



Internal Memo

December 3, 2015

TO: Mayor and City Council

FROM: Mark C. Meyers, City Administrator 

SUBJECT: December Information Update

1. December Work Session and Holiday Hours – Please be reminded that, in keeping with tradition, a work session will not be held this month. Also, non-emergency offices will be closed Thursday – Friday, December 24 and 25, for the Christmas holiday and Thursday – Friday, December 31 and January 1, for the New Year holiday.
2. Water Authority Update – The West Michigan Regional Water Authority meeting minutes of November 20, 2015 are attached. Notable items of business included a presentation of the annual audit (see attached management letter) and selection of Prein and Newhof to conduct the periodic system reliability study.
3. Airport Advisory Committee – Attached are the most recent minutes from the Muskegon County Airport Advisory Committee meeting as well as the October Operations Report. You will note that year-to-date passenger activity is up 7%.
4. Council Requests List – Attached is an updated list for City Council's information.
5. Citizens' Dashboard Updated – The City has revised its Dashboard (attached) as well as other related documents including Debt Service Report and Citizens' Guide to Municipal Finance in order to remain eligible for the City, Village and Township Revenue Sharing (CVTRS) program (previously EVIP). The Dashboard and other documents can be found on the City's website. The information was sent to the Michigan Department of Treasury prior to the December 1, 2015 deadline. The City is eligible for approximately \$63,000 in statutory revenue sharing. If you have any questions regarding the information provided please contact me or Finance Director Mike Huston.

MCM/ss
Attachments

WEST MICHIGAN REGIONAL WATER AUTHORITY
Minutes of November 20, 2015 Board Meeting

A special meeting of the West Michigan Regional Water Authority was called to order on Friday, November 20, 2015 at 1:46 p.m. in the Small Conference Room, Norton Shores City Hall, 4814 Henry Street.

Members Present: Board Members Jerry Bartoszek, Matt Farrar, Mike Huston, and Brian Werschem

Also Present: Alternate Board Member Mark Meyers

Adoption of Agenda

The adoption of the agenda was accepted by consensus.

Adoption of Minutes

Secretary Brian Werschem moved to adopt the minutes from the August 27, 2015 meeting. The motion was seconded by Treasurer Mike Huston. The motion was carried unanimously.

Treasurer's Report

Treasurer Mike Huston presented the board with the annual audit and management letter.

Old/New Business:

1. Consider Reliability Study Proposals

Four bids were submitted for a reliability study of Fruitport, Norton Shores, and the Water Authority water systems. Of the bids, two were found to be qualified. The staff estimate for this project was \$75,000. Prein & Newhof was the low bid at \$41,162. Staff from Fruitport and Norton Shores recommend that the contract be awarded to Prein & Newhof. Secretary Brian Werschem moved to award the contract to Prein & Newhof based on staff recommendation and also moved to have the Chair & Secretary sign the contracts. The motion was seconded by Vice Chair Jerry Bartoszek. The motion was carried unanimously.

2. Engineering Contract

The overall project for the Water Authority is almost complete. Treasurer Mike Huston moved to authorize staff to pay the contractual amount up to \$835,031 when the project is closed out and upon receipt of as-builts. This motion was seconded by Vice Chair Jerry Bartoszek. The motion was

carried unanimously. Secretary Brian Werschem moved for staff to pay \$59,350 to cover work requested outside the scope of the contract minus an agreed offset amount of \$21,385.77 for a total of \$37,964.23 upon completion of the contract obligations. The motion was seconded by Treasurer Mike Huston. The motion was carried unanimously.

3. Project updates

Chair Matt Farrar gave updates on all of the projects. Little work is remaining before the overall project is complete.

4. Water Rates April 15, 2015 to June 30, 2015

In the Water Authority contract with Muskegon, the Authority has 30 days to review the City of Muskegon audit and decide to request their own audit if they feel the water rate is not correct. Chair Matt Farrar drafted a letter to the City of Muskegon stating that at this time the Authority would not need to request their own audit. Vice Chair Jerry Bartoszek moved to authorize sending the letter as presented. The motion was seconded by Treasurer Mike Huston. The motion was carried unanimously.

The meeting adjourned at 2:18 p.m.

Brian Werschem, Secretary



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November 17, 2015

To the Board of Directors
West Michigan Regional Water Authority
Muskegon County, Michigan

We have audited the financial statements of the West Michigan Regional Water Authority (the Authority) for the year ended June 30, 2015. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 15, 2015. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note 1 to the financial statements. We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 17, 2015.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

We also noted the following items:

Due to the limited number of staff involved in the Authority, we recommend the bank and investment statements be received, opened and subject to review by someone other than the individual responsible for reconciling the statements to the general ledger.

Other Matters

We applied certain limited procedures to the Management's Discussion and Analysis, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the use of the Board and management of the Authority and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

Ordevald Haefner LLC



Muskegon County Airport Airport Advisory Committee



Administration Conference Room
Muskegon County Airport

NOVEMBER 3, 2015

CALL TO ORDER

The Airport Advisory Committee meeting was called to order at 12:00 pm.

Committee Members Present:

Terry Boer, Dick Dolack, David Pickard, Terry Sabo, Bob Scolnik, Rillastine Wilkins, Robert Wygant

Committee Members Excused:

Peggy Foster, Andrew Heykoop, Rachel Stewart

Staff:

Pam Homan, Dianne Hoofman, Bob Lukens

APPROVAL OF MINUTES

A motion was made by Dolack and seconded by Pickard to approve the Minutes of October 6, 2015. Motion Carried.

INFORMATIONAL ITEMS

Operations Report. Lukens reviewed the Operations Report for September. Passenger traffic was up 26% in September compared to September of last year. Load factor was a little down from previous months, but we are still over 50%. We continue to see an increase in passenger traffic and believe the fare parity with Grand Rapids on United has helped with this increase. Billboards are also helping people "Check Muskegon". The number of operations were down slightly in September compared to August, but were higher than September 2015. Cargo was up significantly for September versus September 2014.

Air Event Update. Boer let everyone know that this project has been put on hold until a new Airport Manager is hired.

ACTION ITEMS

Approval of Contract Modification #1 to MDOT Contract #61192-126324.

Recommend to approve Contract Modification #1 to MDOT Contract #61192-126324 (AIP Project #3-26-0071-3915) for the final phase of the Airport's Terminal and General Aviation Ramp Reconstruction Project in the amount of \$-118,502.42, reducing the contract amount from \$1,201,780.40 to \$1,083,277.98, and reducing the County's 2.5% share of the project by \$2,963.00, from \$30,045.00 to \$27,082.00.

A motion was made by Scolnik and seconded by Dolack to recommend this item to the Transportation Committee. Motion carried.

Approval of Contract between the County and Kellogg Community College for Annual Live Burn Training.

Recommend to approve a contract in the amount of \$6,290.12, between the County and Kellogg Community College, to provide Federally mandated "Live Burn" training to the Airport fire fighters.

A motion was made by Dolack and seconded by Wilkins to recommend this item to the Transportation Committee. Motion carried.

OLD BUSINESS

None.

NEW BUSINESS

Boer announced that a Korean helicopter company will be doing ice testing beginning in December and will be here at least three months. In previous years, an Italian helicopter company performed the same testing in Muskegon. Executive Air will be providing hangar space and services for them while they are here. About 30 engineers, pilots, and mechanics will stay in Muskegon during the testing, which makes this a terrific economic opportunity for Muskegon.

Boer also mentioned that a new State Police helicopter has been flying around the Muskegon area recently. They may purchase a second helicopter and could base it in Muskegon.

Wygant said there are some members who have terms expiring at the end of the year. These need to be renewed if they would still like to be on the committee. Forms will be emailed to the members who need them.

ADJOURNMENT

There being no further business to come before the Airport Advisory Committee, the meeting adjourned at 12:37 pm.



**Muskegon
County
Airport**

**Muskegon County Airport
Operations Report**

Fiscal Year 2015

	PASSENGER ACTIVITY						AIRCRAFT OPERATIONS						CARGO	
	Avail Seats	Comm Pass	Load Factor	Enplaned	Deplaned	Total	Vs. FY2014	Air Carrier/ Charter	General Aviation	Military	Total	Vs. FY2014	Pounds	Vs. FY2014
JANUARY	5300	1815	34%	1080	889	1969	-8%	169	1915	15	2099	65%	483	-94%
FEBRUARY	4600	2297	50%	1249	1125	2374	-16%	141	1301	6	1448	-21%	197	-98%
MARCH	6162	2925	47%	1440	1601	3041	7%	174	2788	15	2977	-3%	5	-100%
APRIL	5918	2847	48%	1441	1516	2957	-4%	202	2753	10	2965	-7%	9140	220%
MAY	6218	2622	42%	1255	1456	2711	-5%	192	2294	137	2623	-27%	887	8770%
JUNE	5818	3352	58%	1636	1876	3512	16%	202	3101	332	3635	39%	14800	131%
JULY	5900	4075	69%	2013	2194	4207	16%	220	2840	317	3377	-17%	289	-65%
AUGUST	6216	4166	67%	2190	2093	4283	20%	204	2500	328	3032	-18%	18995	40%
SEPTEMBER	6094	3174	52%	1669	1620	3289	26%	184	2474	316	2974	3%	24477	8580%
OCTOBER	6518	3175	49%	1662	1645	3307	14%	210	2026	22	2258	-4%	21067	1394%
NOVEMBER														
DECEMBER														
YTD TOTALS	58744	30448	52%	15635	16015	31650	7%	1898	23992	1498	27388	-4%	90340	75%

City Council Requests – December 2015

Date Requested	Requested By	Received Via	Request	Action Taken	Date Completed	Completed By
03/25/14	Council Member Jurkas	Email	Reconsideration of Rental Inspection Program.	The City Attorney was asked to research and render a legal opinion. He presented options to the City Council at the April 22, 2014 work session. At the September 22, 2015 work session Council Member Martines requested the subject be brought back for reconsideration. It was placed on the October 2015 work session agenda and City Council directed staff to research it further.	Pending	City Administrator
05/26/15	Council Member Ostrom	Email	Explore opportunities to assist the City of Muskegon Heights with their boat launch facility.	Initial contact has been made with Muskegon Heights staff who appear willing to discuss the topic. Our staff will schedule a meeting with the new City Manager when one is hired.	Pending	City Administrator and Parks & Rec Director

*Revisions since the last update are highlighted



<i>Fiscal Stability</i>	2012	2013	2014	Progress
Annual general fund expenditures per capita	\$353	\$386	\$351	↓
Fund balance as a percent of annual general fund expenditures	27.0%	24.0%	29.0%	↑
Unfunded other post-employment benefits (OPEB) liability as a percent of annual general fund revenue	23.6%	26.0%	22.0%	↓
Debt burden per capita	\$0	\$0	\$0	↔
Percentage of road funding provided by the general fund	0%	0%	0%	↔
Ratio of pensioners to employees	1 to 1	1 to 1	1 to 1	↔
Number of services delivered via cooperative venture	41	41	41	↔
<i>Economic Strength</i>	2012	2013	2014	Progress
Percent of community with access to high speed broadband	100%	100%	100%	↔
Percent of community age 25+ with a Bachelor Degree or higher	30%	30%	30%	↔
Average age of critical infrastructure (years)	27	28	29	↑
<i>Public Safety</i>	2012	2013	2014	Progress
Violent crimes per thousand residents	1.60	2.60	3.80	↑
Property crimes per thousand residents	34.20	27.25	42.70	↑
Traffic injuries and fatalities	5.10	6.95	5.70	↓
Total Fire Department Responses	2,095	2,256	2,426	↑
Total Structure Fires	47	38	35	↓
<i>Quality of Life</i>	2012	2013	2014	Progress
Miles of sidewalks and non-motorized paths/trails as a factor of total miles of local/major streets	.46	.47	.47	↔
Percent of general fund budget committed to arts, culture and recreation	4.4%	4.4%	4.4%	↔
Acres of park per thousand residents	13.94	13.94	13.94	↔
Percent of community with access to curbside recycling	100%	100%	100%	↔
Total mileage of roadways with bike lanes	42.29	42.29	42.29	↔
Total miles of sidewalk	26.09	27.34	28.14	↑

Key: Arrows represent the change from prior to current year. The color of the arrow represents if the change was positive (GREEN) or negative (RED). A double arrow represents no change (NEUTRAL).