

CITY OF MUSKEGON

CITY COMMISSION MEETING

APRIL 8, 2003

CITY COMMISSION CHAMBERS @ 5:30 P.M.

AGENDA

ROLL CALL:

HONORS AND AWARDS

CONSENT AGENDA:

- a. Approval of Minutes. CITY CLERK
- b. Sale of Non-buildable Lot at 2355 Torrent Street. PLANNING & ECONOMIC DEVELOPMENT
- c. Community Development Block Grant/HOME Final Allocation Decision. COMMUNITY & NEIGHBORHOOD SERVICES
- d. Approval of the 2003-2004 Action Plan. COMMUNITY & NEIGHBORHOOD SERVICES
- e. Consideration of Bids –Terrace Street, Iona to Peck. ENGINEERING
- f. Request for Permission to Apply for 2003 USFA Grant. FIRE

UNFINISHED BUSINESS:

- a. Casino Petitions.

NEW BUSINESS:

- a. Authorize Funds for Imagine Muskegon. PLANNING & ECONOMIC DEVELOPMENT
- b. First Quarter 2003 Budget Reforecast. FINANCE
- c. Proposed Healthcare Administration Change. FINANCE
- d. Termination of Employee Rx Reimbursement Program. FINANCE
- e. Power to Lakefront Development. ENGINEERING

PUBLIC PARTICIPATION:

- a. Casino Vote Election

2003-30(a)

Date: April 8, 2003
To: Honorable Mayor and City Commissioners
From: Gail A. Kunding, City Clerk
RE: Approval of Minutes

SUMMARY OF REQUEST: To approve the minutes of the Regular Commission Meeting that was held on Tuesday, March 25, 2003.

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the minutes.

CITY OF MUSKEGON

CITY COMMISSION MEETING

APRIL 8, 2003

CITY COMMISSION CHAMBERS @ 5:30 P.M.

MINUTES

The Regular Commission Meeting of the City of Muskegon was held at City Hall, 933 Terrace Street, Muskegon, Michigan at 5:30pm, Tuesday, April 8, 2003.

Mayor Warmington opened the meeting with a prayer from Reverend Julie Armour from Unity Church of Muskegon, after which members of the City Commission and members of the public joined in reciting the Pledge of Allegiance to the Flag.

ROLL CALL FOR THE REGULAR COMMISSION MEETING:

Present: Mayor Stephen Warmington,; Commissioners Stephen Gawron, William Larson, Clara Shepherd and Lawrence Spataro; City Manager Bryon Mazade, City Attorney John Schrier and City Clerk Gail Kundinger. Absent were Vice Mayor Karen Buie and Commissioner Robert Schweifler

HONORS AND AWARDS

Mayor Warmington presented a Certificate of Recognition to Kris Collie of Volunteer Muskegon for National Youth Services Day.

2003-30CONSENT AGENDA:

a. Approval of Minutes. CITY CLERK

SUMMARY OF REQUEST: To approve the minutes of the Regular Commission Meeting that was held on Tuesday, March 25, 2003.

FINANCIAL IMPACT: None

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the minutes.

b. Sale of Non-buildable Lot at 2355 Torrent Street. PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: To approve the sale of a vacant non-buildable lot (Parcel #24-205-620-0004-70) at 2355 Torrent Street to Emily Jensen, 2340 Moon St., Muskegon, MI 49441. Approval of this sale will allow the adjacent property owner to expand her current yard. As is required by City policy, the subject parcel is being offered for \$100 to Ms. Jensen.

FINANCIAL IMPACT: The sale of this lot will allow the property to be placed back

BUDGET ACTION REQUIRED: None.

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

d. Approval of the 2003-2004 Action Plan. COMMUNITY & NEIGHBORHOOD SERVICES

SUMMARY OF REQUEST: To approve the 2003-2004 Action Plan for the City of Muskegon CDBG/HOME activity. If the Action Plan is approved, the CNS will continue the comment period of the Action Plan as amended if needed, until April 22, 2003.

On April 23, 2003, the CNS office will deliver the Action Plan to the U.S. Housing and Urban Development as required in order to request the Release of Funds for the 2003-2004 fiscal year.

FINANCIAL IMPACT: Action Plan establishes the 2003-2004 budget.

BUDGET ACTION REQUIRED: None at this time; budget established by Action Plan.

STAFF RECOMMENDATION: To approve the Action Plan.

f. Request for Permission to Apply for 2003 USFA Grant. FIRE

SUMMARY OF REQUEST: The Fire Department is requesting City Commission permission to apply for 2003 United States Fire Administration "Assistance to Firefighters Grant Program" to provide firefighter equipment to enhance operational safety.

FINANCIAL IMPACT: \$11,300 match through Department Capital Funds.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Staff recommends approval of grant application to USFA for fire equipment acquisition.

Motion by Commissioner Gawron, second by Commissioner Spataro to approve the Consent Agenda, minus items c and e.

ROLL VOTE: Ayes: Gawron, Larson, Shepherd, Spataro, Warmington

Nays: None

Absent: Buie, Schweifler

MOTION PASSED

2003-31 ITEMS REMOVED FROM THE AGENDA

c. Community Development Block Grant/HOME Final Allocation Decision. COMMUNITY & NEIGHBORHOOD SERVICES

SUMMARY OF REQUEST: For the City Commission to make their final allocation decision concerning the 2003-2004 CDBG/HOME fiscal year.

The Commission has received the recommendation from the Citizen District Council and the City Administration. The Commission made their preliminary recommendations during the March 18, 2003 City Commission meeting.

After receiving the Commissions final allocation decision, the CNS office will amend the City's 2003-2004 Action Plan if needed and continue the comment period until April 22,

2003. At that time, the City will request the U.S. Housing and Urban Development Department for the release of the funds for the 2003-2004 fiscal year to begin June 1, 2003.

FINANCIAL IMPACT: The decision will determine the CDBG/HOME budget for 2003-2004.

BUDGET ACTION REQUIRED: The decision will establish the budget.

STAFF RECOMMENDATION: The Commission has already received the staff recommendation.

Motion by Commissioner Spataro, second by Commissioner Gawron to concur with the previous recommendations and approve the final allocation decision of the 2003-2004 CDBG/HOME fiscal year.

ROLL VOTE: Ayes: Larson, Shepherd, Spataro, Warmington, Gawron

Nays: None

Absent: Buie, Schweifler

MOTION PASSED

e. Consideration of Bids -Terrace Street, Iona to Peck. ENGINEERING

SUMMARY OF REQUEST: The Terrace St., Iona to Peck contract be awarded to Grant Tower Excavating of Grant, MI. Grant Tower was the lowest, responsible bidder with a bid price of \$484, 784.45.

FINANCIAL IMPACT: The construction cost of \$484,784.45 plus related engineering expenses.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Award the contract to Grant Tower Excavating.

Motion by Commissioner Larson, second by Commissioner Gawron to award the contract to Grant Tower Excavating.

ROLL VOTE: Ayes: Shepherd, Spataro, Warmington, Gawron, Larson

Nays: None

MOTION PASSED

2003-32 UNFINISHED BUSINESS:

a. Casino Petitions.

Motion by Commissioner Larson, second by Commissioner Spataro to concur with the City Attorney's opinion and do nothing at this time.

ROLL VOTE: Ayes: Shepherd, Spataro, Warmington, Gawron, Larson

Nays: None

Absent: Buie, Schweifler

2003-33 NEW BUSINESS:

a. Authorize Funds for Imagine Muskegon. PLANNING & ECONOMIC DEVELOPMENT

SUMMARY OF REQUEST: Request authorization of a \$6,000 budget allocation to be

designated to the Imagine Muskegon project and further act as the fiduciary for the project.

FINANCIAL IMPACT: The total project cost estimated at \$20,000. Fund raising activities are in full swing with several pending commitments.

BUDGET ACTION REQUIRED: This allocation was authorized in the 2003 budget as an item in the Planning & Economic Development Budget.

STAFF RECOMMENDATION: Authorize the allocation and act as the fiduciary for the ad-hoc group.

Motion by Commissioner Spataro, second by Commissioner Larson to approve authorization funds of \$6,000 to be designated to the Imagine Muskegon Project and further act as the fiduciary for the project.

ROLL VOTE: Ayes: Spataro, Warmington, Gawron, Larson, Shepherd

Nays: None

Absent: Buie, Schweifler

MOTION PASSED

b. First Quarter 2003 Budget Reforecast. FINANCE

SUMMARY OF REQUEST: At this time staff is transmitting the First Quarter 2003 Budget Reforecast which outlines proposed changes to the original budget that have come about as result of changes in policy priorities, labor contracts, updated economic information, or other factors. For the next meeting, an action item will be placed on the agenda for adoption of the proposed first quarter budget reforecast together with any additional changes deemed necessary by Commissioners.

FINANCIAL IMPACT: Staff is awaiting updated figures from the state. A budget reforecast report will be presented at the April 7th Committee of the Whole meeting.

BUDGET ACTION REQUIRED: Self-explanatory

STAFF RECOMMENDATION: The City Commission should review the Reforecast to ensure it reflects their policy initiatives. At the next City Commission meeting, staff will request formal approval of the Reforecast and related budget amendments.

Motion by Commissioner Larson, second by Commissioner Spataro approval of the First Quarter 2003 Budget Reforecast and related Budget amendments.

ROLL VOTE: Ayes: Warmington, Gawron, Larson, Shepherd, Spataro

Nays: None

Absent: Buie, Schweifler

MOTION PASSED

c. Proposed Healthcare Administration Change. FINANCE

SUMMARY OF REQUEST: Staff recommends that a change be made in the administration of the City's self-insured healthcare and dental programs. Specifically, it is recommended that the current TPA contract with Benesight be terminated effective May 31, 2003 and the Priority Health (who currently handles the City's HMO program) be appointed to administer the self-insured program starting June 1, 2003.

FINANCIAL IMPACT: The change in service providers will result in direct administrative

savings to the city as well as better service and better coordination of the City's healthcare programs.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Termination of the current TPA service contract with Benesight effective May 31, 2003. Appointment of Priority Health as TPA for the City's self-insured healthcare and dental programs effective June 1, 2003.

Motion by Commissioner Spataro, second by Commissioner Larson to approve Health Care Administration changes and terminate the current TPA service contract with Benesight effective May 31, 2003 and appoint Priority Health as TPA for the City's self-insured healthcare and dental programs effective June 1, 2003.

ROLL VOTE: Ayes: Gawron, Larson, Shepherd, Spataro, Warmington

Nays: None

Absent: Buie, Schweifler

MOTION PASSED

d. Termination of Employee Rx Reimbursement Program. FINANCE

SUMMARY OF REQUEST: Staff recommends that the prescription drug reimbursement program put into place in 1999 be terminated.

FINANCIAL IMPACT: Direct savings of about \$7,000 per year. Additionally, significant staff time will be saved.

BUDGET ACTION REQUIRED: None

STAFF RECOMMENDATION: Termination of the current prescription drug reimbursement program effective May 31, 2003.

Motion by Commissioner Gawron, second by Commissioner Shepherd to approve the termination of the current Employee Prescription Drug Reimbursement Program effective May 31, 2003.

ROLL VOTE: Ayes: Larson, Shepherd, Spataro, Warmington, Gawron

Nays: None

Absent: Buie, Schweifler

MOTION PASSED

e. Power to Lakefront Development. ENGINEERING

SUMMARY OF REQUEST: Authorize Consumer Energy to install the necessary power poles and lines to provide power into the entire development including the GVSU site as per the proposal. Please keep in mind that the proposal calls for wooden poles to be installed along the lake side of the proposed bike trail from Ryerson Creek all the way to the fence between the lakefront property and the Payne's property, for an estimated cost of \$263,100.

FINANCIAL IMPACT: The estimated construction cost of \$263,100.

BUDGET ACTION REQUIRED: None at this time. The cost will be from the CMI grant and overage assessed to developer.

STAFF RECOMMENDATION: Authorize staff to issue a notice to proceed with Consumer Energy to perform the necessary work.

Motion by Commissioner Spataro, second by Commissioner Shepherd to authorize staff to issue a notice to proceed for Consumer Energy to install the necessary power poles and lines to provide power into the entire development including the GVSU site as per proposal, contingent upon reaching agreement with developer in regards to underground power on the west side of property.

ROLL VOTE: Ayes: Gawron, Larson, Shepherd, Spataro, Warmington

Nays: None

Absent: Buie, Schweifler

MOTION PASSED

2003-34 PUBLIC PARTICIPATION:

a. Casino Vote Election

Comments on Advisory Referendum were heard from Archimedes representative, Dave Wentland, of 399 Nelson, Muskegon, and Lance Hendricks, 1715 Kalamazoo Ave., Kalamazoo, MI.

Motion by Commissioner Spataro, second by Commissioner Larson to direct matter to staff and for details on wording of ballot and procedure for an election on Advisory Referendum.

ROLL VOTE: Ayes: Shepherd, Spataro, Warmington, Gawron, Larson

Nays: None

Absent: Buie, Schweifler

MOTION PASSED

The Regular Commission Meeting for the City of Muskegon was adjourned at 7:57pm.

Respectfully submitted,



Gail Kunding, MMC

Commission Meeting Date: April 8, 2003

2003-30'b)

Date: March 25, 2003
To: Honorable Mayor and City Commissioners
From: Planning & Economic Development *cbc*
RE: Sale of Non-buildable Lot at 2355 Torrent Street

SUMMARY OF REQUEST:

To approve the sale of a vacant non-buildable lot (Parcel #24-205-620-0004-70) at 2355 Torrent Street to Emily Jensen, 2340 Moon Street, Muskegon, MI 49441 Approval of this sale will allow the adjacent property owner to expand her current yard (see attached map). As is required by City policy, the subject parcel is being offered for \$100 to Ms. Jensen.

FINANCIAL IMPACT:

The sale of this lot will allow the property to be placed back on the City's tax rolls thus relieving the City of continued maintenance costs.

BUDGET ACTION REQUIRED:

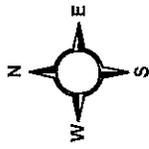
None.

STAFF RECOMMENDATION:

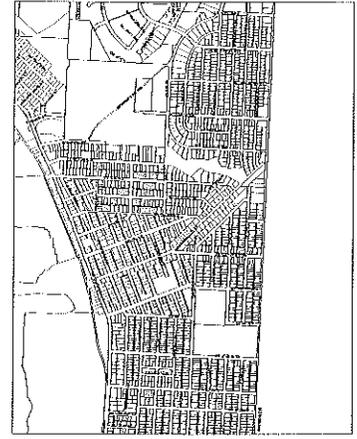
To approve the attached resolution and to authorize both the Mayor and the Clerk to sign the resolution.

COMMITTEE RECOMMENDATION:

**Vacant Non-buildable City-Owned Lot
2355 Torrent Street**



☆ = Subject Property(ies)
to be sold



CITY OF MUSKEGON

RESOLUTION #2003- 30 b)

RESOLUTION APPROVING THE SALE OF A CITY-OWNED NON-BUILDABLE LOT

WHEREAS, the City of Muskegon has received \$100 from Emily Jensen, 2340 Moon Street, Muskegon, MI 49441 for the purchase of a vacant, City-owned lot located adjacent to her property at 2355 Torrent Street (parcel #24-205-620-0004-70);

WHEREAS, this lot is not considered buildable under the City's Zoning Ordinance,

WHEREAS, the sale would enable the City to place this property back on the tax rolls, and would relieve the City of further maintenance;

WHEREAS, the sale of this property would be in accordance with property disposition goals and special recommendation of the Land Reutilization Committee (LRC);

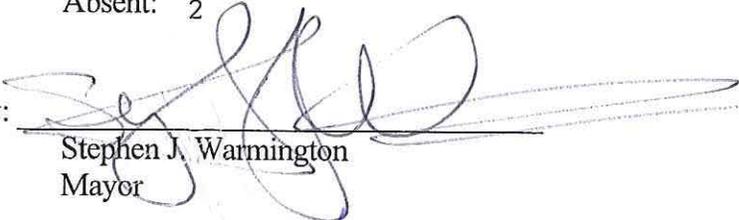
NOW, THEREFORE BE IT RESOLVED, that THE CITY OF MUSKEGON REVISED PLAT OF 1903 PART OF LOT 4 BLK 620 COM ON E LINE OF SD LOT 278.65 FT SLY OF NE COR TH S 00D 15M W 161.85 FT TH N 22D 15M W 149.05 FT TH N 67D 45M E 62.9 FT TO BEG be sold to Emily Jensen for \$100.

Resolution adopted this 8th day of April, 2003.

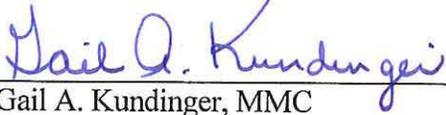
Ayes: 5

Nays: 0

Absent: 2

By: 

Stephen J. Warmington
Mayor

Attest: 

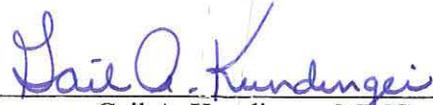
Gail A. Kunding, MMC
Clerk

CERTIFICATION

This resolution was adopted at a regular meeting of the City Commission, held on April 8, 2003. 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



Gail A. Kunding, MMC
Clerk

2002-30 b)
QUIT-CLAIM DEED

KNOW ALL MEN BY THESE PRESENTS: That the **CITY OF MUSKEGON**, a municipal corporation, whose address is 933 Terrace Street, Muskegon, MI 49440,

QUIT CLAIMS TO: **EMILY JENSEN**, of 2340 Moon Street, Muskegon, Michigan 49441,

the following described premises situated in the City of Muskegon, County of Muskegon, State of Michigan, to wit:

CITY OF MUSKEGON REVISED PLAT OF 1903 PART LOT 4 BLK 620
COM ON E LINE OF SD LOT 278.65 FT SLY OF NE COR TH S 00D
15M W 161.85 FT TH N 22D 15M W 149.05 FT TH N 67D 45M E
62.9 FT TO BEG
(also known as 2355 Torrent Street)

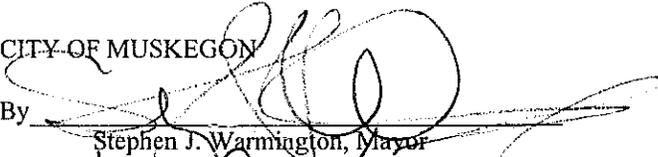
for the sum of One Hundred and no/100 Dollars (\$100.00)

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

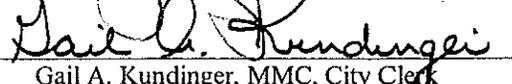
Dated this 8th day of April, 2003

CITY OF MUSKEGON

By


Stephen J. Warmington, Mayor

and

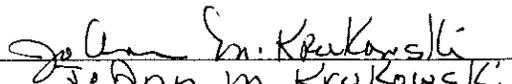

Gail A. Kunding, MMC, City Clerk

STATE OF MICHIGAN
COUNTY OF MUSKEGON

The foregoing instrument was acknowledged before me this 8th day of April, 2003, by Stephen J. Warmington and Gail A. Kunding, MMC, Mayor and City Clerk, respectively, of the CITY OF MUSKEGON, a municipal corporation, on behalf of the City.

PREPARED BY:

John C. Schrier
Parmenter O'Toole
175 W. Apple Ave., P. O. Box 786
Muskegon, MI 49443-0786
Telephone: 616/722-1621


John M. Krkowski,
Notary Public, Muskegon County, Michigan
My commission expires: 5-13-05

SEND SUBSEQUENT TAX BILLS TO: Grantee WHEN RECORDED RETURN TO: Grantee

Commission Meeting Date: April 8, 2003

Date: April 1, 2003 2003-30 d)
To: Honorable Mayor & City Commission
From: Community and Neighborhood Services
Department
RE: Approval of the 2003-2004 Action Plan

SUMMARY OF REQUEST: To approve the 2003-2004 Action Plan for the City of Muskegon Community Development Block Grant/HOME activity. If the Action Plan is approved, the CNS will continue the comment period of the Action Plan as amended if needed until April 22, 2003.

On April 23, 2003, the CNS office will deliver the Action Plan to the U. S. Housing and Urban Development as required in order to request the Release of Funds for the 2003-2004 fiscal year.

FINANCIAL IMPACT: Action Plan establishes the 2003-2004 budget.

BUDGET ACTION REQUIRED: None at this time budget established by Action Plan.

STAFF RECOMMENDATION: To approve the Action Plan.

COMMITTEE RECOMMENDATION: None.

Action Plan
COMMUNITY DEVELOPMENT BLOCK GRANT

June 1, 2003 thru May 31, 2004

MISSION STATEMENT & NARRATIVE SUMMARIES

To provide its residents with the ability to live in safe, decent, sanitary and attractive housing and to assure the preservation and enhancement of the City's neighborhoods, public facilities and infrastructure are examples of annual activities undertaken by the City of Muskegon to promote the overall well-being of this community. This section of the Consolidated Housing & Community Development Plan will describe eligible programs, projects and activities to be undertaken with funds expected to be made available during the above program year and their relationship to housing and non-housing community development needs outlined in previous sections.

PURPOSE & INTENT

In accordance with the National Affordable Housing Act of 1990, the City of Muskegon must submit an Annual Action Plan to the U. S. Department of Housing & Urban Development pursuant to its approved Consolidated Plan 2000-2004, which identifies proposed actions toward meeting housing and non-housing priorities. Affected programs include, but are not limited to the Community Development Block Grant (CDBG), the HOME Investment Partnership (HOME), the Emergency Shelter Grant (ESG), Homeless Assistance, Youth Build, and the Housing Opportunities for Persons Living with AIDS (HOPWA) Programs.

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
ANNUAL STATEMENT OF PRIORITIES & PROPOSED PROJECTS

The City's Community Development Block Grant (CDBG) program is annually funded to address the City's short and long-term goals, needs and priorities. These goals, needs and priorities are translated into the City's *Annual Action Plan and Statement of Priorities and Proposed Projects* for each program year period. If a determination is made not to implement an activity, to carry out an activity not previously described, or to substantially change the purpose, scope, location, or beneficiaries of an activity, an *Amendment* to the active program year Action Plan will be enacted. The City's Statement of Priorities and Proposed Projects for this period follows the Summary of Resources below:

Projected Resources & Activity Summary:

\$1,217,000	FY 2003 HUD/CDBG Entitlement
<u>150,000</u>	Program Income
\$1,367,000	Total CDBG funding

Other Expected Federal Funding

Law Enforcement Block Grant	89,419
Distress Neighborhood Grant	99,099
Multi-Jurisdictional Drug & Gang	29,600
After School Learning Centers	<u>1,000,000</u>
Total	1,218,118

Summary of Priorities and Proposed Projects

The City of Muskegon proposes to undertake activities during the 2003 – 2004 program year described as follows: The Funding is based on entitlement amount of \$1,376,000

Housing Priorities & Proposed Projects

Proposed projects will aid in the elimination of blight throughout the City, which is detrimental to life, health, and safety.

- \$185,000** **Housing Rehab - Emergency Repair Program.** Continued assistance to very low-income homeowners for the repair of single-purpose housing deficiencies that pose a serious threat to life, health, or safety.
- Locations:** City/Community Wide
Targeted Outcome: 40 Housing Units
- \$155,000** **Housing Rehab - Siding Program.** Continued assistance to provide free paint to low-income owner-occupants of single-family housing units, or vinyl siding to very low-income, owner-occupants.
- Locations:** City/Community Wide
Targeted Outcome: 90 Housing Units
- \$115,000** **Housing Rehab - Service Delivery Costs.** Funding for the administration of housing rehab programs and incidental costs associated with the housing rehab activities such as credit reports and recording fees.
- Location:** City/Community Wide
Targeted Outcome: 150 Household
- \$90,000** **Residential Clearance.** Continued funding for the board-up and demolition of vacant, substandard structures that are not suitable for rehabilitation.
- Locations:** Census Tract 2 – Jackson Hill; 3 – Angell; 5 – McLaughlin; and 6.02 Nelson Neighborhood
Targeted Outcome: 15 Housing Units
- \$45,000** **Code Enforcement.** Funding for the enforcement of City ordinances with respect to property maintenance and neighborhood blighting influences.
- Locations:** Census tract 3 – Angell Neighborhood, Census tract 5 – McLaughlin, Census tract 2 – Jackson Hill, Census tract 1 – Marquette, Census tract 6.02 Nelson Neighborhood
Targeted Outcome: 1000 Households

Non-Housing Priorities & Proposed Projects

Proposed projects will encourage commercial and retail development by taking maximum advantage of a variety of resources, to promote business expansion and investment in order to create a balanced recreational, commercial, residential, educational and industrial economic climate as follows:

\$245,000 **Shoreline Drive Bond Repayment.** Funding for payment of bond authority funds toward completion of the Shoreline Drive project, to be used for real property acquisition of affected properties.

Location: Census Tract 7 – Central Business

Targeted Outcome: Area Redevelopment

\$30,000 **Commercial Facade Improvement:** Funding to assist businesses in the Western Street and Third Street area with exterior business improvements

Location: Downtown Census Tract 7 and 6

Targeted outcome: 6 businesses

Public Improvements Proposed Projects

Proposed projects will provide the impetus to insure the continued maintenance and upgrading of the City's infrastructure, transportation and neighborhood resources as follows:

\$48,500 **Sidewalk Assessment Program.** Continued funding of sidewalk replacement costs for low-income homeowners, as identified by the sidewalk replacement program.

Location: Census Tracts – Steele Neighborhood

Targeted Outcome: 75 Households

\$40,000 **Public Rehabilitation/Clean-ups.** Funding to be used for maintenance of City-owned residential lots and other future public rehabilitation projects.

Location: Census Tracts 1, 2 ,3 , 5, 6.01

Targeted Outcome: 200 Lots

\$70,000 **Street Assessment Program.** Continued funding of street replacement costs for special assessment levied to low income homeowners who resided in areas where street replacement is proposed.

Public Services & Proposed Projects

Proposed projects will support community-based organizations by promoting neighborhood self-sufficiency and meet the under-served needs of special needs populations such as youth, the elderly, persons with disabilities and the homeless and low-income residents.

\$70,000 **Recreation Programs.** Continued funding of core-city youth recreation programs. Activities include summer/winter swimming, gym activities, basketball, family recreation, indoor soccer, and summer playground programs.

Location: Census Tract 2 – Jackson Hill; 3 – Angell; 4 – East Muskegon; 5 – McLaughlin; 6.01 – 6.02 Nelson

Targeted Outcome: 500 Youth

\$50,000 **Sr. Citizen Transit.** Continued funding to provide low-cost transportation services for elderly residents to medical facilities, shopping centers, educational/recreational activities and other related destinations.

Location: City/Community Wide

Targeted Outcome: 1300 Elderly

\$50,887 **Special Projects/Community-Based Organizations.** Continuation of grant program for local non-profit organizations to provide various services to low-income community residents.

Location: City/Community Wide

Targeted Outcome: 8 Community-Based Organizations

Approximately: 10,000 individuals

Management

\$172,500 **Management & Coordination.** General management, oversight and coordination of CDBG activities. Funding includes cost of staff salaries and fringe benefits, office supplies, equipment and contingency; Contract Compliance/EO and Indirect Costs.

CDBG PROJECTS/ACTIVITIES - 2003

FY29- 2003 - 2004 ACTIVITIES - By RANKING

REHABILITATION – HOUSING	455,000	33%
Emergency Repair		
Vinyl Siding		
Administration		
BOND REPAYMENT	245,000	18%
Shoreline Drive		
PUB. FACILITIES – ASSESSMENTS	160,000	12%
Sidewalks/Street		
Lot maintenance		
GENERAL ADMINISTRATION	172,500	13%
General Admin.		
Affirm. Action		
PUBLIC SERVICES	198,453	12%
Recreation Programs		
Sr. Transit		
CBO Grants Program		
CODE ENFORCEMENT – HOUSING	135,000	10%
Code Inspections		
Residential Clearance		
COMMERCIAL IMPROVEMENT	30,000	1.8%
Façade Improvement		

**2003 HOME INVESTMENT PARTNERSHIPS PROGRAM
ANNUAL STATEMENT OF PRIORITIES & PROPOSED PROJECTS**

The HOME Investment Partnerships Program was created by the National Affordable Housing Act of 1990, and the City of Muskegon is a designated "participating jurisdiction," which allows direct allocations of funds from the Dept. of HUD. Portions of these funds may be awarded to non-profit organizations to assist with the provision of affordable housing and support services; other eligible activities include acquisition, rehabilitation, investor/rental rehabilitation, downpayment assistance and assistance to first-time homebuyers. The City's Statement of Priorities and Proposed Projects for this period follows the Summary of Resources and Proposed Amendments below:

Project Resources: **\$340,111**

Reprogrammed Funds **\$ 20,000**

Housing Priorities and Proposed Projects

Proposed projects will aid in the prevention of further loss of viable housing units, increase affordable homeownership opportunities, encourage new development of affordable housing, and provide continued support for shelter and service programs for the homeless and persons at-risk of homelessness as follows:

- \$165,000** **Community Housing Development Organizations.** Continued assistance to support non-profit organizations providing housing and housing related activities, and activities for the needs of the homeless and those at risk of homelessness, and technical assistance to emerging non-profit housing organizations. 35 Households/Citywide
- \$57,000** **Program Administration.** General management, oversight and coordination of HOME program activities. Funding includes staff salaries, fringe benefits, office supplies and equipment.
- \$60,000** **Tax-Reverted Infill Program.** Assistance to construct single-family dwelling on tax-reverted properties not neighborhood specified. 1 family/targeted neighborhood.
- \$50,000** **Tax-Reverted Rehabilitation Program.** Assistance to rehabilitate tax-reverted single-family structures and sell to low/moderate-income residents after rehab. 1 family/targeted neighborhood.
- \$10,000** **Demolition Infill.** Continue program where the City uses funding to demolish tax-reverted and dangerous buildings owned by the City. The sites will later be used for new construction.

\$340,111 - HOME PROJECTS/ACTIVITIES - 2003

**2003 HOME INVESTMENT PARTNERSHIPS PROGRAM
CITY OF MUSKEGON
COMMUNITY & NEIGHBORHOOD SERVICES
PROGRAM DESCRIPTION**

2003 ALLOCATION OF FUNDS **\$340,111**
Reprogrammed funding **\$ 20,000**

Total HOME
\$360,111

HOME Community Housing Development Organizations (CHDO's)
\$165,000

As a participating jurisdiction, the City of Muskegon is required to provide opportunities for Community Housing Development Organizations to utilize HOME funds to produce affordable housing within the City of Muskegon. Funding will include the provision of technical assistance to assist in building the capacity of CHDO's to produce affordable housing and for administrative support of the organizations within the regulatory guidelines. Eligible activities include the acquisition of vacant land or existing structures, the construction or rehabilitation of these properties for occupancy by low to moderate-income individuals.

Tax-Reverted Infill: **\$60,000**

The City of Muskegon will use the allocated HOME funding to construct a single-family home on a designated tax-reverted lot not neighborhood specifically to be located in one of the city's low/moderate-income eligible neighborhoods. The home is to be sold to a low/moderate family whose income is at or near 80% of the city's median income. The potential owners will be recruited with the assistance of one of the city's CHDO's. Downpayment assistance may be available through the CHDO. The length of the affordability period will be determined by the amount of HOME funds used as a subsidy in the project. (see HOME Neighborhood Infill for additional details)

Eligible Properties

This program is proposed to provide assistance to rental property owners in the rehabilitation of single or multi-family rental properties to bring them up to code. This program will be available for properties with four or less rental units in the building. Priority will be given to single family rental

Program Requirements

Properties must be purchased/ occupied by low to very-low income tenants, those with incomes at or below 80% of area median income..

Program Marketing

The City of Muskegon will actively market this program with the local rental property owners association, area lenders, other non-profit organizations, neighborhood associations, local CHDO's and other housing and community development related entities.

Recapture provisions

The City elects to adopt the recapture of the homebuyer subsidy. The homebuyer subsidy will be forgiven by the City at a rate of 1/180 per month throughout the term of the affordability period. Upon sale of the property by the homeowner within the affordability period, the homeowner will be required to repay a prorated portion of the HOME funds used to subsidize the purchase of the home.

The property owner's return on investment at the point of sale will include:

- The amount of the homebuyer's downpayment made from their own resources
- The amount of mortgage principle repaid at the time of resale
- The appreciated value of the property (Appraised value at resale less the appraised value of the property at the time of purchase by the homeowner).

The homeowner will receive the full amount of the fair return only if sufficient sale proceeds remain after all outstanding debt (including repayable HOME subsidy amounts) and closing costs are paid. Any proceeds remaining after payment of the outstanding debt, closing costs, fair return, and any HOME subsidy repayment will be shared 50/50 between the homeowner and the City. Any funds repaid to the City will be returned to the HOME trust fund. Repayment of the HOME subsidy amount will not be required if the resale does not provide sufficient net proceeds to satisfy other outstanding debt, pay closing costs, and offer a fair return on investment to the property owner. Partial repayment may be required based on the amount of sales proceeds received by the homeowner.

Tax-reverted Rehabilitation: **\$50,000**

The City of Muskegon will use this funding to rehabilitate a single family structures obtained through the tax-reversion process, the dangerous building list or through the U. S. Housing and Urban Developments "Good Neighborhood Program".

The funding will be used to rehabilitate the dwelling to code. After the rehabilitation is completed the structures will be sold to an income eligible low/moderate-income family through a partnership with one of the communities CHDO's.

The future occupants will have incomes preferably below 65% of area median income. Any profits obtained from this program will be reallocated to the local HOME funds. The recapture provisions are the same as under the Infill program

Tax Reverted Demolish: **\$10,000**

The City of Muskegon will used this funding to assist with neighborhood revitalization efforts By demolishing tax reverted and dangerous residential homes owned by the City. The site will be used at a later date for Infill construction. After construction is completed the homes will be sold to qualified low-income residents.(recapturing provision above)

HOME Administration: **\$57,000**

The City of Muskegon will use the funding to administer all HOME programming.

Rental Rehabilitation Program – NOT FUNDED THIS FISCAL YEAR

This program will provide funding for the rehabilitation of existing rental units located in the City of Muskegon occupied by families whose annual incomes do not exceed 60 percent of the median family income for the area, adjusted for family size. The City will provide a maximum of \$30,000 by matching the owner's contribution to the rehabilitation. The property owner must contribute the remaining development costs. Properties rehabilitated under this program must meet applicable local building codes at the completion of the project.

Property owners will be eligible for assistance under the City's Rental Rehabilitation programs only if there are no outstanding legal actions pending against them for chronic outstanding violations. Landlords who have already received assistance under the HUD Rental Rehab program, the MSHDA HOME Rental Rehab program, or the City's HOME Rental Rehab program will not be eligible for additional assistance to the same properties. Qualifying property owners must be current on all taxes and debts owed to the City of Muskegon prior to submitting their application for assistance, and throughout the HOME affordability period.

Tenant Occupancy

For property receiving HOME Rental Rehabilitation assistance, the units must be occupied by families with incomes at or below 80% of area median income, adjusted for family size. Income determinations will be made at the time of application. Tenant occupancy and income will be re-certified annually for the length of the applicable affordability period.

Monitoring

In compliance with CFR24 91.230 the City of Muskegon requires all funded subrecipients and Community Housing Development Organizations (CHDO's) to sign an agreement contract listing their intended scope of services, a delineated budget and to include all required supporting documentation. (i.e. 501 C3 verification, list of staff demographics etc) As well as including in the agreement all pertinent City of Muskegon and U. S. Department of Housing and Urban development requirements.

In addition all Subrecipients and CHDOS are required to submit quarterly progress reports detailing the organization/agency accomplishments during the past quarter, and or the number of minorities and or low and moderate income residents served.

The City of Muskegon Community and Neighborhood Services also physically monitors all Subrecipients and CHDO's at their sites once a year which includes reviewing policies, procedures as well as activities and accomplishments.

RELEVANT NARRATIVE STATEMENTS

Issue: Continuum of Care Strategy for the Homeless

Muskegon County's Continuum of Care¹ can be viewed as four interconnected phases. **Phase One** is an outreach and entry phase. The homeless, near homeless, and the working poor at risk of homelessness are identified by organizations that provide life-sustaining assistance... shelter, food and financial support. These entities include the Salvation Army, City Rescue Mission, Red Cross, Community Action Against Poverty, Every Woman's Place, Catholic Human Development Outreach and the COGIC Center of Trinity Village. Their obligation to this strategic plan is to identify and perform an initial assessment. This process allows referral to safe shelter for the homeless and to case

¹ Muskegon County Homeless Coalition (ABSTRACT) March 2000

management services for the near homeless to prevent the loss of home.

Phase Two is a barrier identification and case management phase. During this phase, client issues are explored more intensely, and individual, client-driven case management plans are designed. Additional services from the community are then "wrapped around" the client that addresses the barriers to safe housing and economic stability. These may include employment assessment and training, substance abuse treatment, support services education, health and dental care provisions, legal support, individual and family counseling and movement into a transitional living situation. The near homeless continue to be monitored and supported to prevent their loss of home. Organizations involved at this time include Family Centers, Legal Aid, Treatment Centers, County Employment and Training sites, Health Care providers, and mental health specialists. It should be noted that even with expensive services in this Phase, a lack of transitional housing can result in a "revolving door" situation, with clients returning into Phase One.

Phase Three continues the case management plan, with additional emphasis on self-supporting skills such as gaining and retaining a life sustaining wage, budgeting, parenting, permanent housing education and nutrition. Clients in this phase are moved toward permanent housing, if previously homeless, or toward greater stability if identified originally as near homeless. Housing education stresses home ownership as a preferred strategy over renting. In this phase, Housing Commissions, financial institutions, neighborhood associates and the faith-based community are included.

Clients in **Phase Four** are supported in their efforts to gain and maintain a permanent residence, both physically and financially. Section 8 housing vouchers, city renovation project grants, and low or no-cost reclamation loans are sought for this purpose. Support services are offered as required to continue the development and stability of the family toward self-sufficiency and economic sustainability. Case management services taper off as clients become more self-reliant.

Priorities in Muskegon County include support for emergency shelters, additional transition housing units, and a computerized case management system for data collection and analysis.

Issue: Fair Housing Needs Impediments

The City of Muskegon continuously works to assure that any impediments to fair housing opportunities are removed. It is the City of Muskegon administration position that the 2000 Census will illustrate that the City of Muskegon has seen a shift in housing patterns in the last 10 to 15 years where minorities are residing in areas of the city formerly only occupied by white residents. Some of the credit for this shift can be attributed to the work of the nonprofit community promotion of homeownership and also the local realtor community, which has been promoting homeownership throughout the City. The City of Muskegon has also increased the availability of quality housing within the city in a number of ways. The City's Infill programs have given the opportunity to low and moderate-income residents to purchase home they would not be able to afford with out the subsidy.

In the last decade the City of Muskegon has also experienced a significant increase in the availability of quality rental housing. Several complexes have been built by the private market offering quality-housing opportunities for low and moderate-income residents which includes rental assistance. Even with the increase in available rental housing there still appears to be a need for addition rental assistance. During the period of March 18, 2002 thru March 22 2002, the Muskegon Housing Commission advertised open enrollment for its Section 8 vouchers/certificates a total of approximately 1257 applications were received by the Housing Commission from the public hoping to obtain rental assistance. January 9, 2003, Muskegon Heights had an open enrollment for their section 8 program. A total of 1,000 applications were accepted at that time.

Issue: Lead Paint Hazard Reduction

The City will continue to coordinate actions toward reduction of lead hazards in housing units with the Muskegon County Health Department, particularly in homes occupied by children under the age of seven(7), and with elevated blood lead levels. Although, the number of homes rehabilitated under the City's housing programs remain a small portion of units suspected to have lead hazards, the County Health Department continues to focus on the existence of hazards in the community and employs various strategies through area social service agencies for abatement, education, screening and coordination.

The City's actions toward eradication of this particular hazard to the community involves the following:

- * Continued support and coordination with the Muskegon County Health Department;
- * Priority consideration under housing programs to households with children with elevated blood lead levels;
- * Allocation of CDBG/HOME funding for lead hazard abatement and remediation in rehabilitated homes; and
- * Provision of the most current information, data analysis, and prevention methods to the general public through brochures, pamphlets and other education materials on the risks of lead poisoning.

Under the City's HOME Program, certain activities involve the acquisition and/or sale of single-family properties and investor-rehabilitation assistance for rental properties. Under this program, the following actions apply for purchase, rental, and renovation of pre-1978 housing units:

- * *Investor/Landlords* must disclose known information on lead-based paint hazards before leases take effect;
- * *Sellers* must disclose known information on lead-based paint hazards before selling a housing unit; buyers have a minimum of ten (10) days to check for hazards; and
- * *Rehabilitation* activities will include specific inspection specifications and procedures for use by contractors performing construction services.

The City of Muskegon has worked diligently to train both its staff and its contractors in lead paint remediation. The CNS office has four members of its staff certified in safe work practices. Its rehabilitation inspector is certified in Lead supervision and as a Lead wiper. The City has also financed the training of a total of 52 area contractors in safe work practices and a total of 7 as Lead Based Paint supervisors.

The City of Muskegon Inspection department has aggressively implemented a policy that targets substandard housing in the City, requiring that the housing is brought up to code in a quality manner by the owner or the housing is demolished. Which eliminates the substandard housing from the City's housing stock and also eliminates the possibility of the substandard housing being rented and or sold to someone not in a quality condition.

Anyone wishing to make a complaint concerning housing related issues is directed to the City of Muskegon Affirmative Action office. Last fiscal year a fair housing analysis was produced regarding Muskegon County by the Grand Rapids Fair Housing Center. The report was financed by the cities of Muskegon, Muskegon Heights, Norton Shores and Muskegon County.

The results of that study is currently being studied and the information derived from the report will be used in future planning efforts.

Currently, the local Muskegon County National Association for the Advancement of Colored People (NAACP) along with the cities of Muskegon, Muskegon Heights, Norton Shores and the County of Muskegon are researching the possibility of reestablishing a Fair housing Center in Muskegon County.

Issue: Welfare Reform Impact

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 represents significant changes in perceptions of 'welfare reform'. The challenges represented are critical to all segments of a given community, and the City of Muskegon is no exception. The Dept. of HUD is promoting a three-pronged response to begin addressing this issue, and the City of Muskegon will make every attempt to expand its partnerships with HUD, the State of Michigan, and community organizations to provide viable services to its residents affected by the legislation by promoting the following endeavors:

- * Support for the creation of job opportunity through economic development activities;
- * Support and monitoring of innovative uses of tenant-based rental assistance linking welfare recipients to jobs;
- * Support and continued promotion of the family self-sufficiency concept;
- * Provide supportive technical assistance when needed, to help welfare recipients make the transition from dependency to work through expansion initiatives, funding for supportive services and encourage initiatives that provide access to education and job training.

The City acknowledges several area agencies that provide assistance and supportive services with these common goals, and will continue to expand its role and partnerships, as debate on this issue and its impact continue to be assessed.

Public Housing

The Muskegon Housing Commission an independent agency from the City of Muskegon is not eligible for the Comprehensive Grant because of the number of housing units in its inventory.

The City of Muskegon was recently informed by the Muskegon Housing Commission that the Commission has received approval for the TARC division of HUD to demolish the "infamous" eight Turn-Key 3 homes.

The City has agreed to demolish 3 of the homes with CDBG funding. These homes are presently on non-conforming parcels that will not meet zoning for new construction.

One of the eight homes, the city has agreed to demolish with "General funds" monies because the site is not in a designated "low/mod" neighborhood.

Four of the currently blighted structures will be demolished with HOME funding and the structures will be replaced with new single family homes through the City's Infill efforts.

The demolition will hopefully begin by early summer of 2003.

The City will continue to work with the independent agency whenever economically and logistically possible to help the Muskegon Commission rid itself of the troubled label.

HOUSING AND COMMUNITY DEVELOPMENT NEEDS

Conditions

The overall condition of housing units in Muskegon is good. Much of the city's substandard housing stock has been eliminated over the past 20 years through Urban Renewal and the City's ongoing demolition program. On the other hand the number of the city's housing units continue to need repairs. Reinvestment in the City's housing stock has decreased with the decline in city property values which has led to further deterioration and a decrease in the number of units which are suitable for rehabilitation.

Housing Needs

The greatest housing problem occurs in non-elderly renter households. In 1980 55% of the city's low-income households were homeowners and 45% were renters. By 1990, the ratio had reversed with only 34% of the City's very low-income households being homeowners and 66% were renters, the 21% increase in the very low income rental population resulted in increased demand for rental units that are affordable to the very low-income families, most of whom need some form of income or rental subsidy to meet housing needs. 1.364 or 17% of the city's total owner-occupied households have incomes between 51% and 80% of the area median. This is interesting because it is 5% lower than the percentage of homeowners who fall below 50% of median income. The higher percentage of very low-income homeowners can be explained by the large numbers of elderly homeowners on fixed incomes that fall into the very low-income category. Most of these elderly families purchased their homes when they were employed and lack sufficient funds to maintain the homes.

Housing Market Conditions

According to the 1990 U.S. Census the City of Muskegon had 16,019 housing units; 8,079 renter; 6,700 renter and 1,249 vacant. A loss of 331 units occurred since 1980, but the loss was higher than the City's population loss. Overall City vacancy rates have remained relatively stable. However, among the subsidized rental properties that are designed to remain affordable to the City's low-income residents, there are few vacancies other than normal turnover.

Affordable Housing Needs

Owner-occupied housing units and rental units are all in great need of maintenance and repair. There is a need for additional rental subsidies for renter household. The Muskegon Housing Commission is the designated Public Housing agency for the City. The Housing Commission has had a major impact in the last few years creating affordable housing units. There is an extremely high demand for Section 8 Rental Assistance. The Section 8 waiting list was recently open from March 18 thru March 22, 2002. During the period the Muskegon Housing Commission received a total 1257 applications for Section 8 rental assistance. Which illustrates the continuous need for additional rental assistance for the low and moderate-income residents of Muskegon

Homeless Needs

The homeless exist in Muskegon County but are nearly invisible. A larger number of households are at-risk of homelessness. These households use area food pantries, soup kitchens, and short term rent assistance.

Precise data did not exist for the homeless and at-risk populations at the beginning of the City's five-year plan; however changing economic trends and household demographics, have begun to formulate a statistical database which identifies an increasing population. These trends are readily referred to in the Muskegon Area Homeless Coalition Continuum of Care Plan, finalized during early, 1999.

This public policy approach and strategy for meeting the needs of the homeless and those populations at risk of becoming homeless demonstrates that homelessness is not caused merely by a lack of shelter, but involves a variety of underlying, unmet needs ---- physical, economic, and social, and refines a stronger focus toward developing strategies to address these needs. The result has enacted a specialized care system to move homeless persons to permanent housing with associated support services to provide outreach, intake and assessment to be coordinated with a centralized tracking system to define services, broad access to emergency shelters, transitional housing and record demographic data of persons served. The expected outcome will guide the allocation of resources addressed by the Consolidated Plan, with a broad-based approach, including focussed discussion among surrounding municipalities, and area wide service providers to establish a balanced system which includes emergency shelter, transitional housing, and associated supportive assistance.

Public and Assisted Housing Needs

Name of Local Housing (LHA): Muskegon Housing Commission. The Commission operates Hartford Terrace Apartments, a 160-unit elderly/disabled housing complex; Section 8 Tenant Assistance vouchers/certificates.

Conditions of LHA units: There has been an effort in the last 2 years to conduct major rehabilitation at the Housing Authority although money has been limited.

There are no current or outstanding court orders, consent decrees or formal U.S. Department of Housing & Urban Development sanctions which act as barriers to affordable housing within the City of Muskegon. However in order to facilitate the City's efforts, the City has requested waivers through the Enterprise Community project, as described below:

1. Waiver Request - Public Assistance Programs

The use of public assistance grants to offset employers' salary costs for newly hired public assistance recipients in order to help recipients get jobs and to expand jobs.

Pilot projects which mandates job search for ADC applicants.

Extension of Medicaid coverage to ADC clients entering the work force beyond the 12-month period currently provided.

Exemption for one vehicle regardless of value from the current asset limitations.

2. Waiver Requests - Public Housing Facilities

Waiver to keep elderly families only in housing for elderly and not disabled residents of any age.

Lead-Based Paint Strategy

The Muskegon County Health Department is the primary agency involved in the identification of lead poisoning cases in the community and as such the lead agency for hazard identification and treatment of persons with elevated blood levels of lead. Youth in Muskegon are at high risk for lead poisoning for a number of reasons:

97% of the City's housing units were built before 1979

12% of the City's housing units are estimated in substandard condition

26% of the City's households are below the poverty level

41% of the City's housing units are rental with many concentrated in the inner city

Since September 2001 the City of Muskegon has tested all structures by a lead based risk assessor in its rehabilitation programs excluding emergency repair.

Anti-Poverty Strategy

The City of Muskegon makes concerted efforts to enhance the quality of life for all of its citizens, including families and individuals living at or below federally established poverty standards. The standards are defined by household income levels, tenure and makeup, extent of overcrowding and substandard conditions, unemployment, human service needs, and homelessness.

In order to assist residents with breaking the cycle of poverty, the City has embarked on several projects, to break the poverty cycle by implementation of several centrally focussed strategies:

- * Encourage the improvement of existing housing conditions by continuing support of City-administered housing programs, i.e. code enforcement, low-cost comprehensive grant/loan repair assistance; continued encouragement and support for initiatives aimed at first-time homebuyers, and mortgage financing which fosters affordable housing opportunities, such as those currently provided by the Neighborhood Investment Corporation.

activities, including training and re-training of displaced workers, the development of projects which target economic opportunity for designated poverty-level segments, and to assist new and retain/expand existing businesses.

- * By supplying funding when available to a number of public services that work diligently to assist low income resident break the cycle of poverty. These public services include areas of assistance that focus on health especially minority community, legal services, childcare, transportation and education.

Coordination

As part of the community-based partnership organizations and agencies participating in the development of the Consolidated Plan, over 100 local service providers were consulted. Overwhelming support was provided, with many agencies offering additional programs and resources, such as: The Muskegon Housing Commission, Muskegon Department of Social

Services (State of Michigan), Muskegon County Department of Community Mental Health, Muskegon County Health Department, Michigan State Housing Development Authority and Michigan Region 14 Area Agency on Aging.

The 2003 –2004 CDBG/Home activities are significantly consistent with the priorities as developed in the 2000 – 2004 Consolidated Plan.

The City is meeting all its stated housing priorities through its partnership with the CHDO's and its in-house infill and emergency repair programs.

PRIORITY 1. To allocate at least the required amount of HOME funding to area CHDO's to assist low-income with downpayment assistance and increase their ability to obtain mortgages.

PRIORITY 2. By working through the City's Infill project to increase the number of new homes constructed within the targeted areas.

PRIORITY 3. Rehabilitate owner-occupied and rental structures through the community.

The non-housing priorities are consistent with those established in the Consolidated Plan because the 2003 – 2004 activities in this category promote small business development and overall community economic development.

PRIORITY 1. To work collaboratively to increase new employers and the availability of skilled workforce.

PRIORITY 2. Increase developable land in the areas of commercial, industrial and residential.

PRIORITY 3. Increase number of small businesses.

The City of Muskegon public service is highly correlated with the established Consolidated Plan that was under the category of Neighborhood Objectives. The 2003-2004 activities consist of infrastructure improvements, recreation activities, senior programs, education support and neighborhood improvement programming.

PRIORITY 1. Increase Leisure Services activities/facilities.

PRIORITY 2. Improve quality of life in low/moderate income neighborhoods.

PRIORITY 3. Increase neighborhood retail opportunities

PRIORITY 4. Improve and upgrade city public safety equipment

PRIORITY 5. To continue to work with and when possible supply financial assistance to subrecipients in the health field.

As in the past the City of Muskegon will periodically during fiscal year review its activities to assure that the performances of its programs are meeting its goals and objectives. This will be accomplished by reviewing subrecipients and CHDO's quarterly reports as well as conducting on-site monitoring visits. As well as reviewing the department's performance on a monthly / quarterly basis. All subrecipients and CHDO's are informed in their agreements that they have one year to complete their projects (June 1 through May 31) unless an extension is granted by the City of Muskegon Community and Neighborhood Services

Public Comment

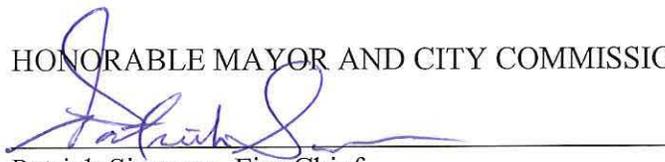
The City of Muskegon advertised the availability of 2003-2004 Action Plan in the Muskegon Chronicle the county's largest daily newspaper. The comment period for the Action Plan was March 22, 2003 to April 22, 2003. The City received no comments during that period.

AGENDA ITEM NO. 2003-30 (B)

CITY COMMISSION MEETING _____

TO: HONORABLE MAYOR AND CITY COMMISSION

FROM:


Patrick Simpson, Fire Chief

DATE: April 2, 2003

SUBJ: **Request for Permission to Apply for 2003 USFA Grant**

SUMMARY OF REQUEST:

The Fire Department is requesting City Commission permission to apply for 2003 United States Fire administration "Assistance to Firefighters Grant Program" to provide firefighter equipment to enhance operational safety.

FINANCIAL IMPACT:

\$11,300 match through department capital funds.

BUDGET ACTION REQUIRED:

None

STAFF RECOMMENDATION

Staff recommends approval of grant application to USFA for fire equipment acquisition.

COMMITTEE RECOMMENDATION:

April 2, 2003

Honorable Mayor and City Commission
Through the City Manager

Re: 2003 United States Fire Administration Grant Request

Dear Mayor and Commissioners:

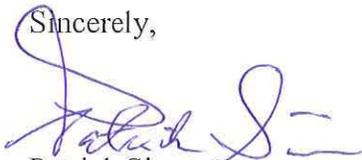
I am requesting permission to submit for the 2003 United States Fire Administration "Assistance to Firefighters Grant Program". These grants through FEMA provide funds to the local jurisdictions for programs to both protect citizens and our firefighters.

For 2003, our program is an enhancement to our emergency operations equipment. This grant will provide updates to self-contained breathing apparatus, vehicle communications, and fire ground communications.

The anticipated result will be a reduction in the number of potential injuries and fire deaths in households and fire department staff.

Proposed \$112,845.00 grant will require a 10% local match. This will be accomplished through department capital funds. There is no additional department staff requested, since existing personnel can provide this level of delivery.

Sincerely,

A handwritten signature in blue ink, appearing to read "Patrick Simpson", with a stylized flourish at the end.

Patrick Simpson
Fire Chief

Commission Meeting Date: April 8, 2003

2003-31 e)

Date: April 1, 2003
To: Honorable Mayor & City Commission
**From: Community and Neighborhood Services
Department**
**RE: Community Development Block Grant/HOME Final
allocation decision**

SUMMARY OF REQUEST: For the City commission to make their final allocation decision concerning the 2003-2004 CDBG/HOME fiscal year.

The Commission has received the recommendation from the citizen District Council and the City administration. The commission made their preliminary recommendations during the March 18, 2003 City Commission meeting.

After receiving the Commissions final allocation decision, the CNS office will amend the City's 2003-2004 Action plan if needed and continue the comment period until April 22, 2003. At that time, the City will request the U. S. Housing and Urban Development department for the release of the funds for the 2003-2004 fiscal year to begin June 1, 2003.

FINANCIAL IMPACT: The decision will determine the CDBG/HOME budget for 2003-2004.

BUDGET ACTION REQUIRED: The decision will establish the budget.

STAFF RECOMMENDATION: The Commission has already received the staff recommendation.

COMMITTEE RECOMMENDATION: The Commission has already received the Citizen's District Council recommendations.

2003 - 2004 CDBG / HOME ACTIVITY

	Organization Name/Program Title	Amount Requested	Administration Recommendation	Citizen District Council Recommendation	City Commission Preliminary Recommendation	City Commission Final Decision
1	West MI Veterans <i>Veterans Assistance</i>	5,000	5,000	5,000	5,000	
2	American Red Cross <i>Senior Transportation</i>	5,000	5,000	5,000	5,000	
3	Western MI Legal Services <i>Counseling/Legal Education</i>	38,504	10,500	10,500	10,500	
4	Volunteer Muskegon <i>Mapping</i>	5,000	5,000	5,000	5,000	
5	Volunteer Muskegon <i>Keep Kids In School</i>	5,000	5,000	5,000	5,000	
6	HealthCARE <i>Health screening to low-income</i>	6,887	6,887	6,887	6,887	
7	Muskegon Community Health Project <i>"Miles for Smile Dental Services"</i>	5,000	5,000	5,000	5,000	
8	Pioneer Resources <i>Rec & Leisure for Develop Disabilities</i>	8,580	0	0	0	
9	Family Service Center <i>DAD'S Program</i>	15,000	8,500	8,500	8,500	
10	Bishop Daycare & Learning Center <i>Education Program Expense</i>	25,000	0	0	0	
11	Youth Outreach <i>Purchase of Building</i>	79,900	0	0	0	
12	Inspections <i>Demolition</i>	155,000	90,000	90,000	90,000	
13	Community and Neighborhood Services <i>Administration</i>	185,000	172,500	172,500	172,500	

	Organization Name/Program Title	Amount Requested	Administration Recommendation	Citizen District Council Recommendation	City Commission Preliminary Recommendation	City Commission Final Decision
14	Community and Neighborhood Services <i>Vinyl Siding Program</i>	165,000	155,000	155,000	155,000	
15	Community and Neighborhood Services <i>Emergency Repair Program</i>	190,000	185,000	185,000	185,000	
16	Community and Neighborhood Services <i>Rehab Service Deliver Program</i>	115,000	115,000	115,000	115,000	
17	Planning/DPW <i>Lot Clean up</i>	50,000	40,000	40,000	40,000	
18	Community and Economic Development <i>Code Enforcement</i>	45,000	45,000	45,000	45,000	
19	Community and Economic Development <i>Façade</i>	50,000	30,000	30,000	30,000	
20	Finance <i>Repayment of Shoreline Dr. Bond Project</i>	245,000	245,000	245,000	245,000	
21	Depart of Public Works <i>Senior Transit</i>	60,211	50,000	50,000	50,000	
22	Engineering / CNS <i>Sidewalk Assessment Relief</i>	50,000	48,500	48,500	48,500	
23	Engineering / CNS <i>Street Assessment Relief</i>	80,000	70,000	70,000	70,000	
24	Leisure Services <i>General/Inner-City Recreation</i>	77,000	70,000	70,000	70,000	
25	CNS/Fire <i>Operation "Save Lives"</i>	3,500	0	0	0	
Total CDBG Request/Recommendations		\$ 1,669,582	\$ 1,366,887	\$ 1,366,887	\$ 1,366,887	UNDETERMINED
Total CDBG Allocation		1,217,000	1,217,000	1,217,000	1,217,000	1,217,000
Program/Reprogram Income		150,000	150,000	150,000	150,000	150,000
Total		1,367,000	1,367,000	1,367,000	1,367,000	1,367,000
Total CDBG Allocation - Request = Difference		\$ (452,582)	\$ 113.00	\$ 113.00	\$ 113	#VALUE!

	Organization Name/Program Title	Amount Requested	Administration Recommendation	Citizen District Council Recommendation	City Commission Preliminary Recommendation	City Commission Final Decision
1	Neighborhood Investment Corp. <i>Housing Rehab, Neighborhood Imp.</i>	130,350	85,000	85,000	85,000	
2	Bethany <i>Housing Rehabilitation</i>	73,000	55,000	55,000	55,000	
3	Habitat for Humanity <i>Acquisition</i>	35,000	25,000	25,000	25,000	
4	Community and Neighborhood Services <i>Tax-Reverted Infill</i>	80,000	60,000	60,000	60,000	
5	Community and Neighborhood Services <i>Tax-reverted Rehabilitation</i>	60,000	50,000	50,000	50,000	
6	Community and Neighborhood Services <i>Demolition</i>	10,000	10,000	10,000	10,000	
7	Community and Neighborhood Services <i>HOME Administration</i>	57,000	57,000	57,000	57,000	
	Total HOME Request/Recommendations	\$ 445,350	\$ 342,000	\$ 342,000	\$ 342,000	UNDETERMINED
	Total HOME Allocation	320,000	340,111	340,111	340,111	340,111
	Program/Reprogram Income		20,000	20,000	20,000	20,000
	Total	320,000	360,111	360,111	360,111	360,111
	Total HOME Allocation - Request = Difference	\$ (125,350)	\$ 18,111	\$ 18,111	\$ 18,111	#VALUE!

Date: April 8, 2003
To: Honorable Mayor and City Commissioners
From: Engineering
RE: Consideration of Bids
Terrace Street, Iona to Peck

2003-31e)

SUMMARY OF REQUEST:

The Terrace St., Iona to Peck contract be awarded to Grant tower Excavating of Grant, MI. Grant Tower was the lowest, see attached bid tabulation, responsible bidder with a bid price of \$484,784.45.

FINANCIAL IMPACT:

The construction cost of \$484,784.45 plus related engineering expenses.

BUDGET ACTION REQUIRED:

None.

STAFF RECOMMENDATION:

Award the contract to Grant Tower Excavating

COMMITTEE RECOMMENDATION:

H-1567, W-633, S-578 TERRACE ST. IONA AVE. to PECK ST.

BID TABULATION - 03/18/03

DESCRIPTION	QTY	UNIT	CONTRACTOR ADDRESS CITY/ST/ZIP		GRANT TOWER EXC		ORTH RIVER EXCAVATIN		WADEL STABILIZATION		RINCE BRIDGE & MARIN	
			13064 WISNER GRANT, MI 49327		9918 N. RIVER RD NEWAYGO, MI 49337		2500 OCEANA DR HART, MI 49420-8116		PO BOX 510 GRAND HAVEN, MI 49417			
			UNIT PRICE	TOTAL PRIC	UNIT PRICE	TOTAL PRIC	UNIT PRICE	TOTAL PRICE	UNIT PRICE	TOTAL PRICE	UNIT PRICE	TOTAL PRICE
1 ADJUST MANHOLE CASTING	12	EACH	\$443.00	\$5,316.00	\$300.00	\$3,600.00	\$400.00	\$4,800.00	\$250.00	\$3,000.00		
2 ADJUST WATER VALVE CASTING	1	EACH	\$156.00	\$156.00	\$300.00	\$300.00	\$250.00	\$250.00	\$100.00	\$100.00		
3 AGGREGATE BASE COURSE 22A @ 8" C.I.P.	5775	SQ.YD.	\$5.10	\$29,452.50	\$6.50	\$37,537.50	\$5.50	\$31,762.50	\$8.00	\$46,200.00		
4 BENDS D.C.I. 6" 45" M.J.	8	EACH	\$147.00	\$1,176.00	\$250.00	\$2,000.00	\$500.00	\$4,000.00	\$150.00	\$1,200.00		
5 BENDS D.C.I. 8" 45" M.J.	51	EACH	\$203.00	\$10,353.00	\$325.00	\$16,575.00	\$500.00	\$25,500.00	\$175.00	\$8,925.00		
6 BIT. LEVELING MIX 3C @ 165#/S.Y.	506	TON	\$48.50	\$24,541.00	\$42.95	\$21,732.70	\$39.04	\$19,754.24	\$39.05	\$19,759.30		
7 BIT. TOP MIX 4C MOD. POYLMER ASPH. @ 220#/S.Y.	705	TON	\$47.60	\$33,558.00	\$49.80	\$35,109.00	\$45.27	\$31,915.35	\$45.30	\$31,936.50		
8 CATCH BASIN CASTING E.J.#5105 OR EQUAL	1	EACH	\$583.00	\$583.00	\$500.00	\$500.00	\$450.00	\$450.00	\$310.00	\$310.00		
9 CATCH BASIN CASTING E.J.#7045 OR EQUAL	13	EACH	\$622.00	\$8,086.00	\$550.00	\$7,150.00	\$475.00	\$6,175.00	\$380.00	\$4,940.00		
10 CATCH BASIN FLAT TOP	14	EACH	\$1,010.00	\$14,140.00	\$250.00	\$3,500.00	\$1,250.00	\$17,500.00	\$1,250.00	\$17,500.00		
11 CEMENT	5	TON	\$158.00	\$790.00	\$165.00	\$825.00	\$0.01	\$0.05	\$100.00	\$500.00		
12 CONC. BASE COURSE 8"	26	SQ.YD.	\$21.00	\$546.00	\$21.18	\$550.68	\$30.00	\$780.00	\$40.00	\$1,040.00		
13 CONC. CURB 6"x 14"	24	LIN. FT.	\$10.00	\$240.00	\$10.00	\$240.00	\$15.00	\$360.00	\$12.00	\$288.00		
14 CONC. CURB & GUTTER F-4 MOD.	3100	LIN. FT.	\$9.75	\$30,225.00	\$8.53	\$26,443.00	\$11.00	\$34,100.00	\$8.75	\$27,125.00		
15 CONC. DRIVE APPROACH 6" STD.	555	SQ.YD.	\$22.50	\$12,487.50	\$22.28	\$12,365.40	\$30.00	\$16,650.00	\$23.40	\$12,987.00		
16 CONC. SIDEWALK 4"	7577	SQ.FT.	\$2.25	\$17,048.25	\$2.20	\$16,669.40	\$2.75	\$20,836.75	\$2.00	\$15,154.00		
17 CONC. SIDEWALK 6"	1035	SQ.FT.	\$2.50	\$2,587.50	\$2.48	\$2,566.80	\$3.00	\$3,105.00	\$2.50	\$2,587.50		
18 CORP. STOP 1" MUELLER #15000 OR EQUAL	26	EACH	\$392.00	\$10,192.00	\$275.00	\$7,150.00	\$450.00	\$11,700.00	\$60.00	\$1,560.00		
19 CROSS D.C.I. 8" x 8" M.J.	2	EACH	\$561.00	\$1,122.00	\$650.00	\$1,300.00	\$375.00	\$750.00	\$440.00	\$880.00		
20 CURB STOP 1" W/ BOX MUELLER #15150 OR EQUAL	19	EACH	\$451.00	\$8,569.00	\$130.00	\$2,470.00	\$450.00	\$8,550.00	\$110.00	\$2,090.00		
21 CURB STOP 2" W/ BOX FORD B44-777M OR EQUAL	2	EACH	\$784.00	\$1,528.00	\$200.00	\$400.00	\$750.00	\$1,500.00	\$290.00	\$580.00		
22 HYDRANT STD.	7	EACH	\$1,290.00	\$9,030.00	\$1,750.00	\$12,250.00	\$1,550.00	\$10,850.00	\$1,600.00	\$11,200.00		
23 MACHINE GRADING MOD.	15.44	STA.	\$2,480.00	\$38,291.20	\$2,500.00	\$38,600.00	\$750.00	\$11,580.00	\$300.00	\$4,632.00		
24 MANHOLE CASTING E.J.#1000 OR EQUAL	21	EACH	\$596.00	\$12,516.00	\$500.00	\$10,500.00	\$550.00	\$11,550.00	\$300.00	\$6,300.00		
25 MANHOLE STD. 4' I.D. 0' TO 10' DEEP	9	EACH	\$1,346.00	\$12,114.00	\$1,600.00	\$14,400.00	\$1,500.00	\$13,500.00	\$1,425.00	\$12,825.00		
26 MANHOLE TAP 15"	2	EACH	\$420.00	\$840.00	\$350.00	\$700.00	\$1,250.00	\$2,500.00	\$500.00	\$1,000.00		
27 RECONSTRUCTING MANHOLES	3	V.FT.	\$300.00	\$900.00	\$225.00	\$675.00	\$275.00	\$825.00	\$450.00	\$1,350.00		
28 REDUCERS 8" TO 4" D.C.I. M.J.	2	EACH	\$250.00	\$500.00	\$325.00	\$650.00	\$200.00	\$400.00	\$125.00	\$250.00		
29 REDUCERS 8" TO 6" D.C.I. M.J.	9	EACH	\$225.00	\$2,025.00	\$375.00	\$3,375.00	\$200.00	\$1,800.00	\$150.00	\$1,350.00		
30 REMOVING BIT. DRIVE APPROACH W/ CONC. CURB	95	SQ.YD.	\$4.00	\$380.00	\$7.00	\$665.00	\$4.50	\$427.50	\$11.00	\$1,045.00		
31 REMOVING CATCH BASIN	12	EACH	\$220.00	\$2,640.00	\$300.00	\$3,600.00	\$200.00	\$2,400.00	\$400.00	\$4,800.00		
32 REMOVING CONC. DRIVE APPROACH	415	SQ.YD.	\$1.50	\$622.50	\$9.00	\$3,735.00	\$4.50	\$1,867.50	\$10.00	\$4,150.00		
33 REMOVING CONC. SIDEWALK	8881	SQ.FT.	\$0.15	\$1,332.15	\$1.00	\$8,881.00	\$0.75	\$6,660.75	\$1.75	\$15,541.75		
34 REMOVING MANHOLE	26	EACH	\$222.00	\$5,772.00	\$500.00	\$13,000.00	\$300.00	\$7,800.00	\$400.00	\$10,400.00		
35 REMOVING PAVEMENT	6800	SQ.YD.	\$0.94	\$6,392.00	\$9.00	\$61,200.00	\$5.00	\$34,000.00	\$5.00	\$34,000.00		
36 REMOVING TREES 13" TO 24"	1	EACH	\$350.00	\$350.00	\$675.00	\$675.00	\$550.00	\$550.00	\$250.00	\$250.00		
37 REMOVING TREES 25" TO 36"	1	EACH	\$650.00	\$650.00	\$1,200.00	\$1,200.00	\$750.00	\$750.00	\$400.00	\$400.00		
38 SANITARY SEWER SERVICE 6" SDR 35	437	LIN. FT.	\$16.00	\$6,992.00	\$18.00	\$7,866.00	\$25.00	\$10,925.00	\$30.00	\$13,110.00		
39 SANITARY SEWER 8" SDR 35	92	LIN. FT.	\$21.00	\$1,932.00	\$30.00	\$2,760.00	\$28.00	\$2,576.00	\$32.00	\$2,944.00		
40 SANITARY SEWER 15" SDR 35	2385	LIN. FT.	\$18.75	\$44,718.75	\$37.00	\$88,245.00	\$34.00	\$81,090.00	\$34.00	\$81,090.00		
41 SANITARY SEWER 16" D.C.I. CL.52	44	LIN. FT.	\$50.00	\$2,200.00	\$50.00	\$2,200.00	\$50.00	\$2,200.00	\$85.00	\$3,740.00		
42 SANITARY SEWER WYE 15"x 6" SDR 35	23	EACH	\$190.00	\$4,370.00	\$225.00	\$5,175.00	\$175.00	\$4,025.00	\$225.00	\$5,175.00		
43 SLEEVES LONG 4" D.C.I. M.J.	2	EACH	\$1,915.00	\$3,830.00	\$300.00	\$600.00	\$1,000.00	\$2,000.00	\$370.00	\$740.00		
44 SLEEVES LONG 6" D.C.I. M.J.	9	EACH	\$1,952.00	\$17,568.00	\$350.00	\$3,150.00	\$1,000.00	\$9,000.00	\$390.00	\$3,510.00		
45 SLEEVES LONG 8" D.C.I. M.J.	2	EACH	\$2,023.00	\$4,046.00	\$400.00	\$800.00	\$1,000.00	\$2,000.00	\$450.00	\$900.00		
46 STORM SEWER 10" SDR 35	442	LIN. FT.	\$21.50	\$9,503.00	\$23.00	\$10,166.00	\$34.00	\$15,028.00	\$32.00	\$14,144.00		
47 TEE D.C.I. 8" x 8" x 6" M.J.	7	EACH	\$295.00	\$2,065.00	\$525.00	\$3,675.00	\$300.00	\$2,100.00	\$400.00	\$2,800.00		
48 TEE D.C.I. 8" x 8" x 8" M.J.	7	EACH	\$315.00	\$2,205.00	\$550.00	\$3,850.00	\$325.00	\$2,275.00	\$420.00	\$2,940.00		
49 TERRACE GRADING	1571	LIN. FT.	\$5.60	\$8,797.60	\$15.00	\$23,565.00	\$9.75	\$15,317.25	\$14.00	\$21,994.00		
50 TRAFFIC CONTROL	1	LUMP	\$4,150.00	\$4,150.00	\$5,500.00	\$5,500.00	\$15,000.00	\$15,000.00	\$4,000.00	\$4,000.00		
51 VALVE 6" GATE M.J. W/BOX	7	EACH	\$510.00	\$3,570.00	\$700.00	\$4,900.00	\$600.00	\$4,200.00	\$560.00	\$3,920.00		
52 VALVE 8" GATE M.J. W/BOX	16	EACH	\$571.00	\$9,136.00	\$800.00	\$12,800.00	\$750.00	\$12,000.00	\$725.00	\$11,600.00		
53 WATERMAIN 4" D.C.I. CL. 52	6	LIN. FT.	\$59.00	\$354.00	\$50.00	\$300.00	\$50.00	\$300.00	\$35.00	\$210.00		
54 WATERMAIN 6" D.C.I. CL. 52	120	LIN. FT.	\$28.00	\$3,360.00	\$28.00	\$3,360.00	\$23.50	\$2,820.00	\$30.00	\$3,600.00		
55 WATERMAIN 8" D.C.I. CL. 52	1868	LIN. FT.	\$18.00	\$33,624.00	\$32.00	\$59,776.00	\$28.00	\$52,304.00	\$30.00	\$56,040.00		
56 WATERMAIN TAP 2" W/ CORP. STOP PER DETAIL	1	EACH	\$611.00	\$611.00	\$500.00	\$500.00	\$750.00	\$750.00	\$500.00	\$500.00		
57 WATER METER PIT COMPLETE	2	EACH	\$1,113.00	\$2,226.00	\$500.00	\$1,000.00	\$650.00	\$1,300.00	\$650.00	\$1,300.00		
58 WATER SERVICE 1" TYPE "K" COPPER	797	LIN. FT.	\$13.50	\$10,759.50	\$15.00	\$11,955.00	\$4.00	\$3,188.00	\$17.00	\$13,549.00		
59 WATER SERVICE 2" TYPE "K" COPPER	60	LIN. FT.	\$27.00	\$1,620.00	\$15.00	\$900.00	\$10.00	\$600.00	\$35.00	\$2,100.00		
60 WATER VALVE BOX COMPLETE	1	EACH	\$95.00	\$95.00	\$350.00	\$350.00	\$250.00	\$250.00	\$240.00	\$240.00		
TERRACE TOTAL				\$484,784.45		\$626,483.48		\$589,147.89		\$558,302.05		

H-1567, W-633, S-578 TERRACE ST. IONA AVE. to PECK ST.

BID TABULATION - 03/18/03

CONTRACTOR ADDRESS CITY/ST/ZIP		KAMMINGA & ROODVOETS 3435 BROADMOOR AVE SE GRAND RAPIDS, MI 49512	JACKSON-MERKEY 555 E WESTERN AVE MUSKEGON, MI 49440	MILBOCKER & SONS 1256 29TH ST ALLEGAN, MI 49010	DAN HOE EXCAVATING 13664 ROCKY'S RD HOLLAND, MI 49424					
DESCRIPTION	QTY	UNIT	UNIT PRICE	TOTAL PRICE	UNIT PRICE	TOTAL PRICE	UNIT PRICE	TOTAL PRICE	UNIT PRICE	TOTAL PRICE
1 ADJUST MANHOLE CASTING	12	EACH	\$340.00	\$4,080.00	\$440.00	\$5,280.00	\$260.00	\$3,120.00	\$350.00	\$4,200.00
2 ADJUST WATER VALVE CASTING	1	EACH	\$300.00	\$300.00	\$350.00	\$350.00	\$250.00	\$250.00	\$200.00	\$200.00
3 AGGREGATE BASE COURSE 22A @ 8" C.I.P.	5775	SQ.YD.	\$6.00	\$34,650.00	\$5.50	\$31,762.50	\$5.95	\$34,361.25	\$6.50	\$37,537.50
4 BENDS D.C.I. 6" 45" M.J.	8	EACH	\$265.00	\$2,120.00	\$210.00	\$1,680.00	\$200.00	\$1,600.00	\$150.00	\$1,200.00
5 BENDS D.C.I. 8" 45" M.J.	51	EACH	\$250.00	\$12,750.00	\$260.00	\$13,260.00	\$250.00	\$12,750.00	\$200.00	\$10,200.00
6 BIT. LEVELING MIX 3C @ 165#/S.Y.	506	TON	\$39.50	\$19,987.00	\$39.05	\$19,759.30	\$39.04	\$19,754.24	\$39.10	\$19,784.60
7 BIT. TOP MIX 4C MOD. FOYLMER ASPH. @ 220#/S.Y.	705	TON	\$45.50	\$32,077.50	\$45.30	\$31,936.50	\$45.27	\$31,915.35	\$45.30	\$31,936.50
8 CATCH BASIN CASTING E.J.#5105 OR EQUAL	1	EACH	\$275.00	\$275.00	\$510.00	\$510.00	\$530.00	\$530.00	\$450.00	\$450.00
9 CATCH BASIN CASTING E.J.#7045 OR EQUAL	13	EACH	\$300.00	\$3,900.00	\$510.00	\$6,630.00	\$415.00	\$5,395.00	\$500.00	\$6,500.00
10 CATCH BASIN FLAT TOP	14	EACH	\$1,000.00	\$14,000.00	\$1,350.00	\$18,900.00	\$1,150.00	\$16,100.00	\$225.00	\$3,150.00
11 CEMENT	5	TON	\$150.00	\$750.00	\$160.00	\$800.00	\$150.00	\$750.00	\$125.00	\$625.00
12 CONC. BASE COURSE 8"	26	SQ.YD.	\$40.00	\$1,040.00	\$20.40	\$530.40	\$19.25	\$500.50	\$40.00	\$1,040.00
13 CONC. CURB 6"x14"	24	LIN. FT.	\$15.00	\$360.00	\$9.60	\$230.40	\$9.00	\$216.00	\$12.50	\$300.00
14 CONC. CURB & GUTTER F-4 MOD.	3100	LIN. FT.	\$10.00	\$31,000.00	\$8.75	\$27,125.00	\$7.75	\$24,025.00	\$9.25	\$28,675.00
15 CONC. DRIVE APPROACH 6" STD.	555	SQ.YD.	\$30.00	\$16,650.00	\$21.50	\$11,932.50	\$20.25	\$11,238.75	\$24.00	\$13,320.00
16 CONC. SIDEWALK 4"	7577	SQ.FT.	\$2.25	\$17,048.25	\$2.10	\$15,911.70	\$2.00	\$15,154.00	\$2.35	\$17,805.95
17 CONC. SIDEWALK 6"	1035	SQ.FT.	\$3.25	\$3,363.75	\$2.40	\$2,484.00	\$2.25	\$2,328.75	\$3.00	\$3,105.00
18 CORP. STOP 1" MUELLER #15000 OR EQUAL	26	EACH	\$150.00	\$3,900.00	\$225.00	\$5,850.00	\$20.00	\$520.00	\$200.00	\$5,200.00
19 CROSS D.C.I. 8"x8" M.J.	2	EACH	\$500.00	\$1,000.00	\$430.00	\$860.00	\$390.00	\$780.00	\$450.00	\$900.00
20 CURB STOP 1" W/ BOX MUELLER #15150 OR EQUAL	19	EACH	\$160.00	\$3,040.00	\$250.00	\$4,750.00	\$300.00	\$5,700.00	\$225.00	\$4,275.00
21 CURB STOP 2" W/ BOX FORD B44-777M OR EQUAL	2	EACH	\$225.00	\$450.00	\$345.00	\$690.00	\$375.00	\$750.00	\$325.00	\$650.00
22 HYDRANT STD.	7	EACH	\$1,500.00	\$10,500.00	\$1,395.00	\$9,765.00	\$1,400.00	\$9,800.00	\$1,600.00	\$11,200.00
23 MACHINE GRADING MOD.	15.44	STA.	\$1,800.00	\$27,792.00	\$775.00	\$11,966.00	\$1,840.00	\$28,409.60	\$1,550.00	\$23,932.00
24 MANHOLE CASTING E.J.#1000 OR EQUAL	21	EACH	\$200.00	\$4,200.00	\$500.00	\$10,500.00	\$400.00	\$8,400.00	\$350.00	\$7,350.00
25 MANHOLE STD. 4' I.D. 0' TO 10' DEEP	9	EACH	\$1,950.00	\$17,550.00	\$1,390.00	\$12,510.00	\$1,525.00	\$13,725.00	\$1,800.00	\$16,200.00
26 MANHOLE TAP 15"	2	EACH	\$1,300.00	\$2,600.00	\$675.00	\$1,350.00	\$200.00	\$400.00	\$500.00	\$1,000.00
27 RECONSTRUCTING MANHOLES	3	V.FT.	\$200.00	\$600.00	\$460.00	\$1,380.00	\$180.00	\$540.00	\$100.00	\$300.00
28 REDUCERS 8" TO 4" D.C.I. M.J.	2	EACH	\$300.00	\$600.00	\$190.00	\$380.00	\$310.00	\$620.00	\$175.00	\$350.00
29 REDUCERS 8" TO 6" D.C.I. M.J.	9	EACH	\$325.00	\$2,925.00	\$200.00	\$1,800.00	\$315.00	\$2,835.00	\$190.00	\$1,710.00
30 REMOVING BIT. DRIVE APPROACH W/ CONC. CURB	95	SQ.YD.	\$4.00	\$380.00	\$7.00	\$665.00	\$6.00	\$570.00	\$6.00	\$570.00
31 REMOVING CATCH BASIN	12	EACH	\$330.00	\$3,960.00	\$475.00	\$5,700.00	\$210.00	\$2,520.00	\$150.00	\$1,800.00
32 REMOVING CONC. DRIVE APPROACH	415	SQ.YD.	\$4.00	\$1,660.00	\$8.75	\$3,631.25	\$4.90	\$2,033.50	\$5.00	\$2,075.00
33 REMOVING CONC. SIDEWALK	8881	SQ.FT.	\$0.60	\$5,328.60	\$0.95	\$8,436.95	\$0.36	\$3,197.16	\$1.00	\$8,881.00
34 REMOVING MANHOLE	26	EACH	\$300.00	\$7,800.00	\$575.00	\$14,950.00	\$210.00	\$5,460.00	\$200.00	\$5,200.00
35 REMOVING PAVEMENT	6800	SQ.YD.	\$5.50	\$37,400.00	\$6.25	\$42,500.00	\$5.20	\$35,360.00	\$8.00	\$54,400.00
36 REMOVING TREES 13" TO 24"	1	EACH	\$400.00	\$400.00	\$580.00	\$580.00	\$150.00	\$150.00	\$250.00	\$250.00
37 REMOVING TREES 25" TO 36"	1	EACH	\$600.00	\$600.00	\$880.00	\$880.00	\$505.00	\$505.00	\$450.00	\$450.00
38 SANITARY SEWER SERVICE 6" SDR 35	437	LIN. FT.	\$28.00	\$12,236.00	\$29.00	\$12,673.00	\$29.00	\$12,673.00	\$35.00	\$15,295.00
39 SANITARY SEWER 8" SDR 35	92	LIN. FT.	\$40.00	\$3,680.00	\$35.00	\$3,220.00	\$18.00	\$1,656.00	\$40.00	\$3,680.00
40 SANITARY SEWER 15" SDR 35	2385	LIN. FT.	\$35.00	\$83,475.00	\$39.80	\$94,923.00	\$22.20	\$52,947.00	\$60.00	\$143,100.00
41 SANITARY SEWER 16" D.C.I. CL 52	44	LIN. FT.	\$100.00	\$4,400.00	\$55.00	\$2,420.00	\$59.00	\$2,596.00	\$65.00	\$2,860.00
42 SANITARY SEWER WYE 15"x 6" SDR 35	23	EACH	\$225.00	\$5,175.00	\$180.00	\$4,140.00	\$125.00	\$2,875.00	\$175.00	\$4,025.00
43 SLEEVES LONG 4" D.C.I. M.J.	2	EACH	\$600.00	\$1,200.00	\$390.00	\$780.00	\$115.00	\$230.00	\$175.00	\$350.00
44 SLEEVES LONG 6" D.C.I. M.J.	9	EACH	\$650.00	\$5,850.00	\$490.00	\$4,410.00	\$150.00	\$1,350.00	\$200.00	\$1,800.00
45 SLEEVES LONG 8" D.C.I. M.J.	2	EACH	\$700.00	\$1,400.00	\$560.00	\$1,120.00	\$200.00	\$400.00	\$225.00	\$450.00
46 STORM SEWER 10" SDR 35	442	LIN. FT.	\$23.00	\$10,166.00	\$22.00	\$9,724.00	\$19.50	\$8,619.00	\$30.00	\$13,260.00
47 TEE D.C.I. 8" x 8" x 6" M.J.	7	EACH	\$350.00	\$2,450.00	\$270.00	\$1,890.00	\$265.00	\$1,855.00	\$300.00	\$2,100.00
48 TEE D.C.I. 8" x 8" x 8" M.J.	7	EACH	\$375.00	\$2,625.00	\$295.00	\$2,065.00	\$285.00	\$1,995.00	\$325.00	\$2,275.00
49 TERRACE GRADING	1571	LIN. FT.	\$10.00	\$15,710.00	\$8.45	\$13,274.95	\$1.95	\$3,063.45	\$12.00	\$18,852.00
50 TRAFFIC CONTROL	1	LUMP	\$10,000.00	\$10,000.00	\$8,475.00	\$8,475.00	\$4,000.00	\$4,000.00	\$7,500.00	\$7,500.00
51 VALVE 6" GATE M.J. W/BOX	7	EACH	\$600.00	\$4,200.00	\$590.00	\$4,130.00	\$590.00	\$4,130.00	\$500.00	\$3,500.00
52 VALVE 8" GATE M.J. W/BOX	16	EACH	\$700.00	\$11,200.00	\$775.00	\$12,400.00	\$795.00	\$12,720.00	\$650.00	\$10,400.00
53 WATERMAIN 4" D.C.I. CL. 52	6	LIN. FT.	\$45.00	\$270.00	\$35.00	\$210.00	\$30.00	\$180.00	\$35.00	\$210.00
54 WATERMAIN 6" D.C.I. CL. 52	120	LIN. FT.	\$48.00	\$5,760.00	\$36.00	\$4,320.00	\$30.00	\$3,600.00	\$20.00	\$2,400.00
55 WATERMAIN 8" D.C.I. CL. 52	1868	LIN. FT.	\$24.00	\$44,832.00	\$38.90	\$72,665.20	\$32.50	\$60,710.00	\$45.00	\$84,060.00
56 WATERMAIN TAP 2" W/ CORP. STOP PER DETAIL	1	EACH	\$300.00	\$300.00	\$535.00	\$535.00	\$100.00	\$100.00	\$500.00	\$500.00
57 WATER METER PIT COMPLETE	2	EACH	\$500.00	\$1,000.00	\$745.00	\$1,490.00	\$725.00	\$1,450.00	\$900.00	\$1,800.00
58 WATER SERVICE 1" TYPE "K" COPPER	797	LIN. FT.	\$13.00	\$10,361.00	\$17.50	\$13,947.50	\$14.00	\$11,158.00	\$12.00	\$9,564.00
59 WATER SERVICE 2" TYPE "K" COPPER	60	LIN. FT.	\$20.00	\$1,200.00	\$24.75	\$1,485.00	\$18.00	\$1,080.00	\$16.00	\$960.00
60 WATER VALVE BOX COMPLETE	1	EACH	\$200.00	\$200.00	\$450.00	\$450.00	\$505.00	\$505.00	\$150.00	\$150.00
TERRACE TOTAL				\$564,727.10		\$598,974.15		\$492,156.55		\$655,813.55

**H-1567, W-633 & S-578 TERRACE ST. IONA to PECK
STREET, WATERMAIN & SEWER IMPROVEMENTS**

ENGINEER'S ESTIMATE FEBRUARY 26, 2003

	DESCRIPTION	QUANTITY	UNIT	PRICE	PRICE
1	ADJUST MANHOLE CASTING	12	EACH	\$300.00	\$3,600.00
2	ADJUST WATER VALVE CASTING	1	EACH	\$275.00	\$275.00
3	AGGREGATE BASE COURSE 22A @ 8" C.I.P.	5775	SQ.YD.	\$5.00	\$28,875.00
4	BENDS D.C.I. 6" 45° M.J.	8	EACH	\$200.00	\$1,600.00
5	BENDS D.C.I. 8" 45° M.J.	51	EACH	\$250.00	\$12,750.00
6	BIT. LEVELING MIX 3C @ 165#/S.Y.	506	TON	\$40.00	\$20,240.00
7	BIT. TOP MIX 4C MOD. POYLMER ASPH. @ 220#/S.Y.	705	TON	\$60.00	\$42,300.00
8	CATCH BASIN CASTING E.J.#5105 OR EQUAL	1	EACH	\$450.00	\$450.00
9	CATCH BASIN CASTING E.J.#7045 OR EQUAL	13	EACH	\$450.00	\$5,850.00
10	CATCH BASIN FLAT TOP	14	EACH	\$1,300.00	\$18,200.00
11	CEMENT	5	TON	\$175.00	\$875.00
12	CONC. BASE COURSE 8"	26	SQ.YD.	\$30.00	\$780.00
13	CONC. CURB 6"x 14"	24	LIN. FT.	\$10.00	\$240.00
14	CONC. CURB & GUTTER F-4 MOD.	3100	LIN. FT.	\$9.00	\$27,900.00
15	CONC. DRIVE APPROACH 6" STD.	555	SQ.YD.	\$28.00	\$15,540.00
16	CONC. SIDEWALK 4"	7577	SQ.FT.	\$2.50	\$18,942.50
17	CONC. SIDEWALK 6"	1035	SQ.FT.	\$3.50	\$3,622.50
18	CORP. STOP 1" MUELLER #15000 OR EQUAL	26	EACH	\$225.00	\$5,850.00
19	CROSS D.C.I. 8"x 8" M.J.	2	EACH	\$450.00	\$900.00
20	CURB STOP 1" W/ BOX MUELLER #15150 OR EQUAL	19	EACH	\$250.00	\$4,750.00
21	CURB STOP 2" W/ BOX FORD B44-777M OR EQUAL	2	EACH	\$300.00	\$600.00
22	HYDRANT STD.	7	EACH	\$1,400.00	\$9,800.00
23	MACHINE GRADING MOD.	15.44	STA.	\$500.00	\$7,720.00
24	MANHOLE CASTING E.J.#1000 OR EQUAL	21	EACH	\$500.00	\$10,500.00
25	MANHOLE STD. 4' I.D. 0' TO 10' DEEP	9	EACH	\$1,500.00	\$13,500.00
26	MANHOLE TAP 15"	2	EACH	\$600.00	\$1,200.00
27	RECONSTRUCTING MANHOLES	3	V.FT.	\$400.00	\$1,200.00
28	REDUCERS 8" TO 4" D.C.I. M.J.	2	EACH	\$190.00	\$380.00
29	REDUCERS 8" TO 6" D.C.I. M.J.	9	EACH	\$200.00	\$1,800.00
30	REMOVING BIT. DRIVE APPROACH W/ CONC. CURB	95	SQ.YD.	\$5.00	\$475.00
31	REMOVING CATCH BASIN	12	EACH	\$400.00	\$4,800.00
32	REMOVING CONC. DRIVE APPROACH	415	SQ.YD.	\$6.00	\$2,490.00
33	REMOVING CONC. SIDEWALK	8881	SQ.FT.	\$1.00	\$8,881.00
34	REMOVING MANHOLE	26	EACH	\$500.00	\$13,000.00
35	REMOVING PAVEMENT	6800	SQ.YD.	\$5.00	\$34,000.00
36	REMOVING TREES 13" TO 24"	1	EACH	\$400.00	\$400.00
37	REMOVING TREES 25" TO 36"	1	EACH	\$500.00	\$500.00
38	SANITARY SEWER SERVICE 6" SDR 35	437	LIN. FT.	\$28.00	\$12,236.00
39	SANITARY SEWER 8" SDR 35	92	LIN. FT.	\$28.00	\$2,576.00
40	SANITARY SEWER 15" SDR 35	2385	LIN. FT.	\$36.00	\$85,860.00
41	SANITARY SEWER 16" D.C.I. CL.52	44	LIN. FT.	\$45.00	\$1,980.00
42	SANITARY SEWER WYE 15"x 6" SDR 35	23	EACH	\$150.00	\$3,450.00
43	SLEEVES LONG 4" D.C.I. M.J.	2	EACH	\$350.00	\$700.00
44	SLEEVES LONG 6" D.C.I. M.J.	9	EACH	\$400.00	\$3,600.00
45	SLEEVES LONG 8" D.C.I. M.J.	2	EACH	\$450.00	\$900.00
46	STORM SEWER 10" SDR 35	442	LIN. FT.	\$25.00	\$11,050.00
47	TEE D.C.I. 8" x 8" x 6" M.J.	7	EACH	\$300.00	\$2,100.00
48	TEE D.C.I. 8" x 8" x 8" M.J.	7	EACH	\$370.00	\$2,590.00
49	TERRACE GRADING	1571	LIN. FT.	\$10.00	\$15,710.00
50	TRAFFIC CONTROL	1	LUMP	\$15,000.00	\$15,000.00
51	VALVE 6" GATE M.J. W/BOX	7	EACH	\$650.00	\$4,550.00
52	VALVE 8" GATE M.J. W/BOX	16	EACH	\$800.00	\$12,800.00
53	WATERMAIN 4" D.C.I. CL. 52	6	LIN. FT.	\$25.00	\$150.00
54	WATERMAIN 6" D.C.I. CL. 52	120	LIN. FT.	\$25.00	\$3,000.00
55	WATERMAIN 8" D.C.I. CL. 52	1868	LIN. FT.	\$30.00	\$56,040.00
56	WATERMAIN TAP 2" W/ CORP. STOP PER DETAIL	1	EACH	\$750.00	\$750.00
57	WATER METER PIT COMPLETE	2	EACH	\$700.00	\$1,400.00
58	WATER SERVICE 1" TYPE "K" COPPER	797	LIN. FT.	\$20.00	\$15,940.00
59	WATER SERVICE 2" TYPE "K" COPPER	60	LIN. FT.	\$30.00	\$1,800.00
60	WATER VALVE BOX COMPLETE	1	EACH	\$300.00	\$300.00
	SUBTOTAL				\$579,268.00

PARMENTER O'TOOLE

Attorneys at Law

Charitable

175 West Apple Avenue ■ P.O. Box 786 ■ Muskegon, Michigan 49443-0786
Phone 231.722.1621 ■ Fax 231.722.7866 or 231.728.2206
www.Parmenterlaw.com

April 2, 2003

Mayor and City Commission
c/o City Manager
City of Muskegon
933 Terrace Street
Muskegon, Michigan 49442

Re: Initiatory Petition: Gaming in Muskegon

Dear Mayor and Commission:

The City Clerk received initiatory petitions on March 27, 2003, which have been forwarded to this office for review. Presumably, the initiatory petitions will be presented to the City Commission on April 8, 2003. The proposed ordinance is captioned "Gaming in Muskegon." A copy of the proposed ordinance is attached for reference.

After legal review and checking signatures, it may or may not be submitted to the City Commission for its determination under the Charter. As you know, the City Charter provides that the City Commission, if the petition is legal and has sufficient signatures, may either adopt the proposed ordinance or refuse to do so putting it out for a vote of the electors. There is also a provision for the adoption of an amended ordinance in lieu of the initiated ordinance.

As with another recently submitted initiatory petition relating to gaming in the City of Muskegon, I have divided this opinion into two areas:

- 1) Whether the proposed ordinance is a proper subject of an initiatory petition; and
- 2) Whether the proposed ordinance is valid.

The Proposed Ordinance Is Not a Proper Subject of an Initiatory Petition. The proposed ordinance concerns the following:

- 1) Authorize the operation of one casino in the City of Muskegon;
- 2) Provide for the ownership structure of the casino;

- 3) Provide the distribution of profits from the casino, including the fee to be paid the operator; and
- 4) Schedule, qualifications, selection criteria and contents of a development agreement.

The Home Rule Cities Act empowers the city to provide in its charter "initiative" on all matters within the scope of the city's powers:

Each city may in its charter provide ... (6) for the initiative and referendum on all matters within the scope of its powers and for the recall of all of its officials."

MCL §117.4(i); MSA §5.2082.

Muskegon's City Charter provides that a proposed ordinance may be submitted to the City Commission by petition, which proposed ordinance, in turn, may be adopted by the City Commission or may be submitted to the electorate for adoption, only if the content of the ordinance is within the scope of the city's powers as set forth above in the Home Rules Cities Act.

As has recently been opined, if the proposed initiatory ordinance is "administrative" in nature and not "legislative" in nature, adoption of the proposed ordinance by initiative is not within the city's powers, and, therefore, should not be submitted to the electorate. *West v City of Portage*, 392 Mich 458 (1974); *Beach v City of Saline*, 412 Mich 731 (1982); *Citizens Lobby of Port Huron, Michigan, Inc. v Port Huron City Clerk*, 132 Mich App 412 (1984).

The proposed ordinance, given the pervasive administrative content, is therefore, not within the city's powers to adopt by initiative. The overwhelming administrative content of the proposed ordinance include, but is not limited to, the following:

- 1) The proposed ordinance limits the possible location of casino by requiring it to be located within certain zoning classifications;
- 2) Assuming the city has a legitimate basis for determining the ownership structure of a potential developer, such would be administrative;
- 3) The process used to select a potential developer of private property is an administrative decision;
- 4) The time period for selection of a developer and limiting the period of time the city may negotiate a development agreement is administrative in nature;
- 5) The contents, at least in part, to be included in a development agreement.

Decisions as to whether to enter into a contract, or with whom, or the parameters of any such contract dealing with development in the city, are administrative decisions and must be left for implementation by the city commission assisted by their administrative staff. To enable the electorate to dictate to the city commission by initiatory ordinance the terms and conditions of any development agreement would clearly infringe upon the administrative functions of the city,

and would impair government. *Citizens Lobby of Port Huron, Michigan, Inc., Supra*, a decision of our Court of Appeals holding as administrative in nature an initiatory petition involving a proposed ordinance for development of waterfront property acquired by the city and, thus, held to be outside the city's powers to adopt by initiative. The Court of Appeals held at 421:

To permit the electorate to initiate piecemeal measures affecting land development is as inconceivable to us as allowing the electorate to initiate ordinances affecting the fiscal affairs of the city without regard to the budget or to the overall fiscal program. We believe that the implementation by ordinance of a general policy, program or plan is an administrative act which is not subject to voter initiative or referendum."

If nothing else, the proposed ordinance implements "a general policy, program or plan", and thus is administrative in nature and not the lawful subject of an initiative.

The Ordinance is Invalid. While the power of direct legislation is given to the voters,

"the electorate has no greater power to legislate than the municipality itself. A defective ordinance cannot be cured by having it submitted to and approved by the electorate."

McQuillin Mun Corp Section 16.49. "The public does not have a right to obtain a vote to enact invalid legislation." McQuillin Mun Corp Section 16.55. The Michigan Gaming Control and Revenue Act does not allow a casino in the City of Muskegon.

The Michigan Gaming Control and Revenue Act authorizes casino gaming to the extent that it is conducted in accordance with that Act. The Act specifically excludes from coverage gambling on Native American land and land held in trust by the United States for a federally recognized Indian tribe on which gaming may be conducted pursuant to federal law. The proposed ordinance does not contemplate that the casino would be on Native American land. Subject to a number of conditions and approvals, a casino regulated by this Act may be located in a city that meets all of the following:

- 1) Has a population of at least 800,000 at the time the license is issued;
- 2) Is located within 100 miles of any other state or country in which gaming was permitted on December 5, 1996; **and**
- 3) Had a majority of voters who expressed approval of casino gaming in the city.

MCL Section 432.202(1). The City of Muskegon does not meet the minimum population nor have a majority of voters expressed approval of casino gaming in the City. State law prohibits gaming in the City of Muskegon. The Supreme Court opined that:

if a city ordinance prohibits something which a state statute permits, or vice versa, there is a conflict and the State law must prevail.

Builders Association v Detroit, 295 Mich 272, at 277 (1940).

A. Zoning

The proposed ordinance attempts to amend the City of Muskegon Zoning Ordinance by providing in which zoning district a casino may be located. In *Kroash v Livonia*, 388 Mich 737 (1972), the Supreme Court held that the initiatory process may not be used to amend a zoning ordinance when it held that:

the statute which confers upon the legislative body of the city the power to enact zoning laws proscribes the method by which they are to be adopted and amended...

* * * *

Indeed, this Court has consistently held that the procedures outlined in the zoning-enabling act must be strictly adhered to.

* * * *

Therefore, the amendment to the ordinance, having been enacted by a procedure different from and contrary to the procedure required by the zoning-enabling act, is invalid.

Kroash, at 745-6. Further, the Supreme Court in *West*, at 469, held that:

the original passage of comprehensive plans and zoning ordinances is a legislative function since these actions are classified as general policy decisions which apply to the entire community. However, a zoning amendment may be differentiated on the basis that such a determination is narrowly confined to a particular piece of property and the use will generally affect only a small number of people, thus approximating an administrative exercise.

B. Conflict With Charter

The second paragraph of proposed Section 11 appears to control future City Commission action and, as such, is invalid. The ordinance proposes that:

If gaming in Muskegon becomes permissible under state law but this Ordinance does not satisfy all of the requirements of that law, the necessary supplemental provisions to this Ordinance are hereby approved and may be added to this Ordinance.

This section appears to permit and, perhaps require, the City Commission to adopt amendments to the proposed ordinance if necessary to implement state law or to bring this proposed ordinance into compliance with state law. However, such a provision is flawed in two respects. First, if the proposed ordinance is approved by the electorate, the City Commission lacks the legal ability to amend or repeal the proposed ordinance for five years.

No ordinance which has been adopted by the vote of the electors shall be repealed or amended within five years except by vote of the electors.

Muskegon City Charter, Chapter VII, Section 13. A municipality's ordinance which conflicts with its city charter is void. *Theisen v Dearborn City Council*, 320 Mich 446 (1948). In *Theisen*, the Supreme Court had before it a conflict between an ordinance adopted by an initiatory process, which appeared to give to the Dearborn Retirement Board of Trustees the ability to decide the amount the City Council had to budget, and the Dearborn City Charter requirement that budgeting is within the purview of the Mayor and City Council. The Supreme Court, quoting the trial judge, held that:

"Can an ordinance of the City of Dearborn have the effect of amending or repealing express provisions of the charter? The answer, of course, is 'No,' as to ordinances adopted by the council in the ordinary way. This ordinance was adopted under the initiative and under the city charter such an ordinance can be amended only by initiative. It is binding mandatorily upon the members of the council. I am of the opinion that the power of initiative is not unlimited. There are two ways in which it can be exercised. It can be exercised by way of adopting amendments to the city charter. Such amendments do, of course, have the effect of changing the city charter. Or, it can be exercised by way of adoption of ordinances as this ordinance was adopted.

"I think common sense dictates that under these circumstances an initiated ordinance cannot be so broad as to change the intent and meaning of the city charter. It is adopted under the city charter and not as an indirect amendment of it.

Theisen, at 453. Like the ordinance in *Theisen*, this proposed ordinance attempts to change the Muskegon City Charter relative to amending this initiatory ordinance within the first five years, if it is adopted by the electorate, and as such is invalid.

Second, to the extent that this section attempts to require future city commission action, by way of amending the proposed ordinance, it is invalid. A city commission may not require future city commissions to adopt or amend an ordinance.

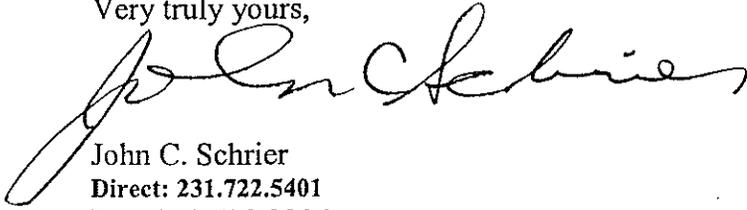
C. Contingent Adoption

As articulated above, the City may not adopt an ordinance that is invalid at the time of adoption. While Section 11 of the proposed ordinance appears to make this proposed ordinance contingent on a change in state law, I can find no Michigan statute or case law that allows a Home Rule City to adopt an ordinance the implementation of which is contingent on a change in state law. Further, the proposed ordinance provides that it shall take effect 10 days after adoption by the City Commission or majority vote of the electors pursuant to Section 12-6. Pursuant to Section 7 of the proposed ordinance, the City is to receive proposals from qualified developers within 90 days after the electorate's adoption of the ordinance, select a qualified developer within 150 days after the electorate's adoption the ordinance, and enter into a development agreement within 210 days after the electorate's adoption of the ordinance. As the proposed ordinance is drafted, those duties imposed upon the City are not contingent upon a change in state law, and require the City Commission to expend substantial staff time and effort and public resources in pursuit of a currently illegal activity, and, as such, are illegal and void.

Therefore, it is my opinion the petition should not be certified to the City Commission for procedures under the initiative provisions of the City Charter for any and all of the reasons cited.

As presented, the proposed ordinance is not a proper subject of an initiatory petition, and would be invalid if adopted by the City Commission or electorate.

Very truly yours,



John C. Schrier

Direct: 231.722.5401

Fax: 231.728.2206

E-Mail Address: jcs@parmenterlaw.com

JCS

Enclosure

c: Bryon Mazade
Gail A. Kunding, MMC

**Class III Gaming in
Muskegon
Initiative Ordinance**

“The City of Muskegon Ordains that a new Chapter of the Code of Ordinances, City of Muskegon, is hereby created to read as follows:

Short Title: The following ordinance may be referred to as: The Gaming Ordinance.

Sec. 1. Purpose

The purpose of this ordinance is:

a. to authorize one casino and casino complex to be owned by a nonprofit corporation established for that purpose, all in accordance with the Michigan Gaming Control and Revenue Act, Public Act 69 of 1997, MCL 432.201, *et seq.* and the provisions of this ordinance;

b. to establish a competitive selection process to determine the developer/manager that will operate the casino and casino complex development under the ownership of the nonprofit corporation and establish certain terms of a development agreement between that corporation and the City; and

c. to establish other terms and conditions of such an enterprise.

Sec. 2. Intent

The intent of this ordinance is to:

a. authorize the operation of one casino and casino complex within the City of Muskegon;

b. to establish certain parameters for the nonprofit corporation that will own the casino and casino complex;

c. develop a selection process that conforms to all applicable laws and procedures of the State of Michigan;

d. provide a fair, objective, timely and comprehensive process that will lead to the selection of the developer/manager best able to meet the intent of this ordinance;

e. enhance, expand and stabilize employment within the City of Muskegon; and

f. develop economic opportunities in Muskegon’s downtown that will expand the entertainment, recreational and services sectors of the local economy.

Sec. 3. Authorization of a Casino

The operation of one casino within a casino complex as defined by the Michigan Gaming Control and Revenue Act, including all approved gambling games is hereby authorized and approved.

Sec. 4. Ownership of Casino

The casino and casino complex shall be owned by a Michigan nonprofit corporation (herein, the “Corporation”); provided, however, that all management decisions relating to the actual operations of the casino and casino complex shall be strictly and solely under the purview of the manager/developer.

Sec. 5. Ownership Structure

The Corporation shall be established under and operate in accordance with the laws of the State of Michigan governing nonprofit corporations. The Corporation shall be incorporated within 90 days after the adoption of this ordinance and shall be organized with five persons on the Corporation's Board of Directors. The Directors of the Corporation shall be designated by the boards of directors or members of Michigan nonprofit corporations that are exempt from federal income taxation under sections 501(c)(3) and/or 501(c)(4) of the Internal Revenue Code of 1986, as amended (the "IRC"). The chief judge of the Muskegon County Circuit Court, in his or her non-judicial capacity, shall name five tax exempt nonprofit corporations to make those director designations; two of which should represent Muskegon based organizations and two of which should represent statewide environmental/conservation organizations. Any tax-exempt nonprofit organization so named by such chief judge shall have 30 days to designate a director. In the event any organization named by such chief judge declines or fails to designate a director within 30 days of its being named by the chief judge, the chief judge of the Muskegon County Circuit Court shall appoint other tax exempt nonprofit organizations to make such director designations. All director designations made pursuant to this ordinance shall be in writing. Directors shall not be compensated for service on the Corporation's Board of Directors but may be reimbursed all actual expenses associated with such service. Directors shall serve three-year terms and may serve no more than three

consecutive terms. Any vacancy on the Corporation's Board of Directors shall be filled in accordance with the following procedures: the Corporation's remaining Directors shall, by majority vote, name one or more tax exempt nonprofit corporations to designate the persons to fill any vacancy on the Corporation's Board of Directors. In the event the remaining Directors are unable or fail to name such nonprofit organizations, the chief judge of the Muskegon County Circuit Court shall, in accordance with the foregoing procedures described in this section, name the nonprofit organizations which organizations so named shall designate the Director(s) to fill the vacancy(s).

Sec. 6. Distribution of Profits

The Corporation's net profits from the operation of the casino and casino complex after the payment of all fees, taxes, costs and expenses of the operation of the casino and casino complex, including capital costs and the manger/developer fee, shall be distributed by the Corporation only to organizations that are exempt from federal income taxation under IRC Sections 501(c)(3) and/or 501(c)(4). In no event shall administrative costs of the Corporation exceed 10% of its gross profits. The distributions by the Corporation to organizations exempt from taxation under IRC Section 501(c)(3) and/or Section 501(c)(4) shall occur not less frequently than semiannually.

Sec. 7. Schedule for Selection of Developer/Manager

7-1. Within 90 days after the electorate's adoption of this ordinance, the City of Muskegon shall receive proposals from qualified developers/managers that meet the minimum requirements of this ordinance (see section 8).

7-2. Within 150 days after the electorate's adoption of this ordinance, the City of Muskegon shall select from among the qualified developers/managers that developer/manager judged by the City Commission to be best able to construct and operate the casino and casino complex in the public interest.

7-3. Within 210 days after the electorate's adoption of this ordinance, the City of Muskegon shall enter into a Development Agreement with the Corporation and the selected developer to implement the purpose and intent of this ordinance.

Sec. 8. Minimum Qualifications of Developer/Manager

The minimum requirements for a qualified developer/manager shall include:

a. background and experience, including the organization, expertise and knowledge gained from the successful operation of other casinos or casino complexes;

b. financial strength, including the demonstration of sufficient capital to undertake the development of the entire casino complex in a single construction

phase with no public financial participation;

c. a concept plan that is creative and compatible with the City's culture, existing development plans, infrastructure and other features and attractions;

d. a concept plan that promotes other economic development opportunities, including both direct and indirect employment, tourism and redevelopment;

e. a social plan that identifies the developer/manager's plan to deal with the social impacts of gambling that includes criminal impacts and compulsive gamblers; and

f. demonstration of the applicant's ability to meet all of the requirements of the Michigan Gaming Control and Revenue Act.

Sec. 9. Selection Criteria

Proposals submitted by qualified developers/managers shall be competitively evaluated and a selection made by the City Commission based on the following criteria:

a. the applicant's demonstrated character, reputation, experience and financial capability to operate a casino and casino complex in the public interest;

b. the scope of the proposal including the motel, retail, entertainment, recreation, convention and gaming components of the development;

c. the applicant's ability to meet all of the commitments included in the proposal in a single construction phase;

d. the development's overall impact on the community, including the development's ability to leverage other economic and social benefits and mitigate the negative impacts of gambling;

e. the developers commitment to the goal of hiring Muskegon residents and implementing equal opportunity employment practices;

f. the developers commitment to the goal of using Muskegon based contractors and subcontractors in all aspects of the project from initial planning through actual operations.

Sec. 10. Development Agreement Required

10-1. The Development Agreement shall include such terms and conditions deemed necessary, reasonable and prudent by the City Commission to implement the purpose and intent of this ordinance.

10-2. The Development Agreement shall insure that the City of Muskegon incurs no costs related to the construction, operation and maintenance of the casino and casino complex, including infrastructure costs.

10-3. The Development Agreement shall insure that all public safety costs incurred as a result of the casino and casino complex by the City, County and other affected public safety organizations are reimbursed on an ongoing basis.

10-4. The Development Agreement shall include fees and charges such that the City is reimbursed all costs without limitation for the review, selection and ongoing monitoring of the developer, including costs of consultants retained by the City to assist in the review, selection and monitoring of the developer. This may be accomplished in part by charging a filing fee with the submission of proposals.

10-5. The Development Agreement shall specify the developer/manager's payment as a percent of the net annual profit derived from the operation of the casino and casino complex. Under no circumstance shall that percentage exceed 40 percent of the net annual profit. In addition to said payment, the developer/manager shall be entitled to the return of all capital invested in actual construction of the casino and casino complex over a term to be negotiated, which term shall not exceed ten years.

10-6. The Development Agreement shall not create a right or entitlement for the Corporation or the selected developer/manager to any required gaming license or permit or approval otherwise required by law to construct and/or operate the casino or casino complex. The Development Agreement shall not be sold or transferred without the express approval of the City Commission.

Sec. 11. State Approval Required

It is acknowledged that implementation of this ordinance requires the State of Michigan's approval with the amendment of certain state statutes by the legislature or by initiative. The City of Muskegon shall not use any general or special funds of the City in an effort to accomplish those necessary statutory amendments. Amounts expended in this effort by the developer/manager shall not be reimbursed under the terms of the Development Agreement.

If gaming in Muskegon becomes permissible under state law but this Ordinance does not satisfy all of the requirements of that law, the necessary supplemental provisions to this Ordinance are hereby approved and may be added to this Ordinance.

Sec. 12. General Provisions

12-1. The City shall not use its power of eminent domain and condemnation shall not be used to assemble a parcel of land for the casino or casino complex.

12-2. The casino and casino complex shall be located within the boundaries of the City of Muskegon Downtown Development District as they existed on July 1, 2002 on a parcel of contiguous land area at least 20 gross acres in size. The casino and casino complex shall be located in the B-3 Central Business District or the WM Waterfront Marine District, as they existed on July 1, 2002. The casino and casino complex shall not be located within any Zone that would provide the owner of the casino and casino complex

with preferential property tax treatment including a Renaissance Zone or similar zone.

12-3. The City and the Corporation to be established shall undertake such actions and enter into such agreements as are necessary to implement the terms and conditions of this ordinance consistent with state law and the specific provisions herein.

12-4. Unless contrary to the context in which they are used, terms used in the text of this ordinance shall be defined in accordance with the Michigan Gaming Control and Revenue Act. Once authorized by the State of Michigan, the intent of this ordinance is to operate the casino and casino complex under the terms of that Act.

12-5. The City Commission shall establish by ordinance such advisory bodies, rules and regulations, as it deems reasonable and prudent to assist in the administration of this ordinance and the casino and casino complex.

12-6. This ordinance shall take effect 10 days after its adoption by the City Commission or by a majority of the electors voting thereon at a special election called for that purpose."

PARMENTER O'TOOLE

Attorneys at Law

175 West Apple Avenue ■ P.O. Box 786 ■ Muskegon, Michigan 49443-0786
Phone 231.722.1621 ■ Fax 231.722.7866 or 231.728.2206
www.Parmenterlaw.com

March 20, 2003

Mayor and City Commission
c/o City Manager
City of Muskegon
933 Terrace Street
Muskegon, Michigan 49442

Re: Initiatory Petition: Casino Development Competitive Selection Process

Dear Mayor and Commission:

The City Commission received initiatory petitions on March 11, 2003, which have been forwarded to this office for review. The proposed ordinance is captioned "Casino Development Competitive Selection Process." A copy of the proposed ordinance is attached for reference.

After legal review and checking signatures, it may or may not be submitted to the City Commission for its determination under the Charter. As you know, the City Charter provides that the City Commission, if the petition is legal and has sufficient signatures, may either adopt the ordinance provision proposed or refuse to do so putting it out for a vote of the electors. There is also a provision for the adoption of an amended ordinance in lieu of the initiated ordinance.

I have divided this opinion into two areas:

- 1) Whether the proposed ordinance is a proper subject of an initiatory petition; and
- 2) Whether the proposed ordinance is legal.

The Proposed Ordinance Is Not a Proper Subject of an Initiatory Petition. The proposed ordinance concerns the following:

- 1) The selection process of a developer of a casino;
- 2) The criteria for reviewing proposals;
- 3) Eligibility of prospective developers;

- 4) The selection process; and
- 5) The contents of a development agreement.

The Home Rule Cities Act empowers the city to provide in its charter "initiative" on all matters within the scope of the city's powers:

Each city may in its charter provide ... (6) for the initiative and referendum on all matters within the scope of its powers and for the recall of all of its officials."

MCL §117.4(i); MSA §5.2082.

Muskegon's City Charter provides that a proposed ordinance may be submitted to the city commission by petition, which proposed ordinance, in turn, may be adopted by the city commission or may be submitted to the electorate for adoption, only if the content of the ordinance is within the scope of the city's powers as set forth above in the Home Rules Cities Act.

It is the established law of this state that, if the proposed initiatory ordinance is "administrative" in nature and not "legislative" in nature, adoption of the proposed ordinance by initiative is not within the city's powers, and, therefore, should not be submitted to the electorate. *West v City of Portage*, 392 Mich 458, 221 NW2d 303 (1974); *Citizens Lobby of Port Huron, Michigan, Inc. v Port Huron City Clerk*, 132 Mich App 412, 347 NW2d 473.

In my opinion the annexed ordinance is administrative in nature and not legislative in nature, and, therefore, not within the city's powers to adopt by initiative.

Decisions as to whether to enter into a contract, or with whom, or the parameters of any such contract dealing with the development in the city, are administrative decisions and must be left for implementation by the city commission assisted by their administrative staff. To enable the electorate to dictate to the city commission by initiatory ordinance the terms and conditions of any development agreement would clearly infringe upon the administrative functions of the city, and would impair government.

Sustaining this opinion and, indeed, controlling it, is *Citizens Lobby of Port Huron, Michigan, Inc., Supra*, a decision of our Court of Appeals holding as administrative in nature an initiatory petition involving a proposed ordinance for development of waterfront property acquired by the city and, thus, held to be outside the city's powers to adopt by initiative. The Court of Appeals held at 421:

To permit the electorate to initiate piecemeal measures affecting land development is as inconceivable to us as allowing the electorate to initiate ordinances affecting the fiscal affairs of the city without regard to the budget or to the overall fiscal program. We believe that the implementation by ordinance of a general policy, program or plan is an administrative act which is not subject to voter initiative or referendum."

The Ordinance is Not Legal. While the power of direct legislation is given to the voters,

"the electorate has no greater power to legislate than the municipality itself. A defective ordinance cannot be cured by having it submitted to and approved by the electorate."

McQuillin Mun Corp Section 16.49. "The public does not have a right to obtain a vote to enact invalid legislation." McQuillin Mun Corp Section 16.55. There are two problems with the legality of the proposed ordinance. They are:

- 1) The proposed ordinance has been held unconstitutional by the Sixth Circuit Court of Appeals; and
- 2) The Michigan Gaming Control and Revenue Act does not allow a casino in the City of Muskegon.

The ordinance that is being proposed to the Muskegon City Commission is comparable to Detroit City Code, §18-13, which has been the subject of litigation in Lac Vieux Desert Band of Lake Superior Chippewa Indians v The Michigan Gaming Control Board, et. al., 276 F3d 876 (Sixth Circuit, 2002). The Sixth Circuit Court of Appeals summarizes certain provisions of the Detroit ordinance as follows:

The ordinance includes a "statement of intent" declaring that "it is in the best interest of the City to provide a preference to those developers who took the initiative to facilitate the development of casino gaming in the City of Detroit by proposing a casino gaming proposal approved by the voters of the City, and who actively promoted and significantly supported the State initiative authorizing gaming." Detroit City Code, section 18-13-1(i). Another portion expressly prefers casino developers who, assuming they meet the other eligibility criteria, were "initiator[s] of a casino gaming proposal which was approved by the voters of this City prior to January 1, 1995; and ... made significant contributions to the development of gaming within the City by actively promoting and significantly supporting a state initiative authorizing gaming." Detroit City Code Section 18-13-6(a)(2).

Lac Vieux, at 876. The ordinance proposed here, with the obvious variances having to do with the name of the City and the dates, includes the same provision in Statement of Intent (Section 21-1(i)) and Preference for Proponents of Gaming Proposals (Section 21-6(a)(2) and (3)). The Sixth Circuit Court of Appeals held that

"Barring governments from endorsing or punishing political activity, or the lack of it, is among the paramount functions of the First Amendment's Free Speech Clause."

Lac Vieux, at 880. "Accordingly, the preference renders the ordinance invalid." Lac Vieux, at 880. The U.S. Supreme Court has declined to review the Sixth Circuit Court's decision. As such, the ordinance being proposed has already been held unconstitutional and, if Muskegon chose to adopt it, it would suffer the same fate.

In addition, the Michigan Gaming Control and Revenue Act authorizes casino gaming to the extent that it is conducted in accordance to that Act. (The Act specifically excludes from

coverage gambling on Native American land and land held in trust by the United States for a federally recognized Indian tribe on which gaming may be conducted pursuant to federal law.

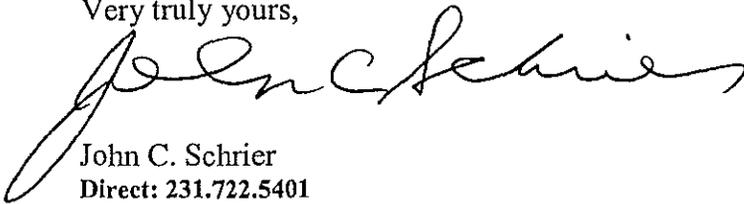
The proposed ordinance does not appear to contemplate that the casino would be on Native American land.) Subject to a number of conditions and approvals, a casino regulated by this Act may be located in a city that meets all of the following:

- 1) Has a population of at least 800,000 at the time the license is issued;
- 2) Is located within 100 miles of any other state or country in which gaming was permitted on December 5, 1996; **and**
- 3) Had a majority of voters who expressed approval of casino gaming in the city.

MCL Section 432.202(1). The City of Muskegon does not meet the minimum population nor have a majority of voters expressed approval of casino gaming in the City.

Therefore, it is my opinion that the petition seeking to establish criteria for selection of a developer and articulating the contents of a development agreement should not be certified to the City Commission for procedures under the initiative provisions of the City Charter. As presented, the proposed ordinance is not a proper subject of an initiatory petition, and would be invalid if adopted by the City Commission or electorate.

Very truly yours,



John C. Schrier
Direct: 231.722.5401
Fax: 231.728.2206
E-Mail Address: jcs@parmenterlaw.com

JCS

Enclosure

c: ~~Bryon Mazade~~
~~Gail A. Kundinger, MMC~~

CHAPTER XXI. CASINO DEVELOPMENT COMPETITIVE SELECTION PROCESS

Sec. 21-1. Statement of intent.

The city of Muskegon, through its Commission, finds that:

- (a) The process of selecting developers of casinos must conform to all applicable laws and procedures and must be independent, impartial and responsible to the people;
- (b) It is committed to providing a fair, objective and comprehensive process to select the designated developers who will be chosen to develop casinos in the city;
- (c) Any proposed casino should contribute to the enhancement, expansion and stabilization of employment within the City of Muskegon, including adherence to an equal opportunity employment plan as defined herein, and should contribute to the enhancement, expansion and stabilization of the local economy;
- (d) It is in the best interest of the city to obtain the highest quality proposals for the development of casinos within the city;
- (e) It is in the best interest of the city that any proposals to develop casinos should provide new employment opportunities for Muskegon residents and serve as a catalyst for economic development in the city;
- (f) It is in the best interest of the city that any proposals to develop casinos should provide for the payment of necessary infrastructure improvements to facilitate the successful operation of casinos and to minimize any negative impact of the development of casinos upon city residents;
- (g) It is in the best interest of the city that any proposals to develop casinos should endeavor to showcase, stimulate and improve the use of existing and future tourism facilities in the city and improve upon and increase the benefits of tourism;
- (h) It is in the best interest of the city that any proposals to develop casinos should provide for the development of a timely, orderly and efficient arrangement of transportation and public facilities and services for Muskegon residents and visitors to the city;
- (i) In selecting developers of casinos, it is in the best interest of the city to provide a preference to those developers who took the initiative to facilitate the development of casino gaming in the City of Muskegon by proposing a casino gaming proposal approved by the voters of the City, and who actively promoted and significantly supported Casino Gaming in Muskegon.
- (j) It is in the best interest of the City that any proposal to develop casinos will provide for a service fee or fees to the City as approved by the Commission to assist the City in providing additional police, fire and other City services to the complex and adjacent developments.

Sec. 21-2. Definitions.

Unless otherwise defined herein, words and phrases used in this chapter shall have the meaning ascribed to them in the Michigan Gaming Control and Revenue Act, the Indian Gaming Regulatory Act, or applicable Federal, State and local laws and regulations.

Casino means any premises wherein gaming is conducted and includes all buildings, improvements, equipment and facilities used or maintained in connection with such gaming.

Casino complex means the casino and all buildings, restaurants, hotel structures, recreational or entertainment facilities, restaurants or other dining facilities, bars and lounges, retail stores and other amenities that are connected with, or operated in such an integral manner as to form a part of the same operation whether on the same tract of land or otherwise.

Commission means the City Commission of the City of Muskegon

Company means a sole proprietorship, corporation, partnership, limited partnership, limited liability company, trust, association, joint stock company, joint venture, tribal corporation or other form of business organization.

Contractor means a person who provides goods, services, materials, equipment or supplies under a contract with a developer, except that such term does not include the city.

Designated developer means a prospective developer that has been selected by the Commission to enter into a development agreement with the city to develop and operate a casino or casino complex.

Muskegon resident business means any business, which employs at least fifty-one (51) percent Muskegon residents. An individual employee will be considered a Muskegon resident once the business has presented proof of such individual's payment of the City of Muskegon Income Tax in the previous taxable year, or proof that the individual is now subject to payment of Muskegon Income Tax due to his/her residence in the City of Muskegon. Additionally, to qualify as a Muskegon resident business, the firm or company must have at least four (4) employees.

Development agreement means a written agreement between the City and a designated developer that defines the contractual obligations of the parties regarding the development and operation and/or management of a casino or casino complex and other matters properly relating thereto.

Equal opportunity employment plan means a voluntary plan for the employment of women and minorities in a casino and in the construction of a casino complex.

Improper contact means a written or oral communication relating to the merits or outcome of a decision relating to a proposal or development agreement that is directed to the mayor, any mayoral appointee, any member of the City Commission, or any City employee or City Commission appointee or staff who has the ability to influence decisions relating to the proposal or development agreement. The term does not include a communication that is:

- (1) An inquiry or request for information relating solely to the status of a decision on proposals or the status of a development agreement so long as the inquiry or request for information is directed to an individual authorized by the City Commission to respond to such inquiry or request

and so long as the inquiry does not address the merits or outcome of a decision;

(2) Testimony or statements by a designated developer at a public hearing convened for the purpose of considering whether to approve a proposed development agreement; or

(3) Made through the public media, such as statements in news interviews and paid advertisements.

Minority means that term as defined by the City of Muskegon.

Person means any company or a natural person.

Preference means a more favorable position given to one prospective developer over another in the process established to select a designated developer

Proposal means the response to a request for proposal and all supplements and amendments thereto.

Prospective developer means a person that has submitted a proposal to develop, operate and/or manage a casino or casino complex and enter into a development agreement with the City.

Request for proposal means those related documents as identified by the Commission and which are furnished to prospective developers for the purpose of determining qualifications and soliciting a proposal to develop a casino or casino complex and enter into a development agreement.

Should means a strong recommendation but does not mandate the action described.

Subcontract means an agreement between a subcontractor and a contractor under which the subcontractor will provide goods, services, materials, equipment, or supplies to a contractor.

Subcontractor means the person that has entered into a subcontract with a contractor.

Sec. 21-3. Request for proposals to enter into development agreements.

- (a) The City Commission shall select the designated developers for the casinos or casino complexes by means of a competitive request for proposals process, which process shall prescribe the content of the request for proposals and the conduct of the process for evaluation and selection of prospective developers for negotiation of development agreements. The process should avoid restrictive specifications that might either unduly limit the number of prospective developers or exclude those prospective developers entitled to a preference pursuant to section 21-6 of this chapter from consideration.
- (b) The Commission may seek review and comment from the City residents regarding the request for proposals and any amendments to that request for proposals prior to their issuance.
- (c) Without limiting the discretion of the Commission, the following broad criteria should be considered by the Commission in reviewing proposals:
 - (1) *Background and experience*, which should include the organization, expertise and experience of the prospective developer as well as the success of the prospective developer's other casinos or casino complexes.
 - (2) *Financial*, which should include financing arrangements for the proposed casino or casino complex, the financial strength of the prospective developer and the financial projections for the proposed casino or casino complex.
 - (3) *Concept*, which should include innovative and creative design and compatibility with the city's culture, features and other attractions
 - (4) *Economic development*, which should include direct and indirect benefits to employment, tourism and redevelopment in the city.
 - (5) *Infrastructure improvements*, which should include the prospective developer's plans for addressing and improving the city's infrastructure related to the proposed casino or casino complex.
 - (6) *Social*, which should include the prospective developer's plan for addressing social issues associated with gaming, including compulsive gaming.
 - (7) *Preference qualification*, which shall apply to those prospective developers that are entitled to a preference pursuant to section 21-6 of this chapter.
 - (8) *Adjacent Development Concept*, which should include the projected impact of the casino development upon adjacent properties and the potential for connecting these properties through appropriate transportation means, to provide synergy for other downtown developments.
 - (9) *Service Fees*, which should include proposed fees to be paid to the City to provide for the health, welfare and safety services as negotiated between the developer and the City and contained in the development agreement.
- (d) The Commission shall advertise the availability of the request for proposals by publishing a notice one or more times in the newspaper designated to print official business of the City and may also advertise in other newspapers, gaming trade journals or other publications of general circulation, and may send notice to persons likely to be interested therein.
- (e) The Commission or designee may request additional information from the prospective developers and invite all prospective developers to attend informal conferences concerning the request for proposal process.
- (f) The Commission or designee shall require that prospective developers pay specified fees in order to compensate the City for its costs of evaluating proposals, investigating prospective developers and negotiating development agreements, which fees shall be deposited into a designated City account. The Commission or designee may disqualify a prospective developer from further evaluation of its proposal or the negotiation of a development agreement if it does not pay the specified fees.
- (g) After the closing date for submission of proposals, revisions or additional data may be solicited, if the Commission or designee deems it necessary, only from those prospective developers that

submitted responses during the original proposal stage. Such prospective developers will then have the opportunity to modify or supplement their proposals on such items as the Commission or designee may specify.

- (h) All costs and expenses incurred by prospective developers relating to their proposals must be borne by the prospective developers. The City is not liable to pay such costs and expenses or to reimburse or to compensate prospective developers under any circumstances, including the rejection of any or all proposals or the cancellation of a development agreement.
- (i) The Commission or designee may conduct the proposal process in one or more phases.

Sec. 21-4. Eligibility of prospective developers.

- (a) The Commission or designee may require information and assurances from a prospective developer to demonstrate to the Commission's satisfaction that the prospective developer is eligible to enter into a development agreement with the City.
- (b) Without limiting the foregoing, a prospective developer is not eligible to enter into a development agreement with the City if:
 - (1) It does not demonstrate to the satisfaction of the Commission that it has the character, reputation, experience and financial capability to operate a casino or casino complex in the public interest;
 - (2) It does not submit to the City a consent in the form required by the Commission, for itself and each of its officers, directors and owners, to allow the City to evaluate the personal and professional integrity and the professional capabilities of each individual or any other matters deemed relevant by the Commission. Further, it shall submit to the City a release in the form required by the Commission, which shall absolve the City, its agents, or employees from liability for seeking information about the prospective developer from third parties. Such release shall also absolve the third parties from liability for providing such information; and,
 - (3) It or any of its employees, agents, contractors or representatives directly or indirectly, knowingly makes an improper contact. For purposes of this subsection, there shall be a presumption that any such contact was made with the knowledge of its content and purpose; this presumption may be rebutted by the prospective or designated developer.
- a. Nothing in this section shall prohibit the Commission or designee from contacting a prospective developer to seek clarification of a proposal, preclude the prospective developer from responding to such contact, preclude direct negotiations of development agreements between the designated developer and its representatives and the Commission or designee and their representatives, preclude the City Commission or its representatives from contacting a designated developer to seek clarification of a proposed development agreement, or preclude the designated developer from responding to such contact. With the exception of those persons designated by the City Commission to make inquiries or to respond to inquiries from prospective or designated developers, all such contacts must be either in writing or recorded in writing within forty-eight (48) hours of the contact.
- b. The City Commission may designate one or more persons to respond to inquiries from prospective or designated developers or to make inquiries on behalf of the Commission. Any person so designated shall be named on a list made available to each prospective or designated developer and to the public. Each such person may, as they deem appropriate, keep a written record of any contact and shall make such record available to the Commission upon request.
- c. A determination by the City Commission that a developer is eligible to enter into a development agreement does not constitute a finding that the developer has been or will be selected to enter into a development agreement, that the City Commission will approve a proposed development agreement, or that the prospective developer will be issued any necessary gaming licenses.

Sec. 21-5. Use of a competitive selection process.

The City shall use a competitive selection process to enter into development agreements with designated developers whose proposals are determined in accordance with this chapter to be in the best interest of the City. The development agreement negotiated by the Commission or designee with designated developers shall be submitted to the City Commission for approval.

Sec. 21-6. Preference for proponents of gaming proposals.

- (a) In considering proposals and in selecting a prospective developer with whom the Commission or designee will negotiate a development agreement, a prospective developer is entitled to a preference if:
 - (1) Its proposal meets the criteria established by this chapter and by the request for proposals
 - (2) It was the initiator of a casino gaming proposal which was approved by the voters of this City; and
 - (3) It made significant contributions to the development of gaming within the city by actively promoting and significantly supporting the proposal.
- (b) Notwithstanding any other provision of this chapter, no more than one preference shall be awarded to prospective developers who proposed City Ordinance No. 21, even if more than one prospective developer claims entitlement to such preference.

Sec. 21-7. Negotiations to enter into development agreements.

- (a) After applying any preference to those prospective developers entitled to a preference pursuant to section 21-6 of this chapter, the Commission shall exercise its discretion in selecting and entering into negotiations with the prospective developers whose proposals are deemed by the Commission to be in the best interest of the City. To assist the City Commission in its review and approval of development agreements pursuant to section 21-8 of this chapter, if the Commission does not enter

into a development agreement with a prospective developer entitled to a preference pursuant to section 21-6 of this chapter, the Commission must state in writing and with particularity the basis upon which they determined that such proposal was not in the best interest of the City.

- (b) The Commission or designee may enter into negotiations with other eligible prospective developers or may develop new requests for proposals in accordance with this chapter if:
- (1) The Commission is not able to enter into development agreements with the designated developers for any reason;
 - (2) The City Commission does not approve one or more of the development agreements pursuant to section 21-8 of this chapter;
 - (3) The designated developer does not receive any necessary gaming license; or,
 - (4) The development agreement is terminated for any reason.

Sec. 21-8. Approval of development agreements.

- (a) The City Commission shall conduct a public hearing on any proposed development agreement and determine whether it is in the best interest of the City to enter into the agreement. In determining whether the proposed development agreement is in the best interest of the City, the City Commission must be satisfied:
- (1) That the Commission or designee considered the criteria of section 21-3(c) and applied the preference to those developers entitled to such preference pursuant to section 21-6.
 - (2) That the factors identified in section 21-8(a)(3) of this chapter have been adequately identified and considered by the designated developer in its proposal.
 - (3) That the development agreement adequately addresses at least the following:
 - a. The organizational structure of the designated developer and its affiliates including the names and backgrounds of all officers, directors and owners of the designated developer and any person that controls the designated developer, except that if the designated developer or an affiliate is publicly traded, only the names and backgrounds of owners beneficially owning greater than five (5) percent of the shares of the publicly traded corporation need be identified, including:
 - (i) Whether and to what extent the officers, directors or shareholders are a minority and/or a Muskegon resident.
 - (ii) Whether the designated developer or an affiliate holds a gaming license and in which jurisdiction the license is held, and whether the designated developer or an affiliate has ever been denied a gaming license or withdrawn an application for a gaming license.
 - b. The designated developer's capabilities, experience and key personnel who will be assigned to the casino or casino complex development, operation and/or management.
 - c. Projected cost budgets for the financing, design, construction, furnishing and equipping of the casino or casino complex, including costs of projected infrastructure improvements and all material assumptions upon which they are based.
 - d. Projected balance sheets, income statements and cash flow statements of the casino or casino complex for the first five (5) years of operations, using generally accepted accounting principles, and all material assumptions upon which they are based.
 - e. Existing and anticipated sources of financing for the casino or casino complex, including pertinent details such as terms, rates, and security covenants, and the developer's plan, if any, for utilization of Muskegon-based minority-owned financial institutions, including, but not limited to, insurance companies, accounting firms, financial advisers and banking institutions, in servicing the developer's financial needs.
 - f. Current detailed financial statements for each gaming operation currently owned or operated by the designated developer.
 - g. The designated developer's concept for the proposed casino or casino complex, including:
 - (i) The proposed development site or location for the casino or casino complex, a legal description of the property boundaries, dimensions and total acreage for the casino or casino complex, as well as any ancillary facilities proposed.
 - (ii) The size of the casino or casino complex; the number and types of gaming facilities; the number and types of restaurants; a description of any hotel, including the number of rooms and whether such hotel will be available for use by non-casino patrons; the number and types of lounges or bars; the number and types of retail shops; the number and types of ancillary entertainment or recreational facilities planned; a description of any convention facilities; and a description of any other facilities proposed.
 - (iii) Architectural matters, including drawings, the name(s) of the architect(s); the floor plans (discussing space allocations and major functions such as gaming floor, back-of-house, circulation, accessibility and exiting); building elevations (showing heights, relative scale and compatibility with adjacent components); landscaping; and design theme.
 - (iv) Proposed plans for employee, patron and bus parking; tour bus and valet drop-off facilities; service vehicle parking; satellite parking facilities; and other infrastructure related to the casino or casino complex.
 - (v) The proposed phasing plan, the proposed sequence of the phases and the approximate dates of beginning and completion of development of the entire project.
 - (vi) The designated developer's commitment to adhere to applicable zoning requirements adopted by the city.
 - i. The designated developer's plans for assisting current businesses that may experience employee shortages due to their employees accepting employment with the casino.

appropriate for its prospective employees and their affected families and for patrons with compulsive gaming behaviors and their affected families. The plan should include the types of public education and problem gambling prevention strategies and prevention and education strategies for employees that would be implemented as part of the operation of the casino or casino complex, the estimated period of implementation of the plan and the approximate cost of the plan.

- bb. The designated developer's plan to ensure that people under the age of twenty-one (21) years will be identified and prohibited from gambling or loitering in the casino.
 - ac. Any plans the designated developer has for opening a temporary casino, including the developer's plans as they pertain to the temporary casino with respect to all the subject areas prescribed at subparts a. --bb. of this section, and a warranty that any proposed temporary casino will not adversely impact the viability of the planned permanent casino or casino complex.
- (b) The City Commission will not approve any proposed development agreement unless:
- (1) It has been entered into pursuant to the provisions of this chapter and the City Commission has determined that the proposed development agreement is in the best interest of the City;
 - (2) All proposals were made available for review and inspection by the City Commission;
 - (3) The designated developer has filed with the City Clerk its unconditional acceptance of all the terms of the development agreement;
 - (4) The City has made a preliminary determination that the designated developer has satisfied its burden of establishing to the City's satisfaction that:
 - a. It is of good character, honesty and integrity;
 - b. It is a person whose prior activities, criminal record, if any, reputation, habits and associations do not pose a threat to the public interest of this State, the City, or the effective regulation and control of gaming, nor does it create the dangers of unsuitable, unfair or illegal practices in the conduct of gaming.
 - c. It has adequate business probity, competence and experience, in gaming and generally; and,
 - d. That the proposed financing of the entire operation is adequate for the nature of the proposed operation and from a suitable source.
 - (5) The development agreement requires the designated developer to reimburse the City for all expenses incurred for consultants and outside attorneys in conjunction with the casino development competitive selection process and in conjunction with the establishment of a casino regulatory scheme;
 - (6) The designated developer has submitted satisfactory bond or other security acceptable to the City to ensure the payment and performance in full of all obligations accepted by the designated developer in the development agreement or imposed by City Code with respect to the permanent casino or casino complex and any temporary casino; and,
 - (7) The development agreement requires the designated developer to comply with all statutes, ordinances and regulations governing casino gaming and requires the designated developer to receive all necessary zoning approvals for the casino or casino complex;

Sec. 21-9. Limited effect of development agreement.

The approval of a development agreement does not create a right or entitlement in the designated developer to any required gaming licenses or to permits or approvals otherwise required to construct and operate the casino or casino complex. However, upon approval of the development agreement, the selected developer will be given the full support of the City in the acquisition of the necessary licenses, compacts and permits from the governing entities.

Sec. 21-10. Prohibitions upon assignment of development agreement.

A development agreement may not be sold or transferred in any manner, nor may any party other than the designated developer operate a casino or casino complex pursuant to the development agreement, unless the City Commission give their consent to the sale or transfer.

Sec. 21-11. No effect on other laws.

Irrespective of the terms of any development agreement entered into by the City, the design, development, construction, financing, operation and management of the casino must be in compliance with all applicable statutes, regulations, and codes of all levels of government, and those regulations which may be promulgated by the City in conformance with applicable State and Federal laws and regulations including, but not limited to, appropriate taxes and service fees

- j. The manner in which the casino or casino complex will enhance the city as a desirable location for tourists, conventions, families and urban life and the manner in which the casino or casino complex will encourage pedestrian linkages with other business, economic and entertainment activities in the area in which the casino or casino complex is to be located.
- k. The amount of investment or other contributions the designated developer will make to promote economic growth and contribute to the revitalization of economically depressed areas of the city, other than the area in which the casino or casino complex is to be located; to create new jobs and contribute to the support of existing employment opportunities; and to attract new businesses, tourists and visitors to those other areas.
- l. The designated developer's plan to market the casino or casino complex and the developer's intent to cooperate and consult with the City, the Muskegon County Convention and Visitor's Bureau or other regional tourism and marketing organizations to implement a comprehensive and uniform system of marketing the City as an entertainment destination.
- m. The key management and other staff for each functional area of operation broken down by the number of full-time and part-time positions, and for each job classification, its respective total estimated salaries and benefits.
- n. The designated developer's proposed program for staff training and development and staff relations.
- o. The designated developer's proposed equal opportunity employment plan to recruit, train and upgrade Muskegon residents, minorities and women for all employment classifications. The equal opportunity employment plan should include:
 - i. How the designated developer will establish contacts in the City to foster an interest in casino careers among Muskegon residents, minorities and women, and publicize and market the casino complex employment opportunities.
 - ii. Any proposed systematic training program to prepare Muskegon residents, minorities and women with the life skills and the employment skills necessary for responsible jobs within the casino or casino complex.
- p. The designated developer's commitment to hire construction contractors who agree to include in their construction contracts an express term that the rates, wages and fringe benefits to be paid to each class of construction mechanics and each of their subcontractors shall be not less than the rates, wages and fringe benefits prevailing in the city as established by the most recent survey of the Michigan Department of Labor for prevailing wage determination under Act 166, P.A. 1965 (Act 166, P.A. 1965), MCLA 408.551 et. seq., MSA 17.256(A), et. seq.
- q. The designated developer's commitment to hire contractors who will commit to the goal of maximizing to the greatest extent possible the number of Muskegon resident apprentices who advance to journeymen status by agreeing themselves, and requiring their contractors to agree to, and to the greatest extent possible utilizing unions that do or will, operate apprentice programs on the casino or casino complex construction sites that are open to all residents of the city.
- r. The designated developer's commitment to hire contractors who agree to implement an equal opportunity employment plan conforming to all applicable laws and consistent with the City's Equal Employment Opportunity Plan.
- s. The designated developer's commitment to purchase goods and services from Muskegon businesses to the greatest extent possible.
- t. The proposed major transportation and circulation routes, including:
 - (i) A plan for the proposed use of regional airports, and specifically the Muskegon County Airport;
 - (ii) A plan for the proposed modifications and improvements to the existing roads necessary to accommodate the anticipated number of trips to and from the casino or casino complex each day by employees, visitors and buses, including the size of regional transportation facilities to be constructed or implemented, the estimated period of construction, the approximate cost and the proposed funding source.
 - (iii) The designated developer's proposed plan for traffic control measures, such as pedestrian-grade street crossing systems, traffic control devices, bus and other large vehicle turnout facilities, drainage mitigation and street lighting systems, the estimated period of construction, approximate cost and the proposed funding source.
- u. The designated developer's proposed measures for transportation demand management and transportation supply management, including ride-sharing, mass transit and other transportation conservation measures, which should be based on the City's requirements and the City's traffic analysis studies conducted in conjunction with casino development within the City.
- v. The designated developer's plan for any anticipated improvements to the existing regional water facilities necessary to serve the casino or casino complex, the estimated period of construction, approximate cost and the proposed funding source.
- w. The designated developer's plan for any anticipated improvements to the existing regional sewer facilities necessary to serve the casino or the casino complex, the estimated period of construction, the approximate cost and the proposed funding source.
- x. The designated developer's plan for proposed improvements to the City's existing fire protection services that would serve the casino or casino complex, including the proposed funding source.
- y. The designated developer's plan for proposed improvements to the City's existing police protection services that would serve the casino or casino complex, including the number of police and the proposed funding source.
- z. The designated developer's plan for providing for or enhancing existing child care services to ensure that such services are reasonably affordable and appropriate for its prospective employees, including any estimated period of construction of such facilities, and the approximate cost of such construction.
- aa. The designated developer's plan for enhancing existing services for treatment of compulsive behavior disorders to ensure that they are reasonably affordable and

INITIATION OF LEGISLATION

A petition to add an ordinance to the City of Muskegon Code of Ordinances as provided in Chapter VII of the City Charter which: Authorizes and approves Casino Gaming in the Downtown Area of the City of Muskegon to maximize economic impact, job creation, and promote private development and investment for the benefit of the City and its Citizens.

We, the undersigned qualified and registered electors, residents in the City of Muskegon, in the County of Muskegon, State of Michigan, respectively petition for said initiation of legislation, and request that the proposed ordinance be submitted to a vote of the people if not passed by the City Commission within 30 days.

WARNING – A person who knowingly signs this petition more than once, signs a name other than his or her own, signs when not a qualified and registered elector, or sets opposite his or her signature on a petition, a date other than the actual date the signature was affixed, is violating the provisions of the Michigan election law.

SIGNATURE	PRINTED NAME	STREET ADDRESS OR RURAL ROUTE	POST OFFICE AND ZIP CODE	DATE OF SIGNING		
				MONTH	DAY	YEAR
<i>Raymond C. Carlson</i>	Raymond C. Carlson	3151 BOUTWOOD DR	49441	Feb.	6	03
<i>Deborah K. Armstrong</i>	Deborah K. Armstrong	3445 CAREWING DR	49441	Feb	7	03
<i>Mary J. Kraft</i>	Mary J. Kraft	2346 Praire Ave	49441	Feb	7	03
<i>Judith A. Hegbleom</i>	Judith A. Hegbleom	2092 W. Sherman	49441	Feb	7	03
<i>Marie T. Howard</i>	Marie T. Howard	2173 Philo Muskegon	49441	Feb	7	03
<i>Ed Peabody</i>	ED. PEAPODY	733 WATERWORKS RD	49441	FEB	7	03
<i>Laura Koendortel</i>	Laura Koendortel	1523 Edgewater	49441	Feb	7	03
<i>Gordon Norstrom</i>	GORDON NORSTROM	1724 Manlaque	49441	FEB	7	03
<i>Karen M. Spencer</i>	Karen M. Spencer	1456 C. Hubain To J.U.	49441	2	7	03
<i>Maureen Howard</i>	MAUREEN HOWARD	3060 W. Sherman	49441	FEB	7	03

CERTIFICATE OF CIRCULATOR

I, the circulator of this petition, assert that I am qualified to circulate this petition, that each signature on the petition was signed in my presence; and that, to the best of my knowledge and belief, each signature is the genuine signature of the person purporting to sign the petition, the person signing the petition was at the time of signing a qualified registered elector of the city or township listed in the heading of the petition, and the elector was qualified to sign the petition.

William S. Waldo
(Signature of Circulator)

February 2nd, 2003
(Date)

William S. Waldo
(Printed Name of Circulator)

Muskegon
(Name of City or Township Where Qualified to be Registered)

3430 Sand Dick Court
Complete Residence Address (Street and Number or Rural Route)

Muskegon, MI. 49441
(Post Office and Zip Code)

WARNING – A circulator knowingly making a false statement in the above certificate, a person not a circulator who signs as a circulator, or a person who signs a name other than his or her own as circulator is guilty of a misdemeanor.

RECEIVED

MAR 11 2003

City Clerks Office

Commission Meeting Date: April 8, 2003

Date: April 2, 2003
To: Honorable Mayor and City Commissioners
From: Planning & Economic Development 
RE: Authorize Funds for Imagine Muskegon

2003-33a)

SUMMARY OF REQUEST:

Request authorization of a \$6,000 budget allocation to be designated to the Imagine Muskegon project and further act as the fiduciary for the project.

FINANCIAL IMPACT:

The total project cost is estimated at \$20,000. Fund raising activities are in full swing with several pending commitments.

BUDGET ACTION REQUIRED:

This allocation was authorized in the 2003 budget as an item in the Planning & Economic development budget.

STAFF RECOMMENDATION:

Authorize the allocation and act as the fiduciary for the ad-hoc group.

CITY OF MUSKEGON

RESOLUTION # 2003-33 a)

RESOLUTION TO ALLOCATE FUNDS TO IMAGINE MUSKEGON

WHEREAS, the Imagine Muskegon Committee is comprised of local officials and interest groups wanting to help develop a diverse and dynamic downtown; and

WHEREAS, the City of Muskegon, through recent Master Plan amendments, reinforced the community's desire for design input in community development; and

WHEREAS, an allocation of \$6,000 (six thousand dollars) was placed in the 2003 Planning Budget to support additional community involvement in downtown development;

NOW, THEREFORE, BE IT RESOLVED that the City Commission authorizes the spending of up to \$6,000 for Imagine Muskegon and agrees to act as the group's fiduciary for the duration of this project.

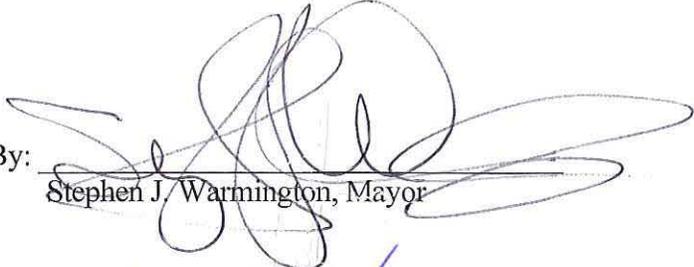
Adopted this 8th day of April, 2003.

Ayes: 5

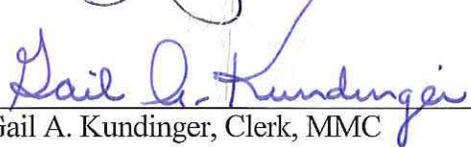
Nays: 0

Absent: 2

By:

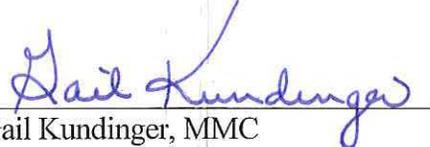

Stephen J. Warmington, Mayor

Attest:


Gail A. Kunding, Clerk, MMC

CERTIFICATE

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 April 8, 2003.


Gail Kunding, MMC
Clerk, City of Muskegon

Date: April 8, 2002

To: Honorable Mayor and City Commissioners

From: Finance Director

RE: First Quarter 2003 Budget Reforecast

2003-336)

SUMMARY OF REQUEST: At this time staff is transmitting the *First Quarter 2003 Budget Reforecast* which outlines proposed changes to the original budget that have come about as result of changes in policy priorities, labor contracts, updated economic information, or other factors. For the next meeting, an action item will be placed on the agenda for adoption of the proposed first quarter budget reforecast together with any additional changes deemed necessary by Commissioners.

FINANCIAL IMPACT: Staff is awaiting updated figures from the state. A budget reforecast report will be presented at the April 7th Committee of the Whole meeting.

BUDGET ACTION REQUIRED: Self-explanatory.

STAFF RECOMMENDATION: The City Commission should review the *Reforecast* to ensure it reflects their policy initiatives. At the next City Commission meeting, staff will request formal approval of the *Reforecast* and related budget amendments.

COMMITTEE RECOMMENDATION: There is no committee recommendation at this time.

my copy

**CITY OF MUSKEGON
GENERAL FUND**

HISTORICAL SUMMARY

Year	Revenues & Transfers In	Expenditures & Transfers Out	Fund Balance at Year-End
1992	\$ 11,297,076	\$ 11,282,444	\$ 1,538,372
1993	13,990,266	13,231,208	2,297,430
1994	15,301,973	15,572,689	2,026,714
1995	16,633,179	16,337,586	2,322,307
1996	17,666,214	18,018,159	1,970,362
1997	20,437,646	20,358,321	2,049,687
1998	21,643,855	21,634,467	2,059,075
1999	21,451,681	22,011,881	1,498,875
2000	23,685,516	22,232,657	2,951,734
2001	23,446,611	23,235,978	3,162,367
2002	23,617,163	23,971,534	2,807,996

Revenues

- 443,000 (state)

- more to come
- insurance
- tobacco

Exp

+ 80,000

- fire study

- transfers to other

funds

- PIF

- streets

- LC Walker

Fiscal 2003 Budget Summary

FUND BALANCE AT START OF YEAR

\$ 2,807,996

MEANS OF FINANCING:

Taxes	13,316,693	57.1%
Licenses and Permits	1,074,283	4.6%
Federal Grants	80,000	0.3%
State Grants	52,635	0.2%
State Shared Revenue	5,143,317	22.1%
Other Charges	2,004,063	8.6%
Interest & Rentals	295,600	1.3%
Fines and Fees	356,200	1.5%
Other Revenue	292,000	1.3%
Other Financing Sources	700,000	3.0%
	<u>23,314,791</u>	100.0%

Budget Stabilization

ESTIMATED REQUIREMENTS:

Customer Value Added Activities	17,457,166	73.0%
Business Value Added Activities	4,214,456	17.6%
Fixed Budget Items	<u>2,252,006</u>	<u>9.4%</u>
	23,923,628	100.0%

ESTIMATED FUND BALANCE AT END OF YEAR

\$ 2,199,159

OPERATING SURPLUS (DEFICIT)

\$ (608,837) (85,853)

TARGET FUND BALANCE (10% PRIOR YEAR EXPENDITURES)

\$ 2,397,153

ESTIMATED EXCESS (SHORTFALL) vs. TARGET

\$ (197,995) + 233,685

City of Muskegon
Quarterly Budget Reforecast - 2003 1st Quarter - General Fund
General Fund Revenue Summary By Source

	Actual 2001	Actual 2002	Original Budget Estimate 2003	Actual Through March 2003	Revised Estimate 2003	Change From 2002 Original	% Change From 2002 Original
Available Fund Balance - BOY	2,951,734	\$ 3,162,367	\$ 2,744,079	\$ 2,807,996	\$ 2,807,996	\$ 63,917	
Taxes							
City income tax	\$ 6,820,171	\$ 6,692,609	\$ 6,650,000	\$ 1,612,816	\$ 6,650,000	\$ -	0.00%
Property taxes - general	3,940,343	4,221,258	4,281,332	-	4,281,332	-	0.00%
Property taxes - sanitation	1,670,955	1,788,871	1,833,822	-	1,833,822	-	0.00%
Property taxes - pass-through from LDFA II	-	270,337	120,000	-	120,000	-	0.00%
Industrial facilities taxes	353,742	388,718	341,539	-	341,539	-	0.00%
Payments in lieu of taxes	75,758	73,191	80,000	-	80,000	-	0.00%
Delinquent chargeback collected	17,514	30,056	10,000	9,207	10,000	-	0.00%
	\$ 12,878,483	\$ 13,465,040	\$ 13,316,693	\$ 1,622,023	\$ 13,316,693	\$ -	0.00%
Licenses and permits							
Business licenses	\$ 31,239	\$ 31,525	\$ 34,500	\$ 725	\$ 34,500	\$ -	0.00%
Liquor licenses	36,427	35,542	37,500	7,348	37,500	-	0.00%
Cable TV franchise fees	204,820	258,425	265,000	-	265,000	-	0.00%
Telecom franchise fees (Act 48)	-	-	27,483	-	27,483	-	0.00%
Housing licenses	66,126	64,565	75,000	21,595	75,000	-	0.00%
Rental property registration	-	-	-	1,990	4,000	4,000	0.00%
Burial permits	98,735	103,636	100,000	22,780	100,000	-	0.00%
Building permits	333,798	365,561	300,000	41,384	300,000	-	0.00%
Electrical permits	127,055	87,788	100,000	41,613	100,000	-	0.00%
Plumbing permits	48,863	66,741	50,000	17,818	50,000	-	0.00%
Heating permits	65,495	56,222	80,000	47,342	80,000	-	0.00%
Franchise fees	-	-	-	-	-	-	0.00%
Police gun registration	2,040	1,230	800	400	800	-	0.00%
	\$ 1,014,598	\$ 1,071,235	\$ 1,070,263	\$ 202,995	\$ 1,074,283	\$ 4,000	0.37%
Federal grants							
Federal operational grant	\$ 417,925	\$ 278,308	\$ 80,000	\$ 44,410	\$ 80,000	\$ -	0.00%
	\$ 417,925	\$ 278,308	\$ 80,000	\$ 44,410	\$ 80,000	\$ -	0.00%
State grants							
Act 302 police training grant	\$ -	\$ -	\$ 16,000	\$ -	\$ 16,000	\$ -	0.00%
State operational grant	17,569	11,316	36,635	1,101	36,635	-	0.00%
	\$ 17,569	\$ 11,316	\$ 52,635	\$ 1,101	\$ 52,635	\$ -	0.00%
State shared revenue							
State sales tax	\$ 5,748,523	\$ 5,353,987	\$ 5,550,302	\$ -	\$ 5,143,317	\$ (406,985)	-7.33%
	\$ 5,748,523	\$ 5,353,987	\$ 5,550,302	\$ -	\$ 5,143,317	\$ (406,985)	-7.33%

City of Muskegon
Quarterly Budget Reforecast - 2003 1st Quarter - General Fund
General Fund Revenue Summary By Source

	Actual 2001	Actual 2002	Original Budget Estimate 2003	Actual Through March 2003	Revised Estimate 2003	Change From 2002 Original	% Change From 2002 Original
Other charges for sales and services							
Tax administration fees	\$ 232,349	\$ 258,323	\$ 258,000	\$ 9	\$ 258,000	\$ -	0.00%
Utility administration fees	175,215	174,965	183,439	45,860	183,439	-	0.00%
Reimbursement for elections	20,534	24,455	12,000	186	12,000	-	0.00%
Indirect cost reimbursement	908,256	892,080	974,894	243,724	974,894	-	0.00%
Site-plan review fee	895	1,086	1,000	-	1,000	-	0.00%
Sale of cemetery lots	25,275	14,988	18,000	3,750	18,000	-	0.00%
Sale of columbarium niches	-	-	-	-	-	-	0.00%
Police miscellaneous	48,873	74,044	65,000	12,786	65,000	-	0.00%
Police impound fees	37,781	51,225	40,000	15,000	40,000	-	0.00%
Landlord's alert fee	1,630	2,630	-	-	-	-	0.00%
Fire protection-state property	82,087	42,052	85,000	-	42,000	(43,000)	-50.59%
Zoning fees	13,915	13,955	10,000	2,370	10,000	-	0.00%
Clerk fees	1,391	2,738	2,230	570	2,230	-	0.00%
Clerk - passport fees	-	-	3,500	90	3,500	-	0.00%
Tax abatement application fees	4,944	1,423	1,000	2,500	3,000	2,000	200.00%
Treasurer fees	33,708	40,635	25,000	1,908	25,000	-	0.00%
False alarm fees	18,806	17,738	10,000	255	10,000	-	0.00%
Miscellaneous cemetery income	24,118	25,569	21,000	1,311	21,000	-	0.00%
Housing commission reimbursement	-	-	-	-	-	-	0.00%
Senior transit program fees	7,986	7,376	8,000	1,466	8,000	-	0.00%
Fire miscellaneous	9,012	3,858	15,000	241	15,000	-	0.00%
Sanitation stickers	42,355	51,081	42,000	10,497	42,000	-	0.00%
Lot cleanup fees	74,584	134,156	70,000	(1,968)	70,000	-	0.00%
Reimbursements for mowing and demolitions	75,099	129,421	70,000	19,944	70,000	-	0.00%
Recreation program fees	133,183	127,558	130,000	3,060	130,000	-	0.00%
	\$ 1,971,996	\$ 2,091,356	\$ 2,045,063	\$ 363,559	\$ 2,004,063	\$ (41,000)	-2.00%
Interest and rental income							
Interest	\$ 331,923	\$ 181,931	\$ 150,000	\$ (19,387)	\$ 150,000	\$ -	0.00%
Flea market	22,157	27,526	27,000	-	27,000	-	0.00%
Farmers market	26,475	27,783	23,000	-	23,000	-	0.00%
City right of way rental	6,400	6,400	4,400	2,400	4,400	-	0.00%
Parking ramp rentals	22,069	24,991	5,000	1,920	5,000	-	0.00%
McGraft park rentals	53,758	37,697	54,000	-	54,000	-	0.00%
Other park rentals	28,081	26,232	32,200	8,168	32,200	-	0.00%
	\$ 490,863	\$ 332,560	\$ 295,600	\$ (6,899)	\$ 295,600	\$ -	0.00%

City of Muskegon
 Quarterly Budget Reforecast - 2003 1st Quarter - General Fund
 General Fund Revenue Summary By Source

	Actual 2001	Actual 2002	Original Budget Estimate 2003	Actual Through March 2003	Revised Estimate 2003	Change From 2002 Original	% Change From 2002 Original
Fines and fees							
Income tax - penalty and interest	\$ 95,916	\$ 166,621	\$ 90,000	\$ 42,162	\$ 90,000	\$ -	0.00%
Late fees on current taxes	27,220	18,006	25,000	-	25,000	-	0.00%
Interest on late invoices	730	589	1,200	18	1,200	-	0.00%
Property transfer affidavit fines	1,900	-	-	-	-	-	0.00%
Parking fines	74,056	61,957	80,000	30,490	80,000	-	0.00%
Court fines	150,735	146,141	160,000	29,387	160,000	-	0.00%
	\$ 350,557	\$ 393,314	\$ 356,200	\$ 102,057	\$ 356,200	\$ -	0.00%
Other revenue							
Sale of land and assets	\$ -	\$ -	\$ 3,000	\$ -	\$ 3,000	\$ -	0.00%
Police sale and auction proceeds	3,706	3,089	4,000	-	4,000	-	0.00%
CDBG program reimbursements	322,587	372,492	250,000	4,704	250,000	-	0.00%
Contributions	33,592	31,619	11,000	300	11,000	-	0.00%
Muskegon County Community Foundation	-	13,521	7,000	8,000	8,000	1,000	14.29%
Miscellaneous reimbursements	-	-	1,000	-	1,000	-	0.00%
Miscellaneous and sundry	17,755	18,341	15,000	1,771	15,000	-	0.00%
	\$ 377,640	\$ 439,062	\$ 291,000	\$ 14,775	\$ 292,000	\$ 1,000	0.34%
Other financing sources							
Operating transfers in							
Cemetery Perpetual Care	\$ 67,373	\$ 56,961	\$ 70,000	\$ 21,860	\$ 70,000	\$ -	0.00%
Criminal Forfeitures Fund	60,000	-	75,000	-	75,000	-	0.00%
Police Training Fund	31,142	22,281	-	-	-	-	0.00%
DDA for Administration	10,000	10,000	10,000	2,500	10,000	-	0.00%
Reese Playfield Fund	4,333	76,746	-	-	-	-	0.00%
RLF for Administration	5,000	5,000	5,000	1,250	5,000	-	0.00%
Budget Stabilization Fund	-	-	500,000	-	500,000	-	0.00%
Special Assessment Fund	-	-	40,000	-	40,000	-	0.00%
Hackley Park Improvement Fund	-	-	-	-	-	-	0.00%
Hackley Park Memorial Fund	609	9,997	-	-	-	-	0.00%
	\$ 178,457	\$ 180,985	\$ 700,000	\$ 25,610	\$ 700,000	\$ -	0.00%
Total general fund revenues and other sources							
	\$ 23,446,611	\$ 23,617,163	\$ 23,757,776	\$ 2,369,631	\$ 23,314,791	\$ (442,985)	-1.86%

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City of Muskegon
Quarterly Budget Reforecast - 2003 1st Quarter - General Fund
General Fund Expenditure Summary By Function

	Actual 2001	Actual 2002	Original Budget Estimate 2003	Actual Through March 2003	Actual As % of Revised	Revised Estimate 2003	Change From 2002 Original	% Change From 2002 Revised
I. Customer Value Added Activities								
40301 Police Department								
5100	Salaries & Benefits	\$ 5,803,534	\$ 5,848,623	\$ 6,324,535	\$ 1,330,067	21%	\$ 6,324,535	\$ - 0.00%
5200	Operating Supplies	154,660	148,091	150,000	23,228	15%	150,000	- 0.00%
5300	Contractual Services	951,902	981,682	902,000	175,134	19%	902,000	- 0.00%
5400	Other Expenses	54,675	73,558	28,000	1,342	5%	28,000	- 0.00%
5700	Capital Outlays	87,593	125,512	24,310	1,114	5%	24,310	- 0.00%
5900	Other Financing Uses	-	-	-	-	N/A	-	- 0.00%
		\$ 7,052,364	\$ 7,177,466	\$ 7,428,845	\$ 1,530,885	21%	\$ 7,428,845	\$ - 0.00%
		\$ 7,052,364	\$ 7,177,466	\$ 7,428,845	\$ 1,530,885	21%	\$ 7,428,845	\$ - 0.00%
50336 Fire Department								
5100	Salaries & Benefits	\$ 2,930,180	\$ 2,964,455	\$ 2,947,103	\$ 634,868	22%	\$ 2,947,103	\$ - 0.00%
5200	Operating Supplies	92,307	105,122	100,000	27,930	28%	100,000	- 0.00%
5300	Contractual Services	149,605	165,970	150,000	24,378	16%	150,000	- 0.00%
5400	Other Expenses	12,785	20,731	20,000	5,125	26%	20,000	- 0.00%
5700	Capital Outlays	32,714	57,570	27,469	13,791	50%	27,469	- 0.00%
5900	Other Financing Uses	-	-	-	-	N/A	-	- 0.00%
		\$ 3,217,591	\$ 3,313,848	\$ 3,244,572	\$ 706,092	22%	\$ 3,244,572	\$ - 0.00%
		\$ 3,217,591	\$ 3,313,848	\$ 3,244,572	\$ 706,092	22%	\$ 3,244,572	\$ - 0.00%
50387 Fire Safety Inspections								
5100	Salaries & Benefits	\$ 579,330	\$ 693,916	\$ 782,418	\$ 168,617	22%	\$ 782,418	\$ - 0.00%
5200	Operating Supplies	25,077	22,393	25,500	3,636	14%	25,500	- 0.00%
5300	Contractual Services	232,848	266,610	260,606	24,579	9%	260,606	- 0.00%
5400	Other Expenses	8,109	11,903	10,000	3,247	32%	10,000	- 0.00%
5700	Capital Outlays	15,215	11,536	3,000	-	0%	3,000	- 0.00%
5900	Other Financing Uses	-	-	-	-	N/A	-	- 0.00%
		\$ 860,579	\$ 1,006,358	\$ 1,081,524	\$ 200,079	18%	\$ 1,081,524	\$ - 0.00%
		\$ 4,078,170	\$ 4,320,206	\$ 4,326,096	\$ 906,171	21%	\$ 4,326,096	\$ - 0.00%
		\$ 4,078,170	\$ 4,320,206	\$ 4,326,096	\$ 906,171	21%	\$ 4,326,096	\$ - 0.00%
60523 General Sanitation								
5100	Salaries & Benefits	\$ 67,901	\$ 67,465	\$ 78,067	\$ 14,240	18%	\$ 78,067	\$ - 0.00%
5200	Operating Supplies	1,006	344	900	-	0%	900	- 0.00%
5300	Contractual Services	1,351,420	1,406,612	1,432,282	119,573	8%	1,432,282	- 0.00%
5400	Other Expenses	83	794	300	-	0%	300	- 0.00%
5700	Capital Outlays	24,847	44,725	25,660	-	0%	25,660	- 0.00%
5900	Other Financing Uses	-	-	-	-	N/A	-	- 0.00%
		\$ 1,445,257	\$ 1,519,940	\$ 1,537,209	\$ 133,813	9%	\$ 1,537,209	\$ - 0.00%
		\$ 1,445,257	\$ 1,519,940	\$ 1,537,209	\$ 133,813	9%	\$ 1,537,209	\$ - 0.00%
60528 Recycling								
5100	Salaries & Benefits	\$ -	\$ -	\$ -	\$ -	N/A	\$ -	\$ - 0.00%
5200	Operating Supplies	-	-	-	-	N/A	-	- 0.00%
5300	Contractual Services	257,926	218,067	260,000	17,447	7%	260,000	- 0.00%
5400	Other Expenses	-	-	-	-	N/A	-	- 0.00%
5700	Capital Outlays	3,305	-	1,500	-	0%	1,500	- 0.00%
5900	Other Financing Uses	-	-	-	-	N/A	-	- 0.00%
		\$ 261,231	\$ 218,067	\$ 261,500	\$ 17,447	7%	\$ 261,500	\$ - 0.00%
		\$ 261,231	\$ 218,067	\$ 261,500	\$ 17,447	7%	\$ 261,500	\$ - 0.00%

City of Muskegon
 Quarterly Budget Reforecast - 2003 1st Quarter - General Fund
 General Fund Expenditure Summary By Function

	Actual 2001	Actual 2002	Original Budget Estimate 2003	Actual Through March 2003	Actual As % of Revised	Revised Estimate 2003	Change From 2002 Original	% Change From 2002 Revised
60550 Stormwater Management								
5100 Salaries & Benefits	\$ -	\$ 7,372	\$ 20,000	\$ -	0%	\$ 20,000	\$ -	0.00%
5200 Operating Supplies	-	-	4,450	-	0%	4,450	-	0.00%
5300 Contractual Services	-	16,352	28,000	-	0%	28,000	-	0.00%
5400 Other Expenses	-	-	600	-	0%	600	-	0.00%
5700 Capital Outlays	-	-	2,500	-	0%	2,500	-	0.00%
5900 Other Financing Uses	-	-	-	-	N/A	-	-	0.00%
	\$ -	\$ 23,724	\$ 55,550	\$ -	0%	\$ 55,550	\$ -	0.00%
60448 Streetlighting								
5100 Salaries & Benefits	\$ 11,387	\$ 12,983	\$ -	\$ 854	43%	\$ 2,000	\$ 2,000	0.00%
5200 Operating Supplies	-	-	-	-	N/A	-	-	0.00%
5300 Contractual Services	504,551	505,079	515,000	85,700	17%	515,000	-	0.00%
5400 Other Expenses	-	-	-	-	N/A	-	-	0.00%
5700 Capital Outlays	-	4,350	5,000	3,850	128%	3,000	(2,000)	-40.00%
5900 Other Financing Uses	-	-	-	-	N/A	-	-	0.00%
	\$ 515,938	\$ 522,412	\$ 520,000	\$ 90,404	17%	\$ 520,000	\$ -	0.00%
60707 Senior Citizen Transit								
5100 Salaries & Benefits	\$ 44,925	\$ 44,863	\$ 47,833	\$ 8,423	18%	\$ 47,833	\$ -	0.00%
5200 Operating Supplies	-	-	-	-	N/A	-	-	0.00%
5300 Contractual Services	7,100	10,140	7,540	1,560	21%	7,540	-	0.00%
5400 Other Expenses	-	-	-	-	N/A	-	-	0.00%
5700 Capital Outlays	-	-	-	-	N/A	-	-	0.00%
5900 Other Financing Uses	-	-	-	-	N/A	-	-	0.00%
	\$ 52,025	\$ 55,003	\$ 55,373	\$ 9,983	18%	\$ 55,373	\$ -	0.00%
60446 Community Event Support								
5100 Salaries & Benefits	\$ 77,841	\$ 31,192	\$ 76,972	\$ 2,208	3%	\$ 76,972	\$ -	0.00%
5200 Operating Supplies	1,971	1,524	2,000	-	0%	2,000	-	0.00%
5300 Contractual Services	31,071	11,004	15,000	138	1%	15,000	-	0.00%
5400 Other Expenses	-	-	-	-	N/A	-	-	0.00%
5700 Capital Outlays	-	-	-	-	N/A	-	-	0.00%
5900 Other Financing Uses	-	-	-	-	N/A	-	-	0.00%
	\$ 110,883	\$ 43,720	\$ 93,972	\$ 2,346	2%	\$ 93,972	\$ -	0.00%
	\$ 2,385,334	\$ 2,382,866	\$ 2,523,604	\$ 253,993	10%	\$ 2,523,604	\$ -	0.00%
70751 Parks Maintenance								
5100 Salaries & Benefits	\$ 470,749	\$ 476,360	\$ 552,349	\$ 91,696	17%	\$ 552,349	\$ -	0.00%
5200 Operating Supplies	240,998	150,285	180,000	4,861	3%	180,000	-	0.00%
5300 Contractual Services	596,720	601,199	500,000	47,055	9%	500,000	-	0.00%
5400 Other Expenses	2,905	2,548	2,000	-	0%	2,000	-	0.00%
5700 Capital Outlays	75,959	152,224	52,929	33,066	62%	52,929	-	0.00%
5900 Other Financing Uses	-	-	-	-	N/A	-	-	0.00%
	\$ 1,387,331	\$ 1,382,616	\$ 1,287,278	\$ 176,678	14%	\$ 1,287,278	\$ -	0.00%
70757 Mc Graft Park Maintenance								
5100 Salaries & Benefits	\$ 5,030	\$ 6,059	\$ 18,005	\$ 751	4%	\$ 18,005	\$ -	0.00%
5200 Operating Supplies	4,918	4,135	4,031	504	13%	4,031	-	0.00%
5300 Contractual Services	42,488	30,762	24,000	5,688	24%	24,000	-	0.00%
5400 Other Expenses	238	56	200	-	0%	200	-	0.00%
5700 Capital Outlays	65	-	7,800	-	0%	7,800	-	0.00%
5900 Other Financing Uses	-	-	-	-	N/A	-	-	0.00%
	\$ 52,739	\$ 41,012	\$ 54,036	\$ 6,943	13%	\$ 54,036	\$ -	0.00%

City of Muskegon
 Quarterly Budget Reforecast - 2003 1st Quarter - General Fund
 General Fund Expenditure Summary By Function

	Actual 2001	Actual 2002	Original Budget Estimate 2003	Actual Through March 2003	Actual As % of Revised	Revised Estimate 2003	Change From 2002 Original	% Change From 2002 Revised
70775 General & Inner City Recreation								
5100	Salaries & Benefits	\$ 283,433	\$ 281,055	\$ 341,290	\$ 35,331	10%	\$ 341,290	\$ - 0.00%
5200	Operating Supplies	51,416	58,590	55,386	13,234	24%	55,386	- 0.00%
5300	Contractual Services	135,564	137,912	97,823	10,182	10%	97,823	- 0.00%
5400	Other Expenses	9,252	10,375	4,350	1,662	39%	4,350	- 0.00%
5700	Capital Outlays	383	-	-	-	N/A	-	- 0.00%
5900	Other Financing Uses	-	-	-	-	N/A	-	- 0.00%
		\$ 480,048	\$ 487,932	\$ 498,849	\$ 60,429	12%	\$ 498,849	\$ - 0.00%
70276 Cemeteries Maintenance								
5100	Salaries & Benefits	\$ 185,819	\$ 188,401	\$ 196,834	\$ 46,567	24%	\$ 196,834	\$ - 0.00%
5200	Operating Supplies	21,908	22,607	20,000	980	5%	20,000	- 0.00%
5300	Contractual Services	263,671	258,681	255,000	9,568	4%	255,000	- 0.00%
5400	Other Expenses	1,199	1,121	1,000	175	18%	1,000	- 0.00%
5700	Capital Outlays	33,975	14,626	33,165	9,383	28%	33,165	- 0.00%
5900	Other Financing Uses	-	-	-	-	N/A	-	- 0.00%
		\$ 506,572	\$ 485,436	\$ 505,999	\$ 66,673	13%	\$ 505,999	\$ - 0.00%
70585 Parking Operations								
5100	Salaries & Benefits	\$ 13,439	\$ 14,831	\$ 14,549	\$ 6,092	42%	\$ 14,549	\$ - 0.00%
5200	Operating Supplies	2,476	1,032	3,000	649	22%	3,000	- 0.00%
5300	Contractual Services	32,854	40,972	28,802	12,590	44%	28,802	- 0.00%
5400	Other Expenses	-	-	-	-	N/A	-	- 0.00%
5700	Capital Outlays	-	4,503	-	-	N/A	-	- 0.00%
5900	Other Financing Uses	-	-	-	-	N/A	-	- 0.00%
		\$ 48,769	\$ 61,338	\$ 46,351	\$ 19,331	42%	\$ 46,351	\$ - 0.00%
70771 Forestry								
5100	Salaries & Benefits	\$ 86,584	\$ 84,297	\$ 111,664	\$ 33,881	30%	\$ 111,664	\$ - 0.00%
5200	Operating Supplies	9,831	6,024	7,800	95	1%	7,800	- 0.00%
5300	Contractual Services	14,244	13,864	17,000	9,065	53%	17,000	- 0.00%
5400	Other Expenses	1,309	394	1,500	596	40%	1,500	- 0.00%
5700	Capital Outlays	2,101	2,844	4,359	-	0%	4,359	- 0.00%
5900	Other Financing Uses	-	-	-	-	N/A	-	- 0.00%
		\$ 114,069	\$ 107,423	\$ 142,323	\$ 43,637	31%	\$ 142,323	\$ - 0.00%
70863 Farmers' Market & Flea Market								
5100	Salaries & Benefits	\$ 28,023	\$ 29,241	\$ 34,258	\$ 3,387	10%	\$ 34,258	\$ - 0.00%
5200	Operating Supplies	860	1,644	1,000	-	0%	1,000	- 0.00%
5300	Contractual Services	19,175	14,292	7,230	743	10%	7,230	- 0.00%
5400	Other Expenses	-	-	-	-	N/A	-	- 0.00%
5700	Capital Outlays	-	-	-	-	N/A	-	- 0.00%
5900	Other Financing Uses	-	-	-	-	N/A	-	- 0.00%
		\$ 48,058	\$ 45,177	\$ 42,488	\$ 4,130	10%	\$ 42,488	\$ - 0.00%
		\$ 2,637,566	\$ 2,610,934	\$ 2,577,324	\$ 377,821	15%	\$ 2,577,324	\$ - 0.00%
80799 Weed and Seed Program								
5100	Salaries & Benefits	\$ -	\$ -	\$ -	\$ -	N/A	\$ -	- 0.00%
5200	Operating Supplies	-	-	-	-	N/A	-	- 0.00%
5300	Contractual Services	-	-	-	-	N/A	-	- 0.00%
5400	Other Expenses	-	-	-	-	N/A	-	- 0.00%
5700	Capital Outlays	-	-	-	-	N/A	-	- 0.00%
5900	Other Financing Uses	-	-	-	-	N/A	-	- 0.00%
		\$ -	\$ -	\$ -	\$ -	N/A	\$ -	- 0.00%

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City of Muskegon
Quarterly Budget Reforecast - 2003 1st Quarter - General Fund
General Fund Expenditure Summary By Function

	Actual 2001	Actual 2002	Original Budget Estimate 2003	Actual Through March 2003	Actual As % of Revised	Revised Estimate 2003	Change From 2002 Original	% Change From 2002 Revised
80387 Environmental Services								
5100 Salaries & Benefits	\$ 179,865	\$ 173,926	\$ 201,491	\$ 39,582	20%	\$ 201,491	\$ -	0.00%
5200 Operating Supplies	9,023	12,389	11,000	1,619	15%	11,000	-	0.00%
5300 Contractual Services	244,510	300,582	194,806	17,922	9%	194,806	-	0.00%
5400 Other Expenses	1,633	1,505	2,000	88	4%	2,000	-	0.00%
5700 Capital Outlays	6,556	16,123	4,000	-	0%	4,000	-	0.00%
5900 Other Financing Uses	-	-	-	-	N/A	-	-	0.00%
	\$ 441,587	\$ 504,525	\$ 413,297	\$ 59,211	14%	\$ 413,297	\$ -	0.00%
	\$ 441,587	\$ 504,525	\$ 413,297	\$ 59,211	14%	\$ 413,297	\$ -	0.00%
10875 Other - Contributions to Outside Agencies								
Muskegon Area Transit (MATS)	\$ 80,163	\$ 80,163	\$ 80,500	\$ 20,041		\$ 80,500	-	0.00%
Neighborhood Association Grants	34,063	35,975	36,000	23,145		36,000	-	0.00%
Muskegon Area First	-	46,066	42,000	10,500		42,000	-	0.00%
Veterans Memorial Day Costs	7,535	8,070	8,500	-		8,500	-	0.00%
WMSRDC - Muskegon Area Plan (MAP)	6,151	6,151	-	-		-	-	0.00%
Institute for Healing Racism	3,000	4,000	3,000	-		3,000	-	0.00%
MLK Diversity Program	-	-	1,000	-		1,000	-	0.00%
Muskegon Area Labor Management (MALMC)	1,000	1,000	1,000	-		1,000	-	0.00%
Sister Cities' Youth Travel	1,000	-	-	-		-	-	0.00%
Muskegon County and Humane Society - Feral Cat Control	-	14,157	16,000	6,015		16,000	-	0.00%
Other	-	-	-	-		-	-	0.00%
Contributions To Outside Agencies	\$ 132,912	\$ 195,582	\$ 188,000	\$ 59,701	32%	\$ 188,000	\$ -	0.00%
	\$ 132,912	\$ 195,582	\$ 188,000	\$ 59,701	32%	\$ 188,000	\$ -	0.00%
Total Customer Value Added Activities	\$ 16,727,953	\$ 17,191,579	\$ 17,457,166	\$ 3,187,782	18%	\$ 17,457,166	\$ -	0.00%
As a Percent of Total General Fund Expenditures	72.0%	71.7%	73.2%	76.3%		73.0%		

City of Muskegon
Quarterly Budget Reforecast - 2003 1st Quarter - General Fund
General Fund Expenditure Summary By Function

	Actual 2001	Actual 2002	Original Budget Estimate 2003	Actual Through March 2003	Actual As % of Revised	Revised Estimate 2003	Change From 2002 Original	% Change From 2002 Revised
II. Business Value Added Activities								
10101 City Commission								
5100	\$ 56,483	\$ 60,555	\$ 62,793	\$ 12,450	20%	\$ 62,793	\$ -	0.00%
5200	12,288	12,538	16,000	206	1%	16,000	-	0.00%
5300	36,894	48,510	41,964	6,992	17%	41,964	-	0.00%
5400	7,631	9,758	11,000	1,592	14%	11,000	-	0.00%
5700	-	528	-	-	N/A	-	-	0.00%
5900	-	-	-	-	N/A	-	-	0.00%
	\$ 113,296	\$ 131,889	\$ 131,757	\$ 21,240	16%	\$ 131,757	\$ -	0.00%
10102 City Promotions & Public Relations								
5100	\$ -	\$ -	\$ -	\$ -	N/A	\$ -	\$ -	0.00%
5200	-	-	10,000	525	5%	10,000	-	0.00%
5300	24,563	26,499	35,572	4,664	13%	35,572	-	0.00%
5400	-	8	-	-	N/A	-	-	0.00%
5700	-	-	-	-	N/A	-	-	0.00%
5900	-	-	-	-	N/A	-	-	0.00%
	\$ 24,563	\$ 26,507	\$ 45,572	\$ 5,189	11%	\$ 45,572	\$ -	0.00%
10172 City Manager								
5100	\$ 168,180	\$ 173,154	\$ 189,451	\$ 41,218	22%	\$ 189,451	\$ -	0.00%
5200	1,651	1,683	2,750	154	6%	2,750	-	0.00%
5300	2,055	2,563	3,750	423	11%	3,750	-	0.00%
5400	2,149	3,037	2,750	332	12%	2,750	-	0.00%
5700	-	102	1,500	-	0%	1,500	-	0.00%
5900	-	-	-	-	N/A	-	-	0.00%
	\$ 174,035	\$ 180,539	\$ 200,201	\$ 42,127	21%	\$ 200,201	\$ -	0.00%
10145 City Attorney								
5100	\$ -	\$ -	\$ -	\$ -	N/A	\$ -	\$ -	0.00%
5200	833	869	1,000	-	0%	1,000	-	0.00%
5300	457,739	449,721	423,201	66,535	16%	423,201	-	0.00%
5400	-	-	-	-	N/A	-	-	0.00%
5700	-	-	-	-	N/A	-	-	0.00%
5900	-	-	-	-	N/A	-	-	0.00%
	\$ 458,572	\$ 450,590	\$ 424,201	\$ 66,535	16%	\$ 424,201	\$ -	0.00%
	\$ 770,466	\$ 789,525	\$ 801,731	\$ 135,091	17%	\$ 801,731	\$ -	0.00%

City of Muskegon
 Quarterly Budget Reforecast - 2003 1st Quarter - General Fund
 General Fund Expenditure Summary By Function

	Actual 2001	Actual 2002	Original Budget Estimate 2003	Actual Through March 2003	Actual As % of Revised	Revised Estimate 2003	Change From 2002 Original	% Change From 2002 Revised
20173 Administration								
5100 Salaries & Benefits	\$ 120,324	\$ 129,504	\$ 136,911	\$ 32,416	24%	\$ 136,911	\$ -	0.00%
5200 Operating Supplies	1,784	2,050	2,500	32	1%	2,500	-	0.00%
5300 Contractual Services	15,734	16,255	20,973	510	2%	20,973	-	0.00%
5400 Other Expenses	7,230	5,415	8,000	893	11%	8,000	-	0.00%
5700 Capital Outlays	1,632	73	2,000	977	49%	2,000	-	0.00%
5900 Other Financing Uses	-	-	-	-	N/A	-	-	0.00%
	\$ 146,704	\$ 163,297	\$ 170,384	\$ 34,828	20%	\$ 170,384	\$ -	0.00%
20228 Affirmative Action								
5100 Salaries & Benefits	\$ 72,256	\$ 84,810	\$ 92,465	\$ 18,902	20%	\$ 92,465	\$ -	0.00%
5200 Operating Supplies	1,713	757	2,672	78	3%	2,672	-	0.00%
5300 Contractual Services	1,759	1,356	1,872	97	5%	1,872	-	0.00%
5400 Other Expenses	2,913	4,187	4,803	119	2%	4,803	-	0.00%
5700 Capital Outlays	649	723	-	-	N/A	-	-	0.00%
5900 Other Financing Uses	-	-	-	-	N/A	-	-	0.00%
	\$ 79,290	\$ 91,833	\$ 101,812	\$ 19,195	19%	\$ 101,812	\$ -	0.00%
20744 Julia Hackley Internships								
5100 Salaries & Benefits	\$ 10,692	\$ 8,885	\$ 7,000	\$ -	0%	\$ 7,000	\$ -	0.00%
5200 Operating Supplies	-	-	10	-	0%	10	-	0.00%
5300 Contractual Services	-	-	-	-	N/A	-	-	0.00%
5400 Other Expenses	20	-	-	-	N/A	-	-	0.00%
5700 Capital Outlays	-	-	-	-	N/A	-	-	0.00%
5900 Other Financing Uses	-	-	-	-	N/A	-	-	0.00%
	\$ 10,712	\$ 8,885	\$ 7,010	\$ -	0%	\$ 7,010	\$ -	0.00%
20215 City Clerk & Elections								
5100 Salaries & Benefits	\$ 208,602	\$ 234,459	\$ 245,398	\$ 46,564	19%	\$ 245,398	\$ -	0.00%
5200 Operating Supplies	35,327	45,977	20,300	3,090	15%	20,300	-	0.00%
5300 Contractual Services	31,458	62,596	41,000	4,116	10%	41,000	-	0.00%
5400 Other Expenses	7,136	5,437	3,000	300	10%	3,000	-	0.00%
5700 Capital Outlays	5,199	5,813	2,000	49	2%	2,000	-	0.00%
5900 Other Financing Uses	-	-	-	-	N/A	-	-	0.00%
	\$ 287,722	\$ 354,282	\$ 311,698	\$ 54,119	17%	\$ 311,698	\$ -	0.00%
20220 Civil Service								
5100 Salaries & Benefits	\$ 132,405	\$ 160,513	\$ 172,583	\$ 39,556	23%	\$ 172,583	\$ -	0.00%
5200 Operating Supplies	17,111	15,396	10,950	1,760	16%	10,950	-	0.00%
5300 Contractual Services	22,799	22,138	23,200	4,460	19%	23,200	-	0.00%
5400 Other Expenses	12,336	9,108	6,000	10	0%	6,000	-	0.00%
5700 Capital Outlays	8,600	1,129	1,278	-	0%	1,278	-	0.00%
5900 Other Financing Uses	-	-	-	-	N/A	-	-	0.00%
	\$ 193,251	\$ 208,284	\$ 214,011	\$ 45,786	21%	\$ 214,011	\$ -	0.00%
	\$ 717,679	\$ 816,581	\$ 804,915	\$ 153,929	19%	\$ 804,915	\$ -	0.00%

City of Muskegon
Quarterly Budget Reforecast - 2003 1st Quarter - General Fund
General Fund Expenditure Summary By Function

	Actual 2001	Actual 2002	Original Budget Estimate 2003	Actual Through March 2003	Actual As % of Revised	Revised Estimate 2003	Change From 2002 Original	% Change From 2002 Revised
30202 Finance Administration								
5100 Salaries & Benefits	\$ 267,254	\$ 280,785	\$ 300,307	\$ 74,370	25%	\$ 300,307	\$ -	0.00%
5200 Operating Supplies	9,554	6,663	6,600	1,835	28%	6,600	-	0.00%
5300 Contractual Services	99,977	115,025	87,050	28,991	34%	86,450	(600)	-0.69%
5400 Other Expenses	2,348	3,935	2,538	161	6%	2,538	-	0.00%
5700 Capital Outlays	2,085	4,730	-	123	21%	600	600	0.00%
5900 Other Financing Uses	-	-	-	-	N/A	-	-	0.00%
	\$ 381,218	\$ 411,138	\$ 396,495	\$ 105,480	27%	\$ 396,495	\$ -	0.00%
30209 Assessing Services								
5100 Salaries & Benefits	\$ 6,759	\$ 6,093	\$ 7,620	\$ 2,979	39%	\$ 7,620	\$ -	0.00%
5200 Operating Supplies	-	-	-	-	N/A	-	-	0.00%
5300 Contractual Services	367,367	390,926	398,051	1,007	0%	398,051	-	0.00%
5400 Other Expenses	45	60	100	80	80%	100	-	0.00%
5700 Capital Outlays	-	-	-	-	N/A	-	-	0.00%
5900 Other Financing Uses	-	-	-	-	N/A	-	-	0.00%
	\$ 374,171	\$ 397,079	\$ 405,771	\$ 4,066	1%	\$ 405,771	\$ -	0.00%
30205 Income Tax Administration								
5100 Salaries & Benefits	\$ 213,846	\$ 194,487	\$ 227,024	\$ 48,439	21%	\$ 227,024	\$ -	0.00%
5200 Operating Supplies	24,678	21,941	24,800	4,018	16%	24,800	-	0.00%
5300 Contractual Services	34,092	49,928	40,263	6,150	15%	40,263	-	0.00%
5400 Other Expenses	1,648	1,410	1,000	15	2%	1,000	-	0.00%
5700 Capital Outlays	206	5,807	2,000	100	5%	2,000	-	0.00%
5900 Other Financing Uses	-	-	-	-	N/A	-	-	0.00%
	\$ 274,470	\$ 273,573	\$ 295,087	\$ 58,722	20%	\$ 295,087	\$ -	0.00%
30253 City Treasurer								
5100 Salaries & Benefits	\$ 236,759	\$ 272,839	\$ 295,645	\$ 64,422	22%	\$ 295,645	\$ -	0.00%
5200 Operating Supplies	35,489	32,865	32,232	8,177	25%	32,232	-	0.00%
5300 Contractual Services	49,210	43,750	33,500	8,200	24%	33,500	-	0.00%
5400 Other Expenses	900	2,933	1,500	1	0%	1,500	-	0.00%
5700 Capital Outlays	4,281	12,653	4,000	320	8%	4,000	-	0.00%
5900 Other Financing Uses	-	-	-	-	N/A	-	-	0.00%
	\$ 326,639	\$ 365,040	\$ 366,877	\$ 81,120	22%	\$ 366,877	\$ -	0.00%
30248 Information Systems Administration								
5100 Salaries & Benefits	\$ 182,403	\$ 235,640	\$ 259,055	\$ 60,990	24%	\$ 259,055	\$ -	0.00%
5200 Operating Supplies	2,024	2,345	4,700	30	1%	4,700	-	0.00%
5300 Contractual Services	72,769	66,905	53,249	2,927	5%	53,249	-	0.00%
5400 Other Expenses	12,457	8,049	9,000	104	1%	9,000	-	0.00%
5700 Capital Outlays	53,828	37,893	26,497	8,401	32%	26,497	-	0.00%
5900 Other Financing Uses	-	-	-	-	N/A	-	-	0.00%
	\$ 323,481	\$ 350,832	\$ 352,501	\$ 72,452	21%	\$ 352,501	\$ -	0.00%
	\$ 1,679,979	\$ 1,797,662	\$ 1,816,731	\$ 321,840	18%	\$ 1,816,731	\$ -	0.00%
60265 City Hall Maintenance								
5100 Salaries & Benefits	\$ 64,853	\$ 66,138	\$ 65,153	\$ 15,651	24%	\$ 65,153	\$ -	0.00%
5200 Operating Supplies	12,457	15,693	14,850	2,820	19%	14,850	-	0.00%
5300 Contractual Services	214,595	203,498	190,000	33,682	18%	190,000	-	0.00%
5400 Other Expenses	598	-	500	-	0%	500	-	0.00%
5700 Capital Outlays	253	12,500	8,477	-	0%	8,477	-	0.00%
5900 Other Financing Uses	-	-	-	-	N/A	-	-	0.00%
	\$ 292,756	\$ 297,829	\$ 278,980	\$ 52,153	19%	\$ 278,980	\$ -	0.00%
	\$ 292,756	\$ 297,829	\$ 278,980	\$ 52,153	19%	\$ 278,980	\$ -	0.00%

City of Muskegon
 Quarterly Budget Reforecast - 2003 1st Quarter - General Fund
 General Fund Expenditure Summary By Function

	Actual 2001	Actual 2002	Original Budget Estimate 2003	Actual Through March 2003	Actual As % of Revised	Revised Estimate 2003	Change From 2002 Original	% Change From 2002 Revised
80400 Planning, Zoning and Economic Development								
5100 Salaries & Benefits	\$ 387,005	\$ 393,435	\$ 437,835	\$ 89,531	20%	\$ 437,835	\$ -	0.00%
5200 Operating Supplies	19,455	12,765	14,000	1,700	12%	14,000	-	0.00%
5300 Contractual Services	87,314	44,078	50,300	6,207	12%	50,300	-	0.00%
5400 Other Expenses	9,751	10,293	6,954	636	9%	6,954	-	0.00%
5700 Capital Outlays	3,644	6,239	3,000	-	0%	3,000	-	0.00%
5900 Other Financing Uses	-	-	-	-	N/A	-	-	0.00%
	\$ 507,169	\$ 466,810	\$ 512,099	\$ 98,074	19%	\$ 512,099	\$ -	0.00%
	\$ 507,169	\$ 466,810	\$ 512,099	\$ 98,074	19%	\$ 512,099	\$ -	0.00%
Total Business Value Added Activities As a Percent of Total General Fund Expenditures	17.1%	17.4%	17.7%	18.2%		17.6%		

II. Fixed Budget Items

30999 Transfers To Other Funds								
Major Street Fund	\$ -	\$ 100,000	\$ -	\$ -	N/A	\$ -	\$ -	0.00%
Local Street Fund	820,000	850,000	700,000	175,000	28%	620,000	(80,000)	-11.43%
Budget Stabilization Fund	250,000	-	-	-	N/A	-	-	0.00%
L.C. Walker Arena Fund (Operating Subsidy)	301,000	271,837	260,000	65,000	25%	260,000	-	0.00%
Public Improvement Fund (Fire Equipment Reserve)	150,000	150,000	150,000	37,500	25%	150,000	-	0.00%
State Grants Fund (Grant Matches)	-	105,000	-	-	N/A	-	-	0.00%
MOD State Rehab Loan Fund	-	-	-	-	N/A	-	-	0.00%
TIFA Debt Service Fund	-	-	-	-	N/A	-	-	0.00%
Tree Replacement	-	-	-	-	N/A	-	-	0.00%
	\$ 1,521,000	\$ 1,476,837	\$ 1,110,000	\$ 277,500	27%	\$ 1,030,000	\$ (80,000)	-7.21%
30851 General Insurance	\$ 236,222	\$ 281,887	\$ 365,000	\$ -	0%	\$ 365,000	\$ -	0.00%
30906 Debt Retirement	375,101	216,860	212,006	4,759	2%	212,006	-	0.00%
10891 Contingency and Bad Debt Expense	268,110	495,550	400,000	(65,394)	-16%	400,000	-	0.00%
90000 Major Capital Improvements	139,543	140,414	85,000	12,275	5%	245,000	160,000	188.24%
Total Fixed-Budget Items	\$ 2,539,976	\$ 2,611,548	\$ 2,172,006	\$ 229,140	10%	\$ 2,252,006	\$ 80,000	3.68%
As a Percent of Total General Fund Expenditures	10.9%	10.9%	9.1%	5.5%		9.4%		
Total General Fund	\$ 23,235,978	\$ 23,971,534	\$ 23,843,628	\$ 4,178,009	17%	\$ 23,923,628	\$ 80,000	0.34%

Recap: Total General Fund By Expenditure Object

5100 Salaries & Benefits	\$ 12,895,861	\$ 13,226,336	\$ 14,246,608	\$ 2,964,052	21%	\$ 14,248,608	\$ 2,000	0.01%
5200 Operating Supplies	790,815	705,722	728,431	101,161	14%	728,431	-	0.00%
5300 Contractual Services	6,991,218	7,496,547	7,092,034	730,590	10%	7,091,434	(600)	-0.01%
5400 Other Expenses	159,350	186,615	127,105	16,498	13%	127,105	-	0.00%
5700 Capital Outlays	502,633	662,617	327,444	83,449	17%	486,044	158,600	48.44%
5900 All Other Financing Uses	1,896,101	1,693,697	1,322,006	282,259	23%	1,242,006	(80,000)	-6.05%
Total General Fund	\$ 23,235,978	\$ 23,971,534	\$ 23,843,628	\$ 4,178,009	17%	\$ 23,923,628	\$ 80,000	0.34%

**City of Muskegon
Quarterly Budget Reforecast - 2003 1st Quarter - Other Funds**

	Actual 2001	Actual 2002	Original Budget Estimate 2003	Actual Through March 2003	Actual As % of Revised	Revised Estimate 2003	Change From 2003 Original	% Change From 2003 Original	Comments
202 Major Streets and State Trunklines Fund									
Available Fund Balance - BOY	\$ 2,989,718	\$ 2,361,992	\$ 1,607,931	\$ 1,622,095		\$ 1,622,095	\$ 14,164		
Revenues									
Special assessments	\$ 228,652	\$ 324,200	\$ 200,000	\$ -		\$ 200,000	\$ -	0.00%	
Federal grants	3,331,781	3,487,352	656,000	-		584,000	(72,000)	-10.98%	STP GRANTS (LINCOLN AND CRESTON PROJECTS)
State grants	186,000	91,973	10,950,000	135,717		11,650,000	700,000	6.39%	SHORELINE DRIVE GRANTS
State shared revenue	2,513,944	2,582,023	2,575,215	192,140		2,675,215	-	0.00%	
Interest income	159,976	95,702	100,000	15,228		100,000	-	0.00%	
Operating transfers in	-	100,000	-	-		-	-	0.00%	
Other	283,125	2,635,118	320,288	4,999		320,288	-	0.00%	
	\$ 6,703,478	\$ 9,316,368	\$ 14,901,503	\$ 348,084		\$ 15,529,503	\$ 628,000	4.21%	
60900 Operating Expenditures									
5100 Salaries & Benefits	\$ 596,655	\$ 608,476	\$ 905,439	\$ 224,263	25%	\$ 905,439	\$ -	0.00%	
5200 Operating Supplies	195,361	194,808	209,200	80,606	39%	209,200	-	0.00%	
5300 Contractual Services	894,483	976,042	831,651	292,915	35%	831,651	-	0.00%	
5400 Other Expenses	5,589	6,082	4,000	80	2%	4,000	-	0.00%	
5700 Capital Outlays	1,635	-	-	-	N/A	-	-	0.00%	
5900 Other Financing Uses	610,523	3,059,793	640,413	-	0%	940,413	300,000	46.84%	DEBT SERVICE; \$300,0000 TRANSFER TO LOCAL STREETS
	\$ 2,304,246	\$ 4,645,201	\$ 2,590,703	\$ 597,865	21%	\$ 2,890,703	\$ 300,000	11.58%	
90000 Project Expenditures									
5200 Operating Supplies	\$ -	\$ -	\$ -	\$ -	N/A	\$ -	\$ -	0.00%	
5300 Contractual Services	5,026,958	5,211,064	13,670,000	314,785	2%	13,367,000	(303,000)	-2.22%	SEE "BUDGETED CAPITAL IMPROVEMENTS" FOR DETAIL
5700 Capital Outlays	-	-	-	-	N/A	-	-	0.00%	
	\$ 5,026,958	\$ 5,211,064	\$ 13,670,000	\$ 314,785	2%	\$ 13,367,000	\$ (303,000)	-2.22%	
	\$ 7,331,204	\$ 10,056,265	\$ 16,260,703	\$ 912,650	6%	\$ 16,257,703		-0.02%	
Available Fund Balance - EOY	\$ 2,361,992	\$ 1,622,095	\$ 248,731	\$ 1,057,529		\$ 893,895	\$ 645,164		

City of Muskegon
 Quarterly Budget Reforecast - 2003 1st Quarter - Other Funds

	Actual 2001	Actual 2002	Original Budget Estimate 2003	Actual Through March 2003	Actual As % of Revised	Revised Estimate 2003	Change From 2003 Original	% Change From 2003 Original	Comments
203 Local Streets Fund									
Available Fund Balance - BOY	\$ 122,966	\$ 156,747	\$ 87,279	\$ 9,701		\$ 9,701	\$ (77,578)		
Revenues									
Special assessments	\$ 120,108	\$ 143,845	\$ 100,000	\$ -		\$ 100,000	\$ -	0.00%	
Federal grants	-	-	-	-		270,000	270,000	0.00%	EDA FOR SEAWAY INDUSTRIAL PARK
State grants	24,000	-	100,000	-		-	(100,000)	-100.00%	SHORELINE DRIVE GRANTS
State shared revenue	645,381	638,602	654,351	52,927		654,351	-	0.00%	
Interest income	12,845	14,516	10,000	221		10,000	-	0.00%	
Operating transfers in	820,000	1,050,000	700,000	175,000		920,000	220,000	31.43%	GENERAL FUND TRANSFER; \$300,000 FROM MAJOR ST
Other	764	806	20,000	353		20,000	-	0.00%	
	\$ 1,623,098	\$ 1,847,769	\$ 1,584,351	\$ 228,501		\$ 1,974,351	\$ 390,000	24.62%	
60900 Operating Expenditures									
5100 Salaries & Benefits	\$ 431,139	\$ 546,438	\$ 443,157	\$ 107,329	24%	\$ 443,157	\$ -	0.00%	
5200 Operating Supplies	112,034	115,491	93,500	31,935	34%	93,500	-	0.00%	
5300 Contractual Services	508,360	705,199	571,529	150,834	26%	571,529	-	0.00%	
5400 Other Expenses	1,695	1,769	1,000	-	0%	1,000	-	0.00%	
5700 Capital Outlays	-	-	-	-	N/A	-	-	0.00%	
5800 Other Financing Uses	-	124,113	-	-	N/A	-	-	0.00%	
	\$ 1,053,228	\$ 1,493,010	\$ 1,109,186	\$ 290,098	26%	\$ 1,109,186	\$ -	0.00%	
90000 Project Expenditures									
5200 Operating Supplies	\$ -	\$ -	\$ -	\$ -	N/A	\$ -	\$ -	0.00%	
5300 Contractual Services	536,089	501,805	510,000	25,614	3%	785,000	275,000	53.92%	SEE "BUDGETED CAPITAL IMPROVEMENTS" FOR DETAIL
	\$ 536,089	\$ 501,805	\$ 510,000	\$ 25,614	3%	\$ 785,000	\$ 275,000	53.92%	
	\$ 1,589,317	\$ 1,994,815	\$ 1,619,186	\$ 315,712	17%	\$ 1,894,186	\$ -	16.98%	
Available Fund Balance - EOY	\$ 156,747	\$ 9,701	\$ 52,444	\$ (77,510)		\$ 89,866	\$ 37,422		

**City of Muskegon
Quarterly Budget Reforecast - 2003 1st Quarter - Other Funds**

	Actual 2001	Actual 2002	Original Budget Estimate 2003	Actual Through March 2003	Actual As % of Revised	Revised Estimate 2003	Change From 2003 Original	% Change From 2003 Original	Comments
254 L.C. Walker Arena Fund									
Available Fund Balance - BOY	\$ 3,861	\$ 19,133	\$ 36,327	\$ 34,476		\$ 34,476	\$ (1,851)		
Revenues									
Special assessments	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	0.00%	
State grants	-	-	-	-		-	-	0.00%	
State shared revenue	-	-	-	-		-	-	0.00%	
Charges for services	561,449	623,382	590,000	223,363		590,000	-	0.00%	
Interest income	-	-	500	10		500	-	0.00%	
Operating transfers in	301,000	271,837	260,000	65,000		260,000	-	0.00%	GENERAL FUND TRANSFER - OPERATING SUBSIDY
Other	520	371	5,000	824		5,000	-	0.00%	
	\$ 862,969	\$ 895,590	\$ 855,500	\$ 289,197		\$ 855,500	\$ -	0.00%	
70805 Operating Expenditures									
5100 Salaries & Benefits	\$ 11,543	\$ 11,942	\$ 12,692	\$ 3,228	25%	\$ 12,692	\$ -	0.00%	
5200 Operating Supplies	-	-	-	-	N/A	-	-	0.00%	
5300 Contractual Services	835,912	863,565	861,389	261,470	30%	861,389	-	0.00%	
5400 Other Expenses	-	-	-	-	N/A	-	-	0.00%	
5700 Capital Outlays	242	4,740	-	-	N/A	-	-	0.00%	
5900 Other Financing Uses	-	-	-	-	N/A	-	-	0.00%	
	\$ 847,697	\$ 880,247	\$ 874,081	\$ 264,698	30%	\$ 874,081	\$ -	0.00%	
90000 Project Expenditures									
5200 Operating Supplies	\$ -	\$ -	\$ -	\$ -	N/A	\$ -	\$ -	0.00%	
5300 Contractual Services	-	-	-	-	N/A	-	-	0.00%	
	\$ -	\$ -	\$ -	\$ -	N/A	\$ -	\$ -	0.00%	
	\$ 847,697	\$ 880,247	\$ 874,081	\$ 264,698	30%	\$ 874,081	\$ -	0.00%	
Available Fund Balance - EOY	\$ 19,133	\$ 34,476	\$ 17,746	\$ 58,975		\$ 15,895	\$ (1,851)		

City of Muskegon
 Quarterly Budget Reforecast - 2003 1st Quarter - Other Funds

	Actual 2001	Actual 2002	Original Budget Estimate 2003	Actual Through March 2003	Actual As % of Revised	Revised Estimate 2003	Change From 2003 Original	% Change From 2003 Original	Comments
403 Sidewalk Improvement Fund									
Available Fund Balance - BOY	\$ 613,738	\$ (95,006)	\$ 530,382	\$ (55,002)		\$ (55,002)	\$ (585,384)		
Revenues									
Special assessments	\$ 239,318	\$ 408,133	\$ 500,000	\$ -		\$ 500,000	\$ -	0.00%	
Federal grants	-	-	-	-		-	-	0.00%	
State shared revenue	-	-	-	-		-	-	0.00%	
Charges for services	-	-	-	-		-	-	0.00%	
Interest income	60,374	54,434	2,000	1,838		2,000	-	0.00%	
Operating transfers in	-	195,201	100,000	-		100,000	-	0.00%	
Other	-	-	-	1,578,010		1,578,010	1,578,010	0.00%	PROPOSED ISSUANCE OF SIDEWALK ASSESSMENT BONDS
	\$ 299,692	\$ 657,768	\$ 602,000	\$ 1,579,848		\$ 2,180,010	\$ 1,578,010	262.13%	
30906 Operating Expenditures									
5100 Salaries & Benefits	\$ -	\$ -	\$ -	\$ -	N/A	\$ -	\$ -	0.00%	
5200 Operating Supplies	-	-	-	-	N/A	-	-	0.00%	
5300 Contractual Services	-	-	-	-	N/A	-	-	0.00%	
5400 Other Expenses	-	-	-	-	N/A	-	-	0.00%	
5700 Capital Outlays	-	-	-	-	N/A	-	-	0.00%	
5900 Other Financing Uses	373,443	245,122	378,345	-	0%	378,345	-	0.00%	DEBT SERVICE
	\$ 373,443	\$ 245,122	\$ 378,345	\$ -	0%	\$ 378,345	\$ -	0.00%	
90000 Project Expenditures									
5200 Operating Supplies	\$ -	\$ -	\$ -	\$ -	N/A	\$ -	\$ -	0.00%	
5300 Contractual Services	622,656	372,642	700,000	40,509	6%	700,000	-	0.00%	SEE "BUDGETED CAPITAL IMPROVEMENTS" FOR DETAIL
5400 Other Expenses	12,337	-	-	-	N/A	-	-	0.00%	
5900 Other Financing Uses	-	-	-	-	N/A	-	-	0.00%	
	\$ 634,993	\$ 372,642	\$ 700,000	\$ 40,509	6%	\$ 700,000	\$ -	0.00%	
	\$ 1,008,436	\$ 617,764	\$ 1,078,345	\$ 40,509	4%	\$ 1,078,345	\$ -	0.00%	
Available Fund Balance - EOY	\$ (95,006)	\$ (55,002)	\$ 54,037	\$ 1,484,337		\$ 1,046,663	\$ 992,626		

City of Muskegon
 Quarterly Budget Reforecast - 2003 1st Quarter - Other Funds

	Actual 2001	Actual 2002	Original Budget Estimate 2003	Actual Through March 2003	Actual As % of Revised	Revised Estimate 2003	Change From 2003 Original	% Change From 2003 Original	Comments
404 Public Improvement Fund									
Available Fund Balance - BOY	\$ 421,441	\$ 1,564,898	\$ 1,250,898	\$ 985,797		\$ 985,797	\$ (265,101)		
Revenues									
Special assessments	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	0.00%	
Property taxes	-	-	-	-		-	-	0.00%	
Federal grants	-	-	-	-		108,000	108,000	0.00%	EDA GRANT FOR SEAWAY INDUSTRIAL PARK
State grants	-	52,850	-	-		-	-	0.00%	
Contributions	1,200,000	-	-	-		-	-	0.00%	
Sales of Property	76,257	70,725	100,000	56,089		100,000	-	0.00%	
Interest income	31,890	32,294	18,000	2,784		18,000	-	0.00%	
Operating transfers in	450,000	150,000	150,000	37,500		150,000	-	0.00%	GENERAL FUND TRANSFER - FIRE EQUIPMENT RESERVE
Other	31,859	39,352	-	-		-	-	0.00%	
	\$ 1,790,006	\$ 345,221	\$ 268,000	\$ 96,373		\$ 376,000	\$ 108,000	40.30%	
30936 Operating Expenditures									
5100 Salaries & Benefits	\$ -	\$ -	\$ -	\$ -	N/A	\$ -	\$ -	0.00%	
5200 Operating Supplies	-	-	-	-	N/A	-	-	0.00%	
5300 Contractual Services	-	60,350	60,000	-	0%	60,000	-	0.00%	
5400 Other Expenses	-	-	-	-	N/A	-	-	0.00%	
5700 Capital Outlays	-	-	-	-	N/A	-	-	0.00%	
5900 Other Financing Uses	-	-	-	-	N/A	-	-	0.00%	
	\$ -	\$ 60,350	\$ 60,000	\$ -	0%	\$ 60,000	\$ -	0.00%	
90000 Project Expenditures									
5200 Operating Supplies	\$ -	\$ -	\$ -	\$ -	N/A	\$ -	\$ -	0.00%	
5300 Contractual Services	53,375	70,011	-	-	N/A	-	-	0.00%	
5400 Other Expenses	-	-	-	-	N/A	-	-	0.00%	
5700 Capital Outlays	593,174	793,961	375,000	20,636	6%	375,000	-	0.00%	SEE "BUDGETED CAPITAL IMPROVEMENTS" FOR DETAIL
	\$ 646,549	\$ 863,972	\$ 375,000	\$ 20,636	6%	\$ 375,000	\$ -	0.00%	
	\$ 646,549	\$ 924,322	\$ 435,000	\$ 20,636	5%	\$ 435,000	\$ -	0.00%	
Available Fund Balance - EOY	\$ 1,564,898	\$ 985,797	\$ 1,083,898	\$ 1,061,534		\$ 926,797	\$ (157,101)		

**City of Muskegon
Quarterly Budget Reforecast - 2003 1st Quarter - Other Funds**

	Actual 2001	Actual 2002	Original Budget Estimate 2003	Actual Through March 2003	Actual As % of Revised	Revised Estimate 2003	Change From 2003 Original	% Change From 2003 Original	Comments
482 State Grants Fund									
Available Fund Balance - BOY	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	-	
Revenues									
Special assessments	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	0.00%	
State grants	363,056	984,837	2,628,434	64,297		2,628,434	-	0.00%	
Federal grants	408,614	-	-	-		-	-	0.00%	
Sales of Property	-	-	-	-		-	-	0.00%	
Interest income	-	-	-	-		-	-	0.00%	
Operating transfers in	693,281	110,612	220,000	-		220,000	-	0.00%	LOCAL MATCHES
Other	-	10,000	-	-		-	-	0.00%	
	\$ 1,462,951	\$ 1,105,449	\$ 2,848,434	\$ 64,297		\$ 2,848,434	\$ -	0.00%	
30936 Operating Expenditures									
5100 Salaries & Benefits	\$ -	\$ -	\$ -	\$ -	N/A	\$ -	\$ -	0.00%	
5200 Operating Supplies	-	-	-	-	N/A	-	-	0.00%	
5300 Contractual Services	-	-	-	-	N/A	-	-	0.00%	
5400 Other Expenses	-	-	-	-	N/A	-	-	0.00%	
5700 Capital Outlays	-	-	-	-	N/A	-	-	0.00%	
5900 Other Financing Uses	-	-	-	-	N/A	-	-	0.00%	
	\$ -	\$ -	\$ -	\$ -	N/A	\$ -	\$ -	0.00%	
90000 Project Expenditures									
5200 Operating Supplies	\$ -	\$ -	\$ -	\$ -	N/A	\$ -	\$ -	0.00%	
5300 Contractual Services	1,283,344	1,099,837	-	-	N/A	-	-	0.00%	
5700 Capital Outlays	179,607	\$,612	2,848,434	205,786	7%	2,848,434	-	0.00%	SEE "BUDGETED CAPITAL IMPROVEMENTS" FOR DETAIL
	\$ 1,462,951	\$ 1,105,449	\$ 2,848,434	\$ 205,786	7%	\$ 2,848,434	\$ -	0.00%	
	\$ 1,462,951	\$ 1,105,449	\$ 2,848,434	\$ 205,786	7%	\$ 2,848,434	\$ -	0.00%	
Available Fund Balance - EOY	\$ -	\$ -	\$ -	\$ (141,489)		\$ -	\$ -	-	

City of Muskegon
 Quarterly Budget Reforecast - 2003 1st Quarter - Other Funds

	Actual 2001	Actual 2002	Original Budget Estimate 2003	Actual Through March 2003	Actual As % of Revised	Revised Estimate 2003	Change From 2003 Original	% Change From 2003 Original	Comments
594 Marina & Launch Ramp Fund									
Available Cash Balance - BOY	\$ 2,292	\$ 66,148	\$ (54,874)	\$ (183,560)		\$ (183,560)	\$ (128,686)		
Revenues									
Special assessments	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	0.00%	
State grants	159,150	37,352	160,000	-		180,000	-	0.00%	GRANTS FOR DREDGING AND ELECTRICAL WORK
State shared revenue	-	-	-	-		-	-	0.00%	
Charges for services	292,144	275,736	260,000	94,150		260,000	-	0.00%	
Interest income	1,544	600	-	-		-	-	0.00%	
Operating transfers in	-	-	-	-		-	-	0.00%	
Other	2,128	575	250,000	-		250,000	-	0.00%	INTERFUND LOAN FOR LOCAL GRANT MATCH
	\$ 454,966	\$ 315,263	\$ 670,000	\$ 94,150		\$ 670,000	\$ -	0.00%	
70756 Operating Expenditures									
5100 Salaries & Benefits	\$ 92,244	\$ 106,934	\$ 126,550	\$ 10,246	8%	\$ 126,550	\$ -	0.00%	
5200 Operating Supplies	7,942	13,030	13,300	-	0%	13,300	-	0.00%	
5300 Contractual Services	127,477	107,812	113,142	11,352	10%	113,142	-	0.00%	
5400 Other Expenses	545	1,020	1,500	-	0%	1,500	-	0.00%	
5700 Capital Outlays	561	-	-	-	N/A	-	-	0.00%	
5900 Other Financing Uses	-	-	-	-	N/A	-	-	0.00%	
Other Cash Uses (e.g. Debt Principal)	(5,126)	(20,980)	-	-	N/A	-	-	0.00%	
	\$ 223,643	\$ 207,816	\$ 254,492	\$ 21,598	8%	\$ 254,492	\$ -	0.00%	
90000 Project Expenditures									
5200 Operating Supplies	\$ -	\$ -	\$ -	\$ -	N/A	\$ -	\$ -	0.00%	
5300 Contractual Services	167,467	357,155	320,000	46,319	14%	320,000	-	0.00%	SEE "BUDGETED CAPITAL IMPROVEMENTS" FOR DETAIL
5700 Capital Outlays	-	-	-	-	N/A	-	-	0.00%	
	\$ 167,467	\$ 357,155	\$ 320,000	\$ 46,319	14%	\$ 320,000	\$ -	0.00%	
	\$ 391,110	\$ 564,971	\$ 574,492	\$ 67,917	12%	\$ 574,492	\$ -	0.00%	
Available Cash Balance - EOY	\$ 66,148	\$ (183,560)	\$ 40,634	\$ (157,327)		\$ (88,052)	\$ (128,686)		

**City of Muskegon
Quarterly Budget Reforecast - 2003 1st Quarter - Other Funds**

	Actual 2001	Actual 2002	Original Budget Estimate 2003	Actual Through March 2003	Actual As % of Revised	Revised Estimate 2003	Change From 2003 Original	% Change From 2003 Original	Comments
584 Municipal Golf Course Fund									
Available Cash Balance - BOY	\$ 1,151,296	\$ 492,650	\$ 414,650	\$ 498,322		\$ 498,322	\$ 83,672		
Revenues									
Special assessments	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	0.00%	
State grants	-	-	-	-		-	-	0.00%	
State shared revenue	-	-	-	-		-	-	0.00%	
Charges for services	-	-	-	-		-	-	0.00%	
Interest income	55,488	11,985	2,500	1,702		2,500	-	0.00%	
Operating transfers in	-	-	-	-		-	-	0.00%	
Other	-	-	-	-		-	-	0.00%	
	\$ 55,488	\$ 11,985	\$ 2,500	\$ 1,702		\$ 2,500	\$ -	0.00%	
70542 Operating Expenditures									
5100 Salaries & Benefits	\$ -	\$ -	\$ -	\$ -	N/A	\$ -	\$ -	0.00%	
5200 Operating Supplies	-	-	-	-	N/A	-	-	0.00%	
5300 Contractual Services	-	-	-	-	N/A	-	-	0.00%	
5400 Other Expenses	-	-	-	-	N/A	-	-	0.00%	
5700 Capital Outlays	-	-	-	-	N/A	-	-	0.00%	
5900 Other Financing Uses	714,134	6,313	220,000	-	0%	220,000	-	0.00%	LOCAL MATCH FOR TRAIL PROJECT GRANTS
Other Cash Uses (e.g. Debt Principal)	-	-	-	-	N/A	-	-	0.00%	
	\$ 714,134	\$ 6,313	\$ 220,000	\$ -	0%	\$ 220,000	\$ -	0.00%	
90000 Project Expenditures									
5200 Operating Supplies	\$ -	\$ -	\$ -	\$ -	N/A	\$ -	\$ -	0.00%	
5300 Contractual Services	-	-	-	-	N/A	-	-	0.00%	
5700 Capital Outlays	-	-	-	-	N/A	-	-	0.00%	
	\$ -	\$ -	\$ -	\$ -	N/A	\$ -	\$ -	0.00%	
	\$ 714,134	\$ 6,313	\$ 220,000	\$ -	0%	\$ 220,000	\$ -	0.00%	
Available Cash Balance - EOY	\$ 492,650	\$ 498,322	\$ 197,150	\$ 500,024		\$ 280,822	\$ 83,672		

**City of Muskegon
Quarterly Budget Reforecast - 2003 1st Quarter - Other Funds**

	Actual 2001	Actual 2002	Original Budget Estimate 2003	Actual Through March 2003	Actual As % of Revised	Revised Estimate 2003	Change From 2003 Original	% Change From 2003 Original	Comments
661 Equipment Fund									
Available Cash Balance - BOY	\$ 380,984	\$ 367,851	\$ 467,711	\$ 657,212		\$ 657,212	\$ 189,501		
Revenues									
Special assessments	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	0.00%	
State grants	-	-	-	-		-	-	0.00%	
State shared revenue	-	-	-	-		-	-	0.00%	
Charges for services	1,985,638	2,287,485	2,150,000	551,091		2,150,000	-	0.00%	
Interest income	21,873	10,123	10,000	1,819		10,000	-	0.00%	
Operating transfers in	-	-	-	-		-	-	0.00%	
Other	127,412	135,071	100,000	42,572		100,000	-	0.00%	
	\$ 2,134,823	\$ 2,432,679	\$ 2,260,000	\$ 595,462		\$ 2,260,000	\$ -	0.00%	
60932 Operating Expenditures									
5100 Salaries & Benefits	\$ 446,504	\$ 406,279	\$ 414,424	\$ 99,743	24%	\$ 414,424	\$ -	0.00%	
5200 Operating Supplies	649,641	523,881	463,840	132,027	28%	463,840	-	0.00%	
5300 Contractual Services	459,869	449,507	552,786	81,453	15%	552,786	-	0.00%	
5400 Other Expenses	4,070	6,034	5,000	-	0%	5,000	-	0.00%	
5700 Capital Outlays	713,321	732,328	827,120	1,016	0%	827,120	-	0.00%	SEE "BUDGETED CAPITAL IMPROVEMENTS" FOR DETAIL
5900 Other Financing Uses	-	-	-	-	N/A	-	-	0.00%	
Other Cash Uses (e.g. Debt Principal)	(125,449)	25,189	-	-	N/A	-	-	0.00%	
	\$ 2,148,056	\$ 2,143,318	\$ 2,263,170	\$ 314,239	14%	\$ 2,263,170	\$ -	0.00%	
90000 Project Expenditures									
5200 Operating Supplies	\$ -	\$ -	\$ -	\$ -	N/A	\$ -	\$ -	0.00%	
5300 Contractual Services	-	-	-	-	N/A	-	-	0.00%	
5700 Capital Outlays	-	-	-	-	N/A	-	-	0.00%	
	\$ -	\$ -	\$ -	\$ -	N/A	\$ -	\$ -	0.00%	
	\$ 2,148,056	\$ 2,143,318	\$ 2,263,170	\$ 314,239	14%	\$ 2,263,170	\$ -	0.00%	
Available Cash Balance - EOY	\$ 367,851	\$ 657,212	\$ 464,541	\$ 938,455		\$ 654,042	\$ 189,501		

City of Muskegon
 Quarterly Budget Reforecast - 2003 1st Quarter - Other Funds

	Actual 2001	Actual 2002	Original Budget Estimate 2003	Actual Through March 2003	Actual As % of Revised	Revised Estimate 2003	Change From 2003 Original	% Change From 2003 Original	Comments
642 Public Service Building Fund									
Available Cash Balance - BOY	\$ (200,083)	\$ (110,802)	\$ (67,216)	\$ (75,628)		\$ (75,628)	\$ (8,412)		
Revenues									
Special assessments	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	0.00%	
State grants	-	-	-	-		-	-	0.00%	
State shared revenue	-	-	-	-		-	-	0.00%	
Charges for services	557,060	612,766	557,060	153,192		557,060	-	0.00%	
Interest income	-	-	1,000	-		1,000	-	0.00%	
Operating transfers in	-	-	-	-		-	-	0.00%	
Other	-	-	-	-		-	-	0.00%	
	\$ 557,060	\$ 612,766	\$ 558,060	\$ 153,192		\$ 558,060	\$ -	0.00%	
60442 Operating Expenditures									
5100 Salaries & Benefits	\$ 178,227	\$ 177,196	\$ 183,508	\$ 40,096	22%	\$ 183,508	\$ -	0.00%	
5200 Operating Supplies	22,582	27,049	25,950	1,587	6%	25,950	-	0.00%	
5300 Contractual Services	193,075	225,738	224,424	64,084	29%	224,424	-	0.00%	
5400 Other Expenses	(1,951)	11,572	1,500	2,212	147%	1,500	-	0.00%	
5700 Capital Outlays	88,738	67,543	120,000	514	0%	120,000	-	0.00%	SEE "BUDGETED CAPITAL IMPROVEMENTS" FOR DETAIL
5900 Other Financing Uses	-	-	-	-	N/A	-	-	0.00%	
Other Cash Uses and Adjustments (e.g. Debt/Principal)	7,107	68,494	-	-	N/A	-	-	0.00%	
	\$ 467,779	\$ 577,592	\$ 555,382	\$ 108,493	20%	\$ 555,382	\$ -	0.00%	
90000 Project Expenditures									
5200 Operating Supplies	\$ -	\$ -	\$ -	\$ -	N/A	\$ -	\$ -	0.00%	
5300 Contractual Services	-	-	-	-	N/A	-	-	0.00%	
5700 Capital Outlays	-	-	-	-	N/A	-	-	0.00%	
	\$ -	\$ -	\$ -	\$ -	N/A	\$ -	\$ -	0.00%	
	\$ 467,779	\$ 577,592	\$ 555,382	\$ 108,493	20%	\$ 555,382	\$ -	0.00%	
Available Cash Balance - EOY	\$ (110,802)	\$ (75,628)	\$ (64,538)	\$ (30,929)		\$ (72,950)	\$ (8,412)		

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**City of Muskegon
Quarterly Budget Reforecast - 2003 1st Quarter - Other Funds**

	Actual 2001	Actual 2002	Original Budget Estimate 2003	Actual Through March 2003	Actual As % of Revised	Revised Estimate 2003	Change From 2003 Original	% Change From 2003 Original	Comments
643 Engineering Services Fund									
Available Cash Balance - BOY	\$ 117,697	\$ 144,167	\$ 192,831	\$ 101,200		\$ 101,200	\$ (91,631)		
Revenues									
Special assessments	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	0.00%	
State grants	-	-	-	-		-	-	0.00%	
State shared revenue	-	-	-	-		-	-	0.00%	
Charges for services	554,621	488,240	656,756	101,161		656,756	-	0.00%	
Interest income	6,378	3,000	10,000	406		10,000	-	0.00%	
Operating transfers in	-	-	-	-		-	-	0.00%	
Other	28,005	27,206	-	-		-	-	0.00%	
	\$ 589,004	\$ 518,446	\$ 666,756	\$ 101,567		\$ 666,756	\$ -	0.00%	
60447 Operating Expenditures									
5100 Salaries & Benefits	\$ 405,175	\$ 373,101	\$ 486,146	\$ 74,835	15%	\$ 486,146	\$ -	0.00%	
5200 Operating Supplies	18,746	22,198	20,830	6,543	32%	20,830	-	0.00%	
5300 Contractual Services	127,790	136,545	160,000	29,581	18%	160,000	-	0.00%	
5400 Other Expenses	1,844	1,441	6,300	1,351	21%	6,300	-	0.00%	
5700 Capital Outlays	14,568	6,326	16,950	2,528	15%	16,950	-	0.00%	
5900 Other Financing Uses	-	-	-	-	N/A	-	-	0.00%	
Other Cash Uses and Adjustments (e.g. Debt Principal)	(5,967)	21,802	-	-	N/A	-	-	0.00%	
	\$ 562,156	\$ 561,413	\$ 690,226	\$ 114,938	17%	\$ 690,226	\$ -	0.00%	
90000 Project Expenditures									
5200 Operating Supplies	\$ -	\$ -	\$ -	\$ -	N/A	\$ -	\$ -	0.00%	
5300 Contractual Services	378	-	-	-	N/A	-	-	0.00%	
5700 Capital Outlays	-	-	-	-	N/A	-	-	0.00%	
	\$ 378	\$ -	\$ -	\$ -	N/A	\$ -	\$ -	0.00%	
	\$ 562,534	\$ 561,413	\$ 690,226	\$ 114,938	17%	\$ 690,226	\$ -	0.00%	
Available Cash Balance - EOY	\$ 144,167	\$ 101,200	\$ 169,361	\$ 87,829		\$ 77,730	\$ (91,631)		

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City of Muskegon
 Quarterly Budget Reforecast - 2003 1st Quarter - Other Funds

	Actual 2001	Actual 2002	Original Budget Estimate 2003	Actual Through March 2003	Actual As % of Revised	Revised Estimate 2003	Change From 2003 Original	% Change From 2003 Original	Comments
677 General Insurance Fund									
Available Cash Balance - BOY	\$ 935,251	\$ 855,366	\$ 953,436	\$ 884,953		\$ 884,953	\$ (68,483)		
Revenues									
Special assessments	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	0.00%	
State grants	-	-	-	-		-	-	0.00%	
State shared revenue	-	-	-	-		-	-	0.00%	
Charges for services	2,169,113	2,236,965	2,776,509	571,330		2,776,509	-	0.00%	
Interest income	33,408	14,466	12,000	2,724		12,000	-	0.00%	
Operating transfers in	881,596	1,206,722	953,918	-		953,918	-	0.00%	TRANSFER FROM PENSION FUNDS FOR RETIREE HEALTH COSTS
Other	11,750	151,517	25,000	1,926		25,000	-	0.00%	
	\$ 3,095,867	\$ 3,609,670	\$ 3,767,427	\$ 575,980		\$ 3,767,427	\$ -	0.00%	
30851 Operating Expenditures									
5100 Salaries & Benefits	\$ 42,455	\$ 41,577	\$ 50,542	\$ 10,095	20%	\$ 50,542	\$ -	0.00%	RISK MANAGER POSITION
5200 Operating Supplies	922	144	1,000	75	8%	- 1,000	-	0.00%	
5300 Contractual Services	3,243,323	3,569,898	3,730,427	787,398	21%	3,730,427	-	0.00%	
5400 Other Expenses	2,075	650	1,000	-	0%	1,000	-	0.00%	
5700 Capital Outlays	2,405	315	1,000	-	0%	1,000	-	0.00%	
5900 Other Financing Uses	-	-	-	-	N/A	-	-	0.00%	
Other Cash Uses and Adjustments (e.g. Debt Principal)	(115,428)	(32,711)	-	-	N/A	-	-	0.00%	
	\$ 3,175,752	\$ 3,580,083	\$ 3,783,969	\$ 797,568	21%	\$ 3,783,969	\$ -	0.00%	
90000 Project Expenditures									
5200 Operating Supplies	\$ -	\$ -	\$ -	\$ -	N/A	\$ -	\$ -	0.00%	
5300 Contractual Services	-	-	-	-	N/A	-	-	0.00%	
5700 Capital Outlays	-	-	-	-	N/A	-	-	0.00%	
	\$ -	\$ -	\$ -	\$ -	N/A	\$ -	\$ -	0.00%	
	\$ 3,175,752	\$ 3,580,083	\$ 3,783,969	\$ 797,568	21%	\$ 3,783,969	\$ -	0.00%	
Available Cash Balance - EOY	\$ 855,366	\$ 884,953	\$ 936,894	\$ 663,365		\$ 868,411			

City of Muskegon
Quarterly Budget Reforecast - 2003 1st Quarter - Other Funds

	Actual 2001	Actual 2002	Original Budget Estimate 2003	Actual Through March 2003	Actual As % of Revised	Revised Estimate 2003	Change From 2003 Original	% Change From 2003 Original	Comments
591 Water Fund									
Available Cash Balance - BOY	\$ 5,982,941	\$ 5,071,320	\$ 653,537	\$ 4,189,460		\$ 4,189,460	\$ 3,535,923		
Revenues									
Special assessments	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	0.00%	
Federal grants	-	-	-	-		56,000	56,000	0.00%	EDA GRANT FOR SEAWAY INDUSTRIAL PARK
State grants	-	-	100,000	-		100,000	-	0.00%	SHORELINE DRIVE
State shared revenue	-	-	-	-		-	-	0.00%	
Charges for services - City	3,980,059	3,209,797	4,500,000	255,499		4,500,000	-	0.00%	
Charges for services - Township	-	541,130	450,000	34,287		450,000	-	0.00%	
Hydrant Rental - Township	-	-	-	-		-	-	0.00%	
Interest income	230,864	84,468	50,000	9,359		50,000	-	0.00%	
Operating transfers in	454,812	-	-	-		-	-	0.00%	
Other	52,184	215,621	7,600,000	58,981		100,000	(7,500,000)	-98.68%	BOND ISSUANCE DELAYED TO 2004
	\$ 4,717,919	\$ 4,051,016	\$ 12,700,000	\$ 358,126		\$ 5,256,000	\$ (7,444,000)	-58.61%	
30548 Operating Expenditures Administration									
5100 Salaries & Benefits	\$ -	\$ -	\$ -	\$ -	N/A	\$ -	\$ -	0.00%	
5200 Operating Supplies	10	-	-	-	N/A	-	-	0.00%	
5300 Contractual Services	453,613	433,310	513,566	119,857	23%	513,566	-	0.00%	INSURANCE/INDIRECT COSTS/ADMINISTRATION FEE
5400 Other Expenses	6,144	7,966	-	26	N/A	-	-	0.00%	
5700 Capital Outlays	-	-	-	-	N/A	-	-	0.00%	
5900 Other Financing Uses	471,301	1,023,550	417,559	4,750	1%	417,559	-	0.00%	INTEREST ON WATER BONDS
Other Cash Uses and Adjustments (e.g. Debt Principal)	591,739	(155,361)	405,000	-	0%	405,000	-	0.00%	PRINCIPAL ON WATER BONDS
	\$ 1,522,807	\$ 1,309,465	\$ 1,336,125	\$ 124,433	9%	\$ 1,336,125	\$ -	0.00%	
60559 Operating Expenditures Maintenance - City									
5100 Salaries & Benefits	\$ 788,512	\$ 712,770	\$ 610,798	\$ 179,568	29%	\$ 610,798	\$ -	0.00%	
5200 Operating Supplies	235,205	169,124	107,431	18,195	17%	107,431	-	0.00%	
5300 Contractual Services	350,528	336,967	335,775	65,781	20%	335,775	-	0.00%	
5400 Other Expenses	12,356	33,577	9,480	13,784	145%	9,480	-	0.00%	
5700 Capital Outlays	7,327	2,256	9,500	197	2%	9,500	-	0.00%	
5900 Other Financing Uses	-	-	-	-	N/A	-	-	0.00%	
	\$ 1,393,928	\$ 1,254,694	\$ 1,072,984	\$ 277,525	26%	\$ 1,072,984	\$ -	0.00%	
60660 Operating Expenditures Maintenance - Township									
5100 Salaries & Benefits	\$ 206,700	\$ 203,610	\$ 286,738	\$ 48,685	17%	\$ 286,738	\$ -	0.00%	
5200 Operating Supplies	9,526	10,219	14,491	283	2%	14,491	-	0.00%	
5300 Contractual Services	120,508	126,067	129,494	22,208	17%	129,494	-	0.00%	
5400 Other Expenses	469	792	443	150	34%	443	-	0.00%	
5700 Capital Outlays	800	3,289	4,350	-	0%	4,350	-	0.00%	
5900 Other Financing Uses	-	-	-	-	N/A	-	-	0.00%	
	\$ 338,003	\$ 343,977	\$ 435,516	\$ 71,326	16%	\$ 435,516	\$ -	0.00%	
60558 Operating Expenditures Filtration									
5100 Salaries & Benefits	\$ 440,416	\$ 475,572	\$ 521,626	\$ 106,509	20%	\$ 521,626	\$ -	0.00%	
5200 Operating Supplies	115,076	129,191	112,195	16,732	15%	112,195	-	0.00%	
5300 Contractual Services	349,281	340,767	441,100	59,624	14%	441,100	-	0.00%	
5400 Other Expenses	2,374	4,067	4,150	1,023	25%	4,150	-	0.00%	
5700 Capital Outlays	104,236	37,326	72,700	2,222	3%	72,700	-	0.00%	
5900 Other Financing Uses	-	-	-	-	N/A	-	-	0.00%	
	\$ 1,011,383	\$ 987,923	\$ 1,151,771	\$ 186,110	16%	\$ 1,151,771	\$ -	0.00%	
90000 Project Expenditures									
5200 Operating Supplies	\$ -	\$ -	\$ -	\$ -	N/A	\$ -	\$ -	0.00%	
5300 Contractual Services	1,363,419	1,036,817	8,491,800	24,139	2%	1,213,500	(7,278,300)	-85.71%	SEE "BUDGETED CAPITAL IMPROVEMENTS" FOR DETAIL
5700 Capital Outlays	-	-	-	-	N/A	-	-	0.00%	
	\$ 1,363,419	\$ 1,036,817	\$ 8,491,800	\$ 24,139	2%	\$ 1,213,500	\$ (7,278,300)	-85.71%	
	\$ 5,629,540	\$ 4,932,876	\$ 12,488,196	\$ 683,533	13%	\$ 5,209,896	\$ -	-58.28%	
Available Cash Balance - EOY	\$ 5,071,320	\$ 4,189,460	\$ 865,341	\$ 3,864,053		\$ 4,235,564	\$ 3,370,223		

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City of Muskegon
 Quarterly Budget Reforecast - 2003 1st Quarter - Other Funds

	Actual 2001	Actual 2002	Original Budget Estimate 2003	Actual Through March 2003	Actual As % of Revised	Revised Estimate 2003	Change From 2003 Original	% Change From 2003 Original	Comments
590 Sewer Fund									
Available Cash Balance - BOY	\$ 1,445,721	\$ 1,027,063	\$ 1,445,918	\$ 1,231,951		\$ 1,231,951	\$ (213,967)		
Revenues									
Special assessments	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	0.00%	
Federal grants	-	-	-	-		57,000	57,000	0.00%	EDA GRANT FOR SEAWAY INDUSTRIAL PARK
State grants	-	462,131	100,000	-		100,000	-	0.00%	SHORELINE DRIVE
State shared revenue	-	-	-	-		-	-	0.00%	
Charges for services	3,808,493	4,009,593	4,775,000	366,442		4,775,000	-	0.00%	
Interest income	69,601	22,263	40,000	3,690		40,000	-	0.00%	
Operating transfers in	-	-	-	-		-	-	0.00%	
Other	113,201	7,591	80,000	7,548		80,000	-	0.00%	
	\$ 3,991,295	\$ 4,501,578	\$ 4,995,000	\$ 377,680		\$ 5,052,000	\$ 57,000	1.14%	
30548 Operating Expenditures Administration									
5100 Salaries & Benefits	\$ -	\$ -	\$ -	\$ -	N/A	\$ -	\$ -	0.00%	
5200 Operating Supplies	-	-	-	-	N/A	-	-	0.00%	
5300 Contractual Services	629,842	370,395	292,940	57,387	20%	292,940	-	0.00%	INSURANCE/INDIRECT COSTS/ADMINISTRATION FEE
5400 Other Expenses	9,835	13,300	-	47	N/A	-	-	0.00%	
5700 Capital Outlays	-	-	-	-	N/A	-	-	0.00%	
5900 Other Financing Uses	651,981	741,054	152,987	89,256	58%	152,987	-	0.00%	INTEREST ON SEWER BONDS
Other Cash Uses and Adjustments (e.g. Debt Principal)	551,971	32,972	455,315	-	0%	455,315	-	0.00%	PRINCIPAL ON SEWER BONDS
	\$ 1,843,629	\$ 1,157,722	\$ 901,242	\$ 146,690	16%	\$ 901,242	\$ -	0.00%	
60559 Operating Expenditures Maintenance									
5100 Salaries & Benefits	\$ 587,142	\$ 659,059	\$ 749,491	\$ 123,573	16%	\$ 749,491	\$ -	0.00%	
5200 Operating Supplies	54,343	95,733	59,605	6,420	11%	59,605	-	0.00%	
5300 Contractual Services	1,684,616	1,579,258	2,150,587	194,918	9%	2,150,587	-	0.00%	
5400 Other Expenses	2,093	3,004	2,800	256	9%	2,800	-	0.00%	
5700 Capital Outlays	8,511	4,055	13,900	554	4%	13,900	-	0.00%	
5900 Other Financing Uses	-	-	-	-	N/A	-	-	0.00%	
	\$ 2,336,705	\$ 2,341,109	\$ 2,976,383	\$ 325,721	11%	\$ 2,976,383	\$ -	0.00%	
90000 Project Expenditures									
5200 Operating Supplies	\$ -	\$ -	\$ -	\$ -	N/A	\$ -	\$ -	0.00%	
5300 Contractual Services	229,619	797,859	665,000	28,004	4%	665,000	-	0.00%	SEE "BUDGETED CAPITAL IMPROVEMENTS" FOR DETAIL
5700 Capital Outlays	-	-	-	-	N/A	-	-	0.00%	
	\$ 229,619	\$ 797,859	\$ 665,000	\$ 28,004	4%	\$ 665,000	\$ -	0.00%	
	\$ 4,409,953	\$ 4,296,690	\$ 4,542,625	\$ 500,415	11%	\$ 4,542,625	\$ -	0.00%	
Available Cash Balance - EOY	\$ 1,027,063	\$ 1,231,951	\$ 1,698,293	\$ 1,109,216		\$ 1,741,326			

City of Muskegon
Quarterly Budget Reforecast - 2003 1st Quarter
Budgeted Capital Improvements

		Responsibility	Original Budget	1st Quarter Budget Reforecast	2nd Quarter Budget Reforecast	3rd Quarter Budget Reforecast	Comments
2003 PROJECTS							
101	General Fund						
92002	City Hall Elevator Upgrade and Police Air Conditioning	Al-Shatel	\$ 55,000	\$ 55,000			
91002	Fire Station Location/Operation Analysis	Simpson	-	25,000			Carryover From 2002
91004	Reese Park Restroom/Maintenance Building	Scott	-	135,000			Carryover From 2002
92003	City Hall Energy Audit Recommendations Implementation	Al-Shatel	30,000	30,000			
			85,000	245,000			
290	Smartzone LDFA						
	GVSU "Energy Center of Excellence"	Brubaker-Clarke	2,985,977	3,600,000			Financed With LDFA Tax Increment Bonds
404	Public Improvement Fund						
99020	Industrial Park Property Acquisition	Brubaker-Clarke	50,000	50,000			
96051	Fire Pumper Truck	Simpson	300,000	300,000			Replace Sutphen
96051	Fire Pick-up Truck	Simpson	25,000	25,000			
			375,000	375,000			
202	Major Streets						
91020	Lincoln, Sherman to Lakeshore Drive	Al-Shatel	420,000	460,000			Mill and Resurface - Partially Funded by \$354,000 STP Grant
90075	Thompson, Plum to Edgewater (990')	Al-Shatel	110,000	10,000			Special Assessment Failed
91021	Creston, Evanston to Apple	Al-Shatel	400,000	300,000			Mill and Resurface - Partially Funded by \$230,000 STP Grant
91026	Davis, Laketon to Southern	Al-Shatel	150,000	150,000			
91031	Hackley Avenue, Huson to Seaway	Al-Shatel	160,000	7,000			Special Assessment Failed
91034	Nims Street, Irwin to Getty and Irwin, Nims to Wood	Al-Shatel	220,000	300,000			Reconstruction - Added Intersection
91027	Terrace St., Iona to Peck	Al-Shatel	230,000	300,000			Reconstruction
91025	Washington, Franklin to Lakeshore Drive	Al-Shatel	340,000	200,000			Reconstruction
91036	State's Job (M-46 & Exit Ramp @ US 31 and Sherman)	Al-Shatel	40,000	40,000			
96017	Shoreline Drive East	Al-Shatel	8,500,000	8,500,000			New Construction - Funded by \$8.60 million Build Michigan Fund
91635	Shoreline Drive from Terrace to Southern	Al-Shatel	3,050,000	3,050,000			Resurfacing - Funded by \$3.05 million Build Michigan Fund
96059	Sidewalks - Handicap Ramps	Al-Shatel	50,000	50,000			
			13,670,000	13,367,000			
203	Local Streets						
90075	Thompson, Plum to Edgewater (990')	Al-Shatel	100,000	-			Special Assessment Failed
90074	Edgewater, Thompson to Wilcox	Al-Shatel	80,000	5,000			Special Assessment Failed
91022	Clifford, Miner to Lakeshore Drive	Al-Shatel	80,000	80,000			Reconstruction
90071	Mann, Moon and Torrent from Lakeshore Drive to Harrison	Al-Shatel	200,000	200,000			Torrent Will Not Be Done
99020	Seaway-Hackley Industrial	Al-Shatel	-	450,000			2002 Carryover - Funded 60% by EDA Grant
96059	Sidewalks - Handicap Ramps	Al-Shatel	50,000	50,000			
			510,000	785,000			

City of Muskegon
Quarterly Budget Reforecast - 2003 1st Quarter
Budgeted Capital Improvements

		Responsibility	Original Budget	1st Quarter Budget Reforecast	2nd Quarter Budget Reforecast	3rd Quarter Budget Reforecast	Comments
2003 PROJECTS							
403	Sidewalks						
96059	2002 Sidewalk Replacement Program	Al-Shatel	700,000	700,000			Financed With Special Assessment Bonds
482	State Grants Fund						
90014	Clean Michigan Initiative (Teledyne-Streets, Utilities)	Brubaker-Clarke	611,000	1,400,000			
91050	Clean Michigan Initiative (Brownfield)	Brubaker-Clarke	500,000	500,000			
90040	Lakeshore Trail Phase I (Heritage to Grand Trunk)	Scott	30,000	30,000			Continued Property Acquisition
91008	Core Communities Initiative (Teledyne-Boardwalk)	Brubaker-Clarke	1,000,000	1,000,000			Financed With Core Communities Grant
96096	Site Assessment Projects	Brubaker-Clarke	177,434	177,434			
98050	Lakeshore Trail Phase II (Laketon)	Scott	250,000	250,000			
99080	Lakeshore Trail Phase IV (Shoreline Drive)	Scott	280,000	280,000			
			2,848,434	3,637,434			
590	Sewer						
92004	Forest & Madison Lift Station	Al-Shatel	125,000	125,000			Replace Pumps, Panels and Rails
90075	Thompson, Plum to Edgewater (990')	Al-Shatel	75,000	5,000			Special Assessment Failed
92074	Edgewater, Thompson to Wilcox	Al-Shatel	20,000	1,000			Special Assessment Failed
91031	Hackley Avenue, Huson to Seaway	Al-Shatel	5,000	-			Special Assessment Failed
91027	Terrace St., Iona to Peck	Al-Shatel	150,000	130,000			Street Project - Associated Utility Work
91025	Washington, Hudson to Lakeshore Drive	Al-Shatel	40,000	140,000			Street Project - Associated Utility Work
99020	Seaway-Hackley Industrial	Al-Shatel	-	100,000			2002 Carryover - Funded 60% by EDA Grant
96017	Shoreline Drive East	Al-Shatel	100,000	100,000			Street Project - Associated Utility Work
	Sewer Rehab Project	Al-Shatel	150,000	150,000			
			665,000	751,000			

City of Muskegon
Quarterly Budget Reforecast - 2003 1st Quarter
Budgeted Capital Improvements

	Responsibility	Original Budget	1st Quarter Budget Reforecast	2nd Quarter Budget Reforecast	3rd Quarter Budget Reforecast	Comments
2003 PROJECTS						
591 Water						
90075	Thompson, Plum to Edgewater (990')	Al-Shatel	50,000	1,500		Special Assessment Failed
90074	Edgewater, Thompson to Wilcox	Al-Shatel	15,000	-		Special Assessment Failed
91031	Hackley Avenue, Hudson to Seaway	Al-Shatel	5,000	2,000		Special Assessment Failed
92005	Nims St. Tank Painting	Al-Shatel	200,000	200,000		Will Do Marshall Tank Instead of Nims Tank
91020	Lincoln, Sherman to Lakeshore Drive	Al-Shatel	-	30,000		Added 300' of 8" Watermain and Services
91027	Terrace St., Iona to Peck	Al-Shatel	150,000	150,000		Street Project - Associated Utility Work
91025	Washington, Hudson to Lakeshore Drive	Al-Shatel	140,000	140,000		Street Project - Associated Utility Work
96017	Shoreline Drive East	Al-Shatel	100,000	100,000		Street Project - Associated Utility Work
92006	Water Main Replacements	Kuhn	200,000	200,000		
92007	Breakwall - Beach Street	Kuhn	60,000	60,000		
99020	Seaway-Hackley Industrial	Al-Shatel	-	130,000		2002 Carryover - Funded 60% by EDA Grant
97041	Water Filtration Plant Improvements	Kuhn				
92008	Filter Rehabilitation	Kuhn	1,392,300	50,000		Project Delayed to 2004 For State Financing Program
92009	Sedimentation Basin Rehabilitation	Kuhn	3,422,950	50,000		Project Delayed to 2004 For State Financing Program
92010	NPDES Discharge Elimination	Kuhn	816,850	50,000		Project Delayed to 2004 For State Financing Program
92011	Auxiliary Pump Station Conversion	Kuhn	1,939,700	50,000		Project Delayed to 2004 For State Financing Program
			8,491,800	1,213,500		
594 Marina & Launch Ramp						
91007	Hartshorn Electrical Upgrade	Scott	320,000	320,000		Financed 50% With State Grant
642 Public Service Building						
99040	Public Service Building Renovation	Kuhn	120,000	120,000		
661 Equipment Fund						
	Patrol Car Replacements (6)	Kuhn	138,000	138,000		Replacement
	Plow Truck Replacements (3)	Kuhn	225,000	225,000		Replacement
	Pickup Trucks 3/4 Ton (5)	Kuhn	100,000	100,000		Replacement
	Mini-Pickup Trucks (5)	Kuhn	90,000	90,000		Replacement
	Backhoe 4x4 (1)	Kuhn	65,000	65,000		
	TV Truck (1)	Kuhn	176,000	176,000		Replacement
	Wagon(1)	Kuhn	20,000	20,000		Replacement
	Radios and Various Other Minor Equipment	Kuhn	13,120	13,120		Replacement
			827,120	827,120		
			\$ 31,598,331	\$ 25,941,054		

Date: April 8, 2003

To: Honorable Mayor and City Commissioners

2003-33e)

From: Finance Director

RE: Proposed Healthcare Administration Change

SUMMARY OF REQUEST: As described more fully in the attached memo, staff recommends that a change be made in the administration of the city's self-insured healthcare and dental programs. Specifically, it is recommended that the current TPA contract with Benesight be terminated effective May 31, 2003 and that Priority Health (who currently handles the City's HMO program) be appointed to administer the self-insured program starting June 1, 2003.

FINANCIAL IMPACT: The change in service providers will result in direct administrative savings to the city as well as better service and better coordination of the city's healthcare programs.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Termination of the current TPA service contract with Benesight effective May 31, 2003. Appointment of Priority Health as TPA for the city's self-insured healthcare and dental programs effective June 1, 2003.

COMMITTEE RECOMMENDATION: None.

Memo

To: City Commission City Manager
From: Finance Director
Date: April 2, 2003
Re: Proposed Healthcare Program Changes

The City funds two healthcare benefit plans for its full-time employees, retirees and their dependants:

1. *Priority Health HMO* – This is the program of choice for about 90% of active employees; retirees are not eligible for this plan. Comprehensive medical and prescription drug benefits are provided. The city pays a monthly premium (\$623.27 as of 6/1/03) and employees electing this coverage pay small monthly co-pays (\$20.00) through payroll deduction.
2. *Self-insured Program Administered through Benesight* – This plan covers most city retirees and a small number of active employees. The city pays actual claims costs under this program as well as fees to Benesight for administration. In addition, the city self-funds its dental benefit program and this too is administered through Benesight.

For reasons outlined below, staff recommends that the current third-party administration contract with Benesight not be renewed and that Priority Health be named as administrator of the city's self-funded program effective June 1, 2003:

- 1) Service
 - a) Benesight is the current corporate manifestation of a TPA firm the city began doing business with some 15 years ago (then known as *TPA of Michigan*). There have been a number of corporate mergers and name changes over the years but the most recent change has resulted in a very noticeable drop-off in the level and quality of service from the perspectives of both City staff and employees/retirees. Problems

include inability to get necessary reports, long delays in processing benefit changes, and generally poor customer service.

- b) On the other hand, we have been pleased with the service provided by Priority Health. As you know, Priority was chosen to replace the PHP program when it ceased service in the area last year. Priority Health did an excellent job of making what could have been a difficult transition relatively seamless for both the City and its employees.

2) Improved Coordination

- a) Staff believes that better coordination of the city's two programs will result by placing them under a single administrative umbrella. This will enhance service to members (as, for example, by employees having a single card instead of separate cards for health and dental or, by providing for a smoother transition from active to retiree coverage).
- b) Better coordination of the programs will also facilitate development of strategies for controlling healthcare costs. If healthcare programs were a city "department" it would be second only to police in terms of total dollars spent. Yet there is only limited "benefits" expertise on staff and we depend heavily on service providers to propose cost-savings strategies. Staff believes that having both programs administered through Priority Health will help ensure that duplication is eliminated and that the city's healthcare dollars are spent wisely.
- c) We would expect more frequent and better communications both because Priority Health is locally based (Grand Rapids) and because the scope of the business relationship will be expanded. Communications problems with Benesight (located in Illinois) have been ongoing.

3) Cost Savings

- a) Based on the factors outlined above, Priority was asked to prepare a cost proposal for administering the city's self-insured program (see attached). Because of differences in fee structures, side by side comparisons between Benesight and Priority are confusing. Nonetheless, as the table below indicates, on a total cost basis, the Priority proposal is clearly more cost-effective than the costs currently paid to Benesight.

Service	Priority Health (Proposed)		Benesight (Current)	
	Monthly Fee	Annual Total	Monthly Fee	Annual Total
Plan Admin Fee (Per Member)	\$17.50	\$37,380	\$10.75	\$22,962
Plan Admin Fee (General)	None	-	\$4,500/yr	4,500
Dental Plan Administration	3.00	11,412	4.35	16,547

Large Case Management	.75	1,062	Included	-
Inpatient Concurrent Review	1.70	3,631	Included	-
COBRA Admin	.39	833	Done in-house	-
HIPAA Admin	.50	1,068	\$10/Occur	360
Rx Admin Fee	Included	-	\$3,000/yr	3,000
Rx PBM Fee	Included	-	.90/Rx	4,740
Shared Savings	Included	-	35% of Savings	35,922
Bank Account Fees	No City Acct Req'd	-	Requires City Account	2,400
Total Projected Yearly Costs		\$55,386		\$90,431

If the Commission concurs with this recommendation, we will begin the transition immediately with informational sessions for affected retirees and employees.

Thank you.

Date: April 8, 2003

To: Honorable Mayor and City Commissioners

From: Finance Director

RE: Termination of Employee Rx Reimbursement Program

2003-33 d)

SUMMARY OF REQUEST: As described more fully in the attached memo, staff recommends that the prescription drug reimbursement program put into place in 1999 be terminated.

FINANCIAL IMPACT: Direct savings of about \$7,000 per year. Additionally, significant staff time will be saved.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Termination of the current prescription drug reimbursement program effective May 31, 2003.

COMMITTEE RECOMMENDATION: None.

Memo

To: City Commission City Manager

From: Finance Director

Date: March 31, 2003

Re: Rx Reimbursement Program

Because of rising healthcare costs, staff in 1999 recommended that the prescription drug co-pay for employees belonging to the PHP HMO program (now Priority Health) be increased from \$5.00 per prescription to \$10.00. Some employees lobbied against this change and a compromise program was put into place whereby employees would pay the \$10.00 co-pay but could file for reimbursement from the City of the extra \$5.00 cost (up to a maximum of \$100.00 for the program year).

May 31, 2003 will mark the fourth full year of this program. The attached report shows the program costs (on a *calendar year* basis) through March 15, 2003. Staff recommends that this program be eliminated effective May 31, 2003 for the following reasons:

- Healthcare costs continue to rise rapidly and the funds and staff time spent on this program could be better utilized developing ways to control these costs:
- A four-year transition seems adequate for assimilating employees to the realities of higher Rx co-pays; and,
- Administration of the program is burdensome and will become considerably more so with new federal HIPAA regulations intended to ensure privacy of medical records.

If the Commission concurs with this recommendation, employees will be properly notified that program is ending and that no reimbursements will be made after May 31, 2003.

Thank you.

CITY OF MUSKEGON - Rx REIMBURSEMENT PROGRAM SUMMARY

Through March 15, 2003

Bargaining	Data	Year					Grand Total
		1999	2000	2001	2002	2003	
100	Sum of Amount	\$ 798.37	\$ 1,575.86	\$ 2,003.09	\$ 2,238.90	\$ 458.98	\$ 7,075.20
	Count of EmployeeNbr	44	121	117	133	27	442
201	Sum of Amount	\$ 354.06	\$ 376.12	\$ 763.70	\$ 505.43	\$ 206.22	\$ 2,205.53
	Count of EmployeeNbr	13	20	33	25	3	94
214	Sum of Amount	\$ 682.66	\$ 1,079.14	\$ 776.14	\$ 1,024.26	\$ 174.10	\$ 3,736.30
	Count of EmployeeNbr	23	38	26	29	4	120
301	Sum of Amount	\$ 487.06	\$ 601.51	\$ 810.78	\$ 255.25	\$ 69.04	\$ 2,223.64
	Count of EmployeeNbr	15	22	19	6	2	64
370	Sum of Amount	\$ 756.43	\$ 727.16	\$ 928.80	\$ 817.43	\$ 29.75	\$ 3,259.57
	Count of EmployeeNbr	15	21	21	20	1	78
586HR	Sum of Amount	\$ 304.00	\$ 967.11	\$ 1,181.56	\$ 1,014.15		\$ 3,466.82
	Count of EmployeeNbr	11	20	21	16		68
586SL	Sum of Amount	\$ 366.34	\$ 752.59	\$ 747.24	\$ 659.06	\$ 75.00	\$ 2,600.23
	Count of EmployeeNbr	8	18	18	15	2	61
Total Sum of Amount		\$3,748.92	\$ 6,079.49	\$ 7,211.31	\$ 6,514.48	\$ 1,013.09	\$ 24,567.29
Total Count of EmployeeNbr		129	260	255	244	39	927

Bargaining Units:	
100	Non-Union Employees
201	Clerical Union
214	Police Patrol
301	Police Command
370	Fire
586HR	DPW/Parks Hourly
586SL	DPW/Parks Salary

Date: April 8, 2003
To: Honorable Mayor and City Commissioners
From: Engineering
RE: Power to Lakefront Development

2003-33e)

SUMMARY OF REQUEST:

Authorize Consumer energy to install the necessary power poles and lines to provide power into the entire development including the GVSU site as per the attached proposal. Please keep in mind that the proposal calls for wooden poles to be installed along the lake side of the proposed bike trail from Ryerson Creek all the way to the fence between the Lakefront property and the Payne's property, see attached map, for an estimated cost of \$263,100.

FINANCIAL IMPACT:

The estimated construction cost of \$263,100.

BUDGET ACTION REQUIRED:

None at this time. The cost will be from the CMI grant and overage assessed to developer

STAFF RECOMMENDATION:

Autherize staff to issue a notice to proceed to consumer to perform the necessary work.

COMMITTEE RECOMMENDATION:

A GMS Energy Company

Muskegon Service Center
2021 Hoyt Street
Muskegon Heights, MI 49444

Tel: 231 722 9546
Fax: 231 726 2950

Emergencies & Billing Questions:
1 800 477 5050

March 18, 2003

Mohammed S. Al-Shatel, P.E.
City of Muskegon
933 Terrace St.
Muskegon, MI 49443-0536

Dear Mr. Al-Shatel,

Per your request, the estimated conceptual cost to construct a primary electric distribution system for the Muskegon Lakefront Development Smart Zone project is \$263,100. The breakdown of this price is as follows.

1. The route to serve the Grand Valley site will be an overhead primary distribution line with a conceptual cost estimate of \$52,700. This route starts at the intersection of Terrace and Morris Street and runs along Terrace Avenue to the existing Shoreline Drive. It then follows the fence line between Mr. Payne's property and the Edison Landing property to the Grand Valley site.
2. The route to serve the Edison Landing site will be an overhead primary distribution line with a conceptual cost estimate of \$94,600. This route starts at the Terrace Substation and crosses the new Shoreline Drive at Western Avenue. It then follows the new Shoreline Drive Bike Path west until it connects to the route that would be serving the Grand Valley site.
3. The routes to serve the properties inside the Edison Landing Development will be from an underground distribution system with a conceptual cost estimate of \$115,800.

Please understand that these conceptual designs are for bringing only primary voltage to the property lines. Primary, secondary and services from the property lines to future premises are excluded from this estimate. Future customers requesting service from their property lines will be responsible for all costs associated with providing electric service as well as costs to accommodate the contaminated site.

Again, these estimates are strictly conceptual in nature and are Consumers Energy's best estimate based on a projected route, conceptual design, and current economic conditions. They also include contingencies for uncertainties such as the project requirements identified below. To the extent these uncertainties are addressed by Lakeshore Development, LLC and the City of Muskegon, Consumers Energy will be able to provide a more accurate design and cost estimate.

Project Requirements:

1. The site will be at final grade before construction, will begin.
2. Necessary rights of way (easements, road permits, environmental permits, etc) acquired and provided to Consumers Energy at no cost.
3. Construction will not proceed until all easements and/or contracts are signed and recorded.
4. No digging through contaminated soils or unsuitable fill material (concrete, asphalt, etc.)
5. No dewatering necessary because of a high water table or contaminated ground water.
6. Consumers Energy facilities are installed and can be maintained without requiring hazardous waste site training for utility workers.
7. Legal descriptions established for all parcels, and property lines clearly staked.
8. A copy provided of the site Safety and Health plan including specific requirements for utility work. If unavailable, the customer will be billed additional costs associated with site plan development.

9. All landscaping is the responsibility of the developer/customers. The final grade where underground electric cable has been buried cannot be changed.

These project requirements may change as additional information is conveyed between the developer and Consumers Energy.

In addition, please provide the following contact information:

1. Name and address of the billable party.
2. Name and contact number for the "engineer" as stated in the Due Care Plan.
3. Name and contact number for the site Health and Safety Supervisor.

The easement requirement for overhead facilities is 30 feet, 15 feet each side of the centerline plus additional footage for appropriate guying and anchoring. The easement requirement for underground facilities is 10 feet plus additional footage for switchgear, cabinets, manholes, etc. These easement rights will be for electric utilities only and would need to be provided by you where the line is on City property and acquired from any adjoining property owner, as appropriate.

The actual final cost will depend on several parameters including final route, labor bids, material prices, and time of construction. If the project requires construction between December 15 and March 15, for example, winter construction charges will apply and the project will be assessed an additional 25% of the total cost estimate. The actual amount billed will be based on a more accurate work order estimate, prepared after design is complete.

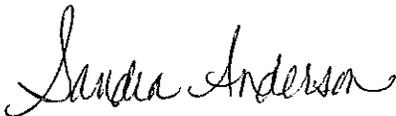
Consumers Energy will require a Letter of Intent from the responsible party, authorizing us to begin engineering and procure materials, along with a non-refundable deposit of 50% of the conceptual cost estimate. The responsible party will be invoiced for the remaining cost of the project, which will be due prior to the start of construction. The down payment check should be made out to "Consumers Energy" and sent to Consumers Energy, 2021 Hoyt St., Muskegon Heights, MI 49444, Attn: Susan Ricord. Once payment is received, this project will be placed on the engineering schedule and engineering will proceed.

This estimate is valid for a period of 6 months from the date on this letter, after which an updated estimate will be required.

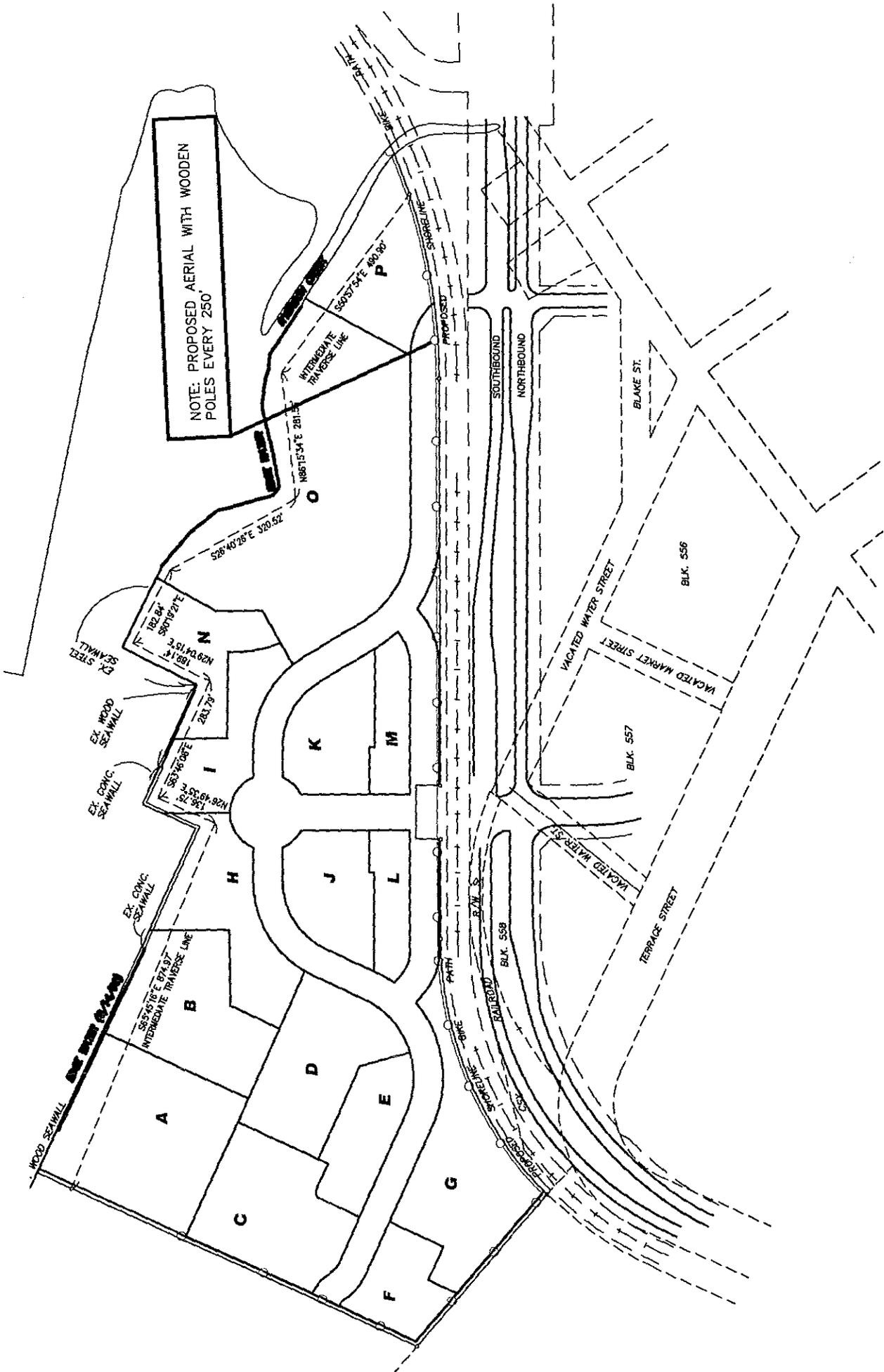
We would be happy to discuss the above options and any unresolved issues to help move the process forward and provide service to Muskegon Lakefront Development Smart Zone. The overhead or underground options are very doable, and we look forward to working with Lakeshore Development, LLC and the City of Muskegon to satisfy the project's electric distribution requirements.

If you have any questions, please feel free to contact me at (231) 727-6506.

Sincerely,



Sandra Anderson
System Engineer



2003-33 (e)



ELECTRIC LINE
EXTENSION AGREEMENT
PART I

Date of Agreement: 4-8-03* Work Order Number: _____ (Drawing Attached, Exhibit A)

Company:

CONSUMERS ENERGY COMPANY
a Michigan Corporation

Customer:

City of Muskegon
(Name)

2021 Hoyt St.

933 Terrace
(Street and Number)

Muskegon Heights, MI 49444
(Address)

Muskegon, MI 49443-0536
(City, State and Zip Code)

Attention: Distribution Planning & Performance Manager

Attention: _____

Service Location: Muskegon Smart Zone Condominium Site

Township _____

County Muskegon

Town 10

Range 16

Section 19

Service Characteristics: 3 Phase 277/480 Volt

Overhead Line

Underground Line

Overhead and Underground Line

Total Payment: \$ 237,719.00 (Estimated)

(a) Part II, Terms and Conditions for Line Extension and (b) Computation of Electric Distribution System Line Extension Deposit and Contribution (Residential/General Service) are attached hereto and are a part of this Agreement. CUSTOMER ACKNOWLEDGES HAVING READ SAID ATTACHMENTS.

CONSUMERS ENERGY COMPANY

City of Muskegon

By *G A Bultsma*
(Signature)

By *[Signature]*
(Signature)

G A Bultsma
(Print or Type Name)

Stephen J. Warmington
(Print or Type Name)

Title Distribution Planning & Performance Manager

Title Mayor

8/22/03

* Commission Meeting

**ELECTRIC LINE
EXTENSION AGREEMENT**

**TERMS AND CONDITIONS
PART II**

1. The Company, subject to the provisions of this Agreement, shall furnish, install, own and maintain an electric line extension consisting of primary and secondary cables, transformers, power terminals, primary service connections and associated equipment and any other underground or overhead line extension facilities which are required in connection therewith, but not including secondary service connections, to make available alternating current, 60 hertz, electric service to Applicant's service location identified in Part I. If the line extension is to serve a residential subdivision, the Applicant shall record the plat of the subdivision in the office of the Register of Deeds in the County where the subdivision is located, if it is not already so recorded. The facilities included in the line extension and its approximate location, or in the case of a residential subdivision the location of the subdivision, are shown on the drawing attached as Exhibit A. If said line extension is to serve a residential subdivision, it shall be designed and installed so that the Company may serve streetlighting luminaries therefrom. The character and location of all streetlighting equipment, if installed by the Company, and all equipment constituting the line extension shall conform to specifications prepared by the Company. Streetlighting service is not covered by this Agreement and, if provided by the Company, shall be the subject of separate agreement between the Company and the governmental body requesting such service. The character and location of all equipment constituting the line extension shall conform to specifications prepared by the Company. Said line extension system shall be used for furnishing the Company's electric service to the Applicant and to such other persons along such line extension, or beyond the same, as may become customers of the Company; provided, however, that such line extension shall remain a separate, distinct unit for purposes of this Agreement and any further extension therefrom shall have no effect upon this Agreement. Further, secondary service connections between such line extension and any buildings or other facilities to be served therefrom are not covered by this Agreement and shall be the subject of separate agreements between the Company and parties requesting such service connections.

2. The Applicant shall pay to the Company, upon the execution hereof, the "Total Payment" as set forth in Part I and in the "Computation of Electric Distribution System Line Extension Deposit and Contribution" attached, it being the Applicant's share of the cost, after deducting the allowance for the investment which the Company is warranted in making under its line extension policy. It is recognized that the cost to the Company of installing an underground line extension is substantially greater than the cost of installing an overhead line extension. Accordingly, if an underground line extension is included under this Agreement, said "Total Payment" includes a nonrefundable contribution as stated in said "Computation of Electric Distribution System Line Extension Deposit and Contribution," computed in accordance with Rule B15.2 of the General Rules and Regulations included in the Company's Schedule of Rates Governing the Sale of Electric Service (Rate Schedule) as now filed with the Michigan Public Service Commission. No portion of said contribution, nor of any other contribution required hereunder, shall be refunded (except as otherwise provided in Section 4, 5, 7 and 8 hereof) nor any interest paid thereon by the Company.

3. The Company will backfill and place excavated earth over any area of construction; the Customer is responsible for the final restoration of the construction area. In regard to any amount identified as "Line Extension Deposit Subject to Refund" in said "Computation of Electric Distribution System Line Extension Deposit and Contribution," the Company will refund to the Applicant in accordance with the attached "Schedule of Refunds." No refund shall be made in excess of said refundable amount and said amount shall bear no interest. Any portion of said amount remaining unrefunded at the expiration of the fifth 12 months' period next succeeding the month during which the line extension is completed, shall be retained by the Company.

4. If the underground electric line extension or any portion thereof is to be installed between December 15 and March 15, the Applicant shall pay the Company, prior to installation of said

extension or portion thereof, an additional nonrefundable contribution (winter charge) per trench foot as stated in the "Computation of Electric Distribution System Line Extension Deposit and Contribution" for the portion of said line extension installed during said period. The Applicant will receive a credit for any part of said winter charge paid by other utilities for joint use of the trench or paid by the Applicant for installation, by the Company, of gas pipe in the same trench. No portion of said line extension will be installed between December 15 and March 15, unless the Applicant has paid such additional contribution. Further, a nonrefundable contribution in addition to that provided for herein may be required where, in the Company's judgment, practical difficulties (not considered in determining the nonrefundable contribution included herein) such as water conditions or rock near the surface are encountered during construction. If the Customer does not make the additional contribution within 15 days after written notice of the amount of the additional contribution, the Company may, at its option, refund all payments made to it hereunder by the Applicant, without interest, and with reasonable expenses incurred by the Company on account of this Agreement deducted therefrom, and this Agreement shall thereupon terminate.

5. Prior to the installation of the line extension, and as a condition precedent thereto, the Applicant shall secure and deliver to the Company, at no expense to the Company, recordable easements, in form and substance satisfactory to the Company, granting all necessary rights of way for installation and maintenance of said line extension. If said line extension is to serve a residential subdivision, said easements shall include, but not by way of limitation, rights of way for streetlighting in the subdivision by means of underground facilities, notwithstanding that the Company does not undertake to provide streetlighting facilities and service as a part of this Agreement. If said easements are not secured and delivered to the Company within thirty (30) days after execution of this Agreement, the Company may, at its option, refund all payments made to it hereunder by the Applicant, without interest, and with reasonable expenses incurred by the Company on account of this Agreement deducted therefrom, and this Agreement shall thereupon terminate.

6. For any underground facilities included in the line extension, the Applicant shall provide, at no expense to the Company, rough grading (not more than three inches below finished grade) so that the underground facilities can be properly installed in relation to the finished grade level. If said line extension is to serve a residential subdivision, after rough grading, the Applicant shall install and maintain, at no expense to the Company, permanent survey stakes indicating all property lines in the subdivision. Applicant shall maintain the average ground elevation within six feet of any cable, conduit, wire, conductor or other underground facility thereafter at a level not to exceed twelve inches above or three inches below the grade level established at the time of installation of said underground facilities. Further, Applicant shall maintain the ground surface elevation in an area four feet wide around any transformer pad, subsurface transformer, junction vault or other support at an elevation of not less than three inches and not more than six inches below the base of any transformer mounted on a pad or other support and not more than six inches below the top of any subsurface transformer or junction vault; provided, however, that changes in the ground surface elevation in excess of the limits herein prescribed may be permitted upon written consent of the Company.

7. Upon execution of this Agreement and compliance in full by the Applicant with all conditions to be performed by him as contained herein and in the Rate Schedule, the Company, subject to weather, labor disputes, availability of necessary materials, and any other cause beyond the reasonable control of the Company, shall construct such line extension so as to make electric service available to the customers to be served by such extension on or about the completion date stated in Part I. Notwithstanding the foregoing, if, in the sole judgment of the Company, it does not appear that all of the customers (or their equivalent) upon which the "Free Footage Allowances" and/or the "Company's Share of Cost" (as the case may be) is based, as stated in said "Computation of Line Extension Deposit and Contribution," will in fact require and be prepared to receive electric service upon completion of such line extension; the Company may,

**ELECTRIC LINE
EXTENSION AGREEMENT**

upon notice thereof to the Customer, postpone construction of said extension until such time as, in the sole judgment of the Company, permanent customers requiring such quantity of electricity will require and be prepared to receive electric service. In the event of such postponement by the Company the Applicant may, upon notice thereof to the Company, cancel this Agreement at any time prior to the commencement of installation of said line extension by the Company. If prior to the end of any such postponement by the Company, the "Line Extension Deposit Subject to Refund" required for installation of such line extension increases or decreases due to changes in the estimated cost, the Company may, prior to construction of such line extension, require the Applicant to (1) execute an amendment to this Agreement reflecting said changes in cost and (2) pay such additional cost. If the Applicant fails to execute such amendment and pay such additional costs within thirty (30) days after presentation of such amendment to the Applicant, or if any such postponement of construction continues for more than twelve months, the Company may, upon notice thereof to the Applicant, cancel this Agreement. In the event of such cancellation either by the Applicant or by the Company as aforesaid, the Company shall refund all payments made to it hereunder by the Applicant, without interest.

8. If at any time more than sixty (60) days after the date of this Agreement and prior to commencement of installation of said line extension by the Company the "Line Extension Deposit Subject to Refund" and/or nonrefundable contribution(s) required for installation of such line extension increase or decrease due to changes in the Rate Schedule, the Applicant will be required, prior to installation of such line extension, to (1) execute an amendment to this Agreement reflecting said changes, and (2) pay any additional amounts required by the Company as a result of said changes. If the Applicant fails to execute such amendment and pay such additional amounts, if any, within thirty (30) days after presentation of such amendment to the Applicant the Company may, upon notice to the Applicant, cancel this Agreement. In the event of such cancellation by the Company as aforesaid, the Company shall refund all payments made to it hereunder by the Applicant, without interest.

9. The Applicant shall have no ownership in said line extension by reason of any payment made hereunder. This Agreement and the installation and operation of said line extension shall be subject to the Rate Schedule as may be applicable including Rule B15.1, "Overhead Extension Policy," and B15.2, "Underground Policy," copies of which will be furnished to the Applicant upon his request. This Agreement and the benefits and obligations thereof may be transferred by the Applicant only upon the Company's prior written consent. Any other attempted transfer by Applicant shall be void.

10. All notices hereunder shall be in writing and shall be sent by United States mail or delivered in person to the parties at their respective addresses as set forth in Part I. Either party may at any time change the addressee or address to which notices to it are to be mailed or delivered by giving notice of such change to the other party.

11. With respect to the subject matter hereof, this Agreement supersedes all previous representations, negotiations, understandings or agreements, either written or oral, between the parties hereto or their representatives, and constitutes the entire agreement of the parties.

12. Additional Items

Payment of \$200,000 due prior to construction start. Balance of estimated costs due prior to energizing service.
Because the project involves possible construction in contaminated soil, and uncertain below ground conditions affecting construction, the costs related to this project are estimates only and are subject to increase. The City of Muskegon will be responsible for payment of such increased costs, in the form of a contribution due thirty (30) days after written notice."



**COMPUTATION OF ELECTRIC
DISTRIBUTION SYSTEM LINE EXTENSION
DEPOSIT AND CONTRIBUTIONS
(GENERAL SERVICE)**

Attachment to Agreement
Dated _____
between Consumers Energy Company
and City of Muskegon

Estimated cost (including tree trimming, if any)	\$ 237,719.00
<p>Company's Share of Cost: Three times estimated increase in annual revenue of _____ (_____ total estimated annual revenue from permanent customers minus _____ present annual revenue from permanent customers) for permanent customers to be immediately served when the extension is completed</p>	
	\$ _____
Nonrefundable contribution stated in Items 1,2 & 4 below	\$ (89,929.00)
TOTAL LINE EXTENSION DEPOSIT SUBJECT TO REFUND	\$ 147,790.00
NONREFUNDABLE CONTRIBUTION(S):	
1. Nonrefundable contribution for additional cost for alternate route due to Applicant not securing right of way and tree-trimming permits, and items requested or made necessary by the Applicant.	+ \$ 72,622.00
2. Nonrefundable contribution of \$10.00 per kVA of transformer-capacity installed for said underground electric distribution system	+ \$ 7,500.00
3. Nonrefundable contribution for winter construction	+ \$ _____
4. Nonrefundable contribution, except charges included in Items 1, 2 and 3 above, required of the Applicant under Rule B15.2, Underground Policy, of the Company's Schedule of Rates Governing the Sale of Electric Service, computed on the basis of a rate of \$7.00 per foot for _____ 1,401 _____ feet of required trench for the electric underground distribution system and/or such other basis as is applicable	+ \$ 9,807.00
TOTAL NONREFUNDABLE CONTRIBUTION	\$ 89,929.00
TOTAL PAYMENT	\$ 237,719.00

SCHEDULE OF REFUNDS

1. Original Customers

At the end of each of the five 12-month periods during the five-year period beginning the month following the date the line extension is completed, the Company will refund to the Applicant 20% of three times the actual revenue of the previous 12 months.

2. Additional Connected Customers

The Company will refund \$500 for each permanent residential customer and/or the first year's estimated revenue for each permanent general service customer who during the five-year refund period connects directly to the line extension covered by this Agreement. Directly connected customers are those who do not require the construction of more than 300 feet of primary and/or secondary distribution line. Refunds will not be made until the original customer(s) or equivalent is actually connected to the extension. Refunds will not include any amount of contribution in aid of construction for underground service made under Rule 15.2, Underground Policy, of the Company's Schedule of Rates Governing the Sale of Electric Service.

The following customers (original permanent customers) are to be immediately served when said line extension is completed:

Name

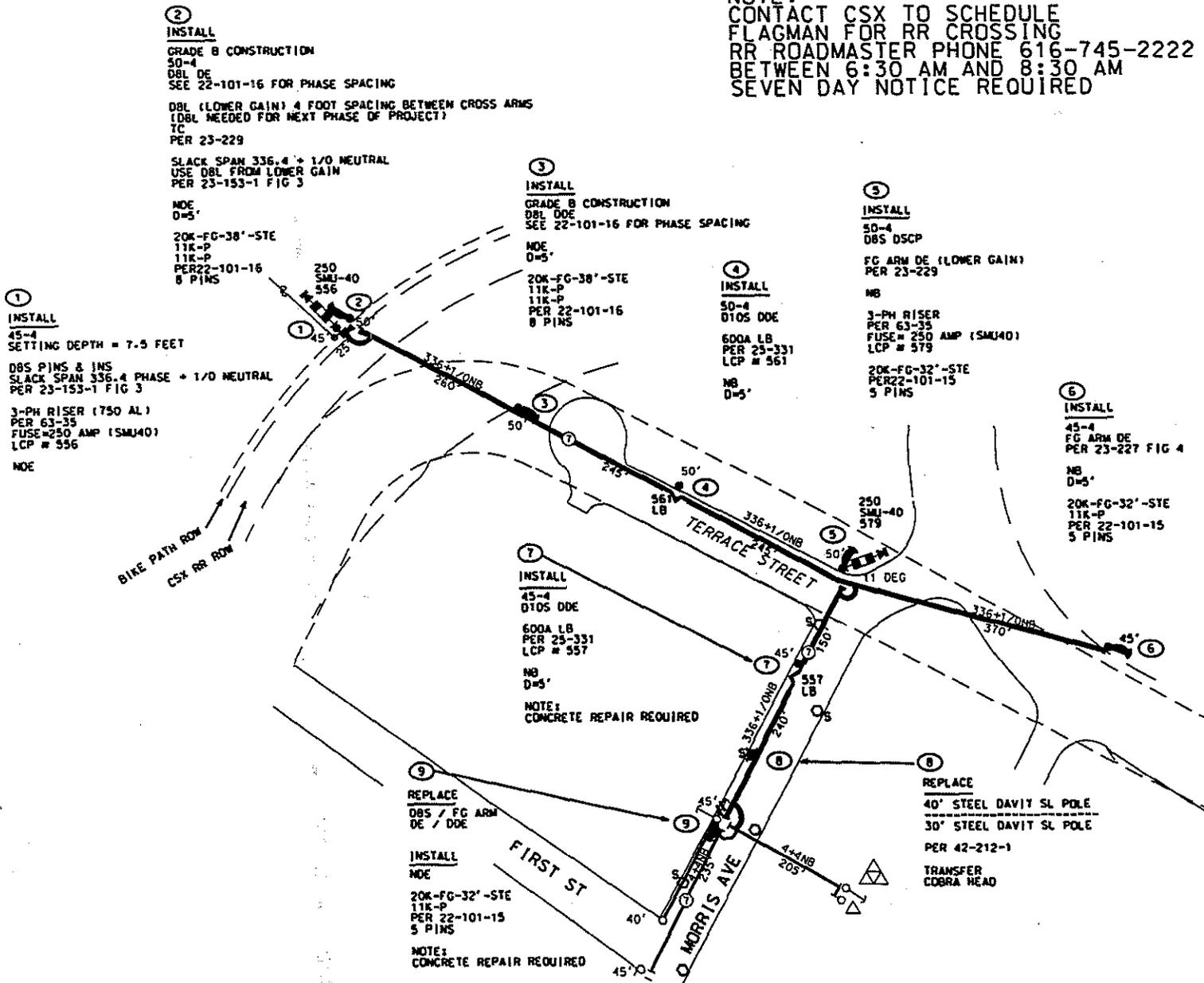
Location

Grand Valley State University

200 Viridian Dr. Muskegon, MI

NOTE:
 CONTACT CSX TO SCHEDULE
 FLAGMAN FOR RR CROSSING
 RR ROADMASTER PHONE 616-745-2222
 BETWEEN 6:30 AM AND 8:30 AM
 SEVEN DAY NOTICE REQUIRED

MUSKOGEE CO
 CITY OF MUSKOGEE
 T10 R16 SEC.19



2
 INSTALL
 GRADE B CONSTRUCTION
 SD-4
 DBL DE
 SEE 22-101-16 FOR PHASE SPACING
 DBL (LOWER GAIN) 4 FOOT SPACING BETWEEN CROSS ARMS
 (DBL NEEDED FOR NEXT PHASE OF PROJECT)
 TC
 PER 23-229
 SLACK SPAN 336.4 + 1/0 NEUTRAL
 USE DBL FROM LOWER GAIN
 PER 23-153-1 FIG 3
 NOE
 D=5'

3
 INSTALL
 GRADE B CONSTRUCTION
 DBL DE
 SEE 22-101-16 FOR PHASE SPACING
 NOE
 D=5'

5
 INSTALL
 SD-4
 DBS DSCP
 FG ARM DE (LOWER GAIN)
 PER 23-229
 NB
 3-PH RISER
 PER 63-35
 FUSE=250 AMP (SMJ40)
 LCP # 579
 20K-FG-32'-STE
 PER 22-101-15
 5 PINS

1
 INSTALL
 45-4
 SETTING DEPTH = 7.5 FEET
 DBS PINS & INS
 SLACK SPAN 336.4 PHASE + 1/0 NEUTRAL
 PER 23-153-1 FIG 3
 3-PH RISER (750 AL)
 PER 63-35
 FUSE=250 AMP (SMJ40)
 LCP # 556
 NOE

4
 INSTALL
 SD-4
 DTOS DDE
 600A LB
 PER 25-331
 LCP # 561
 NB
 D=5'

6
 INSTALL
 45-4
 FG ARM DE
 PER 23-227 FIG 4
 NB
 D=5'
 20K-FG-32'-STE
 11K-P
 PER 22-101-15
 5 PINS

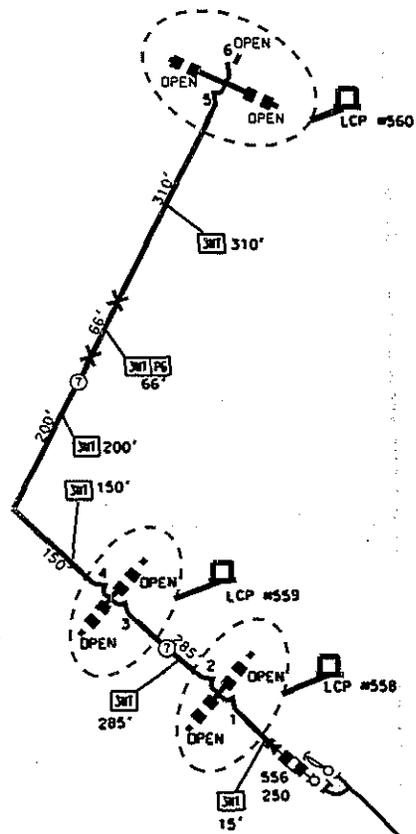
7
 INSTALL
 45-4
 DTOS DDE
 600A LB
 PER 25-331
 LCP # 557
 NB
 D=5'
 NOTE:
 CONCRETE REPAIR REQUIRED

9
 REPLACE
 DBS / FG ARM
 DE / DDE
 INSTALL
 NOE
 20K-FG-32'-STE
 11K-P
 PER 22-101-15
 5 PINS
 NOTE:
 CONCRETE REPAIR REQUIRED

8
 REPLACE
 40' STEEL DAVIT SL POLE
 30' STEEL DAVIT SL POLE
 PER 42-212-1
 TRANSFER
 COBRA HEAD

-CONSTRUCTION CERTIFICATION- Work was constructed as Engineered or Changed as Indicated. All Salvageable Material Was Returned to Stores.				STAKED <input type="checkbox"/> YES <input type="checkbox"/> NO TREES <input type="checkbox"/> YES <input type="checkbox"/> NO				GVSU ROUTE		TAX CODE 618078	REQUEST NO. 02275377
Signed _____ in Direct Charge of Work Dates: Started _____ Completed _____				TLM NUMBER # OF ROOS OMS 10161942		DESIGNED BY DATE JFBRACK 05/27/03		For: MOHAMMED AL-SHAHEL GVSU ROUTE CITY OF MUSKOGEE		EIO NBUS OHLN 05621351	WORK ORDER
MISS DIG NUMBER: _____ DATE: _____				APPROVED BY DATE _____ _____		SUBSTATION TERRACE		WO NO. D413		CAD FILE: 05621351.001	
SHEET OF SCALE						CITY NO. LCP NO.		CITY		CITY	

ONE LINE DIAGRAM



MUSKEGON CO
CITY OF MUSKEGON
T0 R6 SEC.10

4
INSTALL
CABLE IN 6" CONDUIT UNDER ROAD
CITY INSTALLED CONDUIT
HAND DIG BY WATER VALVE

3
INSTALL
PM9
PER 65-257
LCP # 559

2
INSTALL
PM9
PER 65-257
LCP # 558

1
INSTALL
3PH RISER
PER 63-35

UNDERGROUND LEGEND

CONDUIT

2" Plastic 3" Plastic 4" Plastic 6" Plastic
 2" Steel 3" Steel 4" Steel 6" Steel

PROP. ELEC. CONDUCTORS ONLY
 PROP. ELEC. AND GAS LINES ONLY
 PROP. GAS LINE ONLY
 PROP. ELEC. GAS AND TELEPHONE
 EXIST. ELEC. CONDUCTORS ONLY
 EXIST. GAS LINE ONLY
 FUTURE ELECTRIC TRENCH

CABLE MATERIAL AND SIZE

A. No. 2 AL cable, 175 mils, 12KV, or secondary.
 B. No. 1/0 AL cable, 175 mils, 12KV, or secondary.
 C. No. 3/0 AL cable, 175 mils, 12KV, or secondary.
 D. 350 kcmil AL cable, 175 mils, 12KV, or secondary.
 E. 500 kcmil copper cable, 175 mils, 12KV, or secondary.
 F. 750 kcmil AL cable, 175 mils, 12KV, or secondary.
 G. No. 1/0 stranded AL cable, 200 mils, 28KV.
 H. No. 3/0 stranded AL cable, 280 mils, 28KV.
 I. 750 kcmil AL cable, 280 mils, 28KV.
 J. Copper jacket.
 K. 500 kcmil AL cable, 280 mils, 28KV.
 L. Harder to locate cable.
 M. Refer to Note on Drawing, N1 for Note L, etc.
 N. No. 1/0 AL, solid cable, 200 mils, 28KV.
 O. No. 1/0 AL, stranded cable, 200 mils, 28KV, jacketed.
 P. No. 1/0 AL, stranded cable, 200 mils, 28KV, jacketed, 180 mils.
 Q. 350 kcmil AL, stranded, 250 mils, 28KV, jacketed.
 R. 500 kcmil AL, stranded, 250 mils, 28KV, jacketed.
 S. 750 kcmil AL, stranded, 280 mils, 28KV, jacketed.
 T. 500 kcmil AL, solid, 280 mils, 28KV, jacketed.
 U. No. 1/0 solid AL cable for three-phase primary.
 V. No. 1/0 AL cable for 3-phase primary and 350 AL cable for 3-phase secondary.

CONDUCTOR CHANGE

-CONSTRUCTION CERTIFICATION-

Work was constructed as Engineered or Changed as Indicated.
All Salvageable Material Was Returned to Stores.

Signed _____ in Direct Charge of Work
Dates: Started _____ Completed _____

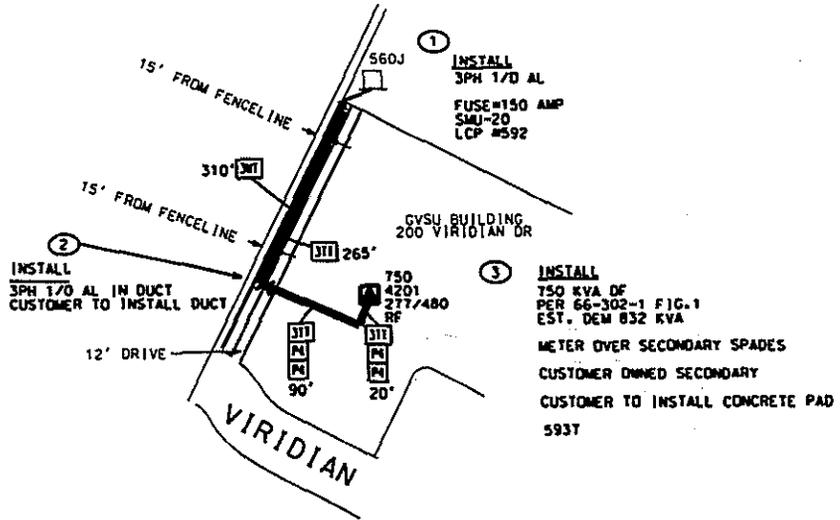
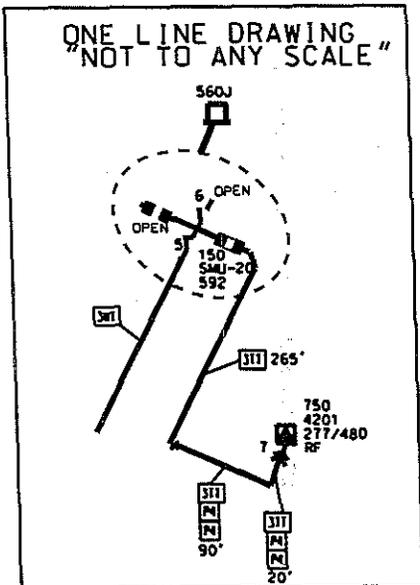
MISS DIG NUMBER: _____ DATE: _____

STAKED	<input type="checkbox"/> YES	<input type="checkbox"/> NO
TREES	<input type="checkbox"/> YES	<input type="checkbox"/> NO
TLN NUMBER	# OF ROOS	DATE
10161942		06/10/03
DESIGNED BY	DATE	APPROVED BY
J.P.BRACK	06/10/03	
SHEET	OF	SCALE

GVSU ROUTE		TAS CODE	616029	REQUEST NO.	02275327
Fort MOHAMMED AL-SHATEL GVSU ROUTE CITY OF MUSKEGON		EU	NBUS	UCLN	05662097
SUBSTATION	TERRACE	WO NO.	0413	CAD FILE:	
CITY	MUSKEGON	EXT NO. / LCP NO.	01 / 0425	05662097.001	

ENTER SITE ALONG TERRACE SUBSTATION
FOLLOW LAKE TO GET TO BUILDING

MUSKOGEE CO
CITY OF MUSKOGEE
TO R16 SEC.10



NOTES:
FIVE FOOT SEPERATION REQUIRED
BETWEEN 750 AL AND 1/0 AL CABLES
CUSTOMER TO INSTALL (2)-4" DUCT
UNDER DRIVEWAY TO TRANSFORMER
CUSTOMER TO INSTALL CONCRETE PAD
FOR TRANSFORMER

UNDERGROUND LEGEND

1. Single-phase primary
2. Open eye primary
3. Three-phase primary
4. Single-phase secondary
5. Combination light and power secondary
6. Three-phase power secondary
7. Single-phase service
8. Combination lighting and power service
9. Three-phase power service
10. Strapping conductor (C/C-B C/C)
11. Strapping conductor (C/C-B AL)
12. Covered 800V neutral conductor for ducts

CONDUIT
 2" Plastic 3" Plastic 4" Plastic 6" Plastic
 2" Steel 3" Steel 4" Steel 6" Steel

PROP. ELEC. CONDUCTIONS ONLY
 PROP. ELEC. AND GAS LINES ONLY
 PROP. GAS LINE ONLY
 PROP. ELEC., GAS AND TELEPHONE
 EXIST. ELEC. CONDUCTIONS ONLY
 EXIST. GAS LINE ONLY
 FUTURE ELECTRIC TRENCH

CABLE MATERIAL AND SIZE
 A. No. 2 AL cable, 175 mils, 25KV, or secondary.
 B. No. 1/0 AL cable, 175 mils, 25KV, or secondary.
 C. No. 3/0 AL cable, 175 mils, 25KV, or secondary.
 D. 350 kcmil AL cable, 175 mils, 25KV, or secondary.
 E. 500 kcmil copper cable, 175 mils, 25KV, or secondary.
 F. 750 kcmil AL cable, 175 mils, 25KV, or secondary.
 G. No. 1/0 stranded AL cable, 280 mils, 25KV.
 H. No. 3/0 stranded AL cable, 280 mils, 25KV.
 I. 750 kcmil AL cable, 280 mils, 25KV.
 J. Cable joint.
 K. 350 kcmil AL cable, 280 mils, 25KV.
 L. Marker in Route Case.
 M. Refer to Note on Drawing, H1 for Note 1, etc.
 N. No. 1/0 AL, solid cable, 280 mils, 25KV.
 O. No. 1/0 AL, stranded cable, 280 mils, 25KV, jacketed.
 P. No. 1/0 AL, stranded cable, 280 mils, tree-retarded, jacketed.
 Q. No. 1/0 AL, stranded cable, 280 mils, tree-retarded, jacketed.
 R. 350 kcmil AL, stranded, 280 mils, 25KV, jacketed.
 S. 350 kcmil AL, cable, 280 mils, tree-retarded, MS, jacketed.
 T. 750 kcmil AL, stranded, 280 mils, 25KV, jacketed.
 U. 750 kcmil AL, cable, 280 mils, tree-retarded, MS, jacketed.
 V. 350 kcmil AL, cable, 280 mils, tree-retarded, MS, jacketed.
 W. 350 kcmil AL, cable, 280 mils, tree-retarded, MS, jacketed.
 X. No. 1/0 solid AL cable for three-phase primary
 Y. No. 1/0 AL cable for 3-phase primary and 300 AL cable for 1-phase secondary
 Z. CONDUCTOR COURSE

-CONSTRUCTION CERTIFICATION- Work was constructed as Engineered or Changed as Indicated. All Salvageable Material Was Returned to Storage.		STAKED <input type="checkbox"/> YES <input type="checkbox"/> NO TREES <input type="checkbox"/> YES <input type="checkbox"/> NO	 200 VIRIDIAN For: WORKSTAGE LLC MICHIGAN ENERGY CENTER CITY OF MUSKOGEE SUBSTATION TERRACE CITY	TAX CODE: 616029 SUTL: (TFR) CATEGORY: EU NBUS UGLN: 05529581 REQUEST NO.: 02200850 TYPE: WORK ORDER CAD FILE: 05529581.001
Signed: _____ in Direct Charge of Work Dates: Started _____ Completed _____ MISS DIG NUMBER: _____ DATE: _____		DESIGNED BY: JBRACK DATE: 08/12/03 APPROVED BY: _____ DATE: _____ SHEET OF: _____ SCALE: _____	CD NO.: 0413 DAY NO.: LCP NO.: 0425	