CITY OF
CHARLEVOIX

AGENDA
CITY OF CHARLEVOIX CITY COUNCIL REGULAR MEETING
Monday, November 6, 2017- 7:00 PM
Council Chambers, 210 State Street, Charlevoix, MI

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1. **Pledge of Allegiance**

2. **Roll Call**

3. **Presentations**

   A. 2016-17 Fiscal Year Financial Audit Presentation
      Michael Sparling

   B. Shirley Gibson

4. **Inquiry Regarding Conflicts of Interest**

5. **Consent Agenda**

   A. 2016-17 Fiscal Year Financial Audit

   B. Planning Commission Resignation

   C. City Council Meeting Minutes - October 16, 2017

   D. Accounts Payable and Payroll Check Registers

   E. Water Treatment Plant Valve Upgrades

   F. Compensation Commission Report

6. **Public Hearings and Actions Requiring Public Hearings**

7. **All Other Actions and Requests**

   A. Lake Michigan Beach Park Design
      Mark L. Heydlauff, City Manager; Perry Irish-Hodgson and Ken Polakowski, Shade Tree Commissioners

   B. Recreation Director Job Description (FT)
      Mark L. Heydlauff, City Manager

8. **Reports and Communications**

   A. Public Comments

   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: 2016-17 Fiscal Year Financial Audit Presentation
DATE: November 6, 2017

PRESENTED BY: Michael Sparling

BACKGROUND:
The City's auditor, Rehmann Robson, has completed their audit of the City's financial statements for the year ended March 31, 2017. 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.

ATTACHMENTS:

- 2016-17 Independent Auditor Communication
- 2016-17 Financial Audit
- 2016-17 ACT 51

Rehmann

Rehmann Robson

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INDEPENDENT AUDITORS' COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

September 25, 2017

Members of City Council
City of Charlevoix, Michigan
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, 2017, and have issued our report thereon dated September 25, 2017. 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 July 7, 2017, 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 City'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 September 25, 2017.

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 and in our meeting about planning matters on July 10, 2017.

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.

There have been no initial selections of accounting policies and no changes in significant accounting policies or their application during the year.

During the year, management determined that funds held on behalf of the City by the Michigan Public Power Agency, available for electrical payment usage, had been improperly omitted from the City's financial statements. Note 19 to the financial statements contains a more complete description of this transaction. No matters have come to our attention that would require us, under professional standards, to inform you about 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 pension-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 Attachment A to this letter.

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 City, 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 City Council and management of the City of Charlevoix, Michigan and is not intended to be and should not be used by anyone other than these specified parties.

Rehmann Robson LLC

CITY OF CHARLEVOIX, MICHIGAN

Attachment A - Fund Audit Adjustments

For the March 31, 2017 Audit

Entry #	Account Number	Account Description	Debit	Credit
1	581-000-300.000	Net Pension Liability	$ 11,053	$ -
	581-000-190.000	Deferred Outflows - Contributions	400	-
	581-000-191.000	Deferred Outflows - Investment Returns	-	20,105
	581-000-192.000	Deferred Outflows - Experience	-	915
	581-000-194.000	Deferred Inflow - Experience	-	7,676
	581-000-193.000	Deferred Outflows - Assumptions	-	6,939
	581-581-719.000	Employee Fringe Benefits	24,181	-
	590-000-300.000	Net Pension Liability	9,314	-
	590-000-190.000	Deferred Outflows - Contributions	337	-
	590-000-191.000	Deferred Outflows - Investment Returns	-	16,941
	590-000-192.000	Deferred Outflows - Experience	-	771
	590-000-194.000	Deferred Inflow - Experience	-	6,468
	590-000-193.000	Deferred Outflows - Assumptions	-	5,847
	590-558-719.000	Employee Fringe Benefits	20,376	-
	591-000-300.000	Net Pension Liability	15,167	-
	591-000-190.000	Deferred Outflows - Contributions	549	-
	591-000-191.000	Deferred Outflows - Investment Returns	-	27,588
	591-000-192.000	Deferred Outflows - Experience	-	1,255
	591-000-194.000	Deferred Inflow - Experience	-	10,533
	591-000-193.000	Deferred Outflows - Assumptions	-	9,521
	591-579-719.000	Employee Fringe Benefits	33,182	-
	582-000-300.000	Net Pension Liability	56,288	-
	582-000-190.000	Deferred Outflows - Contributions	2,038	-
	582-000-191.000	Deferred Outflows - Investment Returns	-	102,388
	582-000-192.000	Deferred Outflows - Experience	-	4,658
	582-000-194.000	Deferred Inflow - Experience	-	39,093
	582-000-193.000	Deferred Outflows - Assumptions	-	35,336
	582-539-719.000	Employee Fringe Benefits	123,149	-
	To record change in net pension liability and related deferred amounts.			
2	661-000-147.000	Allow For Depr (Ofc Furn&Equp)	1,928	-
	661-000-141.000	Allow For Deprec-Mach & Equip	17,027	-
	661-000-149.000	Allow. For Deprec. - Vehicles	-	8,535
	661-000-137.000	Allow. For Depreciation-Build.	1	-
	661-000-140.000	Machinery & Equipment	-	34,008
	661-000-146.000	Office Furniture & Equipment	-	2,546
	661-000-148.000	Vehicles	41,218	-
	661-895-977.000	Machinery & Equipment	-	15,085
	To agree capital assets to subsidiary records.			
3	581-000-314.000	Advance From Electric	10,000	-
	581-000-699.000	Contributions From Other Funds	-	10,000
	582-965-999.000	Transfer To Other Fund	10,000	-
	582-000-198.000	Advance To Other Funds	-	10,000
	To true-up advances between funds.			
4	351-000-006.000	Cash At Paying Agent	66,500	-
	351-965-995.000	BOND INTEREST	-	66,500
	To reduce interest expense not payable until due on April 1.			
5	581-000-251.000	Accrued Interest Payable	1,916	-
	581-581-962.000	Miscellaneous	-	1,916
	To remove stale interest accrual.			

CITY OF CHARLEVOIX, MICHIGAN

Attachment A - Fund Audit Adjustments

For the March 31, 2017 Audit

Entry #	Account Number	Account Description	Debit	Credit
6	203-000-084.000	Due From Other Funds	$ -	$ 2,540.00
	203-000-214.000	Due To Other Funds	2,540	-
	406-000-084.000	Due From Other Funds	-	2,540
	406-000-214.000	Due To Other Funds	2,540	-
	591-000-084.000	Due From Other Funds	-	2,540
	591-000-214.000	Due To Other Funds	2,540	-
	581-000-214.000	Due To Other Funds	1,600	-
	581-000-699.000	Contributions From Other Funds	-	1,600
	582-000-084.000	Due From Other Funds	-	1,600
	582-965-999.000	Transfer To Other Fund	1,600	-
	402-000-084.000	Due From Other Funds	-	10,094
	402-402-999.000	Transfer To Other Funds	10,094	-
	405-000-084.000	Due From Other Funds	-	6,729
	405-405-999.000	Transfer To Other Fund	6,729	-
	590-000-214.000	Due To Other Funds	16,823	-
	590-000-699.406	Contrib. From Other Fund Pi6	-	16,823
	101-000-084.000	Due From Other Funds	-	37,583
	101-000-214.000	Due To Other Funds	37,583	-
	638-000-084.000	Due From Other Funds	-	45,550
	638-000-214.000	Due To Other Funds	45,550	-
	101-000-214.000	Due To Other Funds	22,059	-
	101-000-699.000	Contributions From Other Funds	-	22,059
	638-000-084.000	Due From Other Funds	-	7,924
	638-638-999.000	Transfer To Other Fund-(Pi#1)	7,924	-
	594-000-084.000	Due From Other Funds	-	7,967
	594-965-999.000	Transfer To Other Fund	7,967	-
	590-000-084.000	Due From Other Funds	-	6,168
	590-560-999.000	Transfer To Other Funds	6,168	-
	To eliminate stale due to and due from balances.			
7	582-000-001.RRR	Deposit held by MPPA	382,387	-
	582-000-399.000	Retained Earnings - Prior Period Adjustment	-	384,564
	582-000-692.000	Miscellaneous	2,177	-
	To properly include funds held by MPPA in the City's financial statements.			
8	591-000-140.000	Machinery & Equipment	9,215	-
	591-000-153.005	Transmission & Distrib. Mains	-	9,215
	Reclass entry to agree category balances to depreciation schedules.			
9	591-000-131.000	Accumulated Depreciation	1,439	-
	591-580-962.000	Miscellaneous	-	1,439
	591-580-968.000	Depreciation Expense	4	-
	591-580-962.000	Miscellaneous	-	4
	To agree depreciation expense to change in accumulated depreciation.			
10	582-539-775.000	Repairs & Maintenance Supplies	65,036	-
	582-000-111.000	Inventory Of Material & Supply	-	65,036
	To adjust electric inventory to actual per inventory count.			
11	101-000-040.000	Accounts Receivable	27,064	-
	101-000-637.000	Ambulance Runs	-	27,064
	To book incorrectly reversed prior year adjustment.			

CITY OF CHARLEVOIX, MICHIGAN

Attachment A - Fund Audit Adjustments

For the March 31, 2017 Audit

Entry #	Account Number	Account Description	Debit	Credit
12	582-000-143.001	Undergrnd Conductors & Devices	$ 95,216	$ -
	582-000-001.000	Cash	-	95,216
	590-000-155.002	Transmission & Collection Main	641,421	-
	590-000-001.000	Cash	-	641,421
	591-000-153.005	Transmission & Distrib. Mains	491,673	-
	591-000-001.000	Cash	-	491,673
	406-000-001.000	Cash	1,228,310	-
	406-406-818.000	Contractual Services	-	1,228,310
	To record capital asset transfer from capital projects fund to proper enterprise fund.			

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CITY OF CHARLEVOIX

Attachment B – Upcoming Changes in Accounting Standards / Regulations

For the March 31, 2017 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 74 ■ Postemployment Benefit Plans Other than Pension Plans
Effective 06/15/2017 (your FY 2018)

This standard requires the calculation of a net other postemployment benefit (OPEB) liability based on an actuarial valuation of retiree healthcare and similar benefits administered by an OPEB trust. It mirrors the new accounting and financial reporting requirements of GASB 67 for pension plans.

GASB 75 ■ Postemployment Benefits Other than Pensions
Effective 06/15/2018 (your FY 2019)

This standard builds on the requirements of GASB 74 by requiring employers that provide other postemployment benefits (OPEB) to recognize a net OPEB liability on their statements of net position. It mirrors the new accounting and financial reporting requirements of GASB 68 for pension benefits.

GASB 80 ■ Blending Requirements for Certain Component Units
Effective 06/15/2017 (your FY 2018)

This standard is an amendment to GASB 14, The Financial Reporting Entity, and requires blending component units incorporated as not-for-profit corporations in which the government is the sole corporate member. We do not expect this standard to have any significant effect on the City.

GASB 81 ■ Irrevocable Split-Interest Agreements
Effective 12/15/2017 (your FY 2018)

This standard addresses the accounting for split-interest agreements for which the government serves as the intermediary and/or the beneficiary. It requires governments to record assets, liabilities, and deferred inflows of resources at the inception of the agreement when serving as intermediary, or when the government controls the present service capacity of a beneficial interest. We do not expect this standard to have any significant effect on the City.

GASB 82 ■ Pension Issues
Effective 06/15/2017 (your FY 2018)

This standard is an amendment to GASB 67/68 to clarify several issues related to pensions. We do not expect this standard to have any significant effect on the City.

Attachment B – Upcoming Changes in Accounting Standards / Regulations
For the March 31, 2017 Audit

GASB 83 ■ Certain Asset Retirement Obligations
Effective 06/15/2019 (your FY 2020)

This standard addresses accounting and financial reporting for certain asset retirement obligations--legally enforceable liabilities associated with the retirement of a tangible capital asset. We do not expect this standard to have any significant effect on the City.

GASB 84 ■ Fiduciary Activities
Effective 12/15/2019 (your FY 2020)

This standard establishes new criteria for determining how to report fiduciary activities in governmental financial statements. The focus is on whether the government is controlling the assets, and who the beneficiaries are. Under this revised standard, certain activities previously reported in agency funds may be reclassified in future periods. Due to the number of specific factors to consider, we will continue to assess the degree to which this standard may impact the City.

GASB 85 ■ Omnibus 2017
Effective 06/15/2018 (your FY 2019)

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 86 ■ Certain Debt Extinguishment Issues
Effective 06/15/2018 (your FY 2019)

This standard provides guidance for reporting the in-substance defeasance of outstanding debt obligations using existing resources. Qualifying transactions will remove both the assets placed into trust and the related debt obligation from the government's statement of net position. We do not expect this standard to have any significant effect on the City.

GASB 87 ■ Leases
Effective 12/15/2020 (your FY 2021)

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.

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CITY OF CHARLEVOIX

Attachment C – Management Representations

For the March 31, 2017 Audit

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

CITY OF
CHARLEVOIX

September 25, 2017

Rehmann Robson
PO Box 250
Cheboygan, MI 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, 2017, 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 Fund 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 September 25, 2017:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated July 7, 2017, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP. We have reviewed, approved, and taken responsibility for the financial statements and related notes.
2. 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.
3. 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.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
6. 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.
7. 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.

8. 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.
9. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
10. 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.
11. All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
12. All funds and activities are properly classified.
13. 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.
14. All components of net position and fund balance classifications have been properly reported.
15. 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.
16. 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.
17. All interfund and intra-City transactions and balances have been properly classified and reported.
18. Deposit and investment risks have been properly and fully disclosed.
19. Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
20. All required supplementary information is measured and presented within the prescribed guidelines.
21. We believe that the actuarial assumptions and methods used to measure pension liabilities and costs for financial accounting purposes are appropriate in the circumstances.
22. 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.
23. In connection with the correction of an error to include funds held in trust by the Michigan Public Power Agency, available for use by the Electric Utility fund to offset energy charges, the City has determined that a restatement of beginning net position of the Electric Utility Fund is sufficient to inform financial statement users, and accordingly, no revised and reissued financial statements for fiscal year 2016 or any previous fiscal years are necessary. Also, the City has evaluated the underlying cause of this error and determined that it does not affect any other areas of the financial statements.

Information Provided

24. 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 City from whom you determined it necessary to obtain audit evidence.
25. All transactions have been recorded in the accounting records and are reflected in the financial statements.
26. 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.
27. We have no knowledge of any fraud or suspected fraud that affects the City 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.
28. We have no knowledge of any allegations of fraud, or suspected fraud, affecting the City's financial statements communicated by employees, former employees, vendors, regulators, or others.
29. We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements.
30. We have disclosed to you the identity of the City's related parties and all the related party relationships and transactions of which we are aware.
31. There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
32. The government has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
33. We have disclosed to you all guarantees, whether written or oral, under which the government is contingently liable.
34. 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.
35. 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-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-62.
36. 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.
37. 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.

38. We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB-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

39. 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

40. 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, Treasurer

CITY OF CHARLEVOIX, MICHIGAN

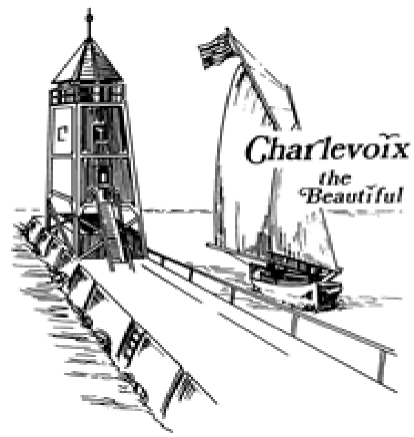
Schedule of Adjustments Passed (SOAP)

For the March 31, 2017 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**
2017					
General Fund					
Understatement of accounts receivable	$ (29,225)	$ -	$ -	$ (29,225)	$ -
Understatement of unearned revenue	-	(5,478)	-	5,478	-
Understatement of allowance for doubtful accounts	24,000	-	-	-	(24,000)
Governmental activities					
Cumulative effect of items noted above	$ (5,225)	$ (5,478)	$ -	$ (23,747)	$ (24,000)
Misstatement as a percentage of total assets - governmental activities	**-0.02%**	**-0.02%**	**0.00%**	**-0.07%**	**-0.07%**
Airport Fund					
Prior year overstatement of fuel inventory	$ -	$ -	$ 13,323	$ -	$ 13,323
Understatement of capital assets	(67,592)	-	-	-	67,592
	(67,592)	-	13,323	-	80,915
Electric Fund					
Prior year overstatement of inventory	-	-	10,715	-	10,715
Business-type activities					
Cumulative effect of items noted above	$ (67,592)	$ -	$ 24,038	$ -	$ 91,630
Misstatement as a percentage of total assets - business type activities	**-0.13%**	**0.00%**	**0.05%**	**0.00%**	**0.17%**

City of Charlevoix, Michigan



Fiscal Year Ended March 31, 2017

Financial Statements

Rehmann

Business wisdom delivered.

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	Leon Perron
Council Member	Tom Oleksy
Council Member	Shane Cole
Council Member	Shirley Gibson

Appointed Officials

City Manager	Mark Heydlauff
Attorney	Scott Howard
Clerk	Joyce Golding
Treasurer	Kelly McGinn
Planning Director/Zoning Administrator	Zach Panoff
Police Chief/Fire Chief	Gerard Doan
DPW Superintendent	Pat Elliott
Electric Superintendent	Donald Swem
Wastewater Operator	Randall Wurst
Water Treatment Operator	Shelley Mayer
Community Economic Development Director	Lindsey Dotson
Airport Manager	Matt Wyman
Harbormaster	Hal Evans
Recreation Director	Thomas Kirinovic
Director of Golf	Tom Heid

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Rehmann

Rehmann Robson

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Cheboygan, MI 49721
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INDEPENDENT AUDITORS' REPORT

September 25, 2017

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, 2017, 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, as of March 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Restatement of Beginning Net Position

As described in Note 19 to the financial statements, the beginning net position of the business-type activities and the Electric Utility Fund, were restated to correct errors presented in the prior year financial statements that improperly excluded funds held in trust by the Michigan Public Power Agency. Our opinion is not modified with respect to this matter.

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 September 25, 2017, 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.

Rehmann Robson LLC

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2017.

Financial Highlights

- The City's total net position increased to approximately $64,222,000 at the end of the current fiscal year compared to approximately $62,068,000 at the end of the prior period (as restated for GASB 68). Net position of governmental activities decreased by approximately $693,000. Net position of business-type activities increased by approximately $2,847,000.
- The assets and deferred outflows of resources of the City (primary government) exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by approximately $64,222,000 (net position). Of this amount, approximately $10,647,000 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- The primary government's total net position increased by approximately $2,154,000.
- At March 31, 2017, the City's governmental funds reported combined ending fund balances of approximately $4,086,000, a decrease of approximately $2,057,000 from the prior year. Approximately 40% of this total amount or approximately $1,650,000 is unassigned and is available for spending at the City's discretion.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was approximately $1,650,000 or 51% 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 and liabilities, with the difference between the two 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.

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 Fund and the Infrastructure Improvement Fund, which are considered to be the City's only 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. A budgetary comparison statement has been provided within the basic financial statements to demonstrate compliance with the General Fund budget.

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 pool, and Department of Public Works (DPW). Because the motor pool 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.

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 approximately $64,222,000 at the close of the most recent fiscal year.

Management's Discussion and Analysis

By far the largest portion of the City's net position (82 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 (2 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the City's ongoing obligations to citizens and creditors.

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Assets and deferred outflows						
Current and other assets	$ 5,313,003	$ 7,288,317	$ 13,479,005	$ 12,180,476	$ 18,792,008	$ 19,468,793
Capital assets, net	28,889,918	27,586,280	39,573,938	38,066,335	68,463,856	65,652,615
Deferred outflows	404,071	690,167	560,735	807,629	964,806	1,497,796
	34,606,992	35,564,764	53,613,678	51,054,440	88,220,670	86,619,204
Liabilities and deferred inflows						
Other liabilities	323,274	335,180	795,803	1,470,770	1,119,077	1,805,950
Long-term liabilities	3,983,852	4,201,166	13,683,260	13,268,487	17,667,112	17,469,653
Net pension liability	2,685,441	2,800,186	2,383,618	2,475,440	5,069,059	5,275,626
Deferred inflows	79,692	-	63,770	-	143,462	-
	7,072,259	7,336,532	16,926,451	17,214,697	23,998,710	24,551,229
Net position						
Net investment in capital assets	26,453,531	27,426,963	26,070,223	24,995,347	52,523,754	52,422,310
Restricted	705,738	659,107	682,387	-	1,388,125	659,107
Unrestricted	375,464	142,162	9,934,617	8,844,396	10,310,081	8,986,558
Total net position	$ 27,534,733	$ 28,228,232	$ 36,687,227	$ 33,839,743	$ 64,221,960	$ 62,067,975

Current and other assets of governmental activities decreased by approximately $2,000,000 primarily due to the use of proceeds from issuance of debt received in 2016 being used for capital expenditures in 2017.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

	Change in Net position					
	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Program revenues						
Charges for services	$ 856,227	$ 849,010	$ 10,607,484	$ 10,158,358	$ 11,463,711	$ 11,007,368
Operating grants and contributions	434,666	469,271	369,656	349,015	804,322	818,286
Capital grants and contributions	-	871,200	1,410,025	1,687,059	1,410,025	2,558,259
General revenues						
Property taxes	2,985,220	2,984,918	-	-	2,985,220	2,984,918
State shared revenue	249,525	235,105	-	-	249,525	235,105
Other revenues	7,378	7,728	-	-	7,378	7,728
Unrestricted investment earnings	12,722	7,955	-	-	12,722	7,955
Total revenues	4,545,738	5,425,187	12,387,165	12,194,432	16,932,903	17,619,619
Expenses:						
Legislative	56,227	61,537	-	-	56,227	61,537
General government	646,601	683,651	-	-	646,601	683,651
Public safety	1,219,180	1,220,058	-	-	1,219,180	1,220,058
Public works	915,039	855,604	-	-	915,039	855,604
Health and welfare	385,795	415,473	-	-	385,795	415,473
Recreation and culture	1,028,411	993,149	-	-	1,028,411	993,149
Interest expense	108,454	-	-	-	108,454	-
Electric utility	-	-	5,479,757	5,342,828	5,479,757	5,342,828
Sewage disposal utility	-	-	1,356,738	1,339,618	1,356,738	1,339,618
Water utility	-	-	1,121,636	1,307,295	1,121,636	1,307,295
Marina	-	-	1,035,232	1,142,134	1,035,232	1,142,134
Airport	-	-	1,425,848	1,478,509	1,425,848	1,478,509
Total expenses	4,359,707	4,229,472	10,419,211	10,610,384	14,778,918	14,839,856

Continued...

Management's Discussion and Analysis

	Change in Net Position (concluded)					
	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Change in net position before transfers	$ 186,031	$ 1,195,715	$ 1,967,954	$ 1,584,048	$ 2,153,985	$ 2,779,763
Transfers	(879,530)	(487,690)	879,530	487,690	-	-
Change in net position	(693,499)	708,025	2,847,484	2,071,738	2,153,985	2,779,763
Net position:						
Beginning of year	28,228,232	29,395,242	33,839,743	33,425,582	62,067,975	62,820,824
Restatement for:						
Implementation of GASB 68	-	(1,875,035)	-	(1,657,577)	-	(3,532,612)
	28,228,232	27,520,207	33,839,743	31,768,005	62,067,975	59,288,212
End of year	$ 27,534,733	$ 28,228,232	$ 36,687,227	$ 33,839,743	$ 64,221,960	$ 62,067,975

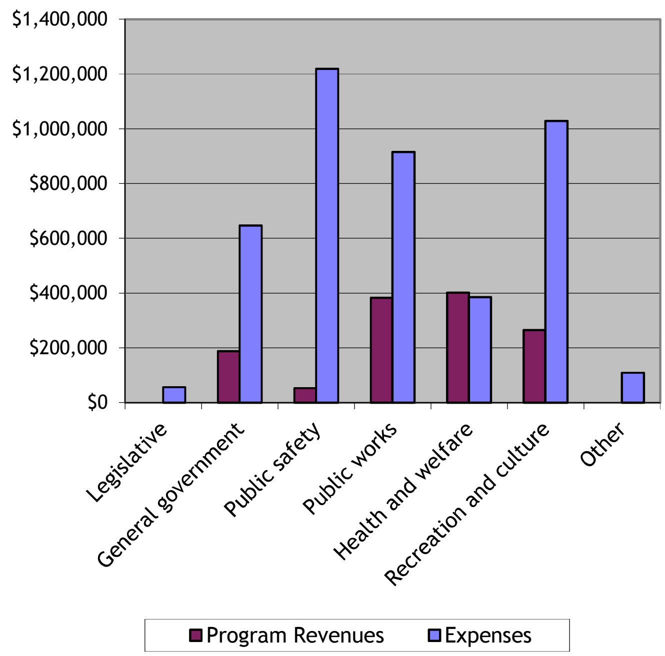
Concluded

Governmental Activities. Governmental activities decreased the City's net position by approximately $693,000. Key elements of this decrease are as follows:

- Total governmental activities revenue decreased by approximately $879,000 or 16.20% compared to prior year, with the most significant decrease from a reduction in a capital grant contribution passed through MDOT in the amount of $871,200 in the previous year.

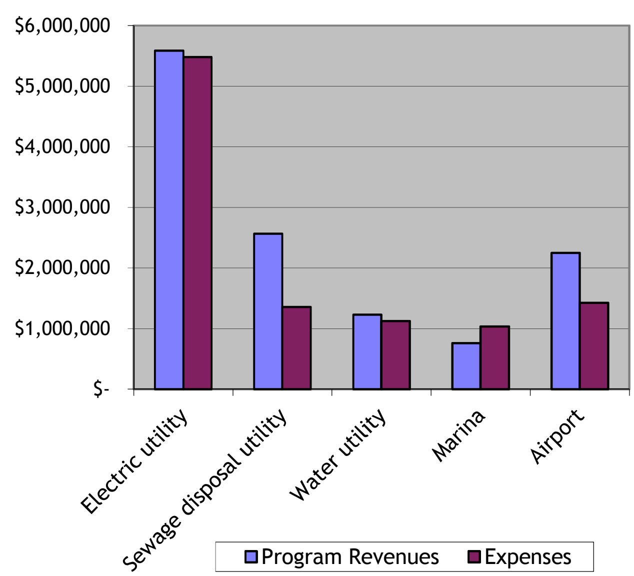
- Total expenses for governmental activities were consistent with the previous year with an increase of approximately $130,000. The most significant increase in governmental activity expenses related to interest expense reported on outstanding debt of approximately $108,000 related to the 2016 capital improvement bonds.

Program Revenues and Expenses - Governmental Activities



Business-type Activities. Net position of the business-type activities increased by approximately $2,847,000, an increase of approximately $784,000 from the change in net position for fiscal year 2016. The increase was attributable to an increase in revenues in excess of expenses of approximately $392,000 as a result of adjustment of sewer and water rates in connection with improvements at the waste water and water treatment plant. In addition, transfers increased by approximately $392,000 as a result of infrastructure work related to the infrastructure bond. Net position of business-type activities and the Electric Utility Fund for 2016 was adjusted and increased approximately $375,000 to record funds held in trust for the City by the Michigan Public Power Agency that were improperly omitted from the City's financial statements in previous periods.

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. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of approximately $4,086,000, a decrease of approximately $2,057,000 from prior year. This decrease was attributable primarily to the effect of the activity related to the prior year issuance of the 2016 Capital Improvement Bonds and the Infrastructure Improvements fund's receipt of bond proceeds of approximately $4,025,000 reported as other financing sources resulting in a net increase in the Infrastructure Improvement Fund's fund balance of approximately $3,500,000 compared to a decrease in that same fund's fund balance in the current period of approximately $2,500,000 related to the use of bond proceeds. A significant portion of the fund balances, approximately $1,650,000 constitutes unassigned fund balances, which is available for spending at the City's discretion. The remainder of fund balance is either nonspendable, restricted or assigned to indicate that it is not available for new spending.

General Fund Budgetary Highlights

During the year, General Fund revenues were higher than budgetary estimates by approximately $11,000 and expenditures were lower than budgetary estimates by approximately $236,000. Expenditures were lower than budgeted due to several factors including a tennis court resurfacing project being completed for less than expected, cost savings related to outsourcing of Planning Department and Fire Department activities, labor cost savings related to not providing life-guards on beaches and a budgeted play-ground project not being completed until after year-end. However, General Fund transfers to other City funds were under budget by approximately $38,000 and transfers in from other funds were over budget by approximately $22,000. This resulted in an increase in the fund balance of approximately $230,000 compared to a budgeted decrease of approximately $77,000. There were no significant budget amendments made during the year.

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 approximately $7,599,000 and the net investment in capital assets was approximately $26,166,000. The changes in enterprise fund net positions were as follows:

- Electric utility activities decreased the City's net position by approximately $356,000 with charges for services exceeding expenses by approximately $59,000, approximately $24,000 in interest revenues, and offsetting net transfer out of approximately $439,000. The significant amount of transfers out related to approximately $400,000 transferred to the motor pool for the purchase of a Pole Cat and Trencher.
- Sewage disposal utility activities increased the City's net position by approximately $1,790,000. This was attributable mainly to the excess of charges for services over the expenses and net transfers in of approximately $1,215,000 and $599,000, respectively offset by nonoperating expenses of approximately $224,000. Transfers in related to the cost of capitalizing infrastructure work that was performed through the infrastructure bonds.
- Water utility activities increased the City's net position by approximately $585,000 due to charges for services exceeding expenses by approximately $93,000 and transfers in of approximately $492,000 related to capitalizing infrastructure work that was performed through the infrastructure bonds.
- Marina activities negatively impacted the City's net position by approximately $284,000 primarily due to depreciation expense of approximately $658,000 and the Marina's contribution to the Marina / East Park debt obligations of approximately $8,000.
- Airport activities increased the City's net position by approximately $867,000, primarily due to the City receiving $1,210,000 in capital grants and contributions for the terminal apron rehabilitation project, part of which is offset by depreciation expense of approximately $381,000.

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, 2017, amounted to approximately $68,464,000 (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:

- Wastewater treatment plant improvements, approximately $10,600,000.
- Infrastructure and other improvements: Airport, St. Mary's, Wood, Green, E. Upright, Alice, Nichols, and Burns, approximately $2,800,000.
- Airport Friction Improvements and Taxiway A. Rehabilitation Design, approximately $300,000.
- Vehicle, equipment and software purchases, approximately $400,000.
- Other improvements including Electric and water utility system improvements, approximately $550,000.

	Capital Assets (Net of Depreciation, Where Applicable)					
	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	$ 16,932,797	$ 16,932,797	$ 1,569,534	$ 1,569,534	$ 18,502,331	$ 18,502,331
Construction in progress	-	-	-	9,515,558	-	9,515,558
Land improvements	1,594,587	1,691,280	12,488,981	13,432,590	14,083,568	15,123,870
Infrastructure	5,440,972	4,046,230	-	-	5,440,972	4,046,230
Buildings and improvements	3,225,987	3,395,369	15,297,641	3,687,980	18,523,628	7,083,349
System improvements	-	-	9,860,562	9,356,959	9,860,562	9,356,959
Machinery and equipment	582,851	602,286	357,220	503,714	940,071	1,106,000
Vehicles	1,112,724	918,318	-	-	1,112,724	918,318
Total capital assets, net	$ 28,889,918	$ 27,586,280	$ 39,573,938	$ 38,066,335	$ 68,463,856	$ 65,652,615

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

Long-term debt. At the end of the current fiscal year, the City (primary government) had bonds related to the construction of the marina with a balance of approximately $4,226,000, including bond premium, and capital improvement bonds with a balance of $3,816,000, including bond premium. The City has pledged its full faith and credit towards the above obligations. Additionally, the City issued revenue bonds to fund the wastewater treatment plant improvement project. During fiscal year 2017, the City issued an additional amount of approximately $757,000 for the wastewater treatment plant improvement project. The outstanding balance at fiscal year end amounted to approximately $9,458,000.

	General Obligations and Other Long Term Debt					
	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
2016 Capital improvement bonds	$ 3,420,000	$ 3,600,000	$ -	$ -	$ 3,420,000	$ 3,600,000
Marina limited tax general obligation bonds	-	-	3,805,000	4,105,000	3,805,000	4,105,000
Sewage disposal utility fund revenue bonds	-	-	9,457,599	8,700,760	9,457,599	8,700,760
Deferred amounts:						
Issuance premiums	396,789	425,131	420,661	462,727	817,450	887,858
Compensated absences	167,063	176,035	-	-	167,063	176,035
Total	$ 3,983,852	$ 4,201,166	$ 13,683,260	$ 13,268,487	$ 17,667,112	$ 17,469,653

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 $24,438,694, which is significantly 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, 2016, the City's plan is 62% funded, compared to 60% reported for the previous year.

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

Economic Factors and Next Year's Budgets and Rates

The following factors were considered in preparing the City's budget for the 2017-18 fiscal year:

- The unemployment rate for Michigan is currently 3.7% and the national average rate is 4.3%.
- The local, state and national economies continue to slowly improve. The City's taxable values have stabilized as foreclosures have decreased and new construction projects within the City have started to increase.
- The tax collection rate for the 2018 fiscal year are expected to be comparable to fiscal year 2017 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 2017 tax year, the operating millage of 9.05 mills remained the same as the 2016 tax year to enable the same level of service to taxpayers provided by the General Fund. The infrastructure millage remained at 2.0459 mills. The refuse millage (PA 213) remained at 1.0 mills. Overall, the 2017 tax rates remained consistent as 2016.
- Sewer rates charged for services in fiscal year 2018 increased 2% from the fiscal year 2017 rates.
- Water rates charged for services in fiscal year 2018 were increased 15% from the fiscal year 2017 rates.

Management's Discussion and Analysis

- Electric rates for fiscal year 2018 remained unchanged from fiscal year 2017.

- Wage rates increased 1% for POLC union employees and increased 2% for CWA union employees per their labor contracts with the City. The City's non-union employees also received a 2% rate increase effective April 2017.

- The employee fringe benefit fund rates increased only 1.0% for all funds for 2017/18 due to slight increases in benefit costs.

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.org or by visiting our Web site at www.cityofcharlevoix.org for additional supplemental budgetary information.

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BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF CHARLEVOIX, MICHIGAN

Statement of Net Position
March 31, 2017

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Unit
Assets				
Cash and cash equivalents	$ 4,609,985	$ 8,101,485	$ 12,711,470	$ 663,894
Cash at fiscal agent	66,500	508,227	574,727	-
Investments	876,852	1,906,520	2,783,372	50,000
Deposit held by Michigan Public Power Agency	-	382,387	382,387	-
Receivables, net	364,237	1,242,268	1,606,505	2,721
Internal balances	(655,186)	655,186	-	-
Other assets	50,615	382,932	433,547	325
Restricted investments	-	300,000	300,000	-
Capital assets not being depreciated	16,932,797	1,569,534	18,502,331	923,071
Capital assets being depreciated, net	11,957,121	38,004,404	49,961,525	2,538,902
Total assets	34,202,921	53,052,943	87,255,864	4,178,913
Deferred outflows of resources				
Deferred loss on bond refunding	-	179,545	179,545	-
Deferred pension amounts	404,071	381,190	785,261	-
Total deferred outflows of resources	404,071	560,735	964,806	-
Liabilities				
Accounts payable and accrued liabilities	307,028	774,449	1,081,477	38,835
Unearned revenue	16,246	21,354	37,600	4,753
Long-term liabilities:				
Due within one year	350,713	742,066	1,092,779	-
Due in more than one year	3,633,139	12,941,194	16,574,333	-
Net pension liability	2,685,441	2,383,618	5,069,059	-
Total liabilities	6,992,567	16,862,681	23,855,248	43,588
Deferred inflows of resources				
Deferred pension amounts	79,692	63,770	143,462	-
Net position				
Net investment in capital assets	26,453,531	26,070,223	52,523,754	3,461,973
Restricted for:				
Perpetual care	418,278	-	418,278	-
Street improvements	287,460	-	287,460	-
Capital projects	-	300,000	300,000	-
Energy purchases	-	382,387	382,387	-
Downtown development	-	-	-	673,352
Unrestricted	375,464	9,934,617	10,310,081	-
Total net position	$ 27,534,733	$ 36,687,227	$ 64,221,960	$ 4,135,325

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

CITY OF CHARLEVOIX, MICHIGAN

Statement of Activities
For the Year Ended March 31, 2017

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	$ 56,227	$ -	$ -	$ -	$ (56,227)
General government	646,601	183,399	4,527	-	(458,675)
Public safety	1,219,180	24,905	27,668	-	(1,166,607)
Public works	915,039	100	382,922	-	(532,017)
Health and welfare	385,795	401,680	-	-	15,885
Recreation and culture	1,028,411	246,143	19,549	-	(762,719)
Interest	108,454	-	-	-	(108,454)
Total governmental activities	4,359,707	856,227	434,666	-	(3,068,814)
Business-type activities:					
Electric utility	5,479,757	5,559,494	23,583	-	103,320
Sewage disposal utility	1,356,738	2,356,591	8,167	200,025	1,208,045
Water utility	1,121,636	1,228,569	1,095	-	108,028
Marina	1,035,232	423,549	336,811	-	(274,872)
Airport	1,425,848	1,039,281	-	1,210,000	823,433
Total business-type activities	10,419,211	10,607,484	369,656	1,410,025	1,967,954
Total primary government	$ 14,778,918	$ 11,463,711	$ 804,322	$ 1,410,025	$ (1,100,860)
Component unit					
Downtown Development Authority	$ 751,405	$ 80,191	$ 49,127	$ -	$ (622,087)

Continued...

Statement of Activities
For the Year Ended March 31, 2017

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Unit
Change in net position				
Net revenue (expense)	$ (3,068,814)	$ 1,967,954	$ (1,100,860)	$ (622,087)
General revenues:				
Property taxes	2,985,220	-	2,985,220	429,767
State shared revenues	249,525	-	249,525	-
Other revenue	7,378	-	7,378	-
Unrestricted investment earnings	12,722	-	12,722	-
Transfers - internal activities	(879,530)	879,530	-	-
Total general revenues and transfers	2,375,315	879,530	3,254,845	429,767
Change in net position	(693,499)	2,847,484	2,153,985	(192,320)
Net position, beginning of year, as restated (Note 19)	28,228,232	33,839,743	62,067,975	4,327,645
Net position, end of year	$ 27,534,733	$ 36,687,227	$ 64,221,960	$ 4,135,325

Concluded

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

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FUND FINANCIAL STATEMENTS

Balance Sheet
Governmental Funds
March 31, 2017

	General Fund	Infrastructure Improvement Special Revenue Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	$ 1,138,208	$ 1,434,905	$ 602,868	$ 3,175,981
Cash at fiscal agent	-	-	66,500	66,500
Investments	400,085	-	276,766	676,851
Accounts receivable, net	133,117	117	674	133,908
Taxes receivable	50,781	10,169	10,489	71,439
Interest receivable	1,253	-	770	2,023
Other assets	3,930	-	-	3,930
Due from other governmental units	55,221	-	100,531	155,752
Total assets	$ 1,782,595	$ 1,445,191	$ 1,058,598	$ 4,286,384
Liabilities				
Accounts payable	$ 71,210	$ 64,789	$ 4,892	$ 140,891
Accrued liabilities	41,907	-	1,798	43,705
Unearned revenue	15,508	-	604	16,112
Total liabilities	128,625	64,789	7,294	200,708
Fund balances				
Nonspendable	3,930	-	418,278	422,208
Restricted	-	1,380,402	287,460	1,667,862
Assigned	-	-	345,566	345,566
Unassigned	1,650,040	-	-	1,650,040
Total fund balances	1,653,970	1,380,402	1,051,304	4,085,676
Total liabilities and fund balances	$ 1,782,595	$ 1,445,191	$ 1,058,598	$ 4,286,384

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

Reconciliation

Fund Balances of Governmental Funds
to Net Position of Governmental Activities
March 31, 2017

Fund balances - total governmental funds	$ 4,085,676
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	16,932,797
Capital assets being depreciated, net	11,957,121
Capital assets accounted for in internal service funds, net	(1,290,306)
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	2,775,583
Net position allocated to business-type activities from governmental activities internal service funds	(655,186)
Certain pension-related amounts, such as the net pension liability and deferred amounts, are not due and payable in the current period or do not represent current financial resources, and therefore are not reported in the funds.	
Net pension liability	(2,685,441)
Deferred outflows of resources related to the net pension liability	404,071
Deferred inflows of resources related to the net pension liability	(79,692)
Certain non-current 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	(28,101)
Interest payable on long-term debt	(65,000)
Bonds payable	(3,816,789)
Net position of governmental activities	$ 27,534,733

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

CITY OF CHARLEVOIX, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended March 31, 2017

	General Fund	Infrastructure Improvement Special Revenue Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Taxes	$ 2,302,547	$ 459,413	$ 223,260	$ 2,985,220
State revenue	250,945	-	385,968	636,913
Licenses and permits	6,374	-	-	6,374
Charges for services	689,254	-	3,375	692,629
Fines and forfeitures	21,715	-	-	21,715
Interest	4,171	2,613	2,849	9,633
Rents and royalties	120,245	-	5,220	125,465
Other revenue	63,430	-	3,553	66,983
Total revenues	3,458,681	462,026	624,225	4,544,932
Expenditures				
Current:				
Legislative	56,345	-	-	56,345
General government	496,898	-	3,501	500,399
Public safety	1,017,155	-	-	1,017,155
Public works	235,519	20,633	362,738	618,890
Health and welfare	387,919	-	-	387,919
Recreation and culture	991,355	-	-	991,355
Other expenditures	15,908	-	-	15,908
Debt service:				
Principal	-	-	180,000	180,000
Interest	-	-	71,796	71,796
Capital outlay	-	1,552,797	46,337	1,599,134
Total expenditures	3,201,099	1,573,430	664,372	5,438,901
Revenues over (under) expenditures	257,582	(1,111,404)	(40,147)	(893,969)
Other financing sources (uses)				
Transfers in	24,559	-	455,226	479,785
Transfers out	(52,512)	(1,374,008)	(216,541)	(1,643,061)
Total other financing sources (uses)	(27,953)	(1,374,008)	238,685	(1,163,276)
Net change in fund balances	229,629	(2,485,412)	198,538	(2,057,245)
Fund balances, beginning of year	1,424,341	3,865,814	852,766	6,142,921
Fund balances, end of year	$ 1,653,970	$ 1,380,402	$ 1,051,304	$ 4,085,676

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

Reconciliation

Net Changes in Fund Balances of Governmental Funds
to Change in Net Position of Governmental Activities
For the Year Ended March 31, 2017

Net change in fund balances - total governmental funds	$ (2,057,245)
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	1,682,122
Depreciation expense	(556,306)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, but rather are deferred to the following fiscal year.	
Change in long-term receivables	(7,242)
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	180,000
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	417,154
Change in net position from governmental activities accounted for in internal service funds charged to business-type activities.	(71,557)
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	(251,043)
Change in interest expense, net of bond premium amortization	(36,658)
Net decrease in compensated absences - sick leave	7,276
Change in net position of governmental activities	$ (693,499)

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

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Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund
For the Year Ended March 31, 2017

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes:				
Property taxes	$ 2,292,300	$ 2,313,887	$ 2,263,177	$ (50,710)
Payments in lieu of taxes	4,000	15,000	16,143	1,143
Interest and penalties on taxes	8,000	8,000	7,638	(362)
Tax collection fees	18,000	18,000	15,589	(2,411)
Total taxes	2,322,300	2,354,887	2,302,547	(52,340)
State revenue	288,600	218,171	250,945	32,774
Licenses and permits	4,000	5,250	6,374	1,124
Charges for services:				
Fire runs	24,900	24,885	24,905	20
Ambulance runs	245,000	245,000	326,230	81,230
Ambulance contracts	92,000	92,000	75,450	(16,550)
Cemetery	35,000	35,000	31,077	(3,923)
Golf course	109,300	93,200	93,034	(166)
Summer sports	6,200	7,825	7,766	(59)
Day camp	56,000	55,525	41,118	(14,407)
Winter sports	57,000	57,000	51,180	(5,820)
Basketball	-	565	565	-
Skate park	1,300	1,250	696	(554)
Parking	27,000	31,565	31,535	(30)
Other	5,500	5,700	5,698	(2)
Total charges for services	659,200	649,515	689,254	39,739
Fines and forfeitures	21,000	22,075	21,715	(360)
Interest	2,500	2,500	4,171	1,671
Rents and royalties:				
City hall	98,400	100,400	99,700	(700)
Boat launch/harbor building	23,500	20,545	20,545	-
Total rents and royalties	121,900	120,945	120,245	(700)
Other revenue	55,000	74,806	63,430	(11,376)
Total revenues	3,474,500	3,448,149	3,458,681	10,532

Continued...

CITY OF CHARLEVOIX, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund
For the Year Ended March 31, 2017

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Expenditures				
Legislative:				
City council	$ 44,400	$ 52,974	$ 56,345	$ 3,371
General government:				
Mayor	10,300	9,894	4,161	(5,733)
City manager	100,000	100,840	86,512	(14,328)
Elections	24,400	24,448	17,455	(6,993)
Assessor	58,500	60,214	57,800	(2,414)
City attorney	45,100	45,100	31,796	(13,304)
City clerk	45,900	45,899	37,222	(8,677)
City treasurer	66,500	67,070	54,355	(12,715)
City hall and grounds	119,000	113,143	111,737	(1,406)
Cemetery	99,300	100,617	95,860	(4,757)
Total general government	569,000	567,225	496,898	(70,327)
Public safety:				
Police department	752,800	762,315	749,264	(13,051)
Parking law enforcement	7,200	7,392	6,463	(929)
Fire department	253,500	241,980	210,707	(31,273)
Planning department	106,400	46,927	50,721	3,794
Total public safety	1,119,900	1,058,614	1,017,155	(41,459)
Public works:				
Highways and streets	300	300	241	(59)
Leaf pick up	133,500	145,377	138,373	(7,004)
Waste collection	48,100	50,600	44,122	(6,478)
Brush pickup	53,200	52,249	52,783	534
Total public works	235,100	248,526	235,519	(13,007)

Continued...

CITY OF CHARLEVOIX, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund
For the Year Ended March 31, 2017

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Expenditures (Continued)				
Health and welfare:				
Ambulance	$ 432,700	$ 422,849	$ 387,919	$ (34,930)
Recreation and culture:				
Parks	402,100	446,910	430,625	(16,285)
Recreation administration	55,800	57,344	49,445	(7,899)
City beaches	96,400	5,168	6,702	1,534
Ball fields	21,100	22,029	12,293	(9,736)
Day camp	67,700	68,533	54,732	(13,801)
Ice rink	7,600	7,288	2,207	(5,081)
Mt. McSauba ski hill	108,500	135,017	147,545	12,528
Basketball and volleyball	103,400	3,400	3,388	(12)
Golf course	259,700	267,839	254,639	(13,200)
Boat launch	21,000	21,145	14,705	(6,440)
Skate park	4,700	4,834	4,131	(703)
Community promotion	11,600	11,580	10,943	(637)
Total recreation and culture	1,159,600	1,051,087	991,355	(59,732)
Other expenditures	41,200	36,058	15,908	(20,150)
Total expenditures	3,601,900	3,437,333	3,201,099	(236,234)
Revenues over (under) expenditures	(127,400)	10,816	257,582	246,766
Other financing sources (uses)				
Transfers in	6,500	2,500	24,559	22,059
Transfers out	(90,700)	(90,700)	(52,512)	(38,188)
Total other financing sources (uses)	(84,200)	(88,200)	(27,953)	(60,247)
Net change in fund balance	(211,600)	(77,384)	229,629	307,013
Fund balance, beginning of year	1,424,341	1,424,341	1,424,341	-
Fund balance, end of year	$ 1,212,741	$ 1,346,957	$ 1,653,970	$ 307,013

Concluded

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

CITY OF CHARLEVOIX, MICHIGAN

Statement of Net Position
Proprietary Funds
March 31, 2017

	Business-type Activities - Enterprise Funds			
	Electric Utility	Sewage Disposal Utility	Water Utility	Marina
Assets				
Current assets:				
Cash and cash equivalents	$ 3,739,294	$ 2,783,523	$ 301,001	$ 196,317
Investments	1,421,249	40,583	44,603	-
Cash at fiscal agent	-	502,327	-	5,900
Deposits held by Michigan Public Power Agency	382,387	-	-	-
Accounts receivable, net	857,849	249,375	104,499	2
Interest receivable	4,358	70	75	675
Other assets	1,310	1,440	1,310	228
Inventory	254,929	-	89,636	-
Total current assets	6,661,376	3,577,318	541,124	203,122
Noncurrent assets:				
Restricted investments	75,000	75,000	75,000	75,000
Advance to other funds	758,000	-	-	-
Capital assets, not being depreciated	187,613	345,125	13,730	-
Capital assets, net of accumulated depreciation	4,074,629	14,526,930	4,660,182	7,439,011
Total noncurrent assets	5,095,242	14,947,055	4,748,912	7,514,011
Total assets	11,756,618	18,524,373	5,290,036	7,717,133
Deferred outflows of resources				
Deferred charge on bond refunding	-	-	-	179,545
Deferred pension amounts	208,494	30,809	108,819	-
Total deferred outflows of resources	208,494	30,809	108,819	179,545
Liabilities				
Current liabilities:				
Accounts payable	350,856	40,174	29,992	5,716
Accrued liabilities	25,675	127,940	10,656	6,206
Customer deposits	68,831	-	-	87,989
Current portion of bonds and notes payable	-	385,000	-	357,066
Current portion of compensated absences	-	-	-	-
Unearned revenue	-	-	-	-
Total current liabilities	445,362	553,114	40,648	456,977
Noncurrent liabilities:				
Advance from other funds	-	-	-	643,000
Bonds payable, net of current portion	-	9,072,599	-	3,868,595
Compensated absences, net of current portion	-	-	-	-
Net pension liability	1,359,032	209,900	579,762	-
Total noncurrent liabilities	1,359,032	9,282,499	579,762	4,511,595
Total liabilities	1,804,394	9,835,613	620,410	4,968,572
Deferred inflows of resources				
Deferred pension amounts	39,093	6,468	10,533	-
Net position				
Net investment in capital assets	4,262,242	5,414,456	4,673,912	3,392,895
Restricted for:				
Capital projects	75,000	75,000	75,000	75,000
Energy purchases	382,387	-	-	-
Unrestricted (deficit)	5,401,996	3,223,645	19,000	(539,789)
Total net position	$ 10,121,625	$ 8,713,101	$ 4,767,912	$ 2,928,106

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

Airport	Total	Internal Service Funds
$ 200	$ 7,020,335	$ 2,515,154
-	1,506,435	600,086
-	508,227	-
-	382,387	-
24,136	1,235,861	39
-	5,178	2,305
4,295	8,583	46,685
29,784	374,349	-
58,415	11,041,355	3,164,269
-	300,000	-
-	758,000	-
960,066	1,506,534	83,653
7,256,636	37,957,388	1,316,669
8,216,702	40,521,922	1,400,322
8,275,117	51,563,277	4,564,591
-	179,545	-
33,068	381,190	-
33,068	560,735	-
7,888	434,626	47,150
5,526	176,003	17,282
-	156,820	-
-	742,066	-
-	-	105,993
21,354	21,354	134
34,768	1,530,869	170,559
115,000	758,000	-
-	12,941,194	-
-	-	32,969
234,924	2,383,618	-
349,924	16,082,812	32,969
384,692	17,613,681	203,528
7,676	63,770	-
8,216,702	25,960,207	1,400,322
	-	-
-	300,000	-
-	382,387	-
(300,885)	7,803,967	2,960,741
$ 7,915,817	$ 34,446,561	$ 4,361,063

Reconciliation

Net Position of Enterprise Funds
to Net Position of Business-Type Activities
March 31, 2017

Net position - total enterprise funds	$ 34,446,561
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	1,585,480
Net position allocated to business-type activities from governmental activities internal service funds	655,186
Net position of business-type activities	$ 36,687,227

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

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Statement of Revenues, Expenses and Change in Fund Net Position

Proprietary Funds

For the Year Ended March 31, 2017

	Business-type Activities - Enterprise Funds			
	Electric Utility	Sewage Disposal Utility	Water Utility	Marina
Operating revenues				
Charges for services	$ 5,559,494	$ 2,356,591	$ 1,228,569	$ 423,549
Operating expenses				
Purchased power	3,033,237	-	-	-
Fuel purchases	-	-	-	-
Personnel services	1,243,110	534,953	564,844	103,350
Contractual services	254,773	99,689	82,548	25,142
Insurance	15,457	12,127	4,137	2,658
Building rental	51,200	23,600	23,600	-
Equipment rental	126,623	90,443	65,558	2,406
Supplies	78,053	59,300	59,897	11,221
Utilities	61,879	118,203	53,951	66,732
Repairs and maintenance	131,437	15,681	37,749	14,342
Depreciation	460,033	167,565	239,762	658,152
Miscellaneous	44,619	19,715	4,621	8,296
Total operating expenses	5,500,421	1,141,276	1,136,667	892,299
Operating income (loss)	59,073	1,215,315	91,902	(468,750)
Nonoperating revenues (expenses)				
Interest revenue	23,583	3,715	1,095	748
Gain on sale of capital assets	-	-	-	-
Other revenue	-	-	-	336,063
Interest expense	-	(227,832)	-	(143,712)
Total nonoperating revenues (expenses)	23,583	(224,117)	1,095	193,099
Income (loss) before transfers	82,656	991,198	92,997	(275,651)
Transfers				
Transfers in	95,216	648,150	491,673	-
Transfers out	(534,100)	(49,097)	-	(7,967)
Total transfers	(438,884)	599,053	491,673	(7,967)
Capital contributions				
Federal revenue	-	-	-	-
State revenue	-	200,025	-	-
Total capital contributions	-	200,025	-	-
Change in net position	(356,228)	1,790,276	584,670	(283,618)
Net position, beginning of year, as restated (Note 19)	10,477,853	6,922,825	4,183,242	3,211,724
Net position, end of year	$ 10,121,625	$ 8,713,101	$ 4,767,912	$ 2,928,106

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

Airport	Total	Internal Service Funds
$ 1,039,281	$ 10,607,484	$ 2,811,228
-	3,033,237	-
601,166	601,166	-
286,244	2,732,501	2,202,718
27,401	489,553	48,299
10,875	45,254	-
-	98,400	-
729	285,759	-
8,686	217,157	79,060
27,731	328,496	9,902
9,183	208,392	86,904
380,638	1,906,150	272,595
76,927	154,178	3,971
1,429,580	10,100,243	2,703,449
(390,299)	507,241	107,779
-	29,141	7,541
-	-	3,378
-	336,063	1,581
(1,400)	(372,944)	-
(1,400)	(7,740)	12,500
(391,699)	499,501	120,279
49,155	1,284,194	580,500
-	(591,164)	(110,254)
49,155	693,030	470,246
1,210,000	1,210,000	-
-	200,025	-
1,210,000	1,410,025	-
867,456	2,602,556	590,525
7,048,361	31,844,005	3,770,538
$ 7,915,817	$ 34,446,561	$ 4,361,063

Reconciliation

Change in Fund Net Position of Enterprise Funds
to Change in Net Position of Business-Type Activities
For the Year Ended March 31, 2017

Change in net position - total enterprise funds	$ 2,602,556
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	173,371
Change in net position of internal service funds accounted for in governmental activities but charged to business-type activities	71,557
Change in net position of business-type activities	$ 2,847,484

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

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CITY OF CHARLEVOIX, MICHIGAN

Statement of Cash Flows

Proprietary Funds
For the Year Ended March 31, 2017

	Business-type Activities - Enterprise Funds			
	Electric Utility	Sewage Disposal Utility	Water Utility	Marina
Cash flows from operating activities				
Cash received from customers	$ 5,580,831	$ 2,626,166	$ 1,217,590	$ 476,284
Cash received from interfund services	-	-	-	-
Cash payments to employees	(1,115,803)	(496,883)	(530,282)	(108,819)
Cash payments to suppliers for goods and services	(3,671,326)	(743,405)	(346,386)	(131,449)
Net cash provided by operating activities	793,702	1,385,878	340,922	236,016
Cash flows from noncapital financing activities				
Other receipts	-	-	-	336,063
Transfers out	(532,500)	(49,097)	-	-
Net cash provided by (used in) noncapital financing activities	(532,500)	(49,097)	-	336,063
Cash flows from capital and related financing activities				
Federal receipts	-	-	-	-
State receipts	-	200,025	-	-
Proceeds from sale of capital assets	-	-	-	-
Purchase of capital assets	(394,895)	(1,650,169)	(538,259)	-
Repayment on interfund advances	-	-	-	(25,000)
Transfers in	95,216	654,318	491,673	-
Proceeds from issuance of long-term debt	-	756,839	-	-
Bond principal payments	-	-	-	(300,000)
Bond and advance interest payments	-	(211,825)	-	(167,824)
Net cash used in capital and related financing activities	(299,679)	(250,812)	(46,586)	(492,824)
Cash flows from investing activities				
Purchase of investments	(7)	-	-	-
Receipt of amounts from advance to other funds	60,000	-	-	-
Interest received	22,435	3,700	1,079	106
Net cash provided by investing activities	82,428	3,700	1,079	106
Net increase (decrease) in cash and cash equivalents	43,951	1,089,669	295,415	79,361
Cash and cash equivalents, beginning of year	4,077,730	2,196,181	5,586	122,856
Cash and cash equivalents, including cash at fiscal agent and deposit held by MPPA, end of year	4,121,681	3,285,850	301,001	202,217
Cash at fiscal agent and deposit held by MPPA, end of year	(382,387)	(502,327)	-	(5,900)
Cash and cash equivalents, end of year	$ 3,739,294	$ 2,783,523	$ 301,001	$ 196,317

Airport	Total	Internal Service Funds
$ 1,050,016	$ 10,950,887	$ -
-	-	2,811,583
(262,062)	(2,513,849)	(2,225,690)
(765,304)	(5,657,870)	(295,122)
22,650	2,779,168	290,771
-	336,063	1,581
-	(581,597)	(102,330)
-	(245,534)	(100,749)
1,210,000	1,210,000	-
-	200,025	-
-	-	3,378
(1,270,000)	(3,853,323)	(446,922)
(35,000)	(60,000)	-
47,555	1,288,762	580,500
-	756,839	-
-	(300,000)	-
(1,400)	(381,049)	-
(48,845)	(1,138,746)	136,956
-	(7)	-
-	60,000	-
-	27,320	6,128
-	87,313	6,128
(26,195)	1,482,201	333,106
26,395	6,428,748	2,182,048
200	7,910,949	2,515,154
-	(890,614)	-
$ 200	$ 7,020,335	$ 2,515,154

Continued...

Statement of Cash Flows

Proprietary Funds
For the Year Ended March 31, 2017

	Business-type Activities - Enterprise Funds			
	Electric Utility	Sewage Disposal Utility	Water Utility	Marina
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities				
Operating income (loss)	$ 59,073	$ 1,215,315	$ 91,902	$ (468,750)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	460,033	167,565	239,762	658,152
Changes in assets and liabilities that provided (used) cash:				
Accounts receivable	18,960	269,575	(10,979)	76,696
Other assets	(1,058)	(1,188)	(1,058)	-
Inventory	72,561	-	(18,390)	(228)
Deposits held by Michigan Public Power Agency	2,177	-	-	-
Accounts payable	52,272	(287,452)	5,123	(424)
Accrued liabilities	4,158	1,687	1,381	(5,469)
Net pension liability and related deferred amounts	123,149	20,376	33,181	-
Customer deposits	2,377	-	-	(23,961)
Accrued compensated absences	-	-	-	-
Unearned revenue	-	-	-	-
Net cash provided by operating activities	$ 793,702	$ 1,385,878	$ 340,922	$ 236,016

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

		Internal Service Funds
Airport	Total	
$ (390,299)	$ 507,241	$ 107,779
380,638	1,906,150	272,595
9,789	364,041	355
3,462	158	(890)
6,469	60,412	-
-	2,177	-
(11,082)	(241,563)	(66,096)
(1,455)	302	(21,276)
24,182	200,888	-
-	(21,584)	-
-	-	(1,696)
946	946	-
$ 22,650	$ 2,779,168	$ 290,771

Concluded

Statement of Fiduciary Assets and Liabilities

Agency Funds
March 31, 2017

Assets		
Cash	$	71,798
Liabilities		
Undistributed receipts	$	71,798

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

NOTES TO THE FINANCIAL STATEMENTS

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 & 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.

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. Agency funds, a type of fiduciary fund, are unlike all other types of funds, reporting only assets and liabilities. Therefore, agency funds cannot be said to have a measurement focus. They do, however, use the accrual basis of accounting to recognize receivables and payables.

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. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, or within one year for reimbursement-based grants. 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 *Infrastructure Improvements Fund,* a special revenue fund, accounts for projects that maintain or improve the City's infrastructure.

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.

The *Airport Fund* accounts for the activities of the Charlevoix Airport including 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 Project 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 assets.

The *Debt Service Fund* accounts for financial resources that are assigned to service debt including 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.

Agency Funds are custodial in nature and do not present results of operations or have a measurement focus. These funds are used to account for assets that the City holds for others in an agency capacity (such as taxes collected for other governments).

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.

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.

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, 2017, the General Fund receivable is shown net of an estimated allowance for uncollectible accounts of $30,000. The receivables for the Electric Utility, Sewage Disposal Utility and Water Utility Funds are also shown net of estimated allowance for uncollectible accounts of $17,679, $3,500 and $220 respectively.

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. Revenues received in advance of project costs being incurred are reported as "unearned."

Inventories

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 inventories is not considered material. The cost of such inventories 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), 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 if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at 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. No such interest expense was incurred during the current fiscal year.

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	20 - 50
Infrastructure	30 - 50
Buildings and improvements	40
System improvements	5 - 20
Machinery and equipment	5 - 10
Vehicles	5 - 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 outflows of resources for changes in expected and actual investment returns, assumptions, and benefits provided in its pension plans as well as for the deferred loss on refunding. A deferred refunding loss 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.

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 or 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 governmental funds report unavailable revenues, which arises only under modified accrual basis of accounting, from certain long-term receivables. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City reports deferred inflows of resources related to its pension plan for the difference between expected and actual experience.

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 at least by 1% each year as detailed in the policy.

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 fund balance, assigned fund balance, and finally unassigned fund balance.

The City is reporting a deficit unrestricted net position of $360,244, and $300,885 in the Marina and Airport enterprise funds respectively; however, total net position is not in a deficit. Management is looking at ways to increase revenues and decrease expenses in these funds so that they can eliminate the related deficit.

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.

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.

Notes to the Financial Statements

3. EXCESS OF EXPENDITURES OVER BUDGET

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, 2017, the City incurred expenditures in the General Fund which were in excess of the amounts appropriated, as follows:

	Total Appropriations	Amount of Expenditures	Budget Variance
General fund			
Legislative:			
City council	$ 52,974	$ 56,345	$ 3,371
Public safety:			
Planning department	46,927	50,721	3,794
Public works:			
Brush pickup	52,249	52,783	534
Recreation and culture:			
City beaches	5,168	6,702	1,534
Mt. McSauba ski hill	135,017	147,545	12,528

The above budgeted amounts are presented at the activity level, which is the required minimum level of control per the Michigan Uniform Budget Manual.

Notes to the Financial Statements

4. DEPOSITS AND INVESTMENTS

Following is a reconciliation of deposit and investment balances as of March 31, 2017:

	Primary Government	Component Unit	Total
Statement of Net Position			
Cash and cash equivalents	$ 12,711,470	$ 663,894	$ 13,375,364
Cash at fiscal agent	574,727	-	574,727
Deposits held by Michigan Public Power Agency	382,387	-	382,387
Investments	2,783,372	50,000	2,833,372
Restricted investments	300,000	-	300,000
Total Statement of Net Position	$ 16,751,956	$ 713,894	17,465,850
Statement of Fiduciary Assets and Liabilities			
Cash and cash equivalents			71,798
Total			$ 17,537,648
Deposits and investments			
Bank deposits (checking and savings accounts)			$ 13,446,154
Certificate of Deposits:			
Maturing in less than 1 year			3,133,372
Cash with fiscal agent			574,727
Deposits held by Michigan Public Power Agency			382,387
Petty cash			1,008
Total			$ 17,537,648

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, approximately $15,375,000 of the City's bank balance of approximately $16,635,000 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.

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.

5. RECEIVABLES

Receivables are comprised of the following as of March 31, 2017:

	Governmental Activities	Business-type Activities	Component Unit
Accounts receivable, net	$ 133,947	$ 1,235,861	$ 2,721
Taxes receivable	71,439	-	-
Interest receivable	3,099	6,407	-
Due from other governmental units	155,752	-	-
	$ 364,237	$ 1,242,268	$ 2,721

6. CAPITAL ASSETS

Primary Government

Capital assets activity for the primary government for the year ended March 31, 2017, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Governmental activities					
Capital assets not being depreciated:					
Land	$ 16,932,797	$ -	$ -	$ -	$ 16,932,797
Capital assets being depreciated:					
Land improvements	3,675,419	3,764	-	-	3,679,183
Infrastructure	4,698,872	1,599,134	-	-	6,298,006
Buildings and improvements	7,425,504	4,681	-	-	7,430,185
Machinery and equipment	2,085,942	89,567	(26,925)	-	2,148,584
Vehicles	3,046,506	431,898	(25,774)	-	3,452,630
	20,932,243	2,129,044	(52,699)	-	23,008,588
Less accumulated depreciation for:					
Land improvements	(1,984,139)	(100,457)	-	-	(2,084,596)
Infrastructure	(652,642)	(204,392)	-	-	(857,034)
Buildings and improvements	(4,030,135)	(174,063)	-	-	(4,204,198)
Machinery and equipment	(1,483,656)	(109,002)	26,925	-	(1,565,733)
Vehicles	(2,128,188)	(237,492)	25,774	-	(2,339,906)
	(10,278,760)	(825,406)	52,699	-	(11,051,467)
Total capital assets being depreciated, net	10,653,483	1,303,638	-	-	11,957,121
Governmental activities capital assets, net	$ 27,586,280	$ 1,303,638	$ -	$ -	$ 28,889,918

	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	9,515,558	-	-	(9,515,558)	-
	11,085,092	-	-	(9,515,558)	1,569,534
Capital assets being depreciated:					
Land improvements	20,558,572	29,587	-	-	20,588,159
Buildings and improvements	10,144,674	2,299,476	-	9,515,558	21,959,708
System improvements	26,116,779	1,069,907	-	54,536	27,241,222
Machinery and equipment	2,659,536	18,278	(15,861)	(54,536)	2,607,417
	59,479,561	3,417,248	(15,861)	9,515,558	72,396,506
Less accumulated depreciation for:					
Land improvements	(7,125,982)	(973,196)	-	-	(8,099,178)
Buildings and improvements	(6,456,694)	(205,373)	-	-	(6,662,067)
System improvements	(16,759,820)	(620,840)	-	-	(17,380,660)
Machinery and equipment	(2,155,822)	(110,236)	15,861	-	(2,250,197)
	(32,498,318)	(1,909,645)	15,861	-	(34,392,102)
Total capital assets being depreciated, net	26,981,243	1,507,603	-	9,515,558	38,004,404
Business-type activities capital assets, net	$ 38,066,335	$ 1,507,603	$ -	$ -	$ 39,573,938

Depreciation expense for the year ended March 31, 2017 was charged to functions/programs of the primary government as follows:

Depreciation of governmental activities by function	
General government	$ 149,396
Public safety	61,735
Public works	239,739
Recreation and culture	104,007
Health and welfare	1,429
Capital assets held by the governmental activity internal service funds are charged to the various functions based on their usage of the assets	269,100
	$ 825,406

Depreciation of business-type activities by function	
Electric utility	$ 460,033
Sewage disposal utility	167,565
Water utility	239,762
Marina	658,152
Airport	380,638
Capital assets held by the business-type activity internal service fund are charged to the various functions based on their usage of the assets	3,495
	$ 1,909,645

Discretely presented component unit

Capital assets activity for the Downtown Development Authority ("DDA") component unit for the year ended March 31, 2017, 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	2,321,739	77,256	-	-	2,398,995
Buildings and improvements	3,897,817	-	-	-	3,897,817
Machinery and equipment	68,305	-	-	-	68,305
	6,287,861	77,256	-	-	6,365,117
Less accumulated depreciation for:					
Land improvements	(1,476,235)	(85,160)	-	-	(1,561,395)
Buildings and improvements	(2,114,014)	(89,673)	-	-	(2,203,687)
Machinery and equipment	(57,946)	(3,187)	-	-	(61,133)
	(3,648,195)	(178,020)	-	-	(3,826,215)
Total capital assets being depreciated, net	2,639,666	(100,764)	-	-	2,538,902
Component unit capital assets, net	$ 3,562,737	$ (100,764)	$ -	$ -	$ 3,461,973

Depreciation expense for the component unit, included in the statement of activities, was $178,020 for fiscal year 2017.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities are comprised of the following as of March 31, 2017:

	Governmental Activities	Business-type Activities	Component Unit
Accounts payable	$ 181,041	$ 441,626	$ 38,835
Accrued liabilities	60,987	176,003	-
Accrued interest	65,000	-	-
Customer deposits	-	156,820	-
	$ 307,028	$ 774,449	$ 38,835

8. INTERFUND ADVANCES

The composition of interfund advances as of March 31, 2017, was as follows:

	Advance to Other Funds	Advance From Other Funds
Electric utility fund	$ 758,000	$ -
Marina fund	-	643,000
Airport fund	-	115,000
	$ 758,000	$ 758,000

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 is to be repaid over eight years with interest charged at 0.5%. During fiscal year ended March 31, 2012, the Electric Utility Fund advanced a total of $160,000 to the Airport Fund to cover initial costs of airport operations and for cash flow purposes. Interest is charged at 0.5% on this advance and became due annually beginning in fiscal year 2012/13 with principal to be repaid over six years, however, the City did not begin making payments until fiscal year 2015/16. During fiscal year 2017, the Electric Utility Fund received principal and interest payments of $35,000 and $6,680, respectively, from the Marina Fund and principal and interest payments of $25,000 and $1,400, respectively, from the Airport Fund.

Notes to the Financial Statements

For the year ended March 31, 2017, interfund transfers consisted of the following:

	Transfers In	Transfers Out
General fund	$ 24,559	$ 52,512
Infrastructure improvements fund	-	1,374,008
Nonmajor governmental funds	455,226	216,541
Electric utility fund	95,216	534,100
Sewage disposal utility fund	648,150	49,097
Water utility fund	491,673	-
Marina	-	7,967
Airport fund	49,155	-
Internal service funds	580,500	110,254
	$ 2,344,479	$ 2,344,479

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, and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Notes to the Financial Statements

9. LONG-TERM DEBT

Long-term debt activity for the year ended March 31, 2017, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	One Year
Primary Government					
Governmental activities:					
2016 Capital Improvement Bonds	$ 3,600,000	$ -	$ (180,000)	$ 3,420,000	$ 190,000
Deferred amounts:					
Bond premiums	425,131	-	(28,342)	396,789	28,342
Compensated absences - sick leave	35,377	48,496	(55,772)	28,101	26,378
Compensated absences - vacation	140,658	144,644	(146,340)	138,962	105,993
Total governmental activities	4,201,166	193,140	(410,454)	3,983,852	350,713
Business-type activities:					
General obligation bonds	4,105,000	-	(300,000)	3,805,000	315,000
Revenue bonds	8,700,760	756,839	-	9,457,599	385,000
Total installment debt	12,805,760	756,839	(300,000)	13,262,599	700,000
Deferred amounts:					
Bond premiums	462,727	-	(42,066)	420,661	42,066
Total business-type activities	13,268,487	756,839	(342,066)	13,683,260	742,066
Total primary government	$ 17,469,653	$ 949,979	$ (752,520)	$ 17,667,112	$ 1,092,779

Revenue bonds. In 2015, the City issued revenue bonds totaling $9,900,000 to fund the improvements to the City's wastewater treatment plant. These are 20 year bonds that bear interest at the rate of 2.50%. The first principal payment was due April 1, 2017. The City receives the bond proceeds as the stages of the wastewater treatment plant improvement project are completed. As of March 31, 2017, the City has received bond proceeds in the amount of $9,457,999, with $756,839 received in fiscal 2017.

Compensated absences related to accrued sick and vacation in governmental activities are generally liquidated by the Employee Fringe Benefits Internal Service 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%	$ 3,420,000
Premium on bonds	October 2030		396,789
			$ 3,816,789
Business-type activities			
Marina – limited tax general obligation bonds	April 2027	4.0% - 4.2%	$ 295,000
Marina – 2016 refunding bonds	April 2027	2.0% - 4.0%	3,510,000
Premium on Marina refunding bonds			420,661
Sewer - revenue bonds	April 2036	2.5%	9,457,599
			$ 13,683,260

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

Year Ending March 31,	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2018	$ 190,000	$ 133,000	$ 323,000	$ 700,000	$ 398,330	$ 1,098,330
2019	195,000	129,200	324,200	725,000	394,488	1,119,488
2020	200,000	121,400	321,400	745,000	372,538	1,117,538
2021	210,000	113,400	323,400	770,000	349,338	1,119,338
2022	220,000	105,000	325,000	795,000	325,488	1,120,488
2023-2027	1,225,000	387,000	1,612,000	4,405,000	1,238,679	5,643,679
2028-2032	1,180,000	120,600	1,300,600	2,610,000	618,514	3,228,514
2033-2037	-	-	-	2,512,599	238,128	2,750,727
	$ 3,420,000	$ 1,109,600	$ 4,529,600	$ 13,262,599	$ 3,935,503	$ 17,198,102

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, which BIBCO has a conditional right of renewal it may exercise five times. The City has also signed a $30,000 promissory note payable to BIBCO 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 $35,000 as of March 31, 2017. Projected operating lease proceeds through the year ended 2028 are as follows:

Year Ended March 31,	Amount
2018	$ 27,894
2019	28,963
2020	30,070
2021	31,215
2022	32,401
2023-2027	206,325
2028	46,697
	$ 403,565

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, 2017, 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 2016 levy was assessed and equalized at $244,386,939 (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 2016-17 was 9.0500 mills, with an additional 2.0459 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 1.3631 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 1.5% to 2.5%. 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 1% to 3% of covered wages as presented in the table below.

Employees Covered by Benefit Terms. At December 31, 2016, plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	43
Inactive employees entitled to but not yet receiving benefits	3
Active employees	44
Total membership	90

Contributions. The City 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. Employer contributions are expressed as a percentage of payroll as summarized in the following table:

Division	Plan Type	Status	Employer Contribution Rate	Employee Contribution Rate
Comm Workers	Defined Benefit	Open	12.97%	3.00%
Non Union	Defined Benefit	Open	14.64%	0.00%
Police Officers	Defined Benefit	Open	9.56%	3.00%

Net Pension Liability. The City's net pension liability was measured as of December 31, 2016, 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, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

Although no specific price inflation assumptions are needed for the valuation, the 2.5% long-term wage inflation assumption would be consistent with a price inflation of 3%-4%.

Mortality rates used were based on the RP-2014 Group Annuity Mortality Table of a 50% Male and 50% Female blend.

The actuarial assumptions used in valuation were based on the results of the most recent actuarial experience study of 2009-2013.

Notes to the Financial Statements

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	57.50%	5.02%	2.89%
Global fixed income	20.00%	2.18%	0.44%
Real Assets	12.50%	4.23%	0.51%
Diversifying strategies	10.00%	6.56%	0.66%
	100.00%		
Inflation			3.25%
Administrative expenses netted above			0.25%
Investment rate of return			8.00%

Discount Rate. The discount rate used to measure the total pension liability is 8.00% for 2016, a decrease of .25% from the prior year. 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.

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, 2015	$ 13,228,386	$ 7,952,760	$ 5,275,626
Changes for the year:			
Service cost	165,666	-	165,666
Interest	1,028,535	-	1,028,535
Differences between expected and actual experience	(179,328)	-	(179,328)
Employer contributions	-	311,253	(311,253)
Employee contributions	-	46,738	(46,738)
Net investment income	-	880,516	(880,516)
Benefit payments, including refunds of employee contributions	(909,054)	(909,054)	-
Administrative expense	-	(17,408)	17,408
Other changes	(341)	-	(341)
Net changes	105,478	312,045	(206,567)
Balances at December 31, 2016	$ 13,333,864	$ 8,264,805	$ 5,069,059

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 8.00%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1% lower (7.00%) or 1% higher (9.00%) than the current rate:

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's net pension liability	$ 6,440,032	$ 5,069,059	$ 4,901,086

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

Notes to the Financial Statements

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to

For the year ended March 31, 2017, the City recognized pension expense of $623,892. The City reported deferred outflows of resources and deferred 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	$ 51,283	$ 143,462	$ (92,179)
Changes in assumptions	389,026	-	389,026
Net difference between projected and actual earnings on pension plan investments	272,729	-	272,729
	713,038	143,462	569,576
Contributions subsequent to the measurement date	72,223	-	72,223
Total	$ 785,261	$ 143,462	$ 641,799

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, 2018. 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
2018	$ 219,616
2019	219,616
2020	219,612
2021	(89,268)
Total	$ 569,576

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 $18,187 to the Plan during the year ended March 31, 2017. Contributions and interest are allocated to the account and benefits are fully vested at March 31, 2017.

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, the Detroit Edison Belle River Unit and other related assets.

The City has entered into contracts with MPPA for the City's electric entitlement share of the Campbell No. 3 and Belle River Unit generating capacities of 2074(kw) and 3869(kw), respectively.

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:

Year Ended December 31,	Belle River Principal	Belle River Interest	Combustion Turbine No. 1 Principal	Combustion Turbine No. 1 Interest
2017	$ 409,530	$ 44,131	$ 66,316	$ 47,106
2018	431,063	22,631	69,620	43,790
2019	-	-	73,160	40,309
2020	-	-	76,700	36,651
2021	-	-	80,712	32,816
2022-2026	-	-	467,516	99,426
2027			108,088	5,404
Total	$ 840,593	$ 66,762	$ 942,112	$ 305,502

Year Ended December 31,	Campbell Project Bank Principal	Campbell Project Bank Interest	AFEC Project Principal	AFEC Project Interest
2017	$ 193,936	$ 28,361	$ 18,734	$ 48,695
2018	199,470	22,779	19,380	47,945
2019	204,213	18,181	20,349	47,073
2020	208,692	13,480	21,157	46,158
2021	213,699	8,671	22,126	45,205
2022-2026	218,442	3,753	127,910	208,800
2027-2031	-	-	162,471	174,349
2032-2036	-	-	207,205	129,474
2037-2041	-	-	264,377	72,239
2042-2043	-	-	125,163	9,464
Total	$ 1,238,452	$ 95,225	$ 988,872	$ 829,402

Year Ended December 31,	Total Principal	Total Interest
2017	$ 688,516	$ 168,293
2018	719,533	137,145
2019	297,722	105,563
2020	306,549	96,289
2021	316,537	86,692
2022-2026	813,868	311,979
2027-2031	270,559	174,349
2032-2036	207,205	129,474
2037-2041	264,377	72,239
2042-2043	125,163	9,464
Total	$ 4,010,029	$ 1,291,487

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 $385,000 at March 31, 2017 and is reported as Deposit with the Michigan Public Power agency in the Statement of Net Position.

16. COMMITMENTS

The City has entered into several contracts for goods and services including certain infrastructure and capital improvement projects. The total commitment related to these various contracts is approximately $3,200,000.

Notes to the Financial Statements

17. NET INVESTMENT IN CAPITAL ASSETS

The composition of net investment in capital assets as of March 31, 2017, was as follows:

	Governmental Activities	Business-type Activities	Component Unit
Capital assets:			
Capital assets, not being depreciated	$ 16,932,797	$ 1,569,534	$ 923,071
Capital assets being depreciated, net	11,957,121	38,004,404	2,538,902
	28,889,918	39,573,938	3,461,973
Less related debt:			
Noncurrent liabilities:			
Due within one year	(350,713)	(742,066)	-
Due in more than one year	(3,633,139)	(12,941,194)	-
Add back: compensated absences	167,063	-	-
Add back: deferred charge on bond refunding	-	179,545	-
Add back: unexpended bond proceeds	1,380,402	-	-
	(2,436,387)	(13,503,715)	-
Net investment in capital assets	$ 26,453,531	$ 26,070,223	$ 3,461,973

Notes to the Financial Statements

18 FUND BALANCES - GOVERNMENTAL FUNDS

Detailed information on fund balances of governmental funds is as follows:

	General Fund	Infrastructure Improvements	Nonmajor Governmental Funds	Total
Nonspendable:				
Perpetual care	$ -	$ -	$ 418,278	$ 418,278
Prepaids	3,930	-	-	3,930
Total nonspendable	3,930	-	418,278	422,208
Restricted:				
Special revenue funds:				
Major streets	-	-	126,495	126,495
Local streets	-	-	13,859	13,859
Capital project funds:				
Street improvements	-	1,380,402	147,106	1,527,508
Total restricted	-	1,380,402	287,460	1,667,862
Assigned:				
Capital project funds:				
Fire truck and ambulance	-	-	171,259	171,259
Industrial park	-	-	83,222	83,222
Mt. McSauba improvements	-	-	21,113	21,113
Debt service fund:				
Debt service infrastructure	-	-	69,972	69,972
Total assigned	-	-	345,566	345,566
Unassigned	1,650,040	-	-	1,650,040
Total fund balances, governmental funds	$ 1,653,970	$ 1,380,402	$ 1,051,304	$ 4,085,676

Notes to the Financial Statements

19. RESTATEMENT

During 2017, City management determined that amounts held by the Michigan Public Power Agency (MPPA) on behalf of the City, in a trust fund for the City's use, were improperly excluded from the City's financial statements. To correct this error, the City has increased deposits held by MPPA and beginning net position of the Electric Utility fund and business-type activities by $384,564, the amount of cash held in trust for the City by MPPA at March 31, 2016. At March 31, 2017 the MPPA held $382,387 on behalf of the City, which is restricted for energy payments made by the City to the MPPA and is reported as deposits held by the Michigan Public Power Agency within the 2017 financial statements. Due to improper exclusion of these amounts, the 2016 financial statements net position of the electric utility fund and business-type activities were understated by $384,564 and the change in net position for the Electric Utility fund and business-type activity were understated by $8,013.

20. SUBSEQUENT EVENT - COMMERCIAL FACILITIES EXEMPTION - TAX ABATEMENT

In April 2017, the City entered into a tax abatement with Celebrate Me Home LLC (the "Company") under the Commercial Facilities Exemption (CFT) PA 255 of 1978, as amended. The purpose of the exemption is to provide a tax incentive to businesses to establish themselves in the designated commercial redevelopment district. The Company has committed to investing approximately $1.2 million in a construction project involving three separate buildings along the Van Pelt Alleyway located in Charlevoix Michigan. The first building will be a mixed-use, 2 story building with residential above, the second building will also be a mixed-use 2 story commercial building with residential above and the third building will be a single story that will be turned into a restaurant. The Company estimates that this specific abatement with the City will create 6 commercial spaces and 6 residential units. Under this agreement, the City agreed to abate 100% of the new taxes collected from this facility for a period of 12 years. The total amount of taxes to be abated has not been determined.

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	
	2017	**2016**
Total pension liability		
Service cost	$ 165,666	$ 167,849
Interest	1,028,535	976,917
Differences between expected and actual experience	(179,328)	85,473
Changes of assumptions	-	648,378
Benefit payments, including refunds of employee contributions	(909,054)	(815,464)
Other changes	(341)	-
Net change in total pension liability	105,478	1,063,153
Total pension liability, beginning of year	13,228,386	12,165,233
Total pension liability, end of year	13,333,864	13,228,386
Plan fiduciary net position		
Employer contributions	311,253	303,782
Employee contributions	46,738	53,025
Net investment income (loss)	880,516	(124,534)
Benefit payments, including refunds of employee contributions	(909,054)	(815,464)
Administrative expense	(17,408)	(18,424)
Net change in plan fiduciary net position	312,045	(601,615)
Plan fiduciary net position, beginning of year	7,952,760	8,554,375
Plan fiduciary net position, end of year	8,264,805	7,952,760
City's net pension liability	$ 5,069,059	$ 5,275,626
Plan fiduciary net position as a percentage of total pension liability	61.98%	60.12%
Covered payroll	$ 2,444,252	$ 2,601,560
City's net pension liability as a percentage of covered payroll	207.39%	202.79%

Notes:
The amounts presented for each fiscal year were determined as of December 31 of the preceding year.

GASB 68 was implemented in fiscal year 2016. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

Required Supplementary Information

MERS Agent Multiple-Employer Defined Benefit Pension Plan

Schedule of the Net Pension Liability

Fiscal Year Ended March 31,	Total Pension Liability	Plan Net Position	Net Pension Liability	Plan Net Position as Percentage of Total Pension Liability	Covered Payroll	Net Pension Liability as Percentage of Covered Payroll
2017	$ 13,333,864	$ 8,264,805	$ 5,069,059	61.98%	$ 2,444,252	207.39%
2016	13,228,386	7,952,760	5,275,626	60.12%	2,601,560	202.79%

The amounts presented for each fiscal year were determined as of December 31 of the preceding year.

Note: GASB 68 was implemented in fiscal year 2016. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

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
2017	$ 318,731	$ 318,731	$ -	$ 2,412,999	13.21%
2016	290,280	290,280	-	2,552,035	11.37%

Note: GASB 68 was implemented in fiscal year 2016. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

Notes to Schedule of Contributions

Valuation Date	Actuarially determined contribution rates are calculated as of December 31, which is 15 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-age normal
Amortization method	Level percent of payroll, open
Remaining amortization period	22 years
Asset valuation method	5 year smoothed
Inflation	2.5%
Salary increases	3.75% in the long-term
Investment rate of return	7.75%, net of investment and administrative expense including inflation
Retirement age	Age-based table of rates that are specific to the type of eligibility condition. The Normal Retirement rates were first used for the December 31, 2015 actuarial valuations. The Early Retirement rates were first used for the December 31, 2015 actuarial valuations.
Mortality	Mortality rates used were based on the RP-2014 Group Annuity Mortality Table of a 50% Male and 50% Female blend.

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COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS

Combining Balance Sheet
Nonmajor Governmental Funds
March 31, 2017

	Special Revenue Funds		Capital Projects Funds	
	Major Streets	Local Streets	Fire Truck and Ambulance	Industrial Park
Assets				
Cash and cash equivalents	$ 46,513	$ -	$ 171,250	$ 83,214
Cash at fiscal agent	-	-	-	-
Investments	-	-	-	-
Accounts receivable	-	-	9	8
Taxes receivable	-	-	-	-
Interest receivable	-	-	-	-
Due from other governmental units	85,496	15,035	-	-
Total assets	$ 132,009	$ 15,035	$ 171,259	$ 83,222
Liabilities				
Accounts payable	$ 3,892	$ 1,000	$ -	$ -
Accrued liabilities	1,622	176	-	-
Unearned revenue	-	-	-	-
Total liabilities	5,514	1,176	-	-
Fund balances				
Nonspendable	-	-	-	-
Restricted	126,495	13,859	-	-
Assigned	-	-	171,259	83,222
Total fund balances	126,495	13,859	171,259	83,222
Total liabilities and fund balances	$ 132,009	$ 15,035	$ 171,259	$ 83,222

Capital Projects Funds		Debt Service Fund	Permanent Fund	
Street Improvement	Mt. McSauba Improvements	Debt Service Infrastructure	Cemetery Care	Total
$ 136,581	$ 21,111	$ 3,472	$ 140,727	$ 602,868
-	-	66,500	-	66,500
-	-	-	276,766	276,766
36	606	-	15	674
10,489	-	-	-	10,489
-	-	-	770	770
-	-	-	-	100,531
$ 147,106	$ 21,717	$ 69,972	$ 418,278	$ 1,058,598
$ -	$ -	$ -	$ -	$ 4,892
-	-	-	-	1,798
-	604	-	-	604
-	604	-	-	7,294
-	-	-	418,278	418,278
147,106	-	-	-	287,460
-	21,113	69,972	-	345,566
147,106	21,113	69,972	418,278	1,051,304
$ 147,106	$ 21,717	$ 69,972	$ 418,278	$ 1,058,598

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds
For the Year Ended March 31, 2017

	Special Revenue Funds		Capital Projects Funds	
	Major Streets	Local Streets	Fire Truck and Ambulance	Industrial Park
Revenues				
Taxes	$ -	$ -	$ -	$ -
State revenue	290,416	95,552	-	-
Charges for services	-	-	-	-
Interest	46	25	78	89
Rents and royalties	-	-	-	-
Other revenue	-	-	-	-
Total revenues	290,462	95,577	78	89
Expenditures				
Current:				
General government	-	-	-	3,501
Public works	246,757	115,981	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	18,540	27,797	-	-
Total expenditures	265,297	143,778	-	3,501
Revenues over (under) expenditures	25,165	(48,201)	78	(3,412)
Other financing sources (uses)				
Transfers in	35,438	23,543	78,030	-
Transfers out	-	-	-	-
Total other financing sources (uses)	35,438	23,543	78,030	-
Net change in fund balances	60,603	(24,658)	78,108	(3,412)
Fund balances, beginning of year	65,892	38,517	93,151	86,634
Fund balances, end of year	$ 126,495	$ 13,859	$ 171,259	$ 83,222

Capital Projects Funds		Debt Service Fund	Permanent Fund	
Street Improvement	Mt. McSauba Improvements	Debt Service Infrastructure	Cemetery Care	Total
$ 223,260	$ -	$ -	$ -	$ 223,260
-	-	-	-	385,968
-	-	-	3,375	3,375
335	19	-	2,257	2,849
-	5,220	-	-	5,220
-	-	3,553	-	3,553
223,595	5,239	3,553	5,632	624,225
-	-	-	-	3,501
-	-	-	-	362,738
-	-	180,000	-	180,000
-	-	71,796	-	71,796
-	-	-	-	46,337
-	-	251,796	-	664,372
223,595	5,239	(248,243)	5,632	(40,147)
-	-	318,215	-	455,226
(216,541)	-	-	-	(216,541)
(216,541)	-	318,215	-	238,685
7,054	5,239	69,972	5,632	198,538
140,052	15,874	-	412,646	852,766
$ 147,106	$ 21,113	$ 69,972	$ 418,278	$ 1,051,304

CITY OF CHARLEVOIX, MICHIGAN

Combining Statement of Net Position
Internal Service Funds
March 31, 2017

	Governmental Activities		Business-type Activities	
	Employee Fringe Benefits	Motor Vehicle	DPW Site	Total
Assets				
Current assets:				
Cash and cash equivalents	$ 754,300	$ 679,704	$ 1,081,150	$ 2,515,154
Investments	100,001	100,000	400,085	600,086
Accounts receivable	-	39	-	39
Interest receivable	325	751	1,229	2,305
Other assets	45,990	695	-	46,685
Total current assets	900,616	781,189	1,482,464	3,164,269
Noncurrent assets:				
Capital assets, not being depreciated	-	20,653	63,000	83,653
Capital assets being depreciated, net	-	1,269,653	47,016	1,316,669
Total noncurrent assets	-	1,290,306	110,016	1,400,322
Total assets	900,616	2,071,495	1,592,480	4,564,591
Liabilities				
Current liabilities:				
Accounts payable	4,898	35,252	7,000	47,150
Accrued liabilities	13,215	4,067	-	17,282
Unearned revenue	134	-	-	134
Current portion of compensated absences	105,993	-	-	105,993
Total current liabilities	124,240	39,319	7,000	170,559
Noncurrent liabilities:				
Compensated absences, net of current portion	32,969	-	-	32,969
Total liabilities	157,209	39,319	7,000	203,528
Net position				
Net investment in capital assets	-	1,290,306	110,016	1,400,322
Unrestricted	743,407	741,870	1,475,464	2,960,741
Total net position	$ 743,407	$ 2,032,176	$ 1,585,480	$ 4,361,063

CITY OF CHARLEVOIX, MICHIGAN

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

Internal Service Funds

For the Year Ended March 31, 2017

	Governmental Activities		Business-type Activities	
	Employee Fringe Benefits	Motor Vehicle	DPW Site	Total
Operating revenues				
Charges for services	$ 2,109,906	$ 701,322	$ -	$ 2,811,228
Operating expenses				
Personnel services	2,015,621	187,097	-	2,202,718
Contractual services	2,784	31,429	14,086	48,299
Supplies	-	79,060	-	79,060
Utilities	-	9,902	-	9,902
Repairs and maintenance	-	86,904	-	86,904
Depreciation	-	269,100	3,495	272,595
Miscellaneous	3,971	-	-	3,971
Total operating expenses	2,022,376	663,492	17,581	2,703,449
Operating income (loss)	87,530	37,830	(17,581)	107,779
Nonoperating revenues				
Interest revenue	1,300	1,789	4,452	7,541
Gain on sale of capital assets	-	3,378	-	3,378
Other revenue	-	1,581	-	1,581
Total nonoperating revenues	1,300	6,748	4,452	12,500
Income (loss) before transfers	88,830	44,578	(13,129)	120,279
Transfers				
Transfers in	-	394,000	186,500	580,500
Transfers out	(7,924)	(102,330)	-	(110,254)
Total transfers	(7,924)	291,670	186,500	470,246
Change in net position	80,906	336,248	173,371	590,525
Net position, beginning of year	662,501	1,695,928	1,412,109	3,770,538
Net position, end of year	$ 743,407	$ 2,032,176	$ 1,585,480	$ 4,361,063

CITY OF CHARLEVOIX, MICHIGAN

Combining Statement of Cash Flows

Internal Service Funds
For the Year Ended March 31, 2017

	Governmental Activities		Business-type Activities	
	Employee Fringe Benefits	Motor Vehicle	DPW Site	Total
Cash flows from operating activities				
Cash received from interfund services	$ 2,110,300	$ 701,283	$ -	$ 2,811,583
Cash payments to employees	(2,038,443)	(187,247)	-	(2,225,690)
Cash payments to suppliers for goods and services	(14,168)	(273,868)	(7,086)	(295,122)
Net cash provided by (used in) operating activities	57,689	240,168	(7,086)	290,771
Cash flows from noncapital financing activities				
Other receipts	-	1,581	-	1,581
Transfers in	-	394,000	186,500	580,500
Transfers out	-	(102,330)	-	(102,330)
Net cash provided by noncapital financing activities	-	293,251	186,500	479,751
Cash flows from capital and related financing activities				
Proceeds from sale of capital assets	-	3,378	-	3,378
Purchase of capital assets	-	(446,922)	-	(446,922)
Net cash used in capital and related financing activities	-	(443,544)	-	(443,544)
Cash flows from investing activities				
Interest received	1,019	1,288	3,821	6,128
Net increase in cash and cash equivalents	58,708	91,163	183,235	333,106
Cash and cash equivalents, beginning of year	695,592	588,541	897,915	2,182,048
Cash and cash equivalents, end of year	$ 754,300	$ 679,704	$ 1,081,150	$ 2,515,154

Continued...

CITY OF CHARLEVOIX, MICHIGAN

Combining Statement of Cash Flows

Internal Service Funds
For the Year Ended March 31, 2017

	Governmental Activities		Business-type Activities	
	Employee Fringe Benefits	Motor Vehicle	DPW Site	Total
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities				
Operating income (loss)	$ 87,530	$ 37,830	$ (17,581)	$ 107,779
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation	-	269,100	3,495	272,595
Changes in operating assets and liabilities that provided (used) cash:				
Accounts receivable	394	(39)	-	355
Other assets	(195)	(695)	-	(890)
Accounts payable	(7,218)	(65,878)	7,000	(66,096)
Accrued liabilities	(21,126)	(150)	-	(21,276)
Accrued compensated absences	(1,696)	-	-	(1,696)
Net cash provided by (used in) operating activities	$ 57,689	$ 240,168	$ (7,086)	$ 290,771

Concluded

Balance Sheet and Statement of Net Position

Downtown Development Authority Component Unit
March 31, 2017

	Balance Sheet	Adjustments	Statement of Net Position
Assets			
Cash and cash equivalents	$ 663,894	$ -	$ 663,894
Investments	50,000	-	50,000
Receivables	2,721	-	2,721
Other assets	325	-	325
Capital assets not being depreciated	-	923,071	923,071
Capital assets being depreciated, net	-	2,538,902	2,538,902
Total assets	$ 716,940	3,461,973	4,178,913
Liabilities			
Accounts payable	$ 37,213	1,622	38,835
Accrued liabilities	1,622	(1,622)	-
Unearned revenue	4,753	-	4,753
Total liabilities	43,588	-	43,588
Fund balance			
Restricted	673,352	(673,352)	-
Total liabilities and fund balance	$ 716,940		
Net position			
Net investment in capital assets		3,461,973	3,461,973
Restricted		673,352	673,352
Total net position		$ 4,135,325	$ 4,135,325

Statement of Revenues, Expenditures and Changes in Fund Balance
and Statement of Activities
Downtown Development Authority Component Unit
For the Year Ended March 31, 2017

	Statement of Revenues, Expenditures and Changes in Fund Balance	Adjustments	Statement of Activities
Revenues			
Property taxes	$ 429,767	$ -	$ 429,767
Rents	80,191	-	80,191
Miscellaneous	49,127	-	49,127
Total revenues	559,085	-	559,085
Expenditures / expenses			
Current:			
Other functions	650,641	100,764	751,405
Change in fund balance / net position	(91,556)	(100,764)	(192,320)
Fund balance / net position, beginning of year	764,908	3,562,737	4,327,645
Fund balance / net position, end of year	$ 673,352	$ 3,461,973	$ 4,135,325

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Rehmann

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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*

September 25, 2017

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* (the "City"), as of and for the year ended March 31, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated September 25, 2017.

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) to determine the 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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 were not identified. However, as described in the accompanying schedule of findings and responses, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness and another deficiency that we consider to be a significant deficiency.

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. We consider the deficiency described in the accompanying schedule of findings and responses as item 2017-001 to be a material weakness.

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. We consider the deficiency described in the accompanying schedule of findings and responses as item 2017-002 to be a significant deficiency.

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 determination of financial statement amounts. 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 Findings

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

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.

Rehmann Robson LLC

Schedule of Findings and Responses

For the Year Ended March 31, 2017

2017-001 – Material Audit Adjustments (Repeated from Prior Year)

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

Criteria. Management is responsible for maintaining its accounting records in accordance with generally accepted accounting principles (GAAP).

Condition. During our audit, we identified and proposed several material adjustments (which were approved and posted by management) to adjust the City's general ledger to the appropriate balances.

Cause. This condition was the result of dependence on external auditors, who by definition cannot be a part of the City's internal control, to make adjustments to the general ledger and reconcile certain balance sheet accounts to their underlying detail.

Effect: As a result of this condition, the City's accounting records were initially misstated by amounts material to the financial statements.

Recommendation. The City should record all journal entries necessary to arrive at a reasonably adjusted trial balance prior to generating trial balances to be used for preparation of year-end financial statements.

View of Responsible Officials. The City will continue its efforts to record all known adjustments in order to provide a reasonably adjusted trial balance for the purposes of the audit.

Schedule of Findings and Responses

For the Year Ended March 31, 2017

2017-002 – Preparation of Financial Statements in Accordance with GAAP (Repeated from Prior Year)

Finding Type. Significant Deficiency in Internal Control over Financial Reporting.

Criteria. All governments are required to prepare financial statements in accordance with generally accepted accounting principles (GAAP). This is a responsibility of the government'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 reporting).

Condition. As this 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. Accordingly, the City's ability to prepare external 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. This condition was cause by the City's decision 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 complete this task internally.

Effect. As a result of this condition, the City lacks appropriate 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. The City's decision to rely, in part, on its auditors, for the preparation of external financial statements is allowable provided that the City accepts responsibility for the financial statements and it is disclosed as part of the report on internal control and compliance in accordance with *Government Auditing Standards*. Therefore, no specific corrective actions 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 interest of the City to outsource this task to its external auditors 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.

Rehmann

Rehmann Robson

902 South Huron
Cheboygan, MI 49721
Ph: 231.627.3143
Fx: 231.627.5787
rehmann.com

Independent Auditors' Report on Compliance with Public Act 51 of 1951 (Act 51)

September 25, 2017

City Council
City of Charlevoix
Charlevoix, MI 49720

Performance Audit Report

We have audited the compliance of the *City of Charlevoix* (the "City") with the requirements described in Michigan Public Act 51 of 1951, as amended ("Act 51" or the "Act") that could have a direct and material effect on the determination of whether the City expended funds in compliance with the Act for the year ended March 31, 2017.

Objectives, Scope, and Methodology

Management is responsible for compliance with Act 51 and related regulations. The objective of our performance audit is to determine whether the City expended it's Act 51 funds in compliance with the Act.

We conducted our audit of compliance in accordance with the standards applicable to performance audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the requirements of Public Act 298 of 2012.

Our methodology included examining selected transactions for the year ended March 31, 2017. To accomplish our objectives, we reviewed Act 51, as amended, to identify those compliance requirements that, in our judgment, could have a direct and material effect on the City's compliance with the Act.

The areas addressed in our performance audit included: (1) allowability of expenditures; (2) classification and reporting of expenditures on the Act 51 report filed for the year ended March 31, 2017; (3) allowability of transfers between funds; (4) competitive bidding procedures for construction contracts in excess of $100,000; and (5) administrative expenditure limitations. Due to the significant number of transactions incurred during the year ended March 31, 2017, our testing methodology included drawing representative samples of Act 51 expenditures reported during the period to support our conclusions.

We believe that our audit provides a reasonable basis for our conclusions regarding the City's compliance with Act 51. However, our audit does not provide a legal determination of the City's compliance.

Conclusion

Based on the results of our audit, we conclude that the City expended its Act 51 funds in compliance with the Act, in all material respects, for the year ended March 31, 2017.

Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with Act 51. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on the determination of whether the City expended funds in compliance with Act 51, to determine the auditing procedures that are appropriate in the circumstances for the purpose of reaching a conclusion on compliance with Act 51, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

Rehmann Robson LLC

Michigan Department
of Transportation
Form 2030

CITY OR VILLAGE OF: Charlevoix

Act 51
STREET FINANCIAL REPORT
FOR CITIES AND VILLAGES

FOR THE FISCAL YEAR ENDED

March 31, 2017

This information is required in accordance with Act 51 of P.A. 1951, as amended. Failure to provide this information will cause funds to be withheld. This report is subject to review by Michigan Department of Transportation and correction by the submitting agency before final acceptance by Michigan Department of Transportation.

The financial report accurately reflects the REVENUES AND EXPENDITURES OF ALL STREET WORK and funds by systems, and conforms to the requirements of P.A. 51 of 1951, as amended.

ATTEST

Kelly McGinn
Clerk or Treasurer Signature

Kelly Mcginn
Print Name

kellym@charlevoixmi.gov
E-mail address

(231)547-3251
Phone number

9-27-17
Date

Pat Elliott
Street Administrator Signature

Pat Elliott
Print Name

pate@charlevoixmi.gov
E-mail address

(231)547-3276
Phone number

9-27-17
Date

Mail completed form to:

MDOT
Financial Operations Division
P.O. Box 30050
Lansing, MI 48909
(OR)
E-mail form to : MDOT-Outreach@michigan.gov
(OR)
Fax form to : 517-373-6266

City or Village of: Charlevoix

Fiscal Year - 2017

Start: 04/01/2016 End: 03/31/2017

BALANCE SHEET

ASSETS	MAJOR STREET FUND	LOCAL STREET FUND
1. Cash	$ 46,513.00	$ -
2. Investments	-	-
3. Receivables		
a. Accounts	-	-
b. Due From Other Governmental Units	-	-
c. Special Assessments	-	-
d. Interest	-	-
e. Other	-	-
4. Due From State		
a. Michigan Transportation Fund (MTF)	37,626.00	15,035.00
b. Trunkline Preservation	47,870.00	
c. Road Projects	-	-
d. Other	-	-
5. Due From Federal Government		
a. Federal Highway Administration (FHWA)	-	-
b. Other	-	-
6. Due From Other Funds		
a. General	-	2,540.00
b. Major Street		-
c. Local Street	-	
d. Municipal Street	-	-
e. Other	-	-
7. Inventory	-	-
8. Other Assets		
a. Prepaid Expenses	-	-
b. Other	-	-
9. TOTAL ASSETS (must agree with Total Liabilities and Fund Balance - line 14)	**$ 132,009.00**	**$ 17,575.00**

City or Village of: Charlevoix
Fiscal Year - 2017
Start: 04/01/2016 End: 03/31/2017

BALANCE SHEET

LIABILITIES AND FUND BALANCES	MAJOR STREET FUND	LOCAL STREET FUND
10. Accounts Payable	$ 3,892.00	$ 1,000.00
11. Due To Other Funds		
a. General	-	2,540.00
b. Major Street		-
c. Local Street	-	
d. Other	-	-
12. Other Liabilities		
a. Due to State	-	-
b. Accrued Payroll	1,622.00	177.00
c. Other Accrued Liabilities	-	-
d. Advances From Other Funds	-	-
e. Deferred Revenue	-	-
13. Fund Balance (This amount is populated from line 53)	126,495.00	13,858.00
14. TOTAL LIABILITIES AND FUND BALANCE (Must agree with Total Assets - line 9)	**$ 132,009.00**	**$ 17,575.00**

City or Village of: Charlevoix

Fiscal Year - 2017

Start: 04/01/2016 End: 03/31/2017

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

REVENUES	MAJOR STREET FUND	LOCAL STREET FUND
15. Tax Levies	$ -	$ -
16. Federal Grants		
a. MDOT Payments to Private Contractors	-	-
b. Negotiated Contracts	-	-
17. State Grants		
a. Michigan Transportation Fund (Act 51)	184,284.00	73,633.00
b. Winter Maintenance (Act 51)	23,092.00	17,391.00
c. Local Bridge Fund	-	-
d. Transportation Economic Development Fund	-	-
e. Metro Act Fund	-	-
f. Other	4,527.00	4,527.00
18. State Trunkline Preservation (must show expenditures on line 34)	78,413.00	
19. Interest	46.00	25.00
20. Special Assessments	-	-
21. Contributions From Counties	-	-
22. Contributions From Adjacent Governmental Units	-	-
23. Miscellaneous	100.00	-
24. TOTAL REVENUES	**$ 290,462.00**	**$ 95,576.00**

City or Village of: Charlevoix

Fiscal Year - 2017

Start: 04/01/2016 End: 03/31/2017

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

EXPENDITURES	MAJOR STREET FUND	LOCAL STREET FUND
25. Construction - Streets (Incl. Eng. & R.O.W.)	$ -	$ -
26. Construction - Structures (Incl. Eng. & R.O.W.)	-	-
27. Preservation - Streets	73,300.00	63,066.00
28. Preservation - Structures	-	-
29. Traffic Services - Streets and Structures	3,962.00	4,372.00
30. Winter Maintenance - Streets and Structures	97,294.00	67,328.00
31. Administration, Engineering & Record Keeping	20,530.00	9,011.00
32. Roadside Parks (Major Street Only)	-	
33. Contributions to Adjacent Governmental Units	-	-
34. State Trunkline Preservation (must show revenue on line 18)	70,210.00	
35. State Trunkline Construction - City/Village Share	-	-
36. Miscellaneous	-	-
DEBT SERVICE		
37. Principal	-	-
38. Interest and Bank Fees	-	-
39. TOTAL EXPENDITURES	**$ 265,296.00**	**$ 143,777.00**

City or Village of: Charlevoix
Fiscal Year - 2017
Start: 04/01/2016 End: 03/31/2017

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

OTHER FINANCING SOURCES (USES)	MAJOR STREET FUND	LOCAL STREET FUND
40. General Fund	$ -	$ -
41. Municipal Street Fund	-	-
42. Capital Improvement Fund	35,438.00	23,543.00
43. Transfer - Major to Local	-	-
44. Transfer - Local to Major	-	-
45. Bond Proceeds	-	-
46. Equipment Installment Purchase Proceeds	-	-
47. Other	-	-
48. TOTAL OTHER FINANCING SOURCES (USES)	$ 35,438.00	$ 23,543.00
49. Excess of Revenues and Other Sources Over/Under Expenditures and Other Uses	60,604.00	(24,658.00)
50. Fund Balance at Beginning of Year	65,891.00	38,516.00
51. Prior Period Adjustment	-	-
52. Adjusted Fund Balance at Beginning of Year	65,891.00	38,516.00
53. Fund Balance at End of Year	$ 126,495.00	$ 13,858.00

ACTUAL QUALIFIED EXPENDITURES FOR NONMOTORIZED IMPROVEMENTS

Your Grand Total must equal or exceed 1% of your Fiscal Year MTF returns multiplied by 10.

*Sum of lines 17a and 17b, Major and Local

$298,400.00 x .01 x 10 = $29,840.00

Fiscal Year	2008	2009	2010	2011	2012	
Expenditures	-	28,373.00	4,580.00	-	-	
Fiscal Year	**2013**	**2014**	**2015**	**2016**	**2017**	**Grand Total**
Expenditures	2,762.00	3,190.00	5,690.00	11,222.00	10,254.00	$ 66,071.00

Detailed records must be maintained for future reference or review.

Distribute Current Year Expenditures to the Following Categories

Road Facilities

Bike Lanes: $ -

Shoulders: $ -

Other: $ -

Non-Road Facilities

Shared Use Paths/Structures: $ -

Sidewalks/Curb Ramps: $ 10,254.00

Pavement Markings/Signs: $ -

Other: $ -

Non-Motorized Services

Planning/Education: $ -

SCHEDULE OF CAPITAL ASSETS
MAJOR AND LOCAL STREET FUNDS

					CURRENT YEAR		
Date of Purchase (1)	Description (2)	Fund M = Major L = Local (3)	Original Purchase Price (4)	Prior Years Depreciation (5)	Beginning Book Balance (6)	Depreciation Expense (7)	Ending Book Balance (8)

Totals:

City or Village of: Charlevoix

Fiscal Year - 2017

Start: 04/01/2016 End: 03/31/2017

SCHEDULE OF LONG TERM DEBT
MAJOR AND LOCAL STREET FUNDS

						CURRENT YEAR			
Date of Issue	Description	Fund M = Major L = Local	Amount of Issue	Date of Maturity	Amount Retired Prior Year(s)	Beginning Balance	Bank Fees Interest Expenses Amount	Amount Retired	Ending Balance
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)

Totals:

ASSET MANAGEMENT1
Projects Completed During the County Fiscal Year

Work Type: Bituminous Reconstruction

Project ID	Project Cost	Date Open to Traffic	Pavement Type
2016-17 Alice Street Infra	628,590.10	10/01/2016	Asphalt
2016-17 Burns Street Infra	351,439.01	10/01/2016	Asphalt
2016-17 E. Upright Infra	360,010.69	10/01/2016	Asphalt
2016-17 Green Street - Infi	262,864.95	07/01/2016	Asphalt
2016-17 Nichols Street Infr	345,724.55	11/01/2016	Asphalt
2016-17 St. Marys Drive inf	268,579.40	07/01/2016	Asphalt
2016-17 Wood Street Infra	265,722.18	07/01/2016	Asphalt

City or Village of: Charlevoix
Fiscal Year - 2017
Start: 04/01/2016 End: 03/31/2017

Sub Ledger Report - 1 - Assets

Line: 4 Other - Major

Account	Amount ($)	Description
02000040	0.00	Special Winter Maintenance Payment

City or Village of: Charlevoix

Fiscal Year - 2017

Start: 04/01/2016 End: 03/31/2017

Sub Ledger Report - 3 - Revenues

Line: 17 Other - Local

Account	Amount ($)	Description
203-569	4,527.00	state revenue other

Line: 17 Other - Major

Account	Amount ($)	Description
02000579	0.00	Special Winter Maintenance Payment
202569	4,527.00	State Revenue PA252 Other

Line: 23 Miscellaneous - Major

Account	Amount ($)	Description
202692	100.00	misc

City or Village of: Charlevoix

Fiscal Year - 2017

Start: 04/01/2016 End: 03/31/2017

Sub Ledger Report - 5 - Other Financing Sources (Uses)

Line: 47 Other - Major

Account	Amount ($)	Description
202675	0.00	private source

CHARLEVOIX CITY COUNCIL

Consent Agenda

TITLE: 2016-17 Fiscal Year Financial Audit

DATE: November 6, 2017

PRESENTED BY: Michael Sparling, CPA

BACKGROUND:

Michael Sparling from Rehmann Robson will present the findings of the March 31, 2017 Financial Audit and present a general overview of the financial health of the City.

RECOMMENDATION:

Accept and approve the FY 2017 audit.

CHARLEVOIX CITY COUNCIL

Consent Agenda

TITLE: Planning Commission Resignation

DATE: November 6, 2017

BACKGROUND:

Attached is a letter from Planning Commissioner John Elzinga. Mr. Elzinga wishes to retire. His term expires in April 2019.

RECOMMENDATION:

Accept with thanks the retirement of John Elzinga from the Planning Commission.

ATTACHMENTS:

- Elzinga Resignation

Sherm Chamberlain - President
of Planning Commission Board

I have decided because of
my age (85) it's time for me to
retire from the board.
I have enjoyed being a member
of the board, but now feel it's
time to be done.

Thanks

John A. Elzinga

RECEIVED
OCT 17 2017
CITY OF CHARLEVOIX

CHARLEVOIX CITY COUNCIL

Consent Agenda

TITLE: City Council Meeting Minutes - October 16, 2017
DATE: November 6, 2017

ATTACHMENTS:

- City Council Minutes

CITY OF CHARLEVOIX
REGULAR CITY COUNCIL MEETING MINUTES
Monday, October 16, 2017 – 7:00 p.m.
Council Chambers, 210 State Street, Charlevoix, MI

The meeting was called to order at 7:00 p.m. by Mayor Luther Kurtz.

1. Pledge of Allegiance

2. Roll Call

Mayor:	Luther Kurtz
Members Present:	Councilmembers Shane Cole, Shirley Gibson, Aaron Hagen, Janet Kalbfell, Tom Oleksy, Leon Perron
Members Absent:	None
City Manager:	Mark Heydlauff
City Clerk:	Joyce Golding

3. Presentations

A. Redevelopment Ready Communities Report

Pablo Majano, RRC Planner Michigan Economic Development Corporation, discussed the Redevelopment Ready Communities Program which supports community revitalization and the attraction and retention of businesses, entrepreneurs and talent throughout Michigan. He reviewed the City's Report of Findings which evaluated several areas of best practices and provided feedback on improving.

B. Airport Committee Presentation

Airport Advisory Committee Chairman Scott Woody recalled the recent history of the Airport including his time as the Airport Manager. He explained how voluntary FAA recordings by Island Airways affected grant money and the request by the Committee to Skydive Harbor Springs to help reestablish grant money by altering their landings on specific days.

4. Inquiry Regarding Conflicts of Interest

Mayor Kurtz disclosed that he had a short term rental and a business at the Airport. He cited the City Attorney's advice regarding his ability to participate in these items.

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 – October 2, 2017 Regular Meeting
B. Liability & Property Insurance 2017-18 Renewal – Renew annual general liability and property insurance policy with the Michigan Township Participating Plan for $95,383
C. Accounts Payable and Payroll Check Registers
   a. Special Accounts Payable Check Register – September 29, 2017
   b. Regular Accounts Payable Check Register – October 17, 2017
   c. ACH Payments – October 2, 2017 to October 12, 2017
   d. Payroll Check Register – October 6, 2017
   e. Payroll Transmittal – October 6, 2017
   f. Tax Disbursement – October 17, 2017
D. WTP/WWTP Operator – Approve new job description

Motion by Councilmember Hagen, second by Councilmember Kalbfell, to approve the Consent Agenda.
Yeas: Cole, Perron, Oleksy, Gibson, Kalbfell, Hagen
Nays: None

6. Public Hearings & Actions Requiring Public Hearings

A. Public Hearing: Short Term Rental Ordinance

Staff Planner Lucas recalled that the Rental Regulations Subcommittee developed a draft short-term rental ordinance that would require registration of properties that are rented two or more weeks per year providing basic information about the unit and require a "good neighbor guide" and compliance with relevant City codes. She noted that the goal of the ordinance was to require property owners to register their homes, not to regulate them. The Planning Commission recommended this new ordinance unanimously. She also noted that the City would be responsible for crafting the "good neighbor guide."

Councilmember Kalbfell questioned whether posting the contact information in a window was prudent for safety reasons. After discussion, it was agreed to remove "door or window" location and replace it with "prominent" location.

Mayor Kurtz opened the item to public comment at 7:37 p.m.

Mitz Lee was not in favor of posting the information externally on the rental unit.

Larry Sullivan, 1st Ward, felt rentals should be restricted to families as defined in the Zoning Ordinance. He noted that Hayes Township requires a posted license along with notification to dwellings within 300 feet of the rental.

Tim Kish, 1st Ward landlord, questioned what problem we are trying to solve by implementing this ordinance. He felt that rules should apply equitably to all homeowners and he stated that this was "pretty heavy-handed."

John Haggard, City taxpayer, questioned what it would cost him as a taxpayer to administer and enforce the ordinance.

Amanda Wilkin, CVB, stated that they are in full support of the ordinance and questioned how it would be enforced and if there were any fines for not registering a rental.

Sherm Chamberlain, Planning Commission Chairman, explained that the goal of the ordinance was to take an accounting of how many homes are being rented on a regular basis. The information will be used to determine how rentals impact the cost of City services and gain a good understanding of land use. He noted that the Planning Commission never stated that there was an issue with short-term rentals.

Steve Lasky, homeowner, felt the City should limit the number of vacation rentals.

Greg Bryan, 3rd Ward and a member of ACK Board of Realtors, felt that the proposed ordinance adds an undue burden on landlords and should be applied to everyone. He recommended tabling the ordinance until property managers can provide additional input.

Bill Walsh, 1st Ward seasonal resident, suggested setting a reasonable limit of rentals within a given area.

The hearing was closed to the public at 8:14 p.m.

After discussion, Council concurred to amend the language as discussed above and remove the reference to fees.

CITY OF CHARLEVOIX
ORDINANCE NO. 784 of 2017
AN ORDINANCE TO AMEND ARTICLES 2 AND 5 OF CHAPTER 51 OF TITLE V PLANNING & ZONING OF THE CHARLEVOIX CITY CODE

THE CITY OF CHARLEVOIX ORDAINS:

SECTION 1. Amendment of Title V, Chapter 50, Article 2, Sections 5.6, 5.7, 5.9, and 5.11 Definitions
The following definitions are hereby added or amended to read in their entirety as follows:

Bed and Breakfast. *Any place of lodging that provides rooms for rent for more than 10 nights in a 12-month period, is the owner's personal residence, is occupied by the owner or owner's representative at the time of rental, and in which a morning meal is served to guests.*

Bedroom. *A separate room or space with a legal means of egress, used or intended to be used specifically for sleeping purposes. The following spaces do not qualify as bedrooms:*
(1) kitchens;
(2) dining areas;
(3) gathering spaces such as family rooms, dens, or living rooms; and
(4) attics or basements without egress meeting standards in applicable building, residential, and fire codes.

Dwelling Unit. *A building or portion of a building, designed for use and occupancy by individuals, or one family, for living and sleeping purposes and with housekeeping facilities. A recreational vehicle, vehicle chassis or tent is not considered a dwelling.*
(1) Dwelling, Multiple Family. A building containing three (3) or more dwelling units where each unit may have access to a common hallway, stairs or elevator, or where each unit may have individual access to a street or common courtyard.
(2) Dwelling, Single Family.
(a) Detached. A single family dwelling unit that is separate and distinct from any other dwelling. A single family dwelling that does not share a party wall with any other dwelling is a detached single family dwelling.
(b) Attached. A dwelling designed for occupancy by one (1) family in a row of at least three such units in which each unit has its own front and rear access to the outside, no unit is located over another, and each unit is separated from any other unit by one or more vertical common fire-resistant walls (also known as a townhouse or rowhouse).
(3) Dwelling, Two Family. A single family dwelling unit attached to one (1) other single family dwelling by a common wall or floor (also known as a "duplex").

Good Visitor Guideline Materials*.* *Materials prepared by the City's Planning and Zoning Department that may include, but are not limited to, the following:*
(1) a summary of the City's noise ordinance, fireworks ordinance, trash disposal ordinances, and applicable offenses against the public peace;

(2) a reminder that the rental property is located in a residential neighborhood and that neighbors may not be vacationing;
(3) information regarding amenities and regulations regarding pets;
(4) parking rules and designated areas;
(5) street address;
(6) safety features; and
(7) a statement informing the renters that neighboring property owners may contact the local agent and local police to report any issues relating to the property.
The Good Visitor Guideline Materials may be revised by the City's Planning and Zoning Department from time to time.

Local Agent. *An individual designated to oversee the short-term rental of a dwelling unit in accordance with this article and to respond to calls from renters, concerned citizens, law enforcement, and representatives of the city. The local agent must be available to accept telephone calls on a 24 hour basis at all times that the short- term rental is rented and occupied. The local agent must have a key to the rental unit and be able to respond to the short-term rental within sixty (60) minutes to address issues or must have arranged for another person to address issues within the same timeframe.*

Short-Term Rental. *Any dwelling or condominium or portion thereof, excepting boat docks, that is available for use for a fee or other compensation for a term of less than 30 consecutive days, not including bed and breakfasts, hotel rooms, transitional housing operated by a non-profit entity, group homes such as nursing homes and adult foster care homes, and hospitals or other health care related facilities.*

SECTION 2. Amendment of Title V, Chapter 50, Article 5, Section 5.55 Other Uses
Section 5.55 Other Uses (5) Short-Term Rentals is hereby added and shall read in its entirety as follows:

(5) Short-Term Rentals.

(a) <u>Registration Required.</u> All dwelling units used for short-term rentals for a total of two (2) or more weeks per calendar year shall be registered with the City. The short-term rental of an unregistered dwelling unit for a total of two or more weeks during a calendar year is prohibited. Registration shall be issued by calendar year. All short-term rental registrations shall expire at the end of the calendar year and must be renewed each year.

*(b) <u>Application</u>**.** To register a dwelling unit used for short-term rentals, the property owner or agent of the owner shall, for each unit on the property;*

1. *Provide and certify as true the following on a form provided by the City:*
    - *a) Name, address, and telephone number of the local agent for the dwelling unit*
    - *b) The street address of the dwelling unit, along with other identification if more than one dwelling unit has the same street address.*
    - *c) The number of bedrooms in each dwelling unit, and in the dwelling as a whole.*
    - *d) The number of weeks the dwelling unit is available for short term rental each calendar year.*
    - *e) A statement certifying that the property owner or a local agent will provide at least one copy of the City's good visitor guideline materials to the renters each time the dwelling unit is rented.*
    - *f) A statement indicating which year the dwelling unit was first used as a short-term rental, and for how many weeks it was rented in the previous calendar year.*
    - *g) Such other information as the City deems appropriate.*

~~*2. Pay an administrative fee, as set by resolution of the City Council.*~~

(c) <u>Regulations.</u>

1. *Local agent required. All dwelling units used for short-term rentals shall have a designated local agent.*
2. *Contact information posted ~~in window~~. A notice shall be posted in a prominent ~~first-floor door or window~~ <u>location</u> of any dwelling unit used for short-term rentals stating (in at least 16-point type) the name of the local agent, a 24-hour telephone number with which the agent can be reached.*
3. *Compliance with codes. The dwelling unit must meet all applicable residential building, health department, nuisance, and safety codes.*
4. *Noise and nuisance. Noise during quiet hours must be limited to that which does not disturb the quiet, comfort or repose of a reasonable person of normal sensitivities. Quiet hours shall be from 11:00 PM to 7:00 AM. The City of Charlevoix Noise Control Ordinance shall apply.*
5. *Fireworks. Fireworks of any kind are not allowed on rental property except in accordance with the City of Charlevoix Fireworks Ordinance.*

(d) <u>Inspections and Conditions.</u> Upon written complaint, the zoning administrator may make periodic inspections of a short-term rental to ensure continuing compliance with the approval standards specified in this Ordinance. In addition, the zoning administrator may impose reasonable conditions on a registration issued under this Ordinance which are reasonably necessary to ensure compliance with the approval standards provided in this Ordinance.

(e) <u>Suspension or Revocation of Short Term Rental Registration.</u>

1. *Grounds for Suspension or Revocation. In addition to any other penalty authorized by law, a short term rental registration may be suspended or revoked if the Zoning Administrator finds by competent, material, and substantial evidence and after written notice*

of the charges to the owner and an opportunity to be heard, that the licensee or his or her agents or employees has or have violated, or failed to fulfill, the requirements of any of the following:

a. *Any provision of this Ordinance*
b. *Title VI of the City Code: Health Regulations*
c. *Title IX of the City Code: Police Regulations*
d. *Title II of the City Code: Utilities and Services*
e. *Any provision of the Zoning Ordinance or any permit or approval issued pursuant to the Zoning Ordinance.*

The Zoning Administrator may find that the property owner and agent should not be held responsible for one or more of the three requisite violations due to extenuating circumstances. Extenuating circumstances may include circumstances that the owner or the owner's agent could not reasonably anticipate and prevent, and could not reasonably control.

2. *Revocation Procedure. The written notice of the charges and the notice of the hearing shall be personally served on the owner or agent or served on the owner by certified mail, restricted delivery, no less than 21 days before the hearing before the Zoning Administrator.*
   a. *Upon a finding by the Zoning Administrator of a First violation within any twelve (12) month period, the short term rental registration may be suspended for up to thirty (30) days and during said time the premises shall not be utilized for a short term rental.*
   b. *Upon a finding by the Zoning Administrator of a Second violation within any twelve (12) month period, the short term rental registration shall be suspended for thirty (30) days and during said time the premises shall not be utilized for a short term rental.*
   c. *Upon a finding by the Zoning Administrator of a Third violation within any twelve (12) month period, the short term rental registration shall be revoked and the owner or local agent who had been issued the short term rental registration shall not again be issued a short term rental registration for a period of twelve (12) months and during said time the premises shall not be utilized for a short term rental. Appeal from denial or suspension or revocation of a short term rental registration is allowed.*

(f) Appeals. Upon a determination by the zoning administrator that the registration of a dwelling unit is subject to revocation pursuant to subsection 5.55.3(e), the zoning administrator shall issue a notice to the owner and agent stating that the City intends to revoke the rental registration. The notice shall inform the owner and local agent of a right to a hearing to show cause as to why the registration should not be revoked. If a hearing is requested within 14 days of the service of the notice, the City shall schedule the hearing before the Zoning Board of Appeals and notify the owner and agent in writing of a time and place for that hearing. At the hearing, the owner and agent may present evidence that the requirements for revocation provided in 5.55.3(e) are not satisfied, or that the property owner and agent should not be held responsible for one or more of the three requisite violations due to extenuating circumstances. Extenuating circumstances may include circumstances that the owner or the owner's agent could not reasonably anticipate and prevent, and could not reasonably control. The Zoning Board of Appeals shall independently determine whether there is competent, material, and substantial evidence establishing a violation of Section 5.55.3, and/or whether there is competent, material, and substantial evidence establishing that extenuating circumstances exist.

SECTION 3. 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 4. Effective Date.
This Ordinance shall become effective thirty (30) days after its enactment.

Ordinance No. 784 was adopted on the 16th day of October, 2017 A.D., by the Charlevoix City Council as follows:

Motion by:
Seconded by:
Yeas:
Nays:

State of Michigan)
) §
City of Charlevoix)

Motion by Councilmember Hagen, second by Councilmember Perron, to amend the draft as discussed [delete Section 2(5)(b)2 and replace "door or window" location with "prominent" in Section 2.(5)(c)2.] and approve Ordinance 784 of 2017.
Yeas: Cole, Perron, Oleksy, Gibson, Kalbfell, Hagen
Nays: None

7. All Other Actions & Requests

A. Pier Swimming Ordinance

Mayor Kurtz recalled that the Junior Main Street program was developed last year to include youth. Opening the piers to jumping and diving was one item that was significant to them and Mayor Kurtz felt it was important to listen to what young people care about. He commented that Petoskey strongly discourages jumping or swimming from their pier, but it is not illegal to jump. He proposed continuing to discourage jumping and swimming from the pier in all areas but amend the ordinance so it is only illegal to jump into the Pine River Channel.

Councilmember Gibson felt there "was not a problem to be fixed" and was not in favor of changing the ordinance. Councilmember Oleksy had a serious safety concern and suggested jumping from the "blue dock" in Lake Charlevoix instead.

Mayor Kurtz opened the item to public comment.

Marilyn Gibbons (not in attendance) felt the pier was a dangerous structure and was against swimming. She suggested fines be increased to $1,000.

Gabe Campbell, 2nd Ward, had no problem with jumping at Ferry Beach but was not in favor of jumping off the pier.

Walker Fogle and Tucker Hilligan, Charlevoix High School students, stated the student body requested that Council hold a public hearing to receive input regarding their request.

Jodi Laurent, 1st Ward, questioned whether diving boards could be placed at Lake Michigan and Depot Beach as an alternative and noted her concern regarding potential lawsuits.

Annmarie Conway, Charlevoix High School teacher, supported her students and felt an open forum would be a good way to exchange ideas and support the youth.

Don Seelye, State Street, was not in favor of jumping from the pier from a safety perspective.

Steve Lasky felt that if there were no accidents when jumping was allowed, then there may be no accidents going forward if everything else was constant.

The item was closed to the public.

Council continued to discuss their ideas, alternatives and concerns.

Motion by Councilmember Hagen, second by Councilmember Cole, to hold a public hearing and gather input from the public on enhancements at Lake Michigan Beach to better help Council understand how we manage these community assets on November 20, 2017.
Yeas: Cole, Perron, Kalbfell, Hagen
Nays: Oleksy, Gibson

B. Ethics and Conflict of Interest
Mayor Kurtz stated there may have been some confusion at the last meeting and questioned whether Council wished to continue this discussion. Councilmembers Perron, Cole and Gibson stated that they had nothing further.

Mayor Kurtz opened the item to public comment.

Mary Eveleigh, 1st Ward, reiterated her time on the Zoning Board of Appeals and how conflict of interest was handled. She felt Council should be on board with understanding what ethics and conflict means.

The item was closed to the public.

C. Recreation Advisory Committee Appointment
Two current student members of the Recreation Advisory Committee wish to be reappointed for another year. This is a Mayoral appointment with Council approval. Recreation Director Kirinovic recommended the reappointment.

Mayor Kurtz opened the item to public comment. There was no comment and the item was closed.

Motion by Councilmember Cole, second by Councilmember Kalbfell, to reappoint Abigail Cunningham and Benjamin Peterson to the Recreation Advisory Committee, term expiring September 2018.
Yeas: Cole, Perron, Oleksy, Gibson, Kalbfell, Hagen
Nays: None

D. South Taxilane Construction Design
Interim Airport Manager Wyman stated that with the recent interest in private hangar development at the airport, one logical location was to place them in the overflow lot to the south of the current ramp. The design work to be conducted is for a new taxiway

connecting our west apron to the overflow lot. He stated this project will put in place the needed infrastructure for future private hangar development. The cost of the design work ($49,800) will need to be paid up front by the City, after which next fall the City will be reimbursed the cost of the design work, less the City's 5% local match.

Mayor Kurtz opened the item to public comment. There was no comment and the item was closed.

CITY OF CHARLEVOIX
RESOLUTION NO. 2017-10-03
EXECUTION OF AGREEMENT FOR PROFESSIONAL ENGINEERING SERVICES FOR SOUTH TAXILANE CONSTRUCTION
(Federal/State project # TBD)

WHEREAS*,* *the City is approving a contract for Professional Engineering Services with RS&H Michigan, Inc. for the design of a taxiway connecting the West Terminal Apron to the overflow lot for purpose of future private hangar development and fence restoration/installation; and*

WHEREAS*,* *the scope of this project will include the design engineering and bid phase services; and*

WHEREAS*,* *the cost of the design project, Forty-Nine Thousand Eight Hundred Dollars ($49,800.00) is to be paid in full by the City of Charlevoix; and*

WHEREAS, *upon receipt of the FAA and State Block Grants, the City of Charlevoix would be reimbursed Forty-Seven Thousand Three Hundred Ten Dollars, ($47,310.00) the cost of the design, less the City's 5% Local match of Two Thousand Four Hundred Ninety Dollars ($2,490.00); and*

WHEREAS, *this contract will be included in the future FAA AIP Grant / State Block Grant, (Project Number TBD) with the project funding breakdown of 90% Federal, 5% State (MDOT) and 5% Local match.*

NOW THEREFORE BE IT RESOLVED*, that the City of Charlevoix City Council hereby authorizes the City Manager to execute the amendment to the Taxiway Alpha Rehabilitation design contract which includes construction administration, after review by City Staff and the City Attorney.*

RESOLVED *this 16th day of October, 2017 A.D.*

Resolution was adopted by the following yea and nay vote:

Yeas: Cole, Perron, Oleksy, Gibson, Kalbfell, Hagen
Nays: None

Motion by Councilmember Kalbfell, second by Councilmember Perron, to approve Resolution 2017-10-03 and authorize RS&H to conduct design services outlined in the scope of work as presented for an amount not to exceed $49,800.
Yeas: Cole, Perron, Oleksy, Gibson, Kalbfell, Hagen
Nays: None

8. Reports & Communications

A. Public Comments

John Haggard questioned the ordinance adoption and felt the amendment and ordinance should be a separate vote. For the sake of clarity, the City Manager suggested having a separate vote.

B. City Manager Comments

City Manager Heydlauff reported on the following:

- Ottawa County follows a good customer service business model worth emulating
- Using arts as a catalyst as part of the entrepreneurial spirit in the community was reinforced at a conference he attended
- Congratulations to Hal Evans on his retirement as Harbormaster for twenty years

C. Mayor & Council Comments

Councilmember Kalbfell noted that the ICMA magazine article regarding the importance of arts and culture in the community was well received by two local artists.

Councilmember Perron noted that his constituents were pleased with the new stop sign arrangement at State and Antrim. It was agreed to keep the arrangement as is until further discussion.

9. Other Council Business

Motion by Councilmember Hagen, second by Councilmember Kalbfell, to reconsider the first motion [to amend the draft as discussed and approve Ordinance 784 of 2017].
Yeas: Cole, Perron, Oleksy, Gibson, Kalbfell, Hagen

Nays: None

Motion by Councilmember Hagen, second by Councilmember Gibson, to amend the draft ordinance as stated previously with regards to posting information within the rental and removing the reference to fees [delete Section 2(5)(b)2 and replace “door or window” location with “prominent” in Section 2.(5)(c)2.]
Yeas: Cole, Perron, Oleksy, Gibson, Kalbfell, Hagen
Nays: None

Motion by Councilmember Hagen, second by Councilmember Gibson, to approve Ordinance 784 of 2017.
Yeas: Cole, Perron, Oleksy, Gibson, Kalbfell, Hagen
Nays: None

10. Adjourn
The Mayor adjourned the meeting at 9:19 p.m.

Joyce M. Golding	City Clerk	Luther Kurtz	Mayor

Special Accounts Payable – 09/29/2017

PRIORITY HEALTH	38,256.36	**TOTAL**	**38,256.36**

Regular Accounts Payable – 10/17/2017

ACE HARDWARE	2,046.36	FREEDOM MAILING SERVICES INC.	2,294.84
AHERN, ROBERT & ELIZABETH	98.44	GBS INC.	68.18
ALL-PHASE ELECTRIC SUPPLY CO.	60.17	GOLOVICH, KAREN	14.00
ALTEC INDUSTRIES INC	232.59	GRAND TRAVERSE GARAGE DOOR	162.00
AMERICAN WATER WORKS ASSN	187.00	GREAT LAKES COCA-COLA DISTR	230.30
APX INC.	50.82	GRP ENGINEERING INC.	4,000.00
AUDICARE HEARING CENTER	114.28	HACH COMPANY	910.09
AUTO VALUE	1,058.34	HANKINS, SCOTT A.	67.50
AVFUEL CORPORATION	91,366.09	HARBOR HOUSE PUBLISHERS	84.50
B & L SOUND INC	732.31	HEIDER, MICHAEL	40.00
BEAVER RESEARCH COMPANY	111.16	HEYDLAUFF, MARK L	329.97
BEIJO DE CHOCOLAT LLC	21.00	HYDE SERVICES LLC	221.65
BELL EQUIPMENT COMPANY	161.79	IDEXX DISTRIBUTION INC.	212.01
BERG, REBECCA	99.00	INDESIGN	665.00
BLACK DIAMOND BROADCASTING	300.00	INTERWATER FARMS INC	175.00
CARQUEST OF CHARLEVOIX	1,092.05	JACOBSEN	83.52
CCP INDUSTRIES INC	138.72	JOHN E. GREEN COMPANY	417.00
CHARLEVOIX AREA CHAMBER OF COMM	62.50	KMart	144.04
CHARLEVOIX COUNTY NEWS	130.00	KNUTSON, ROGER	100.89
CHARLEVOIX COURIER	63.00	KOORSEN FIRE & SECURITY	42.70
CHARLEVOIX SCREEN MASTERS INC	317.00	KSS ENTERPRISES	809.01
CHARLEVOIX TOWNSHIP	15.23	LAKESHORE TIRE & AUTO SERVICE	144.90
CHARLEVOIX-EMMET ISD	140.00	LOTTIE'S BAGELS	195.00
CHARTER COMMUNICATIONS	1,173.39	MANAGEMENT AND BEHAVIOR	625.00
CHEMICAL SYSTEMS INC.	2,240.00	MATELSKI, KIMBERLY A.	77.13
CINTAS CORPORATION #729	121.78	MCCARDEL CULLIGAN-PETOSKEY	50.00
CITY OF CHARLEVOIX - MISC	2,556.33	McGINN, KELLY A.	397.28
COMPLETE CAR DETAILING	28.21	MCKENZIE, LOUIS	68.36
COOK FAMILY FARMS	105.00	MDC CONTRACTING LLC	204,892.98
DERRER OIL & PROPANE CO	600.00	MEADOWBROOK INSURANCE GROUP	923.08
DHASELEER, CARL	70.00	MELKE, PEGGY	75.00
DITCH WITCH SALES OF MICHIGAN	477.60	MI-AWWA	160.00
DORNBOS SIGN INC.	1,103.72	MICHIGAN OFFICEWAYS INC	1,954.62
DOTSON, LINDSEY J.	25.08	MICHIGAN WEBS	500.00
EATON CORPORATION	644.28	MJS PAINTING INC	4,979.00
EJ USA INC.	473.81	MUNICIPAL UNDERWRITERS OF MICH	95,383.00
EMERGENCY MEDICAL PRODUCTS INC	223.14	MUNICIPAL UNDERWRITERS OF MICH	55.00
EMERGENCY VEHICLE PARTS & PROD	264.75	MUNSON HEALTHCARE CHARLEVOIX	219.12
ETNA SUPPLY	4,120.01	MURRAY'S CREATIONS	75.00
FAMILY FARM & HOME	163.90	MYERS, DAN	40.00
FARMER WHITE'S	153.00	NORTHERN MICHIGAN REVIEW INC.	1,122.24
FARRELL, MITCHELL L.	43.38	NORTHERN SAFETY CO INC	80.97
FASTENAL COMPANY	522.50	OMS COMPLIANCE SERVICES INC	52.50
FISHER SCIENTIFIC	598.21	OTEC	85.00
FOLTZ, VIRGINIA	48.63	OWENS, MAUREEN	33.81
FOX CHARLEVOIX FORD	3.40	PARASTAR INC.	2,037.90

PERFORMANCE ENGINEERS INC	9,392.50	SPARTAN DISTRIBUTORS INC	406.55
PHYSICIAN'S CLINIC OF CHARLEVOIX	230.00	SPARTAN STORES LLC	47.76
PLUNKETT & COONEY	80.00	SPENCLEY, PATRICIA L.	67.50
POND HILL FARM LLC	95.00	STANDARD ELECTRIC CO	461.32
POWER LINE SUPPLY	16,027.37	STATE OF MICHIGAN	68,001.00
PREIN & NEWHOF	12,090.84	STATE OF MICHIGAN	10.00
PRO-VISION VIDEO SYSTEMS	1,818.00	STUART C IRBY CO	1,718.70
PURITY CYLINDER GASES INC	189.55	SURFACE ECO BLAST	1,075.00
QUILL CORP	50.86	SUTPHEN TOWERS	1,400.00
R & R PRODUCTS INC	223.13	SWEET, RICKIE	78.05
RAECKE, MICHAEL	15.00	SYN-TECH SYSTEMS INC.	124.20
RANGE TELECOMMUNICATIONS	116.40	SYSTEMS SPECIALISTS INC	50.00
RESIDEX LLC	330.00	TELE-RAD INC	515.00
ROWE PROFESSIONAL SERVICES CO	805.00	UNIFIRST CORPORATION	524.12
RUSTIC BAKER	27.00	VILLAGE GRAPHICS INC.	197.55
S&W HEALTHCARE CORPORATION	269.98	WATTA COOKIE LLC	41.00
SALMONSON, TIM	25.00	WHITLEY, ANDREW T.	319.18
SEARS COMMERCIAL ONE	474.99	WINNIE'S ORIGINAL LLC	8.00
SHARROW MASONRY INC	4,971.95	WOOD SHOP, THE	780.00
SHORELINE POWER SERVICES INC.	28,744.88	WURST, RANDALL W.	47.82
SIEGRIST, DAVID	29.00		
SITE ONE LANDSCAPE SUPPLY	349.77	**TOTAL**	**591,886.03**

ACH Payments – 10/02/2017 to 10/12/2017

MI PUBLIC POWER AGENCY	16,923.07	VANTAGEPOINT (ROTH IRA)	1,061.53
IRS (PAYROLL TAX DEPOSIT)	35,662.66	PAYMENT SERVICE NETWORK	234.90
ALERUS FINANCIAL (HCSP)	420.00	MI PUBLIC POWER AGENCY	14,637.16
STATE OF MI (WITHHOLDING TAX)	5,090.96	STATE OF MI (SALES TAX)	25,456.31
VANTAGEPOINT (401 ICMA PLAN)	742.50	DTE ENERGY	1,436.74
VANTAGEPOINT (457 ICMA PLAN)	12,532.51	**TOTAL**	**114,198.34**

Payroll Net Pay – Pay Period Ending 09/30/2017 (Paid 10/06/2017)

GIBSON, SHIRLEY J.	586.59	SWEM, DONALD L.	1,875.31
PERRON, LEON R.	516.03	EATON, BRAD A.	1,830.99
KURTZ, LUTHER J.	886.56	WILSON, TIMOTHY J.	2,240.96
HAGEN, AARON W.	431.73	LAVOIE, RICHARD L.	1,089.04
OLEKSY, THOMAS M.	422.88	STEVENS, BRANDON C.	1,836.90
KALBFELL, JANET P.	443.28	DRAVES, MARTIN J.	1,735.98
WELLER, LINDA JO	1,496.31	BROWN, STEPHANIE C.	1,089.85
HEYDLAUFF, MARK L.	2,543.08	ANDERSON, ELIZABETH A.	1,112.49
GOLDING, JOYCE M.	1,132.69	ELLIOTT, PATRICK M.	2,000.49
DEROSIA, PATRICIA E.	941.36	SCHWARTZFISHER, JOSEPH L.	1,219.04
DOTSON, LINDSEY J.	1,435.09	BRADLEY, KELLY R.	1,300.65
LOY, EVELYN R.	1,048.93	HART II, DELBERT W.	1,402.87
KLOOSTER, ALIDA K.	1,901.19	JONES, ROBERT F.	1,445.14
GOLOVICH, KAREN J.	993.67	DORAN, JUSTIN J.	1,439.35
SPENCLEY, PATRICIA L.	1,074.62	FARRELL, MITCHELL L.	1,451.17
MILLER, FAITH G.	42.13	MANKER JR, DAVID W.	596.77
LEESE, MERRI C.	343.51	MANKER SR, DAVID W.	796.02
MCGINN, KELLY A.	1,611.87	BECKER, MICHAEL S.	675.99
JONES, JANET M.	496.47	NEDWICK, DAVID J.	427.96
DOAN, GERARD P.	1,600.03	FREY, DYLAN V.	563.00
SCHLAPPI, JAMES L.	931.57	HAWKINS, JAMES S.	193.15
UMULIS, MATTHEW T.	1,389.03	MCGHEE, ROBERT R.	1,154.49
HANKINS, SCOTT A.	1,533.90	ALDEN, CAMDEN D.	321.25
ORBAN, BARBARA K.	1,325.80	CRANDELL, ZACKARY R.	564.99
FLICKEMA, ANDREW M.	1,849.65	LEITNER, RYAN S.	745.33
MATELSKI, KIMBERLY A.	1,185.34	FERGUSON, ROYCE L.	659.74
RILEY, DENISE M.	436.69	BOSS, SHERRY M.	710.23
EVANS JR, HALBERT K.	1,470.62	KIRINOVIC, THOMAS F.	626.44
KLOOSTER, PATRICK H.	1,050.59	ANZELL, BETH A.	621.25
BINGHAM, LARRY E.	836.39	HEID, THOMAS J	1,246.89
MATELSKI, RYAN G.	849.92	LEESE, ALAN K.	432.78
CARLSON, JOSHUA A.	72.24	DAVIS, RONALD L.	79.29
GREYERBIEHL, KELLY M.	184.58	FAIRCHILD, GALEN W.	116.24
WURST, RANDALL W.	1,471.99	MASSON, DONALD J.	468.81
MAYER, SHELLEY L.	1,654.09	KUSINA, DENNIS W.	116.73
HILLING, NICHOLAS A.	1,140.14	LABLANCE, MAUREEN J.	80.80
MEIER III, CHARLES A.	1,055.58	LIVINGSTON, BRIAN D.	708.40
ZACHARIAS, STEVEN B.	1,264.33	VANLOO, JOSEPH G.	699.11

WYMAN, MATTHEW A.	1,500.48	BOYCE, REBECCA L.	589.24
BOSS, RYDER S.	637.38	MCFARLAND, JONATHAN A.	385.92
MILLER, WILLIAM S.	1,393.56	SILVA, JESSE L.A.	207.22
DOUGLAS, MARK	779.01	COLE, SHANE	674.15
TRAVERS, MANUEL J.	2,024.33	GERBER, SAMUEL A.	64.64
STEVENS, JEFFREY W.	312.25	WHITLEY, ANDREW T.	2,000.84
RILEY, CASEY W.	285.96	MORRISON, KEVIN P.	1,017.23
JONES, LARRY M.	867.43	JOHNSON, STEVEN P.	1,024.21
WILLSON, BRENDA R.	535.20	BISHAW, JAMES H.	754.91
BEAN, PETER J.	458.10	GILL, DAVID R.	1,022.91
FENNELL, DREW M.	378.85	MATTER, DAWSON K.	2,928.75
MCCALIB, RACHELLE L.	188.47		
MCMULLEN, DONALD R.	1,362.74	**TOTAL**	**96,720.14**

Payroll Transmittal – 10/06/2017

4FRONT CREDIT UNION	450.00	CHEMICAL BANK	150.00
AMERICAN FAMILY LIFE	191.88	COMMUNICATION WORKERS OF AMER	537.98
AMERICAN FAMILY LIFE	447.24	MI STATE DISBURSEMENT UNIT	401.83
BARRY COUNTY TRIAL COURT	20.00	POLICE OFFICERS LABOR COUNCIL	201.00
CHAR EM UNITED WAY	59.00	PRIORITY HEALTH	1,632.43
CHARLEVOIX STATE BANK	1,410.77	**TOTAL**	**5,502.13**

Tax Disbursement – 10/17/2017

CHARLEVOIX COUNTY TREASURER	14,711.59	CHARLEVOIX PUBLIC SCHOOLS	703.77
CHARLEVOIX PUBLIC SCHOOLS	15,821.18	CITY OF CHARLEVOIX - TAXES DUE	17,445.31
CHARLEVOIX PUBLIC SCHOOLS	3,519.44		
CHARLEVOIX PUBLIC SCHOOLS	703.77	**TOTAL**	**52,905.06**

CHARLEVOIX CITY COUNCIL

Consent Agenda

TITLE: Accounts Payable and Payroll Check Registers
DATE: November 6, 2017

ATTACHMENTS:

- Accounts Payable and Payroll Check Registers

Check Number	Payee	Amount
10/20/2017		
121750	AT&T	2,782.42
121751	AT&T MOBILITY	93.59
121752	CHARLEVOIX STATE BANK	4,764.03
121753	DELTA DENTAL	3,258.95
121754	GREAT LAKES ENERGY	177.87
121755	HOLIDAY COMPANIES	5,370.90
121756	METLIFE SMALL BUSINESS CENTER	703.12
121757	PRIORITY HEALTH	41,808.08
121758	STATE OF MICHIGAN	925.00
121759	VERIZON WIRELESS	56.72
121760	VISION SERVICE PLAN	479.14
Total 10/20/2017:		60,419.82
Grand Totals:		60,419.82

Summary of Check Registers & ACH Payments

HUNTINGTON NATIONAL BANK - CHECKS ISSUED

10/20/17	Special Accounts Payable Run	$	60,419.82
10/20/17	Payroll (net pay)	$	94,208.62
10/20/17	Payroll Transmittal Checks	$	5,147.69
11/03/17	Payroll (net pay)	$	85,301.33
11/03/17	Payroll Transmittal Checks	$	5,393.62
11/07/17	Regular Accounts Payable	$	711,953.40
	Checks Sub-Total:	$	962,424.48

HUNTINGTON NATIONAL BANK - ACH/WIRE PAYMENTS

10/16/17	MI Public Power Agency	$	20,973.06
10/20/17	IRS (Payroll Tax Deposit)	$	35,368.43
10/20/17	Alerus Financial (HCSP)	$	420.00
10/20/17	State of MI (Withholding Tax)	$	5,102.76
10/20/17	Vantagepoint (401 ICMA Plan)	$	742.50
10/20/17	Vantagepoint (457 ICMA Plan)	$	13,124.42
10/20/17	Vantagepoint (Roth IRA)	$	1,161.53
10/20/17	MERS (Defined Benefit Plan)	$	30,579.83
10/23/17	MI Public Power Agency	$	12,712.96
10/25/17	MI Public Power Agency	$	289,700.09
10/30/17	MI Public Power Agency	$	13,936.03
11/03/17	IRS (Payroll Tax Deposit)	$	32,257.46
11/03/17	Alerus Financial (HCSP)	$	420.00
11/03/17	State of MI (Withholding Tax)	$	4,647.13
11/03/17	Vantagepoint (401 ICMA Plan)	$	742.50
11/03/17	Vantagepoint (457 ICMA Plan)	$	12,619.26
11/03/17	Vantagepoint (Roth IRA)	$	1,161.53
	ACH Sub-Total:	$	475,669.49
	Huntington National Bank Total:	$	1,438,093.97

CHARLEVOIX STATE BANK - CHECKS ISSUED
(PROPERTY TAX DISBURSEMENT TO VARIOUS TAXING AUTHORITIES)

11/07/17	Tax Disbursement	$	22,885.80
	Charlevoix State Bank Total:	$	22,885.80
	Grand Total:	$	1,460,979.77

APPROVED: CITY MANAGER CITY TREASURER CITY CLERK

M = Manual Check, V = Void Check

Pay Period Date	Journal Code	Check Issue Date	Check Number	Payee	Emp ID	Description	Amount
10/14/2017	PC	10/20/2017	24492	WELLER, LINDA JO	101		1,496.31
10/14/2017	PC	10/20/2017	24493	HEYDLAUFF, MARK L.	102		2,259.85
10/14/2017	PC	10/20/2017	24494	GOLDING, JOYCE M.	106		1,132.69
10/14/2017	PC	10/20/2017	24495	DEROSIA, PATRICIA E.	107		976.85
10/14/2017	PC	10/20/2017	24496	DOTSON, LINDSEY J.	109		1,435.09
10/14/2017	PC	10/20/2017	24497	LOY, EVELYN R.	117		1,048.93
10/14/2017	PC	10/20/2017	24498	KLOOSTER, ALIDA K.	121		1,567.40
10/14/2017	PC	10/20/2017	24499	GOLOVICH, KAREN J.	122		948.18
10/14/2017	PC	10/20/2017	24500	SPENCLEY, PATRICIA L.	136		1,231.96
10/14/2017	PC	10/20/2017	24501	MILLER, FAITH G.	142		56.16
10/14/2017	PC	10/20/2017	24502	LEESE, MERRI C.	145		402.98
10/14/2017	PC	10/20/2017	24503	MCGINN, KELLY A.	146		1,620.47
10/14/2017	PC	10/20/2017	24504	JONES, JANET M.	148		496.47
10/14/2017	PC	10/20/2017	24505	DOAN, GERARD P.	201		1,596.21
10/14/2017	PC	10/20/2017	24506	SCHLAPPI, JAMES L.	204		945.72
10/14/2017	PC	10/20/2017	24507	UMULIS, MATTHEW T.	205		1,439.28
10/14/2017	PC	10/20/2017	24508	HANKINS, SCOTT A.	208		1,743.04
10/14/2017	PC	10/20/2017	24509	ORBAN, BARBARA K.	209		1,496.37
10/14/2017	PC	10/20/2017	24510	FLICKEMA, ANDREW M.	211		1,753.86
10/14/2017	PC	10/20/2017	24511	MATELSKI, KIMBERLY A.	212		1,185.34
10/14/2017	PC	10/20/2017	24512	RILEY, DENISE M.	213		438.74
10/14/2017	PC	10/20/2017	24513	EVANS JR, HALBERT K.	214		1,470.62
10/14/2017	PC	10/20/2017	24514	KLOOSTER, PATRICK H.	216		1,050.59
10/14/2017	PC	10/20/2017	24515	BINGHAM, LARRY E.	224		543.52
10/14/2017	PC	10/20/2017	24516	MATELSKI, RYAN G.	230		966.88
10/14/2017	PC	10/20/2017	24517	DAVIS, LEAH R.	245		140.05
10/14/2017	PC	10/20/2017	24518	CARLSON, JOSHUA A.	249		136.93
10/14/2017	PC	10/20/2017	24519	GREYERBIEHL, KELLY M.	260		425.94
10/14/2017	PC	10/20/2017	24520	WURST, RANDALL W.	411		1,085.44
10/14/2017	PC	10/20/2017	24521	MAYER, SHELLEY L.	412		1,669.13
10/14/2017	PC	10/20/2017	24522	HILLING, NICHOLAS A.	413		1,129.18
10/14/2017	PC	10/20/2017	24523	MEIER III, CHARLES A.	421		1,536.21
10/14/2017	PC	10/20/2017	24524	ZACHARIAS, STEVEN B.	422		1,198.96
10/14/2017	PC	10/20/2017	24525	SWEM, DONALD L.	512		1,875.30
10/14/2017	PC	10/20/2017	24526	EATON, BRAD A.	515		1,809.40
10/14/2017	PC	10/20/2017	24527	WILSON, TIMOTHY J.	516		2,027.54
10/14/2017	PC	10/20/2017	24528	LAVOIE, RICHARD L.	519		1,637.74
10/14/2017	PC	10/20/2017	24529	STEVENS, BRANDON C.	521		1,625.81
10/14/2017	PC	10/20/2017	24530	DRAVES, MARTIN J.	523		1,644.03
10/14/2017	PC	10/20/2017	24531	BROWN, STEPHANIE C.	524		1,018.43
10/14/2017	PC	10/20/2017	24532	ANDERSON, ELIZABETH	526		1,112.49
10/14/2017	PC	10/20/2017	24533	ELLIOTT, PATRICK M.	600		2,000.49
10/14/2017	PC	10/20/2017	24534	SCHWARTZFISHER, JOS	603		1,118.87
10/14/2017	PC	10/20/2017	24535	BRADLEY, KELLY R.	614		1,478.58
10/14/2017	PC	10/20/2017	24536	HART II, DELBERT W.	616		1,204.63
10/14/2017	PC	10/20/2017	24537	JONES, ROBERT F.	618		1,366.48
10/14/2017	PC	10/20/2017	24538	DORAN, JUSTIN J.	621		1,468.65
10/14/2017	PC	10/20/2017	24539	FARRELL, MITCHELL L.	622		1,254.29
10/14/2017	PC	10/20/2017	24540	MANKER JR, DAVID W.	638		596.77
10/14/2017	PC	10/20/2017	24541	MANKER SR, DAVID W.	639		710.69
10/14/2017	PC	10/20/2017	24542	BECKER, MICHAEL S.	641		800.62
10/14/2017	PC	10/20/2017	24543	NEDWICK, DAVID J.	642		521.68
10/14/2017	PC	10/20/2017	24544	FREY, DYLAN V.	643		499.04
10/14/2017	PC	10/20/2017	24545	MCGHEE, ROBERT R.	663		1,079.93
10/14/2017	PC	10/20/2017	24546	CRANDELL, ZACKARY R.	691		415.22
10/14/2017	PC	10/20/2017	24547	LEITNER, RYAN S.	692		710.23
10/14/2017	PC	10/20/2017	24548	FERGUSON, ROYCE L.	693		792.20

Pay Period Date	Journal Code	Check Issue Date	Check Number	Payee	Emp ID	Description	Amount
10/14/2017	PC	10/20/2017	24549	BOSS, SHERRY M.	695		552.35
10/14/2017	PC	10/20/2017	24550	KIRINOVIC, THOMAS F.	700		481.27
10/14/2017	PC	10/20/2017	24551	ANZELL, BETH A.	712		638.82
10/14/2017	PC	10/20/2017	24552	HEID, THOMAS J	802		1,246.88
10/14/2017	PC	10/20/2017	24553	LEESE, ALAN K.	835		379.48
10/14/2017	PC	10/20/2017	24554	GRUNCH, RONALD J.	844		38.79
10/14/2017	PC	10/20/2017	24555	DAVIS, RONALD L.	853		73.15
10/14/2017	PC	10/20/2017	24556	FAIRCHILD, GALEN W.	855		94.75
10/14/2017	PC	10/20/2017	24557	MASSON, DONALD J.	861		372.26
10/14/2017	PC	10/20/2017	24558	KUSINA, DENNIS W.	862		79.28
10/14/2017	PC	10/20/2017	24559	LIVINGSTON, BRIAN D.	866		828.65
10/14/2017	PC	10/20/2017	24560	VANLOO, JOSEPH G.	902		673.45
10/14/2017	PC	10/20/2017	24561	WYMAN, MATTHEW A.	927		1,500.48
10/14/2017	PC	10/20/2017	24562	BOSS, RYDER S.	932		568.69
10/14/2017	PC	10/20/2017	24563	MILLER, WILLIAM S.	933		1,116.52
10/14/2017	PC	10/20/2017	24564	DOUGLAS, MARK	935		654.02
10/14/2017	PC	10/20/2017	24565	TRAVERS, MANUEL J.	1000		1,637.63
10/14/2017	PC	10/20/2017	24566	STEVENS, JEFFREY W.	1028		273.92
10/14/2017	PC	10/20/2017	24567	RILEY, CASEY W.	1052		491.74
10/14/2017	PC	10/20/2017	24568	JONES, LARRY M.	1057		922.25
10/14/2017	PC	10/20/2017	24569	WILLSON, BRENDA R.	1059		329.49
10/14/2017	PC	10/20/2017	24570	BEAN, PETER J.	1060		473.09
10/14/2017	PC	10/20/2017	24571	MCCALIB, RACHELLE L.	1066		243.15
10/14/2017	PC	10/20/2017	24572	MCMULLEN, DONALD R.	1067		1,320.96
10/14/2017	PC	10/20/2017	24573	BOYCE, REBECCA L.	1070		963.89
10/14/2017	PC	10/20/2017	24574	MCFARLAND, JONATHAN	1071		274.64
10/14/2017	PC	10/20/2017	24575	SILVA, JESSE L.A.	1073		207.22
10/14/2017	PC	10/20/2017	24576	BASSETT, FREDERICK A.	1083		296.86
10/14/2017	PC	10/20/2017	121733	WURST, RANDALL W.	411	Merit Pay Approved 09/18/17	2,574.12
10/14/2017	PC	10/20/2017	121734	MAYER, SHELLEY L.	412	Merit Pay Approved 09/18/17	2,350.44
10/14/2017	PC	10/20/2017	121735	WHITLEY, ANDREW T.	522		1,765.69
10/14/2017	PC	10/20/2017	121736	MORRISON, KEVIN P.	601		1,234.08
10/14/2017	PC	10/20/2017	121737	JOHNSON, STEVEN P.	617		987.48
10/14/2017	PC	10/20/2017	121738	BISHAW, JAMES H.	633		768.97
10/14/2017	PC	10/20/2017	121739	HOLM, ARTHUR R.	791		252.69
10/14/2017	PC	10/20/2017	121740	GILL, DAVID R.	856		1,012.67
10/14/2017	PC	10/20/2017	121741	MATTER, DAWSON K.	1038		1,134.34
Grand Totals:			94				94,208.62

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

Pay Period Date	Check Issue Date	Check Number	Payee	Emp ID	Description	Amount
10/14/2017	10/20/2017	121742	4FRONT CREDIT UNION	9024	HSA-EMPLOYEE CONTRIB-4FR	550.00
10/14/2017	10/20/2017	121743	AMERICAN FAMILY LIFE	9011	AMERICAN FAMILY LIFE-POST	158.28
10/14/2017	10/20/2017	121743	AMERICAN FAMILY LIFE	9011	AMERICAN FAMILY LIFE-PRETA	394.32
10/14/2017	10/20/2017	121744	CHAR EM UNITED WAY	9009	UNITED WAY Pay Period: 10/14/	59.00
10/14/2017	10/20/2017	121745	CHARLEVOIX STATE BA	9017	HSA - EMPLOYEE CONTRIB - C	1,260.77
10/14/2017	10/20/2017	121746	CHEMICAL BANK	9018	HSA - EMPLOYEE CONTRIB - C	150.00
10/14/2017	10/20/2017	121747	COMMUNICATION WORK	9004	CWA UNION DUES Pay Period:	541.06
10/14/2017	10/20/2017	121748	MI STATE DISBURSEME	9012	FRIEND OF THE COURT Pay P	401.83
10/14/2017	10/20/2017	121749	PRIORITY HEALTH	392358	PRIORITY HEALTH Pay Period:	1,632.43
Grand Totals:		9				5,147.69

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Pay Period Date	Journal Code	Check Issue Date	Check Number	Payee	Emp ID	Description	Amount
10/28/2017	PC	11/03/2017	24577	WELLER, LINDA JO	101		1,496.31
10/28/2017	PC	11/03/2017	24578	HEYDLAUFF, MARK L.	102		2,543.08
10/28/2017	PC	11/03/2017	24579	GOLDING, JOYCE M.	106		1,132.69
10/28/2017	PC	11/03/2017	24580	DEROSIA, PATRICIA E.	107		483.25
10/28/2017	PC	11/03/2017	24581	DOTSON, LINDSEY J.	109		1,432.75
10/28/2017	PC	11/03/2017	24582	LOY, EVELYN R.	117		1,048.93
10/28/2017	PC	11/03/2017	24583	KLOOSTER, ALIDA K.	121		1,901.19
10/28/2017	PC	11/03/2017	24584	GOLOVICH, KAREN J.	122		948.18
10/28/2017	PC	11/03/2017	24585	SPENCLEY, PATRICIA L.	136		957.36
10/28/2017	PC	11/03/2017	24586	MILLER, FAITH G.	142		16.38
10/28/2017	PC	11/03/2017	24587	LEESE, MERRI C.	145		317.09
10/28/2017	PC	11/03/2017	24588	MCGINN, KELLY A.	146		1,616.81
10/28/2017	PC	11/03/2017	24589	JONES, JANET M.	148		340.24
10/28/2017	PC	11/03/2017	24590	DOAN, GERARD P.	201		1,596.21
10/28/2017	PC	11/03/2017	24591	SCHLAPPI, JAMES L.	204		991.73
10/28/2017	PC	11/03/2017	24592	UMULIS, MATTHEW T.	205		1,196.51
10/28/2017	PC	11/03/2017	24593	HANKINS, SCOTT A.	208		1,515.75
10/28/2017	PC	11/03/2017	24594	ORBAN, BARBARA K.	209		1,145.31
10/28/2017	PC	11/03/2017	24595	FLICKEMA, ANDREW M.	211		1,753.41
10/28/2017	PC	11/03/2017	24596	MATELSKI, KIMBERLY A.	212		1,185.34
10/28/2017	PC	11/03/2017	24597	RILEY, DENISE M.	213		438.74
10/28/2017	PC	11/03/2017	24598	EVANS JR, HALBERT K.	214		213.15
10/28/2017	PC	11/03/2017	24599	KLOOSTER, PATRICK H.	216		92.49
10/28/2017	PC	11/03/2017	24600	MATELSKI, RYAN G.	230		975.66
10/28/2017	PC	11/03/2017	24601	WURST, RANDALL W.	411		1,316.05
10/28/2017	PC	11/03/2017	24602	MAYER, SHELLEY L.	412		1,509.96
10/28/2017	PC	11/03/2017	24603	HILLING, NICHOLAS A.	413		1,143.41
10/28/2017	PC	11/03/2017	24604	MEIER III, CHARLES A.	421		1,217.34
10/28/2017	PC	11/03/2017	24605	ZACHARIAS, STEVEN B.	422		1,427.50
10/28/2017	PC	11/03/2017	24606	SWEM, DONALD L.	512		1,875.30
10/28/2017	PC	11/03/2017	24607	EATON, BRAD A.	515		1,940.84
10/28/2017	PC	11/03/2017	24608	WILSON, TIMOTHY J.	516		2,273.83
10/28/2017	PC	11/03/2017	24609	LAVOIE, RICHARD L.	519		1,644.41
10/28/2017	PC	11/03/2017	24610	STEVENS, BRANDON C.	521		2,084.44
10/28/2017	PC	11/03/2017	24611	DRAVES, MARTIN J.	523		1,742.84
10/28/2017	PC	11/03/2017	24612	BROWN, STEPHANIE C.	524		1,018.44
10/28/2017	PC	11/03/2017	24613	ANDERSON, ELIZABETH	526		1,112.49
10/28/2017	PC	11/03/2017	24614	ELLIOTT, PATRICK M.	600		2,000.49
10/28/2017	PC	11/03/2017	24615	SCHWARTZFISHER, JOS	603		1,076.03
10/28/2017	PC	11/03/2017	24616	BRADLEY, KELLY R.	614		1,249.99
10/28/2017	PC	11/03/2017	24617	HART II, DELBERT W.	616		1,293.01
10/28/2017	PC	11/03/2017	24618	JONES, ROBERT F.	618		1,354.85
10/28/2017	PC	11/03/2017	24619	DORAN, JUSTIN J.	621		1,432.93
10/28/2017	PC	11/03/2017	24620	FARRELL, MITCHELL L.	622		1,451.17
10/28/2017	PC	11/03/2017	24621	MANKER JR, DAVID W.	638		481.62
10/28/2017	PC	11/03/2017	24622	MANKER SR, DAVID W.	639		625.37
10/28/2017	PC	11/03/2017	24623	BECKER, MICHAEL S.	641		718.20
10/28/2017	PC	11/03/2017	24624	NEDWICK, DAVID J.	642		549.80
10/28/2017	PC	11/03/2017	24625	FREY, DYLAN V.	643		321.25
10/28/2017	PC	11/03/2017	24626	MCGHEE, ROBERT R.	663		980.51
10/28/2017	PC	11/03/2017	24627	CRANDELL, ZACKARY R.	691		413.21
10/28/2017	PC	11/03/2017	24628	LEITNER, RYAN S.	692		657.61
10/28/2017	PC	11/03/2017	24629	FERGUSON, ROYCE L.	693		666.45
10/28/2017	PC	11/03/2017	24630	BOSS, SHERRY M.	695		534.79
10/28/2017	PC	11/03/2017	24631	KIRINOVIC, THOMAS F.	700		497.39
10/28/2017	PC	11/03/2017	24632	ANZELL, BETH A.	712		568.54
10/28/2017	PC	11/03/2017	24633	BOSS, BEAU J.	788		440.56

Pay Period Date	Journal Code	Check Issue Date	Check Number	Payee	Emp ID	Description	Amount
10/28/2017	PC	11/03/2017	24634	HEID, THOMAS J	802		1,246.88
10/28/2017	PC	11/03/2017	24635	LEESE, ALAN K.	835		352.83
10/28/2017	PC	11/03/2017	24636	DAVIS, RONALD L.	853		118.25
10/28/2017	PC	11/03/2017	24637	FAIRCHILD, GALEN W.	855		182.61
10/28/2017	PC	11/03/2017	24638	MASSON, DONALD J.	861		268.98
10/28/2017	PC	11/03/2017	24639	LIVINGSTON, BRIAN D.	866		782.61
10/28/2017	PC	11/03/2017	24640	VANLOO, JOSEPH G.	902		622.17
10/28/2017	PC	11/03/2017	24641	WYMAN, MATTHEW A.	927		1,424.58
10/28/2017	PC	11/03/2017	24642	BOSS, RYDER S.	932		468.55
10/28/2017	PC	11/03/2017	24643	MILLER, WILLIAM S.	933		1,558.04
10/28/2017	PC	11/03/2017	24644	DOUGLAS, MARK	935		599.19
10/28/2017	PC	11/03/2017	24645	TRAVERS, MANUEL J.	1000		2,024.33
10/28/2017	PC	11/03/2017	24646	STEVENS, JEFFREY W.	1028		197.28
10/28/2017	PC	11/03/2017	24647	RILEY, CASEY W.	1052		321.88
10/28/2017	PC	11/03/2017	24648	JONES, LARRY M.	1057		757.04
10/28/2017	PC	11/03/2017	24649	WILLSON, BRENDA R.	1059		727.71
10/28/2017	PC	11/03/2017	24650	BEAN, PETER J.	1060		876.24
10/28/2017	PC	11/03/2017	24651	MCMULLEN, DONALD R.	1067		313.53
10/28/2017	PC	11/03/2017	24652	BOYCE, REBECCA L.	1070		616.67
10/28/2017	PC	11/03/2017	24653	MCFARLAND, JONATHAN	1071		403.88
10/28/2017	PC	11/03/2017	24654	SILVA, JESSE L.A.	1073		155.28
10/28/2017	PC	11/03/2017	24655	BASSETT, FREDERICK A.	1083		767.41
10/28/2017	PC	11/03/2017	121761	GERBER, SAMUEL A.	147		55.41
10/28/2017	PC	11/03/2017	121762	WHITLEY, ANDREW T.	522		1,804.40
10/28/2017	PC	11/03/2017	121763	MORRISON, KEVIN P.	601		1,138.66
10/28/2017	PC	11/03/2017	121764	JOHNSON, STEVEN P.	617		1,197.21
10/28/2017	PC	11/03/2017	121765	BISHAW, JAMES H.	633		583.88
10/28/2017	PC	11/03/2017	121766	BOSS JR, DALE E.	701		555.23
10/28/2017	PC	11/03/2017	121767	HOLM, ARTHUR R.	791		824.89
10/28/2017	PC	11/03/2017	121768	GILL, DAVID R.	856		1,037.53
10/28/2017	PC	11/03/2017	121769	MATTER, DAWSON K.	1038		359.00
Grand Totals:			88				85,301.33

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

Pay Period Date	Check Issue Date	Check Number	Payee	Emp ID	Description	Amount
10/28/2017	11/03/2017	121770	4FRONT CREDIT UNION	9024	HSA-EMPLOYEE CONTRIB-4FR	550.00
10/28/2017	11/03/2017	121771	AMERICAN FAMILY LIFE	9011	AMERICAN FAMILY LIFE-POST	158.28
10/28/2017	11/03/2017	121771	AMERICAN FAMILY LIFE	9011	AMERICAN FAMILY LIFE-PRETA	394.32
10/28/2017	11/03/2017	121772	BARRY COUNTY TRIAL C	9029	Wage Assignment: Case 04-6725	20.00
10/28/2017	11/03/2017	121773	CHAR EM UNITED WAY	9009	UNITED WAY Pay Period: 10/28/	59.00
10/28/2017	11/03/2017	121774	CHARLEVOIX STATE BA	9017	HSA - EMPLOYEE CONTRIB - C	1,260.77
10/28/2017	11/03/2017	121775	CHEMICAL BANK	9018	HSA - EMPLOYEE CONTRIB - C	150.00
10/28/2017	11/03/2017	121776	COMMUNICATION WORK	9004	CWA UNION DUES Pay Period:	541.06
10/28/2017	11/03/2017	121777	MI STATE DISBURSEME	9012	FRIEND OF THE COURT Pay P	401.83
10/28/2017	11/03/2017	121778	POLICE OFFICERS LABO	9003	POL UNION DUES Pay Period: 1	201.00
10/28/2017	11/03/2017	121779	PRIORITY HEALTH	392358	PRIORITY HEALTH Pay Period:	1,657.36
Grand Totals:		11				5,393.62

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Check Number	Payee	Amount
11/07/2017		
121780	ABRAMOWSKI, DWAIN M.	25.00
121781	AIRGAS USA LLC	66.30
121782	ALL-PHASE ELECTRIC SUPPLY CO.	185.10
121783	ALTEC INDUSTRIES INC	1,283.61
121784	AMERICAN WASTE INC.	3,678.06
121785	APOLLO FIRE EQUIPMENT	792.15
121786	ARCADIA BENEFITS GROUP INC	25.00
121787	AT&T CWO	500.00
121788	AT&T LONG DISTANCE	73.20
121789	AVFUEL CORPORATION	49,073.06
121790	BEAR EARTH HERBALS	13.00
121791	BEAVER RESEARCH COMPANY	174.02
121792	BEIJO DE CHOCOLAT LLC	15.00
121793	BERG, REBECCA	44.00
121794	BRADFORD'S	73.60
121795	CENTRAL DRUG STORE	94.24
121796	CENTRAL INTERCONNECT INC	26.25
121797	CHARLEVOIX SCREEN MASTERS INC	1,220.00
121798	CHARLEVOIX SEWER & DRAIN	296.00
121799	CHARLEVOIX TOWNSHIP	15.76
121800	CHARTER COMMUNICATIONS	816.40
121801	CINTAS CORPORATION	141.74
121802	CINTAS CORPORATION #729	243.56
121803	CITY OF CHARLEVOIX - MISC	2,529.13
121804	CITY OF CHARLEVOIX - UTILITIES	39,904.32
121805	COMPASS MINERALS AMERICA	6,801.86
121806	COOK FAMILY FARMS	90.00
121807	CRYSTAL FLASH ENERGY	965.07
121808	CSI EMERGENCY APPARATUS LLC	1,222.93
121809	DCASSESSING SERVICES	4,371.08
121810	DeROSIA, PATRICIA E.	50.00
121811	DITCH WITCH SALES OF MICHIGAN	193.89
121812	DIXON ENGINEERING INC	2,500.00
121813	DOAN, GERARD P.	50.00
121814	DOMINIC, JESSICA	25.00
121815	DORN, MARK	1.55
121816	DOTSON, LINDSEY J.	50.00
121817	DROST LANDSCAPE INC.	1,500.00
121818	EJ USA INC.	2,588.56
121819	ELLIOTT, PATRICK M.	50.00
121820	EMERGENCY MEDICAL PRODUCTS I	611.46
121821	ETNA SUPPLY	1,282.40
121822	EXELBY, DONALD	15.00
121823	FARM BUREAU INSURANCE	434.04
121824	FARMER WHITE'S	15.00
121825	FASTENAL COMPANY	212.11
121826	FERGUSON & CHAMBERLAIN	2,100.00
121827	FREDERICKSON, PHILLIP	630.00

Check Number	Payee	Amount
121828	GERBER HOMEMADE SWEETS	34.00
121829	GINOP SALES INC	27.30
121830	GIVE 'EM A BRAKE SAFETY	240.00
121831	GOLDING, JOYCE M.	50.00
121832	GOODMAN, TERRI	36.14
121833	GOVERNMENTAL PRODUCTS INC.	615.22
121834	GRAINGER	140.84
121835	GRP ENGINEERING INC.	8,000.00
121836	GUNTZVILLER, RHONDA	11.00
121837	HADDAD, ALBERT	24.63
121838	HANKINS, SCOTT A.	50.00
121839	HARRELL'S	3,598.30
121840	HEID, THOMAS J.	50.00
121841	HEYDLAUFF, MARK L	50.00
121842	HILLING, NICHOLAS A.	106.89
121843	HOLBEN ENVIRONMENTAL	150.00
121844	HYDRO CORP	530.00
121845	ICMA-MEMBERSHIP RENEWAL	881.55
121846	KIRINOVIC, THOMAS F.	50.00
121847	KLOOSTER, ALIDA K.	50.00
121848	KMart	76.00
121849	KOORSEN FIRE & SECURITY	1,253.95
121850	KSS ENTERPRISES	1,326.93
121851	LEESE, M. CHRIS	32.00
121852	MAYER, SHELLEY L.	50.00
121853	McGINN, KELLY A.	50.00
121854	MCGRUFF SAFE KIDS	353.60
121855	MDC CONTRACTING LLC	314,725.39
121856	MERIT NETWORK INC	3,670.57
121857	MICHAEL'S LOCKSMITH SERVICE	172.50
121858	MILLER, WILLIAM S.	50.00
121859	MINKIN, EDNA	5.92
121860	MJS PAINTING INC	4,470.00
121861	MORRISON, KEVIN P.	23.00
121862	MUNETRIX LLC	4,538.55
121863	MUTT MITT	848.13
121864	NORTHERN CREDIT BUREAU	87.39
121865	NORTHWEST DESIGN GROUP	1,847.25
121866	NW MI COG	13,700.00
121867	OLD DOMINION BRUSH	1,374.91
121868	OLSON BZDOK & HOWARD	764.50
121869	OMS COMPLIANCE SERVICES INC	90.00
121870	O'REILLY AUTOMOTIVE INC	109.56
121871	P.I.W. CORPORATION	25.00
121872	PARKER, MICHAEL	6.00
121873	PARKS AUTO PARTS	315.00
121874	PERFORMANCE ENGINEERS INC	33,822.25
121875	PERSONAL GRAPHICS	658.62
121876	PHYSICIAN'S CLINIC OF CHARLEVOIX	305.00

M = Manual Check, V = Void Check

Check Number	Payee	Amount
121877	POSTMASTER	225.60
121878	POWER LINE SUPPLY	1,742.77
121879	PRECISION DATA PRODUCTS	74.00
121880	PREFERRED WASTE 2 LLC	1,100.00
121881	PREIN & NEWHOF	18,058.97
121882	PRO WEB MARKETING LLC	30.00
121883	PROVIDENCE FARM LLC	101.00
121884	RECDESK LLC	2,150.00
121885	RECORD AUTOMATIC DOORS INC	2,075.19
121886	ROTARY CLUB OF CHARLEVOIX	75.00
121887	RUSTIC BAKER	29.00
121888	SAUL, GINNIE	125.00
121889	SHORELINE POWER SERVICES INC.	67,469.27
121890	SIEGRIST, DAVID	94.00
121891	SIGNATURE FORD L-M	49,111.00
121892	SIRMONS, BRYAN	26.64
121893	SITE PLANNING DEVELOPMENT INC	11,500.00
121894	SNAP-ON	44.50
121895	STANDARD ELECTRIC CO	6,795.40
121896	STATE OF MICHIGAN	472.31
121897	STRICKER'S OUTDOOR POWER EQUI	3,485.00
121898	SWANSON K & D INC	1,200.00
121899	SWEM, DONALD L.	50.00
121900	SYSTEMS SPECIALISTS INC	5,440.00
121901	TERMINAL SUPPLY CO	1,233.32
121902	THAO, STEVEN	16.61
121903	TIMMS, ROBERT	200.00
121904	TOWNHOUSE PARTNERS LLC	2,811.00
121905	TRAVERS, MANUEL J.	50.00
121906	U S BANK	161.63
121907	UNIFIRST CORPORATION	733.59
121908	UP NORTH PROPERTY SERVICES LL	4,466.00
121909	UPPER CASE PRINTING INK.	1,105.30
121910	USA BLUE BOOK	716.88
121911	VALLEY TRUCK - GAYLORD	495.81
121912	VILLAGE GRAPHICS INC.	600.40
121913	VINCENT, BRIAN	6.71
121914	WELLER, LINDA J.	50.00
121915	WOOD SHOP, THE	925.00
121916	WORK & PLAY SHOP	290.16
121917	WURST, RANDALL W.	50.00
121918	WYMAN, MATTHEW A.	50.00
Total 11/07/2017:		711,953.40
Grand Totals:		711,953.40

Check Number	Payee	Amount
10/16/2017		
101617001	MICHIGAN PUBLIC POWER AGENCY	20,973.06
Total 10/16/2017:		20,973.06
Grand Totals:		20,973.06

M = Manual Check, V = Void Check

Check Issue Date	Check Number	Payee	Amount
102017001			
10/20/2017	10201700	**EFTPS* Payroll Taxes	8,800.98
10/20/2017	10201700	**EFTPS* Payroll Taxes	8,800.98
10/20/2017	10201700	**EFTPS* Payroll Taxes	2,058.32
10/20/2017	10201700	**EFTPS* Payroll Taxes	2,058.32
10/20/2017	10201700	**EFTPS* Payroll Taxes	13,649.83
Total 102017001:	5		35,368.43
102017002			
10/20/2017	10201700	Alerus Financial	420.00
Total 102017002:	1		420.00
102017003			
10/20/2017	10201700	STATE OF MICHIGAN	5,102.76
Total 102017003:	1		5,102.76
102017004			
10/20/2017	10201700	Vantagepoint - 401 Plan 109153	742.50
Total 102017004:	1		742.50
102017005			
10/20/2017	10201700	Vantagepoint - 457 Plan 300959	4,938.59
10/20/2017	10201700	Vantagepoint - 457 Plan 300959	700.17
10/20/2017	10201700	Vantagepoint - 457 Plan 300959	1,854.75
10/20/2017	10201700	Vantagepoint - 457 Plan 300959	5,630.91
Total 102017005:	4		13,124.42
102017006			
10/20/2017	10201700	Vantagepoint - Roth IRA 706117	1,161.53
Total 102017006:	1		1,161.53
Grand Totals:	13		55,919.64

km

Check Number	Payee	Amount
10/20/2017		
102017007	MERS	30,579.83
Total 10/20/2017:		30,579.83
Grand Totals:		30,579.83

M = Manual Check, V = Void Check

Check Number	Payee	Amount
10/23/2017		
102317001	MICHIGAN PUBLIC POWER AGENCY	12,712.96
Total 10/23/2017:		12,712.96
Grand Totals:		12,712.96

M = Manual Check, V = Void Check

Check Number	Payee	Amount
10/25/2017		
102517001	MICHIGAN PUBLIC POWER AGENCY	289,700.09
Total 10/25/2017:		289,700.09
Grand Totals:		289,700.09

Check Number	Payee	Amount
10/30/2017		
103017001	MICHIGAN PUBLIC POWER AGENCY	13,936.03
Total 10/30/2017:		13,936.03
Grand Totals:		13,936.03

Check Issue Date	Check Number	Payee	Amount
110317001			
11/03/2017	11031700	**EFTPS* Payroll Taxes	8,053.32
11/03/2017	11031700	**EFTPS* Payroll Taxes	8,053.32
11/03/2017	11031700	**EFTPS* Payroll Taxes	1,883.42
11/03/2017	11031700	**EFTPS* Payroll Taxes	1,883.42
11/03/2017	11031700	**EFTPS* Payroll Taxes	12,383.98
Total 110317001:	5		32,257.46
110317002			
11/03/2017	11031700	Alerus Financial	420.00
Total 110317002:	1		420.00
110317003			
11/03/2017	11031700	STATE OF MICHIGAN	4,647.13
Total 110317003:	1		4,647.13
110317004			
11/03/2017	11031700	Vantagepoint - 401 Plan 109153	742.50
Total 110317004:	1		742.50
110317005			
11/03/2017	11031700	Vantagepoint - 457 Plan 300959	4,938.59
11/03/2017	11031700	Vantagepoint - 457 Plan 300959	676.24
11/03/2017	11031700	Vantagepoint - 457 Plan 300959	1,854.83
11/03/2017	11031700	Vantagepoint - 457 Plan 300959	5,149.60
Total 110317005:	4		12,619.26
110317006			
11/03/2017	11031700	Vantagepoint - Roth IRA 706117	1,161.53
Total 110317006:	1		1,161.53
Grand Totals:	13		51,847.88

Check Number	Payee	Amount
11/07/2017		
2969	CHARLEVOIX COUNTY TREASURER	5,995.32
2970	CHARLEVOIX PUBLIC SCHOOLS	7,894.85
2971	CHARLEVOIX PUBLIC SCHOOLS	1,434.31
2972	CHARLEVOIX PUBLIC SCHOOLS	286.80
2973	CHARLEVOIX PUBLIC SCHOOLS	286.80
2974	CITY OF CHARLEVOIX - TAXES DUE	6,987.72
Total 11/07/2017:		22,885.80
Grand Totals:		22,885.80

<u>CHECKS DRAWN ON CHARLEVOIX STATE BANK ACCOUNT</u>

M = Manual Check, V = Void Check

CHARLEVOIX CITY COUNCIL

Consent Agenda

TITLE: Water Treatment Plant Valve Upgrades

DATE: November 6, 2017

BACKGROUND:

As part of our ongoing work to maintain the Water Treatment Plant, we planned a series of valve replacements in the current budget. Northern Pump & Well frequently performs work on our plant and they will procure and install the new valves. We anticipate labor will bring the total cost to less than $13,000.

RECOMMENDATION:

Approve the proposal from Northern Pump and Well for a cost not to exceed $13,000.

ATTACHMENTS:

- Valve Replacement Proposal

NORTHERN PUMP & WELL
Doing it Right

6837 West Grand River Ave
Lansing, Michigan 48906

Proposal

City of Charlevoix
Attn: Shelley Mayer
210 State Street
Charlevoix, MI 49720

Date	Proposal #
5/30/2017	17-Q1263

Description	Qty	Rate	Total
Thank you for the opportunity to present you with this proposal for replacement of valves and piping work.			
Labor, Mobilization, Demobilization, Remove/Install 12" gate valves, Fabricate/Install new spool piece. ** Actual hours will be billed **	16	185.00	2,960.00
GA Industries Series 800 AWWA C504 Butterfly Valve Size: 12" Class 125 Flange x ANSI Class 125 Flange traveling nut with handwheel Permanent seat butterfly valve with ductile iron body, Buna-N or EPDM seat, ductile iron disc with 316 SS seat edge and 304 SS one-piece shaft. Valve coated with minimum 6 mil Amerlok 400 NSF-61 Epoxy	2	2,500.00	5,000.00
12" flange bolt/gasket kit	6	100.00	600.00
12" uniflange for ductile	1	420.00	420.00
NOTE: Should conditions change and/or any additional work be required, beyond the original scope of this project, our standard hourly rates will apply. Northern Pump & Well will consult with you prior to the additional work being performed. Signature: Shelley Mayer Date: 10-31-17 Purchase Order No. (if required): ___ * If this proposal meets your approval, please sign / date and return to fax number:..1-517-322-0135			
If you have any questions please feel free to call:877-477-1757 or 517-242-8949	**Total**		$8,980.00

13,000

CHARLEVOIX CITY COUNCIL

Consent Agenda

TITLE: Compensation Commission Report

DATE: November 6, 2017

BACKGROUND:

Pursuant to the Charlevoix City Charter (Section 2.11) and the Charlevoix City Code (Title I, Chapter 3), the Compensation Commission met recently. They decided not to change pay rates for the Mayor and City Council. This decision will take effect unless you act to reject it.

RECOMMENDATION:

Accept the Compensation Commission's recommendation.

ATTACHMENTS:

- Minutes

CITY OF CHARLEVOIX
COMPENSATION COMMISSION MEETING MINUTES
Thursday, October 19, 2017 — 4:00 p.m.
210 State Street, City Hall, Council Chambers, Charlevoix, MI

I. Call to Order – Roll Call

The meeting was called to order at 4:04 p.m. by Chairman John Campbell.

Members Present:	Rick Wertz, Dale Meredith, John Campbell, and Conrad Klooster
Clerk:	Joyce Golding
Absent:	John Kurtz

II. Inquiry Regarding Possible Conflicts of Interest

III. Public Comment

IV. General Business

A. Council Compensation Review

Chair Campbell reviewed the current compensation for the Mayor and Council citing the Compensation Commission meeting minutes of February 16, 2011. Chair Campbell noted that he contacted the Mayor requesting feedback from Council regarding any changes and the Commission received no response. After discussion, all agreed that compensation should remain the same.

Motion by Member Meredith, second by Member Klooster, to keep it as it is [compensation per the Compensation Committee minutes of February 16, 2011]. Motion passed by unanimous voice vote.

V. Miscellaneous Business

Chair Campbell stated that he was a Commission member for many years and it was time for someone else to be Chairperson. Motion by Member Meredith, second by Chair Campbell, to nominate Bud Klooster as Chairperson. Member Klooster accepted the nomination. Motion passed by unanimous voice vote.

VI. Motion to Appoint the Chair to Approve the Minutes

Motion by Member Campbell, second by Member Wertz, to appoint the Chair to approve the minutes, according to *Roberts Rules of Order*, Newly Revised, 10th Edition. Motion passed by unanimous voice vote.

VII. Adjourn

Motion by Member Campbell, second by Chair Klooster to adjourn. Motion passed by unanimous voice vote. Meeting adjourned at 4:19 p.m.

Joyce M. Golding, City Clerk	Conrad Klooster, Chairman

CHARLEVOIX CITY COUNCIL

All Other Actions and Requests

TITLE: Lake Michigan Beach Park Design

DATE: November 6, 2017

PRESENTED BY: Mark L. Heydlauff, City Manager; Perry Irish-Hodgson and Ken Polakowski, Shade Tree Commissioners

BACKGROUND:

In late September, we received proposals for design of improvements to Lake Michigan Beach Park. After review of these proposals, we recommend Edgewater Resources of St. Joseph, Michigan.

Edgewater Resources would lead the final conceptual design of the project. Assuming we are pleased with their work upon presentation of a final conceptual design, we could retain them on a time and materials basis to complete a design build of the project. I believe this is an efficient and cost effective way to complete the project.

Gregory Weykamp of Edgewater Resources will be present on Monday to answer questions and speak more about his firm.

RECOMMENDATION:

Motion to accept the proposal by Edgewater Resources of St. Joseph, Michigan for design of the Lake Michigan Beach Park for a cost of $24,620 plus costs as outlined in the proposal and authorize the City Manager to sign all necessary documents.

ATTACHMENTS:

- Bid Tabulation
- Edgewater Resources Design Proposal

CITY OF CHARLEVOIX

LAKE MICHIGAN BEACH PARK DESIGN

Bid Opening at City Hall
September 26, 2017 at 10am

Bidder Name	Total Cost
OHM Advisors Saginaw, MI	$11,500
Gosling Czubak Traverse City, MI	$15,400
Prein&Newhof Holland, MI	$22,600
Smithgroup JJR - Site Planning Development Charlevoix, MI	$54,700
Edgewater Resources St. Joseph, MI	$26,294
Landscape Architects & Planners Lansing, MI	$17,250
Beckett&Raeder Ann Arbor, MI	$48,500

Cover photo credits to the following websites:

https://www.facebook.com/charlevoixpaddle/photos/rpp.249147095435330/475323739484330/?type=3&theater

https://media-cdn.tripadvisor.com/media/photo-o/07/63/8c/a1/michigan-beach-park.jpg

518 Broad Street, Suite 200
St Joseph, Michigan 49085
269 932 4502

September 25, 2017

Joyce M. Golding, CMMC
Charlevoix City Clerk
210 State Street
Charlevoix, MI 49720

RE: RFP for Lake Michigan Beach Park Enhancement Design

Dear Ms. Joyce Golding,

Thank you for the opportunity to submit our qualifications for the Lake Michigan Beach Park Enhancement Design. We believe Edgewater Resources is particularly qualified to partner with you in this exciting endeavor, as we have more than 30 years' experience with design and engineering on projects across the Great Lakes, covering every facet of public space planning and engineering.

We understand that the City of Charlevoix has a vision for a sustainable, attractive and accessible beachfront park; one that balances environmental impact with the needs of visitors and the local community alike. Our past projects have been recognized for their contribution to enhancing public access to the waterfront and creating beautiful and responsible, multiuse public spaces.

Some of our recent projects include 31st Street Harbor Waterfront Park in Chicago; Waterfront Master Plans - including parks and trail systems - for the City of Oswego, NY and Waukegan, IL; and concept designs for the City of South Haven's Monroe Bluff. We have a long-standing record for creating functional and beautiful spaces, and have done so successfully, on schedule and on budget throughout the State.

Our team is a highly qualified group of planners, designers, engineers and LEED Accredited Professionals who have specialized in the planning, design, management and operations of projects within waterfront communities around the State, the Country and the World. Our team loves the work that we do – and we look forward to both meeting and exceeding the goals outlined in the Request for Proposal to create a functional and unforgettable experience at Lake Michigan Beach Park of which the City, residents, and guests will be proud.

Sincerely,

G Weykamp

Gregory Weykamp, ASLA, LEED AP, BD+C
Principal & President

Description of Qualifications

Edgewater Resources, LLC
518 Broad Street, Suite 200
St Joseph, Michigan
49085

O: 269 932 4502
F: 269 932 3542

Federal ID No.: 30-0108951

www.edgewaterresources.com

Edgewater Resources, LLC was founded with the goal of enhancing communities and their waterfronts, with a focus on planning, design, and development solutions based in economic reality. We consider the built environment to be our final deliverable, with the work not complete until the project is built and open to the community. Our core skill set goes beyond traditional design, planning, and engineering expertise to include development finance and economics based on real world experience.

Our team includes licensed landscape architects, engineers, planners, architects, surveyors, and appraisers providing professional services including:

- Landscape Architecture, Planning, and Public Process
- Architecture and Urban Design
- Civil, Structural, and Marine Engineering
- Development Finance, Economics, and Grant Funding
- Local, National, and International Capital Funding
- Marina Planning, Design, Engineering, Operations, and Finance
- Coastal Engineering, Wave Studies, and Modeling
- Regulatory, Permitting, Assessments, and Mitigation
- Professional Land and ASCM Certified Hydrographic Surveying
- MAI Certified Appraisal

Our mission is to help communities build on their natural strengths to identify and implement projects that foster long term economic prosperity within a context of social, environmental, and economic sustainability. Our combined background in design, development, construction, and operations allows us to build waterfront projects that are beautiful, functional, durable, and financially feasible. We go beyond imagining what a waterfront could be, and develop plans that can actually be financed and built, creating projects that achieve measurable economic benefits to the broader community.

We recognize that waterfronts work best when they're fully integrated into their community and environment, and the waterfront is a gateway to your community. The value of these sites to a community calls for projects that are aspirational in vision, and financially sustainable in execution. We accomplish this by helping our clients and partners navigate the complex maze of the development and implementation process through professional assistance from the initial vision through project completion.

Principals

Ronald E. Schults, PE is recognized as one of the most notable waterfront and marina development experts in the world, and often speaks on the topic at national and international conferences. His combined passion for community development, coastal engineering, and sailing inspired him to focus on projects that help preserve our waterways and sustain the economic growth and vitality of waterfront communities across the United States and around the world.

In 1979, he founded The Abonmarche Group and grew his international waterfront design group through more than 300 waterfront projects around the world. He has personally developed and financed multiple successful world class waterfront developments valued in excess of $150 million across the Great Lakes and New York, as well as Ireland, Malaysia and Singapore, and he applies that real world experience on behalf of clients and community partners who are working to create sustainable and responsible waterfront development projects. Mr. Schults is also the founder and former owner of Abonmarche Consultants, Inc., and served as Project Executive for Abonmarche on high-profile waterfront development projects worldwide from 1979 to 2008.

With over 35 years of waterfront development, finance, and project planning experience, Mr. Schults combines real world marine engineering and construction experience with significant project finance and real estate development experience. Mr. Schults was also co-owner and Vice President of Morren Construction and Engineering from 1986 to 2005, a marine construction company providing general construction and construction management services on numerous waterfront projects.

Gregory Weykamp, ASLA, LEED AP, BD+C is the President of Edgewater Resources and has twenty five years of experience in the planning and design of the public realm, with an emphasis on implementation of sustainable built landscapes and urban waterfront environments worldwide. He is a CLARB Certified landscape architect, and his project experience spans waterfront parks, marinas, master planned communities, urban revitalization, streetscapes, parks and recreation facilities. Greg was the principal and leader of the Chicago office of EDAW AECOM, one of the most prominent planning and landscape architecture firms in the world. He has worked on internationally significant projects, including Centennial Olympic Park in

Atlanta, the Olympic Village for the 2000 Olympic Games in Sydney, Gateway and 31st Street Harbors in Chicago, Brooklyn Bridge Park Marina, and the redevelopment of Denver's Stapleton Airport into an award-winning urban infill residential community incorporating traditional neighborhood design strategies.

In addition to his work at Stapleton, Greg's experience with master planned communities includes Newington, the Olympic Village for the Sydney 2000 Olympic Games; Coyote Springs, a 45,000 acre master planned community north of Las Vegas, Nevada; Banning Lewis Ranch, a 24,000 acre master planned community in Colorado Springs, Colorado; and Santa Teresa, a new community located on the border of New Mexico, Texas, and Mexico. He has also completed a number of large scale planning projects on military bases, including the award winning Area Development Plans for the Misawa Air Base in Misawa Japan.

Katherine Weykamp, ASLA, APA is a planner and urban designer with nearly twenty years' experience in urban planning and entitlement projects, including multi-modal transit oriented design projects and mixed-use developments. Working with local municipalities, state and federal agencies and international committees, she has led many projects from initial feasibility through design and construction.

Following years of successful collaborations on more than a dozen projects both at home and abroad, Ron, Kathy, and Greg co-founded Edgewater Resources to combine their experience and focus their time and energy on waterfront and marina projects.

Currently, Edgewater Resources has a staff of twenty-two, and we collaborate with uniquely qualified partners to provide the specific resources needed on a project by project basis.

Team Organization

Our team will be led by project manager Suzanne Fromson, ASLA, LEED AP, who will ultimately be responsible for the delivery of all aspects of the project. Suzanne will personally lead the design and planning process with input from principal Greg Weykamp, ASLA, LEED AP, BD+C, at key project milestones, and will facilitate all public and stakeholder meetings. Suzanne will provide day-to-day contact between the client and the project team.

In support of Greg and Suzie will be Daryl Veldman, PE, who will provide his experience in civil infrastructure and cost estimating.

Suzanne Fromson, ASLA, LEED AP's experience includes a variety of projects from community and site master planning, parks and recreation design and administration, and urban design. She also possesses a practical knowledge of landscape maintenance and construction. Her computer technology and construction documentation skills make her an integral player in the design process, creating design development graphics, 3D models, and construction documents. Ms. Fromson's interests focus on developing sustainable and innovative designs for each project. Coincidently, she was inspired to pursue the field of Landscape Architecture after reading Polakowski's primary reference, 'Zoo Design: The Reality of Wild Illusions.'

Daryl Veldman, PE has over 29 years of experience providing professional civil engineering/project management expertise for municipal, industrial, commercial and private development clients. His experience includes land development/site planning and design; water system upgrades; road reconstruction; water and sewer extensions; storm water management; sanitary sewer upgrades; county drain projects; streetscape/town beautification projects; subdivisions, planned unit developments and new business development.

Aaron Senchuk is a Landscape Designer who joined Edgewater Resources in 2017, shortly after graduating from Michigan State University. Aaron will assist Suzie with the design of the project.

EDUCATION
Bachelor of Landscape Architecture
Michigan State University, 1992

REGISTRATIONS
Registered Landscape Architect
State of Illinois
State of Indiana
State of Michigan
State of New York
State of Ohio
State of Wisconsin

CLARB Certified
Council of Landscape Architecture Registration Boards

LEED Accredited Professional

HONORS + AWARDS

2013 President's Award, American Society of Landscape Architects, Illinois Chapter, 31st Street Harbor, Chicago, Illinois

ISS Fabien Cousteau Blue Award 31st Street Harbor, Chicago, Illinois

AIA Chicago SustainABILITY Leadership Merit Award, 2012, 31st Street Harbor

First Place, Engineering News Record Midwest "Best Projects" 2012, 31st Street Harbor

Design Evanston Urban Design Award 2010 Evanston Lakefront Master Plan

Air Force Design Award, Planning / Design Guidelines Category, Misawa AB, 2005

Merit Award for Research, Summer Student Program 2001, Colorado Chapter ASLA, 2001

Merit Award for Planning, Great Plains Chapter American Society of Landscape Architecture, Omaha City Parks Master Plan, 1999

National APA Honor Award, GASLA Merit Award, Georgia APA Honor Award: Gateway to Coastal Georgia

Award of Excellence, Atlanta Urban Design Commission: Centennial Olympic Park

GASLA Honor Award, University of Arkansas, Pine Bluffs

Award of Excellence, Atlanta Urban Design Commission: John Wesley Dobbs Plaza

Graphics published in Landscape Architecture Magazine, August, 1996

Graphics published in Landscape Australia

Gregory J Weykamp, ASLA, LEED AP, BD+C
Principal / President

Greg Weykamp has over twenty five years of experience in the planning and design of the public realm, with an emphasis on implementation of sustainable built landscapes and urban waterfront environments. His project experience spans waterfront parks, marinas, master planned communities, urban revitalization, streetscapes, parks and recreation facilities, medical and university campuses, and military installations.

As a LEED Accredited Professional, Mr. Weykamp approaches every project from the perspective of efficiency in design, maintenance, and operations to create the most environmentally sustainable project possible within a pragmatic framework of cost and value to the client and community. As a registered landscape architect, certified nationally by the Council of Landscape Architecture Registration Boards, Mr. Weykamp has the technical expertise and proven construction experience to ensure safe and efficient completion of the built environment.

PROJECT EXPERIENCE

Oswego Waterfront Master Plan
Project Manager
CLIENT: City of Oswego, New York
The Oswego Waterfront Master Plan is the first step in the revitalization of Oswego's waterfront economy, which will capitalize on the region's natural and historic resources. The initial economic driver for the waterfront will be the redevelopment of two existing marinas into a single, modern facility that will better serve existing boaters, support the expansion of the thriving charter fishing fleet, and support programs that will make boating accessible to everyone in Oswego regardless of age, income, or ability. As an economic catalyst for Oswego's waterfront, the marina will support the redevelopment of the existing pier into a vibrant mixed use development that will serve local residents and attract visitors. An extensive community outreach process has led to the development of the waterfront master plan, which also includes an expansion and relocation of the H. Lee White Maritime Museum, and restoration of the historic dry dock facility.

Port of Rochester Marina
Landscape Architect
CLIENT: City of Rochester
The Port of Rochester Marina project will convert former impervious asphalt parking and loading areas into a new 180 slip marina serving both seasonal and transient boaters. Further, the project will serve as a catalyst for the redevelopment of underutilized land into retail, commercial, and residential purposes designed and scaled to support and integrate into the historic Charlotte neighborhood. Additionally, the project will provide the final link in the seven mile public pedestrian promenade linking downtown Rochester to Lake Ontario and spur reinvestment into the former Port Terminal building.

City of Waukegan Lakefront Active Implementation Plan
Project Manager
CLIENT: City of Waukegan
The City of Waukegan commissioned a Master Plan in 2003 to help form a vision for future development of the downtown and lakefront. However, in the year 2015, despite clean-up of much of the industrial contamination once present in Waukegan, many of the action items of this Master Plan had yet to be implemented. In July of 2015, the City of Waukegan, in cooperation with the Waukegan Park District and Waukegan Port District and with funding from the Great Lakes Restoration Initiative through the Illinois Coastal Management Program, tasked Edgewater Resources with the creation of an Active Implementation Plan as an effort to realize the vision of the original Master Plan.

City of Holland Comprehensive Parks and Recreation Master Plan
Principal in Charge
CLIENT: City of Holland
The City of Holland Comprehensive Parks and Recreation Master Plan is a five year strategic plan addressing the long term economic, social, and environmental sustainability of the City of Holland. The purpose of the plan is to assess all elements of the City's roughly 500 acre park system, incorporate community input, define strategies for meeting future park programming and development, and meet all State of Michigan requirements for long term park planning to remain eligible for grant funding.

31st Street Harbor
Principal in Charge
CLIENT: Chicago Park District
While with EDAW AECOM, Mr. Weykamp served as Principal in Charge and led the combined design and engineering team in the development of a new 1000 slip harbor for the Chicago Park District. Located on Chicago's South side Lake Michigan shoreline, the new $90 million harbor project will seamlessly integrate the new marina into the existing Burnham Park. The design of the new harbor facilities include a green roof covered parking area that provides heated winter boat storage below expanded park space above. Additionally, the marina project was leveraged to create a new regional destination play area and a new 1.5 acre park space offshore in Lake Michigan, providing views of the Chicago skyline. Key elements include improved pedestrian and bicycle safety by realigning the Lakefront Trail and the integration of extensive sustainable design strategies including green roof covered parking, bioswales, bioinfiltration, materials selection, habitat creation, alternative energy generation, boat wash, and LEED Certified structures.

Gateway to Coastal Georgia – Connecting the Coast, Georgia
Project Manager
CLIENT: Coastal Georgia Land Trust
Design and master planning for a new network of 460 miles of bicycle and pedestrian facilities, with a focus on expanded tourism, economic development, enhanced recreation opportunities, and an improved quality of life for the residents of coastal Georgia. Awarded National APA Honor Award, GASLA Merit Award, Georgia APA Honor Award.

Stapleton Parks and Open Space Master Plan
Project Landscape Architect
Client: Forest City Development / Stapleton Development Corporation
Master Plan for major civic park and greenways system within the new Stapleton neighborhood, the country's largest urban infill redevelopment site. Major neighborhood park components included Stapleton Central Park, a fifth major regional park for the Denver Park System; Westerly Creek, a major urban drainage corridor that reset the standard for Denver's Urban Drainage manual; and Greenway Park a 45 acre linear greenway connecting Stapleton's neighborhoods. A network of green boulevards and trails connect the Stapleton Park System to a series of neighborhood pocket parks and the broader Denver Park and trail system.

Chicago Gateway Harbor
Principal in Charge
CLIENT: Chicago Park District
While with EDAW AECOM, Mr. Weykamp served as Principal in Charge and led the combined design and engineering team in the development of a new 250 slip destination harbor for the Chicago Park District. Located adjacent to Navy Pier, the new $55 million harbor project will reconstruct the historic Dime Pier structure and create a new publicly accessible pier providing views of the Chicago skyline. Key elements include improved pedestrian and bicycle connectivity to downtown Chicago and integration of extensive sustainable design strategies including reuse of existing structures, materials selection, habitat creation, alternative energy generation, and LEED Certified structures.

Nelson Park Master Plan
Principal in Charge
CLIENT: Decatur Park District / City of Decatur
The Nelson Park Master Plan project will create a new vision for the 180 acre Nelson Park and adjacent parkland along the shores of Lake Decatur in Decatur, Illinois, with the fundamental goal of achieving both financial sustainability for the park and spurring economic growth within the greater Decatur economy. In addition to the reconstruction of over two hundred boat slips, the project will include a waterside restaurant entertainment district, regional destination water park, and pedestrian loop around Basin Two of Lake Decatur. The design effort included an extensive public involvement process and the development of strategies to expand biologically diverse native habitats, improve the durability of the built environment, and apply improved stormwater management techniques while reducing maintenance and environmental impacts.

Stapleton Greenway - East-West Linear Park, Denver, CO
Project Manager
CLIENT: Park Creek Metropolitan District
Landscape architecture services for a new 44 acre linear park as part of the Stapleton Redevelopment project. Amenities provided include a 3 acre dog park, climbing walls, skate skills park, play area, tennis courts, decomposed granite running trails, open space, and a 10 foot wide multiuse trail. The Greenway also includes an 8 acre foot stormwater detention facility, and a gray water irrigation system.

Newington, The Olympic Village, Sydney, Australia
Project Landscape Architect
Client: Mirvac Lend Lease Village Consortium
The overall goal of the Village and its landscape component has been the creation of a "Village in the Park" that will be sustainable in all aspects and provide high standards of amenity and lifestyle opportunities for its 6,000 residents. The Village will have a very permeable open space system featuring Australia's native plants, and will have linear park connections to Millennium Park and Olympic Park, with a comprehensive trail system for pedestrians and bicycles.

Edgewater resources

EDUCATION

Bachelor of Landscape Architecture
Michigan State University, 2000

REGISTRATIONS

State of Michigan
State of Wyoming

CERTIFICATIONS

LEED (Leadership in Energy and Environmental Design), 2003

TEACHING EXPERIENCE

Graphics for Landscape Designers, The George Washington University, Washington, D.C.

Landscape Graphics, Front Range Community College, Westminster, Colorado

AWARDS

Great Lakes Sea Grant Network "Great Lakes Outreach Programming Award," Sustainable Small Harbors Project

Suzanne Fromson, LEED AP
Landscape Architect

Suzanne Fromson's experience includes a variety of projects from community and site master planning, parks and recreation design and administration, and urban design. She also possesses a practical knowledge of landscape maintenance and construction. Her computer technology and construction documentation skills make her an integral player in the design process, creating design development graphics, 3D models, and construction documents. Ms. Fromson's interests focus on developing sustainable and innovative designs for each project.

PROJECT EXPERIENCE

Oswego Waterfront Master Plan
Project Manager
CLIENT: City of Oswego, New York
The Oswego Waterfront Master Plan is the first step in the revitalization of Oswego's waterfront economy, which will capitalize on the region's natural and historic resources. The initial economic driver for the waterfront will be the redevelopment of two existing marinas into a single, modern facility that will better serve existing boaters, support the expansion of the thriving charter fishing fleet, and support programs that will make boating accessible to everyone in Oswego regardless of age, income, or ability. As an economic catalyst for Oswego's waterfront, the marina will support the redevelopment of the existing pier into a vibrant mixed use development that will serve local residents and attract visitors. An extensive community outreach process has led to the development of the waterfront master plan, which also includes an expansion and relocation of the H. Lee White Maritime Museum, and restoration of the historic dry dock facility.

Port of Rochester Marina
Landscape Architect
CLIENT: City of Rochester
The Port of Rochester Marina project will convert former impervious asphalt parking and loading areas into a new 180 slip marina serving both seasonal and transient boaters. Further, the project will serve as a catalyst for the redevelopment of underutilized land into retail, commercial, and residential purposes designed and scaled to support and integrate into the historic Charlotte neighborhood. Additionally, the project will provide the final link in the seven mile public pedestrian promenade linking downtown Rochester to Lake Ontario and spur reinvestment into the former Port Terminal building.

East Tawas State Harbor Marina Expansion
Project Manager
CLIENT: State of Michigan Department of Natural Resources
The State of Michigan engaged Edgewater Resources in the condition assessment, market analysis, boater survey, and master planning of expansion of the existing state harbor facility in East Tawas, Michigan. Following successful completion of the initial planning process, detailed design of Phase One, including a new pedestrian promenade, fuel system, and floating dock and wave attenuator infrastructure for 48 new slips was completed. Construction of Phase One began in 2016, and will be open to the public in the spring of 2017.

City of Waukegan Lakefront Active Implementation Plan
Project Manager
CLIENT: City of Waukegan
The City of Waukegan commissioned a Master Plan in 2003 to help form a vision for future development of the downtown and lakefront. However, in the year 2015, many of the action items of this Master Plan had yet to be implemented. In July of 2015, the City of Waukegan, in cooperation with the Waukegan Park District and Waukegan Port District and with funding from the Great Lakes Restoration Initiative through the Illinois Coastal Management Program, tasked Edgewater Resources with the creation of an Active Implementation Plan as an effort to realize the vision of the original Master Plan.

Nelson Park Master Plan and Marina

Project Manager

CLIENT: Decatur Park District / City of Decatur

The Nelson Park Master Plan project will create a new vision for the 180 acre Nelson Park and adjacent parkland along the shores of Lake Decatur in Decatur, Illinois, with the fundamental goal of achieving both financial sustainability for the park and spurring economic growth within the greater Decatur economy. In addition to the reconstruction of over two hundred boat slips, the project will include a waterside restaurant entertainment district, regional destination water park, and pedestrian loop around Basin Two of Lake Decatur. The design effort included an extensive public involvement process and the development of strategies to expand biologically diverse native habitats, improve the durability of the built environment, and apply improved stormwater management techniques while reducing maintenance and environmental impacts.

Discovery Center Great Lakes Marina

Project Manager

CLIENT: Rotary Camps and Discovery Center Great Lakes

The Discovery Center Great Lakes is home to a range of community and non-profit organizations interpreting historic shipping and boating on the Great Lakes. This project created the master plan for a completely renovated waterfront and marina to provide homes for a number of historic tall ships, wooden sailing vessels, and the Traverse Area Community Sailing program. In addition, a number of seasonal and transient slips will be made available for lease to help fund non-profit activities and offset the cost of construction.

EPA's Greening America's Capitals

Project Manager

CLIENT: Environmental Protection Agency, Office of Sustainable Communities

Greening America's Capitals is an EPA program to help state capitals develop an implementable vision of distinctive, environmentally friendly neighborhoods that incorporate innovative green infrastructure strategies. Lansing, Michigan, was chosen in 2013 as one of four state capital cities to receive this assistance. Design options included the transition of a 7-acre parking lot into a landmark public park, and the modification of adjacent streets to include on-street parking, pedestrian-friendly crosswalks, and bike lanes to encourage biking to work and thus reduce the need for employee parking.

St. Joseph County Water Trail Master Plan

Project Manager

CLIENT: St. Joseph County, Michigan Board of Commissioners

In early 2014, the St. Joseph County Commission developed a vision to build on their visionary Heritage Water Trail program by increasing and improving access to all of the county's rivers and creeks. The Water Trail Master Plan will help identify and recognize the value of the riverfront assets of St. Joseph County as a public recreational resource, a source of great environmental value, and a catalyst for meaningful economic development through increased tourism and enhanced property values throughout the county.

City of Holland Comprehensive Parks and Recreation Master Plan

Project Manager

CLIENT: City of Holland

The City of Holland Comprehensive Parks and Recreation Master Plan is a five year strategic plan addressing the long term economic, social, and environmental sustainability of the City of Holland. The purpose of the plan is to assess all elements of the City's roughly 500 acre park system, incorporate community input, define strategies for meeting future park programming and development, and meet all State of Michigan requirements for long term park planning to remain eligible for grant funding.

EDUCATION
Bachelor of Science, Civil Engineering
University of Michigan, Ann Arbor, MI, 1986

Bachelor of Science, Letters and Engineering
Calvin College, Grand Rapids, MI, 1984

REGISTRATIONS
Professional Engineer
State of Michigan
State of Illinois
State of Indiana

Professional Affiliations
American Society of Civil Engineers
Michigan Water Environment Association
American Water WA
National Society of Professional Engineers
Michigan Society of Professional Engineers

Daryl J. Veldman, PE
Project Engineer

Daryl Veldman has over 28 years of experience providing professional civil engineering/project management expertise for municipal, industrial, commercial and private development clients. His experience includes land development/site planning and design; water system upgrades; road reconstruction; water and sewer extensions; storm water management; sanitary sewer upgrades; county drain projects; streetscape/town beautification projects; subdivisions, planned unit developments and new business development.

PROJECT EXPERIENCE

Harbor Village at Harbor Shores
Project Manager
CLIENT: Harbor Village at Harbor Shores, LLC
Site design and construction of roads, parking and utilities for this 96-room hotel, condominiums and cottages project located in St. Joseph, Michigan. The project had incredibly tight timelines for the commitment to be open for the Senior PGA Championship. Site logistics were difficult with staging of material, trailers and hotel contractor parking, which had on average 150 workers a day. The winter was also the toughest on record for the region and the frost depth created a challenge. We had to use ground heaters to thaw out the subgrade for utility installation and 400 space concrete parking lot pavement placement.

Big Pine Lake Community Development
Project Manager
CLIENT: Tom Drake, The Drake Group
290-unit condominium development on a 240-acre site located in Buchanan Township, Michigan. Project challenges included and evaluation of extending water and sewer or creating facilities on site, enhancing the existing 35 acre lake with boat docks and beach, acquiring permits for construction of these improvements as well as for the modifications of the wetlands and construction of infrastructure across unstable subgrade.

The Villas at the River
Project Manager
CLIENT: Michael Cook
130-unit condominium development on 80 acres adjacent to the St. Joseph River in Benton Harbor, Michigan. Site improvements included two manmade ponds with wells and outlet control, wetland crossing, floodplain and floodway evaluation, storm water collection and storage, endangered plant evaluation and relocation, wetland creation MDNRE/USACE permit acquisition.

Wyndstone Estates
Project Manager
CLIENT: Kent Hardin
313-lot subdivision development on a 185-acre site located in Lincoln Township, Michigan. Project challenges included zoning change, storm water management, wetland evaluation and mitigation, multiple phases and high water table.

Michigan Outdoor Products
Project Manager
CLIENT: Joe Arnt
67-acre commercial, professional and residential development located in Watervliet, Michigan. Roadway and utilities were extended into the commercial section of the development and a master plan was created for the residential and professional office space area.

EDUCATION
Bachelor of Science, Landscape Architecture
Michigan State University, 2016

Masters of Environmental Design
Michigan State University, 2017

PROFESSIONAL AFFILIATIONS

Aaron R. Senchuk
Landscape Designer

Aaron Senchuk joined Edgewater Resources in 2017, shortly after graduating from Michigan State University. Mr. Senchuk's background includes experience with ArcGIS, AutoCAD, Sketch-Up and the Adobe Creative Suite. Currently, Mr. Senchuk's duties at Edgewater Resources include landscape design and support for the Landscape Architecture department.

PROJECT EXPERIENCE

Holland Civic Center and Farmers Market
CLIENT: City of Holland, Michigan
The Holland Civic Center is an anchor in the Holland Community and is the home to a variety of the city's recreational programs and adjacent to the outdoor farmers market. Edgewater Resources is working with the City of Holland Michigan on a plan to maintain the building for generations to come while implementing infrastructure, access and recreational updates to this meaningful site.

Mt. Holly Terrain Park Design / Maintenance
CLIENT: Mt. Holly Ski Resort
Design, installation and maintenance of freestyle terrain park features, insure safety of visitors using terrain parks. Gathered and implemented feedback from customers, hosted promotional events to increase sales.

Hawk Island County Park Re-Design
CLIENT: Hawk Island County Park
It is widely known that access to parks and green space is beneficial to health but creating quality spaces that serve a broad range of users can be a challenge. This design pursued the idea of designing a highly programmed urban park with a broad range of activities suited to serve a diverse demographic. The design focused on creation of unique recreation experiences implementing new concepts such as urban skiing/snowboarding and tubing that create exhilarating and enjoyable four seasons experience.

References

Mayor Nancy DeBoer
Holland Civic Center, Holland Parks & Recreation Master Plan
City of Holland, Michigan
616 405 5236

Justin Rudgick
Oswego Waterfront Master Plan
Director, Community Development Office
City of Oswego, New York
315 343 3795

Randy Podolsky
Waukegan Port District Master Plan, City of Waukegan Active Implementation Plan
Waukegan Port District Board Member
847 602 1500

Bill Clevenger
Nelson Park Master Plan and Decatur Park District Master Plan
Executive Director
Decatur Park District, Decatur, IL
217 422 5911

Project Experience Examples

Project experience examples are attached on the following pages.

31st Street Harbor Waterfront Park
Chicago, IL

Holland Civic Center
Holland, MI

Oswego Waterfront Masterplan
City of Oswego, New York

Rochester Waterfront & Marina
Rochester, NY

Stapleton Parks Master Plan
Denver, CO

Monroe Bluff Design
South Haven, MI

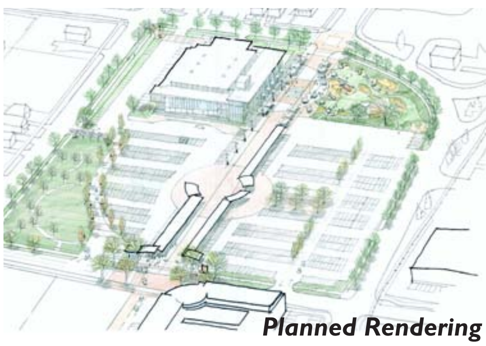
31st Street Harbor
Chicago, Illinois
Client: Chicago Park District/Public Building Commission of Chicago

The 31st Street Harbor project is a $103 million, 1,015-slip marina and waterfront park just south of downtown Chicago. The project includes the creation of a 1.5-acre waterfront park integrated in a 2,200 foot long stone revetment structure in Lake Michigan. The project opened in May of 2012 and created significant waterfront and traffic calming/pedestrian circulation improvements to the area, including the elimination of all four conflicts between the Lakefront Trail and vehicular traffic.

Renovation of the existing concrete revetment shoreline protection system into a softer and greener edge will create a more welcoming waterfront promenade interface between the new green roof covered parking facility and the water's edge. Construction of a new regional playground, picnic areas, and reconfigured regional bike paths integrate the project into the community, and ensure that all members of the community benefit from the project.

The project recieved the ISS Fabien Cousteau Blue Award, recognizing the achievement of the highest standards of harbor sustainability, as well as LEED Gold Certification; the President's Award, American Society of Landscape Architects, Illinois Chapter; AIA Chicago SustainABILITY Leadership Merit Award; and First Place, Engineering News Record Midwest "Best Projects" 2012.

Renovation Rendering



Planned Rendering

Existing

Existing

City of Holland Civic Center Place
Holland, MI
Design: 2015 - 2017
Construction: 2017 - Ongoing
Client: City of Holland, Michigan

The City of Holland has engaged the team of architects, engineers, planners, and landscape architects at Edgewater Resources to facilitate the redevelopment of the Holland Civic Center. Additional team members include Holland-based Livable Community By Design and GMB Architects and Engineers, along with Walker Parking Consultants and Project for Public Spaces. The project includes design and redevelopment of the Civic Center Building and the area bounded by 7th, 9th, Pine, and Maple Streets.

This project aims to renovate the 60-year old Civic Center, Holland's historic center of recreational and cultural activity, while strengthening the physical connection of downtown Holland to the Lake Macatawa waterfront.

Through a careful balance of recreation, cultural programming, and Farmer's Market activity, the site will serve as a catalyst for the activation of the west end of 8th Street.

Construction on this project is underway.

Oswego Waterfront Master Plan, City of Oswego, New York
Services Provided: Market Analysis, Marina Design, Planning, Landscape Architecture, Marine Engineering, and Development Economics
Client: City of Oswego
Contact: Justin Rudgick, Director, Community Development Office
315 343 3795

The Oswego Waterfront Master Plan is the first step in the revitalization of Oswego's waterfront economy, which will capitalize on the region's natural and historic resources. The initial economic driver for the waterfront will be the redevelopment of two existing marinas into a single, modern facility that will better serve existing boaters, support the expansion of the thriving charter fishing fleet, and support programs that will make boating accessible to everyone in Oswego regardless of age, income, or ability.

The initial marina market/feasibility analysis is currently underway. Once complete, the Oswego marina master plan will be completed utilizing this data to establish appropriate slip size and mix, market rates, operational strategy, funding strategy, and implementation plan.

As an economic catalyst for Oswego's waterfront, the marina will support the redevelopment of the existing pier into a vibrant mixed use development that will serve local residents and attract visitors. An extensive community outreach process has led to the development of the waterfront master plan, which also includes an expansion and relocation of the H. Lee White Maritime Museum, restoration of the historic dry dock facility, and if designation is successful, a home for the proposed Marine Sanctuary. These elements are linked to one another by a new pedestrian promenade that will link the waterfront to the historic downtown area, with a number of interpretive elements along the way that will tell the story of Oswego.

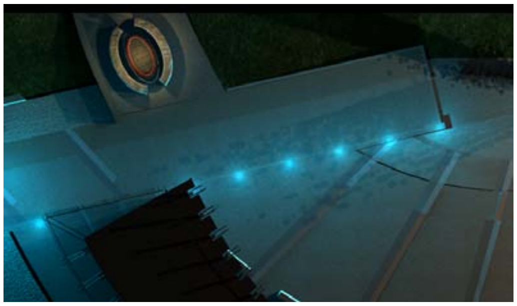
Additional improvements to the waterfront include modifications to the existing federal breakwater to improve water quality, relocation and expansion of the boat launch facilities, improvement of the existing seawall infrastructure, and dredging to improve navigation.

This work is being completed in partnership with EDR.

Port of Rochester Waterfront and Marina
Rochester, New York
Client: City of Rochester
Services Provided: Feasibility and Design Economics
Marine Engineering, Park Planning, and Development Economics
Contact: Mark Gregor, Manager of Environmental Quality, 585 428 5978

The Port of Rochester is a design concept that would convert former impervious asphalt parking and loading areas into a new active public waterfront with a new waterfront park and public promenade, adjacent to the 180 slip Port of Rochester Marina; opened in 2016; serving both seasonal and transient boaters on the shores of the Genesee River. Further, the project would serve as a catalyst for the redevelopment of underutilized land into retail, commercial, and residential purposes designed and scaled to support and integrate into the historic Charlotte neighborhood. Additionally, the project would provide the final link in the seven mile public pedestrian promenade linking downtown Rochester to Lake Ontario and spur reinvestment into the former Port Terminal building.

Edgewater Resources completed an economic feasibility analysis and market study, cash flow projections, and recommendations for operation strategies.



Stapleton Parks and Open Space Plan

Heidi Majerik, Vice President
Horizon Uptown (formerly with Forest City Stapleton)
2373 Central Park Blvd., Denver, CO 80238
303 888 3866 - heidi.majerik@lendlease.com

While with EDAW, Greg Weykamp prepared a master plan for Stapleton's Central Park and Greenways, which extend the City's park system through the Stapleton Community.

The key organizing element is the formal "promenade", extending diagonally from the east end at Yosemite Street through the park to Westerly Creek. The park spaces on each side of the axis are designed to contrast with one another.

A "central gathering space" is planned in the middle of the park and is aligned with the parkway that extends north from Stapleton's proposed elementary school. The space will accommodate 1500 people for concerts, public addresses, lectures and other activities.

Proposed elements include an "urban forest" at the West End of the park, which will serve to block views to the relatively dense medium rise commercial and residential development that surround it; a series of multi-use trail loops of varying lengths from ½ to two miles long, a play pond, water pavilion, and waterside seating area.

Westerly Creek runs through the park and has been recreated to represent a natural high plains waterway. It will meander around numerous bends and islands. Edges will be planted with Cottonwood trees, along with other native plants and grasses. A regional recreation trail will extend along the length of the creek, passing under roadway crossings and providing access from adjacent parks and neighborhoods.

A major regional recreation center is proposed on the east side of Westerly Creek to include a 60-80,000 square foot building enclosing an aquatic center, sports courts, and a range of special activity rooms and facilities.

- Feasible gathering spaces
- Regional playground
- Sustainable design

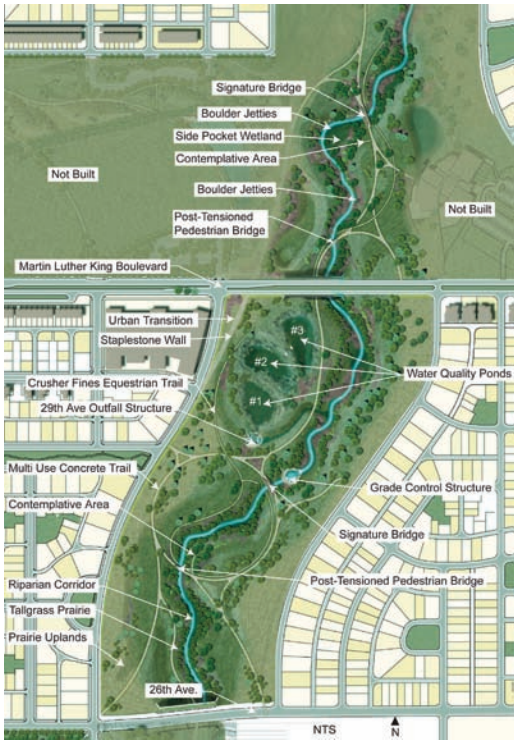
East West Greenway
Denver, Colorado
Client: Park Creek Metro District

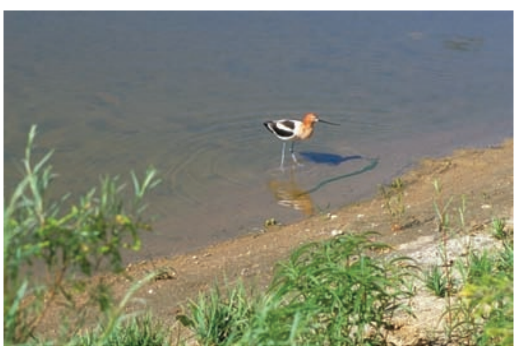
The East-West Greenway was the first component of Stapleton's 1,100-acre parks and greenway system constructed. The Greenway includes a wide range of neighborhood park amenities and distinct play areas that provide a variety of recreation opportunities. While at EDAW, Greg Weykamp prepared construction documents for this 44-acre linear park and improvements to the existing Fred Thomas Park as part of the parks and open space system.

The park's design is one of contrasts: between high and low, native grasses and traditional mown turf, open space and urban forests. The design of the park is intended to reduce the amount of water required, reduce the amount of maintenance required, but still create a park space usable by everyone.

An elaborate play area lies adjacent to the Greenway Pavilion. Composed of six "islands," the play areas are separated by tall grass channels and connected by bridges. The play area includes a sand-and-water play sculpture as well as a variety of traditional and new play equipment. The Greenway Pavilion provides shade, restrooms, and an iconic architectural piece that anchors the view from the Greenway west to the mountains.

A climbing area composed of large climbing boulders and a climber's training wall provide ample opportunities for enhancing basic rock climbing skills for all ages, while the nearby deck and observation platform provide long views up and down the greenway. Aspiring skateboarders and in-line skaters have a small "skills park" on which to learn and practice the basic skills and tricks required for larger and more complex skate parks. A three-acre dog park has also been constructed, creating the first place within the Denver Parks system where dogs are allowed to run off-leash. More traditional park activities such as tennis courts, running trails, and a multiuse trail that connects to the 65-mile loop around Denver have also been provided.



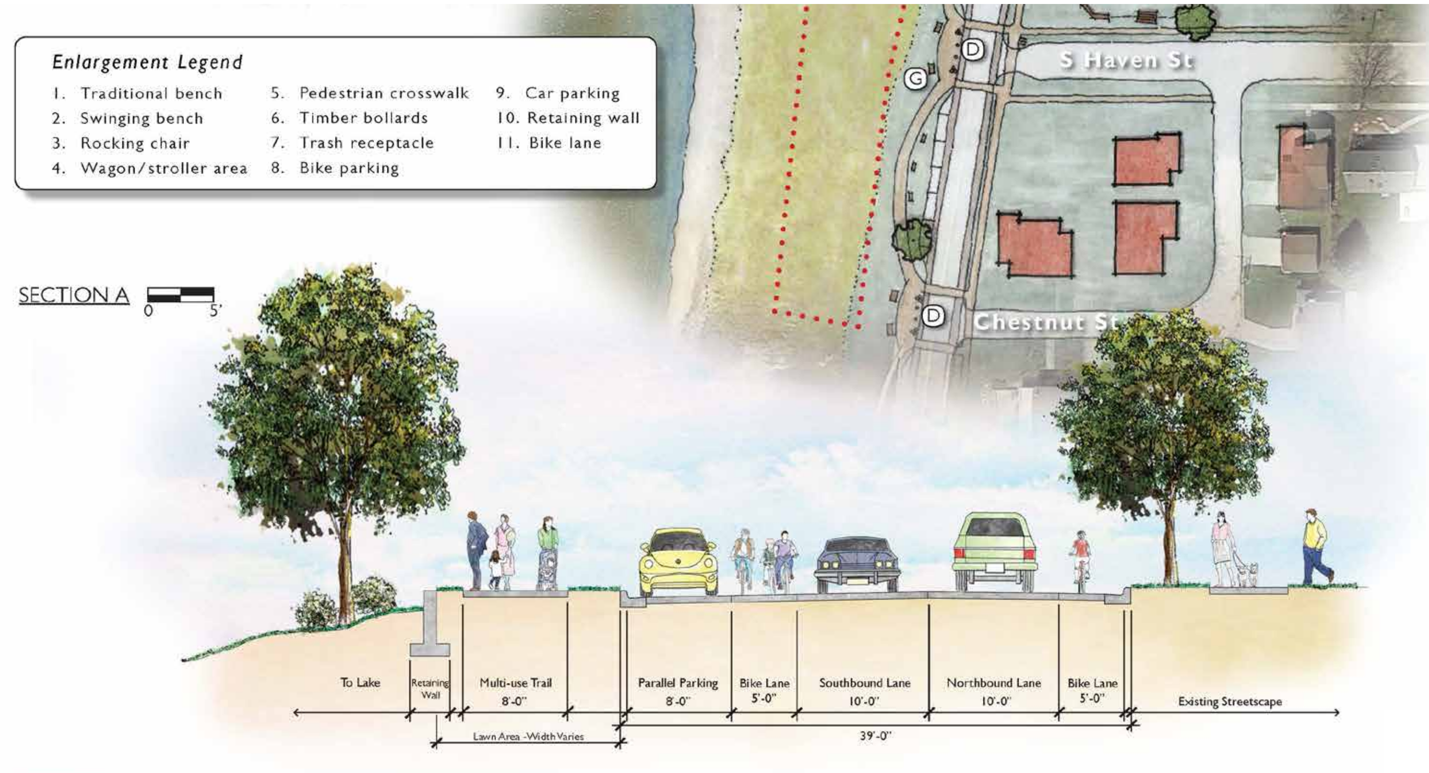


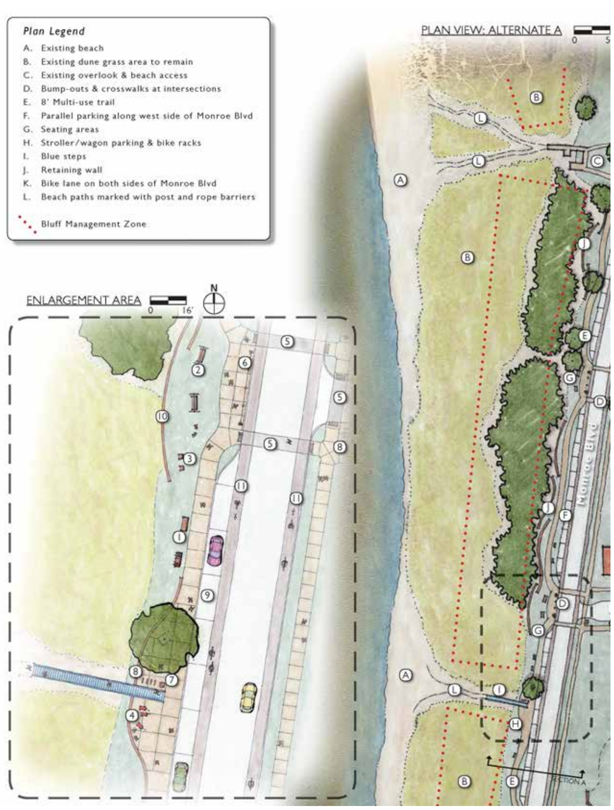
Westerly Creek Restoration
Denver, Colorado
Client: Park Creek Metropolitan District

While at EDAW, Greg Weykamp designed the Westerly Creek at the Stapleton Redevelopment site in Denver. Westerly Creek serves as a case study of the design process - from concept through construction - of integrating the constraints of urban infill with the need for stormwater management and water quality, coupled with ecological and passive recreational objectives. This project was a multi-disciplinary effort involving hydraulic engineering, structural engineering, landscape architecture, and ecology. Westerly Creek was 'daylighted' from a 108" RCP that passed under the runways of the former Stapleton Airport. The numerous constraints of stormwater requirements from the adjacent land uses, underground utilities servicing the adjacent land uses, and recreational opportunities were integrated into the design and function of the corridor. Architectural features to accommodate stormwater outfall, a 4' drop structure, as well as bridges and trail systems for pedestrian, bicyclists and equestrians, were integrated throughout the design.

Ecologically, the corridor was targeted for a variety of small mammal and bird species that currently inhabit the Sand Creek corridor to the north. This was accomplished with the use of native and drought tolerant tree and shrub material, wetland plants, and grasses designed to emulate an eastern Colorado foothills/prairie wetland transitioning to a mid-grass prairie environment. The landscape design tries to remain true to the ecology of the high plains, but the design metaphor stretched these boundaries due to site size and the need for the urban transition to the adjacent land uses. Extensive use of wetlands plugs in concert with wetland sod and biologs were designed with species mixes specific to hydrologic regimes mapped along the 4,000 lineal-foot corridor. The use of the wetlands material has the multifaceted purpose of providing stormwater filtration through water quality ponds, bank stabilization with the sod and biologs, wildlife habitat, and aesthetic enhancements to create a 'preserve'. Westerly Creek is not a pure ecological project and it is not a pure stormwater engineering project. It is a hybrid of the two, resulting in a non-traditional approach to designing a stormwater conveyance system that looks and behaves like a natural creek channel, while benefiting urban wildlife and the residents of Denver and surrounding environs.

- Creek restoration
- Best management practices
- Urban ecology
- Stormwater management
- Water quality
- Bio engineering
- Passive recreation





Monroe Bluff Design Alternatives
South Haven, Michigan
Client: City of South Haven
Services Provided: Park Planning, Master Planning

The City of South Haven is a Lake Michigan community that attracts a high volume of visitors during the summer tourism season. A study of visitor traffic and uses drove the creation of design concepts for the redevelopment of the Monroe Bluff area. The project - which is part of the overall South Haven Master Plan update - will expand parking and pedestrian walkways and access to the beach and existing waterfront promenade.

Edgewater Resources completed a study of the project area and multiple design concepts and recommendations for future planning.

A primary component of the study included recommendations for preservation and management of South Haven's dune ecology to balance recreational use with habitat protection and dune stabilization.

The Monroe Bluff Master Plan provides enhanced spaces and trails for beach visitors, while protecting the very resources that those visitors come to South Haven to enjoy.

Project Understanding

We understand that the purpose of this project is to utilize existing public input and concept sketches for Lake Michigan Beach Park to prepare schematic design through final development design drawings and project renderings for the City's use in hiring firms to improve the park. Lake Michigan Beach Park, the City's original public park donated to the City in 1976, has tremendous potential to connect both locals and visitors to the unique natural spaces along Lake Michigan. We understand that the park already boasts two thousand feet of beach frontage with walking paths, playground equipment, recreation courts, and picnic amenities. We also understand that initial efforts to remove dead trees and invasive species began in 2016, however additional work in the park has been limited.

Using the vision for the park as set forth by renowned planner and designer Professor Kenneth Polakowski and the Charlevoix Shade Tree Commission as a guide, our team will prepare a design that includes non-motorized pathways, site vistas of Lake Michigan, meadows and glades, woodland plantings, parking areas, and other points of interest. Our team would not seek to reinvent Polakowski's concept plan for this park, but would instead aim to engage the community in order to fully realize his vision. We value his design approach that aims to understand not only the ecology of a site, but the behavior of users (human and otherwise) to create spaces that are both beautiful and sustainable through generations.

Proposed Scope of Work

Task One – Schematic Design

Task 1.1 Kick-off Meeting

Upon notice to proceed, the project team and City of Charlevoix team will hold a phone meeting to confirm project schedule and to plan the official kick-off meeting. The design team will prepare an invitation for Public Meeting #1 for distribution via email and social media, ideally two weeks in advance. At the kick-off meeting, core members of the project team will meet with the City of Charlevoix project steering committee to define guiding goals and themes and establish a series of milestones to measure progress on project goals. We will identify internal stakeholder groups, such as parks, operations, and emergency services staff, and external stakeholder groups, such as local organizations, regulatory agencies, property owners and business owners to be consulted throughout the planning and design effort. We propose to schedule this internal meeting on the same day as the first public meeting in order to streamline the project schedule. The kick-off meeting will include a discussion of planning efforts to date, including the work already completed by Professor Ken Polakowski of the University of Michigan, and will conclude with a site visit.

Task 1.2 Data Gathering

We will review plans already distributed such as the recently updated Parks & Recreation Master Plan, the 2016 Forestry Management Plan and the Polakowski/Shade Tree Commission Concept Plan, and will also collect available background information from the City of Charlevoix at this time, including but not limited to:

- Survey data including property boundaries
- Property descriptions
- Aerial photography
- Existing drawings, Master Plans, and documents
- Existing historic photos
- Programming information
- Demographic and use data
- Traffic / parking data
- Background reports
- Utility data
- Soundings / underwater topography and/or surveys
- Other

Task 1.3 Funding Mechanisms and Grant Eligibility Review

The design team will review potential funding sources and a grant application strategy to help secure funding for project implementation. Our team is familiar with grant opportunities at state and federal levels and can help apply past knowledge to make design tweaks that will improve grant outcomes.

Task 1.4 Public Meeting #1

In the evening on the day of the kick-off meeting, the design team will hold a public visioning session. The meeting will provide an introduction to the project and the design team and will seek input from the public on past planning efforts and desired outcomes. We will brainstorm and document potential concept alternatives to ensure consensus of the local community and primary park users.

Task One Deliverables:

- Detailed project schedule
- Prioritized list of stakeholders for interviews

- Public Meeting #1 invitation
- Kick-off meeting
- List of project data needs
- Public Meeting #1
- Meeting minutes

Task Two – Preliminary Design

Task 2.1 Development of Concept Alternatives

We will prepare up to three alternative concept master plans for review with the Steering Committee, community, and appropriate stakeholders outlining a range of potential land use patterns, infrastructure improvements, and recreation opportunities that meet the goals discussed in Tasks One.
All concept plans will implement principles of sustainable design such as use of native plant species, use of pervious surfaces for rainwater infiltration, protection of existing habitat, and incorporation of pedestrian and cyclist friendly trails, among others.

Task 2.2 Preliminary Cost Estimate

The design team will include a preliminary cost estimate with each concept alternative to help the Steering Committee compare the financial implications of each idea.

Task 2.3 Steering Committee Review and Revisions

The design team will submit concept alternatives to the Steering Committee via GotoMeeting online so we can walk through the various options and positives and negatives of each alternative, and associated costs. The Steering Committee would then have approximately one week for review and comment.

Task 2.4 Public Presentation of Alternatives

Based on the comments provided by the Steering Committee, the concept alternatives will be revised and presented to the public via online format such as Survey Monkey. Concepts will be arranged in an easy to understand web format with descriptive labels, allowing anyone the chance to view plans and vote on favorite elements of each plan and leave more detailed comments if desired. This method has been used successfully on other projects where it may be difficult to reach a broad segment of the community at a public meeting. For the Civic Center Place renovation in Holland, Michigan, our team had approximately 50 regular attendees at public meetings, but with an online survey we were able to gather feedback from over 2,000 members of the community over a 4-week period!

Task 2.5 Analysis of Web Survey

Upon closing of the web survey, the design team will compile the feedback received and after sharing with the Steering Committee, will incorporate feedback and use it to help move toward a single consensus plan.

Task Two Deliverables:

- Initial Concept Alternatives
- Preliminary cost estimate
- Review meeting and notes
- Presentation of Alternatives online survey
- Survey results and analysis

Task Three – Final Development Design

Task 3.1 Final Concept Plan Refinement

Following our review of the survey results with the Steering Committee, we will refine the alternatives and incorporate the feedback received into a single Draft Concept Plan that identifies the most effective land-use plan and serves to facilitate the creation of project selection criteria, phasing, and establishment of priorities. This plan will be presented to the community in Public Meeting #2.

Task 3.2 Cost Estimate and Phasing

We will develop a strategic implementation plan that outlines key near term improvements, along with phasing priorities, most likely to attract investment and facilitate long-term public/private partnerships to see the Plan from concept through to implementation. We will refine initial cost estimates that will be used in conjunction with their potential to secure grant funding to determine the most effective phasing strategy for achieving the City's goals.

Task 3.3 Draft Master Plan Document Submitted for Review

The entire Master Planning Process will be documented and compiled into an 8 ½" x 11" document for client record and review. A draft of this document will be presented at this stage, leaving place holders for final public input and finished graphic renderings.

Task 3.4 Steering Committee Review

The team will present both the Master Plan Draft and the final Concept Design to the Steering Committee via GoToMeeting for review. After receiving comments, final revisions will be made before presenting the Final Concept Design at Public Meeting #2.

Task 3.5 Public Meeting #2

This meeting will provide a summary of project input to date, and will reveal the Final Concept Plan to the public. Following the meeting, the Plan will also be shared online with the contact list via email. We will encourage discussion and feedback of final design elements. We always have multiple methods for hearing feedback, including notecards for those who aren't comfortable speaking in front of a crowd. We aim to hear all voices, not just the loudest.

Task 3.6 Final Plan Revisions

Following Public Meeting #2, we will incorporate final revisions into both the Concept Plan and Master Plan document.

Task 3.7 Final Master Plan Document

We will finalize all components outlined above into the Master Plan Document for Lake Michigan Beach Park.

Envisioned sections:

1. Executive Summary
2. The Process
3. Existing Conditions
4. Master Plan Alternative Development
5. Consensus Master Plan
6. Implementation, Phasing, and Funding
7. Technical appendix containing summaries of data collection, inventories, and stakeholder participation

Task 3.8 Final Presentation to Council for Adoption

We will present the Final Consensus Plan and Implementation, Phasing, and Funding Plan to the public at a City Council meeting for adoption.

Task 3.9 Grant Application Review

The entire planning process will allow adequate time for the City to complete grant applications to the Michigan Department of Natural Resources. The design team will provide one review of grant applications before submittal.

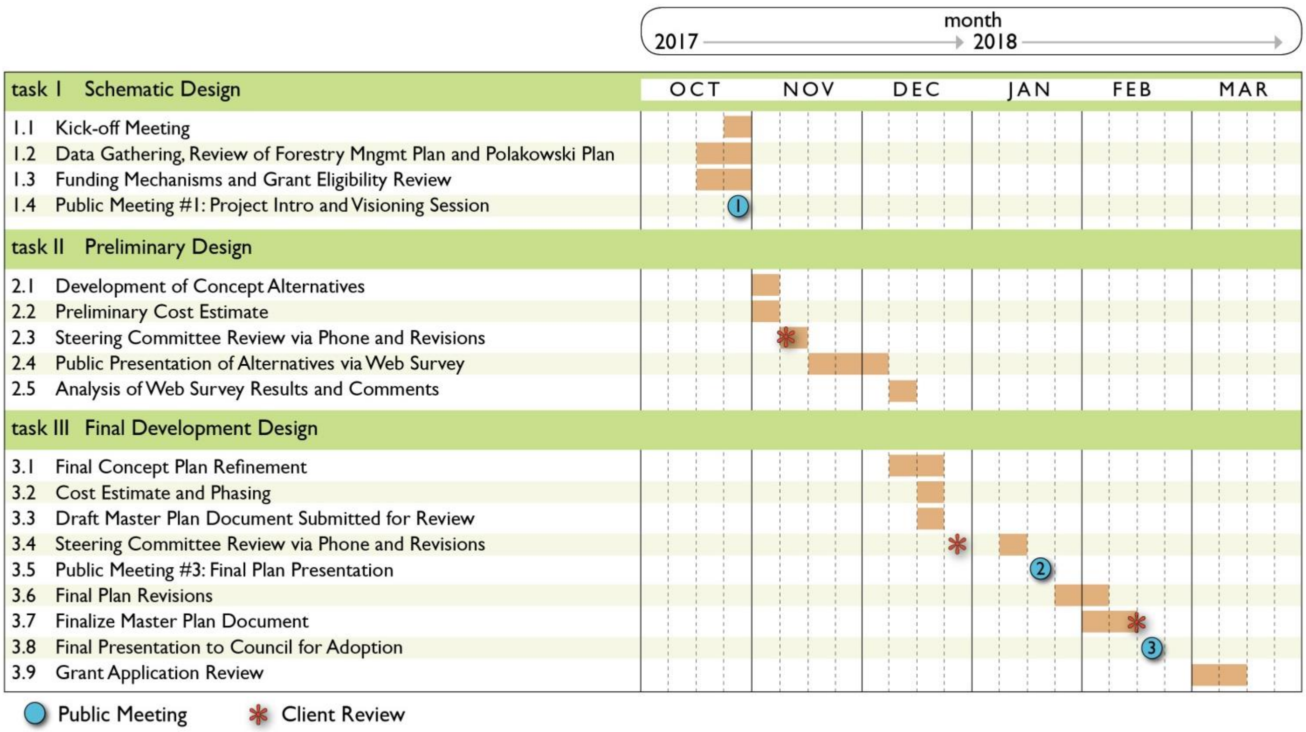
Task Three Deliverables:

- Draft Concept Plan
- Revised cost estimate
- Phasing and Implementation Plan
- Draft Master Plan document
- Public Meeting #2
- Meeting notes

- Final Concept Plan
- Final Master Plan document
- Presentation to public and City Council
- One grant application review (via email and phone)

Project Schedule

We understand that the City of Charlevoix has not established a set schedule for this project however that the project may be awarded in October 2017. The following schedule establishes a timeline and preliminary completion schedule of five months for the project; assuming the October 2017 kick-off date.



Project Fee

Edgewater Resources fees are based on a thorough analysis of the Lake Michigan Beach Park Enhancement Design RFP and experience working on previous park planning projects. The scope of work outlined in the previous section of this proposal for an overall plan to create a vibrant, sustainable, pedestrian friendly design will be completed on an hourly basis at our standard hourly rates, and will not exceed the cost outlined below without prior written authorization. Customary expenses for travel and printing will be reimbursed at the cost incurred.

Park Design Plan Services	*$ 24,620.00*
Expenses & Reimbursables	*$ 1,674.00*
Total Cost Estimate	***$26,294.00***

CHARLEVOIX CITY COUNCIL

All Other Actions and Requests

TITLE: Recreation Director Job Description (FT)

DATE: November 6, 2017

PRESENTED BY: Mark L. Heydlauff, City Manager

BACKGROUND:

Tom Kirinovic, our current Recreation Director, is retiring early next year. I am proposing a reorganization of the Recreation Department to include management oversight over all City recreational areas/activities, including the addition of the Marina and the Golf Course. We will still have a seasonal Harbormaster and Tom Heid will continue his management of the golf course. With this increased responsibility, I am recommending that we change the Recreation Director position from a part-time position to a full- time position.

We are a community who values recreation and the outdoor spaces we have maintained. I believe we need to increase our focus on this and look for ways to continue enhancing the quality of life we offer.

RECOMMENDATION:

Motion to approve the revised Recreation Director Job Description

ATTACHMENTS:

- Full Time Recreation Director Job Description

CITY OF CHARLEVOIX

Title: Recreation Director

FLSA: Exempt
Status: Full-time, non-union

Department: Recreation

Reports To: City Manager

Date: November 6, 2017

Position Purpose and Objectives

This service-oriented recreation professional develops and manages a comprehensive program of recreational activities for the City of Charlevoix and enhancement of recreational opportunities for children, students and adults of all ages. The Director will have management oversight over all recreational areas including the Golf Course, Marina, Burns Street Dock, and other Maritime facilities, Skate Park, Ball fields, Beach playgrounds, pavilions, Mt. McSauba Recreational Area which includes the Ski Hill, Sledding Hill, Ice Rink, Disc Golf, Trails and Day Camp and various other community recreational programs, activities and events.

The director will promote and ensure safety for participants. Departmental operations include supervision of part-time, and seasonal staff. This position requires some evening and weekend hours and accessibility by phone during non-work hours. The director works with citizen advocates to build healthy and active individuals, families, and community and maintains a safe, courteous and positive image of the City of Charlevoix with the public. The job functions below are not all-inclusive and other responsibilities and functions may be assigned as needed in the City's sole discretion. The position is a full-time, at-will position.

Essential Job Functions

- Management oversight over all recreational areas including the Golf Course, Marina, Burns Street Dock, and other Maritime facilities, Skate Park, Ball fields, Beach playgrounds, pavilions, Mt. McSauba Recreational Area which includes the Ski Hill, Sledding Hill, Ice Rink, Disc Golf, Trails and Day Camp and various other community recreational programs, activities and events.
- Hire, train, mentor, and supervise recreational personnel including setting work schedules and assignments, periodic goal setting, review of performance results and disciplinary actions up to and including dismissal if necessary.
- Develop goals and policy relating to recreational programs, activities and events.
- Develop a comprehensive program of recreational activities that meets the recreational needs of diverse community groups.
- Oversee the development, maintenance and implementation of the Recreation Master Plan.
- Monitor and evaluate the recreational needs of the community.
- Develop and implement community recreation programs including athletic leagues, instructional programs, day camps, and special events.
- Ensure that facilities for planned events are prepared and maintained and that safe procedures are followed.
- Develop marketing strategies to promote participation in recreational activities.
- Oversee all revenue producing activities including the preparation and follow up for all grant applications and the solicitation of donated dollars.
- Oversees the pavilion registration process.

- Prepare and monitor all general fund and non-general fund budgets pertaining to recreational activities.
- Develop cost-saving measures and additional revenue streams creating solvency amongst specific recreational activities.
- Prepare cost analysis reports for programs and monthly program reports.
- Respond to public inquiries about recreation programs.
- Perform or oversee the administrative tasks of the Recreation office.
- Perform public relation duties; respond to public inquiries and complaints; handle sports rule enforcement; prepare news releases, information and marketing bulletins or other publicity on recreation activities.
- Maintain and oversee all recreational activities including registration, fee collection, and selection and training of coaches and officials.
- Work with outside groups and agencies to meet the facilities needs for all recreational programs.
- City liaison to the Recreation Advisory Committee.
- Maintain awareness of current trends in industry.
- Attend meetings and complete reports as required by City Manager.

Knowledge, Skills and Abilities Preferred

- Ability to establish and maintain cooperative working relationships with City staff, Recreation Advisory Committee, other agencies, participants, instructors, community leaders, and the general public.
- Ability to hire and supervise and maintain a well-trained staff.
- Considerable knowledge of recreation philosophy, goals and objectives.
- Considerable knowledge of the equipment, facilities, operations and techniques used in a comprehensive community recreation program.
- Excellent at recreation program development and implementation based on good business sense and business planning.
- Excellent communicator, including public speaking.
- Ability to demonstrate outstanding leadership skills.
- Able to demonstrate the ability to be a creative thinker, problem solver, organizer and analytical skills.
- Ability to work independently or in a team-based environment.
- Knowledge and attitude to provide excellent customer service.
- Ability to work an adjustable/flexible work schedule and attend meetings, attend/monitor recreational events and activities outside of normal work schedule.
- Ability to be accessible by phone during non-work hours.
- Knowledge of the marketing/advertising process to promote recreational programs and events.
- Knowledge of the grant writing process.
- Competent in Windows; Microsoft Word, Excel, Publisher and PowerPoint; Website Content Management System; Social Media.
- Ability to work in an office environment and an outdoor environment including all types of weather conditions.

Preferred Qualifications

Bachelor's Degree in recreation administration, physical education, or a related field with five (5) years of experience supervising recreation programs, or any equivalent combination of education and experience. Previous staff management experience strongly preferred.

Other Requirements
The employee must occasionally lift and/or move up to 50 pounds. Employee must have a valid Michigan driver's license and access to a personal car. Ability to pass a nationwide criminal history background check.

The job description does not constitute an employment agreement between the employer and employee and is subject to change by the employers as the needs of the employer and requirements of the job change. The position is an at-will position.

City Council Approval: Pending

CHARLEVOIX CITY COUNCIL

Reports and Communications

TITLE: City Manager's Comments

DATE: November 6, 2017

PRESENTED BY: Mark L. Heydlauff, City Manager

BACKGROUND:

A. Infrastructure Improvements

Work on Hurlbut and Antrim is nearing completion. The recent rains have slowed paving work. At worst, a final coat of asphalt will be applied in the spring though this will be of minor significance this winter with parking, snowplowing, and driving being unobstructed. Similarly, Hampton Village and the Hamilton Place alley are nearly complete with the same potential asphalt plan. The surface improvements performed by Reith-Riley are now complete with topsoil and gravel laid this week. Additionally, as part of our annual tree planting and the infrastructure work, we have planted nearly 200 trees in the past week. We are also fixing a drainage issue in the Van Pelt Alley; concrete is curing now and the alley should be open again next week.

B. ICMA Convention

I attended the 103rd Annual ICMA Convention last week in San Antonio. I've included in my report a book chapter authored by Richard Florida entitled "The Rise of the Creative Class". He spoke at the conference and had many good suggestions for how we think about changing cities today and how we need to adapt for the future. Additionally, I learned about how many communities are dealing with short-term rentals, how communities are using technology to enhance economic development, and about the state of public management as a profession. I was able to meet with several web design vendors who are considering our website RFP and also met with a firm who does an asphalt treatment we might consider to enhance the pedestrian friendliness of our community. It was an engaging trip and I'm grateful for the opportunity to attend.

The following events are planned in public spaces during the month of November:

- November 2nd - Farmer's Market at the Library
- November 9th - Farmer's Market at the Library
- November 16th - Farmer's Market at the Library
- November 21st - Holiday Market Finale
- November 23rd - Munson Healthcare Charlevoix Hospital Turkey Trot
- November 24th - Community Parade, Bridge Street
- November 24th - Tree Lighting Celebration, East Park

ATTACHMENTS:

- The Rise of the Creative Class
- Shade Tree Commission Agenda - November 3, 2017
- Approved Charlevoix Historic District Commission and Standing Historic District Study Committee Minutes - September 22, 2017

- Approved Downtown Development Authority/Main Street Minutes - September 25, 2017
- Approved Airport Advisory Committee Minutes - October 2, 2017
- Sharing Streets & Alleys in Charlevoix (SBEI) - November 13, 2017

Respond to this Article

May 2002

The Rise of the Creative Class

Why cities without gays and rock bands are losing the economic development race.

By Richard Florida


San Francisco skyline

As I walked across the campus of Pittsburgh's Carnegie Mellon University one delightful spring day, I came upon a table filled with young people chatting and enjoying the spectacular weather. Several had identical blue T-shirts with "Trilogy@CMU" written across them---Trilogy being an Austin, Texas-based software company with a reputation for recruiting our top students. I walked over to the table. "Are you guys here to recruit?" I asked. "No, absolutely not," they replied adamantly. "We're not recruiters. We're just hangin' out, playing a little Frisbee with our friends." How interesting, I thought. They've come to campus on a workday, all the way from Austin, just to hang out with some new friends.

I noticed one member of the group sitting slouched over on the grass, dressed in a tank top. This young man had spiked multi-colored hair, full-body tattoos, and multiple piercings in his ears. An obvious slacker, I thought, probably in a band. "So what is your story?" I asked. "Hey man, I just signed on with these guys." In fact, as I would later learn, he was a gifted student who had inked the highest-paying deal of any graduating student in the history of his department, right at that table on the grass, with the recruiters who do not "recruit."

What a change from my own college days, just a little more than 20 years ago, when students would put on their dressiest clothes and carefully hide any counterculture tendencies to prove that they could fit in with the company. Today, apparently, it's the company trying to fit in with the students. In fact, Trilogy had wined and dined him over margarita parties in Pittsburgh and flown him to Austin for private parties in hip nightspots and aboard company boats. When I called the people who had recruited him to ask why, they answered, "That's easy. We wanted him because he's a rock star."

The Creativity Index (Guide to Charts)

The key to economic growth lies not just in the ability to attract the creative class, but to translate that underlying advantage into creative economic outcomes in the form of new ideas, new high-tech businesses and regional growth. To better gauge these capabilities, I developed a new measure called the Creativity Index (column 1). The Creativity Index is a mix of four equally weighted factors: the creative class share of the workforce (column 2 shows the percentage; column 3 ranks cities accordingly); high-tech industry, using the Milken Institute's widely accepted Tech Pole Index, which I refer to as the High-Tech Index (column 4); innovation, measured as patents per capita (column 5); and diversity, measured by the Gay Index, a reasonable proxy for an area's openness to different kinds of people and ideas (column 6). This composite indicator is a better measure of a region's underlying creative capabilities than the simple measure of the creative class, because it reflects the joint effects of its concentration and of innovative economic outcomes. The Creativity Index is thus my baseline indicator of a region's overall standing in the creative economy and I offer it as a barometer of a region's longer run economic potential. The following tables present my creativity index ranking for the top 10 and bottom 10 metropolitan areas, grouped into three size categories (large, medium-sized and small cities/regions).--Richard Florida

While I was interested in the change in corporate recruiting strategy, something even bigger struck me. Here was another example of a talented young person leaving Pittsburgh. Clearly, my adopted hometown has a huge number of assets. Carnegie Mellon is one of the world's leading centers for research in information technology. The University of Pittsburgh, right down the street from our campus, has a world-class medical center. Pittsburgh attracts hundreds of millions of dollars per year in university research funding and is the sixth-largest center for college and university students on a per capita basis in the country. Moreover, this is hardly a cultural backwater. The city is home to three major sports franchises, renowned museums and cultural venues, a spectacular network of urban parks, fantastic industrial-age architecture, and great urban neighborhoods with an abundance of charming yet affordable housing. It is a friendly city, defined by strong communities and a strong sense of pride. In the 1986 Rand McNally survey, Pittsburgh was ranked "America's Most Livable City," and has continued to score high on such lists ever since.

Yet Pittsburgh's economy continues to putter along in a middling flat-line pattern. Both the core city and the surrounding metropolitan area lost population in the 2000 census. And those bright young university people keep leaving. Most of Carnegie Mellon's prominent alumni of recent years---like Vinod Khosla, perhaps the best known of Silicon Valley's venture capitalists, and Rick Rashid, head of research and development at Microsoft---went elsewhere to make their marks. Pitt's vaunted medical center, where Jonas Salk created his polio vaccine and the world's premier organ-transplant program was started, has inspired only a handful of entrepreneurs to build biotech companies in Pittsburgh.

Over the years, I have seen the community try just about everything possible to remake itself so as to attract and retain talented young people, and I was personally involved in many of these efforts. Pittsburgh has launched a multitude of programs to diversify the region's economy away from heavy industry into high technology. It has rebuilt its downtown virtually from scratch, invested in a new airport, and developed a massive new sports complex for the Pirates and the Steelers. But nothing, it seemed, could stem the tide of people and new companies leaving the region.

I asked the young man with the spiked hair why he was going to a smaller city in the middle of Texas, a place with a small airport and no professional sports teams, without a major symphony, ballet, opera, or art museum comparable to Pittsburgh's. The company is excellent, he told me. There are also terrific people and the work is challenging. But the clincher, he said, is that, "It's in Austin!" There are lots of young people, he went on to explain, and a tremendous amount to do: a thriving music scene, ethnic and cultural diversity, fabulous outdoor recreation, and great nightlife. Though he had several good job offers from Pittsburgh high-tech firms and knew the city well, he said he felt the city lacked the lifestyle options, cultural diversity, and tolerant attitude that would make it attractive to him. As he summed it up: "How would I fit in here?"

This young man and his lifestyle proclivities represent a profound new force in the economy and life of America. He is a member of what I call the creative class: a fast-growing, highly educated, and well-paid segment of the workforce on whose efforts corporate profits and economic growth increasingly depend. Members of the creative class do a wide variety of work in a wide variety of industries---from technology to entertainment, journalism to finance, high-end manufacturing to the arts. They do not consciously think of themselves as a class. Yet they share a common ethos that values creativity, individuality, difference, and merit.

Large Cities Creativity Rankings

Rankings of 49 metro areas reporting populations over 1 million in the 2000 Census

Top Ten Cities

City	Creativity Index	%Creative Workers	Creative Rank	High-Tech Rank	Innovation Rank	Diversity Rank
1. San Francisco	1057	34.8	5	1	2	1
2. Austin	1028	36.4	4	11	3	16
3. San Diego	1015	32.1	15	12	7	3
3. Boston	1015	38.0	3	2	6	22
5. Seattle	1008	32.7	9	3	12	8
6. Chapel Hill	996	38.2	2	14	4	28
7. Houston	980	32.5	10	16	16	10
8. Washington	964	38.4	1	5	30	12
9. New York	962	32.3	12	13	24	14
10. Dallas	960	30.2	23	6	17	9
10. Minneapolis	960	33.9	7	21	5	29

Bottom Ten Cities

City	Creativity Index	%Creative Workers	Creative Rank	High-Tech Rank	Innovation Rank	Diversity Rank
49. Memphis	530	24.8	47	48	42	41
48. Norfolk, VA	555	28.4	36	35	49	47

47. Las Vegas	561	18.5	49	42	47	5
46. Buffalo	609	28.9	33	40	27	49
45. Louisville	622	26.5	46	46	39	36
44. Grand Rapids	639	24.3	48	43	23	38
43. Oklahoma City	668	29.4	29	41	43	39
42. New Orleans	668	27.5	42	45	48	13
41. Greensboro	697	27.3	44	33	35	35
40. Providence	698	27.6	41	44	34	33

More and more businesses understand that ethos and are making the adaptations necessary to attract and retain creative class employees---everything from relaxed dress codes, flexible schedules, and new work rules in the office to hiring recruiters who throw Frisbees. Most civic leaders, however, have failed to understand that what is true for corporations is also true for cities and regions: Places that succeed in attracting and retaining creative class people prosper; those that fail don't.

Stuck in old paradigms of economic development, cities like Buffalo, New Orleans, and Louisville struggled in the 1980s and 1990s to become the next "Silicon Somewhere" by building generic high-tech office parks or subsidizing professional sports teams. Yet they lost members of the creative class, and their economic dynamism, to places like Austin, Boston, Washington, D.C. and Seattle---places more tolerant, diverse, and open to creativity. Because of this migration of the creative class, a new social and economic geography is emerging in America, one that does not correspond to old categories like East Coast versus West Coast or Sunbelt versus Frostbelt. Rather, it is more like the class divisions that have increasingly separated Americans by income and neighborhood, extended into the realm of city and region.

The Creative Secretary

The distinguishing characteristic of the creative class is that its members engage in work whose function is to "create meaningful new forms." The super- creative core of this new class includes scientists and engineers, university professors, poets and novelists, artists, entertainers, actors, designers, and architects, as well as the "thought leadership" of modern society: nonfiction writers, editors, cultural figures, think-tank researchers, analysts, and other opinion-makers. Members of this super-creative core produce new forms or designs that are readily transferable and broadly useful---such as designing a product that can be widely made, sold and used; coming up with a theorem or strategy that can be applied in many cases; or composing music that can be performed again and again.

Beyond this core group, the creative class also includes "creative professionals" who work in a wide range of knowledge-intensive industries such as high-tech sectors, financial services, the legal and healthcare professions, and business management. These people engage in creative problem-solving, drawing on complex bodies of knowledge to solve specific problems. Doing so typically requires a high degree of formal education and thus a high level of human capital. People who do this kind of work may sometimes come up with methods or products that turn out to be widely useful, but it's not part of the basic job description. What they are required to do regularly is think on their own. They apply or combine standard approaches in unique ways to fit the situation, exercise a great deal of judgment, perhaps try something radically new from time to time.

Much the same is true of the growing number of technicians and others who apply complex bodies of knowledge to working with physical materials. In fields such as medicine and scientific research, technicians are taking on increased responsibility to interpret their work and make decisions, blurring the old distinction between white-collar work (done by decisionmakers) and blue-collar work (done by those who follow orders). They acquire their own arcane bodies of knowledge and develop their own unique ways of doing the job. Another example is the secretary in today's pared-down offices. In many cases this person not only takes on a host of tasks once performed by a large secretarial staff, but becomes a true office manager---channeling flows of information, devising and setting up new systems, often making key decisions on the fly. These people contribute more than intelligence or computer skills. They add creative value. Everywhere we look, creativity is increasingly valued. Firms and organizations value it for the results that it can produce and individuals value it as a route to self-expression and job satisfaction. Bottom line: As creativity becomes more valued, the creative class grows.

Medium-Size Cities Creativity Rankings

Rankings of 32 metro areas reporting populations 500,000 to 1 million in the 2000 Census

Top Ten Cities

City	Creativity Index	%Creative Workers	Creative Rank	High-Tech Rank	Innovation Rank	Diversity Rank
1. Albuquerque	965	32.2	2	1	7	1
2. Albany, NY	932	33.7	1	12	2	4
3. Tuscon, AZ	853	28.4	17	2	6	5
4. Allentown, PA	801	28.7	16	13	3	14
5. Dayton, OH	766	30.1	8	8	5	24
6. Colorado Springs	756	29.9	10	5	1	30
7. Harrisburg, PA	751	29.8	11	6	13	20
8. Little Rock, AR	740	30.8	4	10	21	11
9. Birmingham, AL	722	30.7	6	7	26	10
10. Tulsa, OK	721	28.7	15	9	15	18

Bottom Ten Cities

City	Creativity Index	%Creative Workers	Creative Rank	High-Tech Rank	Innovation Rank	Diversity Rank
32. Youngstown, OH	253	23.8	32	32	24	32
31. Scranton, PA	400	24.7	28	23	23	31
30. McAllen, TX	451	27.8	18	31	32	9
29. Stockton, CA	459	24.1	30	29	28	7
28. El Paso, TX	464	27.0	23	27	31	17
27. Fresno, CA	516	25.1	27	24	30	2
26. Bakersfield, CA	531	27.8	18	22	27	19
25. Fort Wayne, IN	569	25.4	26	17	8	26
24. Springfield, MA	577	29.7	13	30	20	22

23. Honolulu, HI	580	27.2	21	14	29	6

The creative class now includes some 38.3 million Americans, roughly 30 percent of the entire U.S. workforce---up from just 10 percent at the turn of the 20th century and less than 20 percent as recently as 1980. The creative class has considerable economic power. In 1999, the average salary for a member of the creative class was nearly $50,000 ($48,752), compared to roughly $28,000 for a working-class member and $22,000 for a service-class worker.

Not surprisingly, regions that have large numbers of creative class members are also some of the most affluent and growing.

The New Geography of Class

Different classes of people have long sorted themselves into neighborhoods within a city or region. But now we find a large-scale re-sorting of people among cities and regions nationwide, with some regions becoming centers of the creative class while others are composed of larger shares of working-class or service-class people. To some extent this has always been true. For instance, there have always been artistic and cultural communities like Greenwich Village, college towns like Madison and Boulder, and manufacturing centers like Pittsburgh and Detroit. The news is that such sorting is becoming even more widespread and pronounced.

In the leading centers of this new class geography, the creative class makes up more than 35 percent of the workforce. This is already the case in the greater Washington, D.C. region, the Raleigh-Durham area, Boston, and Austin---all areas undergoing tremendous economic growth. Despite their considerable advantages, large regions have not cornered the market as creative class locations. In fact, a number of smaller regions have some of the highest creative-class concentrations in the nation---notably college towns like East Lansing, Mich. and Madison, Wisc.

At the other end of the spectrum are regions that are being bypassed by the creative class. Among large regions, Las Vegas, Grand Rapids and Memphis harbor the smallest concentrations of the creative class. Members of this class have nearly abandoned a wide range of smaller regions in the outskirts of the South and Midwest. In small metropolitan areas like Victoria, Texas and Jackson, Tenn., the creative class comprises less than 15 percent of the workforce. The leading centers for the working class among large regions are Greensboro, N.C. and Memphis, Tenn., where the working class makes up more than 30 percent of the workforce. Several smaller regions in the South and Midwest are veritable working class enclaves with 40 to 50 percent or more of their workforce in the traditional industrial occupations.

These places have some of the most minuscule concentrations of the creative class in the nation. They are symptomatic of a general lack of overlap between the major creative-class centers and those of the working class. Of the 26 large cities where the working class comprises more than one-quarter of the population, only one, Houston, ranks among the top 10 destinations for the creative class.

Chicago, a bastion of working-class people that still ranks among the top 20 large creative centers, is interesting because it shows how the creative class and the traditional working class can coexist. But Chicago has an advantage in that it is a big city, with more than a million members of the creative class. The University of Chicago sociologist Terry Clark likes to say Chicago developed an innovative political and cultural solution to this issue. Under the second Mayor Daley, the city integrated the members of the creative class into the city's culture and politics by treating them essentially as just another "ethnic group" that needed sufficient space to express its identity.

Las Vegas has the highest concentration of the service class among large cities, 58 percent, while West Palm Beach, Orlando, and Miami also have around half. These regions rank near the bottom of the list for the creative class. The service class makes up more than half the workforce in nearly 50 small and medium-size regions across the country. Few of them boast any significant concentrations of the creative class, save vacationers, and offer little prospect for upward mobility. They include resort towns like Honolulu and Cape Cod. But they also include places like Shreveport, Lou. and Pittsfield, Mass. For these places that are not tourist destinations, the economic and social future is troubling to contemplate.

Plug-and-Play Communities

Why do some places become destinations for the creative while others don't? Economists speak of the importance of industries having "low entry barriers," so that new firms can easily enter and keep the industry vital. Similarly, I think it's important for a place to have low entry barriers for people---that is, to be a place where newcomers are accepted quickly into all sorts of social and economic arrangements. All else being equal, they are likely to attract greater numbers of talented and creative people---the sort of people who power innovation and growth. Places that thrive in today's world tend to be plug-and-play communities where anyone can fit in quickly. These are places where people can find opportunity, build support structures, be themselves, and not get stuck in any one identity. The plug-and-play community is one that somebody can move into and put together a life---or at least a facsimile of a life---in a week.

Creative centers also tend to be places with thick labor markets that can fulfill the employment needs of members of the creative class, who, by and large, are not looking just for "a job" but for places that offer many employment opportunities.

Cities and regions that attract lots of creative talent are also those with greater diversity and higher levels of quality of place. That's because location choices of the creative class are based to a large degree on their lifestyle interests, and these go well beyond the standard "quality-of-life" amenities that most experts think are important.

For instance, in 1998, I met Gary Gates, then a doctoral student at Carnegie Mellon. While I had been studying the location choices of high-tech industries and talented people, Gates had been exploring the location patterns of gay people. My list of the country's high-tech hot spots looked an awful lot like his list of the places with highest concentrations of gay people. When we compared these two lists with more statistical rigor, his Gay Index turned out to correlate very strongly to my own measures of high-tech growth. Other measures I came up with, like the Bohemian Index---a measure of artists, writers, and performers---produced similar results.

Talented people seek an environment open to differences. Many highly creative people, regardless of ethnic background or sexual orientation, grew up feeling like outsiders, different in some way from most of their schoolmates. When they are sizing up a new company and community, acceptance of diversity and of gays in particular is a sign that reads "non-standard people welcome here."

The creative class people I study use the word "diversity" a lot, but not to press any political hot buttons. Diversity is simply something they value in all its manifestations. This is spoken of so often, and so matter-of-factly, that I take it to be a fundamental marker of creative class values. Creative-minded people enjoy a mix of influences. They want to hear different kinds of music and try different kinds of food. They want to meet and socialize with people unlike themselves, trade views and spar over issues.

As with employers, visible diversity serves as a signal that a community embraces the open meritocratic values of the creative age. The people I talked to also desired nightlife with a wide mix of options. The most highly valued options were experiential ones---interesting music venues, neighborhood art galleries, performance spaces, and theaters. A vibrant, varied nightlife was viewed by many as another signal that a city "gets it," even by those who infrequently partake in nightlife. More than anything, the creative class craves real experiences in the real world.

They favor active, participatory recreation over passive, institutionalized forms. They prefer indigenous street-level culture---a teeming blend of cafes, sidewalk musicians, and small galleries and bistros, where it is hard to draw the line between performers and spectators. They crave stimulation, not escape. They want to pack their time full of dense, high-quality, multidimensional experiences. Seldom has one of my subjects expressed a desire to get away from it all. They want to get into it all, and do it with eyes wide open.

Creative class people value active outdoor recreation very highly. They are drawn to places and communities where many outdoor activities are prevalent---both because they enjoy these activities and because their presence is seen as a signal that the place is amenable to the broader creative lifestyle. The creative-class people in my studies are into a variety of active sports, from traditional ones like bicycling, jogging, and kayaking to newer, more extreme ones, like trail running and snowboarding.

Small-Size Cities Creativity Rankings

Rankings of 63 metro areas reporting populations 250,000 to 500,000 in the 2000 Census

Top Ten Cities

City	Creativity Index	%Creative Workers	Creative Rank	High-Tech Rank	Innovation Rank	Diversity Rank
1. Madison, WI	925	32.8	6	16	4	9
2. Des Moines, IA	862	32.1	8	2	16	20
3. Santa Barbara, CA	856	28.3	19	8	8	7
4. Melbourne, FL	855	35.5	1	6	9	32
5. Boise City, ID	854	35.2	3	1	1	46
6. Huntsville, AL	799	35.3	2	5	18	40
7. Lansing, MI	739	34.3	4	27	29	18
8. Binghamton, NY	731	30.8	12	7	3	60
9. Lexington, KY	717	27.0	28	24	10	12
10. New London, CT	715	28.1	23	11	13	33

Bottom Ten Cities

City	Creativity Index	%Creative Workers	Creative Rank	High-Tech Rank	Innovation Rank	Diversity Rank

63. Shreveport, LA	233	22.1	55	32	59	57
62. Ocala, FL	263	16.4	63	61	52	24
61. Visalia, CA	289	22.9	52	63	60	11
60. Killeen, TX	302	24.6	47	47	51	53
59. Fayetteville, NC	309	29.0	16	62	62	49
58. York, PA	360	22.3	54	54	26	52
57. Fayetteville, AR	366	21.1	57	57	42	17
56. Beaumont, TX	372	27.8	25	37	56	55
55. Lakeland, FL	385	20.9	59	56	53	5
54. Hickory, NC	393	19.4	61	48	32	30

Places are also valued for authenticity and uniqueness. Authenticity comes from several aspects of a community---historic buildings, established neighborhoods, a unique music scene, or specific cultural attributes. It comes from the mix---from urban grit alongside renovated buildings, from the commingling of young and old, long-time neighborhood characters and yuppies, fashion models and "bag ladies." An authentic place also offers unique and original experiences. Thus a place full of chain stores, chain restaurants, and nightclubs is not authentic. You could have the same experience anywhere.

Today, it seems, leading creative centers provide a solid mix of high-tech industry, plentiful outdoor amenities, and an older urban center whose rebirth has been fueled in part by a combination of creativity and innovative technology, as well as lifestyle amenities. These include places like the greater Boston area, which has the Route 128 suburban complex, Harvard and MIT, and several charming inner-city Boston neighborhoods. Seattle has suburban Bellevue and Redmond (where Microsoft is located), beautiful mountains and country, and a series of revitalized urban neighborhoods. The San Francisco Bay area has everything from posh inner-city neighborhoods to ultra-hip districts like SoMa (South of Market) and lifestyle enclaves like Marin County as well as the Silicon Valley. Even Austin includes traditional high-tech developments to the north, lifestyle centers for cycling and outdoor activities, and a revitalizing university/ downtown community centered on vibrant Sixth Street, the warehouse district and the music scene---a critical element of a thriving creative center.

Institutional Sclerosis

Even as places like Austin and Seattle are thriving, much of the country is failing to adapt to the demands of the creative age. It is not that struggling cities like Pittsburgh do not want to grow or encourage high-tech industries. In most cases, their leaders are doing everything they think they can to spur innovation and high-tech growth. But most of the time, they are either unwilling or unable to do the things required to create an environment or habitat attractive to the creative class. They pay lip service to the need to "attract talent," but continue to pour resources into recruiting call centers, underwriting big-box retailers, subsidizing downtown malls, and squandering precious taxpayer dollars on extravagant stadium complexes. Or they try to create facsimiles of neighborhoods or retail districts, replacing the old and authentic with the new and generic---and in doing so drive the creative class away.

It is a telling commentary on our age that at a time when political will seems difficult to muster for virtually anything, city after city can generate the political capital to underwrite hundreds of millions of dollars of investments in professional sports stadiums. And you know what? They don't matter to the creative class. Not once during any of my focus groups and interviews did the members of the creative class mention professional sports as playing a role of any sort in their choice of where to live and work. What makes most cities unable to even imagine devoting those kinds of resources or political will to do the things that people say really matter to them?

The answer is simple. These cities are trapped by their past. Despite the lip service they might pay, they are unwilling or unable to do what it takes to attract the creative class. The late economist Mancur Olson long ago noted that the decline of nations and regions is a product of an organizational and cultural hardening of the arteries he called "institutional sclerosis." Places that grow up and prosper in one era, Olson argued, find it difficult and often times impossible to adopt new organizational and cultural patterns, regardless of how beneficial they might be. Consequently, innovation and growth shift to new places, which can adapt to and harness these shifts for their benefit. This phenomenon, he contends, is how England got trapped and how the U.S. became the world's great economic power. It also accounts for the shift in economic activity from the old industrial cities to newer cities in the South and West, according to Olson.

Olson's analysis presciently identifies why so many cities across the nation remain trapped in the culture and attitudes of the bygone organizational age, unable or unwilling to adapt to current trends. Cities like Detroit, Cleveland, and my current hometown of Pittsburgh were at the forefront of the organizational age. The cultural and attitudinal norms of that age became so powerfully ingrained in these places that they did not allow the new norms and attitudes associated with the creative age to grow up, diffuse and become generally accepted. This process, in turn, stamped out much of the creative impulse, causing talented and creative people to seek out new places where they could more readily plug in and make a go of it.

Most experts and scholars have not even begun to think in terms of a creative community. Instead, they tend to try to emulate the Silicon Valley model which author Joel Kotkin has dubbed the "nerdistan." But the nerdistan is a limited economic development model, which misunderstands the role played by creativity in generating innovation and economic growth. Nerdistans are bland, uninteresting places with acre upon acre of identical office complexes, row after row of asphalt parking lots, freeways clogged with cars, cookie-cutter housing developments, and strip-malls sprawling in every direction. Many of these places have fallen victim to the very kinds of problems they were supposed to avoid. The comfort and security of places like Silicon Valley have gradually given way to sprawl, pollution, and paralyzing traffic jams. As one technology executive told The Wall Street Journal, "I really didn't want to live in San Jose. Every time I went up there, the concrete jungle got me down." His company eventually settled on a more urban Southern California location in downtown Pasadena close to the CalTech campus.

Kotkin finds that the lack of lifestyle amenities is causing significant problems in attracting top creative people to places like the North Carolina Research Triangle. He quotes a major real estate developer as saying, "Ask anyone where downtown is and nobody can tell you. There's not much of a sense of place here. . . .The people I am selling space to are screaming about cultural issues." The Research Triangle lacks the hip urban lifestyle found in places like San Francisco, Seattle, New York, and Chicago, laments a University of North Carolina researcher: "In Raleigh-Durham, we can always visit the hog farms."

The Kids Are All Right

How do you build a truly creative community---one that can survive and prosper in this emerging age? The key can no longer be found in the usual strategies. Recruiting more companies won't do it; neither will trying to become the next Silicon Valley. While it certainly remains important to have a solid business climate, having an effective people climate is even more essential. By this I mean a general strategy aimed at attracting and retaining people---especially, but not limited to, creative people. This entails remaining open to diversity and actively working to cultivate it, and investing in the lifestyle amenities that people really want and use often, as opposed to using financial incentives to attract companies, build professional sports stadiums, or develop retail complexes.

The benefits of this kind of strategy are obvious. Whereas companies---or sports teams, for that matter---that get financial incentives can pull up and leave at virtually a moment's notice, investments in amenities like urban parks, for example, last for generations. Other amenities---like bike lanes or off-road trails for running, cycling, rollerblading, or just walking your dog---benefit a wide swath of the population.

There is no one-size-fits-all model for a successful people climate. The members of the creative class are diverse across the dimensions of age, ethnicity and race, marital status, and sexual preference. An effective people climate needs to emphasize openness and diversity, and to help reinforce low barriers to entry. Thus, it cannot be restrictive or monolithic.

Openness to immigration is particularly important for smaller cities and regions, while the ability to attract so-called bohemians is key for larger cities and regions. For cities and regions to attract these groups, they need to develop the kinds of people climates that appeal to them and meet their needs.

Yet if you ask most community leaders what kinds of people they'd most want to attract, they'd likely say successful married couples in their 30s and 40s---people with good middle-to-upper-income jobs and stable family lives. I certainly think it is important for cities and communities to be good for children and families. But less than a quarter of all American households consist of traditional nuclear families, and focusing solely on their needs has been a losing strategy, one that neglects a critical engine of economic growth: young people.

Young workers have typically been thought of as transients who contribute little to a city's bottom line. But in the creative age, they matter for two reasons. First, they are workhorses. They are able to work longer and harder, and are more prone to take risks, precisely because they are young and childless. In rapidly changing industries, it's often the most recent graduates who have the most up-to-date skills. Second, people are staying single longer. The average age of marriage for both men and women has risen some five years over the past generation. College-educated people postpone marriage longer than the national averages. Among this group, one of the fastest growing categories is the never-been-married. To prosper in the creative age, regions have to offer a people climate that satisfies this group's social interests and lifestyle needs, as well as address those of other groups.

Furthermore, a climate oriented to young people is also attractive to the creative class more broadly. Creative-class people do not lose their lifestyle preferences as they age. They don't stop bicycling or running, for instance, just because they have children. When they put their children in child seats or jogging strollers, amenities like traffic-free bike paths become more important than ever. They also continue to value diversity and tolerance. The middle-aged and older people I speak with may no longer hang around in nightspots until 4 a.m., but they enjoy stimulating, dynamic places with high levels of cultural interplay. And if they have children, that's the kind of environment in which they want them to grow up.

My adopted hometown of Pittsburgh has been slow to realize this. City leaders continue to promote Pittsburgh as a place that is good for families, seemingly unaware of the demographic changes that have made young people, singles, new immigrants, and gays critical to the emerging social fabric. People in focus groups I have conducted feel that Pittsburgh is not open to minority groups, new immigrants, or gays. Young women feel there are substantial barriers to their advancement. Talented members of racial and ethnic minorities, as well as professional women, express their desire to leave the city at a rate far greater than their white male counterparts. So do creative people from all walks of life.

Is there hope for Pittsburgh? Of course there is. First, although the region's economy is not dynamic, neither is it the basket case it could easily have become. Twenty years ago there were no significant venture capital firms in the area; now there are many, and thriving high-tech firms continue to form and make their mark. There are signs of life in the social and cultural milieu as well. The region's immigrant population has begun to tick upward, fed by students and professors at the universities and employees in the medical and technology sectors. Major suburbs to the east of the city now have Hindu temples and a growing Indian-American population. The area's gay community, while not large, has become more active and visible. Pittsburgh's increasing status in the gay world is reflected in the fact that it is the "location" for Showtime's "Queer as Folk" series.

Many of Pittsburgh's creative class have proven to be relentless cultural builders. The Andy Warhol Museum and the Mattress Factory, a museum/workspace devoted to large-scale installation art, have achieved worldwide recognition. Street-level culture has a growing foothold in Pittsburgh, too, as main street corridors in several older working-class districts have been transformed. Political leaders are in some cases open to new models of development. Pittsburgh mayor Tom Murphy has been an ardent promoter of biking and foot trails, among other things. The city's absolutely first-rate architecture and urban design community has become much more vocal about the need to preserve historic buildings, invest in neighborhoods, and institute tough design standards. It would be very hard today (dare I say nearly impossible) to knock down historic buildings and dismember vibrant urban neighborhoods as was done in the past. As these new groups and efforts reach critical mass, the norms and attitudes that have long prevailed in the city are being challenged.

For what it's worth, I'll put my money---and a lot of my effort---into Pittsburgh's making it. If Pittsburgh, with all of its assets and its emerging human creativity, somehow can't make it in the creative age, I fear the future does not bode well for other older industrial communities and established cities, and the lamentable new class segregation among cities will continue to worsen.

For further information and rankings of creative cities, go to www.creativeclass.org.

Richard Florida is a professor of regional economic development at Carnegie Mellon University and a columnist for Information Week. This article was adapted from his forthcoming book, The Rise of the Creative Class: and How Its Transforming Work

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CITY OF
CHARLEVOIX

Agenda
Charlevoix Shade Tree Commission

Second Floor Conference Room, City Hall
210 State Street, Charlevoix, Michigan
November 3, 2017 -- 9:00 a.m.

1. Roll Call

2. Inquiry Regarding Possible Conflicts of Interest

3. Approval of August 24, 2017 Meeting Minutes

4. Old Business
   a. Recommending Street Tree Planting Design
   b. Infrastructure Upgrades

5. New Business
   a. Review 2017 Fall Planting
   b. Final Master Planting Schedule

6. Public Comment

7. 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

Posted October 31, 2017 4:00 p.m.

Joint Meeting of the
City of Charlevoix
Historic District Commission and the
Historic District Study Committee
Friday, September 22, 2017
Minutes

Ken Polakowski, Chair of the Historic District Commission, called the meeting to order at 11:07 a.m.

Present for the Historic District Commission: Kay Heise, David Miles, Kenneth Polakowski, Vicki Voisin, Hans Wiemer
Absent: Mary Adams, John Campbell

Present for the Historic District Study Committee: Kenneth Polakowski
Absent: Mary Adams, John Campbell, Hugh Mason, Vicki Voisin, Jeannine Wallace, Paul Weston

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1) Roll Call

2) Approval of Agenda
A quorum was present, and the agenda was unanimously approved.
Motion made by Vicki Voisin and supported by David Miles.

3) Inquiry Regarding Conflicts of Interest: None

4) Approval of Minutes
The minutes of the August 11, 2017 meeting were unanimously approved.
Motion made by David Miles and supported by Vicki Voisin.

5) New Business: None

6) Old Business
   a. Potential listing of the Bridge Street/Van Pelt Alley District on the National Register of Historic Places

      1. Ken Polakowski announced that at the City Council meeting on September 5, 2017, approved the following addition to the City's Historic District Ordinance:

         Section 1.327, item #6*:*
         Investigate and advocate the nomination of properties within the City of Charlevoix for listing in the National Register of Historic Places.

      2. The owners of the twelve properties involved have been identified, and as reported at the last meeting, Lindsey Dotson, Executive Director of the Downtown Development Authority (DDA), is preparing a questionnaire/survey to be mailed to them. It was suggested by Vicki Voisin and agreed by the committee that a simple response form be included with a self-addressed, stamped envelope.

3. The earlier research, known as the **West Side Report**, has been found. Four of the properties under discussion have not been documented:
   - 217 Bridge (formerly Feindt survey building)
   - 100 Van Pelt (formerly Consign/Design)
   - 101 Van Pelt (currently The Cantina restaurant)
   - 105 Van Pelt -soon to be renumbered – (formerly Seeley's Printing)

   Kay Heise and Vicki Voisin volunteered to prepare the needed documentation, David Miles volunteered to locate any historic photos, and John Campbell will be asked to take current photographs.

7) Next Meeting Date
May, 2018: date to be determined

8) Adjournment
The agreement to adjourn was unanimously approved.
Motion made by Hans Wiemer and supported by Kay Heise.
Meeting adjourned at 11:30 a.m.

Submitted by: Kay Heise

CITY OF CHARLEVOIX
CHARLEVOIX DOWNTOWN DEVELOPMENT AUTHORITY/MAIN STREET MINUTES
Monday, September 25, 2017 at 5:30 p.m.
210 State Street, Charlevoix, Michigan

1. Call to Order

2. Pledge of Allegiance

3. Roll Call

Chair:	Kirby Dipert
Members Present:	Richard Christner, Fred DiMartino, Luther Kurtz, Carissa Mullaney, Maureen Owens, Rick Wertz
Members Absent:	Tami Gillespie, John Yaroch
City Staff:	Lindsey Dotson, Executive Director

4. Inquiry into Potential Conflicts of Interest

5. Consent Agenda

a. Minutes of the August 28, 2017 Regular Board Meeting
b. Committee Meeting Minutes
c. Main Street Monthly Report for August 2017

Member Owens stated with regards to the Board Meeting minutes she did not recall the need to specify color on the posts so she requested that the reference to "black posts" be removed. She also stated that the adjourned time was 6:56 not 7:56 p.m.

Motion by Member Wertz, second by Member Owens, to approve the Consent Agenda with the above changes. Motion passed by unanimous voice vote.

6. Reports

a. Director's Report

Director Dotson stated that she received a letter of resignation from Farmers Market Manager Chris Leese, but she will be finishing the season. She stated with recent challenges that Boyne City has faced in filling their Market Manager position they talked about combining and posting the jobs together, essentially making the posting more attractive. The Board concurred with the suggestion to combine the advertising/posting for the position.

b. Branding Update

Director Dotson discussed the new Brand Guidelines. She stated that the "brand rollout" will be gradual and would include incorporating the new brand into items as they come up for purchase, i.e., business cards, letterhead, signage in addition to designing graphics and ads related to events and wayfinding.

c. Wayfinding Signage Update

Director Dotson stated that City Council approved the DDA's recommendation for the signs with the logo on the bottom. Pro Image will attend the next Design Committee meeting to discuss pricing for the first phase of sign production and installation along with specifics for placement. Discussion followed about new or existing poles for the signage, locations for the signage, and the upcoming Design Committee meeting.

7. Old Business

8. New Business

a. Letter of Support for Bridge Lights Project

Director Dotson stated that Leilani Durbin and her team were asking for a letter of support from the DDA as the group plans to take the proposal to City Council on October 2nd and then to MDOT. Ms. Durbin stated that Paul Belding who was the visionary behind this project passed away on September 1st and she promised him that she would help bring this project to fruition. She stated that if they went through the regular channels of the Main Street Program that it could take 2-3 years to complete and they were hoping to fast track the project. Ms. Durbin felt confident with the community and DDA support that they could get City Council on board with the project. She stated that she would involve the Design Committee, but basically Mr. Belding's design was white lights along the bottom of the arch, lights along the pathway and possibly lighting the railing as well. She stated that she had two lighting companies come forward with the idea of product donations to support the project. Estimated cost of the project: $200,000–$300,000.

Discussion followed regarding the history of this project, whether the project is within the DDA District, lighting of the bridge all year, and project specifics. Ms. Durbin read the letter of support from the Chamber of Commerce. Mayor Kurtz felt that they should enthusiastically support this project and discuss how to make some sort of contribution in the future.

Motion by Member DiMartino, second by Mayor Kurtz, that the DDA show enthusiastic support of the possible lighting of our bridge. Motion passed by unanimous voice vote.

9. Public Comment

10. Request for Future Agenda Items

11. Board Comments

12. Adjourn

Motion by Mayor Kurtz, second by Member Mullaney, to adjourn the meeting. Motion passed by unanimous voice vote. Meeting adjourned at 6:02 p.m.

Joyce Golding/fgm City Clerk

Kirby Dipert Chair

CITY OF CHARLEVOIX
AIRPORT ADVISORY COMMITTEE MEETING MINUTES
Monday, October 2, 2017 – 10:00 a.m.
210 State Street, Charlevoix, MI

I. Call to Order

The meeting was called to order at 10:01 a.m. by Chair Woody.

II. Roll Call of Members Present

Chair:	Scott Woody
Members Present:	Shirley Gibson, Don Seelye, Ken Tough
Members Absent:	Richie Gillespie
City Staff:	Mark Heydlauff, City Manager; Matt Wyman, Interim Airport Manager

III. Approval of July 31st AAC Minutes

Member Seelye stated under the Manager's Report, he spoke about the new hangar having a 14' door rather than a 12' door and he was referencing Paul Bachteal's proposed new hangar, not Mr. Sutton's new hangar.

Don Exelby took exception to the brevity of the minutes. Chair Woody stated that the minutes only needed to include things that they made a motion on or an action taken and he stated that he asked the Clerk "to brief over them". Chair Woody asked Interim Airport Manager Wyman to follow up with the State to make sure the Voluntary Quiet Hour's Policy is in the Directory and Interim Airport Manager Wyman replied that they have a MAP meeting with the State on October 12th.

Motion by Member Seelye, second by Member Tough, to approve the July 31st AAC meeting minutes as corrected [Member Seelye's correction]. Motion passed by unanimous voice vote.

IV. Inquiry Regarding Possible Conflicts of Interest.

V. Managers' Report.

Interim Airport Manager Wyman reported that City Council approved the land lease adjustment for Mr. Sutton's hangar and he expected construction to start later in the week or early next week.

Member Gibson stated that the Planning Commission suggested that they have a Hangar Development Plan rather than a review on a case-by-case basis for new hangars and she thought that was a great idea.

VI. General Business/All Other Actions and Requests

a) <u>MDOT/FAA Response Letter to Skydiving Risk Analysis Report</u>

Chair Woody summarized the issues again with skydiving, the contents of the request to the FAA and ~~the response from the FAA and~~ MDOT's recommendations. He stated that they were not asking the parachute operation to operate off Airport, but only to not operate on certain days during the busy summer season. He stated that there were issues between Island Airways and the former Airport Manager, which came to a head with the FAA and then Island Airways stopped recording. He stated that "recording those numbers and getting that grant are a higher priority than a single percentage days of skydiving".

Chair Woody stated, "these are not a forced document saying you have to follow; the FAA and the State of Michigan do not own this Airport". He stated that their goal was to maximize the Airport and what the Airport can do, and the letter addressed the Minimum Standards as imposing unjustified hardship on the skydiving operation and he questioned if the request had included only "select days". Interim Airport Manager Wyman agreed (Thursdays & Fridays before the holidays, May to October). Chair Woody stated that he is not saying that skydiving was the reason they lost the primary grant, but skydiving was clearly a factor. Interim Airport Manager Wyman felt he would rather seek guidance from the governing authority of our Airport and get a recommendation rather than getting a letter from them saying "you have to stop doing this".

b) <u>Minimum Standards Update</u>

Chair Woody stated that "they do work with Island Airways and find out the days" for skydiving operations. He questioned if RS&H, Airport Consultants, had weighed in on the revised Minimum Standards and Interim Airport Manager Wyman responded that they have not. The last Standards were written by the consultant.

Chair Woody stated that the noise issues, Don Seelye's gate issue, and the commercial through-the-fence issues were all more important than skydiving. He stated that these were open ended issues that have gone on so long. Interim Airport Manager Wyman stated that the Voluntary Quiet Hours Policy was in the proposed Minimum Standards.

c) <u>2018 Construction Project Design</u>
Interim Airport Manager Wyman stated that next year's proposed project was for building a new Taxilane that would be used by future private hangar tenants and the City would need to front the money for the design cost and then be reimbursed with next year's grant. He estimated the design cost to be $40,000–$60,000. Interim Airport Manager Wyman stated that he met with a new Charlevoix resident who has a Challenger 600 and was very interested in building a hangar. He was also interested in purchasing de-icing equipment for their use and by other operators during the winter.

d) <u>North Country Aviation Letter</u>
Chair Woody referenced the North Country Aviation letter and felt that it was embarrassing. Interim Airport Manager Wyman stated that he had not heard from the passengers and when he received the email from Mr. Terrill he immediately called and asked to speak with the pilot who was very upset about how he was spoken to in front of the passengers. Member Tough felt that this situation should have been handled by the Sheriff.

Mr. Exelby stated that they circulated the letter from North Country Aviation, but he did not see the letter from Mr. Terrill. He distributed copies of the emails that went back and forth from Mr. Terrill. Chair Woody stated that the pilot thought the Voluntary Quiet Hours Policy was for jets and turbo-props. Member Tough replied that the policy applied to all aircraft. Mr. Exelby disputed the ambiguity in the information that is put out as to when it's applicable. Chair Woody asked the Interim Airport Manager to make sure the language was clarified and get Mr. Exelby's information and let him see the rest of the items.

e) <u>Future Presentation to City Council</u>
Chair Woody stated that he would like to make a presentation to City Council "about all these little issues" because he felt there was nothing presented to Council from the findings and activities of this Committee. Chair Tough and Member Gibson agreed. Chair Woody stated that it would be a brief presentation about skydiving and trying to work together and Island Airways and the City issue.

f) <u>City of Charlevoix Ethics Ordinance</u>
Chair Woody stated that the City has a proposed Ethics Ordinance which has gotten out of hand. The reason he was bringing it before this Committee was because the Airport is the sponsor so when the Airport/City sponsor a contract with the FAA there are so many requirements and there's a few things about ethics and having policies and he did not know if it was in the grant assurances and/or "the big contract". He stated that this Committee was scrutinized by a certain City Councilmember and he felt that it "proves that the City's Ethics Ordinance I think should be passed because it encompasses all Committees and how they behave and what they do". Chair Woody commented that the City had a Resolution which only states things about City projects. Member Gibson stated that the Resolution only addresses a member of the Council bidding on a City project, and the proposed Ethics Ordinance was much more detailed and included specific things that are prohibited if there is a conflict.

City Manager Heydlauff stated that the Planning Commission and Zoning Board of Appeals both have their own by-laws, and felt that by-laws may be useful for the Airport Committee as well. Chair Woody responded that he supported the proposed Ethics Ordinance and replied that they should not have to make up something for the Airport Committee since the proposed Ordinance covers boards and committees as well.

Motion by Member Tough, second by Member Seelye, to support the City's proposed Ethics Ordinance that was presented in May 2017 to the City Council. Motion passed by unanimous voice vote.

VII. Miscellaneous Business/Reports

Interim Airport Manager Wyman stated that contacted other airports to see if there was information in their Ground Operations Manual (GOM's) mentioning anything restricting skydiving operations and not one had any limitations or restrictions.

Member Tough asked the status of the Fixed Base Operator (FBO) proposals and City Manager Heydlauff replied that he did not have an update.

VIII. Public Comment Other Than Agenda Items

Charlie Scherping stated that he had a small issue last week on the door for hangar 10 where the motor started free-wheeling. He recommended buying break motors for those doors as the motors fail.

IX. Adjournment

Motion by Member Tough, second by Member Seelye, to adjourn the meeting. Meeting adjourned at 11:00 a.m.

Joyce Golding/fgm	City Clerk	Scott Woody	Chair

Sharing Streets & Alleys in Charlevoix:
Envisioning Multi-Modal Traffic in Charlevoix's Downtown

Parking lots and alleys in downtown Charlevoix offer opportunities for new business, redevelopment, and downtown access for **pedestrians, bicyclists, and cars**. Bounded by Bridge, Park, State, and Clinton Streets, one such "multi-modal" area – a space that serves multiple traffic types – has been the subject of discussion about how and whether it can be enhanced to better serve the community. What improvements are necessary? How should it be designed? What are the safety concerns? How can this area connect the downtown with other community attractions?

To help answer these questions and create a community consensus about the area, Michigan State University has provided planning and design services through its Sustainable Built Environment Initiative (SBEI). Public meetings were held in June and August 2017 to gather input and review design ideas for the alley. Based on public input, SBEI has prepared a final design recommendation. Charlevoix residents, businesses, and others are invited to a public input event on **November 13** to **learn about the final design recommendations** made by the SBEI team.

AGENDA

5:00 PM	Welcome & Introductions
5:10 PM	Presentation of Final Design Recommendation
6:00 PM	Open House: Feedback, Questions, & Social Hour

Monday, November 13
5 - 7 p.m.
Charlevoix Library
220 Clinton Street, Charlevoix

FREE
Refreshments will be served.
Please RSVP by November 10 to:
Sarah Lucas, Networks Northwest
231-929-5034
sarahlucas@networksnorthwest.org

This event is offered by the City of Charlevoix in partnership with the Sustainable Built Environment Initiative of Michigan State University.
More information is available online at
www.spdc.msu/about_us/sbei

CITY OF CHARLEVOIX

CHARLEVOIX MAIN STREET DDA