



This meeting is being held via video conference.

REMOTE ACCESS INSTRUCTIONS

CITY COUNCIL WORKSHOP AGENDA THURSDAY, APRIL 23, 2020 – 4:00 PM

1. **CALL TO ORDER**
2. **ATTENDANCE (ROLL CALL)**
3. **PUBLIC COMMENT** (Agenda Items Only Limit 3 minutes) *Use the “raise hand” button in the participants screen in Zoom or enter *9 if you are calling in by phone to raise hand. You will be recognized and unmuted to speak in the order received.*
4. **DISCUSSION ITEMS**
 - A. Downtown Riverfront High Water Report Presentation: Greg Weykamp and Daryl Veldman (Edgewater Resources)
 - B. City of Saugatuck Financial Update: Peter Stanislowski (City Treasurer/Finance Director)
 - C. Saugatuck Department of Public Works Update: Scott Herbert (DPW Superintendent)
 - D. Local Business re: Economic relief review
 - E. City Attorney: Memorandum 04-22-2020
 - F. 4-27-2020 City Council Agenda Item Review
5. **OTHER ITEMS OF DISCUSSION**
6. **PUBLIC COMMENT** (Limit 3 minutes) *Use the “raise hand” button in the participants screen in Zoom or enter *9 if you are calling in by phone to raise hand. You will be recognized and unmuted to speak in the order received.*
7. **COUNCIL COMMENT**
8. **ADJOURN (ROLL CALL)**

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City Council Workshop Discussion Item

To: Saugatuck City Council
From: Kirk Harrier—City Manager
Meeting Date: April 23, 2020
Re: Downtown Riverfront High Water Report Project

Greg Weykamp and Daryl Veldman from Edgewater Resources will present the Downtown Riverfront High Water Report.

Report

Date: April 22, 2020
To: Saugatuck City Council
From: Daryl Veldman
Subject: City of Saugatuck, Kalamazoo River High Water

Distribution: Kirk Harrier, Scott Herbert, Greg Weykamp

On March 11, 2020 Scott Herbert, Jeff Yoakam (USACE) and Daryl Veldman of Edgewater Resources inspected various sites along the riverfront in downtown Saugatuck. The purpose of this visit was to investigate the flooding from the south end of Butler St, and along Water Street from Mason St to Lucy St.

The following report will describe site conditions at each site as well as several next steps to address the situation at each site. Photos are a combination of site visits by the City and myself. We have also included costs for some of the work items and these could vary depending on the amount work city staff can contribute as well as bidding environment and time of year.



City Marina at South End of Griffith St

Site Observations - The City owns four docks at this location, which are submerged when the river rises from either a large rain event or wind surge, high water event, from Lake Michigan. During the summer of 2019, the Marina that operated the docks for the City built several dock sections and installed them on to the top of the existing dock.

Strategies:

1. *Continue Current Approach:* At the time of the site visit the river level was below the bottom of the existing dock and the new dock section installed in 2019 was not touching the water. The new dock section did not appear to have any algae growth from last season and boaters should be able to navigate the dock without slipping.



Figure 1 Existing Dock with new dock on top



Figure 2 - March 6, 2020 Lower dock submerged

2. *Raise Temporary Dock Sections:* We were not on site during a storm event nor during a lake surge and did not observe if the dock would have been submerged. However, if the dock is overtopped and the City has a concern for the boaters using these docks, the 2019 docks could be removed, and the stringers could be replaced with 2"x12" treated wood. A transition ramp would need to be installed to ensure a smooth transition to the docks. Approximate cost - \$15,000
 3. *Remove and Elevate Existing Dock:* With this strategy the 2019 dock top extension would be removed as well as the original dock and the support structure. The existing piles can remain. A new support structure would need to be installed and a new dock section built at a higher elevation. Approximate cost - \$85,000
 4. *Remove and Replace with Floating Docks:* With this strategy the existing dock structure would be removed and replaced with a floating dock system. An elaborate gangway system would need to be installed to allow access to the docks when they are either above or below the boardwalk. A bubbler de-icing system would also need to be installed to preserve the floating docks during the winter. Approximate cost - \$95,000
-



South End of Butler Street

Site Observations – Butler St. dead ends at the river and during high water the end of Butler St and the Sergeant Marine parking lot are both under water. Currently, there are sandbags at the end of Butler St at the stairs to the docks, along the southern edge of the parking lot at Sergeant Marine, as well as along the south side of the Butler Restaurant. There was standing water at the low point on Butler St at the time of our site visit and at the center of the low point is a catch basin. The upland storm water collection system has an outlet to the river down Butler St and the catch basin is the last structure on this system.



Figure 3 – Sergeant Marine Parking Lot



Figure 4 - Butler St Low Spot



Figure 5 - Sand Bags at Butler Restaurant



Figure 6 – March 6, 2020 High Water





Strategies:

1. *Continue Current Approach* – At the time of our site visit the water was not touching any of the adjacent structures. The water level is the same as the level of the Kalamazoo River. The road was closed to traffic at the south end of the dead-end road. The existing sandbag barriers on both public and private properties would need to be inspected periodically to ensure their integrity is still solid. Traditionally lake levels have gone down after August 1. This is noted on charts from the Army Corp of Engineers. If we look at the cyclical trend of water on the great lakes, the high-water situation could be with us for another year or two, possibly longer.
 2. *Water Barrier and Pump:*
 - a. Place a Hesco water barrier along the north side of the catch basin between the timber landscape wall and the sidewalk and then south across the driveway to the boardwalk to create a continuous barrier across the south end of Butler St. Approximate cost to furnish and install 140' of a Hesco Barrier system \$5,500
 - b. Purchase a 3" dia Water Pump, 290 gpm, head lift 85 ft and suction lift 26 ft (\$600) in catch basin to draw water down as needed.
 - c. Pumping operations would be completed by City crew or a hired contractor who would be at the site during a flooding event.
 - d. An approximate cost for this work is based on the following: We are going to assume 12 events during the year and each event would require an average of four manhours. Cost associated with City Personnel = \$11,000 Contractor = \$13,000 The costs for a-c are included in these numbers.
 3. *Plug and Pump:*
 - a. Install a valve that would be closed to control the water flowing from the Kalamazoo River through the storm outlet during high water conditions and opened to allow gravity flow during normal conditions.
 - b. Install a permanent pumping/lift station to remove water during high water conditions. The pumps and control system would be above ground and would be screened by either a fence or a landscape wall.
 - c. Verify with EGLE if the pumping operation would need to be permitted.
 - d. The cost for this effort would be approximately \$370,000.
 4. *Raise the Street:* With this strategy, the roadway would be elevated above the current high-water elevation, allowing traffic to move through this area during times of high water. The adjacent driveways would have to be replaced and raised as well. Currently the road is below the adjacent properties. The new roadway and adjacent parking would meet the existing wood retaining wall on the west side and the elevated parking north parking lot of Sergeant Marine. The driveway to the south parking lot of Sergeant Marine would slope downward from the proposed roadway. The proposed roadway would not shed water on to the adjacent properties. The scope of work for this strategy would include the following tasks:
 - a. Sawcut and remove approximately 100' of roadway
 - b. Add a new gravel base
 - c. Install new curb and gutter and driveways
 - d. Reestablish parkways
 - e. Place new asphalt with a reverse crown to collect water in the middle of the road similar to existing
 - f. The cost for this effort would be approximately \$50,000
-



West End of Mason Street

Site Observations – Mason St dead ends at the river and during high water the end of Mason St is under water. Currently, there are no sandbags at the end of Mason St. At the time of our site visit, there was no standing water at the low spot at the west edge of the pavement; however, debris from the last storm event was present. The upland storm water collection system has an outlet to the river down Butler St and the catch basin is the last structure on this system.



Figure 7 – Mason St. Looking southwest



Figure 8 - Mason St Looking northwest

Strategies:

1. *Continue Current Approach:* At the time of our site visit there was no standing water and the road was open to traffic. The lower level of Coral Gables is lower than the pavement; however, during normal rain events the storm water should stay within the curb line. Traditionally lake levels have gone down after August 1. This is noted on charts from the Army Corp of Engineers. If we look at the cyclical trend of water on the great lakes, the high-water situation could be with us for another year or two, possibly longer.
 2. *Water Barrier:*
 - a. Place a Hesco water barrier along the northern edge of Mason St to prevent river water from entering the City ROW and on to Coral Gables property. Approximate cost \$1,200
 3. *Raise the Street Elevation -* With this strategy, the roadway would be elevated above the current high-water elevation, allowing traffic to move through this area during times of high water. The proposed roadway would not shed storm water on to the adjacent properties.
 - a. Sawcut and remove approximately 50' of roadway
 - b. Add a new gravel base
 - c. Install new curb and gutter
 - d. Reestablish parkways
 - e. Install new Coral Gables delivery sidewalk
 - f. Place new asphalt with a reverse crown to collect water in the middle of the road similar to existing
 - g. The cost for this effort would be approximately \$30,000
-



Wicks Park Marina

Site Observations - The City owns five docks at this location, which are partially submerged when the river rises from either a large rain event or a surge from Lake Michigan. The docks are at the same elevation as the concrete boardwalk and on the day of our site visit the bottom of the docks were several inches above the water.

Strategies:

1. *Continue Current Approach:* At the time of the site visit, the river level was a few inches from the bottom of the existing dock. The dock sections did not appear to have any algae growth from last season and boaters should be able to navigate the dock without slipping.



Figure 9 - Existing Docks at Wicks Park

2. *Add Temporary Raised Dock Sections:* Build a new dock section and place it on top of the existing dock along with a ramp down to the concrete boardwalk - \$18,000
 3. *Remove and Replace with Floating Docks:* With this strategy the existing dock structure would be removed and replaced with a floating dock system. An elaborate gangway system would need to be installed to allow access to the docks when they are either above or below the boardwalk. A bubbler de-icing system would also need to be installed to preserve the floating docks during the winter. Approximate cost - \$100,000
 4. *Raise Docks, Boardwalk and some of Parking Lot:*
 - a. Remove and elevate the existing dock and concrete boardwalk.
 - b. Utilize the existing piles and construct new docks at a higher elevation.
 - c. Remove and replace the existing concrete boardwalk as well as a portion of the parking lot, with smooth transitions for pedestrian access.
 - d. Approximate cost \$145,000
-



Wicks Park Restroom Facilities.

Site Observations – Wicks Park has a concrete block restroom facility which experiences flooding during periods of high water. There is a catch basin at the entrance and water ponds here and enters the building.



Figure 10 – Restroom looking southwest



Figure 11 – Restroom looking southeast



Figure 12 – Catch basin at entrance



Figure 13 – Water level just below the frame

Strategies:

1. *Continue Current Approach:* At the time of our site visit, water was not ponding at the site. The water level is the same as the level of the Kalamazoo River, and the water level was just inches below the catch basin frame. The City can continue to shut down the restroom at high water events and clean up the high-water damage.
 2. *Water Barrier and Pump* – With this strategy the following tasks would take place:
-



- a. Place a Hesco water barrier around the catch basin. Approximate cost \$2,400
 - b. Place barricades around the catch basin to create a protected area for temporary pumps and piping.
 - c. Install a platform for the placement of the pump during a high-water event as well as a place for the pump operator to stand.
 - d. Purchase a 3" dia Water Pump, 290 gpm, head lift 85 ft and suction lift 26 ft (\$600) in catch basin to draw water down as needed.
 - e. Pumping operations would be completed by City crew or a hired contractor who would be at the site during a flooding event. The discharge hose for the pump would be placed on top of the grass and across the boardwalk. A protective trip hazard would cost approximately \$3,000
 - f. An approximate cost for this work is based on the following: We are going to assume 12 events during the year and each event would require an average of four manhours. Cost associated with City Personnel = \$10,000 Contractor = \$12,000 The costs for a-e are included in these numbers.
3. *Raise or Replace the Building:*
- a. Raise the existing building above the current high-water elevation, allowing pedestrian traffic to move through this area during times of high water – or –
 - b. Replace the existing building with a new structure constructed at the appropriate grades to prevent flooding
 - c. The range of cost for this effort would be approximately \$100,00 - 250,000
-



Francis Street Road End

Site Observations – The boardwalk at Francis St has been settling and the adjacent concrete is currently several inches below the sheet pile cap, allowing water to pass through this gap onto Water St. The sheet piling appears to be in good condition and there are no signs of failure. The dock at this location is not owned by the City and will not be part of our discussion.



Figure 14 – Boardwalk settlement



Figure 15 – Adjacent parking and sidewalk settlement

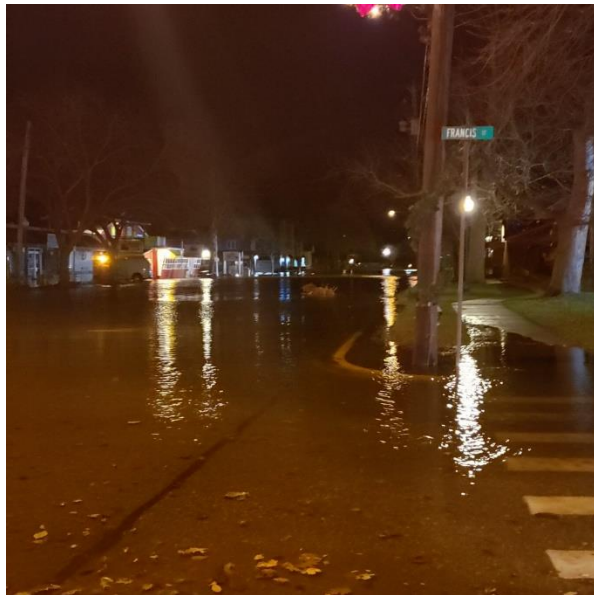


Figure 16 – Flooding on Water St looking north

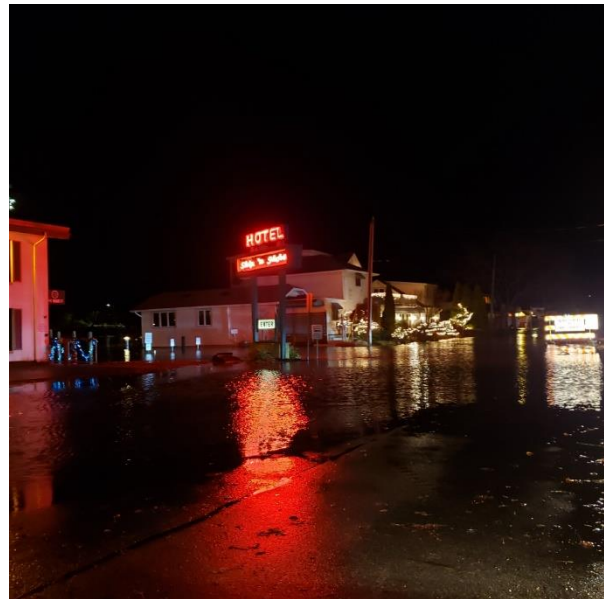


Figure 17 – Flooding looking northwest





Strategies:

1. *Continue Current Approach:* At the time of our site visit the water was not ponding at the site, and the water level was approximately one foot below the top of the sheeting. The City can continue to shut down the Water St at high water events and clean up the high-water damage. The City would need to address the trip hazard from the settling boardwalk.
 2. *Remove and Replace Boardwalk and Asphalt:*
 - a. Remove concrete boardwalk.
 - b. Remove adjacent asphalt parking to allow sufficient grade for storm water to sheet drain into the river.
 - c. Remove the backfill behind the wall to a depth of approximately two feet.
 - d. Place geotextile fabric over the sheet pile joints to stop the migration of backfill into the river
 - e. Install, grade, and compact backfill behind the sheeting and as a base for the new boardwalk and pavement
 - f. Place concrete boardwalk of the same size and configuration as existing.
 - g. Place asphalt for parking.
 - h. The cost for this effort would be approximately \$15,000.
 3. *Water Barrier:*
 - a. Place a Hesco water barrier across the Francis St boardwalk. The barrier would be parallel to the sheet pile cap and would be as high as the perpendicular sheet wall on the south and the north.
 - b. The approximate cost for the water barrier would be \$2,200.
-



Spear Street Boat Launch.

Site Observations – The boat launch at Spear St is a significant point of entry for river water to Water St during high water events. River water will flow through the opening of the boat launch as well as “boil” up through a catch basin on Water St as shown in Figure 20. The figures below show the site after two different high-water events as well as a normal spring 2020 day. The boat launch has a fixed dock which was submerged after two recent high-water events. The dock is of metal construction and has slight grooves in the surface for the purpose of traction.



Figure 18 –Feb 24, 2020 submerged fixed dock



Figure 19 – Feb 24, 2020 – looking northeast



Figure 20 – March 6, 2020 high water, looking west



Figure 21 – 3/6/20 high water, looking southwest



Figure 22 – March 11, 2020 site – looking west



Figure 23 – March 11, 2020 – looking northeast

Strategies:

1. *Continue Current Approach:* At the time of our site visit the water was not flowing into Water St; however, the photos provided to us by the City show the extent of the flooding during two recent high-water events. The water level was approximately one foot below the top of the sheeting. The City can continue to shut down the Water St at high water events and clean up the high-water damage. The City would need to close the boat launch during high water events.
 2. *Water Barrier:* Close the boat launch until water levels trend back down to a non-flood stage elevation. Place a Hesco Water Barrier across boat launch from the steel sheet pile wall on the south to a semi-circle around the catch basin shown in Figures 20 and 21 and then back to the base of the Star of Saugatuck sign. The barrier would serve the purpose of holding the river water from the boat launch as well as the water that would boil up through the catch basin. Approximate cost \$3,500
 3. *Water Filled Diversion Tube:* Close boat ramp during high-water events by placing a water filled barrier as needed and removing when flooding stops. The temporary barrier would be placed across boat launch from the steel sheet pile wall on the south to a semi-circle around the catch basin shown in Figures 20 and 21 and then back to the base of the Star of Saugatuck sign. The barrier would be the same elevation as the sheet pile wall and would serve the purpose of holding the river water from the boat launch as well as the water that would boil up through the catch basin. High wind and large storm events would need to be monitored and the water tube barrier would need to be reinstalled with anticipation of an upcoming high-water event. Approximate cost to purchase and install/reinstall 12 times - \$8,000
 4. *Add Temporary Raised Dock Section:* Build a new dock section and place it on top of the existing dock along with a ramp down to the concrete ramp - \$9,000
 5. *Remove and Raise Dock:*
 - a. Remove and elevate the existing dock and gangway
 - b. Utilize the existing piles and construct new docks at a higher elevation.
 - c. Approximate cost - \$13,000
 - d. Floating Dock and gangway - \$17,000
-



Water Street and Lucy Street Intersection

Site Observations – The intersection of Water St and Lucy St is currently near the elevation of the river and during high water events the river water ponds in this intersection. The water enters this intersection through several locations:

1. Francis Street boat launch
2. Gap between the two small cottages north of the Star of Saugatuck
3. Driveway on south side of Old Boat House
4. Storm water system backing up

The Francis St boat launch is addressed in the previous section. Items 2 and 3 are currently sandbagged by their respective property owners. The storm sewer collection system currently has sandbags around the catch basins and there is a modified sump pump system in place near the catch basin closest to the First Responder Dock. The upland storm water collection system has an outlet to the river down Lucy St and the catch basin is the last structure on this system. The existing storm water collection is properly constructed and relies on gravity to drain the pipes. When the outlet to the collection system is under water, the storm water cannot flow out into the river and if the elevation of the river is higher than the metal grate on the catch basin the river water will actually flow into the storm system and flow up thru the grate.



Figure 24 – Water/Lucy Intersection looking west



Figure 25 – Water and Lucy intersection looking SW



Figure 26 - Sandbaged Catch Basins – looking east Figure 27 – Water St looking south



Figure 28 – Sandbags, sump pump and discharge



Figure 29 – Sandbags at driveway S. of Old Boat House





Figure 30 - Sand Bags and sump pumps at cottages Figure 31 - Sand Bags at river behind cottages

Strategies:

1. *Continue Current Approach:* At the time of our site visit the water was not touching any of the adjacent structures; however, the photos provided to us by the City show the extent of the flooding during two recent high-water events. The water level is the same as the level of the Kalamazoo River. The road was not closed to traffic at the time of our site visit. The existing sandbag barriers on both public and private properties would need to be inspected periodically to ensure their integrity is still solid. The pump system at the intersection and near the cottages would need to be checked for possible maintenance or replacement of pumps. The sump pump system could probably keep the water off the pavement during a normal day; however, during a high-water event the river water will pond in the intersection. The City can continue to shut down the Water St/Lucy St intersection at high water events and clean up the high-water damage. A concern is accessibility to the first responder docks during a high-water event as well as accessibility of emergency vehicles passing through the intersection either during the warm months as well as during cold weather.
 2. *Upgrade the Pump System:*
 - a. Remove and replace the sandbag system and add a Hesco System at all current locations.
 - b. Purchase a 3" dia Water Pump, 290 gpm, head lift 85 ft and suction lift 26 ft in catch basin to draw water down as needed.
 - c. Pumping operations would be completed by City crew or a hired contractor who would be at the site during a flooding event.
 - d. An approximate cost for this work is based on the following: We are going to assume 12 events during the year and each event would require an average of four manhours. Cost associated with City Personnel = \$11,000 Contractor = \$13,000 The costs for a-c are included in these numbers
 3. *Plug and Pump:*
 - a. Install a valve that would be closed to control the water flowing from the Kalamazoo River through the storm outlet during high water conditions and opened to allow gravity flow during normal conditions. During high water river events the storm water is not flowing out to the river and is sitting in the pipes. The only time water will flow thru the pipe into the river is when there is enough pressure from upgradient
-



- storm water. The valve would be open when gravity flow of the storm water to the river is practical during the occasion of a low river elevation.
- b. Install a permanent pumping/lift station to remove water during high water conditions. The pumps and control system would be above ground and would be screened by either a fence or a landscape wall. The high groundwater table makes the underground installation of the pump system cost prohibitive.
 - c. Verify with EGLE if the pumping operation would need to be permitted.
 - d. The cost for this effort would be approximately \$320,000.
4. *Raise the Street*: With this strategy, the roadway would be elevated above the current high-water elevation between the Francis Street/Water St intersection through the road bend to the Lucy St/Butler St intersection. The new road elevation would allow traffic to move through this area during times of high water. The adjacent driveways would have to be removed and replaced as well. The storm water collection system would need to be modified to collect water from adjacent properties which might not be able to sheet drain on to the proposed elevated road. The proposed roadway would not shed water on to the adjacent properties. The scope of work for this strategy would include the following tasks:
- a. Sawcut and remove approximately 1,000' of roadway
 - b. Add a new gravel base
 - c. Install new curb and gutter and driveways
 - d. Reestablish parkways
 - e. Place new asphalt with a reverse crown to collect water in the middle of the road similar to existing
 - f. The cost for this effort would be approximately \$450,000

NOAA PROJECTIONS

We are all aware of the current record high water levels along the shoreline of Lake Michigan, and according to NOAA, the trend for these high waters will continue through the 2020 season. The water level has continued to rise since its record low in 2013 due to heavy winter ice cover, large spring rainfall, and reduced evaporation. The lake levels are currently at monthly mean record highs and may exceed the record high set in 1986 this season. These events have been well documented and are highlighted in a webinar from NOAA:

<https://www.regions.noaa.gov/great-lakes/index.php/project/>



COST SUMMARY

City Marina at South End of Griffith Street

- Raise Temporary Dock Sections - \$15,000
- Remove and Elevate Existing Dock - \$85,000
- Remove and Replace with Floating Docks - \$95,000

South End of Butler Street

- Water Barrier and Pump - City Personnel - \$11,000
Contractor - \$13,000
- Plug and Pump - \$370,000
- Raise the Street - \$50,000

West End of Mason Street

- Water Barrier - \$1,200
- Raise the Street - \$30,000

Wicks Park Marina

- Add Temporary Raised Dock Sections - \$18,000
- Remove and Replace with Floating Docks - \$100,000
- Raise Docks, Boardwalk and some of Parking Lot - \$145,000

Wicks Park Restroom Facilities

- Water Barrier and Pump - City Personnel - \$10,000
Contractor - \$12,000
- Raise or Replace the Building - \$100,000 – 250,000

Francis Street Road End

- Remove and Replace Boardwalk and Asphalt - \$15,000
- Water Barrier - \$2,200

Spear Street Boat Launch

- Water Barrier - \$3,500
- Water Filled Diversion Tube - \$8,000
- Add Temporary Raised Dock Section - \$9,000
- Remove and Raise Dock - \$13,000
- Remove and Replace with Floating Dock - \$17,000

Water Street and Lucy Street Intersection

- Upgrade the Pump System - City Personnel - \$11,000
Contractor - \$13,000
 - Plug and Pump - \$320,000
 - Raise the Street - \$450,000
-



City Council Workshop Discussion Item

To: Saugatuck City Council
 From: Peter Stanislowski—City Treasure/Finance Director
 Meeting Date: April 23, 2020
 Re: City of Saugatuck Financial Update

Attached is a revenue/expenditure financial update report for the FY 19/20 budget. The spread sheets on the next page of this discussion item report will give the Council an overview of the City’s General, Major Street, and Local Street Funds..

Below are the current fund balances.

- General Fund Unrestricted \$1,992,547
- General Fund Parks Committed \$1,000,000
- Major Street Fund \$ 453,000
- Local Street Fund \$1,312,000
- TOTAL CASH** ***\$4,757,547**

The City has maintained a policy of preserving a \$1,000,000 general fund unrestricted fund balance. Keeping with that policy, the cash on hand available for projects from the fund balances is **\$3,757,54.*

The City recently completed an in-depth capital improvement plan which identified a number of critical infrastructure projects needed to be completed in order to keep the City competitive economically as well and operating safely. The City has an aging infrastructure both in roads, utilities and a large park system that is a considerable factor in driving the overall tourist economy.

- Road Utility Projects \$4,445,000
- Park Projects \$4,095,000
- TOTAL PROJECTS** **\$8,540,000**

With the recent events related to the COVID-19 pandemic and the economy, the City is anticipating reductions in both State Revenue Sharing and ACT 51 revenues. Property values are also expected to be negatively impacted as they were during the recession of 2008. However the property value impact will not be realized until upcoming city budgets. I recently attended a webinar meeting hosted by the Michigan State Treasury that discussed state and local financial impacts of COVID-19 . I will present Council with a verbal synopsis regarding that meeting during the workshop.

04/22/2020

REVENUE REPORT FOR CITY OF SAUGATUCK
 PERIOD ENDING 04/30/2020

GL NUMBER	DESCRIPTION	2019-20 AMENDED BUDGET	YTD BALANCE 04/30/2020	AVAILABLE BALANCE	% BDGT USED	
Fund 101 - GENERAL FUND REVENUES						
101-000-402.000	REAL PROPERTY TAXES	1,840,000.00	1,825,054.60	14,945.40	99.19	Allegan County June Payment
101-000-403.000	PERSONAL PROPERTY TAXES	20,125.00	20,134.86	(9.86)	100.05	
101-000-445.000	PENALTIES & INTEREST	16,000.00	6,868.72	9,131.28	42.93	
101-000-447.000	ADMINISTRATION FEE	78,000.00	80,275.30	(2,275.30)	102.92	
101-000-478.000	PERMIT FEES	14,000.00	18,053.35	(4,053.35)	128.95	Reduced Sales Tax Collection by \$8k
101-000-574.000	REVENUE SHARING	83,000.00	48,410.00	34,590.00	58.33	
101-000-577.000	LIQUOR LICENSE FEES	12,100.00	12,013.65	86.35	99.29	
101-000-579.000	GRANTS RECEIVED	13,230.00	40,174.68	(26,944.68)	303.66	
101-000-607.000	FRANCHISE FEES	23,500.00	23,037.36	462.64	98.03	
101-000-614.000	SCHOOL TAX COLLECTION FEE	3,212.00	3,212.00	0.00	100.00	
101-000-615.000	PARKING LOT FEES	13,000.00	6,571.15	6,428.85	50.55	
101-000-650.000	CHAIN FERRY FEES	3,000.00	0.00	3,000.00	0.00	Oval Revenues if allowed to open?
101-000-651.000	OVAL BEACH FEES	400,000.00	388,671.83	11,328.17	97.17	
101-000-652.000	OVAL CONCESSION	115,000.00	95,565.11	19,434.89	83.10	
101-000-653.000	BOAT RAMP FEES	2,000.00	732.00	1,268.00	36.60	
101-000-654.000	GAZEBO FEES	2,000.00	1,500.00	500.00	75.00	
101-000-655.000	POLICE & ORDINANCE FEES	6,500.00	6,401.56	98.44	98.49	
101-000-665.000	INTEREST EARNED	32,000.00	37,515.96	(5,515.96)	117.24	Street Ends still due by local property owners!
101-000-667.000	STREET END & PROPERTY FEES	30,000.00	12,002.91	17,997.09	40.01	
101-000-670.000	BOAT SLIP FEES	19,000.00	17,156.40	1,843.60	90.30	
101-000-674.000	MISC DONATIONS & INCOME	33,000.00	34,300.83	(1,300.83)	103.94	
101-000-682.000	USE TAX & ELECTION FEES	16,000.00	15,841.13	158.87	99.01	
TOTAL REVENUE		2,774,667.00	2,693,493.40	81,173.60	97.07	

04/22/2020

EXPENDITURE REPORT FOR CITY OF SAUGATUCK
 PERIOD ENDING 04/22/2020

GL NUMBER	2019-20 AMENDED BUDGET	YTD BALANCE 04/22/2020	AVAILABLE BALANCE	% BDGT USED
Fund 101 - GENERAL FUND EXPENDITURES				
101 - COUNCIL	51,550.00	40,308.48	11,241.52	78.19
173 - CITY ADMINISTRATION	199,150.00	162,337.45	36,812.55	81.52
215 - CITY CLERK	105,350.00	79,801.69	25,548.31	75.75
253 - CITY TREASURER	108,700.00	84,481.14	24,218.86	77.72
257 - ASSESSING	44,350.00	30,595.48	13,754.52	68.99
265 - CITY HALL	79,900.00	14,013.98	65,886.02	17.54
301 - SHERIFF	380,000.00	239,777.99	140,222.01	63.10
441 - PUBLIC WORKS	462,300.00	339,567.06	122,732.94	71.56
721 - PLANNING/ZONING	80,650.00	57,663.85	22,986.15	71.50
723 - HISTORIC DISTRICT COMMISSION	48,250.00	33,884.21	14,365.79	70.23
730 - HARBOR	7,000.00	6,650.00	350.00	95.00
751 - PARKS & RECREATION	895,950.00	204,809.87	691,140.13	22.86
756 - OVAL BEACH	200,650.00	108,276.64	92,373.36	53.96
758 - OVAL CONCESSION	93,050.00	43,336.00	49,714.00	46.57
760 - SPEAR BOAT LAUNCH	2,250.00	336.00	1,914.00	14.93
TOTAL EXPENDITURES	2,759,100.00	1,445,839.84	1,313,260.16	52.40

Paint and Siding Issues

Mt Baldhead Project \$500k

04/22/2020

REVENUE REPORT FOR CITY OF SAUGATUCK
PERIOD ENDING 04/22/2020

GL NUMBER	DESCRIPTION	2019-20 AMENDED BUDGET	YTD BALANCE 04/22/2020	AVAILABLE BALANCE	% BDGT USED
Fund 202 - MAJOR STREETS REVENUE					
202-000-538.000	COUNTY ROAD MILLAGE	76,000.00	0.00	76,000.00	0.00
202-000-546.000	ACT 51 FEES	95,000.00	74,999.72	20,000.28	78.95
202-000-665.000	INTEREST	5,000.00	5,247.34	(247.34)	104.95
TOTAL REVENUE		176,000.00	80,247.06	95,752.94	45.59

Allegan County payment in June

Gas Tax Reduce by \$5k

04/22/2020

EXPENDITURE REPORT FOR CITY OF SAUGATUCK
PERIOD ENDING 04/22/2020

GL NUMBER	DESCRIPTION	2019-20 AMENDED BUDGET	YTD BALANCE 04/22/2020	AVAILABLE BALANCE	% BDGT USED
Fund 202 - MAJOR STREETS EXPENDITURES					
463 - ROUTINE MAINTENANCE		128,500.00	29,517.96	98,982.04	22.97
464 - WINTER MAINTENANCE		47,500.00	25,244.90	22,255.10	53.15
TOTAL EXPENDITURES		176,000.00	54,762.86	121,237.14	31.12

Road Salt \$5k

04/22/2020

**REVENUE REPORT FOR CITY OF SAUGATUCK
PERIOD ENDING 04/30/2020**

GL NUMBER	DESCRIPTION	2019-20 AMENDED BUDGET	YTD BALANCE 04/30/2020	AVAILABLE BALANCE	% BDGT USED	
Fund 203 - LOCAL STREETS REVENUES						
203-000-402.000	LOCAL ROAD MILLAGE	300,000.00	303,196.32	(3,196.32)	101.07	Allegan County payment in June
203-000-445.000	PENALTIES & INT ON TAXE	800.00	226.30	573.70	28.29	
203-000-538.000	COUNTY ROAD MILLAGE	77,000.00	0.00	77,000.00	0.00	
203-000-546.000	ACT 51 FEES	59,000.00	46,119.89	12,880.11	78.17	Gas Tax Reduce by \$5k
203-000-665.000	INTEREST	5,000.00	8,222.42	(3,222.42)	164.45	
TOTAL REVENUES		441,800.00	357,764.93	84,035.07	80.98	

04/22/2020

**EXPENDITURE REPORT FOR CITY OF SAUGATUCK
PERIOD ENDING 04/22/2020**

GL NUMBER	DESCRIPTION	2019-20 AMENDED BUDGET	YTD BALANCE 04/30/2020	AVAILABLE BALANCE	% BDGT USED	
Fund 203 - LOCAL STREETS EXPENDITURES						
463 - ROUTINE MAINTENANCE		394,550.00	78,163.41	316,386.59	19.81	Park Street Repairs
464 - WINTER MAINTENANCE		47,250.00	28,499.87	18,750.13	60.32	
Fund 203 - LOCAL STREETS:						
TOTAL EXPENDITURES		441,800.00	106,663.28	335,136.72	24.14	



City Council Workshop Discussion Item

To: Saugatuck City Council
From: Scott Herbert—DPW Superintendent
Meeting Date: April 23, 2020
Re: Saugatuck Department of Public Works Update

Scott Herbert, Superintendent of the Saugatuck Department of Public Works, will give a verbal update on operations concerning the Public Works Department.



City Council Workshop Discussion Item

To: Saugatuck City Council
From: Kirk Harrier—City Manager
Meeting Date: April 23, 2020
Re: Business Economic Relief Review

At the last City Council regular meeting, the idea of exploring possible economic relief options for local businesses was discussed, i.e. the disbursement of monies from the City’s General Fund balance to businesses. One of the primary concerns of local businesses right now is the ability to make rent or mortgage payments and cover other business related expenses in order to remain viable until the nation recovers from the pandemic. The City of Saugatuck has approximately 200 businesses within its jurisdiction. It is estimated that the average business pays approximately \$2,500 to \$3,500 per month in rent. Making a very general assumption that all 200 businesses rent their stores, the monthly amount of rent in total is would be between \$500,000 to \$700,000 depending on actual square footage. If the City were to implement some form of economic relief measures for businesses, the City would likely need to allocate \$1,000,000 to \$1,400,000 for it to be considered significant and actually make an impact to keep businesses viable for two months.

I have researched what tools are available to the City of Saugatuck in relation to some form of immediate economic relief. So far the primary obstacles are the Michigan State Constitution and the City Charter which generally prohibits giving City monies to any private business/company unless there’s a contract for services to be provided. There are however some options available via the establishment of an economic development corporation (EDC) under 1974 PA 338; as amended by 2002 PA 357, 2010 PA 240, M.C.L. 125.1601 et seq. However the process of setting up an EDC takes a considerable amount of time which would not accomplish an immediate benefit and would have some degree of expense to implement.

I have contacted the Allegan County EDC which is operated through Lakeshore Advantage. Lakeshore Advantage is a non-profit economic development organization that connects businesses to the resources they need to grow in Allegan and Ottawa Counties. Greg King is their Business Solutions Manager and the person I reached out to. Mr. King stated, *“Most municipalities, if they’re pursuing some level of funding for their resident businesses, are doing it through CDFIs, DDAs, or some combination thereof. Unfortunately I haven’t been able to locate any legal framework by which a municipality can give funding to residents; my contacts at the MEDC have not been able to either.”*

I also reached out the City of Saugatuck’s municipal attorney, Jeff Sluggett. Attached on the next page is the communication he sent via e-mail.

Kirk Harrier

Subject: FW: Financial Assistance

From: Jeff Sluggett [mailto:jeff@bloomsluggett.com]

Sent: Friday, April 17, 2020 6:10 PM

To: Kirk Harrier

Subject: Financial Assistance

Kirk:

I wanted to respond (briefly) to your email from this morning regarding the captioned matter. If you (or the Council) would prefer that I submit something more detailed (e.g., with legal citations) or in a different format (e.g., a written legal opinion) that's no problem. Just let me know. I should also mention that in addition to your email I also had time to look at the memorandum prepared by the Manager for the City of the Village of Douglas (Memorandum) which I will refer to a couple of times in this email.

Without repeating what is in the Memorandum or addressing various items you noted in your email, I think it is important initially to emphasize that to properly understand the City's legal ability to undertake economic relief measures it is important to understand the nature of municipal government in Michigan. Municipalities in Michigan are creatures of the state, they have no independent existence other than what the state (and its citizens) have chosen to give them. Thus, a municipality can only do that which is expressly authorized by law or reasonably implied from those express powers. Put more directly, in order to take action, a municipality (ultimately) must be able to point to some state statute, constitutional provision or similar authority as a basis for that action.

Here, relative to at least some of the ideas being discussed (e.g., awarding grants to local businesses) we also have constitutional language which prohibits (as noted in the Memorandum and your email) the "lending of credit" to private or public entities unless authorized by law. This phrase has been interpreted to mean that a municipality may not give its public dollars or other public property to anyone or anything without there being, as noted above, some independent legal authority to do so. In this case, there is no general right under Michigan law (even if for an acknowledged public good) to give away the public's dollars for economic development purposes. Instead, to engage in local economic enhancement activities the City would need to rely on other types of entities which have been designed for these purposes by the state.

Thus, by way of example, the state permits local governments to establish economic development corporations (EDCs) which, in turn, are authorized by law to loan funds to local businesses for private economic development purposes. Similarly, where a downtown development authority (DDA) has been created, the DDA can expend its funds for making improvements to private property, advertising local businesses, etc. subject to the terms and conditions set out in the DDA's enabling legislations. Currently, the City of Saugatuck does not have an EDC, DDA, Corridor Improvement Authority (CIA) or similar type of entity. Thus, for now, in my opinion, the City is without legal authority to convey City funds to support local businesses.

Another issue which I understood was raised was the ability of the City to grant property tax relief to local businesses, etc. Generally, the General Property Tax Act does not allow for any type of deferral of taxes for commercial or industrial properties. Even in the case of residential property taxes, there is no permanent ability to "waive" the taxes. The City Council of course can levy an amount less than has been authorized by the voters, but this will, of course, reduce those revenues that will then be available for the City's needs. In a

similar vein, the City Council can waive the administrative fee that is included as part of the tax levy and can waive penalties for delinquencies but, on balance, both of these combined are a very small percentage of a property's overall tax bill.

So, what options are left? I would offer several ideas which the City Council might want to consider in terms of further review and discussion: (A) investigate the costs and benefits of establishing an EDC or similar entity the purpose of which his to promote and support local businesses; (B) investigate and facilitate (agree to act as a clearinghouse for?) state, federal, local nonprofit, or County programs directed to local businesses; and, (C) work with the MML to develop legislation that would permit local governments that chose to do so the ability to set up lending or similar programs for local businesses.

I want to emphasize that my comments (above) only apply to the City under Michigan law; other types of entities will have different powers and restrictions. Each needs to be considered in terms of what it can do on its own terms. In the case of municipalities in Michigan, many questions fundamentally come down to what authority exists (or does not exist) to support a desired course of conduct.

I would be more than glad to discuss further any of these ideas or to answer other questions if it would prove helpful

Be safe.

Jeff
Jeffrey VH Sluggett

Bloom Sluggett, PC
Counselors & Attorneys
15 Ionia Ave. SW, Suite 640
Grand Rapids, MI 49503
jeff@bloomsluggett.com
P (616) 965-9341
F (616) 965-9351

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From: Kirk Harrier
Sent: Friday, April 17, 2020 10:43 AM
To: Jeff Sluggett
Subject: City of Saugatuck Question (Local Business Financial Assistance)

Hi Jeff,

Due to the recent events involving the nationwide public health crisis, I have been asked to research if there may be some type of property tax relief or possible financial assistance, i.e. local grants, that can be implemented by a local unit of government; specifically in regards to the local small businesses. I believe a primary concern right now is local

businesses making rent payments and covering other business related expenses in order to remain viable until the nation recovers from the pandemic.

I spent some time yesterday researching the matter and I'm not finding anything significant in my review; in terms of the City being able to offer either a disbursement of tax dollars from the City's general fund to private businesses or implementing a "property tax holiday" concept. I did find the General Property Tax Act allows the payment of a summer tax bill to be deferred without penalty or interest charges until February 14th. However to qualify for this deferment, the applicant has to be for someone's primary residence (non-commercial) with a gross household income that doesn't exceed \$40,000 for the preceding calendar year. There is also a poverty exemption from property taxes available. However this option again seems to be specific to someone's primary residence and has a income/asset test threshold that would not be applicable to local businesses.

I talked to my colleague over in the City of Douglas as he is also reaching this matter as well. He pointed out two sections in the Michigan Constitution that he found that could be problematic. *Article 7, Sec. 26 states, except as otherwise provided in this constitution, no city or village shall have the power to loan its credit for any private purpose or, except as provided by law, for any public purpose. Article 9, Sec. 18 states, the credit of the state shall not be granted to, nor in aid of any person, association or corporation, public or private, except as authorized in this constitution. The Michigan Supreme Court has held that this provision also applies to political subdivisions.* I'm not sure if these provisions would prove to be problematic or not but it does state, "except as provided by law". So maybe you are aware of a law that allows such actions.

The City of Saugatuck collects all the millages levied on properties by the other various taxing jurisdictions and then disburses those amounts back to those entities when collected. The City doesn't keep those monies collected and are not available to re-disburse. There are millages levied by the local library board, County Board, Interurban Transit Board, local School Board, State Education, Intermediate School Board, and Fire District Board. If there is a legal mechanism available to offer financial assistance to businesses or relief from property taxes, would the City have to get some type of approval from these other taxing jurisdictions?

I have also read some news articles recently where businesses in some larger communities within Michigan are obtaining financial help/marketing assistance through a Downtown Development Authority (DDA) structure. However these examples seem to be in very large communities with financially strong DDA's.

Hoping you could point me in the right direction to further research if you are aware of what some other communities are doing in similar situations to help local businesses in their communities or if you have any suggestions to offer that I may have missed.

Thanks in advance,

Kirk Harrier
City Manager
City of Saugatuck
269-857-2603



City Council Workshop Discussion Item

To: Saugatuck City Council
From: Kirk Harrier—City Manager
Meeting Date: April 23, 2020
Re: City Attorney Memorandum

Attached is a memorandum from the City Attorney discussing the relevant components involved in Council’s authority to remove an appointed City official. Specifically proper authorization to remove an appointed City official requires a fact specific analysis. The memo presents an overview of the generally applicable principles and laws.

Bloom Sluggett, PC

Counselors & Attorneys

MEMORANDUM

TO: City Council
FROM: Jeff Sluggett
DATE: April 22, 2020
RE: City of Saugatuck – Removal of Public Official

Proper authorization to remove an appointed City official requires a fact specific analysis. Below is an overview of the generally applicable principles and laws related to the removal of City officials:

1. Removal of a City official must be in accordance with the City Charter (or City ordinance if applicable). See generally, *McComb v City Council of Lansing*, 264 Mich 609 (1993).
By way of example only:
 - Planning Commission: “Any member may, after a public hearing, be removed by the Mayor for inefficiency, neglect of duty, or malfeasance in office.” City Ordinance Title III, Ch. 31 § 31.34 (B)
 - Zoning Board of Appeals: “Members of the Board of Appeals shall serve at the pleasure of the Council and *shall be removable by the City Council for nonfeasance, malfeasance and misfeasance of office upon written charges and after a public hearing*. City Ordinance Title XV, Ch. 154, § 154.151(D) (emphasis added).
2. Removal of certain City officials from office must be for cause. See MCL 117.5(d) stating, “the term of a public official shall not be shortened or extended beyond the period for which the official is elected or appointed, unless he or she resigns or is *removed for cause*, if the office is held for a fixed term.” (emphasis added).
3. Although a City has some latitude in determining what constitutes removal “for cause,” there must be a direct connection between the misconduct and the performance of official duties. *Wilson v Council of Highland Park*, 284 Mich 96 (1938).
4. Relative to City officials appointed to a particular term of office, notice, hearing, and an opportunity to present a defense is required as a prerequisite to removal. See *Rowell v City of Battle Creek*, 169 Mich 19, 29 (1912).

5. The offices of certain City official are declared vacant by statute under certain circumstances. See for example MCL 201.3 stating,

Every office shall become vacant, on the happening of any of the following events, before the expiration of the term of such office:

1. The death of the incumbent;
2. His resignation;
3. His removal from office;
4. His ceasing to be an inhabitant of this state; or, if the office be local, of the district, county, township, city, or village, for which he shall have been appointed, or within which the duties of his office are required to be discharged;
5. His conviction of any infamous crime [a felony], or of any offense involving a violation of his oath of office;
6. The decision of a competent tribunal, declaring void his appointment, or,
7. His refusal or neglect to take his oath of office, or to give, or renew any official bond, or to deposit such oath, or bond, in the manner and within the time prescribed by law.

We hope this provides a sufficient starting point for any City Council discussions. We would be happy to provide a more detailed or tailored analysis relating to any specific office.