

# CITY OF MUSKEGON

## CITY COMMISSION MEETING

APRIL 10, 2012

CITY COMMISSION CHAMBERS @ 5:30 P.M.

### AGENDA

- ❑ CALL TO ORDER:
- ❑ PRAYER:
- ❑ PLEDGE OF ALLEGIANCE:
- ❑ ROLL CALL:
- ❑ HONORS AND AWARDS:
- ❑ INTRODUCTIONS/PRESENTATION:
- ❑ CONSENT AGENDA:
  - A. Approval of Minutes. CITY CLERK
  - B. Request to Fly the Norwegian Flag. CITY CLERK
  - C. Memorandum of Understanding – Justice Assistance Grant. PUBLIC SAFETY
  - D. Great Lakes Comnet – METRO Act Permit. ENGINEERING
  - E. MUFD Equipment Request – Turnout Gear. PUBLIC SAFETY
  - F. Veterans Memorial Park Transportation Project. CITY MANAGER
  - G. Next Michigan – Interlocal Agreement for the West Michigan Economic Development Partnership. PLANNING & ECONOMIC DEVELOPMENT
  - H. Aggregates, Highway Maintenance Materials and Concrete. PUBLIC WORKS
- ❑ PUBLIC HEARINGS:
  - A. 2012 – 2013 Action Plan. COMMUNITY & NEIGHBORHOOD SERVICES
- ❑ COMMUNICATIONS:
- ❑ CITY MANAGER'S REPORT:
- ❑ UNFINISHED BUSINESS:
- ❑ NEW BUSINESS:

A. Revolving Loan Fund (RLF) Loan with Great Lakes Die Cast. CITY  
MANAGER

B. Master Contract for the Muskegon County Wastewater System. CITY  
MANAGER

❑ **ANY OTHER BUSINESS:**

❑ **PUBLIC PARTICIPATION:**

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

❑ **CLOSED SESSION:**

❑ **ADJOURNMENT:**

ADA POLICY: THE CITY OF MUSKEGON WILL PROVIDE NECESSARY AUXILIARY AIDS AND SERVICES TO INDIVIDUALS WHO WANT TO ATTEND THE MEETING UPON TWENTY FOUR HOUR NOTICE TO THE CITY OF MUSKEGON. PLEASE CONTACT ANN MARIE BECKER, CITY CLERK, 933 TERRACE STREET, MUSKEGON, MI 49440 OR BY CALLING (231) 724-6705 OR TDD: (231) 724-4172.

Date: April 10, 2012  
To: Honorable Mayor and City Commissioners  
From: Ann Marie Cummings, City Clerk  
RE: Approval of Minutes

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**SUMMARY OF REQUEST:** To approve minutes of the March 27<sup>th</sup> City Commission Meeting.

**FINANCIAL IMPACT:** None.

**BUDGET ACTION REQUIRED:** None.

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

# CITY OF MUSKEGON

## CITY COMMISSION MEETING

MARCH 27, 2012

CITY COMMISSION CHAMBERS @ 5:30 P.M.

### MINUTES

The Regular Commission Meeting of the City of Muskegon was held at City Hall, 933 Terrace Street, Muskegon, MI at 5:30 p.m., Tuesday, March 27, 2012.

Vice Mayor Gawron opened the meeting with a prayer from Pastor Tim Cross from the Living Word Church after which the Commission and public recited the Pledge of Allegiance to the Flag.

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

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

Absent: Mayor Stephen Warmington and Commissioner Sue Wierengo (excused)

#### **2012-18 INTRODUCTIONS/PRESENTATION:**

##### **A. Social Justice Committee.**

Rev. Samuel Greer Jr., updated the Commissioners on the progress of the Committee.

#### **2012-19 CONSENT AGENDA:**

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

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

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the minutes.

##### **B. 2012-13 Healthcare & Wellness Program.** FINANCE

SUMMARY OF REQUEST: It is time to renew the City's healthcare coverage for 2012-13 plan year (6/1/12-5/31/13). Renewal premiums for the City's current healthcare program have come in at a 7.90% increase over the current year. Last year we experienced an 8.83% increase and in 2010 the increase was 9.45%. In comparative terms, the rate increase is moderate as many

employers are experiencing double-digit increases. Also, the City's healthcare costs remain well below the "hard cap limits" set by PA 152 and remain cost competitive with the standards set by EVIP for new hires.

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

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

	2012 - 2013			2011 - 2012		
	Single	Double	Family	Single	Double	Family
Monthly Premium	\$ 411.99	\$ 926.96	\$ 1,112.37	\$ 381.84	\$ 859.12	\$ 1,030.95
Annual Premium	4,943.88	11,123.52	13,348.44	4,582.08	10,309.44	12,371.40
Current # Employees	35	40	134	35	40	134
Total Annual Premium	173,035.80	444,940.80	1,788,690.96	160,372.80	412,377.60	1,657,767.60
		2,406,667.56	7.90% Increase		2,230,518.00	
Add: HRA Deductibles Paid by City		140,056.47				
Less: Employee Premium Copays		(182,471.00)				
Equals: Employer Cost		<b>\$2,364,253.03</b>				

PA 152 Hard Cap Limits

\$ 5,500.00	\$ 11,000.00	\$ 15,000.00
192,500.00	440,000.00	2,010,000.00
	<b>\$2,642,500.00</b>	

EVIP Standards for New Hires

\$ 5,085.22	\$ 10,170.85	\$ 14,035.73
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Most employees currently pay 10% of the above premium costs via payroll deduction. Fire employees will start paying 10% effective 1/1/13. The contract for Police Patrol is currently unsettled.

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

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

**D. Sale of Buildable Vacant Lot at 1660 7<sup>th</sup> Street. PLANNING &**

## ECONOMIC DEVELOPMENT

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

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

BUDGET ACTION REQUIRED: None.

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

### **E. Sale of Buildable Vacant Lot at 354 McLaughlin Avenue.** PLANNING & ECONOMIC DEVELOPMENT

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

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

BUDGET ACTION REQUIRED: None.

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

**Motion by Commissioner Spataro, second by Commissioner Turnquist to approve the Consent Agenda with the exception of item C.**

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

**Nays: None**

***MOTION PASSES***

**2012-20 ITEM REMOVED FROM THE CONSENT AGENDA:**

### **C. Request to Submit a Grant Application to Reconstruct Getty Street from Evanston to Apple Avenue.** ENGINEERING

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

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

BUDGET ACTION REQUIRED: None at this time.

STAFF RECOMMENDATION: Authorize staff to submit the application.

**Motion by Commissioner Spataro, second by Commissioner Hood to approve the request to submit a grant application to reconstruct Getty Street from Evanston to Apple Avenue.**

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

**Nays: None**

***MOTION PASSES***

**2012-21 PUBLIC HEARINGS:**

**A. Request for the Establishment of an Industrial Development District at 444 Irwin Avenue.** PLANNING & ECONOMIC DEVELOPMENT

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

FINANCIAL IMPACT: None.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: Approval of the establishment of the Industrial Development District.

The Public Hearing opened to hear and consider any comments from the public. Mr. Dan McKennen, from Graphics House Sports Promotions, Inc. spoke.

**Motion by Commissioner Spataro, second by Commissioner German to close the Public Hearing and approve the request for the establishment of an Industrial Development District at 444 Irwin Avenue.**

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

**Nays: None**

***MOTION PASSES***

**2012-22 NEW BUSINESS:**

**A. DDA On-Premise Liquor License for Curry Kitchen.** PLANNING & ECONOMIC DEVELOPMENT

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

FINANCIAL IMPACT: Approval of the Liquor License will allow for a new

restaurant in the downtown area which should result in increased revenue for the City.

BUDGET ACTION REQUIRED: None.

STAFF RECOMMENDATION: To approve the resolution.

**Motion by Commissioner Spataro, second by Commissioner Hood to approve the request for a DDA On-Premise Liquor License for Curry Kitchen.**

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

**Nays: None**

***MOTION PASSES***

**B. Water Rate Increase. FINANCE**

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

FINANCIAL IMPACT: The rate increase will generate an estimated \$410,000 in additional water revenue annually.

The following table compares existing and proposed rates to other area communities and provides an estimate of the monthly impact on typical households:

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

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

STAFF RECOMMENDATION: Approval of the resolution increasing water rates

effective July 1, 2012.

**Motion by Commissioner Spataro, second by Commissioner Turnquist to approve the resolution increasing water rates effective July 1, 2012.**

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

**Nays: None**

***MOTION PASSES***

**PUBLIC PARTICIPATION:** Public comments received.

**ADJOURNMENT:** The City Commission Meeting adjourned at 6:02 p.m.

Respectfully submitted,

Ann Marie Cummings, MMC  
City Clerk

Date: April 10, 2012  
To: Honorable Mayor and City Commissioners  
From: Ann Marie Cummings, City Clerk  
RE: Request to Fly the Norwegian Flag

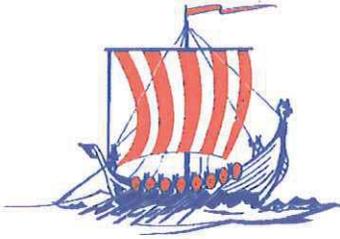
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**SUMMARY OF REQUEST:** Sons of Norway are requesting permission to fly the Norwegian Flag at City Hall on Thursday, May 17<sup>th</sup> in honor of Norway's Constitution Day (Independence Day).

**FINANCIAL IMPACT:** None

**BUDGET ACTION REQUIRED:** None

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



# Sons of Norway

Sognefjord Lodge No. 523



RECEIVED

APR 02 2012

City Clerks Office

420 Harvey Street, Muskegon, Michigan 49442, (231) 777-1451

Muskegon City Council

I am requesting permission to have the Norwegian flag flown at city hall on Thursday, May 17. May 17 (Syttende Mai) is Norway's Constitution Day (independence day). The Sons of Norway will provide the flag on Wednesday, May 16. We will pick the flag up on Friday, May 18.

If there are any questions you can contact me at 744-9101. If for some reason you cannot reach me, please contact Gordon Gutowski, our Vice President at 798-4888 or Jane Gates our Treasurer at 726-6739. Thank you very much.

Merle Hanson,  
Sognefjord Lodge President.

Date: March 30, 2012  
To: Honorable Mayor and City Commissioners  
From: Jeffrey A. Lewis  
Director of Public Safety  
RE: Memorandum of Understanding – Justice Assistance Grant

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SUMMARY OF REQUEST:

The Director of Public Safety requests that the Commission authorize the Director and the City Manager to enter into an agreement with the City of Muskegon Heights and Muskegon County in regards to the disbursement of the FY 2012 Justice Assistance Grant. It is further requested that the Mayor be authorized to sign the Memorandum of Understanding. Note that time is of the essence as this grant requires a 30 day governing body review period before the grant submission and the grant deadline is May 14.

Although the Bureau of Justice Assistance has designated us as being in a disparate funding situation due to the County providing more than 50% of the jail facilities, our proposal is to keep the allocations exactly as they initially came down from the BJA which is as follows: County of Muskegon \$ 0; City of Muskegon \$ 28,513 and City of Muskegon Heights \$ 17,561. Note that BJA uses crime data versus population in making these allocation decisions.

The City of Muskegon portion is planned to be used in continuation of the manner in which the previous year's JAG funding was used which is for the prosecution of city ordinance cases dealing primarily with neighborhood issues. A prosecutor was hired specifically for this under a previous fiscal year JAG Grant.

FINANCIAL IMPACT:

None.

BUDGET ACTION REQUIRED:

None.

STAFF RECOMMENDATION:

Staff recommends approval of this request.

**MEMORANDUM OF UNDERSTANDING  
THE CITY OF MUSKEGON  
THE COUNTY OF MUSKEGON  
THE CITY OF MUSKEGON HEIGHTS**

**FY 2012 JUSTICE ASSISTANCE GRANT (JAG) PROGRAM AWARD  
Regular Funding/Local Solicitation**

This Agreement is made and entered into on the \_\_\_\_\_ day of \_\_\_\_\_, 2012, by and between the County of Muskegon, acting by and through its governing body, the Board of County Commissioners, located at 990 Terrace Street, Muskegon, Michigan 49442 and the City of Muskegon, acting by and through its governing body, the City Commission, located at 933 Terrace Street, Muskegon, Michigan 49443-0536, and the City of Muskegon Heights, acting by and through its governing body, the City Council, located at 2724 Peck Street, Muskegon Hts., MI 49444, all of Muskegon County, State of Michigan, witnesseth:

**WHEREAS**, the CITY OF MUSKEGON has agreed to serve as the applicant/fiscal agent for the joint funds under the: Justice Assistance Grant(Local Solicitation) as the Bureau of Justice Assistance has designated the allocation to the law enforcement communities in Muskegon County as a disparate allocation; and

**WHEREAS**, each governing body, in performing governmental functions or in paying for the performance of governmental functions, hereunder, shall make that performance or those payments from current revenues legally available to that party; and

**WHEREAS**, each governing body find that the performance of this Agreement is in the best interest of all parties, that the undertaking will benefit the public, and that the division of costs fairly compensates the performing party for the services or functions under this Agreement; and

**WHEREAS**, the breakdown of allocated funding agreed upon by those entities involved in the disparate funding is \$ 28,513 to the CITY OF MUSKEGON and \$ 17,561 to the CITY OF MUSKEGON HEIGHTS; and

**WHEREAS**, the CITY OF MUSKEGON, CITY OF MUSKEGON HEIGHTS and COUNTY OF MUSKEGON believe it to be in their best interests to allocate the JAG funds as specified in this Agreement.

NOW THEREFORE, THE COUNTY OF MUSKEGON, CITY OF MUSKEGON AND CITY OF MUSKEGON HEIGHTS agree as follows:

### **AGREEMENT**

1. THE CITY OF MUSKEGON will act as the fiscal agent/applicant agency.
2. The total eligible joint allocation for the disparate jurisdictions of \$ 46,074 will be allocated as follows: COUNTY OF MUSKEGON - \$ 0; CITY OF MUSKEGON - \$28,513; CITY OF MUSKEGON HEIGHTS - \$ 17,561
3. Each municipality will be responsible for its actions in the use of any equipment purchased under this Agreement and the fiscal agent shall not be liable for any civil liability that may arise from the purchase of the use of the equipment.
4. The CITY OF MUSKEGON HEIGHTS will be responsible for submitting quarterly reports to the CITY OF MUSKEGON by the third day of the month following the quarter in the reporting fashion required by the CITY OF MUSKEGON and for any month in which an expenditure under the grant has occurred the CITY OF MUSKEGON HEIGHTS will submit a reimbursement request to the CITY OF MUSKEGON by the third day of the following month along with backup documentation such as invoices.
5. The CITY OF MUSKEGON HEIGHTS will be responsible for the accuracy of all data submitted to the CITY OF MUSKEGON for submission to the Bureau of Justice

Programs and will be liable for penalties as a result of submitting the data late and for any inaccurate data.

6. Nothing in the performance of this Agreement shall impose any liability for claims against the CITY OF MUSKEGON passing from this program or from the CITY OF MUSKEGON HEIGHT's expenditure of the JAG funds.
7. By entering into this Agreement, the parties do not intent to create any obligations, express or implied, other than those set out herein. Further, this Agreement shall not create any rights in any party not a signatory hereto.

COUNTY OF MUSKEGON

Dated: \_\_\_\_\_, 2012

By: \_\_\_\_\_  
Kenneth Mahoney, Chairman  
County Board of Commissioners

CITY OF MUSKEGON

Dated: \_\_\_\_\_, 2012

By: \_\_\_\_\_  
Steve Warmington, Mayor

CITY OF MUSKEGON HEIGHTS

Dated: \_\_\_\_\_, 2012

By: \_\_\_\_\_  
Darrell Paige, Mayor

**Date:** April 3, 2012  
**To:** Honorable Mayor and City Commissioners  
**From:** Engineering  
**RE:** Great Lakes Comnet – METRO Act Permit

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**SUMMARY OF REQUEST:** Approve the attached permit for Great Lakes Comnet to install a fiber optic network within the City's right of way and authorize the Mayor & Clerk to sign said permit.

**FINANCIAL IMPACT:** None

**BUDGET ACTION REQUIRED:** None.

**STAFF RECOMMENDATION:** Approve the permit and sign the documents

**COMMITTEE RECOMMENATION:**

March 20<sup>th</sup>, 2012

City of Muskegon  
933 Terrace Street  
Muskegon, MI 49440

Dear City of Muskegon,

Enclosed is a request from Great Lakes Comnet to enter into a Unilateral Metro Agreement with the City of Muskegon. Included in this packet is the required check for \$500.00, the application, permit and our tentative plans for construction. I have included for you three copies of each document (2) and the Metro Authority asks that you file them as follows:

- Municipality should retain an original copy
- Municipality should send copy to the applicant telecom provider (Great Lakes Comnet)
- Municipality should send copy to:

Ms. Robin Ancona, Director, Telecommunications Division  
Michigan Public Service Commission  
6545 Mercantile Way  
P.O. Box 30221  
Lansing, MI 48909

If you have any questions please feel free to contact me directly.

Very Respectfully,



Kacey Polisky  
OSP Network Design  
Great Lakes Comnet  
1515 Turf Lane  
East Lansing, MI 48823  
Direct Phone: 517.679.7552  
Fax: 517.324.8900

RECEIVED

MAR 23 2012

MUSKEGON  
CITY MANAGER'S OFFICE

✓# 22709  
500<sup>00</sup>  
3/22/12

**METRO Act Permit Application Form**  
**Revised 12/06/02**

**MASTER  
COPY**

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**City of Muskegon**

**APPLICATION FOR  
ACCESS TO AND ONGOING USE OF PUBLIC WAYS BY  
TELECOMMUNICATIONS PROVIDERS  
UNDER  
METROPOLITAN EXTENSION TELECOMMUNICATIONS  
RIGHTS-OF-WAY OVERSIGHT ACT  
2002 PA 48  
MCLA SECTIONS 484.3101 TO 484.3120**

**BY**

**Great Lakes Comnet, Inc.  
("APPLICANT")**

**Unfamiliar with METRO Act?--Assistance:** Municipalities unfamiliar with Michigan Metropolitan Extension Telecommunications Rights-of-Way Oversight Act ("METRO Act") permits for telecommunications providers should seek assistance, such as by contacting the Telecommunications Division of the Michigan Public Service Commission at 517-241-6200 or via its web site at [http://www.michigan.gov/mpsc/0,1607,7-159-16372\\_22707---,00.html](http://www.michigan.gov/mpsc/0,1607,7-159-16372_22707---,00.html).

**45 Days to Act—Fines for Failure to Act:** The METRO Act states that "A municipality shall approve or deny access under this section within 45 days from the date a provider files an application for a permit for access to a public right-of-way." MCLA 484.3115(3). The Michigan Public Service Commission can impose fines of up to \$40,000 per day for violations of the METRO Act. It has imposed fines under the Michigan Telecommunications Act where it found providers or municipalities violated the statute.

**Where to File:** Applicants should file copies as follows [municipalities should adapt as appropriate—unless otherwise specified service should be as follows]:

-- Three (3) copies (one of which shall be marked and designated as the master copy) with the City of Muskegon, 933 Terrace Street, Muskegon, MI 49440.

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City of Muskegon

**APPLICATION FOR  
ACCESS TO AND ONGOING USE OF PUBLIC WAYS BY  
TELECOMMUNICATIONS PROVIDERS**

**By  
Great Lakes Comnet  
("APPLICANT")**

*This is an application pursuant to Sections 5 and 6 of the Metropolitan Extension Telecommunications Rights-of-Way Oversight Act, 2002 PA 48 (the "METRO Act") for access to and ongoing usage of the public right-of-way, including public roadways, highways, streets, alleys, easements, and waterways ("Public Ways") in the Municipality for a telecommunications system. The METRO Act states that "A municipality shall approve or deny access under this section within 45 days from the date a provider files an application for a permit for access to a public right-of-way." MCLA 484.3115(3).*

*This application must be accompanied by a one-time application fee of \$500, unless the applicant is exempt from this requirement under Section 5(3) of the METRO Act, MCLA 484.3105(3).*

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**1 GENERAL INFORMATION:**

1.1 Date: 3/20/12

1.2 Applicant's legal name: **Great Lakes Comnet, Inc.**  
Mailing Address: **1515 Turf Lane, Suite 100**  
**East Lansing, MI 48823**

**Telephone Number: 517-664-1600**

**Fax Number: 517-324-8900**

**Corporate website: [www.glcom.net](http://www.glcom.net)**

**Name and title of Applicant's local manager (and if different) contact person regarding this application:**

**Kacey Polisky, OSP Network Design**

**Mailing Address: 1515 Turf Lane, Suite 100**  
**East Lansing, MI 48823**

**Telephone Number: 517-679-7552**

**Fax Number: 517-324-8900**

**E-mail Address: [kpolisky@glcom.net](mailto:kpolisky@glcom.net)**

1.3 Type of Entity: (Check one of the following)

- Corporation
- General Partnership
- Limited Partnership
- Limited Liability Company
- Individual
- Other, please describe: \_\_\_\_\_

1.4 Assumed name for doing business, if any: \_\_\_\_\_

**1.5 Description of Entity:**

**Great Lakes Comnet (GLC) is a Competitive Access Provider (CAP) which deploys their own high capacity SONET Fiber Optic transmission system in a ring topology around geographic areas within the state of Michigan. GLC also provides local access to Telephone Companies; Long Distance to the IXC; and Broadband to Internet Service Providers (GLC is not a residential Service Provider). GLC was organized as a for-profit Michigan based corporation in 1996 and our shareholders are independent telephone companies operating throughout Michigan.**

1.5.1 Jurisdiction of incorporation/formation;

1.5.2 Date of incorporation/formation;

1.5.3 If a subsidiary, name of ultimate parent company;

1.5.4 Chairperson, President/CEO, Secretary and Treasurer (and equivalent officials for non-corporate entities). **Chairperson: Dave Schroeder, President and CEO: Paul Bowman, Secretary: Dave Fox, Treasurer: Les Jenkins**

1.6 Attach copies of Applicant's most recent annual report (with state ID number) filed with the Michigan Department of Consumer and Industry Services and certificate of good standing with the State of Michigan. For entities in existence for less than one year and for non-corporate entities, provide equivalent information.

1.7 Is Applicant aware of any present or potential conflicts of interest between Applicant and Municipality? If yes, describe: NO \_\_\_\_\_

1.8 In the past three (3) years, has Applicant had a permit to install telecommunications facilities in the public right of way revoked by any Michigan municipality?

Circle: Yes No

*If "yes," please describe the circumstances.*

1.9 In the past three (3) years, has an adverse finding been made or an adverse final action been taken by any Michigan court or administrative body against Applicant under any law or regulation related to the following:

1.9.1 A felony; or

1.9.2 A revocation or suspension of any authorization (including cable franchises) to provide telecommunications or video programming services?

Circle: Yes No

*If "yes," please attach a full description of the parties and matters involved, including an identification of the court or administrative body and any proceedings (by dates and file numbers, if applicable), and the disposition of such proceedings.*

1.10 [If Applicant has been granted and currently holds a license to provide basic local exchange service, no financial information needs to be supplied.] If publicly held, provide Applicant's most recent financial statements. If financial statements of a parent company of Applicant (or other affiliate of Applicant) are provided in lieu of those of Applicant, please explain.

1.10.1 If privately held, and if Municipality requests the information within 10 days of the date of this Application, the Applicant and the Municipality should make arrangements for the Municipality to review the financial statements.

*If no financial statements are provided, please explain and provide particulars.*

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## **2 DESCRIPTION OF PROJECT:**

2.1 Provide a copy of authorizations, if applicable, Applicant holds to provide telecommunications services in Municipality. If no authorizations are applicable, please explain.

Describe in plain English how Municipality should describe to the public the telecommunications services to be provided by Applicant and the telecommunications facilities to be installed by Applicant in the Public Ways. **Great Lakes Comnet is proposing to extend its fiber network to the Brooks Correctional Facility as part of a stimulus project that will provide a higher quality of services to rural healthcare providers.**

2.2 Attach route maps showing the location (including whether overhead or underground) of Applicant's existing and proposed facilities in the public right-of-way. To the extent known, please identify the side of the street on which the facilities will be located. (If construction approval is sought at this time, provide engineering drawings, if available, showing location and depth, if applicable, of facilities to be installed in the public right-of-way).

2.3 Please provide an anticipated or actual construction schedule. **At this time we have no start date to begin any new construction.**

2.4 Please list all organizations and entities which will have any ownership interest in the facilities proposed to be installed in the Public Ways. **Great Lakes Comnet Inc.**

2.5 Who will be responsible for maintaining the facilities Applicant places in the Public Ways and how are they to be promptly contacted? If Applicant's facilities are to be installed on or in existing facilities in the Public Ways of existing public utilities or incumbent telecommunications providers, describe the facilities to be used, and provide verification of their consent to such usage by Applicant.

### **3 TELECOMMUNICATION PROVIDER ADMINISTRATIVE MATTERS:**

*Please provide the following or attach an appropriate exhibit.*

3.1 Address of Applicant's nearest local office; **Great Lakes Comnet, 1515 Turf Lane Suite 100, East Lansing, MI 48823.**

3.2 Location of all records and engineering drawings, if not at local office;

3.3 Names, titles, addresses, e-mail addresses and telephone numbers of contact person(s) for Applicant's engineer or engineers and their responsibilities for the telecommunications system; **Kacey Polisky, OSP Network Design, 1515 Turf Lane Suite 100, East Lansing, MI 48823, [kpolisky@glcom.net](mailto:kpolisky@glcom.net), Phone: 517-679-7552, Fax: 517-324-8900.**

3.4 Provide evidence of self-insurance or a certificate of insurance showing Applicant's insurance coverage, carrier and limits of liability for the following:

3.4.1 Worker's compensation;

3.4.2 Commercial general liability, including at least:

3.4.2.1 Combined overall limits;

3.4.2.2 Combined single limit for each occurrence of bodily injury;

3.4.2.3 Personal injury;

3.4.2.4 Property damage;

3.4.2.5 Blanket contractual liability for written contracts, products, and completed operations;

3.4.2.6 Independent contractor liability;

3.4.2.7 For any non-aerial installations, coverage for property damage from perils of explosives, collapse, or damage to underground utilities (known as XCU coverage);

3.4.2.8 Environmental contamination;

3.4.3 Automobile liability covering all owned, hired, and non-owned vehicles used by Applicant, its employee, or agents.

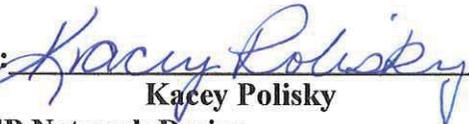
3.5 Names of all anticipated contractors and subcontractors involved in the construction, maintenance and operation of Applicant's facilities in the Public Ways.

**At this time Great Lakes Comnet is in the engineering phase of bringing the facility onto its network and we have not yet decided on a contractor for this project. In the event that we do move forward on this project we will notify the City of Muskegon and provide our plans and our contractor information with any applicable maps.**

#### **4 CERTIFICATION:**

*All the statements made in the application and attached exhibits are true and correct to the best of my knowledge and belief.*

**Great Lakes Comnet, Inc.**

By:   
Kacey Polisky

**OSP Network Design**

**Date: 3/20/2012**



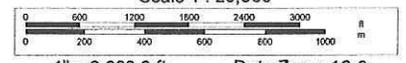
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MASTER  
COPY

**RIGHT-OF-WAY  
TELECOMMUNICATIONS PERMIT**

This permit issued this \_\_\_ day of \_\_\_\_\_, 20\_\_ by the City of Muskegon.

1 Definitions

- 1.1 Date of Issuance shall mean the date set forth above.
- 1.2 Manager shall mean Municipality's Supervisor or his or her designee.
- 1.3 METRO Act shall mean the Metropolitan Extension Telecommunications Right-of Way oversight Act, Act No. 48 of the Public Acts of 2002, as amended.
- 1.4 Municipality shall mean the City of Muskegon, a Michigan municipal corporation.
- 1.5 Permit shall mean this document.
- 1.6 Permittee shall mean Great Lakes Comnet. Inc. organized under the laws of the State of Michigan whose address is 1515 Turf Lane Ste 100. East Lansing, MI 48823.
- 1.7 Public Right-of-Way shall mean the area on, below, or above a public roadway, highway, street, alley, easement, or waterway, to the extent Municipality has the ability to grant the rights set forth herein. Public Right-of-Way does not include a federal, state, or private right-of-way.
- 1.8 Telecommunications Facilities or Facilities shall mean the Permittee's equipment or personal property, such as copper and fiber cables, lines, wires, switches, conduits, pipes, and sheaths, which are used to or can generate, receive, transmit, carry, amplify or provide telecommunication services or signals. Telecommunication Facilities or Facilities do not include antennas, supporting structures for antennas, equipment shelters or houses, and any ancillary equipment and miscellaneous hardware used to provide federally licensed commercial mobile service as defined in Section 332(d) of Part I of Title III of the Communications Act of 1934, Chapter 652, 48 Stat. 1064, 47 U.S.C. 332 and further defined as commercial mobile radio service in 47 CFR 20.3, and service provided by any wireless, two-way communications device.
- 1.9 Term shall have the meaning set forth in Part 7.

2 Grant

- 2.1 Municipality hereby issues a permit under the METRO Act to Permittee for access to and ongoing use of the Public Right-of-Way identified on Exhibit A to construct, install and maintain Telecommunication Facilities on the terms set forth herein.
- 2.1.1 Exhibit A may be modified by Manager upon written request by Permittee.
- 2.1.2 Any decision of Manager on a request by Permittee for a modification may be appealed by Permittee to Municipality's legislative body.
- 2.2 Overlapping. Permittee shall not allow the wires or any other facilities of a third party to be overlapped to the Telecommunication Facilities without Municipality's prior written consent. Municipality's right to withhold written consent is subject to the authority of the Michigan Public Service Commission under Section 361 of the Michigan Telecommunications Act, MCL § 484.2361.
- 2.3 Nonexclusive. The rights granted by this Permit are nonexclusive. Municipality reserves the right to approve, at any time, additional permits for access to and ongoing usage of the Public Right-of-Way by telecommunications providers and to enter into agreements for use of the Public Right-of-Way with and grant franchises for use of the Public Right-of-Way to telecommunications providers, cable companies, utilities and other providers.

3 Contacts, Maps and Plans

- 3.1 Permittee Contacts. The names, addresses and the like for engineering and construction related information for Permittee and its Telecommunication Facilities are as follows:
- 3.1.1 The address, e-mail address, phone number and contact person (title or name) at Permittee's local office (in or near Municipality) is **Kacey Polisky. 1515 Turf Lane, Suite 100. East Lansing, MI 48823. Phone 517-679-7552. Fax 517-324-8900. Email: kpolisky@glcom.net.**
- 3.1.2 If Permittee's engineering drawings, as-built plans and related records for the Telecommunication Facilities will not be located at the preceding local office, the location address, phone number and contact person (title or department) for them is **All documents are held at the local office.**
- 3.1.3 The name, title, address, e-mail address and telephone numbers of Permittee's engineering contact person(s) with responsibility for the

design, plans and construction of the Telecommunication Facilities is Kacey Polisky. 1515 Turf Lane, Suite 100, East Lansing, MI 48823. Phone 517-679-7552, Fax 517-324-8900. Email address: [kpolisky@glcom.net](mailto:kpolisky@glcom.net).

3.1.4 The address, phone number and contact person (title or department) at Permittee's home office/regional office with responsibility for engineering and construction related aspects of the Telecommunication Facilities is Kacey Polisky. 1515 Turf Lane, Suite 100, East Lansing, MI 48823. Phone 517-679-7552, Fax 517-324-8900. Email address: [kpolisky@glcom.net](mailto:kpolisky@glcom.net).

3.1.5 Permittee shall at all times provide Manager with the phone number at which a live representative of Permittee (not voice mail) can be reached 24 hours a day, seven (7) days a week, in the event of a public emergency. **Please call 866-221-2741 is our emergency number.**

3.1.6 Permittee shall immediately notify Municipality in writing as set forth in Part 12 of any inaccuracies or changes in the preceding information.

3.2 Route Maps. Within ninety (90) days after the substantial completion of new Facilities in a Municipality, a provider shall submit route maps showing the location of the Telecommunication Facilities to both the Michigan Public Service Commission and to the Municipality, as required under Section 6(7) of the METRO Act, MCLA 484.3106(7).

3.3 As-Built Records. Permittee, without expense to Municipality, shall, upon forty-eight (48) hours notice, give Municipality access to all "as-built" maps, records, plans and specifications showing the Telecommunication Facilities or portions thereof in the Public Right-of-Way. Upon request by Municipality, Permittee shall inform Municipality as soon as reasonably possible of any changes from previously supplied maps, records, or plans and shall mark up maps provided by Municipality so as to show the location of the Telecommunication Facilities.

#### 4 Use of Public Right-of-Way

4.1 No Burden on Public Right-of-Way. Permittee, its contractors, subcontractors, and the Telecommunication Facilities shall not unduly burden or interfere with the present or future use of any of the Public Right-of-Way. Permittee's aerial cables and wires shall be suspended so as to not endanger or injure persons or property in or about the Public Right-of-Way. If Municipality reasonably determines that any portion of the Telecommunication Facilities constitutes an undue burden or interference, due to changed circumstances, Permittee, at its sole expense, shall modify the Telecommunication Facilities or take such other actions as Municipality may determine is in the public interest to remove or alleviate the

burden, and Permittee shall do so within a reasonable time period. Municipality will attempt to require all occupants of a pole or conduit whose facilities are a burden to remove or alleviate the burden concurrently.

- 4.2 No Priority. This Permit does not establish any priority of use of the Public Right-of-Way by Permittee over any present or future permittees or parties having agreements with Municipality or franchises for such use. In the event of any dispute as to the priority of use of the Public Right-of-Way, the first priority shall be to the public generally, the second priority to Municipality, the third priority to the State of Michigan and its political subdivisions in the performance of their various functions, and thereafter as between other permit, agreement or franchise holders, as determined by Municipality in the exercise of its powers, including the police power and other powers reserved to and conferred on it by the State of Michigan.
- 4.3 Restoration of Property. Permittee, its contractors and subcontractors shall immediately (subject to seasonal work restrictions) restore, at Permittee's sole expense, in a manner approved by Municipality, any portion of the Public Right-of-Way that is in any way disturbed, damaged, or injured by the construction, installation, operation, maintenance or removal of the Telecommunication Facilities to a reasonably equivalent (or, at Permittee's option, better) condition as that which existed prior to the disturbance. In the event that Permittee, its contractors or subcontractors fail to make such repair within a reasonable time, Municipality may make the repair and Permittee shall pay the costs Municipality incurred for such repair.
- 4.4 Marking. Permittee shall mark the Telecommunication Facilities as follows: Aerial portions of the Telecommunication Facilities shall be marked with a marker on Permittee's lines on alternate poles which shall state Permittee's name and provide a toll-free number to call for assistance. Direct buried underground portions of the Telecommunication Facilities shall have (1) a conducting wire placed in the ground at least several inches above Permittee's cable (if such cable is nonconductive); (2) at least several inches above that, a continuous colored tape with a statement to the effect that there is buried cable beneath; and (3) stakes or other appropriate above ground markers with Permittee's name and a toll-free number indicating that there is buried telephone cable below. Bored underground portions of the Telecommunication Facilities shall have a conducting wire at the same depth as the cable and shall not be required to provide the continuous colored tape. Portions of the Telecommunication Facilities located in conduit, including conduit of others used by Permittee, shall be marked at its entrance into and exit from each manhole and handhole with Permittee's name and a toll-free telephone number.
- 4.5 Tree Trimming. Permittee may trim trees upon and overhanging the Public Right-of-Way so as to prevent the branches of such trees from coming into

contact with the Telecommunication Facilities, consistent with any standards adopted by Municipality. Permittee shall dispose of all trimmed materials. Permittee shall minimize the trimming of trees to that essential to maintain the integrity of the Telecommunication Facilities. Except in emergencies, all trimming of trees in the Public Right-of-Way shall have the advance approval of Manager.

- 4.6 Installation and Maintenance. The construction and installation of the Telecommunication Facilities shall be performed pursuant to plans approved by Municipality. The open cut of any Public Right-of-Way shall be coordinated with the Manager or his designee. Permittee shall install and maintain the Telecommunication Facilities in a reasonably safe condition. If the existing poles in the Public Right-of-Way are overburdened or unavailable for Permittee's use, or the facilities of all users of the poles are required to go underground then Permittee shall, at its expense, place such portion of its Telecommunication Facilities underground, unless Municipality approves an alternate location. Permittee may perform maintenance on the Telecommunication Facilities without prior approval of Municipality, provided that Permittee shall obtain any and all permits required by Municipality in the event that any maintenance will disturb or block vehicular traffic or are otherwise required by Municipality.
- 4.7 Pavement Cut Coordination. Permittee shall coordinate its construction and all other work in the Public Right-of-Way with Municipality's program for street construction and rebuilding (collectively "Street Construction") and its program for street repaving and resurfacing (except seal coating and patching) (collectively, "Street Resurfacing").
- 4.7.1 The goals of such coordination shall be to encourage Permittee to conduct all work in the Public Right-of-Way in conjunction with or immediately prior to any Street Construction or Street Resurfacing planned by Municipality.
- 4.8 Compliance with Laws. Permittee shall comply with all laws, statutes, ordinances, rules and regulations regarding the construction, installation, and maintenance of its Telecommunication Facilities, whether federal, state or local, now in force or which hereafter may be promulgated. Before any installation is commenced, Permittee shall secure all necessary permits, licenses and approvals from Municipality or other governmental entity as may be required by law, including, without limitation, all utility line permits and highway permits. Permittee shall comply in all respects with applicable codes and industry standards, including but not limited to the National Electrical Safety Code (latest edition adopted by Michigan Public Service Commission) and the National Electric Code (latest edition). Permittee shall comply with all zoning and land use ordinances and historic preservation ordinances as may exist or may hereafter be amended.

- 4.9 Street Vacation. If Municipality vacates or consents to the vacation of Public Right-of-Way within its jurisdiction, and such vacation necessitates the removal and relocation of Permittee's Facilities in the vacated Public Right-of-Way, Permittee shall, as a condition of this Permit, consent to the vacation and remove its Facilities at its sole cost and expense when ordered to do so by Municipality or a court of competent jurisdiction. Permittee shall relocate its Facilities to such alternate route as Municipality, applying reasonable engineering standards, shall specify.
- 4.10 Relocation. If Municipality requests Permittee to relocate, protect, support, disconnect, or remove its Facilities because of street or utility work, or other public projects, Permittee shall relocate, protect, support, disconnect, or remove its Facilities, at its sole cost and expense, including where necessary to such alternate route as Municipality, applying reasonable engineering standards, shall specify. The work shall be completed within a reasonable time period.
- 4.11 Public Emergency. Municipality shall have the right to sever, disrupt, dig-up or otherwise destroy Facilities of Permittee if such action is necessary because of a public emergency. If reasonable to do so under the circumstances, Municipality will attempt to provide notice to Permittee. Public emergency shall be any condition which poses an immediate threat to life, health, or property caused by any natural or man-made disaster, including, but not limited to, storms, floods, fire, accidents, explosions, water main breaks, hazardous material spills, etc. Permittee shall be responsible for repair at its sole cost and expense of any of its Facilities damaged pursuant to any such action taken by Municipality.
- 4.12 Miss Dig. If eligible to join, Permittee shall subscribe to and be a member of "MISS DIG," the association of utilities formed pursuant to Act 53 of the Public Acts of 1974, as amended, MCL § 460.701 et seq., and shall conduct its business in conformance with the statutory provisions and regulations promulgated thereunder.
- 4.13 Underground Relocation. If Permittee has its Facilities on poles of Consumers Energy, Detroit Edison or another electric or telecommunications provider and Consumers Energy, Detroit Edison or such other electric or telecommunications provider relocates its system underground, then Permittee shall relocate its Facilities underground in the same location at Permittee's sole cost and expense.
- 4.14 Identification. All personnel of Permittee and its contractors or subcontractors who have as part of their normal duties contact with the general public shall wear on their clothing a clearly visible identification card bearing Permittee's name, their name and photograph. Permittee shall account for all identification cards at all times. Every service vehicle of Permittee and its contractors or subcontractors shall be clearly identified as such to the public, such as by a magnetic sign with

Permittee's name and telephone number.

5 Indemnification

- 5.1 Indemnity. Permittee shall defend, indemnify, protect, and hold harmless Municipality, its officers, agents, employees, elected and appointed officials, departments, boards, and commissions from any and all claims, losses, liabilities, causes of action, demands, judgments, decrees, proceedings, and expenses of any nature (collectively "claim" for this Part 5) (including, without limitation, attorneys' fees) arising out of or resulting from the acts or omissions of Permittee, its officers, agents, employees, contractors, successors, or assigns, but only to the extent such acts or omissions are related to the Permittee's use of or installation of facilities in the Public Right-of-Way and only to the extent of the fault or responsibility of Permittee, its officers, agents, employees, contractors, successors and assigns.
- 5.2 Notice, Cooperation. Municipality will notify Permittee promptly in writing of any such claim and the method and means proposed by Municipality for defending or satisfying such claim. Municipality will cooperate with Permittee in every reasonable way to facilitate the defense of any such claim. Municipality will consult with Permittee respecting the defense and satisfaction of such claim, including the selection and direction of legal counsel.
- 5.3 Settlement. Municipality will not settle any claim subject to indemnification under this Part 5 without the advance written consent of Permittee, which consent shall not be unreasonably withheld. Permittee shall have the right to defend or settle, at its own expense, any claim against Municipality for which Permittee is responsible hereunder.

6 Insurance

- 6.1 Coverage Required. Prior to beginning any construction in or installation of the Telecommunication Facilities in the Public Right-of-Way, Permittee shall obtain insurance as set forth below and file certificates evidencing same with Municipality. Such insurance shall be maintained in full force and effect until the end of the Term. In the alternative, Permittee may satisfy this requirement through a program of self-insurance, acceptable to Municipality, by providing reasonable evidence of its financial resources to Municipality. Municipality's acceptance of such self-insurance shall not be unreasonably withheld.
- 6.1.1 Commercial general liability insurance, including Completed Operations Liability, Independent Contractors Liability, Contractual Liability coverage, railroad protective coverage and coverage for property damage from perils of explosion, collapse or damage to underground utilities, commonly known as XCU coverage, in an amount not less than Five

Million Dollars (\$5,000,000).

- 6.1.2 Liability insurance for sudden and accidental environmental contamination with minimum limits of Five Hundred Thousand Dollars (\$500,000) and providing coverage for claims discovered within three (3) years after the term of the policy.
  - 6.1.3 Automobile liability insurance in an amount not less than One Million Dollars (\$1,000,000).
  - 6.1.4 Workers' compensation and employer's liability insurance with statutory limits, and any applicable Federal insurance of a similar nature.
  - 6.1.5 The coverage amounts set forth above may be met by a combination of underlying (primary) and umbrella policies so long as in combination the limits equal or exceed those stated. If more than one insurance policy is purchased to provide the coverage amounts set forth above, then all policies providing coverage limits excess to the primary policy shall provide drop down coverage to the first dollar of coverage and other contractual obligations of the primary policy, should the primary policy carrier not be able to perform any of its contractual obligations or not be collectible for any of its coverages for any reason during the Term, or (when longer) for as long as coverage could have been available pursuant to the terms and conditions of the primary policy.
- 6.2 Additional Insured. Municipality shall be named as an additional insured on all policies (other than worker's compensation and employer's liability). All insurance policies shall provide that they shall not be canceled, modified or not renewed unless the insurance carrier provides thirty (30) days prior written notice to Municipality. Permittee shall annually provide Municipality with a certificate of insurance evidencing such coverage. All insurance policies (other than environmental contamination, workers' compensation and employer's liability insurance) shall be written on an occurrence basis and not on a claims made basis.
- 6.3 Qualified Insurers. All insurance shall be issued by insurance carriers licensed to do business by the State of Michigan or by surplus line carriers on the Michigan Insurance Commission approved list of companies qualified to do business in Michigan. All insurance and surplus line carriers shall be rated A+ or better by A.M. Best Company.
- 6.4 Deductibles. If the insurance policies required by this Part 6 are written with retainages or deductibles in excess of \$50,000, they shall be approved by Manager in advance in writing. Permittee shall indemnify and save harmless Municipality from and against the payment of any deductible and from the payment of any premium on any insurance policy required to be furnished hereunder.

- 6.5 Contractors. Permittee's contractors and subcontractors working in the Public Right-of-Way shall carry in full force and effect commercial general liability, environmental contamination liability, automobile liability and workers' compensation and employer liability insurance which complies with all terms of this Part 6. In the alternative, Permittee, at its expense, may provide such coverages for any or all its contractors or subcontractors (such as by adding them to Permittee's policies).
- 6.6 Insurance Primary. Permittee's insurance coverage shall be primary insurance with respect to Municipality, its officers, agents, employees, elected and appointed officials, departments, boards, and commissions (collectively "them"). Any insurance or self-insurance maintained by any of them shall be in excess of Permittee's insurance and shall not contribute to it (where "insurance or self-insurance maintained by any of them" includes any contract or agreement providing any type of indemnification or defense obligation provided to, or for the benefit of them, from any source, and includes any self-insurance program or policy, or self-insured retention or deductible by, for or on behalf of them).

7 Term

- 7.1 Term. The term ("Term") of this Permit shall be until the earlier of:
- 7.1.1 Five years (5) from the Date of Issuance; or
  - 7.1.2 When the Telecommunication Facilities has not been used to provide telecommunications services for a period of one hundred and eighty (180) days by Permittee or a successor or an assignee of Permittee; or
  - 7.1.3 When Permittee, at its election and with or without cause, delivers written notice of termination to Municipality at least one-hundred and eighty (180) days prior to the date of such termination; or
  - 7.1.4 Upon either Permittee or Municipality giving written notice to the other of the occurrence or existence of a default by the other party under Sections 4.8, 6, 8 or 9 of this Permit and such defaulting party failing to cure, or commence good faith efforts to cure, such default within sixty (60) days (or such shorter period of time provided elsewhere in this Permit) after delivery of such notice; or
  - 7.1.5 Unless Manager grants a written extension, one year from the Date of Issuance if prior thereto Permittee has not started the construction and installation of the Telecommunication Facilities within the Public Right-of-Way and two years from the Date of Issuance if by such time construction and installation of the Telecommunication Facilities is not

complete.

8 Performance Bond or Letter of Credit

8.1 Municipal Requirement. Municipality may require Permittee to post a bond (or letter of credit) as provided in Section 15(3) of the METRO Act, as amended [MCL § 484.3115(3)].

9 Fees

9.1 Establishment; Reservation. The METRO Act shall control the establishment of right-of-way fees. The parties reserve their respective rights regarding the nature and amount of any fees which may be charged by Municipality in connection with the Public Right-of-Way.

10 Removal

10.1 Removal; Underground. As soon as practicable after the Term, Permittee or its successors and assigns shall remove any underground cable or other portions of the Telecommunication Facilities from the Public Right-of-Way which has been installed in such a manner that it can be removed without trenching or other opening of the Public Right-of-Way. Permittee shall not remove any underground cable or other portions of the Telecommunication Facilities which requires trenching or other opening of the Public Right-of-Way except with the prior written approval of Manager. All removals shall be at Permittee's sole cost and expense.

10.1.1 For purposes of this Part 10, "cable" means any wire, coaxial cable, fiber optic cable, feed wire or pull wire.

10.2 Removal; Above Ground. As soon as practicable after the Term, Permittee, or its successor or assigns at its sole cost and expense, shall, unless waived in writing by Manager, remove from the Public Right-of-Way all above ground elements of its Telecommunication Facilities, including but not limited to poles, pedestal mounted terminal boxes, and lines attached to or suspended from poles.

10.3 Schedule. The schedule and timing of removal shall be subject to approval by Manager. Unless extended by Manager, removal shall be completed not later than twelve (12) months following the Term. Portions of the Telecommunication Facilities in the Public Right-of-Way which are not removed within such time period shall be deemed abandoned and, at the option of Municipality exercised by written notice to Permittee as set forth in Part 12, title to the portions described in such notice shall vest in Municipality.

11 Assignment. Permittee may assign or transfer its rights under this Permit, or the persons or entities controlling Permittee may change, in whole or in part, voluntarily, involuntarily, or by operation of law, including by merger or consolidation, change in the ownership or control of Permittee's business, or by other means, subject to the following:

11.1 No such transfer or assignment or change in the control of Permittee shall be effective under this Permit, without Municipality's prior approval (not to be unreasonably withheld), during the time period from the Date of Issuance until the completion of the construction of the Telecommunication Facilities in those portions of the Public Right-of-Way identified on Exhibit A.

11.2 After the completion of such construction, Permittee must provide notice to Municipality of such transfer, assignment or change in control no later than thirty (30) days after such occurrence; provided, however,

11.2.1 Any transferee or assignee of this Permit shall be qualified to perform under its terms and conditions and comply with applicable law; shall be subject to the obligations of this Permit, including responsibility for any defaults which occurred prior to the transfer or assignment; shall supply Municipality with the information required under Section 3.1; and shall comply with any updated insurance and performance bond requirements under Sections 6 and 8 respectively, which Municipality reasonably deems necessary, and

11.2.2 In the event of a change in control, it shall not be to an entity lacking the qualifications to assure Permittee's ability to perform under the terms and conditions of this Permit and comply with applicable law; and Permittee shall comply with any updated insurance and performance bond requirements under Sections 6 and 8 respectively, which Municipality reasonably deems necessary.

11.3 Permittee may grant a security interest in this Permit, its rights thereunder or the Telecommunication Facilities at any time without notifying Municipality.

12 Notices

12.1 Notices. All notices under this Permit shall be given as follows:

12.1.1 If to Municipality, to the City of Muskegon, 933 Terrace Street, Muskegon, MI 49440.  
If to Permittee, to Great Lakes Comnet, 1515 Turf Lane, Suite 100, East Lansing, MI 48823.

12.2 Change of Address. Permittee and Municipality may change its address or personnel for the receipt of notices at any time by giving notice thereof to the other as set forth above.

13 Other items

13.1 No Cable, OVS. This Permit does not authorize Permittee to provide commercial cable type services to the public, such as "cable service" or the services of an "open video system operator" (as such terms are defined in the Federal Communications Act of 1934 and implementing regulations, currently 47 U.S.C. §§ 522 (6), 573 and 47 CFR § 76.1500).

13.2 Effectiveness. This Permit shall become effective when Permittee has provided any insurance certificates and bonds required in Parts 6 and 8, and signed the acknowledgement of receipt, below.

13.3 Authority. This Permit satisfies the requirement for a permit under Section 5 of the METRO Act [MCL 484.3105].

13.4 Interpretation and Severability. The provisions of this Permit shall be liberally construed to protect and preserve the peace, health, safety and welfare of the public, and should any provision or section of this Permit be held unconstitutional, invalid, overbroad or otherwise unenforceable, such determination/holding shall not be construed as affecting the validity of any of the remaining conditions of this Permit. If any provision in this Permit is found to be partially overbroad, unenforceable, or invalid, Permittee and Municipality may nevertheless enforce such provision to the extent permitted under applicable law.

13.5 Governing Law. This Permit shall be governed by the laws of the State of Michigan.

City of Muskegon

By: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

Acknowledgement of Receipt: Permittee acknowledges receipt of this Permit granted by Municipality.

Great Lakes Comnet, Inc., a Michigan corporation

By: \_\_\_\_\_

Its: Permitting Agent

Date: \_\_\_\_\_

**CERTIFICATE OF INSURANCE**

03/15/2012

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURERS(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the polic(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

THIS IS TO CERTIFY THAT: **Great Lakes Com Net, Inc.**  
 1515 Turf Lane  
 East Lansing, MI 48823



**FEDERATED RURAL ELECTRIC  
 INSURANCE EXCHANGE**

NAIC: 11118  
 P.O. Box 15147, Lenexa, KS 66285-5147  
 (913) 541-0150 fax (913) 541-9004  
 www.federatedrural.com

IS, AT THE ISSUE DATE OF THIS CERTIFICATE, INSURED BY THE COMPANY UNDER THE POLICY(IES) LISTED BELOW. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOW MAY HAVE BEEN REDUCED BY PAID CLAIMS.

TYPE OF INSURANCE	POLICY NUMBER	POLICY DATES	LIMITS (\$)	
GENERAL LIABILITY COMMERCIAL GENERAL LIABILITY OCCURRENCE-BASIS COMPREHENSIVE FORM PREMISIS / OPERATIONS UND / EXPLOSION & COLLAPSE PRODUCTS / COMP OPS CONTRACTUAL BROAD-FORM PROPERTY DAMAGE NO GENERAL AGGREGATE	21 ARB 035-10	11/18/2010 to 11/18/2012	EACH OCCURRENCE	\$2,000,000
			DAMAGE TO RENTED PREMISES	\$2,000,000
			MED EXP (PER PERSON)	\$1,000
			PERSONAL & ADV INJURY	\$2,000,000
AUTOMOBILE LIABILITY ANY AUTO HIRED & NON-OWNED AUTO GARAGE LIABILITY (ANY AUTO)	21 ARB 035-10	11/18/2010 to 11/18/2012	COMBINED SINGLE LIMIT (EACH ACCIDENT)	\$2,000,000
ALL-RISK BLANKET PROPERTY INCLUDING PHYSICAL DAMAGE TO VEHICLES	21 ARB 035-10	11/18/2010 to 11/18/2012	DEDUCTIBLES	
			PROPERTY	\$500
			COMP	\$250
			COLLISION	\$500
				PROPERTY LIMIT: \$13,562,270

**DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EQUIPMENT / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS**  
 231-724-6724

**CERTIFICATE HOLDER:**  
 CITY OF MUSKEGON  
 933 TERRACE ST  
 MUSKEGON, MI 49440

**CANCELLATION:**  
 SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

**AUTHORIZED REPRESENTATIVE:**

*Thomas A. Kitchin*

Date: April 3<sup>rd</sup>, 2012  
To: Honorable Mayor and City Commissioners  
From: Director of Public Safety Jeffrey Lewis  
RE: MUFD Equipment Request (turnout gear)

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**SUMMARY OF REQUEST:**

The Director of Public Safety requests that the Commission authorize the amount of \$19,048.56 for (12) twelve sets of turnout gear for part time fire fighters in which have/will be in-service by June of 2012. The department recently hired (6) six firefighters who are now in fire training, the other (6) six will be activated on/before June 2012. The safety equipment is personalized to each firefighter and will be issued at the time received. The turnout gear per set (\$1587.38), quote thru 04/26/12, sole source vendor (Douglass Safety Systems LLC).

**FINANCIAL IMPACT:**

N/A

**BUDGET ACTION REQUIRED:**

Equipment was budgeted in the 2011/12 budget cycle to support the hire of part time firefighters.

**STAFF RECOMMENDATION:**

Staff recommends approval of this purchase request.

**AGENDA ITEM NO.** \_\_\_\_\_

**CITY COMMISSION MEETING** \_\_\_\_\_

**TO:** Honorable Mayor and City Commissioners

**FROM:** Bryon L. Mazade, City Manager

**DATE:** March 29, 2012

**RE:** Veterans Memorial Park Transportation Project

**SUMMARY OF REQUEST:**

To approve funding for a transportation improvement project for Veterans Memorial Park.

**FINANCIAL IMPACT:**

Up to \$12,000 cost to the City.

**BUDGET ACTION REQUIRED:**

None at this time.

**STAFF RECOMMENDATION:**

Approve funding up to \$12,000 for the project and authorize the City to act as the fiduciary for the project.

**COMMITTEE RECOMMENDATION:**

The Veterans Memorial Park Committee recommends approval.

**Muskegon Veteran's Park**  
**Potential Items for Inclusion in Grant Applications**



Prepared 6/2/11 by MDOT – Muskegon TSC  
Revised 7/14/11 by MDOT – Muskegon TSC  
Revised 10/18/11 by MDOT – Muskegon TSC  
Revised 03/20/2012 by MDOT – Muskegon TSC

**Item #1 – Parking for the Northern Portion of the Park**

Construct a new parking area on the north side of the river along the SB lanes of M-120. Parking area will be similar in design and size to the two existing parking areas located on the south bank of the Muskegon River.

ITEM #1 - CONSTRUCT NEW PARKING LOT ON NORTH SIDE

<i>Work Item</i>	<i>Unit</i>	<i>Quantity</i>	<i>Unit Price</i>	<i>Estimate</i>
Excavation, Earth	Cyd	790	\$10.00	\$7,900.00
Embankment, CIP, Special	Cyd	2370	\$10.00	\$23,700.00
Curb and Gutter, Det B2	Ft	130	\$20.00	\$2,600.00
Driveway Opening, Conc, Det M	Ft	70	\$20.00	\$1,400.00
Aggregate Base	Syd	1670	\$7.00	\$11,690.00
HMA (3.5")	Ton	325	\$65.00	\$21,125.00
Slope Restoration	Syd	700	\$2.00	\$1,400.00
<b>Item #1 Subtotal (Rounded)</b>				<b>\$70,000.00</b>



**Item #2 – New Sidewalk Loop for Northern Portion of Park**

Construct a sidewalk loop around the northern portion of the park. This would be made similar to the walkway that was included in the original construction, but would need to be modified to connect to the existing sidewalk that crosses on the inside of the northbound bridge, and would include an elevated boardwalk over the channel connecting the northern lagoon to the river.

**ITEM #2 - EXPANSION OF SIDEWALK TO NORTH SIDE LOOP**

<i>Work Item</i>	<i>Unit</i>	<i>Quantity</i>	<i>Unit Price</i>	<i>Estimate</i>
Excavation, Earth	CYD	220	\$10.00	\$2,200.00
Embankment, CIP, Special	CYD	440	\$10.00	\$4,400.00
Sidewalk, Conc, 4 inch	SFT	10000	\$2.50	\$25,000.00
Timber Boardwalk	Ft	160	\$400.00	\$64,000.00
Slope Restoration	SYD	2670	\$2.00	\$5,340.00
			<b><i>Item #2 Subtotal (Rounded)</i></b>	<b><i>\$101,000.00</i></b>



**Item #3 – Removal of Existing Streetlights**

Remove the existing street lights along M-120. The existing street lights would be replaced by item #2B. MDOT has reviewed the location and determined that the lights are not warranted for traffic purposes.

<i>Work Item</i>	<i>Unit</i>	<i>Quantity</i>	<i>Unit Price</i>	<i>Estimate</i>
Light Std Arm, Rem	Ea	50	\$50.00	\$2,500.00
Light Std Fdn, Rem	Ea	50	\$200.00	\$10,000.00
Light Std Shaft, Rem	Ea	50	\$100.00	\$5,000.00
Luminaire, Rem	Ea	50	\$30.00	\$1,500.00
<b>Item #3 Subtotal (Rounded)</b>				<b>\$19,000.00</b>



**Item #4 – Construction of Pedestrian Lighting and Electrical System Upgrades**

Construct a system of low level pedestrian lights that would follow the existing and proposed walkways throughout the park. Included would be a general upgrade of the electrical system throughout the park to accommodate the new lights.

**ITEM #4 - INSTALLATION OF PEDESTRIAN LIGHTING, AND UPGRADED ELECTRICAL SYSTEM**

<i>Work Item</i>	<i>Unit</i>	<i>Quantity</i>	<i>Unit Price</i>	<i>Estimate</i>
Light Standard Foundation	Ea	80	\$200.00	\$16,000.00
Light Standard Shaft, Round, 16'	Ea	80	\$1,500.00	\$120,000.00
Luminaire, LED, 250 W	Ea	80	\$1,600.00	\$128,000.00
Conduit, Direct Bury, 1, 2 inch	Ft	10000	\$3.50	\$35,000.00
Conduit, Direct Bury, 1, 3 inch	Ft	500	\$6.00	\$3,000.00
Conduit, Direct Bury, 1, 4 inch	Ft	500	\$8.00	\$4,000.00
Conduit, Directional Bore, 3 inch	Ft	1000	\$15.00	\$15,000.00
DB Cable in Conduit, 600V, 1/C#4	Ft	1000	\$1.50	\$1,500.00
DB Cable in Conduit, 600V, 1/C#6	Ft	32000	\$1.25	\$40,000.00
Cable Equipment Grounding Wire, 1/C#4	Ft	500	\$1.50	\$750.00
Cable Equipment Grounding Wire, 1/C#6	Ft	5000	\$1.25	\$6,250.00
Handhole, Heavy Duty Cover	Ea	10	\$700.00	\$7,000.00
Handhold, Light Duty Cover	Ea	30	\$500.00	\$15,000.00
Outdoor Outlet	Ea	10	\$400.00	\$4,000.00
Flag Pole Light	Ea	10	\$500.00	\$5,000.00
Utility Connection Charge	LS	1	\$20,000.00	\$20,000.00
<b>Item #4 Subtotal (Rounded)</b>				<b>\$421,000.00</b>



**Item #5 – Additional Signs, Benches, and Landscaping**

Additional signage concerning the construction and history of the park, and the veteran’s for which it was built. Benches placed at convenient locations along the walkways throughout the park, and some additional landscaping to improve the aesthetics of the park and recreate some of the historical/original landscaping.

ITEM #5 - INSTALLATION OF SIGNAGE, MEMORIALS AND BENCHES

<i>Work Item</i>	<i>Unit</i>	<i>Quantity</i>	<i>Unit Price</i>	<i>Estimate</i>
Benches	Ea	15	\$1,500.00	\$22,500.00
Signs	Ea	10	\$1,000.00	\$10,000.00
Landscaping	LS	1	\$120,000.00	\$120,000.00
<b>Item #5 Subtotal (Rounded)</b>				<b>\$153,000.00</b>



**Item #6 – Pave the Existing Parking Lots**

Apply two courses of hot mixed asphalt to the existing parking lots to improve access, and create an ADA friendly environment. Complete hard path, ADA compliant connections from the parking lots to the existing and proposed walkways.

ITEM #6 - PAVE EXISTING LOTS

<i>Work Item</i>	<i>Unit</i>	<i>Quantity</i>	<i>Unit Price</i>	<i>Estimate</i>
OGDC, 6 inch, Modified	Syd	2750	\$7.00	\$19,250.00
HMA (3.5")	Ton	530	\$65.00	\$34,450.00
<b>Item #6 Subtotal (Rounded)</b>				<b>\$54,000.00</b>



### Summary of Estimated Costs

<i>Item #</i>	<i>Brief Description</i>	<i>Estimated Cost</i>
1	<i>New Parking Area</i>	<i>\$70,000.00</i>
2	<i>Northern Portion Sidewalk Loop</i>	<i>\$101,000.00</i>
3	<i>Remove Streetlights</i>	<i>\$19,000.00</i>
4	<i>Construct Pedestrian Lights</i>	<i>\$421,000.00</i>
5	<i>Signage, Benches and Landscaping</i>	<i>\$153,000.00</i>
6	<i>Pave Existing Parking Lots</i>	<i>\$54,000.00</i>
	<i>Contingency (~10%)</i>	<i>\$82,000.00</i>

*Construction Cost Total* **\$900,000.00**

*Engineering and Oversight Cost Total* **\$73,000.00**

*Total Estimated Cost* **\$973,000.00**

### Summary of Proposed Funding

<i>Construction</i>	<i>State / Federal Enhancement Grant (95%)</i>	<i>\$855,000.00</i>
<i>Construction</i>	<i>Veterans Groups / Lions Club / Community Foundation (5%) (Cash &amp; Community Foundation Grant)</i>	<i>\$45,000.00</i>

*Construction Funding Total* **\$900,000.00**

<i>Engineering and Oversight</i>	<i>Local Participation (City of Muskegon &amp; North Muskegon &amp; Muskegon County)</i>	<i>\$73,000.00</i>
<i>Engineering and Oversight</i>	<i>Veterans Groups / Lions Club / Community Foundation (Additional Potential Fund Raising)</i>	<i>???</i>

*Engineering and Oversight Funding Total* **\$73,000.00**

*Total Estimated Funding* **\$973,000.00**

## Veteran's Park Enhancement Grant Funding

March 19, 2012

### Project Costs

Construction (see detail below)	\$900,000
Engineering (see detail below)	\$73,000
<b>Total Costs</b>	<b>\$973,000</b>

### Funding Sources

Enhancement Grant (95% of construction)	\$855,000
Veterans Fundraising Efforts (to date)	\$50,000
Hooker DeJong Contribution	\$31,500
Remainder of Funding Requirement	<b>\$36,500</b>
<b>Total Funding</b>	<b>\$973,000</b>

### Participation beyond Fed/State

5% of construction costs	\$45,000
Engineering (see estimate below)	\$73,000
<b>Total Needed</b>	<b>\$118,000</b>

### Construction Estimate Detail

Parking Lot north side	\$70,000
Sidewalk Loop north side	\$37,000
Boardwalk across north pond	\$64,000
Removal of streetlights	\$19,000
Pedestrian Lighting and assoc. electrical	\$421,000
Signs, Benches, Landscaping, Monuments	\$153,000
Pave existing parking lots	\$54,000
Contingency	\$82,000
<b>Total Construction Costs</b>	<b>\$900,000</b>

### Engineering Estimate Detail (from HDJ)

HDJ Work (Sidewalk, boardwalk, lighting, permitting, construction oversight, etc.)	\$63,000
Subconsultant Work (survey, landscape, site civil)	\$10,000
<b>Total Engineering</b>	<b>\$73,000</b>

Commission Meeting Date: April 10, 2012

Date: March 28, 2012  
To: Honorable Mayor & City Commission  
From: Planning & Economic Development Department  
RE: Next Michigan- Interlocal Agreement for the West Michigan Economic Development Partnership

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**SUMMARY OF REQUEST:** The “Interlocal Agreement for the West Michigan Economic Development Partnership” (Muskegon and Kent counties) has been prepared and reviewed by the staff and attorneys for all participating jurisdictions. Approval of the “Agreement” by all entities will allow us to apply for a Next Michigan status. The County of Muskegon approved the “Agreement” at their meeting on March 22.

**FINANCIAL IMPACT:** None, at this time. However, if we are approved for Next Michigan status, board members will be appointed from each jurisdiction. The Board will then develop a budget, with funding coming from each entity.

**BUDGET ACTION REQUIRED:** None.

**STAFF RECOMMENDATION:** To approve the attached “Agreement” and authorize the Mayor and Clerk to sign.

**COMMITTEE RECOMMENDATION:** The Work Session will review information on the “Agreement” at their April 9 meeting.

**INTERLOCAL AGREEMENT FOR THE WEST MICHIGAN ECONOMIC  
DEVELOPMENT PARTNERSHIP**

This **INTERLOCAL AGREEMENT** is entered into pursuant to Act No. 7 of the Public Acts of Michigan of 1967 (hereinafter defined), including the powers and authorities granted under the Acts set forth below between the signatory parties hereto (“Parties” or “Local Government Unit”) for the purpose of creating the West Michigan Economic Development Partnership (“Authority”) a separate legal entity and public body corporate, to administer the economic development objectives and purposes set forth herein.

## RECITALS

**WHEREAS**, the Parties have determined that the establishment of a Next Michigan Development Corporation pursuant to Act No. 275 of the Public Acts of 2010 (“Act 275”) offers significant regional economic development opportunities and benefits.

**WHEREAS**, the Urban Cooperation Act of 1967, Act No. 7 of the Public Acts of Michigan, 1967, Ex. Sess. (“Act 7”), permits a public agency to exercise jointly with any other public agency any power, privilege or authority which such public agencies share in common and which each might exercise separately.

**WHEREAS**, the Parties desire to create a separate legal and administrative entity to administer the provisions of this Agreement. The Authority is intended to serve this purpose and to qualify as an eligible Act 7 entity under Act 275.

**WHEREAS**, each Party has the power, privilege and authority to perform various economic development activities and administrative functions supportive of economic development activities and to enter into this Agreement.

**WHEREAS**, each Party, by resolution of its governing body, has approved and is authorized to execute and deliver this Agreement.

**IN WITNESS WHEREOF**, the Parties covenant and agree as follows:

## ARTICLE I DEFINITIONS

The following words and expressions, whenever initially capitalized, whether used in the singular or plural, possessive or nonpossessive and/or either within or without quotation marks shall be defined and interpreted as follows:

Section 1.01 “Act 7” means the Urban Cooperation Act of 1967, Act No. 7 of the Public Acts of Michigan, 1967 (Ex Sess), as amended.

Section 1.02 “Act 275” means the Next Michigan Development Act, Act No. 275 of the Public Acts of Michigan, 2010.

Section 1.03 “Agreement” means this Interlocal Agreement, dated as of the Effective Date.

Section 1.04 “Authority” means the separate legal entity and public body corporate established and created pursuant to this Agreement, which will administer and implement the economic development objectives and activities set forth herein. The Authority shall be deemed an “eligible Act 7 entity” as that term is defined in Act 275 and shall have the powers granted under Act 7 and Act 275.

Section 1.05 “Authority Board” means the governing body of the Authority created by Article VI of this Agreement.

Section 1.06 “Days” means calendar days, unless otherwise expressly provided.

Section 1.07 “Development Corporation” or “Next Michigan Development Corporation” means that term as defined in Act 275.

Section 1.08 “Effective Date” means the later of the dates on which a fully executed copy of this Agreement, pursuant to Section 10 of Act 7, is filed with (i) the Michigan Department of State, Office of the Great Seal, (ii) the Kent County Clerk, and (iii) the Muskegon County Clerk.

Section 1.09 "Eligible next Michigan business" means that term as defined in Section 3 of the Michigan Economic Growth Authority Act, Act No. 24 of the Public Acts of Michigan, 1995, as amended.

Section 1.10 ““Eligible urban entity" means that term as defined in Act 275.

Section 1.11 “Fiscal Year” means the fiscal year of the Authority, which shall begin on July 1 of each year and end on June 30 of each year, or such other fiscal year as may be determined from time to time by the Authority Board.

Section 1.12 “FOIA” or “Freedom of Information Act” means the Freedom of Information Act, Act No. 442 of the Public Acts of Michigan, 1976, as amended.

Section 1.13 “Local Government Unit” shall mean any Party organized as a Michigan city, village, township, charter township or county which is a signatory under this Agreement.

Section 1.14 "Michigan strategic fund" means the Michigan strategic fund as described in the Michigan Strategic Fund Act, Act No. 270 of the Public Acts of Michigan, 1984, as amended.

Section 1.15 “Next Michigan Development District” means that term as defined in Act 275 which area may also be referred to in this Agreement as “Development Area.”

Section 1.16 “OMA” or “Open Meetings Act” means the Open Meetings Act, Act No. 267 of the Public Acts of Michigan, 1976, as amended.

Section 1.17 “Party” or “Parties” means, either individually or collectively, as applicable, a Local Government Unit which is a signatory to this Agreement.

Section 1.18 “Person” means any individual, authority, profit or non-profit corporation, partnership, limited liability company, university, joint venture, trust, association, chamber of commerce, travel and visitors center, or other legal entity.

Section 1.19 “Public Agency” means that term as defined in Act 7.

Section 1.20 “West Michigan Economic Development Partnership” shall be the name of the Authority as approved for next Michigan development corporation status is approved by the Michigan strategic fund in accordance with Act 275.

## ARTICLE II CREATION OF THE AUTHORITY

Section 2.01 Creation and Legal Status of the Authority. In accordance with Act 7, a separate legal entity and public body corporate is hereby created to be known as the “West Michigan Economic Development Partnership Authority” for the purpose of administering and executing this Agreement (the “Authority”). The Authority shall have the powers provided for in this Agreement. If approved by the Michigan strategic fund in accordance with Act 275, the Authority shall thereafter be referred to as the West Michigan Economic Development Partnership.

Section 2.02 Participating Parties. The participating parties to this Agreement are \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_.

Section 2.03 Geographic Boundaries. The boundaries of the Authority, within which it may exercise its powers, shall be limited to the boundaries of the Parties, as more particularly described in Exhibit A attached and made a part hereof, it being understood that the boundaries in this Exhibit may be amended from time to time to incorporate the boundaries of new Parties to this Agreement.

Section 2.04 Principal Office. The principal office of the Authority is \_\_\_\_\_, Michigan 4\_\_\_\_, or such other location as may be determined from time to time by the Authority Board.

Section 2.05 Compliance with Law. The Authority shall comply with all federal and state laws, rules, and regulations.

Section 2.06 Independent Contractor. At all times and for all purposes under this Agreement, each Party will be solely responsible for the acts of its own employees, agents, and servants. No Party will be responsible for the employees of the Authority or any other Party as a result of entering into this Agreement.

Section 2.07 No Third Party Beneficiaries. Unless expressly provided herein, this Agreement does not, and is not intended to, create, by implication or otherwise, any direct or indirect obligation, duty, promise, benefit, right to be indemnified (i.e., contractually, legally, equitably, or by implication) and/or any right to be subrogated to any Party's rights in this Agreement, and/or any other right of any kind, in favor of any Person.

ARTICLE III  
PURPOSE

Section 3.01 Purpose. The purpose of the Authority is to take advantage of the provisions of State laws, now ~~or hereafter~~ enacted, enabling the creation and administration of a Next Michigan Development Corporation in accordance with Act 275 in order to enhance economic development opportunities within a Next Michigan Development District generally, and to attract facilities and employment within the District. It is not intended that employment will be transferred as a result of the creation of the Authority or the exercise of the powers authorized by this Agreement. The Authority may exercise powers granted by State laws in the joint exercise of shared powers, privileges or authority of the Parties and perform successful, effective and efficient economic development programs and functions throughout the geographic boundaries of the Authority. Shared powers shall include coordinating complementary local programs and functions of the Parties and focusing on businesses needing two or more modes of transportation for their operation. In addition, efforts will be undertaken to secure the development of national and international companies and to facilitate the streamlining of the permitting process at the local governmental level. Subject to the approval of the parties hereto, to the extent that State laws are enacted or amended subsequent to the Effective Date to provide for additional powers which may be exercised by the Authority, as hereafter recognized by statute, the Parties desire and intend that the Authority be empowered and authorized to exercise such powers to the full extent permitted by law from and after such enactment or amendment, without further amendment to this Agreement, subject only to the limitations set forth in this Agreement.

ARTICLE IV  
GENERAL POWERS OF THE AUTHORITY

Section 4.01 Powers Granted Under Act 7. In carrying out its purposes, the Authority may perform, or perform with any Person, as applicable, any power, privilege, or action related to economic development that the Parties share in common and that each might exercise separately to the fullest extent permitted by Act 7 and as authorized by this Agreement. Notwithstanding the foregoing, the powers granted to the Authority shall include the power to:

- (a) Make or enter into contracts;
- (b) Employ agencies or employees;
- (c) Acquire, construct, manage, maintain, or operate buildings, works, or improvements;

(d) Acquire, own, hold, operate, maintain, lease, or sell real or personal property and dispose of, divide, or distribute any property;

(e) Incur debts, liabilities, or obligations that, unless expressly authorized by the Parties, do not constitute the debts, liabilities, or obligations of any of the Parties;

(f) Cooperate with a Public Agency, an agency or instrumentality of the Public Agency, or another legal or administrative entity created by the Public Agency under Act 7;

(g) Make loans from the proceeds of gifts, grants, assistance funds, or bequests in order to further its purposes;

(h) Form other entities necessary to further the purposes of the Agreement which other entities shall have powers and limitations not exceeding that of the Authority; and

(i) Sue and be sued;

(j) Charge fees to third parties as necessary to administer this Agreement;

(k) Promulgate necessary rules and provision for their enforcement by or with the assistance of the Parties to accomplish the purposes of this Agreement;

(l) Apply for and accept gifts, grants, assistance funds, or bequests from public or private foundations, agencies or other entities, and use the same for the purposes of this Agreement. The Authority may apply for and accept grants, loans, or contributions from any source. The Authority may do anything within its power to secure the grants, loans, or other contributions;

(m) Make claims for federal or state aid payable to a Party on account of the execution of this Agreement;

(n) Respond for any liabilities that might be incurred through performance of the Agreement and insure against any such liability;

(o) Invest surplus funds or proceeds of grants, gifts, or bequests and adopt an investment policy in connection therewith;

(p) Employ legal, financial and technical experts, other officers, agents, or employees, and accept voluntary provision of such services and functions from donor individuals and entities; and

(q) Study, develop, and prepare the reports or plans the Authority considers necessary to further the purposes of this Agreement and to monitor and evaluate performance under this Agreement.

(r) Make application to the Michigan strategic fund for approval as a next Michigan development corporation.

Section 4.02 Powers Under Act 275. In addition to the powers enumerated under Act 7 referenced above, the Authority may, after approval of its status as a next Michigan development corporation, exercise all powers vested through Act 275 including:

(a) Marketing the Authority.

(b) Seeking and attracting “eligible next Michigan businesses” to the Development Area including:

(1) Businesses engaged in the shipment of tangible personal property via multimodal commerce;

(2) Supply chain businesses providing a majority of their services to businesses engaged in the shipment of tangible personal property, including inventory, via multimodal commerce;

(3) Manufacturing or assembly facilities receiving a majority of their production components via multimodal commerce;

(4) Manufacturing or assembly facilities shipping a majority of their products via multimodal commerce; or

(5) Light manufacturing or assembly facilities that package, label, or customize products and ships those products via multimodal commerce.

(6) Manufacturers engaged in food processing and renewable energy.

(c) Exercising the powers granted by State law including:

(1) The Renaissance Zone Act, Act No. 376 of the Public Acts of Michigan, 1996, as amended.

(2) The Local Development Financing Act, Act No. 281 of the Public Acts of Michigan, 1986, as amended.

(3) The Plant Rehabilitation and Industrial Development Districts Act, Act No. 198 of the Public Acts of Michigan, 1974, as amended.

(4) Section 9f of the General Property Tax Act, Act No 206 of the Public Acts of Michigan, 1893, as amended.

(d) Perform any other activity authorized by Act 275.

(e) The Authority shall not exercise any power identified in Sections 4.01(m), 4.02(c) or 4.02(d) within the boundaries of a Local Government Unit without the consent of that Local Government Unit.

Section 4.03 Notes; Limitations. Any bond or note issued by the Authority shall be a debt of the Authority.

Section 4.04 Tax Limitation. The Authority is not authorized to levy any type of property tax millage. Nothing contained in this Agreement, however, prevents one or more of the Parties from levying taxes in their own right and assigning the revenue from such taxes to the Authority to the extent permitted by law.

Section 4.05 No Waiver of Governmental Immunity. The Parties agree that no provision of the Agreement is intended, nor shall it be construed, as a waiver by any Party of any governmental immunity provided by law. In accordance with Act 7, the Authority shall not be operated for profit, and it shall be engaged in the performance of governmental functions.

## ARTICLE V SPECIFIC POWERS OF THE AUTHORITY; LIMITATIONS

Section 5.01 Master Development Plan. The Authority, in collaboration with and subject to the approval of the Local Government Units, shall have the power to promulgate a master development plan or similar plan as required by the specific act being used for that area within the boundaries of the Development Area of the Authority.

Section 5.02 Application Criteria and Review; Incentives; Approval. The Authority shall have the power to prepare and process application materials; establish, seek and accept applications from prospective developers and businesses; establish criteria for development, except as such discretion is limited by this Agreement or law; consult with the State officials having subject matter jurisdiction in respect of applications and approvals; monitor the performance of applicants; and make recommendations regarding applications to State officials or entities, a Local Government Unit, or any other Person having subject matter jurisdiction.

Section 5.03 Infrastructure Planning and Development. The Authority may work with state and local government officials in the planning and development of infrastructure within the geographic territory of the Authority, including without limitation, coordinating efforts with local commercial realtors.

Section 5.04 Site Selection. The Authority may assist prospective developers and businesses with the selection of development sites within the geographic territory of the Authority.

Section 5.05 Marketing; Business Attraction. The Authority may conduct marketing and business attraction efforts on behalf of itself and the Development Area.

Section 5.06 Real Estate Development. The Authority may provide consultation to assist any Person with respect to the development of real estate within the geographic territory of the Authority.

Section 5.07 Regulatory Assistance and Processing. The Authority may provide assistance to prospective developers and businesses with respect to applying for and obtaining any necessary or advisable licenses, permits or approvals from federal, State and local government entities.

Section 5.08 Local Government Assistance. The Authority may provide assistance to Local Government Units with implementing and coordinating economic development programs within the geographic territory of the Authority.

## ARTICLE VI AUTHORITY BOARD

Section 6.01 Authority Board Composition. The Authority shall be governed by a Board of Directors. Each Party shall appoint a member to the Authority Board, and members of the Authority Board shall serve at the pleasure of the appointing Party for terms as established by each Party as permitted by law.

(a) Each Party entitled to membership on the Authority Board shall have the ability to appoint one (1) alternate member to serve in a permanent member's place if the permanent member is absent from an Authority Board meeting. Appointment of the alternate shall be made by the appointing authority in writing with a copy to the Authority.

(b) A vacancy on the Authority Board shall be filled in the same manner as the original appointment for the balance of the unexpired term.

(c) All Authority Board members may be removed by the appointing authority at will.

Section 6.02 Regular Meetings. The Authority Board shall meet at least annually within the Authority's boundaries at the place, date, and time as the Authority Board shall determine. Notwithstanding the foregoing, the Authority Board may meet with such frequency as it deems advisable and it shall annually adopt a schedule of meetings. All meetings shall comply with the Open Meetings Act.

Section 6.03 Special Meetings. Special meetings may be called upon the request of three or more members of the Authority Board or upon the call of the Chairperson.

Section 6.04 Quorum and Voting. A majority of the Authority Board holding office shall constitute a quorum. Unless provided elsewhere in this Agreement or in by-laws adopted by the Authority Board, a majority vote of those present and voting shall be required to take action or otherwise for the transaction of business.

Section 6.05 Authority Board Powers and Responsibilities. The Authority Board shall do all of the following by a majority vote of those present and voting unless otherwise provided:

(a) Upon the recommendation of the Authority Board, adopt by-laws and rules of procedure governing the Authority Board and their respective actions and meetings. Initial by-laws and rules of procedure shall be adopted within six months of the first meeting of the Authority Board.

(b) Elect individuals to fill the positions of Chairperson, Vice Chairperson, Secretary and Treasurer.

(c) Cause to be conducted an annual independent audit of the Authority in accordance with State law and distribute copies of the same to all Parties to this Agreement.

(d) Approve the annual budget in accordance with State law and subject to appropriations from the Parties.

(e) Evaluate the Authority's performance under this Agreement and law and recommend changes.

(f) Create committees and appoint individuals to serve thereon.

Section 6.06 Compensation. Members of the Authority Board shall receive no compensation for the performance of their duties, but each member shall be reimbursed for such member's actual, reasonable expenses in carrying out those duties.

Section 6.07 Conflicts of Interest. The Authority Board shall adopt policies and procedures requiring the periodic disclosure of relationships (not less than annually) which may give rise to conflicts of interest. The policies and procedures shall require that a member of the Authority Board or the officer who has a direct or indirect interest in any matter before the Authority disclose the member's interest and any reasons reasonably known to the officer or member of the Authority Board why the transaction may not be in the best interest of the public before the Authority Board takes any action with respect to the matter. The disclosure shall become part of the record of the Authority's proceedings. Subject to relevant provisions of State law, the policies and procedures also shall have the objective of precluding the opportunity for and the occurrence of transactions by the Authority that would create a conflict of interest involving members of the Authority Board, officers and employees of the Authority. At a minimum, these policies shall include compliance by each member of the Authority Board, Officers, and employees of the Authority who regularly exercise significant discretion over the award and management of Authority projects with policies governing the following:

(a) Immediate disclosure of the existence and nature of any financial interest of an individual or immediate family member that would reasonably be expected to create a conflict of interest.

(b) Withdrawal by an employee or member from participation in or discussion or evaluation of any recommendation or decision involving an Authority project that would reasonably be expected to create a conflict of interest for that employee or member.

## ARTICLE VII OFFICERS

Section 7.01 Election. The Authority Board, at its first meeting of a calendar year, shall elect a Chairperson, Vice-Chairperson, a Secretary and a Treasurer who shall hold their offices for one year or until their successors are duly elected. These officers shall exercise such powers and perform such duties as determined from time to time by the Authority Board.

Section 7.02 Vacancies. Vacancies in office shall be filled by appointments made by the Authority Board for the balance of the unexpired term.

Section 7.03 Compensation. Officers shall receive no compensation for the performance of their duties, but each officer shall be reimbursed for such officer's actual, reasonable expenses in carrying out those duties.

## ARTICLE VIII DURATION OF, WITHDRAWAL FROM, AND TERMINATION OF INTERLOCAL AGREEMENT

Section 8.01 Duration. The Authority shall commence on the Effective Date and continue for a term of five years unless earlier terminated in accordance with this Article VIII.

Section 8.02 Withdrawal by a Party. Any Party may withdraw from the Agreement at any time upon giving six (6) months advance written notice to the Authority and the Authority thereafter shall, upon receipt of notice, initiate no project or activity within the geographic boundaries of the withdrawing Party; provided that if the Authority has incurred debts or obligations which also are debts or obligations of a Party on account of having been expressly authorized by the Party in accordance with Sec. 7(2) of Act 7, the Party shall remain obligated for any such payment following its withdrawal from the Agreement, less any credit granted for assets consistent with Section 9.02; and provided further that the withdrawal of a Party shall not invalidate nor terminate prior to its stated termination date any Master Development Plan or Tax Increment Financing Plan or the collection of Tax Increment Revenues, or any other economic development incentive previously established or granted prior to the withdrawal of the Party, and the withdrawing Party shall be deemed to remain a Party if necessary for the limited purpose of preserving any of the foregoing incentives; and provided further that in the event of a withdrawal by a Party, the Authority shall not extend the effective term of any of the foregoing incentives beyond its stated termination date. In the event that a withdrawing party is a county, the Authority shall have not authority to subsequently exercise its powers within the geographic boundaries of said withdrawing county.

Section 8.03 Termination. This Agreement may continue until terminated by the first to occur of the following:

- (a) The Authority fails to meet those legal qualifications required for next Michigan development corporation status;
- (b) A vote to terminate by three-fourths (3/4) of the voting members of the Authority Board then serving in office; or
- (c) Expiration of the stated term of the Agreement.

Section 8.04 Disposition upon Termination. As soon as possible after termination of this Agreement, the Authority shall wind up its affairs consistent with the following:

- (a) All of the Authority's debts, liabilities, and obligations to its creditors and all expenses incurred in connection with the termination of the Authority and distribution of its assets shall be paid first; and
- (b) The remaining assets, if any, shall be distributed among the remaining Parties in accordance with Act 7 or other relevant law, and otherwise in proportion to their contributions to the Authority.

## ARTICLE IX CONTRIBUTIONS

Section 9.01 Fees. The activities of the Authority may be funded by a variety of sources including, without limitation, payments from each Local Government Unit as established by the Authority and the Local Governmental Units. Notwithstanding the foregoing, all fees, charges, or contributions of any kind or description that are intended by the Authority to be paid by a Local Government Unit are subject to appropriation by said Local Government Unit.

Section 9.02 Personal Property, Assets, Services, Employees. With the approval of the Authority, any Party may make contributions of personal property, assets, services or employees deemed necessary to the creation or operational support of the Authority. The reasonable value of such contributions shall be credited against the Party's applicable fees as established pursuant to Section 9.01. The reasonable value of personal property or assets shall be determined by the Authority Board, in its sole discretion.

Section 9.03 Acts and Omissions. The Authority shall only be liable for its own acts or omissions which occur after the Effective Date and none of the Parties shall be liable for any acts or omissions of the Authority.

Section 9.04 Execution of Documents. The Authority and each Party shall cooperate in order to execute and deliver to the Authority any and all documents including bills of sale, assignments, and certificates necessary or appropriate to effectuate each Party's contribution to the Authority.

ARTICLE X  
ADMISSION OF OTHER PARTIES

Section 10.01 Procedure. Following the Effective Date, a Public Agency may become a Party by submitting a written request to the Chairperson or Authority Board and pursuant to guidelines established by the Authority Board, payment of any applicable fee and in accordance with law. The Authority Board shall submit the request to the Local Government Units to this Agreement, which shall approve or deny the request. Upon approval of the admission, and without amendment to this Agreement being required, the newly-admitted Party shall appoint a member to the Authority Board and the number of members serving on the Authority Board shall be increased accordingly. Approval of this Agreement shall be by resolution of the entity seeking to become a Party.

Section 10.02 Effective Date. The effective date of admission of a Party is the date on which a fully executed copy of this Agreement which contains the name and signatory of the newly admitted Party is filed with Michigan Department of State, Office of the Great Seal, and filed with the County Clerk of each county which is a Party to this Agreement pursuant to Section 10 of Act 7.

Section 10.03 Not an Amendment to Agreement. The admission of additional Parties after the initial Effective Date of this Agreement shall not constitute an amendment to or alternative form of this Agreement nor change the Effective Date. Any amendment to or alternative form of this Agreement may be made only in accordance with Section 13.10.

ARTICLE XI  
BOOKS AND REPORTS

Section 11.01 Accrual Basis. The Authority shall maintain its books of account on an accrual basis of accounting, except as otherwise required by law.

Section 11.02 Authority Records. The Authority shall keep and maintain at its principal office all documents and records of the Authority. The records of the Authority shall include a copy of this Agreement along with a listing of the names and addresses of the Parties. Such records and documents shall be maintained until termination of this Agreement. All Authority documents shall be open to review by any Party to this Agreement at the Authority's office during regular business hours.

Section 11.03 Financial Statements and Reports. The Authority shall cause to be prepared at least annually, at Authority expense, audited financial statements prepared in accordance with State law and with generally accepted accounting principles and accompanied by a written opinion of an independent certified public accountant. A copy of the annual financial statement and report shall be filed with the State Department of Treasury within six months after the end of the Authority's Fiscal Year in accordance with law, and copies filed with each Party.

Section 11.04 Freedom of Information Act. The Authority is subject to and shall comply with the Freedom of Information Act; provided, however, that any particular legal protections afforded to confidential public records as set forth in Section 7 of Act 275 shall be honored by the Authority.

## ARTICLE XII FINANCES

Section 12.01 Annual Budget. The Authority's budget shall be subject to and comply with State law. The Treasurer annually shall prepare and the Authority Board, by a majority vote of all Parties, appointed (not just those present) shall approve a budget for the Authority for each Fiscal Year. Each budget shall be approved not less than 15 days prior to the beginning of the Fiscal Year.

Section 12.02 Deposits and Investments. The Authority shall deposit and invest funds of the Authority, not otherwise employed in carrying out the purposes of the Authority, in accordance with an investment policy established by the Authority Board and consistent with State law regarding the investment of public funds.

Section 12.03 Disbursements. Disbursements of funds shall be in accordance with guidelines established by the Authority Board.

## ARTICLE XIII MISCELLANEOUS

Section 13.01 Notices. Notice of all meetings of the Authority Board shall be given in the manner required by the Michigan Open Meetings Act. In addition, at least three days prior to the date set for the holding of any meeting of the Authority Board, written notice of the time and place of such meeting shall be sent by email or other electronic means to each Authority Board member, as the case may be, at the email or other appropriate address of such member appearing on the records of the Authority. Notwithstanding the foregoing, meetings may be held with 18 hours' notice if all members of the Authority Board waive the three-day notice requirement. Every notice by email or other electronic means shall be deemed duly served as of 5:00 p.m., prevailing Eastern Time, next following the actual time when the notice is transmitted, as recorded by the Authority's communication system. The Chairperson or his or her designee may, but shall not be required to, cause additional written notice to be provided to a member or members by mailing such notice via regular U.S. mail not less than seven days prior to the date set for the holding of the meeting to the address of such member or members appearing on the records of the Authority. Mailed notice shall be deemed duly served on the second business day following the day when the same has been deposited in the United States mail with postage fully prepaid and addressed to the sender as provided above.

Any and all correspondence or notices required, permitted or provided for under this Agreement to be delivered to any Party shall be sent to that Party by email or other electronic means at the email or other appropriate address of such Party appearing on the records of the

Authority, with a written copy by first class mail. All such written notices including any notice of withdrawal as provided herein shall to be sent to each other Party's signatory to this Agreement, or that signatory's successor at the address as set forth above such Party's signature, or to such other address provided by the Party to the Authority from time to time.

Section 13.02 Entire Agreement. This Agreement sets forth the entire agreement between the Parties and supersedes any and all prior agreements or understandings between them in any way related to the subject matter hereof. It is further understood and agreed that the terms and conditions herein are contractual and are not a mere recital and that there are no other agreements, understandings, contracts, or representations between the Parties in any way related to the subject matter hereof, except as expressly stated herein.

Section 13.03 No Presumption. This Agreement shall be construed without regard to any presumption or other rule requiring construction against the Party causing this Agreement to be drafted.

Section 13.04 Severability of Provisions. If any provision of this Agreement, or its application to any Person or circumstance, is invalid or unenforceable, the remainder of this Agreement and the application of that provision to other Persons or circumstances is not affected but will be enforced to the extent permitted by law.

Section 13.05 Governing Law. This Agreement is made and entered into in the State of Michigan and shall in all respects be interpreted, enforced and governed under the laws of the State of Michigan without regard to the doctrine of conflict of laws. The language of all parts of this Agreement shall in all cases be construed as a whole according to its fair meaning, and not construed strictly for or against any Party.

Section 13.06 Captions. The captions, headings, and titles in this Agreement are intended for the convenience of the reader and not intended to have any substantive meaning and are not to be interpreted as part of this Agreement. They are solely for convenience of reference and do not affect this Agreement's interpretation.

Section 13.07 Terminology. All terms and words used in this Agreement, regardless of the number or gender in which they are used, are deemed to include any other number and any other gender as the context may require.

Section 13.08 Cross-References. References in this Agreement to any Article include all Sections, subsections, and paragraphs in the Article; references in this Agreement to any Section include all subsections and paragraphs in the Section.

Section 13.09 Jurisdiction and Venue. In the event of any disputes between the Parties over the meaning, interpretation or implementation of the terms, covenants or conditions of this Agreement, the matter under dispute, unless resolved between the parties, shall be submitted to binding arbitration consistent with the procedures then in effect and promulgated by the American Arbitration Association.

Section 13.10 Amendment. The Agreement may be amended or an alternative form of the Agreement adopted only upon written agreement of all Parties. In the event that an amendment to this Agreement or alternative form of Agreement is approved by less than all Parties, any Party which has not approved of the amendment or alternative form of Agreement may withdraw from the Authority.

IN WITNESS WHEREOF, this Agreement is executed by each Party on the date hereafter set forth.

CITY OF \_\_\_\_\_  
DATE: \_\_\_\_\_ By: \_\_\_\_\_  
Its: \_\_\_\_\_

By: \_\_\_\_\_  
Its: \_\_\_\_\_

CITY OF \_\_\_\_\_  
DATE: \_\_\_\_\_ By: \_\_\_\_\_  
Its: \_\_\_\_\_

By: \_\_\_\_\_  
Its: \_\_\_\_\_

COUNTY OF \_\_\_\_\_  
DATE: \_\_\_\_\_ By: \_\_\_\_\_  
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By: \_\_\_\_\_  
Its: \_\_\_\_\_

COUNTY OF \_\_\_\_\_  
DATE: \_\_\_\_\_ By: \_\_\_\_\_  
Its: \_\_\_\_\_

By: \_\_\_\_\_  
Its: \_\_\_\_\_

EXHIBIT A  
DISTRICT DESCRIPTION

574016.11

AGENDA ITEM NO. \_\_\_\_\_

CITY COMMISSION MEETING \_\_\_\_\_

TO: Honorable Mayor and City Commission  
FROM: Department of Public Works  
DATE: April 10, 2012  
SUBJECT: Aggregates, Highway Maintenance Materials and Concrete

**SUMMARY OF REQUEST:**

Award bid to supply H1 and H2 limestone chip blend to Verplank Trucking Company

Award bid to supply road slag to Verplank Trucking Company

Award bid to supply Sylvax patching material to Asphalt Paving

Award bid for crack sealant to Sherwin Industries, Inc.

Award bid to supply bituminous asphalt product to Asphalt Paving, Inc.

Award bid to supply screened top soil to Accurate Excavators

Award bid to supply 2NS sand to Jackson-Merkey Contractors, Inc.

Award bid to supply 7-sack mix concrete to Port City Redi-Mix

Award supply of Calcium Chloride 38% (road brine) and 32% (winter salting) to Great Lakes Chloride

**FINANCIAL IMPACT:**

\$414,993.50 based on quantities requested in bid at 2012 quotes.

**BUDGET ACTION REQUIRED:**

None; funds appropriated in several budgets.

**STAFF RECOMMENDATION:**

Recommend approval of bids as outlined in Summary of Request.

To: The City Commission Through The City Manager  
From: Mohammed Al-Shatel Director of Public Works  
Date: April 10, 2012  
Subject: 2012 Aggregates, Highway Maintenance Materials, and Concrete

Purchases will be made from recommended bidder, contingent upon product availability, timely deliveries, and prices as quoted.

**500 ton H1 & H2 Limestone Chip Blend** (\$17.00 in 2011; \$8625.00)

<b>Verplank Trucking Co.</b>	PO Box 8, Ferrysburg, MI 49409	<b>\$17.25 per ton, delivered</b>
Yellow Rose Transport	3531 Busch Dr., Grandville, MI 49418	\$18.25 per ton, delivered

**9,000 ton Road Slag 22-A Natural** (\$12.00 in 2011; \$110,250.00)

<b>Verplank Trucking Co.</b>	PO Box 8, Ferrysburg, MI 49409	<b>\$12.25 per ton, delivered</b>
Yellow Rose Transport	3531 Busch Dr., Grandville, MI 49418	\$12.74 per ton, delivered

**500 tons Sylva Patching Materials – UPM-CP-7, or ASTM Specification C-136 #9 or Statite CP-6, or similar product** (\$103.00 in 2011; \$55,000.00)

Asphalt Paving, Inc. 1000 E. Sherman Boulevard, Muskegon MI 49444-0190 \$110.00 per ton, picked up

**50,000 pounds Crack Sealant (block form)** (\$0.49 in 2011; \$25,500.00)

<b>Sherwin Industries, Inc.</b>	2129 West Auburn Ave, Milwaukee, WI 53221	<b>\$0.51 per pound, delivered</b>
NHMS (before 4/30/12)	P.O. Box 5315, Akron, OH 44334	\$0.52 per pound, delivered
NHMS (after 5/1/12)	P.O. Box 5315, Akron, OH 44334	\$0.56 per pound, delivered

**200 ton Bituminous Asphalt 4:12, Base** (\$61.00 in 2011; \$12,600.00)

Asphalt Paving, Inc. 1000 E. Sherman Boulevard, Muskegon MI 49444-0190 **\$63.00 per ton, picked up**

**1,000 ton Bituminous Asphalt 4:12, Top** (\$62.00 in 2011; \$64,000.00)

Asphalt Paving, Inc. 1000 E. Sherman Boulevard, Muskegon MI 49444-0190 **\$64.00 per ton, picked up**

**500 yards Screened Top Soil** (\$9.00 in 2011; \$3,500.00)

<b>Accurate Excavators</b>	2821 Central Rd, Muskegon, MI 49445	<b>\$7.00 per cubic yard, delivered</b> (from 2053 S. Sheridan*)
Yellow Rose Transport	3531 Busch Dr., Grandville, MI 49418	\$9.00 per ton, delivered
Verplank Trucking Co.	PO Box 8, Ferrysburg, MI 49409	\$9.50 per cubic yard, delivered
Jackson-Merkey	555 W. Western, Muskegon, MI 49442	\$9.45 per cubic yard, delivered
Accurate Excavators	2821 Central Rd, Muskegon, MI 49445	\$13.75 per cubic yard, delivered (from 4470 Whitehall Rd)

\*Note: Based upon availability of supply at this location.

**500 ton 2NS Sand** (\$5.50 in 2011; \$2,875.00)

<b>Jackson-Merkey</b>	<b>555 W. Western, Muskegon, MI 49442</b>	<b>\$5.75 per ton, delivered</b>
Yellow Rose Transport	3531 Busch Dr., Grandville, MI 49418	\$7.50 per ton, delivered
Verplank Trucking Co.	PO Box 8, Ferrysburg, MI 49409	\$8.35 per ton, delivered

**Concrete mix as needed** (\*7 Sack Mix \$79.00 in 2011, \$86,543.50)

**Port City Redi-Mix** **\$80.00 per cubic yard, 7 Sack Mix, delivered**  
1780 Sheridan Road, Muskegon, MI 49442

Consumers Concrete \$78.00 per cubic yard, 7 Sack Mix, delivered  
4400 E. Evanston Avenue, Muskegon MI 49442 \$12.50 fuel service charge per load

*\*The 7-sack mix is the most commonly used product. It should be noted that concrete purchases may include several miscellaneous charges, including, but not limited to, hot water, chloride, small loads, second drops, winter price, and extra unload time.*

**85,000 gallons Calcium Chloride 38% (road brine)** (\$0.47 in 2011; \$39,950.00)

**Great Lakes Chloride** 6001 Marsh Road, Shelbyville, MI 49344 **\$0.47 per gallon, spread**

**15,000 gallons Calcium Chloride 32% (winter salting)** (\$0.37 in 2011; \$6,150.00)

**Great Lakes Chloride** 6001 Marsh Road, Shelbyville, MI 49344 **\$0.41 per gallon, storage**

Commission Meeting Date: April 10, 2012

Date: April 2, 2012

To: Honorable Mayor and City Commission

From: Community and Neighborhood Services Department

RE: Public Hearing for 2012 – 2013 Action Plan

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**SUMMARY OF REQUEST:** To conduct a public hearing of the 2012 – 2013 Action Plan for public comments.

**FINANCIAL IMPACT:** Action Plan establishes the 2012-2013 Community Development Block Grant and HOME budgets.

**BUDGET ACTION REQUIRED:** None at this time.

**STAFF RECOMMENDATION:** To receive comments about the proposed 2012 – 2013 Action Plan at the public Commission meeting.



# Second Program Year Action Plan

The CPMP Second Annual Action Plan includes the [SF 424](#) and Narrative Responses to Action Plan questions that CDBG, HOME, HOPWA, and ESG grantees must respond to each year in order to be compliant with the Consolidated Planning Regulations. The Executive Summary narratives are optional.

## Narrative Responses

### GENERAL

#### Executive Summary

The Executive Summary is required. Include the objectives and outcomes identified in the plan and an evaluation of past performance.

Program Year 2 Action Plan Executive Summary:

The City of Muskegon’s objectives are to meet the needs of our community as they relate to housing, opportunity to development and create a suitable living environment for all of our citizens without prejudice to race, religion, familial status or gender.

These are the programs that target these objectives and outcomes:

CDBG OBJECTIVES	
Item	Outcome
Priority Housing Repair	75
Vinyl Siding	8 - 10
Facade	5
Demolition/Board ups	12 - 25

HOME OBJECTIVES	
Item	Outcome
New Construction/Transitional Housing/Rehab	2 transitional/2 rehab
Rental Rehab	3

We saw a continued need for specialized services. In previous years, services were people driven, but this year we want to introduce project driven assistance programs.

We want to be deliberate with our limited funding. As our grant shrinks, our focus must change and this is why we want to provide 'special' assistance to families within the neighborhoods of our HOME funded projects. A portion of our priority housing

repair program will be set aside for 'specific' neighborhoods where we are building and/or rehabbing.

This pilot project will allow us to effect a small section of the population, increase visibility of our programs, highlight a neighborhood and join the forces with present-day organizers to become a good neighbor. We want to be neighborly in every sense of the word and this project-specific assistance program will carry a greater weight of results as we make our way around the City of Muskegon, one neighborhood at a time.

It is by working together that we make our biggest impact. Collaboration is expected to continue. Staff has established relationships with the Department of Human Services (DHS) and the Muskegon Oceana Community Action Partnership (MOCAP) for leverage funding. It works well for all of us.

Personal investment in their home will help give each homeowner accountability for their home improvement, we hope. Over time, we will use these payments to offset the costs of running the programs. Various opportunities to increase funding have been examined but the best, less intrusive system, is to require the fee up front prior to signing contracts; families whose income exceeds 50% AMI (Area Median Income) up to 60% AMI, are required to pay the first \$250 towards their home repairs. Our housing repair program will make changes to its name as well.

Our emergency/urgent need program will be renamed 'Priority Housing Repair.' Often times, staff will assess the reported housing emergency and offer ways to address the issue(s) in a timely and necessary manner. The priority services will remain the same: furnaces, roof, deteriorated foundation, sewer, etc. These items can pose a threat to health or safety of a homeowner. Those who meet the qualifications will be served as long as funding holds out.

We provide core services. We can stretch our shrinking dollars through a varied fee schedule. The process will affect the vinyl siding program. We serve families whose household income is at or below 60% AMI. A standard fee scale will cover families above 30% AMI.

## General Questions

1. Describe the geographic areas of the jurisdiction (including areas of low income families and/or racial/minority concentration) in which assistance will be directed during the next year. Where appropriate, the jurisdiction should estimate the percentage of funds the jurisdiction plans to dedicate to target areas.
2. Describe the basis for allocating investments geographically within the jurisdiction (or within the EMSA for HOPWA) (91.215(a)(1)) during the next year and the rationale for assigning the priorities.
3. Describe actions that will take place during the next year to address obstacles to meeting underserved needs.

4. Identify the federal, state, and local resources expected to be made available to address the needs identified in the plan. Federal resources should include Section 8 funds made available to the jurisdiction, Low-Income Housing Tax Credits, and competitive McKinney-Vento Homeless Assistance Act funds expected to be available to address priority needs and specific objectives identified in the strategic plan.

Program Year 2 Action Plan General Questions response:

The geographic area has not changed; our intent is to assist eligible homeowners in every segment of our City. Our concentration is specific to creating an environment for families that is sustainable and affordable to decent, safe living. We will be working in the Jackson Hill and Marsh Field neighborhoods as a project-specific program, but our services will be offered throughout the City.

Our priorities are to address the needs of the neighborhood, based on the addresses of our affordable housing program. Each neighbor will be allowed access to specific housing repairs that help to sustain living environments per local housing codes and property standards conveyed in our City codes. Utilizing CDBG funding, we can assist homeowners who income qualify, who may not know about our City programs.

## **PUBLIC SERVICE**

### **Priority Level 1 – Human Investment**

**Objective:** Human Investments, as it related to youth activities and/or employment, is determined by the opportunities available to individuals between the ages of 6 – 21. The City of Muskegon is concerned about our future citizenry. Equipping youth with alternative experiences such as work, recreation, exploring community involvement and education can only smooth the discord that occurs when children are idle and not engaged. Our support for youth programs, coupled with available work experiences, will foster the experiences necessary to effect change in our neighborhoods.

**Goal:** 20 youth empowered to job work. Seven youth were employed.

## **ECONOMIC DEVELOPMENT**

**Objective:** Employment Opportunities. Maintaining jobs in the City of Muskegon has been a challenge; however, the focus to rebound from our drastic losses is clear. Muskegon’s public service agencies, educational facilities, employers and local leaders share the responsibility to garner businesses to expand in our community. We will support programs that are foundationally sound to reach goal.

**Goal:** Create 45 new jobs this first year. This is underway.

## **HOUSING**

### **Priority Level 1 – Maintain Affordable Units**

**Objective 1:** Assist low to moderate-income residents with emergency housing needs and weatherization interventions to keep homeowners in their homes. Continue with City programs to ensure eligible families receive help through local agencies funded by the City. Funds will serve families in essential and tangible ways to deter homelessness, substandard living and unhealthy/unsafe conditions.

**Goal 1:** Emergency Repair – 50 households at 50%AMI or lower

**Goal 2:** Vinyl Siding – 10 homes sided at 60% AMI or lower

**Goal 3:** Senior Weatherization – 20 seniors were assisted at 80% AMI or lower. We surpassed this goal by 10.

**Objective 2:** Increase housing opportunities through new development and rehabilitated structures. Community Housing Development Organizations (CHDO's) are utilized annually to help families/individuals in substandard living environments access clean, safe and affordable housing units through funds directly from this participating jurisdiction. The City also collaborately invests in neighborhoods through Infill housing: new construction or complete rehabilitation.

**Goal:** Construct 1 new home and rehab 1 home for this first year  
605 Jackson – new construction; 2265 Lincoln – rehab; both are under way

**Priority Level 2 – Neighborhoods**

**Objective 1:** Stabilization. As an entitlement recipient of NSP1, our plan years coincide with our MSHDA Grant, which will stabilize 8 of our 15 neighborhoods through demolition, new construction and rehabilitation, successfully identifying properties abandoned and foreclosed. The City has completed 7 homes and sold 3 of the 11 homes marketed for sale. We have demolished 15 blighted properties, in neighborhoods threatening safety in otherwise quiet surroundings. We can offer affordable housing units to families at or below 120% AMI.

**Goal:** 1 new construction home and 2 rehabbed homes this first year  
1543 Hoyt – new construction; 1733 Manz and 1500 Leahy – rehab;  
new construction is completed, rehabs are under way.

Limited funds are our biggest obstacle to reaching the underserved. We plan and provide services but our grant dollars are limited and once they are gone, we scramble to meet the current needs. We continue to look for ways to stretch funds and our best solution has been to partner with other agencies that can cover some of the total costs. We have established relationships with Public Health - Muskegon County, DHS and MOCAP to stretch our dollars that much more. Program policies have changed to meet the challenges of meeting needs.

CDBG and HOME dollars are the bulk of our funding resources; however, NSP1 Program Income dollars can be counted on as additional leverage monies as we sell our completed properties.

The anticipated CDBG/HOME funding for the 2012 – 2013 year is the following:

**CDBG PROJECTS/ACTIVITIES  
2012 – 2013 ACTIVITIES**

<b>REHABILITATION – HOUSING</b>	\$
Priority Housing Repair	
Vinyl Siding	
Service Delivery	

<b>BOND REPAYMENT</b>	\$
Fire Station	
<b>GENERAL ADMINISTRATION</b>	\$
General Administration	
Affirmative Action	
<b>PUBLIC SERVICES</b>	\$
Recreation Programs	
Senior Transit	
CBO Grant Program	
<b>CODE ENFORCEMENT – HOUSING</b>	\$
Code Inspections	
Residential Clearance	
<b>PUBLIC FACILITIES</b>	\$
Streets	
Commercial Façade Improvement	
<b>TOTAL</b>	<b>\$827,856</b>

**HOME PROJECTS/ACTIVITIES  
2012 – 2013 ACTIVITIES**

<b>HOME PROGRAMS</b>	\$
Rehab Infill/New Construction	
Rental Rehabilitation	
<b>CHDO'S</b>	\$
Transitional Housing	
<b>ADMINISTRATION</b>	\$
<b>TOTAL</b>	<b>\$245,931</b>

**Managing the Process**

1. Identify the lead agency, entity, and agencies responsible for administering programs covered by the consolidated plan.
2. Identify the significant aspects of the process by which the plan was developed, and the agencies, groups, organizations, and others who participated in the process.
3. Describe actions that will take place during the next year to enhance coordination between public and private housing, health, and social service agencies.

Program Year 2 Action Plan Managing the Process response:

1. The City of Muskegon will lead the process and carry the bulk of the responsibility for the youth activities. Our Planning department has initiated bid proposals for youth activities and have accepted a number of varied programs both in-school and

after school. All of the selected agents have shown previous success, and with our additional resources, young children will have activities during the school year; but especially throughout the summer months.

This coming year a caveat to youth services is to establish or maintain life skills enhancement that can be monitored throughout the program. This will cover another aspect of creating a suitable living environment.

Approved grants include:

**YMCA-** Organized recreation/educational programs in 5 locations: Nelson School, Seyferth, Smith-Ryerson, Reese, and Sheldon Parks (5 locations contingent on receiving the \$10,000 Seyferth Grant from the Community Foundation- if we do not there will only be 4 locations included). The program will run Monday- Thursday from 9 a.m. to 3 p.m. and Friday from 9 a.m. to 12:30 p.m. Breakfast and lunch will be provided, as well as field trips. *June 18- August 10.* Seven youth received stipends last year.

**Grant Amount- \$47,100**

**GVSU/Growing Goods-** This is a continuation of last year's program. GVSU, in conjunction with the Health Department, oversees an urban farming program for Bunker Middle School students. Lifeskills, physical activity, social interaction and learning are part of the curriculum. Funding will provide a stipend for the GVSU intern who manages the program. *February 14- July 27.*

**Grant Amount- \$2,000**

**Bunker Middle School/Growing Goods-** This is the same program as the GVSU/Growing Goods. The grant funding is for the peer leadership component of the program. High School youth will mentor the middle school youth. *May 1- August 15.*

**Grant Amount- \$3,000**

**West Muskegon Little League-** Equipment, wages (umpires), and scholarship assistance for the baseball program. *April 1- August 1.*

**Grant Amount- \$2,500**

**First Wesleyan Church/Open Gym & 3-on-3 Basketball Tournament-** Gym in church is open twice a week for youth in the neighborhood. They will add component of core values/life skills training to the sessions in 2013. *January 2- April 30, 2013.*

**Grant Amount- \$1,000**

**Embrace Muskegon/Bicycle Kitchen-** Bicycles will be donated, repaired and given to children who need them, along with protective gear and education. Rallies and special events will be held. *April 1- no end date.*

**Grant Amount- \$1,000**

**EWP/Girls on the Run-** Girls on the Run estimates 1,200 participants for the downtown Muskegon 5K run. They will receive grant funding for supplies (running shoes, etc) and wages (officials, training). *March 11- May 19.*

**Grant Amount- \$3,000**

**Allen Ave. Christian Reformed Church/Kids Count-** Two-week recreation camp, Monday- Thursday for three hours in the afternoon. The camp will include field trips (Heritage Landing, etc); for ages 7- 12 years. Emphasis on physical activity and health (physical, spiritual, emotional and psychological). *June 18-29.*

**Grant Amount- \$750**

**Muskegon High School/Survivor on the Lakeshore Challenge-** Similar to last year's program, this is a summer school program for first time high school students. In addition to scholastic studies, the "Challenge" portion provides for day camp activities at Camp Pentalouan. *June 22- July 31.*

**Grant Amount- \$3,000**

**Port City Youth Club/Football & Cheerleading-** This program provides instruction in football and cheerleading at Smith-Ryerson Park. Grant funds will be used for expenses, including equipment, supplies, wages (referees, police), printing (flyers, etc) and other (banquet, awards). *August 1- November 1.*

**Grant Amount- \$3,000**

**McLaughlin Neighborhood Association/CATCH Camp-** The CATCH Camp offers programming for youth in the afternoons at the McLaughlin Pocket Park Monday- Thursday, after the McLaughlin Elementary School Summer School lets out. *June 22- August 3.*

**Grant Amount- \$3,000**

**Muskegon West Rec. Softball League/Girls Softball-** Funding will support their league with equipment, supplies, umpire fees, printing and scholarships. *April- July.*

**Grant Amount- \$2,500.**

**No More Sidelines/Bringing our Community Youth Together-** Track and Field, softball and soccer will be offered. In addition, they will incorporate an activity center. Funding will go towards computer systems, game supplies, and transportation costs. *April- October.*

**Grant Amount- \$3,000.**

**East Muskegon Little League/Player Expansion & Safety Project-** This organization is continuing to increase the number of children playing baseball in Muskegon. Funds will assist with scholarships, printing, advertisements, and picnic table delivery & pick up, trophies. *March 1- June 30.*

**Grant Amount- \$3,000.**

**Fruitport Lions/LOVE Community Garden Youth Program-** Similar to last year, the program will have three nights of camp a week, including arts, drumming, soccer and hula-hooping. *June 7- August 15.*

**Grant Amount- \$600.**

**Muskegon Laker Soccer Club/Muskegon Youth Soccer-** This request is actually a combination of two agencies (they have been working for over a year to make this happen). The Muskegon Laker Soccer Club will also manage the Muskegon Youth Soccer. They will receive funds for league fees (scholarships), referee fees and insurance. *July 2012- June 2013.*

**Grant Amount- \$3,000**

Additionally, with economic challenges forcing the unemployed, Love INC will also serve these low-income individuals with emergency utility assistance to secure a "standard living" environment with all major utility services intact.

The coordination between public and private agents for health, housing and social services has strengthened over the past months because all of us have limited resources, but together we can assist many more families who would have been placed on a waiting list. However, through the efforts of the CNS staff, an unwritten agreement has been established and the cooperation is phenomenal.

2. This year we met as a staff and considered our shrinking resources for both CDBG and HOME. As a feedback process, our public notices, we will present our plan to our Citizen's District Council (CDC). Upon review and consent, notices will be placed at the downtown post office, the public library, our City Clerk's office and our Housing Commission.

Based on the comments we receive, we will make the appropriate changes to our Action Plan.

3. We have taken actions to reach out to our neighboring cities to increase coordination of services for public and private housing services, in health agencies and for social enhancement. Our commitment is that we will offer and include our resources to work together and to make our services stronger.

### **Citizen Participation**

1. Provide a summary of the citizen participation process.
2. Provide a summary of citizen comments or views on the plan.
3. Provide a summary of efforts made to broaden public participation in the development of the consolidated plan, including outreach to minorities and non-English speaking persons, as well as persons with disabilities.
4. Provide a written explanation of comments not accepted and the reasons why these comments were not accepted.

\*Please note that Citizen Comments and Responses may be included as additional files within the CPMP Tool.

Program Year 2 Action Plan Citizen Participation response:

1. A summary of our citizen participation process begins with a group of appointed citizens (CDC) who sit on an advisory board to hear and speak on behalf of the citizens of the City for the HUD funding invested in the community.

The Citizen's District Council (CDC) meets monthly and they provide the City Commission with their recommendations annually. In addition to the CDC board, the City holds "public hearings" to accept citizen comments on proposed budgets and program progress during the plan year.

Additionally, multiple public hearings have been scheduled to increase public participation. Our City's Mayor has attended neighborhood meetings to enlist the

citizens of the City to unite to keep our neighborhoods safe. This has prompted our office to be more neighborly. We will attend the neighborhood meetings of the proposed housing unit for 2012 to establish that we are working with this to provide affordable, decent and safe housing in their neighborhood.

As a result of this investment, a set aside amount of funding will be held for those neighbors. In the next year, 1908 Superior will be rehabilitated and the once vacant structure in the neighborhood will bring a new family to the area.

As a proactive measure to connect with non-English speaking residents, City staff has communicated with a local church affiliated with the Spanish speaking population. Future meetings will be scheduled to seek their input and share opportunities to programs.

2. **Waiting for comments.**
3. We will reach the public by providing notices at our downtown Post Office branch. Our older population may not utilize the local paper because it has decreased subscriptions and fewer delivery dates; so how will they know what is going on if they don't have access to the social media avenues?
4. Not applicable.

## **Institutional Structure**

1. Describe actions that will take place during the next year to develop institutional structure.

Program Year 2 Action Plan Institutional Structure response:

Keeping the funding allocation "in house" for this year will allow the City departments to identify the programs that best serve the needs of the community that over time have produced the best results overall. Secure in what we do best and possessing concrete evidence for what helps the low-income population, the City's institutional structure addresses blight, economic development, infrastructure, public service and suitable living environment including areas of greatest need throughout our City.

Past years' services are that we continue to take the calls for services that put our citizens at risk of losing their biggest investment – their home.

## **Monitoring**

1. Describe actions that will take place during the next year to monitor its housing and community development projects and ensure long-term compliance with program requirements and comprehensive planning requirements.

Program Year 2 Action Plan Monitoring response:

Per the regulatory and statutory guidelines for HUD funded programs, the City of Muskegon will comply and at least annually monitor and certify the recipients of these program dollars. Whether housing or community development projects, City staff will monitor the progress and validity of the programs used to serve our citizens. All requirements aligned with monitoring the recipients have been a routine process adopted as current policy and will be an effective method of sustaining viable programs.

Quarterly, we record our accomplishments and successes. This keeps us current and helps to promote our community's progress in IDIS, which shows monitoring is ongoing.

## **Lead-based Paint**

1. Describe the actions that will take place during the next year to evaluate and reduce the number of housing units containing lead-based paint hazards in order to increase the inventory of lead-safe housing available to extremely low-income, low-income, and moderate-income families, and how the plan for the reduction of lead-based hazards is related to the extent of lead poisoning and hazards.

Program Year 2 Action Plan Lead-based Paint response:

Lead-based paint reduction in housing units located in the City limits is in collaboration with Public Health – Muskegon County. We have set aside \$60,000 for the assistance of the critical abatement measure to safe housing for children. Everything we do is for our vulnerable citizens – our children. We know that children are important and housing has to be hazard free.

Our county program is underway. We are currently processing Rental Rehab projects that require the testing components. Utilizing that progress will cover more housing units.

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## **HOUSING**

### **Specific Housing Objectives**

\*Please also refer to the Housing Needs Table in the Needs.xls workbook.

1. Describe the priorities and specific objectives the jurisdiction hopes to achieve during the next year.
2. Describe how Federal, State, and local public and private sector resources that are reasonably expected to be available will be used to address identified needs for the period covered by this Action Plan.

Program Year 2 Action Plan Specific Objectives response:

**CDBG**

Our pilot project-driven assistance program will set aside \$25,000 to aid the neighbors of our HOME projects. We want to introduce those families directly bordering in the construction project (neighborhood to the City programs). Prior to the start of a HOME project, we want to attend the neighborhood association meeting, introduce ourselves and our contractor to communicate what is going to happen and what we can do to assist the surrounding neighbors. We want to become a part of the neighborhood and become neighborly.

**HOME**

New construction at 605 Jackson was delayed, but we will complete the Affordable Housing Project during the 2012 – 2013 year. We anticipate a great deal of interest because of its high traffic area to our local colleges.

The rehab at 1908 Superior is expected to begin July 1, 2012. It was retrieved from the State tax sale. Because it is a corner lot, our presence has been acknowledged already.

HOME funds will be used primarily to achieve the affordable housing goals of the Consolidated Plan and Action Plan. Where the use of NSP1 dollars were, HOME will fill the gap to serve as leverage to complete projects: 1733 Manz and 1500 Leahy – as NSP1 Program Income is produced.

**NSP1**

Two projects have been delayed considerably: 1189 Terrance and 1500 Leahy. Because of their historic significance, we are slowly working through the process to renovate or demolish. We want to complete them within the deadline of February 2013. Our PI from HOME funds and other program's dollars may be used if needed, if NSP dollars are scarce.

**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 down payment 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.

**CHDO Resale Provision**

The City will protect the HOME investments given to its local Community Housing Development Organization (CHDO) agents by utilizing the Resale Provision described in HOME Final Rule Regulation 92.254a(5)i, which requires that another income-eligible family purchases the house at a fair return on investment.

**Needs of Public Housing**

1. Describe the manner in which the plan of the jurisdiction will help address the needs of public housing and activities it will undertake during the next year to encourage public housing residents to become more involved in management and participate in homeownership.
2. If the public housing agency is designated as "troubled" by HUD or otherwise is performing poorly, the jurisdiction shall describe the manner in which it will provide financial or other assistance in improving its operations to remove such designation during the next year.

Program Year 2 Action Plan Public Housing Strategy response:

1. We are providing the Muskegon Housing Commission with flyers about our homes for sale that will help promote interest. MSHDA NSP1 Program Income dollars will provide a second resource to create suitable housing units that are safe, decent and affordable. At least annually an invitation will be presented to become a homeowner at the Muskegon Housing Commission to introduce homeownership that all can afford.
2. Not applicable.

**Barriers to Affordable Housing**

1. Describe the actions that will take place during the next year to remove barriers to affordable housing.

Program Year 2 Action Plan Barriers to Affordable Housing response:

It is anticipated that barriers to affordable housing are greatest in low-income households when availability of eligible housing is not accessible. Language can be a barrier as well. We want to give information across the board to all citizens. We must provide information about our services to the Spanish speaking population. Next year our focus will be geared to reaching these eligible families.

**HOME/ American Dream Down payment Initiative (ADDI)**

1. Describe other forms of investment not described in § 92.205(b).

2. If the participating jurisdiction (PJ) will use HOME or ADDI funds for homebuyers, it must state the guidelines for resale or recapture, as required in § 92.254 of the HOME rule.
3. If the PJ will use HOME funds to refinance existing debt secured by multifamily housing that is that is being rehabilitated with HOME funds, it must state its refinancing guidelines required under § 92.206(b). The guidelines shall describe the conditions under which the PJ will refinance existing debt. At a minimum these guidelines must:
  - a. Demonstrate that rehabilitation is the primary eligible activity and ensure that this requirement is met by establishing a minimum level of rehabilitation per unit or a required ratio between rehabilitation and refinancing.
  - b. Require a review of management practices to demonstrate that disinvestments in the property has not occurred; that the long-term needs of the project can be met; and that the feasibility of serving the targeted population over an extended affordability period can be demonstrated.
  - c. State whether the new investment is being made to maintain current affordable units, create additional affordable units, or both.
  - d. Specify the required period of affordability, whether it is the minimum 15 years or longer.
  - e. Specify whether the investment of HOME funds may be jurisdiction-wide or limited to a specific geographic area, such as a neighborhood identified in a neighborhood revitalization strategy under 24 CFR 91.215(e)(2) or a Federally designated Empowerment Zone or Enterprise Community.
  - f. State that HOME funds cannot be used to refinance multifamily loans made or insured by any federal program, including CDBG.
4. If the PJ is going to receive American Dream Down payment Initiative (ADDI) funds, please complete the following narratives:
  - a. Describe the planned use of the ADDI funds.
  - b. Describe the PJ's plan for conducting targeted outreach to residents and tenants of public housing and manufactured housing and to other families assisted by public housing agencies, for the purposes of ensuring that the ADDI funds are used to provide down payment assistance for such residents, tenants, and families.
  - c. Describe the actions to be taken to ensure the suitability of families receiving ADDI funds to undertake and maintain homeownership, such as provision of housing counseling to homebuyers.

Program Year 2 Action Plan HOME/ADDI response:

Our HOME funding allocations are used to produce affordable, safe and decent housing units in the City of Muskegon. Utilizing two visible Community Housing Development Organizations, Muskegon County Habitat for Humanity and Community enCompass, low-income families can access affordable housing units to meet their deficient living situations. Through sub-recipient agreements, the City assists these agencies with financial support and requires that they adhere to all the guidelines established with HUD's HOME funded projects.

Muskegon County Habitat for Humanity has built decent affordable energy-efficient homes for purchase by families with incomes between 25 – 50% AMI who would not otherwise be eligible for homeownership. Resale is the option of choice for

Habitat because they have an income requirement of 50% AMI or lower to qualify; we will allow them to place another income-eligible family in it.

Community enCompass has submitted a request to purchase and rehabilitate properties for rent by low-income families referred by collaborating social service agencies or for purchase by low to moderate-income families. Additionally they will provide support for homeowners to do necessary rehab to their homes and provide support for home buyers to rehab homes upon their purchase.

The City of Muskegon has two programs that have produced homebuyer opportunities: Infill and Neighborhood Stabilization Program (NSP).

Infill gives us an opportunity to move into neighborhoods that are not typically occupied by low-income families. We will provide subsidy, energy efficient products and procedures to make a home affordable to families. At least one home has been transferred.

NSP has given us the ability to stabilize neighborhoods through Michigan State Housing Development Authority (MSHDA) by offering a MSHDA subsidy which is forgiven after a period of time. Our obligation to complete 16 homes should be realized this year. Selling all of the properties by 2013 is our ultimate goal.

Per our Consolidated Plan, the City of Muskegon has adopted a recapture policy for our Infill Program homebuyers. The policy allows a recapture of prorated funds due upon resale of the property. This does not require the "seller" of the property to repay the debt of our subsidy investment if the net proceeds are too small.

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## HOMELESS

### Specific Homeless Prevention Elements

\*Please also refer to the Homeless Needs Table in the Needs.xls workbook.

1. Sources of Funds—Identify the private and public resources that the jurisdiction expects to receive during the next year to address homeless needs and to prevent homelessness. These include the McKinney-Vento Homeless Assistance Act programs, other special federal, state and local and private funds targeted to homeless individuals and families with children, especially the chronically homeless, the HUD formula programs, and any publicly-owned land or property. Please describe, briefly, the jurisdiction's plan for the investment and use of funds directed toward homelessness.
2. Homelessness—In a narrative, describe how the action plan will address the specific objectives of the Strategic Plan and, ultimately, the priority needs identified. Please also identify potential obstacles to completing these action steps.
3. Chronic homelessness—The jurisdiction must describe the specific planned action steps it will take over the next year aimed at eliminating chronic homelessness by 2012. Again, please identify barriers to achieving this.

4. Homelessness Prevention—The jurisdiction must describe its planned action steps over the next year to address the individual and families with children at imminent risk of becoming homeless.
5. Discharge Coordination Policy—Explain planned activities to implement a cohesive, community-wide Discharge Coordination Policy, and how, in the coming year, the community will move toward such a policy.

Program Year 2 Action Plan Special Needs response:

1. Our community received at least \$35,000 to address homeless needs and to prevent homelessness.
2. Our plan is not the first line of entry and the City of Muskegon does not receive funding to prevent homelessness, but we are an active board member representing the City of Muskegon.
3. Most of the barriers faced by the Continuum of Care is that funding for housing assistance has dried up. West Michigan Therapy is proposing four new sheltered housing beds for veterans.
4. The membership is dedicated to working with the Continuum of Care to move forward from one agency to the next to avoid homelessness.
5. The Continuum of Care has continued to follow a discharge coordination policy to make sure no one falls through the cracks. Safety nets are in place to help them find a place to live. HMIS (Housing Management Information System) for tracking individuals who are assisted by 'like' agencies. The reports show movement of families in the system, number of services, but ultimately show population and needs of this community.

## **Emergency Shelter Grants (ESG)**

(States only) Describe the process for awarding grants to State recipients, and a description of how the allocation will be made available to units of local government.

Program Year 2 Action Plan ESG response:

Not applicable.

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## COMMUNITY DEVELOPMENT

### **Community Development**

\*Please also refer to the Community Development Table in the Needs.xls workbook.

1. Identify the jurisdiction's priority non-housing community development needs eligible for assistance by CDBG eligibility category specified in the Community Development Needs Table (formerly Table 2B), public facilities, public improvements, public services and economic development.
2. Identify specific long-term and short-term community development objectives (including economic development activities that create jobs), developed in accordance with the statutory goals described in section 24 CFR 91.1 and the primary objective of the CDBG program to provide decent housing and a suitable living environment and expand economic opportunities, principally for low- and moderate-income persons.  
*\*Note: Each specific objective developed to address a priority need, must be identified by number and contain proposed accomplishments, the time period (i.e., one, two, three, or more years), and annual program year numeric goals the jurisdiction hopes to achieve in quantitative terms, or in other measurable terms as identified and defined by the jurisdiction.*

Program Year 2 Action Plan Community Development response:

1. Planning is working diligently to secure agreements with companies that can bring jobs.
2. Youth Recreation has employed interns to serve along side program leaders to reach the youth of our community.

### **Antipoverty Strategy**

1. Describe the actions that will take place during the next year to reduce the number of poverty level families.

Program Year 2 Action Plan Antipoverty Strategy response:

Our Planning Department is involved in progressive talks with potential businesses in an effort to secure jobs in our area. We know that jobs will help curb poverty and no standard action will affect the number of families in need of work, but the City of Muskegon is directly reflected to this strategic effort.

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## **NON-HOMELESS SPECIAL NEEDS HOUSING**

### **Non-homeless Special Needs (91.220 (c) and (e))**

*\*Please also refer to the Non-homeless Special Needs Table in the Needs.xls workbook.*

1. Describe the priorities and specific objectives the jurisdiction hopes to achieve for the period covered by the Action Plan.
2. Describe how Federal, State, and local public and private sector resources that are reasonably expected to be available will be used to address identified needs for the period covered by this Action Plan.

Program Year 2 Action Plan Specific Objectives response:

We hope to collect data consistent with our annual Action Plans in Muskegon County to identify special needs. At this time we are not able to describe or specify objectives to achieve non-homeless needs.

We have maintained our core programs to address identified needs. Our goal is to keep the level of investments and resources, commitment and care to the highest level possible, but the likelihood that additional funds will be available is not reasonable given our latest reduction in funding.

## **Housing Opportunities for People with AIDS**

\*Please also refer to the HOPWA Table in the Needs.xls workbook.

1. Provide a Brief description of the organization, the area of service, the name of the program contacts, and a broad overview of the range/ type of housing activities to be done during the next year.
2. Report on the actions taken during the year that addressed the special needs of persons who are not homeless but require supportive housing, and assistance for persons who are homeless.
3. Evaluate the progress in meeting its specific objective of providing affordable housing, including a comparison of actual outputs and outcomes to proposed goals and progress made on the other planned actions indicated in the strategic and action plans. The evaluation can address any related program adjustments or future plans.
4. Report on annual HOPWA output goals for the number of households assisted during the year in: (1) short-term rent, mortgage and utility payments to avoid homelessness; (2) rental assistance programs; and (3) in housing facilities, such as community residences and SRO dwellings, where funds are used to develop and/or operate these facilities. Include any assessment of client outcomes for achieving housing stability, reduced risks of homelessness and improved access to care.
5. Report on the use of committed leveraging from other public and private resources that helped to address needs identified in the plan.
6. Provide an analysis of the extent to which HOPWA funds were distributed among different categories of housing needs consistent with the geographic distribution plans identified in its approved Consolidated Plan.
7. Describe any barriers (including non-regulatory) encountered, actions in response to barriers, and recommendations for program improvement.
8. Please describe the expected trends facing the community in meeting the needs of persons living with HIV/AIDS and provide additional information regarding the administration of services to people with HIV/AIDS.
9. Please note any evaluations, studies or other assessments that will be conducted on the local HOPWA program during the next year.

Program Year 2 Action Plan HOPWA response:

1. Mercy Health Partners is the result of a merger between Hackley and Mercy Hospitals in Muskegon, Mi. McClees clinic is a medical and support services clinic for persons with HIV located on the Hackley Campus. The clinic serves 13 counties overall but provides HOPWA assistance primarily to Muskegon, Kent and Ottawa counties, however all counties are eligible as long as there are no other HOPWA providers with available funding. Program contacts are Erin Hopson and clinic supervisor Judy Binns. The clinic utilizes HOPWA funding to provide TBRA, STRMU and Permanent Housing Placement assistance to help patients obtain or maintain housing with the goal of keeping patients in HIV care.

Program contact:

Erin Hopson, LLMSW, CCM  
Client Services Coordinator/Grants Manager  
McClees Clinic  
Mercy Health Partners  
Muskegon, Mi. 49442

2. During this grant year clinic staff and HOPWA recipients worked together to successfully keep all qualified clients in their current housing or to move them into safer or new housing. Recipients successfully worked towards meeting their housing plan goals and objectives. No recipients were removed from the HOWPA program prior to completion. Two recipients successfully moved from a HOPWA funded home or apartment into subsidized housing.

3. The challenges involved in achieving the number of housing units identified in the Action Plan were:

- Increase in prospective HOPWA recipients that had no income or way to maintain housing after assistance ended.
- Subsidized housing availability increased so many prospective HOWPA recipients were able to enter subsidized housing with the help of housing case management or information services and no direct assistance.

Although the availability of subsidized housing is a good thing, it did affect our ability to meet our goals. The majority of housing funds were allocated for TBRA and all but one were provided in Muskegon County.

4. The estimated number of households that would receive direct housing assistance with TBRA, STRMU or Permanent Housing Placement was 25 and the actual number of households assisted was 21. An additional 2 households received some form of housing case management or information services but did not receive any direct housing assistance. 100% of HOPWA recipients were able to maintain housing stability and avoid homelessness. All HOPWA recipients are provided with housing case management and a housing plan which facilitates their success by helping them keep in touch with the case manager on a regular basis to evaluate their goals and assess which community resources will be helpful. Additionally all HOWPA recipients are provided with resources to access HIV care, although participation is not mandatory, the importance of participating in care is stressed. We will continue taking these steps to achieve the national outcome goal in the next operating year.

5. Mercy Health Partners holds a strong relationship with other housing and referral resources in the service area. We maintain collaborative agreements with St. Mary's and District Health Department #10. Additionally we have working knowledge of

other housing resources in the service area as well as their eligibility criteria. This allows us to ensure our funding is payer of last resort.

6. HOPWA assistance was provided to 21 recipients in 2011. Of these, only 2 were located outside of Muskegon County. Although our funding is available to all the counties we serve, we only provide services outside Muskegon County if other HOPWA services are not available at the time.

7. Fair market rent issues were encountered for those who were housed in 2010. When FMR changed for 2011 many TBRA recipients were over FMR and staff either had to obtain an exception or talk the landlords into lowering rent to meet FMR. Only one recipient had to move into new housing due to FMR, however this person also needed to move into a 1 bedroom to meet HOPWA guidelines.

Although we attempt to place in subsidized housing it is not always available and if it is available it is not always safe housing. Subsidized housing in one housing complex became open due to fast turn over. This is both good and bad. It does provide housing that meets HUD standards to people with low income; however this particular apartment complex is known for drug use, and is not particularly safe for some populations. We would be reluctant to send young women to live in this apartment complex.

An additional barrier to collecting correct data and providing correct information about the needs of the community we serve is the unreliable data reporting system we are mandated to use. It would be extremely beneficial and would save a great deal of time if we no longer had to use HMIS. HMIS has proven to be unreliable and time consuming. In addition to recording data in HMIS (which is required at this time) we, and most other agencies, also record all HOPWA activities in CareWare, the data program used by Ryan White, so that we can keep accurate records. All data reporting is done using CareWare or by manually compiling data, the use of HMIS is just a formality.

8. We expect the number of people in need of HOPWA assistance to increase relative to the economic difficulties of the community. Additionally we have noticed an increase in the number of people requesting assistance who have no source of income. This creates a difficult situation where people with HIV are turned away from the shelters due to their HIV status (a rule which is based on fear and misinformation about perceived risk of transmission rather than on fact and actual risk of transmission), yet they do not have resources to qualify for HOPWA assistance. In this economy there is no guarantee that someone will find a job so if they are awarded HOPWA assistance with no income, HOPWA may end up paying full rent and utility expenses for a number of months.

9. We expect MDCH (Michigan Department of Community Health) to conduct a site review in 2012.

### **Specific HOPWA Objectives**

Describe how Federal, State, and local public and private sector resources that are reasonably expected to be available will be used to address identified needs for the period covered by the Action Plan.

Program Year 2 Specific HOPWA Objectives response:

The objectives for the HOPWA-funded clinic are consistent with the previous year goals:

Tenant-based Rental Assistance (TBRA)	Goal 15
Short-term Rent, Mortgage and Utility Assistance (STRMUA)	<u>Goal 10</u>
Total Housing Subsidy Assistance	Goal 25

Plans for the coming year include support services to clients in the form of Care Management/Client Advocacy/Access to Benefit Services.

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## Other Narrative

Include any Action Plan information that was not covered by a narrative in any other section.

**AGENDA ITEM NO.** \_\_\_\_\_

**CITY COMMISSION MEETING** \_\_\_\_\_

**TO:** Honorable Mayor and City Commissioners

**FROM:** Bryon L. Mazade, City Manager

**DATE:** April 2, 2012

**RE:** Revolving Loan Fund (RLF) Loan with Great Lakes Die Cast

**SUMMARY OF REQUEST:**

To approve a request to discount a Revolving Loan Fund loan with Great Lakes Die Cast. A loan of \$30,000 was made in 2009 and approximately \$16,600 is the current balance. Closing out the loan would allow the company to refinance some current debt and enable the City to receive \$10,000 as payment-in-full for the remaining City loan, rather than waiting to receive the remaining payments over time.

**FINANCIAL IMPACT:**

Reduction of the remaining balance to \$10,000.

**BUDGET ACTION REQUIRED:**

None.

**STAFF RECOMMENDATION:**

To discount the loan to \$10,000 as payment-in-full and authorize City staff to execute necessary documents to close out the loan.

**COMMITTEE RECOMMENDATION:**

None.

**AGENDA ITEM NO. \_\_\_\_\_**

**CITY COMMISSION MEETING \_\_\_\_\_**

**TO:** Honorable Mayor and City Commissioners  
**FROM:** Bryon L. Mazade, City Manager  
**DATE:** April 10, 2012  
**RE:** Master Contract for the Muskegon County Wastewater System

**SUMMARY OF REQUEST:**

To make determinations relative to the Master Contract for the Muskegon County Wastewater System and the billing overpayment issue.

On November 9, 2010, the City Commission took the following action on the proposed Master Contract for the Muskegon County Wastewater System:

NOW, THEREFORE, BE IT RESOLVED, that the Muskegon City Commission approves the proposed Master Contract for the Muskegon County Wastewater System contingent upon installation and use of the meters for billing purposes and resolution of the overpayment issue, in the City Manager's opinion and after notice to the City Commission, and authorizes the Mayor and Clerk to sign the Master Contract for the Muskegon County Wastewater System after the City Manager informs the City Commission that the meters have been installed and being used for billing purposes and a resolution of the overpayment for wastewater service has been reached.

The installation of the meters has occurred and the meters are in use. However, in the opinion of the City Manager, a resolution of the overpayment issue has not been achieved after more than a year of attempts.

**FINANCIAL IMPACT:**

The City believes it should be reimbursed approximately \$802,308.62.

**BUDGET ACTION REQUIRED:**

None.

**STAFF RECOMMENDATION:**

Based on the foregoing, it is recommended that the Muskegon City Commission hereby determines the following:

1. Impasse has been reached in the overpayment for wastewater service issue.
2. The City will not execute the Master Contract for the Muskegon County Wastewater System until the City receives appropriate reimbursement for overpayment for wastewater service.
3. City staff is directed to explore alternate long-term wastewater system options for the City.
4. City staff is directed to convey to Muskegon County the measures the City intends to take.

**COMMITTEE RECOMMENDATION:**

None.