses, when reimbursable, will be billed at actual cost.
5. **Payment.** Contractor shall submit detailed invoices on a monthly basis for the prior month's services. Payments according to this agreement are invoiced and paid on a monthly basis. Requests for payment shall be submitted on a detailed invoice to the City monthly for the previous month. The City agrees that payment shall be due on net 30-day terms.
6. **Specific Reservations.** City reserves the right to discontinue its use of temporary employees from contractor as it determines appropriate.

7. **Terms and Termination.** This Agreement shall be effective on the date of execution, and shall remain in full force and at the same terms through October 31, 2022, with an option to renew for an additional term, if mutually agreed upon by both parties as memorialized in a written and signed agreement.

8. **Commencement and Damages.**

- a. **Commencement.** Contractor shall commence performance under this Agreement upon its execution.

The City shall notify Contractor of any violation of the Agreement. It shall be the duty of Contractor to remedy a Contractor violation.

Failure to perform pursuant to this Agreement for a period in excess of five (5) consecutive scheduled, working days, or failure for a similar period, to perform in the manner required, and provided such failure is not a result of war, insurrection, riots, or acts of God, the City may, at its option and after written notice to Contractor, utilize any or all of Contractor's equipment used in performance of this Agreement until such time the matter is resolved and the Contractor is performing under the terms of the Agreement.

- b. **Appeal.** The City's determination regarding damages shall be final and binding on both parties unless appealed, in writing, to the City Manager or his designee within ten (10) working days after notice. The City Manager or his designee shall grant Contractor an informal hearing upon such request. The decision of the City Manager shall be final and binding.

9. **Insurance and Indemnity.**

- a. **City Insurance Requirement.** The contractor, and any and all of their subcontractors, shall not commence work under this contract until they have obtained the insurance required under this paragraph, and shall keep such insurance in force during the entire life of this contract. All coverage shall be with insurance companies licensed and admitted to do business in the State of Michigan and acceptable to City of Muskegon. The requirements below should not be interpreted to limit the liability of the Contractor. All deductibles and SIRs are the responsibility of the Contractor.
- b. **Worker's Compensation Insurance,** including Employers' Liability Coverage, in accordance with all applicable statutes of the State of Michigan.
- c. **Commercial General Liability Insurance** on an "Occurrence Basis" with limits of liability not less than \$1,000,000 per occurrence and aggregate. Coverage shall include the following extensions: (A) Contractual Liability; (B) Products and Completed Operations; (C) Independent Contractors Coverage; (D) Broad Form

General Liability Extensions or equivalent, if not already included; (E) Deletion of all Explosion, Collapse, and Underground (XCU) Exclusions, if applicable.

- d. **Automobile Liability**, including Michigan No-Fault Coverages, with limits of liability not less than \$1,000,000 per occurrence combined single limit for Bodily Injury, and Property Damage. Coverage shall include all owned vehicles, all non-owned vehicles, and all hired vehicles
- e. **Additional Insured:** Commercial General Liability and Automobile Liability, as described above, shall include an endorsement stating the following shall be **Additional Insureds:** The City of Muskegon, all elected and appointed officials, all employees and volunteers, agents, all boards, commissions, and/or authorities and board members, including employees and volunteers thereof. It is understood and agreed 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.
- f. **Cancellation Notice:** Worker's Compensation Insurance, Commercial General Liability Insurance, and Automobile Liability Insurance, as described above, shall be endorsed to state the following: It is understood and agreed Thirty (30) days, Ten (10) days for non-payment of premium, Advance Written Notice of Cancellation, Non-Renewal, Reduction, and/or Material Change shall be sent to: City of Muskegon, Finance and Administrative Services Director, 933 Terrace St, PO Box 536, Muskegon, Michigan 49443-0536.
- g. **Proof of Insurance Coverage.** Contractor shall provide the City at the time the contracts are returned for execution, certificates and policies endorsing the City as additional insured as listed below:
 - i. Two (2) copies of Certificates of Insurance for Workers' Compensation Insurance, if applicable;
 - ii. Two (2) copies of Certificate of Insurance for Commercial General Liability Insurance; and
 - iii. If so requested, Certified Copies of all policies mentioned above will be furnished.

If any of the above coverages expire during the term of this contract, Contractor shall deliver renewal certificates and/or policies to City at least ten (10) days prior to the expiration date.

- h. **Indemnity.** Contractor shall indemnify and save harmless the City against and from all costs, expenses, liabilities, claims, suits, action, and demands of every kind or nature, including reasonable attorney fees, by or on behalf of any person, party, or governmental authority whatsoever arising out of Contractor's services performed

under this agreement, Contractor's failure to perform under this agreement, Contractor's use of City equipment, or Contractor's failure to comply with any laws, ordinances, requirements, orders, directions, rules, or regulations of any federal, state, county, or local governmental authority.

10. **Income Tax Withholding.** Contractor shall withhold income taxes from each employee, and pay such tax in accordance with the City of Muskegon Income Tax Ordinance and all applicable laws associated with that ordinance. Contractor shall require the same from each subcontractor, consultant or vendor used in the performance of his duties and obligations in this Agreement. City reserves the right to withhold payments otherwise due to Contractor to assure compliance with this Agreement or to cure such noncompliance.

11. **General Provisions.**

- a. **Notices.** Any notice that either party may give or is required to give under this Agreement shall be in writing, specify the position, department and location assigned, and, if mailed, shall be effective on the day it is delivered to the other party at the other party's address set forth in this Agreement or at any other address that the other party provides in writing. Notices given in person are effective on the day they are given. Notices to the City must copy the City Attorney at 601 Terrace St., Muskegon, MI 49440.
- b. **Governing Law.** This Agreement is executed in accordance with, shall be governed by, and construed and interpreted in accordance with, the laws of the State of Michigan.
- c. **Assignment or Delegation.** Neither party shall assign all nor any portion of its rights nor obligations contained in this Agreement without express prior written approval of the other party, which approval may be withheld in the other party's sole discretion.
- d. **Entire Agreement.** This Agreement and the documents specified in section 1 shall constitute the entire agreement, and shall supersede any other Agreements, written or oral, that may have been made or entered into, by, and between the parties with respect to the subject matter of this Agreement, and shall not be modified or amended except in a subsequent writing signed by the party against whom enforcement is sought.
- e. **Binding Effect.** This Agreement shall be binding upon, and to the benefit of, and be enforceable by, the parties and their respective legal representatives, permitted successors, and assigns.
- f. **Waiver.** City may waive all or any portion of damages without prejudicing its rights under this Agreement.
- g. **Severability.** Should any one or more of the provisions of this Agreement be

determined to be invalid, unlawful, or unenforceable in any respect, the validity, legality, and enforceability of the remaining provisions of this agreement shall not in any way be impaired or affected.

- h. **Venue.** The parties agree that, for purposes of any dispute in connection with this Agreement, the Muskegon County District or Circuit Court shall have exclusive personal and subject matter jurisdiction and venue.
- i. **Survival.** All representations, warranties, and covenants in this Agreement shall survive the signing of this Agreement.
- j. **Written Clarification.** In the event that there are inconsistencies within the Agreement, the Contractor shall immediately notify the City, in writing, for a determination, interpretation, clarification and/or prioritization of the inconsistencies.

City and Contractor have executed this Agreement on the date written next to their signatures to be effective according to the term(s) stated in this document.

Date:_____,2022 CITY OF MUSKEGON

By:_____

Ken Johnson, Mayor

And:_____

Ann Meisch, Clerk

Date:_____,2022 COMMUNITY ENCOMPASS

By:_____

WATCH MUSKEGON

Agenda Item Review Form

Muskegon City Commission

Commission Meeting Date: January 10 th , 2023	Title: CLG Grant Application	
Submitted By: Dan VanderHeide	Department: Public Works	
Brief Summary: Staff is seeking Commission approvals for a grant application related to conservation work at Hackley Park.		
Detailed Summary & Background: Staff has prepared a grant application to the State Historic Preservation Office (SHPO) through their Certified Local Government (CLG) program for funds to complete recommended conservation work at the five (5) sculptures within Hackley Park. The grant submittal package requires a commitment of matching funds and a resolution of support. Both are attached along with the conservators report that highlights the proposed work. Staff is seeking \$62,440 in grant funds to cover the cost of identified conservation work at the monuments and proposing to match the grant application with an estimated \$15,000 in cash expenses for equipment rental. If awarded for funding the work would be completed during the Fall of 2023. Grant applications are due on February 1st, 2023. Funds would be budgeted in 23/24 budget cycle if the grant is awarded with the proposed cash contribution coming from the General Fund line item for Public Art Maintenance. As noted in the Conservators Report we plan to also contract for work to be completed on the McKinley Statue and the Kearny Statue as they are of similar age and condition. These two structures are ineligible for grant funding (McKinley is privately owned, and Kearny is outside the designated historic district boundary). The owners of the McKinley statue are aware of this and have agreed to participate in the cost for that piece, the cost for the work at Kearny will be a city responsibility but is ineligible to count towards the match.		
Goal/Focus Area/Action Item Addressed: Blight Cleanup		
Amount Requested: 23/24 - \$96,520 (\$77,440 Grant Eligible)	Amount Budgeted: 23/24 - \$96,520 (\$77,440 Grant Eligible)	
Fund(s) or Account(s): 101-901-801-092120	Fund(s) or Account(s): 101-901-801-092120	
Recommended Motion: Approve the grant application to the CLG program and authorize the Clerk to sign the Commitment of Matching Funds and Resolution of Support.		
Approvals: Immediate Division Head ☒ Other Division Heads ☒	Legal Review ☐ Information Technology ☐ Communication ☒	Guest(s) Invited / Presenting Yes ☐ No ☒
For City Clerk Use Only: Commission Action:		



Michigan Certified Local Government Program

FY2023 CLG Grant Application

Rehabilitation Planning and Rehabilitation Projects

PROJECT INFORMATION

Certified Local Government:

Project Name:

Property Name:

Property Address:

Historic Designation:

Rehabilitation Projects: Provide the name of the resource individually listed in the National Register of Historic Places or, if the resource is listed as a contributing resource, provide the name of the National Register-listed district.

Rehabilitation Planning Projects: Provide the name of the resource that is listed in the National Register or has been determined eligible for listing by SHPO. If the latter, also provide the approximate date (if known) that the resource was determined eligible.

Property Owner Name:

Primary Telephone Number:

E-mail:

Brief Project Summary (no more than 1-2 sentences):

GRANT FUNDING REQUEST

CLG Grant Request:

\$

CLG Match (NOT REQUIRED):

\$

Total Project Amount:

\$

Grants are reimbursable, and the applicant must demonstrate availability of the total project cost. Briefly describe the project funding source and kind:

CLG INFORMATION

Federal ID (EIN) Number:

UEI Number:

Certified Local Government Street Address:

City:

Zip Code:

Project Coordinator Name:

This individual must have complete knowledge of the day-to-day activities with the proposed grant-funded work.

Primary Telephone Number:

E-mail:

Project Coordinator Street Address:

City:

Zip Code:

CLG LEGISLATIVE INFORMATION

This information is used to notify your elected officials if a grant is awarded.

U.S. Congressional District Number:

State Senate District Number:

State House of Representative District Number:

CLG SPONSORSHIP APPLICANT INFORMATION (IF APPLICABLE)

Complete ONLY if the CLG is applying on behalf of a non-profit organization or public entity.

Name of Non-profit or Public Entity:

Federal ID (EIN) Number:

Nonprofit or Public Entity Contact Name:

Telephone Number:

E-mail:

Street Address:

City:

Zip Code:

PROJECT INFORMATION

A. PROJECT GOALS



B. SCOPE OF WORK



C. PROJECT NEED



D. PROJECT URGENCY



E. PROJECT IMPACT

F. PROJECT CONSIDERATIONS

Is the project related to one or more of the CLG's goals and priorities as identified in the CLG's last three annual reports and/or most recent program evaluation? If so, describe.



Is the project related to one or more of the goals identified in the [Michigan Statewide Historic Preservation Plan, 2020-2025](#)? If so, describe.



If applicable, describe the relationship of the project to other community planning and development, economic development, revitalization initiatives, and/or cultural tourism efforts.

Are there other entities or partnerships that will benefit from the project?

How will the value of historic preservation be articulated through the project and how will the public be informed about the project?

PROJECT BUDGET

Provide a project budget that matches the items described in the scope of work. All grant funds are paid on an expense reimbursement basis only. The applicant must have funds available for expenditures amounting to 100 percent of the project cost at the time of submittal. The subgrantee will be reimbursed for eligible expenses incurred (up to the grant amount) at the end of the project. SHPO will review and may make changes to the budget line items as submitted in the application. The final budget, as approved by SHPO, will become an attachment to the grant agreement.

WORK ITEMS	CLG FUNDS	CASH MATCH	IN-KIND MATCH	PROJECT TOTAL
	\$	\$	\$	\$
	 \$	\$	\$	\$
	\$	\$	\$	\$
	\$	\$	\$	\$
	\$	\$	\$	\$
	\$	\$	\$	\$
	\$	\$	\$	\$
	\$	\$	\$	\$
	\$	\$	\$	\$
	\$	\$	\$	\$
	\$	\$	\$	\$
TOTAL COSTS:	\$	\$	\$	\$

WORK SCHEDULE

On the following page, provide a work schedule that includes major project milestones. Remember that work cannot begin until the grant agreement is executed. Assume a **July 2023** grant agreement date. Projects will have until **September 30, 2025**. This deadline is federally mandated. All project work, including billing and reporting, must be completed by September 1, 2025, to facilitate project close-out by September 30. No extensions will be given.

Rehabilitation Planning Projects must include:

- Procurement
 - o Submit draft procurement materials to SHPO for approval (allow 14 days for review)
 - o Solicit bids
 - o Bids due
 - o Submit bids and rationale for bidder selection to SHPO for approval (allow 14 days for review)
 - o Submit draft consultant contract to SHPO for approval (allow 14 days for review)
 - o SHPO comments and recommends changes, as necessary, for consultant contract
 - o Executed contract submitted to SHPO
- Project Work
 - o Quarterly progress reports (due dates are January 15, April 15, July 15, and October 15)
 - o Project kick-off meeting with CLG, SHPO, and consultant(s)
 - o SHPO review of first and revised draft products (allow 30 days for review)
 - o SHPO review of final products (allow 30 days for review)
 - o Submission of completion report and reimbursement request to SHPO

Rehabilitation Projects must include:

- Procurement
 - o SHPO pre-work site inspection
 - o Submit draft procurement materials to SHPO for approval (allow 14 days for review)
 - o Solicit bids
 - o Bids due
 - o Submit bids and rationale for bidder selection to SHPO for approval (allow 14 days for review)
 - o Submit draft consultant contract to SHPO for approval (allow 14 days for review)
 - o SHPO comments and recommends changes, as necessary, for consultant contract
 - o Executed contract submitted to SHPO
- Project Work
 - o Quarterly progress reports (due dates are January 15, April 15, July 15, and October 15)
 - o Install project sign and submit photo documentation of sign to SHPO
 - o Deadline for SHPO to prepare historic preservation easement (allow 90 days)
 - o Begin construction
 - o Finish construction
 - o Sign easement, record at Register of Deeds, submit original recorded easement to SHPO
 - o SHPO final on-site inspection
 - o Submission of completion report and reimbursement request to SHPO

CERTIFIED LOCAL GOVERNMENT AUTHORIZED SIGNATORY

Signature:

Date:

The grant application form must be signed and dated by the authorized contract signatory or another appropriate individual.

Printed Name and Title:

CLG Sponsorship (if applicable)

Signature:

Date:

The grant application form must be signed and dated by the authorized contract signatory or another appropriate individual.

Printed Name and Title:

APPLICATION CHECKLIST

Include the following exhibits to complete the CLG grant application and check the appropriate boxes to indicate included exhibits. Please refer to the CLG Grant Manual for instructions.

- ☐ Exhibit A: Financial Certification
- ☐ Exhibit B: Resolution
- ☐ Exhibit C: Tax Incentive Certification
- ☐ Exhibit D: Deed and Ownership Information
- ☐ Exhibit E: Floodplain Certification
- ☐ Exhibit F: Letters of Support
- ☐ Exhibit G: Photographs, Maps, and Supporting Documentation



Visit Date September 22nd to 23rd, 2021

Revision Date November 15th, 2022

Submitted By

Anna Weiss-Pfau, AIC-PA, Principal Conservator 630.308.0390

3rdcoastconservation@gmail.com

L.Liparini Studio ♦ Third Coast Conservation, LLC (LTC)

To

Brenda Nemetz, Collections Manager

Lakeshore Museum Center

231-724-5532

brenda@lakeshoremuseum.org

Project

Conservation & Maintenance Assessment of City of Muskegon
5 Hackley Park Bronze Sculptures and 2 Additional Bronzes

Conservation & Maintenance Assessment of Sculptures within the City of Muskegon



Scope

Third Coast Conservation was asked to assess 7 sculptures in Hackley Park in Muskegon, Michigan, 1 cannon, and 5 bronze sculptures, and 7 additional sculptures within the city.

This **Site Visit Report & Proposal Part 1** will cover the assessment, treatment proposals, and associated costs to conserve 7 Hackley Park Bronze Sculptures and cannon.

Part 2 will include maintenance and treatment recommendations for the additional sculptures.

Hackley Park Sculptures

1.

Civil War Monument – Aka “Soldiers and Sailors Monument”

Joseph Carabelli 1889 Bronze / Granite

Dimensions of Monument:	80' (H)	30' (W)	30'(W) (estimated)
<i>Liberty</i>	12'		
<i>4 Figures</i>	7'	1'10"	1'10" (average)

This monument includes the *Liberty* sculpture at the top, with 4 other sculptures on the lower portion including an *Artilleryman*, *Infantryman*, *Calvaryman*, and *Sailor*. More in-depth descriptions are featured in the 1994, and 1997-1998 reports.

The monument was examined from a 60' articulated mobile elevated work platform. It was not sufficient to get very close to the *Liberty* statue. The use of a zoom lens on the DSLR camera was able to aid in the examination. Also note that the sculpture was examined in the rain, and so some areas of the sculptures may appear dark where they are wet. Some areas of the sculptures were dry and thus able to be properly examined.

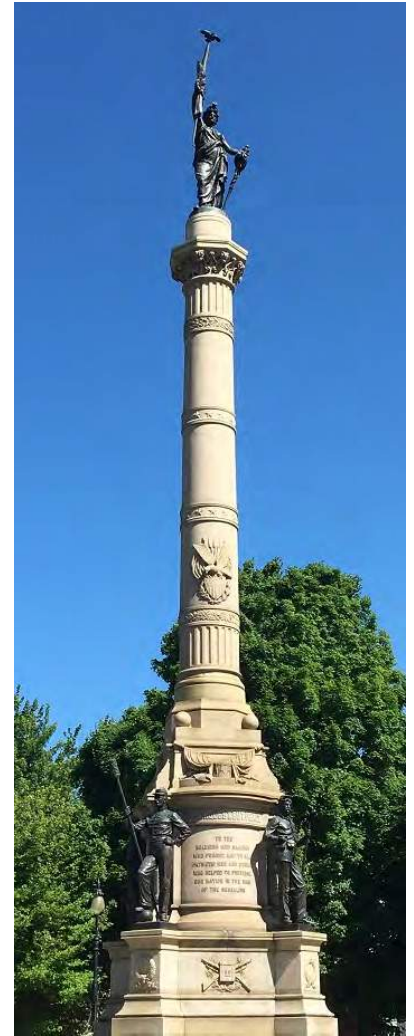
Previous Treatment

The previous treatment in 1997-1998 included both the bronze and the stone. The bronze was washed to remove loosely adhered corrosion products, chemically patinated with hot potassium sulfide, and hot waxed. The granite was considered in excellent condition aside from a vertical crack on the stone that liberty is mounted to and washed.

A Cleaning Report report from 2016 was provided and staff indicated that another maintenance likely occurred in 2018-2019. This includes details of condition issues. It was noted that 1 can of wax was used, and ¼ cup of detergent was used. It is not noted what type of wax or detergent was used.

General Conditions pertaining to all 5 sculptures

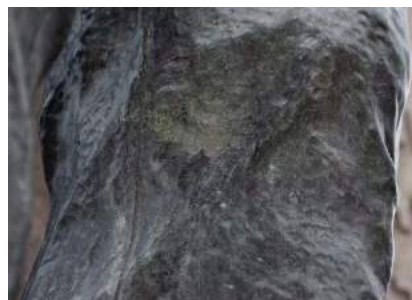
All 5 sculptures appear in good condition from afar. Up close, blue-green oxidation has begun to form in a spotted appearance, notably in areas of bolts, along the bottom edges of the base, high points/edges of elements including the bottoms or folds in pants, on top of each of the heads. This spotty appearance does seem consistent throughout each of the sculptures. When the sculpture is examined completely dry, there may be areas with more significant oxidized areas that may be unsightly. If this were the case, localized patination might be possible, but otherwise since it is mostly evenly oxidizing, simply waxing may be appropriate.



An unusual spotted and sometimes bubbling has appeared in areas where wax is often heavily applied. This may be because of a heavy application of wax in that area or a reaction due to a residue of a soap.

All sculptures have soiling and insect residues and nests.

The 2016 Cleaning Report indicates that the caulk is missing for several of the sculptures. It may be possible that the conservators in the 1998 treatment never applied caulk in order to provide for drainage of water.



Notable is that each sculpture was never given an Incralac coating. This was likely chosen because it appears the previous work was performed from a lift or scaffolding and incralac is difficult to spray appropriately in-situ. Additionally, it must be replaced when it begins to fail every 7 years, and this may be difficult for the city to manage. Each sculpture was hot waxed during the 1998 treatment.

Stone

The monument's stone (granite) was mostly in good condition. The most notable issue was that the stone, along with all of the other stone monuments appeared to have an uneven shades of yellow discoloration. This was not mentioned in the 1997 treatment report or 1994 Outdoor Sculpture Condition Survey. This phenomenon might appear in images in the 1994 survey, however it is difficult to discern because the pdf is a photocopy.

On the side between the infantryman and the calvaryman there is a substantial amount of spalling on the side of the stone that is not present in the 1994 images. It is the conservator's opinion that this yellow discoloration may have been slowly forming over time and is much more noticeable now than it was in 1994-1998. It is likely from a consolidation or water repellent treatment that is ageing, and it may have begun to cause spalling in certain areas, including that mentioned above. The original lead jointing and the crack on the stone top that were repaired in 1997-1998 appear in good condition.

Liberty

The Liberty sculpture was only examined from 60', as the wrong lift size was delivered.

Structurally, the sculpture appears in good condition. The dark line along the back of the proper right arm that was mentioned in 1994, was repaired in 1997-1998 treatment, and it appears to still be holding strong.

In the 2016 cleaning report, it was noted that the eagle was corroded on top and bottom; unfortunately this could not be seen during this examination.

Spots of crusts forming in crevices is evident. There are more significant areas of oxidation forming in bright green spots, including a yellow-green, likely from bird droppings.

Sailor (west)

Structurally the sailor appears in good condition. It was noted in the 1997-1998 treatment that the sailor's cutlass (sword) was replaced. This was not present in the 2016 report it was noted that a replacement is in the museum's storage until a conservator is hired to reattach it.

As mentioned in the general conditions, the sailor's neckerchief has spots of bubbling in the wax layer. The hat also has extensive green corrosion formation.

Artilleryman (south)

It was noted in the 2016 cleaning that there is a large spot of corrosion where the water drips on the statue from the granite above. This area may require patina correction, as it has become green/blue.

Infantryman (east)

The back of the infantryman's hat appears heavily oxidized, and this may be an area that requires some patina correction. There is also extensive wax build up as well in crevices, which has also been previously noted.

Cavalryman (north)

Conditions consistent with the above and previous reports, including the missing nut on the back of the base.

Treatment Questions

1. How much would the city like us to address oxidation (blue-green spotting)? Would a wax removal and replacement with a tinted wax be sufficient, or just a spot treatment of more substantial oxidized areas, or full re-patination? Full repatination would be a much more substantial operation, including scaffolding or the deinstallation of the figures. A lacquer layer would also protect them further. The conservators would suggest the spot treatment, with a tinted wax at this time, as they have not completely oxidized and from the ground the oxidation is hard to see, but this may be a consideration for the future.

Treatment Proposal

Setup needs: 1 x 80' lift and 1 x 40-60' lift or scaffolding

1. Document before, during, and after treatment in written and photographic methods
2. Wash with a power washer, followed by water washing with 1% Orvus (detergent) and synthetic bristle brushes to remove dirt, dust, grime, accretions, followed by thorough water washing.
3. Come prepared to perform minor structural repair and patching, as well as toning of previous fills if they have degraded.
4. Remove wax completely on the entire sculptures with appropriate solvents.
5. Wash sculptures with distilled water to ensure any previous soaps applied to the sculptures is removed or deactivated.
6. Excavate areas of bronze disease (light powdery green corrosion). This was not seen in the examination but it will likely be present in small areas, especially on the *Liberty* sculpture.
7. Perform minor patina correction with potassium sulfide for more unsightly and more heavily oxidizing areas.
 - i. Area will be rinsed with distilled water, surface heated with a blow-torch, potassium sulfide applied. Testing will be performed to determine the timeline upon which the potassium sulfide should be rinsed with distilled water.
8. Treat the sculpture overall with benzotriazole (BTA) a corrosion inhibitor for bronze 3% in ethanol.
9. Hot-wax sculptures with Butcher's Bowling Alley Wax.

2.

Abraham Lincoln

Charles Henry Neihaus 1899 Bronze / Granite
Dimensions: Estimated 5' (H) x 4' (W) with 7' tall base

Condition

Object is in good condition overall.

On the surface there is red paint on the top of the base near the feet in small areas.

There is significantly more oxidation over several surfaces and areas than the other sculptures in Hackley Park. This sculpture may be interacted with more often with the public, as it is much more climbable.

The oxidation is along both of his legs, cloak, upper folds of his clothing and hair, the top surface of the base.

The wax layer appears to be becoming cloudy overall by most significantly along the back of the chair.

Review of the 2016 report does not indicate any major changes.

Stone

There appears to be the same yellowing of the stone as the Civil War Memorial, including some areas of spalling on the base.



Treatment Proposal

Setup needs: 1 x 40-60' lift, ladders

1. Document before, during, and after treatment in written and photographic methods

2. Wash with a power washer, followed by water washing with 1% Orvus (detergent) and synthetic bristle brushes to remove dirt, dust, grime, accretions, followed by thorough water washing.
3. Remove red paint with appropriate solvents.
4. Come prepared to perform minor structural repair and patching as needed.
5. Remove wax completely on the entire sculpture with appropriate solvents.
6. Excavate areas of bronze disease (light powdery green corrosion). This was not seen in the examination but it will likely be present in small areas.
7. Perform patina correction with potassium sulfide for more unsightly and more heavily oxidizing areas including on Lincoln's cloak and legs, top surface of the base.
 - i. Area will be rinsed with distilled water, surface heated with a blow-torch, potassium sulfide applied. Testing will be performed to determine the timeline upon which the potassium sulfide should be rinsed with distilled water.
8. Treat the sculpture overall with benzotriazole (BTA) a corrosion inhibitor for bronze 3% in ethanol.
9. Hot-wax sculpture with tinted Butcher's Bowling Alley Wax.

3.

Ulysses S. Grant

J. Massey Rhind 1899 Bronze/Granite
 Dimensions: Estimated 7' (H) with 7' tall base

Condition

Good condition. More areas of oxidation including on the strap, along the perimeter of the base. None disfiguring. Pooling on top of the base in oxidized iron, so there is likely an area of steel exposed that is causing this pooling; this was noted to have been growing in the 2016 notes. Same issues with the base.

It was noted in the 2016 notes that the sword tip and ring from the sword strap were missing, and these on file in the Museum until a conservator can reattach them. No other new condition notes visible.

Stone

The same issues as noted for the other stone however this stone appears more significant drip-like yellow discoloration, as well as from the ferrous oxidation, and a blue/green along the top edge of the stone. Additionally, noted in 2016 was a white crystalline material along the edge. This should be tested for salts or lead.

Treatment Proposal

Setup needs: 1 x 40-60' lift, ladders

1. Document before, during, and after treatment in written and photographic methods
2. Test white crystalline material for lead or salts.
3. Wash with a power washer, followed by water washing with 1% Orvus (detergent) and synthetic bristle brushes to remove dirt, dust, grime, accretions, followed by thorough water washing.
4. Come prepared to perform minor structural repair and patching as needed if the city would like the missing elements reattached.
5. Remove wax completely on the entire sculpture with appropriate solvents.
6. Excavate areas of bronze disease (light powdery green corrosion). This was not seen in the examination but it will likely be present in small areas.
7. Excavate area of ferrous corrosion and treat with tannic acid.
8. Perform patina correction with potassium sulfide for more unsightly and more heavily oxidizing areas if necessary.



- i. Area will be rinsed with distilled water, surface heated with a blow-torch, potassium sulfide applied. Testing will be performed to determine the timeline upon which the potassium sulfide should be rinsed with distilled water.
9. Treat the sculpture overall with benzotriazole (BTA) a corrosion inhibitor for bronze 3% in ethanol.
10. Hot-wax sculpture with Butcher's Bowling Alley Wax.

4.

William Tecumseh Sherman

J. Massey Rhind 1899 Bronze/Granite
 Dimensions: Estimated 7' (H) with 7' tall base

Condition

This sculpture in in good condition. The wax is ageing around the base, but this layer seems in otherwise good condition. There is more insect activity with this sculpture, including spider webs, growth and white spots. Highpoints exhibit some oxidation but not as significantly as other sculptures in this group. Corrosion particularly significant along the bottom edges where the sculpture meets the base.

Stone

The same issues as noted for the other stone however this stone has substantially more biological growth on it compared to the others. May suggest washing with D2 to kill the biological growth. The yellowing is more drip-like, as well as from the ferrous oxidation, and a blue/green along the top edge of the stone.

Treatment Proposal

Setup needs: 1 x 40-60' lift, ladders

1. Document before, during, and after treatment in written and photographic methods
2. Wash with a power washer, followed by water washing with 1% Orvus (detergent) and synthetic bristle brushes to remove dirt, dust, grime, accretions, followed by thorough water washing.
 - a. This treatment would also include the base, followed by the use of D2 biological solution to try to reduce the biological growth on the base.
3. Come prepared to perform minor structural repair and patching as needed.
4. Remove wax completely on the entire sculpture with appropriate solvents.
5. Excavate areas of bronze disease (light powdery green corrosion). This was not seen in the examination but it will likely be present in small areas.
6. Excavate area of ferrous corrosion and treat with tannic acid.
7. Perform patina correction with potassium sulfide for more unsightly and more heavily oxidizing areas if necessary. This is not likely as no areas were particularly distracting, but it will be prepared for.
 - a. Area will be rinsed with distilled water, surface heated with a blow-torch, potassium sulfide applied. Testing will be performed to determine the timeline upon which the potassium sulfide should be rinsed with distilled water.
8. Treat the sculpture overall with benzotriazole (BTA) a corrosion inhibitor for bronze 3% in ethanol.
9. Hot-wax sculpture with Butcher's Bowling Alley Wax.



5.

William McKinley

Charles Henry Niehaus/Joseph Carabelli

1899

Bronze/Granite

Condition

Structurally stable.

Small areas of oxidation beginning in crevices, as well as significant biological growth particularly along the interior of the jacket.

The sculpture overall exhibiting significant deterioration in a previously applied wax layer, as it appears to be blooming throughout, particularly the jacket.

White oxidation running down the side of the jacket along the arm. Proper left shoulder may have an additional darkening phenomenon occurring, potentially a biological growth or a past treatment.

Stone

The stone base is in good condition and had just been power washed when the conservator arrived.

This sculpture was not maintained by the city or museum in previous years.

Treatment Proposal

Setup needs: ladders, rolling scaffold – this sculpture is located on top of a stone monumental base platform with a flower bed immediately behind the platform, so a lift would likely not be desired. Conservators will attempt the work with a rolling scaffold with outriggers and ladders from the front

1. Document before, during, and after treatment in written and photographic methods
2. Wash with a power washer, followed by water washing with 1% Orvus (detergent) and synthetic bristle brushes to remove dirt, dust, grime, accretions, followed by thorough water washing.
3. Come prepared to perform minor structural repair and patching as needed if the city would like the missing elements reattached.
4. Remove wax completely on the entire sculpture with appropriate solvents.
5. Excavate areas of bronze disease (light powdery green corrosion). This was not seen in the examination but it will likely be present in small areas.
6. Perform patina correction with potassium sulfide for more unsightly and more heavily oxidizing areas if necessary. This was not visible but conservators will be prepared if needed.
 - i. Area will be rinsed with distilled water, surface heated with a blow-torch, potassium sulfide applied. Testing will be performed to determine the timeline upon which the potassium sulfide should be rinsed with distilled water.
7. Treat the sculpture overall with benzotriazole (BTA) a corrosion inhibitor for bronze 3% in ethanol.
8. Hot-wax sculpture with Butcher's Bowling Alley Wax.



6.

General Philip Kearny

Henry Kirke Brown 1901 Bronze/Granite
Located in Pocket park
Dimensions: Estimated 7' (H) on 7' tall stone base

Condition

Object viewed in the rain.

Object is in generally good condition. Oxidation was more significant along edges and highpoints, as well as corrosion along the base of the bronze around the pedestal.

As noted in the 2016 notes, there is a missing sword strap.

This wax appears in better condition, and may not require the wax to be completely removed, but it may required when able to be viewed up close in drier conditions.

Treatment Proposal

Setup needs: ladders, rolling scaffold with outriggers

1. Document before, during, and after treatment in written and photographic methods
2. Wash with a power washer, followed by water washing with 1% Orvus (detergent) and synthetic bristle brushes to remove dirt, dust, grime, accretions, followed by thorough water washing.
3. Come prepared to perform minor structural repair and patching as needed if the city would like the missing elements reattached if they have the strap.
4. Remove wax completely on the entire sculpture with appropriate solvents.
5. Excavate areas of bronze disease (light powdery green corrosion). This was not seen in the examination but it will likely be present in small areas.
6. Treat the sculpture overall with benzotriazole (BTA) a corrosion inhibitor for bronze 3% in ethanol.
7. Hot-wax sculpture with Butcher's Bowling Alley Wax.



7.

Admiral Farragut

Charles Henry Niehaus 1899 Bronze/Granite
Dimensions: Estimated 7' (H) on 7' tall base

Condition

Good condition overall. Areas of oxidation appearing on the proper left leg, as well as other high points like the cloak's edge and top of binoculars.

The strap on the back appears to be hanging inappropriately and has damaged part of the cloak. This should be checked against historic images to see if this is to be reassembled in a different way. Part of that strap is scratched as well and has a green oxidation forming.

Bright green, likely bronze disease (bright green corrosion) forming under the back of the hair.

Conservator does not see a rusty area on the back as noted in 2016 but it could be the lighting and should be examined further once a lift is procured.

Stone

Same yellow discoloration phenomenon on the base as the other monuments.

Treatment Proposal

Setup needs: 1 x 40-60' lift, ladders



1. Document before, during, and after treatment in written and photographic methods
2. Wash with a power washer, followed by water washing with 1% Orvus (detergent) and synthetic bristle brushes to remove dirt, dust, grime, accretions, followed by thorough water washing.
3. Come prepared to perform minor structural repair and patching as needed if the city would like the missing elements reattached if they have the strap.
4. Remove wax completely on the entire sculpture with appropriate solvents.
5. Excavate areas of bronze disease (light powdery green corrosion). This was not seen in the examination but it will likely be present in small areas.
6. Treat the sculpture overall with benzotriazole (BTA) a corrosion inhibitor for bronze 3% in ethanol.
7. Come prepared to do additional patina work but likely not necessary.
8. Hot-wax sculpture with Butcher's Bowling Alley Wax.

Images

Images are available for download from the following Google Drive link. The link will expire in 2 months from the date of this report.

<https://drive.google.com/drive/folders/1jya7eFaEv273u8hb3ZjC1GeOWXsW-hdT?usp=sharing>

Estimate

City to provide quick coupler and water hookup for Hackley Park.

Equipment & Rental Requirements

Object #	Object Name	Treatment Proposed	Major Equipment Needed	Rental Costs
1	Civil War Monument	Wax removal, minor corrosion treatment and patina correction, hot wax	Scaffolding or 80' lift rental	Provided by city
2	Abraham Lincoln		20' Lift Rental	Provided by city
3	Ulysses S. Grant			
4	William Tecumseh Sherman			
7	Admiral Farragut		Ladders/rolling scaffolding	
5	William McKinley			Provided by city
6	General Philip Kearny			
			Total	\$0

Project Costs

Trip 1 – Treatment: 4 perimeter Hackley park sculptures
 Equipment: City will provide 2 x 34' lifts, ladders, water hookup

Daily Rate	\$920/per	4 people	5 days	18,400
Transportation, 2-3 vehicles	408 miles	\$0.58/mile	2 cars	480
Administration/reports/documentation				900
Per Diem	\$60	4 people	5 days	1200
Hotel	\$250	4 nights	4 rooms	4000
			Total 1/3	\$21,680

Trip 2 – Treatment: Civil War monument with other crew
 Equipment: City will provide bring baker scaffolding with outriggers and 1 x 34' lift (or 2 lifts), ladders, water hookup

Daily Rate	\$920/per	3 people	5 days	13,800
Transportation, 2-3 vehicles	408 miles	\$0.58/mile	2 cars	480
Administration/reports/documentation				900
Per Diem	\$60	4 people	5 days	900
Hotel	\$250	4 nights	3 rooms	3000
			Total 2/3	19,080

Trip 3— Treatment: Civil war monument
 Equipment: City will provide 1 x 80' lift and 1 x 34' lift, or full monument scaffolding, water hookup

Daily Rate	\$920/per	4 people	5 days	18,400
Transportation, 2-3 vehicles	408 miles	\$0.58/mile	2 cars	480
Administration/reports/documentation				900
Per Diem	\$60	4 people	5 days	1200
Hotel	\$250	4 nights	4 rooms	4000
			Total 3/3	\$21,680

TOTAL: Hackley Park Sculptures: \$62,440

Trip 4— Treatment: McKinley and Kearny
 Equipment: City will provide 1 x 80' lift and 1 x 34' lift, or full monument scaffolding, water hookup

Daily Rate	\$920/per	3 people	5 days	13,800
Transportation, 2-3 vehicles	408 miles	\$0.58/mile	2 cars	480
Administration/reports/documentation				900
Per Diem	\$60	3 people	5 days	900
Hotel	\$250	4 nights	3 rooms	3000
			Total 3/3	\$19,080

City of Muskegon

COMMITMENT OF MATCHING FUNDS for

Muskegon Historic District Monument Conservation

WHEREAS, Muskegon City Commission commits the necessary matching funding for an application titled, “Muskegon Historic District Monument Conservation” to the Michigan State Historic Preservation Office within the 2023 Certified Local Government (CLG) Grant Program for completion of conservation work on the monuments within Hackley Park; and,

WHEREAS, the City of Muskegon desires to ensure continued care for the monuments within the site; and,

WHEREAS, the proposed application is supported by the Historic District Commission; and,

WHEREAS, funding is available from the State Historic Preservation Office to support conservation projects of this nature, and

WHEREAS, the City of Muskegon is hereby making a financial commitment to the project in the amount of \$15,000 matching funds in cash from the Cities General Fund should the project be selected for grant award; and

NOW, THEREFORE LET IT BE RESOLVED, that Muskegon City Commissioners hereby authorizes and supports submission of a 2023 CLG Grant for \$62,440 for completion of Muskegon Historic District Monument Conservation, and further resolves to make available its financial obligation amount of \$15,000 for a total project cost of \$77,440 during the Cities 2023-2024 fiscal year.

Yeas:

Nays:

Absent:

I certify that the above Resolution was adopted by the City Commission of the City of Muskegon on January 10th, 2023.

BY: Ann Meisch, City Clerk

Signature

Date

City of Muskegon

RESOLUTION OF SUPPORT for

Muskegon Historic District Monument Conservation

WHEREAS, THE City Of Muskegon will file an application to the Michigan State historic Preservation Office (SHPO) for the Certified Local Government Grant program in the amount of \$62,440 for the Muskegon Historic District Monument Conservation, and;

WHEREAS, the City of Muskegon acknowledges that the Certified Local Government Grant Program is an expense reimbursement program. The City of Muskegon authorizes expenditures in the amount of \$77,440 for the project work, with funds drawn from the City General Fund, and;

WHEREAS, the City of Muskegon acknowledges that reimbursement will be made upon completion of final project work, SHPO acceptance of the final completion report, SHPO audit and acceptance of financial documents for eligible costs and SHPO acceptance of a historic preservation easement recorded at the Register of Deeds, and;

WHEREAS, upon approval of the application by the SHPO the DPW Director shall be authorized to sign the grant agreement, any necessary grant agreement amendments, and other agreement-related documents, and;

WHEREAS, the DPW Director is appointed as the Grant Project Manager who will oversee the day-to-day grant management and grant administration duties, including vendor selection and coordinating the payment of vendor invoices;

WHEREAS, upon completion of the project, the DPW Director shall be required to and is authorized to sign the required historic preservation easement and record it at the County Register of Deeds before the grant reimbursement will be processed by the SHPO;

NOW, THEREFORE LET IT BE RESOLVED, that City of Muskegon directs the DPW Director to file an application for a grant from the SHPO Certified Local Government Program for \$62,440; and

FURTHER, LET IT BE RESOLVED, that the DPW Director be authorized to sign the grant application and any additional grant documentation, and to take any additional administrative actions necessary to implement this resolution.

Yeas:

Nays:

Absent:

I certify that the above Resolution was adopted by the City Commission of the City of Muskegon on January 10th, 2023.

BY: Ann Meisch, City Clerk

Signature

Date

WATCH MUSKEGON

Agenda Item Review Form

Muskegon City Commission

Commission Meeting Date: January 10 th , 2023	Title: Treasury Office Fire Doors	
Submitted By: Dan VanderHeide	Department: Public Works	
Brief Summary: Staff is seeking Commission approval to award replacement of the fire doors at the Treasury Desk.		
Detailed Summary & Background: The existing fire safety doors at the Treasury Department that automatically deploy in the event of a fire alarm are currently non-functional and in need of replacement. These doors are a building code requirement for compliance and need to be replaced. Staff solicited bids for the project and bids were received as follows and attached: • Overhead Door - \$45,626.00 • Firefighter Sales and Service - \$60,000.00 • Garage Door Specialist – Did Not Bid • Quality Door – Did Not Bid Staff estimates the need to expend an additional \$8,000 to complete the miscellaneous items that are not included in the original bid. These items will be procured at the staff level in accordance with the applicable provisions of the City Purchasing Policy. This item was anticipated in the 22/23 budget cycle and funds will be drawn from the original budget line item 101-801-901-092109		
Goal/Focus Area/Action Item Addressed: N/A		
Amount Requested: \$45,626.00	Amount Budgeted: \$60,000.00	
Fund(s) or Account(s): 101-801-901-092109	Fund(s) or Account(s): 101-801-901-092109	
Recommended Motion: Approve the low bid from Overhead Door in the amount of \$45,626.00 for the replacement of the Treasury Department Fire Doors.		
Approvals: Immediate Division Head ☒ Other Division Heads ☒	Legal Review ☐ Information Technology ☐ Communication ☒	Guest(s) Invited / Presenting Yes ☐ No ☒
For City Clerk Use Only: Commission Action:		

The Genuine. The Original.



Overhead Door Company of Grand Rapids™

5761 N. Hawkeye Ct. SW
Grand Rapids, MI 49509
(616) 261-0300

www.overhaddoorgr.com

PROPOSAL

Date: November 15, 2022

To:

City of Muskegon
933 Terrace St
Muskegon, MI 49440

Page 1 of 2

Servicing West Michigan for 72 Years

PROJECT:

PH. #: 566-3577

FAX #:

ATTN:

Tim Harvey

We hereby submit specifications and estimates for:

LOCATION A: Standard Counter

LOCATION B: ADA Counter

A. (3) 8'10"x3'8"x8" Overhead Door Series 640 Fire Counter Shutter "A" Label 3-Hour Rated

B. (1) 8'10"x4'3"x8" Overhead Door Series 640 Fire Counter Shutter "A" Label 3-Hour Rated

With: Mounted Between Jambs on Steel Jambs

Rolled Formed Guides

Vinyl Guide Seal on (1) Side

Single Angle Bottom Bar with (2) Slide Locks

22 Ga. F-158 Small Flat Slats

Prime Painted Gray

Flame Baffle (Fire Marshal Approved)

24 Ga. Prime Painted Steel Hood

Facia/Back Hood

(2) Slide Locks (For Both Jambs)

Thru Wall Fusible Linkage, Thermally Controlled 165 Links

Fire Sentinel FSCX24V Fire Release Device

Remove and Hauling of Existing 17' x 17' Doors*

New Openings

Opening Preps by Others (Not Included)**

Electric Operation

**ALL OPENING PREPARATIONS (JAMBS, JAMB
EXTENSIONS, SPRING PLATES AND OPERATOR
PLATES) BY OTHER THAN DOOR COMPANY!**

**ALL ELECTRICAL WIRING, RUNNING OF CONDUIT, AND
CONNECTIONS BY OTHER THAN DOOR COMPANY!**

(4) Electric Operators Model CDX (115v/60/1 1/2 HP) As Manufactured by Overhead Door Co

With: Front of Hood Mounted

(1) 3-Button Station (Open/Stop/Close)

Electric Safety Edge (Miller Edge)

Continued...

WE PROPOSE hereby to furnish the above items – complete in accordance with the specifications, for the sum of:

dollars (\$ _____).

Terms:

To be paid within terms stated or 1-1/2 percent per month (18% annum) will be charged.

Authorized
Signature

Jake Potter

NOTE: This proposal may be withdrawn
by us if not accepted within 30 days.

Openings are to be prepared by others in accordance with our specifications. The above price does not include running of conduit or any electrical wiring. Installation is not guaranteed unless door is erected on finished floor. All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written order, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, tornado, and other necessary insurance. Our workers are fully covered by Workman's Compensation Insurance.

ACCEPTANCE OF PROPOSAL – The prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Signature _____ Title _____ Date _____

The Genuine. The Original.



Overhead Door Company of Grand Rapids™

5761 N. Hawkeye Ct. SW
Grand Rapids, MI 49509
(616) 261-0300

www.overheaddoorgr.com

PROPOSAL

Date: November 15, 2022

To: City of Muskegon
933 Terrace St
Muskegon, MI 49440

Page 2 of 2
Servicing West Michigan for 72 Years

PROJECT:

PH. #: 566-3577

FAX #:

ATTN:

Tim Harvey

We hereby submit specifications and estimates for:

Emergency Disconnect

Installed

\$45,626.00

*NOTE: Removal of Existing Overhead Doors Require Demolition of Bulkhead
Overhead Door Co to Remove Doors After They are Exposed by the Customer

**NOTE: Opening Preps are Required by the City of Muskegon
City of Muskegon to Consult Overhead Door Co for Backing & Jamb Requirements

**ALL OPENING PREPARATIONS (JAMBS, JAMB
EXTENSIONS, SPRING PLATES AND OPERATOR
PLATES) BY OTHER THAN DOOR COMPANY!**

**ALL ELECTRICAL WIRING, RUNNING OF CONDUIT, AND
CONNECTIONS BY OTHER THAN DOOR COMPANY!**

WE PROPOSE hereby to furnish the above items – complete in accordance with the specifications, for the sum of:

dollars (\$ _____).

Terms:

To be paid within terms stated or 1-1/2 percent per month (18% annum) will be charged.

Authorized
Signature

Jake Potter

NOTE: This proposal may be withdrawn
by us if not accepted within 30 days.

Openings are to be prepared by others in accordance with our specifications. The above price does not include running of conduit or any electrical wiring. Installation is not guaranteed unless door is erected on finished floor. All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written order, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, tornado, and other necessary insurance. Our workers are fully covered by Workman's Compensation Insurance.

ACCEPTANCE OF PROPOSAL – The prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Signature _____ Title _____ Date _____

**FIRE-FIGHTER SALES & SERVICE, INC.**

3015 Madison Avenue, SE
Grand Rapids, MI 49548
Phone: 616-452-2184 Fax: 616-452-8886
Email: ffsales@firefightersales.com
Web: www.firefightersales.com

April 7, 2022

Muskegon City Hall
933 Terrace ST
Muskegon , Mi 49440

Re: Fire Door

Hi Terry,

Fire Fighter Sales and Service is pleased to provide you with a proposal:

(2) Amarr Cookson 17'0" x 17'0" Model ERD10 Rolling Fire Doors,
AlarmGard Motors, (1) door is left hand drive, (1) door is right hand
drive, hook to existing fire system, grey, mounted to steel, take out and
haul away existing doors, install new doors and openers. Bulkheads and
all building materials surrounding and enclosing door have to be
removed by others before door install.

*****All high and low voltage wiring by others, not included*****

*****Submittals and shop drawings available on request*****

Our Price as Described: \$60,000.00 (Sixty Thousand Dollars)

We appreciate you looking to Fire Fighter Sales and Service for all your fire protection needs. Please feel free to
contact me anytime with any questions or concerns at BryanH@firefightersales.com or 616-452-2184

Thanks,

Bryan Hatchew

Fire Fighter Sales & Service

Website [Fire Fighter Sales and Service](http://www.firefightersales.com)

Acceptance of Proposal

All outstanding invoices are subject to a 1.5% monthly finance charge on any balance past due over thirty (30) days. Until all amounts due under this proposal agreement or any amendments thereof have been paid. Fire Fighter Sales and Service, Inc. shall retain its security interest in all equipment parts, smallwares, accessories, attachments, additions, and all replacements of them installed, affixed to or used in connection herewith, and, if the buyer sells or otherwise disposes of such collateral in violation of the terms of this agreement, in proceeds of such sale or disposition. If buyer fails to pay, when due, any amount due to the seller, the seller may enter any premises and without breach of the peace take possession of any or all of the collateral hereunder and exercise the rights on default of a secured party under the uniform commercial code. Except as otherwise provided herein, this proposal does not include any charge for electrical wiring or plumbing and is subject to acceptance by buyer and seller within thirty (30) days from the date hereof and only in accordance with the terms stated.

I agree to the scope of work, price, terms and exclusions hereof and agree to purchase described goods and services as proposed hereby.

Customer Authorized Agent Signature

Date



FIRE-FIGHTER SALES & SERVICE, INC.

3015 Madison Avenue, SE

Grand Rapids, MI 49548

Phone: 616-452-2184 Fax: 616-452-8886

Email: ffsales@firefightersales.com

Web: www.firefightersales.com

WATCH MUSKEGON

Agenda Item Review Form

Muskegon City Commission

Commission Meeting Date: January 10 th , 2023		Title: Dollar General Utility Easement	
Submitted By: Dan VanderHeide		Department: Public Works	
Brief Summary: Staff is seeking Commission approval for a utility easement within 381 E. Laketon Avenue, where a soon-to-be rebuilt Dollar General store is making site changes.			
Detailed Summary & Background: Staff requested and the developer provided a utility easement document for rights across the rear parking lot of 381 Laketon Avenue, which is being rebuilt as a Dollar General store. The easement documents and related sketches are included in the packet. The easement will formalize property and maintenance rights for a long-standing sanitary sewer and storm sewer corridor (in a former alley).			
Goal/Focus Area/Action Item Addressed: Sustainability in financial practices and infrastructure			
Amount Requested: N/A		Amount Budgeted: N/A	
Fund(s) or Account(s): N/A		Fund(s) or Account(s): N/A	
Recommended Motion: Approve the public utility easement agreement at 381 E. Laketon Avenue and authorize the Clerk to sign on the City's behalf.			
Approvals: Immediate Division Head ☒ Other Division Heads ☐		Legal Review ☒ Information Technology ☐ Communication ☐	
		Guest(s) Invited / Presenting Yes ☐ No ☒	
For City Clerk Use Only: Commission Action:			

PUBLIC UTILITY EASEMENT

THIS PUBLIC UTILITY EASEMENT ("Agreement") dated _____, 2022 between MIDWEST V, LLC, a Michigan limited liability company, whose address is 1435 Fulton Street, 2nd Floor, Grand Haven, Michigan 49417 ("Grantor") and the City of Muskegon, a Michigan municipal corporation, whose address is 933 Terrace St., Muskegon, Michigan 49440-1397 ("City").

Recitals:

- A. Grantor owns a certain parcel of real estate that is located in the City of Muskegon, County of Muskegon, State of Michigan, which is more specifically described on the attached Exhibit A ("Property").
- B. The City desires to obtain an easement under, across and through a portion of the Property.
- C. Grantor agrees to grant to the City a utility easement under, across and through a portion of the Property for the purposes as set forth in this Agreement.

THEREFORE, in consideration of the mutual covenants, conditions and agreements set forth below, the parties hereto agree as follows:

- 1. Grant of Easement. In consideration of less than One Hundred Dollars (\$100.00) plus other valuable consideration, Grantor grants and conveys to the City a permanent, non-exclusive easement and right-of-way under, across and through that portion of the Property as described in Exhibit B ("Easement Area").
- 2. Purpose of the Easement. The City shall use the Easement Area for the purpose of constructing, operating, maintaining, repairing, improving or replacing the pipelines, connections, leads and all other components of the City's sanitary sewer and storm sewer systems placed within the Easement Area ("Utility Activities").
- 3. Access to the Easement Area. The City shall have the right of ingress and egress to the Easement Area from the public right-of-way, and, if necessary, through areas of the Property that are immediately adjacent to the Easement Area, in order to carry out the Utility Activities, subject to the following conditions:

- a) Perform the Utility Activities without cost to Grantor and in such a manner as not to unreasonably interfere with Grantor's use of or the business operations conducted on the Property.
 - b) Restore the Easement Area (and any other portions of the Property that are disturbed or damaged by the City) without cost to Grantor after completion of the Utility Activities to the same condition as existed before any such Utility Activity was performed. If necessary, such restoration shall include re-grading and reseeding any lawn areas disturbed or damaged by the City's activities.
 - c) Exercise reasonable care to protect any fixed structures, landscaping and other improvements on the Property during the performance of Utility Activities.
 - d) Grantor agrees not to construct any buildings or permanent structures on or within the Easement Area, unless prior written approval is given by the City for a particular building or structure.
4. Authority of Representatives. The parties represent and warrant to the other that this Agreement and its execution by the individual(s) on its behalf are authorized by members or governing body of that party.
5. Binding Effect. This Agreement shall bind the parties, and their successors and assigns. The parties do not intend to confer any benefits on any person, firm, corporation, or other entity which is not party to this Agreement.
6. Amendment. This Agreement shall not be amended or modified except in writing signed by both parties.
7. Governing Law. This Agreement is governed under applicable Michigan law. Both parties had the assistance of legal counsel in the negotiation and preparation of this Agreement. Therefore, no construction or ambiguity of this Agreement is resolved against either party.
8. Exemption from Transfer Tax. This Agreement is exempt from transfer tax pursuant to MCL 207.505(a) and MCL 207.526(a).

[Remainder of Page Left Intentionally Blank. Signature Page Follows.]

MIDWEST V, LLC,
a Michigan limited liability company

By: _____
Name: _____
Its: _____

STATE OF MICHIGAN)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me on _____,
2022, by _____, the _____ of Midwest V, LLC, a Michigan
limited liability company, on behalf of said limited liability company.

Print Name: _____
Notary Public _____ County, MI
My commission expires: _____
Acting in _____ County

CITY OF MUSKEGON,
a Michigan municipal corporation

By: _____
Name: _____
Its: _____

STATE OF MICHIGAN)
) ss.
COUNTY OF MUSKEGON)

The foregoing instrument was acknowledged before me on _____,
2022, by _____, the _____ of the City of Muskegon, a
Michigan municipal corporation, on behalf of said municipal corporation.

Print Name: _____
Notary Public _____ County, MI
My commission expires: _____
Acting in Muskegon County

Prepared By & After Recording Return To:
Midwest V, LLC
Scott M. Knowlton, Esq.
1435 Fulton St., 2nd Floor
Grand Haven, MI 49417

EXHIBIT A

Property

Parcel 1:

The East 15 feet of Lot 9 and entire Lots 10, 11, 12, 13 and 14 of VanDams Subdivision, of North 144 feet of Lot 1 of Block 1 of R. P. Easton's Second Subdivision of part of Section 32, Town 10 North, Range 16 West, City of Muskegon, Muskegon County, Michigan, as recorded in Liber 6 of Plats, Page 16, Muskegon County Records.

Together with the vacated East and West alley running from Smith to Woods Streets, lying South of the South line of said lots and adjacent thereto.

Parcel 2:

Lots 11 and 12 of Block 1 of Subdivision of part of Lot 1, Block 1 of R. P. Easton's Second Subdivision of part of Section 32, Town 10 North, Range 16 West, City of Muskegon, Muskegon County, Michigan, except the North 20 feet of the South 25 feet of said Lots 11 and 12; also the vacated North and South alley lying between said Lots 11 and 12 of Block 1 of Subdivision of part of Lot 1, Block 1 of said R. P. Easton's Second Subdivision, except the South 25 feet thereof.

Parcel 3:

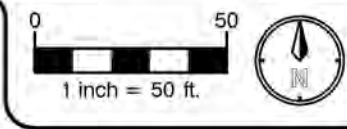
The North 20 feet of the South 25 feet of Lots 11 and 12 of Block 1 of Subdivision of part of Lot 1 of Block 1 of R. P. Easton's Second Subdivision and the South 25 feet of the vacated North and South alley lying between the North and South lines of said Lots 11 and 12, being the lands conveyed to the City of Muskegon by Deeds recorded in Liber 654, Page 563, and Liber 658, Page 168, in the Office of the Register of Deeds for said County of Muskegon.

The property address and tax parcel number listed below are provided solely for informational purposes, without warranty as to accuracy or completeness. If the information listed below is inconsistent in any way with the legal description listed above, the legal description listed above shall control.

Property Addresses: 381 E. Laketon Avenue, Muskegon, MI 49442
 1827 Wood Street, Muskegon, MI 49442

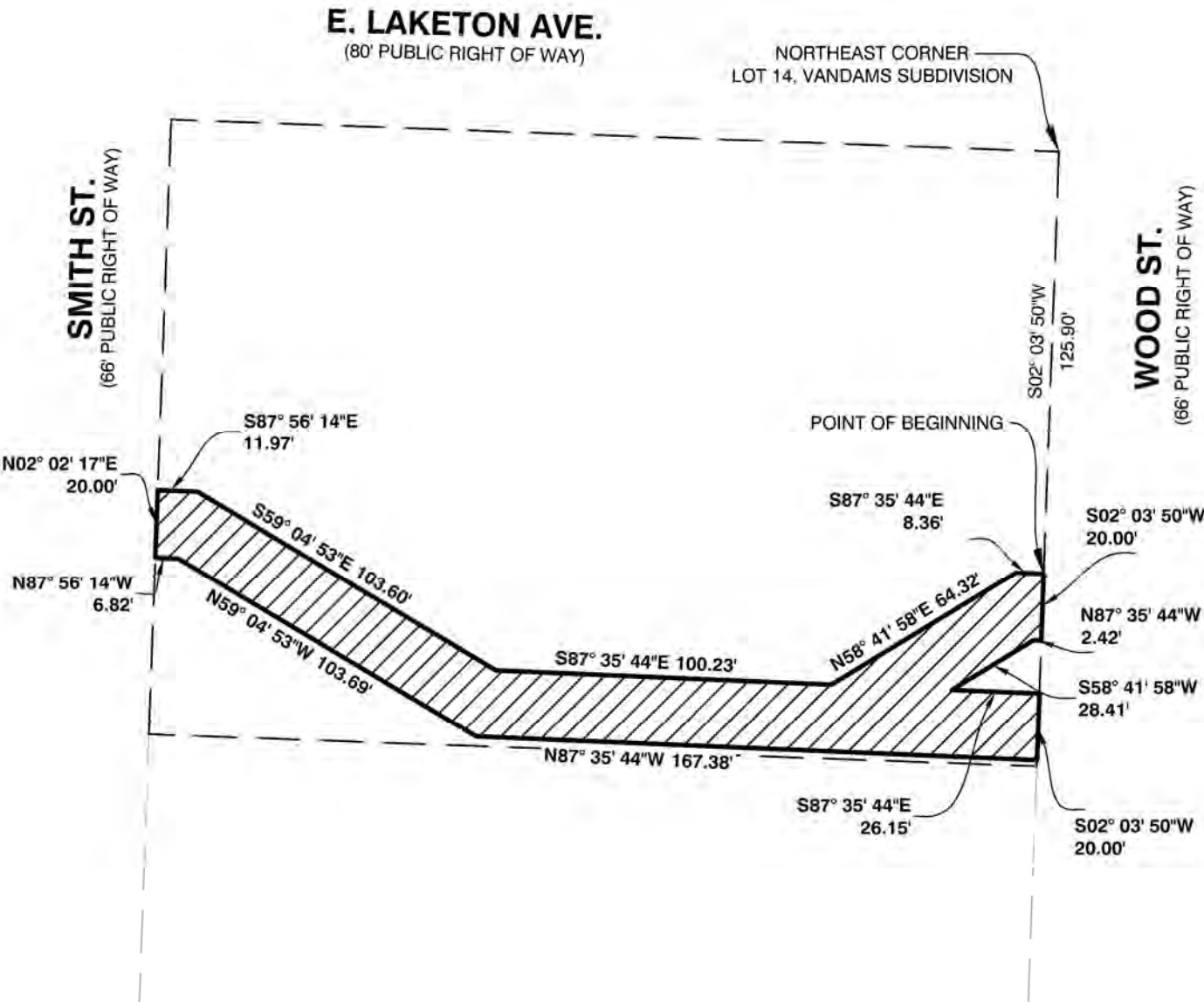
Tax Parcel Nos.: 61-24-810-000-0010-00
 61-24-762-001-0011-00

EXHIBIT "B"



PART OF THE NORTHWEST 1/4, SECTION 32, TOWN 10 NORTH, RANGE 16 WEST, CITY OF MUSKEGON, MUSKEGON COUNTY, MICHIGAN, BEING MORE PARTICULARLY DESCRIBED AS:

COMMENCING AT THE NORTHEAST CORNER OF LOT 14 OF VANDAMS SUBDIVISION OF THE NORTH 144 FEET OF LOT 1, BLOCK 1 OF R.P. EASTON'S SUBDIVISION OF SECTION 32, TOWN 10 NORTH, RANGE 16 WEST, CITY OF MUSKEGON, MUSKEGON COUNTY, MICHIGAN, AS RECORDED IN LIBER 6 OF PLATS, PAGE 16, MUSKEGON COUNTY RECORDS; THENCE ALONG THE EAST LINE OF SAID VANDAMS SUBDIVISION, SOUTH 02°03'50" WEST 125.90 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING ALONG SAID EAST LINE AND THE SOUTHERLY EXTENSION THEREOF, SOUTH 02°03'50" WEST 20.00 FEET; THENCE NORTH 87°35'44" WEST 2.42 FEET; THENCE SOUTH 58°41'58" WEST 28.41 FEET; THENCE SOUTH 87°35'44" EAST 26.15 FEET TO THE SOUTHERLY EXTENSION OF SAID EAST LINE; THENCE ALONG SAID SOUTHERLY EXTENSION, SOUTH 02°03'50" WEST 20.00 FEET; THENCE NORTH 87°35'44" WEST 167.38 FEET; THENCE NORTH 59°04'53" WEST 103.69 FEET; THENCE NORTH 87°56'14" WEST 6.82 FEET TO THE WESTERLY LINE OF THE EAST 15 FEET OF LOT 9 OF SAID VANDAMS SUBDIVISION; THENCE ALONG SAID WESTERLY LINE, NORTH 02°02'17" EAST 20.00 FEET; THENCE SOUTH 87°56'14" EAST 11.97 FEET; THENCE SOUTH 59°04'53" EAST 103.60 FEET; THENCE SOUTH 87°35'44" EAST 100.23 FEET; THENCE NORTH 58°41'58" EAST 64.32 FEET; THENCE SOUTH 87°35'44" EAST 8.36 FEET TO SAID EASTERLY LINE AND THE POINT OF BEGINNING. EASEMENT CONTAINS 0.15± ACRES (6,602± SQ. FT.). SUBJECT TO EASEMENTS, RESTRICTIONS, AND RIGHTS OF WAY APPARENT AND OF RECORD.





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269.250.5991 PHONE | 866.589.0604 FAX
www.AREngineeringLLC.com

SHEET TITLE:
PROJECT:
CERTIFIED TO:
SITE ADDRESS:
SITE SECTION:

SANITARY EASEMENT
MUSKEGON (LAKETON AVE)
MIDWEST PROPERTY
381 E LAKETON AVE
SECTION 32 TOWNSHIP 10N RANGE 16W

JOB NUMBER: 22004200
DATE: 11/09/2022
DRAWN BY: SAP
SHEET NUMBER: 1 of 1

WATCH MUSKEGON

Agenda Item Review Form

Muskegon City Commission

Commission Meeting Date: January 10, 2023		Title: Sale of 1320 Spring Street
Submitted By: LeighAnn Mikesell		Department: City Manager
Brief Summary: Staff is requesting approval of a purchase agreement for 1320 Spring Street.		
Detailed Summary & Background: 1320 Spring Street was constructed through the agreement with Dave Dusendang to construct infill housing with ARPA funding. The offer is \$2,580 over asking price and is contingent on the sale of the buyer's current home. The earnest money deposit was increased because the offer is contingent. There are no seller concessions. The home will serve as a model home until mid-March.		
Goal/Focus Area/Action Item Addressed: Create an environment that effectively attracts new residents and retains existing residents by filling existing employment gaps, attracting new and diverse businesses to the city, and expanding access to a variety of high-quality housing options in Muskegon. Diverse housing types		
Amount Requested: N/A	Amount Budgeted: N/A	
Fund(s) or Account(s):	Fund(s) or Account(s):	
Recommended Motion: To approve the purchase agreement for 1320 Spring Street and authorize the City Manager Jonathan Seyferth or Deputy City Manager LeighAnn Mikesell to sign.		
Approvals: Immediate Division Head ☐ Information Technology ☐ Other Division Heads ☒ Communication ☐ Legal Review ☒		Guest(s) Invited / Presenting Yes ☐ No ☒
For City Clerk Use Only: Commission Action:		

WEST MICHIGAN REGIONAL PURCHASE AGREEMENT

1

DATE: 12/11/2022 (time) MLS #: 22050191

SELLING OFFICE: West Urban Realty LLC BROKER LIC.#: 6505429509 REALTOR® PHONE: 616-366-2459

LISTING OFFICE: West Urban Realty LLC REALTOR® PHONE: 6163662459

1. **Effective Date:** This Agreement is effective on the date of Seller's acceptance of Buyer's offer or Buyer's acceptance of any counteroffer, as the case may be, and this date shall hereafter be referred to as the "Effective Date". Further, any reference to "days" in this Agreement refers to calendar days. The first calendar day begins at 12:01 a.m. on the day after the Effective Date. Any reference to "time" refers to local time.

2. **Agency Disclosure:** The Undersigned Buyer and Seller each acknowledge that they have read and signed the Disclosure Regarding Real Estate Agency Relationships. The selling licensee is acting as (choose one):
☐ Agent/Subagent of Seller ☐ Buyer's Agent ☐ Dual Agent (with written, informed consent of both Buyer and Seller)
☐ Transaction Coordinator

Primary Selling Agent Name: Mariana Murillo VandDam Email: mariana@westurbanrealtymi. Lic.#: 6506015435

Alternate Selling Agent Name: Email: Lic.#:

3. **Seller's Disclosure Statement:** (This paragraph applies to sales of one-to-four family residential units.)
☐ Buyer has received the Seller's Disclosure Statement, dated . Seller certifies to Buyer that the Property is currently in the same condition as Seller previously disclosed in that statement. Seller agrees to inform Buyer in writing of any changes in the content of the disclosure statement.
☐ Buyer has not received the Seller's Disclosure Statement. Buyer may terminate this Agreement, in writing, any time prior to receipt of the Seller's Disclosure Statement. Once Buyer has received the Seller's Disclosure Statement, Buyer may terminate this Agreement, in writing, within 72 hours of receipt if the disclosure was received in person, or within 120 hours if received by registered mail. Exceptions: Builder warranty started from the date of occupancy permit from the City of Muskegon
☐ Seller is exempt from the requirements of the Seller Disclosure Act.

4. **Lead-Based Paint Addendum:** Transactions involving homes built prior to 1978 require a written disclosure which is hereby attached and will be an integral part of this Agreement.

5. **Property Description:** Buyer offers to buy the property located in the ☒ City ☐ Village ☐ Township of Muskegon, County of Muskegon County, Michigan, commonly known as (insert mailing address: street/city/state/zip code)
 1320 Spring Street, Muskegon, MI 49442

with the following legal description and tax parcel ID numbers:
 CITY OF MUSKEGON REVISED PLAT OF 1903 LOT 2 BLK 269

PP# 24-205-269-0002-00

The following paragraph applies only if the Premises include unplatted land:
 Seller agrees to grant Buyer at closing the right to make (insert number) na division(s) under Section 108(2), (3), and (4) of the Michigan Land Division Act. (If no number is inserted, the right to make divisions under the sections referenced above stays with any remainder of the parent parcel retained by Seller. If a number is inserted, Seller retains all available divisions in excess of the number stated; however, Seller and/or REALTOR® do not warrant that the number of divisions stated is actually available.) If this sale will create a new division, Seller's obligations under this Agreement are contingent on Seller's receipt of municipal approval on or before , of the proposed division to create the Premises.

6. **Purchase Price:** Buyer offers to buy the Property for the sum of \$ 175,480
 one hundred seventy-five thousand four hundred eighty U.S. Dollars

7. **Seller Concessions**, if any: 0

8. **Terms:** The Terms of Purchase will be as indicated by "X" below: (Other unmarked terms of purchase do not apply.)
SOURCE OF FUNDS TO CLOSE: Buyer represents that the funds necessary to close this transaction on the terms specified below are currently available to Buyer in cash or an equally liquid equivalent.

If the Property's value stated in an appraisal obtained by Buyer or Buyer's lender is less than the Purchase Price, Buyer shall within three (3) days after receipt of the appraisal: 1) renegotiate with the Seller, 2) terminate the transaction, in which case Buyer shall receive a refund of Buyer's Earnest Money Deposit, or 3) proceed to close the transaction at the agreed Purchase Price.

☒ **CASH.** The full Purchase Price upon execution and delivery of Warranty Deed. Buyer Agrees to provide Buyer Agent/Dual Agent verification of funds within five (5) days after the Effective Date, and consents to the disclosure of such information to Seller and/or Seller's Agent. If verification of funds is not received within 5 days after the Effective Date, Seller may terminate this Agreement at any time before verification of funds is received by giving written notice to Buyer. Any appraisal required by Buyer shall be arranged and paid for by Buyer within ten (10) days after the Effective Date of this Agreement.

☐ **NEW MORTGAGE.** The full Purchase Price upon execution and delivery of Warranty Deed, contingent upon Buyer's ability to obtain a type (year) mortgage in the amount of % of the Purchase Price bearing interest at a rate not to exceed % per annum (rate at time of loan application), on or before the date the sale is to be closed. Buyer agrees to apply for a mortgage loan, and pay all fees and costs customarily charged by Buyer's lender to process the application, within days after the Effective Date, not to impair Buyers' credit after the date such loan is offered. ☐ Seller ☐ Buyer will agree to pay an amount not to exceed \$ representing repairs required as a condition of financing. Buyer ☐ agrees ☐ does not agree to authorize Buyer's Agent/Dual Agent to obtain information from

Buyer's lender regarding Buyer's financing, and consents to the disclosure of this information to Seller and/or Seller's Agent.

Exceptions:

contingent on loan against their current home. Seller gives buyer 60 days to process and close on loan.

☐ SELLER FINANCING (choose one of the following): ☐ CONTRACT or ☐ PURCHASE MONEY MORTGAGE

In the case of Seller financing, Buyer agrees to provide Seller with a credit report within 72 hours after the Effective Date. If the credit report is unacceptable to Seller, Seller shall have the right to terminate this offer within 48 hours of Seller's receipt, or if Buyer fails to provide said credit report to Seller within the time frame allotted, Seller shall have the right to terminate this offer within 48 hours. Seller is advised to seek professional advice regarding the credit report.

\$_____ upon execution and delivery of a _____ form (name or type of form and revision date), a copy of which is attached, wherein the balance of \$_____ will be payable in monthly installments of \$_____ or more including interest at _____ % per annum, interest to start on date of closing, and first payment to become due thirty (30) days after date of closing. The entire unpaid balance will become due and payable _____ months after closing. Any appraisal required by Buyer shall be arranged and paid for by Buyer within ten (10) days after the Effective Date of this Agreement. Exceptions:

☐ EQUITY (choose one of the following): ☐ Formal Assumption or ☐ Informal Assumption
Upon execution and delivery of: ☐ Warranty Deed subject to existing mortgage OR ☐ Assignment of Vendee Interest in Land Contract, Buyer to pay the difference (approximately \$_____) between the Purchase Price above provided and the unpaid balance (approximately \$_____) upon said mortgage or land contract, which Buyer agrees to assume and pay. Buyer agrees to reimburse Seller for accumulated funds held in escrow, if any, for payment of future taxes and insurance premiums, etc. Any appraisal required by Buyer shall be arranged and paid for by Buyer within ten (10) days after the Effective Date of this Agreement. Exceptions:

☐ OTHER:

9. **Contingencies:** Buyer's obligation to consummate this transaction (choose one):

☐ IS NOT CONTINGENT - is not contingent upon the sale or exchange of any other property by Buyer.

☒ IS CONTINGENT UPON CLOSING - is contingent upon closing of an existing sale or exchange of Buyer's property located at:

A copy of Buyer's agreement to sell or exchange that property is being delivered to Seller along with this offer. If the existing sale or exchange terminates for any reason, Buyer will immediately notify Seller, and either party may terminate this Agreement in writing, within 3 days of Buyer's notice to Seller. If either party terminates, Buyer shall receive a refund of any applicable Earnest Money Deposit.

☐ IS CONTINGENT UPON THE SALE AND CLOSING - is contingent upon the execution of a binding agreement and the closing of a sale or exchange of Buyer's property located at _____ on or before _____. Seller will have the right to continue to market Seller's Property until Buyer enters into a binding agreement to sell or exchange Buyer's property and delivers a copy thereof to Seller. During such marketing period, Seller may enter into a binding contract for sale to another purchaser on such price and terms as the Seller deems appropriate. In such event, this Agreement will automatically terminate, Buyer will be notified promptly, and Buyer's Earnest Money Deposit will be refunded. Exceptions:

10. **Fixtures & Improvements:** The following is not intended to be an all-inclusive list of items included with the Property. All improvements and appurtenances are included in the Purchase Price, if now in or on the Property, unless rented, including the following: all buildings; landscaping; attached smart home devices; attached security systems; lighting fixtures and their shades and bulbs; ceiling fans; hardware for draperies and curtains; window shades and blinds; built-in kitchen appliances, including garbage disposal and drop-in ranges; wall to wall carpeting, if attached; all attached mirrors; all attached TV mounting brackets; all attached shelving; attached work benches; stationary laundry tubs; water softener; water heater; incinerator; sump pump; water pump and pressure tank; heating and air conditioning equipment (window units excluded); attached humidifiers; heating units, including add-on heating stoves and heating stoves connected by flue pipe; fireplace screens, inserts, and grates; fireplace doors, if attached; liquid heating and cooking fuel tanks; TV antenna and complete rotor equipment; satellite dish and necessary accessories and complete rotor equipment; all support equipment for inground pools; screens and storm windows and doors; awnings; installed basketball backboard, pole and goal; mailbox; flagpole(s); fencing, invisible inground fencing and all related equipment, including collars; detached storage buildings; underground sprinkling, including the pump; installed outdoor grills; all plantings and bulbs; garage door opener and control(s); and any and all items and fixtures permanently affixed to the Property; **and also includes:**

Microwave, dishwasher, fridge, stove, washer, and dryer, central l air

but does not include:

1320 Spring Street, Muskegon, MI 49442

Subject Property Address/Description

12/11/2022

Date

Time

11. Heating and Cooking Fuels: Liquid heating and cooking fuels in tanks are included in the sale and will transfer to Buyer at time of possession unless usage is metered (in which case it is not included in the sale). Sellers are responsible for maintaining heating and cooking liquid fuels at an operational level and shall not permit fuels to fall below 10% in the tank(s) at the time of possession, except that the tank(s) may be empty only if now empty. Further, Seller is precluded from removing fuel from tank(s) other than what is expended through normal use. Exceptions:

12. Assessments (choose one):

If the Property is subject to any assessments,

- ☒ Seller shall pay the entire balance of any such assessments that are due and payable on or before the day of closing (regardless of any installment arrangements), except for any fees that are required to connect to public utilities.
- ☐ Seller shall pay all installments of such assessments that become due and payable on or before day of closing. Buyer shall assume and pay all other installments of such assessments.

13. Property Taxes: Seller will be responsible for any taxes billed prior to those addressed below. Buyer will be responsible for all taxes billed after those addressed below.

Buyer is also advised that the state equalized value of the Property, principal residence exemption information and other real property tax information is available from the appropriate local assessor's office. Buyer should not assume that Buyer's future tax bills on the Property will be the same as Seller's present tax bills. Under Michigan law, real property tax obligations can change significantly when property is transferred.

☐ No proration. (Choose one):

- ☐ Buyer ☐ Seller will pay taxes billed summer _____ (year);
- ☐ Buyer ☐ Seller will pay taxes billed winter _____ (year);

☒ Calendar Year Proration (all taxes billed or to be billed in the year of the closing). Calendar year tax levies will be estimated, if necessary, using the taxable value and the millage rate(s) in effect on the day of closing, broken down to a per diem tax payment and prorated to the date of closing with Seller paying for January 1 through the day before closing.

☐ Fiscal Year Proration - Taxes will be prorated as though they are paid in (choose one): ☐ advance. ☐ arrears.

Fiscal Year will be assumed to cover a 12-month period from date billed, and taxes will be prorated to the date of closing. Fiscal year tax levies will be estimated, if necessary, using the taxable value and millage rate(s) in effect on the day of closing, broken down to a per diem tax payment and prorated to the date of closing with Seller paying through the day before closing. Exceptions:

14. Well/Septic: Within ten (10) days after the Effective Date, (choose one) ☐ Seller or ☐ Buyer will arrange for, at their own expense, an inspection of the primary well used for human consumption (including a water quality test for coliform bacteria and nitrates) and septic systems in use on the Property. The inspection will be performed by a qualified inspector in a manner that meets county (or other local governmental authority, if applicable) protocol.

If any report discloses a condition unsatisfactory to Buyer, or doesn't meet county standards that are a condition of sale, Buyer may, within three (3) days after Buyer has received the report, by written notice to Seller, either terminate this Agreement and receive a refund of Buyer's Earnest Money Deposit, or make a written proposal to Seller to correct those unsatisfactory conditions. If Buyer fails to make a written proposal within the above referenced time period, then Buyer will be deemed to have accepted the well/septic as-is. Seller will respond in writing within three (3) days to Buyer's request. If Seller fails to respond or to arrive at a mutually agreeable resolution within three (3) days after Seller's receipt of Buyer's proposal, Buyer will have three (3) days to provide written notice of termination of this Agreement and receive a refund of any applicable Earnest Money Deposit. If Buyer fails to terminate the contract, Buyer will proceed to closing according to the terms and conditions of this Agreement.

Other:

na

15. Inspections & Investigations:

Inspections: Buyer, or someone selected by Buyer, has the right to inspect the buildings, premises, components and systems, at Buyer's expense. Any damage, misuse, abuse, or neglect of any portion of the Property or premises as a result of inspections will be Buyer's responsibility and expense.

Investigations: It is Buyer's responsibility to investigate (i) whether the Property complies with applicable codes and local ordinances and whether the Property is zoned for Buyer's intended use; (ii) whether Buyer can obtain a homeowner's insurance policy for the Property at price and terms acceptable to Buyer; (iii) and whether or not the Property is in a flood zone.

All inspections and investigations will be completed within _____ days after the Effective Date. If the results of Buyer's inspections and investigations are not acceptable to Buyer, Buyer may, within the above referenced period, by written notice to Seller, either terminate this Agreement and receive a refund of Buyer's Earnest Money Deposit, or make a written proposal to Seller to correct those unsatisfactory conditions. If Buyer fails to make a written proposal within the above referenced time period, then Buyer will be

1320 Spring Street, Muskegon, MI 49442

Subject Property Address/Description

12/11/2022

Date

Time



Buyer's Initials



Seller's Initials

deemed to have accepted the Property as-is. Seller may negotiate with Buyer, or by written notice to Buyer, accept Buyer's proposal or terminate this Agreement. If Seller fails to respond, or to arrive at a mutually agreeable resolution within three (3) days after Seller's receipt of Buyer's proposal, Buyer shall have three (3) days to provide written notice of termination of this Agreement and receive a refund of any applicable Earnest Money Deposit. If Buyer fails to terminate this Agreement within said three (3) day period, Buyer will be deemed to accept the Inspections & Investigations and will proceed to closing according to the terms and conditions of this Agreement.

☐ Buyer has waived all rights under this Inspections & Investigations paragraph.

Exceptions:

16. **Municipal Compliances:** Seller will arrange and pay for current certificates of occupancy, sidewalk compliance, and smoke detector ordinances, if applicable.

17. **Title Insurance:** Seller agrees to convey marketable title to the Property subject to conditions, limitations, reservation of oil, gas and other mineral rights, existing zoning ordinances, and building and use restrictions and easements of record. An **expanded coverage** ALTA Homeowner's Policy of Title Insurance in the amount of the Purchase Price shall be ordered by Seller and furnished to Buyer at Seller's expense, and a commitment to issue a policy insuring marketable title vested in Buyer, including a real estate tax status report, will be made available to Buyer within **ten (10) days** after the Effective Date. If Buyer so chooses, or if an expanded policy is not applicable, then a **standard** ALTA Owners' Policy of Title Insurance shall be provided.

If Buyer objects to any conditions, Buyer may, within three (3) days of receipt of the Title Commitment, by written notice to Seller, either terminate this Agreement and receive a refund of Buyer's Earnest Money Deposit, or make a written proposal to Seller to correct those unsatisfactory conditions. If Buyer fails to make a written proposal within the above referenced time period, then Buyer will be deemed to have accepted the Title Commitment as-is. Seller may negotiate with Buyer, or by written notice to Buyer, accept Buyer's proposal or terminate this Agreement. If Seller fails to respond, or to arrive at a mutually agreeable resolution within three (3) days after Seller's receipt of Buyer's proposal, Buyer shall have three (3) days to provide written notice of termination of this Agreement and shall receive a refund of any applicable Earnest Money Deposit. If Buyer fails to terminate this Agreement within said three (3) day period, Buyer will be deemed to accept the Title Commitment as-is and will proceed to closing according to the terms and conditions of this Agreement. Exceptions:

18. **Property Survey:** Broker advises that Buyer should have a survey performed to satisfy Buyer as to the boundaries of the Property and the location of improvements thereon.

☐ Buyer or ☐ Seller (choose one) shall within ten (10) days of the Effective Date, order, at their expense, a boundary survey with iron corner stakes showing the location of the boundaries, improvements and easements in connection with the Property. Upon receipt of the survey, Buyer will have three (3) days to review the survey. If the survey shows any condition, in Buyer's sole discretion, which would interfere with Buyer's intended use of the Property, the marketability of the title, or zoning non-compliance, then Buyer may, within said three (3) day period, terminate this Agreement, in writing, and Buyer will receive a full refund of Buyer's Earnest Money Deposit.

☒ No survey. Buyer has waived all rights under this paragraph.

When closing occurs, Buyer shall be deemed to have accepted the boundaries of the Property and the location of such improvements thereon. Exceptions:

Builders existing survey.

19. **Home Protection Plan:** Buyer and Seller have been informed that home protection plans may be available. Such plans may provide additional protection and benefit to the parties. Exceptions:

20. **Prorations:** Rent; association dues/fees, if any; insurance, if assigned; interest on any existing land contract, mortgage or lien assumed by Buyer; will all be adjusted to the date of closing. For the purposes of calculating prorations, it is presumed that Seller owns the Property through the day before closing.

21. **Closing:** If agreeable to Buyer and Seller, the sale will be closed as soon as closing documents are ready, but not later than 03/31/2023. An additional period of fifteen (15) days will be allowed for closing to accommodate the correction of title defects or survey problems which can be readily corrected, or for delays in obtaining any lender required inspections/repairs. During this additional period, the closing will be held within 5 days after all parties have been notified that all necessary documents have been prepared. Buyer and Seller will each pay their title company closing fee, if applicable, **except in the case of VA financing where Seller will pay the entire closing fee**. Exceptions:

22. **Pre-Closing Walk-Through:** Buyer (choose one) ☒ reserves ☐ waives the right to conduct a final walk-through of the Property within three (3) days of the scheduled closing date. The purpose of the walk-through is to determine that the Property is in a substantially similar condition as of the Effective Date, any contractually agreed upon items have been fulfilled, and that any included personal property is still located at the Property. Buyer shall immediately report to Seller any objections to these conditions and Buyer's requested corrective action.

23. **Possession:** Seller will maintain the Property in its present condition until the completion of the closing of the sale. Possession to be delivered to Buyer, subject to rights of present tenants, if any.

☒ At the completion of the closing of the sale.

☐ At _____ ☐ a.m. ☐ p.m. on the _____ day after completion of the closing of the sale, during which time Seller

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Buyer's Initials



Seller's Initials

will have the privilege to occupy the Property and hereby agrees to pay Buyer \$na as an occupancy fee for this period payable at closing, WITHOUT PRORATION. Payment shall be made in the form of cash or certified funds.

If Seller fails to deliver possession to Buyer on the agreed date, Seller shall become a tenant at sufferance and shall pay to Buyer as liquidated damages \$ per day plus all of the Buyer's actual reasonable attorney's fees incurred in removing the Seller from the Property.

If Seller occupies the Property after closing, Seller will pay all utilities during such occupancy. Buyer will maintain the structure and mechanical systems at the Property. However, any repairs or replacements necessitated by Seller's misuse, abuse, or neglect of any portion of the Property will be Seller's responsibility and expense.

On the agreed delivery date, Seller shall deliver the Property free of trash and debris and in broom-clean condition, shall remove all personal property (unless otherwise stated in this or an additional written agreement), shall make arrangements for final payment on all utilities, and shall deliver all keys to Buyer. Exceptions:

24. **Earnest Money Deposit:** For valuable consideration, Buyer gives Seller until 12/12/2022 5pm (time) on 12/12/2022 (date), to deliver the written acceptance of this offer and agrees that this offer, when accepted by Seller, will constitute a binding Agreement between Buyer and Seller. An Earnest Money Deposit in the amount of \$1000 shall be submitted to Transnation Title (insert name of broker, title company, other) within 72 hours of the Effective Date of this Agreement, and shall be applied against the Purchase Price. If the Earnest Money Deposit is not received within 72 hours of the Effective Date or is returned for insufficient funds, Seller may terminate this Agreement until such time as the Earnest Money Deposit is received. If Seller terminates this Agreement under this provision, Seller waives any claim to the Earnest Money Deposit. If the sale is not closed due to a failure to satisfy a contingency for a reason other than the fault of Buyer, the Earnest Money Deposit shall be refunded to Buyer. If the sale is not closed as provided in this Agreement and Buyer and Seller do not agree to the disposition of the Earnest Money Deposit, then Buyer and Seller agree that the Broker holding the Earnest Money Deposit may notify Buyer and Seller, in writing, of Broker's intended disposition of the Earnest Money Deposit. If Buyer and Seller do not object to such disposition in writing within fifteen (15) days after the date of Broker's notice, they will be deemed to have agreed to Broker's proposed disposition; if either Buyer or Seller object and no mutually agreeable disposition can be negotiated, Broker may deposit the funds by interpleader with a court of proper jurisdiction or await further actions by Buyer and Seller. In the event of litigation involving the deposit, in whole or in part, either the Seller or the Buyer that is not the prevailing party, as determined by the court, will reimburse the other for reasonable attorneys' fees and expenses incurred in connection with the litigation, and will reimburse the Broker for any reasonable attorneys' fees and expenses incurred in connection with any interpleader action instituted. If the entity holding the Earnest Money Deposit is not the Broker, then to the extent that the terms of any escrow agreement conflict with this paragraph, then the terms and conditions of the escrow agreement shall control.

25. **Professional Advice:** Broker hereby advises Buyer and Seller to seek legal, tax, environmental and other appropriate professional advice relating to this transaction. Broker does not make any representations or warranties with respect to the advisability of, or the legal effect of this transaction. Buyer further acknowledges that REALTOR® above named in the Agreement hereby recommends to Buyer that an attorney be retained by Buyer to pass upon the marketability of the title and to ascertain that the required details of the sale are adhered to before the transaction is consummated. Buyer agrees that Buyer is not relying on any representation or statement made by Seller or any real estate salesperson (whether intentionally or negligently) regarding any aspect of the Property or this sale transaction, except as may be expressly set forth in this Agreement, a written amendment to this Agreement, or a disclosure statement separately signed by Seller.

26. **Disclosure of Information:** Buyer and Seller acknowledge and agree that the Purchase Price, terms, and other details with respect to this transaction (when closed) are not confidential, will be disclosed to REALTORS® who participate in the applicable Multiple Listing Service, and may otherwise be used and/or published by that Multiple Listing Service in the ordinary course of its business.

27. **Other Provisions:**
Paragraph 8- will provide a quit claim deed vs a warranty deed.

1320 Spring shall be set up at a model home til 3/15/2023. Buyer to walk through for final touch up requests with builder.

28. **Mergers and Integrations:** This Agreement is the final expression of the complete agreement of Buyer and Seller, and there are no oral agreements existing between Buyer and Seller relating to this transaction. This Agreement may be amended only in writing signed by Buyer and Seller and attached to this Agreement.

29. **Fax/Electronic Distribution and Electronic Signatures:** Buyer and Seller agree that any signed copy of this Agreement, and any amendments or addendums related to this transaction, transmitted by facsimile or other electronic means shall be competent evidence of its contents to the same effect as an original signed copy. Buyer and Seller further agree that an electronic signature is the legal equivalent of a manual or handwritten signature, and consent to use of electronic signatures. Buyer and Seller agree that any notice(s) required or permitted under this Agreement may also be transmitted by facsimile or other electronic means.

30. **Wire Fraud:** Seller and Buyer are advised that wire fraud is an increasingly common problem. If you receive any electronic

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Buyer's Initials



Seller's Initials

communication directing you to transfer funds or provide nonpublic personal information (such as social security numbers, drivers' license numbers, wire instructions, bank account numbers, etc.), **even if that electronic communication appears to be from the Broker, Title Company, or Lender, DO NOT** reply until you have verified the authenticity of the email by direct communication with Broker, Title Company, or Lender. **DO NOT** use telephone numbers provided in the email. Such requests may be part of a scheme to steal funds or use your identity.

31. Buyer's Approval and Acknowledgment: Buyer approves the terms of this offer and acknowledges receipt of a copy of this offer.

Buyer 1 Address 190 2nd St, St Ignace, MI 49781   **Buyer**
Buyer 1 Phone: (Res.) 906-430-0090 (Bus.) _____ William Fraser
Print name as you want it to appear on documents.
Buyer 2 Address 190 2nd St, St Ignace, MI 49781   **Buyer**
Buyer 2 Phone: (Res.) 906-430-2056 (Bus.) _____ Angela Fraser
Print name as you want it to appear on documents.

32. Seller's Response: The above offer is approved: ☐ As written. ☒ As written except:

Earnest Deposit to be \$3000 made to Transnation Title.

Counteroffer, if any, expires 12/13/2022 at 5pm (time). Seller has the right to withdraw this counteroffer and to accept other offers until Seller or Seller's Agent has received notice of Buyer's acceptance.

33. Certification of Previous Disclosure Statement: Seller certifies to Buyer that the Property is currently in the same condition as disclosed in the Seller's Disclosure Statement dated _____ (choose one): ☐ Yes ☐ No. Seller agrees to inform Buyer in writing of any changes in the content of the disclosure statement prior to closing.

34. Notice to Seller: Seller understands that consummation of the sale or transfer of the Property described in this Agreement will not relieve Seller of any liability that Seller may have under the mortgages to which the Property is subject, unless otherwise agreed to by the lender or required by law or regulation. Buyer and Seller are advised that a Notice to Seller & Buyer of Underlying Mortgage form is available from the respective agents via the West Michigan REALTOR® Boards.

35. Listing Office Address: 255 W Western Ave, Muskegon, MI 49440 Listing Broker License # 6505429509
Listing Agent Name: Mariana Murillo VanDam Listing Agent License # 6506015435

36. Seller's Approval and Acknowledgment: Seller approves the terms of this Agreement and acknowledges receipt of a copy. If Seller's response occurs after Buyer's offer expires, then Seller's response is considered a counteroffer and Buyer's acceptance is required below.

X (Seller's Signature, Date, Time):  
LeighAnn Mikesell Is Seller a U.S. Citizen or Resident Alien? ☒ Yes ☐ No*
Print name as you want it to appear on documents.

X (Seller's Signature, Date, Time): _____
Is Seller a U.S. Citizen or Resident Alien? ☐ Yes ☐ No*
Print name as you want it to appear on documents.

Seller's Address: _____ Seller's Phone (Res.) _____ (Bus.) _____
* If Seller(s) is not a U.S. Citizen or Resident Alien, there may be tax implications and Buyer and Seller are advised to seek professional advice.

37. Buyer's Receipt/Acceptance: Buyer acknowledges receipt of Seller's response to Buyer's offer. In the event Seller's response constitutes a counteroffer, Buyer accepts said counteroffer. All other terms and conditions in the offer remain unchanged.

X (Buyer's Signature, Date, Time): _____
X (Buyer's Signature, Date, Time): _____

38. Seller's Receipt: Seller acknowledges receipt of Buyer's acceptance of counter offer.

X (Seller's Signature, Date, Time):  
X (Seller's Signature, Date, Time): _____

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WATCH MUSKEGON

Agenda Item Review Form Muskegon City Commission

Commission Meeting Date: January 10, 2023		Title: Sale of 750 Leonard Avenue
Submitted By: LeighAnn Mikesell		Department: City Manager
Brief Summary: Staff is requesting approval of a purchase agreement for 750 Leonard Avenue.		
Detailed Summary & Background: 750 Leonard Avenue was constructed through the agreement with Rudy Briggs to construct infill housing with ARPA funding. The offer is for full asking price with no seller concessions.		
Goal/Focus Area/Action Item Addressed: Create an environment that effectively attracts new residents and retains existing residents by filling existing employment gaps, attracting new and diverse businesses to the city, and expanding access to a variety of high-quality housing options in Muskegon. Diverse housing types		
Amount Requested: N/A	Amount Budgeted: N/A	
Fund(s) or Account(s):	Fund(s) or Account(s):	
Recommended Motion: To approve the purchase agreement for 750 Leonard Avenue and authorize the City Manager Jonathan Seyferth or Deputy City Manager LeighAnn Mikesell to sign.		
Approvals: Immediate Division Head ☐ Information Technology ☐ Other Division Heads ☒ Communication ☐ Legal Review ☒		Guest(s) Invited / Presenting Yes ☐ No ☒
For City Clerk Use Only: Commission Action:		

WEST MICHIGAN REGIONAL PURCHASE AGREEMENT

DATE: 12/08/2022 (time) MLS # 22045853
SELLING OFFICE: Five Star Real Estate BROKER LIC.#: 6505276328 REALTOR® PHONE: 231-349-2696
LISTING OFFICE: Terri L Kitchen Realtor REALTOR® PHONE: 231-760-9015

1. **Effective Date:** This Agreement is effective on the date of Seller's acceptance of Buyer's offer or Buyer's acceptance of any counteroffer, as the case may be, and this date shall hereafter be referred to as the "Effective Date". Further, any reference to "days" in this Agreement refers to calendar days. The first calendar day begins at 12:01 a.m. on the day after the Effective Date. Any reference to "time" refers to local time.

2. **Agency Disclosure:** The Undersigned Buyer and Seller each acknowledge that they have read and signed the Disclosure Regarding Real Estate Agency Relationships. The selling licensee is acting as (choose one):
☐ Agent/Subagent of Seller ☒ Buyer's Agent ☐ Dual Agent (with written, informed consent of both Buyer and Seller)
☐ Transaction Coordinator

Primary Selling Agent Name: Karrie Harris Email: KarrieHarrisRealtor02@gmail.com Lic.#: 6501313299

Alternate Selling Agent Name: Email: Lic.#:

3. **Seller's Disclosure Statement:** (This paragraph applies to sales of one-to-four family residential units.)
☐ Buyer has received the Seller's Disclosure Statement, dated . Seller certifies to Buyer that the Property is currently in the same condition as Seller previously disclosed in that statement. Seller agrees to inform Buyer in writing of any changes in the content of the disclosure statement.

☐ Buyer has not received the Seller's Disclosure Statement. Buyer may terminate this Agreement, in writing, any time prior to receipt of the Seller's Disclosure Statement. Once Buyer has received the Seller's Disclosure Statement, Buyer may terminate this Agreement, in writing, within 72 hours of receipt if the disclosure was received in person, or within 120 hours if received by registered mail. Exceptions: N/A NEW CONSTRUCTION

☐ Seller is exempt from the requirements of the Seller Disclosure Act.

4. **Lead-Based Paint Addendum:** Transactions involving homes built prior to 1978 require a written disclosure which is hereby attached and will be an integral part of this Agreement.

5. **Property Description:** Buyer offers to buy the property located in the ☒ City ☐ Village ☐ Township of Muskegon, County of Muskegon, Michigan, commonly known as (insert mailing address: street/city/state/zip code) 750 Leonard Avenue, Muskegon, MI 49442

with the following legal description and tax parcel ID numbers:

Legal: LOT 7, EXCEPT THE WEST 30.44 FEET, LOT 8 AND THE WEST 5.33 FEET OF LOT 9 BLOCK 3, GUNNS SUBDIVISION OF PART OF BLOCK 2, CITY OF MUSKEGON, MUSKEGON COUNTY, MICHIGAN

PP# 6124405003000800

The following paragraph applies only if the Premises include unplatted land:

Seller agrees to grant Buyer at closing the right to make (insert number) N/A division(s) under Section 108(2), (3), and (4) of the Michigan Land Division Act. (If no number is inserted, the right to make divisions under the sections referenced above stays with any remainder of the parent parcel retained by Seller. If a number is inserted, Seller retains all available divisions in excess of the number stated; however, Seller and/or REALTOR® do not warrant that the number of divisions stated is actually available.) If this sale will create a new division, Seller's obligations under this Agreement are contingent on Seller's receipt of municipal approval on or before , of the proposed division to create the Premises.

6. **Purchase Price:** Buyer offers to buy the Property for the sum of \$ 220,000.00 two hundred twenty thousand U.S. Dollars

7. **Seller Concessions**, if any: 0

8. **Terms:** The Terms of Purchase will be as indicated by "X" below: (Other unmarked terms of purchase do not apply.)
SOURCE OF FUNDS TO CLOSE: Buyer represents that the funds necessary to close this transaction on the terms specified below are currently available to Buyer in cash or an equally liquid equivalent.

If the Property's value stated in an appraisal obtained by Buyer or Buyer's lender is less than the Purchase Price, Buyer shall within three (3) days after receipt of the appraisal: 1) renegotiate with the Seller, 2) terminate the transaction, in which case Buyer shall receive a refund of Buyer's Earnest Money Deposit, or 3) proceed to close the transaction at the agreed Purchase Price.

☐ **CASH.** The full Purchase Price upon execution and delivery of Warranty Deed. Buyer Agrees to provide Buyer Agent/Dual Agent verification of funds within five (5) days after the Effective Date, and consents to the disclosure of such information to Seller and/or Seller's Agent. If verification of funds is not received within 5 days after the Effective Date, Seller may terminate this Agreement at any time before verification of funds is received by giving written notice to Buyer. Any appraisal required by Buyer shall be arranged and paid for by Buyer within ten (10) days after the Effective Date of this Agreement.

☒ **NEW MORTGAGE.** The full Purchase Price upon execution and delivery of Warranty Deed, contingent upon Buyer's ability to obtain a FHA MSHDA type 30 (year) mortgage in the amount of 97 % of the Purchase Price bearing interest at a rate not to exceed 7 % per annum (rate at time of loan application), on or before the date the sale is to be closed. Buyer agrees to apply for a mortgage loan, and pay all fees and costs customarily charged by Buyer's lender to process the application, within 5 days after the Effective Date, not to impair Buyers' credit after the date such loan is offered. ☒ Seller ☐ Buyer will agree to pay an amount not to exceed \$ representing repairs required as a condition of financing. Buyer ☒ agrees ☐ does not agree to authorize Buyer's Agent/Dual Agent to obtain information from



Buyer's Initials



Seller's Initials

Buyer's lender regarding Buyer's financing, and consents to the disclosure of this information to Seller and/or Seller's Agent.
Exceptions:

☐ SELLER FINANCING (choose one of the following): ☐ CONTRACT or ☐ PURCHASE MONEY MORTGAGE

In the case of Seller financing, Buyer agrees to provide Seller with a credit report within 72 hours after the Effective Date. If the credit report is unacceptable to Seller, Seller shall have the right to terminate this offer within 48 hours of Seller's receipt, or if Buyer fails to provide said credit report to Seller within the time frame allotted, Seller shall have the right to terminate this offer within 48 hours. Seller is advised to seek professional advice regarding the credit report.

\$_____ upon execution and delivery of a _____
form (name or type of form and revision date), a copy of which is attached, wherein the balance of \$ _____
will be payable in monthly installments of \$ _____ or more including interest at _____ % per annum,
interest to start on date of closing, and first payment to become due thirty (30) days after date of closing. The entire unpaid balance
will become due and payable _____ months after closing. Any appraisal required by Buyer shall be arranged and
paid for by Buyer within ten (10) days after the Effective Date of this Agreement. Exceptions:

☐ EQUITY (choose one of the following): ☐ Formal Assumption or ☐ Informal Assumption
Upon execution and delivery of: ☐ Warranty Deed subject to existing mortgage OR ☐ Assignment of Vendee Interest
in Land Contract, Buyer to pay the difference (approximately \$ _____) between the Purchase Price above
provided and the unpaid balance (approximately \$ _____) upon said mortgage or land contract, which Buyer
agrees to assume and pay. Buyer agrees to reimburse Seller for accumulated funds held in escrow, if any, for payment of future
taxes and insurance premiums, etc. Any appraisal required by Buyer shall be arranged and paid for by Buyer within ten
(10) days after the Effective Date of this Agreement. Exceptions:

☐ OTHER: _____

9. **Contingencies:** Buyer's obligation to consummate this transaction (choose one):

- ☒ IS NOT CONTINGENT - is not contingent upon the sale or exchange of any other property by Buyer.
- ☐ IS CONTINGENT UPON CLOSING - is contingent upon closing of an existing sale or exchange of Buyer's property located at:

A copy of Buyer's agreement to sell or exchange that property is being delivered to Seller along with this offer. If the existing sale or exchange terminates for any reason, Buyer will immediately notify Seller, and either party may terminate this Agreement in writing, within 3 days of Buyer's notice to Seller. If either party terminates, Buyer shall receive a refund of any applicable Earnest Money Deposit.

☐ IS CONTINGENT UPON THE SALE AND CLOSING - is contingent upon the execution of a binding agreement and the closing of a sale or exchange of Buyer's property located at _____
on or before _____. Seller will have the right to continue to
market Seller's Property until Buyer enters into a binding agreement to sell or exchange Buyer's property and delivers a copy thereof to Seller. During such marketing period, Seller may enter into a binding contract for sale to another purchaser on such price and terms as the Seller deems appropriate. In such event, this Agreement will automatically terminate, Buyer will be notified promptly, and Buyer's Earnest Money Deposit will be refunded. Exceptions:

10. **Fixtures & Improvements:** The following is not intended to be an all-inclusive list of items included with the Property. All improvements and appurtenances are included in the Purchase Price, if now in or on the Property, unless rented, including the following: all buildings; landscaping; attached smart home devices; attached security systems; lighting fixtures and their shades and bulbs; ceiling fans; hardware for draperies and curtains; window shades and blinds; built-in kitchen appliances, including garbage disposal and drop-in ranges; wall to wall carpeting, if attached; all attached mirrors; all attached TV mounting brackets; all attached shelving; attached work benches; stationary laundry tubs; water softener; water heater; incinerator; sump pump; water pump and pressure tank; heating and air conditioning equipment (window units excluded); attached humidifiers; heating units, including add-on heating stoves and heating stoves connected by flue pipe; fireplace screens, inserts, and grates; fireplace doors, if attached; liquid heating and cooking fuel tanks; TV antenna and complete rotor equipment; satellite dish and necessary accessories and complete rotor equipment; all support equipment for inground pools; screens and storm windows and doors; awnings; installed basketball backboard, pole and goal; mailbox; flagpole(s); fencing, invisible inground fencing and all related equipment, including collars; detached storage buildings; underground sprinkling, including the pump; installed outdoor grills; all plantings and bulbs; garage door opener and control(s); and any and all items and fixtures permanently affixed to the Property; **and also includes:**
Stove, refrigerator, microwave, dishwasher, central air

but does not include:

Washer and DryerN

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- 11. Heating and Cooking Fuels:** Liquid heating and cooking fuels in tanks are included in the sale and will transfer to Buyer at time of possession unless usage is metered (in which case it is not included in the sale). Sellers are responsible for maintaining heating and cooking liquid fuels at an operational level and shall not permit fuels to fall below 10% in the tank(s) at the time of possession, except that the tank(s) may be empty only if now empty. Further, Seller is precluded from removing fuel from tank(s) other than what is expended through normal use. Exceptions:

N/A

12. Assessments (choose one):

If the Property is subject to any assessments,

- ☒ Seller shall pay the entire balance of any such assessments that are due and payable on or before the day of closing (regardless of any installment arrangements), except for any fees that are required to connect to public utilities.
- ☐ Seller shall pay all installments of such assessments that become due and payable on or before day of closing. Buyer shall assume and pay all other installments of such assessments.

- 13. Property Taxes:** Seller will be responsible for any taxes billed prior to those addressed below. Buyer will be responsible for all taxes billed after those addressed below.

Buyer is also advised that the state equalized value of the Property, principal residence exemption information and other real property tax information is available from the appropriate local assessor's office. Buyer should not assume that Buyer's future tax bills on the Property will be the same as Seller's present tax bills. Under Michigan law, real property tax obligations can change significantly when property is transferred.

☐ No proration. (Choose one):

- ☐ Buyer ☐ Seller will pay taxes billed summer _____ (year);
- ☐ Buyer ☐ Seller will pay taxes billed winter _____ (year);

- ☒ Calendar Year Proration (all taxes billed or to be billed in the year of the closing). Calendar year tax levies will be estimated, if necessary, using the taxable value and the millage rate(s) in effect on the day of closing, broken down to a per diem tax payment and prorated to the date of closing with Seller paying for January 1 through the day before closing.

☐ Fiscal Year Proration - Taxes will be prorated as though they are paid in (choose one): ☐ advance. ☐ arrears.

Fiscal Year will be assumed to cover a 12-month period from date billed, and taxes will be prorated to the date of closing. Fiscal year tax levies will be estimated, if necessary, using the taxable value and millage rate(s) in effect on the day of closing, broken down to a per diem tax payment and prorated to the date of closing with Seller paying through the day before closing. Exceptions:

- 14. Well/Septic:** Within ten (10) days after the Effective Date, (choose one) ☐ Seller or ☐ Buyer will arrange for, at their own expense, an inspection of the primary well used for human consumption (including a water quality test for coliform bacteria and nitrates) and septic systems in use on the Property. The inspection will be performed by a qualified inspector in a manner that meets county (or other local governmental authority, if applicable) protocol.

If any report discloses a condition unsatisfactory to Buyer, or doesn't meet county standards that are a condition of sale, Buyer may, within three (3) days after Buyer has received the report, by written notice to Seller, either terminate this Agreement and receive a refund of Buyer's Earnest Money Deposit, or make a written proposal to Seller to correct those unsatisfactory conditions. If Buyer fails to make a written proposal within the above referenced time period, then Buyer will be deemed to have accepted the well/septic as-is. Seller will respond in writing within three (3) days to Buyer's request. If Seller fails to respond or to arrive at a mutually agreeable resolution within three (3) days after Seller's receipt of Buyer's proposal, Buyer will have three (3) days to provide written notice of termination of this Agreement and receive a refund of any applicable Earnest Money Deposit. If Buyer fails to terminate the contract, Buyer will proceed to closing according to the terms and conditions of this Agreement.

Other:

City Services

15. Inspections & Investigations:

Inspections: Buyer, or someone selected by Buyer, has the right to inspect the buildings, premises, components and systems, at Buyer's expense. Any damage, misuse, abuse, or neglect of any portion of the Property or premises as a result of inspections will be Buyer's responsibility and expense.

Investigations: It is Buyer's responsibility to investigate (i) whether the Property complies with applicable codes and local ordinances and whether the Property is zoned for Buyer's intended use; (ii) whether Buyer can obtain a homeowner's insurance policy for the Property at price and terms acceptable to Buyer; (iii) and whether or not the Property is in a flood zone.

All inspections and investigations will be completed within _____ days after the Effective Date. If the results of Buyer's inspections and investigations are not acceptable to Buyer, Buyer may, within the above referenced period, by written notice to Seller, either terminate this Agreement and receive a refund of Buyer's Earnest Money Deposit, or make a written proposal to Seller to correct those unsatisfactory conditions. If Buyer fails to make a written proposal within the above referenced time period, then Buyer will be

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Seller's Initials

Date

Time

deemed to have accepted the Property as-is. Seller may negotiate with Buyer, or by written notice to Buyer, accept Buyer's proposal or terminate this Agreement. If Seller fails to respond, or to arrive at a mutually agreeable resolution within three (3) days after Seller's receipt of Buyer's proposal, Buyer shall have three (3) days to provide written notice of termination of this Agreement and receive a refund of any applicable Earnest Money Deposit. If Buyer fails to terminate this Agreement within said three (3) day period, Buyer will be deemed to accept the Inspections & Investigations and will proceed to closing according to the terms and conditions of this Agreement.

☐ Buyer has waived all rights under this Inspections & Investigations paragraph.

Exceptions:

16. **Municipal Compliances:** Seller will arrange and pay for current certificates of occupancy, sidewalk compliance, and smoke detector ordinances, if applicable.

17. **Title Insurance:** Seller agrees to convey marketable title to the Property subject to conditions, limitations, reservation of oil, gas and other mineral rights, existing zoning ordinances, and building and use restrictions and easements of record. An **expanded coverage** ALTA Homeowner's Policy of Title Insurance in the amount of the Purchase Price shall be ordered by Seller and furnished to Buyer at Seller's expense, and a commitment to issue a policy insuring marketable title vested in Buyer, including a real estate tax status report, will be made available to Buyer within **ten (10) days** after the Effective Date. If Buyer so chooses, or if an expanded policy is not applicable, then a **standard** ALTA Owners' Policy of Title Insurance shall be provided.

If Buyer objects to any conditions, Buyer may, within three (3) days of receipt of the Title Commitment, by written notice to Seller, either terminate this Agreement and receive a refund of Buyer's Earnest Money Deposit, or make a written proposal to Seller to correct those unsatisfactory conditions. If Buyer fails to make a written proposal within the above referenced time period, then Buyer will be deemed to have accepted the Title Commitment as-is. Seller may negotiate with Buyer, or by written notice to Buyer, accept Buyer's proposal or terminate this Agreement. If Seller fails to respond, or to arrive at a mutually agreeable resolution within three (3) days after Seller's receipt of Buyer's proposal, Buyer shall have three (3) days to provide written notice of termination of this Agreement and shall receive a refund of any applicable Earnest Money Deposit. If Buyer fails to terminate this Agreement within said three (3) day period, Buyer will be deemed to accept the Title Commitment as-is and will proceed to closing according to the terms and conditions of this Agreement. Exceptions:

18. **Property Survey:** Broker advises that Buyer should have a survey performed to satisfy Buyer as to the boundaries of the Property and the location of improvements thereon.

☐ Buyer or ☐ Seller (choose one) shall within ten (10) days of the Effective Date, order, at their expense, a boundary survey with iron corner stakes showing the location of the boundaries, improvements and easements in connection with the Property. Upon receipt of the survey, Buyer will have three (3) days to review the survey. If the survey shows any condition, in Buyer's sole discretion, which would interfere with Buyer's intended use of the Property, the marketability of the title, or zoning non-compliance, then Buyer may, within said three (3) day period, terminate this Agreement, in writing, and Buyer will receive a full refund of Buyer's Earnest Money Deposit.

☒ No survey. Buyer has waived all rights under this paragraph.

When closing occurs, Buyer shall be deemed to have accepted the boundaries of the Property and the location of such improvements thereon. Exceptions:

19. **Home Protection Plan:** Buyer and Seller have been informed that home protection plans may be available. Such plans may provide additional protection and benefit to the parties. Exceptions:

20. **Prorations:** Rent; association dues/fees, if any; insurance, if assigned; interest on any existing land contract, mortgage or lien assumed by Buyer; will all be adjusted to the date of closing. For the purposes of calculating prorations, it is presumed that Seller owns the Property through the day before closing.

21. **Closing:** If agreeable to Buyer and Seller, the sale will be closed as soon as closing documents are ready, but not later than 02/28/2023. An additional period of fifteen (15) days will be allowed for closing to accommodate the correction of title defects or survey problems which can be readily corrected, or for delays in obtaining any lender required inspections/repairs. During this additional period, the closing will be held within 5 days after all parties have been notified that all necessary documents have been prepared. Buyer and Seller will each pay their title company closing fee, if applicable, **except in the case of VA financing where Seller will pay the entire closing fee**. Exceptions:

22. **Pre-Closing Walk-Through:** Buyer (choose one) ☒ reserves ☐ waives the right to conduct a final walk-through of the Property within three (3) days of the scheduled closing date. The purpose of the walk-through is to determine that the Property is in a substantially similar condition as of the Effective Date, any contractually agreed upon items have been fulfilled, and that any included personal property is still located at the Property. Buyer shall immediately report to Seller any objections to these conditions and Buyer's requested corrective action.

23. **Possession:** Seller will maintain the Property in its present condition until the completion of the closing of the sale. Possession to be delivered to Buyer, subject to rights of present tenants, if any.

☒ At the completion of the closing of the sale.

☐ At _____ ☐ a.m. ☐ p.m. on the _____ day **after** completion of the closing of the sale, during which time Seller

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Buyer's Initials



Seller's Initials

will have the privilege to occupy the Property and hereby agrees to pay Buyer \$_____ as an occupancy fee for this period payable at closing, WITHOUT PRORATION. Payment shall be made in the form of cash or certified funds.

If Seller fails to deliver possession to Buyer on the agreed date, Seller shall become a tenant at sufferance and shall pay to Buyer as liquidated damages \$_____ per day plus all of the Buyer's actual reasonable attorney's fees incurred in removing the Seller from the Property.

If Seller occupies the Property after closing, Seller will pay all utilities during such occupancy. Buyer will maintain the structure and mechanical systems at the Property. However, any repairs or replacements necessitated by Seller's misuse, abuse, or neglect of any portion of the Property will be Seller's responsibility and expense.

On the agreed delivery date, Seller shall deliver the Property free of trash and debris and in broom-clean condition, shall remove all personal property (unless otherwise stated in this or an additional written agreement), shall make arrangements for final payment on all utilities, and shall deliver all keys to Buyer. Exceptions:

24. **Earnest Money Deposit:** For valuable consideration, Buyer gives Seller until _____ (time) on _____ (date), to deliver the written acceptance of this offer and agrees that this offer, when accepted by Seller, will constitute a binding Agreement between Buyer and Seller. An Earnest Money Deposit in the amount of \$ 500.00 24/hr accep shall be submitted to Five Star Real Estate (insert name of broker, title company, other) within 72 hours of the Effective Date of this Agreement, and shall be applied against the Purchase Price. If the Earnest Money Deposit is not received within 72 hours of the Effective Date or is returned for insufficient funds, Seller may terminate this Agreement until such time as the Earnest Money Deposit is received. If Seller terminates this Agreement under this provision, Seller waives any claim to the Earnest Money Deposit. If the sale is not closed due to a failure to satisfy a contingency for a reason other than the fault of Buyer, the Earnest Money Deposit shall be refunded to Buyer. If the sale is not closed as provided in this Agreement and Buyer and Seller do not agree to the disposition of the Earnest Money Deposit, then Buyer and Seller agree that the Broker holding the Earnest Money Deposit may notify Buyer and Seller, in writing, of Broker's intended disposition of the Earnest Money Deposit. If Buyer and Seller do not object to such disposition in writing within fifteen (15) days after the date of Broker's notice, they will be deemed to have agreed to Broker's proposed disposition; if either Buyer or Seller object and no mutually agreeable disposition can be negotiated, Broker may deposit the funds by interpleader with a court of proper jurisdiction or await further actions by Buyer and Seller. In the event of litigation involving the deposit, in whole or in part, either the Seller or the Buyer that is not the prevailing party, as determined by the court, will reimburse the other for reasonable attorneys' fees and expenses incurred in connection with the litigation, and will reimburse the Broker for any reasonable attorneys' fees and expenses incurred in connection with any interpleader action instituted. If the entity holding the Earnest Money Deposit is not the Broker, then to the extent that the terms of any escrow agreement conflict with this paragraph, then the terms and conditions of the escrow agreement shall control.

25. **Professional Advice:** Broker hereby advises Buyer and Seller to seek legal, tax, environmental and other appropriate professional advice relating to this transaction. Broker does not make any representations or warranties with respect to the advisability of, or the legal effect of this transaction. Buyer further acknowledges that REALTOR® above named in the Agreement hereby recommends to Buyer that an attorney be retained by Buyer to pass upon the marketability of the title and to ascertain that the required details of the sale are adhered to before the transaction is consummated. Buyer agrees that Buyer is not relying on any representation or statement made by Seller or any real estate salesperson (whether intentionally or negligently) regarding any aspect of the Property or this sale transaction, except as may be expressly set forth in this Agreement, a written amendment to this Agreement, or a disclosure statement separately signed by Seller.

26. **Disclosure of Information:** Buyer and Seller acknowledge and agree that the Purchase Price, terms, and other details with respect to this transaction (when closed) are not confidential, will be disclosed to REALTORS® who participate in the applicable Multiple Listing Service, and may otherwise be used and/or published by that Multiple Listing Service in the ordinary course of its business.

27. **Other Provisions:**

28. **Mergers and Integrations:** This Agreement is the final expression of the complete agreement of Buyer and Seller, and there are no oral agreements existing between Buyer and Seller relating to this transaction. This Agreement may be amended only in writing signed by Buyer and Seller and attached to this Agreement.

29. **Fax/Electronic Distribution and Electronic Signatures:** Buyer and Seller agree that any signed copy of this Agreement, and any amendments or addendums related to this transaction, transmitted by facsimile or other electronic means shall be competent evidence of its contents to the same effect as an original signed copy. Buyer and Seller further agree that an electronic signature is the legal equivalent of a manual or handwritten signature, and consent to use of electronic signatures. Buyer and Seller agree that any notice(s) required or permitted under this Agreement may also be transmitted by facsimile or other electronic means.

30. **Wire Fraud:** Seller and Buyer are advised that wire fraud is an increasingly common problem. If you receive any electronic

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Seller's Initials

Date

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communication directing you to transfer funds or provide nonpublic personal information (such as social security numbers, drivers' license numbers, wire instructions, bank account numbers, etc.), **even if that electronic communication appears to be from the Broker, Title Company, or Lender, DO NOT** reply until you have verified the authenticity of the email by direct communication with Broker, Title Company, or Lender. **DO NOT** use telephone numbers provided in the email. Such requests may be part of a scheme to steal funds or use your identity.

31. **Buyer's Approval and Acknowledgment:** Buyer approves the terms of this offer and acknowledges receipt of a copy of this offer.

Buyer 1 Address: Justin Lafever dotloop verified 12/08/22 4:10 PM EST BHGG-CBNG-MOMY-HH2U **Buyer**
 Buyer 1 Phone: (Res.) _____ (Bus.) _____ Justin Lafever
 Print name as you want it to appear on documents.
 Buyer 2 Address: Brittany Shepard dotloop verified 12/08/22 11:39 AM EST DTGT-USWG-YSDY-UH2U **Buyer**
 Buyer 2 Phone: (Res.) _____ (Bus.) _____ Brittany Shepard
 Print name as you want it to appear on documents.

32. **Seller's Response:** The above offer is approved: ☒ As written. ☐ As written except:

Counteroffer, if any, expires _____, at _____ (time). Seller has the right to withdraw this counteroffer and to accept other offers until Seller or Seller's Agent has received notice of Buyer's acceptance.

33. **Certification of Previous Disclosure Statement:** Seller certifies to Buyer that the Property is currently in the same condition as disclosed in the Seller's Disclosure Statement dated _____ (choose one): ☐ Yes ☐ No. Seller agrees to inform Buyer in writing of any changes in the content of the disclosure statement prior to closing.

34. **Notice to Seller:** Seller understands that consummation of the sale or transfer of the Property described in this Agreement will not relieve Seller of any liability that Seller may have under the mortgages to which the Property is subject, unless otherwise agreed to by the lender or required by law or regulation. Buyer and Seller are advised that a Notice to Seller & Buyer of Underlying Mortgage form is available from the respective agents via the West Michigan REALTOR® Boards.

35. **Listing Office Address:** 2340 Glade Street Listing Broker License # _____
Listing Agent Name: Terri Kitchen Listing Agent License # 6504312334

36. **Seller's Approval and Acknowledgment:** Seller approves the terms of this Agreement and acknowledges receipt of a copy. If Seller's response occurs after Buyer's offer expires, then Seller's response is considered a counteroffer and Buyer's acceptance is required below.

X (Seller's Signature, Date, Time): Leighann Mikesell dotloop verified 12/15/22 12:01 PM EST KJHL-XB4-NWTI-USVP
 _____ Is Seller a U.S. Citizen or Resident Alien? ☐ Yes ☐ No*
 _____ Print name as you want it to appear on documents.

X (Seller's Signature, Date, Time): _____
 _____ Is Seller a U.S. Citizen or Resident Alien? ☐ Yes ☐ No*
 _____ Print name as you want it to appear on documents.

Seller's Address: _____ Seller's Phone (Res.) _____ (Bus.) _____
 * If Seller(s) is not a U.S. Citizen or Resident Alien, there may be tax implications and Buyer and Seller are advised to seek professional advice.

37. **Buyer's Receipt/Acceptance:** Buyer acknowledges receipt of Seller's response to Buyer's offer. In the event Seller's response constitutes a counteroffer, Buyer accepts said counteroffer. All other terms and conditions in the offer remain unchanged.

X (Buyer's Signature, Date, Time): _____
 X (Buyer's Signature, Date, Time): _____

38. **Seller's Receipt:** Seller acknowledges receipt of Buyer's acceptance of counter offer.

X (Seller's Signature, Date, Time): _____
 X (Seller's Signature, Date, Time): _____

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Seller's Initials

Date _____ Time _____

WATCH MUSKEGON

Agenda Item Review Form Muskegon City Commission

Commission Meeting Date: January 10, 2023		Title: Sale of 1499 Hoyt Street
Submitted By: LeighAnn Mikesell		Department: City Manager
Brief Summary: Staff is requesting approval of a new purchase agreement for 1499 Hoyt Street.		
Detailed Summary & Background: 1499 Hoyt Street was constructed through the agreement with Dave Dusendang to construct infill housing with ARPA funding. With seller concessions, the offer equates to the list price. An earlier agreement has been rescinded.		
Goal/Focus Area/Action Item Addressed: Create an environment that effectively attracts new residents and retains existing residents by filling existing employment gaps, attracting new and diverse businesses to the city, and expanding access to a variety of high-quality housing options in Muskegon. Diverse housing types		
Amount Requested: N/A	Amount Budgeted: N/A	
Fund(s) or Account(s):	Fund(s) or Account(s):	
Recommended Motion: To approve the purchase agreement for 1499 Hoyt Street and authorize the City Manager Jonathan Seyferth or Deputy City Manager LeighAnn Mikesell to sign.		
Approvals: Immediate Division Head ☐ Information Technology ☐ Other Division Heads ☒ Communication ☐ Legal Review ☒		Guest(s) Invited / Presenting Yes ☐ No ☒
For City Clerk Use Only: Commission Action:		

WEST MICHIGAN REGIONAL PURCHASE AGREEMENT

DATE: 12/09/2022, 4:00 PM (time) MLS #: 22025427 # _____
 SELLING OFFICE: Pinnacle Realty BROKER LIC.#: 6505392630 REALTOR® PHONE: 2313275332
 LISTING OFFICE: West Urban Realty REALTOR® PHONE: 6163662459

- Effective Date:** This Agreement is effective on the date of Seller's acceptance of Buyer's offer or Buyer's acceptance of any counteroffer, as the case may be, and this date shall hereafter be referred to as the "Effective Date". Further, any reference to "days" in this Agreement refers to calendar days. The first calendar day begins at 12:01 a.m. on the day after the Effective Date. Any reference to "time" refers to local time.
- Agency Disclosure:** The Undersigned Buyer and Seller each acknowledge that they have read and signed the Disclosure Regarding Real Estate Agency Relationships. The selling licensee is acting as (choose one):
☐ Agent/Subagent of Seller ☒ Buyer's Agent ☐ Dual Agent (with written, informed consent of both Buyer and Seller)
☐ Transaction Coordinator
 Primary Selling Agent Name: Jay Kilgo Email: jaykilgorealestate@gmail.com Lic.#: 6504431414
 Alternate Selling Agent Name: Email: Lic.#:
- Seller's Disclosure Statement:** (This paragraph applies to sales of one-to-four family residential units.)
☐ Buyer has received the Seller's Disclosure Statement, dated _____. Seller certifies to Buyer that the Property is currently in the same condition as Seller previously disclosed in that statement. Seller agrees to inform Buyer in writing of any changes in the content of the disclosure statement.
☒ Buyer has not received the Seller's Disclosure Statement. Buyer may terminate this Agreement, in writing, any time prior to receipt of the Seller's Disclosure Statement. Once Buyer has received the Seller's Disclosure Statement, Buyer may terminate this Agreement, in writing, within 72 hours of receipt if the disclosure was received in person, or within 120 hours if received by registered mail. Exceptions: Home Warranty
☐ Seller is exempt from the requirements of the Seller Disclosure Act.

- Lead-Based Paint Addendum:** Transactions involving homes built prior to 1978 require a written disclosure which is hereby attached and will be an integral part of this Agreement.
- Property Description:** Buyer offers to buy the property located in the ☒ City ☐ Village ☐ Township of Muskegon, County of Muskegon, Michigan, commonly known as (insert mailing address: street/city/state/zip code)
 1499 Hoyt Street Street, Muskegon, MI 49442
 with the following legal description and tax parcel ID numbers:
 DIST:24 SUBD:CITY OF MUSKEGON REVISED PLAT (OF 1903) SEC/TWN/RNG/MER:SEC 05 TWN 9N RNG 17W C

PP# 61-24-205-280-0012-00

- The following paragraph applies only if the Premises include unplatted land:**
 Seller agrees to grant Buyer at closing the right to make (insert number) ALL division(s) under Section 108(2), (3), and (4) of the Michigan Land Division Act. (If no number is inserted, the right to make divisions under the sections referenced above stays with any remainder of the parent parcel retained by Seller. If a number is inserted, Seller retains all available divisions in excess of the number stated; however, Seller and/or REALTOR® do not warrant that the number of divisions stated is actually available.) If this sale will create a new division, Seller's obligations under this Agreement are contingent on Seller's receipt of municipal approval on or before 01/13/2023, of the proposed division to create the Premises.
- Purchase Price:** Buyer offers to buy the Property for the sum of \$ 189,900 one hundred eighty-nine thousand nine hundred U.S. Dollars
 - Seller Concessions,** if any: Seller to contribute \$10,000 of purchase price towards buyers closing costs, discount points and prepaids

- Terms:** The Terms of Purchase will be as indicated by "X" below: (Other unmarked terms of purchase do not apply.)
 SOURCE OF FUNDS TO CLOSE: Buyer represents that the funds necessary to close this transaction on the terms specified below are currently available to Buyer in cash or an equally liquid equivalent.

If the Property's value stated in an appraisal obtained by Buyer or Buyer's lender is less than the Purchase Price, Buyer shall within three (3) days after receipt of the appraisal: 1) renegotiate with the Seller, 2) terminate the transaction, in which case Buyer shall receive a refund of Buyer's Earnest Money Deposit, or 3) proceed to close the transaction at the agreed Purchase Price.

☐ CASH. The full Purchase Price upon execution and delivery of Warranty Deed. Buyer Agrees to provide Buyer Agent/Dual Agent verification of funds within five (5) days after the Effective Date, and consents to the disclosure of such information to Seller and/or Seller's Agent. If verification of funds is not received within 5 days after the Effective Date, Seller may terminate this Agreement at any time before verification of funds is received by giving written notice to Buyer. Any appraisal required by Buyer shall be arranged and paid for by Buyer within ten (10) days after the Effective Date of this Agreement.

☒ NEW MORTGAGE. The full Purchase Price upon execution and delivery of Warranty Deed, contingent upon Buyer's ability to obtain a FHA type 30 (year) mortgage in the amount of 96.5 % of the Purchase Price bearing interest at a rate not to exceed 8 % per annum (rate at time of loan application), on or before the date the sale is to be closed. Buyer agrees to apply for a mortgage loan, and pay all fees and costs customarily charged by Buyer's lender to process the application, within 3 days after the Effective Date, not to impair Buyers' credit after the date such loan is offered. ☐ Seller ☒ Buyer will agree to pay an amount not to exceed \$0 representing repairs required as a condition of financing. Buyer ☒ agrees ☐ does not agree to authorize Buyer's Agent/Dual Agent to obtain information from

Buyer's lender regarding Buyer's financing, and consents to the disclosure of this information to Seller and/or Seller's Agent.
Exceptions:

☐ SELLER FINANCING (choose one of the following): ☐ CONTRACT or ☐ PURCHASE MONEY MORTGAGE

In the case of Seller financing, Buyer agrees to provide Seller with a credit report within 72 hours after the Effective Date. If the credit report is unacceptable to Seller, Seller shall have the right to terminate this offer within 48 hours of Seller's receipt, or if Buyer fails to provide said credit report to Seller within the time frame allotted, Seller shall have the right to terminate this offer within 48 hours. Seller is advised to seek professional advice regarding the credit report.

\$_____ upon execution and delivery of a _____ form (name or type of form and revision date), a copy of which is attached, wherein the balance of \$_____ will be payable in monthly installments of \$_____ or more including interest at _____ % per annum, interest to start on date of closing, and first payment to become due thirty (30) days after date of closing. The entire unpaid balance will become due and payable _____ months after closing. Any appraisal required by Buyer shall be arranged and paid for by Buyer within ten (10) days after the Effective Date of this Agreement. Exceptions:

☐ EQUITY (choose one of the following): ☐ Formal Assumption or ☐ Informal Assumption
Upon execution and delivery of: ☐ Warranty Deed subject to existing mortgage OR ☐ Assignment of Vendee Interest in Land Contract, Buyer to pay the difference (approximately \$_____) between the Purchase Price above provided and the unpaid balance (approximately \$_____) upon said mortgage or land contract, which Buyer agrees to assume and pay. Buyer agrees to reimburse Seller for accumulated funds held in escrow, if any, for payment of future taxes and insurance premiums, etc. Any appraisal required by Buyer shall be arranged and paid for by Buyer within ten (10) days after the Effective Date of this Agreement. Exceptions:

☐ OTHER:

9. **Contingencies:** Buyer's obligation to consummate this transaction (choose one):

☒ **IS NOT CONTINGENT** - is not contingent upon the sale or exchange of any other property by Buyer.

☐ **IS CONTINGENT UPON CLOSING** - is contingent upon closing of an existing sale or exchange of Buyer's property located at:

A copy of Buyer's agreement to sell or exchange that property is being delivered to Seller along with this offer. If the existing sale or exchange terminates for any reason, Buyer will immediately notify Seller, and either party may terminate this Agreement in writing, within 3 days of Buyer's notice to Seller. If either party terminates, Buyer shall receive a refund of any applicable Earnest Money Deposit.

☐ **IS CONTINGENT UPON THE SALE AND CLOSING** - is contingent upon the execution of a binding agreement and the closing of a sale or exchange of Buyer's property located at _____ on or before _____. Seller will have the right to continue to market Seller's Property until Buyer enters into a binding agreement to sell or exchange Buyer's property and delivers a copy thereof to Seller. During such marketing period, Seller may enter into a binding contract for sale to another purchaser on such price and terms as the Seller deems appropriate. In such event, this Agreement will automatically terminate, Buyer will be notified promptly, and Buyer's Earnest Money Deposit will be refunded. Exceptions:

10. **Fixtures & Improvements:** The following is not intended to be an all-inclusive list of items included with the Property. All improvements and appurtenances are included in the Purchase Price, if now in or on the Property, unless rented, including the following: all buildings; landscaping; attached smart home devices; attached security systems; lighting fixtures and their shades and bulbs; ceiling fans; hardware for draperies and curtains; window shades and blinds; built-in kitchen appliances, including garbage disposal and drop-in ranges; wall to wall carpeting, if attached; all attached mirrors; all attached TV mounting brackets; all attached shelving; attached work benches; stationary laundry tubs; water softener; water heater; incinerator; sump pump; water pump and pressure tank; heating and air conditioning equipment (window units excluded); attached humidifiers; heating units, including add-on heating stoves and heating stoves connected by flue pipe; fireplace screens, inserts, and grates; fireplace doors, if attached; liquid heating and cooking fuel tanks; TV antenna and complete rotor equipment; satellite dish and necessary accessories and complete rotor equipment; all support equipment for inground pools; screens and storm windows and doors; awnings; installed basketball backboard, pole and goal; mailbox; flagpole(s); fencing, invisible inground fencing and all related equipment, including collars; detached storage buildings; underground sprinkling, including the pump; installed outdoor grills; all plantings and bulbs; garage door opener and control(s); and any and all items and fixtures permanently affixed to the Property; **and also includes:**

Dishwasher; Microwave; Oven; Refrigerator, Washer & Dyer

but does not include:

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Date

Time



Buyer's Initials



Seller's Initials

11. **Heating and Cooking Fuels:** Liquid heating and cooking fuels in tanks are included in the sale and will transfer to Buyer at time of possession unless usage is metered (in which case it is not included in the sale). Sellers are responsible for maintaining heating and cooking liquid fuels at an operational level and shall not permit fuels to fall below 10% in the tank(s) at the time of possession, except that the tank(s) may be empty only if now empty. Further, Seller is precluded from removing fuel from tank(s) other than what is expended through normal use. Exceptions:

NONE

12. **Assessments (choose one):**

If the Property is subject to any assessments,

- ☒ Seller shall pay the entire balance of any such assessments that are due and payable on or before the day of closing (regardless of any installment arrangements), except for any fees that are required to connect to public utilities.
- ☐ Seller shall pay all installments of such assessments that become due and payable on or before day of closing. Buyer shall assume and pay all other installments of such assessments.

13. **Property Taxes:** Seller will be responsible for any taxes billed prior to those addressed below. Buyer will be responsible for all taxes billed after those addressed below.

Buyer is also advised that the state equalized value of the Property, principal residence exemption information and other real property tax information is available from the appropriate local assessor's office. Buyer should not assume that Buyer's future tax bills on the Property will be the same as Seller's present tax bills. Under Michigan law, real property tax obligations can change significantly when property is transferred.

☐ No proration. (Choose one):

- ☐ Buyer ☐ Seller will pay taxes billed summer _____ (year);
- ☐ Buyer ☐ Seller will pay taxes billed winter _____ (year);

- ☒ Calendar Year Proration (all taxes billed or to be billed in the year of the closing). Calendar year tax levies will be estimated, if necessary, using the taxable value and the millage rate(s) in effect on the day of closing, broken down to a per diem tax payment and prorated to the date of closing with Seller paying for January 1 through the day before closing.

☐ Fiscal Year Proration - Taxes will be prorated as though they are paid in (choose one): ☐ advance. ☐ arrears.

Fiscal Year will be assumed to cover a 12-month period from date billed, and taxes will be prorated to the date of closing. Fiscal year tax levies will be estimated, if necessary, using the taxable value and millage rate(s) in effect on the day of closing, broken down to a per diem tax payment and prorated to the date of closing with Seller paying through the day before closing. Exceptions:

NONE

14. **Well/Septic:** Within ten (10) days after the Effective Date, (choose one) ☐ Seller or ☐ Buyer will arrange for, at their own expense, an inspection of the primary well used for human consumption (including a water quality test for coliform bacteria and nitrates) and septic systems in use on the Property. The inspection will be performed by a qualified inspector in a manner that meets county (or other local governmental authority, if applicable) protocol.

If any report discloses a condition unsatisfactory to Buyer, or doesn't meet county standards that are a condition of sale, Buyer may, within three (3) days after Buyer has received the report, by written notice to Seller, either terminate this Agreement and receive a refund of Buyer's Earnest Money Deposit, or make a written proposal to Seller to correct those unsatisfactory conditions. If Buyer fails to make a written proposal within the above referenced time period, then Buyer will be deemed to have accepted the well/septic as-is. Seller will respond in writing within three (3) days to Buyer's request. If Seller fails to respond or to arrive at a mutually agreeable resolution within three (3) days after Seller's receipt of Buyer's proposal, Buyer will have three (3) days to provide written notice of termination of this Agreement and receive a refund of any applicable Earnest Money Deposit. If Buyer fails to terminate the contract, Buyer will proceed to closing according to the terms and conditions of this Agreement.

Other:

N/A

15. **Inspections & Investigations:**

Inspections: Buyer, or someone selected by Buyer, has the right to inspect the buildings, premises, components and systems, at Buyer's expense. Any damage, misuse, abuse, or neglect of any portion of the Property or premises as a result of inspections will be Buyer's responsibility and expense.

Investigations: It is Buyer's responsibility to investigate (i) whether the Property complies with applicable codes and local ordinances and whether the Property is zoned for Buyer's intended use; (ii) whether Buyer can obtain a homeowner's insurance policy for the Property at price and terms acceptable to Buyer; (iii) and whether or not the Property is in a flood zone.

All inspections and investigations will be completed within 7 days after the Effective Date. If the results of Buyer's inspections and investigations are not acceptable to Buyer, Buyer may, within the above referenced period, by written notice to Seller, either terminate this Agreement and receive a refund of Buyer's Earnest Money Deposit, or make a written proposal to Seller to correct those unsatisfactory conditions. If Buyer fails to make a written proposal within the above referenced time period, then Buyer will be

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Seller's Initials

deemed to have accepted the Property as-is. Seller may negotiate with Buyer, or by written notice to Buyer, accept Buyer's proposal or terminate this Agreement. If Seller fails to respond, or to arrive at a mutually agreeable resolution within three (3) days after Seller's receipt of Buyer's proposal, Buyer shall have three (3) days to provide written notice of termination of this Agreement and receive a refund of any applicable Earnest Money Deposit. If Buyer fails to terminate this Agreement within said three (3) day period, Buyer will be deemed to accept the Inspections & Investigations and will proceed to closing according to the terms and conditions of this Agreement.

☐ Buyer has waived all rights under this Inspections & Investigations paragraph.

Exceptions: NONE

16. **Municipal Compliances:** Seller will arrange and pay for current certificates of occupancy, sidewalk compliance, and smoke detector ordinances, if applicable.

17. **Title Insurance:** Seller agrees to convey marketable title to the Property subject to conditions, limitations, reservation of oil, gas and other mineral rights, existing zoning ordinances, and building and use restrictions and easements of record. An **expanded coverage** ALTA Homeowner's Policy of Title Insurance in the amount of the Purchase Price shall be ordered by Seller and furnished to Buyer at Seller's expense, and a commitment to issue a policy insuring marketable title vested in Buyer, including a real estate tax status report, will be made available to Buyer within **ten (10) days** after the Effective Date. If Buyer so chooses, or if an expanded policy is not applicable, then a **standard** ALTA Owners' Policy of Title Insurance shall be provided.

If Buyer objects to any conditions, Buyer may, within three (3) days of receipt of the Title Commitment, by written notice to Seller, either terminate this Agreement and receive a refund of Buyer's Earnest Money Deposit, or make a written proposal to Seller to correct those unsatisfactory conditions. If Buyer fails to make a written proposal within the above referenced time period, then Buyer will be deemed to have accepted the Title Commitment as-is. Seller may negotiate with Buyer, or by written notice to Buyer, accept Buyer's proposal or terminate this Agreement. If Seller fails to respond, or to arrive at a mutually agreeable resolution within three (3) days after Seller's receipt of Buyer's proposal, Buyer shall have three (3) days to provide written notice of termination of this Agreement and shall receive a refund of any applicable Earnest Money Deposit. If Buyer fails to terminate this Agreement within said three (3) day period, Buyer will be deemed to accept the Title Commitment as-is and will proceed to closing according to the terms and conditions of this Agreement. Exceptions:

NONE

18. **Property Survey:** Broker advises that Buyer should have a survey performed to satisfy Buyer as to the boundaries of the Property and the location of improvements thereon.

☐ Buyer or ☐ Seller (choose one) shall within ten (10) days of the Effective Date, order, at their expense, a boundary survey with iron corner stakes showing the location of the boundaries, improvements and easements in connection with the Property. Upon receipt of the survey, Buyer will have three (3) days to review the survey. If the survey shows any condition, in Buyer's sole discretion, which would interfere with Buyer's intended use of the Property, the marketability of the title, or zoning non-compliance, then Buyer may, within said three (3) day period, terminate this Agreement, in writing, and Buyer will receive a full refund of Buyer's Earnest Money Deposit.

☒ No survey. Buyer has waived all rights under this paragraph.

When closing occurs, Buyer shall be deemed to have accepted the boundaries of the Property and the location of such improvements thereon. Exceptions:

NONE

19. **Home Protection Plan:** Buyer and Seller have been informed that home protection plans may be available. Such plans may provide additional protection and benefit to the parties. Exceptions:

Seller/Builder to provide 1 year Home Warranty on the New construction house

20. **Prorations:** Rent; association dues/fees, if any; insurance, if assigned; interest on any existing land contract, mortgage or lien assumed by Buyer; will all be adjusted to the date of closing. For the purposes of calculating prorations, it is presumed that Seller owns the Property through the day before closing.

21. **Closing:** If agreeable to Buyer and Seller, the sale will be closed as soon as closing documents are ready, but not later than 01/13/2023. An additional period of fifteen (15) days will be allowed for closing to accommodate the correction of title defects or survey problems which can be readily corrected, or for delays in obtaining any lender required inspections/repairs. During this additional period, the closing will be held within 5 days after all parties have been notified that all necessary documents have been prepared. Buyer and Seller will each pay their title company closing fee, if applicable, **except in the case of VA financing where Seller will pay the entire closing fee**. Exceptions:

22. **Pre-Closing Walk-Through:** Buyer (choose one) ☒ reserves ☐ waives the right to conduct a final walk-through of the Property within three (3) days of the scheduled closing date. The purpose of the walk-through is to determine that the Property is in a substantially similar condition as of the Effective Date, any contractually agreed upon items have been fulfilled, and that any included personal property is still located at the Property. Buyer shall immediately report to Seller any objections to these conditions and Buyer's requested corrective action.

23. **Possession:** Seller will maintain the Property in its present condition until the completion of the closing of the sale. Possession to be delivered to Buyer, subject to rights of present tenants, if any.

☒ At the completion of the closing of the sale.

☐ At _____ ☐ a.m. ☐ p.m. on the _____ day after completion of the closing of the sale, during which time Seller

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Subject Property Address/Description

12/12/2022

Date

Time



Buyer's Initials



Seller's Initials

will have the privilege to occupy the Property and hereby agrees to pay Buyer \$0 as an occupancy fee for this period payable at closing, WITHOUT PRORATION. Payment shall be made in the form of cash or certified funds.

If Seller fails to deliver possession to Buyer on the agreed date, Seller shall become a tenant at sufferance and shall pay to Buyer as liquidated damages \$50 per day plus all of the Buyer's actual reasonable attorney's fees incurred in removing the Seller from the Property.

If Seller occupies the Property after closing, Seller will pay all utilities during such occupancy. Buyer will maintain the structure and mechanical systems at the Property. However, any repairs or replacements necessitated by Seller's misuse, abuse, or neglect of any portion of the Property will be Seller's responsibility and expense.

On the agreed delivery date, Seller shall deliver the Property free of trash and debris and in broom-clean condition, shall remove all personal property (unless otherwise stated in this or an additional written agreement), shall make arrangements for final payment on all utilities, and shall deliver all keys to Buyer. Exceptions:

24. **Earnest Money Deposit:** For valuable consideration, Buyer gives Seller until 12/13/2022 (date), to deliver the written acceptance of this offer and agrees that this offer, when accepted by Seller, will constitute a binding Agreement between Buyer and Seller. An Earnest Money Deposit in the amount of \$\$1,000 shall be submitted to Transnation Title Company (insert name of broker, title company, other) within 72 hours of the Effective Date of this Agreement, and shall be applied against the Purchase Price. If the Earnest Money Deposit is not received within 72 hours of the Effective Date or is returned for insufficient funds, Seller may terminate this Agreement until such time as the Earnest Money Deposit is received. If Seller terminates this Agreement under this provision, Seller waives any claim to the Earnest Money Deposit. If the sale is not closed due to a failure to satisfy a contingency for a reason other than the fault of Buyer, the Earnest Money Deposit shall be refunded to Buyer. If the sale is not closed as provided in this Agreement and Buyer and Seller do not agree to the disposition of the Earnest Money Deposit, then Buyer and Seller agree that the Broker holding the Earnest Money Deposit may notify Buyer and Seller, in writing, of Broker's intended disposition of the Earnest Money Deposit. If Buyer and Seller do not object to such disposition in writing within fifteen (15) days after the date of Broker's notice, they will be deemed to have agreed to Broker's proposed disposition; if either Buyer or Seller object and no mutually agreeable disposition can be negotiated, Broker may deposit the funds by interpleader with a court of proper jurisdiction or await further actions by Buyer and Seller. In the event of litigation involving the deposit, in whole or in part, either the Seller or the Buyer that is not the prevailing party, as determined by the court, will reimburse the other for reasonable attorneys' fees and expenses incurred in connection with the litigation, and will reimburse the Broker for any reasonable attorneys' fees and expenses incurred in connection with any interpleader action instituted. If the entity holding the Earnest Money Deposit is not the Broker, then to the extent that the terms of any escrow agreement conflict with this paragraph, then the terms and conditions of the escrow agreement shall control.
25. **Professional Advice:** Broker hereby advises Buyer and Seller to seek legal, tax, environmental and other appropriate professional advice relating to this transaction. Broker does not make any representations or warranties with respect to the advisability of, or the legal effect of this transaction. Buyer further acknowledges that REALTOR® above named in the Agreement hereby recommends to Buyer that an attorney be retained by Buyer to pass upon the marketability of the title and to ascertain that the required details of the sale are adhered to before the transaction is consummated. Buyer agrees that Buyer is not relying on any representation or statement made by Seller or any real estate salesperson (whether intentionally or negligently) regarding any aspect of the Property or this sale transaction, except as may be expressly set forth in this Agreement, a written amendment to this Agreement, or a disclosure statement separately signed by Seller.
26. **Disclosure of Information:** Buyer and Seller acknowledge and agree that the Purchase Price, terms, and other details with respect to this transaction (when closed) are not confidential, will be disclosed to REALTORS® who participate in the applicable Multiple Listing Service, and may otherwise be used and/or published by that Multiple Listing Service in the ordinary course of its business.
27. **Other Provisions:**
Seller to Pay Buyers agent Commission Stated in the MLS 3%
28. **Mergers and Integrations:** This Agreement is the final expression of the complete agreement of Buyer and Seller, and there are no oral agreements existing between Buyer and Seller relating to this transaction. This Agreement may be amended only in writing signed by Buyer and Seller and attached to this Agreement.
29. **Fax/Electronic Distribution and Electronic Signatures:** Buyer and Seller agree that any signed copy of this Agreement, and any amendments or addendums related to this transaction, transmitted by facsimile or other electronic means shall be competent evidence of its contents to the same effect as an original signed copy. Buyer and Seller further agree that an electronic signature is the legal equivalent of a manual or handwritten signature, and consent to use of electronic signatures. Buyer and Seller agree that any notice(s) required or permitted under this Agreement may also be transmitted by facsimile or other electronic means.
30. **Wire Fraud:** Seller and Buyer are advised that wire fraud is an increasingly common problem. If you receive any electronic

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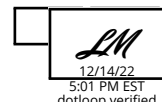
12/12/2022

Date

Time



Buyer's Initials



Seller's Initials

communication directing you to transfer funds or provide nonpublic personal information (such as social security numbers, drivers' license numbers, wire instructions, bank account numbers, etc.), **even if that electronic communication appears to be from the Broker, Title Company, or Lender, DO NOT** reply until you have verified the authenticity of the email by direct communication with Broker, Title Company, or Lender. **DO NOT** use telephone numbers provided in the email. Such requests may be part of a scheme to steal funds or use your identity.

31. **Buyer's Approval and Acknowledgment:** Buyer approves the terms of this offer and acknowledges receipt of a copy of this offer.

Buyer 1 Address: BRYTNEY DUNCAN dotloop verified 12/12/22 4:41 PM EST H50K-LW0A-NK44-BEGM **Buyer**
 Buyer 1 Phone: (Res.) (231) 557-1409 (Bus.) BRYTNEY DUNCAN
 Print name as you want it to appear on documents.
 Buyer 2 Address: **Buyer**
 Buyer 2 Phone: (Res.) (Bus.)
 Print name as you want it to appear on documents.

32. **Seller's Response:** The above offer is approved: ☐ As written. ☒ As written except:

Seller to provide a quit claim deed vs a warranty deed
 Builder warranty started the day the city of Muskegon gave certificate of occupancy.

Counteroffer, if any, expires , at (time). Seller has the right to withdraw this counteroffer and to accept other offers until Seller or Seller's Agent has received notice of Buyer's acceptance.

33. **Certification of Previous Disclosure Statement:** Seller certifies to Buyer that the Property is currently in the same condition as disclosed in the Seller's Disclosure Statement dated (choose one): ☐ Yes ☐ No. Seller agrees to inform Buyer in writing of any changes in the content of the disclosure statement prior to closing.

34. **Notice to Seller:** Seller understands that consummation of the sale or transfer of the Property described in this Agreement will not relieve Seller of any liability that Seller may have under the mortgages to which the Property is subject, unless otherwise agreed to by the lender or required by law or regulation. Buyer and Seller are advised that a Notice to Seller & Buyer of Underlying Mortgage form is available from the respective agents via the West Michigan REALTOR® Boards.

35. **Listing Office Address:** 255 W Western Ave, Muskegon, MI 49440 Listing Broker License #
Listing Agent Name: Mariana Murillo VanDam Listing Agent License # Mariana Murillo VanDam

36. **Seller's Approval and Acknowledgment:** Seller approves the terms of this Agreement and acknowledges receipt of a copy. If Seller's response occurs after Buyer's offer expires, then Seller's response is considered a counteroffer and Buyer's acceptance is required below.

X (Seller's Signature, Date, Time): LeighAnn Mikesell dotloop verified 12/14/22 5:01 PM EST 4QUW-HM55-NXWZ-SJNF
 Print name as LeighAnn Mikesell documents. Is Seller a U.S. Citizen or Resident Alien? ☒ Yes ☐ No*
 X (Seller's Signature, Date, Time):
 Print name as you want it to appear on documents. Is Seller a U.S. Citizen or Resident Alien? ☐ Yes ☐ No*

Seller's Address: Seller's Phone (Res.) (Bus.)
 * If Seller(s) is not a U.S. Citizen or Resident Alien, there may be tax implications and Buyer and Seller are advised to seek professional advice.

37. **Buyer's Receipt/Acceptance:** Buyer acknowledges receipt of Seller's response to Buyer's offer. In the event Seller's response constitutes a counteroffer, Buyer accepts said counteroffer. All other terms and conditions in the offer remain unchanged.

X (Buyer's Signature, Date, Time):
 X (Buyer's Signature, Date, Time):

38. **Seller's Receipt:** Seller acknowledges receipt of Buyer's acceptance of counter offer.

X (Seller's Signature, Date, Time):
 X (Seller's Signature, Date, Time): LeighAnn Mikesell dotloop verified 12/14/22 5:01 PM EST QRYV-CWAO-GQ6E-LTCW

1499 Hoyt Street Street, Muskegon, MI 49442
 Subject Property Address/Description

12/12/2022
 Date Time

WATCH MUSKEGON

Agenda Item Review Form Muskegon City Commission

Commission Meeting Date: January 10, 2023	Title: Public Hearing Brownfield Plan Amendment, 1st Amendment, Adelaide Pointe QOZB, LLC
Submitted By: Contessa Hood	Department: City Manager
Brief Summary: Approval for Brownfield Plan Amendment, 1 st Amendment for Adelaide Pointe QOZB, LLC (Adelaide Pointe Project) and to consider the attached resolution.	
Detailed Summary & Background: Adelaide Pointe QOZB, LLC is seeking a Brownfield Plan Amendment (1st Amendment) for the Adelaide Pointe Project; a 35-acre mixed use waterfront development project including winter boat storage, marina space, In/Out forklift boat storage, commercial/retail, and up to 400 housing units. The initial Brownfield Plan Amendment was approved by the BRA on Oct 12, 2021 and City Commission on Oct 26, 2021. In Dec. 2020, the developer's environmental consultant (Fishbeck) completed a Phase II Environmental Site Assessment (ESA) and a Baseline Environmental Assessment. This plan includes \$12,404,400 in total EGLE and non-environmental local only eligible costs as well as \$24,379,064 in total MSF eligible costs. The developer is seeking to add state school tax capture for reimbursement of costs related to Michigan Strategic Fund (MSF) eligible activities during the first three immediate phases of redevelopment. The City proposed to use a bond proceed of \$8,101,388 to pay eligible site preparation and public infrastructure costs that include public roadways, a reconfiguration of West Western Ave, as well as a water main, sanitary sewer and storm sewer utilities. The local-only EGLE eligible costs are \$3,250,000 which include due care activities - \$500,000 vapor intrusion mitigation, \$1,500,000 soil capping, \$250,000 dewatering and \$1,000,000 for the dredging and removal of soil contaminants. Local-only MSF eligible costs are \$5,810,000 which include \$500,000 demolition, \$250,000 asbestos abatement, \$3,160,000 site preparation. Capture of tax increment revenues for City reimbursement is anticipated to commence in 2023 and end in 2031. Developer reimbursement will follow with an estimated start date of 2023. The anticipated end date for Developer reimbursement is 2046. It is projected that the Plan Amendment will extend 29 years, which assumes five years of additional capture of tax increment revenues for deposit into a Local Brownfield Revolving Fund, if available. The contingency percentage, interest request, and the annual administrative fee will remain the same as previously stated on Oct. 26, 2021 during the scheduled City Commission meeting approving the initial Brownfield Plan Amendment. The interest is included for all accrued and unreimbursed eligible activities on a yearly basis. The BRA approved the revised BPA on Dec. 13, 2022 and recommends the approval of the BPA by the Muskegon City Commission on Jan. 10, 2022. The Muskegon City Commission and BRA approved the Brownfield Development & Reimbursement Agreement, on Dec. 13, 2022. A signed copy from the Muskegon City Commission was not able to be secured by the submission date for the 1/10 City Commission meeting. Staff will be sure to send the signed DRA to the city clerk once the document is available.	

Goal/Focus Area/Action Item Addressed: <i>Focus Area: improved access to the waterfront, blight cleanup, progress toward completion of ongoing economic development projects</i> <i>Action Item 2022-2.6: Complete Adelaide Pointe public improvements</i>			
Amount Requested: N/A		Amount Budgeted: N/A	
Fund(s) or Account(s): N/A		Fund(s) or Account(s): N/A	
Recommended Motion: Motion to close the public hearing and to approve the resolution for the Brownfield Plan Amendment, 1 st Amendment for the Adelaide Pointe Project authorizing the Mayor and City Clerk to sign.			
Approvals: <i>Get approval from division head at a minimum prior to sending to the Clerk.</i> Immediate Division Head ☒ Information Technology ☐ Other Division Heads ☒ Communication ☒ Legal Review ☐			Guest(s) Invited / Presenting Yes ☐ No ☒
For City Clerk Use Only: Commission Action:			

City of Muskegon Brownfield Redevelopment Authority

Amendment to Brownfield Plan Amendment for the Adelaide Pointe Project at 1204 West Western Avenue Muskegon, Michigan

Initial Brownfield Plan Amendment Approved by the City of Muskegon
Brownfield Redevelopment Authority

October 12, 2021

Initial Brownfield Plan Amendment Approved by the City of Muskegon Board
of Commissioners

October 26, 2021

Amendment to Brownfield Plan Amendment Approved by the City of
Muskegon Brownfield Redevelopment Authority

Amendment to Brownfield Plan Amendment Approved by the City of
Muskegon Board of Commissioners

Prepared with the assistance of:

Fishbeck

1515 Arboretum Drive SE

Grand Rapids, Michigan 49546

616-464-3876

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1.0 Introduction

The City of Muskegon Brownfield Redevelopment Authority (the “Authority” or MBRA) was established by the City of Muskegon pursuant to the Brownfield Redevelopment Financing Act, Michigan Public Act 381 of 1996, as amended (“Act 381”). The primary purpose of Act 381 is to encourage the redevelopment of eligible property by providing economic development incentives through tax increment financing for certain eligible properties.

On October 26, 2021, the City of Muskegon (the “City”) approved a Brownfield Plan Amendment (BPA) to incorporate 1148 and 1204 West Western Avenue (“Eligible Property”, “Site”, or “Property”) into the City’s existing Brownfield Plan. The BPA detailed redevelopment plans for a five-phase redevelopment at the Eligible Property, including eligible activity costs and related reimbursement through local-only tax increment financing.

This amendment to the BPA has been prepared to add state school tax capture for reimbursement of costs related to Michigan Strategic Fund (MSF) eligible activities during the first three immediate phases of redevelopment. Future amendments to this amended BPA may be pursued for phases four and five of the development. See Attachment A for copies of amended BPA resolutions.

1.1 Proposed Redevelopment and Future Use for the Eligible Property

The Developer, Adelaide Pointe QOZB, LLC, is proposing to redevelop a former industrial site located at 1204 West Western Avenue (1148 & 1204 West Western Avenue are now combined), Muskegon, Michigan. Figures 1 and 2 depict the Eligible Property location and layout.

Redevelopment consists of five phases that are anticipated to be completed by 2030. Phases one through three are the focus of this amended BPA. Development phasing is described below:

Development Phase	Anticipated/Actual Start Date	Desired/Actual Completion Date
Phase I – Revitalize existing buildings for boat storage	Spring/Summer 2021	Spring 2022
Phase II – Construction of marina, mixed-use building, boater services building*	Spring 2023	Fall/Winter 2024
Phase III – Construction of 55-unit residential condo building*	Spring 2023	Fall/Winter 2024
Phase IV – Construction of hotel and 50 boat storage units and warehouse	Spring 2024	Fall 2027
Phase V – Construction of residential condos	Spring 2025	Fall 2030

Phases one through three include revitalizing the existing site structures for boat storage, business offices, and lease space (approx. 218,000 sf); creation of a new 280 slip marina and construction of a new three-story, mixed-use building with ground level retail and office space (approximately 14,700 gross sf), a second-floor restaurant (approximately 3,700 sf), and third floor deck area (approx. 3,700 sf) (the “Project”). The Project will create a walkable community that incorporates public access to waterfront activities (e.g., swimming, fishing, boating), inviting greenspace areas, and transient docking. Sustainable development techniques are proposed throughout

the Project, including mass timber construction, solar boardwalks and roof systems, electric vehicle charging stations, low-impact development stormwater management, and integrated parking. Total private investment in Phases one through three, not including property acquisition, is approximately \$125,000,000. The mixed-use waterfront development will create approximately 100 new jobs (retail, office, restaurant, marina) and provide contractor work for hundreds of temporary construction workers.

In addition to environmental activities, this amendment to the BPA includes non-environmental eligible activities necessary to complete the Project. Non-environmental activities will include demolition, lead/asbestos abatement, site preparation and public infrastructure improvements. Public infrastructure improvements will include upgrades to the public utilities (water main, sanitary sewer, and storm sewer), public roadways, marina and solar docks. Site preparation activities will include specialized foundations, clearing and grubbing, dredging, compaction and sub-base preparation, cut and fill, excavation for unstable material, geotechnical engineering, grading/land balancing, relocation of utilities, temporary erosion controls, temporary site control, surveying and staking, architectural and engineering costs and mass grading.

1.2 Eligible Property Information

The 35-acre Property is located at the west end of West Western Avenue on the south shore of Muskegon Lake. Since the late 1800s, the Property has been utilized for industrial purposes, primarily a lumberyard followed by foundry operations. Based on a recent Phase II Environmental Site Assessment (ESA), completed in December 2020, these past industrial uses have resulted in widespread contamination across the Property. Known contaminants in the soil with concentrations exceeding Michigan Department of Environment, Great Lakes, and Energy (EGLE) Part 201 Generic Residential Cleanup Criteria (GRCC) include tetrachloroethylene (PCE), arsenic, cadmium, chromium (total), copper, mercury, selenium, silver and zinc. Groundwater contaminants with concentrations identified above Part 201 GRCC consist of benzene, 2-methylnaphthalene, naphthalene, cadmium, chromium (total), copper, lead, mercury, and zinc.

The Developer is not a liable party and completed a Baseline Environmental Assessment (BEA) in accordance with Part 201 of the Natural Resources and Environmental Protection Act, 1995 PA 451, as amended (NREPA).

Given the known contamination, the Property is a “facility” pursuant to Part 201 of NREPA. As such, it is considered an “eligible property” as defined by the Michigan Redevelopment Financing Act, Act 381 of 1996.

The location and layout of the Property are depicted in Figures 1 and 2. Environmental data tables and an exceedance map are provided in Attachment C.

2.0 Information Required by Section 13(2) of the Statute

2.1 Description of Costs to Be Paid for With Tax Increment Revenues

Tax increment revenues will be used to reimburse the Developer and City, as applicable, for the following eligible activities.

- Pre-approved BEA, documentation of due care, asbestos/lead paint survey, and additional due care assessment
- Due care activities
- Asbestos, lead paint, and mold abatement
- Select building and site demolition
- Site preparation
- Infrastructure improvements (public)
- 15% contingency

- Brownfield Plan Amendment
- Brownfield Plan Amendment Implementation
- Interest

The table below provides an eligible activity cost summary for the Project.

EGLE Eligible Activities	Estimated Cost
<u>Department Specific Activities</u>	
Pre-Approved Sub-Total	\$350,000
BEA activities	\$52,000
Documentation of due care	\$33,000
Hazardous materials survey (e.g., asbestos, lead paint, etc.)	\$20,000
Due care assessment	\$245,000
EGLE Eligible Activities Total Costs	\$350,000
Interest (5%)	\$15,354
EGLE Eligible Costs Sub-Total	\$365,354

Summary of Eligible Activity Costs - Developer MSF				
MSF Eligible Activities	Total Cost	Developer Cost	Estimated Completion Schedule	Redevelopment Phase Related to Activity
Public Infrastructure Improvements Sub-Total	\$8,100,000	\$8,100,000		
Public Parks (Linear Park, East Peninsula Park, Commuter Bike Path)	\$2,000,000	\$2,000,000	2023-2024	Phase II & III
Public Shopper Dock and Public Transient Dock	\$1,300,000	\$1,300,000	2023-2024	Phase II
Marina Basin- (breakwater system/public access path)	\$4,300,000	\$4,300,000	2023-2024	Phase II
Solar Powered Docks	\$500,000	\$500,000	2023-2024	Phase II
Site Preparation Sub-Total	\$6,750,000	\$6,750,000		
Specialized Foundations	\$905,000	\$905,000	2023-2024	Phase II-V
Clearing and Grubbing	\$300,000	\$300,000	2023-2024	Phase II & III

Dredging	\$800,000	\$800,000	2023-2024	Phase II & III
Compaction and Sub-Base Preparation	\$350,000	\$350,000	2023-2024	Phase II & III
Cut and Fill	\$300,000	\$300,000	2023-2024	Phase II
Excavation for Unstable Material	\$70,000	\$70,000	2023-2024	Phase II & III
Fill	\$850,000	\$850,000	2023-2024	Phase II & III
Geotechnical Engineering	\$180,000	\$180,000	2023-2024	Phase I, II & III
Grading/Land Balancing	\$1,550,000	\$1,550,000	2023-2024	Phase II & III
Relocation of Active Utilities	\$350,000	\$350,000	2023-2024	Phase II & III
Temporary Erosion Controls	\$110,000	\$110,000	2023-2024	Phase II & III
Temporary Facility	\$165,000	\$165,000	2023-2024	Phase II & III
Temporary Site Control	\$195,000	\$195,000	2023-2024	Phase II & III
Surveying and Staking	\$125,000	\$125,000	2023-2024	Phase II & III
Architectural/Engineering Costs Related to Eligible Activities	\$500,000	\$500,000	2023-2024	Phase II & III
MSF Eligible Activities Sub-Total	\$14,850,000	\$14,850,000		
Contingency (15 %)	\$2,227,500	\$2,227,500		Phase II-V
Interest (5 %)*	\$7,281,564	\$7,281,564		Phase I-V
Brownfield Plan and Work Plan Preparation	\$10,000	\$10,000		Phase I
Brownfield Plan and Work Plan Implementation	\$10,000	\$10,000		Phase I
MSF Eligible Activities Total Costs	\$24,379,064	\$24,379,064		

*Interest collected at a 5% rate and capped at less than \$8,000,000

ELIGIBLE ACTIVITIES COST SUMMARY- City of Muskegon Activities

MSF Eligible Non-Environmental Activities	Total Cost	City of Muskegon Cost	Estimated Completion Schedule	Redevelopment Phase Related Activity
Public Infrastructure (sub-total)	\$6,743,620	\$6,743,620		
Public Roadways	\$4,000,000	\$4,000,000	2023-2024	Phase II
West Western Avenue Reconfiguration-Roadway	\$1,023,620	\$1,023,620	2023-2024	Phase II
Water Main	\$850,000	\$850,000	2023-2024	Phase II
Sanitary Sewer	\$600,000	\$600,000	2023-2024	Phase II
Storm Sewer	\$270,000	\$270,000	2023-2024	Phase II
Local Only Non-Environmental Activities Total Costs	\$6,743,620	\$6,743,620		
Interest (5%)	\$1,357,768	\$1,357,768		
Total City of Muskegon Bond Eligible Costs	\$8,101,388	\$8,101,388		

LOCAL ONLY ELIGIBLE ACTIVITIES COST SUMMARY (Developer)	
Local Only Eligible Activities	Estimated Cost
Department Specific Activities	
Due Care Sub-Total	\$3,250,000
Vapor intrusion mitigation	\$500,000
Soil capping	\$1,500,000
Dewatering	\$250,000
Contaminated Soil/Dredge Materials Removal and Disposal	\$1,000,000
Local Only Department Specific Activities Total Costs	\$3,250,000
Non-Environmental Activities	
Asbestos, Lead based Paint and Mold Abatement	\$250,000

Demolition	\$500,000
Site Preparation (Sub-total)	\$3,160,000
Specialized Foundations	\$1,250,000
Clearing and Grubbing	\$150,000
Compaction and Sub-Base Preparation	\$10,000
Geotechnical Engineering	\$50,000
Relocation of Active Utilities	\$100,000
Surveying & Staking	\$100,000
Architectural/Engineering Costs Related to Eligible Activities	\$1,500,000
Public Infrastructure (Sub-total)	\$1,900,000
Solar Powered Docks (public)	\$500,000
Community Building/Clubhouse and Pool (Public)	\$1,400,000
Non-Environmental Local Only Eligible Costs	\$5,810,000
Contingency (15%)	\$871,500
Brownfield Plan/Act 381 Workplan Preparation	\$10,000
Interest (5%)*	\$2,462,900
Total EGLE and Non-Environmental Local Only Eligible Costs	\$12,404,400

*5% Interest capture begins after MSF Non-Environmental Costs are reimbursed

2.2 Summary of Eligible Activities

Eligible activities as defined by Act 381 and included in this amended BPA consist of the following:

Pre-Approved Activities: These activities are permitted to occur prior to amended BPA approval. Preparation of a Phase I ESA, BEA and Documentation of Due Care Compliance were necessary to protect the new Property owner/Developer from liability for environmental contamination. A Hazardous Materials Investigation was conducted to evaluate potential asbestos, lead paint, and other hazardous materials, as required by regulatory agencies prior to select building demolition activities. Due care assessment will be conducted to verify compliance with applicable due care obligations. Pre-approved activities can be reimbursed from state school and local tax increment revenues.

Due Care Activities: Due care activities will include implementation of vapor intrusion mitigation systems, as applicable, to prevent unacceptable exposures to potential indoor air inhalation concerns. Soil capping will be completed to protect against direct contact concerns related to known contamination. Contaminated

soils/dredge materials which cannot be utilized on the Property will be hauled to an appropriate Type 2 landfill for disposal. During construction activities, dewatering may be necessary. Contaminated groundwater will be properly managed to comply with due care. Due care costs will include environmental oversight and management.

Asbestos, Lead Paint, and Mold Abatement: Prior to select building demolition activities, asbestos, lead paint, and mold were abated, as applicable, in accordance with applicable regulatory guidelines.

Demolition: Select building and Site demolition will be necessary to facilitate safe redevelopment and reuse of the Property.

Site Preparation: Site preparation is expected to include specialized foundations due to unsuitable urban fill material across the Site, clearing and grubbing in preparation for redevelopment, dredging, compaction and sub-base preparation, cut and fill, excavation for unstable material, fill, geotechnical engineering, grading, land balancing, relocation of active utilities, temporary erosion control, temporary facility, temporary site control, surveying, staking, and appropriate associated professional engineering/architectural fees related to the eligible activities. All the site preparation activities are necessary to support the redevelopment.

Public Infrastructure Improvements: Public Infrastructure improvements will be made by both the Developer and City of Muskegon in the public right-of-way and publicly accessible land as outlined in the signed Cooperative Use Agreement between the City of Muskegon and AP dated September 13, 2022. Public infrastructure activities, including public parks (Linear Park, East Peninsula Park and the commuter bike path), public roadways (Adelaide Avenue), West Western Avenue reconstruction, public/transient shopper and dockage and dock slips, new and upgraded water main, sanitary sewer and storm sewer utilities, solar power infrastructure for the public shopper and transient dockage and marina upgrades including the breakwater with public access path.

Amended BPA Preparation: This amended BPA was required for authorization of reimbursement to the Developer and City, as applicable, from tax increment revenues under Public Act 381 of 1996, as amended.

Amended BPA Implementation: Tracking, submittal, review of invoices for reimbursement, plan compliance, and data reporting will be conducted.

Contingency: A 15% contingency is included for those activities not already completed.

Interest: A 5% interest on unreimbursed eligible activities is included.

2.3 Estimate of Captured Taxable Value and Tax Increment Revenues

The base year of this amended BPA is 2021, as established in the approved BPA. The 2021 taxable value of the eligible property was \$903,810. After completion of the development (Phases one, two and three), the taxable value is estimated at \$42,875,000. This amended BPA assumes a 1.0% annual increase in the taxable value of the Eligible Property. Initial capture is anticipated to begin in 2023.

The estimated captured taxable value for the redevelopment by year and in aggregate for each taxing jurisdiction is depicted in tabular form (Table 1: Tax Increment Revenue Capture). Actual taxable values and tax increment revenues may vary year to year based on economic and market conditions, tax incentives, building additions, and property improvements, among other factors.

A summary of the estimated reimbursement schedule by year and in aggregate is presented as Table 2: Tax Increment Revenue Reimbursement Allocation.

Method of Financing and Description of Advances Made by the Municipality

The cost of the eligible activities included in this amended BPA will be paid for by the Developer and the City. The Developer and City will seek reimbursement for eligible activity costs through capture of available local and state

(as applicable) school tax increment revenues as permitted by Act 381. Additionally, as necessary personal property taxes may be utilized as well for reimbursement. Refer to Attachment D for a copy of the Reimbursement Agreement.

2.4 Maximum Amount of Note or Bonded Indebtedness

The City of Muskegon may finance eligible public infrastructure improvements and other eligible activities, as applicable, via municipal bonds with tax increment financing as the pay back mechanism subject to the terms outlined in the Reimbursement/Development Agreement (Attachment D). The estimated total bond amount will not exceed \$10,500,000 with interest added at 5 %.

2.5 Duration of Brownfield Plan

Capture of tax increment revenues for the City reimbursement is anticipated to commence in 2023 and end in 2031. Developer reimbursement will follow with an estimated start date of 2023. The anticipated end date for Developer reimbursement is 2046. It is projected that the amended BPA will extend 29 years, which assumes five years of additional capture of tax increment revenues for deposit into a Local Brownfield Revolving Fund, if available.

2.6 Estimated Impact of Tax Increment Financing on Revenues of Taxing Jurisdiction

The estimated amount of tax increment revenues to be captured for this redevelopment from each taxing jurisdiction by year and in aggregate is presented in Tables 1 and 2.

2.7 Legal Description, Property Map, Statement of Qualifying Characteristics and Personal Property

- The legal description is as follows:

1204 W. Western Avenue

CITY OF MUSKEGON PART OF SECTION 25 T10N R17W PRT OF BLKS 578-580 DESC AS FOLS COM AT SE COR LOT 4 BLK 577 TH S 88D 15M W ALG SLY LN SD BLK 577 EXTND (ALSO BEING NLY LN WESTERN AVE) 847.15 FT FOR POB TH N 01D 56M 50S W 256.10 FT TH N 31D 37M 35S E 47 FT TH N 55D 15M 15S E 89.20 FT TH N 35D 54M 50S W 127.65 FT TH N 02D 52M 10S W 553 FT TH S 55D 13 M W 243 FT TH N 34D 47M W 330 FT M/L TO SHORE OF MUSKEGON LAKE REFERRED TO AS PT B TH RECOM AT POB TH S 88D 15M W ALG NLY LN WESTERN AVE 18.65 FT TH SWLY ALG SD NLY LN WESTERN AVE ALG ARC OF A 430.61 FT RAD CURVE TO LT 158.33 FT (LC SD CURVE BEARS S 77D 43M 00S W 157.44 FT & CENTRAL ANG SD CURVE IS 21D 04M 00) TO WLY LN NELY 200 FT OF SD BLK 580 TH N 35D 2M 10S W ALG SD WLY LN SD NELY 200 FT DIST 850 FT M/L TO SHORE OF MUSKEGON LAKE REFERRED TO AS PT C TH NWLY SELY & NELY ALG SHORE OF MUSKEGON LAKE 1300 FT M/L FROM SD PT C TO SD PT B EXC THAT PRT OF ABOVE DESC PARCEL THAT LIES WITHIN THE CHESAPEAKE & OHIO RR ROW EXC THAT PART TAKEN BY THE CITY OF MUSKEGON FOR THE LAKESHORE TRAIL BIKE PATH DESC AS THAT PART OF BLKS 578 & 580 DESC AS COM @ SE COR LOT 4 BLK 577 TH S 88D 40M 42S W ALG N ROW LN WESTERN AVE 847.60 FT TH N 01D 31M 57S W 256.10 FT TH N 32D 02M 28S E 47 FT TH N 55D 40M 08S E 89.20 FT TH N 35D 29M 57S W 127.65 FT TH N 02D 27M 17S W 553 FT TH S 55D 37M 53S W 243 FT TH N 34D 22M 07S W 235.92 FT TO POB TH S 50D 44M 04S W 329.75 FT TH S 20D 19M 09S W 96.30 FT TH S 23D 53M 54S E 405.55 FT TH N 34D 34M 00S W ALG NE LN LAKESHORE YACHT HARBOUR 86.43 FT TH N 23D 53M 54S W 327.11

FT TH N 20D 19M 09S E 107.14 FT TH N 50D 44M 04S E 335.70 FT TH S 33D 32M 57S E 16.08 FT TO POB TAKEN FOR LAKESHORE TRAIL BIKE PATH ACROSS SD PROPERTY AND COM AT SE COR LOT 4 BLK 577 FOR POB TH N 1 DEG 41 MIN W 158.40 FT TH N 76 DEG 43 MIN W 103.55 FT TH NWLY ON THE ARC OF A 492.47 FT RAD CURVE TO THE RT 110.31 FT (LONG CORD BEARS N 70D 18M W 110.07 FT CENTRAL ANGLE IS 12D 50M 00S) TH N 63 DEG 53 MIN W 67 FT TH N 2 DEG 4 MIN W 33.8 FT TO RR R/W TH CON'T N 2 DEG 4 MIN W 367.7 FT TH N 37 DEG W 730 FT TH N 48 DEG W 600 FT M/L TO MUSKEGON LAKE TO A PT A RECOM AT POB TH S 88 DEG 15 MIN W 847.15 FT TH N 1 DEG 56 MIN 50 SEC W 256.1 FT TH N 31 DEG 37 MIN 35 SEC E 47 FT TH N 55 DEG 15 MIN 15 SEC E 89.2 FT TH N 35 DEG 54 MIN 50 SEC W 127.65 FT TH N 2 DEG 52 MIN 10 SEC W 553 FT TH S 55 DEG 13 MIN W 243 FT TH N 34 DEG 47 MIN W 330 FT M/L TO THE SHORE OF MUSKEGON LAKE TO A PT REFERRED TO AS PT B TH WLY ALG SHORE LN 1500 FT M/L TO SD PT A EXC THAT PART LYING WITHIN C&O RR R/W RECORDED IN L 702 P 134 ALSO EXC COM AT SW COR LOT 4 BLK 574 FOR POB TH WLY ALG WESTERN AVE 20.5 FT TO SE COR LOT 5 TH NLY TO SLY LN C&O RR R/W TH SELY ALG SLY LN OF SD R/W TO NW COR LOT 3 BLK 577 TH S ALG W LN LOT 3 TO NE COR LOT 4 TH WLY ALG NLY LN LOT 4 40 FT TO NW COR SD LOT TH SLY ALG W LN TO POB EXC THAT PART OF BLK 578 DESCRIBED AS COM AT THE SE COR OF LOT 4 BLK 577 TH S 88D 40M 42S W ALG N R-O-W LINE OF WESTERN AVE 847.60 FT TH N 01D 31M 57S W 256.10 FT TH N 32 D 02M 28S E 47 FT TH N 55D 40M 08S E 89.20 FT TH N 35D 29M 57S W 127.65 FT TH N 02D 27M 17S W 553 FT TH S 55D 37M 53S W 243 FT TH N 34D 22M 07S W 235.92 FT TO POB TH N 33D 32M 57S W 16.08 FT TH N 62D 10M 01S E 211.19 FT TH S 87D 42M 46S E 126.81 FT TH N 71D 39M 34S E 169.45 FT TH S 53D 57M 29S E 104.89 FT TH S 36D 27M 44S E 604.13 FT TH S 01D 31M 44S E 16 FT TH S 38D 27M 16S W 8.34 FT TH N 36D 27M 44S W 610.01 FT TH N 53D 57M 29S W 94.21 FT TH S 71D 39M 34S W 164.14 FT TH N 87D 42M 46S W 125.42 FT TH S 62D 10M 01S W 205.29 FT TO POB

- The Property layout is depicted on Figure 2.
- The Property is considered an “eligible property” as defined by Act 381 because the Property is a facility pursuant to Part 201. Facility verification is included in Attachment C.
- New personal property added to the Property is included as part of the Eligible Property to the extent it is taxable.

2.8 Estimates of Residents and Displacement of Individuals/Families

No residents or families will be displaced because of the Project.

2.9 Plan for Relocation of Displaced Persons

Not applicable.

2.10 Provisions for Relocation Costs

Not applicable.

2.11 Strategy for Compliance with Michigan’s Relocation Assistance Law

Not applicable.

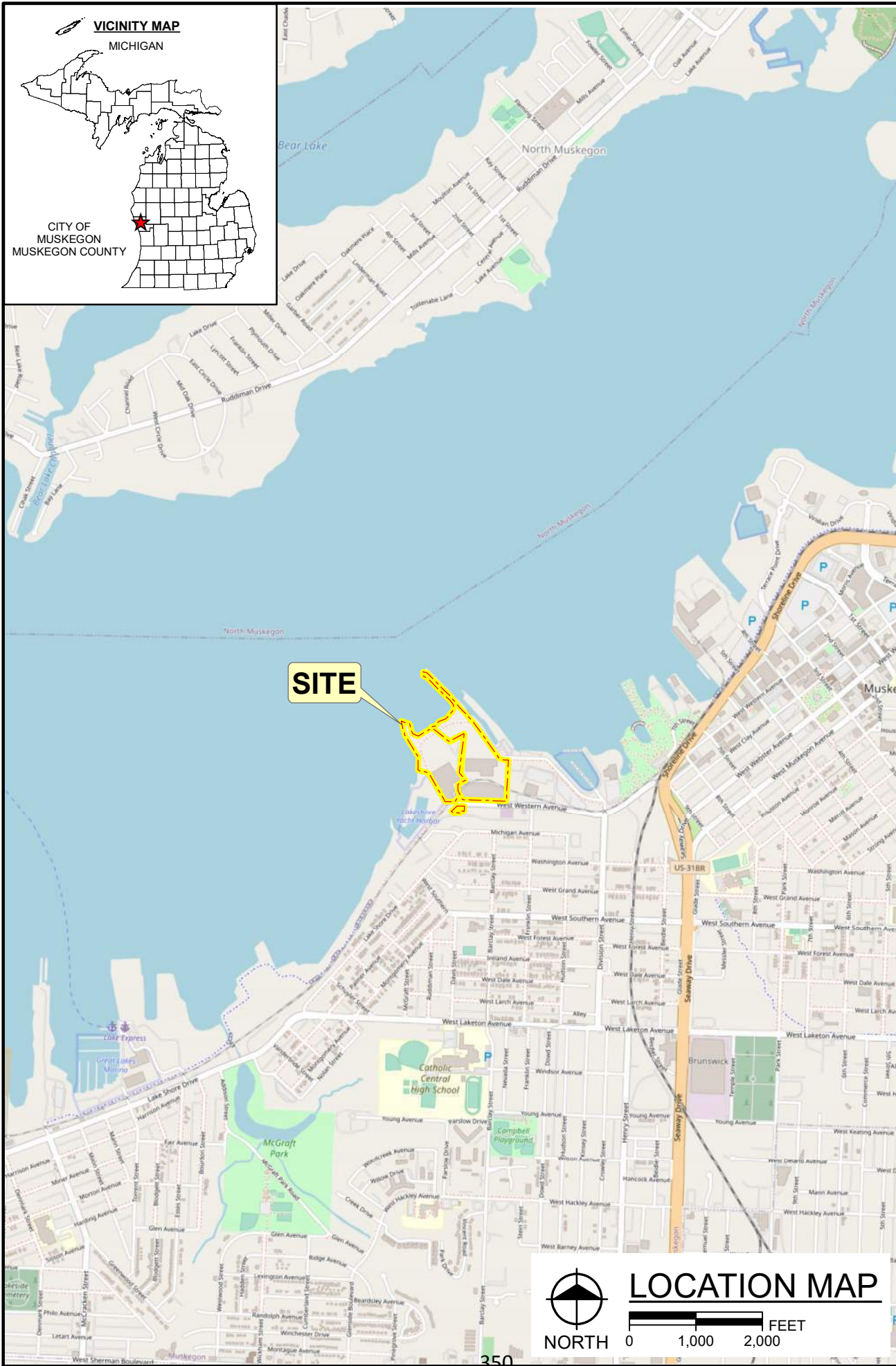
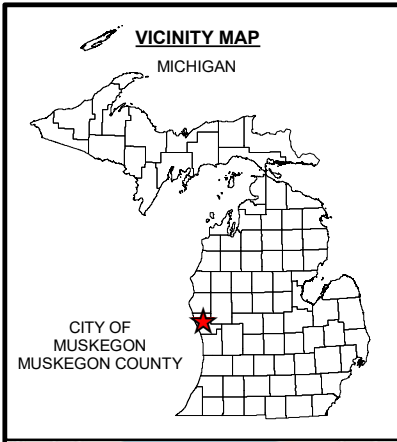
2.12 Other Material that the Authority or Governing Body Considers Pertinent

The Project will significantly improve the Muskegon Lake shoreline through revitalization of Property once used for industrial purposes. Existing structures will be revitalized, and environmental exposure risks mitigated. A new marina with transient boat slips will provide local citizens and tourists with opportunities to access the vibrant Muskegon downtown and other nearby recreational activities. Construction of new boat storage and residential

condominiums will expand Muskegon Lake access and increase long-term tax revenues for the City of Muskegon and the State of Michigan. The Development will also create numerous job opportunities for the community.

Figure 1

Location Map



NORTH

LOCATION MAP

0 1,000 2,000 FEET



Hard copy is intended to be 8.5"x11" when plotted. Scale(s) indicated and graphic quality may not be accurate for any other size.

1148 & 1204 West Western Ave., Muskegon, Muskegon County MI 49441

PROJECT NO.
201515

FIGURE NO.

1

Figure 2

Site Layout Map

Hard copy is intended to be 8.5"x11" when plotted. Scale(s) indicated and graphic quality may not be accurate for any other size.

1148 & 1204 West Western Ave., Muskegon, Muskegon County MI 49441

PROJECT NO.
201515

FIGURE NO.
2

LEGEND

 Approximate Property Boundary



Source: Esri, Maxar, Geo
DS, USDA, USGS, Aero
Esri, HERE, Garmin, (c)
Garmin, (c) OpenStreetM
community



NORTH

SITE MAP

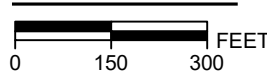


Table 1

Tax Increment Revenue Capture

Table 1 - Estimate of Total Incremental Taxes Available for Capture
1148 and 1204 West Western Avenue, Muskegon, Muskegon County, Michigan

Estimated Taxable Value (TV) Increase Rate: 1%

Plan Year	0	1	2	3	4	5	6	7	8	9	10
Calendar Year	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Base Taxable Value	\$ 903,810	\$ 903,810	\$ 903,810	\$ 903,810	\$ 903,810	\$ 903,810	\$ 903,810	\$ 903,810	\$ 903,810	\$ 903,810	\$ 903,810
Estimated New TV	\$ -	\$ 1,750,000	\$ 14,875,000	\$ 42,875,000	\$ 43,303,750	\$ 43,736,788	\$ 44,174,155	\$ 44,615,897	\$ 45,062,056	\$ 45,512,676	\$ 45,967,803
Incremental Difference (New TV - Base TV) ¹	\$ -	\$ 846,190	\$ 13,971,190	\$ 41,971,190	\$ 42,399,940	\$ 42,832,978	\$ 43,270,345	\$ 43,712,087	\$ 44,158,246	\$ 44,608,866	\$ 45,063,993

School Capture	Millage Rate											
State Education Tax (SET)	6.00000	\$ -	\$ 5,077	\$ 83,827	\$ 251,827	\$ 254,400	\$ 256,998	\$ 259,622	\$ 262,273	\$ 264,949	\$ 267,653	\$ 270,384
School Operating Tax	17.98380	\$ -	\$ 15,218	\$ 251,255	\$ 754,801	\$ 762,512	\$ 770,300	\$ 778,165	\$ 786,109	\$ 794,133	\$ 802,237	\$ 810,422
School Total	23.9838	\$ -	\$ 20,295	\$ 335,082	\$ 1,006,629	\$ 1,016,912	\$ 1,027,298	\$ 1,037,787	\$ 1,048,382	\$ 1,059,083	\$ 1,069,890	\$ 1,080,806

Local Capture	Millage Rate											
County Museum	0.32200	\$ -	\$ 272	\$ 4,499	\$ 13,515	\$ 13,653	\$ 13,792	\$ 13,933	\$ 14,075	\$ 14,219	\$ 14,364	\$ 14,511
County Veterans	0.07150	\$ -	\$ 61	\$ 999	\$ 3,001	\$ 3,032	\$ 3,063	\$ 3,094	\$ 3,125	\$ 3,157	\$ 3,190	\$ 3,222
Senior Citizens Services	0.49990	\$ -	\$ 423	\$ 6,984	\$ 20,981	\$ 21,196	\$ 21,412	\$ 21,631	\$ 21,852	\$ 22,075	\$ 22,300	\$ 22,527
Central Dispatch	0.29999	\$ -	\$ 254	\$ 4,191	\$ 12,591	\$ 12,720	\$ 12,849	\$ 12,981	\$ 13,113	\$ 13,247	\$ 13,382	\$ 13,519
Community College	2.20340	\$ -	\$ 1,864	\$ 30,784	\$ 92,479	\$ 93,424	\$ 94,378	\$ 95,342	\$ 96,315	\$ 97,298	\$ 98,291	\$ 99,294
M.A.I.S.D	4.75410	\$ -	\$ 4,023	\$ 66,420	\$ 199,535	\$ 201,574	\$ 203,632	\$ 205,712	\$ 207,812	\$ 209,933	\$ 212,075	\$ 214,239
City Operating	10.07540	\$ -	\$ 8,526	\$ 140,765	\$ 422,877	\$ 427,196	\$ 431,559	\$ 435,966	\$ 440,417	\$ 444,912	\$ 449,452	\$ 454,038
City Sanitation	2.99790	\$ -	\$ 2,537	\$ 41,884	\$ 125,825	\$ 127,111	\$ 128,409	\$ 129,720	\$ 131,044	\$ 132,382	\$ 133,733	\$ 135,097
Hackley Library	2.39970	\$ -	\$ 2,031	\$ 33,527	\$ 100,718	\$ 101,747	\$ 102,786	\$ 103,836	\$ 104,896	\$ 105,967	\$ 107,048	\$ 108,140
MPS Sinking	0.99810	\$ -	\$ 845	\$ 13,945	\$ 41,891	\$ 42,319	\$ 42,752	\$ 43,188	\$ 43,629	\$ 44,074	\$ 44,524	\$ 44,978
County Operating	5.69780	\$ -	\$ 4,821	\$ 79,605	\$ 239,143	\$ 241,586	\$ 244,054	\$ 246,546	\$ 249,063	\$ 251,605	\$ 254,172	\$ 256,766
Local Total	30.3198	\$ -	\$ 25,656	\$ 423,604	\$ 1,272,558	\$ 1,285,557	\$ 1,298,687	\$ 1,311,948	\$ 1,325,341	\$ 1,338,869	\$ 1,352,531	\$ 1,366,331

Non-Capturable Millages	Millage Rate											
Community College Debt	0.34000	\$ -	\$ 288	\$ 4,750	\$ 14,270	\$ 14,416	\$ 14,563	\$ 14,712	\$ 14,862	\$ 15,014	\$ 15,167	\$ 15,322
Hackley Debt	0.45320	\$ -	\$ 383	\$ 6,332	\$ 19,021	\$ 19,216	\$ 19,412	\$ 19,610	\$ 19,810	\$ 20,013	\$ 20,217	\$ 20,423
MPS Debt - 1995	3.86000	\$ -	\$ 3,266	\$ 53,929	\$ 162,009	\$ 163,664	\$ 165,335	\$ 167,024	\$ 168,729	\$ 170,451	\$ 172,190	\$ 173,947
MPS Debt - 2009	3.50000	\$ -	\$ 2,962	\$ 48,899	\$ 146,899	\$ 148,400	\$ 149,915	\$ 151,446	\$ 152,992	\$ 154,554	\$ 156,131	\$ 157,724
Total Non-Capturable Taxes	8.1532	\$ -	\$ 6,899	\$ 113,910	\$ 342,200	\$ 345,695	\$ 349,226	\$ 352,792	\$ 356,393	\$ 360,031	\$ 363,705	\$ 367,416

¹Assumes 1% annual increase for inflation

Total Tax Increment Revenue (TIR) Available for Capture	\$ -	\$ 45,951	\$ 758,686	\$ 2,279,186	\$ 2,302,469	\$ 2,325,984	\$ 2,349,735	\$ 2,373,723	\$ 2,397,951	\$ 2,422,422	\$ 2,447,137
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Notes-

Table 2 assumes incremental annual investment with project completion in 2025.

For the purpose of Table 2 the new taxable value is estimated based on 35% of a total overall investment of \$125,000,000

Table 1 - Estimate of Total Incremental Taxes Available for Capture
1148 and 1204 West Western Avenue, Muskegon, Muskegon County, Michigan

Estimated Taxable Value (TV) Increase Rate:

Plan Year	11	12	13	14	15	16	17	18	19	20	21	22
Calendar Year	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
Base Taxable Value	\$ 903,810	\$ 903,810	\$ 903,810	\$ 903,810	\$ 903,810	\$ 903,810	\$ 903,810	\$ 903,810	\$ 903,810	\$ 903,810	\$ 903,810	\$ 903,810
Estimated New TV	\$ 46,427,481	\$ 46,891,756	\$ 47,360,674	\$ 47,834,280	\$ 48,312,623	\$ 48,795,749	\$ 49,283,707	\$ 49,776,544	\$ 50,274,309	\$ 50,777,052	\$ 51,284,823	\$ 51,797,671
Incremental Difference (New TV - Base TV) ¹	\$ 45,523,671	\$ 45,987,946	\$ 46,456,864	\$ 46,930,470	\$ 47,408,813	\$ 47,891,939	\$ 48,379,897	\$ 48,872,734	\$ 49,370,499	\$ 49,873,242	\$ 50,381,013	\$ 50,893,861

School Capture	Millage Rate												
State Education Tax (SET)	6.00000	\$ 273,142	\$ 275,928	\$ 278,741	\$ 281,583	\$ 284,453	\$ 287,352	\$ 290,279	\$ 293,236	\$ 296,223	\$ 299,239	\$ 302,286	\$ 305,363
School Operating Tax	17.98380	\$ 818,689	\$ 827,038	\$ 835,471	\$ 843,988	\$ 852,591	\$ 861,279	\$ 870,054	\$ 878,917	\$ 887,869	\$ 896,910	\$ 906,042	\$ 915,265
School Total	23.9838	\$ 1,091,831	\$ 1,102,966	\$ 1,114,212	\$ 1,125,571	\$ 1,137,043	\$ 1,148,631	\$ 1,160,334	\$ 1,172,154	\$ 1,184,092	\$ 1,196,150	\$ 1,208,328	\$ 1,220,628

Local Capture	Millage Rate												
County Museum	0.32200	\$ 14,659	\$ 14,808	\$ 14,959	\$ 15,112	\$ 15,266	\$ 15,421	\$ 15,578	\$ 15,737	\$ 15,897	\$ 16,059	\$ 16,223	\$ 16,388
County Veterans	0.07150	\$ 3,255	\$ 3,288	\$ 3,322	\$ 3,356	\$ 3,390	\$ 3,424	\$ 3,459	\$ 3,494	\$ 3,530	\$ 3,566	\$ 3,602	\$ 3,639
Senior Citizens Services	0.49990	\$ 22,757	\$ 22,989	\$ 23,224	\$ 23,461	\$ 23,700	\$ 23,941	\$ 24,185	\$ 24,431	\$ 24,680	\$ 24,932	\$ 25,185	\$ 25,442
Central Dispatch	0.29999	\$ 13,657	\$ 13,796	\$ 13,937	\$ 14,079	\$ 14,222	\$ 14,367	\$ 14,513	\$ 14,661	\$ 14,811	\$ 14,961	\$ 15,114	\$ 15,268
Community College	2.20340	\$ 100,307	\$ 101,330	\$ 102,363	\$ 103,407	\$ 104,461	\$ 105,525	\$ 106,600	\$ 107,686	\$ 108,783	\$ 109,891	\$ 111,010	\$ 112,140
M.A.I.S.D	4.75410	\$ 216,424	\$ 218,631	\$ 220,861	\$ 223,112	\$ 225,386	\$ 227,683	\$ 230,003	\$ 232,346	\$ 234,712	\$ 237,102	\$ 239,516	\$ 241,955
City Operating	10.07540	\$ 458,669	\$ 463,347	\$ 468,071	\$ 472,843	\$ 477,663	\$ 482,530	\$ 487,447	\$ 492,412	\$ 497,428	\$ 502,493	\$ 507,609	\$ 512,776
City Sanitation	2.99790	\$ 136,475	\$ 137,867	\$ 139,273	\$ 140,693	\$ 142,127	\$ 143,575	\$ 145,038	\$ 146,516	\$ 148,008	\$ 149,515	\$ 151,037	\$ 152,575
Hackley Library	2.39970	\$ 109,243	\$ 110,357	\$ 111,483	\$ 112,619	\$ 113,767	\$ 114,926	\$ 116,097	\$ 117,280	\$ 118,474	\$ 119,681	\$ 120,899	\$ 122,130
MPS Sinking	0.99810	\$ 45,437	\$ 45,901	\$ 46,369	\$ 46,841	\$ 47,319	\$ 47,801	\$ 48,288	\$ 48,780	\$ 49,277	\$ 49,778	\$ 50,285	\$ 50,797
County Operating	5.69780	\$ 259,385	\$ 262,030	\$ 264,702	\$ 267,400	\$ 270,126	\$ 272,879	\$ 275,659	\$ 278,467	\$ 281,303	\$ 284,168	\$ 287,061	\$ 289,983
Local Total	30.3198	\$ 1,380,268	\$ 1,394,345	\$ 1,408,562	\$ 1,422,922	\$ 1,437,425	\$ 1,452,074	\$ 1,466,868	\$ 1,481,811	\$ 1,496,903	\$ 1,512,146	\$ 1,527,542	\$ 1,543,091

Non-Capturable Millages	Millage Rate																								
Community College Debt	0.34000	\$	15,478	\$	15,636	\$	15,795	\$	15,956	\$	16,119	\$	16,283	\$	16,449	\$	16,617	\$	16,786	\$	16,957	\$	17,130	\$	17,304
Hackley Debt	0.45320	\$	20,631	\$	20,842	\$	21,054	\$	21,269	\$	21,486	\$	21,705	\$	21,926	\$	22,149	\$	22,375	\$	22,603	\$	22,833	\$	23,065
MPS Debt - 1995	3.86000	\$	175,721	\$	177,513	\$	179,323	\$	181,152	\$	182,998	\$	184,863	\$	186,746	\$	188,649	\$	190,570	\$	192,511	\$	194,471	\$	196,450
MPS Debt - 2009	3.50000	\$	159,333	\$	160,958	\$	162,599	\$	164,257	\$	165,931	\$	167,622	\$	169,330	\$	171,055	\$	172,797	\$	174,556	\$	176,334	\$	178,129
Total Non-Capturable Taxes	8.1532	\$	371,164	\$	374,949	\$	378,772	\$	382,634	\$	386,534	\$	390,473	\$	394,451	\$	398,469	\$	402,528	\$	406,627	\$	410,766	\$	414,948

¹Assumes 1% annual increase for inflation

Total Tax Increment Revenue (TIR) Available for Capture	\$ 2,472,099	\$ 2,497,311	\$ 2,522,774	\$ 2,548,493	\$ 2,574,469	\$ 2,600,704	\$ 2,627,202	\$ 2,653,965	\$ 2,680,995	\$ 2,708,296	\$ 2,735,870	\$ 2,763,719
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Notes-

Table 2 assumes incremental annual investment with project completion in 2025.

For the purpose of Table 2 the new taxable value is estimated based on 35% of a total overall investment of \$125,000,000

Table 1 - Estimate of Total Incremental Taxes Available for Capture
1148 and 1204 West Western Avenue, Muskegon, Muskegon County, Michigan

Estimated Taxable Value (TV) Increase Rate:

	Plan Year	23	24	25	26	27	28	29	30	TOTAL
	Calendar Year	2044	2045	2046	2047	2048	2049	2050	2051	
	Base Taxable Value	\$ 903,810	\$ 903,810	\$ 903,810	\$ 903,810	\$ 903,810	\$ 903,810	\$ 903,810	\$ 903,810	\$ -
	Estimated New TV	\$ 52,315,648	\$ 52,838,804	\$ 53,367,192	\$ 53,900,864	\$ 54,439,873	\$ 54,984,272	\$ 55,534,115	\$ 56,089,456	\$ -
Incremental Difference (New TV - Base TV) ¹		\$ 51,411,838	\$ 51,934,994	\$ 52,463,382	\$ 52,997,054	\$ 53,536,063	\$ 54,080,462	\$ 54,630,305	\$ 55,185,646	\$ -
School Capture	Millage Rate									
State Education Tax (SET)	6.00000	\$ 308,471	\$ 311,610	\$ 314,780	\$ 317,982	\$ 321,216	\$ 324,483	\$ 327,782	\$ 331,114	\$ 4,441,724
School Operating Tax	17.98380	\$ 924,580	\$ 933,989	\$ 943,491	\$ 953,088	\$ 962,782	\$ 972,572	\$ 982,460	\$ 992,448	\$ 13,313,180
School Total	23.9838	\$ 1,233,051	\$ 1,245,599	\$ 1,258,271	\$ 1,271,071	\$ 1,283,998	\$ 1,297,055	\$ 1,310,242	\$ 1,323,561	\$ 17,754,904
Local Capture	Millage Rate									
County Museum	0.32200	\$ 16,555	\$ 16,723	\$ 16,893	\$ 17,065	\$ 17,239	\$ 17,414	\$ 17,591	\$ 17,770	\$ 238,373
County Veterans	0.07150	\$ 3,676	\$ 3,713	\$ 3,751	\$ 3,789	\$ 3,828	\$ 3,867	\$ 3,906	\$ 3,946	\$ 52,931
Senior Citizens Services	0.49990	\$ 25,701	\$ 25,962	\$ 26,226	\$ 26,493	\$ 26,763	\$ 27,035	\$ 27,310	\$ 27,587	\$ 370,070
Central Dispatch	0.29999	\$ 15,423	\$ 15,580	\$ 15,738	\$ 15,899	\$ 16,060	\$ 16,224	\$ 16,389	\$ 16,555	\$ 222,079
Community College	2.20340	\$ 113,281	\$ 114,434	\$ 115,598	\$ 116,774	\$ 117,961	\$ 119,161	\$ 120,372	\$ 121,596	\$ 1,631,149
M.A.I.S.D	4.75410	\$ 244,417	\$ 246,904	\$ 249,416	\$ 251,953	\$ 254,516	\$ 257,104	\$ 259,718	\$ 262,358	\$ 3,519,400
City Operating	10.07540	\$ 517,995	\$ 523,266	\$ 528,590	\$ 533,967	\$ 539,397	\$ 544,882	\$ 550,422	\$ 556,017	\$ 7,458,691
City Sanitation	2.99790	\$ 154,128	\$ 155,696	\$ 157,280	\$ 158,880	\$ 160,496	\$ 162,128	\$ 163,776	\$ 165,441	\$ 2,219,307
Hackley Library	2.39970	\$ 123,373	\$ 124,628	\$ 125,896	\$ 127,177	\$ 128,470	\$ 129,777	\$ 131,096	\$ 132,429	\$ 1,776,468
MPS Sinking	0.99810	\$ 51,314	\$ 51,836	\$ 52,364	\$ 52,896	\$ 53,434	\$ 53,978	\$ 54,527	\$ 55,081	\$ 738,881
County Operating	5.69780	\$ 292,934	\$ 295,915	\$ 298,926	\$ 301,967	\$ 305,038	\$ 308,140	\$ 311,273	\$ 314,437	\$ 4,218,009
Local Total	30.3198	\$ 1,558,796	\$ 1,574,658	\$ 1,590,679	\$ 1,606,860	\$ 1,623,202	\$ 1,639,708	\$ 1,656,379	\$ 1,673,217	\$ 22,445,357
Non-Capturable Millages	Millage Rate									
Community College Debt	0.34000	\$ 17,480	\$ 17,658	\$ 17,838	\$ 18,019	\$ 18,202	\$ 18,387	\$ 18,574	\$ 18,763	\$ 251,698
Hackley Debt	0.45320	\$ 23,300	\$ 23,537	\$ 23,776	\$ 24,018	\$ 24,263	\$ 24,509	\$ 24,758	\$ 25,010	\$ 335,498
MPS Debt - 1995	3.86000	\$ 198,450	\$ 200,469	\$ 202,509	\$ 204,569	\$ 206,649	\$ 208,751	\$ 210,873	\$ 213,017	\$ 2,857,509
MPS Debt - 2009	3.50000	\$ 179,941	\$ 181,772	\$ 183,622	\$ 185,490	\$ 187,376	\$ 189,282	\$ 191,206	\$ 193,150	\$ 2,591,006
Total Non-Capturable Taxes	8.1532	\$ 419,171	\$ 423,436	\$ 427,744	\$ 432,096	\$ 436,490	\$ 440,929	\$ 445,412	\$ 449,940	\$ 6,035,711
¹ Assumes 1% annual increase for inflation										
Total Tax Increment Revenue (TIR) Available for Capture		\$ 2,791,847	\$ 2,820,257	\$ 2,848,950	\$ 2,877,930	\$ 2,907,200	\$ 2,936,763	\$ 2,966,622	\$ 2,996,779	\$ 40,200,261

Notes-

Table 2 assumes incremental annual investment with project completion in 2025.

For the purpose of Table 2 the new taxable value is estimated based on 35% of a total overall investment of \$125,000,000

Table 2

Tax Increment Revenue Reimbursement Allocation

Table 2 - Estimate of Total Incremental Taxes Available for Reimbursement
1148 1204 West Western Avenue, Muskegon, Muskegon County, Michigan

Proportionality	Developer Maximum Reimbursement	Shared & Local Taxes
44.1%	State	\$13,400,000
55.9%	Local	\$9,760,000
	Total	\$23,160,000
	LBRT	\$10,000,000
	LBRT	\$13,160,000

Estimated Years of Capture: 29 years

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052
Total State Incremental Revenue	\$	-	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
State Brownfield Redevelopment Fund (20% of 2017)	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
State TIR Available for Reimbursement	\$	-	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Total Local Incremental Revenue	\$	-	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Local Administrative Fee	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Local TIR Available for Reimbursement	\$	-	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Total State & Local TIR Available	\$	-	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
DEVELOPER																																
Developer Reimbursement Balance	\$	-	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Net Assigned Reimbursement Credit	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
State Tax Reimbursement	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Local Tax Reimbursement	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Interest (20%)	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Total State Reimbursement Balance	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Net Reimbursement Credit	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
State Tax Reimbursement	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Local Tax Reimbursement	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Interest (20%)	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Total Net Environmental Reimbursement Balance	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Total City Credit	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
State Tax Reimbursement	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Local Tax Reimbursement	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Interest (20%)	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Total Net Environmental Reimbursement Balance	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Total Annual Developer Reimbursement	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
CITY OF MUSKEGON BONDED ACTIVITIES																																
City of Muskegon Bond Reimbursement Balance	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Net Assigned Reimbursement Credit	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
State Tax Reimbursement	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Local Tax Reimbursement	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Interest (20%)	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Total Net Environmental Reimbursement Balance	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Total Annual City of Muskegon Reimbursement	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$

* Up to five years of capture for LBRT deposits after eligible activities are reimbursed. May be taken from Local TIR only.

Estimated Developer Capture	\$	\$13,160,000
Estimated City of Muskegon Capture	\$	\$10,000,000
Net Reimbursement Pay	\$	\$23,160,000
State Brownfield Redevelopment Fund	\$	\$2,000,000
State Brownfield Redevelopment Fund	\$	\$2,000,000

Attachment A

Brownfield Plan Resolution(s)

**City of Muskegon
Brownfield Redevelopment Authority
County of Muskegon, State of Michigan**

RESOLUTION APPROVING REVISED BROWNFIELD PLAN AMENDMENT

Adelaide Pointe Project - amended

Minutes of a regular meeting of the Board of the City of Muskegon Brownfield Redevelopment Authority, County of Muskegon, State of Michigan, held on the 12th day of October 2021 at 10:30 a.m., prevailing Eastern Time.

PRESENT: Members - M. Bottomley, J. Riegler, M. Johnson Sr., J. Moore, F. Peterson, F. DePung, D. Pollock.

ABSENT: Members - B. Hastings, M. Kleaveland, H. Systema, J. Wallace Jr., S. Black, D. Kalisz.

The following preamble and resolution were offered by Member J. Riegler and supported by Member F. Peterson:

WHEREAS, a Brownfield Plan has been adopted pursuant to Act 381, Public Acts of Michigan, 1996, as amended ("Act 381"), a copy of which is on file with the Secretary of the City of Muskegon Brownfield Redevelopment Authority (the "Authority"); and

WHEREAS, the Authority is authorized to approve amendments to the Brownfield Plan and recommends the Amendment to add eligible properties within the Adelaide Pointe Project for approval to the City of Muskegon, County of Muskegon, State of Michigan (the "City").

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. Approval of Brownfield Plan. The Board hereby adopts and approves the Brownfield Plan Amendment for the Adelaide Pointe Project and recommends the approval of the Brownfield Plan Amendments by the Muskegon City Commission.
2. Public Hearing. The Board hereby requests city personnel to provide a notice of

Public Hearing on the proposed Brownfield Plan Amendments, and further requests that such hearing notice be provided to all taxing jurisdictions. Notice of the time and place of the hearing shall be given pursuant to Act 267, Public Acts of Michigan, 1976, as amended ("Open Meetings Act").

3. Deliver Resolution and Brownfield Plan to City. The Chair of the Authority is directed to deliver a certified copy of this resolution and the Brownfield Plan Amendments to the City Clerk.

4. Disclaimer. By adoption of this resolution and approval of the Brownfield Plan Amendments, the Authority assumes no obligation or liability to the owner, developer or lessor of the Eligible Property for any loss or damage that may result to such persons from the adoption of this resolution and Brownfield Plan Amendments.

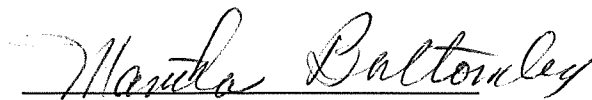
5. Work Plan Transmittal. The Chair of the Authority shall be authorized to transmit to the Michigan Strategic Fund, the Michigan Economic Development Corporation and/or the Michigan Department of Environmental Quality, on behalf of the Authority, a final Act 381 Work Plan that has been reviewed and approved by the Authority.

6. Repealer. All resolutions and parts of resolution in conflict with the provisions of this resolution are hereby repealed or amended to the extent of such conflict.

AYES: 7 (M. Bottomley, J. Riegler, M. Johnson Sr., J. Moore, F. Peterson, F. DePung, D. Pollock.)

NAYS: 0

RESOLUTION DECLARED ADOPTED.



Martha Bottomley, Chair
City of Muskegon Brownfield Redevelopment Authority

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Board of the City of Muskegon Brownfield Redevelopment Authority, County of Muskegon, State of Michigan, at a regular meeting held on October 12, 2021, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

A handwritten signature in cursive script, reading "Martha Bottomley".

Martha Bottomley, Chair
City of Muskegon Brownfield Redevelopment Authority

**City of Muskegon
Brownfield Redevelopment Authority**

**Brownfield Plan Amendment for the
Adelaide Pointe Project at
1148 & 1204 West Western Avenue
Muskegon, Michigan**

Approved by the City of Muskegon Brownfield Redevelopment Authority

Approved by the City of Muskegon Board of Commissioners

**Prepared with the assistance of:
Fishbeck
1515 Arboretum Drive SE
Grand Rapids, Michigan 49546
616-464-3876**

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Attachment A Brownfield Plan Resolution(s)
 Attachment B Conceptual Renderings
 Attachment C Environmental Data Tables and Map
 Attachment D Reimbursement Agreement

1.0 Introduction

The City of Muskegon Brownfield Redevelopment Authority (the “Authority” or MBRA) was established by the City of Muskegon pursuant to the Brownfield Redevelopment Financing Act, Michigan Public Act 381 of 1996, as amended (“Act 381”). The primary purpose of Act 381 is to encourage the redevelopment of eligible property by providing economic development incentives through tax increment financing for certain eligible properties.

This Brownfield Plan Amendment (“Plan Amendment”) serves as an amendment to the City of Muskegon’s existing Brownfield Plan, allowing inclusion of the eligible property described in Sections 1.1 and 1.2 below. Incorporation of eligible property into the City’s Brownfield Plan permits the use of tax increment financing to reimburse Adelaide Pointe QOZB, LLC (“Developer”) for the cost of eligible activities required to redevelop the eligible property. See Attachment A for copies of Plan Amendment resolutions.

1.1 Proposed Redevelopment and Future Use for the Eligible Property

The Developer is proposing to redevelop a former industrial site located at 1148 and 1204 West Western Avenue, Muskegon, Michigan (the “Property”). Proposed redevelopment activities include: revitalizing existing site structures for boat storage, busines offices, and lease space (approx. 218,000 sf); creation of a new 280 slip marina and construction of a three-story, mixed-use building with ground level retail and office space, a second-floor restaurant, and third floor deck area (approx. 7,500 sf); 50 boat condos (totaling approx. 250,000 gross sf); and 250 - 300 residential condo units (averaging approx. 1,500 sf each) within a six building footprint (the “Project”). The Project will create a walkable community that incorporates public access to waterfront activities (e.g., swimming, fishing, boating), inviting greenspace areas, and transient docking. Sustainable development techniques are proposed throughout the Project, including solar boardwalks and roof systems, electric vehicle charging stations, low-impact development stormwater management, and integrated parking. Total private investment, not including property acquisition, is approximately \$250,000,000. The mixed-use waterfront development will create approximately 100 new jobs (retail, office, restaurant, marina) and provide contractor work for hundreds of temporary construction workers. Conceptual renderings are provided in Attachment B.

The structured five-phase development is summarized in the table below.

Development Phase	Anticipated Start Date	Desired Completion Date
Phase I – Revitalize existing buildings for boat storage	Spring/Summer 2021	Summer/Fall 2021
Phase II – Creation of forklift in/out service	Spring 2022	Spring/Summer 2022
Phase III – Construction of marina, mixed-use building	Spring 2022	Fall 2022
Phase IV – Construction of 50 boat storage and warehouse	Spring 2024	Fall 2027
Phase V – Construction of residential condos	Spring 2025	Fall 2030

1.2 Eligible Property Information

The 35-acre Property is located at the west end of West Western Avenue on the south shore of Muskegon Lake. Since the late 1800s, the Property has been utilized for industrial purposes, primarily a lumberyard followed by foundry operations. Based on a recent Phase II Environmental Site Assessment (ESA) completed in December

2020, these past industrial uses have resulted in widespread contamination across the Property. Known contaminants in the soil with concentrations exceeding Michigan Department of Environment, Great Lakes, and Energy (EGLE) Part 201 Generic Residential Cleanup Criteria (GRCC) include tetrachloroethylene (PCE), arsenic, cadmium, chromium (total), copper, and selenium. Groundwater contaminants with concentrations identified above Part 201 GRCC consist of benzene, cadmium, chromium (total), copper, lead, mercury, and zinc.

The Developer is not a liable party and completed a Baseline Environmental Assessment (BEA) in accordance with Part 201 of the Natural Resources and Environmental Protection Act, 1995 PA 451, as amended (NREPA).

Given the known contamination, the Property is a “facility” pursuant to Part 201 of NREPA. As such, it is considered an “eligible property” as defined by the Michigan Redevelopment Financing Act, Act 381 of 1996.

Maps depicting the location and layout of the Property are attached as Figures 1 and 2. Environmental data tables and map are provided in Attachment C.

2.0 Information Required by Section 13(2) of the Statute

2.1 Description of Costs to Be Paid for With Tax Increment Revenues

Act 381 provides pre-approval for certain activities that have been conducted at the Property. Additional activities require BRA approval for reimbursement from local, school operating, and state education taxes. Tax increment revenues will be used to reimburse the Developer and the City of Muskegon for the following eligible activities.

- Pre-approved BEA, documentation of due care, asbestos/lead paint survey, and additional due care assessment
- Due care activities
- Asbestos, lead paint, and mold abatement
- Select building and site demolition
- Site preparation
- Infrastructure improvements (public)- Developer & City
- 15% contingency
- Brownfield Plan Amendment
- Brownfield Plan Amendment Implementation
- Interest

The table below provides an eligible activity cost summary for the Project.

ELIGIBLE ACTIVITIES COST SUMMARY	
EGLE Eligible Activities	Estimated Cost
<u>Department Specific Activities</u>	
1. Pre-Approved Sub-Total	\$350,000
a. BEA activities	\$52,000
b. Documentation of due care	\$33,000
c. Hazardous materials survey (e.g., asbestos, lead paint, etc.)	\$20,000
d. Due care assessment	\$245,000
EGLE Eligible Activities Total Costs	\$350,000
Interest (5%)	\$15,354
EGLE Eligible Costs Sub-Total	\$365,354
Local Only Eligible Activities	Estimated Cost
<u>Department Specific Activities</u>	
2. Due Care Sub-Total	\$3,250,000
a. Vapor intrusion mitigation	\$500,000
b. Soil capping	\$1,500,000
c. Dewatering	\$250,000
d. Contaminated Soil/Dredge Materials Removal and Disposal	\$1,000,000
Local Only Department Specific Activities Total Costs	\$3,250,000
<u>Non-Environmental Activities</u>	
3. Asbestos, lead paint, and mold abatement Sub-Total	\$1,250,000
4. Demolition (select interior and site grounds) Sub-Total	\$1,500,000

5. Site preparation Sub-Total	\$5,545,000
a. Clearing and grubbing	\$300,000
b. Dredging	\$800,000
c. Compaction and sub-base preparation	\$350,000
d. Cut and fill	\$300,000
e. Excavation for unstable material	\$70,000
f. Fill	\$850,000
g. Geotechnical engineering	\$180,000
h. Grading/land balancing	\$1,250,000
i. Relocation of active utilities	\$350,000
j. Temporary erosion control	\$110,000
k. Temporary facility	\$165,000
l. Temporary site control	\$195,000
m. Surveying and staking	\$125,000
n. Architectural/engineering costs related to eligible activities	\$500,000
6. Infrastructure improvements (Public)	\$13,000,000
a. Marina basin (breakwater system/gangway/dockage)	\$10,000,000
b. Parks (Linear Park, East Peninsula Park, Commuter Bike Path)	\$2,000,000
c. East Basin Launch Well	\$1,000,000
Local Only Non-Environmental Activities Total Costs	\$21,295,000
EGLE and Local Only Eligible Costs Sub-Total	\$24,910,354
Contingency (15%)*	\$3,681,750
Brownfield Plan Amendment Preparation	\$10,000
Brownfield Plan Amendment Implementation	\$10,000
Interest (5%)	\$25,554,653
Total EGLE and Local Only Eligible Costs	\$54,166,757

*Not applied to previously completed Department Specific Activities

ELIGIBLE ACTIVITIES COST SUMMARY- City of Muskegon Bond	
Local Only Activities Total Costs	
1. Public Infrastructure (sub-total)	\$10,000,000
a. Roadways (Adelaide Point Ave, East Circle Drive, West	\$6,840,000

Circle Drive, Adelaide Point Drive, South Circle Drive)	
b. West Western Reconfiguration	\$1,035,000
c. East Basin Launch Well	\$1,615,000
2. Site Preparation (sub-total)	
a. Mass Grade Site	\$510,000
Local Only Non-Environmental Activities Total Costs	\$10,000,000
Interest (5%)	\$2,608,621
Total City of Muskegon Bond Eligible Costs	\$12,608,621

2.2 Summary of Eligible Activities

Eligible activities as defined by Act 381 and included in this Plan Amendment consist of the following:

Pre-Approved Activities: These activities are permitted to occur prior to Plan Amendment approval. Preparation of a Phase I ESA, BEA and Documentation of Due Care Compliance are necessary to protect the new Property owner/Developer from liability for environmental contamination. A Hazardous Materials Investigation was conducted to evaluate potential asbestos, lead paint, and other materials, as required by regulatory agencies prior to select building demolition activities. Due care assessment will be conducted to verify compliance with applicable due care obligations. Pre-approved activities can be reimbursed from state school and local tax increment revenues.

Due Care Activities: Due care activities will include implementation of vapor intrusion mitigation systems, as applicable, to prevent unacceptable exposures to potential indoor air inhalation concerns. Soil capping will be completed to protect against direct contact concerns related to known contamination. Contaminated soils/dredge materials which cannot be utilized on the Site will be hauled to an appropriate Type 2 landfill for disposal. During construction activities, dewatering may be necessary. Contaminated groundwater will be properly managed to comply with due care. Due care costs will include environmental oversight and management.

Asbestos, Lead Paint, and Mold Abatement: As applicable, and prior to select building demolition activities, asbestos, lead paint, and mold must be abated in accordance with applicable regulatory guidelines.

Demolition: Select building and Site demolition will be necessary to facilitate safe redevelopment and reuse of the Property.

Site Preparation: Site preparation is expected to include clearing and grubbing, dredging, compaction and sub-base preparation, cut and fill, excavation for unstable material, fill, geotechnical engineering, grading, land balancing, relocation of active utilities, temporary erosion control, temporary facility, temporary site control, surveying, staking and associated professional fees.

Public Infrastructure Improvements: Infrastructure improvements will include marina launch and basin enhancements, sidewalks, bike paths, boardwalks, fishing docks, roadways, curb and gutter, lighting, landscaping, irrigation, low-impact design stormwater management, utilities, and other streetscape improvements. Costs will include oversight, management, and associated professional fees.

Plan Amendment Preparation: This Plan Amendment was required for authorization of reimbursement to the Developer from tax increment revenues under Public Act 381 of 1996, as amended.

Plan Amendment Implementation: Tracking, submittal, review of invoices for reimbursement, plan compliance, and data reporting will be conducted.

Contingency: A 15% contingency is included for those activities not already completed.

2.3 Estimate of Captured Taxable Value and Tax Increment Revenues

For the purposes of this Plan Amendment, the taxable value base year is 2021. The 2021 taxable value of the eligible property is \$903,810. After completion of the development, the taxable value is estimated at \$87,500,000. This Plan Amendment assumes a 1.0% annual increase in the taxable value of the eligible property. Initial capture is anticipated to begin in 2022.

The estimated captured taxable value for the redevelopment by year and in aggregate for each taxing jurisdiction is depicted in tabular form (Table 1: Tax Increment Revenue Capture). Actual taxable values and tax increment revenues may vary year to year based on economic and market conditions, tax incentives, building additions, and property improvements, among other factors.

A summary of the estimated reimbursement schedule by year and in aggregate is presented as Table 2: Tax Increment Revenue Reimbursement Allocation.

Method of Financing and Description of Advances Made by the Municipality

The cost of the eligible activities included in this Plan Amendment will be paid for by the Developer and the City of Muskegon. The Developer and City of Muskegon will seek reimbursement for eligible activity costs through capture of available local and state (as applicable) tax increment revenues as permitted by Act 381. Additionally, as necessary personal property taxes may be utilized as well for reimbursement. Refer to Attachment D for a copy of the Reimbursement Agreement.

2.4 Maximum Amount of Note or Bonded Indebtedness

The City of Muskegon plans to utilize bond proceeds to pay for certain eligible site preparation and public infrastructure costs incurred by the City, which will be repaid via tax increment revenues generated by redevelopment of the Site, and subject to the Reimbursement/Development Agreement. Refer to the table in Section 2.1 for additional information relative to the costs and breakdown of costs associated with the bond. Refer to Table 2 for the reimbursement schedule.

2.5 Duration of Brownfield Plan

Capture of tax increment revenues for City reimbursement is anticipated to commence in 2023 and end in 2029. Developer reimbursement will follow with an estimated start date of 2029. The anticipated end date for Developer reimbursement is 2048. It is projected that the Plan Amendment will extend 30 years, which assumes four years of additional capture of tax increment revenues for deposit into a Local Brownfield Revolving Fund, if available.

2.6 Estimated Impact of Tax Increment Financing on Revenues of Taxing Jurisdiction

The estimated amount of tax increment revenues to be captured for this redevelopment from each taxing jurisdiction by year and in aggregate is presented in Tables 1 and 2.

2.7 Legal Description, Property Map, Statement of Qualifying Characteristics and Personal Property

- The legal description is as follows:

1148 W. Western Avenue

COM AT SE COR LOT 4 BLK 577 FOR POB TH N 1 DEG 41 MIN W 158.40 FT TH N 76 DEG 43 MIN W 103.55 FT TH NWLY ON THE ARC OF A 492.47 FT RAD CURVE TO THE RT 110.31 FT (LONG CORD BEARS N 70D 18M W 110.07 FT CENTRAL ANGLE IS 12D 50M 00S) TH N 63 DEG 53 MIN W 67 FT TH N 2 DEG 4 MIN W 33.8 FT TO RR R/W TH CON'T N 2 DEG 4 MIN W 367.7 FT TH N 37 DEG W 730 FT

1204 W. Western Avenue

PART OF SECTION 25 T10N R17W PRT OF BLKS 578-580DESC AS FOLS COM AT SE COR LOT 4 BLK 577 TH S 88D 15M W ALG SLY LN SD BLK 577 EXTND (ALSO BEING NLY LN WESTERN AVE) 847.15 FT FOR POB TH N 01D 56M 50S W 256.10 FT TH N 31D 37M 35S E 47 FT TH N 55D 15M 15S E 89.20 FT TH N 35D 54M 50S W 127.65 FT TH N 02D 52M 10S W 553 FT TH S 55D 13 M W 243 FT COM 375 FT N OF SW COR OF SW ¼ OF NW ¼, TH N TO A POINT 745 FT S OF NW COR, TH E 225 FT, TH S TO A POINT DUE E OF POB; TH W 225 FT TO POB. SEC 16, T10N RSW. 1.03 AC M/L.

- The Property layout is depicted on Figure 2.
- The Property is considered an “eligible property” as defined by Act 381 because the Property is a facility pursuant to Part 201. Facility verification is included in Attachment C.
- New personal property added to the Property is included as part of the Eligible Property to the extent it is taxable.

2.8 Estimates of Residents and Displacement of Individuals/Families

No residents or families will be displaced because of the Project.

2.9 Plan for Relocation of Displaced Persons

Not applicable.

2.10 Provisions for Relocation Costs

Not applicable.

2.11 Strategy for Compliance with Michigan’s Relocation Assistance Law

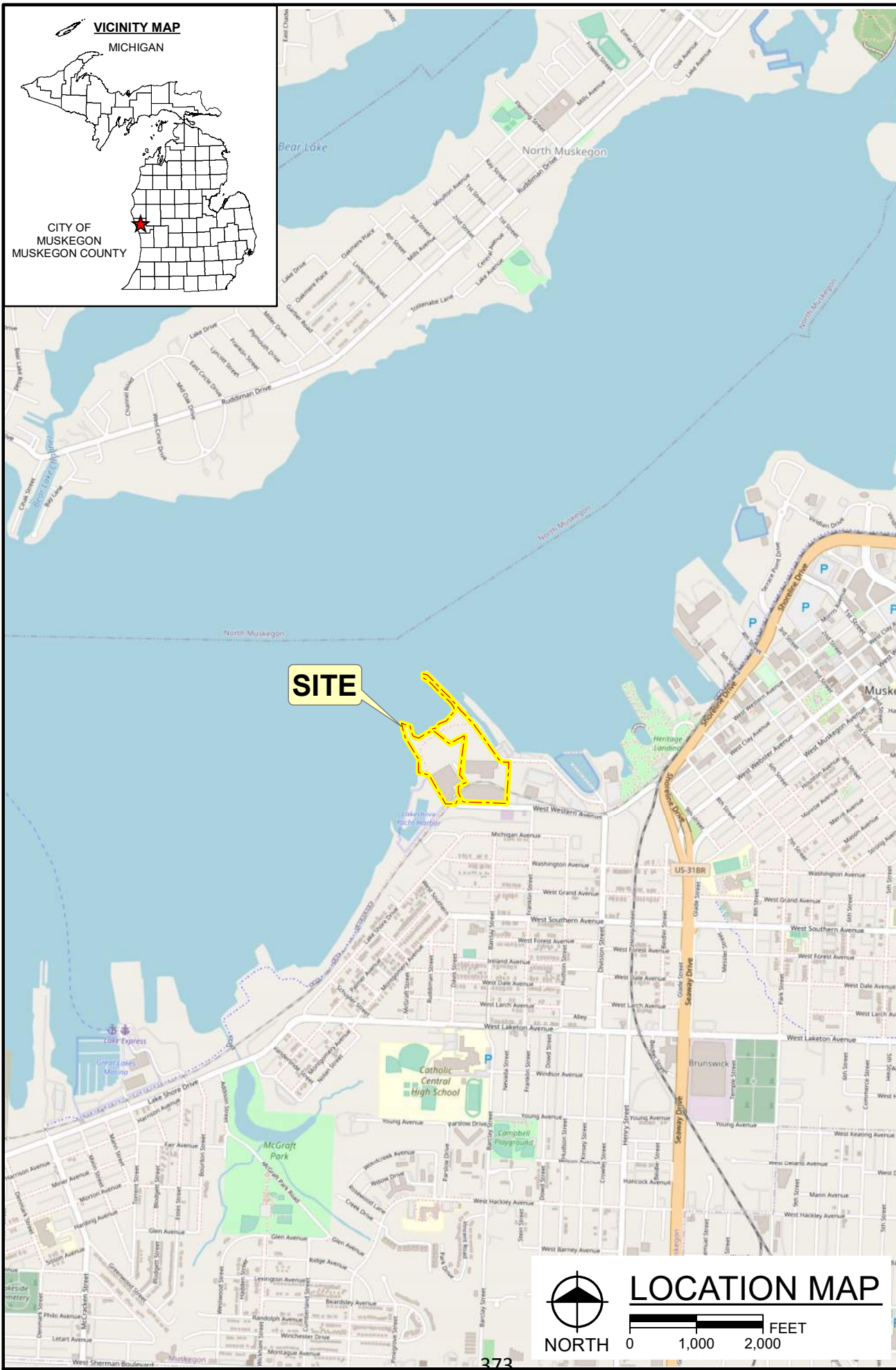
Not applicable.

2.12 Other Material that the Authority or Governing Body Considers Pertinent

The Project will significantly improve the Muskegon Lake shoreline through revitalization of Property once used for industrial purposes. Existing structures will be revitalized, and environmental exposure risks mitigated. A new marina with transient boat slips will provide boaters with opportunities to access the vibrant Muskegon downtown and other nearby recreational activities. Construction of new boat storage and residential condominiums will expand Muskegon Lake access and increase long-term tax revenues for the City of Muskegon and the State of Michigan. The Development will also create numerous job opportunities for the community.

Figure 1

Location Map



Hard copy is intended to be 8.5"x11" when plotted. Scale(s) indicated and graphic quality may not be accurate for any other size.

Leestma Management, LLC
 1148 & 1204 West Western Ave., Muskegon, Muskegon County, Michigan
Baseline Environmental Assessment

PROJECT NO.
201515

FIGURE NO.
1

Figure 2

Site Layout Map

Hard copy is intended to be 8.5"x11" when plotted. Scale(s) indicated and graphic quality may not be accurate for any other size.

Leesta Management, LLC
1148 & 1204 West Western Ave., Muskegon County, MI
Baseline Environmental Assessment

PROJECT NO.
201515

FIGURE NO.
2

LEGEND

 Approximate Property Boundary



Source: Esri, Maxar, GeoEye, IGN, Aerogrid, GEBCO, USGS, USDA, NGA, Esri, HERE, Garmin, (c) OpenStreetMap contributors, and the GIS User Community

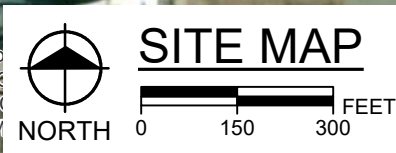


Table 1

Tax Increment Revenue Capture

Table 1 - Estimate of Total Incremental Taxes Available for Capture
1148 and 1204 West Western Avenue, Muskegon, Muskegon County, Michigan

Estimated Taxable Value (TV) Increase Rate: 1%

	Plan Year	0	1	2	3	4	5	6	7	8	9	10
	Calendar Year	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
	Base Taxable Value	\$ 903,810	\$ 903,810	\$ 903,810	\$ 903,810	\$ 903,810	\$ 903,810	\$ 903,810	\$ 903,810	\$ 903,810	\$ 903,810	\$ 903,810
	Estimated New TV	\$ -	\$ 1,750,000	\$ 14,875,000	\$ 42,875,000	\$ 53,375,000	\$ 61,250,000	\$ 87,500,000	\$ 88,375,000	\$ 89,258,750	\$ 90,151,338	\$ 91,052,851
	Incremental Difference (New TV - Base TV) ¹	\$ -	\$ 846,190	\$ 13,971,190	\$ 41,971,190	\$ 52,471,190	\$ 60,346,190	\$ 86,596,190	\$ 87,471,190	\$ 88,354,940	\$ 89,247,528	\$ 90,149,041
School Capture	Millage Rate											
State Education Tax (SET)	6.00000	\$ -	\$ 5,077	\$ 83,827	\$ 251,827	\$ 314,827	\$ 362,077	\$ 519,577	\$ 524,827	\$ 530,130	\$ 535,485	\$ 540,894
School Operating Tax	17.98380	\$ -	\$ 15,218	\$ 251,255	\$ 754,801	\$ 943,631	\$ 1,085,254	\$ 1,557,329	\$ 1,573,064	\$ 1,588,958	\$ 1,605,010	\$ 1,621,222
School Total	23.9838	\$ -	\$ 20,295	\$ 335,082	\$ 1,006,629	\$ 1,258,459	\$ 1,447,331	\$ 2,076,906	\$ 2,097,892	\$ 2,119,087	\$ 2,140,495	\$ 2,162,117
Local Capture	Millage Rate											
County Museum	0.32200	\$ -	\$ 272	\$ 4,499	\$ 13,515	\$ 16,896	\$ 19,431	\$ 27,884	\$ 28,166	\$ 28,450	\$ 28,738	\$ 29,028
County Veterans	0.07150	\$ -	\$ 61	\$ 999	\$ 3,001	\$ 3,752	\$ 4,315	\$ 6,192	\$ 6,254	\$ 6,317	\$ 6,381	\$ 6,446
Senior Citizens Services	0.49990	\$ -	\$ 423	\$ 6,984	\$ 20,981	\$ 26,230	\$ 30,167	\$ 43,289	\$ 43,727	\$ 44,169	\$ 44,615	\$ 45,066
Central Dispatch	0.29999	\$ -	\$ 254	\$ 4,191	\$ 12,591	\$ 15,741	\$ 18,103	\$ 25,978	\$ 26,240	\$ 26,506	\$ 26,773	\$ 27,044
Community College	2.20340	\$ -	\$ 1,864	\$ 30,784	\$ 92,479	\$ 115,615	\$ 132,967	\$ 190,806	\$ 192,734	\$ 194,681	\$ 196,648	\$ 198,634
M.A.I.S.D	4.75410	\$ -	\$ 4,023	\$ 66,420	\$ 199,535	\$ 249,453	\$ 286,892	\$ 411,687	\$ 415,847	\$ 420,048	\$ 424,292	\$ 428,578
City Operating	10.07540	\$ -	\$ 8,526	\$ 140,765	\$ 422,877	\$ 528,668	\$ 608,012	\$ 872,491	\$ 881,307	\$ 890,211	\$ 899,205	\$ 908,288
City Sanitation	2.99790	\$ -	\$ 2,537	\$ 41,884	\$ 125,825	\$ 157,303	\$ 180,912	\$ 259,607	\$ 262,230	\$ 264,879	\$ 267,555	\$ 270,258
Hackley Library	2.39970	\$ -	\$ 2,031	\$ 33,527	\$ 100,718	\$ 125,915	\$ 144,813	\$ 207,805	\$ 209,905	\$ 212,025	\$ 214,167	\$ 216,331
MPS Sinking	0.99810	\$ -	\$ 845	\$ 13,945	\$ 41,891	\$ 52,371	\$ 60,232	\$ 86,432	\$ 87,305	\$ 88,187	\$ 89,078	\$ 89,978
County Operating	5.69780	\$ -	\$ 4,821	\$ 79,605	\$ 239,143	\$ 298,970	\$ 343,841	\$ 493,408	\$ 498,393	\$ 503,429	\$ 508,515	\$ 513,651
Local Total	30.3198	\$ -	\$ 25,656	\$ 423,604	\$ 1,272,558	\$ 1,590,915	\$ 1,829,684	\$ 2,625,578	\$ 2,652,108	\$ 2,678,903	\$ 2,705,966	\$ 2,733,300
Non-Capturable Millages	Millage Rate											
Community College Debt	0.34000	\$ -	\$ 288	\$ 4,750	\$ 14,270	\$ 17,840	\$ 20,518	\$ 29,443	\$ 29,740	\$ 30,041	\$ 30,344	\$ 30,651
Hackley Debt	0.45320	\$ -	\$ 383	\$ 6,332	\$ 19,021	\$ 23,780	\$ 27,349	\$ 39,245	\$ 39,642	\$ 40,042	\$ 40,447	\$ 40,856
MPS Debt - 1995	3.86000	\$ -	\$ 3,266	\$ 53,929	\$ 162,009	\$ 202,539	\$ 232,936	\$ 334,261	\$ 337,639	\$ 341,050	\$ 344,495	\$ 347,975
MPS Debt - 2009	3.50000	\$ -	\$ 2,962	\$ 48,899	\$ 146,899	\$ 183,649	\$ 211,212	\$ 303,087	\$ 306,149	\$ 309,242	\$ 312,366	\$ 315,522
Total Non-Capturable Taxes	8.1532	\$ -	\$ 6,899	\$ 113,910	\$ 342,200	\$ 427,808	\$ 492,015	\$ 706,036	\$ 713,170	\$ 720,375	\$ 727,653	\$ 735,003

¹Assumes 1% annual increase for inflation

Total Tax Increment Revenue (TIR) Available for Capture	\$ -	\$ 45,951	\$ 758,686	\$ 2,279,186	\$ 2,849,374	\$ 3,277,015	\$ 4,702,484	\$ 4,750,000	\$ 4,797,990	\$ 4,846,461	\$ 4,895,417
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Notes-

Table 2 assumes incremental annual investment with project completion in 2030.

For the purpose of Table 2 the new taxable value is estimated based on 35% of a total overall investment of \$250,000,000

Table 1 - Estimate of Total Incremental Taxes Available for Capture
1148 and 1204 West Western Avenue, Muskegon, Muskegon County, Michigan

Estimated Taxable Value (TV) Increase Rate:

Plan Year	11	12	13	14	15	16	17	18	19	20	21	22
Calendar Year	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
Base Taxable Value	\$ 903,810	\$ 903,810	\$ 903,810	\$ 903,810	\$ 903,810	\$ 903,810	\$ 903,810	\$ 903,810	\$ 903,810	\$ 903,810	\$ 903,810	\$ 903,810
Estimated New TV	\$ 91,963,379	\$ 92,883,013	\$ 93,811,843	\$ 94,749,962	\$ 95,697,461	\$ 96,654,436	\$ 97,620,980	\$ 98,597,190	\$ 99,583,162	\$ 100,578,994	\$ 101,584,784	\$ 102,600,631
Incremental Difference (New TV - Base TV) ¹	\$ 91,059,569	\$ 91,979,203	\$ 92,908,033	\$ 93,846,152	\$ 94,793,651	\$ 95,750,626	\$ 96,717,170	\$ 97,693,380	\$ 98,679,352	\$ 99,675,184	\$ 100,680,974	\$ 101,696,821

School Capture	Millage Rate												
State Education Tax (SET)	6.00000	\$ 546,357	\$ 551,875	\$ 557,448	\$ 563,077	\$ 568,762	\$ 574,504	\$ 580,303	\$ 586,160	\$ 592,076	\$ 598,051	\$ 604,086	\$ 610,181
School Operating Tax	17.98380	\$ 1,637,597	\$ 1,654,136	\$ 1,670,839	\$ 1,687,710	\$ 1,704,750	\$ 1,721,960	\$ 1,739,342	\$ 1,756,898	\$ 1,774,630	\$ 1,792,539	\$ 1,810,626	\$ 1,828,895
School Total	23.9838	\$ 2,183,955	\$ 2,206,011	\$ 2,228,288	\$ 2,250,787	\$ 2,273,512	\$ 2,296,464	\$ 2,319,645	\$ 2,343,058	\$ 2,366,706	\$ 2,390,590	\$ 2,414,712	\$ 2,439,076

Local Capture	Millage Rate												
County Museum	0.32200	\$ 29,321	\$ 29,617	\$ 29,916	\$ 30,218	\$ 30,524	\$ 30,832	\$ 31,143	\$ 31,457	\$ 31,775	\$ 32,095	\$ 32,419	\$ 32,746
County Veterans	0.07150	\$ 6,511	\$ 6,577	\$ 6,643	\$ 6,710	\$ 6,778	\$ 6,846	\$ 6,915	\$ 6,985	\$ 7,056	\$ 7,127	\$ 7,199	\$ 7,271
Senior Citizens Services	0.49990	\$ 45,521	\$ 45,980	\$ 46,445	\$ 46,914	\$ 47,387	\$ 47,866	\$ 48,349	\$ 48,837	\$ 49,330	\$ 49,828	\$ 50,330	\$ 50,838
Central Dispatch	0.29999	\$ 27,317	\$ 27,593	\$ 27,871	\$ 28,153	\$ 28,437	\$ 28,724	\$ 29,014	\$ 29,307	\$ 29,603	\$ 29,902	\$ 30,203	\$ 30,508
Community College	2.20340	\$ 200,641	\$ 202,667	\$ 204,714	\$ 206,781	\$ 208,868	\$ 210,977	\$ 213,107	\$ 215,258	\$ 217,430	\$ 219,624	\$ 221,840	\$ 224,079
M.A.I.S.D	4.75410	\$ 432,906	\$ 437,278	\$ 441,694	\$ 446,154	\$ 450,658	\$ 455,208	\$ 459,803	\$ 464,444	\$ 469,132	\$ 473,866	\$ 478,647	\$ 483,477
City Operating	10.07540	\$ 917,462	\$ 926,727	\$ 936,086	\$ 945,538	\$ 955,084	\$ 964,726	\$ 974,464	\$ 984,300	\$ 994,234	\$ 1,004,267	\$ 1,014,401	\$ 1,024,636
City Sanitation	2.99790	\$ 272,987	\$ 275,744	\$ 278,529	\$ 281,341	\$ 284,182	\$ 287,051	\$ 289,948	\$ 292,875	\$ 295,831	\$ 298,816	\$ 301,831	\$ 304,877
Hackley Library	2.39970	\$ 218,516	\$ 220,722	\$ 222,951	\$ 225,203	\$ 227,476	\$ 229,773	\$ 232,092	\$ 234,435	\$ 236,801	\$ 239,191	\$ 241,604	\$ 244,042
MPS Sinking	0.99810	\$ 90,887	\$ 91,804	\$ 92,732	\$ 93,668	\$ 94,614	\$ 95,569	\$ 96,533	\$ 97,508	\$ 98,492	\$ 99,486	\$ 100,490	\$ 101,504
County Operating	5.69780	\$ 518,839	\$ 524,079	\$ 529,371	\$ 534,717	\$ 540,115	\$ 545,568	\$ 551,075	\$ 556,637	\$ 562,255	\$ 567,929	\$ 573,660	\$ 579,448
Local Total	30.3198	\$ 2,760,907	\$ 2,788,790	\$ 2,816,952	\$ 2,845,396	\$ 2,874,124	\$ 2,903,139	\$ 2,932,444	\$ 2,962,043	\$ 2,991,937	\$ 3,022,131	\$ 3,052,626	\$ 3,083,426

Non-Capturable Millages	Millage Rate												
Community College Debt	0.34000	\$ 30,960	\$ 31,273	\$ 31,589	\$ 31,908	\$ 32,230	\$ 32,555	\$ 32,884	\$ 33,216	\$ 33,551	\$ 33,890	\$ 34,232	\$ 34,577
Hackley Debt	0.45320	\$ 41,268	\$ 41,685	\$ 42,106	\$ 42,531	\$ 42,960	\$ 43,394	\$ 43,832	\$ 44,275	\$ 44,721	\$ 45,173	\$ 45,629	\$ 46,089
MPS Debt - 1995	3.86000	\$ 351,490	\$ 355,040	\$ 358,625	\$ 362,246	\$ 365,903	\$ 369,597	\$ 373,328	\$ 377,096	\$ 380,902	\$ 384,746	\$ 388,629	\$ 392,550
MPS Debt - 2009	3.50000	\$ 318,708	\$ 321,927	\$ 325,178	\$ 328,462	\$ 331,778	\$ 335,127	\$ 338,510	\$ 341,927	\$ 345,378	\$ 348,863	\$ 352,383	\$ 355,939
Total Non-Capturable Taxes	8.1532	\$ 742,427	\$ 749,925	\$ 757,498	\$ 765,146	\$ 772,872	\$ 780,674	\$ 788,554	\$ 796,514	\$ 804,552	\$ 812,672	\$ 820,872	\$ 829,155

¹Assumes 1% annual increase for inflation

Total Tax Increment Revenue (TIR) Available for Capture	\$ 4,944,862	\$ 4,994,801	\$ 5,045,240	\$ 5,096,183	\$ 5,147,636	\$ 5,199,603	\$ 5,252,090	\$ 5,305,101	\$ 5,358,643	\$ 5,412,720	\$ 5,467,338	\$ 5,522,502
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Notes-

Table 2 assumes incremental annual investment with project completion in 2030.

For the purpose of Table 2 the new taxable value is estimated based on 35% of a total overall investment of \$250,000,000

Table 1 - Estimate of Total Incremental Taxes Available for Capture
1148 and 1204 West Western Avenue, Muskegon, Muskegon County, Michigan

Estimated Taxable Value (TV) Increase Rate:

Plan Year	23	24	25	26	27	28	29	30	TOTAL
Calendar Year	2044	2045	2046	2047	2048	2049	2050	2051	
Base Taxable Value	\$ 903,810	\$ 903,810	\$ 903,810	\$ 903,810	\$ 903,810	\$ 903,810	\$ 903,810	\$ 903,810	\$ -
Estimated New TV	\$ 103,626,638	\$ 104,662,904	\$ 105,709,533	\$ 106,766,628	\$ 107,834,295	\$ 108,912,638	\$ 110,001,764	\$ 111,101,782	\$ -
Incremental Difference (New TV - Base TV) ¹	\$ 102,722,828	\$ 103,759,094	\$ 104,805,723	\$ 105,862,818	\$ 106,930,485	\$ 108,008,828	\$ 109,097,954	\$ 110,197,972	\$ -
School Capture	Millage Rate								
State Education Tax (SET)	6.00000	\$ 616,337	\$ 622,555	\$ 628,834	\$ 635,177	\$ 641,583	\$ 648,053	\$ 654,588	\$ 661,188
School Operating Tax	17.98380	\$ 1,847,347	\$ 1,865,983	\$ 1,884,805	\$ 1,903,816	\$ 1,923,016	\$ 1,942,409	\$ 1,961,996	\$ 1,981,778
School Total	23.9838	\$ 2,463,684	\$ 2,488,537	\$ 2,513,640	\$ 2,538,993	\$ 2,564,599	\$ 2,590,462	\$ 2,616,584	\$ 2,642,966
Local Capture	Millage Rate								
County Museum	0.32200	\$ 33,077	\$ 33,410	\$ 33,747	\$ 34,088	\$ 34,432	\$ 34,779	\$ 35,130	\$ 35,484
County Veterans	0.07150	\$ 7,345	\$ 7,419	\$ 7,494	\$ 7,569	\$ 7,646	\$ 7,723	\$ 7,801	\$ 7,879
Senior Citizens Services	0.49990	\$ 51,351	\$ 51,869	\$ 52,392	\$ 52,921	\$ 53,455	\$ 53,994	\$ 54,538	\$ 55,088
Central Dispatch	0.29999	\$ 30,816	\$ 31,127	\$ 31,441	\$ 31,758	\$ 32,078	\$ 32,402	\$ 32,728	\$ 33,058
Community College	2.20340	\$ 226,339	\$ 228,623	\$ 230,929	\$ 233,258	\$ 235,611	\$ 237,987	\$ 240,386	\$ 242,810
M.A.I.S.D	4.75410	\$ 488,355	\$ 493,281	\$ 498,257	\$ 503,282	\$ 508,358	\$ 513,485	\$ 518,663	\$ 523,892
City Operating	10.07540	\$ 1,034,974	\$ 1,045,414	\$ 1,055,960	\$ 1,066,610	\$ 1,077,367	\$ 1,088,232	\$ 1,099,206	\$ 1,110,289
City Sanitation	2.99790	\$ 307,953	\$ 311,059	\$ 314,197	\$ 317,366	\$ 320,567	\$ 323,800	\$ 327,065	\$ 330,362
Hackley Library	2.39970	\$ 246,504	\$ 248,991	\$ 251,502	\$ 254,039	\$ 256,601	\$ 259,189	\$ 261,802	\$ 264,442
MPS Sinking	0.99810	\$ 102,528	\$ 103,562	\$ 104,607	\$ 105,662	\$ 106,727	\$ 107,804	\$ 108,891	\$ 109,989
County Operating	5.69780	\$ 585,294	\$ 591,199	\$ 597,162	\$ 603,185	\$ 609,269	\$ 615,413	\$ 621,618	\$ 627,886
Local Total	30.3198	\$ 3,114,535	\$ 3,145,954	\$ 3,177,688	\$ 3,209,738	\$ 3,242,110	\$ 3,274,805	\$ 3,307,827	\$ 3,341,179
Non-Capturable Millages	Millage Rate								
Community College Debt	0.34000	\$ 34,926	\$ 35,278	\$ 35,634	\$ 35,993	\$ 36,356	\$ 36,723	\$ 37,093	\$ 37,467
Hackley Debt	0.45320	\$ 46,554	\$ 47,024	\$ 47,498	\$ 47,977	\$ 48,461	\$ 48,950	\$ 49,443	\$ 49,942
MPS Debt - 1995	3.86000	\$ 396,510	\$ 400,510	\$ 404,550	\$ 408,630	\$ 412,752	\$ 416,914	\$ 421,118	\$ 425,364
MPS Debt - 2009	3.50000	\$ 359,530	\$ 363,157	\$ 366,820	\$ 370,520	\$ 374,257	\$ 378,031	\$ 381,843	\$ 385,693
Total Non-Capturable Taxes	8.1532	\$ 837,520	\$ 845,969	\$ 854,502	\$ 863,121	\$ 871,826	\$ 880,618	\$ 889,497	\$ 898,466
¹ Assumes 1% annual increase for inflation									
Total Tax Increment Revenue (TIR) Available for Capture		\$ 5,578,218	\$ 5,634,491	\$ 5,691,327	\$ 5,748,731	\$ 5,806,709	\$ 5,865,267	\$ 5,924,411	\$ 5,984,145

Notes-

Table 2 assumes incremental annual investment with project completion in 2030.

For the purpose of Table 2 the new taxable value is estimated based on 35% of a total overall investment of \$250,000,000

Table 2

Tax Increment Revenue Reimbursement Allocation

Table 2 - Estimate of Total Incremental Taxes Available for Reimbursement
1148 1204 West Western Avenue, Muskegon, Muskegon County, Michigan

		<table><tr><td>Developer Maximum Reimbursement</td><td>School & Local Taxes</td></tr><tr><td>State</td><td>\$ 178,977</td></tr><tr><td>Local</td><td>66,596,401</td></tr><tr><td>TOTAL</td><td>\$66,775,378</td></tr><tr><td>EGLE</td><td>N/A</td></tr><tr><td>MSF</td><td>N/A</td></tr></table>		Developer Maximum Reimbursement	School & Local Taxes	State	\$ 178,977	Local	66,596,401	TOTAL	\$66,775,378	EGLE	N/A	MSF	N/A	Estimated Years of Capture: 30 years (including 5 years for LBF capture)																							
Developer Maximum Reimbursement	School & Local Taxes																																						
State	\$ 178,977																																						
Local	66,596,401																																						
TOTAL	\$66,775,378																																						
EGLE	N/A																																						
MSF	N/A																																						
			2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042															
Total State Incremental Revenue		\$	-	\$ 20,295	\$ 335,082	\$ 1,006,629	\$ 1,258,459	\$ 1,447,331	\$ 2,076,906	\$ 2,097,892	\$ 2,119,087	\$ 2,140,495	\$ 2,162,117	\$ 2,183,955	\$ 2,206,011	\$ 2,228,288	\$ 2,250,787	\$ 2,273,512	\$ 2,296,464	\$ 2,319,645	\$ 2,343,058	\$ 2,366,706	\$ 2,390,590	\$ 2,414,712															
State Brownfield Redevelopment Fund (50% of SET)		\$	-	\$ 2,539	\$ 41,914																																		
State TIR Available for Reimbursement		\$	-	\$ 17,756	\$ 293,169	\$ 1,006,629	\$ 1,258,459	\$ 1,447,331	\$ 2,076,906	\$ 2,097,892	\$ 2,119,087	\$ 2,140,495	\$ 2,162,117	\$ 2,183,955	\$ 2,206,011	\$ 2,228,288	\$ 2,250,787	\$ 2,273,512	\$ 2,296,464	\$ 2,319,645	\$ 2,343,058	\$ 2,366,706	\$ 2,390,590	\$ 2,414,712															
Total Local Incremental Revenue		\$	-	\$ 25,656	\$ 423,604	\$ 1,272,558	\$ 1,590,915	\$ 1,829,684	\$ 2,625,578	\$ 2,652,108	\$ 2,678,903	\$ 2,705,966	\$ 2,733,300	\$ 2,760,907	\$ 2,788,790	\$ 2,816,952	\$ 2,845,396	\$ 2,874,124	\$ 2,903,139	\$ 2,932,444	\$ 2,962,043	\$ 2,991,937	\$ 3,022,131	\$ 3,052,626															
BRA Administrative Fee		\$	-	\$ 500	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000															
Local TIR Available for Reimbursement		\$	-	\$ 25,156	\$ 413,604	\$ 1,262,558	\$ 1,580,915	\$ 1,819,684	\$ 2,615,578	\$ 2,642,108	\$ 2,668,903	\$ 2,695,966	\$ 2,723,300	\$ 2,750,907	\$ 2,778,790	\$ 2,806,952	\$ 2,835,396	\$ 2,864,124	\$ 2,893,139	\$ 2,922,444	\$ 2,952,043	\$ 2,981,937	\$ 3,012,131	\$ 3,042,626															
Total State & Local TIR Available		\$	-	\$ 42,913	\$ 706,772	\$ 2,269,186	\$ 2,839,374	\$ 3,267,015	\$ 4,692,484	\$ 4,740,000	\$ 4,787,990	\$ 4,836,461	\$ 4,885,417	\$ 4,934,862	\$ 4,984,801	\$ 5,035,240	\$ 5,086,183	\$ 5,137,636	\$ 5,189,603	\$ 5,242,090	\$ 5,295,101	\$ 5,348,643	\$ 5,402,720	\$ 5,457,338															
DEVELOPER		Beginning Balance																																					
Developer Reimbursement Balance		\$	-	\$	-	\$ 915,624	\$ 5,071,705	\$ 14,816,198	\$ 19,116,098	\$ 22,741,220	\$ 32,776,007	\$ 34,414,807	\$ 35,890,364	\$ 34,854,118	\$ 33,737,359	\$ 32,535,775	\$ 31,244,833	\$ 29,859,775	\$ 28,375,599	\$ 26,787,049	\$ 25,088,606	\$ 23,274,470	\$ 21,338,548	\$ 19,274,442	\$ 17,075,427	\$ 14,734,441													
Pre-Approved Environmental Costs		\$	350,000	\$	-	\$ 350,000	\$ 322,442	\$	-																														
State Tax Reimbursement		\$	178,977	\$	-	\$ 17,756	\$ 161,221	\$	-																														
Local Tax Reimbursement		\$	186,377	\$	-	\$ 25,156	\$ 161,221	\$	-																														
Interest (5%)		\$	15,354	\$	-	\$ 15,354	\$	-																															
Total EGLE Reimbursement Balance		\$	-	\$ 322,442	\$	-	\$	-																															
Local Only Costs		\$	28,246,750	\$	-	\$ 564,935	\$ 4,830,195	\$ 14,110,665	\$ 18,205,808	\$ 21,658,305	\$ 31,215,245	\$ 32,776,007	\$ 34,414,807	\$ 35,890,364	\$ 34,854,118	\$ 33,737,359	\$ 32,535,775	\$ 31,244,833	\$ 29,859,775	\$ 28,375,599	\$ 26,787,049	\$ 25,088,606	\$ 23,274,470	\$ 21,338,548	\$ 19,274,442	\$ 17,075,427													
Local Tax Reimbursement		\$	53,801,403	\$	-	\$	-	\$	-	\$	-	\$	-	\$ 233,508	\$ 2,695,966	\$ 2,723,300	\$ 2,750,907	\$ 2,778,790	\$ 2,806,952	\$ 2,835,396	\$ 2,864,124	\$ 2,893,139	\$ 2,922,444	\$ 2,952,043	\$ 2,981,937	\$ 3,012,131	\$ 3,042,626												
Interest (5%)		\$	25,554,653	\$	-	\$ 28,247	\$ 241,510	\$ 705,533	\$ 910,290	\$ 1,082,915	\$ 1,560,762	\$ 1,638,800	\$ 1,709,065	\$ 1,659,720	\$ 1,606,541	\$ 1,549,323	\$ 1,487,849	\$ 1,421,894	\$ 1,351,219	\$ 1,275,574	\$ 1,194,696	\$ 1,108,308	\$ 1,016,121	\$ 917,831	\$ 813,116	\$ 701,640													
Total Local Only Reimbursement Balance		\$	-	\$ 593,182	\$ 5,071,705	\$ 14,816,198	\$ 19,116,098	\$ 22,741,220	\$ 32,776,007	\$ 34,414,807	\$ 35,890,364	\$ 34,854,118	\$ 33,737,359	\$ 32,535,775	\$ 31,244,833	\$ 29,859,775	\$ 28,375,599	\$ 26,787,049	\$ 25,088,606	\$ 23,274,470	\$ 21,338,548	\$ 19,274,442	\$ 17,075,427	\$ 14,734,441															
Total Annual Developer Reimbursement				\$	-	\$ 42,912	\$ 322,442	\$	-	\$	-	\$	-	\$ 233,508	\$ 2,695,966	\$ 2,723,300	\$ 2,750,907	\$ 2,778,790	\$ 2,806,952	\$ 2,835,396	\$ 2,864,124	\$ 2,893,139	\$ 2,922,444	\$ 2,952,043	\$ 2,981,937	\$ 3,012,131	\$ 3,042,626												
CITY OF MUSKEGON BONDED ACTIVITIES		Beginning Balance																																					
City of Muskegon Bond Reimbursement Balance		\$	-	\$	-	\$ 10,500,000	\$ 10,759,998	\$ 9,972,313	\$ 8,810,967	\$ 7,340,848	\$ 4,961,532	\$ 2,435,395	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-											
Local Only Costs		\$	10,000,000	\$	-	\$ 10,000,000	\$ 10,500,000	\$ 10,759,998	\$ 9,972,313	\$ 8,810,967	\$ 7,340,848	\$ 4,961,532	\$ 2,435,395	\$	-																								
Local Tax Reimbursement		\$	12,608,621	\$	-	\$	252,383	\$ 1,262,558	\$ 1,580,915	\$ 1,819,684	\$ 2,615,578	\$ 2,642,108	\$ 2,435,395																										
Interest (5%)		\$	2,608,621	\$	-	\$ 500,000	\$ 512,381	\$ 474,872	\$ 419,570	\$ 349,564	\$ 236,263	\$ 115,971	\$	-																									
Total Local Only Reimbursement Balance		\$	10,000,000	\$	-	\$ 10,500,000	\$ 10,759,998	\$ 9,972,313	\$ 8,810,967	\$ 7,340,848	\$ 4,961,532	\$ 2,435,395	\$	-	\$	-																							
Total Annual City of Muskegon Reimbursement				\$	-	\$	-	\$ 252,383	\$ 1,262,558	\$ 1,580,915	\$ 1,819,684	\$ 2,615,578	\$ 2,642,108	\$ 2,435,395	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-											
LOCAL BROWNFIELD REVOLVING FUND																																							
LBRF Deposits *																																							
State Tax Capture		\$	178,977																																				
Local Tax Capture		\$	12,499,122																																				
Total LBRF Capture		\$	12,678,099																																				
* Up to five years of capture for LBRF Deposits after eligible activities are reimbursed. May be taken from Local TIR only.																																							

Z:\2020\201515\WORK\Rept\Brownfield Plan Amendment\TIF Tables\TB 1 TBL02 and TBL03_TIF_Adelaide rev 100422, 10 mil Bond.xlsx

Attachment A

Conceptual Renderings



SHEET NOTES:

- C COMMERCIAL BUILDINGS
 - C1 ADELAIDE POINTE OFFICES
 - C2 LIGHT INDUSTRY
 - C3 WAREHOUSING / BOAT STORAGE
 - C4 WAREHOUSING / BOAT STORAGE
 - C5 MIXED USE/WATER-BASED SERVICES
 - C6 MIXED USE/WATER-BASED SERVICES
 - C7 WAREHOUSING / BOAT STORAGE
 - C8 WAREHOUSING / BOAT STORAGE
 - C9 WAREHOUSING / BOAT STORAGE
- R RESIDENTIAL BUILDINGS
 - R1 CONDOMINIUM BUILDING
 - R2 CONDOMINIUM / COMMERCIAL
 - R3 CONDOMINIUM / COMMERCIAL
 - R4 CONDOMINIUM BUILDING
 - R5 CONDOMINIUM BUILDING
 - R6 APARTMENT BUILDING
- B MIXED USE BUILDING / AMENITIES
 - B1 SALES / RETAIL / RESTAURANT
 - B2 BAR / GRILL
 - B3 BOATER SERVICES
 - B4 RESTROOMS / PAVILION
 - B5 POOL
- M MARINA / MARINA SERVICES
 - M1 WET SLIP MARINA
 - M2 TRANSIENT SLIPS
 - M3 SLIP ACCESS POINT
 - M4 ROCK GROINS
 - M5 SLIP WELL / RAMPS
 - M6 FUEL DOCKS
- A PUBLIC AMENITIES
 - A1 BIKE & PEDESTRIAN TRAILS
 - A2 WEST POINT PARK
 - A3 LINEAR PARKS
 - A4 EAST BASIN PARK
 - A5 FISHING PIER
 - A6 BIKE RACKS
 - A7 PAVILIONS
 - A8 EVENT LAWN
 - A9 ON STREET PARKING
 - A10 OFF STREET PARKING
 - A11 RESTROOMS
 - A12 PARKING GARAGE ACCESS

Project :



ADELAIDE POINTE
1204 WEST WESTERN AVENUE
MUSKEGON, MI 49441
P: (855) MKG-LAKE
<https://www.adelaidepointe.com>

Consultants:



518 BROAD STREET
SAINT JOSEPH, MI 49085
P: (269) 932.4502
www.edgewaterresources.com

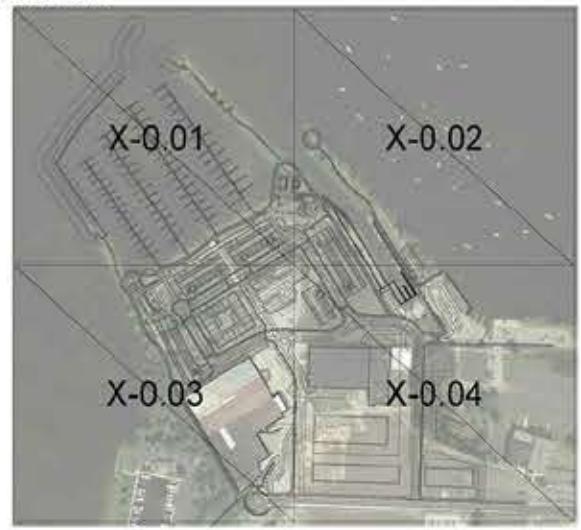


1609 PINERIDGE DR
GRAND HAVEN, MI 49417
P: (616) 843-1002
www.architekturaplc.com/

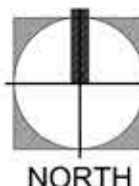


648 N. PLANKINTON AVE.
SUITE 240
MILWAUKEE, WI 53203
P: (414) 273-8230
www.kaa-arch.com

SITE LOCATION:

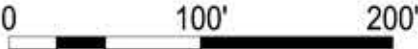


Date:	9/22/2021
Project No:	21-004



NORTH

Scale: 1"=100'-0" @ 24x36



Seal:

Project Phase: PUD SUBMITTAL

Sheet Title: ILLUSTRATIVE MP

Sheet Number: V-2.00



Attachment B

Environmental Data Tables and Map

LEGEND

- Approximate Property Boundary
- + Groundwater Sample Location
- Soil Gas Sample Location
- Soil Sample Location

Units-
Soil samples µg/Kg
Groundwater samples µg/L

Blue shading indicates a groundwater sample.
Yellow shading indicates a soil sample.



NORTH

SAMPLE EXCEEDANCE MAP

0 150 300 FEET

Hard copy is intended to be 8.5"x11" when plotted. Scale(s) indicated and graphic quality may not be accurate for any other size.

Leestma Management, LLC

1148 & 1204 West Western Ave., Muskegon, Muskegon County MI 49441

Baseline Environmental Assessment

PROJECT NO.
201515

FIGURE NO.

4

Table 1 - Soil Data Summary
Baseline Environmental Assessment
Leestma Management, LLC, 1148 & 1204 West Western Ave., Muskegon, Muskegon County, MI
December 2020

<i>Sample Location:</i> <i>Depth Interval (ft):</i> <i>Investigative/Field Duplicate/QC:</i> <i>Laboratory ID:</i> <i>Collection Date:</i>		SB-01 (4-5) Investigative 20L0979-01 12/30/20	SB-01 (4-5) Duplicate 20L0979-02 12/30/20	SB-02 (4-5) Investigative 20L0979-03 12/30/20	SB-03 (3-4) Investigative 20L0979-04 12/30/20	SB-04 (4-5) Investigative 20L0979-05 12/30/20	SB-05 (2-3) Investigative 20L0979-06 12/30/20	SB-06 (1-2) Investigative 20L0979-07 12/30/20	SB-07 (2-3) Investigative 20L0979-08 12/30/20	FB-01 QC 20L0979-09 12/30/20	<i>Statewide Default Background Levels ⁽¹⁾</i>	<i>Drinking Water Protection Criteria ⁽¹⁾</i>	<i>GSIP Criteria ⁽¹⁾</i>	<i>Soil Volatilization to Indoor Air Inhalation Criteria ⁽¹⁾</i>	<i>Infinite Source VSIC ⁽¹⁾</i>	<i>Finite VSIC for 5 Meter Source Thickness ⁽¹⁾</i>	<i>Finite VSIC for 2 Meter Source Thickness ⁽¹⁾</i>	<i>Particulate Soil Inhalation Criteria ⁽¹⁾</i>	<i>Direct Contact Criteria ⁽¹⁾</i>	<i>Soil Saturation Concentration SL ⁽¹⁾</i>
<i>Volatile Organic Compounds</i>	<i>CAS Number</i>																			
Tetrachloroethene	127-18-4	170	150	58 U	57 U	50 U	50 U	61 U	50 U	50 U	NA	100	1,200 (X)	11,000	1.70E+05	4.80E+05	1.10E+06	2.70E+09	2.00E+05 (C)	88,000
<i>Polynuclear Aromatic Compounds</i>	<i>CAS Number</i>																			
Benzo(a)pyrene	50-32-8	330 U	330 U	350	330 UJ	330 U	330 U	330 UJ	430	--	NA	NLL	NLL	NLV	NLV	NLV	NLV	1.50E+06	2,000	NA
Benzo(b)fluoranthene	205-99-2	330 U	400	550	330 UJ	330 U	330 U	330 UJ	520	--	NA	NLL	NLL	ID	ID	ID	ID	ID	20,000	NA
<i>Metals, Total</i>	<i>CAS Number</i>																			
Arsenic (B)	7440-38-2	4,000 J	3,600	5,900	2,000 U	3,500	4,900	2,000 U	19,000	--	5,800	4,600	4,600	NLV	NLV	NLV	NLV	7.20E+05	7,600	NA
Barium (B)	7440-39-3	15,000	18,000	10,000	15,000	23,000	16,000	11,000	100,000	--	75,000	1.30E+06	4.40E+05 (G)	NLV	NLV	NLV	NLV	3.30E+08	3.70E+07	NA
Cadmium (B)	7440-43-9	1,700	1,600	8,100	2,400	3,600	4,900	720	13,000	--	1,200	6,000	3,600 (G,X)	NLV	NLV	NLV	NLV	1.70E+06	5.50E+05	NA
Chromium, Total (B, H)	7440-47-3	6,700	5,900	24,000	27,000	30,000	49,000	14,000	190,000	--	18,000 (total)	30,000	3,300	NLV	NLV	NLV	NLV	2.60E+05	2.50E+06	NA
Copper (B)	7440-50-8	38,000 J	20,000	34,000	34,000	53,000	76,000	12,000	430,000	--	32,000	5.80E+06	75,000 (G)	NLV	NLV	NLV	NLV	1.30E+08	2.00E+07	NA
Lead (B)	7439-92-1	22,000	20,000	34,000	27,000	19,000	20,000	12,000	66,000	--	21,000	7.00E+05	5.10E+06 (G,X)	NLV	NLV	NLV	NLV	1.00E+08	4.00E+05	NA
Mercury (Total) (B)	7439-97-6	50 U	50 U	50 U	57	50 U	64	50 U	50 U	--	130	1,700	50 (M); 1.2	48,000	52,000	52,000	52,000	2.00E+07	1.60E+05	NA
Selenium (B)	7782-49-2	1,400	1,400	1,000	1,100	600	770	960	560	--	410	4,000	400	NLV	NLV	NLV	NLV	1.30E+08	2.60E+06	NA
Silver (B)	7440-22-4	490 U	470 U	490 U	490 U	490 U	460 U	470 U	430 U	--	1,000	4,500	100 (M); 27	NLV	NLV	NLV	NLV	6.70E+06	2.50E+06	NA
Zinc (B)	7440-66-6	15,000	14,000	23,000	47,000	40,000	62,000	33,000	74,000	--	47,000	2.40E+06	1.70E+05 (G)	NLV	NLV	NLV	NLV	ID	1.70E+08	NA
<i>Solids, Total (%)</i>	--	90	91	88	89	89	90	87	92	--	--	--	--	--	--	--	--	--	--	--

Results expressed in µg/Kg dry weight (except for FB-01, which is µg/Kg wet weight).
Bolded values exceed Statewide Default Background Level and an applicable criterion or screening level.
Italicized values are below Statewide Default Background Level but exceed an applicable criterion or screening level.
Underlined parameters are classified as Polynuclear Aromatic Compounds.

Data Qualifiers:
J Estimated value
U Not detected

Footnotes/Abbreviations:
⁽¹⁾ Part 201 Residential Soil Generic Cleanup Criteria and Screening Levels/Part 213 Risk-based Screening Levels, December 30, 2013 (GSI Criteria Updated June 25, 2018).
⁽²⁾ EGLE Volatilization to Indoor Air Pathway Screening Levels, September 4, 2020.

(B) Background, as defined in R 299.5701(b), may be substituted if higher than the calculated criterion.
(C) Value is screening level based on the chemical-specific generic soil saturation concentration (Csat).
(G) Criterion dependent on receiving surface water (SW) hardness; calculated criteria based on water hardness of 150 mg/L.
(H) Data provided for total chromium only; evaluated against hexavalent chromium criteria.
(J) Hazardous substance may be present in several isomer forms. Isomer-specific concentrations must be added together for comparison to criteria.
(JT) Hazardous substance may be present in several isomer forms. The VIAP SL may be used for the individual isomer provided that it is the sole isomer detected; however, when multiple isomers are detected in a medium, the isomer-specific concentrations must be added together and compared to the most restrictive VIAP SL of the detected isomers.
(M) Calculated criterion is below the target detection limit (TDL); first number is the criterion (TDL), the second is the risk-based value.
(M*) The VIAP SL may be below TDL. In accordance with Sec. 20120a(10) when the TDL for a hazardous substance is greater than the developed VIAP SL, the TDL is used to evaluate the risk posed from the pathway.
(W) Concentrations of trihalomethanes must be added together to determine compliance with criterion.
(X) Criterion is not protective for SW used as a drinking water (DW) source.
(DD) Hazardous substance causes developmental effects. Residential VIAP SLs are protective of both prenatal exposure using a pregnant female receptor and postnatal exposure using a child receptor. Prenatal developmental effects may occur after an acute (i.e. short- term) or full-term exposure.
(EE) The acceptable air concentration (AAC) for the volatile hazardous substances is not derived using standard equations. The hazardous substance may cause adverse human health effects for less than chronic exposures (i.e. short-term or acute). The AAC for these hazardous substances is the acute or intermediate minimum risk level (MRL) developed by the Agency for Toxic Substances and Disease Registry (ATSDR), a USEPA Integrated Risk Information System (IRIS) acute reference concentration, or an acute initial threshold screening level (ITS�) by the EGLE's Air Quality Division.
(MM) Hazardous substance is a carcinogen with a mutagenic mode of action. The cancer potency values used in calculating VIAP SLs are modified using age-dependent adjustment factors for those carcinogenic chemicals identified as mutagenic.

DATA Insufficient physical chemical parameters to calculate a VIAP SL for specified media. If detections are present in specified media, health-based soil vapor value should be used to evaluate risk.
GSIP groundwater surface water interface protection
ID Insufficient data to develop criterion.
NA not available
NLL Not likely to leach under most soil conditions.
NLV Not likely to volatilize under most conditions.
SL screening level
VIAP volatilization to indoor air pathway
VSIC volatile soil inhalation criteria

Table 2 - Groundwater Data Summary

Baseline Environmental Assessment

Leestma Management, LLC, 1148 & 1204 West Western Ave., Muskegon, Muskegon County, MI

December 2020

Monitoring Location: Field Duplicate: Laboratory ID: Collection Date:		TW-01 20L0979-10 12/30/20	TW-02 20L0979-11 12/30/20	TW-03 20L0979-12 12/30/20	TW-03 Duplicate 20L0979-14 12/30/20	TB-01 20L0979-15 12/30/20	Residential DWC ⁽¹⁾	GSI Criteria ⁽¹⁾	Residential Groundwater VIAIC ⁽¹⁾	Water Solubility ⁽¹⁾	Flammability and Explosivity SL ⁽¹⁾
Volatile Organic Compounds	CAS Number										
Benzene	71-43-2	1 U	1 U	9.7	9.9	1 U	5.0	200 (X)	5,600	1.75E+06	68,000
Polychlorinated Biphenyls	CAS Number										
Total PCBs (J)	1336-36-3	0.2 U	0.2 U	0.2 UJ	0.2 UJ	--	0.50	0.20 (M); 2.60E-05	45 (S)	44.7	ID
Metals, Total	CAS Number										
Arsenic (B)	7440-38-2	5 U	5 U	7.7	7.9	--	10	10	NLV	NA	ID
Barium (B)	7440-39-3	100 U	100 U	220	240	--	2,000	670 (G)	NLV	NA	ID
Cadmium (B)	7440-43-9	1 U	1 U	7.2	7.3	--	5.0	3.0 (G,X)	NLV	NA	ID
Chromium, Total (B, H)	7440-47-3	10 U	10 U	33	34	--	100	11	NLV	NA	ID
Copper (B)	7440-50-8	5 U	5 U	150	150	--	1,000 (E)	13 (G)	NLV	NA	ID
Lead (B)	7439-92-1	3 U	3 U	180	180	--	4.0 (L)	34 (G,X)	NLV	NA	ID
Mercury (B)	7439-97-6	0.2 U	0.2 U	0.65	0.61	--	2.0	0.0013	56 (S)	56	ID
Selenium (B)	7782-49-2	5 U	5 U	5 U	5 U	--	50	5.0	NLV	NA	ID
Silver (B)	7440-22-4	1 U	1 U	1 U	1 U	--	34	0.20 (M); 0.060	NLV	NA	ID
Zinc (B)	7440-66-6	50 U	50 U	190	190	--	2,400	170 (G)	NLV	NA	ID

Results expressed in µg/L.

Bolded values exceed an applicable criterion and/or screening level.

Underlined compounds classified as polynuclear aromatic compounds.

Data Qualifiers:

J Estimated value

U Not detected above the given limit

Footnotes/Abbreviations:

⁽¹⁾ Part 201 Groundwater Generic Cleanup Criteria/Part 213 Tier 1 Risk-based Screening Levels, January 10, 2018 (GSI Criteria Updated June 25, 2018).

⁽²⁾ EGLE Volatilization to Indoor Air Pathway Screening Levels, September 4, 2020.

(B) Background, as defined in R 299.5701(b), may be substituted if higher than the calculated criterion.

(E) Aesthetic drinking water (DW) value. Notice of aesthetic impact may be employed as an institutional control if concentration exceeds the aesthetic DWC but not the health-based DW value.

(G) Criterion dependent on receiving surface water (SW) hardness; calculated criteria based on water hardness of 150 mg/L.

(H) Data provided for total Chromium only; compare to hexavalent Chromium criteria.

(J) Substance present in several isomer forms; isomer concentrations must be added together for comparison to criteria.

(JT) Substance present in several isomer forms. The VIAP SL may be used for the individual isomer provided that it is sole isomer detected; however, when multiple isomers are detected in a medium,

(L) Concentrations up to the State action level of 15 µg/L may still allow for DW use if soil concentrations are below 400 mg/Kg.

(M) Calculated criterion is below the target detection limit (TDL); first number is the criterion (TDL), the second is the risk-based value.

(M*) The VIAP SL may be below target detection limits (TDL). In accordance with Sec. 20120a(10) when the TDL for a hazardous substance is greater than the developed VIAP SL, the TDL is used to

(S) Criterion defaults to the hazardous substance-specific water solubility limit.

(W) Concentrations of trihalomethanes must be added together to determine compliance with the DWC.

(X) Criterion is not protective for SW used as a DW source.

(AA) Use 10,000 µg/L where GW enters a structure through the use of a water well, sump or other device. Use 28,000 µg/L for all other uses.

(CC) Insufficient chemical-physical input parameters have been identified to allow the development of a VIAP SL using standard equations. The VIAP SL for GW is developed based solely on the approach that the department uses for shallow GW. If GW detections are present, soil vapor may be the most appropriate media to evaluate risk.

(DD) Hazardous substance causes developmental effects. Residential VIAP SLs are protective of both prenatal exposure using a pregnant female receptor and postnatal exposure using a child receptor. Prenatal developmental effects may occur after an acute (i.e. short- term) or full-term exposure.

(EE*) The acceptable air concentration (AAC) for the volatile hazardous substance is not derived using standard equations. The hazardous substance may cause adverse human health effects for less than chronic exposures (i.e. short-term or acute). The AAC for this hazardous substance is the acute or intermediate minimum risk level (MRL) developed by the Agency for Toxic Substances and Disease Registry (ATSDR), a USEPA Integrated Risk Information System (IRIS) acute reference concentration, or an acute initial

(FF*) The AAC for the volatile hazardous substances are based on toxicity values that have been identified to have the potential to cause adverse human health effects for less than chronic exposures (i.e. short-term or acute). The short-term exposure for shallow groundwater VIAP SLs are based on modification of the standard equations by the department to develop applicable shallow groundwater VIAP SLs.

(MM) Hazardous substance is a carcinogen with a mutagenic mode of action. The cancer potency values used in calculating VIAP SLs are modified using age-dependent adjustment factors for those carcinogenic chemicals identified as mutagenic.

DWC drinking water criterion

GSI groundwater surface water interface

ID Insufficient data to develop criterion.

NA not available

NLV Not likely to volatilize under most conditions.

SL screening level

TX The Remediation and Redevelopment Division Toxicology Unit has not identified an inhalation toxicity value for the hazardous substance at the date of publication of these values.

VIAIC volatilization to indoor air inhalation criteria

VIAP volatilization to indoor air pathway

Attachment B

Conceptual Renderings





Attachment C

Environmental Data Tables and Map

*URXQGZDWHU 6DPSOH /RFDWL
6RLO *DV 6DPSOH /RFDWL
6RLO 6DPSOH /RFDWL

$$\begin{aligned} & \{ \mid o \}] \tilde{A}^o \mu^{\circ}, \quad \circ \circ \circ \tilde{A}^{\wedge} \wedge i^{\circ} \tilde{A}^{\wedge} \circ \\ & \quad \mid P_{\circ}] \mu v^{\wedge} > \tilde{A}^o \mu i^{\circ} \tilde{A}^{\circ} \wedge v \\ & \} \circ, \quad \circ \circ v] v P^o \tilde{A}^o X \\ & \quad \circ \mu^{\circ} \tilde{Z}^{\wedge}] v P^{\circ}] v^{\wedge} \mid i^{\circ}, \quad P_{\circ}] \mu v^{\wedge} A \\ & \quad z^{\circ} \circ \circ \tilde{A}^{\circ} \tilde{Z}^{\wedge}] v P^{\circ}] v^{\wedge} \mid i^{\circ}, \quad \circ \circ \} \circ \circ \end{aligned}$$

fishbeck

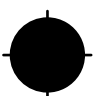
Engineers | Architects | Scientists | Constructors

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Soil Data Summary
Baseline Environmental Assessment
Leestma Management, LLC, 1148 & 1204 West Western Ave., Muskegon, Muskegon County, MI
December 2020

<i>Sample Location:</i> <i>Depth Interval (ft):</i> <i>Investigative/Field Duplicate/QC:</i> <i>Laboratory ID:</i> <i>Collection Date:</i>		SB-01 (4-5) Investigative 20L0979-01 12/30/20	SB-01 (4-5) Duplicate 20L0979-02 12/30/20	SB-02 (4-5) Investigative 20L0979-03 12/30/20	SB-03 (3-4) Investigative 20L0979-04 12/30/20	SB-04 (4-5) Investigative 20L0979-05 12/30/20	SB-05 (2-3) Investigative 20L0979-06 12/30/20	SB-06 (1-2) Investigative 20L0979-07 12/30/20	SB-07 (2-3) Investigative 20L0979-08 12/30/20	FB-01 QC 20L0979-09 12/30/20	<i>Statewide Default Background Levels ⁽¹⁾</i>	<i>Drinking Water Protection Criteria ⁽¹⁾</i>	<i>GSIP Criteria ⁽¹⁾</i>	<i>Soil Volatilization to Indoor Air Inhalation Criteria ⁽¹⁾</i>	<i>Infinite Source VSIC ⁽¹⁾</i>	<i>Finite VSIC for 5 Meter Source Thickness ⁽¹⁾</i>	<i>Finite VSIC for 2 Meter Source Thickness ⁽¹⁾</i>	<i>Particulate Soil Inhalation Criteria ⁽¹⁾</i>	<i>Direct Contact Criteria ⁽¹⁾</i>	<i>Soil Saturation Concentration SL ⁽¹⁾</i>
<i>Volatile Organic Compounds</i>	<i>CAS Number</i>																			
Tetrachloroethene	127-18-4	170	150	58 U	57 U	50 U	50 U	61 U	50 U	50 U	NA	100	1,200 (X)	11,000	1.70E+05	4.80E+05	1.10E+06	2.70E+09	2.00E+05 (C)	88,000
<i>Polynuclear Aromatic Compounds</i>	<i>CAS Number</i>																			
Benzo(a)pyrene	50-32-8	330 U	330 U	350	330 UJ	330 U	330 U	330 UJ	430	--	NA	NLL	NLL	NLV	NLV	NLV	NLV	1.50E+06	2,000	NA
Benzo(b)fluoranthene	205-99-2	330 U	400	550	330 UJ	330 U	330 U	330 UJ	520	--	NA	NLL	NLL	ID	ID	ID	ID	ID	20,000	NA
<i>Metals, Total</i>	<i>CAS Number</i>																			
Arsenic (B)	7440-38-2	4,000 J	3,600	5,900	2,000 U	3,500	4,900	2,000 U	19,000	--	5,800	4,600	4,600	NLV	NLV	NLV	NLV	7.20E+05	7,600	NA
Barium (B)	7440-39-3	15,000	18,000	10,000	15,000	23,000	16,000	11,000	100,000	--	75,000	1.30E+06	4.40E+05 (G)	NLV	NLV	NLV	NLV	3.30E+08	3.70E+07	NA
Cadmium (B)	7440-43-9	1,700	1,600	8,100	2,400	3,600	4,900	720	13,000	--	1,200	6,000	3,600 (G,X)	NLV	NLV	NLV	NLV	1.70E+06	5.50E+05	NA
Chromium, Total (B, H)	7440-47-3	6,700	5,900	24,000	27,000	30,000	49,000	14,000	190,000	--	18,000 (total)	30,000	3,300	NLV	NLV	NLV	NLV	2.60E+05	2.50E+06	NA
Copper (B)	7440-50-8	38,000 J	20,000	34,000	34,000	53,000	76,000	12,000	430,000	--	32,000	5.80E+06	75,000 (G)	NLV	NLV	NLV	NLV	1.30E+08	2.00E+07	NA
Lead (B)	7439-92-1	22,000	20,000	34,000	27,000	19,000	20,000	12,000	66,000	--	21,000	7.00E+05	5.10E+06 (G,X)	NLV	NLV	NLV	NLV	1.00E+08	4.00E+05	NA
Mercury (Total) (B)	7439-97-6	50 U	50 U	50 U	57	50 U	64	50 U	50 U	--	130	1,700	50 (M); 1.2	48,000	52,000	52,000	52,000	2.00E+07	1.60E+05	NA
Selenium (B)	7782-49-2	1,400	1,400	1,000	1,100	600	770	960	560	--	410	4,000	400	NLV	NLV	NLV	NLV	1.30E+08	2.60E+06	NA
Silver (B)	7440-22-4	490 U	470 U	490 U	490 U	490 U	460 U	470 U	430 U	--	1,000	4,500	100 (M); 27	NLV	NLV	NLV	NLV	6.70E+06	2.50E+06	NA
Zinc (B)	7440-66-6	15,000	14,000	23,000	47,000	40,000	62,000	33,000	74,000	--	47,000	2.40E+06	1.70E+05 (G)	NLV	NLV	NLV	NLV	ID	1.70E+08	NA
<i>Solids, Total (%)</i>	--	90	91	88	89	89	90	87	92	--	--	--	--	--	--	--	--	--	--	--

Results expressed in µg/Kg dry weight (except for FB-01, which is µg/Kg wet weight).
Bolded values exceed Statewide Default Background Level and an applicable criterion or screening level.
Italicized values are below Statewide Default Background Level but exceed an applicable criterion or screening level.
Underlined parameters are classified as Polynuclear Aromatic Compounds.

Data Qualifiers:
J Estimated value
U Not detected

Footnotes/Abbreviations:
⁽¹⁾ Part 201 Residential Soil Generic Cleanup Criteria and Screening Levels/Part 213 Risk-based Screening Levels, December 30, 2013 (GSI Criteria Updated June 25, 2018).
⁽²⁾ EGLE Volatilization to Indoor Air Pathway Screening Levels, September 4, 2020.

(B) Background, as defined in R 299.5701(b), may be substituted if higher than the calculated criterion.
(C) Value is screening level based on the chemical-specific generic soil saturation concentration (Csat).
(G) Criterion dependent on receiving surface water (SW) hardness; calculated criteria based on water hardness of 150 mg/L.
(H) Data provided for total chromium only; evaluated against hexavalent chromium criteria.
(J) Hazardous substance may be present in several isomer forms. Isomer-specific concentrations must be added together for comparison to criteria.
(JT) Hazardous substance may be present in several isomer forms. The VIAP SL may be used for the individual isomer provided that it is the sole isomer detected; however, when multiple isomers are detected in a medium, the isomer-specific concentrations must be added together and compared to the most restrictive VIAP SL of the detected isomers.
(M) Calculated criterion is below the target detection limit (TDL); first number is the criterion (TDL), the second is the risk-based value.
(M*) The VIAP SL may be below TDL. In accordance with Sec. 20120a(10) when the TDL for a hazardous substance is greater than the developed VIAP SL, the TDL is used to evaluate the risk posed from the pathway.
(W) Concentrations of trihalomethanes must be added together to determine compliance with criterion.
(X) Criterion is not protective for SW used as a drinking water (DW) source.
(DD) Hazardous substance causes developmental effects. Residential VIAP SLs are protective of both prenatal exposure using a pregnant female receptor and postnatal exposure using a child receptor. Prenatal developmental effects may occur after an acute (i.e. short- term) or full-term exposure.
(EE) The acceptable air concentration (AAC) for the volatile hazardous substances is not derived using standard equations. The hazardous substance may cause adverse human health effects for less than chronic exposures (i.e. short-term or acute). The AAC for these hazardous substances is the acute or intermediate minimum risk level (MRL) developed by the Agency for Toxic Substances and Disease Registry (ATSDR), a USEPA Integrated Risk Information System (IRIS) acute reference concentration, or an acute initial threshold screening level (ITS�) by the EGLE's Air Quality Division.
(MM) Hazardous substance is a carcinogen with a mutagenic mode of action. The cancer potency values used in calculating VIAP SLs are modified using age-dependent adjustment factors for those carcinogenic chemicals identified as mutagenic.

DATA Insufficient physical chemical parameters to calculate a VIAP SL for specified media. If detections are present in specified media, health-based soil vapor value should be used to evaluate risk.
GSIP groundwater surface water interface protection
ID Insufficient data to develop criterion.
NA not available
NLL Not likely to leach under most soil conditions.
NLV Not likely to volatilize under most conditions.
SL screening level
VIAP volatilization to indoor air pathway
VSIC volatile soil inhalation criteria

Groundwater Data Summary											
Baseline Environmental Assessment											
Leestma Management, LLC, 1148 & 1204 West Western Ave., Muskegon, Muskegon County, MI											
December 2020											
Monitoring Location:		TW-01	TW-02	TW-03	TW-03	TB-01	Residential DWC ⁽¹⁾	GSI Criteria ⁽¹⁾	Residential Groundwater VIAIC ⁽¹⁾	Water Solubility ⁽¹⁾	Flammability and Explosivity SL ⁽¹⁾
Field Duplicate:					Duplicate						
Laboratory ID:		20L0979-10	20L0979-11	20L0979-12	20L0979-14	20L0979-15					
Collection Date:		12/30/20	12/30/20	12/30/20	12/30/20	12/30/20					
Volatile Organic Compounds	CAS Number										
Benzene	71-43-2	1 U	1 U	9.7	9.9	1 U	5.0	200 (X)	5,600	1.75E+06	68,000
Polychlorinated Biphenyls	CAS Number										
Total PCBs (J)	1336-36-3	0.2 U	0.2 U	0.2 UJ	0.2 UJ	--	0.50	0.20 (M); 2.60E-05	45 (S)	44.7	ID
Metals, Total	CAS Number										
Arsenic (B)	7440-38-2	5 U	5 U	7.7	7.9	--	10	10	NLV	NA	ID
Barium (B)	7440-39-3	100 U	100 U	220	240	--	2,000	670 (G)	NLV	NA	ID
Cadmium (B)	7440-43-9	1 U	1 U	7.2	7.3	--	5.0	3.0 (G,X)	NLV	NA	ID
Chromium, Total (B, H)	7440-47-3	10 U	10 U	33	34	--	100	11	NLV	NA	ID
Copper (B)	7440-50-8	5 U	5 U	150	150	--	1,000 (E)	13 (G)	NLV	NA	ID
Lead (B)	7439-92-1	3 U	3 U	180	180	--	4.0 (L)	34 (G,X)	NLV	NA	ID
Mercury (B)	7439-97-6	0.2 U	0.2 U	0.65	0.61	--	2.0	0.0013	56 (S)	56	ID
Selenium (B)	7782-49-2	5 U	5 U	5 U	5 U	--	50	5.0	NLV	NA	ID
Silver (B)	7440-22-4	1 U	1 U	1 U	1 U	--	34	0.20 (M); 0.060	NLV	NA	ID
Zinc (B)	7440-66-6	50 U	50 U	190	190	--	2,400	170 (G)	NLV	NA	ID

Results expressed in µg/L.

Bolded values exceed an applicable criterion and/or screening level.

Underlined compounds classified as polynuclear aromatic compounds.

Data Qualifiers:

J Estimated value

U Not detected above the given limit

Footnotes/Abbreviations:

⁽¹⁾ Part 201 Groundwater Generic Cleanup Criteria/Part 213 Tier 1 Risk-based Screening Levels, January 10, 2018 (GSI Criteria Updated June 25, 2018).

⁽²⁾ EGLE Volatilization to Indoor Air Pathway Screening Levels, September 4, 2020.

- (B) Background, as defined in R 299.5701(b), may be substituted if higher than the calculated criterion.
- (E) Aesthetic drinking water (DW) value. Notice of aesthetic impact may be employed as an institutional control if concentration exceeds the aesthetic DWC but not the health-based DW value.
- (G) Criterion dependent on receiving surface water (SW) hardness; calculated criteria based on water hardness of 150 mg/L.
- (H) Data provided for total Chromium only; compare to hexavalent Chromium criteria.
- (J) Substance present in several isomer forms; isomer concentrations must be added together for comparison to criteria.
- (JT) Substance present in several isomer forms. The VIAP SL may be used for the individual isomer provided that it is sole isomer detected; however, when multiple isomers are detected in a medium,
- (L) Concentrations up to the State action level of 15 µg/L may still allow for DW use if soil concentrations are below 400 mg/Kg.
- (M) Calculated criterion is below the target detection limit (TDL); first number is the criterion (TDL), the second is the risk-based value.
- (M*) The VIAP SL may be below target detection limits (TDL). In accordance with Sec. 20120a(10) when the TDL for a hazardous substance is greater than the developed VIAP SL, the TDL is used to
- (S) Criterion defaults to the hazardous substance-specific water solubility limit.
- (W) Concentrations of trihalomethanes must be added together to determine compliance with the DWC.
- (X) Criterion is not protective for SW used as a DW source.
- (AA) Use 10,000 µg/L where GW enters a structure through the use of a water well, sump or other device. Use 28,000 µg/L for all other uses.
- (CC) Insufficient chemical-physical input parameters have been identified to allow the development of a VIAP SL using standard equations. The VIAP SL for GW is developed based solely on the approach that the department uses for shallow GW. If GW detections are present, soil vapor may be the most appropriate media to evaluate risk.
- (DD) Hazardous substance causes developmental effects. Residential VIAP SLs are protective of both prenatal exposure using a pregnant female receptor and postnatal exposure using a child receptor. Prenatal developmental effects may occur after an acute (i.e. short- term) or full-term exposure.
- (EE*) The acceptable air concentration (AAC) for the volatile hazardous substance is not derived using standard equations. The hazardous substance may cause adverse human health effects for less than chronic exposures (i.e. short-term or acute). The AAC for this hazardous substance is the acute or intermediate minimum risk level (MRL) developed by the Agency for Toxic Substances and Disease Registry (ATSDR), a USEPA Integrated Risk Information System (IRIS) acute reference concentration, or an acute initial
- (FF*) The AAC for the volatile hazardous substances are based on toxicity values that have been identified to have the potential to cause adverse human health effects for less than chronic exposures (i.e. short-term or acute). The short-term exposure for shallow groundwater VIAP SLs are based on modification of the standard equations by the department to develop applicable shallow groundwater VIAP SLs.
- (MM) Hazardous substance is a carcinogen with a mutagenic mode of action. The cancer potency values used in calculating VIAP SLs are modified using age-dependent adjustment factors for those carcinogenic chemicals identified as mutagenic.
- DWC drinking water criterion
- GSI groundwater surface water interface
- ID Insufficient data to develop criterion.
- NA not available
- NLV Not likely to volatilize under most conditions.
- SL screening level
- TX The Remediation and Redevelopment Division Toxicology Unit has not identified an inhalation toxicity value for the hazardous substance at the date of publication of these values.
- VIAIC volatilization to indoor air inhalation criteria
- VIAP volatilization to indoor air pathway

Soil Data Summary
Direct Contact Evaluation
1148 & 1204 West Western Ave., Muskegon, Muskegon County, Michigan
August 2021

Sample Location: Laboratory ID: Collection Date:		SDBL ⁽¹⁾	GSIP Criteria ⁽¹⁾	Soil Csat SL ⁽¹⁾	Residential								Nonresidential								AP-SS-1	AP-SS-2	AP-SS-3	AP-SS-4	AP-SS-5	AP-SS-6	AP-SS-7
DWP Criteria ⁽¹⁾	SVIAI Criteria ⁽¹⁾				Inf. Source VSIC ⁽¹⁾	Finite VSIC - 5 MST ⁽¹⁾	Finite VSIC - 2 MST ⁽¹⁾	PSI Criteria ⁽¹⁾	DC Criteria ⁽¹⁾	Soil VIAP SL ⁽²⁾	DWP Criteria ⁽¹⁾	SVIAI Criteria ⁽¹⁾	Inf. Source VSIC ⁽¹⁾	Finite VSIC - 5 MST ⁽¹⁾	Finite VSIC - 2 MST ⁽¹⁾	PSI Criteria ⁽¹⁾	DC Criteria ⁽¹⁾	Soil VIAP SL ⁽²⁾	21H0909-01 08/20/21	21H0909-02 08/20/21	21H0909-03 08/20/21	21H0909-04 08/20/21	21H0909-05 08/20/21	21H0909-06 08/20/21	21H0909-07 08/20/21		
Polynuclear Aromatic Compounds	CAS Number																										
2-Methylnaphthalene	91-57-6	NA	4,200	NA	57,000	2.70E+06	1.50E+06	1.50E+06	1.50E+06	6.70E+08	8.10E+06	1,700	1.70E+05	4.90E+06	1.80E+06	1.80E+06	1.80E+06	2.90E+08	2.60E+07	30,000	330 UJ	330 UJ	330 U	330 U	330 U	330 U	440 UJ
Acenaphthene	83-32-9	NA	8,700	NA	3.00E+05	1.90E+08	8.10E+07	8.10E+07	8.10E+07	1.40E+10	4.10E+07	2.00E+05	8.80E+05	3.50E+08	9.70E+07	9.70E+07	9.70E+07	6.20E+09	1.30E+08	3.60E+06	330 UJ	330 UJ	330 U	330 U	330 U	330 U	330 UJ
Acenaphthylene	208-96-8	NA	ID	NA	5,900	1.60E+06	2.20E+06	2.20E+06	2.20E+06	2.30E+09	1.60E+06	DATA	17,000	3.00E+06	2.70E+06	2.70E+06	2.70E+06	1.00E+09	5.20E+06	DATA	330 UJ	330 UJ	330 U	330 U	330 U	330 U	330 UJ
Anthracene	120-12-7	NA	ID	NA	41,000	1.00E+09	1.40E+09	1.40E+09	1.40E+09	6.70E+10	2.30E+08	1.30E+07	41,000	1.00E+09	1.60E+09	1.60E+09	1.60E+09	2.90E+10	7.30E+08	2.20E+08	330 UJ	330 UJ	330 U	330 U	330 U	330 U	330 UJ
Benzo(a)anthracene	56-55-3	NA	NLL	NA	NLL	NLV	NLV	NLV	NLV	ID	20,000	1.60E+05 (MM)	NLL	NLV	NLV	NLV	NLV	ID	80,000	1.10E+07	330 UJ	330 UJ	330 U	330 U	330 U	330 U	330 UJ
Benzo(a)pyrene	50-32-8	NA	NLL	NA	NLL	NLV	NLV	NLV	NLV	1.50E+06	2,000	NA	NLL	NLV	NLV	NLV	NLV	1.90E+06	8,000	NA	330 UJ	330 UJ	330 U	330 U	330 U	330 U	330 UJ
Benzo(b)fluoranthene	205-99-2	NA	NLL	NA	NLL	ID	ID	ID	ID	ID	20,000	NA	NLL	ID	ID	ID	ID	ID	80,000	NA	330 UJ	330 UJ	330 U	330 U	330 U	330 U	330 UJ
Benzo(g,h,i)perylene	191-24-2	NA	NLL	NA	NLL	NLV	NLV	NLV	NLV	8.00E+08	2.50E+06	NA	NLL	NLV	NLV	NLV	NLV	3.50E+08	7.00E+06	NA	330 UJ	330 UJ	330 U	330 U	330 U	330 U	330 UJ
Benzo(k)fluoranthene	207-08-9	NA	NLL	NA	NLL	NLV	NLV	NLV	NLV	ID	2.00E+05	NA	NLL	NLV	NLV	NLV	NLV	ID	8.00E+05	NA	330 UJ	330 UJ	330 U	330 U	330 U	330 U	330 UJ
Chrysene	218-01-9	NA	NLL	NA	NLL	ID	ID	ID	ID	ID	2.00E+06	NA	NLL	ID	ID	ID	ID	ID	8.00E+06	NA	330 UJ	330 UJ	330 U	330 U	330 U	330 U	330 UJ
Dibenzo(a,h)anthracene	53-70-3	NA	NLL	NA	NLL	NLV	NLV	NLV	NLV	ID	2,000	NA	NLL	NLV	NLV	NLV	NLV	ID	8,000	NA	330 UJ	330 UJ	330 U	330 U	330 U	330 U	330 UJ
Fluoranthene	206-44-0	NA	5,500	NA	7.30E+05	1.00E+09	7.40E+08	7.40E+08	7.40E+08	9.30E+09	4.60E+07	NA	7.30E+05	1.00E+09	8.90E+08	8.80E+08	8.80E+08	4.10E+09	1.30E+08	NA	330 UJ	330 UJ	330 U	330 U	330 U	330 U	330 UJ
Fluorene	86-73-7	NA	5,300	NA	3.90E+05	5.80E+08	1.30E+08	1.30E+08	1.30E+08	9.30E+09	2.70E+07	4.70E+05	8.90E+05	1.00E+09	1.50E+08	1.50E+08	1.50E+08	4.10E+09	8.70E+07	8.30E+06	330 UJ	330 UJ	330 U	330 U	330 U	330 U	330 UJ
Indeno(1,2,3-cd)pyrene	193-39-5	NA	NLL	NA	NLL	NLV	NLV	NLV	NLV	ID	20,000	NA	NLL	NLV	NLV	NLV	NLV	ID	80,000	NA	330 UJ	330 UJ	330 U	330 U	330 U	330 U	330 UJ
Naphthalene	91-20-3	NA	730	NA	35,000	2.50E+05	3.00E+05	3.00E+05	3.00E+05	2.00E+08	1.60E+07	67 (M*)	1.00E+05	4.70E+05	3.50E+05	3.50E+05	3.50E+05	8.80E+07	5.20E+07	1,900	330 UJ	330 UJ	330 U	330 U	330 U	330 U	330 UJ
Phenanthrene	85-01-8	NA	2,100	NA	56,000	2.80E+06	1.60E+05	1.60E+05	1.60E+05	6.70E+06	1.60E+06	1,700	1.60E+05	5.10E+06	1.90E+05	1.90E+05	1.90E+05	2.90E+06	5.20E+06	29,000	330 UJ	330 UJ	330 U	330 U	330 U	330 U	330 UJ
Pyrene	129-00-0	NA	ID	NA	4.80E+05	1.00E+09	6.50E+08	6.50E+08	6.50E+08	6.70E+09	2.90E+07	2.50E+07	4.80E+05	1.00E+09	7.80E+08	7.80E+08	7.80E+08	2.90E+09	8.40E+07	4.40E+08	330 UJ	330 UJ	330 U	330 U	330 U	330 U	330 UJ
Metals, Total	CAS Number																										
Arsenic (B)	7440-38-2	5,800	4,600	NA	4,600	NLV	NLV	NLV	NLV	7.20E+05	7,600	NA	4,600	NLV	NLV	NLV	NLV	9.10E+05	37,000	NA	5,500 J	2,000 U	2,000 U	2,000 U	12,000	5,100	2,000 U
Barium (B)	7440-39-3	75,000	4.40E+05 (G)	NA	1.30E+06	NLV	NLV	NLV	NLV	3.30E+08	3.70E+07	NA	1.30E+06	NLV	NLV	NLV	NLV	1.50E+08	1.30E+08	NA	14,000	15,000	11,000	15,000	16,000	22,000	8,200
Cadmium (B)	7440-43-9	1,200	3,600 (G,X)	NA	6,000	NLV	NLV	NLV	NLV	1.70E+06	5.50E+05	NA	6,000	NLV	NLV	NLV	NLV	2.20E+06	2.10E+06	NA	200 U	200 U	470	250	360	1,700	200 U
Chromium, Total (B, H)	7440-47-3	18,000 (total)	3,300	NA	30,000	NLV	NLV	NLV	NLV	2.60E+05	2.50E+06	NA	30,000	NLV	NLV	NLV	NLV	2.40E+05	9.20E+06	NA	27,000	6,800	39,000	19,000	570,000	62,000	13,000
Copper (B)	7440-50-8	32,000	75,000 (G)	NA	5.80E+06	NLV	NLV	NLV	NLV	1.30E+08	2.00E+07	NA	5.80E+06	NLV	NLV	NLV	NLV	5.90E+07	7.30E+07	NA	56,000 J	10,000	31,000	15,000	400,000	98,000	15,000
Lead (B)	7439-92-1	21,000	5.10E+06 (G,X)	NA	7.00E+05	NLV	NLV	NLV	NLV	1.00E+08	4.00E+05	NA	7.00E+05	NLV	NLV	NLV	NLV	4.40E+07	9.00E+05	NA	10,000	5,700	20,000	14,000	39,000	32,000	12,000
Mercury (Total) (B)	7439-97-6	130	50 (M); 1.2	NA	1,700	48,000	52,000	52,000	52,000	2.00E+07	1.60E+05	22 (M*)	1,700	89,000	62,000	62,000	62,000	8.80E+06	5.80E+05	390 (M*)	50 U	50 U	50 U	50 U	50 U	50 U	50 U
Selenium (B)	7782-49-2	410	400	NA	4,000	NLV	NLV	NLV	NLV	1.30E+08	2.60E+06	NA	4,000	NLV	NLV	NLV	NLV	5.90E+07	9.60E+06	NA	640	630	2,600	670	10,000	3,600	730
Silver (B)	7440-22-4	1,000	100 (M); 27	NA	4,500	NLV	NLV	NLV	NLV	6.70E+06	2.50E+06	NA	13,000	NLV	NLV	NLV	NLV	2.90E+06	9.00E+06	NA	460 U	460 U	480 U	520 U	390 U	470 U	430 U
Zinc (B)	7440-66-6	47,000	1.70E+05 (G)	NA	2.40E+06	NLV	NLV	NLV	NLV	ID	1.70E+08	NA	5.00E+06	NLV	NLV	NLV	NLV	ID	6.30E+08	NA	20,000	14,000	99,000	50,000	94,000	140,000	26,000
Solids, Total (%)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	93	91	95	95	97	91	95

Results expressed in µg/Kg dry weight.
Bolded values exceed an applicable criterion.
Italicized values are below Statewide Default Background Level but exceed an applicable criterion or screening level.

Data Qualifiers:
J Estimated value
U Not detected

Footnotes/Abbreviations:

⁽¹⁾ Part 201 Soil Generic Cleanup Criteria and Screening Levels/Part 213 Risk-based Screening Levels, December 30, 2013 (GSI Criteria Updated June 25, 2018).

⁽²⁾ EGLE Volatilization to Indoor Air Pathway Screening Levels, September 4, 2020.

(B) Background, as defined in R 299.5701(b), may be substituted if higher than the calculated criterion.

(G) Criterion dependent on receiving surface water hardness; calculated criteria based on water hardness of 150 mg/L.

(H) Data provided for total chromium only; evaluated against hexavalent Chromium criteria.

(M) Calculated criterion is below the target detection limit (TDL); first number is the criterion (TDL), the second is the risk-based value.

(M*) The VIAP SL may be below TDL. In accordance with Sec. 20120a(10) when the TDL for a hazardous substance is greater than the developed VIAP SL, the TDL is used to evaluate the risk posed from the pathway.

(X) Criterion is not protective for surface water used as a drinking water source.

(MM) Hazardous substance is a carcinogen with a mutagenic mode of action. The cancer potency values used in calculating VIAP SLs are modified using age-dependent adjustment factors for those carcinogenic chemicals identified as mutagenic.

Csat saturation concentration
DC direct contact
DWP drinking water protection
GSIP groundwater surface water interface protection
ID Insufficient data to develop criterion.
MST meter source thickness
NA not available
NLL Not likely to leach under most soil conditions.
NLV Not likely to volatilize under most conditions.
PSI particulate soil inhalation
SDBL statewide default background levels
SL screening level
SVIAI soil volatilization to indoor air inhalation
VIAP volatilization to indoor air pathway
VSIC volatile soil inhalation criteria

Soil Data Summary
Direct Contact Evaluation
1148 & 1204 West Western Ave., Muskegon, Muskegon County, Michigan
August 2021

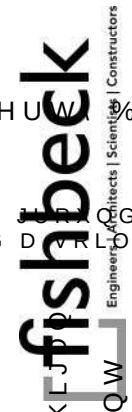
Sample Location: Laboratory ID: Collection Date:		SDBL ⁽¹⁾	GSP Criteria ⁽¹⁾	Soil Csat SL ⁽¹⁾	Residential								Nonresidential								AP-SS-8 21H0909-08 08/20/21	AP-SS-9 21H0909-09 08/20/21	AP-SS-10 21H0909-10 08/20/21	AP-SS-11 21H0909-11 08/20/21	AP-SS-12 21H0909-12 08/20/21	AP-SS-13 21H0909-13 08/20/21
					DWP Criteria ⁽¹⁾	SVIAI Criteria ⁽¹⁾	Inf. Source VSIC ⁽¹⁾	Finite VSIC - 5 MST ⁽¹⁾	Finite VSIC - 2 MST ⁽¹⁾	PSI Criteria ⁽¹⁾	DC Criteria ⁽¹⁾	Soil VIAP SL ⁽²⁾	DWP Criteria ⁽¹⁾	SVIAI Criteria ⁽¹⁾	Inf. Source VSIC ⁽¹⁾	Finite VSIC - 5 MST ⁽¹⁾	Finite VSIC - 2 MST ⁽¹⁾	PSI Criteria ⁽¹⁾	DC Criteria ⁽¹⁾	Soil VIAP SL ⁽²⁾						
Polynuclear Aromatic Compounds	CAS Number																									
2-Methylnaphthalene	91-57-6	NA	4,200	NA	57,000	2.70E+06	1.50E+06	1.50E+06	1.50E+06	6.70E+08	8.10E+06	1,700	1.70E+05	4.90E+06	1.80E+06	1.80E+06	1.80E+06	2.90E+08	2.60E+07	30,000	430 U	330 U	430 U	430 UJ	330 UJ	330 U
Acenaphthene	83-32-9	NA	8,700	NA	3.00E+05	1.90E+08	8.10E+07	8.10E+07	8.10E+07	1.40E+10	4.10E+07	2.00E+05	8.80E+05	3.50E+08	9.70E+07	9.70E+07	9.70E+07	6.20E+09	1.30E+08	3.60E+06	330 U	330 U	330 U	330 UJ	330 UJ	330 U
Acenaphthylene	208-96-8	NA	ID	NA	5,900	1.60E+06	2.20E+06	2.20E+06	2.20E+06	2.30E+09	1.60E+06	DATA	17,000	3.00E+06	2.70E+06	2.70E+06	2.70E+06	1.00E+09	5.20E+06	DATA	330 U	330 U	330 U	330 UJ	330 UJ	330 U
Anthracene	120-12-7	NA	ID	NA	41,000	1.00E+09	1.40E+09	1.40E+09	1.40E+09	6.70E+10	2.30E+08	1.30E+07	41,000	1.00E+09	1.60E+09	1.60E+09	1.60E+09	2.90E+10	7.30E+08	2.20E+08	330 U	330 U	330 U	330 UJ	330 UJ	330 U
Benzo(a)anthracene	56-55-3	NA	NLL	NA	NLL	NLV	NLV	NLV	NLV	ID	20,000	1.60E+05 (MM)	NLL	NLV	NLV	NLV	NLV	ID	80,000	1.10E+07	330 U	330 U	330 U	330 UJ	330 UJ	330 U
Benzo(a)pyrene	50-32-8	NA	NLL	NA	NLL	NLV	NLV	NLV	NLV	1.50E+06	2,000	NA	NLL	NLV	NLV	NLV	NLV	1.90E+06	8,000	NA	330 U	330 U	330 U	330 UJ	330 UJ	330 U
Benzo(b)fluoranthene	205-99-2	NA	NLL	NA	NLL	ID	ID	ID	ID	ID	20,000	NA	NLL	ID	ID	ID	ID	ID	80,000	NA	330 U	330 U	330 U	330 UJ	330 UJ	330 U
Benzo(g,h,i)perylene	191-24-2	NA	NLL	NA	NLL	NLV	NLV	NLV	NLV	8.00E+08	2.50E+06	NA	NLL	NLV	NLV	NLV	NLV	3.50E+08	7.00E+06	NA	330 U	330 U	330 U	330 UJ	330 UJ	330 U
Benzo(k)fluoranthene	207-08-9	NA	NLL	NA	NLL	NLV	NLV	NLV	NLV	ID	2.00E+05	NA	NLL	NLV	NLV	NLV	NLV	ID	8.00E+05	NA	330 U	330 U	330 U	330 UJ	330 UJ	330 U
Chrysene	218-01-9	NA	NLL	NA	NLL	ID	ID	ID	ID	ID	2.00E+06	NA	NLL	ID	ID	ID	ID	ID	8.00E+06	NA	330 U	330 U	330 U	330 UJ	330 UJ	330 U
Dibenzo(a,h)anthracene	53-70-3	NA	NLL	NA	NLL	NLV	NLV	NLV	NLV	ID	2,000	NA	NLL	NLV	NLV	NLV	NLV	ID	8,000	NA	330 U	330 U	330 U	330 UJ	330 UJ	330 U
Fluoranthene	206-44-0	NA	5,500	NA	7.30E+05	1.00E+09	7.40E+08	7.40E+08	7.40E+08	9.30E+09	4.60E+07	NA	7.30E+05	1.00E+09	8.90E+08	8.80E+08	8.80E+08	4.10E+09	1.30E+08	NA	330 U	330 U	330 U	330 UJ	330 UJ	330 U
Fluorene	86-73-7	NA	5,300	NA	3.90E+05	5.80E+08	1.30E+08	1.30E+08	1.30E+08	9.30E+09	2.70E+07	4.70E+05	8.90E+05	1.00E+09	1.50E+08	1.50E+08	1.50E+08	4.10E+09	8.70E+07	8.30E+06	330 U	330 U	330 U	330 UJ	330 UJ	330 U
Indeno(1,2,3-cd)pyrene	193-39-5	NA	NLL	NA	NLL	NLV	NLV	NLV	NLV	ID	20,000	NA	NLL	NLV	NLV	NLV	NLV	ID	80,000	NA	330 U	330 U	330 U	330 UJ	330 UJ	330 U
Naphthalene	91-20-3	NA	730	NA	35,000	2.50E+05	3.00E+05	3.00E+05	3.00E+05	2.00E+08	1.60E+07	67 (M*)	1.00E+05	4.70E+05	3.50E+05	3.50E+05	3.50E+05	8.80E+07	5.20E+07	1,900	330 U	330 U	330 U	330 UJ	330 UJ	330 U
Phenanthrene	85-01-8	NA	2,100	NA	56,000	2.80E+06	1.60E+05	1.60E+05	1.60E+05	6.70E+06	1.60E+06	1,700	1.60E+05	5.10E+06	1.90E+05	1.90E+05	1.90E+05	2.90E+06	5.20E+06	29,000	330 U	330 U	330 U	330 UJ	330 UJ	330 U
Pyrene	129-00-0	NA	ID	NA	4.80E+05	1.00E+09	6.50E+08	6.50E+08	6.50E+08	6.70E+09	2.90E+07	2.50E+07	4.80E+05	1.00E+09	7.80E+08	7.80E+08	7.80E+08	2.90E+09	8.40E+07	4.40E+08	330 U	330 U	330 U	330 UJ	330 UJ	330 U
Metals, Total	CAS Number																									
Arsenic (B)	7440-38-2	5,800	4,600	NA	4,600	NLV	NLV	NLV	NLV	7.20E+05	7,600	NA	4,600	NLV	NLV	NLV	NLV	9.10E+05	37,000	NA	2,900	2,000 U	2,000 U	2,200	2,400	13,000
Barium (B)	7440-39-3	75,000	4.40E+05 (G)	NA	1.30E+06	NLV	NLV	NLV	NLV	3.30E+08	3.70E+07	NA	1.30E+06	NLV	NLV	NLV	NLV	1.50E+08	1.30E+08	NA	17,000	4,300	7,500	9,400	10,000	16,000
Cadmium (B)	7440-43-9	1,200	3,600 (G,X)	NA	6,000	NLV	NLV	NLV	NLV	1.70E+06	5.50E+05	NA	6,000	NLV	NLV	NLV	NLV	2.20E+06	2.10E+06	NA	400	200 U	200 U	570	240	5,200
Chromium, Total (B, H)	7440-47-3	18,000 (total)	3,300	NA	30,000	NLV	NLV	NLV	NLV	2.60E+05	2.50E+06	NA	30,000	NLV	NLV	NLV	NLV	2.40E+05	9.20E+06	NA	62,000	11,000	28,000	76,000	100,000	1,600,000
Copper (B)	7440-50-8	32,000	75,000 (G)	NA	5.80E+06	NLV	NLV	NLV	NLV	1.30E+08	2.00E+07	NA	5.80E+06	NLV	NLV	NLV	NLV	5.90E+07	7.30E+07	NA	48,000	12,000	68,000	38,000	59,000	380,000
Lead (B)	7439-92-1	21,000	5.10E+06 (G,X)	NA	7.00E+05	NLV	NLV	NLV	NLV	1.00E+08	4.00E+05	NA	7.00E+05	NLV	NLV	NLV	NLV	4.40E+07	9.00E+05	NA	25,000	4,200	8,300	16,000	18,000	240,000
Mercury (Total) (B)	7439-97-6	130	50 (M); 1.2	NA	1,700	48,000	52,000	52,000	52,000	2.00E+07	1.60E+05	22 (M*)	1,700	89,000	62,000	62,000	62,000	8.80E+06	5.80E+05	390 (M*)	50 U	50 U	50 U	50 U	50 U	140
Selenium (B)	7782-49-2	410	400	NA	4,000	NLV	NLV	NLV	NLV	1.30E+08	2.60E+06	NA	4,000	NLV	NLV	NLV	NLV	5.90E+07	9.60E+06	NA	3,700	4,400	1,300	2,700	560 U	1,200
Silver (B)	7440-22-4	1,000	100 (M); 27	NA	4,500	NLV	NLV	NLV	NLV	6.70E+06	2.50E+06	NA	13,000	NLV	NLV	NLV	NLV	2.90E+06	9.00E+06	NA	520 U	500 U	460 U	520 U	470 U	2,900
Zinc (B)	7440-66-6	47,000	1.70E+05 (G)	NA	2.40E+06	NLV	NLV	NLV	NLV	ID	1.70E+08	NA	5.00E+06	NLV	NLV	NLV	NLV	ID	6.30E+08	NA	74,000	15,000	24,000	66,000	67,000	1,900,000
Solids, Total (%)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	97	94	97	96	86	88

Results expressed in µg/Kg dry weight.
Bolded values exceed an applicable criterion.
Italicized values are below Statewide Default Background Level but exceed an applicable criterion or screening level.

- Data Qualifiers:
J Estimated value
U Not detected
- Footnotes/Abbreviations:
⁽¹⁾ Part 201 Soil Generic Cleanup Criteria and Screening Levels/Part 213 Risk-based Screening Levels, December 30, 2013 (GSI Criteria Updated June 25, 2018).
⁽²⁾ EGLE Volatilization to Indoor Air Pathway Screening Levels, September 4, 2020.
(B) Background, as defined in R 299.5701(b), may be substituted if higher than the calculated criterion.
(G) Criterion dependent on receiving surface water hardness; calculated criteria based on water hardness of 150 mg/L.
(H) Data provided for total chromium only; evaluated against hexavalent Chromium criteria.
(M) Calculated criterion is below the target detection limit (TDL); first number is the criterion (TDL), the second is the risk-based value.
(M*) The VIAP SL may be below TDL. In accordance with Sec. 20120a(10) when the TDL for a hazardous substance is greater than the developed VIAP SL, the TDL is used to evaluate the risk posed from the pathway.
(X) Criterion is not protective for surface water used as a drinking water source.
(MM) Hazardous substance is a carcinogen with a mutagenic mode of action. The cancer potency values used in calculating VIAP SLs are modified using age-dependent adjustment factors for those carcinogenic chemicals identified as mutagenic.
- Csat saturation concentration
DC direct contact
DWP drinking water protection
GSP groundwater surface water interface protection
ID Insufficient data to develop criterion.
MST meter source thickness
NA not available
NLL Not likely to leach under most soil conditions.
NLV Not likely to volatilize under most conditions.
PSI particulate soil inhalation
SDBL statewide default background levels
SL screening level
SVIAI soil volatilization to indoor air inhalation
VIAP volatilization to indoor air pathway
VSIC volatile soil inhalation criteria

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Table 1 - Soil Data Summary

Leestma Management, LLC, 1148 & 1204 West Western Ave., Muskegon, Muskegon County, Michigan
October 2022

Sample Location: Depth Interval (ft): Investigative/Field Duplicate/QC: Laboratory ID: Collection Date:		APNSB-01 (2-4) Investigative 22102086-07 10/21/22	APNSB-02 (6-8) Investigative 22102086-08 10/21/22	APNSB-03 (1-3) Investigative 22102086-09 10/21/22	APNSB-04 (4.5-6.5) Investigative 22102086-10 10/21/22	APNSB-05 (4-6) Investigative 22102086-11 10/21/22	Field Blank QC 22102086-12 10/21/22	Statewide Default Background Levels ⁽¹⁾	Drinking Water Protection Criteria ⁽¹⁾	GSIP Criteria ⁽¹⁾	Soil Volatilization to Indoor Air Inhalation Criteria ⁽¹⁾	Infinite Source VSIC ⁽¹⁾	Finite VSIC for 5 Meter Source Thickness ⁽¹⁾	Finite VSIC for 2 Meter Source Thickness ⁽¹⁾	Particulate Soil Inhalation Criteria ⁽¹⁾	Direct Contact Criteria ⁽¹⁾	Soil Saturation Concentration SL ⁽¹⁾	Soil VIAP SL ⁽²⁾	
Volatile Organic Compounds	CAS Number																		
1,1,1,2-Tetrachloroethane	630-20-6	20 U	21 U	23 U	22 U	20 U	30 U	NA	1,500	ID	6,200	36,000	54,000	1.00E+05	4.20E+08	4.80E+05 (C)	4.40E+05	3.2 (M*)	
1,1,1-Trichloroethane	71-55-6	20 U	21 U	23 U	22 U	20 U	30 U	NA	4,000	1,800	2.50E+05	3.80E+06	1.20E+07	2.80E+07	6.70E+10	5.00E+08 (C)	4.60E+05	450 (EE)	
1,1,2,2-Tetrachloroethane	79-34-5	20 U	21 U	23 U	22 U	20 U	30 U	NA	170	1,600 (X)	4,300	10,000	10,000	14,000	5.40E+07	53,000	8.70E+05	2.7 (M*)	
1,1,2-Trichloro-1,2,2-trifluoroethane	76-13-1	20 U	21 U	23 U	22 U	20 U	30 U	NA	9.00E+06 (C)	1,700	5.10E+06 (C)	1.80E+08	8.80E+08	2.10E+09	5.10E+12	1.00E+09 (C,D)	5.50E+05	860	
1,1,2-Trichloroethane	79-00-5	20 U	21 U	23 U	22 U	20 U	30 U	NA	100	6,600 (X)	4,600	17,000	21,000	44,000	1.90E+08	1.80E+05	9.20E+05	0.37 (M*)	
1,1-Dichloroethane	75-34-3	20 U	21 U	23 U	22 U	20 U	30 U	NA	18,000	15,000	2.30E+05	2.10E+06	5.90E+06	1.40E+07	3.30E+10	2.70E+07 (C)	8.90E+05	2.6 (M*)	
1,1-Dichloroethene	75-35-4	20 U	21 U	23 U	22 U	20 U	30 U	NA	140	2,600	62	1,100	5,300	13,000	6.20E+07	2.00E+05	5.70E+05	12 (M*)	
1,2,3-Trichloropropane	96-18-4	20 U	21 U	23 U	22 U	20 U	30 U	NA	840	NA	4,000	9,200	9,200	11,000	2.00E+07	1.30E+06 (C)	8.30E+05	2.6 (M*)	
1,2,4-Trichlorobenzene	120-82-1	68 U	70 U	76 U	72 U	68 U	100 U	NA	4,200	5,900 (X)	9.60E+06 (C)	2.80E+07	2.80E+07	2.80E+07	2.50E+10	9.90E+05 (DD)	1.10E+06	53 (M*)	
1,2,4-Trimethylbenzene	95-63-6	20 U	21 U	23 U	22 U	20 U	30 U	NA	2,100	570	4.30E+06 (C)	2.10E+07	5.00E+08	5.00E+08	8.20E+10	3.20E+07 (C)	1.10E+05	150 (JT)	
1,2-Dibromo-3-chloropropane (DBCP)	96-12-8	68 U	70 U	76 U	72 U	68 U	100 U	NA	10 (M); 4.0	ID	220	260	260	260	5.60E+05	4,400 (C)	1,200	DATA	
1,2-Dibromoethane (EDB)	106-93-4	20 U	21 U	23 U	22 U	20 U	30 U	NA	20 (M); 1.0	110 (X)	670	1,700	1,700	3,300	1.40E+07	92	8.90E+05	0.074 (M*)	
1,2-Dichlorobenzene	95-50-1	20 U	21 U	23 U	22 U	20 U	30 U	NA	14,000	280	1.10E+07 (C)	3.90E+07	3.90E+07	5.20E+07	1.00E+11	1.90E+07 (C)	2.10E+05	1,500	
1,2-Dichloroethane	107-06-2	68 U	70 U	76 U	72 U	68 U	100 U	NA	100	7,200 (X)	2,100	6,200	11,000	26,000	1.20E+08	91,000	1.20E+06	0.82 (M*)	
1,2-Dichloropropane	78-87-5	20 U	21 U	23 U	22 U	20 U	30 U	NA	100	4,600 (X)	4,000	25,000	50,000	1.10E+05	2.70E+08	1.40E+05	5.50E+05	2.1 (M*)	
1,3,5-Trimethylbenzene	108-67-8	68 U	70 U	76 U	72 U	68 U	100 U	NA	1,800	1,100	2.60E+06 (C)	1.60E+07	3.80E+08	3.80E+08	8.20E+10	3.20E+07 (C)	94,000	100 (JT)	
1,3-Dichlorobenzene	541-73-1	20 U	21 U	23 U	22 U	20 U	30 U	NA	170	680	26,000	79,000	79,000	1.10E+05	2.00E+08	2.00E+05 (C)	1.70E+05	10 (M*)	
1,3-Dichloropropene, cis-	10061-01-5	20 U	21 U	23 U	22 U	20 U	30 U	--	--	--	--	--	--	--	--	--	--	--	
1,3-Dichloropropene, trans-	10061-02-6	20 U	21 U	23 U	22 U	20 U	30 U	--	--	--	--	--	--	--	--	--	--	--	
1,3-Dichloropropene (Total)	542-75-6	40 U	42 U	46 U	44 U	40 U	60 U	NA	170	180 (X)	1,000	18,000	68,000	1.60E+05	7.80E+08	10,000	6.20E+05	3.1 (J,M*)	
1,4-Dichlorobenzene	106-46-7	20 U	21 U	23 U	22 U	20 U	30 U	NA	1,700	360	19,000	77,000	77,000	1.10E+05	4.50E+08	4.00E+05	NA	23 (M*)	
2-Butanone (MEK)	78-93-3	140 U	140 U	150 U	140 U	140 U	200 U	NA	2.60E+05	44,000	5.40E+07 (C)	2.90E+07	2.90E+07	3.50E+07	6.70E+10	1.20E+08 (C,DD)	2.70E+07	31,000 (DD*)	
2-Hexanone	591-78-6	20 U	21 U	23 U	22 U	20 U	30 U	NA	20,000	ID	9.90E+05	1.10E+06	1.40E+06	1.40E+06	2.70E+09	3.20E+07 (C)	2.50E+06	210 (M*)	
2-Methylnaphthalene	91-57-6	68 U	70 U	36 J	44 J	68 U	100 U	NA	57,000	4,200	2.70E+06	1.50E+06	1.50E+06	1.50E+06	6.70E+08	8.10E+06	NA	1,700	
4-Methyl-2-pentanone (MIBK)	108-10-1	20 U	21 U	23 U	22 U	20 U	30 U	NA	36,000	ID	3.70E+07 (C)	4.50E+07	4.50E+07	6.70E+07	1.40E+11	5.60E+07 (C)	2.70E+06	3,300	
Acetone	67-64-1	140	170	76 U	170	180	340	NA	15,000	34,000	2.90E+08 (C)	1.30E+08	1.30E+08	1.90E+08	3.90E+11	2.30E+07	1.10E+08	2.60E+05 (EE)	
Acrylonitrile	107-13-1	68 U	70 U	76 U	72 U	68 U	100 U	NA	100 (M); 52	100 (M); 40	6,600	5,000	5,100	10,000	4.60E+07	16,000	8.30E+06	1.2 (M*)	
Benzene	71-43-2	20 U	21 U	23 U	22 U	20 U	30 U	NA	100	4,000 (X)	1,600	13,000	34,000	79,000	3.80E+08	1.80E+05	4.00E+05	1.7 (M*)	
Bromochloromethane	74-97-5	20 U	21 U	23 U	22 U	20 U	30 U	--	--	--	--	--	--	--	--	--	---	--	
Bromodichloromethane	75-27-4	20 U	21 U	23 U	22 U	20 U	30 U	NA	1,600 (W)	ID	1,200	9,100	9,700	19,000	8.40E+07	1.10E+05	1.50E+06	0.61 (M*)	
Bromoform	75-25-2	20 U	21 U	23 U	22 U	20 U	30 U	NA	1,600 (W)	ID	1.50E+05	9.00E+05	9.00E+05	9.00E+05	2.80E+09	8.20E+05	8.70E+05	45 (M*)	
Bromomethane	74-83-9	68 U	70 U	76 U	72 U	68 U	100 U	NA	200	100	860	11,000	57,000	1.40E+05	3.30E+08	3.20E+05	2.20E+06	0.90 (M*)	
Carbon disulfide	75-15-0	20 U	21 U	23 U	22 U	20 U	30 U	NA	16,000	ID	76,000	1.30E+06	7.90E+06	1.90E+07	4.70E+10	7.20E+06 (C,DD)	2.80E+05	52 (M*)	
Carbon tetrachloride	56-23-5	20 U	21 U	23 U	22 U	20 U	30 U	NA	100	760 (X)	190	3,500	12,000	28,000	1.30E+08	96,000	3.90E+05	0.31 (M*)	
Chlorobenzene	108-90-7	20 U	21 U	23 U	22 U	20 U	30 U	NA	2,000	500	1.20E+05	7.70E+05	9.90E+05	2.10E+06	4.70E+09	4.30E+06 (C)	2.60E+05	82	
Chloroethane	75-00-3	68 U	70 U	76 U	72 U	68 U	100 U	NA	8,600	22,000 (X)	2.90E+06 (C)	3.00E+07	1.20E+08	2.80E+08	6.70E+11	2.60E+06 (C)	9.50E+05	330	
Chloroform	67-66-3	20 U	21 U	23 U	22 U	20 U	30 U	NA	1,600 (W)	7,000	7,200	45,000	1.20E+05	2.70E+05	1.30E+09	1.20E+06	1.50E+06	0.26 (M*)	
Chloromethane	74-87-3	68 U	70 U	76 U	72 U	68 U	100 U	NA	5,200	ID	2,300	40,000	4.10E+05	1.00E+06	4.90E+09	1.60E+06 (C)	1.10E+06	6.9 (M*)	
cis-1,2-Dichloroethene	156-59-2	20 U	21 U	23 U	22 U	20 U	30 U	NA	1,400	12,000	22,000	1.80E+05	4.20E+05	9.90E+05	2.30E+09	2.50E+06 (C)	6.40E+05	2.1 (M*)	
Dibromochloromethane	124-48-1	20 U	21 U	23 U	22 U	20 U	30 U	NA	1,600 (W)	ID	3,900	24,000	24,000	33,000	1.30E+08	1.10E+05	6.10E+05	0.40 (M*,MM)	
Dibromomethane	74-95-3	20 U	21 U	23 U	22 U	20 U	30 U	NA	1,600	NA	ID	ID	ID	ID	ID	2.50E+06 (C)	2.00E+06	3.5 (M*)	
Dichlorodifluoromethane	75-71-8	68 U	70 U	76 U	72 U	68 U	100 U	NA	95,000	ID	9.00E+05	5.30E+07	5.50E+08	1.40E+09	3.30E+12	5.20E+07 (C)	1.00E+06	12 (M*)	
Diethyl ether	60-29-7	20 U	21 U	23 U	22 U	20 U	30 U	NA	200	ID	2.80E+07 (C)	8.50E+07	1.50E+08	3.40E+08	8.00E+11	1.10E+08 (C)	7.40E+06	350	
Ethylbenzene	100-41-4	20 U	21 U	23 U	22 U	20 U	30 U	NA	1,500	360	87,000	7.20E+05	1.00E+06	2.20E+06	1.00E+10	2.20E+07 (C)	1.40E+05	12 (M*)	
Hexachloroethane	67-72-1	68 U	70 U	76 U	72 U	68 U	100 U	NA	430	1,800 (X)	40,000	5.50E+05	9.30E+05	9.30E+05	2.30E+08	2.30E+05	NA	3.2 (M*)	
Iodomethane	74-88-4	340 U	350 U	380 U	360 U	340 U	500 U	--	--	--	--	--	--	--	--	--	--	--	
Isopropyl benzene (Cumene)	98-82-8	20 U	21 U	23 U	22 U	20 U	30 U	NA	91,000	3,200	4.00E+05 (C)	1.70E+06	1.70E+06	2.80E+06	5.80E+09	2.50E+07 (C)	3.90E+05	3.8 (M*)	
Methyl-tert-butyl ether (MTBE)	1634-04-4	20 U	21 U	23 U	22 U	20 U	30 U	NA	800	1.40E+05 (X)	9.90E+06 (C)	2.50E+07	3.90E+07	8.70E+07	2.00E+11	1.50E+06	5.90E+06	74 (M*)	
Methylene chloride	75-09-2	170 U	170 U	190 U	180 U	170 U	250 U	NA	100	30,000 (X)	45,000	2.10E+05	5.90E+05	1.40E+06	6.60E+09	1.30E+06	2.30E+06	130	
n-Propylbenzene	103-65-1	20 U	21 U	23 U	22 U	20 U	30 U	NA	1,600	ID	ID	ID	ID	ID	ID	1.30E+09	2.50E+06	1.00E+07	1,800 (DD*)
Naphthalene	91-20-3	68 U	70 U	76 U	89	68 U	100 U	NA	35,000	730	2.50E+05	3.00E+05	3.00E+05	3.00E+05	2.00E+08	1.60E+07	NA	67 (M*)	
Styrene	100-42-5	20 U	21 U	23 U	22 U	20 U	30 U	NA	2,700	2,100 (X)	2.50E+05	9.70E+05	9.70E+05	1.40E+06	5.50E+09	4.00E+05	5.20E+05	150	
Tetrachloroethene (PCE)	127-18-4	20 U	21 U	23 U	22 U	20 U	30 U	NA	100	1,200 (X)	11,000	1.70E+05	4.80E+05	1.10E+06	2.70E+09	2.00E+05 (C)	88,000	6.2 (M*,EE)	
Toluene	108-88-3	20 U	21 U	23 U	22 U	20 U	30 U	NA	16,000	5,400	3.30E+05 (C)	2.80E+06	5.10E+06	1.20E+07	2.70E+10	5.00E+07 (C)	2.50E+05	3,700	
trans-1,2-Dichloroethene	156-60-5	20 U	21 U	23 U	22 U	20 U	30 U	NA	2,000	30,000 (X)	23,000	2.80E+05	8.30E+05	2.00E+06	4.70E+09	3.80E+06 (C)	1.40E+06	12 (M*)	
trans-1,4-Dichloro-2-butene	110-57-6	20 U	21 U	23 U	22 U	20 U	30 U	--	--	--	--	--	--	--	--	--	--	--	
Trichloroethene (TCE)	79-01-6	20 U	21 U	23 U	22 U	20 U	30 U	NA	100	4,000 (X)	1,000	11,000	25,000	57,000	1.30E+08	1.10E+05 (DD)	5.00E+05	0.33 (M*,DD*)	
Trichlorofluoromethane	75-69-4	20 U	21 U	23 U	22 U	20 U	30 U	NA	52,000	NA	2.80E+06 (C)	9.20E+07	6.30E+08	1.50E+09	3.80E+12	7.90E+07 (C)	5.60E+05	19 (M*)	
Vinyl acetate	108-05-4	170 U	170 U	190 U	180 U	170 U	250 U	NA	13,000	NA	7.90E+05	1.70E+06	2.60E+06	5.80E+06	1.30E+10	5.80E+06 (C)	2.40E+06	160 (M*)	
Vinyl chloride	75-01-4	20 U	21 U	23 U	22 U	20 U	30 U												

Table 1 - Soil Data Summary

Leestma Management, LLC, 1148 & 1204 West Western Ave., Muskegon, Muskegon County, Michigan
October 2022

Sample Location: Depth Interval (ft): Investigative/Field Duplicate/QC: Laboratory ID: Collection Date:		APNSB-01 (2-4) Investigative 22102086-07 10/21/22	APNSB-02 (6-8) Investigative 22102086-08 10/21/22	APNSB-03 (1-3) Investigative 22102086-09 10/21/22	APNSB-04 (4.5-6.5) Investigative 22102086-10 10/21/22	APNSB-05 (4-6) Investigative 22102086-11 10/21/22	Field Blank QC 22102086-12 10/21/22	Statewide Default Background Levels ⁽¹⁾	Drinking Water Protection Criteria ⁽¹⁾	GSIP Criteria ⁽¹⁾	Soil Volatilization to Indoor Air Inhalation Criteria ⁽¹⁾	Infinite Source VSIC ⁽¹⁾	Finite VSIC for 5 Meter Source Thickness ⁽¹⁾	Finite VSIC for 2 Meter Source Thickness ⁽¹⁾	Particulate Soil Inhalation Criteria ⁽¹⁾	Direct Contact Criteria ⁽¹⁾	Soil Saturation Concentration SL ⁽¹⁾	Soil VIAP SL ⁽²⁾
Polynuclear Aromatic Compounds	CAS Number																	
2-Methylnaphthalene	91-57-6	4.4 U	47 U	4.6 U	4.5 U	62 U	--	NA	57,000	4,200	2.70E+06	1.50E+06	1.50E+06	1.50E+06	6.70E+08	8.10E+06	NA	1,700
Acenaphthene	83-32-9	4.4 U	47 U	4.6 U	30	62 U	--	NA	3.00E+05	8,700	1.90E+08	8.10E+07	8.10E+07	8.10E+07	1.40E+10	4.10E+07	NA	2.00E+05
Acenaphthylene	208-96-8	4.4 U	47 U	4.6 U	4.5 U	62 U	--	NA	5,900	ID	1.60E+06	2.20E+06	2.20E+06	2.20E+06	2.30E+09	1.60E+06	NA	DATA
Anthracene	120-12-7	4.4 U	47 U	4.6 U	210	62 U	--	NA	41,000	ID	1.00E+09	1.40E+09	1.40E+09	1.40E+09	6.70E+10	2.30E+08	NA	1.30E+07
Benzo(a)anthracene	56-55-3	8.3	47 U	4.6 U	230	65	--	NA	NLL	NLL	NLV	NLV	NLV	NLV	ID	20,000	NA	1.60E+05 (MM)
Benzo(a)pyrene	50-32-8	7.2	47 U	4.6 U	180	70	--	NA	NLL	NLL	NLV	NLV	NLV	NLV	1.50E+06	2,000	NA	NA
Benzo(b)fluoranthene	205-99-2	8.8	47 U	4.6 U	210	130	--	NA	NLL	NLL	ID	ID	ID	ID	ID	20,000	NA	NA
Benzo(g,h,i)perylene	191-24-2	4.9	47 U	4.6 U	120	89	--	NA	NLL	NLL	NLV	NLV	NLV	NLV	8.00E+08	2.50E+06	NA	NA
Benzo(k)fluoranthene	207-08-9	5.7	47 U	4.6 U	110	61 J	--	NA	NLL	NLL	NLV	NLV	NLV	NLV	ID	2.00E+05	NA	NA
Chrysene	218-01-9	13	63	5.0	260	130	--	NA	NLL	NLL	ID	ID	ID	ID	ID	2.00E+06	NA	NA
Dibenzo(a,h)anthracene	53-70-3	4.4 U	47 U	4.6 U	19	62 U	--	NA	NLL	NLL	NLV	NLV	NLV	NLV	ID	2,000	NA	NA
Fluoranthene	206-44-0	18	60	6.6	700	98	--	NA	7.30E+05	5,500	1.00E+09	7.40E+08	7.40E+08	7.40E+08	9.30E+09	4.60E+07	NA	NA
Fluorene	86-73-7	4.4 U	47 U	4.6 U	49	62 U	--	NA	3.90E+05	5,300	5.80E+08	1.30E+08	1.30E+08	1.30E+08	9.30E+09	2.70E+07	NA	4.70E+05
Indeno(1,2,3-cd)pyrene	193-39-5	4.4	47 U	4.6 U	150	71	--	NA	NLL	NLL	NLV	NLV	NLV	NLV	ID	20,000	NA	NA
Naphthalene	91-20-3	4.4 U	47 U	4.6 U	4.5 U	62 U	--	NA	35,000	730	2.50E+05	3.00E+05	3.00E+05	3.00E+05	2.00E+08	1.60E+07	NA	67 (M*)
Phenanthrene	85-01-8	4.4 U	47 U	4.6 U	620	62 U	--	NA	56,000	2,100	2.80E+06	1.60E+05	1.60E+05	1.60E+05	6.70E+06	1.60E+06	NA	1,700
Pyrene	129-00-0	18	77	8.7	580	120	--	NA	4.80E+05	ID	1.00E+09 (D)	6.50E+08	6.50E+08	6.50E+08	6.70E+09	2.90E+07	NA	2.50E+07
Metals, Total	CAS Number																	
Arsenic (B)	7440-38-2	3,900	3,700	9,100	4,400	9,100	--	5,800	4,600	4,600	NLV	NLV	NLV	NLV	7.20E+05	7,600	NA	NA
Barium (B)	7440-39-3	9,500	18,000 J	9,200	7,000	14,000	--	75,000	1.30E+06	4.40E+05 (G)	NLV	NLV	NLV	NLV	3.30E+08	3.70E+07	NA	NA
Cadmium (B)	7440-43-9	76 J	790	1,000	120 J	150 U	--	1,200	6,000	3,600 (G,X)	NLV	NLV	NLV	NLV	1.70E+06	5.50E+05	NA	NA
Chromium, Total (B, H)	7440-47-3	20,000	50,000	140,000	22,000	38,000	--	18,000 (total)	30,000	3,300	NLV	NLV	NLV	NLV	2.60E+05	2.50E+06	NA	NA
Copper (B)	7440-50-8	19,000	32,000	77,000	48,000	89,000	--	32,000	5.80E+06	75,000 (G)	NLV	NLV	NLV	NLV	1.30E+08	2.00E+07	NA	NA
Lead (B)	7439-92-1	16,000	38,000	65,000	6,900	4,600	--	21,000	7.00E+05	5.10E+06 (G,X)	NLV	NLV	NLV	NLV	1.00E+08	4.00E+05	NA	NA
Mercury (Total) (B)	7439-97-6	19 U	24	280	940	19 U	--	130	1,700	50 (M); 1.2	48,000	52,000	52,000	52,000	2.00E+07	1.60E+05	NA	22 (M*)
Selenium (B)	7782-49-2	350 U	390 U	36,000	390 U	380 U	--	410	4,000	400	NLV	NLV	NLV	NLV	1.30E+08	2.60E+06	NA	NA
Silver (B)	7440-22-4	350 U	62 J	410	69 J	380 U	--	1,000	4,500	100 (M); 27	NLV	NLV	NLV	NLV	6.70E+06	2.50E+06	NA	NA
Zinc (B)	7440-66-6	19,000	30,000	290,000	15,000	7,000	--	47,000	2.40E+06	1.70E+05 (G)	NLV	NLV	NLV	NLV	ID	1.70E+08	NA	NA
Solids, Total (%)	--	93.4	91.1	89.0	90.3	92.8	--	--	--	--	--	--	--	--	--	--	--	--

Results expressed in µg/Kg dry weight.

Bolded values exceed Statewide Default Background Level and an applicable criterion or screening level.

Italicized values are below Statewide Default Background Level but exceed an applicable criterion or screening level.

Underlined parameters are classified as Polynuclear Aromatic Compounds.

Data Qualifiers:

- J Estimated value
- U Not detected

Footnotes/Abbreviations:

⁽¹⁾ Part 201 Residential Soil Generic Cleanup Criteria and Screening Levels/Part 213 Risk-based Screening Levels, December 30, 2013 [GSI Criteria Updated June 25, 2018].

⁽²⁾ EGLE Volatilization to Indoor Air Pathway Screening Levels, September 4, 2020.

(B) Background, as defined in R 299.5701(b), may be substituted if higher than the calculated criterion.

(C) Value is screening level based on the chemical-specific generic soil saturation concentration (Csat).

(D) Calculated criterion exceeds 100 percent; hence it is reduced to 100 percent or 1.00E+09 parts per billion (ppb).

(G) Criterion dependent on receiving surface water (SW) hardness; calculated criteria based on water hardness of 150 mg/L.

(H) Data provided for total chromium only; evaluated against hexavalent chromium criteria.

(J) Hazardous substance may be present in several isomer forms. Isomer-specific concentrations must be added together for comparison to criteria.

(JT) Hazardous substance may be present in several isomer forms. The VIAP SL may be used for the individual isomer provided that it is the sole isomer detected; however, when multiple isomers are detected in a medium, the isomer-specific concentrations must be added together and compared to the most restrictive VIAP SL of the detected isomers.

(M) Calculated criterion is below the target detection limit (TDL); first number is the criterion (TDL), the second is the risk-based value.

(M*) The VIAP SL may be below TDL. In accordance with Sec. 20120a(10) when the TDL for a hazardous substance is greater than the developed VIAP SL, the TDL is used to evaluate the risk posed from the pathway.

(W) Concentrations of trihalomethanes must be added together to determine compliance with criterion.

(X) Criterion is not protective for SW used as a drinking water (DW) source.

(DD) Hazardous substance causes developmental effects. Residential direct contact criteria are protective of both prenatal and postnatal exposure.

(DD*) Hazardous substance causes developmental effects. Residential VIAP SLs are protective of both prenatal exposure using a pregnant female receptor and postnatal exposure using a child receptor. Prenatal developmental effects may occur after an acute (i.e. short- term) or full-term exposure.

(EE) The acceptable air concentration (AAC) for the volatile hazardous substances is not derived using standard equations. The hazardous substance may cause adverse human health effects for less than chronic exposures (i.e. short-term or acute). The AAC for these hazardous substances is the acute or intermediate minimum risk level (MRL) developed by the Agency for Toxic Substances and Disease Registry (ATSDR), a USEPA Integrated Risk Information System (IRIS) acute reference concentration, or an acute initial threshold screening level (ITSL) by the EGLE’s Air Quality Division.

(MM) Hazardous substance is a carcinogen with a mutagenic mode of action. The cancer potency values used in calculating VIAP SLs are modified using age-dependent adjustment factors for those carcinogenic chemicals identified as mutagenic.

DATA Insufficient physical chemical parameters to calculate a VIAP SL for specified media. If detections are present in specified media, health-based soil vapor value should be used to evaluate risk.

- GSIP groundwater surface water interface protection
- ID Insufficient data to develop criterion.
- NA not available
- NLL Not likely to leach under most soil conditions.
- NLV Not likely to volatilize under most conditions.
- SL screening level
- VIAP volatilization to indoor air pathway
- VSIC volatile soil inhalation criteria

Table 2 - Groundwater Data Summary
Leestma Management, LLC, 1148 & 1204 West Western Ave., Muskegon, Muskegon County, Michigan
October 2022

Monitoring Location: Depth Interval (ft): Laboratory ID: Collection Date:		APNTW-01 (6.5-11.5) 22102086-01 10/21/22	APNTW-02 (6-11) 22102086-02 10/21/22	APNTW-03 (7-12) 22102086-03 10/21/22	APNTW-04 (9.5-14.5) 22102086-04 10/21/22	APNTW-05 (7.5-12.5) 22102086-05 10/21/22	Trip Blank 22102086-06 10/21/22	Residential DWC ⁽¹⁾	GSI Criteria ⁽¹⁾	Residential Groundwater VIAIC ⁽¹⁾	Water Solubility ⁽¹⁾	Flammability and Explosivity SL ⁽¹⁾	Residential GW- Shallow VIAP SL ⁽²⁾	Residential GW- Not in Contact VIAP SL ⁽²⁾
Volatile Organic Compounds	CAS Number													
1,1,1,2-Tetrachloroethane	630-20-6	1 U	1 U	1 U	1 U	1 U	1 U	77	ID	15,000	1.10E+06	ID	3.1	89
1,1,1-Trichloroethane	71-55-6	1 U	1 U	1 U	1 U	1 U	1 U	200 (A)	89	6.60E+05	1.33E+06	ID	180 (FF*)	17,000 (EE*)
1,1,2,2-Tetrachloroethane	79-34-5	1 U	1 U	1 U	1 U	1 U	1 U	8.5	78 (X)	12,000	2.97E+06	ID	2.4	71
1,1,2-Trichloro-1,2,2-trifluoroethane	76-13-1	1 U	1 U	1 U	1 U	1 U	1 U	1.70E+05 (S)	32	1.70E+05 (S)	1.70E+05	ID	840	2,700
1,1,2-Trichloroethane	79-00-5	1 U	1 U	1 U	1 U	1 U	1 U	5.0 (A)	330 (X)	17,000	4.42E+06	NA	0.47 (M*)	14
1,1-Dichloroethane	75-34-3	1 U	1 U	1 U	1 U	1 U	1 U	880	740	1.00E+06	5.06E+06	3.80E+05	4.7	130
1,1-Dichloroethene	75-35-4	1 U	1 U	1 U	1 U	1 U	1 U	7.0 (A)	130	200	2.25E+06	97,000	18	330
1,2,3-Trichloropropane	96-18-4	1 U	1 U	1 U	1 U	1 U	1 U	42	NA	8,300	1.90E+06	NA	1.9	57
1,2,4-Trichlorobenzene	120-82-1	1 U	1 U	1 U	1 U	1 U	1 U	70 (A)	99 (X)	3.00E+05 (S)	3.00E+05	NA	3.8 (M*)	110
1,2,4-Trimethylbenzene	95-63-6	1 U	1 U	3.8	1 U	1 U	1 U	63/1,000 (E)	17	56,000 (S)	55,890	56,000 (S)	25 (JT)	670 (JT)
1,2-Dibromo-3-chloropropane (DBCP)	96-12-8	1 U	1 U	1 U	1 U	1 U	1 U	0.20 (A)	ID	220	1,230	NA	0.00045 (M*,MM)	0.00045 (CC*,M*,MM)
1,2-Dibromoethane (EDB)	106-93-4	1 U	1 U	1 U	1 U	1 U	1 U	0.050 (A)	5.7 (X)	2,400	4.20E+06	ID	0.13	3.8
1,2-Dichlorobenzene	95-50-1	1 U	1 U	1 U	1 U	1 U	1 U	600 (A)	13	1.60E+05 (S)	1.56E+05	NA	370	11,000
1,2-Dichloroethane	107-06-2	1 U	1 U	1 U	1 U	1 U	1 U	5.0 (A)	360 (X)	9,600	8.52E+06	2.50E+06	1.4	41
1,2-Dichloropropane	78-87-5	1 U	1 U	1 U	1 U	1 U	1 U	5.0 (A)	230 (X)	16,000	2.80E+06	5.50E+05	2.6	74
1,3,5-Trimethylbenzene	108-67-8	1 U	1 U	1.4	1 U	1 U	1 U	72/1,000 (E)	45	61,000 (S)	61,150	ID	18 (JT)	470 (JT)
1,3-Dichlorobenzene	541-73-1	1 U	1 U	1 U	1 U	1 U	1 U	6.6	28	18,000	1.11E+05	ID	2.6	75
1,3-Dichloropropene, cis-	10061-01-5	1 U	1 U	1 U	1 U	1 U	1 U	--	--	--	--	--	--	--
1,3-Dichloropropene, trans-	10061-02-6	1 U	1 U	1 U	1 U	1 U	1 U	--	--	--	--	--	--	--
1,3-Dichloropropene (Total) (Calc.)	542-75-6	2 U	2 U	2 U	2 U	2 U	2 U	8.5	9.0 (X)	3,900	2.80E+06	1.30E+05	3.3 (J)	95 (J)
1,4-Dichlorobenzene	106-46-7	1 U	1 U	1 U	1 U	1 U	1 U	75 (A)	17	16,000	73,800	NA	5.9	170
2-Butanone (MEK)	78-93-3	2.2 J	5 U	5 U	5 U	5 U	2.0 J	13,000	2,200	2.40E+08 (S)	2.40E+08	ID	2,600 (DD)	4.30E+06 (DD)
2-Hexanone	591-78-6	5 U	5 U	5 U	5 U	5 U	5 U	1,000	ID	4.20E+06	1.60E+07	NA	660	20,000
2-Methylnaphthalene	91-57-6	25 U	77	43	28	5 U	1.5 J	260	19	25,000 (S)	24,600	ID	66	2,000
4-Methyl-2-pentanone (MIBK)	108-10-1	1 U	1 U	1 U	1 U	1 U	1 U	1,800	ID	2.00E+07 (S)	2.00E+07	ID	660	20,000
Acetone	67-64-1	10 U	10 U	10 U	10 U	10 U	10 U	730	1,700	1.00E+09 (D,S)	1.00E+09	1.50E+07	50,000 (FF*)	50,000
Acrylonitrile	107-13-1	1 U	1 U	1 U	1 U	1 U	1 U	2.6	2.0 (M); 1.2	34,000	7.50E+07	6.40E+06	4.6	140
Benzene	71-43-2	1 U	1 U	3.7	1 U	1 U	1 U	5.0 (A)	200 (X)	5,600	1.75E+06	68,000	1.0	28
Bromochloromethane	74-97-5	1 U	1 U	1 U	1 U	1 U	1 U	--	--	--	--	--	--	--
Bromodichloromethane	75-27-4	1 U	1 U	1 U	1 U	1 U	1 U	80 (A,W)	ID	4,800	6.74E+06	ID	1.2	34
Bromoform	75-25-2	1 U	1 U	1 U	1 U	1 U	1 U	80 (A,W)	ID	4.70E+05	3.10E+06	ID	89	2,700
Bromomethane	74-83-9	1 U	1 U	1 U	1 U	1 U	1 U	10	5.0 (M); 4.2	4,000	1.45E+07	ID	2.1 (M*)	55
Carbon Disulfide	75-15-0	1 U	1 U	1.1	1 U	1 U	1 U	800	ID	2.50E+05	1.19E+06	13,000	92	2,100
Carbon Tetrachloride	56-23-5	1 U	1 U	1 U	1 U	1 U	1 U	5.0 (A)	38 (X)	370	7.93E+05	ID	0.41 (M*)	7.7
Chlorobenzene	108-90-7	1 U	1 U	1 U	1 U	1 U	1 U	100 (A)	25	2.10E+05	4.72E+05	1.60E+05	33	940
Chloroethane	75-00-3	1 U	1 U	1 U	1 U	1 U	4.6	430	1,100 (X)	5.70E+06 (S)	5.74E+06	1.10E+05	620	15,000
Chloroform	67-66-3	1 U	1 U	1 U	1 U	1 U	1 U	80 (A,W)	350	28,000	7.92E+06	ID	0.49 (M*)	14
Chloromethane	74-87-3	1 U	1 U	1 U	1 U	1 U	1 U	260	ID	8,600	6.34E+06	36,000	15	380
cis-1,2-Dichloroethene	156-59-2	1 U	1 U	1 U	1 U	1 U	1 U	70 (A)	620	93,000	3.50E+06	5.30E+05	3.4	95
Dibromochloromethane	124-48-1	1 U	1 U	1 U	1 U	1 U	1 U	80 (A,W)	ID	14,000	2.60E+06	ID	0.78 (M*,MM)	23 (MM)
Dibromomethane	74-95-3	1 U	1 U	1 U	1 U	1 U	1 U	80	NA	ID	1.10E+07	ID	8.8	260
Dichlorodifluoromethane	75-71-8	1 U	1 U	1 U	1 U	1 U	1 U	1,700	ID	2.20E+05	3.00E+05	ID	13	49
Diethyl Ether	60-29-7	1 U	1 U	1 U	1 U	1 U	1 U	10/3,700 (E)	ID	6.10E+07 (S)	6.10E+07	6.50E+05	1,200	36,000
Ethylbenzene	100-41-4	1 U	1 U	1 U	1 U	1 U	1 U	74/700 (E)	18	1.10E+05	1.69E+05	43,000	2.8	74
Hexachloroethane	67-72-1	1 U	1 U	1 U	1 U	1 U	1 U	7.3	6.7 (X)	27,000	50,000	ID	1.5 (M*)	43

Table 2 - Groundwater Data Summary
Leestma Management, LLC, 1148 & 1204 West Western Ave., Muskegon, Muskegon County, Michigan
October 2022

Monitoring Location: Depth Interval (ft): Laboratory ID: Collection Date:		APNTW-01 (6.5-11.5) 22102086-01 10/21/22	APNTW-02 (6-11) 22102086-02 10/21/22	APNTW-03 (7-12) 22102086-03 10/21/22	APNTW-04 (9.5-14.5) 22102086-04 10/21/22	APNTW-05 (7.5-12.5) 22102086-05 10/21/22	Trip Blank 22102086-06 10/21/22	Residential DWC ⁽¹⁾	GSI Criteria ⁽¹⁾	Residential Groundwater VIAIC ⁽¹⁾	Water Solubility ⁽¹⁾	Flammability and Explosivity SL ⁽¹⁾	Residential GW- Shallow VIAP SL ⁽²⁾	Residential GW- Not in Contact VIAP SL ⁽²⁾
Iodomethane	74-88-4	5 U	5 U	5 U	5 U	5 U	5 U	--	--	--	--	--	--	--
Isopropylbenzene (Cumene)	98-82-8	1 U	1 U	1 U	1 U	1 U	1 U	800	28	56,000 (S)	56,000	29,000	0.60 (M*)	15
Methyl tert-Butyl Ether (MTBE)	1634-04-4	1 U	1 U	1 U	1 U	1 U	1 U	40/240 (E)	7,100 (X)	4.70E+07 (S)	4.68E+07	ID	250	7,400
Methylene Chloride	75-09-2	5 U	5 U	5 U	5 U	5 U	5 U	5.0 (A)	1,500 (X)	2.20E+05	1.70E+07	ID	79 (FF*)	8,400
n-Propylbenzene	103-65-1	1 U	1 U	1 U	1 U	1 U	1 U	80	ID	ID	NA	ID	43 (DD)	6,100 (DD)
Naphthalene	91-20-3	25 U	57	22	12	5 U	5 U	520	11	31,000 (S)	31,000	NA	4.2 (M*)	130
Styrene	100-42-5	1 U	1 U	1 U	1 U	1 U	1 U	100 (A)	80 (X)	1.70E+05	3.10E+05	1.40E+05	33	960
Tetrachloroethene (PCE)	127-18-4	1 U	1 U	1 U	1 U	1 U	1 U	5.0 (A)	60 (X)	25,000	2.00E+05	ID	1.5 (FF*)	130 (EE*)
Toluene	108-88-3	1 U	1 U	2.0	1 U	1 U	1 U	790/1,000 (E)	270	5.30E+05 (S)	5.26E+05	61,000	300 (FF*)	41,000
trans-1,2-Dichloroethene	156-60-5	1 U	1 U	1 U	1 U	1 U	1 U	100 (A)	1,500 (X)	85,000	6.30E+06	2.30E+05	16	390
trans-1,4-Dichloro-2-butene	110-57-6	2 U	2 U	2 U	2 U	2 U	2 U	--	--	--	--	--	--	--
Trichloroethene (TCE)	79-01-6	1 U	1 U	1 U	1 U	1 U	1 U	5.0 (A)	200 (X)	2,200	1.10E+06	ID	0.073 (M*,DD)	10 (DD)
Trichlorofluoromethane	75-69-4	1 U	1 U	1 U	1 U	1 U	1 U	2,600	NA	1.10E+06 (S)	1.10E+06	ID	22	190
Vinyl Acetate	108-05-4	5 U	5 U	5 U	5 U	5 U	5 U	640	NA	4.10E+06	2.00E+07	1.80E+06	690	21,000
Vinyl Chloride	75-01-4	1 U	1 U	1 U	1 U	1 U	1 U	2.0 (A)	13 (X)	1,100	2.76E+06	33,000	0.12 (M*,MM)	2.1 (MM)
Xylenes, meta- & para-	179601-23-1	2.4	2 U	2 U	2 U	2 U	2 U	--	--	--	--	--	--	--
Xylene, ortho-	95-47-6	1 U	1 U	1.0	1 U	1 U	1 U	--	--	--	--	--	--	--
Xylenes, Total	1330-20-7	2.4 J	3 U	1.0 J	3 U	3 U	3 U	280/10,000 (E)	49	1.90E+05 (S)	1.86E+05	70,000	75 (J)	2,000 (J)
Polynuclear Aromatic Compounds	CAS Number													
2-Methylnaphthalene	91-57-6	5 U	5 U	120 U	3.9 J	5 U	--	260	19	25,000 (S)	24,600	ID	66	2,000
Acenaphthene	83-32-9	1 U	0.074 J	24 U	0.37 J	1 U	--	1,300	38	4,200 (S)	4,240	ID	3,900 (S)	3,900 (S)
Acenaphthylene	208-96-8	1 U	1 U	24 U	0.10 J	1 U	--	52	ID	3,900 (S)	3,930	ID	65	65 (CC*)
Anthracene	120-12-7	1 U	0.087 J	24 U	0.045 J	1 U	--	43 (S)	ID	43 (S)	43.4	ID	43 (S)	43 (S)
Benzo(a)anthracene	56-55-3	1 U	0.36 J	24 U	0.14 J	1 U	--	2.1	ID	NLV	9.4	ID	9.4 (S,MM)	9.4 (S,MM)
Benzo(a)pyrene	50-32-8	1 U	0.43 J	24 U	0.18 J	1 U	--	5.0 (A)	ID	NLV	1.62	ID	NA	NA
Benzo(b)fluoranthene	205-99-2	1 U	0.65 J	24 U	0.31 J	1 U	--	1.5 (S,AA)	ID	ID	1.5	ID	NA	NA
Benzo(g,h,i)perylene	191-24-2	1 U	0.31 J	24 U	0.13 J	1 U	--	1.0 (M); 0.26 (S)	ID	NLV	0.26	ID	NA	NA
Benzo(k)fluoranthene	207-08-9	1 U	0.28 J	24 U	1 U	1 U	--	1.0 (M); 0.80 (S)	NA	NLV	0.80	ID	NA	NA
Chrysene	218-01-9	1 U	0.54 J	24 U	0.27 J	1 U	--	1.6 (S)	ID	ID	1.6	ID	NA	NA
Dibenzo(a,h)anthracene	53-70-3	2 U	2 U	48 U	2 U	2 U	--	2.0 (M); 0.21	ID	NLV	2.49	ID	NA	NA
Fluoranthene	206-44-0	1 U	0.79 J	24 U	0.26 J	1 U	--	210 (S)	1.6	210 (S)	206	ID	NA	NA
Fluorene	86-73-7	1 U	1 U	24 U	0.65 J	1 U	--	880	12	2,000 (S)	1,980	ID	1,700 (S)	1,700 (S)
Indeno(1,2,3-cd)pyrene	193-39-5	2 U	0.32 J	48 U	2 U	2 U	--	2.0 (M); 0.022 (S)	ID	NLV	0.022	ID	NA	NA
Naphthalene	91-20-3	1 U	1 U	24 U	2.5	1 U	--	520	11	31,000 (S)	31,000	NA	4.2 (M*)	130
Phenanthrene	85-01-8	1 U	0.21 J	24 U	0.76 J	1 U	--	52	2.0 (M); 1.7	1,000 (S)	1,000	ID	9.5	290
Pyrene	129-00-0	1 U	0.89 J	24 U	0.39 J	1 U	--	140 (S)	ID	140 (S)	135	ID	140 (S)	140 (S)
Metals, Total	CAS Number													
Arsenic	7440-38-2	1.0 J	8.2 J	28 J	8.6 J	6.1	--	10 (A)	10	NLV	NA	ID	NA	NA
Barium (B)	7440-39-3	37	210	250	180	70	--	2,000 (A)	674 (G)	NLV	NA	ID	NA	NA
Cadmium (B)	7440-43-9	1 U	2.4 J	10 U	2.5 J	1 U	--	5.0 (A)	3.0 (G,X)	NLV	NA	ID	NA	NA
Chromium, Total (B,H)	7440-47-3	2.7 J	47 J	93	22 J	2.2 J	--	100 (A)	11	NLV	NA	ID	NA	NA
Copper (B)	7440-50-8	1.6 J	71	140	60	1.3 J	--	1,000/1,400 (E)	13 (G)	NLV	NA	ID	NA	NA
Lead (B)	7439-92-1	0.58 J	200	150	88	0.54 J	--	4.0 (L)	34 (G,X)	NLV	NA	ID	NA	NA
Mercury (Total) (B)	7439-97-6	0.2 U	0.2 U	0.2 U	0.31	0.2 U	--	2.0 (A)	0.0013	56 (S)	56	ID	0.088	2.5
Selenium (B)	7782-49-2	5 U	50 U	5.5 J	50 U	0.54 J	--	50 (A)	5.0	NLV	NA	ID	NA	NA
Silver (B)	7440-22-4	0.84 U	8.4 U	6.3 J	8.4 U	0.84 U	--	34	0.20 (M); 0.060	NLV	NA	ID	NA	NA
Zinc (B)	7440-66-6	3.9 J	96 J	280	660	12 J	--	2,400	167 (G)	NLV	NA	ID	NA	NA

Table 2 - Groundwater Data Summary
Leestma Management, LLC, 1148 & 1204 West Western Ave., Muskegon, Muskegon County, Michigan
October 2022

<i>Monitoring Location:</i>		APNTW-01 (6.5-11.5)	APNTW-02 (6-11)	APNTW-03 (7-12)	APNTW-04 (9.5-14.5)	APNTW-05 (7.5-12.5)	Trip Blank	<i>Residential DWC⁽¹⁾</i>	<i>GSI Criteria⁽¹⁾</i>	<i>Residential Groundwater VIAIC⁽¹⁾</i>	<i>Water Solubility⁽¹⁾</i>	<i>Flammability and Explosivity SL⁽¹⁾</i>	<i>Residential GW- Shallow VIAP SL⁽²⁾</i>	<i>Residential GW- Not in Contact VIAP SL⁽²⁾</i>
<i>Depth Interval (ft):</i>		22102086-01	22102086-02	22102086-03	22102086-04	22102086-05	22102086-06							
<i>Laboratory ID:</i>		10/21/22	10/21/22	10/21/22	10/21/22	10/21/22	10/21/22							
<i>Collection Date:</i>														
<i>Field Parameters</i>	<i>CAS Number</i>													
Dissolved Oxygen (DO) (mg/L)	--	1.7	0.1	0.1 U	0.1	0.3	--	<i>ID</i>	<i>(EE)</i>	<i>ID</i>	<i>NA</i>	<i>NA</i>	--	--
Eh (mV)	--	260	76	71	120	100	--	--	--	--	--	--	--	--
pH (SU)	--	6.9	7.6	9.6	7.4	6.9	--	<i>6.5 to 8.5 (E)</i>	<i>6.5 to 9.0</i>	<i>ID</i>	<i>NA</i>	<i>NA</i>	--	--
Specific Conductance (µmhos/cm)	--	560	570	510	420	610	--	--	--	--	--	--	--	--
Temperature (°C)	--	18.5	18.7	16.0	15.7	16.1	--	--	--	--	--	--	--	--
Turbidity (NTU)	--	15	86	82	120	6.0	--	--	--	--	--	--	--	--

Results expressed in µg/L.

Bolded values exceed an applicable criterion and/or screening level.

Underlined compounds classified as polynuclear aromatic compounds.

Data Qualifiers:

J Estimated value

U Not detected above the given limit

Footnotes/Abbreviations:

⁽¹⁾ *Part 201 Groundwater Generic Cleanup Criteria and Screening Levels, December 21, 2020.*

⁽²⁾ *EGLE Volatilization to Indoor Air Pathway Screening Levels, September 4, 2020.*

(A) Criterion is the state of Michigan drinking water (DW) standard.

(B) Background, as defined in R 299.5701(b), may be substituted if higher than the calculated criterion.

(E) Aesthetic drinking water (DW) value. Notice of aesthetic impact may be employed as an institutional control if concentration exceeds the aesthetic DWC but not the health-based DW value (second value, if provided).

(G) Criterion dependent on receiving surface water (SW) hardness; calculated criteria based on water hardness of 150 mg/L.

(H) Data provided for total Chromium only; compare to hexavalent Chromium criteria. If both trivalent Chromium and hexavalent Chromium are present, the total concentration of both cannot exceed the DW criterion of 100 µg/L.

(J) Substance may be present in several isomer forms. Isomer-specific concentrations shall be added together for comparison to criteria.

(JT) Substance present in several isomer forms. The VIAP SL may be used for the individual isomer provided that it is sole isomer detected; however, when multiple isomers are detected in a medium, the isomer-specific concentrations must be added together and compared to the most restrictive VIAP SL of the detected isomers.

(L) Concentrations up to the State action level of 15 µg/L may still allow for DW use if soil concentrations are below 400 mg/Kg.

(M) Calculated criterion is below the analytical target detection limit (TDL), therefore, the criterion defaults to the TDL (first value is criterion, second value is the risk based or solubility value).

(M*) The VIAP SL may be below target detection limits (TDL). In accordance with Sec. 20120a(10) when the TDL for a hazardous substance is greater than the developed VIAP SL, the TDL is used to evaluate the risk posed from the pathway.

(S) Criterion defaults to the hazardous substance-specific water solubility limit.

(W) Concentrations of trihalomethanes shall be added together to determine compliance with the Michigan DW standard of 80 µg/L.

(X) Criterion is not protective for SW used as a DW source.

(CC*) Insufficient chemical-physical input parameters have been identified to allow the development of a VIAP SL using standard equations. The VIAP SL for GW is developed based solely on the approach that the department uses for shallow GW. If GW detections are present, soil vapor may be the most appropriate media to evaluate risk.

(DD) Hazardous substance causes developmental effects. Residential VIAP SLs are protective of both prenatal exposure using a pregnant female receptor and postnatal exposure using a child receptor. Nonresidential VIAP screening levels are protective of prenatal exposure using a pregnant female receptor. Prenatal developmental effects may occur after an acute (i.e. short- term) or full-term exposure.

(EE) Cold receiving waters ≥7,000 µg/L; Warm receiving waters ≥5,000 µg/L; Since a low level of DO can be harmful to aquatic life, the criterion represents a minimum level that on-site samples must exceed. Criteria are not applicable if GW Carbonaceous Biochemical Oxygen Demand (CBOD) is less than 10,000 µg/L and GW ammonia concentration is less than 2,000 µg/L.

(EE*) The acceptable air concentration (AAC) for the volatile hazardous substance is not derived using standard equations. The hazardous substance may cause adverse human health effects for less than chronic exposures (i.e. short-term or acute). The AAC for this hazardous substance is the acute or intermediate minimum risk level (MRL) developed by the Agency for Toxic Substances and Disease Registry (ATSDR), a USEPA Integrated Risk Information System (IRIS) acute reference concentration, or an acute initial threshold screening level (ITSL) by the EGLE’s Air Quality Division.

(FF*) The AAC for the volatile hazardous substances are based on toxicity values that have been identified to have the potential to cause adverse human health effects for less than chronic exposures (i.e. short-term or acute). The short-term exposure for shallow groundwater VIAP SLs are based on modification of the standard equations by the department to develop applicable shallow groundwater VIAP SLs.

(MM) Hazardous substance is a carcinogen with a mutagenic mode of action. The cancer potency values used in calculating VIAP SLs are modified using age-dependent adjustment factors for those carcinogenic chemicals identified as mutagenic.

DWC drinking water criterion

GSI groundwater surface water interface

ID Insufficient data to develop criterion.

NA not available

NLV Not likely to volatilize under most conditions.

SL screening level

VIAIC volatilization to indoor air inhalation criteria

VIAP volatilization to indoor air pathway

Attachment D

Reimbursement Agreement

RESOLUTION APPROVING BROWNFIELD PLAN
AMENDMENT, 1ST AMENDMENT,
Adelaide Pointe QOZB, LLC (1148-1204 West Western)
Adelaide Pointe Project, 1st Amendment
County of Muskegon, Michigan
2023-January 10

Minutes of a Regular Meeting of the City Commission of the City of Muskegon, County of Muskegon, Michigan (the "City"), held in the City Commission Chambers on the 10th day of January, 2023 at 5:30 p.m., prevailing Eastern Time.

PRESENT:

ABSENT:

The following preamble and resolution were offered by _____ and supported by _____.

WHEREAS, in accordance with the provisions of Act 381, Public Acts of Michigan, 1996, as amended ("Act 381"), the City of Muskegon Brownfield Redevelopment Authority (the "Authority") has prepared and approved a Brownfield Plan Amendment, 1st Amendment and

WHEREAS, the Authority has forwarded the Brownfield Plan Amendment, 1st Amendment, to the City Commission requesting its approval of the Brownfield Plan Amendment, 1st Amendment; and

NOW, THEREFORE, BE IT RESOLVED THAT:

1. That the Brownfield Plan constitutes a public purpose under Act 381.
2. That the Brownfield Plan meets all the requirements of Section 13(1) of Act 381.
3. That the proposed method of financing the costs of the eligible activities, as identified in the Brownfield Plan and defined in Act 381, is feasible and the Authority has the authority to arrange the financing.
4. That the costs of the eligible activities proposed in the Brownfield Plan are reasonable and necessary to carry out the purposes of Act 381.

5. That the amount of captured taxable value estimated to result from the adoption of the Brownfield Plan is reasonable.
6. That the Brownfield Plan in the form presented is approved and is effective immediately.
7. That all resolutions or parts of resolutions in conflict herewith shall be and the same are hereby rescinded.

Be it Further Resolved that the Mayor and City Clerk are hereby authorized to execute all documents necessary or appropriate to implement the provisions of the Brownfield Plan.

AYES:

NAYS:

ABSENT:

RESOLUTION DECLARED APPROVED.

Ann Marie Meisch, City Clerk

Kenneth D. Johnson, Mayor

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Commission of the City of Muskegon, County of Muskegon, State of Michigan, at a regular meeting held on January 10, 2023 and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, as amended, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

Ann Marie Meisch, City Clerk

**City of Muskegon
Brownfield Redevelopment Authority
County of Muskegon, State of Michigan**

RESOLUTION APPROVING REVISED BROWNFIELD PLAN AMENDMENT

Adelaide Pointe QOZB LLC (1148-1204 West Western)

1st Amendment

Minutes of a regular meeting of the Board of the City of Muskegon Brownfield Redevelopment Authority, County of Muskegon, State of Michigan, held on the 13th day of December 2022 at 10:30 a.m., prevailing Eastern Time.

PRESENT: B. Hastings, J. Riegler, M. Johnson, J. Moore, J. Wallace, D. Pollock,
S. Black, J. Seyferth, M. Bottomley

ABSENT: Members

M. Kleaveland, H. Sytsema

The following preamble and resolution were offered by Member B. Hastings and supported by Member J. Seyferth:

WHEREAS, a Brownfield Plan has been adopted pursuant to Act 381, Public Acts of Michigan, 1996, as amended ("Act 381"), a copy of which is on file with the Secretary of the City of Muskegon Brownfield Redevelopment Authority (the "Authority"); and

WHEREAS, the Authority is authorized to approve amendments to the Brownfield Plan and recommends the Amendment to add eligible properties within the Adelaide Pointe Project for approval to the City of Muskegon, County of Muskegon, State of Michigan (the "City").

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. Approval of Brownfield Plan. The Board hereby adopts and approves the

Brownfield Plan Amendment (1st Amendment) for the Adelaide Pointe Project and recommends the approval of the Brownfield Plan Amendments by the Muskegon City Commission.

2. Public Hearing. The Board hereby requests city personnel to provide a notice of Public Hearing on the proposed Brownfield Plan Amendments, and further requests that such hearing notice be provided to all taxing jurisdictions. Notice of the time and place of the hearing shall be given pursuant to Act 267, Public Acts of Michigan, 1976, as amended ("Open Meetings Act").

3. Deliver Resolution and Brownfield Plan to City. The Chair of the Authority is directed to deliver a certified copy of this resolution and the Brownfield Plan Amendments to the City Clerk.

4. Disclaimer. By adoption of this resolution and approval of the Brownfield Plan Amendments, the Authority assumes no obligation or liability to the owner, developer or lessor of the Eligible Property for any loss or damage that may result to such persons from the adoption of this resolution and Brownfield Plan Amendments.

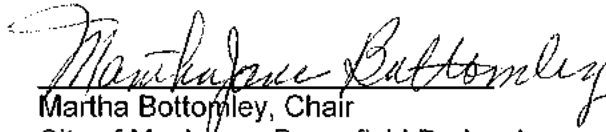
5. Work Plan Transmittal. The Chair of the Authority shall be authorized to transmit to the Michigan Strategic Fund, the Michigan Economic Development Corporation and/or the Michigan Department of Environmental Quality, on behalf of the Authority, a final Act 381 Work Plan that has been reviewed and approved by the Authority.

6. Repealer. All resolutions and parts of resolution in conflict with the provisions of this resolution are hereby repealed or amended to the extent of such conflict.

AYES: B. Hastings, J. Riegler, M. Johnson, J. Moore, J. Wallace, D. Pollock, S. Black, J. Seyferth, M. Bottomley

NAYS:

RESOLUTION DECLARED ADOPTED.



Martha Bottomley, Chair
City of Muskegon Brownfield Redevelopment Authority

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Board of the City of Muskegon Brownfield Redevelopment Authority, County of Muskegon, State of Michigan, at a regular meeting held on December 13, 2022, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.



Martha Bottomley, Chair
City of Muskegon Brownfield Redevelopment Authority

**City of Muskegon
Brownfield Redevelopment Authority
County of Muskegon, State of Michigan**

**RESOLUTION APPROVING BROWNFIELD DEVELOPMENT AND REIMBURSEMENT
AGREEMENT**

1st Amendment

**Adelaide Pointe QOZB, LLC
Adelaide Pointe Project**

Minutes of a meeting of the Board of the City of Muskegon Brownfield Redevelopment Authority ("Authority"), County of Muskegon, State of Michigan, held in the City Hall on the 13th of December, 2022 at 10:30 a.m., prevailing Eastern Time.

PRESENT: Members

B. Hastings, J. Riegler, M. Johnson, J. Moore, J. Wallace, D. Pollock, S. Black, J. Seyferth, M. Bottomley

ABSENT: Members

M. Kleaveland, H. Sytsema

The following preamble and resolution were offered by Member B. Hastings and supported by Member J. Seyferth:

WHEREAS, the Authority approved a Brownfield Plan Amendment to include the Adelaide Pointe Project ("Project") during its meeting on October 12, 2021;

WHEREAS, the Adelaide Pointe Project Brownfield Plan Amendment includes tax increment financing to pay for certain eligible activities related to the Project;

WHEREAS, the Authority approved the original Development and Reimbursement Agreement during its meeting on November 9, 2021;

WHEREAS, a Development and Reimbursement Agreement (1st Amendment) between

the City and Adelaide Pointe QOZB, LLC has been negotiated to provide for reimbursement of the costs of eligible activities identified in the Brownfield Plan Amendment.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The Development and Reimbursement Agreement (1st Amendment) between the City and Adelaide Pointe QOZB, LLC for the Adelaide Pointe Project Brownfield Plan Amendment is necessary to facilitate the implementation of the Brownfield Plan.
2. The Authority hereby approves the Development and Reimbursement Agreement (1st Amendment) for the Adelaide Pointe Project Brownfield Plan, and recommends the approval of the Agreement by the Muskegon City Commission.
3. Repealer. All resolutions and parts of resolution in conflict with the provisions of this resolution are hereby repealed or amended to the extent of such conflict.

AYES: B. Hastings, J. Riegler, M. Johnson, J. Moore, J. Wallace, D. Pollock, S. Black, J. Seyferth, M. Bottomley

NAYS: _____

RESOLUTION DECLARED ADOPTED.

Chair

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Board of the City of Muskegon Brownfield Redevelopment Authority, County of Muskegon, State of Michigan, at a meeting held on November 9th, 2021, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.


Chair