CITY OF CHARLEVOIX

AGENDA
CITY OF CHARLEVOIX CITY COUNCIL REGULAR MEETING
Monday, September 20, 2021- 6:00 PM
Council Chambers, 210 State Street, Charlevoix, MI

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1. Pledge of Allegiance

2. Roll Call

3. Presentations

A. 2020-21 Fiscal Year Financial Audit Presentation
Rehmann Robson

4. Inquiry Regarding Conflicts of Interest

5. Consent Agenda

A. City Council Meeting Minutes - September 7, 2021
B. Accounts Payable and Payroll Check Registers
C. Annual Electric Meter Testing for $15,000
D. MPPA Capacity Purchase for $174,000
E. Accept FY 2021 Audit Report
F. Employee Handbook Update, Dated September 20, 2021

6. Public Hearings and Actions Requiring Public Hearings

A. Set Public Hearing: International Property Maintenance Code Ordinance
Jonathan Scheel, Zoning Administrator
B. Public Hearing: Winter Parking Ordinance
Mark L. Heydlauff, City Manager

7. All Other Actions and Requests

A. Grant Application to Support Winter Vibrancy
Lindsey Dotson, Main Street DDA Executive Director

8. Reports and Communications

A. Public Comment
B. City Manager's Comments
C. Mayor and Council Comments

9. Other Council Business

10. Adjourn

The City of Charlevoix will provide necessary reasonable auxiliary aids and services, such as signers for the hearing impaired and audio tapes of printed materials being considered at the meeting, to individuals with disabilities at the meeting upon one weeks' notice to the City of Charlevoix. Individuals with disabilities requiring auxiliary aids or services should contact the City of Charlevoix Clerk's Office in writing or calling the following: City Clerk, 210 State Street, Charlevoix, MI 49720 (231) 547-3250.

CHARLEVOIX CITY COUNCIL

Presentations

TITLE: 2020-21 Fiscal Year Financial Audit Presentation

DATE: September 20, 2021

PRESENTED BY: Rehmann Robson

BACKGROUND:

The City's auditor, Rehmann Robson, has completed their audit of the City's financial statements as of and for the year ended March 31, 2021. Their audit encompassed the financial statements of the City's governmental activities, business-type activities, DDA, each major fund and the aggregate remaining fund information. A representative from Rehmann will present the findings of the audit and present a general overview of the financial health of the City.

With the financial audit now completed, Staff will file the audited financial statements, the F-65 report and the Michigan Finance Qualifying Statements with the State in order to comply with State requirements. Additionally, Staff will comply with SEC disclosure requirements in regards to the audited financial statements.

RECOMMENDATION:

ATTACHMENTS:

- Financial Statements 3-31-21 Draft
- Audit Communication Letter
- Presentation

City of Charlevoix, Michigan



Fiscal Year Ended March 31, 2021

Financial Statements

Rehmann

CITY OF CHARLEVOIX, MICHIGAN

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CITY OF CHARLEVOIX, MICHIGAN

List of Elected and Appointed Officials

Elected Officials

Mayor	Luther Kurtz
Council Member	Aaron Hagen
Council Member	Janet Kalbfell
Council Member	Brian Slater
Council Member	Phil Parr
Council Member	Mark Knapp
Council Member	Greg Bryan

Appointed Officials

City Manager	Mark Heydlauff
Attorney	Scott Howard
Clerk	Joyce Golding
Treasurer	Kelly McGinn
Planning Director	Sarah Lucas
Zoning Administrator	Jonathan Scheel
Police Chief	Gerard Doan
DPW Superintendent	Pat Elliott
Electric Superintendent	John Griffith
Wastewater Chief Operator	Randall Wurst
Water Treatment Chief Operator	Nick Hilling
DDA Director	Lindsey Dotson
Airport Manager	Matt Wyman
Harbormaster	Denny McDermott
Recreation Director	Kent Knorr

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INDEPENDENT AUDITORS' REPORT

Month //, 2021

Members of City Council
City of Charlevoix
Charlevoix, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the ***City of Charlevoix, Michigan*** (the "City"), as of and for the year ended March 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Charlevoix, Michigan, as of March 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and major special revenue fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the schedules for the pension plan, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about 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 do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated Month //, 2021, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF CHARLEVOIX, MICHIGAN

Management's Discussion and Analysis

As management of the City of Charlevoix, Michigan (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended March 31, 2021.

Financial Highlights

- The City's total net position amounted to $68,663,675 at the end of the current fiscal year compared to $67,067,402 at the end of the prior period. The primary government's total net position increased by $1,596,273. Net position of governmental activities increased by $1,332,757. Net position of business-type activities increased by $263,516.
- Of the total net position, $12,938,326 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- At March 31, 2021, the City's governmental funds reported combined ending fund balances of $4,310,962, a decrease of $6,221,429 from the prior year. $1,171,408, or 27% of total fund balance is unassigned and available for spending at the City's discretion.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was $1,171,408 or 32% percent of total General Fund expenditures and transfers out.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private sector business.

The *statement of net position* presents information on all of the City's assets, deferred outflows, liabilities and deferred inflows, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues *(governmental activities)* from other functions that are intended to recover all or a significant portion of their costs through user fees and charges *(business-type activities).* The governmental activities of the City include legislative, general government, public safety, public works, health and welfare, and recreation and culture. The business-type activities of the City include electric, sewage disposal, water distribution, marina, and airport operations.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also a legally separate *component unit* – the Downtown Development Authority – for which the City is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Management's Discussion and Analysis

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources,* as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities.*

Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General, Ambulance Special Revenue and the Public Utility Service Building Capital Improvement Funds, which are considered to be the City's major governmental funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund and special revenue funds. Budgetary comparison statements have been provided within the basic financial statements to demonstrate compliance with the general and major special revenue fund budgets.

Proprietary funds. The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its electric, sewage disposal, water distribution, marina, and airport operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its employee fringe benefits, motor vehicle, and Department of Public Works (DPW). Because the motor vehicle and employee fringe benefit funds predominantly benefit governmental rather than business-type activities, they have been included within governmental activities in the government-wide financial statements. The DPW is used for site maintenance and its services predominantly benefit business-type activities and it has been combined with business-type activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the electric utility, sewage disposal utility, water utility, marina and airport funds, each of which are considered to be major funds of the City.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Required supplementary information includes this management's discussion and analysis and the schedules for the City's pension plan.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information.

CITY OF CHARLEVOIX, MICHIGAN

Management's Discussion and Analysis

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $68,663,675 at the close of the most recent fiscal year.

By far the largest portion of the City's net position (79 percent) reflects its investment in capital assets (e.g., land, infrastructure, buildings, equipment, and vehicles); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (4 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (18 percent) may be used to meet the City's ongoing obligations to citizens and creditors.

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Assets						
Current and other assets	$ 6,033,403	$ 12,061,889	$ 16,998,673	$ 16,599,407	$ 23,032,076	$ 28,661,296
Capital assets, net	37,225,255	30,313,351	37,288,620	38,300,724	74,513,875	68,614,075
	43,258,658	42,375,240	54,287,293	54,900,131	97,545,951	97,275,371
Deferred outflows of resources	404,748	251,833	603,988	437,793	1,008,736	689,626
Liabilities						
Other liabilities	1,229,742	1,015,952	1,156,812	1,041,106	2,386,554	2,057,058
Long-term debt	11,686,956	12,198,920	10,621,959	11,419,025	22,308,915	23,617,945
Net pension liability	2,115,938	2,210,516	2,594,337	2,739,630	4,710,275	4,950,146
	15,032,636	15,425,388	14,373,108	15,199,761	29,405,744	30,625,149
Deferred inflows of resources	217,991	121,663	267,277	150,783	485,268	272,446
Net position						
Net investment in capital assets	26,958,782	27,120,459	26,774,390	26,514,382	53,733,172	53,634,841
Restricted	1,564,075	939,634	428,102	427,777	1,992,177	1,367,411
Unrestricted (deficit)	(110,078)	(980,071)	13,048,404	13,045,221	12,938,326	12,065,150
Total net position	$ 28,412,779	$ 27,080,022	$ 40,250,896	$ 39,987,380	$ 68,663,675	$ 67,067,402

The City was able to report positive balances in two of the three categories of net position, with a deficit of $110,078 in unrestricted net position.

CITY OF CHARLEVOIX, MICHIGAN

Management's Discussion and Analysis

The following condensed financial information was derived from the government-wide statement of activities and reflects how the City's net position changed during the fiscal year:

	Change in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Program revenues						
Charges for services	$ 2,099,007	$ 2,047,100	$ 11,730,063	$ 11,527,677	$ 13,829,070	$ 13,574,777
Operating grants and contributions	849,454	634,068	365,750	446,246	1,215,204	1,080,314
Capital grants and contributions	-	-	754,211	514,549	754,211	514,549
General revenues						
Property taxes	3,261,202	3,184,779	-	-	3,261,202	3,184,779
State shared revenue	267,694	266,928	-	-	267,694	266,928
Other revenues	34,877	29,384	-	-	34,877	29,384
Gain on sale of capital assets	-	4,149	15,850	-	15,850	4,149
Unrestricted investment earnings	23,388	46,533	-	-	23,388	46,533
Total revenues	6,535,622	6,212,941	12,865,874	12,488,472	19,401,496	18,701,413
Expenses:						
Legislative	47,334	68,415	-	-	47,334	68,415
General government	785,400	902,592	-	-	785,400	902,592
Public safety	967,920	1,539,898	-	-	967,920	1,539,898
Public works	1,083,781	826,976	-	-	1,083,781	826,976
Health and welfare	1,766,301	1,403,842	-	-	1,766,301	1,403,842
Recreation and culture	1,161,233	1,303,118	-	-	1,161,233	1,303,118
Interest expense	282,134	89,433	-	-	282,134	89,433
Electric utility	-	-	6,018,725	5,856,299	6,018,725	5,856,299
Sewage disposal utility	-	-	1,928,037	2,083,911	1,928,037	2,083,911
Water utility	-	-	1,213,518	1,262,888	1,213,518	1,262,888
Marina	-	-	1,026,560	1,123,176	1,026,560	1,123,176
Airport	-	-	1,524,280	1,970,747	1,524,280	1,970,747
Total expenses	6,094,103	6,134,274	11,711,120	12,297,021	17,805,223	18,431,295

continued...

CITY OF CHARLEVOIX, MICHIGAN

Management's Discussion and Analysis

	Change in Net Position (concluded)					
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Change in net position before transfers	$ 441,519	$ 78,667	$ 1,154,754	$ 191,451	$ 1,596,273	$ 270,118
Transfers	891,238	(132,950)	(891,238)	132,950	-	-
Change in net position	1,332,757	(54,283)	263,516	324,401	1,596,273	270,118
Net position:						
Beginning of year	27,080,022	27,134,305	39,987,380	39,662,979	67,067,402	66,797,284
End of year	$ 28,412,779	$ 27,080,022	$ 40,250,896	$ 39,987,380	$ 68,663,675	$ 67,067,402

concluded

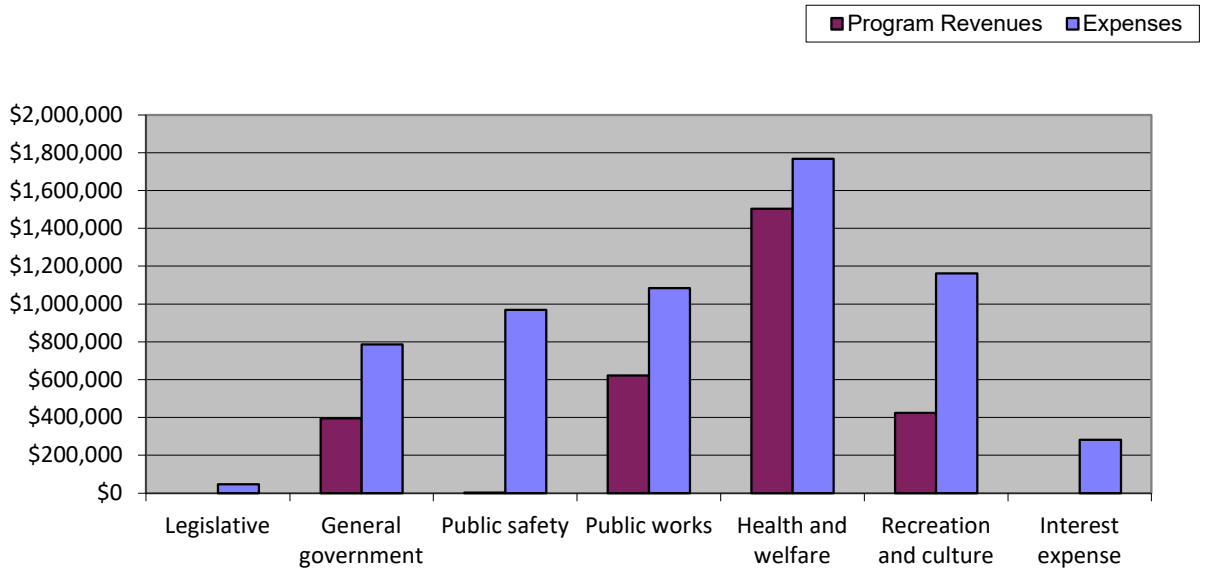
Governmental Activities. Governmental activities increased the City's net position by $1,332,757. Key elements of this increase are as follows:

- Total governmental activities revenue increased by $322,682 or 5% compared to prior year, with the most significant increase in operating grants and contributions related to federal grant awards resulting from funding related to the COVID-19 pandemic.
- Total expenses for governmental activities remained substantially the same as the prior year.
- Transfers from business-type activities to governmental activities came to $891,238, for the purposes of Infrastructure and Public Service Facilities Debt Service Fund payments.

CITY OF CHARLEVOIX, MICHIGAN

Management's Discussion and Analysis

Program Revenues and Expenses - Governmental Activities



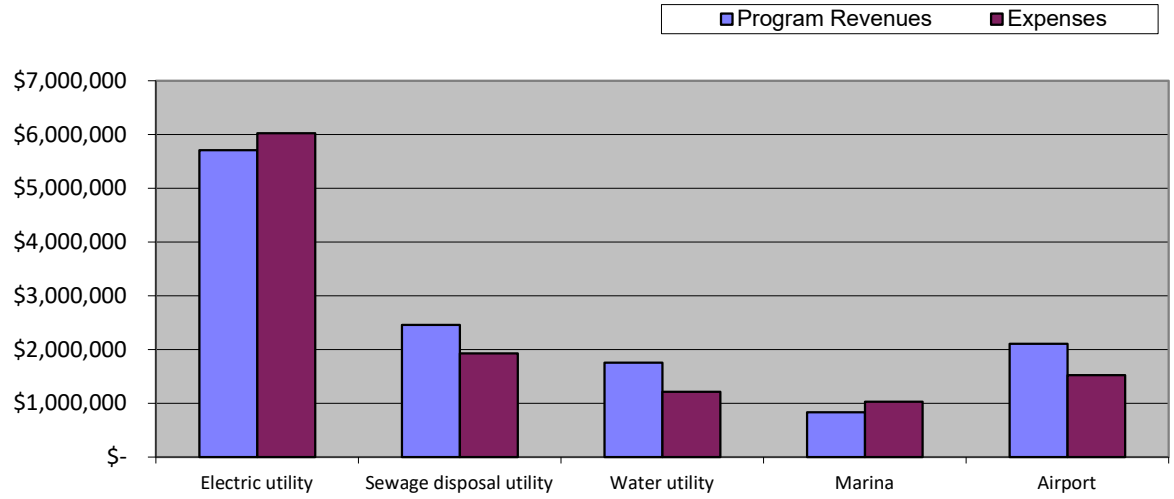
Business-type Activities. Net position of the business-type activities increased by $263,516 in fiscal 2021 as compared to an increase of $324,401 in fiscal 2020. This change was caused by a modest increase in total revenue and decrease in total expenses being offset by a significant increase in transfers as discussed above. Significant fluctuations occurred related to:

- Capital grants increased by $239,662 for additional federal dollars used for airport improvements.
- There was an increase in electric utility expenses of $146,576, most due to the New Public Services Facility.
- There was a decrease in sewer utility expenses of $155,874, primarily because of lower costs related to contractual services related to the lift stations, operating supplies and repair and maintenance supplies.
- There was a decrease in airport expenses of $446,467, attributable to reduced fuel costs and also wages with associated benefits.

CITY OF CHARLEVOIX, MICHIGAN

Management's Discussion and Analysis

Program Revenues and Expenses - Business-type Activities



Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $4,310,962, a decrease of $6,221,429 from the prior year. This decrease was attributable primarily to the expenditure of construction bond proceeds, received in the prior fiscal year, on construction of the new public utility service building in the amount of $6,312,660. A significant part of the fund balance ($1,204,287), is restricted for purposes of capital improvements. The remaining restrictions are attributable to major and local streets, parking and debt service. Another portion of the fund balances ($1,169,673) constitutes unassigned fund balances, which is available for spending at the City's discretion. The remainder of fund balances is either nonspendable, committed or assigned to indicate that it is not available for new spending.

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements business-type activities, but in more detail.

Unrestricted net position of the enterprise funds at the end of the year amounted to $11,049,945, and the net investment in capital assets was $26,063,585. In addition, there was restricted net position in the amount of $428,102 for energy

- Electric utility activities decreased its net position by $925,962, mainly caused by an increase in transfers out, as discussed above.

- Sewage disposal utility activities increased its net position by $433,608 which is greater than the increase in fiscal 2020 of $296,543. The main cause for this increase was a decrease in total expenses of $151,973. Expenses were lower in 2021 due to reduced operating repair and maintenance supplies.

Management's Discussion and Analysis

- Water utility activities increased its net position by $471,388 which is higher than the increase in net position in fiscal 2020 of $358,097. This increase was mostly due to an upswing in operating revenues of approximately $100,000, caused by a special customer requested water service.

- The Marina experienced a decrease in net position of $164,267, which is comparable to the decrease noted in the prior year.

- Airport activities were responsible for an increase in net position of $598,435. The major contributors to this increase was an increase in federal grants for airport improvements and a decrease in fuel costs. The reason for the decreased fuel costs were related to the lower per gallon rate industry wide based on supply and demand.

General Fund Budgetary Highlights

The City amends its budget throughout the year to address changes in expected revenues and estimated expenditures. The most significant General Fund budget amendments were as follows:

- The budget for federal revenue was increased by approximately $100,000 during the year due to First Responder Hazard Pay Grant and Coronavirus relief governmental grants.

- The budget for other revenue was increased by approximately $105,000 during the year due to increases in short-term rental licenses, cemetery lots, donations, and demand in services at the golf course and ski hill. The City also received a University of Michigan Grant for a Storm Water Management project. In addition, the City started charging rent to the EMS department for the use of a portion of City Hall.

- The budget for public works expenditures was increased by approximately $122,000 during the year because of longer Spring and Fall seasons increasing leaf and brush services and costs.

- The budget for ambulance (health and welfare) expenditures was increased by approximately $120,000 during the year because of increased costs of EMS services due to Covid.

CITY OF CHARLEVOIX, MICHIGAN

Management's Discussion and Analysis

The City reports actual results in comparison to the final amended budgets. The most significant budget variances for the General Fund were as follows:

- Revenues were more than budgetary estimates by $14,528 or 0.4% and expenditures were less than budgetary estimates by $178,817 or 4.7%.

- The most significant budget variances in expenditures were related to health and welfare ($97,897 over final budget), and recreation and culture ($128,197 under final budget). The health and welfare budget variance was attributable mainly to increased costs due to Covid. The recreation and culture costs were under budget because some projects/services were reduced due to Covid. This decreased some part-time staff needs and associated benefits.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business-type activities as of March 31, 2021, amounted to $74,513,875 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and improvements, system improvements, machinery and equipment, vehicles, and infrastructure including park facilities, roads, highways, and bridges.

Major capital asset events during the current fiscal year included the following:

- Construction costs related to the Public Utility Service Building of approximately $6.3 million.
- Airport fuel farm expansion of approximately $724,000.

CITY OF CHARLEVOIX, MICHIGAN

Management's Discussion and Analysis

	Capital Assets (Net of Depreciation, Where Applicable)					
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	$ 16,932,797	$ 16,932,797	$ 1,569,534	$ 1,569,534	$ 18,502,331	$ 18,502,331
Construction in progress	7,613,338	1,334,080	1,299,440	553,595	8,912,778	1,887,675
Land improvements	1,467,062	1,549,198	12,324,375	13,277,313	13,791,437	14,826,511
Infrastructure	5,896,409	5,573,163	-	-	5,896,409	5,573,163
Buildings and improvements	2,647,133	2,705,499	13,334,591	14,016,828	15,981,724	16,722,327
System improvements	-	-	7,799,623	8,323,641	7,799,623	8,323,641
Machinery and equipment	939,746	759,755	961,057	559,813	1,900,803	1,319,568
Vehicles	1,728,770	1,458,859	-	-	1,728,770	1,458,859
Total capital assets, net	$ 37,225,255	$ 30,313,351	$ 37,288,620	$ 38,300,724	$ 74,513,875	$ 68,614,075

Additional information on the City's capital assets can be found in the notes to the financial statements.

Long-term debt. The components of the City's long term debt are listed below.

	Long-term Debt					
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Bonds payable	$ 10,695,000	$ 11,170,000	$ 10,369,562	$ 11,124,562	$ 21,064,562	$ 22,294,562
Premium on bond issuance	775,760	824,616	252,397	294,463	1,028,157	1,119,079
Accrued compensated absences	216,196	204,304	-	-	216,196	204,304
Total	$ 11,686,956	$ 12,198,920	$ 10,621,959	$ 11,419,025	$ 22,308,915	$ 23,617,945

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total assessed valuation. The current debt limitation for the City is approximately $26 million, which is in excess of the City's outstanding general obligation debt.

In addition, the City offers its full-time employees a retirement pension through the Municipal Employees' Retirement System of Michigan (MERS). Based on the latest annual actuarial valuation report from MERS dated December 31, 2020, the City's plan is 65% funded, compared to 65% funded in the previous year.

Additional information on the City's long-term debt and pension liability can be found in the notes to the financial statements.

Management's Discussion and Analysis

Economic Factors and Next Year's Budgets and Rates

The following factors were considered in preparing the City's budget for the 2021-22 fiscal year:

- The unemployment rate for Michigan is currently 4.8% and the national average rate is 5.4%.
- The local, state and national economies have shown a significant downturn due to the COVID-19 pandemic.
- The tax collection rate for the 2021-22 fiscal year are expected to be comparable to fiscal year 2020-21 at 99% of billed taxes. The County tax revolving fund reimburses the City for delinquent real property taxes in April each year following the March settlement.
- For the 2022 tax year, the operating millage of 9.2321 mills has decreased from 9.3526 from the 2021 tax year. The infrastructure millage remained at 1.7 mills. The refuse millage (PA 213) remained at 1.0 mill.
- Sewer rates charged for services in fiscal year 2021-22 increased 3.9% compared to fiscal year 2020-21.
- Water rates charged for services in fiscal year 2021-22 increased 3.9% from the fiscal year 2020-21 rates.
- Electric rates for fiscal year 2021-22 increased 4.9% from fiscal year 2020-21.
- Wage rates increased 3% for Police Officers Labor Council (POLC) union employees, 2.0% for Communications Workers of America (CWA) union employees per their labor contracts with the City. The City's non-union employees received a 2.0% rate increase effective April 2021.
- The employee fringe benefit fund rates remained constant for 2021-22.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City Treasurer, 210 State Street, Charlevoix, Michigan 49720 or via email to *citytreasurer@cityofcharlevoix.gov* or by visiting our website at *www.cityofcharlevoix.gov* for additional supplemental budgetary information.

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF CHARLEVOIX, MICHIGAN

Statement of Net Position
March 31, 2021

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Unit
Assets				
Cash and cash equivalents	$ 4,481,657	$ 11,605,816	$ 16,087,473	$ 253,943
Investments	876,200	1,903,800	2,780,000	50,000
Cash at fiscal agent	188,050	558,107	746,157	-
Deposit held by Michigan Public Power Agency	-	428,102	428,102	-
Receivables, net	796,583	1,390,877	2,187,460	5,640
Internal balances	(375,158)	375,158	-	-
Other assets	66,071	436,813	502,884	-
Restricted investments	-	300,000	300,000	-
Capital assets not being depreciated	24,546,135	2,868,974	27,415,109	923,071
Capital assets being depreciated, net	12,679,120	34,419,646	47,098,766	1,932,742
Total assets	43,258,658	54,287,293	97,545,951	3,165,396
Deferred outflows of resources				
Deferred charge on bond refunding	-	107,729	107,729	-
Deferred pension amounts	404,748	496,259	901,007	-
Total deferred outflows of resources	404,748	603,988	1,008,736	-
Liabilities				
Accounts payable and accrued liabilities	1,190,156	915,755	2,105,911	5,148
Unearned revenue	39,586	241,057	280,643	-
Long-term debt:				
Due within one year	531,461	822,066	1,353,527	-
Due in more than one year	11,155,495	9,799,893	20,955,388	-
Net pension liability (due in more than one year)	2,115,938	2,594,337	4,710,275	-
Total liabilities	15,032,636	14,373,108	29,405,744	5,148
Deferred inflows of resources				
Deferred pension amounts	217,991	267,277	485,268	-
Net position				
Net investment in capital assets	26,958,782	26,774,390	53,733,172	2,855,813
Restricted for:				
Cemetery perpetual care (non-expendable)	406,379	-	406,379	-
Street improvements	597,678	-	597,678	-
Energy purchases	-	428,102	428,102	-
Capital improvements	406,864	-	406,864	-
Debt service	153,154		153,154	-
Downtown development	-	-	-	304,435
Unrestricted (deficit)	(110,078)	13,048,404	12,938,326	-
Total net position	$ 28,412,779	$ 40,250,896	$ 68,663,675	$ 3,160,248

The accompanying notes are an integral part of these financial statements.

CITY OF CHARLEVOIX, MICHIGAN

Statement of Activities

For the Year Ended March 31, 2021

Functions / Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net Revenue (Expense)
Primary government					
Governmental activities:					
Legislative	$ 47,334	$ -	$ -	$ -	$ (47,334)
General government	785,400	291,156	104,748	-	(389,496)
Public safety	967,920	-	3,047	-	(964,873)
Public works	1,083,781	24,689	597,128	-	(461,964)
Health and welfare	1,766,301	1,452,094	51,106	-	(263,101)
Recreation and culture	1,161,233	331,068	93,425	-	(736,740)
Interest	282,134	-	-	-	(282,134)
Total governmental activities	6,094,103	2,099,007	849,454	-	(3,145,642)
Business-type activities:					
Electric utility	6,018,725	5,682,170	22,037	-	(314,518)
Sewage disposal utility	1,928,037	2,450,041	5,513	-	527,517
Water utility	1,213,518	1,754,119	1,379	-	541,980
Marina	1,026,560	491,953	336,821	-	(197,786)
Airport	1,524,280	1,351,780	-	754,211	581,711
Total business-type activities	11,711,120	11,730,063	365,750	754,211	1,138,904
Total primary government	$ 17,805,223	$ 13,829,070	$ 1,215,204	$ 754,211	$ (2,006,738)
Component unit					
Downtown Development Authority	848,301	57,962	95,543	-	(694,796)

continued...

CITY OF CHARLEVOIX, MICHIGAN

Statement of Activities

For the Year Ended March 31, 2021

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
Change in net position				
Net revenue (expense)	$ (3,145,642)	$ 1,138,904	$ (2,006,738)	$ (694,796)
General revenues:				
Property taxes	3,261,202	-	3,261,202	476,910
State shared revenues	267,694	-	267,694	-
Other revenue	34,877	-	34,877	-
Gain on sale of capital assets	-	15,850	15,850	-
Unrestricted investment earnings	23,388	-	23,388	-
Transfers - internal activities	891,238	(891,238)	-	-
Total general revenues and transfers	4,478,399	(875,388)	3,603,011	476,910
Change in net position	1,332,757	263,516	1,596,273	(217,886)
Net position, beginning of year	27,080,022	39,987,380	67,067,402	3,378,134
Net position, end of year	$ 28,412,779	$ 40,250,896	$ 68,663,675	$ 3,160,248

concluded

The accompanying notes are an integral part of these financial statements.

FUND FINANCIAL STATEMENTS

CITY OF CHARLEVOIX, MICHIGAN

Balance Sheet

Governmental Funds
March 31, 2021

	General Fund	Ambulance Fund	Public Utility Service Building Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	$ 677,738	$ 45,264	$ 2,074,482	$ 1,351,173	$ 4,148,657
Cash at fiscal agent	-	-	-	188,050	188,050
Investments	400,000	-	-	276,200	676,200
Receivables					
Accounts	90,511	400,400	5	25,002	515,918
Taxes	1,123	-	-	215	1,338
Due from other governmental units	148,128	-	-	101,887	250,015
Interest	22,712	-	-	2,649	25,361
Prepaids	14,402	1,735	-	-	16,137
Total assets	$ 1,354,614	$ 447,399	$ 2,074,487	$ 1,945,176	$ 5,821,676
Liabilities					
Negative equity in pooled cash	$ -	$ 395,230	$ -	$ -	$ 395,230
Accounts payable	75,189	19,019	870,200	20,912	985,320
Accrued liabilities	54,029	31,415	-	5,134	90,578
Unearned revenue	39,586	-	-	-	39,586
Total liabilities	168,804	445,664	870,200	26,046	1,510,714
Fund balances					
Nonspendable	14,402	1,735	-	406,379	422,516
Restricted	-	-	1,204,287	1,210,196	2,414,483
Committed	-	-	-	19,700	19,700
Assigned	-	-	-	282,855	282,855
Unassigned (deficit)	1,171,408	-	-	-	1,171,408
Total fund balances	1,185,810	1,735	1,204,287	1,919,130	4,310,962
Total liabilities and fund balances	$ 1,354,614	$ 447,399	$ 2,074,487	$ 1,945,176	$ 5,821,676

The accompanying notes are an integral part of these basic financial statements.

CITY OF CHARLEVOIX, MICHIGAN

Reconciliation

Fund Balances of Governmental Funds
to Net Position of Governmental Activities
March 31, 2021

Fund balances - total governmental funds	$ 4,310,962
Amounts reported for *governmental activities* in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Capital assets not being depreciated	24,546,135
Capital assets being depreciated, net	12,679,120
Capital assets accounted for in motor vehicle internal service fund, net	(1,754,446)
Internal service funds are used by management to charge the costs of certain employee benefits and equipment usage to individual funds. The assets and liabilities of certain internal service funds are included in governmental activities.	
Net position of governmental activities accounted for in internal service funds	2,545,610
Net position allocated to business-type activities from governmental activities internal service funds	(375,158)
Certain pension-related amounts, such as the net pension liability and deferred amounts, are not due and payable in the current period and do not represent current financial resources, and therefore are not reported in the funds.	
Net pension liability	(2,115,938)
Deferred outflows of resources related to the net pension liability	404,748
Deferred inflows of resources related to the net pension liability	(217,991)
Certain noncurrent liabilities, such as bonds payable, are not due and payable in the current period, and therefore are not reported in the funds.	
Compensated absences - sick leave	(87,003)
Interest payable on long-term debt	(52,500)
Bonds payable and related premiums	(11,470,760)
Net position of governmental activities	$ 28,412,779

The accompanying notes are an integral part of these basic financial statements.

CITY OF CHARLEVOIX, MICHIGAN

Statement of Revenues, Expenditures and Change in Fund Balances

Governmental Funds
For the Year Ended March 31, 2021

	General Fund	Ambulance Fund	Public Utility Service Building Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Taxes	$ 2,617,045	$ -	$ -	$ 644,157	$ 3,261,202
Federal revenue	100,945	50,633	-	-	151,578
State revenue	272,392	-	72,600	521,292	866,284
Licenses and permits	28,703	-	-	-	28,703
Charges for services	341,772	1,452,094	-	26,549	1,820,415
Fines and forfeitures	518	-	-	3,060	3,578
Interest	17,207	-	633	2,945	20,785
Rents and royalties	223,915	-	-	7,579	231,494
Other revenue	133,301	6,643	-	5,200	145,144
Total revenues	3,735,798	1,509,370	73,233	1,210,782	6,529,183
Expenditures					
Current:					
Legislative	46,983	-	-	-	46,983
General government	599,654	-	-	56,315	655,969
Public safety	1,136,015	-	-	-	1,136,015
Public works	317,228	-	6,312,660	1,125,955	7,755,843
Health and welfare	279,392	1,486,909	-	-	1,766,301
Recreation and culture	1,154,275	-	-	33,711	1,187,986
Other expenditures	98,351	-	-	-	98,351
Debt service:					
Principal	-	-	-	475,000	475,000
Interest	-	-	-	335,190	335,190
Total expenditures	3,631,898	1,486,909	6,312,660	2,026,171	13,457,638
Revenues over (under) expenditures	103,900	22,461	(6,239,427)	(815,389)	(6,928,455)
Other financing sources (uses)					
Proceeds from sales of capital assets	-	-	-	50,000	50,000
Transfers in	2,500	45,264	-	1,088,347	1,136,111
Transfers out	(72,382)	(20,500)	-	(386,203)	(479,085)
Total other financing sources (uses)	(69,882)	24,764	-	752,144	707,026
Net change in fund balances	34,018	47,225	(6,239,427)	(63,245)	(6,221,429)
Fund balances, beginning of year	1,151,792	(45,490)	7,443,714	1,982,375	10,532,391
Fund balances, end of year	$ 1,185,810	$ 1,735	$ 1,204,287	$ 1,919,130	$ 4,310,962

The accompanying notes are an integral part of these basic financial statements.

CITY OF CHARLEVOIX, MICHIGAN

Reconciliation

Net Change in Fund Balances of Governmental Funds
to Change in Net Position of Governmental Activities
For the Year Ended March 31, 2021

Net change in fund balances - total governmental funds	$ (6,221,429)
Amounts reported for *governmental activities* in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense.	
Capital assets purchased/constructed	7,399,815
Depreciation expense	(715,502)
Proceeds from sales of capital assets	(50,000)
Loss on sale of capital assets	(24,490)
Debt proceeds provide current financial resources to governmental funds in the period issued, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the funds, but the repayment reduces long-term liabilities in the statement of net position.	
Principal payment	475,000
Internal service funds are used by management to charge the costs of certain employee benefits and equipment usage to individual governmental funds. The net revenue (expense) attributable to those funds is reported with governmental activities.	
Change in net position from governmental activities accounted for in internal service funds	195,957
Change in net position from governmental activities accounted for internal service funds charged to business-type activities	68,094
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
Change in the net pension liability and related deferred amounts	151,165
Bond premium amortization	48,856
Change in accrued interest	4,200
Change in compensated absences - sick leave	1,091
Change in net position of governmental activities	$ 1,332,757

The accompanying notes are an integral part of these basic financial statements.

CITY OF CHARLEVOIX, MICHIGAN

Statement of Revenues, Expenditures and Change in Fund Balance

Budget and Actual – General Fund
For the Year Ended March 31, 2021

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes:				
Property taxes	$ 2,563,800	$ 2,606,078	$ 2,577,710	$ (28,368)
Payments in lieu of taxes	13,200	13,200	7,400	(5,800)
Interest and penalties on taxes	8,000	7,000	6,841	(159)
Tax collection fees	24,000	24,000	25,094	1,094
Total taxes	2,609,000	2,650,278	2,617,045	(33,233)
Federal revenue	-	100,629	100,945	316
State revenue	271,000	267,193	272,392	5,199
Licenses and permits	7,400	25,600	28,703	3,103
Charges for services:				
Cemetery	35,000	35,000	40,986	5,986
Golf course	99,400	123,221	123,793	572
Farmer's market	32,500	38,640	33,681	(4,959)
Summer sports	7,700	2,885	2,610	(275)
Day camp	52,400	46,238	40,757	(5,481)
Winter sports	55,000	55,000	94,116	39,116
Skate park	1,000	1,717	1,717	-
Other	6,700	4,800	4,112	(688)
Total charges for services	289,700	307,501	341,772	34,271
Fines and forfeitures	1,400	2,300	518	(1,782)
Interest	5,000	5,000	17,207	12,207
Rents and royalties:				
City hall	176,100	197,061	196,960	(101)
Boat launch/harbor building	28,700	28,701	26,955	(1,746)
Skate park	500	500	-	(500)
Total rents and royalties	205,300	226,262	223,915	(2,347)
Other revenue	31,300	136,507	133,301	(3,206)
Total revenues	3,420,100	3,721,270	3,735,798	14,528

continued…

CITY OF CHARLEVOIX, MICHIGAN

Statement of Revenues, Expenditures and Change in Fund Balance

Budget and Actual – General Fund
For the Year Ended March 31, 2021

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Expenditures				
Current:				
Legislative:				
City council	$ 59,000	$ 53,258	$ 46,983	$ (6,275)
General government:				
Mayor	9,300	5,966	4,531	(1,435)
City manager	108,250	106,020	103,703	(2,317)
Elections	37,000	31,060	22,105	(8,955)
Assessor	79,200	63,625	62,798	(827)
City attorney	29,400	29,400	34,073	4,673
City clerk	39,600	38,752	34,584	(4,168)
City treasurer	75,600	82,373	69,330	(13,043)
City hall and grounds	178,700	189,139	175,970	(13,169)
Cemetery	89,600	100,945	92,560	(8,385)
Total general government	646,650	647,280	599,654	(47,626)
Public safety:				
Police department	866,900	888,071	877,503	(10,568)
Fire department	213,700	215,612	209,748	(5,864)
Planning department	56,500	49,205	48,764	(441)
Total public safety	1,137,100	1,152,888	1,136,015	(16,873)
Public works:				
Leaf pick up	183,600	204,234	175,400	(28,834)
Waste collection	14,000	72,663	57,712	(14,951)
Brush pickup	51,600	94,262	84,116	(10,146)
Total public works	249,200	371,159	317,228	(53,931)

continued…

CITY OF CHARLEVOIX, MICHIGAN

Statement of Revenues, Expenditures and Change in Fund Balance

Budget and Actual – General Fund
For the Year Ended March 31, 2021

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Expenditures (concluded)				
Current (concluded):				
Health and welfare:				
Ambulance	$ 61,200	$ 181,495	$ 279,392	$ 97,897
Recreation and culture:				
Parks	518,200	553,954	494,351	(59,603)
Recreation administration	159,100	179,141	165,492	(13,649)
City beaches	7,350	16,524	15,255	(1,269)
Ball fields	19,400	19,527	9,874	(9,653)
Day camp	71,300	71,128	53,862	(17,266)
Farmer's Market	17,000	24,850	25,294	444
Ice rink	10,100	10,131	6,319	(3,812)
Mt. McSauba ski hill	145,500	161,636	178,556	16,920
Basketball and volleyball	4,200	4,200	-	(4,200)
Golf course	208,600	213,056	157,099	(55,957)
Boat launch	33,700	34,908	34,994	86
Skate park	6,700	7,392	6,966	(426)
Community promotion	13,400	10,875	6,213	(4,662)
Total recreation and culture	1,214,550	1,307,322	1,154,275	(153,047)
Other expenditures	17,100	97,313	98,351	1,038
Total expenditures	3,384,800	3,810,715	3,631,898	(178,817)
Revenues over (under) expenditures	35,300	(89,445)	103,900	193,345
Other financing sources (uses)				
Proceeds from sales of capital assets	500	500	-	500
Transfers in	-	-	2,500	2,500
Transfers out	(35,000)	(66,000)	(72,382)	6,382
Total other financing sources (uses)	(34,500)	(65,500)	(69,882)	9,382
Net change in fund balance	800	(154,945)	34,018	188,963
Fund balance, beginning of year	1,151,792	1,151,792	1,151,792	-
Fund balance, end of year	$ 1,152,592	$ 996,847	$ 1,185,810	$ 188,963

concluded

The accompanying notes are an integral part of these basic financial statements.

CITY OF CHARLEVOIX, MICHIGAN

Statement of Revenues, Expenditures and Change in Fund Balance

Budget and Actual – Ambulance Fund
For the Year Ended March 31, 2021

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Federal revenue	$ -	$ 43,633	$ 50,633	$ 7,000
Charges for services	1,485,300	1,316,017	1,452,094	136,077
Other revenue	14,600	3,336	6,643	3,307
Total revenues	1,499,900	1,362,986	1,509,370	146,384
Expenditures:				
Current:				
Health and welfare	1,378,900	1,341,487	1,486,909	145,422
Revenues over expenditures	121,000	21,499	22,461	962
Other financing sources (uses)				
Transfers in	-	-	45,264	(45,264)
Transfers out	(114,000)	(20,500)	(20,500)	-
Total other financing sources (uses)	(114,000)	(20,500)	24,764	(45,264)
Net change in fund balance	7,000	999	47,225	(46,226)
Fund balance, beginning of year	(45,490)	(45,490)	(45,490)	-
Fund balance, end of year	$ (38,490)	$ (44,491)	$ 1,735	$ (46,226)

The accompanying notes are an integral part of these basic financial statements.

CITY OF CHARLEVOIX, MICHIGAN

Statement of Net Position
Proprietary Funds
March 31, 2021

	Business-type Activities - Enterprise Funds			
	Electric Utility	Sewage Disposal Utility	Water Utility	Marina
Assets				
Current assets:				
Cash and cash equivalents	$ 3,902,010	$ 4,895,557	$ 1,105,187	$ 234,137
Investments	1,420,700	38,400	44,700	-
Cash at fiscal agent	-	508,807	-	49,300
Deposits held by Michigan Public Power Agency	428,102	-	-	-
Accounts receivable, net	893,705	257,546	150,811	-
Interest receivable	15,365	17	19	1,275
Prepaids	2,961	1,855	1,449	-
Inventories	315,143	-	90,285	-
Total current assets	6,977,986	5,702,182	1,392,451	284,712
Noncurrent assets:				
Restricted investments	75,000	75,000	75,000	75,000
Advance to other funds	393,000	-	-	-
Capital assets, not being depreciated	238,151	356,787	13,730	-
Capital assets, net of accumulated depreciation	3,260,233	13,464,836	5,323,161	4,920,806
Total noncurrent assets	3,966,384	13,896,623	5,411,891	4,995,806
Total assets	10,944,370	19,598,805	6,804,342	5,280,518
Deferred outflows of resources				
Deferred charge on bond refunding	-	-	-	107,729
Deferred pension amounts	262,707	78,633	103,898	9,224
Total deferred outflows of resources	262,707	78,633	103,898	116,953
Liabilities				
Current liabilities:				
Accounts payable	556,505	21,983	25,982	8,414
Accrued liabilities	40,286	115,542	14,073	51,278
Customer deposits	43,722	-	-	-
Current portion of bonds and notes payable	-	410,000	-	412,066
Current portion of compensated absences	-	-	-	-
Unearned revenue	-	-	-	225,020
Total current liabilities	640,513	547,525	40,055	696,778
Noncurrent liabilities:				
Advance from other funds	-	-	-	393,000
Bonds payable, net of current portion	-	7,494,562	-	2,305,331
Compensated absences, net of current portion	-	-	-	-
Net pension liability	1,373,376	411,078	543,159	48,221
Total noncurrent liabilities	1,373,376	7,905,640	543,159	2,746,552
Total liabilities	2,013,889	8,453,165	583,214	3,443,330
Deferred inflows of resources				
Deferred pension amounts	141,490	42,350	55,958	4,968
Net position				
Net investment in capital assets	3,498,384	5,917,061	5,336,891	2,311,138
Restricted for:				
Energy purchases	428,102	-	-	-
Unrestricted (deficit)	5,125,212	5,264,862	932,177	(361,965)
Total net position	$ 9,051,698	$ 11,181,923	$ 6,269,068	$ 1,949,173

The accompanying notes are an integral part of these basic financial statements.

Business-type Activities - Enterprise Funds		Internal Service Funds
Airport	Total	
$ 253,081	$ 10,389,972	$ 1,944,074
-	1,503,800	600,000
-	558,107	-
-	428,102	-
64,682	1,366,744	727
-	16,676	10,681
-	6,265	49,934
25,120	430,548	-
342,883	14,700,214	2,605,416
-	300,000	-
-	393,000	-
1,684,277	2,292,945	596,682
7,315,834	34,284,870	1,868,569
9,000,111	37,270,815	2,465,251
9,342,994	51,971,029	5,070,667
-	107,729	-
41,797	496,259	-
41,797	603,988	-
29,786	642,670	34,898
8,184	229,363	26,860
-	43,722	-
-	822,066	-
-	-	1,505
16,037	241,057	-
54,007	1,978,878	63,263
-	393,000	-
-	9,799,893	-
-	-	127,688
218,503	2,594,337	-
218,503	12,787,230	127,688
272,510	14,766,108	190,951
22,511	267,277	-
9,000,111	26,063,585	2,465,251
-	428,102	-
89,659	11,049,945	2,414,465
$ 9,089,770	$ 37,541,632	$ 4,879,716

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CITY OF CHARLEVOIX, MICHIGAN

Reconciliation

Net Position of Enterprise Funds
to Net Position of Business-type Activities
March 31, 2021

Net position - total enterprise funds	$ 37,541,632
Amounts reported for *business-type activities* in the statement of net position are different because:	
Internal service funds are used by management to charge the costs of certain activities to other funds. Certain internal service funds net position is allocated to the business-type activities and reported in the statement of net position.	
Net position of business-type activities accounted for in business-type activity internal service funds	2,334,106
Net position allocated to business-type activities from governmental activities internal service funds	375,158
Net position of business-type activities	$ 40,250,896

The accompanying notes are an integral part of these basic financial statements.

CITY OF CHARLEVOIX, MICHIGAN

Statement of Revenues, Expenses and Change in Fund Net Position

Proprietary Funds
For the Year Ended March 31, 2021

	Business-type Activities - Enterprise Funds			
	Electric Utility	Sewage Disposal Utility	Water Utility	Marina
Operating revenues				
Charges for services	$ 5,682,170	$ 2,450,041	$ 1,754,119	$ 491,953
Operating expenses				
Purchased power	3,031,068	-	-	-
Fuel purchases	-	-	-	-
Personnel services	1,447,064	618,999	505,565	144,525
Contractual services	174,233	139,897	75,547	39,497
Insurance	17,667	15,174	4,839	2,674
Building rental	79,800	36,800	36,800	-
Equipment rental	243,318	118,560	73,871	258
Supplies	87,289	54,262	67,102	2,947
Utilities	78,860	120,029	45,210	72,066
Repairs and maintenance	293,132	17,453	55,334	6,175
Depreciation	478,781	583,320	326,707	653,143
Miscellaneous	60,458	16,878	7,625	13,870
Total operating expenses	5,991,670	1,721,372	1,198,600	935,155
Operating income (loss)	(309,500)	728,669	555,519	(443,202)
Nonoperating revenues (expenses)				
Interest revenue	22,037	1,798	1,379	1,121
Gain on sale of capital assets	15,850	-	-	-
Other revenue	-	-	-	335,700
Interest expense	-	(197,614)	-	(86,768)
Total nonoperating revenues (expenses)	37,887	(195,816)	1,379	250,053
Income (loss) before transfers and capital contributions	(271,613)	532,853	556,898	(193,149)
Transfers				
Transfers in	-	-	-	28,882
Transfers out	(654,349)	(99,245)	(85,710)	-
Total transfers	(654,349)	(99,245)	(85,710)	28,882
Capital contributions				
Federal revenue	-	-	-	-
Change in net position	(925,962)	433,608	471,188	(164,267)
Net position, beginning of year	9,977,660	10,748,315	5,797,880	2,113,440
Net position, end of year	$ 9,051,698	$ 11,181,923	$ 6,269,068	$ 1,949,173

The accompanying notes are an integral part of these basic financial statements.

Business-type Activities - Enterprise Funds		Internal Service Funds
Airport	Total	
$ 1,351,780	$ 11,730,063	$ 3,909,355
-	3,031,068	-
651,778	651,778	-
274,160	2,990,313	3,451,645
6,895	436,069	50,961
9,353	49,707	-
-	153,400	-
1,492	437,499	-
4,870	216,470	56,978
28,411	344,576	11,161
5,079	377,173	105,563
468,706	2,510,657	286,290
56,812	155,643	3,933
1,507,556	11,354,353	3,966,531
(155,776)	375,710	(57,176)
-	26,335	6,318
-	15,850	8,191
-	335,700	3,836
-	(284,382)	-
-	93,503	18,345
(155,776)	469,213	(38,831)
-	28,882	376,649
-	(839,304)	(223,253)
-	(810,422)	153,396
754,211	754,211	-
598,435	413,002	114,565
8,491,335	37,128,630	4,765,151
$ 9,089,770	$ 37,541,632	$ 4,879,716

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CITY OF CHARLEVOIX, MICHIGAN

Reconciliation

Change in Fund Net Position of Enterprise Funds
to Change in Net Position of Business-type Activities
For the Year Ended March 31, 2021

Change in net position - total enterprise funds	$	413,002
Amounts reported for *business-type activities* in the statement of activities are different because:		
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net increase (decrease) in the net position of certain internal service funds is allocated to the business-type activities and reported in the statement of activities.		
Change in net position of internal service funds charged to business-type activities		(81,392)
Change in net position of internal service funds accounted for in governmental activities but charged to business-type activities		(68,094)
Change in net position of business-type activities	$	263,516

The accompanying notes are an integral part of these basic financial statements.

CITY OF CHARLEVOIX, MICHIGAN

Statement of Cash Flows
Proprietary Funds
For the Year Ended March 31, 2021

	Business-type Activities - Enterprise Funds			
	Electric Utility	Sewage Disposal Utility	Water Utility	Marina
Cash flows from operating activities				
Cash received from customers	$ 5,645,755	$ 2,439,386	$ 1,750,284	$ 552,726
Cash received from interfund services	-	-	-	-
Cash payments to employees	(1,459,481)	(681,184)	(579,600)	(153,209)
Cash payments to suppliers for goods and services	(3,693,864)	(580,926)	(532,786)	(131,363)
Net cash provided by operating activities	492,410	1,177,276	637,898	268,154
Cash flows from noncapital financing activities				
Other receipts	-	-	-	-
Contributions from component unit	-	-	-	335,700
Transfers in	-	-	-	28,882
Transfers out	(654,349)	(99,245)	(85,710)	-
Net cash provided by (used in) noncapital financing activities	(654,349)	(99,245)	(85,710)	364,582
Cash flows from capital and related financing activities				
Federal receipts	-	-	-	-
Proceeds from sale of capital assets	15,850	-	-	-
Purchase of capital assets	(360,938)	(106,959)	(279,351)	-
Repayment on interfund advances	100,000	-	-	(100,000)
Bond principal payments	-	(400,000)	-	(355,000)
Bond and advance interest payments	-	(197,614)	-	(110,880)
Net cash provided by (used in) capital and related financing activities	(245,088)	(704,573)	(279,351)	(565,880)
Cash flows from investing activities				
Interest received	28,064	1,866	1,451	10
Net increase (decrease) in cash and cash equivalents	(378,963)	375,324	274,288	66,866
Cash and cash equivalents, beginning of year	4,280,973	4,520,233	830,899	167,271
Cash and cash equivalents, beginning of year	$ 3,902,010	$ 4,895,557	$ 1,105,187	$ 234,137

Business-type Activities - Enterprise Funds		Internal Service Funds
Airport	Total	
$ 1,321,059	$ 11,709,210	$ -
-	-	3,909,372
(348,205)	(3,221,679)	(3,421,481)
(765,574)	(5,704,513)	(228,587)
207,280	2,783,018	259,304
-	-	3,836
-	335,700	-
-	28,882	376,649
-	(839,304)	(223,253)
-	(474,722)	157,232
754,211	754,211	-
-	15,850	8,191
(732,706)	(1,479,954)	(606,970)
-	-	-
-	(755,000)	-
-	(308,494)	-
21,505	(1,773,387)	(598,779)
-	31,391	6,881
228,785	566,300	(175,362)
24,296	9,823,672	2,119,436
$ 253,081	$ 10,389,972	$ 1,944,074

CITY OF CHARLEVOIX, MICHIGAN

Statement of Cash Flows
Proprietary Funds
For the Year Ended March 31, 2021

	Business-type Activities Enterprise Funds			
	Electric Utility	Sewage Disposal Utility	Water Utility	Marina
Reconciliation of operating income (loss) to net cash provided by operating activities				
Operating income (loss)	$ (309,500)	$ 728,669	$ 555,519	$ (443,202)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	478,781	583,320	326,707	653,143
Changes in assets and liabilities that provided (used) cash:				
Deposits at MPPA	(325)	-	-	-
Cash at fiscal agent	-	(5,000)	-	7,100
Accounts receivable	(33,729)	(10,655)	(3,835)	144
Prepaids	854	401	701	-
Inventory	68,707	-	(4,778)	-
Accounts payable	302,725	(57,274)	(162,381)	(976)
Accrued liabilities	(1,017)	(7,798)	(1,149)	(6,853)
Customer deposits	(2,686)	-	-	-
Unearned revenue	-	-	-	60,629
Changes in net pension liability	30,756	(44,958)	(60,493)	(441)
Changes in deferred outflows	(109,751)	(26,680)	(35,127)	(3,680)
Changes in deferred inflows	67,595	17,251	22,734	2,290
Accrued compensated absences	-	-	-	-
Net cash provided by operating activities	$ 492,410	$ 1,177,276	$ 637,898	$ 268,154

The accompanying notes are an integral part of these financial statements.

Business-type Activities Enterprise Funds		Internal Service Funds
Airport	Total	
$ (155,776)	$ 375,710	$ (57,176)
468,706	2,510,657	286,290
-	(325)	-
-	2,100	-
(30,721)	(78,796)	17
-	1,956	(1,357)
272	64,201	-
(1,156)	80,938	1,366
(1,601)	(18,418)	17,181
-	(2,686)	-
-	60,629	-
(70,157)	(145,293)	-
(8,911)	(184,149)	-
6,624	116,494	-
-	-	12,983
$ 207,280	$ 2,783,018	$ 259,304

CITY OF CHARLEVOIX, MICHIGAN

Statement of Fiduciary Net Position

Custodial Fund
March 31, 2021

Assets	
Cash	$ 85,454
Liabilities	
Due to other governmental units	$ 85,454

The accompanying notes are an integral part of these financial statements.

CITY OF CHARLEVOIX, MICHIGAN

Statement of Change in Fiduciary Net Position

Custodial Fund
For the Year Ended March 31, 2021

Additions	
Property taxes collected for other governmental units	$ 25,285,523
Deductions	
Property taxes distributed to other governmental units	25,285,523
Change in net position	-
Net position, beginning of year	-
Net position, end of year	$ -

The accompanying notes are an integral part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS

CITY OF CHARLEVOIX, MICHIGAN

Notes to the Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The ***City of Charlevoix, Michigan*** (the "City") was incorporated in 1905 and adopted a Home Rule Charter in April 1978 under Act 279, P.A. 1909 as amended (Home Rule City Act). The City is directed by a six-member City Council and a Mayor elected by the community at large. This legislative body appoints a City Manager to administer the affairs of the City. The City provides the following services as authorized by its charter: general government (planning and zoning, public improvement and general administrative services), public safety (police and fire), public works (highways and streets, brush pick-up, sanitation, electricity), health and welfare and recreation and culture.

Downtown Development Authority – The Downtown Development Authority ("DDA") is responsible for certain projects and activities whose purpose is to revitalize the downtown business district. The members of the DDA's governing board are appointed by the Mayor of the City and the City also has the ability to significantly influence the operations of the DDA. Therefore, the DDA is reported as a discretely presented component unit.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities,* which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities,* which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from the legally separate component unit for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues.*

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

CITY OF CHARLEVOIX, MICHIGAN

Notes to the Financial Statements

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting,* as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting.* Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers all revenues reported in the governmental funds to be available if they are collected within three months after year-end, except for property taxes that use a 60-day collection period, and reimbursement-based grants that use a one year collection period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, intergovernmental revenue, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and as such have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all the financial resources of the primary government, except those accounted for and reported in another fund.

The *Ambulance Special Revenue Fund* accounts for all the financial resources of the City's ambulance operations.

The *Public Service Facility Capital Improvement Fund* accounts for the construction of a utility building to be used for the public works, water and sewer operations.

The City reports the following major proprietary funds:

The *Electric Utility Fund* accounts for the activities of the City's electrical utility system.

The *Sewage Disposal Utility Fund* accounts for the activities of the City's sewage disposal and treatment system.

The *Water Utility Fund* accounts for the activities of the City's water distribution and treatment system.

The *Marina Fund* accounts for the activities of the City's marina.

Notes to the Financial Statements

The *Airport Fund* accounts for the activities of the Charlevoix Airport including federal grant revenue sources that are legally restricted for expenses of the Airport.

Additionally, the City reports the following fund types:

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital projects that comprise, or are expected to comprise a substantial portion of the fund's total reported inflows.

Debt service funds account for financial resources that are restricted, committed or assigned to expenditure for principal, interest and other related costs.

The *permanent fund* accounts for the assets that are restricted in the City's Cemetery Perpetual Care Fund. The principal portion of these funds must stay intact, but the interest earnings are used to provide for maintenance of the City's cemetery.

Internal service funds account for fleet and equipment management, employee fringe benefits, and Department of Public Works services provided to other departments or funds of the City, or to other governments, on a cost reimbursement basis.

Custodial funds account for assets held by the City in a custodial capacity for other governments and entities. Primarily this includes undistributed collections and withholdings such as state education taxes and current property taxes.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water, sewage disposal, and electric utility, cost of building rent and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish *operating revenues* and expenses from *nonoperating items.* Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the electric utility, sewage disposal utility, water utility, marina and airport enterprise funds and of the City's internal service funds are charges to customers or other funds for sales and services. The enterprise funds also recognize as operating revenues the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Notes to the Financial Statements

Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Restricted net position includes assets that are subject to restrictions beyond the City's control. The restrictions may be externally imposed or imposed by law. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources, as they are needed.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Equity

Deposits and investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the City to deposit in the accounts of federally insured banks, credit unions, and savings and loan associations, and to invest in obligations of the U.S. Treasury, certain commercial paper, repurchase agreements, bankers acceptances, and mutual funds composed of otherwise legal investments.

Cash at fiscal agent consists of amounts paid to a financial institution for bond payments due April 1 of the subsequent fiscal year.

Deposits held by the Michigan Public Power Agency (MPPA) consist of amounts from over-charges on power sales contract agreements. These funds are held in trust at Fifth Third Bank, trustee with Delegated Investment Management for MPPA. They are invested and managed according to PA 20 and MPPA's governing Investment Policy. Since the City of Charlevoix is the asset owner, these funds are recorded as current assets on both the proprietary and the business-type activities statements of net position.

Receivables and payables

All receivables are reported at their gross value, and where appropriate, are reduced by the estimated portion that is expected to be uncollectible. As of March 31, 2021, the General Fund receivable is shown net of an estimated allowance for uncollectible accounts of approximately $17,000. The Ambulance Nonmajor Special Revenue Fund is shown net of an estimated allowance for uncollectible accounts of approximately $229,000 at March 31, 2021. At March 31, 2021, the receivables for the Electric Utility, Sewage Disposal Utility and Water Utility Funds are also shown net of estimated allowance for uncollectible accounts of approximately $5,500, $1,600 and $1,300, respectively.

CITY OF CHARLEVOIX, MICHIGAN

Notes to the Financial Statements

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Amounts due from other governments include amounts due from the State for state shared revenue, gas and weight tax and trunkline maintenance and from grantors for specific programs and capital projects. Program grants and capital grants for capital assets are recorded as receivables and revenues at the time reimbursable project costs are incurred. Amounts received in advance of project costs being incurred are reported as unearned revenue.

Inventory

Inventory held by the enterprise funds is valued at cost on the first-in, first-out basis. Inventory of expendable supplies in other funds have not been recorded and the amount of any such inventory is not considered material. The cost of such inventory has been treated as an expenditure at the time of purchase.

Restricted investments

Certain resources of the City's enterprise funds have been set aside for emergencies in accordance with the City's Charter.

Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items acquired or constructed since June 30, 1980), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City defines capital assets as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost where actual cost information is not available. Donated capital assets are recorded at estimated acquisition cost as of the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities, if any, is included as part of the capitalized value of the assets constructed.

Notes to the Financial Statements

Capital assets of the primary government and component unit are depreciated using the straight-line method over the following estimated useful lives:

	Years
Land improvements	5 - 50
Infrastructure	5 - 50
Buildings and improvements	3 - 40
System improvements	5 - 50
Machinery and equipment	3 - 20
Vehicles	1 - 20

The City reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset exceeds its fair value. If it is determined that an impairment loss has occurred, the asset is written down to its net realizable value and a current charge to income is recognized.

Deferred outflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to one or more future periods and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The City reports deferred items related to its pension plan as well as for the deferred charge on refunding. A deferred refunding charge results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Compensated absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay and 50 percent of sick leave up to 40 days for employees within the Communications Workers of America union and the Fraternal Order of Police union and fourteen days for the non-union employees are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the government-wide financial statement; otherwise, total accumulated and unused vacation time is reported as a liability in the employees fringe benefit internal service fund.

Long-term obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statements of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

CITY OF CHARLEVOIX, MICHIGAN

Notes to the Financial Statements

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Deferred inflows of resources

In addition to liabilities, the statements of net position and balance sheets will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position or fund balance that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until a future period. The City reports deferred inflows of resources related to its pension plan.

Fund balances

Governmental funds report nonspendable fund balance for amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Restricted fund balance is reported when externally imposed constraints are placed on the use of resources by grantors, contributors, or laws or regulations of other governments. Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of City Council (the City's highest level of decision-making authority). A formal resolution of the City Council is required to establish, modify, or rescind a fund balance commitment. The City reports assigned fund balance for amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. The City Council has delegated the authority to assign fund balance to the City Treasurer or his/her designee. Unassigned fund balance is the residual classification for the General Fund.

The City Council has adopted a minimum fund balance policy in which the total unassigned fund balance of the General Fund will be equal to at least 23 percent of the General Fund expenditures. If the General Fund's fund balance falls below 23 percent of total General Fund expenditures, the City Council will develop a plan to replenish the shortages by at least 1% each year as detailed in the policy. At March 31, 2021, unassigned fund balance of the General Fund met the minimum percentage requirement.

When the City incurs an expenditure for purposes for which various fund balance classifications can be used, it is the City's procedure to use restricted fund balance first, then committed, assigned, and finally unassigned fund balance.

The City is reporting a deficit unrestricted net position of $361,965 in the Marina enterprise fund, however, total net position for the fund is positive. Management is looking at ways to increase revenues and decrease expenses in these funds so that they can eliminate the related deficits.

CITY OF CHARLEVOIX, MICHIGAN

Notes to the Financial Statements

Interfund transactions

During the course of normal operations, the City has numerous transactions between funds and component units, including expenditures and transfers of resources to provide services, construct assets, and service debt. The accompanying financial statements generally reflect such transactions as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements. Internal service funds are used to record charges for services to all City funds as operating revenue. All City funds record these payments to the internal service funds as operating expenditures/expenses.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the plan fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

2. BUDGETARY INFORMATION

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general and special revenue funds. All annual appropriations lapse at fiscal year-end.

On or before the third Monday in January of each year, the City Manager must present the proposed budget to City Council for review. The City Council holds public hearings and a final budget must be prepared and adopted no later than the third Monday in February.

The budget document presents information by fund, function, activity, department, and line items. The legal level of budgetary control adopted by City Council is the activity level, which is the level at which expenditures may not legally exceed appropriations. The City Manager may make transfers of appropriations between departments within any funds; however, any supplemental appropriations that amend the total expenditures of any fund require City Council resolution.

CITY OF CHARLEVOIX, MICHIGAN

Notes to the Financial Statements

P.A. 621 of 1978, as amended, provides that a local unit shall not incur expenditures in excess of the amount budgeted. During the year ended March 31, 2021, the City incurred expenditures which were in excess of the amounts appropriated, as follows:

	Total Appropriations	Amount of Expenditures	Budget Variance
General Fund			
General government:			
City attorney	$ 29,400	$ 34,073	$ 4,673
Health and welfare:			
Ambulance	181,495	279,392	97,897
Recreation and culture:			
Farmer's market	24,850	25,294	444
Mt. McSauba ski hill	161,636	178,556	16,920
Boat launch	34,908	34,994	86
Other expenditures	97,313	98,351	1,038
Transfers out	66,000	72,382	6,382
Ambulance Fund			
Health and welfare	1,341,487	1,486,909	145,422

3. DEPOSITS AND INVESTMENTS

Following is a reconciliation of deposit and investment balances as of March 31, 2021:

	Primary Government	Component Unit	Total
Statement of Net Position			
Cash and cash equivalents	$ 16,087,473	$ 253,943	$ 16,341,416
Cash at fiscal agent	746,157	-	746,157
Investments	2,780,000	50,000	2,830,000
Deposits held by Michigan Public Power Agency	428,102	-	428,102
Restricted investments	300,000	-	300,000
Total Statement of Net Position	$ 20,341,732	$ 303,943	20,645,675
Statement of Fiduciary Net Position			
Cash and cash equivalents			85,454
Total			$ 20,731,129

CITY OF CHARLEVOIX, MICHIGAN

Notes to the Financial Statements

Deposits and investments	
Bank deposits (checking and savings accounts)	$ 16,426,357
Certificates of deposits:	
Maturing in less than 1 year	2,380,000
Maturing in more than 1 year	750,000
Cash with fiscal agent	746,157
Deposits held by Michigan Public Power Agency	428,102
Petty cash	513
Total	$ 20,731,129

Custodial Credit Risk. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned. State law does not require and the City does not have a policy for deposit custodial credit risk. As of year-end, $18,623,847 of the City's bank balance of $19,674,559 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Investment Credit Risk. The City's investment policy does not have specific limits in excess of state law on investment credit risk. The City has no investments for which ratings are required.

Interest Rate Risk. State law limits the allowable investments and the maturities of some of the allowable investments as identified in the following list of authorized investments. The City's investment policy does not have specific limits in excess of state law on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. At year end, the City did not have any investments subject to interest rate risk.

The City is authorized by statute to invest surplus funds in the following:

a. Bonds, securities, other obligations and repurchase agreements of the United States, or an agency or instrumentality of the United States.

b. Certificates of deposit, savings accounts, deposit accounts or depository receipts of a qualified financial institution.

c. Commercial paper rated at the time of purchase within the 2 highest classifications established by not less than 2 standard rating services and that matures not more than 270 days after the date of purchase.

d. Bankers acceptances of United States banks.

e. Obligations of the State of Michigan and its political subdivisions that, at the time of purchase are rated as investment grade by at least one standard rating service.

f. Mutual funds registered under the Investment Company Act of 1940, limited to mutual fund securities whose intention is to maintain a net asset value of $1.00 per share.

g. External investment pools as authorized by Public Act 20 as amended through December 31, 1997.

CITY OF CHARLEVOIX, MICHIGAN

Notes to the Financial Statements

The City Council is authorized to designate depositories for City funds, and to determine that the funds are invested in accordance with State of Michigan statutory authority.

The City's deposits are in accordance with statutory authority.

4. RECEIVABLES

Receivables are comprised of the following as of March 31, 2021:

	Governmental Activities	Business-type Activities	Component Unit
Accounts receivable	$ 762,646	$ 1,375,187	$ 5,640
Taxes receivable	1,338	-	-
Interest receivable	28,588	24,130	-
Due from other governmental units	250,015	-	-
Allowance for uncollectible accounts	(246,004)	(8,440)	-
	$ 796,583	$ 1,390,877	$ 5,640

5. OTHER ASSETS

Other assets consisted of the following amounts at March 31, 2021:

	Governmental Activities	Business-type Activities
Prepaids	$ 66,071	$ 6,265
Inventories	-	430,548
Totals	$ 66,071	$ 436,813

CITY OF CHARLEVOIX, MICHIGAN

Notes to the Financial Statements

6. CAPITAL ASSETS

Primary Government

Capital assets activity for the primary government for the year ended March 31, 2021, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Governmental activities					
Capital assets not being depreciated:					
Land	$ 16,932,797	$ -	$ -	$ -	$ 16,932,797
Construction in progress	1,334,080	6,329,520	-	(50,262)	7,613,338
	18,266,877	6,329,520	-	(50,262)	24,546,135
Capital assets being depreciated:					
Land improvements	3,863,570	-	-	-	3,863,570
Infrastructure	7,347,900	650,486	-	-	7,998,386
Buildings and improvements	7,444,588	118,823	-	-	7,563,411
Machinery and equipment	2,599,908	278,300	(4,749)	50,262	2,923,721
Vehicles	4,273,007	608,022	(219,496)	-	4,661,533
	25,528,973	1,655,631	(224,245)	50,262	27,010,621
Less accumulated depreciation for:					
Land improvements	(2,314,372)	(82,136)	-	-	(2,396,508)
Infrastructure	(1,774,737)	(327,240)	-	-	(2,101,977)
Buildings and improvements	(4,739,089)	(177,189)	-	-	(4,916,278)
Machinery and equipment	(1,840,153)	(148,571)	4,749	-	(1,983,975)
Vehicles	(2,814,148)	(263,621)	145,006	-	(2,932,763)
	(13,482,499)	(998,757)	149,755	-	(14,331,501)
Total capital assets being depreciated, net	12,046,474	656,874	(74,490)	50,262	12,679,120
Governmental activities capital assets, net	$ 30,313,351	$ 6,986,394	$ (74,490)	$ -	$ 37,225,255

CITY OF CHARLEVOIX, MICHIGAN

Notes to the Financial Statements

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Business-type activities					
Capital assets not being depreciated:					
Land	$ 1,569,534	$ -	$ -	$ -	$ 1,569,534
Construction in progress	553,595	745,845	-	-	1,299,440
	2,123,129	745,845	-	-	2,868,974
Capital assets being depreciated:					
Land improvements	24,336,484	48,872	-	-	24,385,356
Buildings and improvements	20,493,849	-	-	-	20,493,849
System improvements	27,790,572	219,060	-	-	28,009,632
Machinery and equipment	2,866,133	487,811	(21,828)	-	3,332,116
	75,487,038	755,743	(21,828)	-	76,220,953
Less accumulated depreciation for:					
Land improvements	(11,059,171)	(1,001,810)	-	-	(12,060,981)
Buildings and improvements	(6,477,021)	(682,237)	-	-	(7,159,258)
System improvements	(19,466,931)	(743,078)	-	-	(20,210,009)
Machinery and equipment	(2,306,320)	(86,567)	21,828	-	(2,371,059)
	(39,309,443)	(2,513,692)	21,828	-	(41,801,307)
Total capital assets being depreciated, net	36,177,595	(1,757,949)	-	-	34,419,646
Business-type activities capital assets, net	$ 38,300,724	$ (1,012,104)	$ -	$ -	$ 37,288,620

Depreciation expense for the year ended March 31, 2021 was charged to functions/programs of the primary government as follows:

Depreciation of governmental activities by function	
General government	$ 192,321
Public safety	84,010
Public works	358,788
Recreation and culture	80,383
Capital assets held by the governmental activity internal service funds are charged to the various functions based on their usage of the assets	283,255
	$ 998,757

Notes to the Financial Statements

Depreciation of business-type activities by function	
Electric utility	$ 478,781
Sewage disposal utility	583,320
Water utility	326,707
Marina	653,143
Airport	468,706
Capital assets held by the business-type activity internal service fund are charged to the various functions based on their usage of the assets	3,035
	$ 2,513,692

Discretely presented component unit

Capital assets activity for the Downtown Development Authority ("DDA") component unit for the year ended March 31, 2021, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Capital assets not being depreciated:					
Land	$ 923,071	$ -	$ -	$ -	$ 923,071
Capital assets being depreciated:					
Land Improvements	2,537,214	2,098	-	-	2,539,312
Buildings and improvements	3,828,522	-	-	-	3,828,522
Machinery and equipment	69,805	-	-	-	69,805
	6,435,541	2,098	-	-	6,437,639
Less accumulated depreciation for:					
Land improvements	(1,845,770)	(97,983)	-	-	(1,943,753)
Buildings and improvements	(2,402,824)	(89,466)	-	-	(2,492,290)
Machinery and equipment	(68,554)	(300)	-	-	(68,854)
	(4,317,148)	(187,749)	-	-	(4,504,897)
Total capital assets being depreciated, net	2,118,393	(185,651)	-	-	1,932,742
Component unit capital assets, net	$ 3,041,464	$ (185,651)	$ -	$ -	$ 2,855,813

Depreciation expense for the component unit, included in the statement of activities, was $187,749 for fiscal year 2021.

CITY OF CHARLEVOIX, MICHIGAN

Notes to the Financial Statements

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities are comprised of the following as of March 31, 2021:

	Governmental Activities	Business-type Activities	Component Unit
Accounts payable	$ 1,020,218	$ 642,670	$ 2,788
Accrued liabilities	117,438	229,363	2,360
Accrued interest	52,500	-	-
Customer deposits	-	43,722	-
	$ 1,190,156	$ 915,755	$ 5,148

8. INTERFUND ADVANCES

The composition of interfund advances as of March 31, 2021, was as follows:

	Advance to Other Funds	Advance From Other Funds
Electric Utility Fund	$ 393,000	$ -
Marina Fund	-	393,000
	$ 393,000	$ 393,000

During the year ended March 31, 2009, the Electric Utility Fund advanced a total of $700,000 to the Marina Fund to cover planned additional costs on the marina and park area reconstruction project that was substantially complete in July 2008. This advance was to be repaid over eight years with interest charged at 0.5%. The City, however, didn't make payments in certain years. During fiscal year 2021, the Electric Utility Fund received principal and interest payments of $100,000 and $4,930, respectively, from the Marina Fund.

CITY OF CHARLEVOIX, MICHIGAN

Notes to Financial Statements

For the year ended March 31, 2021, interfund transfers consisted of the following:

	Transfers In					
Transfers Out	General Fund	Ambulance Fund	Nonmajor Governmental Funds	Marina Fund	Internal Service Funds	Total
General fund	$ -	$ -	$ 43,500	$ 28,882	$ -	$ 72,382
Ambulance fund	-	-	20,500	-	-	20,500
Nonmajor governmental funds	-	45,264	340,939	-	-	386,203
Internal service funds funds	-	-	223,253	-	-	223,253
Electric Utility	2,500	-	275,200	-	376,649	654,349
Sewage Disposal Utility	-	-	99,245	-	-	99,245
Water Utility	-	-	85,710	-	-	85,710
Total	$ 2,500	$ 45,264	$ 1,088,347	$ 28,882	$ 376,649	$ 1,541,642

Transfers are used to: (1) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; (2) move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due; and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

CITY OF CHARLEVOIX, MICHIGAN

Notes to the Financial Statements

9. LONG-TERM DEBT

Long-term debt activity for the year ended March 31, 2021, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Primary government					
Governmental activities:					
2016 capital improvement bonds	$ 2,835,000	$ -	$ (210,000)	$ 2,625,000	$ 220,000
Deferred amounts-Bond premiums	311,763	-	(28,342)	283,421	28,342
2019 capital improvement bonds	8,335,000	-	(265,000)	8,070,000	215,000
Deferred amounts-Bond premiums	512,853	-	(20,514)	492,339	20,514
Total installment debt	11,994,616	-	(523,856)	11,470,760	483,856
Compensated absences – sick leave	88,094	4,886	(5,977)	87,003	46,100
Compensated absences – vacation	116,210	195,135	(182,152)	129,193	1,505
Total governmental activities	12,198,920	200,021	(711,985)	11,686,956	531,461
Business-type activities:					
Marina - 2016 refunding bonds	2,820,000	-	(355,000)	2,465,000	370,000
Revenue bonds	8,304,562	-	(400,000)	7,904,562	410,000
Deferred amounts-Bond premiums	294,463	-	(42,066)	252,397	42,066
Total business-type activities	11,419,025	-	(797,066)	10,621,959	822,066
Total primary government	$ 23,617,945	$ 200,021	$ (1,509,051)	$ 22,308,915	$ 1,353,527

CITY OF CHARLEVOIX, MICHIGAN

Notes to the Financial Statements

Compensated absences related to accrued vacation in governmental activities are generally liquidated by the Employee Fringe Benefits Internal Service Fund.

Compensated absences related to accrued sick in governmental activities are generally liquidated by the General Fund.

General obligation bonds, are direct obligations and pledge the full faith and credit of the City. General obligation bonds and revenue bonds currently outstanding are as follows:

Purpose	Matures	Interest Rates	Amount
Governmental activities			
2016 capital improvement bonds	October 2030	4.0% - 4.2%	$ 2,625,000
Premium on bonds	October 2030		283,421
2019 capital improvement bonds	October 2044	3.0%-4.0%	8,070,000
Premium on bonds	October 2044		492,339
			$ 11,470,760
Business-type activities			
Marina – 2016 refunding bonds	April 2027	2.0% - 4.0%	$ 2,465,000
Premium on Marina refunding bonds			252,397
Sewer - revenue bonds	April 2036	2.5%	7,904,562
			$ 10,621,959

CITY OF CHARLEVOIX, MICHIGAN

Notes to the Financial Statements

Annual debt service requirements to maturity for general obligation bonds and the revenue bonds are as follows:

	Governmental Activities			Business-type Activities		
Year Ending March 31,	Principal	Interest	Total	Principal	Interest	Total
2022	$ 435,000	$ 376,100	$ 811,100	$ 780,000	$ 291,089	$ 1,071,089
2023	450,000	358,700	808,700	805,000	265,914	1,070,914
2024	470,000	340,700	810,700	830,000	239,889	1,069,889
2025	485,000	321,900	806,900	860,000	213,014	1,073,014
2026	505,000	302,500	807,500	885,000	185,089	1,070,089
2027-2031	2,860,000	1,192,300	4,052,300	2,880,000	588,960	3,468,960
2032-2036	1,700,000	727,700	2,427,700	2,740,000	248,352	2,988,352
2037-2041	1,985,000	452,850	2,437,850	589,562	7,370	596,932
2042-2045	1,805,000	137,400	1,942,400	-	-	-
	$ 10,695,000	$ 4,210,150	$ 14,905,150	$ 10,369,562	$ 2,039,677	$ 12,409,239

CITY OF CHARLEVOIX, MICHIGAN

Notes to the Financial Statements

10. OPERATING LEASE AND COMMITMENT

The City has entered into an operating lease agreement with the Beaver Island Boat Company ("BIBCO"). BIBCO rents dock space and office space from the City. Both parties have agreed to a 5-year rental agreement, in which BIBCO has a conditional right of renewal it may exercise five times for five years with each renewal. The City has also signed a $30,000 promissory note payable bearing 5% interest which is to be paid to BIBCO only in the event the City elects to terminate the rental agreement before 2028. Also, if the City were to terminate this agreement before 2028, then it would be liable to BIBCO for the balance on BIBCO's note payable for the construction of a storage building, which approximates $11,000 as of March 31, 2021. Projected operating lease proceeds through the year ended 2028 are as follows:

Year Ended March 31,	Amount
2022	$ 32,401
2023	33,628
2024	41,156
2025	42,471
2026	43,831
2027-2028	91,936
	$ 285,423

11. RISK MANAGEMENT

The City is exposed to various risks of loss related to property loss, torts, errors and omissions and employee injuries (workers' compensation), as well as medical benefits provided to employees. During the year ended March 31, 2021, the City carried insurance through various commercial carriers, including the Michigan Municipal League and Michigan Township Participating Plan, to cover all risks of losses. The City has had no settled claims resulting from these risks that exceeded its commercial coverage in any of the past three fiscal years.

12. PROPERTY TAXES

The City's property taxes are levied each July 1 on the taxable valuation of property located in the City as of the preceding December 31, the lien date. Property taxes are payable without penalty and interest through the first business day of September; as of March 1 of the succeeding year, unpaid real property taxes are sold to and collected by Charlevoix County.

Assessed values as established annually by the City, and subject to acceptance by the County, are equalized by the State at an estimated 50 percent of current market value. Real and personal property in the City for the 2020 levy was assessed and equalized at $260,238,117 (not including properties subject to Industrial Facilities Tax exemption), representing 50 percent of estimated current market value. The City's general operating tax rate for fiscal year 2020-21 was 9.3526 mills, with an additional 1.7000 mills levied for infrastructure improvements and an additional 1.0000 mill levied for refuse.

Notes to the Financial Statements

Property taxes for the DDA are derived from a tax increment financing agreement between the DDA and other taxing districts. Under this arrangement, the DDA receives those property taxes levied on the increment of current taxable valuations (determined as of the preceding December 31, the lien date) over base year assessed valuations on certain property located in the City of Charlevoix, which are within the DDA district. The DDA also has an operating levy of 1.3556 mills. Property taxes are recognized in the fiscal year in which they are levied.

13. DEFINED BENEFIT PENSION PLAN

General Information About the Plan

Plan Description. The City participates in the Municipal Employees' Retirement System (MERS) of Michigan, a defined benefit pension plan providing certain retirement, disability and death benefits to plan members and beneficiaries. MERS is an agent multiple-employer, statewide public employee pension plan established by the Michigan Legislature under Public Act 135 of 1945 and administered by a nine member Retirement Board. Public Act 427 of 1984, as amended, establishes and amends the benefit provisions of the participants in MERS. MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained accessing the MERS website at www.mersofmich.com.

Benefits Provided. Pension benefits vary by division/bargaining unit and are calculated as final average compensation (based on a 3 year period) and multipliers ranging from 1.50% to 2.50%. Participants are considered to be fully vested in the plan after 10 years. Normal retirement age is 60 with early retirement at age 50 with 25 years of service. Member contributions range from 0.00% to 3.00% of covered wages as presented in the table below.

Employees Covered by Benefit Terms. At December 31, 2020, plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	44
Inactive employees entitled to but not yet receiving benefits	14
Active employees	51
Total membership	109

Contributions. The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS Retirement Board. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. In addition, the employer may establish contribution rates to be paid by its covered employees.

CITY OF CHARLEVOIX, MICHIGAN

Notes to the Financial Statements

Employer and employee contribution amounts or rates, by division/bargaining unit, were as follows for the year ended March 31, 2021:

Division	Plan Type	Status	Employer Contribution Rate	Employee Contribution Rate
Comm Workers	Defined Benefit	Open	20.46%	3.00%
Non-Union	Defined Benefit	Open	20.86%	0.00%
Police Officers	Defined Benefit	Open	16.42%	3.00%

Net Pension Liability. The City's net pension liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.00% in the long-term
Investment rate of return	7.35%, net of investment and administrative expense including inflation

The base mortality tables used are constructed as described below and are based on are amount weighted sex distinct rates:

- Pre-retirement mortality based on 100% of Pub-2010 Juvenile Mortality Tables for ages 0-17, 100% of PubG-2010 Employee Mortality Tables for Ages 18-80, and 100% of PubG-2010 Healthy Retiree Tables for ages 81-120.
- Non-disabled retired plan members and beneficiaries mortality based on 106% of Pub-2010 Juvenile Mortality Tables for ages 0-17, 106% of PubG-2010 Employee Mortality Tables for Ages 18-49, and 106% of PubG-2010 Healthy Retiree Tables for ages 50-120.
- Disables retired plan members mortality based on 100% of Pub-2010 Juvenile Mortality Tables for ages 0-17, and 100% of PubNS-2010 Disabled Retiree Tables for ages 18-120.

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of the most recent actuarial experience study of 2014-2018.

CITY OF CHARLEVOIX, MICHIGAN

Notes to the Financial Statements

Long-term Expected Rate of Return. The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment and administrative expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Expected Money-Weighted Rate of Return
Global equity	60.0%	5.25%	3.15%
Global fixed income	20.0%	1.25%	0.25%
Private investments	20.0%	7.25%	1.45%
	100.00%		
Inflation			2.50%
Administrative expenses netted above			0.25%
Investment rate of return			7.60%

Discount Rate. The discount rate used to measure the total pension liability as of December 31, 2020 was 7.60%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF CHARLEVOIX, MICHIGAN

Notes to the Financial Statements

Changes in Net Pension Liability

The components of the change in the net pension liability are summarized as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2019	$ 14,303,589	$ 9,353,443	$ 4,950,146
Changes for the year:			
Service cost	225,006	-	225,006
Interest	1,056,773	-	1,056,773
Differences between expected and actual experience	126,529	-	126,529
Changes in assumptions	302,087	-	302,087
Employer contributions	-	743,822	(743,822)
Employee contributions	-	57,768	(57,768)
Net investment income	-	1,167,332	(1,167,332)
Benefit payments, including refunds of employee contributions	(1,022,404)	(1,022,404)	-
Administrative expense	-	(18,656)	18,656
Net changes	687,991	927,862	(239,871)
Balances at December 31, 2020	$ 14,991,580	$ 10,281,305	$ 4,710,275

Changes in assumptions. A 5-year experience study analyzing historical experience from 2013 through 2018 was completed in February 2020. In addition to changes to the economic assumptions which took effect with the fiscal year 2021 contribution rates, the experience study recommended updated demographic assumptions, including adjustments to the following actuarial assumptions: mortality, retirement, disability, and termination rates.

Notes to the Financial Statements

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability of the City, calculated using the discount rate of 7.60%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1% lower (6.60%) or 1% higher (8.60%) than the current rate:

	1% Decrease (6.60%)	Current Discount Rate (7.60%)	1% Increase (8.60%)
City's net pension liability	$ 6,356,692	$ 4,710,275	$ 3,344,454

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Plan financial statements.

For the year ended March 31, 2021, the City recognized pension expense of $837,929. The City reported deferred outflows/inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Difference between expected and actual experience	$ 101,223	$ 159,643	$ (58,420)
Changes in assumptions	513,305	-	513,305
Net difference between projected and actual earnings on pension plan investments	-	325,625	(325,625)
	614,528	485,268	129,260
Contributions subsequent to the measurement date	286,479	-	286,479
Total	$ 901,007	$ 485,268	$ 415,739

CITY OF CHARLEVOIX, MICHIGAN

Notes to the Financial Statements

The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the year ending March 31, 2022. Other amounts reported as deferred outflows/inflows of resources related to the pension will be recognized in pension expense as follows:

Year Ended March 31,	Amount
2022	$ 33,926
2023	119,149
2024	(16,425)
2025	(7,390)
Total	$ 129,260

Payable to the Pension Plan. At March 31, 2021, the City had no amounts payable for contributions to the pension plan.

For the governmental activities, the net pension liability is generally liquidated by the General Fund.

14. DEFINED CONTRIBUTION PLAN

The City provided pension benefits to its City Manager through a defined contribution plan, "City of Charlevoix City Manager Money Purchase Plan." In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. As established by the City Council, the City contributed 21.60% of the City Manager's gross earnings to the plan or provides this percentage as an increase to annual compensation or a combination of both, at the discretion of the City Manager. The City contributed $23,120 to the Plan during the year ended March 31, 2021. Contributions and interest are allocated to the account and benefits are fully vested at March 31, 2021.

15. ENTITLEMENT COMMITMENT

During 1979 and 1982, the Michigan Public Power Agency ("MPPA"), of which the City is a member, acquired an ownership interest in the Consumer Power Campbell No. 3 plant and other related assets.

The City has entered into contracts with MPPA for the City's electric entitlement share of the Campbell No. 3 generating capacities of 2074(kw) and the Combustion Turbine No. 1 and AFEC Project generating electrical output of 55(mw) and 180(mw), respectively.

Notes to the Financial Statements

The Power Sales Contract requires payments on a "take-or-pay" basis for the City's entitlement share of power and energy from the project as is available under the Project Agreements. In the event payment is not required for any month under the City's Power Sales Contract, the City is required to make payment for such month under this Project Support Contract on a "take-or-pay" basis. The payment under the Project Support Contract would be the amount the City would have been required to pay under its Power Sales Contract for such month if any power and energy from the Project that is available under the Project Agreements had been made available to the City. If a participant of the MPPA defaults in the performance of its obligations under its Power Sales Contract or Project Support Contract, and the MPPA is unable to sell such participant's entitlement share, the remaining participants not in default are obligated to assume pro rata shares of such entitlement share up to 25 percent of their original entitlement shares.

The City's share of MPPA annual debt service requirements, used as a measure of minimum annual payments, are as follows:

	Combustion Turbine No. 1 2020 Refunding		Campbell Project Bank	
Year Ended December 31,	Principal	Interest	Principal	Interest
2022	$ 92,748	$ 9,033	$ 109,353	$ 44,099
2023	94,872	6,491	-	-
2024	96,288	5,229	-	-
2025	97,704	3,949	-	-
2026	99,120	1,982	-	-
2027	100,064	2,001	-	-
Total	$ 580,796	$ 28,685	$ 109,353	$ 44,099

	AFEC Project		Totals	
Year Ended December 31,	Principal	Interest	Principal	Interest
2022	$ 23,256	$ 44,099	$ 225,357	$ 97,231
2023	24,387	42,936	119,259	49,427
2024	25,679	41,717	121,967	46,946
2025	26,648	40,690	124,352	44,639
2026	27,940	39,358	127,060	41,340
2027 - 2031	162,471	174,349	262,535	176,350
2032 - 2036	207,205	129,474	207,205	129,474
2037 - 2041	264,377	72,239	264,377	72,239
2042 - 2043	125,163	9,464	125,163	9,464
Total	$ 887,126	$ 594,326	$ 1,577,275	$ 667,110

Notes to the Financial Statements

On October 30, 2020, MPPA issued $12,305,000 in bonds (new bonds) at a rate of 1.33% to refund $19,222,750 (Principal & Interest) in outstanding bonds (Combustion Turbine #1) with a maximum interest rate of 5.0%. The City's share for refunding debt is the same as the refunded bonds.

The MPPA and its member utilities were over-charged on their power sales contract agreements. Because of this, MPPA and the member utilities have established a trust fund ("The Municipal Competitive Trust"). Specific policies have been established by each member regarding the use of these funds. The City's share of this trust fund was approximately $428,000 at March 31, 2021 and is reported as Deposit with the Michigan Public Power Agency in the Statement of Net Position.

16. COMMITMENT

The City has remaining construction commitments of approximately $1,700,000 remaining on open construction projects as of March 31, 2021.

17. NET INVESTMENT IN CAPITAL ASSETS

The composition of net investment in capital assets as of March 31, 2021, was as follows:

	Governmental Activities	Business-type Activities	Component Unit
Capital assets:			
Capital assets, not being depreciated	$ 24,546,135	$ 2,868,974	$ 923,071
Capital assets being depreciated, net	12,679,120	34,419,646	1,932,742
	37,225,255	37,288,620	2,855,813
Less related debt:			
Total installment debt	(11,470,760)	(10,621,959)	-
Add back: deferred charge on bond refunding	-	107,729	-
Add back: unexpended bond proceeds	1,204,287	-	-
	(10,266,473)	(10,514,230)	-
Net investment in capital assets	$ 26,958,782	$ 26,774,390	$ 2,855,813

CITY OF CHARLEVOIX, MICHIGAN

Notes to the Financial Statements

18. FUND BALANCES - GOVERNMENTAL FUNDS

Detailed information on fund balances of governmental funds at March 31, 2021 is as follows:

	General Fund	Ambulance Fund	Public Utility Building Capital Improvement Fund	Nonmajor Governmental Funds	Total
Nonspendable:					
Perpetual care	$ -	$ -	$ -	$ 406,379	$ 406,379
Prepaids	14,402	1,735	-	-	16,137
Total nonspendable	14,402	1,735		406,379	422,516
Restricted:					
Street improvements	-	-	-	595,826	595,826
Public service building			1,204,287	-	1,204,287
Infrastructure improvements	-	-	-	406,864	406,864
Debt service	-	-	-	205,654	205,654
Parking services	-	-	-	1,852	1,852
Total restricted	-	-	1,204,287	1,210,196	2,414,483
Committed:					
Housing	-	-	-	19,700	19,700
Assigned:					
Capital expenditures	-	-	-	282,855	282,855
Unassigned (deficit)	1,171,408	-	-	-	1,171,408
Total fund balances, governmental funds	$ 1,185,810	$ 1,735	$ 1,204,287	$ 1,919,130	$ 4,310,962

CITY OF CHARLEVOIX, MICHIGAN

Notes to the Financial Statements

19. CORONAVIRUS (COVID-19)

In March 2020, the World Health Organization declared the novel coronavirus outbreak (COVID-19) to be a global pandemic. The extent of the ultimate impact of the pandemic on the City's operational and financial performance will depend on various developments, including the duration and spread of the outbreak and its impact on employees, vendors, and taxpayers, all of which cannot be reasonably predicted at this time. In addition, it will continue to place additional demands on the City as it determines the appropriate methods to deliver services to its local constituents in a safe environment. While management reasonably expects the COVID-19 outbreak to negatively impact the City's financial position, changes in financial position, and where applicable, the timing and amounts of cash flows, the related financial consequences and duration are highly uncertain.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CHARLEVOIX, MICHIGAN

Required Supplementary Information

MERS Agent Multiple-Employer Defined Benefit Pension Plan
Schedule of Changes in the City's Net Pension Liability and Related Ratios

	Year Ended December 31		
	2020	2019	2018
Total pension liability			
Service cost	$ 225,006	$ 491,004	$ 195,891
Interest	1,056,773	1,046,244	1,064,162
Differences between expected and actual experience	126,529	(28,812)	(355,886)
Changes of assumptions	302,087	452,725	-
Benefit payments, including refunds of employee contributions	(1,022,404)	(1,002,620)	(989,540)
Other changes	-	11,184	(279,614)
Net change in total pension liability	687,991	969,725	(364,987)
Total pension liability, beginning of year	14,303,589	13,333,864	13,698,851
Total pension liability, end of year	14,991,580	14,303,589	13,333,864
Plan fiduciary net position			
Employer contributions	743,822	889,674	870,485
Employee contributions	57,768	54,467	50,842
Net investment income (loss)	1,167,332	1,130,073	(339,125)
Benefit payments, including refunds of employee contributions	(1,022,404)	(1,002,620)	(989,540)
Administrative expense	(18,656)	(19,525)	(16,877)
Net change in plan fiduciary net position	927,862	1,052,069	(424,215)
Plan fiduciary net position, beginning of year	9,353,443	8,301,374	8,725,589
Plan fiduciary net position, end of year	10,281,305	9,353,443	8,301,374
City's net pension liability	$ 4,710,275	$ 4,950,146	$ 5,032,490
Plan fiduciary net position as a percentage of total pension liability	68.6%	65.4%	62.3%
Covered payroll	$ 3,207,279	$ 3,073,827	$ 2,893,241
City's net pension liability as a percentage of covered payroll	146.9%	161.0%	173.9%

See notes to required supplementary information.

Year Ended December 31		
2017	2016	2015
$ 156,135	$ 165,666	$ 167,849
1,034,166	1,028,535	976,917
144,372	(179,328)	85,473
-	-	648,378
(969,686)	(909,054)	(815,464)
-	(341)	-
364,987	105,478	1,063,153
13,333,864	13,228,386	12,165,233
13,698,851	13,333,864	13,228,386
337,044	311,253	303,782
47,103	46,738	53,025
1,063,210	880,516	(124,534)
(969,686)	(909,054)	(815,464)
(16,887)	(17,408)	(18,424)
460,784	312,045	(601,615)
8,264,805	7,952,760	8,554,375
8,725,589	8,264,805	7,952,760
$ 4,973,262	$ 5,069,059	$ 5,275,626
63.7%	62.0%	60.1%
$ 2,334,109	$ 2,444,252	$ 2,601,560
213.1%	207.4%	202.8%

CITY OF CHARLEVOIX, MICHIGAN

Required Supplementary Information

MERS Agent Multiple-Employer Defined Benefit Pension Plan
Schedule of Contributions

Fiscal Year Ending March 31,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution (Deficiency) Excess	Covered Payroll	Contributions as Percentage of Covered Payroll
2020	$ 585,770	$ 885,770	$ 300,000	$ 3,282,628	27.0%
2019	609,609	889,674	280,065	3,051,313	29.2%
2018	492,278	870,485	378,207	2,655,443	32.8%
2017	347,625	337,044	(10,581)	2,334,109	14.4%
2016	318,731	-	(318,731)	2,354,198	0.0%
2015	290,280	-	(290,280)	2,552,035	0.0%

See notes to required supplementary information.

CITY OF CHARLEVOIX, MICHIGAN

Notes to Required Supplementary Information

MERS Agent Multiple-Employer Defined Benefit Pension Plan

Notes to the Schedule of Changes in the Net Pension Liability and Related Ratios

GASB 68 was implemented in fiscal year 2015. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

Changes in Assumptions. In 2016, amounts reported as changes of assumptions resulted primarily from adjustments to the mortality table to reflect longer lifetimes, decreases in the assumed rate of return, and changes in asset smoothing.

In 2020, amounts reported as changes of assumptions resulted primarily from a decrease in the assumed rate of return from 7.75% to 7.35%, and a decrease in the assumed rate of wage inflation from 3.75% to 3.00%.

In 2021, amounts reported as changes of assumptions related to updated demographic assumptions, including adjustments to the following actuarial assumptions: mortality, retirement, disability, and termination rates.

Notes to Schedule of Contributions

GASB 68 was implemented in fiscal year 2015. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

Valuation Date	Actuarially determined contribution rates are calculated as of the December 31 that is 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates (2020, based on the 12/31/2018 actuarial valuation):

Actuarial cost method	Entry-age normal
Amortization method	Level percent of payroll, closed
Remaining amortization period	20 years
Asset valuation method	5-year smooth market
Inflation	2.50%
Salary increases	3.75% in the long-term
Investment rate of return	7.75%, net of investment and administrative expense including inflation
Normal retirement age	Age 60
Mortality	50% Female/50% Male blend of the RP-2014 Healthy Annuitant Mortality Tables with rates multiplied by 105%, the RP-2014 Employee Mortality Tables, and the RP-2014 Juvenile Mortality Tables

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COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS

CITY OF CHARLEVOIX, MICHIGAN

Combining Balance Sheet

Nonmajor Governmental Funds
March 31, 2021

	Special Revenue Funds				Debt Service Fund	
	Major Streets	Local Streets	Parking Services	Housing	Infrastructure Debt Service	2019 Public Service Building Bond Debt Service
Assets						
Cash and cash equivalents	$ 303,661	$ -	$ 1,877	$ 19,700	$ 16,624	$ 1,001
Cash at fiscal agent	-	-	-	-	52,500	135,550
Investments	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-
Taxes receivable	-	-	-	-	-	-
Due from other governmental units	82,149	19,738	-	-	-	-
Interest receivable	-	-	-	-	-	-
Total assets	$ 385,810	$ 19,738	$ 1,877	$ 19,700	$ 69,124	$ 136,551
Liabilities						
Accounts payable	$ 3,732	$ -	$ 25	$ -	$ 21	$ -
Accrued liabilities	3,170	1,964	-	-	-	-
Total liabilities	6,902	1,964	25	-	21	-
Fund balances						
Nonspendable	-	-	-	-	-	-
Restricted	378,908	17,774	1,852	-	69,103	136,551
Committed	-	-	-	19,700	-	-
Assigned	-	-	-	-	-	-
Total fund balances	378,908	17,774	1,852	19,700	69,103	136,551
Total liabilities and fund balances	$ 385,810	$ 19,738	$ 1,877	$ 19,700	$ 69,124	$ 136,551

Capital Projects Funds						Permanent Fund	
Fire Truck	Infrastructure Improvement	Street Improvements	Industrial Park	Mt. McSauba Improvements	Ambulance	Cemetery Care	Total
$ 148,840	$ 419,728	$ 199,029	$ 27,202	$ 30,231	$ 55,750	$ 127,530	$ 1,351,173
-	-	-	-	-	-	-	188,050
-	-	-	-	-	-	276,200	276,200
25,000	1	1	-	-	-	-	25,002
-	101	114	-	-	-	-	215
-	-	-	-	-	-	-	101,887
-	-	-	-	-	-	2,649	2,649
$ 173,840	$ 419,830	$ 199,144	$ 27,202	$ 30,231	$ 55,750	$ 406,379	$ 1,945,176
$ -	$ 12,966	$ -	$ 4,168	$ -	$ -	$ -	$ 20,912
-	-	-	-	-	-	-	5,134
-	12,966	-	4,168	-	-	-	26,046
-	-	-	-	-	-	406,379	406,379
-	406,864	199,144	-	-	-	-	1,210,196
-	-	-	-	-	-	-	19,700
173,840	-	-	23,034	30,231	55,750	-	282,855
173,840	406,864	199,144	23,034	30,231	55,750	406,379	1,919,130
$ 173,840	$ 419,830	$ 199,144	$ 27,202	$ 30,231	$ 55,750	$ 406,379	$ 1,945,176

CITY OF CHARLEVOIX, MICHIGAN

Combining Statement of Revenues, Expenditures and Change in Fund Balances

Nonmajor Governmental Funds
For the Year Ended March 31, 2021

	Special Revenue Funds				Debt Service Fund	
	Major Streets	Local Streets	Parking Services	Housing	Infrastructure Debt Service	2019 Public Service Building Bond Debt Service
Revenues						
Taxes	$ -	$ -	$ -	$ -	$ -	$ -
State revenue	369,991	151,301	-	-	-	-
Charges for services	-	-	21,029	-	-	-
Fines and forfeitures	-	-	3,060	-	-	-
Interest	32	1	-	-	1	-
Rents and royalties	-	-	-	-	-	-
Other revenue	-	-	-	5,200	-	-
Total revenues	370,023	151,302	24,089	5,200	1	-
Expenditures						
Current:						
General government	-	-	-	-	-	-
Public works	292,357	164,284	55,737	1,500	-	-
Health and welfare	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	210,000	265,000
Interest	-	-	-	-	113,650	221,540
Total expenditures	292,357	164,284	55,737	1,500	323,650	486,540
Revenues over (under) expenditures	77,666	(12,982)	(31,648)	3,700	(323,649)	(486,540)
Other financing sources (uses)						
Proceeds from sales of capital assets	-	-	-	-	-	-
Transfers in	-	17,539	33,500	16,000	323,400	622,216
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	17,539	33,500	16,000	323,400	622,216
Net change in fund balances	77,666	4,557	1,852	19,700	(249)	135,676
Fund balances, beginning of year	301,242	13,217	-	-	69,352	875
Fund balances, end of year	$ 378,908	$ 17,774	$ 1,852	$ 19,700	$ 69,103	$ 136,551

Capital Projects Funds						Permanent Fund	
Fire Truck	Infrastructure Improvement	Street Improvements	Industrial Park	Mt. McSauba Improvements	Ambulance	Cemetery Care	Total
$ -	$ 411,463	$ 232,694	$ -	$ -	$ -	$ -	$ 644,157
-	-	-	-	-	-	-	521,292
-	-	-	-	-	-	5,520	26,549
-	-	-	-	-	-	-	3,060
6	89	21	3	4	2	2,786	2,945
-	-	-	-	7,579	-	-	7,579
-	-	-	-	-	-	-	5,200
6	411,552	232,715	3	7,583	2	8,306	1,210,782
-	-	-	9,169	-	-	47,146	56,315
-	612,077	-	-	-	-	-	1,125,955
-	-	-	-	-	-	-	-
-	-	-	-	-	33,711	-	33,711
-	-	-	-	-	-	-	475,000
-	-	-	-	-	-	-	335,190
-	612,077	-	9,169	-	33,711	47,146	2,026,171
6	(200,525)	232,715	(9,166)	7,583	(33,709)	(38,840)	(815,389)
50,000	-	-	-	-	-	-	50,000
47,692	-	-	7,500	-	20,500	-	1,088,347
-	(140,939)	(200,000)	-	-	(45,264)	-	(386,203)
97,692	(140,939)	(200,000)	7,500	-	(24,764)	-	752,144
97,698	(341,464)	32,715	(1,666)	7,583	(58,473)	(38,840)	(63,245)
76,142	748,328	166,429	24,700	22,648	114,223	445,219	1,982,375
$ 173,840	$ 406,864	$ 199,144	$ 23,034	$ 30,231	$ 55,750	$ 406,379	$ 1,919,130

CITY OF CHARLEVOIX, MICHIGAN

Combining Statement of Net Position

Internal Service Funds
March 31, 2021

	Governmental Activities		Business-type Activities	
	Employee Fringe Benefits	Motor Vehicle	DPW Site	Total
Assets				
Current assets:				
Cash and cash equivalents	$ 12,531	$ 715,699	$ 1,215,844	$ 1,944,074
Investments	100,000	100,000	400,000	600,000
Accounts receivable	721	3	3	727
Interest receivable	2,200	1,027	7,454	10,681
Prepaids	49,524	410	-	49,934
Total current assets	164,976	817,139	1,623,301	2,605,416
Noncurrent assets:				
Capital assets, not being depreciated	-	20,653	576,029	596,682
Capital assets being depreciated, net	-	1,733,793	134,776	1,868,569
Total noncurrent assets	-	1,754,446	710,805	2,465,251
Total assets	164,976	2,571,585	2,334,106	5,070,667
Liabilities				
Current liabilities:				
Accounts payable	13,481	21,417	-	34,898
Accrued liabilities	21,583	5,277	-	26,860
Current portion of compensated absences	1,505	-	-	1,505
Total current liabilities	36,569	26,694	-	63,263
Noncurrent liabilities:				
Compensated absences, net of current portion	127,688	-	-	127,688
Total liabilities	164,257	26,694	-	190,951
Net position				
Investment in capital assets	-	1,754,446	710,805	2,465,251
Unrestricted	719	790,445	1,623,301	2,414,465
Total net position	$ 719	$ 2,544,891	$ 2,334,106	$ 4,879,716

CITY OF CHARLEVOIX, MICHIGAN

Combining Statement of Revenues, Expenses and Change in Fund Net Position

Internal Service Funds
For the Year Ended March 31, 2021

	Governmental Activities		Business-type Activities	
	Employee Fringe Benefits	Motor Vehicle	DPW Site	Total
Operating revenues				
Charges for services	$ 2,961,114	$ 948,241	$ -	$ 3,909,355
Operating expenses				
Personnel services	3,219,445	232,200	-	3,451,645
Contractual services	2,421	47,284	1,256	50,961
Supplies	-	56,978	-	56,978
Utilities	-	11,161	-	11,161
Repairs and maintenance	-	105,563	-	105,563
Depreciation	-	283,255	3,035	286,290
Miscellaneous	3,933	-	-	3,933
Total operating expenses	3,225,799	736,441	4,291	3,966,531
Operating (loss) income	(264,685)	211,800	(4,291)	(57,176)
Nonoperating revenues				
Interest revenue	837	1,766	3,715	6,318
Gain on sale of capital assets	-	8,191	-	8,191
Other revenue	-	3,836	-	3,836
Total nonoperating revenues	837	13,793	3,715	18,345
Income (loss) before transfers	(263,848)	225,593	(576)	(38,831)
Transfers				
Transfers in	-	376,649	-	376,649
Transfers out	-	(142,437)	(80,816)	(223,253)
Total transfers	-	234,212	(80,816)	153,396
Change in net position	(263,848)	459,805	(81,392)	114,565
Net position, beginning of year	264,567	2,085,086	2,415,498	4,765,151
Net position, end of year	$ 719	$ 2,544,891	$ 2,334,106	$ 4,879,716

CITY OF CHARLEVOIX, MICHIGAN

Combining Statement of Cash Flows

Internal Service Funds
For the Year Ended March 31, 2021

	Governmental Activities		Business-type Activities	
	Employee Fringe Benefits	Motor Vehicle	DPW Site	Total
Cash flows from operating activities				
Cash received from interfund services	$ 2,960,588	$ 948,466	$ 318	$ 3,909,372
Cash payments to employees	(3,188,180)	(233,301)	-	(3,421,481)
Cash payments to suppliers for goods and services	(10,026)	(212,548)	(6,013)	(228,587)
Net cash (used in) provided by operating activities	(237,618)	502,617	(5,695)	259,304
Cash flows from noncapital financing activities				
Other receipts	-	3,836	-	3,836
Transfers in	-	376,649	-	376,649
Transfers out	-	(142,437)	(80,816)	(223,253)
Net cash (used in) provided by noncapital financing activities	-	238,048	(80,816)	157,232
Cash flows from capital and related financing activities				
Proceeds from sale of capital assets	-	8,191	-	8,191
Purchase of capital assets	-	(585,336)	(21,634)	(606,970)
Net cash used in capital and related financing activities	-	(577,145)	(21,634)	(598,779)
Cash flows from investing activities				
Interest received	29	2,298	4,554	6,881
Net change in cash and cash equivalents	(237,589)	165,818	(103,591)	(175,362)
Cash and cash equivalents, beginning of year	250,120	549,881	1,319,435	2,119,436
Cash and cash equivalents, end of year	$ 12,531	$ 715,699	$ 1,215,844	$ 1,944,074

continued…

CITY OF CHARLEVOIX, MICHIGAN

Combining Statement of Cash Flows

Internal Service Funds
For the Year Ended March 31, 2021

	Governmental Activities		Business-type Activities	
	Employee Fringe Benefits	Motor Vehicle	DPW Site	Total
Reconciliation of operating (loss) income to net cash (used in) provided by operating activities				
Operating (loss) income	$ (264,685)	$ 211,800	$ (4,291)	$ (57,176)
Adjustments to reconcile operating (loss) income to net cash (used in) provided by operating activities				
Depreciation expense	-	283,255	3,035	286,290
Changes in operating assets and liabilities that provided (used) cash:				
Accounts receivable	(526)	225	318	17
Prepaids	(1,347)	(10)	-	(1,357)
Accounts payable	(2,325)	8,448	(4,757)	1,366
Accrued liabilities	18,282	(1,101)	-	17,181
Accrued compensated absences	12,983	-	-	12,983
Net cash (used in) provided by operating activities	$ (237,618)	$ 502,617	$ (5,695)	$ 259,304

concluded

CITY OF CHARLEVOIX, MICHIGAN

Balance Sheet

Governmental Fund
Downtown Development Authority Component Unit
March 31, 2021

Assets		
Cash and cash equivalents	$	253,943
Investments		50,000
Receivables		5,640
Total assets	$	309,583
Liabilities		
Accounts payable	$	2,788
Accrued liabilities		2,360
Total liabilities		5,148
Fund balance		
Restricted		304,435
Total liabilities and fund balance	$	309,583

CITY OF CHARLEVOIX, MICHIGAN

Reconciliation

Fund Balance of the Governmental Fund
to Net Position of Governmental Activities
Downtown Development Authority Component Unit
March 31, 2021

Fund balance - governmental fund	$	304,435

Amounts reported for *governmental activities* in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund.	
Capital assets not being depreciated	923,071
Capital assets being depreciated, net	1,932,742
Net position of governmental activities	$ 3,160,248

CITY OF CHARLEVOIX, MICHIGAN

Statement of Revenues, Expenditures and Change in Fund Balance

Governmental Fund
Downtown Development Authority Component Unit
For the Year Ended March 31, 2021

Revenues		
Property taxes	$	476,910
State revenue		59,973
Rents		57,962
Miscellaneous		35,570
Total revenues		630,415
Expenditures		
Current:		
Community development		662,650
Net change in fund balance		(32,235)
Fund balance, beginning of year		336,670
Fund balance, end of year	$	304,435

CITY OF CHARLEVOIX, MICHIGAN

Reconciliation

Net Change in Fund Balance of the Governmental Fund
to Change in Net Position of Governmental Activities
Downtown Development Authority Component Unit
For the Year Ended March 31, 2021

Net change in fund balance - governmental fund	$	(32,235)

Amounts reported for *governmental activities* in the statement of activities are different because:

The governmental fund reports capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense.

Capital assets purchased/constructed	2,098
Depreciation expense	(187,749)

Change in net position of governmental activities	$	(217,886)

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Month //, 2021

Members of City Council
City of Charlevoix
Charlevoix, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the ***City of Charlevoix, Michigan*** (the "City"), as of and for the year ended March 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated Month //, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses, as item 2021-001, that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

City of Charlevoix's Response to the Finding

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CITY OF CHARLEVOIX, MICHIGAN

Schedule of Findings and Responses

For the Year Ended March 31, 2021

2021-001 – Preparation of Financial Statements in Accordance with Generally Accepted Accounting Principles (GAAP), Material Adjustments (repeat comment)

Finding Type. Material Weakness in Internal Control over Financial Reporting.

Criteria. All Michigan governments are required to prepare financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP). This is a responsibility of the City's management. The preparation of financial statements in accordance with GAAP requires internal controls over both (1) recording, processing, and summarizing accounting data (i.e., maintaining internal books and records), and (2) reporting government-wide and fund financial statements, including the related footnotes (i.e., external financial reporting.)

Condition. As is the case with many smaller and medium-sized entities, the City has historically relied on its independent external auditors to assist in the preparation of the government-wide financial statements and footnotes as part of its external financial reporting process. In addition, several material adjustments were necessary in the areas of capital assets, long-term debt and accrued compensated absences, to adjust the City's accounts to their proper year-end balances. Accordingly, the City's ability to prepare financial statements in accordance with GAAP is based, in part, on its reliance on its external auditors, who cannot by definition be considered a part of the City's internal controls.

Cause. The City did not identify certain adjustments that were necessary for the financial statements to be presented in accordance with GAAP. In addition, the City has decided that it is more cost effective to outsource the preparation of its annual financial statements to the auditors than to incur the time and expense of obtaining the necessary training and expertise required for the City to perform this task internally.

Effect: As a result of this condition, the City's accounting records were initially misstated by amounts material to the financial statements. Further, the City lacks internal controls over the preparation of financial statements in accordance with GAAP, and instead relies, in part, on its external auditors for assistance with this task.

Recommendation. For the adjustments, we recommend an individual review year end balances and schedules and record adjustments as needed, to ensure everything is recorded properly and completely before the adjusted trial balance is provided for the audit. The City's decision to rely, in part, on its auditors, for the preparation of external financial statements is allowable provided the City accepts responsibility for the financial statements. Therefore, no specific corrective action is required at this time.

View of Responsible Officials. The City has evaluated the benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the City to outsource this task to its external auditors (including recording year-end entries), and to carefully review the proposed journal entries, draft financial statements and notes prior to approving them and accepting responsibility for their content and presentation.

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INDEPENDENT AUDITORS' COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

Month //, 2021

Members of City Council
City of Charlevoix
Charlevoix, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the ***City of Charlevoix, Michigan*** (the "City") as of and for the year ended March 31, 2021, and have issued our report thereon dated Month //, 2021. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated April 30, 2021, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the City solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our findings regarding internal control over financial reporting and compliance noted during our audit in a separate letter to you dated Month //, 2021. In addition, we noted a certain other matter which is included in Attachment A to this letter.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm has complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the City's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the City is included in Note 1 to the financial statements.

No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on 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 markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements were:

- Management's estimate of the useful lives of depreciable capital assets is based on the length of time it is believed that those assets will provide some economic benefit in the future.
- Management's estimate of the accrued compensated absences is based on current hourly rates and policies regarding payment of sick and vacation banks.
- Management's estimate of the allowance for uncollectible receivable balances is based on past experience and future expectation for collection of various account balances.

We evaluated the key factors and assumptions used to develop these estimates and determined that they are reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

In addition, the financial statements include a net pension liability and other related amounts, which are dependent on estimates made by the plan. These estimates are based on historical trends and industry standards but are not within the control of management.

Significant Difficulties Encountered During the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The material misstatements detected as a result of audit procedures and corrected by management are described in the Schedule of Findings and Responses issued in connection with our report on internal control over financial reporting.

The schedule of adjustments passed is included with management's written representations in Attachment C to this letter, and summarizes uncorrected financial statement misstatements whose effects in the current and prior periods, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole and each applicable opinion unit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the City's financial statements or the auditors' report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in Attachment C to this letter.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the City, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the City's auditors.

Other Information in Documents Containing Audited Financial Statements

Our responsibility for the supplementary information accompanying the financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole. We made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Upcoming Changes in Accounting Standards

Generally accepted accounting principles (GAAP) are continually changing in order to promote the usability and enhance the applicability of information included in external financial reporting. While it would not be practical to include an in-depth discussion of every upcoming change in professional standards, Attachment B to this letter contains a brief overview of recent pronouncements of the Governmental Accounting Standards Board (GASB) and their related effective dates. Management is responsible for reviewing these standards, determining their applicability, and implementing them in future accounting periods.

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

Very truly yours,

CITY OF CHARLEVOIX, MICHIGAN

Attachment A - Comments and Recommendations

For the March 31, 2021 Audit

During our audit, we became aware of a certain other matter that is an opportunity for strengthening internal control and/or improving operating efficiency. This memorandum summarizes our comments and recommendations regarding this matter. Our consideration of the City's internal control over financial reporting is described in our report, dated Month //, 2021, issued in accordance with *Government Auditing Standards.* This memorandum does not affect that report or our report dated Month //, 2021, on the financial statements of the City of Charlevoix, Michigan.

Untimely Tax Disbursements (repeat comment)

Section 43(3)(a) of Public Act 206 of 1893, the General Property Tax Act, MCL 211.43(3)(a), provides that local units of Government with a State equalized value of more than $15,000,000 shall, within 10 business days after the first and fifteenth day of each month, account for and deliver to the county treasurer and other tax assessing units, the tax collections on hand on the first and fifteenth day of each month. During the City's 2021 audit fieldwork, 4 of the selected 4 tested tax disbursements were documented as untimely disbursements, although, all collections were distributed by the final distribution date of April 1, 2021 per Section 43(3)(a) of the General Property Tax Act. Rehmann recommends that the City implement procedures and a policy to adhere to section 43(3)(a) of Public Act 206 of 1893.

Budgeted Fund Deficit

We noted that for the Ambulance special revenue fund, the City budgeted for an ending fund balance deficit, which is not permissible under State statutes.

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CITY OF CHARLEVOIX, MICHIGAN

Attachment B - Upcoming Changes in Accounting Standards / Regulations

For the March 31, 2021 Audit

The following pronouncements of the Governmental Accounting Standards Board (GASB) have been released recently and may be applicable to the City in the near future. We encourage management to review the following information and determine which standard(s) may be applicable to the City. For the complete text of these and other GASB standards, visit www.gasb.org and click on the "Standards & Guidance" tab. If you have questions regarding the applicability, timing, or implementation approach for any of these standards, please contact your audit team.

GASB 87 ■ Leases

Effective 06/15/2022 (your FY 2023)

This standard establishes a single model for reporting all leases (including those previously classified as operating and capital). Lessees will now report offsetting intangible lease assets and lease liabilities equal to the present value of future lease payments. Lessors will report offsetting lease receivables and deferred inflows of resources.

GASB 89 ■ Accounting for Interest Cost Incurred before the End of a Construction Period

Effective 12/15/2021 (your FY 2022)

This standard eliminates the requirement for governments to capitalize interest during the construction period for business-type activities. As this simplifies the accounting for interest, early implementation is encouraged. We do not expect this standard to have any significant effect on the City.

GASB 91 ■ Conduit Debt Obligations

Effective 12/15/2022 (your FY 2023)

This standard defines "conduit debt obligations", where a government issues debt whose proceeds are received and repaid by a third-party obligor without the issuer being primarily liable. The standard requires issuers to disclose conduit debt obligations, but not to record a liability unless it is more likely than not that a commitment made by the issuer will require it to support one or more debt payments for a conduit debt obligation. We do not expect this standard to have any significant effect on the City.

GASB 92 ■ Omnibus 2020

Effective 06/15/2022 (your FY 2023)

This standard includes a variety of small technical revisions to previously issued GASB statements. We do not expect this standard to have any significant effect on the City.

GASB 93 ■ Replacement of Interbank Offered Rates

Effective 06/15/2022 (your FY 2023)

This standard provides guidance to governments with agreements with variable payments tied to LIBOR, and how to transition them to a new reference rate. We do not expect this standard to have any significant effect on the City.

CITY OF CHARLEVOIX, MICHIGAN

Attachment B - Upcoming Changes in Accounting Standards / Regulations

For the March 31, 2021 Audit

GASB 94 ■ Public-Private and Public-Public Partnerships and Availability Payment Arrangements

Effective 06/15/2023 (your FY 2024)

This standard addresses accounting and financial reporting for arrangements in which a government contracts with an operator to provide public services by conveying control of the right to operate or use a capital asset for a period of time in an exchange or exchange-like transaction. We do not expect this standard to have any significant effect on the City.

GASB 96 ■ Subscription-Based Information Technology Arrangements

Effective 06/15/2023 (your FY 2024)

This standard expands on the new guidance for leases and applies it to computer software contracts (subscriptions) with similar characteristics. Governments that subscribe to a vendor's IT software will now report offsetting intangible subscription assets and subscription liabilities equal to the present value of future subscription payments.

GASB 97 ■ Certain Component Unit Criteria and IRC Section 457 Deferred Compensation Plans

Effective 06/15/2022 (your FY 2023)

This standard amends the requirements for when to report defined contribution pension plans (such as 401k and 403b plans) as fiduciary component units, and how to account for Section 457 deferred compensation plans.

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CITY OF CHARLEVOIX, MICHIGAN

Attachment C - Management Representations

For the March 31, 2021 Audit

The following pages contain the written representations that we requested from management.

Month //, 2021

Rehmann Robson
P.O. Box 250
Cheboygan, Michigan 49721

This representation letter is provided in connection with your audit of the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the ***City of Charlevoix, Michigan*** (the "City"), as of and for the year ended March 31, 2021, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable and the respective budgetary comparison for the general and major special revenue funds of the City in conformity with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of Month //, 2021:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated April 30, 2021, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
2. The financial statements referred to above have been fairly presented in accordance with U.S. GAAP, and include all properly classified funds, required supplementary information, and notes to the basic financial statements.
3. We have reviewed and approved the various adjusting journal entries that were proposed by you for recording in our books and records and reflected in the financial statements.
4. With respect to any assistance you provided in drafting the financial statements and related notes, we have performed the following:
    a. Made all management decisions and performed all management functions;
    b. Assigned a competent individual to oversee the services;
    c. Evaluated the adequacy of the services performed;

d. Evaluated and accepted responsibility for the result of the service performed; and
e. Established and maintained internal controls, including monitoring ongoing activities.

5. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
6. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
7. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
8. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP. For the purposes of this letter, related parties mean members of the governing body; board members; administrative officials; immediate families of administrative officials, board members, and members of the governing body; and any companies affiliated with or owned by such individuals.
9. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
10. The effects of uncorrected misstatements summarized in the attached schedule and aggregated by you during the current engagement are immaterial, both individually and in the aggregate, to the applicable opinion units and to the financial statements as a whole.
11. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
12. With regard to items reported at fair value:
    a. The underlying assumptions are reasonable, and they appropriately reflect management's intent and ability to carry out its stated courses of action.
    b. The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
    c. The disclosures related to fair values are complete, adequate, and in conformity with U.S. GAAP.
    d. There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.
13. All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
14. All funds and activities are properly classified.
15. All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, and GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
16. All components of net position and fund balance classifications have been properly reported.
17. All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
18. All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.

19. All interfund and intra-entity transactions and balances have been properly classified and reported.
20. Special items and extraordinary items have been properly classified and reported.
21. Deposit and investment risks have been properly and fully disclosed.
22. Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
23. All required supplementary information is measured and presented within the prescribed guidelines.
24. We are responsible for the fair presentation of the City's net pension liability as calculated by the Municipal Employees' Retirement System of Michigan (MERS) and related amounts. We provided MERS with complete and accurate information regarding the City's participation in the plan, and have reviewed the information provided by MERS for inclusion in the City's financial statements.
25. In response to the novel coronavirus outbreak (COVID-19), the Governor issued various temporary Executive Orders that, among other stipulations, effectively prohibited in-person work activities for most businesses and industries including non-essential government services, having the effect of suspending or severely curtailing operations. As a result, the COVID-19 outbreak is disrupting and affecting the government's normal activities. The extent of the ultimate impact of the pandemic on the government's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impact on employees, vendors, and taxpayers, all of which cannot be reasonably predicted at this time. In addition, it may place additional demands on the government for providing emergency services to its citizens. While management reasonably expects the COVID-19 outbreak to negatively impact the government's financial position, changes in financial position, and, where applicable, the timing and amounts of cash flows, the related financial consequences and duration are highly uncertain.

Information Provided

26. We have provided you with:
    a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
    b. Additional information that you have requested from us for the purpose of the audit; and
    c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
27. All transactions have been recorded in the accounting records and are reflected in the financial statements.
28. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
29. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
    a. Management;
    b. Employees who have significant roles in internal control; or
    c. Others where the fraud could have a material effect on the financial statements.
30. We have no knowledge of any instances, that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that

warrant the attention of those charged with governance, whether communicated by employees, former employees, vendors (contractors), regulators, or others.

31. We have no knowledge of any instances that have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that has a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
32. We have no knowledge of any instances that have occurred or are likely to have occurred of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
33. We have a process to track the status of audit findings and recommendations.
34. We have identified for you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
35. We have provided views on your reported audit findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
36. We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements and we have not consulted legal counsel concerning litigation or claims.
37. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
38. There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
39. The government has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
40. We have disclosed to you all guarantees, whether written or oral, under which the government is contingently liable.
41. We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
42. There are no:
    a. Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
    b. Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.
    c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB Statement No. 62.
43. The government has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
44. We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
45. We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62. Significant estimates are

estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.

Supplementary Information in Relation to the Financial Statements as a Whole

46. With respect to the supplementary information accompanying the financial statements:
    a. We acknowledge our responsibility for the presentation of the supplementary information in accordance with accounting principles generally accepted in the United States of America.
    b. We believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America.
    c. The methods of measurement or presentation have not changed from those used in the prior period.
    d. We believe the significant assumptions or interpretations underlying the measurement or presentation of the supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.

Required Supplementary Information

47. With respect to the required supplementary information accompanying the financial statements:
    a. We acknowledge our responsibility for the presentation of the required supplementary information in accordance with accounting principles generally accepted in the United States of America.
    b. We believe the required supplementary information, including its form and content, is measured and fairly presented in accordance with accounting principles generally accepted in the United States of America.
    c. The methods of measurement or presentation have not changed from those used in the prior period.
    d. We believe the significant assumptions or interpretations underlying the measurement or presentation of the required supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.

Mark Heydlauff, City Manager

Kelly McGinn, City Treasurer

CITY OF CHARLEVOIX, MICHIGAN

Schedule of Adjustments Passed (SOAP)

For the March 31, 2021 Audit

In accordance with generally accepted auditing standards, we have prepared the following schedule of proposed audit adjustments, which we believe are immaterial both individually and in the aggregate. We are providing this schedule to both management and those charged with governance to receive their assurance that they agree that the amounts listed below are not material to the financial statements, either individually or in the aggregate, and do not need to be recorded.

	Effect of Passed Adjustment - Over(Under)Statement				
	Assets	**Liabilities**	**Beginning Equity**	**Revenues**	**Expenses/ Expenditures**
Governmental activities					
2020 - Overstatement of capital assets - Resolved in 2021	$ -	$ -	$ 19,884	$ -	$ 19,884
Misstatement as a percentage of total assets- governmental	0.00%	0.00%	0.05%	0.00%	0.05%
Water fund					
2020 - Understatement of capital assets - Resolved in	$ -	$ -	$ (5,211)	$ -	$ (5,211)
Misstatement as a percentage of total assets - water fund	0.00%	0.00%	-0.08%	0.00%	-0.08%

City of Charlevoix

Audited Financial Statements

March 31, 2021

Rehmann

Independent Auditors' Report



- Unmodified Opinion – Financial statements are fairly presented, in all material respects, in conformity with Accounting Principles Generally Accepted in the United States of America.
- The City did not expend more than $750,000 in federal expenditures in current year. As a result, no Single Audit compliance procedures were required.

Rehmann

Financial Highlights

Slide 3

MM3 I added this slide in - not sure if you want to keep it? (we typically have a slide like this)
Melinda Maier, 10/7/2016

Government-Wide
Financial Statement Highlights

Capital Assets	Total Capital Assets, Net	Capital Asset Additions	Capital Asset Disposals	Depreciation Expense	Transfers
Governmental Activities	$37.2 million	$8 million	$74,000	$999,000	$50,000
Business-type Activities	$37.2 million	$1.5 million	$0	$2.5 million	$0
Component Unit - DDA	$2.9 million	$2,000	$0	$188,000	$0

Long-term Debt	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities	$12.2 million	$200,000	$712,000	$11.7 million	$531,000
Business-type Activities	$11.4 million	$0	$797,000	$10.6 million	$822,000

Rehmann

General Fund Highlights

Total general fund balance - $1,185,810 (details on page number 26 of financial statements – page 29 of the PDF):

- Nonspendable - $14,402 (prepaids)
- Unassigned - $1,171,408

Change in the General Fund balance:

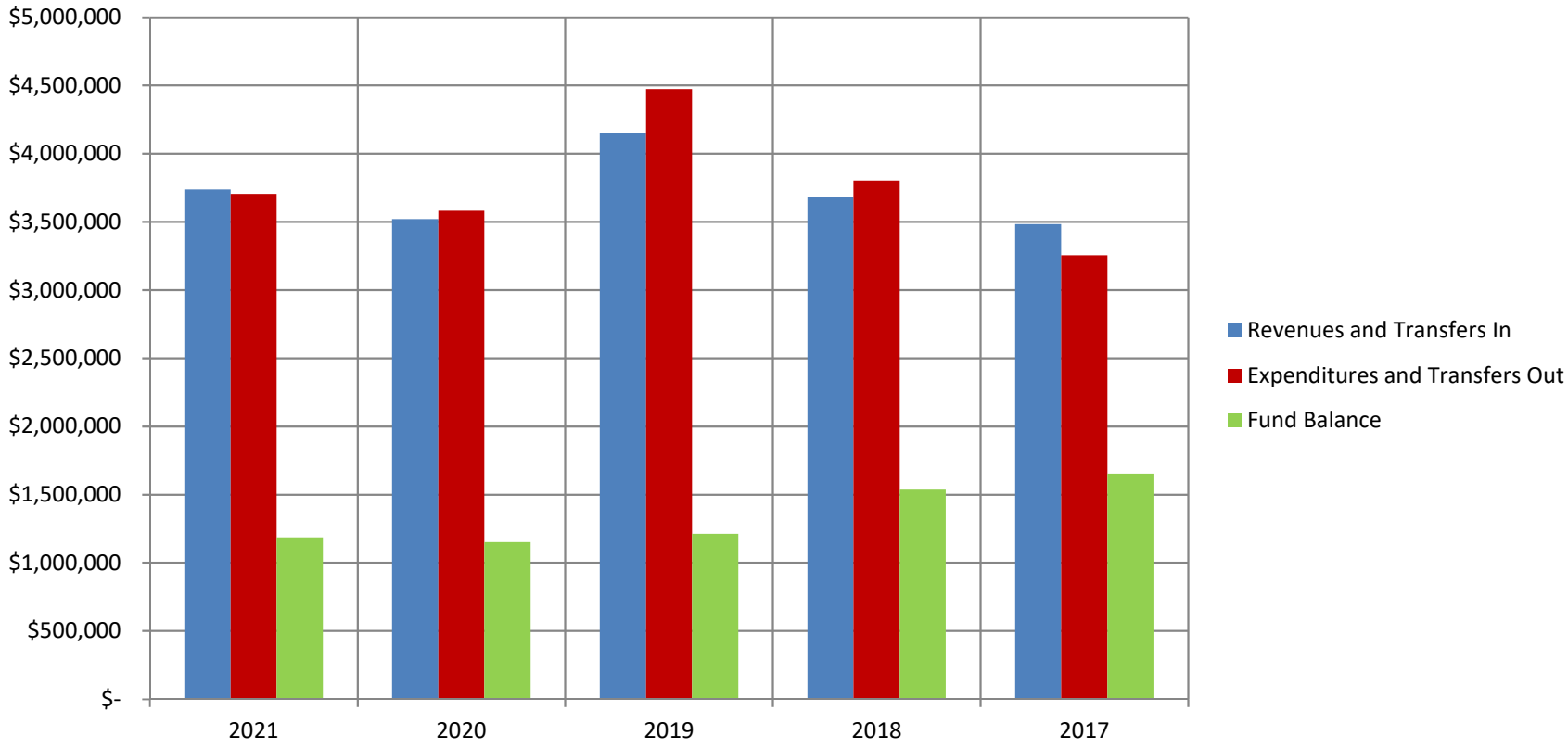
- Actual increase of $34,418 during the current year
- Final budgeted decrease of $154,945
- Original budgeted increase of $800

The actual increase is related to an increase in revenues, in total, by $219,000 over the 2020 fiscal year, driven mainly by an increases in tax revenues ($140,000), and federal revenues, funding for activities related to the COVID-19 pandemic, of $100,000. Total expenses increased by $152,000, from 2019-20 levels, mainly caused by a significant upturn in Ambulance expenditures.

General Fund unassigned fund balance is approximately 32% of total General Fund expenditures and transfers out.

Rehmann

General Fund - Trend



Proprietary Funds Highlights

Fund	Revenue and Transfers In	Expenses and Transfers Out	Change in Net Position	Net Position at 3/31/2020
Electric Utility	$5.7 million	$6.6 million	$(926,000)	$9.1 million
Sewage Disposal Utility	$2.5 million	$2.0 million	$434,000	$11.2 million
Water Utility	$1.8 million	$1.3 million	$471,000	$6.3 million
Marina	$800,000	$1.0 million	$(164,000)	$1.9 million
Airport	$1.4 million	$1.5 million	$598,000	$9.1 million

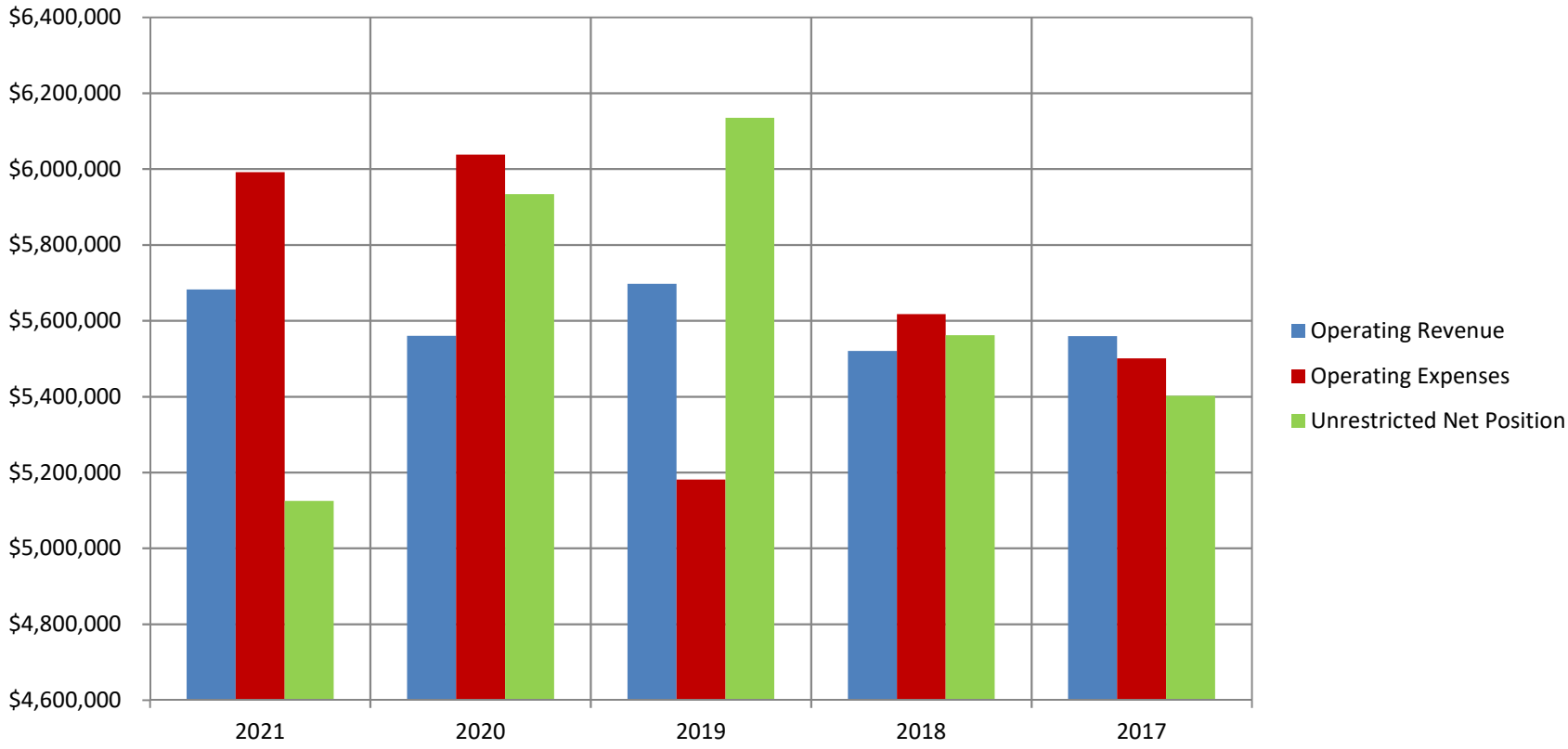
Rehmann

Inter-fund Advances

Fund	Advance From	Advance To
Electric Utility Fund	$393,000	$ -
Marina Fund	$ -	$393,000

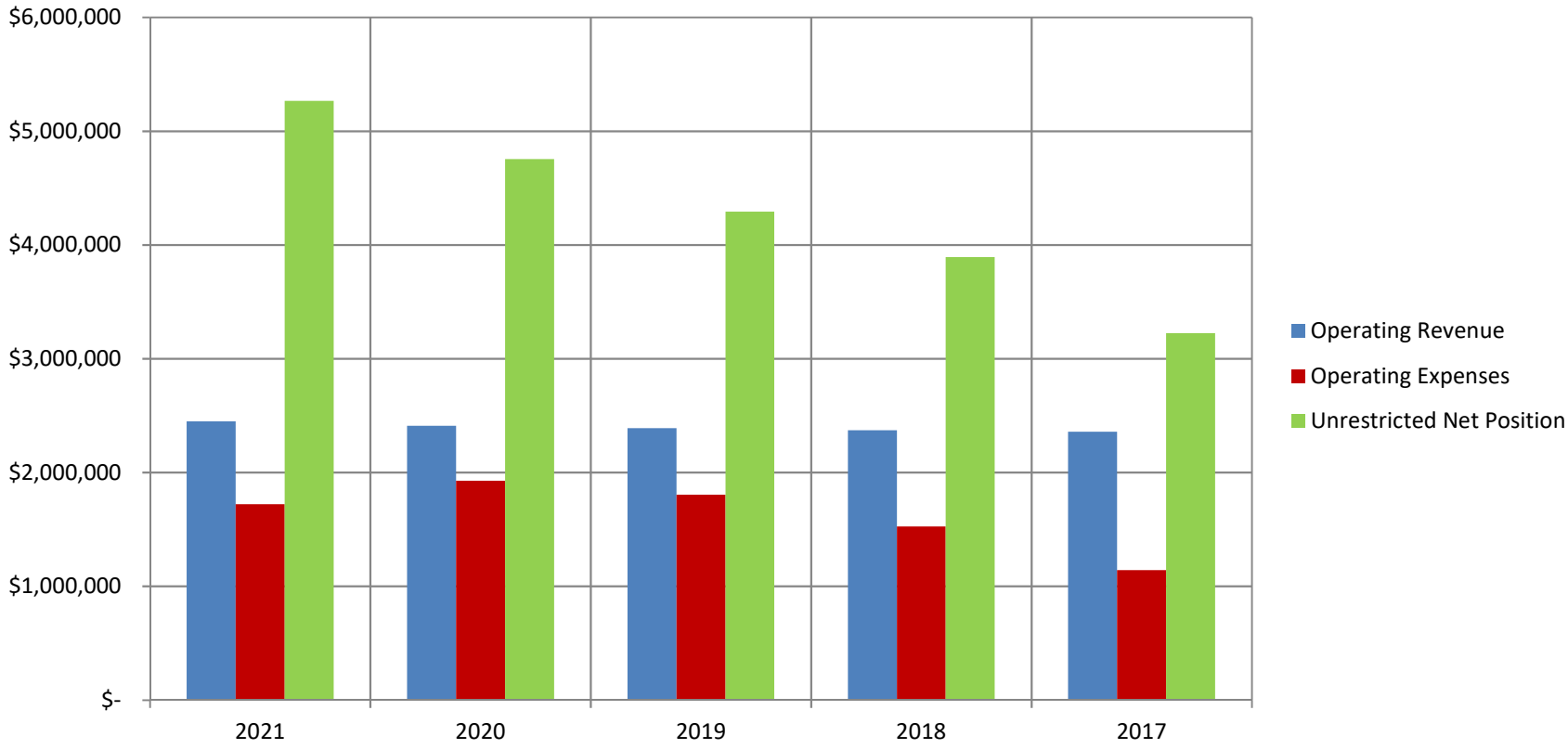
Interfund advances relate to the Electric Utility Fund providing funding to the Marina Fund and Airport Fund to support operations and capital improvements.

Electric Utility Fund - Trend

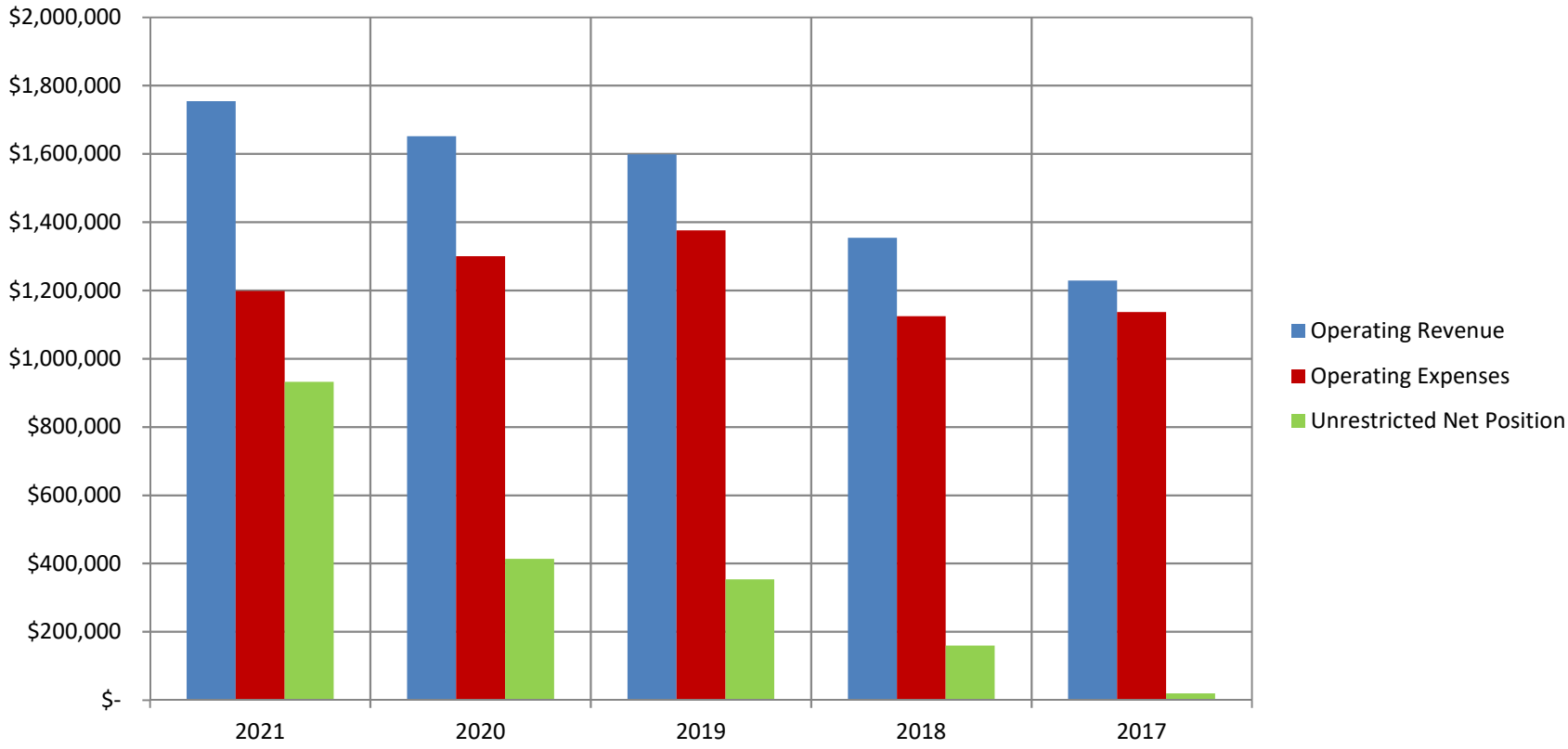


Rehmann

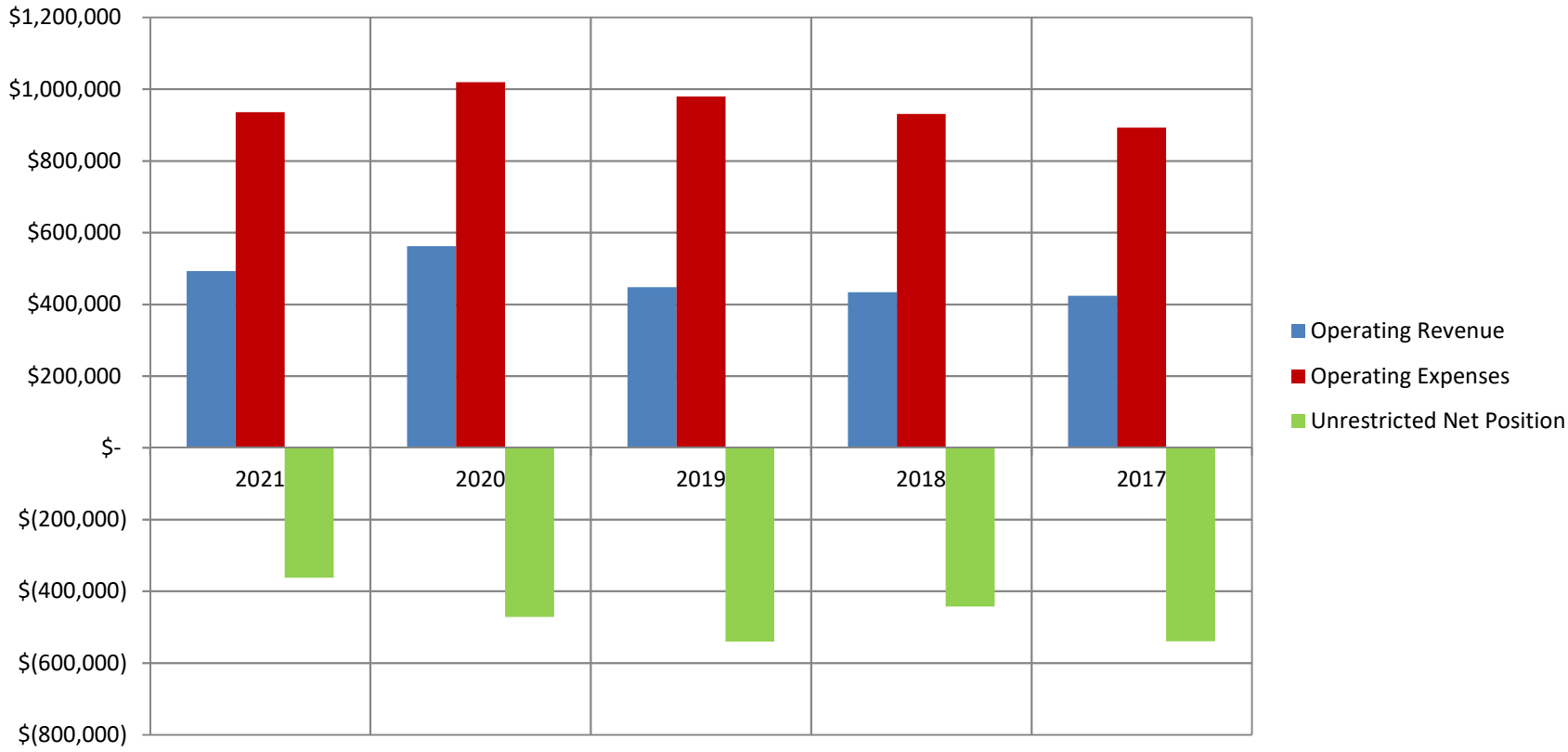
Sewage Disposal Utility Fund - Trend



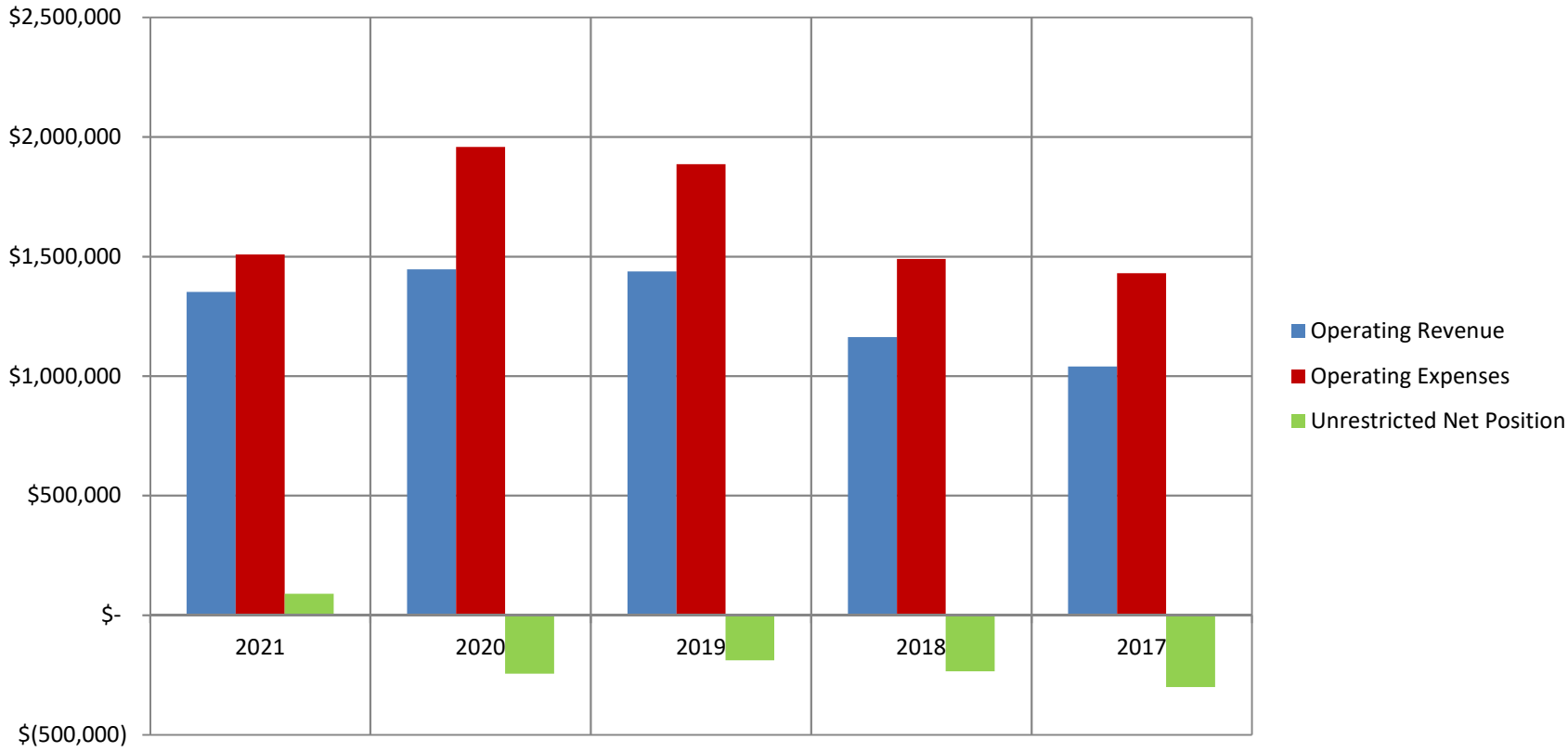
Water Utility Fund - Trend



Marina Fund - Trend



Airport Fund - Trend



Rehmann

Findings



- Material Weakness – Preparation of Financial Statements in Accordance with Generally Accepted Accounting Principals (GAAP), Material Adjustments (repeat comment)
- Other Matter – Untimely Tax Disbursements – Section 43(3)(a) of Public Act 206 of 1893 – General Property Tax Act provides for 15 days between collection and distribution of taxes. Sixteen of sixteen tested disbursements were untimely. However, all were distributed by the final distribution date of April 1, 2021 (repeat comment).
- Other Matter – Budgeted Fund Deficit - We noted that for the Ambulance special revenue fund, the City budgeted for an ending fund balance deficit, which is not permissible under State statutes.

Rehmann

Questions?

We Sincerely Thank You For Your Continued Business

Kim Lindsay, CPA, CGMA

Kim.Lindsay@rehmann.com

616-975-2822

CHARLEVOIX CITY COUNCIL

Consent Agenda

TITLE: City Council Meeting Minutes - September 7, 2021

DATE: September 20, 2021

RECOMMENDATION:

Motion to approve City Council minutes.

ATTACHMENTS:

- Draft Council Minutes

CITY OF CHARLEVOIX
REGULAR CITY COUNCIL MEETING MINUTES
Tuesday, September 7, 2021 – 6:00 p.m.
210 State Street, Charlevoix, MI

The meeting was called to order at 6:00 p.m. by Deputy Mayor Hagen.

1. Pledge of Allegiance

2. Roll Call

Deputy Mayor:	Aaron Hagen
Members Present:	Janet Kalbfell, Mark Knapp, Phil Parr
Members Absent:	Mayor Kurtz, Greg Bryan, Brian Slater
City Manager:	Mark L. Heydlauff
City Clerk:	Joyce Golding

3. Presentations

4. Inquiry Regarding Conflicts of Interest

5. Consent Agenda

All items listed under Consent Agenda are considered routine and will be enacted by one motion. There will be no separate discussion of these items. If discussion of an item is required, it will be removed from the Consent Agenda and considered separately.

A. City Council Meeting Minutes – August 16, 2021
B. Accounts Payable and Payroll Check Registers
   a. Special Accounts Payable Check Register – August 23, 2021
   b. Regular Accounts Payable Check Register – September 8, 2021
   c. ACH Payments – August 16, 2021 to September 3, 2021
   d. Payroll Check Register – August 20, 2021
   e. Payroll Transmittal – August 20, 2021
   f. Payroll Check Register – September 3, 2021
   g. Payroll Transmittal – September 3, 2021
   h. Tax Disbursement – September 8, 2021
C. Planning Commission Resignation – Emma Suarez Pawlicki
D. Annual Exemption for PA152

CITY OF CHARLEVOIX
RESOLUTION NO. 2021-09-01
RESOLUTION TO ADOPT THE ANNUAL EXEMPTION OPTION AS SET FORTH IN 2011 PUBLIC ACT 152, THE PUBLICLY FUNDED HEALTH INSURANCE CONTRIBUTION ACT

***WHEREAS**, 2011 Public Act 152 (the "Act") was passed by the State Legislature and signed by the Governor on September 24, 2011; and*

***WHEREAS**, the Act contains three options for complying with the requirements of the Act; and*

***WHEREAS**, the three options are as follows:*

1) *Section 3 - "Hard Caps" Option - limits a public employer's total annual health care costs for employees based on coverage levels, as defined in the Act;*
2) *Section 4 - "80%/20%" Option - limits a public employer's share of total annual health care costs to not more than 80%. This option requires an annual majority vote of the governing body;*
3) *Section 8 - "Exemption" Option - a local unit of government, as defined in the Act, may exempt itself from the requirements of the Act by an annual 2/3 vote of the governing body; and*

***WHEREAS**, the City Council has decided to adopt the annual Exemption option as its choice of compliance under the Act.*

***NOW THEREFORE BE IT RESOLVED**, that the City Council of the City of Charlevoix elects to comply with the requirements of 2011 Public Act 152, the Publicly Funded Health Insurance Contribution Act, by adopting the annual Exemption option for the medical benefit plan coverage year October 1, 2021 through September 30, 2022.*

***RESOLVED** this 7th day of September, 2021 A.D.*

Resolution was adopted by the following yea and nay vote:
Yeas: Knapp, Parr, Kalbfell, Hagen
Nays: None

Absent: Bryan, Slater

E. 150 kVA Pad Mount Transformers: $21,452.22 from Power Line Supply
F. MPPA PSPRM Election Form

Motion by Parr, second by Kalbfell to approve the Consent Agenda.
Yeas: Knapp, Parr, Kalbfell, Hagen
Nays: None
Absent: Bryan, Slater

6. Public Hearings & Actions Requiring Public Hearings

7. All Other Actions & Requests

A. CWA Renewal Agreement

City Manager Heydlauff stated that we have had many fruitful conversations with the union and have reached partial agreement but due to some larger issues yet to resolve with future retirement benefits, we are proposing a short-term renewal of the existing contract including a 4% annual pay raise for the members, a slight increase in pager/stand-by pay, and a one-time $100 signing bonus. He anticipated a full multi-year contract renewal later this fall. This agreement expires November 17, 2021.

Deputy Mayor Hagen opened the item to public comment, and none was heard.

Motion by Kalbfell, second by Parr to approve the collective bargaining agreement with the Communication Workers of America and authorize the Mayor and City Manager to sign the agreement on behalf of the City.
Yeas: Knapp, Parr, Kalbfell, Hagen
Nays: None
Absent: Bryan, Slater

B. Establishment of a Dog Park Endowment

Recreation Director Knorr recalled that City Council approved the City of Charlevoix Dog Park and the Recreation Department launched an effort to raise funding for a number of improvements. He stated that during that process we were approached by an anonymous city resident who plans a $50,000 contribution toward the current and long term needs of the park. The donor plans to make their donation directly to the Charlevoix County Community Foundation: $20,000 of the gift will be for immediate use and the remaining $30,000 will be held in an Endowed Designated Fund.

Deputy Mayor Hagen opened the item to public comment, and none was heard.

Motion by Knapp, second by Kalbfell to authorize the City Manager to sign the agreement between the Charlevoix County Community Foundation and the City of Charlevoix to establish the City of Charlevoix Dog Park Endowment Fund.
Yeas: Knapp, Parr, Kalbfell, Hagen
Nays: None
Absent: Bryan, Slater

8. Reports & Communications

- Public Comments
- City Manager Comments
  - Collaborating with Traverse City, Harbor Springs, Petoskey, GTB, and LTBB regarding green power resources
  - State of Community meeting is September 21
  - Legislature is considering bills allowing local governments to issue 50% tax breaks to incentivize housing development
  - Met with Nuclear Decommissioning Association to look at funding resources for housing initiatives, particularly for the W. Carpenter property
  - Thanks for the generous donation to the dog park
- Mayor & Council Comments

9. Other Council Business

10. Adjourn

The Deputy Mayor adjourned the meeting at 6:10 p.m.

Joyce M. Golding City Clerk

Aaron Hagen Deputy Mayor

Special Accounts Payable – 08/23/2021

AMAZON CAPITAL SERVICES	296.12	HOLIDAY STATIONSTORES LLC	7,140.70
AT&T	1,604.36	PRIORITY HEALTH	53,559.57
AT&T	71.65	RANGE TELECOMMUNICATIONS	160.00
AT&T LONG DISTANCE	48.65	STANDARD INSURANCE CO	2,559.23
AT&T MOBILITY	848.80	TELNET WORLDWIDE	248.92
CHARLEVOIX STATE BANK	10,452.03	VERIZON WIRELESS	88.27
CHARTER COMMUNICATIONS	871.14	VSP INSURANCE CO. (CT)	567.15
DELTA DENTAL	3,318.26	WEX BANK	264.19
EQUITABLE FINANCIAL LIFE INSURANCE	623.53	WEX BANK	522.00
GREAT LAKES ENERGY	288.91	**TOTAL**	**83,533.48**

Regular Accounts Payable – 09/08/2021

ABILITA	4,598.22	GOLDING, JOYCE M.	50.00
ABRAMOWSKI, DWAIN M.	100.00	GOLOVICH, RENEE	70.00
AIRGAS USA LLC	78.86	GRACE, LYNN	397.73
ALL-PHASE ELECTRIC	993.93	GRAINGER	8,089.28
AMAZON CAPITAL SERVICES	52.96	GRAINGER	510.89
ANDERSON, ELIZABETH A.	50.00	GRAND TRAVERSE GARAGE DOOR CO	185.04
ANZELL, BETH A.	50.00	GRIFFITH, JOHN J	50.00
APEX SOFTWARE	310.00	GRP ENGINEERING INC	782.50
AT YOUR SERVICE PLUS INC	500.00	GUNTZVILLER, RHONDA	671.00
AVFUEL CORPORATION	91,410.85	HACH COMPANY	1,997.64
BAKER VEHICLE SYSTEMS INC	92.02	HARDY DIAGNOSTICS	194.92
BANDIT INDUSTRIES INC	63.03	HEYDLAUFF, MARK L.	785.40
BARLOW, CAROLINE M.	50.00	HILLING, NICHOLAS A.	50.00
BARTLETT, DEBRA	121.56	HYDRO CORP	539.50
BATTLE, ANTHONY	75.00	IPS GROUP INC	2,733.95
BE SLIGHTLY BETTER BAKERY	107.00	JACK DOHENY COMPANY	2,197.05
BECKETT & RAEDER	3,948.30	JACKLIN STEEL SUPPLY CO	730.55
BELL EQUIPMENT COMPANY	225.98	KEEP CHARLEVOIX BEAUTIFUL	10,000.00
BERG, REBECCA	444.00	KENNEDY INDUSTRIES INC	4,187.86
BLAISDEEL, TAMMI	10.00	KLOOSTER, ALIDA K.	50.00
BLARNEY CASTLE OIL CO	1,103.98	KNORR, KENT J.	50.00
BRADFORD'S	58.50	KSS ENTERPRISES	4,820.30
CHARLEVOIX AUTO	16.00	LAWRENCE, SHEA	75.00
CHARLEVOIX CITY BAND	5,000.00	LIVINGSTON, BRIAN D.	50.00
CHARLEVOIX MOON VINEYARD LLC	50.00	LOTTIE'S BAGELS	224.00
CHARLEVOIX PARTNERS FOR YOUTH	2,896.60	LOUGHMILLER, JOHN	230.88
CHARLEVOIX SCREEN MASTERS INC	2,177.80	LUNDTEIGEN, GUNNAR	4,287.95
CHARLEVOIX TOWNSHIP	38.39	MATELSKI, KRISTEN L.	50.00
CHARLEVOIX VENETIAN FESTIVAL	2,939.59	MATTS LLC	210.00
CHEBOYGAN CEMENT PRODUCTS INC	714.00	MCCARDEL CULLIGAN-PETOSKEY	51.50
CHEMICAL SYSTEMS INC.	3,780.00	MCDERMOTT, DENNIS J.	86.25
CINTAS	151.74	McGINN, KELLY A.	50.00
CINTAS CORPORATION	186.84	MCMULLEN, DONALD R.	50.00
CIVIC SYSTEMS LLC	1,200.00	MICHIGAN MUNICIPAL LEAGUE	17,242.00
CMP DISTRIBUTORS INC	114.95	MILLER, WILLIAM S.	50.00
COMPLETE MUFFLER & AUTO SERVICE	71.50	MORTENSEN FUNERAL HOME	998.00
CONWAY PROFESSIONAL SERVICES	21,568.00	MUNK, CHRISTOPHER J.	388.56
COOPER, MELANIE SUE	125.00	MUTT MITT	1,939.75
COTTAGE POTTERY	617.50	MY TCBD	50.00
CURREY FARMS LLC	106.00	NORTH COUNTRY CRITTERS	100.00
D&D ELECTRONICS	112.50	NORTHERN LAKES ECONOMIC ALLIANCE	2,500.00
DELL MARKETING LP	876.68	NORTHERN PUMP SERVICE INC	3,364.36
DeROSIA, PATRICIA E.	50.00	NORTHERN SAFETY CO INC	187.08
DHASELEER, CARL	424.00	NORTHWEST FIRE	434.90
DITCH WITCH SALES OF MICHIGAN	1,168.00	NORTHWEST HYDRAULICS & ENGRG	552.47
DOAN, GERARD P.	50.00	OHM ADVISORS	1,508.00
DORAN, JUSTIN J.	50.00	OSTLUND PEST CONTROL LLC	435.00
DOTSON, LINDSEY J.	50.00	PENINSULA FIBER NETWORK LLC	470.00
DROST LANDSCAPE	525.00	PERRY, MIKE	44.00
DUTCH OVEN, THE	100.00	PK CONTRACTING	17,396.19
DVORACEK, SARAH	50.00	PLUNKETT COONEY	40.00
EDGEWATER RESOURCES LLC	1,317.84	POWER LINE SUPPLY	28,023.64
ELHORN ENGINEERING COMPANY	1,500.00	POWER SYSTEM ENGINEERING	4,797.22
ELLIOTT, PATRICK M.	50.00	PRESTON FEATHER	734.30
ELLSWORTH FARMER'S EXCHANGE	1,127.82	PRO COMM INC	699.75
FAGEN, PAUL	82.66	PRO IMAGE DESIGN - PETOSKEY	4,275.00
FARMER WHITE'S	488.00	PVS TECHNOLOGIES INC	6,850.23
FREEDOM MAILING SERVICES INC	2,268.29	QUILL LLC	38.33
GATEHOUSE MEDIA MICH HOLDINGS INC	422.00	RCL CONSTRUCTION CO INC	5,700.95
GFL ENVIRONMENTAL	5,362.57	REVOLUTION BIKE LLC	179.93
GINOP SALES INC	133.18	RHUDY, MIA	82.60
GOLDEN HILLS MAPLE SYRUP	27.00	RYLANDER, DONALD	100.00

SCHOLEY, ROBERT W.	50.00
SITE PLANNING DEVELOPMENT INC	386.20
SKRETTING USA	286.58
SPACE INC	542.76
SPARTAN DISTRIBUTORS INC	30,070.76
STATE AND MASON LLC	1,000.00
STATE OF MICHIGAN	30.00
SUMMIT FIRE PROTECTION	390.00
TARGET SPECIALTY PRODUCTS	1,683.60
TAYLOR RENTAL	94.05
Tillie's Tafel	79.00
TRANSUNION RISK AND ALTERNATIVE	150.00
TRIMPER, ELLEN	53.49
U S BANK	691,800.00
UNIFIRST CORPORATION	708.52
UNIVERSAL CREDIT SERVICES INC	40.00
UP NORTH ASSESSING INC	5,100.00
USA BLUE BOOK	1,773.53
VERDIN COMPANY, THE	224.75
WILLIAM WILSON	50.00
WILLIAMS, SVEN	17.00
WINNIE'S ORIGINALS LLC	65.00
WORK 'N PLAY SHOP	353.77
WURST, RANDALL W.	50.00
WYMAN, MATTHEW A.	50.00
XEROX FINANCIAL SERVICES	168.84
YA YA'S NATURAL BAKERY	210.00
ZIIBIMIJWANG INC	494.00
TOTAL	**1,042,046.94**

ACH Payments – 08/16/2021 to 09/03/2021

MI PUBLIC POWER AGENCY	36,582.24
IRS (PAYROLL TAX DEPOSIT)	47,642.08
ALERUS FINANCIAL (HCSP)	350.00
STATE OF MI (WITHHOLDING TAX)	7,180.05
VANTAGEPOINT (401 ICMA PLAN)	957.68
VANTAGEPOINT (457 ICMA PLAN)	19,480.36
VANTAGEPOINT (ROTH IRA)	1,080.76
MERS (DEFINED BENEFIT PLAN)	53,296.57
MI PUBLIC POWER AGENCY	12,861.78
MI PUBLIC POWER AGENCY	258,803.51
MI PUBLIC POWER AGENCY	22,876.40
IRS (PAYROLL TAX DEPOSIT)	40,848.31
ALERUS FINANCIAL (HCSP)	350.00
STATE OF MI (WITHHOLDING TAX)	6,118.33
VANTAGEPOINT (401 ICMA PLAN)	957.68
VANTAGEPOINT (457 ICMA PLAN)	19,682.55
VANTAGEPOINT (ROTH IRA)	1,080.76
TOTAL	**530,149.06**

Payroll Net Pay – Check Date 08/20/2021

HEYDLAUFF, MARK L.	3,061.65
DVORACEK, SARAH J.	7,279.49
GOLDING, JOYCE M.	1,920.62
DEROSIA, PATRICIA E.	942.77
DOTSON, LINDSEY J.	1,455.10
KLOOSTER, ALIDA K.	1,787.66
GOLOVICH, KAREN J.	974.83
BARNEVELD, RICHELLE L.	1,163.85
SCHULZ, GINNY L.	1,462.22
MILLER, FAITH G.	33.08
MCGINN, KELLY A.	1,673.43
SCHEEL, CRESTON R.	304.03
DOAN, GERARD P.	2,466.09
SCHOLEY, ROBERT W.	1,627.57
UMULIS, MATTHEW T.	968.97
ORBAN, BARBARA K.	1,183.50
RILEY, DENISE M.	459.40
MUNK, CHRISTOPHER J.	1,307.20
SCHICK, TIELER R.	1,843.99
STEWART, MORGAN J.	1,316.95
MATELSKI, KRISTEN L.	1,382.24
BINGHAM, LARRY E.	1,039.91
MACGILLIVRAY, ROGER	685.55
WESTRICK, AARON J.	469.22
MILLER, ZACHARY S.	908.99
WURST, RANDALL W.	1,288.38
HILLING, NICHOLAS A.	2,150.69
MEIER III, CHARLES A.	1,747.85
ZACHARIAS, STEVEN B.	1,460.65
NEWMAN, MARK J.	1,841.48
LOUGHMILLER, JOHN A.	1,283.07
GRIFFITH, JOHN J.	2,995.57
EATON, BRAD A.	2,334.78
WILSON, TIMOTHY J.	2,674.86
LAVOIE, RICHARD L.	2,274.39
STEVENS, BRANDON C.	2,477.09
DRAVES, MARTIN J.	2,584.08
ANDERSON, ELIZABETH A.	1,234.96
KENWABIKISE, DAVID L.	1,242.73
ELLIOTT, PATRICK M.	3,065.83
SCHWARTZFISHER, JOSEPH L.	1,328.53
BRADLEY, KELLY R.	1,546.54
HART II, DELBERT W.	1,826.60
JONES, ROBERT F.	1,806.79
FARRELL, MITCHELL L.	1,455.83
THORP JR, WILLIAM D.	1,475.60
LEITNER, RYAN S.	1,311.07
FERGUSON, ROYCE L.	1,317.61
DORAN, JUSTIN J.	2,173.13
NEDWICK, DAVID J.	152.73
FREY, DYLAN V.	594.53
HART III, DELBERT W.	999.96
DOTSON, WILLIAM R.	387.64
BEMIS, JACKSON R.	870.49
FINNERTY, HOLLY E.	939.46
CRANDELL, ZACKARY R.	517.72
BLAIN, TAYLOR W.	422.88
FRANCE JR, JAMES A.	1,403.04
RABIDEAU, JACOB L.	796.14
MORGRIDGE, ALEXANDER J.	716.02
SPEER, KEEGAN L.	713.69
KNORR, KENT J.	1,999.54
ANZELL, BETH A.	1,345.76
STEBE, LAURA A.	34.63
MCDERMOTT, DENNIS J.	1,856.11
JASURDA, DONALD J.	718.36
DORST, KRISTA M.	860.83
PARRISH, SAMANTHA K.	702.47
MEEHAN, MAXIMUS M.	657.64
WHITE III, MARCUS W.	859.17
CUNNINGHAM, ABIGAIL A.	753.86
JAREMA, CAROLINE J.	1,366.57
PRIMAK, JACOB L.	1,541.29
CURTIS, LILY E.	995.39
MAY, MEREDITH A.	2,020.00
PETROSKY, JACOB D.	1,505.61
SPRAGUE, CHEYENNE L.	1,239.04

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WALKER, SAVANNAH P.	1,357.92	FRANCIS, CATHERINE A.	96.00
SHRIFT, EMILY K.	987.44	DUERR, JANE R.	100.75
KIRINOVIC, THOMAS F.	361.16	HERDER, DIANE M.	180.00
WAGNER, KIRSTEN M.	1,157.05	OHALLORAN, LINDA J.	213.50
SHEETS, SOPHIA R.	1,224.99	CURREY-KOLB, KAY E.	104.00
SMITH, ELLERY S.	157.25	OOSTHUIZEN, ANNE DIPERT	91.00
MOOAR, ISAAK S.	402.18	HAVEMAN, NANCY A.	84.00
COFFEY, JASON J.	726.77	LINKLATER, LINDA K.	72.00
DRENTH, DOUGLAS A.	637.18	LEGENZA, TAMMY L.	180.00
RITTER, DAVID M.	619.18	EATON, JOHN R.	101.50
GILL, DAVID R.	998.77	VOORHEIS, MARGARET A.	180.00
MASSON, DONALD J.	608.51	BRADLEY, SEAN P.	180.00
LABLANCE, MAUREEN J.	277.59	FOCHTMAN, MICHAEL A.	180.00
LIVINGSTON, BRIAN D.	1,891.80	WARRINER, RYAN T.	192.87
STANLEY, MARK J.	72.16	PETERSON, BENJAMIN D.	205.58
KLOOSTER, PATRICK H.	501.46	WHITLEY, ANDREW T.	2,503.10
WAY, KRISTINA M.	203.04	MORRISON, KEVIN P.	1,055.34
DIETRICH, ARLENE M.	332.21	SNYDER, JACOB M.	726.37
BERRY, ROBERT J.	233.02	COX, RONALD L.	58.14
WYMAN, MATTHEW A.	1,890.81	BUDAY, JOAN E.	108.00
MILLER, WILLIAM S.	1,397.57	CIUK, JULIA A.	84.00
DOUGLAS, MARK	1,215.94	**TOTAL**	**137,069.49**
MCCRANEY, RUSSELL R.	1,433.47		
FRATRICK, JOSEPH W.	825.89		
PAALMAN, STEPHEN J.	927.79		
MCMULLEN, DONALD R.	345.20		

Payroll Transmittal – 08/20/2021

4FRONT CREDIT UNION	1,068.00	DISCOVER BANK	274.18
AMERICAN FAMILY LIFE	479.51	EQUITABLE FINANCIAL LIFE INSURANCE	304.21
CALIF STATE DISBURSEMENT UNIT	92.19	MI STATE DISBURSEMENT UNIT	116.55
CHAR EM UNITED WAY	20.00	PRIORITY HEALTH	1,516.43
CHARLEVOIX STATE BANK	785.00	**TOTAL**	**5,308.40**
COMMUNICATION WORKERS OF AMER	652.33		

Payroll Net Pay – Check Date 09/03/2021

HEYDLAUFF, MARK L.	3,350.11	STEVENS, BRANDON C.	3,248.51
GOLDING, JOYCE M.	2,367.33	DRAVES, MARTIN J.	2,246.33
DEROSIA, PATRICIA E.	968.38	ANDERSON, ELIZABETH A.	1,234.96
DOTSON, LINDSEY J.	1,455.10	KENWABIKISE, DAVID L.	1,237.04
KLOOSTER, ALIDA K.	2,175.68	ELLIOTT, PATRICK M.	3,065.84
GOLOVICH, KAREN J.	974.83	SCHWARTZFISHER, JOSEPH	1,161.81
BARNEVELD, RICHELLE L.	1,163.84	BRADLEY, KELLY R.	1,782.46
SCHULZ, GINNY L.	1,462.22	HART II, DELBERT W.	1,652.29
MILLER, FAITH G.	56.00	JONES, ROBERT F.	1,269.72
MCGINN, KELLY A.	2,120.13	FARRELL, MITCHELL L.	1,396.54
SCHEEL, CRESTON R.	381.55	THORP JR, WILLIAM D.	1,566.41
DOAN, GERARD P.	2,466.09	LEITNER, RYAN S.	1,602.90
SCHOLEY, ROBERT W.	1,627.57	FERGUSON, ROYCE L.	1,656.45
UMULIS, MATTHEW T.	918.72	DORAN, JUSTIN J.	2,173.13
ORBAN, BARBARA K.	1,231.96	FREY, DYLAN V.	631.82
RILEY, DENISE M.	397.91	HART III, DELBERT W.	999.96
MUNK, CHRISTOPHER J.	1,369.74	DOTSON, WILLIAM R.	460.63
SCHICK, TIELER R.	1,459.28	BEMIS, JACKSON R.	711.24
STEWART, MORGAN J.	1,293.78	FINNERTY, HOLLY E.	931.26
MATELSKI, KRISTEN L.	1,382.24	CRANDELL, ZACKARY R.	629.06
BINGHAM, LARRY E.	846.23	BLAIN, TAYLOR W.	573.11
MACGILLIVRAY, ROGER	772.89	FRANCE JR, JAMES A.	1,388.95
WESTRICK, AARON J.	310.12	RABIDEAU, JACOB L.	796.14
MILLER, ZACHARY S.	908.99	MORGRIDGE, ALEXANDER J.	417.59
WURST, RANDALL W.	1,254.78	SPEER, KEEGAN L.	648.07
HILLING, NICHOLAS A.	1,932.11	KNORR, KENT J.	1,999.54
MEIER III, CHARLES A.	1,406.12	ANZELL, BETH A.	1,345.75
ZACHARIAS, STEVEN B.	1,842.20	MCDERMOTT, DENNIS J.	1,856.11
NEWMAN, MARK J.	1,596.19	JASURDA, DONALD J.	835.72
LOUGHMILLER, JOHN A.	1,606.89	DORST, KRISTA M.	387.64
GRIFFITH, JOHN J.	2,995.57	MEEHAN, MAXIMUS M.	395.65
EATON, BRAD A.	2,682.09	WHITE III, MARCUS W.	847.76
WILSON, TIMOTHY J.	3,057.67	CUNNINGHAM, ABIGAIL A.	210.63
LAVOIE, RICHARD L.	2,274.39	PRIMAK, JACOB L.	33.04

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MAY, MEREDITH A.	118.17	DIETRICH, ARLENE M.	327.15
WALKER, SAVANNAH P.	43.53	BERRY, ROBERT J.	243.16
SHRIFT, EMILY K.	14.57	WYMAN, MATTHEW A.	1,909.84
KIRINOVIC, THOMAS F.	421.07	MILLER, WILLIAM S.	1,769.05
WAGNER, KIRSTEN M.	32.93	DOUGLAS, MARK	1,169.46
SHEETS, SOPHIA R.	30.29	MCCRANEY, RUSSELL R.	1,111.30
SMITH, ELLERY S.	138.76	FRATRICK, JOSEPH W.	582.29
MOOAR, ISAAK S.	407.02	PAALMAN, STEPHEN J.	1,073.91
COFFEY, JASON J.	765.02	MCMULLEN, DONALD R.	1,802.20
DRENTH, DOUGLAS A.	645.98	WHITLEY, ANDREW T.	2,310.98
RITTER, DAVID M.	446.57	MORRISON, KEVIN P.	1,360.02
GILL, DAVID R.	1,058.45	COX, RONALD L.	296.02
LABLANCE, MAUREEN J.	256.45	**TOTAL**	**114,502.11**
LIVINGSTON, BRIAN D.	1,891.80		
STANLEY, MARK J.	126.98		
KLOOSTER, PATRICK H.	468.66		
WAY, KRISTINA M.	177.72		

Payroll Transmittal – 09/03/2021

4FRONT CREDIT UNION	1,068.00	DISCOVER BANK	274.18
AMERICAN FAMILY LIFE	479.51	EQUITABLE FINANCIAL LIFE INSURANCE	304.21
CALIF STATE DISBURSEMENT UNIT	92.19	MI STATE DISBURSEMENT UNIT	116.55
CHAR EM UNITED WAY	20.00	POLICE OFFICERS LABOR COUNCIL	251.25
CHARLEVOIX STATE BANK	785.00	PRIORITY HEALTH	1,516.43
COMMUNICATION WORKERS OF AMER	652.33	**TOTAL**	**5,559.65**

Tax Disbursement – 09/08/2021

BARRON TITLE AGENCY	9.00	LERETA LLC	1,377.00
CHARLEVOIX COUNTY TREASURER	219.49	LERETA LLC	1,004.83
CHARLEVOIX COUNTY TREASURER	1,063,073.19	LERETA LLC	603.23
CHARLEVOIX PUBLIC SCHOOLS	1,259,472.97	NEALE, ROBERT	1,990.08
CHARLEVOIX PUBLIC SCHOOLS	113,988.90	STATE OF MICHIGAN	1,183.77
CHARLEVOIX PUBLIC SCHOOLS	199,687.08	**TOTAL**	**3,948,688.79**
CHARLEVOIX PUBLIC SCHOOLS	35,414.97		
CHARLEVOIX PUBLIC SCHOOLS	41,928.64		
CITY OF CHARLEVOIX - TAXES DUE	1,228,735.64		

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CHARLEVOIX CITY COUNCIL

Consent Agenda

TITLE: Accounts Payable and Payroll Check Registers

DATE: September 20, 2021

RECOMMENDATION:

Motion to approve the check registers.

ATTACHMENTS:

- Accounts Payable and Payroll Check Registers

Pay Period Date	Check Issue Date	Check Number	Payee	Emp ID	Description	Amount
09/11/2021	09/17/2021	134469	4FRONT CREDIT UNION	9024	HSA-EMPLOYEE CONTRIB-4FR	1,068.00
09/11/2021	09/17/2021	134470	AMERICAN FAMILY LIFE	9011	AMERICAN FAMILY LIFE-POST T	86.90
09/11/2021	09/17/2021	134470	AMERICAN FAMILY LIFE	9011	AMERICAN FAMILY LIFE-PRETA	392.61
09/11/2021	09/17/2021	134471	CALIFORNIA STATE DISB	9033	Remittance ID 200000001923773	92.19
09/11/2021	09/17/2021	134472	CHAR EM UNITED WAY	9009	UNITED WAY Pay Period: 9/11/2	20.00
09/11/2021	09/17/2021	134473	CHARLEVOIX STATE BAN	9017	HSA - EMPLOYEE CONTRIB - C	785.00
09/11/2021	09/17/2021	134474	COMMUNICATION WORK	9004	CWA UNION DUES Pay Period:	678.08
09/11/2021	09/17/2021	134475	DISCOVER BANK	9032	Garnishment: WWR File #040038	347.40
09/11/2021	09/17/2021	134476	EQUITABLE FINANCIAL LI	9010	LIFE - VOLUNTARY Pay Period:	212.07
09/11/2021	09/17/2021	134476	EQUITABLE FINANCIAL LI	9010	SPOUSE LIFE Pay Period: 9/11/2	44.23
09/11/2021	09/17/2021	134476	EQUITABLE FINANCIAL LI	9010	CHILD LIFE Pay Period: 9/11/202	4.80
09/11/2021	09/17/2021	134476	EQUITABLE FINANCIAL LI	9010	AD&D - VOLUNTARY Pay Period	34.45
09/11/2021	09/17/2021	134476	EQUITABLE FINANCIAL LI	9010	SPOUSE AD&D Pay Period: 9/11	6.90
09/11/2021	09/17/2021	134476	EQUITABLE FINANCIAL LI	9010	CHILD AD&D Pay Period: 9/11/20	3.33
09/11/2021	09/17/2021	134477	MI STATE DISBURSEMEN	9012	FRIEND OF THE COURT Pay Pe	116.55
09/11/2021	09/17/2021	134478	PRIORITY HEALTH	392358	PRIORITY HEALTH Pay Period:	1,552.98
Grand Totals:		16				5,445.49

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Summary of Check Registers & ACH Payments

HUNTINGTON NATIONAL BANK - CHECKS ISSUED

09/17/21	Payroll Transmittal Checks	$ 5,445.49
09/17/21	Payroll (net pay)	$ 140,809.19
09/21/21	Regular Accounts Payable	$ 1,185,692.62
	Checks Sub-Total:	$ 1,331,947.30

HUNTINGTON NATIONAL BANK - ACH/WIRE PAYMENTS

09/02/21	Proximity Space, Inc.	$ 104.09
09/03/21	AMG Payment Solutions	$ 906.94
09/03/21	Payment Service Network Inc.	$ 246.50
09/07/21	MI Public Power Agency	$ 15,263.29
09/07/21	Neofunds by Neopost	$ 2,000.00
09/08/21	DTE Energy	$ 1,937.33
09/10/21	State of MI (Sales Tax)	$ 30,871.45
09/13/21	MI Public Power Agency	$ 23,328.45
09/17/21	IRS (Payroll Tax Deposit)	$ 67,188.46
09/17/21	Alerus Financial (HCSP)	$ 350.00
09/17/21	State of MI (Withholding Tax)	$ 8,278.68
09/17/21	Vantagepoint (401 ICMA Plan)	$ 957.68
09/17/21	Vantagepoint (457 ICMA Plan)	$ 23,587.60
09/17/21	Vantagepoint (Roth IRA)	$ 1,080.76
09/17/21	MERS (Defined Benefit Plan)	$ 62,300.11
	ACH Sub-Total:	$ 238,401.34
	Huntington National Bank Total:	$ 1,570,348.64

CHARLEVOIX STATE BANK - CHECKS ISSUED

(PROPERTY TAX DISBURSEMENT TO VARIOUS TAXING AUTHORITIES)

09/21/21	Tax Disbursement	$ 2,821,068.94
	Charlevoix State Bank Total:	$ 2,821,068.94
	Grand Total:	$ 4,391,417.58

APPROVED: CITY MANAGER — km CITY TREASURER — CITY CLERK

Pay Period Date	Journal Code	Check Issue Date	Check Number	Payee	Emp ID	Description	Amount
09/11/2021	PC	09/17/2021	34033	HEYDLAUFF, MARK L.	102		3,061.66
09/11/2021	PC	09/17/2021	34034	DVORACEK, SARAH J.	105		1,936.47
09/11/2021	PC	09/17/2021	34035	GOLDING, JOYCE M.	106		1,920.62
09/11/2021	PC	09/17/2021	34036	DEROSIA, PATRICIA E.	107		988.86
09/11/2021	PC	09/17/2021	34037	DOTSON, LINDSEY J.	109		1,455.10
09/11/2021	PC	09/17/2021	34038	KLOOSTER, ALIDA K.	121		1,787.66
09/11/2021	PC	09/17/2021	34039	GOLOVICH, KAREN J.	122		1,067.26
09/11/2021	PC	09/17/2021	34040	BARNEVELD, RICHELLE	123		1,257.83
09/11/2021	PC	09/17/2021	34041	SCHULZ, GINNY L.	125		1,462.22
09/11/2021	PC	09/17/2021	34042	MCGINN, KELLY A.	146		1,673.43
09/11/2021	PC	09/17/2021	34043	SCHEEL, CRESTON R.	148		416.79
09/11/2021	PC	09/17/2021	34044	DOAN, GERARD P.	201		2,466.09
09/11/2021	PC	09/17/2021	34045	SCHOLEY, ROBERT W.	204		2,087.34
09/11/2021	PC	09/17/2021	34046	UMULIS, MATTHEW T.	205		1,191.73
09/11/2021	PC	09/17/2021	34047	ORBAN, BARBARA K.	209		1,564.23
09/11/2021	PC	09/17/2021	34048	RILEY, DENISE M.	213		447.74
09/11/2021	PC	09/17/2021	34049	MUNK, CHRISTOPHER J.	215		1,532.81
09/11/2021	PC	09/17/2021	34050	SCHICK, TIELER R.	216		1,769.62
09/11/2021	PC	09/17/2021	34051	STEWART, MORGAN J.	217		1,657.61
09/11/2021	PC	09/17/2021	34052	MATELSKI, KRISTEN L.	230		1,382.25
09/11/2021	PC	09/17/2021	34053	BINGHAM, LARRY E.	240		803.86
09/11/2021	PC	09/17/2021	34054	MACGILLIVRAY, ROGER	244		713.81
09/11/2021	PC	09/17/2021	34055	WESTRICK, AARON J.	246		319.80
09/11/2021	PC	09/17/2021	34056	WURST, RANDALL W.	411		1,996.73
09/11/2021	PC	09/17/2021	34057	HILLING, NICHOLAS A.	413		1,829.24
09/11/2021	PC	09/17/2021	34058	MEIER III, CHARLES A.	421		1,627.17
09/11/2021	PC	09/17/2021	34059	ZACHARIAS, STEVEN B.	422		1,722.09
09/11/2021	PC	09/17/2021	34060	NEWMAN, MARK J.	424		1,533.74
09/11/2021	PC	09/17/2021	34061	LOUGHMILLER, JOHN A.	425		1,822.48
09/11/2021	PC	09/17/2021	34062	GRIFFITH, JOHN J.	500		2,995.57
09/11/2021	PC	09/17/2021	34063	EATON, BRAD A.	515		2,773.84
09/11/2021	PC	09/17/2021	34064	WILSON, TIMOTHY J.	516		2,770.79
09/11/2021	PC	09/17/2021	34065	LAVOIE, RICHARD L.	519		2,271.45
09/11/2021	PC	09/17/2021	34066	STEVENS, BRANDON C.	521		3,202.23
09/11/2021	PC	09/17/2021	34067	DRAVES, MARTIN J.	523		2,745.50
09/11/2021	PC	09/17/2021	34068	ANDERSON, ELIZABETH	526		1,330.70
09/11/2021	PC	09/17/2021	34069	KENWABIKISE, DAVID L.	528		1,200.04
09/11/2021	PC	09/17/2021	34070	ELLIOTT, PATRICK M.	600		3,065.84
09/11/2021	PC	09/17/2021	34071	SCHWARTZFISHER, JOS	603		1,070.49
09/11/2021	PC	09/17/2021	34072	BRADLEY, KELLY R.	614		1,606.35
09/11/2021	PC	09/17/2021	34073	HART II, DELBERT W.	616		1,580.51
09/11/2021	PC	09/17/2021	34074	JONES, ROBERT F.	618		582.86
09/11/2021	PC	09/17/2021	34075	FARRELL, MITCHELL L.	622		1,577.59
09/11/2021	PC	09/17/2021	34076	THORP JR, WILLIAM D.	623		1,553.91
09/11/2021	PC	09/17/2021	34077	LEITNER, RYAN S.	624		1,369.74
09/11/2021	PC	09/17/2021	34078	FERGUSON, ROYCE L.	625		1,643.71
09/11/2021	PC	09/17/2021	34079	DORAN, JUSTIN J.	634		2,173.13
09/11/2021	PC	09/17/2021	34080	FREY, DYLAN V.	643		473.34
09/11/2021	PC	09/17/2021	34081	HART III, DELBERT W.	657		805.14
09/11/2021	PC	09/17/2021	34082	DOTSON, WILLIAM R.	661		155.06
09/11/2021	PC	09/17/2021	34083	FINNERTY, HOLLY E.	669		795.63
09/11/2021	PC	09/17/2021	34084	CRANDELL, ZACKARY R.	691		482.57
09/11/2021	PC	09/17/2021	34085	FRANCE JR, JAMES A.	695		1,149.62
09/11/2021	PC	09/17/2021	34086	RABIDEAU, JACOB L.	696		676.19
09/11/2021	PC	09/17/2021	34087	KNORR, KENT J.	700		1,999.54
09/11/2021	PC	09/17/2021	34088	ANZELL, BETH A.	702		1,345.75
09/11/2021	PC	09/17/2021	34089	STEBE, LAURA A.	703		40.41

Pay Period Date	Journal Code	Check Issue Date	Check Number	Payee	Emp ID	Description	Amount
09/11/2021	PC	09/17/2021	34090	MCDERMOTT, DENNIS J.	732		1,856.11
09/11/2021	PC	09/17/2021	34091	WHITE III, MARCUS W.	754		847.76
09/11/2021	PC	09/17/2021	34092	PISCHNER, JONATHON	758		142.22
09/11/2021	PC	09/17/2021	34093	KIRINOVIC, THOMAS F.	790		569.46
09/11/2021	PC	09/17/2021	34094	SMITH, ELLERY S.	795		247.46
09/11/2021	PC	09/17/2021	34095	MOOAR, ISAAK S.	796		96.90
09/11/2021	PC	09/17/2021	34096	COFFEY, JASON J.	798		580.49
09/11/2021	PC	09/17/2021	34097	DRENTH, DOUGLAS A.	838		469.78
09/11/2021	PC	09/17/2021	34098	RITTER, DAVID M.	839		419.36
09/11/2021	PC	09/17/2021	34099	GILL, DAVID R.	856		1,065.87
09/11/2021	PC	09/17/2021	34100	LABLANCE, MAUREEN J.	863		256.45
09/11/2021	PC	09/17/2021	34101	LIVINGSTON, BRIAN D.	866		1,891.80
09/11/2021	PC	09/17/2021	34102	STANLEY, MARK J.	867		51.94
09/11/2021	PC	09/17/2021	34103	KLOOSTER, PATRICK H.	868		548.32
09/11/2021	PC	09/17/2021	34104	WAY, KRISTINA M.	870		116.83
09/11/2021	PC	09/17/2021	34105	DIETRICH, ARLENE M.	871		84.97
09/11/2021	PC	09/17/2021	34106	BERRY, ROBERT J.	872		233.02
09/11/2021	PC	09/17/2021	34107	WYMAN, MATTHEW A.	927		1,976.43
09/11/2021	PC	09/17/2021	34108	MILLER, WILLIAM S.	933		1,422.36
09/11/2021	PC	09/17/2021	34109	DOUGLAS, MARK	935		1,336.14
09/11/2021	PC	09/17/2021	34110	MCCRANEY, RUSSELL R.	936		1,664.43
09/11/2021	PC	09/17/2021	34111	FRATRICK, JOSEPH W.	940		921.03
09/11/2021	PC	09/17/2021	34112	PAALMAN, STEPHEN J.	942		603.35
09/11/2021	PC	09/17/2021	34113	MCMULLEN, DONALD R.	1000		31,805.59
09/11/2021	PC	09/17/2021	134466	WHITLEY, ANDREW T.	522		2,624.97
09/11/2021	PC	09/17/2021	134467	MORRISON, KEVIN P.	601		1,730.54
09/11/2021	PC	09/17/2021	134468	COX, RONALD L.	869		311.87
Grand Totals:			84				140,809.19

Report Criteria:
- Computed checks included
- Manual checks included
- Supplemental checks included
- Termination checks included
- Void checks included

Check Number	Payee	Amount
09/21/2021		
134479	ABRAMOWSKI, DWAIN M.	50.00
134480	ACE HARDWARE	4,740.47
134481	ADVANCED PAVEMENT MARKING LLC	8,544.00
134482	Airport Lighting Company	2,773.84
134483	AIS CONSTRUCTION EQUIPMENT	48.35
134484	ALTEC INDUSTRIES INC	1,253.48
134485	AMAZON CAPITAL SERVICES	154.79
134486	AT YOUR SERVICE PLUS INC	500.00
134487	AT&T of Charlevoix	465.94
134488	AVFUEL CORPORATION	30,910.77
134489	BE SLIGHTLY BETTER BAKERY	101.00
134490	BELL EQUIPMENT COMPANY	1,570.00
134491	BRADY'S CARPET CLEANING INC	1,723.84
134492	CARQUEST OF CHARLEVOIX	9,681.70
134493	CB RUTKOW ENTERPRISES LLC	25,000.00
134494	CHARLEVOIX PUBLIC LIBRARY	30,000.00
134495	CHARLEVOIX SCREEN MASTERS INC	497.50
134496	CHARLEVOIX STATE BANK	26,885.72
134497	CHARLEVOIX TOWNSHIP	33,099.25
134498	CHARTER COMMUNICATIONS	59.43
134499	CINTAS	117.64
134500	CITY OF CHARLEVOIX - MISC	73,134.82
134501	CITY OF CHARLEVOIX - MISC	13,922.51
134502	CITY OF CHARLEVOIX - UTILITIES	54,305.11
134503	CLOTHING COMPANY, THE	100.00
134504	CONSTANT CONTACT INC	378.00
134505	CONWAY PROFESSIONAL SERVICES	10,488.00
134506	CRYSTAL FLASH ENERGY	1,413.14
134507	DARRAH, ERICKA	182.17
134508	DHASELEER, CARL	405.00
134509	DORNBOS SIGN INC	1,165.00
134510	DRENTH, DOUGLAS A	150.00
134511	DUTCH OVEN BAKERY, THE	539.00
134512	DVORACEK, SARAH	241.92
134513	EJ USA INC.	2,296.26
134514	ETNA SUPPLY	20,927.07
134515	EZ DOCK OIM	17,792.20
134516	FARMER WHITE'S	329.00
134517	FASTENAL COMPANY	434.46
134518	FIDELITY GOLF SERVICES LLC	284.00
134519	FLETCH'S	93.63
134520	GINOP SALES INC	294.11
134521	GOLDEN HILLS MAPLE SYRUP	42.00
134522	GOLF ASSOCIATION OF MICHIGAN	1,000.00
134523	GORDON FOOD SERVICE	268.24
134524	GRAINGER	1,162.05
134525	GREAT LAKES PIPE & SUPPLY	358.00
134526	GRIFFITH, JOHN J	245.28

M = Manual Check, V = Void Check

Check Number	Payee	Amount
134527	GUNTZVILLER, RHONDA	451.00
134528	HACH COMPANY	638.34
134529	HARRELL'S LLC	2,196.60
134530	HOLIDAY LIGHTING SERVICE	13,594.00
134531	HUNTINGTON NATIONAL BANK	350,550.00
134532	HYDRO CORP	539.50
134533	IPS GROUP INC	1,194.00
134534	JESS CONSTRUCTION CO. INC.	2,575.00
134535	KSS ENTERPRISES	262.97
134536	LAKE CHARLEVOIX EMS AUTHORITY	48,755.82
134537	LAKE FOREST BAKING COMPANY	89.00
134538	LASER PRINTER TECHNOLOGIES	89.00
134539	LEADERSHIP CHARLEVOIX COUNTY	950.00
134540	LITTLE TRAVERSE DISPOSAL LLC	2,275.00
134541	LOTTIE'S BAGELS	237.00
134542	LOUGHMILLER, JOHN	429.47
134543	MACGREGOR PLUMBING & HEATING	1,033.00
134544	MARTINCHEK, DEBRA	209.45
134545	MCDERMOTT, DENNIS J.	167.01
134546	MICHAEL MURPHY IV PHOTOGRAPHY	250.00
134547	MICHIGAN OFFICEWAYS INC	1,263.55
134548	MIKE'S MUSTARD	70.00
134549	MUNSON HOME SERVICES	3,844.30
134550	MYNORTH MEDIA	2,350.00
134551	NAVIA BENEFIT SOLUTIONS	50.00
134552	NMICHIGAN HEALTH LOGISTICS SVC	1,870.00
134553	NORTH COUNTRY CRITTERS	38.00
134554	NORTHERN A-1 ENVIRONMENTAL SE	976.66
134555	NORTHWEST FIRE	285.50
134556	OAKLEY, KEN	88.75
134557	OHM ADVISORS	10,110.00
134558	OLESON'S FOOD STORES	780.60
134559	OLSON BZDOK & HOWARD	5,239.00
134560	ORBAN, BARBARA K.	308.40
134561	OSCAR W LARSON COMPANY	675.44
134562	POWER LINE SUPPLY	1,875.97
134563	PREIN & NEWHOF	990.00
134564	PRO IMAGE DESIGN - PETOSKEY	4,275.00
134565	PROVIDENCE FARM LLC	945.00
134566	Q1 SPORT	214.60
134567	QUILL LLC	373.45
134568	RAECKE, MICHAEL	40.00
134569	RCL CONSTRUCTION CO INC	327,537.65
134570	REVOLUTION BIKE LLC	4,104.90
134571	SASSE, SHAWN	92.00
134572	STAFFORD'S WEATHERVANE	50.00
134573	STATE OF MICHIGAN	701.76
134574	STATE OF MICHIGAN	270.00
134575	STIMPSON, JOHN	208.00

M = Manual Check, V = Void Check

Check Number	Payee	Amount
134576	STRICKER'S OUTDOOR POWER EQUI	229.20
134577	STRYKER SALES LLC	155.18
134578	TARGET SPECIALTY PRODUCTS	259.71
134579	TERMINAL SUPPLY CO	346.19
134580	Tillie's Tafel	100.00
134581	TRUCK & TRAILER SPECIALTIES	681.54
134582	UNIFIRST CORPORATION	142.18
134583	USA BLUE BOOK	3,459.40
134584	VERDIN COMPANY, THE	1,099.00
134585	VILLAGE GRAPHICS INC	755.54
134586	WILBERT BURIAL VAULT CO	1,516.08
134587	WINNIE'S ORIGINALS LLC	91.00
134588	WORK 'N PLAY SHOP	238.38
134589	XEROX FINANCIAL SERVICES	168.84
134590	ZIIBIMIJWANG INC	207.00
Total 09/21/2021:		1,185,692.62
Grand Totals:		1,185,692.62

Check Number	Payee	Amount
09/02/2021		
90221001	PROXIMITY SPACE INC.	104.09
Total 09/02/2021:		104.09
Grand Totals:		104.09

M = Manual Check, V = Void Check

Check Number	Payee	Amount
09/03/2021		
90321007	AMG PAYMENT SOLUTIONS	906.94
90321008	PAYMENT SERVICE NETWORK INC.	246.50
Total 09/03/2021:		1,153.44
Grand Totals:		1,153.44

M = Manual Check, V = Void Check

Check Number	Payee	Amount
09/07/2021		
90721001	MICHIGAN PUBLIC POWER AGENCY	15,263.29
90721002	NEOFUNDS BY NEOPOST	2,000.00
Total 09/07/2021:		17,263.29
Grand Totals:		17,263.29

M = Manual Check, V = Void Check

Check Number	Payee	Amount
09/08/2021		
90821001	DTE ENERGY	1,937.33
Total 09/08/2021:		1,937.33
Grand Totals:		1,937.33

M = Manual Check, V = Void Check

Check Number	Payee	Amount
09/10/2021		
91021001	STATE OF MICHIGAN	30,871.45
Total 09/10/2021:		30,871.45
Grand Totals:		30,871.45

M = Manual Check, V = Void Check

Check Number	Payee	Amount
09/13/2021		
91321001	MICHIGAN PUBLIC POWER AGENCY	23,328.45
Total 09/13/2021:		23,328.45
Grand Totals:		23,328.45

M = Manual Check, V = Void Check

Check Issue Date	Check Number	Payee	Amount
91721001			
09/17/2021	91721001	**EFTPS* Payroll Taxes	14,160.50
09/17/2021	91721001	**EFTPS* Payroll Taxes	14,160.50
09/17/2021	91721001	**EFTPS* Payroll Taxes	3,311.74
09/17/2021	91721001	**EFTPS* Payroll Taxes	3,311.74
09/17/2021	91721001	**EFTPS* Payroll Taxes	32,243.98
Total 91721001:			
5			67,188.46
91721002			
09/17/2021	91721002	Alerus Financial	350.00
Total 91721002:			
1			350.00
91721003			
09/17/2021	91721003	STATE OF MICHIGAN	8,278.68
Total 91721003:			
1			8,278.68
91721004			
09/17/2021	91721004	Vantagepoint - 401 Plan 109153	957.68
Total 91721004:			
1			957.68
91721005			
09/17/2021	91721005	Vantagepoint - 457 Plan 300959	5,583.00
09/17/2021	91721005	Vantagepoint - 457 Plan 300959	2,440.99
09/17/2021	91721005	Vantagepoint - 457 Plan 300959	4,126.42
09/17/2021	91721005	Vantagepoint - 457 Plan 300959	11,437.19
Total 91721005:			
4			23,587.60
91721006			
09/17/2021	91721006	Vantagepoint - Roth IRA 706117	1,080.76
Total 91721006:			
1			1,080.76
Grand Totals:			
13			101,443.18

dm

Check Number	Payee	Amount
09/17/2021		
91721007	MERS	62,300.11
Total 09/17/2021:		62,300.11
Grand Totals:		62,300.11

M = Manual Check, V = Void Check

Check Number	Payee	Amount
09/21/2021		
3669	CHARLEVOIX COUNTY TREASURER	2,985.48
3670	CHARLEVOIX COUNTY TREASURER	736,533.83
3671	CHARLEVOIX PUBLIC SCHOOLS	920,753.60
3672	CHARLEVOIX PUBLIC SCHOOLS	79,997.07
3673	CHARLEVOIX PUBLIC SCHOOLS	140,139.85
3674	CHARLEVOIX PUBLIC SCHOOLS	24,853.77
3675	CHARLEVOIX PUBLIC SCHOOLS	29,425.24
3676	CITY OF CHARLEVOIX - TAXES DUE	860,933.74
3677	CORELOGIC CENTRALIZED REFUND	8,629.37
3678	O'REILLY AUTOMOTIVE INC	1,618.77
3679	STATE OF MICHIGAN	15,198.22
Total 09/21/2021:		2,821,068.94
Grand Totals:		2,821,068.94

CHECKS DRAWN ON CHARLEVOIX STATE BANK ACCOUNT

CHARLEVOIX CITY COUNCIL

Consent Agenda

TITLE: Annual Electric Meter Testing for $15,000

DATE: September 20, 2021

BACKGROUND:

The Electric Department budgets $15,000 annually to test electric meters. The goal is to test three phase meters on a three-year rotation and single-phase meters on a five-year rotation. Paul's Meter Testing has performed the testing for several years.

RECOMMENDATION:

Motion to approve Paul's Meter Testing for the 2021-2022 electric meter testing program in the amount not-to-exceed $15,000 as presented.

ATTACHMENTS:

- Meter Testing Quote

PAULS METER TESTING, LLC

P.O BOX 23 ATLANTA, MI. 49709 | 1(989)350-3378 | paulsmetertesting@gmail.com

QUOTATION:

Date: 9-7-2021

Quotation #181

For: City of Charlevoix Electric Dept. 210 State St. Charlevoix, MI. 49720

By: Pauls Meter Testing, LLC. PO Box 23 Atlanta, MI. 49709

2021-2022 Fiscal year ending April 2022. Meter Test quantities set forth by the City of Charlevoix.

PRICE LIST

Polyphase Electric Meter Field & Shop Testing	$58.00 Per HR.
Single Phase Electric Meter Field & Shop Testing	$15.00 EA.
Misc. Maintenance (High Bill Complaint Meter Testing.)	$42.00 Per HR.
C.T Burden Test Reports	$15.00 EA.
Diagnostic Test Reports	$ 2.00 EA.
Replace Clouded Meter Covers w/Glass Covers (as needed.)	$4.00 EA.
Mileage	$00.55 EA.

Test equipment is tracible to the NIST. (National Institute of Standards and Technology.)

Respectfully submitted,

Paul Carigon

Owner

Pauls Meter Testing, LLC

CHARLEVOIX CITY COUNCIL

Consent Agenda

TITLE: MPPA Capacity Purchase for $174,000

DATE: September 20, 2021

BACKGROUND:

Per Public Act 341 of 2016, MPPA members are required to secure 95% of their resource adequacy (capacity) requirements for the next four Planning Years. Charlevoix is in Zone 7 of the Midcontinent Independent System Operator (MISO) and their planning year is June 1 through May 31. To help meet this capacity requirement, MPPA staff recommends execution of the attached Power Purchase Commitment Authorization (PPC). The PPC secures a portion of Charlevoix's capacity requirements for Planning Years 2023/2024 through 2027/2028. Charlevoix's maximum commitment under this PPC is $174,000 over the five-year term.

In the late 1970s, the Michigan Public Power Agency was formed following the passage of Public Act 448. The legislation allowed municipal electric utilities to pool financial resources to purchase a portion of the power supplied by large central generation stations. After joining the agency, Charlevoix executed contracts that entitled them to a portion of the generation from Detroit Edison's Belle River Plant and Consumers Energy's Campbell Plant. Since then, MPPA has taken advantage of the legislation to purchase electricity from other projects, including wind, solar and landfill gas. As an active member, Charlevoix continues to have access to generation sources that would not be available on its own.

RECOMMENDATION:

Motion to approve the MPPA Capacity Purchase for $174,000 and direct the Electric Department Director to sign the contract.

ATTACHMENTS:

- MPPA Authorization

Michigan Public Power Agency

September 13, 2021

Subject: **Power Purchase Commitment Authorization**

The City of Charlevoix ("Charlevoix"), through its Member Authorized Representative, hereby authorizes a Capacity purchase by Michigan Public Power Agency ("MPPA") on behalf of Charlevoix at the following Quantity, Term, Delivery Location and not to exceed price levels. The Capacity purchase, if executed by MPPA, will be a Power Purchase Commitment ("PPC") under the Energy Services Agreement between MPPA and Charlevoix. The Capacity being procured with this Authorization is part of a portfolio of resources used to meet resource adequacy requirements under Michigan Public Act 341 and the planning reserve requirements of the Midcontinent Independent System Operator ("MISO"). MPPA's Board of Commissioners must approve the transaction(s) prior to execution. MPPA will not execute transactions under this PPC Authorization after 12/31/2021.

Planning Year	Up to Capacity per Month (kW)	Maximum Authorized Weighted Average Purchase Price (per kW Month)	Maximum Total $ for Planning Year	% of Forecasted MISO Capacity Requirement	Delivery Location
PY 23/24	600	$5.00	$36,000	4.2%	LRZ 7
PY 24/25	400	$5.00	$24,000	2.8%	LRZ 7
PY 25/26	700	$5.00	$42,000	4.9%	LRZ 7
PY 26/27	600	$5.00	$36,000	4.2%	LRZ 7
PY 27/28	600	$5.00	$36,000	4.2%	LRZ 7

The transactions outlined above account for the identified percentages of Charlevoix's forecasted MISO capacity requirements in the applicable forward planning years. The total of all purchases represents a maximum commitment of $174,000.

Member Authorized Representative:

_____
Signature

_____
Printed

_____
Date

809 Centennial Way - Lansing, MI 48917 - Phone: 517.323.8919 - Fax: 517.323.8373 - www.mpower.org

CHARLEVOIX CITY COUNCIL

Consent Agenda

TITLE: Accept FY 2021 Audit Report

DATE: September 20, 2021

BACKGROUND:

As presented, Rehmann conducted an independent audit of the City's finances in accord with ordinance and state law. Council needs to formally accept the findings of their report.

RECOMMENDATION:

Motion to accept the FY 2021 Audit Report as presented.

CHARLEVOIX CITY COUNCIL

Consent Agenda

TITLE: Employee Handbook Update, Dated September 20, 2021

DATE: September 20, 2021

BACKGROUND:

We are requesting approval of the updated Employee Handbook to remove language pertaining to EMS due to their transition to the Lake Charlevoix EMS Authority. We have also made modifications to the compensatory time and funeral leave language as well as other miscellaneous changes.

RECOMMENDATION:

Motion to approve the updated version of the Employee Handbook, dated September 20, 2021.

ATTACHMENTS:

- Employee Handbook Revision, Dated September 20, 2021

City of Charlevoix

Employee Handbook

City of Charlevoix
Charlevoix, Michigan
231-547-3270
www.charlevoixmi.gov
September 20, 2021
Approved by City Council:

THIS EMPLOYEE HANDBOOK IS NOT INTENDED TO SERVE AS A CONTRACT OF EMPLOYMENT -- EXPRESS OR IMPLIED. Unless otherwise stated by contract, the City of Charlevoix offers all employment "at will". That is, either the employee or the employer may terminate employment at any time, with or without cause and with or without notice.

This employee handbook is intended solely for informational and guidance purposes with respect to areas of employment relations covered within it. The information in this handbook reflects the policies, procedures, and benefits in publication. THE CITY RESERVES THE RIGHT TO CHANGE, DELETE, OR ADD POLICIES, PROCEDURES OR BENEFITS AT ANY TIME, IN ITS SOLE DISCRETION, WITH OR WITHOUT NOTICE.

THIS EMPLOYEE HANDBOOK IS, AND SHALL REMAIN, THE PROPERTY OF THE CITY OF CHARLEVOIX. THE HOLDER OF THIS HANDBOOK MUST SURRENDER IT UPON TERMINATION/RESIGNATION OR UPON RECEIPT OF A NEW HANDBOOK.

NOTE: The City of Charlevoix is also referred to in this Handbook as "the City".

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SECTION 1: GENERAL INFORMATION

1.1 APPLICABILITY AND SCOPE OF COVERAGE

This Handbook summarizes personnel policies and benefits that are applicable to all City employees (unless otherwise noted). For example, employees who are members of a union that have a signed current/valid Collective Bargaining Agreement with the City will be entitled only to those benefits specified in the union contract. All other aspects of this Handbook will apply to union employees unless abridged or modified by the Contract: the union contract shall be the governing document for such abridgements or modifications.

Similarly, the City may enter into individual employee contracts at certain levels. In such cases, the contract terms will take precedence; the Handbook will apply only when the contract is silent.

1.2 PURPOSE OF THE HANDBOOK

The Handbook is designed to acquaint the employee with the City, to provide a ready reference for most employment questions, and promote uniform understanding and application of the City's policies, procedures, practices, and benefits. Moreover, the Handbook identifies individual authority for policies, procedures, practices, and benefits.

The contents of this Handbook constitute only a summary of the employee benefits, personnel policies, and employment regulations in effect at the time of publication. In the insurance and benefit plans, the current insurance or benefit plan documents will provide further details.

1.3 RESERVATION OF RIGHTS

The City reserves the right to make changes in policies, procedures, or benefits at any time, with or without notice; however, changes will apply prospectively only. Changes in policies, procedures, or benefits described in this Handbook may be made only by the City Manager with appropriate City Council approval. No one is authorized to add, delete, or otherwise alter the policies stated in the Handbook through oral or written statements except as stated above. This Handbook should not be viewed as creating any kind of employment contract. The employee has the right to terminate his/her employment at any time and the City has the same right.

1.4 EXCLUSIVE POLICY STATEMENT

The policies stated in this employee handbook are the property of the City and supersede all previous policies, practices, and/or verbal statements of anyone associated with the City, its predecessors and/or its authorized agents.

1.5 EMPLOYMENT AT-WILL

This Handbook is not intended nor does it create or imply the existence of a contract of employment. Employment with the City is "at-will" unless covered under a contract. This means that an individual employee or the City may terminate the employment relationship at any time, with or without cause, with or without notice. This standard of employment is applicable to all employees, regardless of status, unless an employee has a written employment contract with the City. No representative of the City has the authority to enter into any agreement for employment for any specified period of time or to make any agreement contrary to the foregoing with the exception of an agreement in writing, signed by the City Manager. The City Charter, however, provides that the City Council may enter into employment contracts with individuals for certain enumerated positions, such as the City Manager position.

1.6 EQUAL EMPLOYMENT OPPORTUNITY

The City is an equal employment opportunity employer and provides employment and advancement opportunities to its employees without discrimination because of race, color, religion, sex, age, national origin, disability, military status, genetic information, or any other protected characteristic established by law. This policy of equal employment opportunity applies to all policies and procedures relating to recruitment and hiring, compensation, promotion, training, benefits, termination, or other terms and conditions of employment. All positions are filled on the basis of the applicant's qualifications for the job: ability, experience, and education required to perform the position.

If an employee believes that he or she has been the victim of discrimination, he/she should bring the matter immediately to the attention of the department head, Human Resources, or the City Manager. After receiving such a complaint, the City will undertake a full and complete investigation of the charges. If it is determined that discrimination has occurred, the City will take steps to eliminate that discrimination and will take disciplinary action against any employee whom it determines engaged in discriminatory behavior. The City prohibits retaliation against any employee who reports discrimination or harassment or who participates in an investigation of such reports.

1.7 AMERICANS WITH DISABILITIES (ADAAA) AND MICHIGAN PERSONS WITH DISABILITIES CIVIL RIGHTS ACT (PWDCRA)

Consistent with the Americans with Disabilities Act and Amendment Act (ADAAA) and the Michigan Persons with Disabilities Civil Rights Act (PWDCRA), the City does not discriminate against qualified individuals with regard to job application procedures, hiring, termination, employee compensation, advancement, job training, or other terms, conditions, and privileges of employment. Moreover, the City will make every effort to make reasonable accommodations for individuals with disabilities.

Pursuant to MCLA 37.1210(18), the PWDCRA, a person with a disability or handicap who requires reasonable accommodation to perform the essential functions of his/her job, must notify the City Manager of that need, in writing, within 182 days after the need is known.

1.8 WORKPLACE HARASSMENT

It is the position of the City that harassment of applicants, employees, and others on the basis of race, religion, color, national origin, ancestry, handicap, medical condition, disability, marital status, age, gender, and genetic information is unacceptable and will not be tolerated. It is also the position of the City that no one will be retaliated against for making a complaint of harassment. This policy applies to all employees, contractors, vendors, and others who represent the City.

Sexual harassment has been defined generally as including "unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature, whenever (1) submission to the conduct is either an explicit or implicit term or condition of employment; (2) an employee's reaction to the conduct is used as a basis for employment decisions affecting that employee; or (3) the conduct has the purpose or effect of interfering with the employee's work performance or creating an intimidating, hostile, or offensive working environment."

- No employee or applicant should be subjected to unsolicited or unwelcome sexual overtures, nor should any employee or applicant be led to believe that an employment opportunity or benefit will in any way depend upon "cooperation" of a sexual nature.
- Sexual harassment is not limited to demands for sexual favors. It also may include such actions as (1) sexually-oriented verbal "kidding," "teasing," or jokes; (2) repeated offensive sexual flirtations, advances, or propositions; (3) continued or repeated verbal abuse of a

sexual nature; (4) graphic or degrading comments about an individual or his or her appearance; (5) the display of sexually suggestive objects or pictures; (6) subtle pressure for sexual activity; and (7) physical contact or blocking movement.

- Sexual harassment does not refer to occasional compliments of a socially acceptable nature or consensual personal and social relationships (without a discriminatory employment effect). It refers to behavior which is not welcome and which is personally intimidating, hostile, or offensive.

Other prohibited forms of harassment include jokes, verbal abuse and epithets, degrading comments, the display of objects and pictures and other offensive conduct relating to an individual's race, religion, color, national origin, ancestry, handicap, medical condition, disability, marital status, or age as defined and protected by applicable law.

Any employee who feels that he or she has been the subject of harassment (or who has reason to believe that someone else has been the subject of harassment) has the obligation to notify the City Manager or any other department head immediately. The complainant is expected to provide information that the City requests, including a detailed account of the incident(s) complained of, witnesses (if any), dates, and other information considered relevant by the City. A prompt investigation of the matter will be made. All employees - whether complainant, witness or accused - are required to be truthful, accurate, and cooperative during the City investigation(s).

Anyone who is found to have engaged in workplace harassment will be subject to appropriate discipline, which may include termination of employment. Nevertheless, no one should be presumed to be in violation because an investigation is being conducted.

1.9 RELATIVES/NEPOTISM

The City of Charlevoix is committed to a policy of employment and advancement based on qualification and merit and does not discriminate in favor of or in opposition to the employment of relatives.

Definitions:

Relative/Family Member. Family member is defined as one of the following: relationships by blood or adoption – parent, child, grandparent, grandchild, brother, sister, uncle, aunt, nephew, niece, first cousin; and relationships by marriage (as defined by state law) – husband, wife, step-parent, step-child, brother-in-law, sister-in-law, father-in-law, mother-in-law, son-in-law, daughter-in-law, half-brother, half-sister, uncle, aunt, nephew, niece, spouse/partner of any of the above, and cohabitating couples/significant others.

Direct Supervisory Position. Direct line of authority through which employees can initiate or participate in decisions directly benefiting the relative. Such decisions include (but are not limited to) hiring, retention, transfer, promotion, wages, training, and leave requests.

Relatives of persons currently employed may be hired only if they will not be working directly for or directly above a relative, or if they will not occupy a position in the same line of authority. Due to the potential for perceived or actual conflicts of interest, the following restrictions apply to the hiring of relatives:

- Individuals will not be hired or promoted into a position that would create a conflict.

- If employees begin a dating relationship or become relatives, partners or members of the same household, and one party is in a supervisory position, the higher ranking person is required to inform the department head and City Manager of the relationship.

- Employees who find themselves in a position of perceived or actual conflict of interest will have 60 days to resolve the situation on their own, for example, by means of a transfer within or employment outside the City. Thereafter, the employees' supervisors will work with the City Manager to determine the most appropriate action for the specific situation. This may include transfer or, if necessary, termination of one of the employees.

If action is taken by the City, such as a reduction-in-force, which results in an involuntary circumstance in which two relatives, partners, or members of the same household report to each other, one of the employees must be reassigned within 60 days. During those 60 days, the senior ranking employee may not have involvement or direct input in the employment decisions of the other employee and must defer such decisions to the City Manager or his/her designee.

Any exceptions to this policy must be approved by the City Manager and must be accompanied by written justification.

SECTION 2: EMPLOYMENT POLICIES

2.1 EMPLOYMENT REFERENCE CHECKS AND BACKGROUND INFORMATION

The City may conduct background checks (including criminal, credit, references, driving record history, et al) of applicants and employees for/in certain positions. An authorization signed by the applicant is required as a prerequisite for employment with the City. This requirement does not change the at-will nature of employment with the City. Similarly, it should not be interpreted as a job offer.

2.2 EMPLOYMENT CLASSIFICATION

Employees are classified by two different categories for payroll and benefit purposes (regular or seasonal). These classifications do not guarantee employment for any specific period of time, and therefore the employee is still at-will.

Each City employee will be classified in one of the following categories:

Regular full-time - An individual who has been hired to work at least 30 hours a week, 130 hours per month, or 1560 hours per year in a position/appointment of indefinite duration. These employees are eligible for benefits.

Regular part-time - An individual who has been hired to work less than 1560 hours a year in a position/appointment of indefinite duration. These employees may be eligible for some benefits as set forth elsewhere in the Handbook.

Seasonal or Temporary - Seasonal or temporary employees are hired for a specific season, a specific task or a specific time, usually less than six months but not to exceed 12 months. All seasonal employees are non-union, at-will, and are not eligible for benefits.

In addition to the above categories, each employee is designated as either EXEMPT or NON-EXEMPT as required by Federal Law. Non-exempt employees are entitled to compensation at

time and a half for each hour worked over 40 in a work week. Exempt employees are paid on a salary basis and are not entitled to overtime.

An employees' EXEMPT/NON-EXEMPT status is determined by the employee's job duties meeting certain tests set forth in the Fair Labor Standards Act and such classification may only be changed by management with written notification.

2.3 INTRODUCTORY PERIOD & PERFORMANCE EVALUATIONS

A specified period of time (normally three months), is set aside during which a newly hired, promoted, or transferred employee's performance is evaluated. However, this period does not alter the at-will nature of employment. One's employment may be terminated by the City or the employee at any time for any reason or no reason, with or without notice.

All employees receive regular performance evaluations.

2.4 ATTENDANCE

The regular, daily attendance of each employee is essential to the successful operation of the City. Regular and prompt attendance at work is required of all employees. However, it is understood that unavoidable circumstances may require an employee to be absent or tardy on occasion. If any employee will be absent/tardy, he/she must notify his/her supervisor within a half hour of his/her scheduled starting time.

An absence may be excused for personal or family illness, jury duty, a death in the immediate family, or several other reasons that require an employee to miss a part of or all of a scheduled workday. An employee must be able to substantiate the reasons for an absence should the City ask him/her to do so. Such absences will be recorded as excused if the employee asks his/her supervisor for the necessary time off in advance and obtains prior approval.

An employee's failure to request advance approval, or to report his/her absence in the manner described above, will result in the absence being recorded as unexcused. All instances of absence/tardiness will be noted in employees' attendance records and may heavily affect his/her evaluation. If an employee's attendance record indicates frequent absences, he/she will be required to document reasons for subsequent absences at the request of management, so the absence can be excused. Unexcused or excessive tardiness or absenteeism could result in disciplinary action up to and including termination.

Unreported absences (no call, no show) for three (3) consecutive days will be deemed an immediate, voluntary resignation.

2.5 ETHICAL CONDUCT

The City Council passed an Ethical Conduct Ordinance (No. 793 of 2018). This ordinance applies to all employees. See Appendix A to view this ordinance.

2.6 RULES OF CONDUCT

As representatives of the City, employees should strive at all times to ensure that their clothing, appearance, and hygiene are appropriate and contribute to a pleasant office atmosphere for both co-workers and customers. Employees are encouraged to consult with their supervisor whenever necessary regarding what is acceptable for their work area.

Employees are required to report to work on time, ready to work in a safe and efficient manner and to follow the rules required of the assigned department, written or implied. Employees will immediately report any safety violation to his/her supervisor. (See Section 5 – Safety Policies.)

Honesty and integrity are important personal qualities. Dishonesty in any form, including but not limited to falsifying one's employment application or any other records connected with one's employment, will not be tolerated, and will be grounds for discipline up to and including immediate termination. The City expects strict adherence to all Federal, State, and Local laws.

Following is a list of unacceptable behaviors which may result in disciplinary action up to and including termination. Other inappropriate behaviors or actions may be subject to disciplinary action up to and including termination as well.

1. Making false statements as to the reasons for being absent or reasons for not properly reporting an absence.
2. Failure to call-in an absence in a timely manner.
3. Leaving work without the supervisor's permission.
4. Abuse of sick/time off policies.
5. Failure to start work promptly after breaks and meal periods.
6. Unauthorized possession of City property or another employee's property.
7. The making or publishing of any vicious, defamatory, malicious, or deliberately false statements concerning any employee, supervisor, the City or its work or services.
8. Theft or misappropriation of City property or another employee's property.
9. Deliberately damaging, misusing, destroying, abusing, or misplacing property/records belonging to the City or another employee.
10. Disorderly conduct, horseplay, threatening, or abusive behavior or interfering with another employee or supervisor.
11. Discourteous conduct toward citizens or other employees.
12. Use of offensive or abusive language.
13. Instigating a fight or fighting on City premises at any time.
14. Sabotage.
15. Refusal to perform a job assignment or insubordination.
16. Carelessness, failure to meet work standards, or failure to follow instructions.
17. Sleeping on City time.
18. Conviction of a felony while a City employee.
19. Violation of the City's Substance Abuse Policy.
20. Smoking in unauthorized places.
21. Causing hazardous or unsafe working conditions.
22. Violation of a safety rule.
23. Violation of the City policy governing telephone, computer, and voicemail usage.
24. Failure to immediately report any work-related injury or illness.
25. Falsification of time card/sheet.

2.7 SUBSTANCE ABUSE

Employees are the City's most valuable resource and employee health and safety are paramount. Hence, the City of Charlevoix is committed to maintaining a workplace free from drugs and alcohol. Moreover, the public has a right to expect that City personnel are physically and mentally prepared to perform their duties at all times. All employees must understand their responsibility to preserve the public's trust and confidence. Therefore, consent to and compliance with this policy is a condition of employment.

Employees are prohibited from the use, possession, storage, manufacture, distribution, or sale of illegal drugs (including marijuana and inhalants), illegal drug paraphernalia and/or alcohol while on duty or when performing or in a state of readiness, such as lunch or rest breaks, and whether on or off City premises. Employees shall not report to or be at work after consuming alcohol and/or after taking illegal drugs. In addition, employees shall not intentionally misuse any prescription or over-the-counter medication. Misuse includes using another individual's prescription medication or providing a prescription medication to an individual other than the one for whom the prescription was written. Employees must notify their department heads of the anticipated use of any medication that can affect the employee's physical or mental ability to perform required work.

Employees shall be subjected to drug and alcohol testing if a reasonable suspicion is presented, if they are involved in a work-related accident, and/or if they are charged with a drug-related criminal offense. Employees normally shall be sent for testing only while reporting to, at work, or on the employer's premises. Reasons for testing shall be documented in writing and provided to the employee.

Employees must notify their department head within five (5) days of any criminal drug statute convictions. Future conviction, guilty plea, or plea of *nolo contendre* (no contest) for a drug-related criminal offense; a refusal by the employee to consent and to cooperate regarding drug and alcohol testing, including without limitation, tampering or substitution of a specimen; testing positive for an illegal drug or alcohol; and any other violation of this policy will result in disciplinary action up to and including immediate termination from employment.

Consistent with the Drug Free Workplace Act, the City of Charlevoix requires all employees to abide by the conditions set forth here.

2.8 POLITICAL ACTIVITIES

All City employees shall be entitled to exercise their rights as citizens subject to applicable State and Federal laws. To the extent political activity of certain kinds and types may interfere with the performance of their duties, employees shall be expected to follow the guidelines below:

- While on City time or in the course of performing their job duties, employees will refrain from all election-related activity, electioneering, and/or campaigning.
- Employees will not work as partisan poll workers or challengers in local City elections.
- No City employee will be required or expected to contribute funds, time, services, or assistance to any election campaign or issue or to support any candidate or issue in any election.
- No employee will serve as an elected official of the City, nor shall he/she serve in any elected position that may produce a conflict of interest with the City.
- Employees are prohibited from using their official capacity as an employee with the City to influence, interfere with or affect the results of an election.

In addition, a City employee is not eligible to be a member of the City Planning Commission [Section 15(5) of the planning enabling act, MCL 125.3815(5)].

2.9 RESIDENCY

Within 90 days of their date of employment, all regular full-time employees are required to reside within twenty (20) miles of the nearest boundary of the City of Charlevoix. The City Manager may allow an additional 90 days for a new employee to comply with residency requirements. If the employee's spouse is employed by a public employer and a conflicting/competing residency requirement results, this section shall not apply to the City of Charlevoix employee (prohibited by MCL 15.602).

2.10 DISSEMINATION OF INFORMATION

When dealing with the public, employees must keep in mind that they should be courteous and provide factual answers to questions. Questions pertaining to areas outside the employee's level of responsibility or expertise are to be referred to the proper department or department head.

All news relating to policy will be released via the City Manager's office. Hence, dissemination of information to the public shall be approved by the City Manager and handled only by those employees with direct knowledge of and responsibility for the subject.

2.11 CONFIDENTIALITY

Employees of the City may, from time to time, come in contact with information that is confidential. Any and all information gathered or heard by employees during their employment will be construed as the property of the City and must be held confidential. Such information may include, but is not limited to, the identity of customers, business plans, financial information, information concerning other employees, or other business-related information. Requests for information that may be confidential will be directed to the City Manager. Moreover, the information remains the property of the City after termination.

2.12 SOCIAL SECURITY NUMBER PRIVACY

In accordance with the Social Security Number Privacy Act, the City will keep all social security numbers confidential and will not disclose social security numbers unlawfully. Personnel and payroll records are kept in locked file cabinets, accessible only to the City Treasurer/payroll, Human Resources, and the City Manager. The City uses one's social security number only for limited administrative purposes, as allowed by law. Currently, these include: to verify employment, to investigate driving history, and to administer City benefit programs. In accordance with record retention guidelines any documents containing social security numbers will be shredded. Any person who violates this privacy policy is subject to discipline up to and including termination.

Note: See Appendix B for City of Charlevoix Resolution No. 2006-03-01, Resolution Establishing Social Security Number Privacy Policy.

2.13 PRIVACY POLICY DISPOSAL/SHREDDING OF SENSITIVE DATA

The City has procedures in place for the disposal of sensitive data in compliance with the Federal Trade Commission regulation of 2004. This regulation dictates the proper disposal of consumer report information and records under the Fair and Accurate Credit Transaction Act of 2003 (FACTA, Pub. L. 108-159, 111 stat. 1952) and the Fair Credit Reporting Act (FCRA 15 USC 1681 et seq.). Accuracy, privacy, limits on information sharing, and new consumer rights to disclosure are included in the FACTA (Pub. L. 108-159, 111 Stat. 1952). These added sections are intended primarily to help consumers fight the growing crime of identity theft.

Sensitive data includes:

1. Personal information including telephone numbers, addresses, and/or social security numbers.
2. Credit checks, background checks, or consumer reports.

All employees that have access to or obtain sensitive data must keep the information confidential. Should any document containing sensitive data need to be disposed of, such document will be shredded. Employees in violation of this policy will be subject to discipline up to and including termination of employment.

2.14 KEEPING US INFORMED

The employee's current address, telephone number, emergency contact, and information about family status must be recorded in the office. Any changes in this information must be reported immediately in writing to Human Resources. This is very important to the employee and the City in the event of an emergency and in connection with such things as Social Security, reporting tax withholding, insurance benefits, correspondence, changes in work schedules, etc. Notify the City whenever changes occur in the following areas:

1. Change of home address and/or telephone number;
2. Marital status (marriage, divorce, or legal separation, etc.)
3. Birth or death in the immediate family;
4. Legal change of name;
5. Changes in citizenship status;
6. Changes affecting insurance programs, such as beneficiaries;
7. Health issues or disabilities that require a workplace accommodation; or
8. Work-related injury or illness.

2.15 SECONDARY EMPLOYMENT AND COMMUNITY INVOLVEMENT

A regular employee may accept secondary employment on his/her own time if it does not interfere or conflict with the employee's performance of his/her primary City job.

This policy also applies to City employees who wish to perform a second City job, such as a seasonal position. The City may also refuse to approve the hiring of a current City employee for a second City position, seasonal or otherwise, for any reason, including but not limited to avoiding overtime liability. Exempt City employees are prohibited from taking a second job with the City.

Similarly, employees are encouraged to engage in community and charitable activities, including directorships in non-profit community organizations, as long as such involvement does not conflict with City interests or create demands that interfere with the employee's primary City job duties.

2.16 JOB POSTINGS

All open positions will be posted at City Hall and on the City's website. Employees are responsible for monitoring job opening notices and for completing and submitting an application form during the posting period for a particular job. All job postings should contain the job title, department, and a brief description of the hiring specifications and duties.

To be eligible to apply for a posted position, the employee must be capable of performing the essential functions of the job, with or without accommodation.

2.17 RESIGNATIONS AND TERMINATIONS

Although the employee or the City may terminate the employment relationship at any time, the City requests that the employee provide a minimum of a two week notice of his/her intent to resign.

Failure to provide this notice will be noted in the personnel file and may affect the employee's eligibility for re-employment with the City.

Upon retirement, resignation, or termination, employees are expected to return the City's equipment (e.g. keys, pagers, files, papers) in good working condition within 24 hours of departure. If equipment is not returned, a payroll deduction may be arranged to recover the replacement cost(s) of said equipment.

If possible, the City Manager or his/her designee will conduct an exit interview with a departing employee.

An employee whose employment ended in good standing may be considered for re-hire.

2.18 PERSONAL PROPERTY

Employees should exercise care over any personal property or effects (purses, money, etc.) they bring onto the City premises. The City is not responsible if such items become damaged, lost, or stolen.

2.19 RIGHT OF INSPECTION AND SEARCH

The City reserves the right to search City vehicles and lockers if a reasonable suspicion exists, based on specific objective facts and reasonable inferences drawn from those facts, that stolen property, unauthorized prescription drugs (prescription drugs not prescribed for the person who has them), illegal drugs, controlled substances, or alcohol will be found on the person or in the particular place to be searched.

2.20 USE OF CITY VEHICLES

City-owned vehicles used by City employees will be available for official use during working hours only. The exceptions to this rule are at the discretion of the City Manager and the department head to determine an employee's access to City vehicles outside working hours. Authorization of extended use will be made in writing. All City employees will pick up and return the City vehicle to the same designated parking area at the beginning and end of each work period (i.e., start of shift to lunch hour; end of lunch hour to end of shift; start to end of any work periods; or in response to emergency service calls).

There will be no smoking or pets allowed in City vehicles. City vehicles interiors will be kept neat and free of garbage. Interiors will be wiped down and exteriors washed as needed.

2.21 VEHICLE SAFETY

When driving City vehicles or when driving any vehicle for the purpose of conducting City business, traffic laws and safety rules must be complied with, as well as the rules stated in the Substance Abuse policy. Also, all employees driving such vehicles must have a valid driver's license and have the valid driver's license on their person at all times.

Under no condition are employees allowed to give non-employees permission to drive City vehicles. The picking up of hitchhikers or transporting unauthorized persons/packages is strictly prohibited. Seatbelts must be worn at all times.

If an employee is involved in any accident while operating a City vehicle, he/she is to notify his/her supervisor immediately. In addition, it is the employee's responsibility to notify the City Manager or department head of any change of status (restriction, suspension, etc.) on his/her driver's

license prior to driving any City vehicle or when driving any vehicle for the purpose of conducting City business.

Cell phone usage while driving greatly compromises reaction time and is a dangerous distraction. Talking on a cell phone while driving is legal, however, texting is illegal. The City highly recommends that employees avoid using their cell phone while driving and instead pull over to a safe area or use a hand-free device.

2.21 (a) IDLING GUIDELINES FOR CITY VEHICLES
On June 20, 2011, City Council passed the following:

I. PURPOSE
These idling guidelines are intended to reduce City operation expenses, lower emissions produced by City vehicles and improve air quality for residents and visitors. The City of Charlevoix strives to improve the quality of life for its residents by protecting the natural environment.

II. RESEARCH
Well-documented research has proven that:

1. Excessive warm-ups are harmful to the engine and the environment.
2. Excessive idling hurts engines and the environment.
3. Block-heaters are good for engines and the environment.

III. GUIDELINES
No City of Charlevoix vehicle or piece of equipment should be left running when the driver is not present after proper start procedures. A City vehicle will not be permitted to idle unnecessarily, unless it is being operated according to the manufacturer's specifications or unless specifically exempted below. Diesel and gas engines are subject to different exemptions. There shall be no idling near air intakes, e.g. ambulance docks, or near groups of people, e.g. parades.

IV. EXEMPTIONS

A. For Police and Public Works Vehicles

1. Police and Public Works vehicles may be allowed to idle at the scene of an emergency response where lights and other accessories are needed in order to respond to the situation. This includes vehicles that need to run in order to charge batteries and run lights, etc. for their primary function.
2. Police and Public Works vehicles may be allowed to idle during non-emergency response situations, such as traffic detail, only when idling is necessary to perform the job at hand.
3. Emergency vehicles, such as ambulance and police vehicles, which may have contents sensitive to extreme heat and cold may be allowed to idle as necessary to maintain adequate internal temperatures.
4. Vehicles with passenger compartments that need to be maintained at a reasonable temperature may be permitted to idle during extremely hot or cold weather conditions.

B. For All Vehicles

1. Any vehicle that needs to be running during service or repair is permitted to idle, but only for as long as absolutely necessary.
2. Any vehicle that needs to defrost its windshield in order to drive safely is permitted to idle, only for as long as it takes to defrost and maintain a clear windshield.

C. Additional Diesel Engine Specific Exemptions

1. Regardless of weather conditions, a diesel engine may be permitted to warm up for no more than five (5) minutes.
2. It is encouraged that block heaters (with timers) be installed and used in diesel-powered vehicles, in which case the above exemption for diesel engines will not apply, except when the vehicle is away from its garage.

3. Exemption C.1, above, does not apply if a vehicle is already warmed up and an operator stops the vehicle for a short time (i.e. quick coffee break) or if the diesel vehicle is stored inside and the inside temperature is substantially higher than outside.

There will be an educational period of fifteen (15) calendar days during which supervisors should educate their employees regarding these guidelines. After this period, it will be the responsibility of supervisors to enforce these guidelines. Department heads will be asked to monitor compliance and report to the City Manager within six (6) months of these guidelines taking effect. Department heads will also be encouraged to make suggestions for improvements or changes, especially in cases where the guidelines cause hardships, and are unworkable or lead to unsafe conditions.

2.22 USE OF OTHER CITY PROPERTY

Personal use of other City property (e.g., copy machine, cell phone) is permitted only with approval by the City Manager or his/her designee. Permission to use the City's property must be approved prior to use. Failure to obtain permission to use City property for personal use while on the job may result in discipline, up to and including immediate termination.

2.23 PERSONAL TELEPHONE CALLS & TEXTS

Employees may make local calls/texts (or receive personal calls/texts) only in case of emergency or on work breaks. Lengthy or frequent calls may result in the loss of this privilege. Violation of this policy will result in discipline up to and including immediate termination.

2.24 COMPUTERS, EMAIL, AND INTERNET USAGE

The City's computers, internet, email system, software, electronic files, and telephone systems are intended for City business only. All information on City computers, network, email and voicemail systems are the sole and exclusive property of the City.

Because of the nature of this data, the City reserves the right to examine, monitor, regulate, and access all information on the City computers, network, files, email and voicemail systems, internet usage, and any information transmitted by or stored in its technology systems, whether onsite or offsite, even if personal passwords have been assigned.

Internal and external e-mail, voice mail, text messages and other electronic communications are considered business records and may be subject to legal discovery so employees must be aware of this possibility when communicating electronically within and outside the company.

Employees do not have a personal privacy right to any matter created, received, or sent from the City's telephone, network, Internet or email systems. Therefore, employees should not put personal data or other information on these computers.

Employees are prohibited from downloading, copying, or acquiring any software without prior written consent from their department head. Copyrighted materials belonging to entities other than the City's may not be transmitted by employees on the company's network without permission of the copyright holder.

Due to the significant risk of harm to the City's electronic resources, employees should not bring personal computers or data storage devices (such as CDs/DVDs, external hard drives, USB / flash drives, "smart" phones, iPods/iPads/iTouch or similar devices, laptops or other mobile computing devices, or other data storage media) to the workplace and connect them to the City's electronic systems unless expressly permitted to do so by their Department Head.

Email may not be used to solicit or to advocate non-city or purely personal interests, religious or political causes. Employees may not use the City's Internet, e-mail or other electronic communications to transmit, retrieve or store any communications or other content of a defamatory, discriminatory, harassing or pornographic nature. Messages with derogatory or inflammatory remarks about an individual's race, age, disability, religion, national origin, physical attributes or sexual preference is strictly prohibited.

An employee must receive permission from his/her manager to have his/her personal cell phone access his/her City's email account.

Employees who violate this policy will be subject to disciplinary action, up to and including termination of employment. Employees should notify their department head upon learning of violations of this policy.

2.25 CELL PHONE AND PAGER USE, LAPTOPS, AND GAS CARDS

Personal cell phones may be used during business hours when business needs require immediate access to a co-worker. The City may issue a business cell phone for work-related communications. Use of City cell phones for personal use other than in emergency situations is prohibited. In order to avoid incurring a tax liability for the personal use of this equipment, the employee should use such phones for business purposes only.

Note, however, that unless approved by the City Manager, the use of personal cell phones rather than City-provided phones for City business is not reimbursable.

Employees who are provided with City equipment are expected to protect equipment from loss, damage, or theft. The employee may be held responsible for any unauthorized charges and for replacement/repair charges incurred from the loss, damage, theft, or negligent use of the equipment.

2.26 SOCIAL MEDIA/NETWORKING

This policy covers employee activity on all social networking sites including, but not limited to, LinkedIn, Facebook, Twitter, YouTube, blogs, and any other online social networking or any other form of online publishing or discussion.

Social-networking activities by City employees are subject to all existing policies that govern the use of the City's rules of conduct, communication, and computer systems, as well as those policies that protect the confidentiality of City information, and those which prohibit unlawful discrimination or harassment.

If an employee participates in social networking online, he/she must make it clear in his/her on-line activity that the views and opinions expressed are his/her own, have not been reviewed by the City, and do not represent the views and opinions of the City. Consequently, employees should not use the name, logos, or copyright protected material of the City.

The following additional prohibitions apply:

- Employees are prohibited from listing the City email address unless the social networking site is used purely for City business or professional purposes.
- Employees are prohibited from disclosing information about City business or details of particular projects.

- Employees are prohibited from posting anything obscene, vulgar, defamatory, threatening, discriminatory, harassing, abusive, hateful or embarrassing about a fellow employee. Employees must remain respectful of the City and its services.

Failure to comply with this policy may lead to disciplinary action up to and including termination.

Any information an employee creates, transmits, downloads, exchanges, or discusses on any social media site is subject to compliance monitoring and may be accessed by the City at any time without prior notice.

2.27 SMOKING POLICY

In compliance with the Public Health Clean Indoor Air Regulation, the City is a smoke-free working environment. The Clean Indoor Air Regulation states: "Smoking is prohibited in all enclosed areas within this worksite without exception. This includes common work areas, auditoriums, classrooms, conference and meeting rooms, private offices, elevators, hallways, medical facilities, cafeterias, employee lounges, stairs, restrooms, employer owned or leased vehicles if occupied by more than one employee, and all other enclosed facilities."

The regulation further states: "Smoking shall be prohibited near entrances, windows and ventilation systems of all worksites and public places where smoking is prohibited by this regulation. Any individual who owns, manages, operates or otherwise controls the use of any premises subject to jurisdiction under this regulation shall establish a no smoking area which extends a reasonable distance from any entrances, windows and ventilation systems to any enclosed areas where smoking is prohibited; such reasonable distance shall be a distance sufficient to insure that persons entering or leaving the building or facility shall not be subjected to breathing tobacco smoke and to insure that tobacco smoke does not enter the building or facility through entrances, windows, ventilation systems or any other means. All smoking trash receptacles shall be placed outside the no smoking area in order to discourage smoking in these areas."

This policy applies to all employees, volunteers, citizens, vendors, or contractors.

Persons observing a violation of this policy should bring it to the attention of the City Manager. Complaints will be investigated and action taken to resolve the issue as soon as possible.

Persons found to have violated this policy will be subject to disciplinary action. Any fines directed to the City will be the fiscal responsibility of the person or persons in violation of this ordinance.

2.28 WORKPLACE VIOLENCE

The City is committed to providing a safe, secure work environment for its employees and to helping prevent violence, threats, or intimidating actions by or against any employee or visitor on or off the premises while engaged in business.

The City may, in its sole discretion,

- Conduct pre-employment criminal background investigations before extending an offer of employment (or make an offer of employment contingent upon the results of a criminal background check).
- Implement security measures to restrict unauthorized entry to the premises, allow security surveillance of the premises, and otherwise foster an orderly and safe working environment.

- Promote through education and practices the value of a nonviolent environment and lifestyle.
- Discipline employees, up to and including termination of employment, who threaten or commit acts of violence, abuse, or intimidation. Threats and acts of violence include, but are not limited to, acts communicated orally, graphically, electronically, nonverbally or in written form, with or without acts of force.
- Remove immediately any City visitor or employee who threatens or commits an act of violence on the employer's premises.
- Pursue criminal prosecution as appropriate of employees or others who commit criminal offenses against the City or its employees.
- Encourage all employees to promptly notify management of any work-related threats or acts of aggression, abuse, or intimidation by employees or non-employees. Such reports will be treated in a confidential manner, to the extent feasible. The City will not permit or condone any retaliation against any employee who makes a report in good faith pursuant to this policy.
- Provide counseling, medical, security, or other services as needed to employees who are victims or witnesses of work-related violence.

SECTION 3: HOURS AND PAY PROCEDURES

3.1 WORK SCHEDULES

Workday - The standard workday consists of eight (8) hours, although actual starting and ending times are dependent upon the needs of the various City departments.

Work Week - The standard work week is forty (40) hours, consisting of five (5) workdays of eight (8) hours per day.

Police personnel schedules will vary.

Flex Time - In some instances, when mutually agreed upon by the employee and the department head, the standard workday and work week schedule can be modified to provide for a "flex time" schedule which can include increasing the number of hours within a workday and decreasing the number of days in a work week.

Telecommuting - In some instances, when mutually agreed upon by the employee and the department head, a regular employee may perform all or a portion of his/her job duties from a location other than his/her regular work site.

3.1 (a) CITY EMPLOYEES RESPONDING TO EMERGENCIES

City employees who are also employees of the Lake Charlevoix EMS Authority and/or the Charlevoix Township Fire Department shall be allowed to respond to emergencies while at work under the following conditions:

1. The employee is engaged in a task that will not endanger a fellow employee or the public if the employee does not stay at their post.
2. The employee will only respond to true emergencies where lives are thought to be in danger, or there is a reasonable likelihood of significant property damage (no duty crew runs).

3. The incident commander shall allow that employee to return to their regular job as quickly as practical.

When called to respond to an emergency while at work, the employee will clock out of their regular department. Upon returning to their regular job shift, the employee will clock back in.

3.2 TIME RECORDING

Accurate records of time worked are essential to both the employee and the City. The City has provided a means for accurately recording time worked, lunch periods, overtime, absences, etc. Accordingly, work performed by hourly employees must be recorded in accordance with specific departmental practice. Employees must "record in" when their shift/workday starts and "record out" at the end of their working time. All employees are required to record in and out using their own timecard/sheet. Under no circumstances is an employee to record another employee's time or permit another employee to record his/her time. If an employee forgets to record in or out, he/she must see his/her supervisor in order to record the correct time.

3.3 COMPENSATION/PAY

The City strives to ensure that all employees are paid fairly and that internal and external equity are maintained within the limits of its revenue stream. Hence, the City participates in and reviews the results of periodic salary surveys.

Pay will be at the rate provided on the "Employee Change of Status Report" form.

All employees are subject to deductions from pay for State and Federal income tax and Social Security/Medicare. In addition, regular full-time employees may be subject to deductions from pay for retirement. No other deductions will be made unless authorized by the employee or required by a governmental unit.

The work week for hourly employees begins Sunday at 12:01 a.m. and ends the following Saturday at midnight. The pay period shall be composed of two work weeks and the work year is 26/27 pay periods. Employees will be paid on Friday of every other week for work performed the preceding pay period. If the regular pay day falls on a holiday or weekend, pay will be received on the prior working day.

Employees should review their pay stubs regularly and report any discrepancies or errors to the City within 14 days of receipt of an erroneous paycheck, so that the City can investigate and issue a corrected check in a timely fashion.

3.4 OVERTIME

Non-exempt employees shall receive time and one-half (1½) at their straight–time rate for all hours worked in excess of forty (40) in one work week. Sick, vacation, personal, and holiday will be counted as hours worked for the purpose of computing overtime payments. Unpaid leave shall not count as hours worked.

Exempt employees are paid on a salary basis and are not entitled to overtime. Refer also to Section 3.6 Compensatory Time for Exempt Employees.

Overtime will only be approved when it is not possible to adjust work schedules to provide essential staffing. All overtime must be approved in advance by the employee's supervisor.

An employee who works overtime without prior approval from his/her supervisor will be subject to discipline, up to and including termination.

Training and Travel - Time spent in approved training activities, meetings, and conferences is considered compensable for the purposes of calculating non-exempt overtime; however, time spent in travel is considered compensable time worked only in so far as it meets certain conditions.

Home-to-work travel – Generally home-to-work travel is not considered compensable time, regardless of how long the commute or whether the employee travels to a different worksite for the job.

Overnight travel – Travel away from home is work time when it crosses the employee's work day because it merely replaces other duties. Overnight travel outside the employee's normal work schedule is not compensable (in terms of calculating overtime pay) unless it is active/productive. That is, the time an employee spends traveling is considered active work and compensable. Similarly, time spent driving oneself (versus traveling as a passive passenger on a public conveyance) is also considered time worked. Again, meals and sleep time are not considered compensable hours worked in the calculation.

3.5 COMPENSATORY TIME FOR NONEXEMPT EMPLOYEES

The determination to use compensatory time is left to the discretion of each department head. If the decision is made to allow the use of compensatory time, it must be administered in the same manner for each non-union non-exempt employee in that department.

All non-union non-exempt employees will be allowed to earn compensatory time, in lieu of overtime pay, at the rate of one and one-half (1½) hours for each hour worked in excess of 40 hours in a workweek, and must be approved in advance by the department head.

The use of compensatory time will be scheduled within each department between the department head and the employee involved. An employee must be permitted to use accumulated compensatory time unless it would unduly disrupt the department's operations.

Non-exempt employees may accumulate a maximum of forty (40) hours of earned compensatory time and carry forward a maximum of sixteen (16) hours into the next calendar year.. Any unused hours above the maximum will be paid to the employee in the first pay of that next calendar year.

Upon termination or retirement, the employee will be paid for each hour of accumulated compensatory time at their final regular rate of pay. This payment will be made as a part of the final paycheck.

3.6 COMPENSATORY TIME FOR EXEMPT EMPLOYEES

An exempt employee, in special situations, may earn compensatory time with the prior approval of his/her supervisor. Exempt employee compensatory time is earned at the rate of one hour for each hour worked and under no circumstances will unused compensatory time be paid out to the employee.

All exempt employees who work on a holiday will receive compensatory time for hours worked.

Exempt employees may accumulate a maximum of forty (40) hours of earned compensatory time and may carry forward a maximum of sixteen (16) hours into the next calendar year. Exceptions will be addressed on an individual basis by the City Manager.

In extraordinary circumstances, or when an employee is required to perform duties outside of their scope of regular responsibilities, exempt employees may be eligible for additional compensation. Such compensation must be pre-approved by the City Manager who will determine eligibility, type of compensation, and/or rate of compensation on a case-by-case basis.

SECTION 4: EMPLOYEE BENEFITS

4.1 PAID TIME OFF

4.1 (a) HOLIDAYS

The City recognizes the following nine holidays each year. Regular full-time are granted 8 hours of pay at their regular pay for the following days. Part-time employees who are regularly scheduled on one of the recognized holidays will receive holiday pay at their regular rate for their normal work schedule (i.e. normally work 4.5 hours per day they would receive 4.5 holiday pay)

New Year's Day	Thanksgiving Day
Good Friday	Day after Thanksgiving
Memorial Day	Day before Christmas
Fourth of July	Christmas Day
Labor Day	

All exempt employees who work on a recognized holiday will receive compensatory time for hours worked.

All non-exempt who work on a recognized holiday will receive "premium pay" which is paid at time and a half of employee's regular rate of pay for hours worked up to a maximum of eight (8) hours.

Whenever a holiday falls on a Saturday, the preceding day will be recognized as a holiday and when a holiday falls on a Sunday, the following day will be recognized as a holiday.

Because the Charlevoix Airport is a seven day a week operation, the holiday will be recognized on the calendar day that it falls.

4.1 (b) PERSONAL LEAVE

Regular full-time employees are credited twenty-four (24) hours of personal leave hours each calendar year (on January 1). Personal leave hours are prorated for new or returning (from leave of absence) employees on the basis of hire or return date. These hours must be taken in the calendar year in which they are credited or they are forfeited. Personal leave hours must be scheduled with and approved by the department head or the City Manager. Personal leave hours can be used in one-quarter hour (1/4) increments. No payment for unused personal leave hours is made upon an employee's departure.

Hire Date or Date Returned to Work	Number of Personal Hours
January through April	24
May through August	16
September through December	8

4.1 (c) VACATION LEAVE

New employees, upon completion of 6 months of employment, who work a forty (40) hour workweek schedule, shall be credited with forty (40) hours of vacation leave. Once the new employee has completed one full year (2080 hours) of employment, they shall be credited with an additional forty (40) hours of vacation leave. Upon completion of two full years of employment, the employee will be credited with vacation leave based on the following scale.

Regular full-time employees, who normally work a forty (40) hour workweek schedule shall be credited with vacation leave at their anniversary date based on the following scale.

Credited Years of Full Time Employment as of Employee's Anniversary Date	Vacation Leave Hours Credited on Employee's Anniversary Date
6 months	40
1	40
2	80
3	120
4	128
5	136
6	144
7	152
8	160
9	168
10	176
11	184
12	192
13	200

1. Vacation leave shall be the employee's regular straight-time hourly rate at the time the vacation leave is taken. An employee who works eight (8) hours a day, five days a week, shall record eight (8) hours of leave time when taking a day off on vacation leave. If the employee works a ten (10) hour day, four (4) day workweek, and takes a day off for vacation, he/she shall record ten (10) hours of vacation leave.

2. Employees who lose time from work or who do not complete a scheduled work year due to a layoff or any unpaid leave of absence, shall have vacation benefits determined on a pro rata basis of the months or parts of months worked during the calendar year. Illustratively, an employee who returns on August 14th of a given year will receive a vacation benefit equal to 5/12ths of that provided in the schedule above.

3. Unused and accrued vacation hours are paid upon an employee's departure.

4. When an employee leaves active employment or retires from City service, accrued and carry over vacation will not be considered as pay for the purpose of extending or further accumulating benefits, including health care, sick leave, vacation, etc.

5. All vacation will be taken at the convenience of the department and must have prior approval of the department head; department head vacation is subject to prior approval of the City Manager.

6. Vacation leave hours can be used in one-quarter hour (¼) increments.

7. A maximum of eighty (80) hours of vacation leave may be carried forward from one calendar year to the next and any unused hours in excess of eighty (80) are forfeited. Special or extenuating circumstances will be addressed on an individual basis and with the approval of the City Manager.

4.1 (d) SICK LEAVE - Year-Round Full-Time Employees

1. Starting January 1, 2019, and each year thereafter, eligible full-time employees are credited with ninety-six (96) hours of sick leave. Sick leave hours are prorated for new or returning (from leave of absence) employees on the basis of hire or return date identified below.

Hire Date or Date Returned to Work	Sick Leave Hours	Hire date or Date Returned to Work	Sick Leave Hours
January - February	96	July – August	48
March - April	80	September- October	32
May – June	64	November - December	16

a) Unused paid sick leave hours may be accumulated from year to year up to a maximum of 248 hours. On December 31st of each year, if the number of hours for an individual exceeds 152 hours, then the employee will be paid for those hours in excess of 152 at half (1/2) the employee's current rate of pay

b) Employees are eligible to use sick leave hours for personal illness, injury, serious health condition, or temporary disability that necessitates absence from work. Employees can also use sick leave hours to attend doctor, dentist, or other recognized practitioner to the extent required to complete such appointments. Sick leave should not be used as "Personal Leave".

c) Employees are eligible to use sick leave hours for illness or injury in the immediate family necessitating absence from work. Employees can also use sick leave hours to accompany an immediate family member to a doctor, dentist, or other recognized practitioner to the extent required to complete such appointments. Immediate family is defined as the employee's spouse, child, stepchild, grandchild, parent, stepparent, sister, sister-in-law, brother, brother-in-law, mother-in-law, father-in-law, grandparents and grandparents-in-law of the employee.

d) In order to qualify for sick leave or sickness and accident benefits, an employee must contact his/her supervisor as soon as possible prior to the beginning of a workday or scheduled shift. If the circumstances surrounding the absence make the timely reporting extremely difficult, then the employee must notify his/her supervisor as soon as possible.

e) Whenever the need to use sick leave under the PMLA is known in advance, employees should request approval from their supervisor by completing the Request for Absence Report or by sending an email to their supervisor.

f) Employees may use sick leave in increments of one quarter (1/4) hour increments.

g) In the event of an absence of more than five (5) regularly scheduled working days, or in the event of hospitalization for any period of time, or if the Employer has reason to believe an employee is misusing sick leave or disability benefits, the employee will be required to provide a medical certification signed by the physician indicating the specific diagnosis and prognosis necessitating the employee's absence from work and the expected return to work date. The City also reserves the right to require periodic medical reports during leaves under this provision. Before the employee returns to work he/she must present a fitness for duty medical statement from his physician.

h) When an employee's absence from work is due to an illness or injury arising out of and in the course of his/her employment by the City and which is compensable under the Michigan Workers' Compensation Act, after the first day of absence necessitated thereby he/she shall be entitled to utilize his/her unused sick leave hours to make up the difference between the amount of daily benefit to which he/she is entitled under such Act and the amount of daily salary he/she would have received in his/her own job classification had he/she worked, but not to exceed the total equivalent of what he/she would have received in daily pay on an eight (8) hour per day basis. Employees may also use frozen sick leave hours to make up the difference but only after they have exhausted their regular sick leave hours.

i) An employee who makes a false claim for paid sick leave shall be subject to disciplinary action or dismissal depending upon the circumstances involved.

j) When an employee resigns or is discharged, all benefits under this section are null and void and the employee will not be reimbursed for any accumulated sick leave.

k) If an employee who has quit, retired or been discharged from his/her employment is subsequently rehired, such employee shall, as any other new employee, only accumulate paid sick leave hours as set forth in Section 4.1 (d).

l) In the event an employee is laid off from work, he/she shall, upon his/her return to work, be credited with all of his/her unused sick leave hours that he/she had prior to his/her layoff.

m) When an employee retires under the City's retirement program, he/she shall be entitled to be paid one-half (½) of his/her accumulated unused paid sick leave hours as of the date of retirement. Payment is at the employee's last rate of pay.

<u>NOTE: Frozen Sick Bank Hours</u> -Subject to the restrictions specified above for regular sick leave, various employees, have sick leave credits from preceding years in a frozen bank for their use. Any use of frozen sick bank hours will be paid to an employee at the wage rate the employee was earning on the date the frozen bank was established. Upon retirement, an employee with frozen sick bank hours will be paid for half of the hours remaining in the bank at the wage rate the employee was earning on the date frozen bank was established.

2. SICK LEAVE – Part-Time, Seasonal, Temporary, Variable

The Paid Medical Leave Act (PMLA), 2018 Public Act 338, as amended by 2018 Public Act 369, provides for paid medical leave (sick leave) for eligible employees as described below. Paid medical leave accrual begins March 29, 2019, or upon commencement of the employee's employment, whichever is later.

a) Effective January 1, 2020, and each January 1st thereafter, eligible year-round, part-time, variable, and temporary, non-exempt employees will receive 40 hours of sick leave credits provided that they worked at least 26 weeks with an average of 25 hours a week during their look-back period.

b) Upon date of hire, new year-round, part-time, variable, and temporary, non-exempt employees who are expected to work at least 26 weeks with an average of 25 hours a week, will receive a prorated credit of sick leave based on an annual credit of 40 hours and their hire date.

c) New seasonal, non-exempt employees, who are expected to work at least 26 weeks with an average of 25 hours a week, will receive a credit of 40 hours of sick leave on their hire date.

d) Returning seasonal, non-exempt employees, who worked at least 26 weeks with an average of 25 hours a week during their look-back period, will receive a credit of 40 hours of sick leave on their rehire date. The look-back period for returning seasonals is one year back from their date of rehire.

e) Unused sick leave credits will not carry over into the next year.

f) Unused sick leave credits will not be paid off at separation.

g) Employees may take sick leave under the PMLA for any of the following reasons:

(1) Physical or mental illness, injury, or health condition of the employee or his or her family member,

(2) Medical diagnosis, care, or treatment of the employee or employee's family member,

(3) Preventative care of the employee or his or her family member,

(4) Closure of the employee's primary workplace by order of a public official due to a public health emergency,

(5) The care of his or her child whose school or place of care has been closed by order of a public official due to a public health emergency,

(6) The employee's or his or her family member's exposure to a communicable disease that would jeopardize the health of others as determined by health authorities or a health care provider,

(7) For domestic violence and sexual assault situations, employees may use paid medical leave (sick leave) for any of the following:

(a) Medical care or psychological or other counseling,
(b) Receiving services from a victim services organization,
(c) Relocation and obtaining legal services.
(d) Participation in civil or criminal proceedings related to or resulting from the domestic violence or sexual assault

h) Whenever the need to use sick leave under the PMLA is known in advance, employees should request approval from their supervisor by completing the Request for Absence Report or by sending an email to their supervisor.

i) When an employee is unable to report to work due to a qualified reason under the PMLA, the employee must contact his/her supervisor as soon as possible prior to the beginning of a workday or scheduled shift. If the circumstances surrounding the absence make the timely reporting extremely difficult, then the employee must notify his/her supervisor as soon as possible.

j) Sick leave may be used in quarter (1/4) hour increments.

k) If the Employer has reason to believe an employee is misusing PMLA (sick leave), the employee will be required to provide a medical certification signed by the physician indicating the specific diagnosis and prognosis necessitating the employee's absence from work and the expected return to work date. Before the employee returns to work he/she must present a fitness for duty medical statement from his/her physician.

l) An employee who makes a false claim for paid sick leave shall be subject to disciplinary action or dismissal depending on the circumstances involved.

4.1 (e) SHORT TERM AND LONG TERM DISABILITY PLANS.

The City agrees, at its expense, to establish and maintain for all eligible full-time employees a short-term and long-term disability program through an insurance carrier of the City's selection. Disability benefits are governed by the Plan Document and/or the Summary Plan Description.

1. The Short Term Disability Plan will provide weekly benefits equal to 66 2/3% of the first $2250 of weekly pre-disability earnings as of the date of disability, reduced by deductible income (e.g., work earnings, workers' compensation, state disability, social security, etc.) With a maximum weekly benefit of $1500

2. The Long Term Disability Plan will provide monthly benefits equal to 60% of the first $8,333 of monthly pre-disability earnings, reduced by deductible income (e.g., work earnings, workers' compensation, state disability, etc.)

3. Your weekly benefit becomes payable after you have been continuously disabled for 14 calendar days for disability caused by accidental injury and after 14 calendar days of disability caused by physical disease, pregnancy, or mental disorder. Employees may use sick, personal, vacation leave hours to satisfy the waiting period. Frozen sick leave hours can also be used, but only if regular sick leave hours have been exhausted. If applicable, parental leave may also be used to satisfy the waiting period.

4. Employees may also use available sick, vacation, personal leave hours to make up the difference between the amount of daily benefit to which he/she is entitled under the Disability Plan and the amount of daily salary he/she would have received in his/her own

job classification had he/she worked, but not to exceed the total equivalent of what he/she would have received in daily pay on an eight (8) hour per day basis. Employees may use frozen sick leave hours, if applicable, once the regular sick leave benefits are exhausted, to supplement the disability plan; however, those hours will be paid at the frozen rate of pay.

4.1 (f) CONFERENCES AND TRAINING

Leave with pay will be granted while employees (exempt and/or non-exempt) attend conferences or training sessions which have been approved in advance by the City Manager or department head. However, only non-exempt travel time is compensable if it meets the requirements specified by the Fair Labor Standards Act (FLSA). (See Overtime.) Employees who drive their own vehicle are reimbursed at the standard mileage rate.

4.1 (g) LEAVES OF ABSENCE

FUNERAL LEAVE

Employees shall be allowed up to 3 working days with pay for personal matters relating to the death of a family member, including non-formal relationships and those persons whose financial or physical care the employee has been principally responsible. Familial relationships include spouse (including domestic partner), child, stepchild, grandchild, step-grandchild, parent, stepparent, sister, stepsister, sister-in-law, brother, stepbrother, brother-in-law, mother-in-law, father-in-law, grandparents, grandparents-in-law, step grandparents, aunt, aunt-in-law, uncle, and uncle-in-law of the employee.

Additional personal, sick or vacation leave may be granted from the employee's unused leave banks, not to exceed sixteen (16) hours. Additional hours may be granted without pay when extenuating circumstances warrant same.

JURY DUTY LEAVE

The regular full-time, part-time, and seasonal employee will be "kept whole" while performing jury duty. Consequently, employees on jury duty will be required to surrender/endorse over any checks received from the court(s) for services rendered. When not assigned to cases, employees must report to work for the remainder of the day. The City's obligation to pay an employee for jury duty is limited to a maximum of 20 workdays in any calendar year.

MILITARY LEAVE

The City follows State and Federal law with respect to military service. Federal and State statutes mandate that the City grant unpaid leave to employees who voluntarily choose to serve in the Armed Forces and National Guard. Military leave must be allowed for active duty, training, or to meet military-related obligations, such as reporting for periodic physical fitness examinations. Employees who are members of the reserve components of the Armed Forces will be granted leave of absence without pay for summer components and/or other periods of activation and reactivation upon presentation of substantiating documentation. It is recommended that leaves of absence for this purpose be taken as a vacation whenever possible.

The City is required under the Federal Uniformed Services Employment and Reemployment Rights Act (USERRA) to reinstate those returning from services to their former job following discharge or release from active duty, reserve duty, or training.

Upon returning from military service, the employee's rate of pay will be adjusted to recognize any changes that would have occurred had the employee continued working for the City.

1. If the pay range increased, the rate of pay will be set at the point in the range that the employee would have reached if he/she had not left for military service.
2. If the employee returns to a more responsible job, the rate of pay will be based on the present rate for the position and will be at least the same as the lowest paid qualified person in a comparable position.

The USERRA requires the City to offer continuous medical coverage for up to eighteen (18) months to employees who were previously covered by the City's health plan and who are absent due to military service. Moreover, if the military service does not exceed thirty-one (31) days, the employee cannot be required to pay more than had he/she remained actively employed.

The time spent on military leave will be treated as continuous employment for the purpose of accruing credited service for vacation leave, personal leave hours, retirement plans, et al. The City must also allow returning employees the chance to make up missed employee contributions to defined contribution pension plans and must make corresponding City contributions.

PARENTAL LEAVE

An employee shall, after the birth of his/her child or adoption of a child, be granted eighty (80) hours of paid parental leave to bond with the child. This time can be taken in a block of time or intermittently as needed. This grant will expire and must conclude within twelve (12) months after the birth or adoption. In those instances where both spouses are covered by this provision, such leaves may be taken either concurrently or consecutively. Requests for time off must follow the same process as requests for sick, personal and vacation leave.

4.1 (h) REQUESTS FOR TIME OFF

Whenever requesting time off (with or without pay), employees must request approval from their supervisor by completing the Request for Absence Report or by sending an email to their supervisor.

4.1 (i) LEAVE OF ABSENCES – WITHOUT PAY

Regular full-time employees may be granted leaves of absence without pay as determined by the City Manager. All requests for leave shall be in writing with the terms of the leave set forth in writing when approved.

4.1 (j) MEDICAL COVERAGE DURING LEAVES OF ABSENCE

If an employee is provided group health insurance prior to the leave of absence, the employee is entitled to the continuation of the group health insurance coverage during an approved FMLA leave. If family member coverage is provided to an employee, family member coverage will also be maintained during the FMLA leave. Employees on workers compensation, who have a qualifying "serious health condition" under FMLA, are also entitled to continue their group health insurance coverage.

If leave hours are being used during the FMLA leave, the employee's share of group health plan premiums will be deducted through payroll deduction. If the employee is not using leave hours, and is therefore on an unpaid FMLA leave, the employee must make arrangements to pay the normal employee portion of the insurance premiums in order to maintain insurance coverage. Other authorized deductions (i.e. FSA contributions, co-pays, etc.) still apply during the leave period and will be billed to the employee as necessary.

Group health insurance coverage shall terminate after the first thirty (30) days when an employee is on an unpaid, non-FMLA leave of absence, or any other unpaid leave of absence except in a worker's compensation related situation where sixty (60) days shall govern rather than thirty (30) days. For leaves in excess of 30/60 calendar days, the employee will be required to pay the full premium. (See also COBRA.)

If the employee chooses not to return to work for reasons other than a continued serious health condition of the employee or the employee's family for a circumstances beyond the employee's control, the City will require the employee to reimburse the City the amount it paid for the employee's health insurance premium during the leave period.

4.2 BENEFIT PLANS

4.2 (a) RETIREMENT BENEFITS

Defined Benefit Plan

For all regular full-time non-union employees, the City contributes to the Municipal Employees Retirement System (MERS) C-1 Plan (1.5 factor). Vesting is ten (10) years of service. (Employees hired prior to April 1, 2012 have a bridged benefit that has a B-4 Plan (2.5 factor) with a frozen Final Average Compensation (FAC) until April 1, 2012 and continue with the C-1 Plan after that date). Both plans have a five (5) year FAC.

Defined Contribution Plan

For all regular full-time non-union employees, the City also contributes 5.6% of gross wages and 3% of base wages to the 457 Deferred Compensation Plan. In addition, the City will match up to an additional 1.9% of employee's base compensation, equal to the employee's contribution, whichever is less.

All employees and elected officials are eligible to participate through payroll deduction (without a City match) in the 457 Deferred Compensation Plan.

4.2 (b) MEDICAL/DENTAL/VISION INSURANCE

The City offers the option for regular full-time active employees, who are normally scheduled to work 30 hours or more per week, to participate in one of at least two health plans which include medical, dental, and vision coverage. Plan descriptions and options may vary from year-to-year. Selection is made at time of hire, or thereafter, during the annual open enrollment. The City and employees share premium costs, which are subject to change. The insurance policies themselves govern the terms and conditions of benefits. Contact Human Resources for complete plan details.

Part-time employees who average 30 or more hours per week during their measurement period may be eligible for the City's health plan; however the employee would be required to pay 100% (of full) cost. (For more details on the eligibility period, please see the Plan Document and Summary Plan Description for the City of Charlevoix Health and Welfare Benefit Plan available in Human Resources or the Treasurer's Office.)

Beginning October 1, 2014, retired employees (union and non-union) will not have access to the City's health care plans, unless employee elects COBRA as defined in Section 4.12.

4.2 (c) SECTION 125 PLAN AND FLEXIBLE SPENDING ACCOUNT

If offered, all regular full-time employees have access to a pre-tax Section 125 Plan and the option to establish a Flexible Spending Account (FSA) for the employee and dependent.

4.2 (d) MEDICAL OPT-OUT REIMBURSEMENT

The City will pay an annual cash reimbursement, based on the single coverage limit (set annually) that a public employer may contribute to a medical benefit plan set forth in MCL 15.563, as amended by 2013 Public Act 270, for the employee who elects not to participate in 1-Person (single), 2-Person (double) or family coverage.

To be eligible the employee must provide written certification that they waive their right to enroll in a City heath care plan and proof of the employee's non-City provided health care insurance coverage.

Payment of the reimbursement will be made in twelve equal payments in the first paycheck of each month. (These reimbursement amounts are not wages for purposes such as retirement, overtime, etc., and are taxable income unless they are directly deposited into the City provided Section 125 Plan.)

4.3 HEALTH SAVINGS ACCOUNT (HSA)

The HSA is an employee-owned, IRS-defined, savings account for use on eligible medical expenses. It is used in conjunction with a High Deductible Health Plan (HDHP). This policy applies to all regular full-time employees covered by the City's HSA/HDHP health insurance plan option. Current employees who select the HSA/HDHP option may be offered a City HSA lump sum contribution. The payment would be effective the date of qualified plan coverage.

New employees selecting HSA/HDHP coverage will receive a prorated HSA contribution at hire, payable on the paycheck of the following month.

The City will deposit HSA contributions to a City-approved participating bank of the employee's choice. Employees may contribute additional pre-tax monies into their HSA through payroll deduction, up to the legal limits imposed by the IRS. Changes to the payroll deduction amount may be made during open enrollment and/or no more than two other times during the plan year.

All rules pertaining to the use of HSA accounts and funds are governed by current IRS regulations and are the responsibility of the employee. Nothing in this policy creates an obligation on the part of the City which is inconsistent or prohibited by current State or Federal rules, regulations or laws regarding such plans.

4.4 LIFE INSURANCE

The City shall provide group life insurance benefits to regular full-time employees in the amount of their yearly salary up to a maximum of $50,000 with an accidental death and dismemberment rider. Life insurance benefits will gradually reduce once the employee reaches age 65.

Beginning May 1, 2014, all future retired employees (union and non-union) will not have access to the City's life insurance plan.

4.5 OTHER INSURANCE

The City may offer regular employees (either regular full-time or part-time or both) the ability to purchase other forms of insurance, such as AFLAC, at the employee's own expense. Such offerings are approved by the City Manager and subject to change.

4.6 MEMBERSHIPS

The City will pay dues for membership in trade or professional organizations and service clubs as approved in advance by the City Manager or department head. Attendance at related meetings during regular work hours must be approved in advance by the City Manager or department head.

4.7 EDUCATION/TUITION ASSISTANCE

The City is interested in supporting the growth and development of its employees. As a means to this end, the City may provide education/tuition assistance to regular full-time employees who have a minimum of one year (12 months) of continuous service. Assistance includes tuition costs associated with formal education beyond the ongoing certification and training required or mandated to remain up-to-date or advance in an employee's current position.

Application must be made to the department head for job-related or otherwise appropriate coursework from an accredited institution of higher education utilizing the approved request form. Advance approval from the department head is required. Scheduling of classes may also require prior approval of the department head if the class may interfere with a work schedule.

Requests will be considered for approval based on the following:

- Relevance to the employee's current position
- Whether or not the employee is on an associate, baccalaureate or advanced (master, doctorate) degree track. Such tracks will receive preference.
- Available funding
- Applications will be processed based on each department's budgeted amount for employee education/tuition.

All costs for registration, application, fees, books, supplies, deposits, and the like, shall be paid by the employee. The City will reimburse 50% of tuition costs only, provided that

- A grade of "C" or better is received in an undergraduate or professional-level course.
- A grade of "B" or better is received in a graduate level course.
- The college bill, receipt of payment, and academic grade are submitted to the supervisor for final approval within 30 days of completion of a class.
- The course or tuition is not eligible for reimbursement under the G.I. Bill, scholarships, grants, or by any other organization.

The City will not reimburse for classes graded "incomplete" or "withdrawn" under any circumstances.

No more than four (4) credit hours per semester or term, and a total of no more than two (2) courses or eight (8) credit hours each fiscal year for each employee will be approved (subject to the departmental educational allotment). Under unusual circumstances or conditions, exceptions to this policy or procedures may be considered by the City Manager providing the requisite department budget has funds available to cover the associated costs.

There will be no requirement for the employee to repay the City for coursework, except as provided below:

- If the City provides financial support for an individual employee for an associate, bachelor, or advanced degree, the employee agrees to remain a City employee for two (2), four (4) and five (5) years respectively upon completion of the degree.
- Should the employee leave active employment, or conduct him/herself in a manner that results in termination with the City within two (2), four (4) and five (5) years of completion of the

program, as described above, he/she agrees to reimburse the City for all actual costs expended by the City for the program on a pro-rated/percentage of time remaining on the original commitment. (For example, if an employee completes a bachelor's degree and then leaves after two years, the employee is responsible for repaying the City 50% of the funds expended by the City for the education.)

4.8 MISCELLANEOUS EMPLOYEE BENEFITS/DISCOUNTS

Employment at various recreational facilities owned by the City of Charlevoix bring with it the ability for employees to utilize these facilities at times when they are not on the time clock at the facility. Those opportunities include:

- Mt. McSauba Ski Area employees and one dependent are allowed to ski for free.
- Charlevoix Municipal Golf Club employees will be allowed to golf for free.

City 10% Employee Discounts* on the following:

- One (1) pavilion rental per year at 10% off. Employee must sign the agreement and be present during the rental.
- 10% off registered programs over $5 (for employee or dependents). Discount excludes trips, extra material fees, tournaments and leagues. Certain programs are not eligible for 10% discount due to instructor contracts, registrants will be informed at the time of registration.
- 10% off employee admission to the Charlevoix Golf Club, Mt. McSauba Ski Hill, Ice Rink and Skate Park.
- 10% off employee season passes to the Charlevoix Golf Club, Mt. McSauba Ski Hill, Ice Rink and Skate Park.

**10% City Employee Discount cannot be combined with other discounts or promotions*

4.9 SOCIAL SECURITY AND MEDICARE

Each employee contributes a percentage of earnings to Social Security/Medicare through payroll deduction. The City contributes similar amounts to the employee's Social Security/Medicare accounts with the U.S. Government. Benefits include retirement income, survivor benefits, and medical benefits. Questions concerning Social Security accounts or benefits should be directed to the Social Security Administration, U.S. Government (www.socialsecurity.gov).

4.10 UNEMPLOYMENT AND WORKER COMPENSATION

The City participates in Michigan's unemployment program as required by law. Questions regarding the unemployment program should be directed to the Unemployment Insurance Agency (www.michigan.gov/uia). Questions regarding worker compensation should be directed to the Human Resource Assistant or the Alternate Workers Compensation Coordinator.

4.11 FAMILY AND MEDICAL LEAVE ACT (FMLA)

Eligible employees may take up to 12 weeks of unpaid, job-protected leave in any 12 month period, known as "family and medical leave." The 12 month period is determined based on a rolling 12-month period measured backward from the date an employee uses his/her FMLA leave.

Eligibility To be eligible for family and medical leave, employees must:

1. Have been employed for at least 12 months in the last seven years (which do not need to be consecutive) by the City; and,
2. Have worked at least 1,250 hours for the City during the twelve months immediately preceding the beginning of requested leave; and

3. Be employed at a worksite where 50 or more employees are located within 75 miles of the worksite.

An eligible part-time employee (less than 40 hours a week for purposes of this policy) is entitled to FMLA leave on a pro-rated basis only.

Reasons for Taking Leave Family and medical leave may be taken for any one, or for a combination of the following reasons:

1. The birth and newborn care of an employee's child after birth, or placement of a child with the employee for adoption or foster care or
2. To care for an employee's spouse, child or parent (but not in-law) who has a serious health condition; or
3. For the employee's own serious health condition that makes the employee unable to perform one or more of the essential functions of the employee's job; and/or
4. Because of any qualifying exigency arising out of the fact that an employee's spouse, son, daughter or parent is a covered military member on covered active duty (any deployment of an Armed Service member to a foreign country) or in the National Guard or Reserves who has been notified of an impending call or order to covered active duty status (deployment to a foreign country).
5. To care for the employee's spouse, son, daughter, parent or next of kin who is a covered service member.

A Serious Health Condition means an illness, injury, impairment or physical or mental condition which involves either inpatient care at a medical facility or continuing treatment by a licensed health care provider for a condition that either prevents the employee from performing the functions of the employee's job, or prevents the qualified family member from participating in school or other daily activities. Subject to certain conditions, the continuing treatment requirement may be met by a period of incapacity of more than three consecutive calendar days for an incapacity that requires at least two visits to a health care provider or one visit and a regimen of continuing treatment, or incapacity due to pregnancy, or incapacity due to a chronic condition. The first treatment must be within 7 days of the first day of incapacity, and the two treatments must occur within 30 days of the first day of incapacity unless there are extenuating circumstances. Treatment by a health care provider means an in person visit.

A Qualifying Exigency In general, leave may be taken because of a "Qualifying Exigency" where the team member's spouse, son, daughter or parent is on active duty or is called to active duty for any of the following reasons:

- To address issues that arise from an impending call or order to active duty 7 or less calendar days before deployment during that 7 day notice period.

- To attend an official ceremony, program or event sponsored by the military that is related to the call to active duty or active duty of the Military Member.

- To attend certain family support or assistance programs and informational briefings related to the call to active duty or active duty of the Military Member.

- To arrange for alternative child care when the call to duty or active duty necessitates a change in existing arrangements.

- To provide child care on an urgent, immediate basis (but not on a routine, regular or everyday basis), when the need arises because of the call to active duty or active duty.

- To enroll in or transfer a child to a new school or day care facility when necessitated by the call to active duty or active duty.

- To attend meetings with team member at a school or day care facility when attendance is necessary due to circumstances arising from the call to active duty or active duty.

- To make or update financial or legal arrangements to address the covered Military Member's absence caused by the call to active duty or active duty.

- To act as the Military Member's representative before a government agency concerning military service benefits while he/she is called to active duty and for 90 days following termination of active duty.

- To attend counseling for the covered Military Member or his/her child or certain other dependents.

- To spend up to 15 calendar days with the Military Member or his/her child or certain other dependents on leave for rest and recuperation.

- To attend ceremonies and reintegration briefings and events sponsored by the military during the 90 day period following termination of active service.

- To attend to issues surrounding the death of the Military Member.

- To care for a Military Member's parent who is incapable of self-care when the care is necessitated by the member's covered active duty (including making arrangements for alternative care, providing care on an immediate basis, admitting or transferring the parent to a care facility, or attending meetings with team member at a care facility.

- To address miscellaneous matters which arise out of the call to active duty or active duty provided the team member and FCB agree that such leave is a "qualifying exigency" and further agree as to the timing, frequency and duration of the leave.

Injured Service Member Leave/Additional Military Family Leave Entitlement

An eligible employee who is the spouse, son, daughter, parent or next of kin of a covered service member is entitled to take up to 26 weeks of leave during a single 12 month period to care for the service member with a serious injury or illness. Leave to care for a service member shall only be available on a per injury basis during a single 12 month period and when combined with other FMLA-qualifying leave, may not exceed 26 weeks during the single 12 month period. The single 12 month period begins on the first day an eligible employee takes leave to care for the injured service member. Additional leave may be granted during a subsequent 12 month period for a different injury to the same covered Military Member or for an injury to a different Military Member.

A covered service member means a member of the Armed Forces, including a member of the National Guard or Reserves, who is undergoing medical treatment, recuperation, or therapy, is otherwise in outpatient status, or is on the temporary retired list, for a serious injury or illness; and

veterans who are undergoing medical treatment for a serious injury or illness sustained in the line of duty and who were members of the armed forces within five years preceding the need for such treatment. A member of the Armed Forces would have a serious injury or illness if he/she has incurred an injury or illness in the line of duty while on active duty in the Armed Forces provided that the injury or illness may render the service member medically unfit to perform duties of the member's office, grade, rank or rating.

Duration of Leave Eligible employees may receive up to 12 workweeks of unpaid leave during any "rolling" 12 month period, measured backward from the date of any family or medical leave requested and/or used. Family and medical leave involving the birth or placement of a child for adoption or foster care must be concluded within 12 months of the birth or placement. Each time an individual takes such a leave, the individual's remaining entitlement would be any balance of the 12 weeks which has not been used during the immediately preceding 12 months. When both spouses are employed by the City, they are entitled to a total of twelve weeks of leave (rather than 12 weeks each) for the birth or placement of a child.

In addition, as outlined above, an employee may be entitled to an additional 14 weeks to care for an injured service member.

Eligible employees may take family and medical leave intermittently – which means taking leave in blocks of time, or by reducing one's normal weekly or daily work schedule – whenever it is medically necessary to care for a seriously ill family member, because the employee is seriously ill and unable to work, for qualified exigency leave or for military caregiver leave. Intermittent leave is not permitted for the birth of a child or placement of a child for adoption or foster care.

No Work While on Leave – working for another employer or taking another job while on family/medical leave or any other authorized leave of absence is grounds for immediate termination, to the extent permitted by law.

Pay and Benefits - time off during the FMLA Leave will be unpaid. The individual's coverage under the City's group health plan will be maintained during the leave. Vacation and personal time for employees will not accrue during the unpaid FMLA Leave. An employee may choose to use any available accrued sick, personnel or vacation time while the employee is on FMLA.

Health Benefits Eligible employees and (if applicable) their families remain eligible to participate as employees under the group health plan during one's family and medical leave. This coverage will be provided if the employee or the employee's family was covered under the plan before the leave was taken and on the same terms as if the employee had continued to work. Under this leave the employee can continue to maintain medical insurance coverage at regular employee rates by paying the employee's share of health plan premiums while on leave.

If the employee chooses not to return to work for reasons other than a continued serious health condition of the employee or the employee's family for a circumstance beyond the employee's control, the City will require the employee to reimburse the City the amount it paid for the employee's health insurance premium during the leave period.

Job Restoration Upon returning from a family and medical leave, eligible employees will normally be restored to their original job, or to an equivalent job with equivalent pay, benefits, and other employment terms and conditions, the same as if they had not taken the leave of absence. The purpose is for employees to be in as good a position as they would have been if they had not needed to take this leave.

In addition, use of family and medical leave cannot result in the loss of any employment benefit that employees earned or were entitled to before using family and medical leave.

The exception to this is situations where job restoration of key employees will cause substantial and grievous economic injury. In such situations, the City will notify employees if they qualify as "key employees" if it intends to deny reinstatement, and of their rights in such instances.

Notice of Eligibility For and Designation of FMLA Leave

Employees requesting FMLA leave are entitled to receive written notice from the City telling them whether they are eligible for FMLA leave and, if not eligible, the reasons why they are not eligible. When eligible for FMLA leave, employees are entitled to receive written notice of their rights and responsibilities in connection with such leave; the City designation of leave as FMLA qualifying or non-qualifying, and if not FMLA qualifying, the reasons why; and the amount of leave, if known, that will be counted against the employee's leave entitlement. The City will provide the employee with the Department of Labor (DOL) Notice of Eligibility and Rights Form WH381 (http://www.dol.gov) and provide a written response to the employee's request for FMLA leave using the DOL Designation Notice Form WH-382 (http://www.dol.gov).

The City may retroactively designate leave as FMLA leave with appropriate written notice to employees provided the City's failure to designate leave as FMLA-qualifying at an earlier date did not cause harm or injury to the employee. In all cases where leaves qualify for FMLA protection, the City and employee can mutually agree that leave be retroactively designated as FMLA.

Employee Obligations

Provide Notice – Employees who take FMLA leave must provide 30 days advance notice of the need to take FMLA leave when the need is foreseeable. When 30 days notice is not possible, or the approximate timing of the need for leave is not foreseeable, employees must provide the City with notice of the need for leave as soon as practicable under the facts and circumstances of the particular case. Employees who fail to give 30 day notice for foreseeable leave without a reasonable excuse for the delay, or otherwise fail to satisfy FMLA notice obligations, may have FMLA leave delayed or denied.

Notice Content – Employees must inform the FMLA Coordinator of the need for FMLA-qualifying leave and the anticipated timing and duration of the leave, if known. Employees may do this either by requesting FMLA leave specifically, or explaining the reasons for leave so as to allow the City to determine that the leave is FMLA-qualifying.

Calling in sick without providing the reasons for the needed leave will not be considered sufficient notice for FMLA leave under this policy. Employees must respond to the City's questions to determine if absences are potentially FMLA-qualifying.

If employees fail to explain the reasons for FMLA leave, the leave may be denied. When employees seek leave due to FMLA-qualifying reasons for which the City has previously provided FMLA-protected leave, they must specifically reference the qualifying reason for the leave or the need for FMLA leave.

When Requesting Intermittent or Reduced Schedule Leave – When requesting intermittent or reduced schedule leave for planned medical treatment for the employee or a family member, including during a period of recovery from a serious health condition or to care for a covered service member, employees must consult with the City and make a reasonable effort to schedule

treatment so as not to unduly disrupt the City operations, subject to approval from the health care provider. Employees must consult with the City prior to the scheduling of treatment to work out a treatment schedule that best suits the needs of both the City and the employees, subject to the approval of an employee's health care provider. If employees providing notice of the need to take FMLA leave on an intermittent basis for planned medical treatment neglect to fulfill this obligation, the City may require employees to attempt to make such arrangements, subject to the approval of the employee's health care provider.

The City may temporarily transfer employees during the period that the intermittent or reduced leave schedules are required to alternative positions with equivalent pay and benefits for which the employees are qualified and which better accommodate recurring periods of leave.

When employees seek intermittent leave or a reduced leave schedule for reasons unrelated to the planning of medical treatment, employees must advise the City of the reason why such leave is medically necessary, upon request. When intermittent or reduced schedule need is sought, the City and employee shall attempt to work out a leave schedule that meets the employee's needs without unduly disrupting the City operations, subject to the approval of the employee's health care provider.

Submit Medical Certifications
Depending on the type of FMLA leave sought, employees may be required to submit medical certifications supporting their need for FMLA leave. The certifications may include an initial certification, a re-certification and a return to work/fitness for duty certification.

It is the employee's responsibility to provide the City with timely, complete and sufficient medical certifications. Whenever the City requests employees to provide FMLA medical certifications, the employee must provide it within 15 calendar days after the request unless it is not practicable to do so despite an employee's diligent, good faith efforts. The City shall inform employees if submitted certifications are incomplete or insufficient and provide employees at least seven calendar days to cure deficiencies. The City will deny FMLA leave to employees who fail to timely cure deficiencies or otherwise fail to timely submit requested medical certifications.

With the employee's permission, the City (through individuals other than the employee's direct supervisor) may contact the employee's health care provider to authenticate or clarify completed and sufficient medical certifications. If employees choose not to provide the City with authorization allowing it to clarify or authenticate certifications with health care providers, the City may deny FMLA leave if certifications are unclear. In its sole discretion, the City may waive its right to receive timely, complete and/or sufficient FMLA medical certifications.

Initial Medical Certifications – Employees requesting leave because of their own, or a covered relative's serious health condition, or to care for a covered service member, must supply medical certification supporting the need for such leave from their health care provider or, if applicable, the health care provider of the covered family or service member. The certification must state the date when the serious health condition commenced; probable duration of the employee or family member's condition or the estimated period of time during which the employee will be needed to care for the family member; and all appropriate medical facts upon which the opinion is based. Medical certification for employee's serious health condition will be provided using the DOL Certification of Health Care Provider for Employee's Serious Health Condition Form WH-380-E (http://www.dol.gov/). Medical certification for the family member's serious health condition will be provided using the DOL Certification of Health Care Provider for Family Member's Serious Health Condition Form WH-380-F (http://www.dol.gov/).

If the employee has provided 30 day notice of the need for leave, certification should be submitted before the leave begins. A new initial medical certification will be required on an annual basis for serious medical conditions lasting beyond a single leave year.

Certification must be provided within 15 calendar days of the request, unless not feasible under the circumstances. Failure to provide timely certification will result in denial of leave until the certification is provided.

The City may require a second medical opinion by an independent physician of its choice (and, in some cases a third opinion by a mutually agreeable physician) at the City's expense as a condition of the granting of FMLA Leave based on a serious health condition.

Medical Recertification – Depending on the circumstances and duration of FMLA leave, the City may require employees to provide recertification of medical conditions giving rise to the need for leave. The City will notify employees if recertification is required and will give employees at least 15 calendar days to provide medical recertification.

Keeping in contact with the City while on a FMLA Leave is important. Individuals are required to contact the Human Resources at least every 14 days regarding the expected length of the leave and when he/she intends to return to work. The City may require re-certification by the individual's health care provider every 30 days to support continuation of a leave based on a serious health condition.

Certifications for Military Family Leave (Exigency) – When employees seek leave due to qualifying exigencies arising out of the active duty or call to active duty status of a covered military member, the City may require employees to provide: 1) a copy of the covered military member's active duty orders or other documentation issued by the military indicating the covered military member is on active duty or call to active duty status and the dates of the covered military member's active duty service; and 2) a certification from the employee setting forth information concerning the nature of the qualifying exigency for which leave is requested. Employees shall provide a copy of new active duty orders or other documentation issued by the military for leaves arising out of a different active duty or call to active duty status of the same or a different covered military member.

When leave is taken to care for a covered service member with a serious injury or illness, the City may require employees to obtain certifications completed by an authorized health care provider of the covered service member. This certification will be provided using the DOL Certification for Serious Injury or Illness of Covered Service Member Form WH-385 (http://www.dol/gov/). In addition, and in accordance with the FMLA regulations, the City may request that the certification submitted by employees set forth additional information provided by the employee and/or the covered service member confirming entitlement to such leave.

Return to Work/Fitness for Duty Medical Certifications

Certification to return to work - Before returning to work, an individual who has been on FMLA Leave because of the individual's serious health condition must provide a certification from the individual's licensed health care provider that the individual is able to resume work and perform the essential functions of the job, with or without reasonable accommodation. Reinstatement will be denied until the required certification is provided.

Returning to work - Upon completion of FMLA Leave, an employee will be restored to the position held when the leave began, or to an equivalent position with the same or substantially equivalent position with the same or substantially similar benefits, pay and working conditions. Reinstatement to the same position with the same benefits may not be available in such a case where the employee's position or benefits change or have been eliminated during the employee's FMLA Leave.

If an exempt employee is among the highest paid ten percent of the City's employees and within 75 miles of his/her worksite, such an individual may be denied reinstatement if it would impose a substantial economic injury to the City. The City will notify the employee if he/she is a "highly compensated" employee, if the City intends to deny reinstatement, and of one's rights in such instances.

Failure to return to work - An employee who fails to return to work after the expiration of FMLA Leave will be considered a voluntary resignation. The City may recover from the employee the cost of any payments made to maintain the individual's health care coverage during the leave, unless the failure to return to work was due to reasons beyond the employee's control.

General Rules of Leave

Employees may elect to use or the City may require employee to use, any accrued paid time while taking unpaid FMLA Leave. The substitution of paid time for unpaid FMLA leave time does not extend the length of FMLA Leave and the paid time will run concurrently with an employee's FMLA entitlement.

Upon written request where allowed by law, the City will allow employees to use accrued paid time to supplement any paid benefits the employee is receiving while on leave.

Leaves of absence taken in connection with a disability leave plan (e.g. sick and accident) or worker's compensation injury/illness shall run concurrently with any FMLA Leave entitlement.

Vacation and personal time for non-exempt employees will not accrue during the FMLA Leave.

Employees will be subject to immediate termination of employment for:

1. Failure to return to work as scheduled following the end of a medical or family leave;
2. Failure to return to work within the maximum time allowed for a leave;
3. Providing false or misleading information or omitting certain information in connection with a family or medical leave;
4. Working for any other business or entity unless prior approval is given by the City Manager in writing;
5. Failure to provide any periodic updates required by the City; or,
6. Violation of any of the City's rules and regulations relating to a family or medical leave (or any other policy).

Intent to Return to Work From FMLA Leave

On a basis that does not discriminate against employee on FMLA leave, the City may require an employee on FMLA leave to report periodically on the employee's status and intent to return to work.

4.12 COBRA

There is a Federal law called COBRA (Consolidated Omnibus Reconciliation Act) which requires the City to offer employees and/or their dependents the opportunity to continue their own health

care and dental care benefits when certain events occur that would terminate participation under the plan. The City does not pay any COBRA costs.

Initial notice of continuation coverage rights under COBRA

For employees covered by one of the City's health care plans (the Plan), this notice contains important information about the employee's right to COBRA continuation coverage, which is a temporary extension of coverage under the Plan. The right to COBRA continuation coverage was created by the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). COBRA continuation coverage can become available to employees and to other members of their family who are covered under the Plan when the employee would otherwise lose their group health coverage. The purpose of this notice is to generally explain COBRA continuation coverage, when it may become available to the employee and their family, and what the employee needs to do to protect the right to receive it. This notice gives only a summary of COBRA continuation coverage rights. For more information about rights and obligations under the Plan and under Federal law, review the Summary Plan Description which can be obtained from the Plan Administrator. The Plan Administrator contact is the City Manager, 210 State Street, Charlevoix, Michigan, 49720, (231) 547-3270. The Plan Administrator is responsible for administering COBRA continuation coverage.

COBRA continuation coverage is a continuation of Plan coverage when coverage would otherwise end because of a life event known as a "qualifying event." Specific qualifying events are listed later in this notice. COBRA continuation coverage must be offered to each person who is a "qualified beneficiary." A qualified beneficiary is someone who will lose coverage under the Plan because of a qualifying event. Depending on the type of qualifying event, employees, spouses of employees, and dependent children of employees may be qualified beneficiaries. Under the Plan, qualified beneficiaries who elect COBRA continuation coverage must pay for COBRA continuation coverage.

An employee will become a qualified beneficiary if the employee will lose his/her coverage under the Plan because either one of the following qualifying events happens:

1. Hours of employment are reduced, or
2. Employment ends for any reason other than gross misconduct.

The spouse of an employee will become a qualified beneficiary if he/she will lose coverage under the Plan because any of the following qualifying events happens:

1. Spouse dies;
2. Spouse's hours of employment are reduced;
3. Spouse's employment ends for any reason other than his/her gross misconduct;
4. Spouse becomes enrolled in Medicare (Part A, Part B, or both); or
5. Divorced or legally separated.

Dependent children will become qualified beneficiaries if they will lose coverage under the Plan because any of the following qualifying events happens:

1. The parent-employee dies;
2. The parent-employee's hours of employment are reduced;
3. The parent-employee's employment ends for any reason other than his/her gross misconduct;
4. The parent-employee becomes enrolled in Medicare (Part A, Part B, or both);
5. The parents become divorced or legally separated; or
6. The child stops being eligible for coverage under the plan as a "dependent child."

The Plan will offer COBRA continuation coverage to qualified beneficiaries only after the Plan Administrator has been notified that a qualifying event has occurred. When the qualifying event is the end of employment or reduction of hours of employment, death of the employee, or enrollment of the employee in Medicare (Part A, Part B, or both), the City must notify the Plan Administrator of the qualifying event within 30 days following the date coverage ends.

For the other qualifying events (divorce or legal separation of the employee and spouse or a dependent child's losing eligibility for coverage as a dependent child), the City must notify the Plan Administrator. The Plan requires the employee to notify the Plan Administrator within 60 days after the qualifying event occurs. Notice must be sent to: City Manager, 210 State Street, Charlevoix, Michigan, 49720, (231) 547-3270.

Once the Plan Administrator receives notice that a qualifying event has occurred, COBRA continuation coverage will be offered to each of the qualified beneficiaries. For each qualified beneficiary who elects COBRA continuation coverage, COBRA continuation coverage will begin on the date that Plan coverage would otherwise have been lost.

COBRA continuation coverage is a temporary continuation of coverage. When the qualifying event is the death of the employee, enrollment of the employee in Medicare (Part A, Part B, or both), divorce or legal separation, or a dependent child losing eligibility as a dependent child, COBRA continuation coverage lasts for up to 36 months.

When the qualifying event is the end of employment or reduction of the employee's hours of employment, COBRA continuation coverage lasts for up to 18 months. There are two ways in which this 18 month period of COBRA continuation coverage can be extended.

1. If the employee or anyone in his/her family covered under the Plan is determined by the Social Security Administration to be disabled at any time during the first 60 days of COBRA continuation coverage and the employee notifies the Plan Administrator in a timely fashion, the employee and his/her entire family can receive an additional 11 months of COBRA continuation coverage, for a total maximum of 29 months. The employee must make sure that the Plan Administrator is notified of the Social Security Administration's determination within 60 days of the date of determination and before the end of the 18 month period of COBRA continuation coverage. This notice should be sent to: City Manager, 210 State Street, Charlevoix, Michigan, 49720, (231) 547-3270.
2. If the employee's family experiences another qualifying event while receiving COBRA continuation coverage, the spouse and dependent children in the employee's family can get additional months of COBRA continuation coverage, up to a maximum of 36 months. This extension is available to the spouse and dependent children if the former employee dies, enrolls in Medicare (Part A, Part B, or both), or gets divorced or legally separated. The extension is also available to a dependent child when that child stops being eligible under the Plan as a dependent child. In all of these cases, the employee must make sure that the Plan Administrator is notified of the second qualifying event within 60 days of the second qualifying event. This notice should be sent to: City Manager, 210 State Street, Charlevoix, Michigan, 49720, (231) 547-3270.

The employee must keep the Plan Administrator informed of any address changes for the employee and his/her qualified beneficiaries.

Questions about COBRA continuation coverage should be directed to the City Manager, 210 State Street, Charlevoix, Michigan, 49720, (231) 547-3270 or an employee may contact the

nearest Office of the U.S. Department of Labor Employee Benefits Security Administration (EBSA), the addresses of which can be found at www.dol.gov.

It is imperative that an employee notify the City immediately of any of the above changes that the City would not already know about, such as divorce or dependent child eligibility. Additional information will be provided at that time with instructions regarding application, payment, and deadlines.

4.13 LONGEVITY

Full-time and *part-time year-round employees shall be paid an annual longevity payment based on length of service with the City of Charlevoix according to the following schedule:

Years of Service As of December 1st	Annual Payment
Five (5)	$200.00
Ten (10)	$300.00
Fifteen (15)	$400.00
Twenty (20)	$500.00
Twenty-Five (25)	$600.00
Thirty (30)	$700.00

This payment will be made on the first pay period following December 1st of each year.

*If employee was at seasonal status and changes to year-round part-time status, the City will use the date employee changed their status to Part-time as the hire date for longevity purposes.

SECTION 5: SAFETY POLICIES

5.1 EQUIPMENT

Employees should operate machinery only when they have been instructed in its safe use. This includes all City vehicles, powered grounds keeping equipment, and power tools. Employees are expected to report all equipment damage, defects and/or problems to their supervisor as soon as possible so that appropriate repairs are made.

5.2 PROTECTIVE DEVICES

Protective devices such as safety glasses, hard hats, and other safety equipment are provided as required to regular employees and must be worn as required.

Proper goggles will be provided and must be worn when grinding, chipping, welding, solvent cleaning, or doing any work where flying particles may cause injury to the eyes. Safety glasses are REQUIRED in the shop (MUST be OSHA approved). If the employee wears prescription glasses, he/she MUST have OSHA approved prescription lenses and side shields, or wear safety glasses over his/her prescription glasses.

Disposable hearing protection is provided upon request and non-disposable types may be available by special request.

Leather shoes which have low heels, rubber heels and soles, or any other common shoe that enclose the feet are required in the shop. However, tennis shoes are not allowed for sheet metal

shop personnel. Steel-toed work shoes are encouraged for all sheet metal shop personnel or persons working around any type of power equipment.

Seasonal employees shall be required to wear protective (steel-toed) footwear in any City department that requires the same of regular employees and/or if the seasonal employee is engaged in lawn-mowing, weed whipping, or any other activities which may cause injury to feet. The seasonal employee is responsible for providing their own protective footwear and will be forbidden from performing any task that requires same until appropriately protected. All other required safety equipment for the seasonal employee will be provided by the City.

5.2 (a) PROTECTIVE DEVICE REIMBURSEMENT

The City will reimburse a full-time regular employee for the cost incurred for the "safety lens option" (must provide a doctor receipt specifying the additional cost of the safety lens) if the employee is required to wear safety glasses and the department head has determined "generic" non-prescription glasses are not appropriate.

The City will pay an annual flat amount to full-time regular employees required to wear safety shoes.

5.3 REPORTING ACCIDENTS, INJURIES, AND SAFETY VIOLATIONS

All accidents involving City employees or City vehicles must be reported immediately to the employee's department head, Treasurer, and Human Resource Assistant, and an Incident Report must be completed on each accident. It is especially important to complete an Incident Report if there is damage to property or any possible indication of liability on the part of the City, its employees, or its agents.

In case of any injury, NO MATTER HOW SLIGHT, the injury must be reported to one's supervisor or a manager immediately. An employee should not treat one's own or a co-workers injuries or remove foreign particles from the eye, unless under emergency circumstances. Failure to report injuries promptly may exclude the employee from benefits to which he/she may otherwise be entitled.

The City's number one priority is to create the safest working environment for all employees. The City is committed to fully investigate any and all claims of safety violations. The City expects all employees to immediately report any safety violation to his/her supervisors. Failure to do so endangers not only the employee but co-workers.

5.4 HAZARDOUS MATERIALS

All pertinent information concerning chemicals used by the City is included in a Material Safety Data Sheet (MSDS) located in a notebook in City Hall and at appropriate City buildings. The City's written Hazard Communication Program is also included in the MSDS notebook.

5.5 SAFETY RULES

It is the policy of the City to provide and maintain safe working conditions, to follow operating practices that will safeguard all employees, and to create safe working conditions and efficient operations.

The City expects all employees to be safety conscious and to assist in finding conditions at work sites and offices that might cause an accident. If the employee notices or suspects unsafe conditions, he/she should notify one's supervisor or a manager immediately.

1. Horseplay (including throwing of objects or water), and practical joking can result in serious injuries or death and are strictly prohibited and punishable. Yelling, whistling, loud radio playing or any other kind of confusion that could cause a delay in calling for assistance is not allowed.
2. Equipment is to be used only for its intended purpose.
3. Poor housekeeping can be the cause of accidents, wasted material, and wasted time. Maintain clear aisles, stack material neatly and solidly, return tools and equipment to their proper storage places, and keep floors clean and clear of debris. Stairways and exits must be clear at all times.
4. Report any irregularity in equipment immediately to one's supervisor or a manager. Do NOT operate until inspected and/or repaired.
5. Keep tools and equipment in clean, good condition and ensure that they are properly positioned to avoid slipping.
6. Do NOT use chairs or stools to stand on. Use approved ladders; ensure that they are properly positioned to prevent slipping.
7. When repairing any power equipment the employee must be authorized to work on such equipment and follow proper lockout and blocking procedures.

The Charlevoix City Council met on Monday, June 18, 2018 with Mayor Luther Kurtz presiding. All Councilmembers were present. The following is an excerpt from the official records of said meeting:

Motion by Cole, seconded by Kalbfell, to approve Ordinance No. 793 of 2018, as follows:

CITY OF CHARLEVOIX
ORDINANCE NO. 793 of 2018

AN ORDINANCE TO AMEND THE CODE OF THE CITY OF CHARLEVOIX BY ADDING A NEW CHAPTER, WHICH NEW CHAPTER SHALL BE DESIGNATED AS CHAPTER 10 OF TITLE 1 – ADMINISTRATION OF SAID CODE

THE CITY OF CHARLEVOIX ORDAINS:

SECTION 1. Title I, Chapter 10, Sections 1.801 through 1.806 of the City Code are hereby added as follows:

CHAPTER 10
ETHICAL CONDUCT

1.801. Ethical Conduct.

(1) The citizens of Charlevoix are entitled to have fair, ethical and accountable local government that has earned the public's full confidence for integrity.

(2) Furthermore, the effective functioning of democratic government requires that public officials, both elected and appointed, comply with both the letter and spirit of the laws and policies affecting the operations of government; public officials be independent, impartial and fair in their judgment and actions; public office be used for the public good, not for personal gain; and public deliberations and processes be conducted openly, unless legally confidential, in an atmosphere of respect and civility.

(3) To this end, the Charlevoix City Council adopts this ordinance to assure public confidence in the integrity of local government and its effective and fair operation. Serving in local government is the holding of public trust. This trust should never be undermined.

In all actions, employees, the City Manager, and City Council members will adhere to all local, state and federal laws regulating ethical action. Various professional codes of ethics and other similar documents may be used to supplement determinations of ethical conduct.

1.802. Conflicts of Interest.

(1) Conflicts of interest will naturally occur from time to time and in such cases when they may or do in fact arise, should be presented publicly to diminish the potential of actual or perceived special interests.

(2) *Definitions.* For the purpose of this subchapter, the following definitions shall apply unless the context clearly indicates or requires a different meaning.

(a) "Conflict of interest" may occur when action by the city, either through its employees, its boards, committees, commissions or other such bodies, or the City Council, could be construed as impacting negatively or positively an interest of an employee or Council Member, his or her relatives, business or financial investments, property, or other interests.

(b) "Immediate family" shall mean the spouse, child, parents, brother, sister, half- sister, half-brother or the spouses of any listed relatives. All relationships shall include those arising from adoption and marriage.

(c) "City Council", except where specifically referred to, shall refer to the Mayor and each member of the City Council.

(d) "Boards, Commissions, Committees" shall refer to those boards, committees, commissions, or other bodies created by statute, local ordinance, resolution, local policy and any and all subcommittees those bodies may, from time to time, create.

(3) City Council reporting of conflicts of interest.

(a) If a case may arise when a Council Member or the Mayor has a conflict of interest, he or she shall make known the potential conflict in open session when City Council business might involve such interest. The Council Member or Mayor need not provide detail on the potential conflict so as to injure a client or patient relationship.

(b) In addition to the general rule on conflicts of interest above, the following specific conflicts of interest are specifically prohibited:

(i) *Holding of other offices.* No Council Member shall hold any other city office or employment during the term for which they were elected to the Council except where specifically allowed by the Charter and/or statute.

(ii) *Voting involving a conflict of interest.* No member of the Council shall vote on any question in which he, she or a member of their immediate family as defined in this subchapter, has a financial interest, other than the common public interest, or on any question concerning his or her own conduct. Council Members who may have a financial interest shall state such interest and then refrain from debating, commenting, or otherwise seeking to influence the Council on such question.

(iii) If a member of City Council believes that another member of City Council has a conflict, he or she shall raise such perceived conflict. If the member in question does not concede a conflict, the majority of the remaining Council Members may vote to prohibit that Council Member or the Mayor who may have a conflict from participating in that item of business. The Council shall solely be the judge of its own members and the Mayor.

(4) Board, Committee, Commission Conflicts of interest.

(a) If a case may arise when a member of a board, committee, or commission has a conflict of interest, he or she shall make known the potential conflict in open session when the body might conduct business involving such interest. The member need not provide detail on the potential conflict so as to injure a client or patient relationship.

(b) In addition to the general rule on conflicts of interest above, the following specific conflicts of interest are specifically prohibited:

(i) *Voting involving a conflict of interest.* No member of the body shall vote on any question in which he, she or a member of their immediate family as defined in this subchapter, has a financial interest, other than the common public interest, or on any question concerning his or her own conduct. Members who may have a financial interest shall state such interest and then refrain from debating, commenting, or otherwise seeking to influence the Council on such question.

(ii) If a member believes that another member has a conflict, he or she shall raise such perceived conflict. If the member in question does not concede a conflict, the majority of the remaining body members may vote to prohibit that member who may have a conflict from participating in that item of business.

(5) City Manager reporting of conflicts of interest.

(a) If a case may arise when the City Manager has a conflict of interest, he or she shall make written notification of such conflict to the Mayor and the City Clerk. To the extent possible, the City Manager's involvement in the situation will be minimized to avoid the appearance of impropriety. The City Manager's conduct shall at all times be in accord with the ICMA Code of Ethics.

(b) It shall not be deemed a conflict of interest by the City Manager to enforce or cause to be enforced zoning or ordinance violations in keeping with standard practice. It shall also not be deemed a conflict of interest for action to be taken by the city to improve or otherwise conduct normal public activities in the neighborhood where the City Manager may reside.

(6) *Employee reporting of conflicts of interest.* If a case may arise when an employee of the city or the city's Attorney, Auditor, or other professional contractor may have a conflict of interest, he, she, or the corporation, partnership or entity shall promptly report such conflict or potential conflict to the City Manager. The City Manager shall determine what steps if any may be necessary to avoid the potential for preferential or adverse action because of the conflict.

(7) *Council appearance before other bodies.* City Council shall not appear before or seek to influence members of other Boards, Commissions, or Committees except when they may be appointed to such body, serve as a member by virtue of statute or Charter, or may be invited to address the body by a majority vote of the body.

(8) *General prohibition.* The City Council, board, committee, and commission members, the City Manager, and city employees should not take any special advantage of services, goods or opportunity for personal gain that is not available to the public in general.

1.803. Statutory Prohibitions.

In accord with Public Act 196 of 1973 (being M.C.L.A. §§ 15.342 et seq.) the following shall apply to members of the City Council, the City Manager, and all other employees of the city.

(1) *Confidential information.* The City Council, the City Manager, or an employee shall not divulge to an unauthorized person, confidential information acquired in the course of employment in advance of the time prescribed for its authorized release to the public.

(2) *Personal opinions.* The City Council, the City Manager, or an employee shall not represent his or her personal opinion as that of the city.

(3) *Use of city resources.* The City Council, the City Manager, or an employee shall use city personnel resources, property, and funds judiciously and solely in accordance with prescribed constitutional, statutory, and regulatory procedures and not for personal gain or benefit.

(4) *Acceptance of gifts.* The City Council, the City Manager, or an employee shall not solicit or accept a gift or loan of money, goods, services, or other thing of value for the benefit of a person or organization, other than the state, which tends to influence the manner in which the public officer or employee or another public officer or employee performs official duties.

(5) *Use of office for private gain.* The City Council, the City Manager or an employee shall not engage in a business transaction in which the public officer or employee may profit from his or her official position or authority or benefit financially from confidential information which the person has obtained or may obtain by reason of that position or authority. Instruction which is not done during regularly scheduled working hours except for annual leave or vacation time shall not be considered a business transaction pursuant to this division if the instructor does not have any direct dealing with or influence on the employing or contracting facility associated with his or her course of employment with this state.

(6) *Outside employment.* The City Council, the City Manager, or an employee shall not engage in or accept employment or render services for a private or public interest when that employment or service is incompatible or in conflict with

the discharge of the officer or employee's official duties or when that employment may tend to impair his or her independence of judgment or action in the performance of official duties.

(7) *Negotiation for private gain.* Except in cases of an employment agreement or contract, the City Council, the City Manager, or an employee shall not participate in the negotiation or execution of contracts, making of loans, granting of subsidies, fixing of rates, issuance of permits or certificates, or other regulation or supervision relating to a business entity in which the person has a financial or personal interest.

1.804. Non-Discrimination.

The city will not discriminate against any person in the provision of public service or employment on the basis of gender, race, creed, age, sexual orientation, language proficiency, income level, or any other legally protected classification. Such non-discrimination provisions may be limited by state or federal law.

1.805. Promulgation.

(1) The City Manager is authorized to draft policies, procedures, and other documents necessary to enforce provisions of this subchapter. To the extent deemed necessary, statements from this subchapter may be appended to contracts with outside vendors and contractors. The City Manager may also revise the city's Personnel Policy as needed to reflect this subchapter.

(2) Upon approval of this ordinance and upon assuming office, the Mayor, Council Members, board, committee, and commission members, the City Manager and employees the City Manager may designate from time to time shall affirm their commitment to ethical conduct and this ordinance by signing the form below:

As a _____ of the City of Charlevoix, I agree to uphold the Ethical Conduct Ordinance of the City of Charlevoix and conduct myself by the following model of excellence. I will:

- *Recognize the worth of all individuals and appreciate their individual talents, perspectives, and contributions;*
- *Help create an atmosphere of respect and civility where individual members, City staff, and the public are free to express their ideas and work to their full potential;*
- *Respect the dignity and privacy of individuals and organizations;*
- *Respect and maintain the nature of confidential and privileged information and opinions acquired as a result of my position;*
- *Conduct my public affairs with honesty, integrity, fairness and respect for others;*
- *Avoid and discourage conduct that is divisive or harmful to the best interests of Charlevoix; and*
- *Keep the common good as my highest purpose and focus on achieving constructive solutions for the public benefit.*

I affirm that I have read and fully understand the Code of Ethics for the City of Charlevoix.

_____ _____

Signed *Dated*

1.806. Penalty.

(1) *Violations by Council members and board, commission, and committee members.* Violation of any provision of by a member of the City Council or a board, commission, committee may be punishable by action of the City Council to censure, reprimand, or otherwise discipline its own members or those of a board. Additionally, violations may also be felonies or misdemeanors under state or federal law.

(2) *Violations by employees.* Violation of any provision may subject an employee to punishment up to and including termination. In addition to employment disciplinary action, the city may seek remedy in a court of competent jurisdiction for damages.

SECTION 2. Severability.

No other portion, paragraph or phase of the Code of the City of Charlevoix, Michigan shall be affected by this Ordinance except as to the above sections, and in the event any portion, section or subsection of this Ordinance shall be held invalid for any reason, such invalidation shall not be construed to affect the validity of any other part or portion of this Ordinance or of the Code of the City of Charlevoix, Michigan.

SECTION 3. Effective Date.

This Ordinance shall become effective thirty (30) days after its enactment.

Ordinance No. 793 of 2018 was adopted on the 18th day of June, 2018 A.D., by the Charlevoix City Council as follows:

Motion by: Cole
Seconded by: Kalbfell

Yeas: Kalbfell, Bryan, Hagen, Perron, Oleksy, Cole
Nays: None
Absent: None

State of Michigan
City of Charlevoix } §

Luther Kurtz, Mayor
Joyce M. Golding, Clerk

CERTIFICATION

I, the undersigned, City Clerk of the City of Charlevoix, Charlevoix County, Michigan, do hereby certify that the foregoing is a true and complete copy of Ordinance No. 793 of 2018 adopted by the City Council of the City of Charlevoix, County of Charlevoix, State of Michigan, at a regular meeting held on June 18, 2018 and published in the *Charlevoix Courier* on June 22, 2018, the original of which is on file in my office and available to the public. Public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267 of the Michigan Public Acts of 1976.

Dated: June 22, 2018

Joyce M. Golding
Joyce M. Golding, City Clerk

Motion by Councilmember Bob Timms, seconded by Councilmember Sherm Chamberlain to approve 2006-03-01 as follows:

CITY OF CHARLEVOIX
RESOLUTION No. 2006-03-01
RESOLUTION ESTABLISHING
SOCIAL SECURITY NUMBER PRIVACY POLICY

At a regular meeting of the Charlevoix City Council held in the Charlevoix City Hall located at 210 State Street, Michigan, on March 6, 2006.

PRESENT: Council members Gabe Campbell, Sherm Chamberlain, Shirley Gibson, Bill Haggard, Bob Timms, and Gene Beer
ABSENT: None

Recitals

WHEREAS, the Michigan Social Security Number Privacy Act, Public Act 454 of 2004, MCL 445.81 *et seq.,* (the "Act") requires a person who obtains one or more social security numbers in the ordinary course of business (including a local unit of government) to create a privacy policy concerning social security numbers that complies with the requirements of the Act; and

WHEREAS, the Charlevoix City Council desires to comply with the Act and hereby creates the following Social Security Number Privacy Policy.

Resolution

NOW, THEREFORE, BE IT RESOLVED that the Charlevoix City Council hereby establishes the following Social Security Number Privacy Policy for the City:

1. Purpose:
The City of Charlevoix (the "City") is required by the Michigan Social Security Number Privacy Act, Public Act 454 of 2004, MCL 445.81 *et seq.,* (the "Act") to create a privacy policy concerning the social security numbers that it possesses or obtains. This Privacy Policy, therefore, sets forth the City's policies and procedures regarding how social security numbers are obtained, stored, transferred, used, disclosed and disposed.

2. Policy:
It is the policy of the City to protect the confidentiality of social security numbers obtained in the ordinary course of city business from employees, vendors, contractors, customers or others. No city official or employee shall knowingly obtain, store, transfer, use, disclose, or dispose of a social security number that the City obtains or possesses, except in accordance with the Act and this Privacy Policy.

3. Procedure:

A. Obtaining Social Security Numbers. Social security numbers should be collected only where required by Federal and state law or as otherwise permitted by Federal and state law for legitimate reasons consistent with the Act and this Privacy Policy. When the City obtains a social security number, the individual from whom the social security is obtained shall be entitled to know the purpose, intended use, whether the number is required to be provided by law, and the consequences of not providing the number.

Legitimate reasons for collecting a social security number include, but are not limited to:

- Applicants may be required to provide a social security number for purposes of a pre-employment background check.
- Copies of social security cards may be obtained for purposes of verifying employee eligibility for employment in accordance with the Immigration Reform and Control Act.
- Social security numbers may be obtained from employees for tax reporting purposes (i.e., IRS Form W-4), for new hire reporting or for purposes of enrollment in any City employee benefit plans.
- Social security numbers may be obtained from creditors or vendors for tax reporting purposes (i.e., IRS Form 1089).

- Social security numbers may be obtained to verify an individual's identity related to accounts, transactions and services with the City.

- Social security numbers may be obtained to investigate an individual's claim, credit, criminal, or driving history.

- Social security numbers may be obtained to detect, prevent, or deter identity theft or another crime.

- Social security numbers may be obtained to lawfully investigate, collect, or enforce a child or spousal support obligation or tax liability.

B. Public Display. All or more than four sequential digits of a social security number shall not be publically displayed and shall not be placed on identification cards, badges, time cards, employee rosters, bulletin boards, permits, licenses or any other materials or documents designed for public display. Documents, materials or computer screens that display all or more than four sequential digits of a social security number shall be kept out of public view at all times.

C. Account Numbers. Except as permitted by the Act, all or more than four sequential digits of a social security number shall not be used as a primary account number for an individual.

D. Computer Transmission. All or more than four sequential digits of a social security number shall not be used or transmitted on the Internet or on a computer system or network and shall not be used to gain access to a computer system or network, unless the connection is secure or the transmission is encrypted.

E. Mailed Documents. City documents containing all or more than four sequential digits of a social security number shall not be intentionally mailed to a person, unless one of the following exceptions apply. In addition, any document or information mailed or otherwise sent to an individual shall not have all or more than four sequential digits of a social security number visible on or, without manipulation, from outside of the envelope or packaging.

(i) State or Federal law, rule, regulation, or court order or rule authorizes, permits, or requires that a social security number appear on the document.

(ii) The document is sent as part of an application or enrollment process initiated by the individual.

(iii) The document is sent to establish, confirm the status of, service, amend, or terminate an account, contract, policy, or employee or health insurance benefit or to confirm the accuracy of a social security number of an individual who has an account, contract, policy, or employee or health insurance benefit.

(iv) The document or information is a public record and is mailed by the City in compliance with the Michigan Freedom of Information Act.

(v) The document or information is a copy of a vital record as provided by law and is mailed to a person entitled to receive that record.

(vi) The documentation or information is mailed by or at the request of an individual whose social security number appears in the document or information or his or her parent or legal guardian.

(vii) State or Federal law authorizes, permits or otherwise requires the mailing of the document containing all or more than four sequential digits of the social security number.

F. Freedom of Information Act. Where all or more than four sequential digits of a social security number are contained within a document subject to disclosure under the Freedom of Information Act, the social security number shall be redacted or otherwise rendered unreadable before the document or copy of a document is disclosed.

G. Storage. All documents containing social security numbers shall be stored in a physically secure manner. Social security numbers shall not be stored on computers or other electronic devices that are not secured against unauthorized access.

H. Retention and Access to Social Security Numbers.

(i) All records containing social security numbers (whether partial or complete) will be maintained in secured files.

(ii) All paper records containing social security numbers must be stamped "Confidential," "Controlled Document," or some similar identifying mark.

(iii) Only personnel who have a legitimate business reason will have access to records containing social security numbers. The department heads having access to records containing social security numbers shall determine which other personnel within their departments have a legitimate reason in the City's ordinary course of business to have access to such social security numbers.

(a) Employees whose jobs entail regular access to records containing social security numbers shall be trained in the requirements of the Act and this Privacy Policy.

(b) Where a record containing a social security number is to be disseminated to persons outside of the City of Charlevoix, to persons within the City of Charlevoix who are not authorized or trained in the Act and this Privacy Policy, or where the social security number is not relevant to the purpose for which the record is being shared, the social security number shall be redacted or otherwise rendered unreadable.

(iv) Employees using records containing social security numbers will take appropriate steps to secure such records when not in immediate use. Such steps may include:

(a) Placing such records in a locked desk or file drawer when not in use.

(b) Using password protection or screen-savers on computers and computerized records to prevent unauthorized access to or viewing of such records by others.

(v) Inactive records containing social security numbers will be retained in accordance with the requirements of state and Federal laws and then destroyed in a manner that continues to ensure this confidentiality. For purposes of this Privacy Policy, "inactive records" are those where there is no longer a current employee, supplier or customer relationship.

I. Disposal. Documents containing social security numbers shall be retained in accordance with the requirements of state and Federal laws. At such time as documents containing social security numbers are disposed of, such disposal shall be accomplished in a manner that protects the confidentiality of the social security numbers, such as shredding.

J. Unauthorized Use or Disclosure of Social Security Numbers. The City shall take reasonable measures to enforce this Privacy Policy and to correct and prevent the reoccurrence of any known violations. Any employee, who knowingly obtains, uses or discloses social security numbers for unlawful purposes or contrary to the requirements of this Privacy Policy shall be subject to discipline up to and including discharge. Additionally, certain violations of the Act carry criminal and/or civil sanctions. The City will cooperate with appropriate law enforcement or administrative agencies in the apprehension and prosecution of any person who knowingly obtains, uses or discloses social security numbers through the City for unlawful purposes.

4. Exceptions to Privacy Policy:

A. Authorized Use of Social Security Numbers. This Privacy Policy shall not apply to the use of all or more than four sequential digits of a social security number that is authorized or required by state or Federal law, by court order or rule, or pursuant to legal discovery or process.

B. Agencies Authorized to Use Social Security Numbers. This Privacy Policy shall not apply to the use of all or more than four sequential digits of a social security number by officers of the Charlevoix City Police and the City Attorney as part of a criminal investigation.

C. Authorized Disclosure of Social Security Numbers. This Privacy Policy shall not apply to the disclosure of all or more than four sequential digits of a social security number to a title IV-D agency, law enforcement agency, court, or prosecutor as part of a criminal investigation or prosecution.

RESOLVED this 6th day of March, 2006.

Resolution adopted by the following yea and nay votes:
Yeas: Campbell, Chamberlain, Gibson, Haggard, Timms, and Beer
Nays: None
Absent: None

RESOLUTION DECLARED ADOPTED.

CITY OF CHARLEVOIX

By: _____
Norman Carlson, Jr., Mayor

CERTIFICATION

I, the undersigned, the Clerk of the City of Charlevoix, Charlevoix County, Michigan, do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Council of the City of Charlevoix, County of Charlevoix, State of Michigan, at its regular meeting held on March 6th, 2006, the original of which is on file in my office and available to the public. Public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267 of the Michigan Public Acts of 1976.

Dated: 07/03/06

_____
_____
_____
Carol A. Ochs, Clerk

CHARLEVOIX CITY COUNCIL

Public Hearings and Actions Requiring Public Hearings

TITLE: Set Public Hearing: International Property Maintenance Code Ordinance

DATE: September 20, 2021

PRESENTED BY: Jonathan Scheel, Zoning Administrator

BACKGROUND:

Currently the City does not have any type of property maintenance code. The only tool the City has to address dilapidated structures is the City's Dangerous Building's Ordinance. To initiate an action using the Dangerous Building Ordinance a structure has to be significantly degraded or damaged, usually to the point that it is economically unfeasible to repair or restore the structure. The City goals, adopted by the City Council included the goal of "Increase Housing Availability". To help achieve that goal staff is asking the Planning Department to work on "developing a property maintenance standard ordinance to provide additional tools for improving substandard housing units." The Planning Commission has reviewed the International Property Maintenance Code (IPMC) and recommended approval by City Council.

Given the experiences with dilapidated buildings over the past few of years, and the time and effort required to enforce the dangerous building ordinance, a property maintenance code could offer a more efficient and less time-consuming enforcement tool while advancing the City's goal to increase housing availability. A property maintenance code would provide the City the ability to intervene to require deteriorating structures that have defects to be corrected prior to becoming unfixable issues. The IPMC is developed by the International Code Council (ICC). The ICC is a nonprofit member-based association that develops a wide variety of model codes. Historically, model codes were prepared by several different code bodies such as Building Officials Code Administrators International, Inc. (BOCA), Southern Building Code Congress International (SBCCI), and the International Conference of Building Officials (ICBO). With different bodies developing different codes the application of the varying standards across jurisdictions was very difficult for builders, architects, manufactures and other users of the codes. In 1999, the code bodies began to work together to prepare a unified code under the auspices of the ICC. The ICC is dedicated to developing a minimum set of standards to be used in the design, building and maintenance of safe, sustainable and affordable structures. The first set of ICC codes were published in 2000 and included the International Building Codes. ICC Codes have since been adopted in all 50 states and the IPMC has been adopted by many municipalities in Michigan and throughout the country. In Michigan the International Building Codes developed by the ICC were adopted by the State of Michigan and are now the State of Michigan Construction Code. The State Construction Code does reference the IPMC and it could be enforced by municipalities that have adopted the State Construction Code. In Charlevoix County, the choice has been made not to enforce the IPMC so municipalities would need to adopt the code individually if the municipality wished to enforce it. In Charlevoix County the City of East Jordan has adopted the IPMC. Boyne City recently has adopted the code. Other northern Michigan city's that have adopted the code are Petoskey, Cheboygan and Alpena. In the cities of Petoskey and Cheboygan the code is enforced by the police departments, in the City of Alpena they have their own building department that enforces the code, in City of East Jordan the enforcement is done by the zoning administrator. There are several benefits to simply adopting the IPMC by reference including the following: • Thoroughness - The IPMC is drafted with input from code compliance officers, industry officials, and other interested parties. The codes are carefully formulated with input from specialists in the fields, municipal entities, and members of the public. As such, it is less likely that a particular issue will "slip through the cracks." • Balance – Because the code is created with the input of various perspectives, it tends to represent a balance between the needs of the industry,

the concerns of the public, and the interests of code enforcement. • Readability – as the IPMC has been in place for a significant time, its provisions have been honed over the years to eliminate ambiguity and improve clarity.
• Ease of Enforcement – The IPMC has gained acceptance as a definitive code in the industry and in the court system. This makes its enforcement less subject to challenge than an untested local code provision. Also, contractors are more likely to be familiar with (and therefore more likely to comply with) the code provisions of the IPMC than a tailored local code, lowering the overall number of potential violations. A licensed contractor should not be able to plead ignorance.
• Ease of Adoption – If the City adopts the IPMC by reference, it will not be burdened with creating its own property maintenance code. The IPMC is a copyrighted document (as are other codes), so a municipality that is copying and pasting code provisions from other sources runs the risk of unintentionally violating copyright laws. Adoption by reference avoids the risk and the burden of creating a new code.
• Ease of Amendment – If the City adopts the IPMC by reference and has the latest manual available for inspection and review by citizens, the City will not be burdened with frequent reviews of its property maintenance code to determine if an update is needed; it will simply be a matter of having the most recent version on file. One of the primary concerns that has been expressed with proposed adoption of the IPMC has been how it will be enforced. This is an understandable concern and all of the northern Michigan municipalities that have adopted the IPMC had similar concerns expressed during the adoption process. In all cases these concerns have not materialized. While it is staff's position that would also be the case in Charlevoix, if the IPMC is adopted it is suggested that City Council also adopt an enforcement policy ensure the ordinance is enforced as intended. A draft enforcement policy can be provided with the Ordinance for your consideration. The City of Charlevoix Planning Commission has recommended approval of this for the City Council.

RECOMMENDATION:

Motion to set a public hearing to receive input regarding the adoption of the International Property Maintenance Code for October 18, 2021 at 6pm in Council Chambers of City Hall.

ATTACHMENTS:

- International Property Maintenance Code
- Ordinance

2018

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PREFACE

Introduction

The *International Property Maintenance Code*® (IPMC®) establishes minimum requirements for the maintenance of existing buildings through model code regulations that contain clear and specific property maintenance and property improvement provisions. This 2018 edition is fully compatible with all of the *International Codes*® (I-Codes®) published by the International Code Council® (ICC®), including the *International Building Code*®, *International Energy Conservation Code*®, *International Existing Building Code*®, *International Fire Code*®, *International Fuel Gas Code*®, *International Green Construction Code*®, *International Mechanical Code*®, *International Plumbing Code*®, *International Private Sewage Disposal Code*®, *International Residential Code*®, *International Swimming Pool and Spa Code*®, *International Wildland-Urban Interface Code*®, *International Zoning Code*® and *International Code Council Performance Code*®.

The I-Codes, including this *International Property Maintenance Code*, are used in a variety of ways in both the public and private sectors. Most industry professionals are familiar with the I-Codes as the basis of laws and regulations in communities across the U.S. and in other countries. However, the impact of the codes extends well beyond the regulatory arena, as they are used in a variety of nonregulatory settings, including:

- Voluntary compliance programs such as those promoting sustainability, energy efficiency and disaster resistance.
- The insurance industry, to estimate and manage risk, and as a tool in underwriting and rate decisions.
- Certification and credentialing of individuals involved in the fields of building design, construction and safety.
- Certification of building and construction-related products.
- U.S. federal agencies, to guide construction in an array of government-owned properties.
- Facilities management.
- "Best practices" benchmarks for designers and builders, including those who are engaged in projects in jurisdictions that do not have a formal regulatory system or a governmental enforcement mechanism.
- College, university and professional school textbooks and curricula.
- Reference works related to building design and construction.

In addition to the codes themselves, the code development process brings together building professionals on a regular basis. It provides an international forum for discussion and deliberation about building design, construction methods, safety, performance requirements, technological advances and innovative products.

Development

This 2018 edition presents the code as originally issued, with changes reflected in the 2003 through 2015 editions and further changes developed through the ICC Code Development Process through 2016. A new edition of the code is promulgated every 3 years.

This code is intended to establish provisions that adequately protect public health, safety and welfare; that do not unnecessarily increase construction costs; that do not restrict the use of new materials, products or methods of construction; and that do not give preferential treatment to particular types or classes of materials, products or methods of construction.

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Maintenance

The *International Property Maintenance Code* is kept up to date through the review of proposed changes submitted by code enforcement officials, industry representatives, design professionals and other interested parties. Proposed changes are carefully considered through an open code development process in which all interested and affected parties may participate.

The ICC Code Development Process reflects principles of openness, transparency, balance, due process and consensus, the principles embodied in OMB Circular A-119, which governs the federal government's use of private-sector standards. The ICC process is open to anyone; there is no cost to participate, and people can participate without travel cost through the ICC's cloud-based app, cdpAccess®. A broad cross section of interests are represented in the ICC Code Development Process. The codes, which are updated regularly, include safeguards that allow for emergency action when required for health and safety reasons.

In order to ensure that organizations with a direct and material interest in the codes have a voice in the process, the ICC has developed partnerships with key industry segments that support the ICC's important public safety mission. Some code development committee members were nominated by the following industry partners and approved by the ICC Board:

- American Institute of Architects (AIA)
- National Association of Home Builders (NAHB)

The code development committees evaluate and make recommendations regarding proposed changes to the codes. Their recommendations are then subject to public comment and council-wide votes. The ICC's governmental members—public safety officials who have no financial or business interest in the outcome—cast the final votes on proposed changes.

The contents of this work are subject to change through the code development cycles and by any governmental entity that enacts the code into law. For more information regarding the code development process, contact the Codes and Standards Development Department of the International Code Council.

While the I-Code development procedure is thorough and comprehensive, the ICC, its members and those participating in the development of the codes disclaim any liability resulting from the publication or use of the I-Codes, or from compliance or noncompliance with their provisions. The ICC does not have the power or authority to police or enforce compliance with the contents of this code.

Code Development Committee Responsibilities (Letter Designations in Front of Section Numbers)

In each code development cycle, proposed changes to this code are considered at the Committee Action Hearings by the International Property Maintenance Code Development Committee, whose action constitutes a recommendation to the voting membership for final action on the proposed changes. Proposed changes to a code section having a number beginning with a letter in brackets are considered by a different code development committee. For example, proposed changes to code sections that have the letter [F] in front of them (e.g., [F] 704.1) are considered by the International Fire Code Development Committee at the Committee Action Hearings.

The content of sections in this code that begin with a letter designation is maintained by another code development committee in accordance with the following:

[A] = Administrative Code Development Committee;

[F] = International Fire Code Development Committee;

[P] = International Plumbing Code Development Committee;

[BE] = IBC—Egress Code Development Committee; and

[BG] = IBC—General Code Development Committee.

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For the development of the 2021 edition of the I-Codes, there will be two groups of code development committees and they will meet in separate years.

Group A Codes (Heard in 2018, Code Change Proposals Deadline: January 8, 2018)	**Group B Codes (Heard in 2019, Code Change Proposals Deadline: January 7, 2019)**
International Building Code – Egress (Chapters 10, 11, Appendix E) – Fire Safety (Chapters 7, 8, 9, 14, 26) – General (Chapters 2–6, 12, 27–33, Appendices A, B, C, D, K, N)	Administrative Provisions (Chapter 1 of all codes except IECC, IRC and IgCC, administrative updates to currently referenced standards, and designated definitions)
International Fire Code	**International Building Code** – Structural (Chapters 15–25, Appendices F, G, H, I, J, L, M)
International Fuel Gas Code	**International Existing Building Code**
International Mechanical Code	**International Energy Conservation Code—Commercial**
International Plumbing Code	**International Energy Conservation Code—Residential** – IECC—Residential – IRC—Energy (Chapter 11)
International Property Maintenance Code	**International Green Construction Code** (Chapter 1)
International Private Sewage Disposal Code	**International Residential Code** – IRC—Building (Chapters 1–10, Appendices E, F, H, J, K, L, M, O, Q, R, S, T)
International Residential Code – IRC—Mechanical (Chapters 12–23) – IRC—Plumbing (Chapters 25–33, Appendices G, I, N, P)	
International Swimming Pool and Spa Code	
International Wildland-Urban Interface Code	
International Zoning Code	
Note: Proposed changes to the ICC *Performance Code*™ will be heard by the code development committee noted in brackets [ ] in the text of the ICC *Performance Code*™.	

Code change proposals submitted for code sections that have a letter designation in front of them will be heard by the respective committee responsible for such code sections. Because different committees hold Committee Action Hearings in different years, proposals for the IPMC will be heard by committees in both the 2018 (Group A) and the 2019 (Group B) code development cycles.

For instance, every section of Chapter 1 of this code is designated as the responsibility of the Administrative Code Development Committee, which is part of the Group B portion of the hearings. This committee will hold its Committee Action Hearings in 2019 to consider code change proposals for Chapter 1 of all I-Codes except the *International Energy Conservation Code, International Residential Code* and *International Green Construction Code*. Therefore, any proposals received for Chapter 1 of this code will be assigned to the Administrative Code Development Committee for consideration in 2019.

It is very important that anyone submitting code change proposals understand which code development committee is responsible for the section of the code that is the subject of the code change proposal. For further information on the code development committee responsibilities, please visit the ICC website at www.iccsafe.org/scoping.

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Marginal Markings

Solid vertical lines in the margins within the body of the code indicate a technical change from the requirements of the 2015 edition. Deletion indicators in the form of an arrow (➡) are provided in the margin where an entire section, paragraph, exception or table has been deleted or an item in a list of items or a table has been deleted.

Coordination of the International Codes

The coordination of technical provisions is one of the strengths of the ICC family of model codes. The codes can be used as a complete set of complementary documents, which will provide users with full integration and coordination of technical provisions. Individual codes can also be used in subsets or as stand-alone documents. To make sure that each individual code is as complete as possible, some technical provisions that are relevant to more than one subject area are duplicated in some of the model codes. This allows users maximum flexibility in their application of the I-Codes.

Italicized Terms

Words and terms defined in Chapter 2, Definitions, are italicized where they appear in code text and the Chapter 2 definition applies. Where such words and terms are not italicized, common-use definitions apply. The words and terms selected have code-specific definitions that the user should read carefully to facilitate better understanding of the code.

Adoption

The International Code Council maintains a copyright in all of its codes and standards. Maintaining copyright allows the ICC to fund its mission through sales of books, in both print and electronic formats. The ICC welcomes adoption of its codes by jurisdictions that recognize and acknowledge the ICC's copyright in the code, and further acknowledge the substantial shared value of the public/private partnership for code development between jurisdictions and the ICC.

The ICC also recognizes the need for jurisdictions to make laws available to the public. All I-Codes and I-Standards, along with the laws of many jurisdictions, are available for free in a nondownloadable form on the ICC's website. Jurisdictions should contact the ICC at adoptions@iccsafe.org to learn how to adopt and distribute laws based on the *International Property Maintenance Code* in a manner that provides necessary access, while maintaining the ICC's copyright.

To facilitate adoption, several sections of this code contain blanks for fill-in information that needs to be supplied by the adopting jurisdiction as part of the adoption legislation. For this code, please see:

Section 101.1. Insert: [NAME OF JURISDICTION]

Section 103.5. Insert: [APPROPRIATE SCHEDULE]

Section 112.4. Insert: [DOLLAR AMOUNT IN TWO LOCATIONS]

Section 302.4. Insert: [HEIGHT IN INCHES]

Section 304.14. Insert: [DATES IN TWO LOCATIONS]

Section 602.3. Insert: [DATES IN TWO LOCATIONS]

Section 602.4. Insert: [DATES IN TWO LOCATIONS]

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EFFECTIVE USE OF THE INTERNATIONAL PROPERTY MAINTENANCE CODE

The *International Property Maintenance Code* (IPMC) is a model code that regulates the minimum maintenance requirements for existing buildings.

The IPMC is a maintenance document intended to establish minimum maintenance standards for basic equipment, light, ventilation, heating, sanitation and fire safety. Responsibility is fixed among owners, operators and occupants for code compliance. The IPMC provides for the regulation and safe use of existing structures in the interest of the social and economic welfare of the community.

Arrangement and Format of the 2018 IPMC

Before applying the requirements of the IPMC it is beneficial to understand its arrangement and format. The IPMC, like other codes published by ICC, is arranged and organized to follow sequential steps that generally occur during an inspection. The IPMC is divided into eight different parts:

Chapters	Subjects
1	Scope and Administration
2	Definitions
3	General Requirements
4	Light, Ventilation and Occupancy Limitations
5	Plumbing Facilities and Fixture Requirements
6	Mechanical and Electrical Requirements
7	Fire Safety Requirements
8	Referenced Standards

The following is a chapter-by-chapter synopsis of the scope and intent of the provisions of the *International Property Maintenance Code:*

Chapter 1 Scope and Administration. This chapter contains provisions for the application, enforcement and administration of subsequent requirements of the code. In addition to establishing the scope of the code, Chapter 1 identifies which buildings and structures come under its purview. Chapter 1 is largely concerned with maintaining "due process of law" in enforcing the property maintenance criteria contained in the body of the code. Only through careful observation of the administrative provisions can the building official reasonably expect to demonstrate that "equal protection under the law" has been provided.

Chapter 2 Definitions. All terms that are defined in the code are listed alphabetically in Chapter 2. While a defined term may be used in one chapter or another, the meaning provided in Chapter 2 is applicable throughout the code.

Where understanding of a term's definition is especially key to or necessary for understanding of a particular code provision, the term is shown in italics. This is true only for those terms that have a meaning that is unique to the code. In other words, the generally understood meaning of a term or phrase might not be sufficient or consistent with the meaning prescribed by the code; therefore, it is essential that the code-defined meaning be known.

Guidance is provided regarding tense, gender and plurality of defined terms as well as terms not defined in this code.

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Chapter 3 General Requirements. Chapter 3, "General Requirements," is broad in scope. It includes a variety of requirements for the exterior property areas as well as the interior and exterior elements of the structure. This chapter provides requirements that are intended to maintain a minimum level of safety and sanitation for both the general public and the occupants of a structure, and to maintain a building's structural and weather-resistance performance. Chapter 3 provides specific criteria for regulating the installation and maintenance of specific building components; maintenance requirements for vacant structures and land; requirements regulating the safety, sanitation and appearance of the interior and exterior of structures and all exterior property areas; accessory structures; vehicle storage regulations and establishes who is responsible for complying with the chapter's provisions. This chapter also contains the requirements for swimming pools, spas and hot tubs and the requirements for protective barriers and gates in these barriers. Chapter 3 establishes the responsible parties for exterminating insects and rodents, and maintaining sanitary conditions in all types of occupancies.

Chapter 4 Light, Ventilation and Occupancy Limitations. The purposes of Chapter 4 are to set forth these requirements in the code and to establish the minimum environment for occupiable and habitable buildings, by establishing the minimum criteria for light and ventilation and identifying occupancy limitations including minimum room width and area, minimum ceiling height and restrictions to prevent overcrowding. This chapter also provides for alternative arrangements of windows and other devices to comply with the requirements for light and ventilation and prohibits certain room arrangements and occupancy uses.

Chapter 5 Plumbing Facilities and Fixture Requirements. Chapter 5 establishes the minimum criteria for the installation, maintenance and location of plumbing systems and facilities, including the water supply system, water heating appliances, sewage disposal system and related plumbing fixtures.

Sanitary and clean conditions in occupied buildings are dependent upon certain basic plumbing principles, including providing potable water to a building, providing the basic fixtures to effectively utilize that water and properly removing waste from the building. Chapter 5 establishes the minimum criteria to verify that these principles are maintained throughout the life of a building.

Chapter 6 Mechanical and Electrical Requirements. The purpose of Chapter 6 is to establish minimum performance requirements for heating, electrical and mechanical facilities and to establish minimum standards for the safety of these facilities.

This chapter establishes minimum criteria for the installation and maintenance of the following: heating and air-conditioning equipment, appliances and their supporting systems; water heating equipment, appliances and systems; cooking equipment and appliances; ventilation and exhaust equipment; gas and liquid fuel distribution piping and components; fireplaces and solid fuel-burning appliances; chimneys and vents; electrical services; lighting fixtures; electrical receptacle outlets; electrical distribution system equipment, devices and wiring; and elevators, escalators and dumbwaiters.

Chapter 7 Fire Safety Requirements. The purpose of Chapter 7 is to address those fire hazards that arise as the result of a building's occupancy. It also provides minimum requirements for fire safety issues that are most likely to arise in older buildings.

This chapter contains requirements for means of egress in existing buildings, including path of travel, required egress width, means of egress doors and emergency escape openings.

Chapter 7 establishes the minimum requirements for fire safety facilities and fire protection systems, as these are essential fire safety systems.

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Chapter 8 Referenced Standards. The code contains numerous references to standards that are used to regulate materials and methods of construction. Chapter 8 contains a comprehensive list of all standards that are referenced in the code. The standards are part of the code to the extent of the reference to the standard. Compliance with the referenced standard is necessary for compliance with this code. By providing specifically adopted standards, the construction and installation requirements necessary for compliance with the code can be readily determined. The basis for code compliance is, therefore, established and available on an equal basis to the code official, contractor, designer and owner.

Chapter 8 is organized in a manner that makes it easy to locate specific standards. It lists all of the referenced standards, alphabetically, by acronym of the promulgating agency of the standard. Each agency's standards are then listed in either alphabetical or numeric order based upon the standard identification. The list also contains the title of the standard; the edition (date) of the standard referenced; any addenda included as part of the ICC adoption; and the section or sections of this code that reference the standard.

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CHAPTER 1

SCOPE AND ADMINISTRATION

User note:

About this chapter: *Chapter 1 establishes the limits of applicability of the code and describes how the code is to be applied and enforced. Chapter 1 is in two parts: Part 1—Scope and Application (Sections 101 and 102) and Part 2—Administration and Enforcement (Sections 103 – 112). Section 101 identifies which buildings and structures come under its purview and references other I-Codes as applicable.*

This code is intended to be adopted as a legally enforceable document and it cannot be effective without adequate provisions for its administration and enforcement. The provisions of Chapter 1 establish the authority and duties of the code official appointed by the authority having jurisdiction and also establish the rights and privileges of the property owner and building occupants.

PART 1 — SCOPE AND APPLICATION

SECTION 101
GENERAL

[A] 101.1 Title. These regulations shall be known as the *International Property Maintenance Code* of **[NAME OF JURISDICTION]**, hereinafter referred to as "this code."

[A] 101.2 Scope. The provisions of this code shall apply to all existing residential and nonresidential structures and all existing *premises* and constitute minimum requirements and standards for *premises*, structures, equipment and facilities for light, *ventilation*, space, heating, sanitation, protection from the elements, a reasonable level of safety from fire and other hazards, and for a reasonable level of sanitary maintenance; the responsibility of *owners*, an owner's authorized agent, *operator*s and *occupants*; the *occupancy* of existing structures and *premises*, and for administration, enforcement and penalties.

[A] 101.3 Intent. This code shall be construed to secure its expressed intent, which is to ensure public health, safety and welfare insofar as they are affected by the continued *occupancy* and maintenance of structures and *premises*. Existing structures and *premises* that do not comply with these provisions shall be altered or repaired to provide a minimum level of health and safety as required herein.

[A] 101.4 Severability. If a section, subsection, sentence, clause or phrase of this code is, for any reason, held to be unconstitutional, such decision shall not affect the validity of the remaining portions of this code.

SECTION 102
APPLICABILITY

[A] 102.1 General. Where there is a conflict between a general requirement and a specific requirement, the specific requirement shall govern. Where differences occur between provisions of this code and the referenced standards, the provisions of this code shall apply. Where, in a specific case, different sections of this code specify different requirements, the most restrictive shall govern.

102.2 Maintenance. Equipment, systems, devices and safeguards required by this code or a previous regulation or code under which the structure or *premises* was constructed, altered or repaired shall be maintained in good working order. An *owner*, owner's authorized agent, *operator* or *occupant* shall not cause any service, facility, equipment or utility that is required under this section to be removed from, shut off from or discontinued for any occupied dwelling, except for such temporary interruption as necessary while repairs or alterations are in progress. The requirements of this code are not intended to provide the basis for removal or abrogation of fire protection and safety systems and devices in existing structures. Except as otherwise specified herein, the *owner* or the *owner's* authorized agent shall be responsible for the maintenance of buildings, structures and *premises*.

[A] 102.3 Application of other codes. Repairs, additions or alterations to a structure, or changes of *occupancy*, shall be done in accordance with the procedures and provisions of the *International Building Code, International Existing Building Code, International Energy Conservation Code, International Fire Code, International Fuel Gas Code, International Mechanical Code, International Residential Code, International Plumbing Code* and NFPA 70. Nothing in this code shall be construed to cancel, modify or set aside any provision of the *International Zoning Code*.

[A] 102.4 Existing remedies. The provisions in this code shall not be construed to abolish or impair existing remedies of the jurisdiction or its officers or agencies relating to the removal or demolition of any structure that is dangerous, unsafe and insanitary.

[A] 102.5 Workmanship. Repairs, maintenance work, alterations or installations that are caused directly or indirectly by the enforcement of this code shall be executed and installed in a *workmanlike* manner and installed in accordance with the manufacturer's instructions.

[A] 102.6 Historic buildings. The provisions of this code shall not be mandatory for existing buildings or structures designated as historic buildings where such buildings or structures are judged by the *code official* to be safe and in the public interest of health, safety and welfare.

[A] 102.7 Referenced codes and standards. The codes and standards referenced in this code shall be those that are listed in Chapter 8 and considered part of the requirements of this

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code to the prescribed extent of each such reference and as further regulated in Sections 102.7.1 and 102.7.2.

Exception: Where enforcement of a code provision would violate the conditions of the listing of the equipment or appliance, the conditions of the listing shall apply.

[A] 102.7.1 Conflicts. Where conflicts occur between provisions of this code and the referenced standards, the provisions of this code shall apply.

[A] 102.7.2 Provisions in referenced codes and standards. Where the extent of the reference to a referenced code or standard includes subject matter that is within the scope of this code, the provisions of this code, as applicable, shall take precedence over the provisions in the referenced code or standard.

[A] 102.8 Requirements not covered by code. Requirements necessary for the strength, stability or proper operation of an existing fixture, structure or equipment, or for the public safety, health and general welfare, not specifically covered by this code, shall be determined by the *code official*.

[A] 102.9 Application of references. References to chapter or section numbers, or to provisions not specifically identified by number, shall be construed to refer to such chapter, section or provision of this code.

[A] 102.10 Other laws. The provisions of this code shall not be deemed to nullify any provisions of local, state or federal law.

PART 2 — ADMINISTRATION AND ENFORCEMENT

SECTION 103
DEPARTMENT OF PROPERTY MAINTENANCE INSPECTION

[A] 103.1 General. The department of property maintenance inspection is hereby created and the executive official in charge thereof shall be known as the *code official*.

[A] 103.2 Appointment. The *code official* shall be appointed by the chief appointing authority of the jurisdiction.

[A] 103.3 Deputies. In accordance with the prescribed procedures of this jurisdiction and with the concurrence of the appointing authority, the *code official* shall have the authority to appoint a deputy(s). Such employees shall have powers as delegated by the *code official*.

[A] 103.4 Liability. The *code official,* member of the board of appeals or employee charged with the enforcement of this code, while acting for the jurisdiction, in good faith and without malice in the discharge of the duties required by this code or other pertinent law or ordinance, shall not thereby be rendered civilly or criminally liable personally, and is hereby relieved from all personal liability for any damage accruing to persons or property as a result of an act or by reason of an act or omission in the discharge of official duties.

[A] 103.4.1 Legal defense. Any suit or criminal complaint instituted against any officer or employee because of an act performed by that officer or employee in the lawful discharge of duties and under the provisions of this code shall be defended by the legal representative of the jurisdiction until the final termination of the proceedings. The code official or any subordinate shall not be liable for costs in an action, suit or proceeding that is instituted in pursuance of the provisions of this code.

[A] 103.5 Fees. The fees for activities and services performed by the department in carrying out its responsibilities under this code shall be as indicated in the following schedule.

[JURISDICTION TO INSERT APPROPRIATE SCHEDULE.]

SECTION 104
DUTIES AND POWERS OF THE CODE OFFICIAL

[A] 104.1 General. The *code official* is hereby authorized and directed to enforce the provisions of this code. The *code official* shall have the authority to render interpretations of this code and to adopt policies and procedures in order to clarify the application of its provisions. Such interpretations, policies and procedures shall be in compliance with the intent and purpose of this code. Such policies and procedures shall not have the effect of waiving requirements specifically provided for in this code.

[A] 104.2 Inspections. The *code official* shall make all of the required inspections, or shall accept reports of inspection by *approved* agencies or individuals. Reports of such inspections shall be in writing and be certified by a responsible officer of such *approved* agency or by the responsible individual. The *code official* is authorized to engage such expert opinion as deemed necessary to report on unusual technical issues that arise, subject to the approval of the appointing authority.

[A] 104.3 Right of entry. Where it is necessary to make an inspection to enforce the provisions of this code, or whenever the *code official* has reasonable cause to believe that there exists in a *structure* or upon a *premises* a condition in violation of this code, the *code official* is authorized to enter the structure or *premises* at reasonable times to inspect or perform the duties imposed by this code, provided that if such *structure* or *premises* is occupied the *code official* shall present credentials to the *occupant* and request entry. If such structure or *premises* is unoccupied, the *code official* shall first make a reasonable effort to locate the *owner*, owner's authorized agent or other person having charge or control of the *structure* or *premises* and request entry. If entry is refused, the *code official* shall have recourse to the remedies provided by law to secure entry.

[A] 104.4 Identification. The *code official* shall carry proper identification when inspecting *structures* or *premises* in the performance of duties under this code.

[A] 104.5 Notices and orders. The *code official* shall issue all necessary notices or orders to ensure compliance with this code.

[A] 104.6 Department records. The *code official* shall keep official records of all business and activities of the department specified in the provisions of this code. Such records shall be retained in the official records for the period required for retention of public records.

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SECTION 105
APPROVAL

[A] 105.1 Modifications. Whenever there are practical difficulties involved in carrying out the provisions of this code, the *code official* shall have the authority to grant modifications for individual cases upon application of the *owner* or *owner's* authorized agent, provided that the *code official* shall first find that special individual reason makes the strict letter of this code impractical, the modification is in compliance with the intent and purpose of this code and that such modification does not lessen health, life and fire safety requirements. The details of action granting modifications shall be recorded and entered in the department files.

[A] 105.2 Alternative materials, design and methods of construction and equipment. The provisions of this code are not intended to prevent the installation of any material or to prohibit any design or method of construction not specifically prescribed by this code, provided that any such alternative has been *approved*. An alternative material, design or method of construction shall be *approved* where the *code official* finds that the proposed design is satisfactory and complies with the intent of the provisions of this code, and that the material, method or work offered is, for the purpose intended, not less than the equivalent of that prescribed in this code in quality, strength, effectiveness, fire resistance, durability and safety. Where the alternative material, design or method of construction is not *approved*, the *code official* shall respond in writing, stating the reasons why the alternative was not *approved*.

[A] 105.3 Required testing. Whenever there is insufficient evidence of compliance with the provisions of this code or evidence that a material or method does not conform to the requirements of this code, or in order to substantiate claims for alternative materials or methods, the *code official* shall have the authority to require tests to be made as evidence of compliance without expense to the jurisdiction.

[A] 105.3.1 Test methods. Test methods shall be as specified in this code or by other recognized test standards. In the absence of recognized and accepted test methods, the *code official* shall be permitted to approve appropriate testing procedures performed by an *approved* agency.

[A] 105.3.2 Test reports. Reports of tests shall be retained by the *code official* for the period required for retention of public records.

[A] 105.4 Used material and equipment. Materials that are reused shall comply with the requirements of this code for new materials. Materials, equipment and devices shall not be reused unless such elements are in good repair or have been reconditioned and tested where necessary, placed in good and proper working condition and *approved* by the *code official*.

[A] 105.5 Approved materials and equipment. Materials, equipment and devices *approved* by the *code official* shall be constructed and installed in accordance with such approval.

[A] 105.6 Research reports. Supporting data, where necessary to assist in the approval of materials or assemblies not specifically provided for in this code, shall consist of valid research reports from *approved* sources.

SECTION 106
VIOLATIONS

[A] 106.1 Unlawful acts. It shall be unlawful for a person, firm or corporation to be in conflict with or in violation of any of the provisions of this code.

[A] 106.2 Notice of violation. The *code official* shall serve a notice of violation or order in accordance with Section 107.

[A] 106.3 Prosecution of violation. Any person failing to comply with a notice of violation or order served in accordance with Section 107 shall be deemed guilty of a misdemeanor or civil infraction as determined by the local municipality, and the violation shall be deemed a *strict liability offense*. If the notice of violation is not complied with, the *code official* shall institute the appropriate proceeding at law or in equity to restrain, correct or abate such violation, or to require the removal or termination of the unlawful *occupancy* of the structure in violation of the provisions of this code or of the order or direction made pursuant thereto. Any action taken by the authority having jurisdiction on such *premises* shall be charged against the real estate upon which the structure is located and shall be a lien upon such real estate.

[A] 106.4 Violation penalties. Any person who shall violate a provision of this code, or fail to comply therewith, or with any of the requirements thereof, shall be prosecuted within the limits provided by state or local laws. Each day that a violation continues after due notice has been served shall be deemed a separate offense.

[A] 106.5 Abatement of violation. The imposition of the penalties herein prescribed shall not preclude the legal officer of the jurisdiction from instituting appropriate action to restrain, correct or abate a violation, or to prevent illegal *occupancy* of a building, structure or *premises*, or to stop an illegal act, conduct, business or utilization of the building, structure or *premises*.

SECTION 107
NOTICES AND ORDERS

107.1 Notice to person responsible. Whenever the *code official* determines that there has been a violation of this code or has grounds to believe that a violation has occurred, notice shall be given in the manner prescribed in Sections 107.2 and 107.3 to the person responsible for the violation as specified in this code. Notices for condemnation procedures shall comply with Section 108.3.

107.2 Form. Such notice prescribed in Section 107.1 shall be in accordance with all of the following:

1. Be in writing.
2. Include a description of the real estate sufficient for identification.
3. Include a statement of the violation or violations and why the notice is being issued.
4. Include a correction order allowing a reasonable time to make the repairs and improvements required to bring the *dwelling unit* or structure into compliance with the provisions of this code.

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5. Inform the property *owner* or owner's authorized agent of the right to appeal.
6. Include a statement of the right to file a lien in accordance with Section 106.3.

107.3 Method of service. Such notice shall be deemed to be properly served if a copy thereof is: delivered personally, or sent by certified or first-class mail addressed to the last known address. If the notice is returned showing that the letter was not delivered, a copy thereof shall be posted in a conspicuous place in or about the structure affected by such notice.

107.4 Unauthorized tampering. Signs, tags or seals posted or affixed by the *code official* shall not be mutilated, destroyed or tampered with, or removed without authorization from the *code official*.

107.5 Penalties. Penalties for noncompliance with orders and notices shall be as set forth in Section 106.4.

107.6 Transfer of ownership. It shall be unlawful for the *owner* of any *dwelling unit* or structure who has received a compliance order or upon whom a notice of violation has been served to sell, transfer, mortgage, lease or otherwise dispose of such *dwelling unit* or structure to another until the provisions of the compliance order or notice of violation have been complied with, or until such *owner* or the owner's authorized agent shall first furnish the grantee, transferee, mortgagee or lessee a true copy of any compliance order or notice of violation issued by the *code official* and shall furnish to the *code official* a signed and notarized statement from the grantee, transferee, mortgagee or lessee, acknowledging the receipt of such compliance order or notice of violation and fully accepting the responsibility without condition for making the corrections or repairs required by such compliance order or notice of violation.

SECTION 108
UNSAFE STRUCTURES AND EQUIPMENT

108.1 General. When a structure or equipment is found by the *code official* to be unsafe, or when a structure is found unfit for human *occupancy*, or is found unlawful, such structure shall be *condemned* pursuant to the provisions of this code.

108.1.1 Unsafe structures. An unsafe structure is one that is found to be dangerous to the life, health, property or safety of the public or the *occupants* of the structure by not providing minimum safeguards to protect or warn *occupants* in the event of fire, or because such structure contains unsafe equipment or is so damaged, decayed, dilapidated, structurally unsafe or of such faulty construction or unstable foundation, that partial or complete collapse is possible.

108.1.2 Unsafe equipment. Unsafe equipment includes any boiler, heating equipment, elevator, moving stairway, electrical wiring or device, flammable liquid containers or other equipment on the *premises* or within the structure that is in such disrepair or condition that such equipment is a hazard to life, health, property or safety of the public or *occupants* of the *premises* or structure.

108.1.3 Structure unfit for human occupancy. A structure is unfit for human *occupancy* whenever the *code official* finds that such structure is unsafe, unlawful or, because of the degree to which the structure is in disrepair or lacks maintenance, is insanitary, vermin or rat infested, contains filth and contamination, or lacks *ventilation*, illumination, sanitary or heating facilities or other essential equipment required by this code, or because the location of the structure constitutes a hazard to the *occupants* of the structure or to the public.

108.1.4 Unlawful structure. An unlawful structure is one found in whole or in part to be occupied by more persons than permitted under this code, or was erected, altered or occupied contrary to law.

108.1.5 Dangerous structure or premises. For the purpose of this code, any structure or *premises* that has any or all of the conditions or defects described as follows shall be considered to be dangerous:

1. Any door, aisle, passageway, stairway, exit or other means of egress that does not conform to the *approved* building or fire code of the jurisdiction as related to the requirements for existing buildings.
2. The walking surface of any aisle, passageway, stairway, exit or other means of egress is so warped, worn loose, torn or otherwise unsafe as to not provide safe and adequate means of egress.
3. Any portion of a building, structure or appurtenance that has been damaged by fire, earthquake, wind, flood, *deterioration*, *neglect*, abandonment, vandalism or by any other cause to such an extent that it is likely to partially or completely collapse, or to become *detached* or dislodged.
4. Any portion of a building, or any member, appurtenance or ornamentation on the exterior thereof that is not of sufficient strength or stability, or is not so *anchored*, attached or fastened in place so as to be capable of resisting natural or artificial loads of one and one-half the original designed value.
5. The building or structure, or part of the building or structure, because of dilapidation, *deterioration*, decay, faulty construction, the removal or movement of some portion of the ground necessary for the support, or for any other reason, is likely to partially or completely collapse, or some portion of the foundation or underpinning of the building or structure is likely to fail or give way.
6. The building or structure, or any portion thereof, is clearly unsafe for its use and *occupancy*.
7. The building or structure is *neglected*, damaged, dilapidated, unsecured or abandoned so as to become an attractive nuisance to children who might play in the building or structure to their danger, becomes a harbor for vagrants, criminals or immoral persons, or enables persons to resort to the building or structure for committing a nuisance or an unlawful act.

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8. Any building or structure has been constructed, exists or is maintained in violation of any specific requirement or prohibition applicable to such building or structure provided by the *approved* building or fire code of the jurisdiction, or of any law or ordinance to such an extent as to present either a substantial risk of fire, building collapse or any other threat to life and safety.

9. A building or structure, used or intended to be used for dwelling purposes, because of inadequate maintenance, dilapidation, decay, damage, faulty construction or arrangement, inadequate light, *ventilation*, mechanical or plumbing system, or otherwise, is determined by the *code official* to be unsanitary, unfit for human habitation or in such a condition that is likely to cause sickness or disease.

10. Any building or structure, because of a lack of sufficient or proper fire-resistance-rated construction, fire protection systems, electrical system, fuel connections, mechanical system, plumbing system or other cause, is determined by the *code official* to be a threat to life or health.

11. Any portion of a building remains on a site after the demolition or destruction of the building or structure or whenever any building or structure is abandoned so as to constitute such building or portion thereof as an attractive nuisance or hazard to the public.

108.2 Closing of vacant structures. If the structure is vacant and unfit for human habitation and *occupancy*, and is not in danger of structural collapse, the *code official* is authorized to post a placard of condemnation on the *premises* and order the structure closed up so as not to be an attractive nuisance. Upon failure of the *owner* or owner's authorized agent to close up the *premises* within the time specified in the order, the *code official* shall cause the *premises* to be closed and secured through any available public agency or by contract or arrangement by private persons and the cost thereof shall be charged against the real estate upon which the structure is located and shall be a lien upon such real estate and shall be collected by any other legal resource.

108.2.1 Authority to disconnect service utilities. The *code official* shall have the authority to authorize disconnection of utility service to the building, structure or system regulated by this code and the referenced codes and standards set forth in Section 102.7 in case of emergency where necessary to eliminate an immediate hazard to life or property or where such utility connection has been made without approval. The *code official* shall notify the serving utility and, whenever possible, the *owner* or owner's authorized agent and *occupant* of the building, structure or service system of the decision to disconnect prior to taking such action. If not notified prior to disconnection the *owner*, owner's authorized agent or *occupant* of the building structure or service system shall be notified in writing as soon as practical thereafter.

108.3 Notice. Whenever the *code official* has condemned a structure or equipment under the provisions of this section, notice shall be posted in a conspicuous place in or about the structure affected by such notice and served on the *owner*, owner's authorized agent or the person or persons responsible for the structure or equipment in accordance with Section 107.3. If the notice pertains to equipment, it shall be placed on the condemned equipment. The notice shall be in the form prescribed in Section 107.2.

108.4 Placarding. Upon failure of the *owner*, owner's authorized agent or person responsible to comply with the notice provisions within the time given, the *code official* shall post on the *premises* or on defective equipment a placard bearing the word "Condemned" and a statement of the penalties provided for occupying the *premises*, operating the equipment or removing the placard.

108.4.1 Placard removal. The *code official* shall remove the condemnation placard whenever the defect or defects upon which the condemnation and placarding action were based have been eliminated. Any person who defaces or removes a condemnation placard without the approval of the *code official* shall be subject to the penalties provided by this code.

108.5 Prohibited occupancy. Any occupied structure condemned and placarded by the *code official* shall be vacated as ordered by the *code official*. Any person who shall occupy a placarded *premises* or shall operate placarded equipment, and any *owner*, owner's authorized agent or person responsible for the *premises* who shall let anyone occupy a placarded *premises* or operate placarded equipment shall be liable for the penalties provided by this code.

108.6 Abatement methods. The *owner*, owner's authorized agent, *operator* or *occupant* of a building, *premises* or equipment deemed unsafe by the *code official* shall abate or cause to be abated or corrected such unsafe conditions either by repair, rehabilitation, demolition or other *approved* corrective action.

108.7 Record. The *code official* shall cause a report to be filed on an unsafe condition. The report shall state the *occupancy* of the structure and the nature of the unsafe condition.

SECTION 109
EMERGENCY MEASURES

109.1 Imminent danger. When, in the opinion of the *code official*, there is *imminent danger* of failure or collapse of a building or structure that endangers life, or when any structure or part of a structure has fallen and life is endangered by the occupation of the structure, or when there is actual or potential danger to the building *occupants* or those in the proximity of any structure because of explosives, explosive fumes or vapors or the presence of toxic fumes, gases or materials, or operation of defective or dangerous equipment, the *code official* is hereby authorized and empowered to order and require the *occupants* to vacate the *premises* forthwith. The *code official* shall cause to be posted at each entrance to such structure a notice reading as follows: "This *Structure* Is Unsafe and Its *Occupancy* Has Been Prohibited by the *Code*

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Official." It shall be unlawful for any person to enter such structure except for the purpose of securing the structure, making the required repairs, removing the hazardous condition or of demolishing the same.

109.2 Temporary safeguards. Notwithstanding other provisions of this code, whenever, in the opinion of the *code official*, there is *imminent danger* due to an unsafe condition, the *code official* shall order the necessary work to be done, including the boarding up of openings, to render such structure temporarily safe whether or not the legal procedure herein described has been instituted; and shall cause such other action to be taken as the *code official* deems necessary to meet such emergency.

109.3 Closing streets. When necessary for public safety, the *code official* shall temporarily close structures and close, or order the authority having jurisdiction to close, sidewalks, streets, *public ways* and places adjacent to unsafe structures, and prohibit the same from being utilized.

109.4 Emergency repairs. For the purposes of this section, the *code official* shall employ the necessary labor and materials to perform the required work as expeditiously as possible.

109.5 Costs of emergency repairs. Costs incurred in the performance of emergency work shall be paid by the jurisdiction. The legal counsel of the jurisdiction shall institute appropriate action against the *owner* of the *premises* or owner's authorized agent where the unsafe structure is or was located for the recovery of such costs.

109.6 Hearing. Any person ordered to take emergency measures shall comply with such order forthwith. Any affected person shall thereafter, upon petition directed to the appeals board, be afforded a hearing as described in this code.

SECTION 110
DEMOLITION

110.1 General. The *code official* shall order the *owner* or owner's authorized agent of any *premises* upon which is located any structure, which in the *code official's* or owner's authorized agent judgment after review is so deteriorated or dilapidated or has become so out of repair as to be dangerous, unsafe, insanitary or otherwise unfit for human habitation or occupancy, and such that it is unreasonable to repair the structure, to demolish and remove such structure; or if such structure is capable of being made safe by repairs, to repair and make safe and sanitary, or to board up and hold for future repair or to demolish and remove at the *owner's* option; or where there has been a cessation of normal construction of any structure for a period of more than two years, the *code official* shall order the *owner* or owner's authorized agent to demolish and remove such structure, or board up until future repair. Boarding the building up for future repair shall not extend beyond one year, unless *approved* by the building official.

110.2 Notices and orders. Notices and orders shall comply with Section 107.

110.3 Failure to comply. If the *owner* of a *premises* or owner's authorized agent fails to comply with a demolition order within the time prescribed, the *code official* shall cause the structure to be demolished and removed, either through an available public agency or by contract or arrangement with private persons, and the cost of such demolition and removal shall be charged against the real estate upon which the structure is located and shall be a lien upon such real estate.

110.4 Salvage materials. Where any structure has been ordered demolished and removed, the governing body or other designated officer under said contract or arrangement aforesaid shall have the right to sell the salvage and valuable materials. The net proceeds of such sale, after deducting the expenses of such demolition and removal, shall be promptly remitted with a report of such sale or transaction, including the items of expense and the amounts deducted, for the person who is entitled thereto, subject to any order of a court. If such a surplus does not remain to be turned over, the report shall so state.

SECTION 111
MEANS OF APPEAL

[A] 111.1 Application for appeal. Any person directly affected by a decision of the *code official* or a notice or order issued under this code shall have the right to appeal to the board of appeals, provided that a written application for appeal is filed within 20 days after the day the decision, notice or order was served. An application for appeal shall be based on a claim that the true intent of this code or the rules legally adopted thereunder have been incorrectly interpreted, the provisions of this code do not fully apply, or the requirements of this code are adequately satisfied by other means.

[A] 111.2 Membership of board. The board of appeals shall consist of not less than three members who are qualified by experience and training to pass on matters pertaining to property maintenance and who are not employees of the jurisdiction. The *code official* shall be an ex-officio member but shall not vote on any matter before the board. The board shall be appointed by the chief appointing authority, and shall serve staggered and overlapping terms.

[A] 111.2.1 Alternate members. The chief appointing authority shall appoint not less than two alternate members who shall be called by the board chairman to hear appeals during the absence or disqualification of a member. Alternate members shall possess the qualifications required for board membership.

[A] 111.2.2 Chairman. The board shall annually select one of its members to serve as chairman.

[A] 111.2.3 Disqualification of member. A member shall not hear an appeal in which that member has a personal, professional or financial interest.

[A] 111.2.4 Secretary. The chief administrative officer shall designate a qualified person to serve as secretary to the board. The secretary shall file a detailed record of all proceedings in the office of the chief administrative officer.

[A] 111.2.5 Compensation of members. Compensation of members shall be determined by law.

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[A] 111.3 Notice of meeting. The board shall meet upon notice from the chairman, within 20 days of the filing of an appeal, or at stated periodic meetings.

[A] 111.4 Open hearing. Hearings before the board shall be open to the public. The appellant, the appellant's representative, the *code official* and any person whose interests are affected shall be given an opportunity to be heard. A quorum shall consist of not less than two-thirds of the board membership.

[A] 111.4.1 Procedure. The board shall adopt and make available to the public through the secretary procedures under which a hearing will be conducted. The procedures shall not require compliance with strict rules of evidence, but shall mandate that only relevant information be received.

[A] 111.5 Postponed hearing. When the full board is not present to hear an appeal, either the appellant or the appellant's representative shall have the right to request a postponement of the hearing.

[A] 111.6 Board decision. The board shall modify or reverse the decision of the *code official* only by a concurring vote of a majority of the total number of appointed board members.

[A] 111.6.1 Records and copies. The decision of the board shall be recorded. Copies shall be furnished to the appellant and to the *code official*.

[A] 111.6.2 Administration. The *code official* shall take immediate action in accordance with the decision of the board.

[A] 111.7 Court review. Any person, whether or not a previous party of the appeal, shall have the right to apply to the appropriate court for a writ of certiorari to correct errors of law. Application for review shall be made in the manner and time required by law following the filing of the decision in the office of the chief administrative officer.

[A] 111.8 Stays of enforcement. Appeals of notice and orders (other than *Imminent Danger* notices) shall stay the enforcement of the notice and order until the appeal is heard by the appeals board.

SECTION 112
STOP WORK ORDER

[A] 112.1 Authority. Whenever the *code official* finds any work regulated by this code being performed in a manner contrary to the provisions of this code or in a dangerous or unsafe manner, the *code official* is authorized to issue a stop work order.

[A] 112.2 Issuance. A stop work order shall be in writing and shall be given to the *owner* of the property, to the *owner's* authorized agent, or to the person doing the work. Upon issuance of a stop work order, the cited work shall immediately cease. The stop work order shall state the reason for the order and the conditions under which the cited work is authorized to resume.

[A] 112.3 Emergencies. Where an emergency exists, the *code official* shall not be required to give a written notice prior to stopping the work.

[A] 112.4 Failure to comply. Any person who shall continue any work after having been served with a stop work order, except such work as that person is directed to perform to remove a violation or unsafe condition, shall be liable to a fine of not less than **[AMOUNT]** dollars or more than **[AMOUNT]** dollars.

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CHAPTER 2
DEFINITIONS

User note:

About this chapter: *Codes, by their very nature, are technical documents. Every word, term and punctuation mark can add to or change the meaning of a technical requirement. It is necessary to maintain a consensus on the specific meaning of each term contained in the code. Chapter 2 performs this function by stating clearly what specific terms mean for the purpose of the code.*

SECTION 201
GENERAL

201.1 Scope. Unless otherwise expressly stated, the following terms shall, for the purposes of this code, have the meanings shown in this chapter.

201.2 Interchangeability. Words stated in the present tense include the future; words stated in the masculine gender include the feminine and neuter; the singular number includes the plural and the plural, the singular.

201.3 Terms defined in other codes. Where terms are not defined in this code and are defined in the *International Building Code, International Existing Building Code, International Fire Code, International Fuel Gas Code, International Mechanical Code, International Plumbing Code, International Residential Code, International Zoning Code* or NFPA 70, such terms shall have the meanings ascribed to them as stated in those codes.

201.4 Terms not defined. Where terms are not defined through the methods authorized by this section, such terms shall have ordinarily accepted meanings such as the context implies.

201.5 Parts. Whenever the words "*dwelling unit,*" "dwelling," "*premises,*" "building," "*rooming house,*" "*rooming unit,*" "*housekeeping unit*" or "story" are stated in this code, they shall be construed as though they were followed by the words "or any part thereof."

SECTION 202
GENERAL DEFINITIONS

ANCHORED. Secured in a manner that provides positive connection.

[A] APPROVED. Acceptable to the *code official*.

BASEMENT. That portion of a building that is partly or completely below grade.

BATHROOM. A room containing plumbing fixtures including a bathtub or shower.

BEDROOM. Any room or space used or intended to be used for sleeping purposes in either a dwelling or *sleeping unit*.

[A] CODE OFFICIAL. The official who is charged with the administration and enforcement of this code, or any duly authorized representative.

CONDEMN. To adjudge unfit for *occupancy*.

COST OF SUCH DEMOLITION OR EMERGENCY REPAIRS. The costs shall include the actual costs of the demolition or repair of the structure less revenues obtained if salvage was conducted prior to demolition or repair. Costs shall include, but not be limited to, expenses incurred or necessitated related to demolition or emergency repairs, such as asbestos survey and abatement if necessary; costs of inspectors, testing agencies or experts retained relative to the demolition or emergency repairs; costs of testing; surveys for other materials that are controlled or regulated from being dumped in a landfill; title searches; mailing(s); postings; recording; and attorney fees expended for recovering of the cost of emergency repairs or to obtain or enforce an order of demolition made by a *code official*, the governing body or board of appeals.

DETACHED. When a structural element is physically disconnected from another and that connection is necessary to provide a positive connection.

DETERIORATION. To weaken, disintegrate, corrode, rust or decay and lose effectiveness.

[BG] DWELLING UNIT. A single unit providing complete, independent living facilities for one or more persons, including permanent provisions for living, sleeping, eating, cooking and sanitation.

[Z] EASEMENT. That portion of land or property reserved for present or future use by a person or agency other than the legal fee *owner*(s) of the property. The *easement* shall be permitted to be for use under, on or above said lot or lots.

EQUIPMENT SUPPORT. Those structural members or assemblies of members or manufactured elements, including braces, frames, lugs, snuggers, hangers or saddles, that transmit gravity load, lateral load and operating load between the equipment and the structure.

EXTERIOR PROPERTY. The open space on the *premises* and on adjoining property under the control of *owners* or *operators* of such *premises*.

GARBAGE. The animal or vegetable waste resulting from the handling, preparation, cooking and consumption of food.

[BE] GUARD. A building component or a system of building components located at or near the open sides of elevated walking surfaces that minimizes the possibility of a fall from the walking surface to a lower level.

[BG] HABITABLE SPACE. Space in a structure for living, sleeping, eating or cooking. *Bathrooms*, *toilet rooms*, closets,

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halls, storage or utility spaces, and similar areas are not considered *habitable spaces*.

HISTORIC BUILDING. Any building or structure that is one or more of the following:

1. Listed or certified as eligible for listing, by the State Historic Preservation Officer or the Keeper of the National Register of Historic Places, in the National Register of Historic Places.
2. Designated as historic under an applicable state or local law.
3. Certified as a contributing resource within a National Register or state or locally designated historic district.

HOUSEKEEPING UNIT. A room or group of rooms forming a single *habitable space* equipped and intended to be used for living, sleeping, cooking and eating that does not contain, within such a unit, a toilet, lavatory and bathtub or shower.

IMMINENT DANGER. A condition that could cause serious or life-threatening injury or death at any time.

INFESTATION. The presence, within or contiguous to, a structure or *premises* of insects, rodents, vermin or other pests.

INOPERABLE MOTOR VEHICLE. A vehicle that cannot be driven upon the public streets for reason including but not limited to being unlicensed, wrecked, abandoned, in a state of disrepair, or incapable of being moved under its own power.

[A] LABELED. Equipment, materials or products to which have been affixed a label, seal, symbol or other identifying mark of a nationally recognized testing laboratory, *approved* agency or other organization concerned with product evaluation that maintains periodic inspection of the production of the above-*labeled* items and whose labeling indicates either that the equipment, material or product meets identified standards or has been tested and found suitable for a specified purpose.

LET FOR OCCUPANCY or LET. To permit, provide or offer possession or *occupancy* of a dwelling, *dwelling unit*, *rooming unit*, building, premise or structure by a person who is or is not the legal *owner* of record thereof, pursuant to a written or unwritten lease, agreement or license, or pursuant to a recorded or unrecorded agreement of contract for the sale of land.

NEGLECT. The lack of proper maintenance for a building or *structure*.

[A] OCCUPANCY. The purpose for which a building or portion thereof is utilized or occupied.

OCCUPANT. Any individual living or sleeping in a building, or having possession of a space within a building.

OPENABLE AREA. That part of a window, skylight or door which is available for unobstructed *ventilation* and which opens directly to the outdoors.

OPERATOR. Any person who has charge, care or control of a structure or *premises* that is let or offered for *occupancy*.

[A] OWNER. Any person, agent, *operator*, firm or corporation having legal or equitable interest in the property; or recorded in the official records of the state, county or municipality as holding title to the property; or otherwise having control of the property, including the guardian of the estate of any such person, and the executor or administrator of the estate of such person if ordered to take possession of real property by a court.

PERSON. An individual, corporation, partnership or any other group acting as a unit.

PEST ELIMINATION. The control and elimination of insects, rodents or other pests by eliminating their harborage places; by removing or making inaccessible materials that serve as their food or water; by other *approved pest elimination* methods.

[A] PREMISES. A lot, plot or parcel of land, *easement* or *public way*, including any structures thereon.

[A] PUBLIC WAY. Any street, alley or other parcel of land that: is open to the outside air; leads to a street; has been deeded, dedicated or otherwise permanently appropriated to the public for public use; and has a clear width and height of not less than 10 feet (3048 mm).

ROOMING HOUSE. A building arranged or occupied for lodging, with or without meals, for compensation and not occupied as a one- or two-family dwelling.

ROOMING UNIT. Any room or group of rooms forming a single habitable unit occupied or intended to be occupied for sleeping or living, but not for cooking purposes.

RUBBISH. Combustible and noncombustible waste materials, except garbage; the term shall include the residue from the burning of wood, coal, coke and other combustible materials, paper, rags, cartons, boxes, wood, excelsior, rubber, leather, tree branches, *yard* trimmings, tin cans, metals, mineral matter, glass, crockery and dust and other similar materials.

[BG] SLEEPING UNIT. A room or space in which people sleep, which can also include permanent provisions for living, eating and either sanitation or kitchen facilities, but not both. Such rooms and spaces that are also part of a *dwelling unit* are not *sleeping units*.

STRICT LIABILITY OFFENSE. An offense in which the prosecution in a legal proceeding is not required to prove criminal intent as a part of its case. It is enough to prove that the defendant either did an act which was prohibited, or failed to do an act which the defendant was legally required to do.

[A] STRUCTURE. That which is built or constructed.

TENANT. A person, corporation, partnership or group, whether or not the legal *owner* of record, occupying a building or portion thereof as a unit.

TOILET ROOM. A room containing a water closet or urinal but not a bathtub or shower.

ULTIMATE DEFORMATION. The deformation at which failure occurs and that shall be deemed to occur if the sustainable load reduces to 80 percent or less of the maximum strength.

[M] VENTILATION. The natural or mechanical process of supplying conditioned or unconditioned air to, or removing such air from, any space.

WORKMANLIKE. Executed in a skilled manner; e.g., generally plumb, level, square, in line, undamaged and without marring adjacent work.

[Z] YARD. An open space on the same lot with a structure.

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CHAPTER 3
GENERAL REQUIREMENTS

User note:

About this chapter: *Chapter 3 is broad in scope and includes a variety of requirements for the maintenance of exterior property areas, as well as the interior and exterior elements of the structure, that are intended to maintain a minimum level of safety and sanitation for both the general public and the occupants of a structure, and to maintain a building's structural and weather-resistance performance. Specifically, Chapter 3 contains criteria for the maintenance of building components; vacant structures and land; the safety, sanitation and appearance of the interior and exterior of structures and all exterior property areas; accessory structures; extermination of insects and rodents; access barriers to swimming pools, spas and hot tubs; vehicle storage and owner/occupant responsibilities.*

SECTION 301
GENERAL

301.1 Scope. The provisions of this chapter shall govern the minimum conditions and the responsibilities of persons for maintenance of structures, equipment and *exterior property*.

301.2 Responsibility. The *owner* of the *premises* shall maintain the structures and *exterior property* in compliance with these requirements, except as otherwise provided for in this code. A person shall not occupy as owner-occupant or permit another person to occupy *premises* that are not in a sanitary and safe condition and that do not comply with the requirements of this chapter. *Occupants* of a *dwelling unit*, *rooming unit* or *housekeeping unit* are responsible for keeping in a clean, sanitary and safe condition that part of the *dwelling unit*, *rooming unit*, *housekeeping unit* or *premises* they occupy and control.

301.3 Vacant structures and land. Vacant structures and *premises* thereof or vacant land shall be maintained in a clean, safe, secure and sanitary condition as provided herein so as not to cause a blighting problem or adversely affect the public health or safety.

SECTION 302
EXTERIOR PROPERTY AREAS

302.1 Sanitation. *Exterior property* and *premises* shall be maintained in a clean, safe and sanitary condition. The *occupant* shall keep that part of the *exterior property* that such *occupant* occupies or controls in a clean and sanitary condition.

302.2 Grading and drainage. *Premises* shall be graded and maintained to prevent the erosion of soil and to prevent the accumulation of stagnant water thereon, or within any structure located thereon.

Exception: *Approved* retention areas and reservoirs.

302.3 Sidewalks and driveways. Sidewalks, walkways, stairs, driveways, parking spaces and similar areas shall be kept in a proper state of repair, and maintained free from hazardous conditions.

302.4 Weeds. *Premises* and *exterior property* shall be maintained free from weeds or plant growth in excess of **[JURISDICTION TO INSERT HEIGHT IN INCHES]**. Noxious weeds shall be prohibited. Weeds shall be defined as all grasses, annual plants and vegetation, other than trees or shrubs provided; however, this term shall not include cultivated flowers and gardens.

Upon failure of the *owner* or agent having charge of a property to cut and destroy weeds after service of a notice of violation, they shall be subject to prosecution in accordance with Section 106.3 and as prescribed by the authority having jurisdiction. Upon failure to comply with the notice of violation, any duly authorized employee of the jurisdiction or contractor hired by the jurisdiction shall be authorized to enter upon the property in violation and cut and destroy the weeds growing thereon, and the costs of such removal shall be paid by the *owner* or agent responsible for the property.

302.5 Rodent harborage. Structures and *exterior property* shall be kept free from rodent harborage and *infestation*. Where rodents are found, they shall be promptly exterminated by *approved* processes that will not be injurious to human health. After pest elimination, proper precautions shall be taken to eliminate rodent harborage and prevent reinfestation.

302.6 Exhaust vents. Pipes, ducts, conductors, fans or blowers shall not discharge gases, steam, vapor, hot air, grease, smoke, odors or other gaseous or particulate wastes directly on abutting or adjacent public or private property or that of another *tenant*.

302.7 Accessory structures. Accessory structures, including *detached* garages, fences and walls, shall be maintained structurally sound and in good repair.

302.8 Motor vehicles. Except as provided for in other regulations, inoperative or unlicensed motor vehicles shall not be parked, kept or stored on any *premises*, and vehicles shall not at any time be in a state of major disassembly, disrepair, or in the process of being stripped or dismantled. Painting of vehicles is prohibited unless conducted inside an *approved* spray booth.

Exception: A vehicle of any type is permitted to undergo major overhaul, including body work, provided that such work is performed inside a structure or similarly enclosed area designed and *approved* for such purposes.

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302.9 Defacement of property. A person shall not willfully or wantonly damage, mutilate or deface any exterior surface of any structure or building on any private or public property by placing thereon any marking, carving or graffiti.

It shall be the responsibility of the *owner* to restore said surface to an *approved* state of maintenance and repair.

SECTION 303
SWIMMING POOLS, SPAS AND HOT TUBS

303.1 Swimming pools. Swimming pools shall be maintained in a clean and sanitary condition, and in good repair.

303.2 Enclosures. Private swimming pools, hot tubs and spas, containing water more than 24 inches (610 mm) in depth shall be completely surrounded by a fence or barrier not less than 48 inches (1219 mm) in height above the finished ground level measured on the side of the barrier away from the pool. Gates and doors in such barriers shall be self-closing and self-latching. Where the self-latching device is less than 54 inches (1372 mm) above the bottom of the gate, the release mechanism shall be located on the pool side of the gate. Self-closing and self-latching gates shall be maintained such that the gate will positively close and latch when released from an open position of 6 inches (152 mm) from the gatepost. An existing pool enclosure shall not be removed, replaced or changed in a manner that reduces its effectiveness as a safety barrier.

Exception: Spas or hot tubs with a safety cover that complies with ASTM F1346 shall be exempt from the provisions of this section.

SECTION 304
EXTERIOR STRUCTURE

304.1 General. The exterior of a structure shall be maintained in good repair, structurally sound and sanitary so as not to pose a threat to the public health, safety or welfare.

304.1.1 Unsafe conditions. The following conditions shall be determined as unsafe and shall be repaired or replaced to comply with the *International Building Code* or the *International Existing Building Code* as required for existing buildings:

1. The nominal strength of any structural member is exceeded by nominal loads, the load effects or the required strength.
2. The *anchorage* of the floor or roof to walls or columns, and of walls and columns to foundations is not capable of resisting all nominal loads or load effects.
3. Structures or components thereof that have reached their limit state.
4. Siding and masonry joints including joints between the building envelope and the perimeter of windows, doors and skylights are not maintained, weather resistant or water tight.
5. Structural members that have evidence of *deterioration* or that are not capable of safely supporting all nominal loads and load effects.
6. Foundation systems that are not firmly supported by footings, are not plumb and free from open cracks and breaks, are not properly *anchored* or are not capable of supporting all nominal loads and resisting all load effects.
7. Exterior walls that are not *anchored* to supporting and supported elements or are not plumb and free of holes, cracks or breaks and loose or rotting materials, are not properly *anchored* or are not capable of supporting all nominal loads and resisting all load effects.
8. Roofing or roofing components that have defects that admit rain, roof surfaces with inadequate drainage, or any portion of the roof framing that is not in good repair with signs of *deterioration*, fatigue or without proper anchorage and incapable of supporting all nominal loads and resisting all load effects.
9. Flooring and flooring components with defects that affect serviceability or flooring components that show signs of *deterioration* or fatigue, are not properly *anchored* or are incapable of supporting all nominal loads and resisting all load effects.
10. Veneer, cornices, belt courses, corbels, trim, wall facings and similar decorative features not properly anchored or that are anchored with connections not capable of supporting all nominal loads and resisting all load effects.
11. Overhang extensions or projections including, but not limited to, trash chutes, canopies, marquees, signs, awnings, fire escapes, standpipes and exhaust ducts not properly *anchored* or that are *anchored* with connections not capable of supporting all nominal loads and resisting all load effects.
12. Exterior stairs, decks, porches, balconies and all similar appurtenances attached thereto, including *guards* and handrails, are not structurally sound, not properly *anchored* or that are *anchored* with connections not capable of supporting all nominal loads and resisting all load effects.
13. Chimneys, cooling towers, smokestacks and similar appurtenances not structurally sound or not properly *anchored,* or that are anchored with connections not capable of supporting all nominal loads and resisting all load effects.

Exceptions:

1. Where substantiated otherwise by an *approved* method.
2. Demolition of unsafe conditions shall be permitted where *approved* by the *code official.*

304.2 Protective treatment. Exterior surfaces, including but not limited to, doors, door and window frames, cornices, porches, trim, balconies, decks and fences, shall be maintained in good condition. Exterior wood surfaces, other than

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decay-resistant woods, shall be protected from the elements and decay by painting or other protective covering or treatment. Peeling, flaking and chipped paint shall be eliminated and surfaces repainted. Siding and masonry joints, as well as those between the building envelope and the perimeter of windows, doors and skylights, shall be maintained weather resistant and water tight. Metal surfaces subject to rust or corrosion shall be coated to inhibit such rust and corrosion, and surfaces with rust or corrosion shall be stabilized and coated to inhibit future rust and corrosion. Oxidation stains shall be removed from exterior surfaces. Surfaces designed for stabilization by oxidation are exempt from this requirement.

[F] 304.3 Premises identification. Buildings shall have *approved* address numbers placed in a position to be plainly legible and visible from the street or road fronting the property. These numbers shall contrast with their background. Address numbers shall be Arabic numerals or alphabet letters. Numbers shall be not less than 4 inches (102 mm) in height with a minimum stroke width of 0.5 inch (12.7 mm).

304.4 Structural members. Structural members shall be maintained free from *deterioration*, and shall be capable of safely supporting the imposed dead and live loads.

304.5 Foundation walls. Foundation walls shall be maintained plumb and free from open cracks and breaks and shall be kept in such condition so as to prevent the entry of rodents and other pests.

304.6 Exterior walls. Exterior walls shall be free from holes, breaks, and loose or rotting materials; and maintained weatherproof and properly surface coated where required to prevent *deterioration*.

304.7 Roofs and drainage. The roof and flashing shall be sound, tight and not have defects that admit rain. Roof drainage shall be adequate to prevent dampness or *deterioration* in the walls or interior portion of the structure. Roof drains, gutters and downspouts shall be maintained in good repair and free from obstructions. Roof water shall not be discharged in a manner that creates a public nuisance.

304.8 Decorative features. Cornices, belt courses, corbels, terra cotta trim, wall facings and similar decorative features shall be maintained in good repair with proper anchorage and in a safe condition.

304.9 Overhang extensions. Overhang extensions including, but not limited to, canopies, marquees, signs, metal awnings, fire escapes, standpipes and exhaust ducts shall be maintained in good repair and be properly *anchored* so as to be kept in a sound condition. Where required, all exposed surfaces of metal or wood shall be protected from the elements and against decay or rust by periodic application of weather-coating materials, such as paint or similar surface treatment.

304.10 Stairways, decks, porches and balconies. Every exterior stairway, deck, porch and balcony, and all appurtenances attached thereto, shall be maintained structurally sound, in good repair, with proper anchorage and capable of supporting the imposed loads.

304.11 Chimneys and towers. Chimneys, cooling towers, smoke stacks, and similar appurtenances shall be maintained structurally safe and sound, and in good repair. Exposed surfaces of metal or wood shall be protected from the elements and against decay or rust by periodic application of weather-coating materials, such as paint or similar surface treatment.

304.12 Handrails and guards. Every handrail and *guard* shall be firmly fastened and capable of supporting normally imposed loads and shall be maintained in good condition.

304.13 Window, skylight and door frames. Every window, skylight, door and frame shall be kept in sound condition, good repair and weather tight.

304.13.1 Glazing. Glazing materials shall be maintained free from cracks and holes.

304.13.2 Openable windows. Every window, other than a fixed window, shall be easily openable and capable of being held in position by window hardware.

304.14 Insect screens. During the period from **[DATE]** to **[DATE]**, every door, window and other outside opening required for *ventilation* of habitable rooms, food preparation areas, food service areas or any areas where products to be included or utilized in food for human consumption are processed, manufactured, packaged or stored shall be supplied with *approved* tightly fitting screens of minimum 16 mesh per inch (16 mesh per 25 mm), and every screen door used for insect control shall have a self-closing device in good working condition.

Exception: Screens shall not be required where other *approved* means, such as air curtains or insect repellent fans, are employed.

304.15 Doors. Exterior doors, door assemblies, operator systems if provided, and hardware shall be maintained in good condition. Locks at all entrances to dwelling units and sleeping units shall tightly secure the door. Locks on means of egress doors shall be in accordance with Section 702.3.

304.16 Basement hatchways. Every *basement* hatchway shall be maintained to prevent the entrance of rodents, rain and surface drainage water.

304.17 Guards for basement windows. Every *basement* window that is openable shall be supplied with rodent shields, storm windows or other *approved* protection against the entry of rodents.

304.18 Building security. Doors, windows or hatchways for *dwelling units*, room units or *housekeeping units* shall be provided with devices designed to provide security for the *occupants* and property within.

304.18.1 Doors. Doors providing access to a *dwelling unit*, *rooming unit* or *housekeeping unit* that is rented, leased or let shall be equipped with a deadbolt lock designed to be readily openable from the side from which egress is to be made without the need for keys, special knowledge or effort and shall have a minimum lock throw of 1 inch (25 mm). Such deadbolt locks shall be installed according to the manufacturer's specifications and maintained in good working order. For the purpose of this section, a sliding bolt shall not be considered an acceptable deadbolt lock.

304.18.2 Windows. Operable windows located in whole or in part within 6 feet (1828 mm) above ground level or a

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walking surface below that provide access to a *dwelling unit*, *rooming unit* or *housekeeping unit* that is rented, leased or let shall be equipped with a window sash locking device.

304.18.3 Basement hatchways. *Basement* hatchways that provide access to a *dwelling unit*, *rooming unit* or *housekeeping unit* that is rented, leased or let shall be equipped with devices that secure the units from unauthorized entry.

304.19 Gates. Exterior gates, gate assemblies, operator systems if provided, and hardware shall be maintained in good condition. Latches at all entrances shall tightly secure the gates.

SECTION 305
INTERIOR STRUCTURE

305.1 General. The interior of a structure and equipment therein shall be maintained in good repair, structurally sound and in a sanitary condition. *Occupants* shall keep that part of the structure that they occupy or control in a clean and sanitary condition. Every *owner* of a structure containing a *rooming house*, *housekeeping units*, a hotel, a dormitory, two or more *dwelling units* or two or more nonresidential occupancies, shall maintain, in a clean and sanitary condition, the shared or public areas of the structure and *exterior property*.

305.1.1 Unsafe conditions. The following conditions shall be determined as unsafe and shall be repaired or replaced to comply with the *International Building Code* or the *International Existing Building Code* as required for existing buildings:

1. The nominal strength of any structural member is exceeded by nominal loads, the load effects or the required strength.
2. The anchorage of the floor or roof to walls or columns, and of walls and columns to foundations is not capable of resisting all nominal loads or load effects.
3. Structures or components thereof that have reached their limit state.
4. Structural members are incapable of supporting nominal loads and load effects.
5. Stairs, landings, balconies and all similar walking surfaces, including *guards* and handrails, are not structurally sound, not properly *anchored* or are *anchored* with connections not capable of supporting all nominal loads and resisting all load effects.
6. Foundation systems that are not firmly supported by footings are not plumb and free from open cracks and breaks, are not properly *anchored* or are not capable of supporting all nominal loads and resisting all load effects.

Exceptions:

1. Where substantiated otherwise by an *approved* method.
2. Demolition of unsafe conditions shall be permitted where *approved* by the *code official*.

305.2 Structural members. Structural members shall be maintained structurally sound, and be capable of supporting the imposed loads.

305.3 Interior surfaces. Interior surfaces, including windows and doors, shall be maintained in good, clean and sanitary condition. Peeling, chipping, flaking or abraded paint shall be repaired, removed or covered. Cracked or loose plaster, decayed wood and other defective surface conditions shall be corrected.

305.4 Stairs and walking surfaces. Every stair, ramp, landing, balcony, porch, deck or other walking surface shall be maintained in sound condition and good repair.

305.5 Handrails and guards. Every handrail and *guard* shall be firmly fastened and capable of supporting normally imposed loads and shall be maintained in good condition.

305.6 Interior doors. Every interior door shall fit reasonably well within its frame and shall be capable of being opened and closed by being properly and securely attached to jambs, headers or tracks as intended by the manufacturer of the attachment hardware.

SECTION 306
COMPONENT SERVICEABILITY

306.1 General. The components of a structure and equipment therein shall be maintained in good repair, structurally sound and in a sanitary condition.

306.1.1 Unsafe conditions. Where any of the following conditions cause the component or system to be beyond its limit state, the component or system shall be determined as unsafe and shall be repaired or replaced to comply with the *International Building Code* or the *International Existing Building Code* as required for existing buildings:

1. Soils that have been subjected to any of the following conditions:
   - 1.1. Collapse of footing or foundation system.
   - 1.2. Damage to footing, foundation, concrete or other structural element due to soil expansion.
   - 1.3. Adverse effects to the design strength of footing, foundation, concrete or other structural element due to a chemical reaction from the soil.
   - 1.4. Inadequate soil as determined by a geotechnical investigation.
   - 1.5. Where the allowable bearing capacity of the soil is in doubt.
   - 1.6. Adverse effects to the footing, foundation, concrete or other structural element due to the ground water table.
2. Concrete that has been subjected to any of the following conditions:
   - 2.1. *Deterioration.*
   - 2.2. *Ultimate deformation.*
   - 2.3. Fractures.

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2.4. Fissures.

2.5. Spalling.

2.6. Exposed reinforcement.

2.7. *Detached*, dislodged or failing connections.

3. Aluminum that has been subjected to any of the following conditions:

3.1. *Deterioration.*

3.2. Corrosion.

3.3. Elastic deformation.

3.4. *Ultimate deformation.*

3.5. Stress or strain cracks.

3.6. Joint fatigue.

3.7. *Detached*, dislodged or failing connections.

4. Masonry that has been subjected to any of the following conditions:

4.1. *Deterioration.*

4.2. *Ultimate deformation.*

4.3. Fractures in masonry or mortar joints.

4.4. Fissures in masonry or mortar joints.

4.5. Spalling.

4.6. Exposed reinforcement.

4.7. *Detached,* dislodged or failing connections.

5. Steel that has been subjected to any of the following conditions:

5.1. *Deterioration.*

5.2. Elastic deformation.

5.3. *Ultimate deformation.*

5.4. Metal fatigue.

5.5. *Detached,* dislodged or failing connections.

6. Wood that has been subjected to any of the following conditions:

6.1. Ultimate deformation.

6.2. Deterioration.

6.3. Damage from insects, rodents and other vermin.

6.4. Fire damage beyond charring.

6.5. Significant splits and checks.

6.6. Horizontal shear cracks.

6.7. Vertical shear cracks.

6.8. Inadequate support.

6.9. Detached, dislodged or failing connections.

6.10. Excessive cutting and notching.

Exceptions:

1. Where substantiated otherwise by an *approved* method.
2. Demolition of unsafe conditions shall be permitted where *approved* by the *code official.*

SECTION 307
HANDRAILS AND GUARDRAILS

307.1 General. Every exterior and interior flight of stairs having more than four risers shall have a handrail on one side of the stair and every open portion of a stair, landing, balcony, porch, deck, ramp or other walking surface that is more than 30 inches (762 mm) above the floor or grade below shall have *guards.* Handrails shall be not less than 30 inches (762 mm) in height or more than 42 inches (1067 mm) in height measured vertically above the nosing of the tread or above the finished floor of the landing or walking surfaces. *Guards* shall be not less than 30 inches (762 mm) in height above the floor of the landing, balcony, porch, deck, or ramp or other walking surface.

Exception: *Guards* shall not be required where exempted by the adopted building code.

SECTION 308
RUBBISH AND GARBAGE

308.1 Accumulation of rubbish or garbage. *Exterior property* and *premises,* and the interior of every structure, shall be free from any accumulation of *rubbish* or garbage.

308.2 Disposal of rubbish. Every *occupant* of a structure shall dispose of all *rubbish* in a clean and sanitary manner by placing such *rubbish* in *approved* containers.

308.2.1 Rubbish storage facilities. The *owner* of every occupied *premises* shall supply *approved* covered containers for *rubbish,* and the *owner* of the *premises* shall be responsible for the removal of *rubbish.*

308.2.2 Refrigerators. Refrigerators and similar equipment not in operation shall not be discarded, abandoned or stored on *premises* without first removing the doors.

308.3 Disposal of garbage. Every *occupant* of a structure shall dispose of garbage in a clean and sanitary manner by placing such garbage in an *approved* garbage disposal facility or *approved* garbage containers.

308.3.1 Garbage facilities. The *owner* of every dwelling shall supply one of the following: an *approved* mechanical food waste grinder in each *dwelling unit;* an *approved* incinerator unit in the structure available to the *occupants* in each *dwelling unit;* or an *approved* leakproof, covered, outside garbage container.

308.3.2 Containers. The *operator* of every establishment producing garbage shall provide, and at all times cause to be utilized, *approved* leakproof containers provided with close-fitting covers for the storage of such materials until removed from the *premises* for disposal.

SECTION 309
PEST ELIMINATION

309.1 Infestation. Structures shall be kept free from insect and rodent *infestation.* Structures in which insects or rodents are found shall be promptly exterminated by *approved* processes that will not be injurious to human health. After pest

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elimination, proper precautions shall be taken to prevent reinfestation.

309.2 Owner. The *owner* of any structure shall be responsible for pest elimination within the structure prior to renting or leasing the structure.

309.3 Single occupant. The *occupant* of a one-family dwelling or of a single-*tenant* nonresidential structure shall be responsible for pest elimination on the *premises*.

309.4 Multiple occupancy. The *owner* of a structure containing two or more *dwelling units*, a multiple *occupancy*, a *rooming house* or a nonresidential structure shall be responsible for pest elimination in the public or shared areas of the structure and *exterior property*. If *infestation* is caused by failure of an *occupant* to prevent such *infestation* in the area occupied, the *occupant* and *owner* shall be responsible for pest elimination.

309.5 Occupant. The *occupant* of any structure shall be responsible for the continued rodent and pest-free condition of the structure.

Exception: Where the *infestations* are caused by defects in the structure, the *owner* shall be responsible for pest elimination.

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CHAPTER 4
LIGHT, VENTILATION AND OCCUPANCY LIMITATIONS

User note:

About this chapter: *Chapter 4 sets forth requirements to establish the minimum environment for occupiable and habitable buildings by establishing the minimum criteria for light and ventilation and identifying occupancy limitations including minimum room width and area, minimum ceiling height and restrictions to prevent overcrowding.*

SECTION 401
GENERAL

401.1 Scope. The provisions of this chapter shall govern the minimum conditions and standards for light, *ventilation* and space for occupying a structure.

401.2 Responsibility. The *owner* of the structure shall provide and maintain light, *ventilation* and space conditions in compliance with these requirements. A person shall not occupy as *owner-occupant*, or permit another person to occupy, any *premises* that do not comply with the requirements of this chapter.

401.3 Alternative devices. In lieu of the means for natural light and *ventilation* herein prescribed, artificial light or mechanical *ventilation* complying with the *International Building Code* shall be permitted.

SECTION 402
LIGHT

402.1 Habitable spaces. Every *habitable space* shall have not less than one window of *approved* size facing directly to the outdoors or to a court. The minimum total glazed area for every *habitable space* shall be 8 percent of the floor area of such room. Wherever walls or other portions of a structure face a window of any room and such obstructions are located less than 3 feet (914 mm) from the window and extend to a level above that of the ceiling of the room, such window shall not be deemed to face directly to the outdoors nor to a court and shall not be included as contributing to the required minimum total window area for the room.

Exception: Where natural light for rooms or spaces without exterior glazing areas is provided through an adjoining room, the unobstructed opening to the adjoining room shall be not less than 8 percent of the floor area of the interior room or space, or not less than 25 square feet (2.33 m^2), whichever is greater. The exterior glazing area shall be based on the total floor area being served.

402.2 Common halls and stairways. Every common hall and stairway in residential occupancies, other than in one- and two-family dwellings, shall be lighted at all times with not less than a 60-watt standard incandescent light bulb for each 200 square feet (19 m^2) of floor area or equivalent illumination, provided that the spacing between lights shall not be greater than 30 feet (9144 mm). In other than residential occupancies, interior and exterior means of egress, stairways shall be illuminated at all times the building space served by the means of egress is occupied with not less than 1 footcandle (11 lux) at floors, landings and treads.

402.3 Other spaces. Other spaces shall be provided with natural or artificial light sufficient to permit the maintenance of sanitary conditions, and the safe *occupancy* of the space and utilization of the appliances, equipment and fixtures.

SECTION 403
VENTILATION

403.1 Habitable spaces. Every *habitable space* shall have not less than one openable window. The total openable area of the window in every room shall be equal to not less than 45 percent of the minimum glazed area required in Section 402.1.

Exception: Where rooms and spaces without openings to the outdoors are ventilated through an adjoining room, the unobstructed opening to the adjoining room shall be not less than 8 percent of the floor area of the interior room or space, but not less than 25 square feet (2.33 m^2). The *ventilation* openings to the outdoors shall be based on a total floor area being ventilated.

403.2 Bathrooms and toilet rooms. Every *bathroom* and *toilet room* shall comply with the *ventilation* requirements for *habitable spaces* as required by Section 403.1, except that a window shall not be required in such spaces equipped with a mechanical *ventilation* system. Air exhausted by a mechanical *ventilation* system from a *bathroom* or *toilet room* shall discharge to the outdoors and shall not be recirculated.

403.3 Cooking facilities. Unless *approved* through the certificate of *occupancy*, cooking shall not be permitted in any *rooming unit* or dormitory unit, and a cooking facility or appliance shall not be permitted to be present in the *rooming unit* or dormitory unit.

Exceptions:

1. Where specifically *approved* in writing by the *code official*.
2. Devices such as coffee pots and microwave ovens shall not be considered cooking appliances.

403.4 Process ventilation. Where injurious, toxic, irritating or noxious fumes, gases, dusts or mists are generated, a local exhaust *ventilation* system shall be provided to remove the contaminating agent at the source. Air shall be exhausted to the exterior and not be recirculated to any space.

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403.5 Clothes dryer exhaust. Clothes dryer exhaust systems shall be independent of all other systems and shall be exhausted outside the structure in accordance with the manufacturer's instructions.

Exception: Listed and *labeled* condensing (ductless) clothes dryers.

SECTION 404
OCCUPANCY LIMITATIONS

404.1 Privacy. *Dwelling units*, hotel units, *housekeeping units*, *rooming units* and dormitory units shall be arranged to provide privacy and be separate from other adjoining spaces.

404.2 Minimum room widths. A habitable room, other than a kitchen, shall be not less than 7 feet (2134 mm) in any plan dimension. Kitchens shall have a minimum clear passageway of 3 feet (914 mm) between counterfronts and appliances or counterfronts and walls.

404.3 Minimum ceiling heights. *Habitable spaces*, hallways, corridors, laundry areas, *bathrooms*, *toilet rooms* and habitable *basement* areas shall have a minimum clear ceiling height of 7 feet (2134 mm).

Exceptions:

1. In one- and two-family dwellings, beams or girders spaced not less than 4 feet (1219 mm) on center and projecting not greater than 6 inches (152 mm) below the required ceiling height.
2. *Basement* rooms in one- and two-family dwellings occupied exclusively for laundry, study or recreation purposes, having a minimum ceiling height of 6 feet 8 inches (2033 mm) with a minimum clear height of 6 feet 4 inches (1932 mm) under beams, girders, ducts and similar obstructions.
3. Rooms occupied exclusively for sleeping, study or similar purposes and having a sloped ceiling over all or part of the room, with a minimum clear ceiling height of 7 feet (2134 mm) over not less than one-third of the required minimum floor area. In calculating the floor area of such rooms, only those portions of the floor area with a minimum clear ceiling height of 5 feet (1524 mm) shall be included.

404.4 Bedroom and living room requirements. Every *bedroom* and living room shall comply with the requirements of Sections 404.4.1 through 404.4.5.

404.4.1 Room area. Every living room shall contain not less than 120 square feet (11.2 m^2) and every bedroom shall contain not less than 70 square feet (6.5 m^2) and every bedroom occupied by more than one person shall contain not less than 50 square feet (4.6 m^2) of floor area for each occupant thereof.

404.4.2 Access from bedrooms. *Bedrooms* shall not constitute the only means of access to other *bedrooms* or *habitable spaces* and shall not serve as the only means of egress from other *habitable spaces*.

Exception: Units that contain fewer than two *bedrooms*.

404.4.3 Water closet accessibility. Every *bedroom* shall have access to not less than one water closet and one lavatory without passing through another *bedroom*. Every *bedroom* in a *dwelling unit* shall have access to not less than one water closet and lavatory located in the same story as the *bedroom* or an adjacent story.

404.4.4 Prohibited occupancy. Kitchens and nonhabitable spaces shall not be used for sleeping purposes.

404.4.5 Other requirements. *Bedrooms* shall comply with the applicable provisions of this code including, but not limited to, the light, *ventilation*, room area, ceiling height and room width requirements of this chapter; the plumbing facilities and water-heating facilities requirements of Chapter 5; the heating facilities and electrical receptacle requirements of Chapter 6; and the smoke detector and emergency escape requirements of Chapter 7.

404.5 Overcrowding. Dwelling units shall not be occupied by more occupants than permitted by the minimum area requirements of Table 404.5.

TABLE 404.5
MINIMUM AREA REQUIREMENTS

SPACE	MINIMUM AREA IN SQUARE FEET		
	1-2 occupants	3-5 occupants	6 or more occupants
Living room[a, b]	120	120	150
Dining room[a, b]	No requirement	80	100
Bedrooms	Shall comply with Section 404.4.1		

For SI: 1 square foot = 0.0929 m^2.

a. See Section 404.5.2 for combined living room/dining room spaces.

b. See Section 404.5.1 for limitations on determining the minimum occupancy area for sleeping purposes.

404.5.1 Sleeping area. The minimum occupancy area required by Table 404.5 shall not be included as a sleeping area in determining the minimum occupancy area for sleeping purposes. Sleeping areas shall comply with Section 404.4.

404.5.2 Combined spaces. Combined living room and dining room spaces shall comply with the requirements of Table 404.5 if the total area is equal to that required for separate rooms and if the space is located so as to function as a combination living room/dining room.

404.6 Efficiency unit. Nothing in this section shall prohibit an efficiency living unit from meeting the following requirements:

1. A unit occupied by not more than one occupant shall have a minimum clear floor area of 120 square feet (11.2 m^2). A unit occupied by not more than two *occupants* shall have a minimum clear floor area of 220 square feet (20.4 m^2). A unit occupied by three *occupants* shall have a minimum clear floor area of 320 square feet (29.7 m^2). These required areas shall be exclusive of the areas required by Items 2 and 3.
2. The unit shall be provided with a kitchen sink, cooking appliance and refrigeration facilities, each having a minimum clear working space of 30 inches (762 mm)

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in front. Light and *ventilation* conforming to this code shall be provided.

3. The unit shall be provided with a separate *bathroom* containing a water closet, lavatory and bathtub or shower.
4. The maximum number of *occupants* shall be three.

404.7 Food preparation. Spaces to be occupied for food preparation purposes shall contain suitable space and equipment to store, prepare and serve foods in a sanitary manner. There shall be adequate facilities and services for the sanitary disposal of food wastes and refuse, including facilities for temporary storage.

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CHAPTER 5
PLUMBING FACILITIES AND FIXTURE REQUIREMENTS

User note:

About this chapter: *Chapter 5 establishes minimum sanitary and clean conditions in occupied buildings by containing requirements for the installation, maintenance and location of plumbing systems and facilities, including the water supply system, water heating appliances, sewage disposal systems and related plumbing fixtures. Chapter 5 includes requirements for providing potable water to a building and the basic fixtures to effectively utilize and dispose of that water.*

SECTION 501
GENERAL

501.1 Scope. The provisions of this chapter shall govern the minimum plumbing systems, facilities and plumbing fixtures to be provided.

501.2 Responsibility. The *owner* of the structure shall provide and maintain such plumbing facilities and plumbing fixtures in compliance with these requirements. A person shall not occupy as *owner-occupant* or permit another person to occupy any structure or *premises* that does not comply with the requirements of this chapter.

SECTION 502
REQUIRED FACILITIES

[P] 502.1 Dwelling units. Every *dwelling unit* shall contain its own bathtub or shower, lavatory, water closet and kitchen sink that shall be maintained in a sanitary, safe working condition. The lavatory shall be placed in the same room as the water closet or located in close proximity to the door leading directly into the room in which such water closet is located. A kitchen sink shall not be used as a substitute for the required lavatory.

[P] 502.2 Rooming houses. Not less than one water closet, lavatory and bathtub or shower shall be supplied for each four *rooming units*.

[P] 502.3 Hotels. Where private water closets, lavatories and baths are not provided, one water closet, one lavatory and one bathtub or shower having access from a public hallway shall be provided for each 10 *occupants*.

[P] 502.4 Employees' facilities. Not less than one water closet, one lavatory and one drinking facility shall be available to employees.

[P] 502.4.1 Drinking facilities. Drinking facilities shall be a drinking fountain, water cooler, bottled water cooler or disposable cups next to a sink or water dispenser. Drinking facilities shall not be located in *toilet rooms* or *bathrooms*.

[P] 502.5 Public toilet facilities. Public toilet facilities shall be maintained in a safe, sanitary and working condition in accordance with the *International Plumbing Code*. Except for periodic maintenance or cleaning, public access and use shall be provided to the toilet facilities at all times during *occupancy* of the *premises*.

SECTION 503
TOILET ROOMS

[P] 503.1 Privacy. *Toilet rooms* and *bathrooms* shall provide privacy and shall not constitute the only passageway to a hall or other space, or to the exterior. A door and interior locking device shall be provided for all common or shared *bathrooms* and *toilet rooms* in a multiple dwelling.

[P] 503.2 Location. *Toilet rooms* and *bathrooms* serving hotel units, *rooming units* or dormitory units or *housekeeping units*, shall have access by traversing not more than one flight of stairs and shall have access from a common hall or passageway.

[P] 503.3 Location of employee toilet facilities. Toilet facilities shall have access from within the employees' working area. The required toilet facilities shall be located not more than one story above or below the employees' working area and the path of travel to such facilities shall not exceed a distance of 500 feet (152 m). Employee facilities shall either be separate facilities or combined employee and public facilities.

Exception: Facilities that are required for employees in storage structures or kiosks, which are located in adjacent structures under the same ownership, lease or control, shall not exceed a travel distance of 500 feet (152 m) from the employees' regular working area to the facilities.

[P] 503.4 Floor surface. In other than *dwelling units*, every *toilet room* floor shall be maintained to be a smooth, hard, nonabsorbent surface to permit such floor to be easily kept in a clean and sanitary condition.

SECTION 504
PLUMBING SYSTEMS AND FIXTURES

[P] 504.1 General. Plumbing fixtures shall be properly installed and maintained in working order, and shall be kept free from obstructions, leaks and defects and be capable of performing the function for which such plumbing fixtures are designed. Plumbing fixtures shall be maintained in a safe, sanitary and functional condition.

[P] 504.2 Fixture clearances. Plumbing fixtures shall have adequate clearances for usage and cleaning.

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[P] 504.3 Plumbing system hazards. Where it is found that a plumbing system in a structure constitutes a hazard to the *occupants* or the structure by reason of inadequate service, inadequate venting, cross connection, backsiphonage, improper installation, *deterioration* or damage or for similar reasons, the *code official* shall require the defects to be corrected to eliminate the hazard.

SECTION 505
WATER SYSTEM

[P] 505.1 General. Every sink, lavatory, bathtub or shower, drinking fountain, water closet or other plumbing fixture shall be properly connected to either a public water system or to an *approved* private water system. Kitchen sinks, lavatories, laundry facilities, bathtubs and showers shall be supplied with hot or tempered and cold running water in accordance with the *International Plumbing Code*.

[P] 505.2 Contamination. The water supply shall be maintained free from contamination, and all water inlets for plumbing fixtures shall be located above the flood-level rim of the fixture. Shampoo basin faucets, janitor sink faucets and other hose bibs or faucets to which hoses are attached and left in place, shall be protected by an approved atmospheric-type vacuum breaker or an approved permanently attached hose connection vacuum breaker.

[P] 505.3 Supply. The water supply system shall be installed and maintained to provide a supply of water to plumbing fixtures, devices and appurtenances in sufficient volume and at pressures adequate to enable the fixtures to function properly, safely, and free from defects and leaks.

[P] 505.4 Water heating facilities. Water heating facilities shall be properly installed, maintained and capable of providing an adequate amount of water to be drawn at every required sink, lavatory, bathtub, shower and laundry facility at a temperature not less than 110°F (43°C). A gas-burning water heater shall not be located in any *bathroom*, *toilet room*, *bedroom* or other occupied room normally kept closed, unless adequate combustion air is provided. An *approved* combination temperature and pressure-relief valve and relief valve discharge pipe shall be properly installed and maintained on water heaters.

[P] 505.5 Nonpotable water reuse systems. Nonpotable water reuse systems and rainwater collection and conveyance systems shall be maintained in a safe and sanitary condition. Where such systems are not properly maintained, the systems shall be repaired to provide for safe and sanitary conditions, or the system shall be abandoned in accordance with Section 505.5.1.

[P] 505.5.1 Abandonment of systems. Where a nonpotable water reuse system or a rainwater collection and distribution system is not maintained or the owner ceases use of the system, the system shall be abandoned in accordance with Section 1301.10 of the *International Plumbing Code*.

SECTION 506
SANITARY DRAINAGE SYSTEM

[P] 506.1 General. Plumbing fixtures shall be properly connected to either a public sewer system or to an *approved* private sewage disposal system.

[P] 506.2 Maintenance. Every plumbing stack, vent, waste and sewer line shall function properly and be kept free from obstructions, leaks and defects.

[P] 506.3 Grease interceptors. Grease interceptors and automatic grease removal devices shall be maintained in accordance with this code and the manufacturer's installation instructions. Grease interceptors and automatic grease removal devices shall be regularly serviced and cleaned to prevent the discharge of oil, grease, and other substances harmful or hazardous to the building drainage system, the public sewer, the private sewage disposal system or the sewage treatment plant or processes. Records of maintenance, cleaning and repairs shall be available for inspection by the *code official*.

SECTION 507
STORM DRAINAGE

[P] 507.1 General. Drainage of roofs and paved areas, *yards* and courts, and other open areas on the *premises* shall not be discharged in a manner that creates a public nuisance.

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CHAPTER 6
MECHANICAL AND ELECTRICAL REQUIREMENTS

User note:

About this chapter: *Chapter 6 establishes minimum performance requirements for heating, electrical and mechanical facilities serving existing structures, such as heating and air-conditioning equipment, appliances and their supporting systems; water heating equipment, appliances and systems; cooking equipment and appliances; ventilation and exhaust equipment; gas and liquid fuel distribution piping and components; fireplaces and solid fuel-burning appliances; chimneys and vents; electrical services; lighting fixtures; electrical receptacle outlets; electrical distribution system equipment, devices and wiring; and elevators, escalators and dumbwaiters.*

SECTION 601
GENERAL

601.1 Scope. The provisions of this chapter shall govern the minimum mechanical and electrical facilities and equipment to be provided.

601.2 Responsibility. The *owner* of the structure shall provide and maintain mechanical and electrical facilities and equipment in compliance with these requirements. A person shall not occupy as *owner-occupant* or permit another person to occupy any *premises* that does not comply with the requirements of this chapter.

SECTION 602
HEATING FACILITIES

602.1 Facilities required. Heating facilities shall be provided in structures as required by this section.

602.2 Residential occupancies. Dwellings shall be provided with heating facilities capable of maintaining a room temperature of 68°F (20°C) in all habitable rooms, *bathrooms* and *toilet rooms* based on the winter outdoor design temperature for the locality indicated in Appendix D of the *International Plumbing Code*. Cooking appliances shall not be used, nor shall portable unvented fuel-burning space heaters be used, as a means to provide required heating.

Exception: In areas where the average monthly temperature is above 30°F (-1°C), a minimum temperature of 65°F (18°C) shall be maintained.

602.3 Heat supply. Every *owner* and *operator* of any building who rents, leases or lets one or more *dwelling units* or *sleeping units* on terms, either expressed or implied, to furnish heat to the *occupants* thereof shall supply heat during the period from **[DATE]** to **[DATE]** to maintain a minimum temperature of 68°F (20°C) in all habitable rooms, *bathrooms* and *toilet rooms*.

Exceptions:

1. When the outdoor temperature is below the winter outdoor design temperature for the locality, maintenance of the minimum room temperature shall not be required provided that the heating system is operating at its full design capacity. The winter outdoor design temperature for the locality shall be as indicated in Appendix D of the *International Plumbing Code*.
2. In areas where the average monthly temperature is above 30°F (-1°C), a minimum temperature of 65°F (18°C) shall be maintained.

602.4 Occupiable work spaces. Indoor occupiable work spaces shall be supplied with heat during the period from **[DATE]** to **[DATE]** to maintain a minimum temperature of 65°F (18°C) during the period the spaces are occupied.

Exceptions:

1. Processing, storage and operation areas that require cooling or special temperature conditions.
2. Areas in which persons are primarily engaged in vigorous physical activities.

602.5 Room temperature measurement. The required room temperatures shall be measured 3 feet (914 mm) above the floor near the center of the room and 2 feet (610 mm) inward from the center of each exterior wall.

SECTION 603
MECHANICAL EQUIPMENT

603.1 Mechanical equipment and appliances. Mechanical equipment, appliances, fireplaces, solid fuel-burning appliances, cooking appliances and water heating appliances shall be properly installed and maintained in a safe working condition, and shall be capable of performing the intended function.

603.2 Removal of combustion products. Fuel-burning equipment and appliances shall be connected to an *approved* chimney or vent.

Exception: Fuel-burning equipment and appliances that are *labeled* for unvented operation.

603.3 Clearances. Required clearances to combustible materials shall be maintained.

603.4 Safety controls. Safety controls for fuel-burning equipment shall be maintained in effective operation.

603.5 Combustion air. A supply of air for complete combustion of the fuel and for *ventilation* of the space containing the

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fuel-burning equipment shall be provided for the fuel-burning equipment.

603.6 Energy conservation devices. Devices intended to reduce fuel consumption by attachment to a fuel-burning appliance, to the fuel supply line thereto, or to the vent outlet or vent piping therefrom, shall not be installed unless *labeled* for such purpose and the installation is specifically *approved*.

SECTION 604
ELECTRICAL FACILITIES

604.1 Facilities required. Every occupied building shall be provided with an electrical system in compliance with the requirements of this section and Section 605.

604.2 Service. The size and usage of appliances and equipment shall serve as a basis for determining the need for additional facilities in accordance with NFPA 70. *Dwelling units* shall be served by a three-wire, 120/240 volt, single-phase electrical service having a minimum rating of 60 amperes.

604.3 Electrical system hazards. Where it is found that the electrical system in a structure constitutes a hazard to the *occupants* or the structure by reason of inadequate service, improper fusing, insufficient receptacle and lighting outlets, improper wiring or installation, *deterioration* or damage, or for similar reasons, the *code official* shall require the defects to be corrected to eliminate the hazard.

604.3.1 Abatement of electrical hazards associated with water exposure. The provisions of this section shall govern the repair and replacement of electrical systems and equipment that have been exposed to water.

604.3.1.1 Electrical equipment. Electrical distribution equipment, motor circuits, power equipment, transformers, wire, cable, flexible cords, wiring devices, ground fault circuit interrupters, surge protectors, molded case circuit breakers, low-voltage fuses, luminaires, ballasts, motors and electronic control, signaling and communication equipment that have been exposed to water shall be replaced in accordance with the provisions of the *International Building Code*.

Exception: The following equipment shall be allowed to be repaired where an inspection report from the equipment manufacturer or *approved* manufacturer's representative indicates that the equipment has not sustained damage that requires replacement:

1. Enclosed switches, rated not more than 600 volts or less.
2. Busway, rated not more than 600 volts.
3. Panelboards, rated not more than 600 volts.
4. Switchboards, rated not more than 600 volts.
5. Fire pump controllers, rated not more than 600 volts.
6. Manual and magnetic motor controllers.
7. Motor control centers.
8. Alternating current high-voltage circuit breakers.
9. Low-voltage power circuit breakers.
10. Protective relays, meters and current transformers.
11. Low- and medium-voltage switchgear.
12. Liquid-filled transformers.
13. Cast-resin transformers.
14. Wire or cable that is suitable for wet locations and whose ends have not been exposed to water.
15. Wire or cable, not containing fillers, that is suitable for wet locations and whose ends have not been exposed to water.
16. Luminaires that are listed as submersible.
17. Motors.
18. Electronic control, signaling and communication equipment.

604.3.2 Abatement of electrical hazards associated with fire exposure. The provisions of this section shall govern the repair and replacement of electrical systems and equipment that have been exposed to fire.

604.3.2.1 Electrical equipment. Electrical switches, receptacles and fixtures, including furnace, water heating, security system and power distribution circuits, that have been exposed to fire, shall be replaced in accordance with the provisions of the *International Building Code*.

Exception: Electrical switches, receptacles and fixtures that shall be allowed to be repaired where an inspection report from the equipment manufacturer or *approved* manufacturer's representative indicates that the equipment has not sustained damage that requires replacement.

SECTION 605
ELECTRICAL EQUIPMENT

605.1 Installation. Electrical equipment, wiring and appliances shall be properly installed and maintained in a safe and *approved* manner.

605.2 Receptacles. Every *habitable space* in a dwelling shall contain not less than two separate and remote receptacle outlets. Every laundry area shall contain not less than one grounding-type receptacle or a receptacle with a ground fault circuit interrupter. Every *bathroom* shall contain not less than one receptacle. Any new *bathroom* receptacle outlet shall have ground fault circuit interrupter protection. All receptacle outlets shall have the appropriate faceplate cover for the location.

605.3 Luminaires. Every public hall, interior stairway, *toilet room*, kitchen, *bathroom*, laundry room, boiler room and furnace room shall contain not less than one electric luminaire.

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Pool and spa luminaires over 15 V shall have ground fault circuit interrupter protection.

605.4 Wiring. Flexible cords shall not be used for permanent wiring, or for running through doors, windows, or cabinets, or concealed within walls, floors, or ceilings.

SECTION 606
ELEVATORS, ESCALATORS AND DUMBWAITERS

606.1 General. Elevators, dumbwaiters and escalators shall be maintained in compliance with ASME A17.1. The most current certificate of inspection shall be on display at all times within the elevator or attached to the escalator or dumbwaiter, be available for public inspection in the office of the building *operator* or be posted in a publicly conspicuous location *approved* by the *code official*. The inspection and tests shall be performed at not less than the periodic intervals listed in ASME A17.1, Appendix N, except where otherwise specified by the authority having jurisdiction.

606.2 Elevators. In buildings equipped with passenger elevators, not less than one elevator shall be maintained in operation at all times when the building is occupied.

Exception: Buildings equipped with only one elevator shall be permitted to have the elevator temporarily out of service for testing or servicing.

SECTION 607
DUCT SYSTEMS

607.1 General. Duct systems shall be maintained free of obstructions and shall be capable of performing the required function.

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CHAPTER 7
FIRE SAFETY REQUIREMENTS

User note:

About this chapter: *Chapter 7 establishes fire safety requirements for existing structures by containing requirements for means of egress, including path of travel, required egress width, means of egress doors and emergency escape openings, and for the maintenance of fire-resistance-rated assemblies, fire protection systems, and carbon monoxide alarm and detection systems.*

SECTION 701
GENERAL

701.1 Scope. The provisions of this chapter shall govern the minimum conditions and standards for fire safety relating to structures and exterior *premises*, including fire safety facilities and equipment to be provided.

701.2 Responsibility. The *owner* of the *premises* shall provide and maintain such fire safety facilities and equipment in compliance with these requirements. A person shall not occupy as *owner-occupant* or permit another person to occupy any *premises* that do not comply with the requirements of this chapter.

SECTION 702
MEANS OF EGRESS

[F] 702.1 General. A safe, continuous and unobstructed path of travel shall be provided from any point in a building or structure to the *public way*. Means of egress shall comply with the *International Fire Code*.

[F] 702.2 Aisles. The required width of aisles in accordance with the *International Fire Code* shall be unobstructed.

[F] 702.3 Locked doors. Means of egress doors shall be readily openable from the side from which egress is to be made without the need for keys, special knowledge or effort, except where the door hardware conforms to that permitted by the *International Building Code*.

[F] 702.4 Emergency escape openings. Required emergency escape openings shall be maintained in accordance with the code in effect at the time of construction, and the following. Required emergency escape and rescue openings shall be operational from the inside of the room without the use of keys or tools. Bars, grilles, grates or similar devices are permitted to be placed over emergency escape and rescue openings provided that the minimum net clear opening size complies with the code that was in effect at the time of construction and such devices shall be releasable or removable from the inside without the use of a key, tool or force greater than that which is required for normal operation of the escape and rescue opening.

SECTION 703
FIRE-RESISTANCE RATINGS

[F] 703.1 Fire-resistance-rated assemblies. The provisions of this chapter shall govern maintenance of the materials, systems and assemblies used for structural fire resistance and fire-resistance-rated construction separation of adjacent spaces to safeguard against the spread of fire and smoke within a building and the spread of fire to or from buildings.

[F] 703.2 Unsafe conditions. Where any components are not maintained and do not function as intended or do not have the fire resistance required by the code under which the building was constructed or altered, such components or portions thereof shall be deemed unsafe conditions in accordance with Section 111.1.1 of the *International Fire Code*. Components or portions thereof determined to be unsafe shall be repaired or replaced to conform to that code under which the building was constructed or altered. Where the condition of components is such that any building, structure or portion thereof presents an imminent danger to the occupants of the building, structure or portion thereof, the fire code official shall act in accordance with Section 111.2 of the *International Fire Code*.

[F] 703.3 Maintenance. The required fire-resistance rating of fire-resistance-rated construction, including walls, firestops, shaft enclosures, partitions, smoke barriers, floors, fire-resistive coatings and sprayed fire-resistant materials applied to structural members and joint systems, shall be maintained. Such elements shall be visually inspected annually by the owner and repaired, restored or replaced where damaged, altered, breached or penetrated. Records of inspections and repairs shall be maintained. Where concealed, such elements shall not be required to be visually inspected by the owner unless the concealed space is accessible by the removal or movement of a panel, access door, ceiling tile or entry to the space. Openings made therein for the passage of pipes, electrical conduit, wires, ducts, air transfer and any other reason shall be protected with approved methods capable of resisting the passage of smoke and fire. Openings through fire-resistance-rated assemblies shall be protected by self- or automatic-closing doors of approved construction meeting the fire protection requirements for the assembly.

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[F] 703.3.1 Fire blocking and draft stopping. Required fire blocking and draft stopping in combustible concealed spaces shall be maintained to provide continuity and integrity of the construction.

[F] 703.3.2 Smoke barriers and smoke partitions. Required smoke barriers and smoke partitions shall be maintained to prevent the passage of smoke. Openings protected with approved smoke barrier doors or smoke dampers shall be maintained in accordance with NFPA 105.

[F] 703.3.3 Fire walls, fire barriers, and fire partitions. Required fire walls, fire barriers and fire partitions shall be maintained to prevent the passage of fire. Openings protected with approved doors or fire dampers shall be maintained in accordance with NFPA 80.

[F] 703.4 Opening protectives. Opening protectives shall be maintained in an operative condition in accordance with NFPA 80. The application of field-applied labels associated with the maintenance of opening protectives shall follow the requirements of the approved third-party certification organization accredited for listing the opening protective. Fire doors and smoke barrier doors shall not be blocked or obstructed, or otherwise made inoperable. Fusible links shall be replaced whenever fused or damaged. Fire door assemblies shall not be modified.

[F] 703.4.1 Signs. Where required by the code official, a sign shall be permanently displayed on or near each fire door in letters not less than 1 inch (25 mm) high to read as follows:

1. For doors designed to be kept normally open: FIRE DOOR – DO NOT BLOCK.
2. For doors designed to be kept normally closed: FIRE DOOR – KEEP CLOSED.

[F] 703.4.2 Hold-open devices and closers. Hold-open devices and automatic door closers shall be maintained. During the period that such a device is out of service for repairs, the door it operates shall remain in the closed position.

[F] 703.4.3 Door operation. Swinging fire doors shall close from the full-open position and latch automatically. The door closer shall exert enough force to close and latch the door from any partially open position.

[F] 703.5 Ceilings. The hanging and displaying of salable goods and other decorative materials from acoustical ceiling systems that are part of a fire-resistance-rated horizontal assembly shall be prohibited.

[F] 703.6 Testing. Horizontal and vertical sliding and rolling fire doors shall be inspected and tested annually to confirm operation and full closure. Records of inspections and testing shall be maintained.

[F] 703.7 Vertical shafts. Interior vertical shafts, including stairways, elevator hoistways and service and utility shafts, which connect two or more stories of a building shall be enclosed or protected as required in Chapter 11 of the *International Fire Code*. New floor openings in existing buildings shall comply with the *International Building Code*.

[F] 703.8 Opening protective closers. Where openings are required to be protected, opening protectives shall be maintained self-closing or automatic-closing by smoke detection. Existing fusible-link-type automatic door-closing devices shall be replaced if the fusible link rating exceeds 135°F (57°C).

SECTION 704
FIRE PROTECTION SYSTEMS

[F] 704.1 Inspection, testing and maintenance. Fire detection, alarm and extinguishing systems, mechanical smoke exhaust systems, and smoke and heat vents shall be maintained in accordance with the *International Fire Code* in an operative condition at all times, and shall be replaced or repaired where defective.

[F] 704.1.1 Installation. Fire protection systems shall be maintained in accordance with the original installation standards for that system. Required systems shall be extended, altered or augmented as necessary to maintain and continue protection where the building is altered or enlarged. Alterations to fire protection systems shall be done in accordance with applicable standards.

[F] 704.1.2 Required fire protection systems. Fire protection systems required by this code, the *International Fire Code* or the *International Building Code* shall be installed, repaired, operated, tested and maintained in accordance with this code. A fire protection system for which a design option, exception or reduction to the provisions of this code, the *International Fire Code* or the *International Building Code* has been granted shall be considered to be a required system.

[F] 704.1.3 Fire protection systems. Fire protection systems shall be inspected, maintained and tested in accordance with the following *International Fire Code* requirements.

1. Automatic sprinkler systems, see Section 903.5.
2. Automatic fire-extinguishing systems protecting commercial cooking systems, see Section 904.12.5.
3. Automatic water mist extinguishing systems, see Section 904.11.
4. Carbon dioxide extinguishing systems, see Section 904.8.
5. Carbon monoxide alarms and carbon monoxide detection systems, see Section 915.6.
6. Clean-agent extinguishing systems, see Section 904.10.
7. Dry-chemical extinguishing systems, see Section 904.6.
8. Fire alarm and fire detection systems, see Section 907.8.
9. Fire department connections, see Sections 912.4 and 912.7.
10. Fire pumps, see Section 913.5.
11. Foam extinguishing systems, see Section 904.7.
12. Halon extinguishing systems, see Section 904.9.

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13. Single- and multiple-station smoke alarms, see Section 907.10.
14. Smoke and heat vents and mechanical smoke removal systems, see Section 910.5.
15. Smoke control systems, see Section 909.20.
16. Wet-chemical extinguishing systems, see Section 904.5.

[F] 704.2 Standards. Fire protection systems shall be inspected, tested and maintained in accordance with the referenced standards listed in Table 704.2 and as required in this section.

TABLE 704.2
FIRE PROTECTION SYSTEM MAINTENANCE STANDARDS

SYSTEM	STANDARD
Portable fire extinguishers	NFPA 10
Carbon dioxide fire-extinguishing system	NFPA 12
Halon 1301 fire-extinguishing systems	NFPA 12A
Dry-chemical extinguishing systems	NFPA 17
Wet-chemical extinguishing systems	NFPA 17A
Water-based fire protection systems	NFPA 25
Fire alarm systems	NFPA 72
Smoke and heat vents	NFPA 204
Water-mist systems	NFPA 750
Clean-agent extinguishing systems	NFPA 2001

[F] 704.2.1 Records. Records shall be maintained of all system inspections, tests and maintenance required by the referenced standards.

[F] 704.2.2 Records information. Initial records shall include the: name of the installation contractor; type of components installed; manufacturer of the components; location and number of components installed per floor; and manufacturers' operation and maintenance instruction manuals. Such records shall be maintained for the life of the installation.

[F] 704.3 Systems out of service. Where a required fire protection system is out of service, the fire department and the fire code official shall be notified immediately and, where required by the fire code official, either the building shall be evacuated or an approved fire watch shall be provided for all occupants left unprotected by the shutdown until the fire protection system has been returned to service. Where utilized, fire watches shall be provided with not less than one approved means for notification of the fire department and shall not have duties beyond performing constant patrols of the protected premises and keeping watch for fires. Actions shall be taken in accordance with Section 901 of the *International Fire Code* to bring the systems back in service.

[F] 704.3.1 Emergency impairments. Where unplanned impairments of fire protection systems occur, appropriate emergency action shall be taken to minimize potential injury and damage. The impairment coordinator shall implement the steps outlined in Section 901.7.4 of the *International Fire Code*.

[F] 704.4 Removal of or tampering with equipment. It shall be unlawful for any person to remove, tamper with or otherwise disturb any fire hydrant, fire detection and alarm system, fire suppression system or other fire appliance required by this code except for the purposes of extinguishing fire, training, recharging or making necessary repairs.

[F] 704.4.1 Removal of or tampering with appurtenances. Locks, gates, doors, barricades, chains, enclosures, signs, tags and seals that have been installed by or at the direction of the fire code official shall not be removed, unlocked, destroyed or tampered with in any manner.

[F] 704.4.2 Removal of existing occupant-use hose lines. The fire code official is authorized to permit the removal of existing occupant-use hose lines where all of the following apply:

1. The installation is not required by the *International Fire Code* or the *International Building Code*.
2. The hose line would not be utilized by trained personnel or the fire department.
3. The remaining outlets are compatible with local fire department fittings.

[F] 704.4.3 Termination of monitoring service. For fire alarm systems required to be monitored by the *International Fire Code*, notice shall be made to the fire code official whenever alarm monitoring services are terminated. Notice shall be made in writing by the provider of the monitoring service being terminated.

[F] 704.5 Fire department connection. Where the fire department connection is not visible to approaching fire apparatus, the fire department connection shall be indicated by an *approved* sign mounted on the street front or on the side of the building. Such sign shall have the letters "FDC" not less than 6 inches (152 mm) high and words in letters not less than 2 inches (51 mm) high or an arrow to indicate the location. Such signs shall be subject to the approval of the fire code official.

[F] 704.5.1 Fire department connection access. Ready access to fire department connections shall be maintained at all times and without obstruction by fences, bushes, trees, walls or any other fixed or movable object. Access to fire department connections shall be approved by the fire chief.

Exception: Fences, where provided with an access gate equipped with a sign complying with the legend requirements of Section 912.5 of the *International Fire Code* and a means of emergency operation. The gate and the means of emergency operation shall be approved by the fire chief and maintained operational at all times.

[F] 704.5.2 Clear space around connections. A working space of not less than 36 inches (914 mm) in width, 36 inches (914 mm) in depth and 78 inches (1981 mm) in height shall be provided and maintained in front of and to the sides of wall-mounted fire department connections and around the circumference of free-standing fire department connections.

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[F] 704.6 Single- and multiple-station smoke alarms. Single- and multiple-station smoke alarms shall be installed in existing Group I-1 and R occupancies in accordance with Sections 704.6.1 through 704.6.3.

[F] 704.6.1 Where required. Existing Group I-1 and R occupancies shall be provided with single-station smoke alarms in accordance with Sections 704.6.1.1 through 704.6.1.4. Interconnection and power sources shall be in accordance with Sections 704.6.2 and 704.6.3.

Exceptions:

1. Where the code that was in effect at the time of construction required smoke alarms and smoke alarms complying with those requirements are already provided.
2. Where smoke alarms have been installed in occupancies and dwellings that were not required to have them at the time of construction, additional smoke alarms shall not be required provided that the existing smoke alarms comply with requirements that were in effect at the time of installation.
3. Where smoke detectors connected to a fire alarm system have been installed as a substitute for smoke alarms.

[F] 704.6.1.1 Group R-1. Single- or multiple-station smoke alarms shall be installed in all of the following locations in Group R-1:

1. In sleeping areas.
2. In every room in the path of the *means of egress* from the sleeping area to the door leading from the *sleeping unit*.
3. In each story within the *sleeping unit*, including basements. For *sleeping units* with split levels and without an intervening door between the adjacent levels, a smoke alarm installed on the upper level shall suffice for the adjacent lower level provided that the lower level is less than one full story below the upper level.

[F] 704.6.1.2 Groups R-2, R-3, R-4 and I-1. Single- or multiple-station smoke alarms shall be installed and maintained in Groups R-2, R-3, R-4 and I-1 regardless of *occupant load* at all of the following locations:

1. On the ceiling or wall outside of each separate sleeping area in the immediate vicinity of bedrooms.
2. In each room used for sleeping purposes.
3. In each story within a *dwelling unit*, including *basements* but not including crawl spaces and uninhabitable attics. In *dwellings* or *dwelling units* with split levels and without an intervening door between the adjacent levels, a smoke alarm installed on the upper level shall suffice for the adjacent lower level provided that the lower level is less than one full story below the upper level.

[F] 704.6.1.3 Installation near cooking appliances. Smoke alarms shall not be installed in the following locations unless this would prevent placement of a smoke alarm in a location required by Section 704.6.1.1 or 704.6.1.2.

1. Ionization smoke alarms shall not be installed less than 20 feet (6096 m) horizontally from a permanently installed cooking appliance.
2. Ionization smoke alarms with an alarm-silencing switch shall not be installed less than 10 feet (3048 mm) horizontally from a permanently installed cooking appliance.
3. Photoelectric smoke alarms shall not be installed less than 6 feet (1829 mm) horizontally from a permanently installed cooking appliance.

[F] 704.6.1.4 Installation near bathrooms. Smoke alarms shall be installed not less than 3 feet (914 mm) horizontally from the door or opening of a bathroom that contains a bathtub or shower unless this would prevent placement of a smoke alarm required by Section 704.6.1.1 or 704.6.1.2.

[F] 704.6.2 Interconnection. Where more than one smoke alarm is required to be installed within an individual *dwelling* or *sleeping unit*, the smoke alarms shall be interconnected in such a manner that the activation of one alarm will activate all of the alarms in the individual unit. Physical interconnection of smoke alarms shall not be required where listed wireless alarms are installed and all alarms sound upon activation of one alarm. The alarm shall be clearly audible in all bedrooms over background noise levels with all intervening doors closed.

Exceptions:

1. Interconnection is not required in buildings that are not undergoing *alterations*, repairs or construction of any kind.
2. Smoke alarms in existing areas are not required to be interconnected where *alterations* or repairs do not result in the removal of interior wall or ceiling finishes exposing the structure, unless there is an attic, crawl space or basement available that could provide access for interconnection without the removal of interior finishes.

[F] 704.6.3 Power source. Single-station smoke alarms shall receive their primary power from the building wiring provided that such wiring is served from a commercial source and shall be equipped with a battery backup. Smoke alarms with integral strobes that are not equipped with battery backup shall be connected to an emergency electrical system. Smoke alarms shall emit a signal when the batteries are low. Wiring shall be permanent and without a disconnecting switch other than as required for overcurrent protection.

Exceptions:

1. Smoke alarms are permitted to be solely battery operated in existing buildings where construction is not taking place.
2. Smoke alarms are permitted to be solely battery operated in buildings that are not served from a commercial power source.

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3. Smoke alarms are permitted to be solely battery operated in existing areas of buildings undergoing *alterations* or repairs that do not result in the removal of interior walls or ceiling finishes exposing the structure, unless there is an attic, crawl space or *basement* available that could provide access for building wiring without the removal of interior finishes.

[F] 704.6.4 Smoke detection system. Smoke detectors listed in accordance with UL 268 and provided as part of the building's fire alarm system shall be an acceptable alternative to single- and multiple-station smoke alarms and shall comply with the following:

1. The fire alarm system shall comply with all applicable requirements in Section 907 of the *International Fire Code*.
2. Activation of a smoke detector in a dwelling or sleeping unit shall initiate alarm notification in the *dwelling* or *sleeping unit* in accordance with Section 907.5.2 of the *International Fire Code*.
3. Activation of a smoke detector in a *dwelling* or *sleeping unit* shall not activate alarm notification appliances outside of the *dwelling* or *sleeping unit*, provided that a supervisory signal is generated and monitored in accordance with Section 907.6.6 of the *International Fire Code*.

[F] 704.7 Single- and multiple-station smoke alarms. Single- and multiple-station smoke alarms shall be tested and maintained in accordance with the manufacturer's instructions. Smoke alarms that do not function shall be replaced. Smoke alarms installed in one- and two-family dwellings shall be replaced not more than 10 years from the date of manufacture marked on the unit, or shall be replaced if the date of manufacture cannot be determined.

SECTION 705
CARBON MONOXIDE ALARMS AND DETECTION

[F] 705.1 General. Carbon monoxide alarms shall be installed in dwellings in accordance with Section 1103.9 of the *International Fire Code*, except that alarms in dwellings covered by the *International Residential Code* shall be installed in accordance with Section R315 of that code.

[F] 705.2 Carbon monoxide alarms and detectors. Carbon monoxide alarms and carbon monoxide detection systems shall be maintained in accordance with NFPA 720. Carbon monoxide alarms and carbon monoxide detectors that become inoperable or begin producing end-of-life signals shall be replaced.

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CHAPTER 8
REFERENCED STANDARDS

User note:

About this chapter: *This code contains numerous references to standards promulgated by other organizations that are used to provide requirements for materials and methods of construction. Chapter 8 contains a comprehensive list of all standards that are referenced in this code. These standards, in essence, are part of this code to the extent of the reference to the standard.*

This chapter lists the standards that are referenced in various sections of this document. The standards are listed herein by the promulgating agency of the standard, the standard identification, the effective date and title and the section or sections of this document that reference the standard. The application of the referenced standards shall be as specified in Section 102.7.

ASME

American Society of Mechanical Engineers
Two Park Avenue
New York, NY 10016-5990

ASME A17.1—2016/CSA B44—16: Safety Code for Elevators and Escalators
606.1

ASTM

ASTM International
100 Barr Harbor Drive, P.O. Box C700
West Conshohocken, PA 19428-2959

F1346—91 (2010): Performance Specifications for Safety Covers and Labeling Requirements for All Covers for Swimming Pools, Spas and Hot Tubs
303.2

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Washington, DC 20001

IBC—18: International Building Code®
102.3, 201.3, 304.1.1, 305.1.1, 306.1.1, 401.3, 604.3.1.1, 604.3.2.1, 702.3, 704.4.2

IECC—18: International Energy Conservation Code®
102.3

IEBC—18: International Existing Building Code®
102.3, 201.3, 304.1.1, 305.1.1, 306.1.1

IFC—18: International Fire Code®
102.3, 201.3, 604.3.1.1, 702.1, 702.2, 704.1, 704.1.2, 704.1.3, 704.3, 704.3.1, 704.4.2, 704.4.3, 704.5.1, 704.6.4, 705.1

IFGC—18: International Fuel Gas Code®
102.3, 201.3

IMC—18: International Mechanical Code®
102.3, 201.3

IPC—18: International Plumbing Code®
102.3, 201.3, 502.5, 505.1, 505.5.1, 602.2, 602.3

IRC—18: International Residential Code®
102.3, 201.3

IZC—18: International Zoning Code®
102.3, 201.3

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NFPA

National Fire Protection Association
1 Batterymarch Park
Quincy, MA 02169-7471

10—17: Standard for Portable Fire Extinguishers
Table 704.2

12—15: Standard on Carbon Dioxide Extinguishing Systems
Table 704.2

12A—15: Standard on Halon 1301 Fire Extinguishing Systems
Table 704.2

17—17: Standard for Dry Chemical Extinguishing Systems
Table 704.2

17A—17: Standard for Wet Chemical Extinguishing Systems
Table 704.2

25—17: Standard for the Inspection, Testing and Maintenance of Water-Based Fire Protection Systems
Table 704.2

70—17: National Electrical Code
102.3, 201.3, 604.2

72—16: National Fire Alarm and Signaling Code
Table 704.2

80—16: Standard for Fire Doors and Other Opening Protectives
703.3.3, 703.4

105—16: Standard for Smoke Door Assemblies and Other Opening Protectives
703.3.2

204—15: Standard for Smoke and Heat Venting
Table 704.2

720—15: Standard for the Installation of Carbon Monoxide (CO) Detection and Warning Equipment
[F] 705.2

750—14: Standard on Water Mist Fire Protection Systems
Table 704.2

2001—15: Standard on Clean Agent Fire Extinguishing Systems
Table 704.2

UL

Underwriters Laboratories, LLC
333 Pfingsten Road
Northbrook, IL 60062

268—09: Smoke Detectors for Fire Alarm Systems
704.6.4

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APPENDIX A
BOARDING STANDARD

The provisions contained in this appendix are not mandatory unless specifically referenced in the adopting ordinance.

User note:

About this appendix: *Appendix A provides minimum specifications for boarding a structure. This can be utilized by a jurisdiction as a set of minimum requirements in order to result in consistent boarding quality. These requirements also provide a reasonable means to eliminate having to approve numerous methods or materials for the boarding and securing of a structure. It is important to note that the provisions of Appendix A are not mandatory unless specifically referenced in the adopting ordinance of the authority having jurisdiction.*

A101
GENERAL

A101.1 General. Windows and doors shall be boarded in an *approved* manner to prevent entry by unauthorized persons and shall be painted to correspond to the color of the existing structure.

A102
MATERIALS

A102.1 Boarding sheet material. Boarding sheet material shall be minimum $^1/_2$-inch-thick (12.7 mm) wood structural panels complying with the *International Building Code*.

A102.2 Boarding framing material. Boarding framing material shall be minimum nominal 2-inch by 4-inch (51 mm by 102 mm) solid sawn lumber complying with the *International Building Code*.

A102.3 Boarding fasteners. Boarding fasteners shall be minimum $^3/_8$-inch-diameter (9.5 mm) carriage bolts of such a length as required to penetrate the assembly and as required to adequately attach the washers and nuts. Washers and nuts shall comply with the *International Building Code*.

A103
INSTALLATION

A103.1 Boarding installation. The boarding installation shall be in accordance with Figures A103.1(1) and A103.1(2) and Sections A103.2 through A103.5.

A103.2 Boarding sheet material. The boarding sheet material shall be cut to fit the door or window opening neatly or shall be cut to provide an equal overlap at the perimeter of the door or window.

A103.3 Windows. The window shall be opened to allow the carriage bolt to pass through or the window sash shall be removed and stored. The 2-inch by 4-inch (51 mm by 102 mm) strong back framing material shall be cut minimum 2 inches (51 mm) wider than the window opening and shall be placed on the inside of the window opening 6 inches (152 mm) minimum above the bottom and below the top of the window opening. The framing and boarding shall be pre-drilled. The assembly shall be aligned and the bolts, washers and nuts shall be installed and secured.

A103.4 Door walls. The door opening shall be framed with minimum 2-inch by 4-inch (51 mm by 102 mm) framing material secured at the entire perimeter and vertical members at a maximum of 24 inches (610 mm) on center. Blocking shall also be secured at a maximum of 48 inches (1219 mm) on center vertically. Boarding sheet material shall be secured with screws and nails alternating every 6 inches (152 mm) on center.

A103.5 Doors. Doors shall be secured by the same method as for windows or door openings. One door to the structure shall be available for authorized entry and shall be secured and locked in an *approved* manner.

A104
REFERENCED STANDARD

IBC—18	International Building Code	A102.1, A102.2, A102.3

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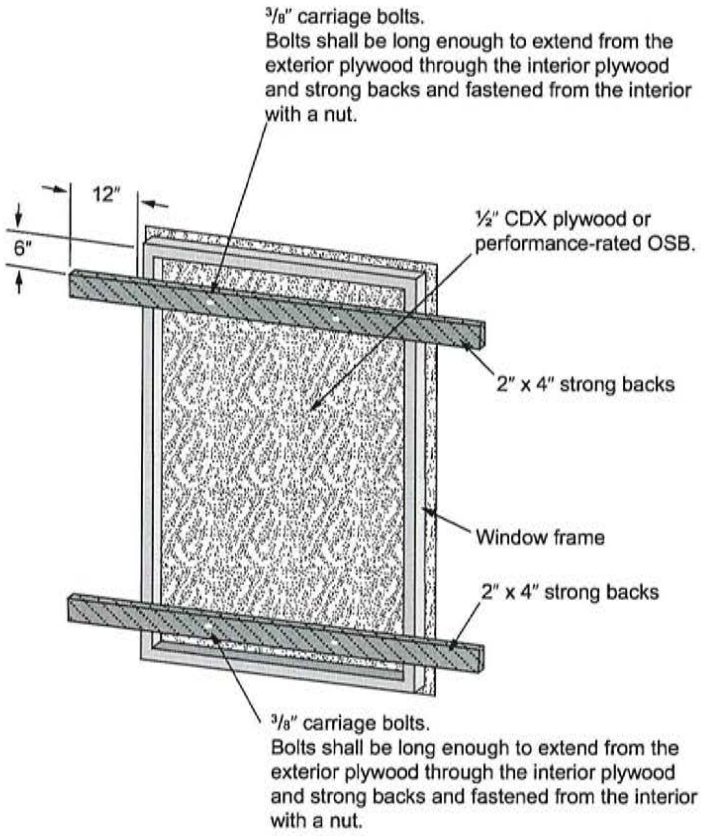
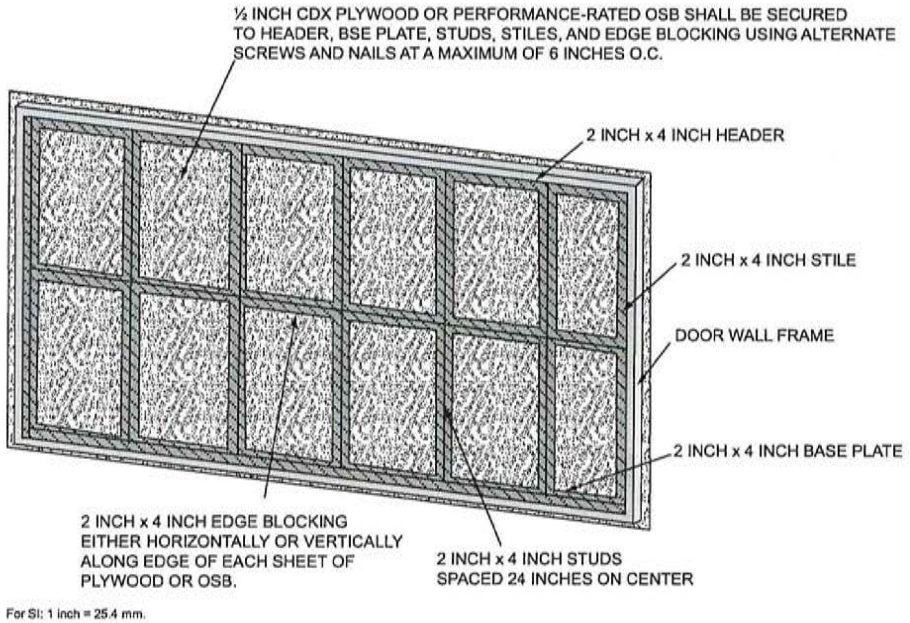


FIGURE A103.1(1)
BOARDING OF DOOR OR WINDOW



For SI: 1 inch = 25.4 mm.

FIGURE A103.1(2)
BOARDING OF DOOR WALL

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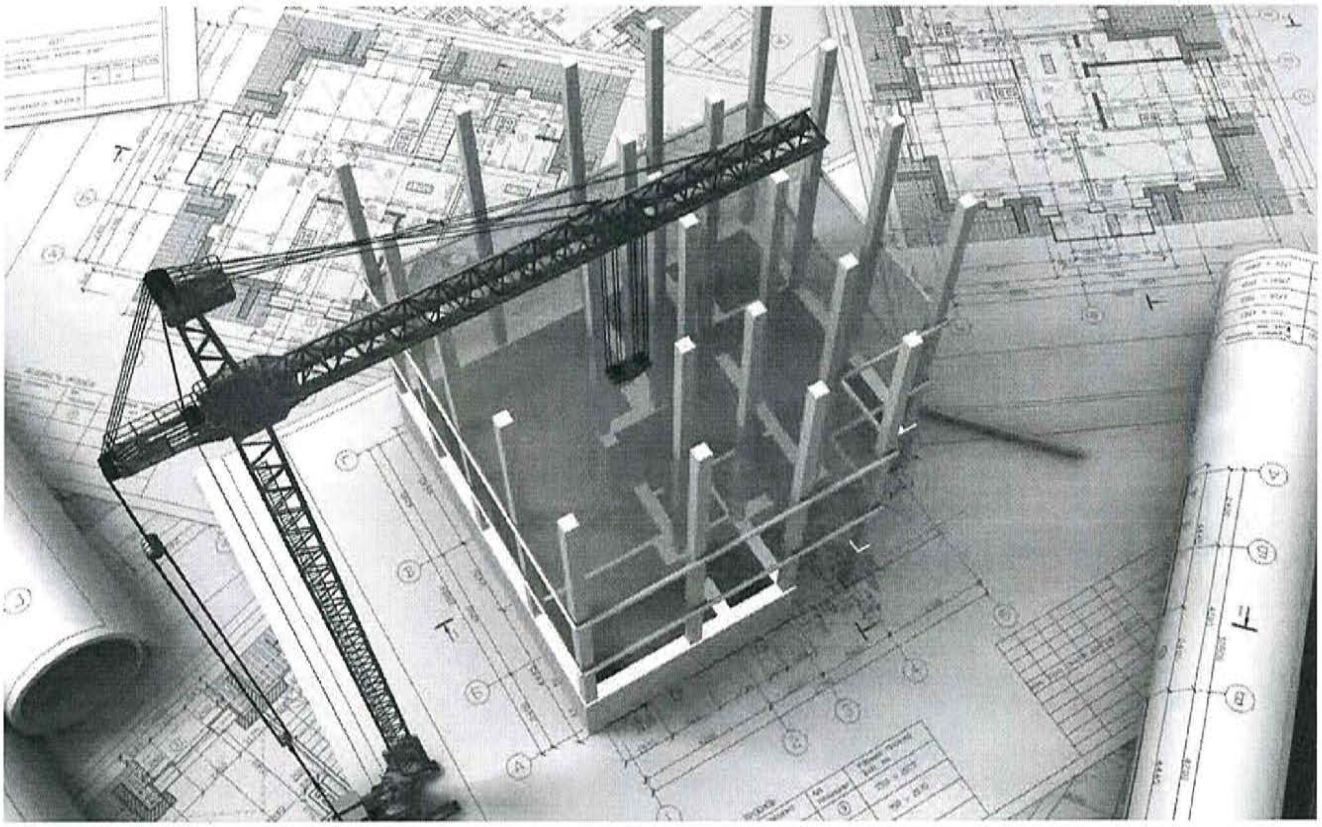
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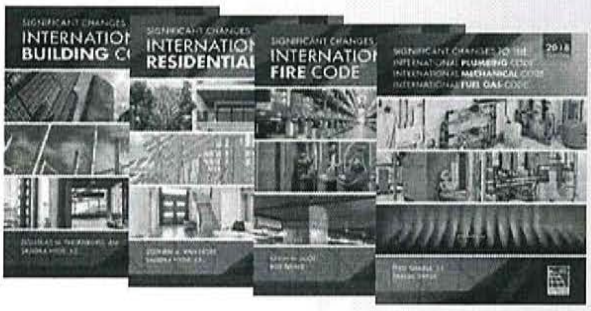
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CITY OF CHARLEVOIX
ORDINANCE NO. 828 of 2021
PROPERTY MAINTENANCE ORDINANCE

An ordinance adopting by reference the most recent edition of the *International Property Maintenance Code,* except as provided herein; regulating and governing the conditions and maintenance of all property, buildings and structures; by providing standards for supplied utilities and facilities and other physical things and conditions essential to ensure that structures are safe, sanitary and fit for human occupation and use; and the condemnation of buildings and structures in the City; providing the issuance of permits and collection of fees therefor; and repealing and all other ordinances and parts of ordinances within.

THE CITY OF CHARLEVOIX ORDAINS:

SECTION 1. Title IX, Chapter 91, Section 91.70 of the City of Charlevoix Code is hereby added to read as follows:

Purpose. The purpose of this ordinance is to adopt a property maintenance code to regulate and govern the conditions and maintenance of all property, buildings and structures, to provide uniform standards for occupation and use to ensure that they are safe, sanitary and fit.

SECTION 2.

Title. This Ordinance shall be known and cited as "The City of Charlevoix Property Maintenance Code."

SECTION 3.

Adoption. Pursuant to MCL 117.3 (k). that certain document marked and designated as The International Property Maintenance Code, most recently adopted edition, as published by the International Code Council, is hereby adopted as the Housing/Property Maintenance Code of the City, and each and all of the provisions of such code are hereby referred to, adopted and made a part hereof as if fully set out in this chapter, save and except such provisions as hereinafter amended or deleted.

SECTION 4.

Definitions. Wherever the term "building official," "administrative authority" or "code official" appears in the International Property Maintenance Code, as adopted in Section 3, it shall be deemed to mean the Authorized City Official (as defined in the City Code of Ordinances, as amended) and also includes the City Planner and City Zoning Administrator, or his or her duly authorized agent. Wherever the term "Municipality," "City" or "local jurisdiction" appears in such Code, it shall be deemed to mean the City of Charlevoix. Wherever the term "Board of Appeals" appears in such Code, it shall be deemed to mean the Zoning Board of Appeals of the City of Charlevoix.

SECTION 5.

Revisions. The following sections of the International Property Maintenance Code, as adopted in Section 3 above, are also hereby revised:

101.1 Insert: City of Charlevoix

103.5 Insert: Insert: Fees shall be as currently established or as hereafter adopted by resolution of the city council from time to time.

106.3 Insert: Prosecution of violation. Any person failing to comply with a notice of violation or order served in accordance with Section 107 shall be deemed responsible for a municipal civil infraction and subject to the civil fines set forth in the City of Charlevoix Code. If the notice of violation is not complied with, the code official shall institute the appropriate proceeding at law or in equity to restrain, correct or abate such violation, or to require the removal or termination of the unlawful occupancy of the structure in violation of the provisions of this code or of the order or direction made pursuant thereto. Any action taken by the authority having jurisdiction on such premises shall be charged against the real estate upon which the structure is located and shall be a lien upon such real estate.

106.4. Violation penalties. Any person who shall violate a provision of this code, or fail to comply therewith, or with any of the requirements thereof, shall be responsible for a municipal civil infraction and subject to the civil fines set forth in the City of Charlevoix Code. Each day that a violation continues after due notice has been served shall be deemed a separate offense.

111.2.4. Secretary: The secretary of the appeals board will be the city clerk.

112.4. Failure to comply. Any person who shall continue any work after having been served with a stop work order, except such work as that person is directed to perform to remove a violation or unsafe condition, shall be responsible for a municipal civil infraction and subject to the civil fines set forth in the City of Charlevoix Code.

302.4 Insert: Ten (10) inches

304.14 Insert: Insect screens are required from April 1 through November 1

602.3 Insert: Heat shall be supplied from January 1 through December 31

602.4 Insert: Heat shall be supplied from January 1 through December 31

602.4. Occupiable Work Spaces. Insert: January 1 through December 31

SECTION 6.

File Copies. Printed copies of the International Property Maintenance Code, as adopted in Section 3, shall be kept in the office of the City Clerk, available for review and inspection by the public at all times.

SECTION 7. Severability.

No other portion, paragraph or phase of the Code of the City of Charlevoix, Michigan shall be affected by this Ordinance except as to the above sections, and in the event any portion, section or subsection of this Ordinance shall be held invalid for any reason, such invalidation shall not be construed to affect the validity of any other part or portion of this Ordinance or of the Code of the City of Charlevoix, Michigan.

SECTION 8. Inconsistent Ordinances.

Where a provision of the International Property Maintenance Code, as adopted in this Ordinance is found to be in conflict with a provision of any zoning, housing, fire, safety, or health law of the City, the County or the State, the provision which establishes the higher standard or assumes the higher jurisdiction for the promotion and protection of the health, safety and welfare of the City shall prevail.

SECTION 9. Effective Date.

This Ordinance shall become effective thirty (30) days after its enactment pursuant to the City Charter.

Ordinance No. 828 was adopted on the 18th day of October 2021 A.D., by the Charlevoix City Council as follows:
Motion by:
Second by:
Yeas:
Nays:
Absent:

State of Michigan
City of Charlevoix } §

Joyce M. Golding Clerk

Luther Kurtz Mayor

CHARLEVOIX CITY COUNCIL

Public Hearings and Actions Requiring Public Hearings

TITLE: Public Hearing: Winter Parking Ordinance

DATE: September 20, 2021

PRESENTED BY: Mark L. Heydlauff, City Manager

BACKGROUND:

Last winter, the Planning Commission reviewed overnight, on-street parking rules. The Council reviewed the draft last winter but was hesitant to make changes in the middle of the season. If Council agrees to adopt this ordinance on September 20, we can have signage (as needed) ready by December 1 when this would go into effect for the majority of streets.

When this public hearing was set, Council requested feedback from the DPW Department on the affected this ordinance might have on the plowing of streets. I reviewed this request with Pat Elliott who advised it would not make a significant impact on snow plowing and he believes his department will handle the change quite easily. He did offer some language updates from the draft Council first reviewed and it is my recommendation you adopt this version of the ordinance.

RECOMMENDATION:

Motion to approve Ordinance 827 of 2021.

ATTACHMENTS:

- Draft Ordinance Language
- Ordinance
- Ordinance with DPW edits

City of Charlevoix Winter Parking

Draft Language for Consideration

February 22, 2021

In order to encourage the development of more housing within the R-2 Residential District, the number of required on-site parking spaces has been reduced. Because of this the City is updating its winter parking rules to allow for on-street parking on some streets throughout the winter months.

Draft language has been prepared for your review. Both Chief Doan and Public Works Superintendent Elliot have reviewed earlier drafts and offered their input prior to this version.

Current Language: 70.04 (X) Sec. 8.25.

Sec. 8.25. All night parking. No person shall park a vehicle on the streets or any public parking lot of the city from December 1 to April 1, inclusive, between the hours of 2 a.m. and 6 a.m.

Draft New Language: 70.04 (X) Sec. 8.25.

Sec.8.25. All Night Parking

(1) *Time and manner of permitted parking.* Unless otherwise marked, the following standards apply between the hours of 2:00 a.m. and 6:00 a.m., Sundays through Saturdays, annually, from December 1 to the following April 1, on-street parking for vehicles (motorized and non-motorized), trailers, equipment, etc., here after referred to as vehicles, shall only be permitted on all public streets within the city only as follows, unless otherwise authorized by the city manager:

a. *Odd-numbered dates.* On all odd-numbered dates, all vehicles shall be parked on the odd-numbered side of the street. Odd-numbered dates shall mean the first, third, fifth, seventh, ninth, 11th, 13th, 15th, 17th, 19th, 21st, 23rd, 25th, 27th, 29th and 31st days of each month.

b. *Even-numbered dates.* On all even-numbered dates, all vehicles shall be parked on the even-numbered side of the street. Even-numbered dates shall mean the second, fourth, sixth, eighth, 10th, 12th, 14th, 16th, 18th, 20th, 22nd, 24th, 26th, 28th, and 30th days of each month.

c. *Odd-numbered side of street.* The "odd-numbered side of the street" shall mean the side of the public street that is adjacent to properties that are designated by odd-numbered addresses. Odd-numbered addresses shall be those that end with a digit that is a 1, 3, 5, 7, or 9.

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d. *Even-numbered side of street.* The "even-numbered side of the street" shall mean the side of the public street that is adjacent to properties that are designated by even-numbered addresses. Even-numbered addresses shall be those that end with a digit that is a 0, 2, 4, 6, or 8.

(2) *Central business district exception.* The provisions in this section shall not apply to public streets within the Central Business District zone. Within the Central Business District zone, no vehicle shall be parked on any public street between the hours of 2:00 a.m. and 6:00 a.m., Sundays through Saturdays, annually, from December 1 to the following April 1.

(3) *Overnight parking not allowed on specific streets at any time.* Overnight parking is not allowed on the following streets at all times: Belvedere Ave./Ferry Ave., Burns St., W Carpenter St., Division St., W Garfield Ave. from Bridge St. to Grant St., Grant St., W Hurlbut Ave. between Bridge St. and State St., May St. between E Carpenter Ave. and E Garfield Ave., Meech St., Michigan Ave. between Division St. and US31, and State St.

(4) *Overnight parking in City lots.* Overnight parking in designated city lots may be allowed by permit only.

a. *Permits issued*. Residents who reside in the Central Business District (north of Antrim Street and east of State Street to the Pine River Channel and Round Lake) may receive permits for their vehicles.

b. *Maximum time for parking.* The maximum time limit for parking in City lots shall be 24 hours.

c. *Overnight parking lots*. Residents with a parking permit may park overnight in marked areas in the Dewitt lot; the Central lot; and the Kusina lot.

(5) *Violations.* Any person who violates any provision herein shall be responsible for a civil infraction, the fine for which City Council may, from time to time, set by resolution.

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CITY OF CHARLEVOIX
ORDINANCE NO. 827 of 2021
AN ORDINANCE TO AMEND TITLE VII, CHAPTER 70.04, SECTION (X) 8.25 OF THE CHARLEVOIX CITY CODE

THE CITY OF CHARLEVOIX ORDAINS:

SECTION 1. Title VII, Chapter 70.04, Section (X) 8.25 of the City of Charlevoix Code is hereby repealed and replaced as follows:

Sec.8.25. All Night Parking

(1) *Time and manner of permitted parking.* Unless otherwise marked, the following standards apply between the hours of 2:00 a.m. and 6:00 a.m., Sundays through Saturdays, annually, from December 1 to the following April 1, on-street parking for vehicles (motorized and non-motorized), trailers, equipment, etc., here after referred to as vehicles, shall only be permitted on all public streets within the city only as follows, unless otherwise authorized by the city manager:
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(2) *Central business district exception.* The provisions in this section shall not apply to public streets within the Central Business District zone. Within the Central Business District zone, no vehicle shall be parked on any public street between the hours of 2:00 a.m. and 6:00 a.m., Sundays through Saturdays, annually, from December 1 to the following April 1.

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(4) *Overnight parking in City lots.* Overnight parking in designated city lots may be allowed by permit only.
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   b. *Maximum time for parking.* The maximum time limit for parking in City lots shall be 24 hours.
   c. *Overnight parking lots*. Residents with a parking permit may park overnight in marked areas in the Dewitt lot; the Central lot; and the Kusina lot.

(5) *Violations.* Any person who violates any provision herein shall be responsible for a civil infraction, the fine for which City Council may, from time to time, set by resolution.

SECTION 2. Severability.

No other portion, paragraph or phase of the Code of the City of Charlevoix, Michigan shall be affected by this Ordinance except as to the above sections, and in the event any portion, section or subsection of this Ordinance shall be held invalid for any reason, such invalidation shall not be construed to affect the validity of any other part or portion of this Ordinance or of the Code of the City of Charlevoix, Michigan.

SECTION 3. Effective Date.

This Ordinance shall become effective thirty (30) days after its enactment pursuant to the City Charter.

Ordinance No. 827 was adopted on the 20th day of September 2021 A.D., by the Charlevoix City Council as follows:
Motion by:
Second by:
Yeas:
Nays:
Absent:

State of Michigan
City of Charlevoix } §

Joyce M. Golding Clerk

Luther Kurtz Mayor

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CHARLEVOIX CITY COUNCIL

All Other Actions and Requests

TITLE: Grant Application to Support Winter Vibrancy

DATE: September 20, 2021

PRESENTED BY: Lindsey Dotson, Main Street DDA Executive Director

BACKGROUND:

Charlevoix Main Street DDA is partnering with the Recreation Department and Visit Charlevoix to request permission to apply for a Charlevoix County Community Foundation grant to support "winter vibrancy" initiatives. The requested amount will be $10,000 with required matching funds being split between the partnering entities. A variety of ideas are being explored to add more passive activity to our public spaces during the winter months (sledding, warming stations, etc.). In a recent meeting with the Charlevoix County Community Foundation, out of all the ideas that were presented, this was the one they were most enthusiastic about and encouraged us to apply.

Information has been gathered in recent surveys between the DDA and Recreation Departments that support the public's desire for these types of enhancements. Funding will support programs that already exist, including candlelit hikes at Mt. McSauba and the First Fridays promotion, which will be enhanced in comparison to the spring 2021 events because of the grant funding. A large portion of the funds will be used for marketing and promotion to continue working toward improving regional perceptions about Charlevoix in the winter, highlighting the open businesses, events, and activities that can be enjoyed year round.

GOALS:

Enhance and showcase the outstanding quality of life in Charlevoix

RECOMMENDATION:

Motion to approve submitting a grant application to the Charlevoix Community Foundation to support Winter Vibrancy placemaking initiatives.

CHARLEVOIX CITY COUNCIL

Reports and Communications

TITLE: City Manager's Comments

DATE: September 20, 2021

PRESENTED BY: Mark L. Heydlauff, City Manager

BACKGROUND:

A. Channel Planting Proposal

Silver Linings Charlevoix is developing a planned gift of planting the north side of the Pine River Channel. Last week, the Shade Tree and Parks Commission met with the organizers and gave them some feedback. Next week, I believe the DDA Board will be reviewing the same plan and also giving feedback. DPW Superintendent Pat Elliott and I have also reviewed the plans and discussed thoughts on the future maintenance for the planting plan; this feedback is being incorporated into the fundraising and design. Council and the Planning Commission will ultimately review the plan at some undetermined point in the future.

B. Bus Incident

As you may have heard, a travel bus operated by Indian Trails ended up on the promenade by the Marina. Our staff is assembling costs for response and damage; we will be billing the company for all City costs for the response. The Police Department is handling the investigation.

ATTACHMENTS:

- Quarterly Investment Update
- Shade Tree & Parks Commission Minutes

CITY OF CHARLEVOIX
SCHEDULE OF FISCAL YEAR 2021-22 INVESTMENTS
As of September 20, 2021

ACCOUNT# / CUSIP	BANK	AMOUNT	INVEST DATE	MATURITY DATE	CASHED?	ANNUAL RATE	TIME DAYS	EST TOTAL PROCEEDS	EST 21-22 PROCEEDS
6574077441	Chemical Bank	750,000	4/15/2019	4/15/2021	Yes	2.700%	731	41,470	851
6938841/1	CIBC - Private Bank	250,000	6/29/2020	6/29/2021	Yes	0.470%	365	1,191	294
6887508/1	CIBC - Private Bank	250,000	7/9/2020	7/9/2021	yes	0.420%	365	1,065	292
6550534272	Chemical Bank	250,000	2/13/2020	8/13/2021	Yes	1.700%	547	6,427	1,586
6556081547	Chemical Bank	250,000	2/14/2020	8/14/2021	Yes	1.700%	547	6,427	1,598
6809318/1	CIBC - Private Bank	250,000	2/20/2020	2/19/2022	NO	1.700%	730	8,500	3,784
6550534272	CIBC - Private Bank	250,000	8/17/2021	8/17/2022	NO	0.200%	365	500	310
6975062	CIBC - Private Bank	630,000	3/8/2021	3/8/2022	NO	0.250%	365	1,575	1,476
6938841/1	CIBC - Private Bank	250,000	6/29/2021	6/29/2022	NO	0.220%	365	550	414
P1R255192	Comerica	250,000	10/18/2019	10/17/2021	NO	1.800%	730	9,000	2,466
591603	CIBC - Private Bank	250,000	9/25/2020	9/25/2021	NO	0.320%	365	800	390
6887508/1	CIBC - Private Bank	250,000	7/9/2021	7/11/2022	NO	0.220%	367	1,065	769
6928103/1	CIBC - Private Bank	750,000	4/20/2021	4/20/2023	NO	0.250%	730	3,750	1,772
6556081547	CIBC - Private Bank	250,000	8/16/2021	8/16/2022	NO	0.200%	365	500	311
	TOTALS:	$3,130,000				Average Days & Totals:	496	82,819	16,312

Shade Tree and Parks Commission
Meeting Minutes

July 8, 2021, 10am
City Hall Council Chambers

Members present: Chair Hodgson; Levy; Muladore; Pawlicki; Polakowski
Members absent: None
Also present: Pat Elliott, DPW Superintendent; Mark L. Heydlauff, City Manager

Chair Hodgson called the meeting to order at 10am.

Mr. Pawlicki indicated he would be resigning from the board due to a relocation to Grand Rapids. The commission thanked him for his service and expressed their appreciation for his work for trees in Charlevoix.

Mr. Pawlicki left the meeting.

Motion by Levy, second by Muladore to approve the minutes of June 3, 2021.
Motion carried.

Chair Hodgson reviewed the view vistas on Park Avenue and recent discussions with Bill Thom regarding his requests for trimming along Park Avenue. Mr. Elliott reviewed the planning for parking along Park Avenue; this paving work would be done after Labor Day.

Mr. Polakowski updated the Commission on tree cutting around the Westenbroek Substation. He indicated he met with Electric Director John Griffith and Drost Landscaping to delineate the trees to be removed and tree additions to be made after cutting.

The Commission discussed the 2021 planting plans.

Mr. Elliot indicated his crew would be directly watering trees rather than utilizing gator bags this year.

The Commission discussed meeting with the Friends of Ferry Beach on August 5 at 10am at Ferry Beach.

Chair Hodgson adjourned the meeting at 11:01am
Meeting adjourned.