

# CITY OF MUSKEGON

## CITY COMMISSION MEETING

MARCH 27, 2012

CITY COMMISSION CHAMBERS @ 5:30 P.M.

### AGENDA

- ❑ CALL TO ORDER:
- ❑ PRAYER:
- ❑ PLEDGE OF ALLEGIANCE:
- ❑ ROLL CALL:
- ❑ HONORS AND AWARDS:
- ❑ INTRODUCTIONS/PRESENTATION:
  - A. Social Justice Committee.
- ❑ CONSENT AGENDA:
  - A. Approval of Minutes. CITY CLERK
  - B. 2012-13 Healthcare & Wellness Program. FINANCE
  - C. Request to Submit a Grant Application to Reconstruct Getty Street from Evanston to Apple Avenue. ENGINEERING
  - D. Sale of Buildable Vacant Lot at 1660 7<sup>th</sup> Street. PLANNING & ECONOMIC DEVELOPMENT
  - E. Sale of Buildable Vacant Lot at 354 McLaughlin Avenue. PLANNING & ECONOMIC DEVELOPMENT
- ❑ PUBLIC HEARINGS:
  - A. Request for the Establishment of an Industrial Development District at 444 Irwin Avenue. PLANNING & ECONOMIC DEVELOPMENT
- ❑ COMMUNICATIONS:
- ❑ CITY MANAGER'S REPORT:
- ❑ UNFINISHED BUSINESS:
- ❑ NEW BUSINESS:
  - A. DDA On-Premise Liquor License for Curry Kitchen. PLANNING & ECONOMIC DEVELOPMENT

## B. Water Rate Increase. FINANCE

### ❑ 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 BECKER, CITY CLERK, 933 TERRACE STREET, MUSKEGON, MI 49440 OR BY CALLING (231) 724-6705 OR TDD: (231) 724-4172.

Date: March 27, 2012  
To: Honorable Mayor and City Commissioners  
From: Ann Marie Cummings, City Clerk  
RE: Approval of Minutes

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**SUMMARY OF REQUEST:** To approve minutes of the March 12<sup>th</sup> Commission Worksession Meeting and the March 13<sup>th</sup> City Commission Meeting.

**FINANCIAL IMPACT:** None.

**BUDGET ACTION REQUIRED:** None.

**STAFF RECOMMENDATION:** Approval of the minutes.

City of Muskegon  
City Commission Worksession  
March 12, 2012  
City Commission Chambers  
5:30 PM

MINUTES

2012-14

Present: Commissioners Warmington, Gawron (arrived 5:37 p.m.), Hood, Wierengo, German, Turnquist, and Spataro.

Absent: None.

**Solid Waste Proposal.**

This is a request to begin negotiations with Republic Services (Allied Waste) on a contract extension. Republic Services submitted a letter proposing an extension to our current solid waste contract which is slated to expire at the end of 2012.

This item has been placed on the March 13, 2012 agenda for Commission consideration.

**Restriction to Lawn Parking.**

Vice Mayor Gawron questioned terrace parking. Individuals with alley access are parking on the terrace onto sidewalks and front yards as well as adjacent property owner's terrace.

**Motion by Commissioner Spataro, seconded by Commissioner Turnquist to suspend on-street parking restrictions as of March 17 at 12:01 a.m. for the rest of the season and direct staff to review the ordinance for next year.**

**Ayes: Hood, Spataro, German, Gawron, Wierengo, Turnquist, and Warmington.**

**Nays: None.**

***MOTION PASSES***

**Anti-Discrimination Policy Request.**

Roberta King, 3393 Fulton Avenue, Muskegon, is requesting that the City add a provision to protect lesbian, gay, bi-sexual, and transgender (LGBT) individuals to its anti-discrimination language.

Aaron Wilson, 1233 Dunham, Grand Rapids, supports the proposed changes to the anti-discrimination language.

Gloria White-Gardner, 3742 Fairview Drive, Norton Shores, supports the proposed changes.

Staff was directed to write the correct language to add to the city's policy and take to the City Commission for approval.

**Adjournment.**

**Motion by Commissioner Hood, seconded by Commissioner German to adjourn at 6:48 p.m.**

***MOTION PASSES***

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**Ann Marie Cummings, MMC  
City Clerk**

# CITY OF MUSKEGON

## CITY COMMISSION MEETING

MARCH 13, 2012

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, March 13, 2012.

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

#### **ROLL CALL FOR THE REGULAR COMMISSION MEETING:**

Present: Mayor Stephen Warmington, Vice Mayor Stephen Gawron, Commissioners Lawrence Spataro, Willie German, Sue Wierengo, Byron Turnquist, and Eric Hood, City Manager Bryon Mazade, City Attorney John Schrier, and City Clerk Ann Marie Cummings.

#### **2012-15 CONSENT AGENDA:**

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

SUMMARY OF REQUEST: To approve minutes of the February 28<sup>th</sup> City Commission Meeting.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the minutes.

##### **B. National Bike to Work Week Proclamation. CITY CLERK**

SUMMARY OF REQUEST: The City Commission is asked to adopt the proclamation supporting National Bike to Work Week May 14 through May 18, 2012.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve the proclamation.

##### **C. Approval of Amendment to Norton Shores CDBG Contract with the City**

**of Muskegon.** COMMUNITY & NEIGHBORHOOD SERVICES

SUMMARY OF REQUEST: To approve the amendment to the contract for City of Norton Shores' two-year agreement with the City of Muskegon for CDBG Administration.

After an Environment Review audit by HUD, HUD has requested the agreement between the City of Norton Shores and the City of Muskegon be amended to include compliance with National Environmental Policy Act of 1969 (NEPA) and Part 58 for the Environmental Certification compliance forms.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve the amendment to the contract by the City of Norton Shores for the two-year agreement with the City of Muskegon for CDBG Administration to include compliance with NEPA and Part 58 for the Environmental Certification compliance forms.

COMMITTEE RECOMMENDATION: The Norton Shores City Council approved the amendment at their February 21<sup>st</sup> meeting.

**D. Lakeshore Trails Improvement Fund Agreement.** FINANCE

SUMMARY OF REQUEST: The Lakeshore Trails Improvement Fund was established as a small "grow-a-fund" entity at the Community Foundation several years ago using taxpayer-designated income tax refunds as seed money. The fund has now grown to a level (>\$10,000) at which it qualifies to be managed and invested as a full-fledged endowment fund by the Foundation.

The *organization endowment fund agreement* allows this transition to take place. The agreement has been reviewed by staff and the City Attorney.

FINANCIAL IMPACT: There is no immediate financial impact on the City. Longer-term, it is hoped that the fund will continue to grow and someday be used to help fund repairs and enhancements to the Trail – costs that would otherwise be borne by the City.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Authorization for the Mayor to sign the agreement.

**E. Water Filtration Plant East Clarifier Solids Pump Replacement.** PUBLIC WORKS

SUMMARY OF REQUEST: Authorize staff to purchase a Gorman-Rupp solids pump from the lowest responsible bidder Dubois-Cooper Associates, Inc. and contract with Allied Mechanical Services, Inc. to install for a total cost of \$12,410.

FINANCIAL IMPACT: \$12,410.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Authorize staff to purchase a Gorman-Rupp solids pump for the Water Filtration Plant East Clarifier sump from Dubois-Cooper Associates, Inc. for \$8,010.

Enter into a contract with Allied Mechanical to install the Gorman-Rupp solids pump and remove old pump for a cost of \$4,400.

**F. Solid Waste Proposal. PUBLIC WORKS**

SUMMARY OF REQUEST: Authorize staff to begin negotiation with Republic Services (Allied Waste) on a contract extension. Republic Services submitted the letter proposing an extension to our current solid waste contract which is slated to expire at the end of 2012. Staff's recommendation will be brought back to you for consideration at a later date.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Authorize staff to negotiate with Republic Services a possible contract extension.

**G. City - MDOT Agreement for Milling and Resurfacing of M-120 (Causeway). ENGINEERING**

SUMMARY OF REQUEST: To approve the contract with MDOT for the Milling & Resurfacing of M-120 (Causeway) from US-31 BR to Northerly City Limits, and to approve the resolution authorizing the Mayor and City Clerk to sign the contracts.

FINANCIAL IMPACT: The City's required participation on this MDOT project is expected to be around \$15,800.

BUDGET ACTION REQUIRED: The City's share of \$15,800 will need to be incorporated into the 2012/2013 CIP budget.

STAFF RECOMMENDATION: Approve the resolution and authorize the Mayor and Clerk to sign the contracts as well as authorize staff to incorporate this project into the 2012/2013 budget.

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

**ROLL VOTE: Ayes: German, Gawron, Wierengo, Turnquist, Warmington, Hood, and Spataro**

**Nays: None**

***MOTION PASSES***

**2012-16 PUBLIC HEARINGS:**

**A. Recommendation for Annual Renewal of Liquor Licenses. CITY CLERK**

SUMMARY OF REQUEST: To adopt a resolution recommending non-renewal of those liquor license establishments who are in violation of Section 50-146 and 50-147 of the Code of Ordinances for the City of Muskegon. These establishments have been found to be in non-compliance with the City Code of Ordinances and renewal of their liquor licenses should not be recommended by the City Commission. If any of these establishments come into compliance by March 22, 2012, they will be removed from this resolution, and recommendation for their renewal will be forwarded to the Liquor Control Commission.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Adoption of the resolution.

The Public Hearing opened to hear and consider any comments from the public. Comments were heard from Jen Osborn, 3125 Tule, Grand Rapids, representing CJ's on the Beach.

**Motion by Commissioner Spataro, second by Vice Mayor Gawron to close the Public Hearing and adopt the resolution with the removal of Shoreline Inn from the list.**

**ROLL VOTE: Ayes: Gawron, Wierengo, Turnquist, Warmington, Hood, Spataro, and German**

**Nays: None**

***MOTION PASSES***

**ANY OTHER BUSINESS:** Street lighting on Jefferson and concern of vandalism reports at Heritage Landing. Off street parking will be rescinded as of Saturday, March 17, this will be listed on NIXLE.com.

**PUBLIC PARTICIPATION:** Public comments received.

**2012-17 CLOSED SESSION: To Discuss Attorney/Client Information.**

**Motion by Commissioner Spataro, second by Vice Mayor Gawron to go into Closed Session to discuss attorney/client information.**

**ROLL VOTE: Ayes: Wierengo, Turnquist, Warmington, Hood, Spataro, German, and Gawron**

**Nays: None**

***MOTION PASSES***

**Motion by Commissioner Spataro, second by Commissioner German to come out of Closed Session.**

**ROLL VOTE: Ayes: Warmington, Hood, Spataro, German, Gawron, Wierengo,**

and Turnquist

Nays: None

*MOTION PASSES*

**ADJOURNMENT:** The City Commission Meeting adjourned at 6:40 p.m.

Respectfully submitted,

Ann Marie Cummings, MMC  
City Clerk

**Date:** March 27, 2012

**To:** Honorable Mayor and City Commissioners

**From:** Finance Director

**RE:** 2012-13 Healthcare & Wellness Program

**SUMMARY OF REQUEST:** It is time to renew the City's healthcare coverage for 2012-13 plan year (6/1/12-5/31/13). Renewal premiums for the City's current healthcare program have come in at a 7.90% increase over the current year. Last year we experienced an 8.83% increase and in 2010 the increase was 9.45%. In comparative terms, the rate increase is moderate as many employers are experiencing double-digit increases. Also, the City's healthcare costs remain well below the "hard cap limits" set by PA 152 and remain cost competitive with the standards set by EVIP for new hires.

For 2012-13, the City will continue to pay the HRA deductible if the employee and spouse complete the four-step wellness initiative prior to April 30th; non-participants in the wellness program pay the first \$500 (single)/ \$1,000 (double/family) of the deductible.

**FINANCIAL IMPACT:** Following is an estimate of gross premium costs for the Priority Health HMO program compared with the current year:

	2012-13			2011-12		
	Single	Double	Family	Single	Double	Family
Monthly Premium	\$ 411.99	\$ 926.96	\$ 1,112.37	\$ 381.84	\$ 859.12	\$ 1,030.95
Annual Premium	4,943.88	11,123.52	13,348.44	4,582.08	10,309.44	12,371.40
Current # Employees	35	40	134	35	40	134
Total Annual Premium	173,035.80	444,940.80	\$ 1,788,690.96	\$ 160,372.80	\$ 412,377.60	\$ 1,657,767.60
		2,406,667.56	7.90%		2,230,518.00	
Add: HRA Deductibles Paid by City		140,056.47	<b>Increase</b>			
Less: Employee Premium Copays		(182,471.00)				
Equals: Employer Cost		<b>\$ 2,364,253.03</b>				
	PA 152 Hard Cap Limits					
	\$ 5,500.00	\$ 11,000.00	\$ 15,000.00			
	192,500.00	440,000.00	2,010,000.00			
		<b>\$ 2,642,500.00</b>				
	EVIP Standards for New Hires					
	\$ 5,085.22	\$ 10,170.85	\$ 14,035.73			

Most employees currently pay 10% of the above premium costs via payroll deduction. Fire employees will start paying 10% effective 1/1/13. The contract for Police Patrol is currently unsettled.

**BUDGET ACTION REQUIRED:** Employee and retiree healthcare costs will be included in the forthcoming 2012-13 budget.

**STAFF RECOMMENDATION:** Authorize staff to execute documents with Priority Health to renew healthcare coverage.

2012

**PRIORITYHMO<sup>SM</sup> HRA COPAY ALIGNMENT RENEWAL RATE EXHIBIT  
GRANDFATHERED**

**Proposal for:** City of Muskegon

**Effective Date:** June 1, 2012

**Rate Guarantee:** For 12 months from the effective date of coverage, or to the renewal date of the traditional carrier, whichever is sooner.

**Benefit Level:** Basic agreement with: \$15 PCP Office Visit Copayment  
\$30 Specialist Office Visit Copayment  
100% Hospital Coverage

**Deductible:** \$1,000 Individual / \$2,000 Family Medical Deductible

**Riders:** \$10/\$40 Prescription Drug Copayment, Including Contraceptives  
Mail Order: 90-Day Supply at Two Times the Rx Copayment  
80% Durable Medical Equipment Coverage  
80% Prosthetic & Orthotics Coverage  
\$100 Advanced Imaging Copayment  
\$100 Emergency Room Copayment  
\$45 Urgent Care Copayment  
\$50 Ambulance Copayment  
Vision rider -- High Plan

**Monthly Rate:**

Single	Double	Family
\$411.99	\$926.96	\$1,112.37

From 134  
 Double 46  
 Single 35

PRIORITY HEALTH  
*Paula Brawdy*  
 Key Account Manager  
 February 22, 2012

- Rates are subject to approval by the Office of Financial and Insurance Regulation (OFIR)
- Please note rates, fees, and/or claims projections do not include the "Michigan claims tax" effective January 1, 2012, or similar fees or taxes that may be imposed by the Federal Government or the State of Michigan. Rates and fees will be adjusted as necessary to incorporate such assessments or taxes and will be communicated to you as soon as they are known.

Priority Health reserves the right to withdraw this rate exhibit up to the effective date of coverage should the account fail to meet minimum underwriting standards.

7.89%

Date: May 27, 2012  
To: Honorable Mayor and City Commission  
From: Engineering  
RE: Request to Submit a Grant Application to reconstruct:  
Getty St. from Evanston to Apple Ave.

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#### SUMMARY OF REQUEST:

Authorize staff to submit a grant application to MDOT for TEDF-F funds to reconstruct Getty Street from Evanston to Apple Ave. The request is for \$375,000 and will require a match of up to \$350,000 which will have to be budgeted for in the spring of 2013 since the grant application is 2014.

#### FINANCIAL IMPACT:

A local share of \$350,000 match plus engineering costs.

#### BUDGET ACTION REQUIRED:

None at this time.

#### STAFF RECOMMENDATION:

Authorize staff to submit the application.

#### COMMITTEE RECOMMENDATION:

Commission Meeting Date: March 27, 2012

Date: March 20, 2012  
To: Honorable Mayor & City Commission  
From: Planning & Economic Development Department  
RE: Sale of Buildable Vacant Lot at 1660 7<sup>th</sup> St.

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**SUMMARY OF REQUEST:**

To approve the sale of a vacant buildable lot at 1660 7<sup>th</sup> St (Parcel # 24-205-440-0004-00) to Theresa Strother, 1640 7th St (adjacent properties). The lot is 101 x 134 ft. and Mrs. Strother is offering \$1,000 plus the fee to register the deed. The City has owned the property since 1996 and there have been no inquiries for potential construction.

**FINANCIAL IMPACT:**

The sale of this lot will generate additional tax revenue for the City and will place the property back on the City's tax rolls thus relieving the City of continued maintenance costs.

**BUDGET ACTION REQUIRED:**

None

**STAFF RECOMMENDATION:**

To approve the attached resolution and to authorize both the Mayor and the Clerk to sign said resolution and deed.

**COMMITTEE RECOMMENDATION:**

None

Resolution No. \_\_\_\_\_

MUSKEGON CITY COMMISSION

RESOLUTION APPROVING THE SALE OF A BUILDABLE LOT AT 1660 7<sup>TH</sup> ST FOR \$1,000.

WHEREAS, Theresa Strother will be allowed to purchase the parcel designated as parcel number 24-205-440-0004-00, located at 1660 7<sup>th</sup> St for \$1,000; and

WHEREAS, the price for parcel number 24-205-440-0004-00 is set by the City at \$1,500, which is 25% of the True Cash Value (TCV) listed in the City Assessor's Office; and

WHEREAS, Theresa Strother offered \$1,000 for the property so this may be combined with her adjacent property; and

WHEREAS, the sale would generate additional tax revenue for the City and relieve the City of further maintenance costs; and

WHEREAS, the sale is not consistent with City policy regarding the disposition of buildable lots, in that, this property will be combined with the adjacent property located at 1660 7<sup>th</sup> St and sold for the price of \$1,000.

NOW THEREFORE BE IT RESOLVED, that parcel number 24-205-440-0004-00, located at 1660 7<sup>th</sup> St be sold to Theresa Strother for \$1,000.

**CITY OF MUSKEGON REVISED PLAT OF 1903 LOT 5 BLK 261**

Adopted this 27<sup>th</sup> day of March 2012

Ayes:

Nays:

Absent

By: \_\_\_\_\_  
Stephen J. Warmington  
Mayor

Attest: \_\_\_\_\_  
Ann Cummings, MMC  
City Clerk

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 March 27, 2012.

By: \_\_\_\_\_  
Ann Cummings, MMC  
City Clerk

The owner of 1640 7<sup>th</sup> St. would like to purchase the adjacent buildable City-owned lot at 1660 7<sup>th</sup> St. They do not plan on building on the property, however, there is a lot of unwanted traffic on this lot with people hanging out late at night and also dumping trash and spraying graffiti. Mrs. Strother plans on fencing off the property if she purchases it.

The City purchased this property from the State on 5/20/1996 and spends roughly \$250 per year on maintenance. The asking price is \$1,500 and Mrs. Strother has offered \$1,000. Staff feels that is an acceptable price.

1660 7<sup>th</sup> St



1660 & 1640 7<sup>th</sup> St



Aerial Photo. 1660 7<sup>th</sup> in blue and 1640 7th in red



Commission Meeting Date: March 27, 2012

Date: March 20, 2012  
To: Honorable Mayor & City Commission  
From: Planning & Economic Development Department  
RE: Sale of Buildable Vacant Lot at 354 McLaughlin Ave.

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**SUMMARY OF REQUEST:**

To approve the sale of a vacant buildable lot at 354 McLaughlin Ave (Parcel # 24-205-261-0005-00) to Maria Jaimes, 1242 Spring St (adjacent properties). The lot is 67 x 132 ft. and Mrs. Jaimes is offering \$1,000 plus the fee to register the deed. The City has owned the property since 2006 and there have been no inquiries for potential construction.

**FINANCIAL IMPACT:**

The sale of this lot will generate additional tax revenue for the City and will place the property back on the City's tax rolls thus relieving the City of continued maintenance costs.

**BUDGET ACTION REQUIRED:**

None

**STAFF RECOMMENDATION:**

To approve the attached resolution and to authorize both the Mayor and the Clerk to sign said resolution and deed.

**COMMITTEE RECOMMENDATION:**

None

Resolution No. \_\_\_\_\_

MUSKEGON CITY COMMISSION

RESOLUTION APPROVING THE SALE OF A BUILDABLE LOT AT 354 MCLAUGHLIN AVE FOR \$1,000.

WHEREAS, Maria Jaimes will be allowed to purchase the parcel designated as parcel number 24-205-261-0005-00, located at 354 McLaughlin Ave for \$1,000; and

WHEREAS, the price for parcel number 24-205-261-0005-00 is set by the City at \$1,500, which is 25% of the True Cash Value (TCV) listed in the City Assessor's Office; and

WHEREAS, Maria Jaimes offered \$1,000 for the property so this may be combined with her adjacent property; and

WHEREAS, the sale would generate additional tax revenue for the City and relieve the City of further maintenance costs; and

WHEREAS, the sale is not consistent with City policy regarding the disposition of buildable lots, in that, this property will be combined with the adjacent property located at 1242 Spring St and sold for the price of \$1,000.

NOW THEREFORE BE IT RESOLVED, that parcel number 24-205-261-0005-00, located at 354 McLaughlin Ave be sold to Maria Jaimes for \$1,000.

**CITY OF MUSKEGON REVISED PLAT OF 1903 LOT 5 BLK 261**

Adopted this 27<sup>th</sup> day of March 2012

Ayes:

Nays:

Absent

By: \_\_\_\_\_  
Stephen J. Warrington  
Mayor

Attest: \_\_\_\_\_  
Ann Cummings, MMC  
City Clerk

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 March 27, 2012.

By: \_\_\_\_\_  
Ann Cummings, MMC  
City Clerk

The owner of 1242 Spring St. would like to purchase the adjacent buildable City-owned lot at 354 McLaughlin Ave. They do not plan on building on the property, however, there is a lot of unwanted traffic on this lot with people hanging out late at night and also dumping trash. Mrs. Jaimes plans on fencing off the property if she purchases it.

The City purchased this property from the State on 2/28/2006 and spends roughly \$325 per year on maintenance. The asking price is \$1,500 and Mrs. Jaimes has offered \$1,000. Staff feels that is an acceptable price.

354 McLaughlin Ave



1242 Spring St



Aerial Photo. 354 McLaughlin in blue and 1242 Spring in red



Commission Meeting Date: March 27, 2012

Date: March 21, 2012  
To: Honorable Mayor and City Commissioners  
From: Planning & Economic Development  
RE: Public Hearing - Request for the establishment of an Industrial Development District at 444 Irwin Ave.

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**SUMMARY OF REQUEST:**

Pursuant to Public Act 198 of 1974, as amended, Graphics House Sports Promotions, Inc has requested to establish an Industrial Development District at 444 Irwin Ave. The company has recently purchased the property and will eventually be making improvements to real and personal property on site. The establishment of the district will allow the company to become eligible for Industrial Facilities Tax Abatements (IFTs).

**FINANCIAL IMPACT:**

None

**BUDGET ACTION REQUIRED:**

None

**STAFF RECOMMENDATION:**

Approval of the establishment of the Industrial Development District.

**COMMITTEE RECOMMENDATION:**

None

Resolution No. \_\_\_\_\_

**MUSKEGON CITY COMMISSION**

RESOLUTION APPROVING AN INDUSTRIAL DEVELOPMENT DISTRICT AT 444 IRWIN AVE,  
MUSKEGON, MI 49442  
**GRANPHICS HOUSE SPORTS PROMOTIONS, INC**

WHEREAS, pursuant to PA 198 of 1974, as amended, the City Commission of the City of Muskegon has the authority to establish an Industrial Development Districts within the City of Muskegon; and

WHEREAS, Graphics House Sports Promotions, Inc has petitioned the City Commission of the City of Muskegon to establish an Industrial Development District on its property located in the City of Muskegon hereinafter described; and

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

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

WHEREAS, on March 27, 2012 a public hearing was held at which all owners of real property within the proposed Industrial Development District and all residents and taxpayers of the City of Muskegon were afforded an opportunity to be heard thereon; and

WHEREAS, the City Commission of the City of Muskegon deems it to be in the public interest of the City of Muskegon to establish the Industrial Development District as proposed.

NOW, THEREFORE, BE IT RESOLVED by the City Commission of the City of Muskegon that the following described parcel of land situated in the City of Muskegon, Muskegon County, and State of Michigan, to wit:

**CITY OF MUSKEGON REVISED PLAT OF 1903 THAT PART OF BLK 96 & VAC NIMS ST DESC AS COM AT SW COR OF SD BLK FOR POB TH N ALG W LN OF SD BLK 330 FT TH E AT RT ANGLESTO W LN 235.86 FT TO NELY LN OF BLK 96 & SWLY LN OF SD VAC NIMS ST TH N 48D 47M**

is established as an Industrial Development District pursuant to the provisions of PA 198 of 1974, as amended, to be known as Irwin Industrial Development District.

Adopted this 27th Day of March 2012.

Ayes:

Nays:

Absent:

BY: \_\_\_\_\_  
Stephen J. Warmington  
Mayor

ATTEST: \_\_\_\_\_  
Ann Cummings  
Clerk

CERTIFICATION

I hereby certify that the foregoing constitutes a true and complete copy of a resolution adopted by the Muskegon City Commission, County of Muskegon, Michigan, at a regular meeting held on March 27, 2012.

\_\_\_\_\_  
Ann Cummings  
Clerk

**Commission Meeting Date: March 27, 2012**

**Date:** March 20, 2012  
**To:** Honorable Mayor & City Commission  
**From:** Planning & Economic Development Department  
**RE:** DDA On-Premise Liquor License for Curry  
Kitchen.

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**SUMMARY OF REQUEST:** To approve the attached Resolution approving a Downtown Development Authority On-Premise Liquor License for Curry Kitchen. The Liquor Control Code allows for additional liquor licenses within Downtown Development Authority Districts under certain conditions.

**FINANCIAL IMPACT:** Approval of the Liquor License will allow for a new restaurant in the downtown area which should result in increased revenue for the City.

**BUDGET ACTION REQUIRED:** None.

**STAFF RECOMMENDATION:** To approve the attached resolution.

**COMMITTEE RECOMMENDATION:** None.

**CITY OF MUSKEGON  
MUSKEGON COUNTY, MICHIGAN**

**RESOLUTION NO. \_\_\_\_\_**

**A resolution concerning the issuance of a Downtown Development Authority District On-Premises Liquor License pursuant to 436.1521a(1)(b) of the Michigan Compiled Laws.**

The City Commission of the City of Muskegon hereby RESOLVES:

Recitals

1. Curry Kitchen, Inc. has applied for a Downtown Development Authority District On-Premises Liquor License for the premises at 1141 Third Street, which is located within an area established by the City Commission as a redevelopment project area pursuant to 436.1521a(1)(b) of the Michigan Compiled Laws.
2. It is required that the City Commission approve a specific applicant, at a specific location "ABOVE ALL OTHERS".
3. This resolution was approved at the regular meeting of the City Commission on March 27, 2012.

City Commission Findings

The City Commission is satisfied that:

1. That the applicant has sufficiently demonstrated a commitment for a capital investment of not less than \$75,000 for the build-out and improvements of the building that will house the licensed premises, which amounts shall be expended before the issuance of the license.
2. That the licensed business shall be engaged in dining, entertainment or recreation, that is open to the general public, with a seating capacity of not less than 50 persons.

NOW, THEREFORE, THE CITY COMMISSION RESOLVES:

The City Commission deems it to be in the best interest of the City of Muskegon to approve the application of Curry Kitchen, Inc., for a Downtown Development Authority District On-Premises Liquor License for the premises at 1141 Third Street, pursuant to 436.1521a(1)(b) of the Michigan Compiled Laws, and recommends to the Michigan Liquor Control Commission the issuance of said requested license "ABOVE ALL OTHERS".

Adopted this 27th day of March, 2012.

AYES: \_\_\_\_\_

NAYES: \_\_\_\_\_

ABSENT: \_\_\_\_\_

By: \_\_\_\_\_  
Stephen J. Warmington  
Its Mayor

By: \_\_\_\_\_  
Ann Cummings, MMC  
Its Clerk

**Date:** March 27, 2012

**To:** Honorable Mayor and City Commissioners

**From:** Finance Department

**RE:** Water Rate Increase

**SUMMARY OF REQUEST:** City water rates were last increased January 1<sup>st</sup> 2005. The economic downturn has caused water usage to drop even while costs for electricity, treatment chemicals and labor have risen steadily over this period. In FY 2011, the City's water fund experienced a \$330,504 net loss – the third consecutive year of losses (including the shortened fiscal period ended 6/30/10). Accordingly, staff is recommending a 10% water rate increase (from \$1.40/HCFT to \$1.54/HCFT) effective July 1, 2012.

Attached are documents highlighting the need for this rate increase:

- a three-year history and financial ratio analysis of water fund operations and,
- a financial projection showing the expected impact of the rate increase.

**FINANCIAL IMPACT:** The rate increase will generate an estimated \$410,000 in additional water revenue annually. The following table compares existing and proposed rates to other area communities and provides an estimate of the monthly impact on typical households:

	<u>Rate</u>	<u>Measure</u>	<u>7,500 Gallons/month</u>			<u>15,000 Gallons/month</u>		
			<u>Commodity</u>	<u>Fixed</u>	<u>Total</u>	<u>Commodity</u>	<u>Fixed</u>	<u>Total</u>
<b>Muskegon (Current)</b>	<b>1.40</b>	<b>100 Cu. Ft.</b>	<b>14.00</b>	-	<b>14.00</b>	<b>28.00</b>	-	<b>28.00</b>
Whitehall	2.00	1000 Gal.	15.00	-	15.00	30.00	-	30.00
<b>Muskegon (Proposed)</b>	<b>1.54</b>	<b>100 Cu. Ft.</b>	<b>15.40</b>	-	<b>15.40</b>	<b>30.80</b>	-	<b>30.80</b>
Grand Haven	1.86	1000 Gal.	13.98	7.00	20.98	27.96	10.32	38.28
Muskegon Hts.	1.98	1000 Gal.	14.85	7.79	22.64	29.70	7.79	37.49
Montague	2.25	1000 Gal.	16.88	7.00	23.88	33.75	7.00	40.75
Grand Rapids	1.72	100 Cu. Ft.	17.20	10.17	27.37	34.40	10.17	44.57
Norton Shores	3.55	1000 Gal.	26.63	8.22	34.85	53.25	8.22	61.47
North Muskegon	3.10	100 Cu. Ft.	31.00	8.33	39.33	62.00	8.33	70.33
Roosevelt Park	3.38	1000 Gal.	25.35	24.93	50.28	50.70	24.93	75.63

**BUDGET ACTION REQUIRED:** Revenue estimates included in the forthcoming 2012-13 budget will be based on the new rate structure.

**STAFF RECOMMENDATION:** Approval of the attached increasing water rates effective 7/1/2012.

CITY OF MUSKEGON

Resolution No. \_\_\_\_\_

A Resolution amending the general fee resolution of the City.

RECITALS

A review of the water rates has been undertaken by staff. City staff recommends and the City Commission has determined that an increase in the rates for water service is justified in the opinion of the City Commission.

THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION:

1. For service provided after July 1, 2012, the rate for water shall be increased 10% from \$1.40 per hundred cubic feet to \$1.54 per hundred cubic feet.
2. All fixed monthly charges for fire line service shall be increased 10% effective July 1, 2012.

This resolution passed.

Ayes \_\_\_\_\_

Nays \_\_\_\_\_

CITY OF MUSKEGON

By \_\_\_\_\_  
Ann Marie Cummings, Clerk

CERTIFICATE

This resolution was adopted at a meeting of the City Commission, held on \_\_\_\_\_, 2012. The meeting was properly held and noticed pursuant to the Open Meetings Act of the State of Michigan, Act 267 of the Public Acts of 1976.

CITY OF MUSKEGON

By \_\_\_\_\_  
Ann Marie Cummings, Clerk

CITY OF MUSKEGON  
ENTERPRISE FUND RATIO ANALYSIS

2009 - FY2011

	WATER FUND		
	2009	2010*	2011
<b>I. BALANCE SHEET DATA:</b>			
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and temporary investments	\$ 2,301,294	\$ 2,456,123	\$ 2,913,169
Receivables			
Accounts	920,727	1,010,843	910,827
Prepaid insurance	14,048	63,999	58,510
Special assessments	-	-	-
Inventory	92,189	97,448	97,501
Due from other governments	63,215	64,580	57,812
Due from other funds	-	-	-
	<u>3,391,473</u>	<u>3,692,993</u>	<u>4,037,819</u>
<b>PROPERTY AND EQUIPMENT - AT COST</b>			
Capital assets (net of depreciation)	<u>44,513,346</u>	<u>43,655,150</u>	<u>41,974,151</u>
	44,513,346	43,655,150	41,974,151
Less accumulated depreciation	-	-	-
	<u>44,513,346</u>	<u>43,655,150</u>	<u>41,974,151</u>
Land and improvements	-	-	-
Deferred debt expense	<u>59,152</u>	<u>134,250</u>	<u>108,619</u>
	<u>44,572,498</u>	<u>43,789,400</u>	<u>42,082,770</u>
<b>RESTRICTED ASSETS</b>			
Cash and securities	<u>672,000</u>	<u>672,000</u>	<u>672,000</u>
	672,000	672,000	672,000
<b>OTHER ASSETS</b>			
Wastewater Facility Rights	-	-	-
	-	-	-
	<u>\$ 48,635,971</u>	<u>\$ 48,154,393</u>	<u>\$ 46,792,589</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Current maturities of long-term debt	\$ 1,168,600	\$ 1,214,000	\$ 1,247,000
Accounts payable	113,374	56,288	166,092
Due to other funds	-	-	-
Due to other governments	25,475	25,475	99,396
Accrued liabilities	124,509	110,293	142,005
	<u>1,431,958</u>	<u>1,406,056</u>	<u>1,654,493</u>
<b>NON-CURRENT LIABILITIES</b>			
Advances from other funds	-	-	-
Bonds and other obligations payable	<u>17,037,309</u>	<u>16,655,787</u>	<u>15,376,050</u>
	17,037,309	16,655,787	15,376,050
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	26,477,964	25,902,015	25,451,943
Restricted for debt service	672,000	672,000	672,000
Unrestricted	<u>3,016,740</u>	<u>3,518,535</u>	<u>3,638,103</u>
	<u>30,166,704</u>	<u>30,092,550</u>	<u>29,762,046</u>
	<u>\$ 48,635,971</u>	<u>\$ 48,154,393</u>	<u>\$ 46,792,589</u>

CITY OF MUSKEGON  
**ENTERPRISE FUND RATIO ANALYSIS**  
 2009 - FY2011

	<b>WATER FUND</b>		
	2009	2010*	2011
<b>II. INCOME STATEMENT DATA:</b>			
<b>OPERATING REVENUES</b>			
Charges for services	\$ 5,686,529	\$ 2,795,713	\$ 5,221,839
Other revenues	197,301	95,456	232,921
	5,883,830	2,891,169	5,454,760
<b>OPERATING EXPENSES</b>			
Operating and administrative	516,365	259,451	541,950
Wastewater treatment	-	-	-
Filtration plant operation	1,409,738	666,691	1,367,569
Water distribution	1,572,160	649,133	1,385,011
Bad debts	-	-	-
Depreciation	1,974,113	1,074,308	2,119,038
	5,472,376	2,649,583	5,413,568
Operating profit (loss)	411,454	241,586	41,192
<b>OTHER (INCOME) OR DEDUCTIONS</b>			
Interest income	22,483	13,566	13,025
Gain on sale of fixed assets	-	-	-
State grant	-	-	-
Interest expense	(576,789)	(329,306)	(404,795)
	(554,306)	(315,740)	(391,770)
Income (loss) before operating transfers and extraordinary loss	(142,852)	(74,154)	(350,578)
Capital contribution	-	-	20,074
Operating transfers in (out)	-	-	-
Net income (loss) before extraordinary loss	(142,852)	(74,154)	(330,504)
Extraordinary loss/claim	-	-	-
<b>NET INCOME (LOSS)</b>	<b>(142,852)</b>	<b>(74,154)</b>	<b>(330,504)</b>
Net assets at start of year	30,309,556	30,166,704	30,092,550
Equity transfer in (out)	-	-	-
Net assets at end of year	<u>\$ 30,166,704</u>	<u>\$ 30,092,550</u>	<u>\$ 29,762,046</u>

CITY OF MUSKEGON  
ENTERPRISE FUND RATIO ANALYSIS

2009 - FY2011

**WATER FUND**

	2009	2010*	2011
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III. FINANCIAL RATIOS

### INDICATORS OF SOLVENCY

<b>Debt/Equity Ratio</b>	0.61	0.60	0.57
<i>This ratio looks at current and long-term debt in comparison to the retained earnings of the fund. If the ratio is greater than 1, it indicates the enterprise fund is using more external long-term financing than internal financing.</i>			
<b>Debt Ratio (Total Liabilities/Total Assets)</b>	37.97%	37.51%	36.40%
<i>A debt ratio of greater than 1 indicates that a company has more debt than assets, meanwhile, a debt ratio of less than 1 indicates that a company has more assets than debt.</i>			
<b>Times Interest Earned</b>	0.71	0.73	0.10
<i>This ratio indicates how many times the city can cover interest costs with operating profits.</i>			

### INDICATORS OF LIQUIDITY

<b>Net Working Capital</b>	\$ 1,959,515	\$ 2,286,937	\$ 2,383,326
<i>be stable or growing.</i>			
<b>Net Working Capital/Assets</b>	4.03%	4.75%	5.09%
<i>This ratio compares net working capital to the total assets of the fund.</i>			
<b>Current Ratio</b>	2.37	2.63	2.44
<i>This ratio compares current assets to current liabilities and measures the utility's ability to meet its short-term obligations from readily 2.00 is considered minimal for most enterprise operations.</i>			
<b>Cash Ratio</b>	1.61	1.75	1.76
<i>payment. A ratio of 1.00 or greater is ideal. liabilities that could be paid</i>			
<b>Current Assets/Total Liabilities</b>	0.18	0.20	0.24
<i>This ratio indicates the extent to which the utility could liquidate all outstanding liabilities (long-term and short-term) with readily available assets. A ratio approaching 1.00 indicates an extremely strong operation.</i>			

### FUNDS MANAGEMENT RATIOS

<b>Receivables/Sales</b>	15.65%	34.96%	16.70%
<i>This ratio indicates the percentage of total sales that have are uncollected as of the date of the balance sheet. The lower ratio the better, indicating efficient collection procedures.</i>			
<b>Days Sales in Receivables</b>	57	128	61
<i>This measure indicates the number of days revenues represented by receivables. Again, a low number indicates efficient collection procedures.</i>			
<b>Payables/Operating Expenses</b>	3.24%	3.57%	5.04%
<b>Days Operating Expenses in Payables</b>	12	13	18
<i>A low number indicates efficient inventory and disbursement procedures.</i>			
<b>Sales/Fixed Assets</b>	13.20%	6.60%	12.96%
<i>This ratio indicates the percentage of which annual sales is to the capital investment in the utility system (less depreciation).</i>			
<b>Operating ratio</b>	93.01%	91.64%	99.24%
<i>This ratio measures the percentage of operating revenues consumed by operating expenses. A ratio greater than 100% indicates unprofitable operations.</i>			

### PROFITABILITY RATIOS

<b>Return on Sales</b>	6.99%	8.36%	0.76%
<i>This measure indicates the percent of total sales revenue which was not needed to cover operating expenses for the period and which can be considered operating "profit" for the period.</i>			
<b>Return on Total Assets</b>	-0.29%	-0.15%	-0.71%
<i>This ratio measures the percent return on total assets of the system.</i>			
<b>Return on Equity</b>	-0.47%	-0.25%	-1.11%
<i>This ratio measures the percent return on the City's total investment in the system.</i>			
<b>Operating Profit Margin</b>	6.99%	8.36%	0.76%
<i>Operating margin is a measurement of what proportion of a company's revenue is left over after paying for costs of production such as wages, raw materials, etc. A healthy operating margin is required to be able to pay fixed costs, such as interest.</i>			

	2010-11	2011-12	2012-13	2013-14	2014-15
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**1. Actual and Projected Flows**

<b>City</b>	2,066,764	2,087,432	2,108,306	2,129,389	2,150,683
<b>Muskegon County</b>	334,075	340,757	347,572	354,523	361,614
<b>Roosevelt Park</b>	177,988	179,768	181,566	183,381	185,215
<b>North Muskegon</b>	216,240	218,402	220,586	222,792	225,020
<b>Muskegon Township</b>	336,178	342,902	349,760	356,755	363,890
<b>Miscellaneous Outside</b>	5,000	5,050	5,101	5,152	5,203
<b>TOTAL</b>	3,136,245	3,174,310	3,212,890	3,251,992	3,291,625

* Assumed Annual Increases:	
City:	1%
Muskegon County Northside:	2%
Roosevelt Park:	1%
North Muskegon:	1%
Muskegon Township:	2%
Norton Shores:	1%
Miscellaneous Outside:	1%

**2. Debt Service Requirements**

**Date of Issue: 4/1/10**

**\$5,995,000**

Interest Payable	211,995	184,088	172,088	153,788	136,088
Principal Payable	580,000	600,000	610,000	640,000	660,000
Total Principal and Interest	791,995	784,088	782,088	793,788	796,088

**Date of Issue: 3/2/04**

**\$13,900,000**

Interest Payable	239,328	226,100	212,606	198,847	184,769
Principal Payable	615,000	630,000	640,000	655,000	670,000
Total Principal and Interest	854,328	856,100	852,606	853,847	854,769

<b>Total Debt Service</b>	1,646,323	1,640,188	1,634,694	1,647,635	1,650,857
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**3. Actual and Projected Commodity Revenues**

Rate	\$ 1.40	\$ 1.40	\$ 1.54	\$ 1.54	\$ 1.54
<b>City</b>	2,893,470	2,922,404	3,246,791	3,279,259	3,312,052
<b>Muskegon County Northside</b>	584,631	596,324	669,075	682,457	696,106
<b>Roosevelt Park</b>	336,397	339,761	349,514	353,009	356,539
<b>North Muskegon</b>	408,694	412,781	458,599	463,185	467,817
<b>Muskegon Township</b>	635,376	648,084	727,150	741,693	756,527
<b>Miscellaneous Outside</b>	14,000	14,140	15,710	15,867	16,025
<b>TOTAL</b>	4,872,568	4,933,494	5,466,839	5,535,470	5,605,066

	2010-11	2011-12	2012-13	2013-14	2014-15
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**4. Actual and Projected Capital Projects**

Elevated Tank - Marshall & Roberts, Interior Painting	4,207	185,000	-	-	-
Water Main Replacement Project, various locations & 2" & 4" Mains replacement	0	100,000	-	-	-
Laketon, Henry to Park	0	70,000	-	-	-
Getty Street, Keating to Laketon (STP)	0	31,000	-	-	-
Getty St., Laketon to Evanston	0	225,000	-	-	-
Isabella, Peck to Terrace	0	40,000	-	-	-
High Service Switchgear Repairs & Upgrades	0	175,000	-	-	-
Terrace, Apple to Western	0	10,000	-	-	-
GIS Update and Maintenance	29,225	30,000	-	-	-
Mason, Sixth to Fifth	3,034	90,000	-	-	-
Inspections, plans, & specs. - 3 elev. tanks, Plant clearwell, and Harvey reservoir	0	-	-	-	-
Laketon, Barclay to Henry	40,319	-	-	-	-
Water Main Replacement Project, various locations & 2" & 4" Mains replacement			-	-	-
Laketon, Henry to Park			-	-	-
Getty Street, Keating to Laketon (STP)	106,344	-	-	-	-
Getty St., Laketon to Evanston	1,333	-	-	-	-
Isabella, Peck to Terrace	123,666	-	-	-	-
Viridian Drive/Terrace Point Dr. water looping	25,654	-	-	-	-
McGraft, Ruddiman to Montgomery			-	-	-
Leahy, Laketon to Larch			-	-	-
White/Scott from Wood to Oak Street	4,153	-	-	-	-
Other	74,473	-	-	-	-
Blasting and painting piping in valve vaults - elev. tanks (2) & Harvey booster station	-	-	50,000	-	-
Boltwood, Beach to Beach (2100')	-	-	150,000	-	-
Drying bed roof (one-bed trial)	-	-	30,000	-	-

	2010-11	2011-12	2012-13	2013-14	2014-15
Estes, Lakeshore Dr. to Fair (850')	-	-	125,000	-	-
Grand, Division to Franklin (1100')	-	-	10,000	-	-
Houston, Third to ninth	-	-	200,000	-	-
Replace intake chemical application line	-	-	225,000	-	-
Terrace, Laketon to Keating (1500')	-	-	20,000	-	-
1937 Headworks roof replacement	-	-	-	250,000	-
Barclay, Southern to Michigan (1200')	-	-	-	10,000	-
Fifth St., Laketon to Dale, (800')	-	-	-	90,000	-
Larue, Minor to Lakeshore Dr. (650')	-	-	-	65,000	-
Palmer, Laketon to Southern (2400')	-	-	-	250,000	-
Replace filter drain valves - 1937 filters	-	-	-	200,000	-
Wash water pump motor & elec. replacement to VFD's (3)	-	-	-	200,000	-
Additional remote site cameras & access pads	-	-	-	-	35,000
Crowley, Pulaski to Barney (600'), Gravel	-	-	-	-	60,000
Distribution system reliability study	-	-	-	-	30,000
Replace headworks transformer (1964 unit)	-	-	-	-	300,000
<b>TOTAL</b>	412,408	956,000	810,000	1,065,000	425,000

#### 5. Actual and Projected Operating Costs

<b>Administration</b>					
Salaries & Benefits	-	-	-	-	-
Operating Supplies	-	-	-	-	-
Contractual Services	541,950	536,007	536,007	536,007	536,007
Other Expenses	27,999	2,000	2,000	2,000	2,000
Capital Outlays		0	0	0	0
Other Financing Uses		0	0	0	0
	569,949	538,007	538,007	538,007	538,007
<b>Maintenance</b>					
Salaries & Benefits	816,927	768,795	768,795	768,795	768,795
Operating Supplies	190,809	160,260	160,260	160,260	160,260
Contractual Services	299,637	446,417	400,000	400,000	400,000
Other Expenses	66,107	53,230	53,230	53,230	53,230
Capital Outlays	11,531	16,500	16,500	16,500	16,500
Other Financing Uses		0	0	0	0
	1,385,011	1,445,202	1,398,785	1,398,785	1,398,785

	2010-11	2011-12	2012-13	2013-14	2014-15
<b>Filtration</b>					
Salaries & Benefits	590,491	655,881	655,881	655,881	655,881
Operating Supplies	232,984	275,095	275,095	275,095	275,095
Contractual Services	462,880	615,970	615,970	615,970	615,970
Other Expenses	1,153	2,600	2,600	2,600	2,600
Capital Outlays	108,567	45,300	45,300	45,300	45,300
Other Financing Uses		0	0	0	0
	1,396,075	1,594,846	1,594,846	1,594,846	1,594,846
<b>TOTAL</b>	<b>3,351,035</b>	<b>3,578,055</b>	<b>3,531,638</b>	<b>3,531,638</b>	<b>3,531,638</b>

#### 6. Actual and Projected Reserves

<b>Required Debt Reserve</b>	672,000	672,000	672,000	672,000	672,000
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#### 7. Other Revenues

<b>Township Maintenance</b>	178,394	170,000	170,000	170,000	170,000
<b>Cell Phone Tower Leases</b>	143,269	145,000	145,000	145,000	145,000
<b>Miscellaneous Services</b>	185,598	150,000	150,000	150,000	150,000
<b>Penalties</b>	82,592	80,000	80,000	80,000	80,000
<b>Interest</b>	13,025	20,000	20,000	20,000	20,000
<b>All Other</b>	86,090	80,000	80,000	80,000	80,000
<b>TOTAL</b>	<b>688,968</b>	<b>645,000</b>	<b>645,000</b>	<b>645,000</b>	<b>645,000</b>

#### SUMMARY

Commodity Revenues	\$ 4,872,568	\$ 4,933,494	\$ 5,466,839	\$ 5,535,470	\$ 5,605,066
Other Revenues	688,968	645,000	645,000	645,000	645,000
Total Revenues	5,561,536	5,578,494	6,111,839	6,180,470	6,250,066
Debt Service	1,646,323	1,640,188	1,634,694	1,647,635	1,650,857
Capital Projects	412,408	956,000	810,000	1,065,000	425,000
Operating Costs	3,351,035	3,578,055	3,531,638	3,531,638	3,531,638
Total Costs	5,409,766	6,174,243	5,976,332	6,244,273	5,607,495
	151,770	(595,749)	135,507	(63,803)	642,571
Ending Balance	3,585,169	2,989,420	3,124,927	3,061,124	3,703,695
Required Reserves	(672,000)	(672,000)	(672,000)	(672,000)	(672,000)
	\$ 2,913,169	\$ 2,317,420	\$ 2,452,927	\$ 2,389,124	\$ 3,031,695