

CITY OF MUSKEGON

CITY COMMISSION MEETING

JANUARY 26, 2016

CITY COMMISSION CHAMBERS @ 5:30 P.M.

AGENDA

- CALL TO ORDER:
- PRAYER:
- PLEDGE OF ALLEGIANCE:
- ROLL CALL:
- HONORS AND AWARDS:
- INTRODUCTIONS/PRESENTATION:
- CITY MANAGER'S REPORT:
- CONSENT AGENDA:
 - A. Approval of Minutes City Clerk
 - B. Vacation of the Remainder of the 16 foot Wide Alley in Block 14 of Continental Addition Planning & Economic Development
- PUBLIC HEARINGS:
- COMMUNICATIONS:
- UNFINISHED BUSINESS:
- NEW BUSINESS:
 - A. Series 2016 Refunding Bonds Finance Director
- ANY OTHER BUSINESS:
- PUBLIC PARTICIPATION:
 - ▶ **Reminder: Individuals who would like to address the City Commission shall do the following:**
 - ▶ Fill out a request to speak form attached to the agenda or located in the back of the room.
 - ▶ Submit the form to the City Clerk.
 - ▶ Be recognized by the Chair.
 - ▶ Step forward to the microphone.
 - ▶ State name and address.
 - ▶ Limit of 3 minutes to address the Commission.
 - ▶ (Speaker representing a group may be allowed 10 minutes if previously registered with City Clerk.)
- CLOSED SESSION:
- ADJOURNMENT:

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

Memorandum

To: Mayor and Commissioners

From: Frank Peterson

Re: City Commission Meeting

Date: January 21, 2016

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

1. Under the consent agenda, we are asking the Commission to for approval of the following:
 - a. Last meeting's minutes.
 - b. Approval of the vacation of an alley in the Continental Addition. This is a non-existent alley that still shows up on the state's plat, although it does not appear in our records. The alley is actually a part of Lorin Industries' parking lot. The discrepancy became apparent as the state was completing the replatting process related to a previous alley vacation request by the City.
2. New Business
 - a. We are proposing that the bonds issued in 2006 be refunded in an effort to reduce borrowing costs. The bonds were initially issued to fund improvements to the fire station, marina, and bike trail. The refunding is expected to save the city approximately \$295,000 over the life of the bonds.

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

Date: January 20, 2016
To: Honorable Mayor and City Commissioners
From: Ann Marie Meisch, City Clerk
RE: Approval of Minutes

SUMMARY OF REQUEST: To approve minutes of the January 11, 2016 Worksession Meeting and the January 12, 2016 Regular City Commission Meeting.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the minutes.

City of Muskegon
City Commission Worksession
January 11, 2016
City Commission Chambers
5:30 PM

MINUTES

2016-03

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

Absent: None.

285 West Western Update.

As part of the potential redevelopment of 285 West Western Avenue, the City of Muskegon will be required to submit a new/updated application to the Michigan Economic Development Corporation. To accomplish this, a number of items need to be completed including updated architectural drawings, updated cost estimates, and updated project proformas. Further, there are a number of safety and security improvements needed at the vacant building, including boarding broken windows and addressing roof drainage issues. City staff is requesting permission to expend up to \$45,000 in pre-construction expenses at 285 W. Western to prepare the MEDC application, bid the project, and address a number of pressing security and safety items.

Staff recommendation: To authorize staff to expend up to \$45,000 in pre-construction expenses related to the redevelopment of 285 West Western.

This item will be considered by the City Commission at its January 12, 2016 Commission meeting.

Business Improvement District.

The City Commission approved the creation of a BID special assessment district at the November 24, 2015 meeting and the Special Assessment Roll is now ready to be confirmed. The assessments will go towards various downtown expenditures, including snow removal on sidewalks, spring/fall cleanup and landscaping, holiday decorating, banners & directional signs, marketing/advertising and art. The BID assessment includes both a "Class A" and a "Class B" district. Since the November 24th Commission meeting, the maximum amount to be assessed for Class B properties is \$750, rather than the \$3,000 that is the maximum assessed for Class A properties.

In addition, if the Special assessment roll is confirmed, it is requested that the City Commission authorize a loan payment to the BID in the amount \$5,000 to cover initial expenses for the BID until the assessment proceeds are collected.

Financial Impact: The total estimated cost of services with the BID is \$128,467.36 of which approximately 90% (\$115,942.02) will be paid by the special assessment to property owners, with the remaining cost being paid by the City. If the load to the BID in the amount of \$45,000 is approved, it will be paid back with the assessments as they are collected.

This item will be considered by the City Commission at its January 12, 2016 Commission meeting.

LED Sign at Farmers Market.

This is a request to authorize staff to enter into an agreement with Allsigns LLC out of Muskegon to purchase and install an LED digital sign at the Farmers Market using a 16mm lighting system to enhance visibility for a cost of \$29,550.00.

This item will be considered by the City Commission at its January 12, 2016 Commission meeting.

Adjournment.

Motion by Commissioner Hood, seconded by Commissioner Johnson to adjourn at 6:35 p.m.

MOTION PASSES

**Ann Marie Meisch, MMC
City Clerk**

CITY OF MUSKEGON

CITY COMMISSION MEETING

JANUARY 12, 2016

CITY COMMISSION CHAMBERS @ 5:30 P.M.

MINUTES

The Regular Commission Meeting of the City of Muskegon was held at City Hall, 933 Terrace Street, Muskegon, MI at 5:30 p.m., Tuesday, January 12, 2016.

Reverend Tim VanderHaar, First Congregational Church, opened the meeting with prayer, after which the Commission and public recited the Pledge of Allegiance to the Flag.

ROLL CALL FOR THE REGULAR COMMISSION MEETING:

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

2016-04 HONORS AND AWARDS:

A. Muskegon Catholic Central – 2015 Division 8 State Football Champions

Mayor Gawron and the Commission congratulated the Muskegon Catholic Central Crusaders Coach, Steve Czerwon, and the team for the Division 8 State Championship and presented them with a Certificate of Recognition and a sign.

2016-05 CONSENT AGENDA:

A. Approval of Minutes City Clerk

SUMMARY OF REQUEST: To approve minutes of the December 7, 2015 Worksession Meeting, the December 8, 2015 City Commission Meeting, the December 16, 2015 Special Commission Meeting, and the January 4, 2016 Organizational Meeting.

FINANCIAL IMACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval of the minutes.

B. Approval of A Neighborhood Enterprise Zone Certificate Planning and Economic Development

SUMMARY OF REQUEST: An application for a Neighborhood Enterprise Zone (NEZ) certificate has been received from John and Jeannie Platt for the new construction of a home at 333 Terrace Point Circle. The property is located in a Neighborhood Enterprise Zone for new construction. The application states that the estimated cost for construction will be \$395,323. The applicant has met local and state requirements for the issuance of the NEZ certificate. Approval or denial by the City Commission is required within 60 days of the application date and must be forwarded to the State Tax Commission.

FINANCIAL IMPACT: Taxation will be 50% of the State average for the next 12 years.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval of the NEZ certificate.

C. Sale of a Portion of the Property at 1690 Creston Street Planning and Economic Development

SUMMARY OF REQUEST: Staff is seeking approval to sell a portion of the buildable, industrial zoned lot at 1690 Creston Street to the adjacent business, Production Fabricators, Inc. at 1608 Creston Street, which is located in Muskegon Township. They are seeking to expand their business onto this lot with a building addition. They are requesting to purchase about 40% of the 2.45 acre lot and to also retain a 60' by 180' access easement on the remaining parcel for truck access. By creating the easement on the lot, instead of selling this portion of the land, it will allow the remaining lot to meet the minimum lot standards for a buildable lot. The City leases space to Muskegon Central Dispatch on the current lot for the communications tower located on site. The portion of the land to be sold will not interfere with the portion leased by Muskegon Central Dispatch. Production Fabricators has offered \$15,000 for the portion of the lot. Planning Commission approved the site plan for the building addition, contingent upon the sale of the lot, at their December 2015 meeting.

FINANCIAL IMPACT: Staff recommends a sale price of \$15,000.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval and signature of the purchase agreement, easement agreement, and resolution.

E. Lease Agreement Between Envirologic and City of Muskegon Planning and Economic Development

SUMMARY OF REQUEST: Envirologic, headquartered in Kalamazoo, has provided environmental site assessment services for the City over the past several years. Most recently, they were granted the contract for the USEPA Site

Assessment Grant. Since they will be in the City of Muskegon frequently over the next few years while providing site assessment services for the grant, they have agreed, and desire, to have a satellite office in the City. The lease will allow Envirologic to have their Muskegon Satellite location at City Hall. The space allocated will be approximately 170 square feet in the CNS department. (However, it may be moved if that space is needed for another use in the future.)

FINANCIAL IMPACT: Enviorlogic will not require any equipment to be provided to them. They will pay a monthly rate of \$300.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To approve the lease and authorize the Mayor and Clerk's signatures.

F. MDOT - City Amending the Agreement for Muskegon and Webster Engineering

SUMMARY OF REQUEST: Authorize staff to sign the amendment to the agreement with Michigan Department of Transportation extending the completion date of the project to May 27, 2016 instead of the December 31, 2015 date in the original agreement and adopt a resolution authorizing Mohammed Al-Shatel to execute said amendment.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Authorize staff to sign the agreement/contract amendment.

G. Approval of 285 West Western Preliminary ExpensesCity Manager

SUMMARY OF REQUEST: As part of the potential redevelopment of 285 West Western Avenue, the City of Muskegon will be required to submit a new/updated application to the Michigan Economic Development Corporation. To accomplish this, a number of items need to be completed, including updated architectural drawings, updated cost estimates, and updated project proformas. Further, there are a number of safety and security improvements needed at the vacant building, including boarding broken windows and addressing roof drainage issues. City staff is requesting permission to expend up to \$45,000 in pre-construction expenses at 285 West Western to prepare the MEDC application, bid the project, and address a number of pressing security and safety items.

FINANCIAL IMPACT: Up to \$45,000

BUDGET ACTION REQUIRED: This change will be reflected in the Second Quarter Status Report.

STAFF RECOMMENDATION: To authorize staff to expend up to \$45,000 in pre-construction expenses related to the redevelopment of 285 West Western and to suspend the purchasing policy as it relates to the \$45,000.00.

H. Approval of Trades-Services Procurement 2016 Proposals for CNS
Community and Neighborhood Services

SUMMARY OF REQUEST: To approve the following Trades - Services procured through sealed bid proposals producing the lowest responsible bidder:

- Appraisals – Midwest Real Estate Services
- Building Contractor – Custom Exteriors
- Electrical Contractor – Belasco Electric
- Mechanical Contractor – Accurate Mechanical Services
- Plumbing Contractor – Brett Noordhoff Plumbing
- Property Maintenance – Walker Handyman Enterprises
- Realtor – Greenridge Realty, Inc.
- Specification Writer – Hager Consulting, LLC
- Structural Engineer/Surveyor – Westshore Consulting

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To approve the procured Trades Contractors and Service providers for Community and Neighborhood Services during 2016 with possible one year extension.

I. Assessing Agreement City Manager

SUMMARY OF REQUEST: Staff would like to continue utilizing Muskegon County Equalization as our Assessor. The proposed agreement will be for five years beginning July 1, 2016 but may be terminated with 90 days written notice. The agreement calls for an annual base fee of \$320,000 with a two percent increase annually.

FINANCIAL IMPACT: \$320,000 per year with a two percent increase annually.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To authorize the Mayor and Clerk to sign the agreement.

J. Liquor License Request – Racquets, 446 Western Avenue Public Safety

SUMMARY OF REQUEST: The Muskegon Police Department has received an Application for Temporary Authorization from Downtown Pinnacle Properties (dba Racquets Downtown Grill) for a charity event scheduled for February 4, 2016 to February 6, 2016. The liquor license request is to include Western Avenue between 3rd and 4th Streets. Spirits will be served.

The State of Michigan Liquor Control Commission is asking for local commission approval for use of the city street before the license is issued. This is a repeat event and the Muskegon Police Department finds no reason to deny this request.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval of the request.

L. Community Relations Committee Recommendations for Various City Boards and Committees City Clerk

SUMMARY OF REQUEST: Accept the recommendations from the Community Relations Committee and appoint to the

- **Board of Review** – Tracie Webb and Don Correll
- **Citizen’s Police Review Board** – David Bukala, Ruby Clark, Phyllis Loudermill, and Quinton Cooley
- **Citizen’s District Council** – Thomas Pastoor, Kim McDonald, and Geoffrey Burr
- **Construction Board of Appeals** – Chad Grinwis, Harold Callendar, and Michael McPhall
- **Downtown Development Authority** – Michael Kleaveland and Paul Edbrooke
- **Election Commission** – Wanda Matsey
- **Equal Opportunity Committee** – Rosie Buchanan, Charlotte Johnson, and Betty Cheeks
- **Historic District Commission** – Andrea Riegler and Karen Panozzo
- **Housing Code Board of Appeals** – Ed Simmons and Gregory Borgman
- **Housing Commission** – Rosie Mae Walker
- **Income Tax Board of Review** – Jason Meekhof
- **Local Development Finance Authority** – Andy Wible and Jason Meekhof
- **Local Officer’s Compensation Commission** – Virgie Jackson
- **Zoning Board of Appeals** – Stephen Warmington

Accept the resignation of Charles Anderson from the Citizen’s Police Review Board and David Wagner from the Citizen’s District Council.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Approval

Motion by Commissioner Johnson, second by Commissioner German, to approve the consent agenda as read with the exception of items D and K.

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

Johnson, and Gawron

Nays: None

MOTION PASSES

2016-06 ITEMS REMOVED FROM CONSENT AGENDA:

D. Operations Management Contract for Kitchen 242 – Pioneer Resources & City of Muskegon Planning & Economic Development

SUMMARY OF REQUEST: The City contracted with Pioneer Resources to provide operations management of the Farmers' Market commercial kitchen (Kitchen 242) in May 2014. The contract technically expired several months ago, although Pioneer Resources continues to provide operations management. The new one year contract will start January 15, 2016.

FINANCIAL IMPACT: Per the terms of the contract, the manager shall provide the staffing, management and operations of the facility. The City shall pay for the utility costs. The manager shall track revenue and expenses and turn over any net proceeds to the City.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To approve the contract and authorize the Mayor and Clerk's signatures.

STAFF RECOMMENDATION: Approval

Motion by Commissioner Rinsema-Sybenga, second by Commissioner Johnson, to approve the contract and authorize the Mayor and Clerk's signatures.

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

Nays: None

MOTION PASSES

K. LED Sign at the Farmer's Market Engineering

SUMMARY OF REQUEST: Authorize staff to enter into an agreement with Allsigns LLC out of Muskegon to purchase and install an LED digital sign at the Farmer's Market using a 16 mm lighting system to enhance visibility for a cost of \$29,550.00.

Allsigns is being recommended as a result of the bid tabulation.

FINANCIAL IMPACT: Cost of purchase and installation of \$29,550.

BUDGET ACTION REQUIRED: None at this time, however, future budget reforecasts might have to be revised to account for this expense.

STAFF RECOMMENDATION: Authorize staff to enter into an agreement with Allsigns LLC.

Motion by Commissioner German, second by Vice Mayor Hood, to authorize staff to enter into an agreement with Allsigns LLC.

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

Nays: None

MOTION PASSES

2016-07 PUBLIC HEARINGS:

A. BID Special Assessment – Resolution Confirming Special Assessment Roll Planning and Economic Development

SUMMARY OF REQUEST: The City Commission approved the creation of a BID special assessment district at the November 24, 2015 meeting and the Special Assessment Roll is now ready to be confirmed. The assessments will go towards various downtown expenditures, including snow removal on sidewalks, spring/fall cleanup and landscaping, holiday decorating, banners and directional signs, marketing/advertising and art. The BID assessment includes both a "Class A" and a "Class B" district. Since the November 24 Commission meeting, the maximum amount to be assessed for Class B properties is \$750, rather than the \$3,000 that is the maximum assessed for Class A properties.

In addition, if the Special Assessment Roll is confirmed, it is requested that the City Commission authorize a loan payment to the BID in the amount of \$45,000 to cover initial expenses for the BID until the assessment proceeds are collected.

FINANCIAL IMPACT: The total estimated cost of services within the BID is \$128,467.36 of which approximately 90% (\$115,942.02) will be paid by the special assessment to property owners, with the remaining cost being paid by the City. If the loan to the BID in the amount of \$45,000 is approved, it will be paid back with the assessments as they are collected.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: To approve the resolution approving the confirmation of the special assessment roll and authorize the Mayor and Clerk to sign. In addition, if the Special Assessment Roll is approved, to also approve the \$45,000 loan to the BID to cover initial expenses.

PUBLIC HEARING COMMENCED:

Cathy Brubaker-Clarke addressed the commission and presented information regarding four letters received in opposition, they are from the following: Janski LLC – 297 W. Clay #104; David L. Bolen – 750 Pine; Easter Jones Gill – 830 Pine, 840 Pine, 839 Pine, 845 Pine, and 849 Pine; Hairitage Properties, LLC – 935 Jefferson.

Alan Jager – Holton Duck Lake Road, Holton, MI 49425 owner of 275 W. Clay

spoke in opposition of the assessment.

Motion by Commissioner German, second Commissioner Rinsema-Sybenga, to close the Public Hearing.

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

Nays: None

MOTION PASSES

Motion by Commissioner Johnson, second Vice Mayor Hood, to approve the resolution approving the confirmation of the special assessment roll and authorize the Mayor and Clerk to sign. In addition, if the Special Assessment Roll is approved, to also approve the \$45,000 loan to the BID to cover initial expenses.

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

Nays: None

MOTION PASSES

PUBLIC PARTICIPATION: Public Comments were received.

ADJOURNMENT: The City Commission Meeting adjourned at 6:24 p.m.

Respectfully Submitted,

Ann Marie Meisch, MMC, City Clerk

Commission Meeting Date: January 26, 2016

Date: January 21, 2016
To: Honorable Mayor and City Commissioners
From: Planning & Economic Development
RE: Vacation of the Remainder of the 16 ft. Wide Alley in Block
14 of Continental Addition

SUMMARY OF REQUEST:

Lorin Industries at 1960 Roberts St is requesting to vacate the remainder of the 16 ft. wide alley in Block 14 of Continental Addition, north of Keating and South of vacated Nims (east of Vulcan (vacated) and west of Roberts Street)

FINANCIAL IMPACT:

None

BUDGET ACTION REQUIRED:

None

STAFF RECOMMENDATION:

Staff recommends vacation of the street, with the condition that all utility easement rights be retained.

COMMITTEE RECOMMENDATION:

The Planning Commission unanimously recommended vacation of the alley at their January meeting.

CITY OF MUSKEGON

RESOLUTION #2016-
RESOLUTION TO VACATE A PUBLIC ALLEY

WHEREAS, a petition has been received to vacate the remainder of the 16 ft. wide alley in Block 14 of Continental Addition, north of Keating and South of vacated Nims (east of Vulcan (vacated) and west of Roberts Street); and

WHEREAS, the Planning Commission held a public hearing on January 12, 2016 to consider the petition and subsequently recommended the vacation; and

WHEREAS, due notice had been given of said hearing as well as the January 26, 2016 City Commission meeting to consider the recommendation of the Planning Commission;

NOW, THEREFORE, BE IT RESOLVED that the City Commission deems it advisable for the public interest to vacate and discontinue the remainder of the 16 ft. wide alley in Block 14 of Continental Addition, north of Keating and South of vacated Nims (east of Vulcan (vacated) and west of Roberts Street); and

BE IT FURTHER RESOLVED that the City Commission does hereby declare the said portion of alley vacated and discontinued provided, however, that this action on the part of the City Commission shall not operate so as to conflict with any fire access or the utility rights heretofore acquired by the City or by any public service utility in the City of Muskegon, operating in, over and upon said portion of street hereby vacated, and it is hereby expressly declared that any such rights shall remain in full force and effect;

BE IT FURTHER RESOLVED that after any maintenance and repair by the City, the city shall restore the disturbed area to the grade and paving in existence at the time of vacation. The City shall not be responsible to replace special planting, landscaping, fences or any structure. No structure shall be placed in the vacated street which, in the sole judgment of the City, will interfere with the repair or maintenance of utilities in the easement, public or private.

Adopted this 26th day of January, 2016.

Ayes:

Nays:

Absent:

By: _____
Stephen J. Gawron, Mayor

Attest: _____
Ann Meisch, MMC, City Clerk

CERTIFICATE (Vacation of the remainder of the 16 ft. wide alley in Block 14 of Continental Addition, north of Keating and South of vacated Nims [east of Vulcan (vacated) and west of Roberts Street])

I hereby certify that the foregoing constitutes a true and complete copy of a resolution adopted by the City Commission of the City of Muskegon, County of Muskegon, Michigan, at a regular meeting held on January 26, 2016.

Ann Meisch, MMC
Clerk, City of Muskegon

**CITY OF MUSKEGON
PLANNING COMMISSION
STAFF REPORT (EXCERPT)**

BACKGROUND

1. In 2014, Newkirk Electric petitioned to have Nims St, Vulcan St and the alley between Brunswick St and Vulcan St vacated. The request was approved by Planning Commission and City Commission. In order to utilize the areas that were once publicly owned, they had to replat the area through Circuit Court. During the replatting process, it came to the attention of the State that there is still an alley on the books between the vacated Vulcan St and Roberts St, even though there is not a physical alley there. This “paper alley” is located on the parking lot of Lorin Industries. In order to complete the replatting process, Lorin Industries has petitioned to vacate this alley and they will join Newkirk Electric in their suit to replat the block.

Paper Alley between Vulcan St (vacated) and Roberts St



Commission Meeting Date: January 26, 2016

Date: January 20, 2016
To: Honorable Mayor and City Commissioners
From: Finance Director
RE: Series 2016 Refunding Bonds

SUMMARY OF REQUEST: Attached is a letter from the City's bond counsel along with a Resolution Authorizing Issuance of Limited Tax General Obligation Refunding Bonds, Series 2016. The Resolution authorizes the issuance of Bonds in an amount not to exceed \$5,100,000 to refinance the City's Limited Tax General Obligation Bonds, Series, 2006. At this time, it is believed to be in the City's best interest to refund the outstanding Series 2006 bonds which were issued in October 2006.

FINANCIAL IMPACT: If the refunding is completed, interest savings (on a net present value basis) are projected to be \$295,000.

BUDGET ACTION REQUIRED: None at this time. Once the bonds are sold, debt service will be budgeted over the life of the bonds (16 years).

STAFF RECOMMENDATION: Approval of the attached resolution.

Founded in 1852
by Sidney Davy Miller

MILLER CANFIELD

PATRICK F. MCGOW
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FAX (313) 496-8450
E-MAIL mcgow@millercanfield.com

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January 20, 2016

Via Email

Mr. Derrick Smith
Director of Finance
City of Muskegon
933 Terrace Street
P.O. Box 536
Muskegon MI 49443-0536

Re: City of Muskegon Limited Tax General Obligation Refunding Bonds,
Series 2016

Dear Derrick:

As we discussed, I have enclosed the Resolution Authorizing Issuance of Limited Tax General Obligation Refunding Bonds, Series 2016 for consideration for approval by the City Commission at its meeting to be held on January 26th.

The enclosed Resolution authorizes the issuance of Bonds in an amount not to exceed \$5,100,000 (the "Refunding Bonds") to refinance the City's Limited Tax General Obligation Bonds, Series 2006 (the "Prior Bonds") which were originally issued to acquire and construct the fire station and certain recreational improvements. The Prior Bonds are currently outstanding in the amount of \$4,885,000, of which \$4,815,000 are callable on October 1, 2016. The proposed refinancing would result in debt service savings to the City.

The Resolution was prepared based on the Bond specifications prepared by Robert W. Baird & Co. (the "Underwriter") and sets forth the parameters for the terms of the Bonds, the form of Bonds, and provides for a negotiated sale of the Bonds to the Underwriter. The Resolution also authorizes various City officials to take the necessary actions to issue, sell and deliver the Bonds and to award and finalize the terms of the Bonds upon sale and execute a sale order and a bond purchase agreement.

MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.

Mr. Derrick Smith

-2-

January 20, 2016

The City Manager and Director of Finance are authorized by the Resolution to proceed with the sale of the Refunding Bonds and make the final determinations relating to the size of the Bonds and the amount of available funds, if any, to contribute towards the refunding of the Prior Bonds at the time of the sale of the Bonds.

I would appreciate it if you could have the City Clerk send me three certified copies of the enclosed Resolution upon its approval.

If you or anyone copied on this letter have any questions, please give me a call.

Very truly yours,

MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.

By: 

Patrick F. McGow

Enclosures

Cc: (w/Encl.):
Frank Peterson
Beth Lewis
Warren M. Creamer
Ronald C. Liscombe, Esq.
John Schrier, Esq.

**RESOLUTION AUTHORIZING ISSUANCE OF
LIMITED TAX GENERAL OBLIGATION REFUNDING BONDS, SERIES 2016**

CITY OF MUSKEGON
County of Muskegon, State of Michigan

Minutes of a regular meeting of the City Commission of the City of Muskegon, County of Muskegon, Michigan, held in the City, on the 26th day of January, 2016 at 5:30 p.m., prevailing Eastern Time.

PRESENT: Members: _____

ABSENT: Members: _____

The following preamble and resolution were offered by Member _____ and supported by Member _____.

WHEREAS, Act 34, Public Acts of Michigan, 2001, as amended (“Act 34”), authorizes the City of Muskegon, County of Muskegon, Michigan (the “City”) to refund or advance refund all or any part of its outstanding securities; and

WHEREAS, the City of Muskegon, County of Muskegon, State of Michigan (the “City”) has previously issued its Limited Tax General Obligation Bonds, Series 2006, dated October 24, 2006, in the original principal amount of \$5,400,000 (the “Prior Bonds”); and

WHEREAS, the Prior Bonds were issued to pay part of the cost of (i) a new fire station and (ii) certain marina and trail system improvements, together with necessary site preparation and improvements; and

WHEREAS, the Prior Bonds are “outstanding securities” of the City within the meaning of Act 34; and

WHEREAS, the City has been advised that it may be able to accomplish a net savings of debt service costs by refunding all or a portion of the outstanding Prior Bonds through the issuance of refunding bonds by the City; and

WHEREAS, the City desires to issue refunding bonds pursuant to Act 34 in an aggregate principal amount of not to exceed Five Million One Hundred Thousand Dollars (\$5,100,000) for the purpose of paying all or part of the cost of refunding all or part of the Prior Bonds in order to achieve interest cost savings for the benefit of the City and its taxpayers; and

WHEREAS, the City desires to negotiate the sale of the Bonds to Robert W. Baird & Co. (the “Underwriter”) within the parameters established by this Resolution.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. Authorization of Bonds; Bond Details. Bonds of the City shall be issued in the aggregate principal amount of not to exceed Five Million One Hundred Thousand Dollars (\$5,100,000), as finally determined upon sale thereof, to be designated LIMITED TAX GENERAL OBLIGATION REFUNDING BONDS, SERIES 2016 (the “Bonds”), for the purpose of paying the cost of refunding all or a portion of the Prior Bonds and issuance costs of the Bonds.

The Bonds shall consist of bonds registered as to principal and interest of the denomination of \$5,000 or multiples thereof not exceeding for each maturity the aggregate principal amount of such maturity. The Bonds will be dated as of the date of delivery, or such other date as determined by the City Manager or Director of Finance (each, an “Authorized Officer”), be payable on October 1 (or such other date as determined at the time of sale thereof) in the years and in the annual amounts determined at the time of sale, provided that the final maturity date of the Bonds shall not exceed the final maturity date of the Prior Bonds. The Bonds shall bear interest at a rate or rates to be determined upon negotiated sale thereof, payable semi-annually on April 1 and October 1, first payable as determined by an Authorized Officer at the time of sale, *provided that* the interest rate on the Bonds shall not exceed 5.00% per annum and the underwriter’s discount shall not exceed 2.00% of the par amount of the Bonds, exclusive of original issue discount. The Bonds may be issued as serial or term bonds or both and may be subject to redemption prior to maturity as determined at the time of sale.

Interest on the Bonds shall be paid by check drawn on the Transfer Agent mailed to the registered owner of the Bonds at the registered address, as shown on the registration books of the City maintained by the Transfer Agent. Interest shall be payable to the registered owner of record as of the fifteenth day of the month prior to the payment date for each interest payment. The date of determination of registered owner for purposes of payment of interest as provided in this paragraph may be changed by the City to conform to market practice in the future. The principal of the Bonds shall be payable at The Bank of New York Mellon Trust Company, N.A., Detroit, Michigan, or such other transfer agent as may be designated by an Authorized Officer, as a registrar and transfer agent for the Bonds (the “Transfer Agent”).

Unless waived by any registered owner of Bonds to be redeemed, official notice of redemption shall be given by the Transfer Agent on behalf of the City. Such notice shall be dated and shall contain at a minimum the following information: original issue date; maturity dates; interest rates; CUSIP numbers, if any; certificate numbers (and in the case of partial redemption) the called amounts of each certificate; the redemption date; the redemption price or premium; the place where Bonds called for redemption are to be surrendered for payment; and that interest on Bonds or portions thereof called for redemption shall cease to accrue from and after the redemption date.

In addition, further notice shall be given by the Transfer Agent in such manner as may be required or suggested by regulations or market practice at the applicable time, but no defect in such further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed herein.

2. Execution of Bonds; Book-Entry Only Form. The Bonds shall be signed by the facsimile signatures of the Mayor and the City Clerk and shall have the facsimile seal of the City printed on the Bonds. No Bond shall be valid until authenticated by an authorized representative of the Transfer Agent. The Bonds shall be delivered to the Transfer Agent for authentication and be delivered by it to the purchaser in accordance with instructions from the Director of Finance upon payment of the purchase price for the Bonds in accordance with the offer therefor when accepted. Executed blank certificates for registration and issuance to transferees shall simultaneously, and from time to time thereafter as necessary, be delivered to the Transfer Agent for safekeeping.

The Bonds may be issued in book-entry-only form through The Depository Trust Company in New York, New York (“DTC”) and the Authorized Officers are authorized to execute such custodial or other agreements with DTC as may be necessary to accomplish the issuance of the Bonds in book entry only form and to make such change in the Bond Form within the parameters of this Resolution as may be required to accomplish the foregoing.

3. Transfer of Bonds. The Transfer Agent shall keep the books of registration for this issue on behalf of the City. Any Bond may be transferred upon such registration books by the registered owner of record, in person or by the registered owner’s duly authorized attorney, upon surrender of the Bond for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Transfer Agent. Whenever any Bond or Bonds shall be surrendered for transfer, the City shall execute and the Transfer Agent shall authenticate and deliver a new Bond or Bonds, for like aggregate principal amount. The Transfer Agent shall require the payment by the bondholder requesting the transfer of any tax or other governmental charge required to be paid with respect to the transfer.

4. Security for Bonds; Limited Tax Pledge of City; Defeasance of Bonds. The City hereby pledges its limited tax full faith and credit for the prompt payment of the principal and interest on the Bonds. The City shall, each year budget the amount of the debt service coming due in the next fiscal year on the principal of and interest on the Bonds and shall advance as a first budget obligation from its general funds available therefor, or, if necessary levy taxes upon all taxable property in the City subject to applicable constitutional, statutory and charter tax rate limitations, such sums as may be necessary to pay such debt service in said fiscal year. The City Treasurer is authorized and directed to open a separate fund with a bank or trust company designated by the City Commission to be known as the LIMITED TAX GENERAL OBLIGATION REFUNDING BONDS, SERIES 2016 DEBT RETIREMENT FUND (the “Debt Retirement Fund”), the moneys to be deposited into the Debt Retirement Fund to be specifically earmarked and used solely for the purpose of paying principal of and interest on the Bonds as they mature. Into said fund there shall be placed the accrued interest, if any, received at the time of delivery of the Bonds.

In the event cash or direct obligations of the United States or obligations the principal of and interest on which are guaranteed by the United States, or a combination thereof, the principal of and interest on which, without reinvestment, come due at times and in amounts sufficient to pay the principal of and interest on the Bonds when due, shall be deposited in trust, this Resolution shall be defeased and the owners of the Bonds shall have no further rights under this Resolution except to receive payment of the principal of and interest on the Bonds from the cash or securities deposited in trust and the interest and gains thereon and to transfer and exchange Bonds as provided herein.

5. Issuance Fund; Escrow Account; Proceeds of Bond Sale. Proceeds of the Bonds shall be

used to pay the costs of issuance of the Bonds and to secure payment of the Prior Bonds to be refunded (the “Refunded Bonds”) as provided in this paragraph. Upon receipt of the proceeds of sale of the Bonds, the accrued interest and premium, if any, shall be deposited in the Debt Retirement Fund for the Bonds. From the proceeds of the Bonds there shall next be set aside a sum sufficient to pay the costs of issuance of the Bonds in a fund designated LIMITED TAX GENERAL OBLIGATION REFUNDING BONDS, SERIES 2016 BOND ISSUANCE FUND (the “Bond Issuance Fund”), which may be established by the City or an escrow agent. The moneys in the Bond Issuance Fund shall be used solely to pay the costs of issuance of the Bonds. Any amounts remaining in the Bond Issuance Fund after payment of issuance expenses shall be transferred to the Debt Retirement Fund for the Bonds. The balance of the proceeds of the Bonds, together with other available funds of the City, if any, shall be deposited in an escrow fund (the “Escrow Fund”) consisting of cash or cash and investments in direct obligations of or obligations the principal of and interest on where are unconditionally guaranteed by the United States of America or other obligations the principal of and interest on which are fully secured by the foregoing (the “Escrow Securities”) and used to pay the principal of and interest on all or a portion of the Refunded Bonds as determined by an Authorized Officer at the time of sale. Each of the Authorized Officers is hereby authorized to select and appoint a bank or trust company qualified to serve as Escrow Agent (the “Escrow Agent”) and to negotiate the terms of and execute and deliver an Escrow Agreement (the “Escrow Agreement”) on behalf of the City. The Escrow Fund shall be held by pursuant to the Escrow Agreement which shall irrevocably direct the Escrow Agent to take all necessary steps to call the Refunded Bonds for redemption on the first date such Refunded Bonds may be called for redemption. Each Authorized Officer is authorized and directed to appoint an Escrow Agent and execute the Escrow Agreement on behalf of the City. The amounts held in the Escrow Fund shall be such that the cash and investments and income received thereon will be sufficient without reinvestment to pay the principal of and interest on the Refunded Bonds when due at maturity or call for redemption as required by this section. Each Authorized Officer is authorized and directed to purchase or cause to be purchased, Escrow Securities, including but not limited to, United States Treasury Obligations – State and Local Government Series (SLGS), in an amount sufficient to fund the Escrow Fund.

6. Bond Form. The Bonds shall be in substantially the following form with such changes as may be required to conform to the final terms of the Bonds established by the Sale Order:

UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTY OF MUSKEGON

CITY OF MUSKEGON

LIMITED TAX GENERAL OBLIGATION REFUNDING BOND, SERIES 2016

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
	October 1, ____	_____, 2016	

Registered Owner:

Principal Amount: _____ Dollars

The City of Muskegon, County of Muskegon, State of Michigan (the "City"), acknowledges itself to owe and for value received hereby promises to pay to the Registered Owner specified above, or registered assigns, the Principal Amount specified above, in lawful money of the United States of America, on the Maturity Date specified above, unless prepaid prior thereto as hereinafter provided, with interest thereon (computed on the basis of a 360 day year consisting of twelve 30-day months) from the Date of Original Issue specified above or such later date to which interest has been paid, at the Interest Rate per annum specified above, payable on October 1, 2016 and semiannually thereafter. Principal of this bond is payable upon presentation and surrender of this bond at the corporate trust office of The Bank of New York Mellon Trust Company, N.A., Detroit, Michigan, as registrar and transfer agent for the Bonds or such other transfer agent as the City may hereafter designate (the "Transfer Agent") by notice mailed to the registered owner not less than sixty (60) days prior to an interest payment date. Interest on this bond is payable to the person or entity which is the registered owner of record as of the 15th day of the month preceding the interest payment date as shown on the registration books of the City kept by the Transfer Agent, by check or draft mailed by the Transfer Agent to the registered owner of record at the registered address.

This bond is one of a series of bonds of even date of original issue aggregating the principal sum of \$_____, issued pursuant to Act 34, Public Acts of Michigan, 2001, as amended, and a resolution duly adopted by the City Commission of the City for the purpose of paying all or part of the cost of refunding certain outstanding securities of the City.

This bond, including the interest thereon, is payable as a first budget obligation from the general funds of the City, and the City is required, if necessary, to levy ad valorem taxes on all taxable property in the City for the payment thereof, subject to applicable constitutional, statutory, and charter tax rate limitations. For prompt payment of this bond, both principal and interest, the full faith, credit and resources of the City are hereby irrevocably pledged.

Bonds maturing in the years 2017 through 20___, inclusive, shall not be subject to redemption prior to maturity. Bonds or portions of bonds in multiples of \$5,000 maturing in the year 20___ and thereafter shall be subject to redemption prior to maturity, at the option of the City, in any order of maturity and by lot within any maturity, on any date on or after May 1, 20___, at par and accrued interest to the date fixed for redemption.

MILLER, CANFIELD, PADDOCK AND STONE, P.L.L.C.

[Insert Term Bond redemption provisions, if necessary.]

In case less than the full amount of an outstanding bond is called for redemption, the Transfer Agent, upon presentation of the bond called for redemption, shall register, authenticate and deliver to the registered owner of record a new bond in the principal amount of the portion of the original bond not called for redemption.

Notice of redemption shall be given to the registered owner of any bond or portion thereof called for redemption by mailing of such notice not less than thirty (30) days prior to the date fixed for redemption to the registered address of the registered owner of record. A bond or portion thereof so called for redemption shall not bear interest after the date fixed for redemption provided funds are on hand with the Transfer Agent to redeem said bond or portion thereof.

This bond is transferable only upon the registration books of the City kept by the Transfer Agent by the registered owner of record in person, or by the registered owner's attorney duly authorized in writing. Upon the surrender of this bond together with a written instrument of transfer satisfactory to the Transfer Agent duly executed by the registered owner or the registered owner's attorney duly authorized in writing and upon the payment of the charges, if any, prescribed in the resolution authorizing this bond, a new registered bond or bonds in the same aggregate principal amount and of the same maturity shall be issued to the transferee in exchange therefor as provided in the resolution authorizing this bond. Neither the City nor the Transfer Agent shall be required to transfer or exchange this bond or portion of this bond either during the period of fifteen (15) days immediately preceding the date of the mailing of any notice of redemption or (except as to the unredeemed portion, if any, of this bond) after this bond or any portion of this bond has been selected for redemption.

It is hereby certified and recited that all acts, conditions and things required by law to be done, precedent to and in the issuance of this bond and the series of bonds of which this is one, exist and have been done and performed in regular and due form and time as required by law, and that the total indebtedness of the City, including this bond and the series of bonds of which this is one, does not exceed any constitutional, statutory or charter debt limitation.

This bond is not valid or obligatory for any purpose until the Transfer Agent's Certificate of Authentication on this bond has been executed by the Transfer Agent.

IN WITNESS WHEREOF, the City of Muskegon, County of Muskegon, State of Michigan, by its City Commission, has caused this bond to be signed in the name of the City by the facsimile signatures of its Mayor and City Clerk and a facsimile of its corporate seal to be printed hereon, all as of the Date of Original Issue.

CITY OF MUSKEGON
County of Muskegon
State of Michigan

By: _____
Its Mayor

(SEAL)

By: _____
Its City Clerk

[FORM OF TRANSFER AGENT'S CERTIFICATE OF AUTHENTICATION]

Date of Registration:

Certificate of Authentication

This bond is one of the bonds described in the within-mentioned resolution.

_____, Michigan

Transfer Agent

By: _____

Authorized Signature

7. Negotiated Sale. The City Commission has considered the option of selling the Bonds through a competitive sale and a negotiated sale, and pursuant to the requirements of Act 34, hereby determines that a negotiated sale of the Bonds to the Underwriter will result in the most efficient and expeditious means of selling the Bonds and will result in the lowest interest cost to the City and hereby approves the Underwriter as the purchaser of the Bonds.

8. Bond Purchase Agreement; Delegation to Authorized Officers; Sale Order. Each Authorized Officer is hereby authorized to negotiate the sale of the Bonds with the Underwriter, negotiate and execute a Bond Purchase Agreement, execute a Sale Order specifying the final terms of the Bonds and take all other necessary actions required.

9. Adjustment of Bond Terms. The Authorized Officers are each hereby authorized to adjust the final bond details as set forth herein to the extent necessary or convenient to complete the sale of the Bonds and in pursuance of the forgoing is each authorized to exercise the authority and make the determinations pursuant to Sections 315(1)(d) of Act 34, including but not limited to determinations regarding interest rates, prices, discounts, maturities, principal amounts, denominations, date of issuance, interest payment dates, redemption rights and other matters within the parameters established by this resolution; provided that the principal amount of Bonds issued shall not exceed the principal amount authorized in this resolution, the interest rate on the Bonds shall not exceed five percent (5.00%) per annum and the underwriter's discount shall not exceed 2.00% of the par amount of the Bonds, exclusive of original issue discount.

10. Tax Covenant; Qualified Tax Exempt Obligations. The City shall, to the extent permitted by law, take all actions within its control necessary to maintain the exclusion of the interest on the Bonds from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "Code"), including, but not limited to, actions relating to any required rebate of arbitrage earnings and the expenditures and investment of Bond proceeds and moneys deemed to be Bond proceeds. The City hereby designates the Bonds as "qualified tax exempt obligations" for purposes of deduction of interest expense by financial institutions pursuant to the Code.

11. Official Statement; Qualification for Insurance; Ratings. The Authorized Officers are each hereby authorized and directed to (a) approve the circulation of a preliminary official statement describing the Bonds and to deem the preliminary official statement "final" for purposes of Rule 15c2-12 of the SEC; (b) solicit bids for and approve the purchase of a municipal bond insurance policy for the Bonds, if deemed economically advantageous to the City; (c) apply for ratings on the Bonds; and, (d) do all other acts and take all other necessary procedures required to effectuate the sale, issuance and delivery of the Bonds.

12. Continuing Disclosure Undertaking. The City agrees to enter into a continuing disclosure undertaking for the benefit of the holders and beneficial owners of the Bonds in accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, and the Authorized Officers are each hereby authorized to execute such undertaking prior to delivery of the Bonds.

13. Authorization of Other Actions. The Authorized Officers are each authorized and directed to (a) approve the circulation of a preliminary official statement describing the Bonds and to deem the preliminary official statement "final" for purposes of Rule 15c2-12 of the SEC; (b) approve the circulation of a final official statement describing the Bonds and to execute the same on behalf of the

City; (c) solicit bids for and approve the purchase of a municipal bond insurance policy for the Bonds; and (d) do all other acts and take all other necessary procedures, and to make such other filings with any parties, including the Michigan Department of Treasury, necessary or desirable to effectuate the sale, issuance and delivery of the Bonds.

14. Bond Counsel. Miller, Canfield, Paddock and Stone, P.L.C. is hereby appointed to serve as bond counsel for the Bonds, notwithstanding the periodic representation in unrelated matters of the Underwriter and other parties or potential parties to the transaction contemplated by this resolution.

15. Rescission. All resolutions and parts of resolutions insofar as they conflict with the provisions of this Resolution be and the same hereby are rescinded.

AYES: Members: _____

NAYS: Members: _____

RESOLUTION DECLARED ADOPTED.

Kimberly Grimm
Deputy City Clerk

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 26, 2016, 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.

Kimberly Grimm
Deputy City Clerk

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SUMMARY OF BONDS REFUNDED

City of Muskegon, Michigan
Limited Tax General Obligation Refunding Bonds, Series 2015
Advance Refunding of 2006 Capital Improvement Bonds
Hypothetical Interest Rates as of December 1, 2015
Assumes Bond Insurance with Underlying Rating of 'A+'

Table with 6 columns: Bond, Maturity Date, Interest Rate, Par Amount, Call Date, Call Price. It lists 2006 Limited Tax General Obligation Bonds with various maturity dates from 2017 to 2032 and a total par amount of 4,815,000.00.

Notes:

Robert W. Baird & Co. Incorporated ('Baird') is not recommending any action to you. Baird is not acting as an advisor to you and does not owe you a fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934. Baird is acting for its own interests. You should discuss the information contained herein with any and all internal or external advisors and experts you deem appropriate before acting on the information. Baird seeks to serve as an underwriter (or placement agent) on a future transaction and not as a financial advisor or municipal advisor. The primary role of an underwriter (or placement agent) is to purchase, or arrange for the placement of, securities in an arm's length commercial transaction with the issuer, and it has financial and other interests that differ from those of the issuer. The information provided is for discussion purposes only, in seeking to serve as underwriter (or placement agent). See 'Important Disclosures' contained herein.

PRIOR BOND DEBT SERVICE

City of Muskegon, Michigan
 Limited Tax General Obligation Refunding Bonds, Series 2015
 Advance Refunding of 2006 Capital Improvement Bonds
 Hypothetical Interest Rates as of December 1, 2015
 Assumes Bond Insurance with Underlying Rating of 'A+'

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
04/01/2016			97,872.50	97,872.50	
06/30/2016					97,872.50
10/01/2016			97,872.50	97,872.50	
04/01/2017			97,872.50	97,872.50	
06/30/2017					195,745.00
10/01/2017	70,000	4.000%	97,872.50	167,872.50	
04/01/2018			96,472.50	96,472.50	
06/30/2018					264,345.00
10/01/2018	70,000	4.000%	96,472.50	166,472.50	
04/01/2019			95,072.50	95,072.50	
06/30/2019					261,545.00
10/01/2019	295,000	4.000%	95,072.50	390,072.50	
04/01/2020			89,172.50	89,172.50	
06/30/2020					479,245.00
10/01/2020	305,000	4.000%	89,172.50	394,172.50	
04/01/2021			83,072.50	83,072.50	
06/30/2021					477,245.00
10/01/2021	315,000	4.000%	83,072.50	398,072.50	
04/01/2022			76,772.50	76,772.50	
06/30/2022					474,845.00
10/01/2022	315,000	4.000%	76,772.50	391,772.50	
04/01/2023			70,472.50	70,472.50	
06/30/2023					462,245.00
10/01/2023	320,000	4.000%	70,472.50	390,472.50	
04/01/2024			64,072.50	64,072.50	
06/30/2024					454,545.00
10/01/2024	340,000	4.000%	64,072.50	404,072.50	
04/01/2025			57,272.50	57,272.50	
06/30/2025					461,345.00
10/01/2025	345,000	4.000%	57,272.50	402,272.50	
04/01/2026			50,372.50	50,372.50	
06/30/2026					452,645.00
10/01/2026	345,000	4.000%	50,372.50	395,372.50	
04/01/2027			43,472.50	43,472.50	
06/30/2027					438,845.00
10/01/2027	345,000	4.100%	43,472.50	388,472.50	
04/01/2028			36,400.00	36,400.00	
06/30/2028					424,872.50
10/01/2028	350,000	4.100%	36,400.00	386,400.00	
04/01/2029			29,225.00	29,225.00	
06/30/2029					415,625.00
10/01/2029	350,000	4.100%	29,225.00	379,225.00	
04/01/2030			22,050.00	22,050.00	
06/30/2030					401,275.00
10/01/2030	350,000	4.200%	22,050.00	372,050.00	
04/01/2031			14,700.00	14,700.00	
06/30/2031					386,750.00
10/01/2031	350,000	4.200%	14,700.00	364,700.00	
04/01/2032			7,350.00	7,350.00	
06/30/2032					372,050.00
10/01/2032	350,000	4.200%	7,350.00	357,350.00	
06/30/2033					357,350.00
	4,815,000		2,063,390.00	6,878,390.00	6,878,390.00

BOND DEBT SERVICE

City of Muskegon, Michigan
 Limited Tax General Obligation Refunding Bonds, Series 2015
 Advance Refunding of 2006 Capital Improvement Bonds
 Hypothetical Interest Rates as of December 1, 2015
 Assumes Bond Insurance with Underlying Rating of 'A+'

Assumed Dated Date 02/01/2016
 Assumed Delivery Date 02/01/2016

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
04/01/2016			28,516.67	28,516.67	
06/30/2016					28,516.67
10/01/2016	5,000	2.000%	85,550.00	90,550.00	
04/01/2017			85,500.00	85,500.00	
06/30/2017					176,050.00
10/01/2017	70,000	2.000%	85,500.00	155,500.00	
04/01/2018			84,800.00	84,800.00	
06/30/2018					240,300.00
10/01/2018	70,000	3.000%	84,800.00	154,800.00	
04/01/2019			83,750.00	83,750.00	
06/30/2019					238,550.00
10/01/2019	295,000	3.000%	83,750.00	378,750.00	
04/01/2020			79,325.00	79,325.00	
06/30/2020					458,075.00
10/01/2020	300,000	3.000%	79,325.00	379,325.00	
04/01/2021			74,825.00	74,825.00	
06/30/2021					454,150.00
10/01/2021	310,000	3.000%	74,825.00	384,825.00	
04/01/2022			70,175.00	70,175.00	
06/30/2022					455,000.00
10/01/2022	305,000	3.000%	70,175.00	375,175.00	
04/01/2023			65,600.00	65,600.00	
06/30/2023					440,775.00
10/01/2023	305,000	4.000%	65,600.00	370,600.00	
04/01/2024			59,500.00	59,500.00	
06/30/2024					430,100.00
10/01/2024	325,000	4.000%	59,500.00	384,500.00	
04/01/2025			53,000.00	53,000.00	
06/30/2025					437,500.00
10/01/2025	330,000	4.000%	53,000.00	383,000.00	
04/01/2026			46,400.00	46,400.00	
06/30/2026					429,400.00
10/01/2026	330,000	4.000%	46,400.00	376,400.00	
04/01/2027			39,800.00	39,800.00	
06/30/2027					416,200.00
10/01/2027	330,000	4.000%	39,800.00	369,800.00	
04/01/2028			33,200.00	33,200.00	
06/30/2028					403,000.00
10/01/2028	335,000	4.000%	33,200.00	368,200.00	
04/01/2029			26,500.00	26,500.00	
06/30/2029					394,700.00
10/01/2029	335,000	4.000%	26,500.00	361,500.00	
04/01/2030			19,800.00	19,800.00	
06/30/2030					381,300.00
10/01/2030	330,000	4.000%	19,800.00	349,800.00	
04/01/2031			13,200.00	13,200.00	
06/30/2031					363,000.00
10/01/2031	330,000	4.000%	13,200.00	343,200.00	
04/01/2032			6,600.00	6,600.00	
06/30/2032					349,800.00
10/01/2032	330,000	4.000%	6,600.00	336,600.00	
06/30/2033					336,600.00
	4,635,000		1,798,016.67	6,433,016.67	6,433,016.67

BOND PRICING

City of Muskegon, Michigan
 Limited Tax General Obligation Refunding Bonds, Series 2015
 Advance Refunding of 2006 Capital Improvement Bonds
 Hypothetical Interest Rates as of December 1, 2015
 Assumes Bond Insurance with Underlying Rating of 'A+'

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Call Date	Call Price
Serial Bonds Through 2032:								
	10/01/2016	5,000	2.000%	0.850%	100.762			
	10/01/2017	70,000	2.000%	1.200%	101.315			
	10/01/2018	70,000	3.000%	1.400%	104.172			
	10/01/2019	295,000	3.000%	1.450%	105.514			
	10/01/2020	300,000	3.000%	1.650%	106.038			
	10/01/2021	310,000	3.000%	1.850%	106.158			
	10/01/2022	305,000	3.000%	2.000%	106.210			
	10/01/2023	305,000	4.000%	2.100%	113.387			
	10/01/2024	325,000	4.000%	2.250%	113.707			
	10/01/2025	330,000	4.000%	2.350%	114.191			
	10/01/2026	330,000	4.000%	2.500%	112.807 C	2.616%	10/01/2025	100.000
	10/01/2027	330,000	4.000%	2.600%	111.895 C	2.798%	10/01/2025	100.000
	10/01/2028	335,000	4.000%	2.700%	110.992 C	2.953%	10/01/2025	100.000
	10/01/2029	335,000	4.000%	2.800%	110.098 C	3.088%	10/01/2025	100.000
	10/01/2030	330,000	4.000%	2.900%	109.211 C	3.207%	10/01/2025	100.000
	10/01/2031	330,000	4.000%	3.000%	108.334 C	3.313%	10/01/2025	100.000
	10/01/2032	330,000	4.000%	3.100%	107.464 C	3.409%	10/01/2025	100.000
		4,635,000						

Assumed Dated Date	02/01/2016	
Assumed Delivery Date	02/01/2016	
First Coupon	04/01/2016	
Par Amount	4,635,000.00	
Premium	443,195.80	
	<hr/>	
Production	5,078,195.80	109.561937%
Underwriter's Discount	-46,350.00	-1.000000%
	<hr/>	
Purchase Price	5,031,845.80	108.561937%
Accrued Interest		
	<hr/>	
Net Proceeds	5,031,845.80	

Notes:

Hypothetical Underwriter's Discount. Preliminary, estimated, subject to change.

This illustration represents a mathematical calculation of potential interest cost savings, assuming hypothetical interest rates based on current rates for municipal bonds as of December 1, 2015. Actual rates may vary. If actual rates are higher than those assumed, the interest cost savings would be lower. This illustration provides information and is not intended to be a recommendation, proposal or suggestion for a refinancing or otherwise considered as advice.

A sensitivity analysis is included in the 'Refund Batch Summary' on the last page of this information.



SAVINGS

City of Muskegon, Michigan
Limited Tax General Obligation Refunding Bonds, Series 2015
Advance Refunding of 2006 Capital Improvement Bonds
Hypothetical Interest Rates as of December 1, 2015
Assumes Bond Insurance with Underlying Rating of 'A+'

Date	Prior Debt Service	Prior Receipts	Prior Net Cash Flow	Refunding Debt Service	Refunding Receipts	Refunding Net Cash Flow	Savings	Present Value to 02/01/2016 @ 3.0815442%
06/30/2016	97,872.50	65,248.33	32,624.17	28,516.67	601.43	27,915.24	4,708.93	4,356.34
06/30/2017	195,745.00		195,745.00	176,050.00		176,050.00	19,695.00	19,113.59
06/30/2018	264,345.00		264,345.00	240,300.00		240,300.00	24,045.00	22,681.88
06/30/2019	261,545.00		261,545.00	238,550.00		238,550.00	22,995.00	21,035.88
06/30/2020	479,245.00		479,245.00	458,075.00		458,075.00	21,170.00	18,790.91
06/30/2021	477,245.00		477,245.00	454,150.00		454,150.00	23,095.00	19,915.01
06/30/2022	474,845.00		474,845.00	455,000.00		455,000.00	19,845.00	16,603.37
06/30/2023	462,245.00		462,245.00	440,775.00		440,775.00	21,470.00	17,449.96
06/30/2024	454,545.00		454,545.00	430,100.00		430,100.00	24,445.00	19,281.25
06/30/2025	461,345.00		461,345.00	437,500.00		437,500.00	23,845.00	18,243.73
06/30/2026	452,645.00		452,645.00	429,400.00		429,400.00	23,245.00	17,251.21
06/30/2027	438,845.00		438,845.00	416,200.00		416,200.00	22,645.00	16,301.93
06/30/2028	424,872.50		424,872.50	403,000.00		403,000.00	21,872.50	15,275.28
06/30/2029	415,625.00		415,625.00	394,700.00		394,700.00	20,925.00	14,176.90
06/30/2030	401,275.00		401,275.00	381,300.00		381,300.00	19,975.00	13,129.19
06/30/2031	386,750.00		386,750.00	363,000.00		363,000.00	23,750.00	15,151.66
06/30/2032	372,050.00		372,050.00	349,800.00		349,800.00	22,250.00	13,773.36
06/30/2033	357,350.00		357,350.00	336,600.00		336,600.00	20,750.00	12,464.34
	6,878,390.00	65,248.33	6,813,141.67	6,433,016.67	601.43	6,432,415.24	380,726.43	294,995.81

Savings Summary

PV of savings from cash flow	294,995.81
Potential Net PV Savings	294,995.81

Note: Present Value savings are net of hypothetical costs of issuance, assumed to equal 3% of par.

SUMMARY OF REFUNDING RESULTS

City of Muskegon, Michigan
Limited Tax General Obligation Refunding Bonds, Series 2015
Advance Refunding of 2006 Capital Improvement Bonds
Hypothetical Interest Rates as of December 1, 2015
Assumes Bond Insurance with Underlying Rating of 'A+'

Assumed Dated Date	02/01/2016
Assumed Delivery Date	02/01/2016
Arbitrage yield	2.559791%
Escrow yield	0.457441%
Value of Negative Arbitrage	68,034.81
Bond Par Amount	4,635,000.00
Potential True Interest Cost	2.837629%
Potential Net Interest Cost	3.005192%
Potential All-In TIC	3.081544%
Average Coupon	3.856336%
Average Life	10.059
Par amount of refunded bonds	4,815,000.00
Average coupon of refunded bonds	4.094553%
Average life of refunded bonds	10.135
PV of prior debt to 02/01/2016 @ 3.081544%	5,290,756.44
Potential Net PV Savings	294,995.81
Percentage savings of refunded bonds	6.126600%
Percentage savings of refunding bonds	6.364527%

IMPORTANT DISCLOSURES

City of Muskegon, Michigan
Limited Tax General Obligation Refunding Bonds, Series 2015
Advance Refunding of 2006 Capital Improvement Bonds
Hypothetical Interest Rates as of December 1, 2015
Assumes Bond Insurance with Underlying Rating of 'A+'

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REFUND BATCH SUMMARY

Coupon Offset	Escrow Offset	Refunding Par	Net Present Value Savings	Refunded PV Savings Pct	Arbitrage Yield
-0.500%	0.000%	4,630,000.00	521,968.61	10.840%	2.047%
-0.400%	0.000%	4,630,000.00	475,874.57	9.883%	2.149%
-0.300%	0.000%	4,630,000.00	429,508.80	8.920%	2.252%
-0.200%	0.000%	4,635,000.00	384,213.37	7.980%	2.355%
-0.100%	0.000%	4,635,000.00	339,415.80	7.049%	2.457%
0.000%	0.000%	4,635,000.00	294,995.81	6.127%	2.560%
0.100%	0.000%	4,640,000.00	251,468.65	5.223%	2.662%
0.200%	0.000%	4,640,000.00	208,139.97	4.323%	2.764%
0.300%	0.000%	4,640,000.00	164,260.55	3.411%	2.869%
0.400%	0.000%	4,645,000.00	122,617.97	2.547%	2.970%
0.500%	0.000%	4,645,000.00	80,729.34	1.677%	3.072%

Assumptions:

Case	REF06
Refunding Series	REF06
Delivery Date	02/01/2016