CITY OF CHARLEVOIX

AGENDA
CITY OF CHARLEVOIX CITY COUNCIL REGULAR MEETING
Monday, October 1, 2018- 6:00 PM
Council Chambers, 210 State Street, Charlevoix, MI

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1. **Pledge of Allegiance**

2. **Roll Call**

3. **Presentations**

   A. 2017-18 Audit Presentation
   Representative of Rehmann Robson

   B. Housing Update
   Kathy Egan, Community Planner for Networks Northwest

4. **Inquiry Regarding Conflicts of Interest**

5. **Consent Agenda**

   A. City Council Meeting Minutes - September 17, 2018

   B. Accounts Payable and Payroll Check Registers

   C. Resolution to Waive Penalty Fees for Failure to File a Property Transfer Avidavit

   D. EMS Job Descriptions

   E. Accept the 2017-18 Fiscal Year Financial Audit

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

   A. Public Hearing for Zoning Ordinance Amendment: Housekeeping Changes
   Kathy Egan, Community Planner Networks Northwest

7. **All Other Actions and Requests**

   A. Historic District Request
   Mark L. Heydlauff, City Manager; Sidney Feldman, Homeowner

   B. Set Work Session for October 29
   Mark L. Heydlauff, City Manager

8. **Reports and Communications**

   A. Public Comments

   B. City Manager 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

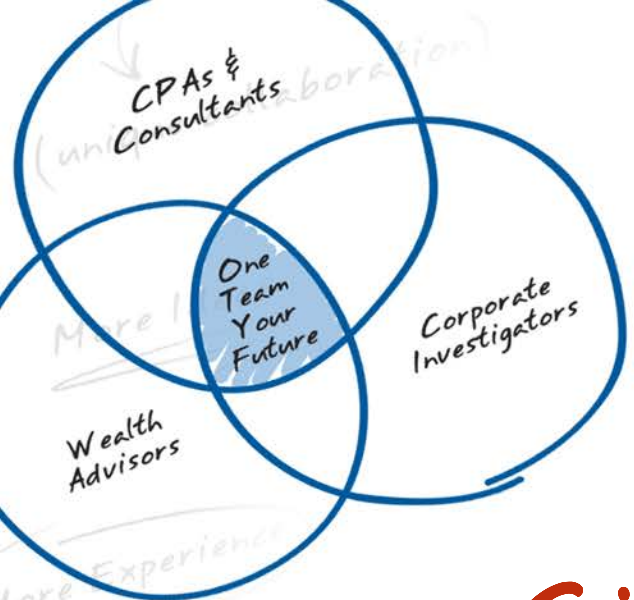
TITLE: 2017-18 Audit Presentation
DATE: October 1, 2018

PRESENTED BY: Representative of Rehmann Robson

BACKGROUND:
The 2017-18 Audit will be presented be a representative of Rehmann Robson.

ATTACHMENTS:

- Audit Presentation



NEXIA INTERNATIONAL

City of Charlevoix

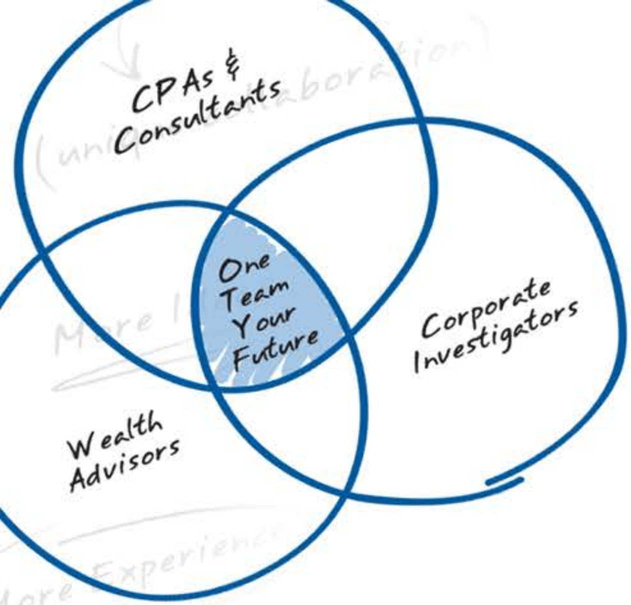
Presentation of Audited Financial Statements

March 31, 2018

Rehmann
Business wisdom delivered.

Independent Auditors' Report

- Unmodified Opinion – Financial statements are fairly presented, in all material respects, in conformity with Accounting Principles Generally Accepted in the United States of America.



NEXIA
INTERNATIONAL

Financial Highlights

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Government-Wide Financial Statement Highlights

Capital Assets	Total Capital Assets, net	Capital Asset Additions	Depreciation Expense
Governmental Activities	$29.8 million	$1.8 million	$933,000
Business-type Activities	$40.0 million	$2.8 million	$2.4 million
DDA Component Unit	$3.4 million	$106,000	$188,000

Long-term Debt	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities	$4.0 million	$211,000	$(452,000)	$3.7 million	$228,000
Business-Type Activities	$13.7 million	$2,000	$(742,000)	$12.9 million	$752,000

Rehmann

General Fund Highlights

Total Fund Balance - $1,653,970 (details on page 17 of financial statements):

– Nonspendable - $36,225

– Unassigned - $1,500,664

Change in the General Fund balance (on pages 21-23 of financial statements):

- Decrease of $117,081 during the current year.
- Original budget decrease of $329,800
- Final budget decrease of $281,458

General Fund unassigned fund balance is approximately 40% of total General Fund expenditures and transfers out.

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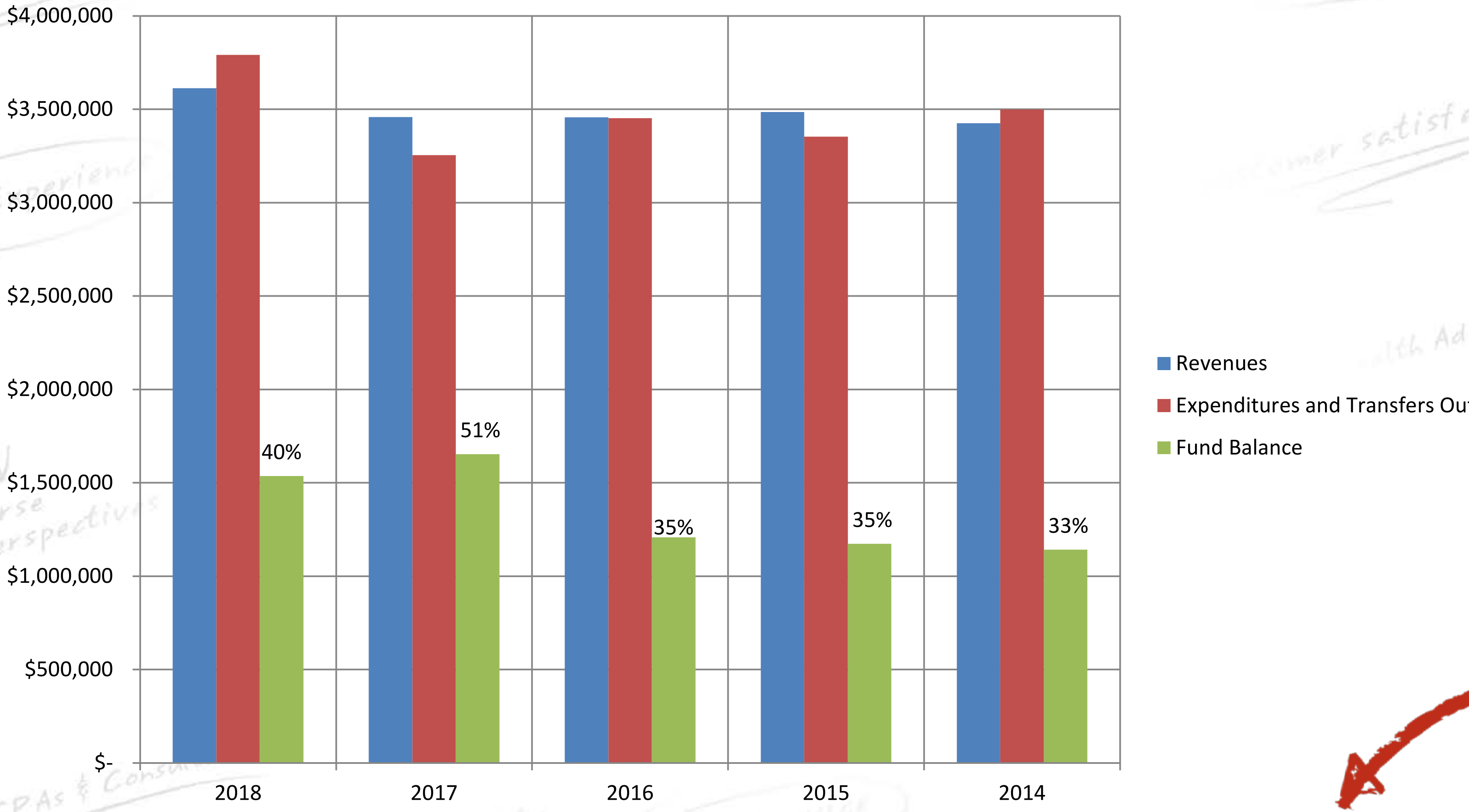
General Fund History



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Proprietary Funds 2018 Highlights

Fund	Revenue and Transfers In	Expenses and Transfers Out	Change in Net Position	Net Position at 3/31/2018
Electric Utility	$5.6 million	$5.8 million	$(161,000)	$10.0 million
Sewage Disposal Utility	$2.6 million	$1.9 million	$985,000	$9.7 million
Water Utility	$1.5 million	$1.2 million	$349,000	$5.1 million
Marina	$771,000	$1.1 million	$(288,000)	$2.6 million
Airport	$1.2 million	$1.5 million	$1.0 million	$8.9 million

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Electric Fund History

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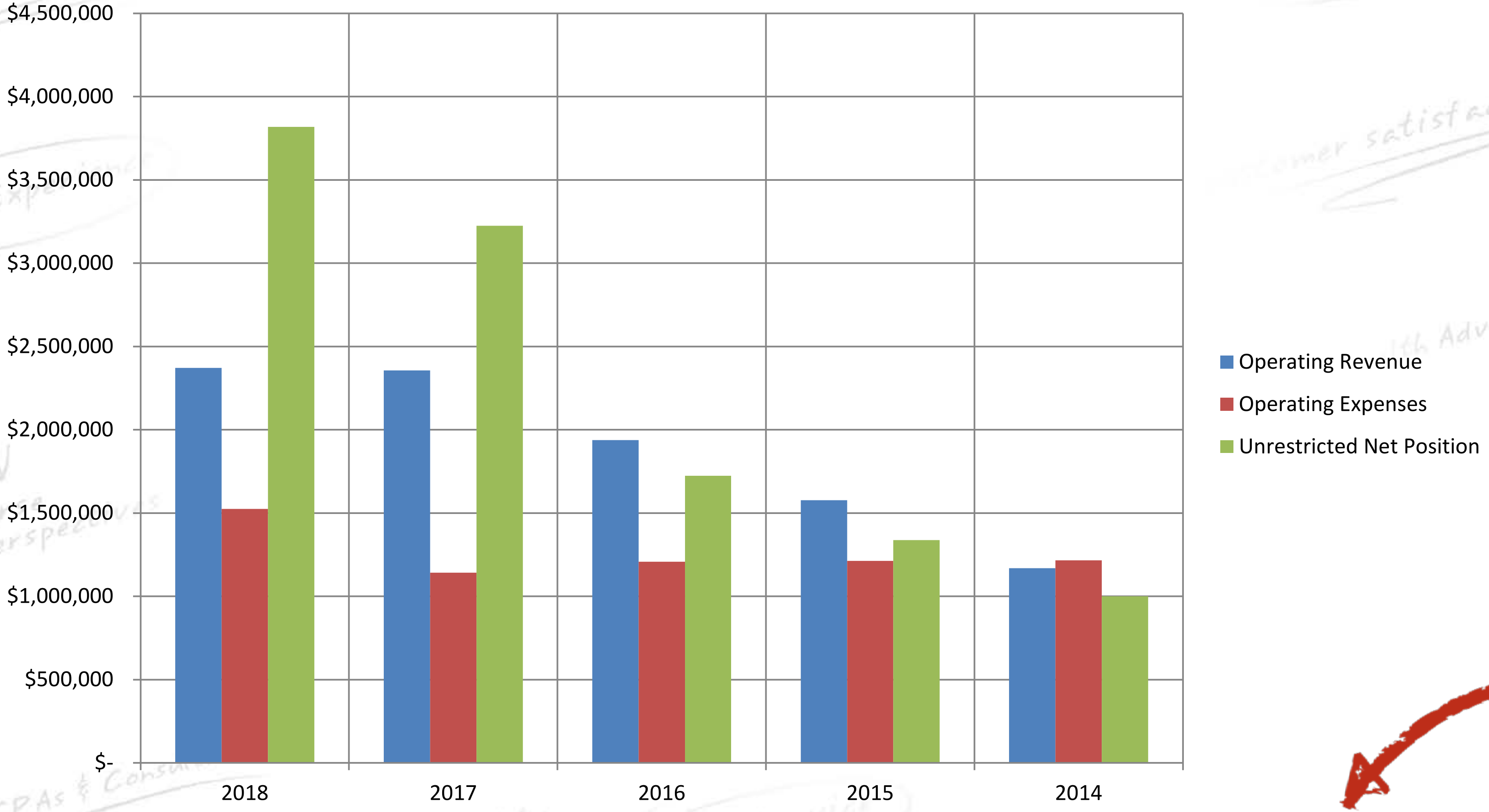
Sewage Disposal Utility Fund



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Water Utility Fund

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Marina Fund

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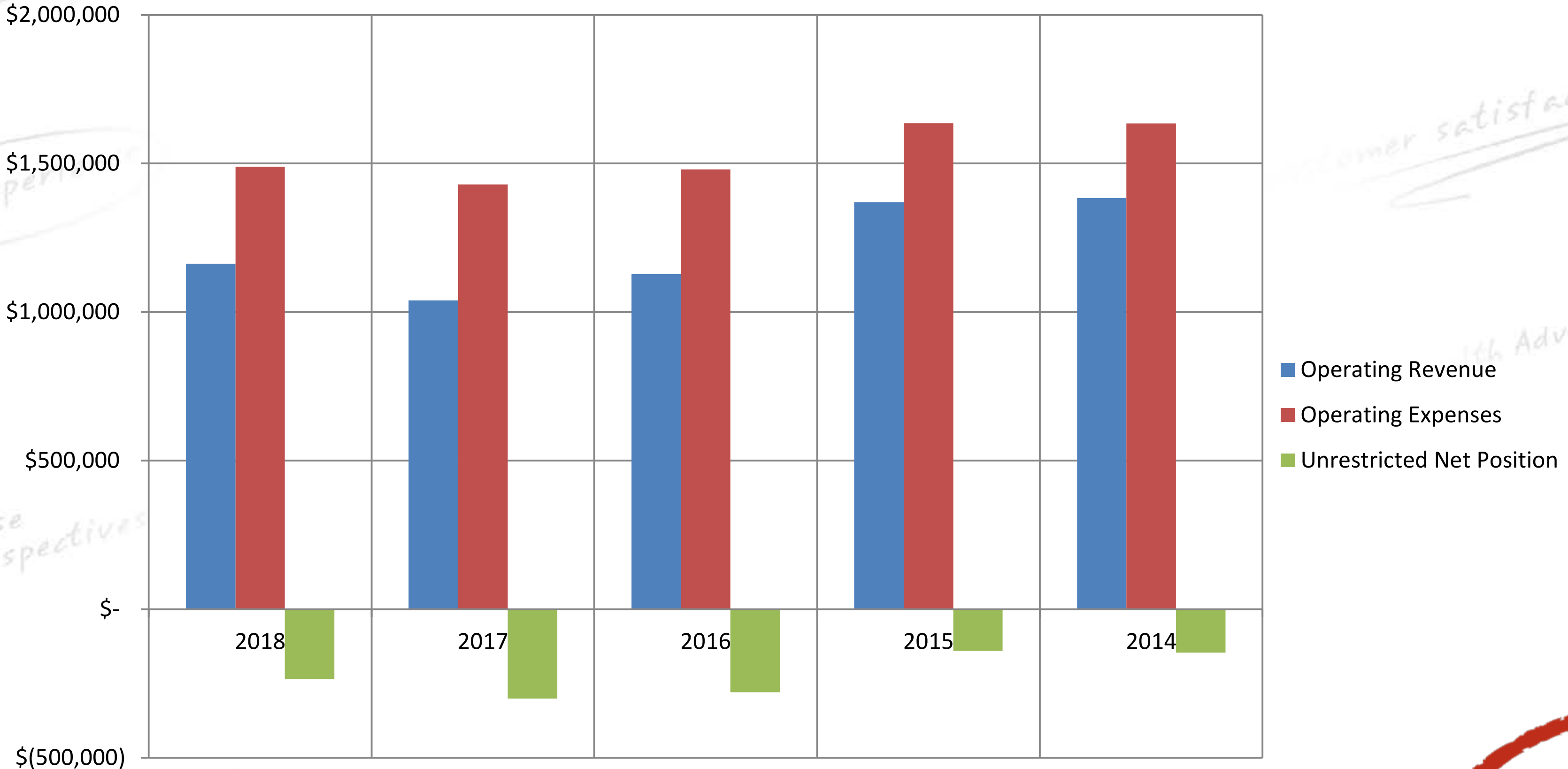
Airport Fund



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Interfund Advances

Fund	Advance From	Advance To
Electric Fund	$683,000	$ -
Marina Fund	-	593,000
Airport Fund	-	90,000

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

Rehmann

Questions

Rehmann

We Sincerely Thank You For Your Continued Business

Annette Eustice, CPA, CGFM

Annette.eustice@rehmann.com

231-627-3143

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CHARLEVOIX CITY COUNCIL

Presentations

TITLE: Housing Update
DATE: October 1, 2018

PRESENTED BY: Kathy Egan, Community Planner for Networks Northwest

BACKGROUND:
Kathy Egan will provide an update on topics surrounding housing policy and the needs in our community.

ATTACHMENTS:

- Networks Northwest Housing Update

Networks Northwest
Talent / Business / Community

Board Chair: **Gary W. Fedus**
Chief Executive Officer: **Matt McCauley**

Information Item: **City of Charlevoix – City Council**
Meeting: **October 1, 2018**
Topic: **Housing update from the Planning Commission**

Housing has been on the radar of the Planning Commission for some time now. They are well aware of the need for more attainable housing for individuals and families and the impact the lack of housing is having on the community. To that end they have been learning as much as they can, as fast as they can in order to adjust the Zoning Ordinance to allow for and invite new housing opportunities into the city.

Here is a brief synopsis of what they are working on:

Housing types to consider allowing through zoning

- Duplexes
- Home conversion – splitting existing home into apartments
- Accessory dwelling units (ADU) – a second, smaller unit either within a primary building, part of a detached building, or a stand-alone detached building (also called granny flat, mother-in-law apartment).
- Multi-units on a lot up to a quadplex - this could be in many different forms such as ADUs, home conversions, small apartment buildings, courtyard apartments, townhouses, cottage style development, etc.

Considerations

- Redraw zoning district boundaries
- Increase allowed density in appropriate areas
- Reduce minimum lot size – allow for potential land splits to create more lots within a district
- Reduce setbacks to allow more buildable space on a lot
- Reduce parking requirements
- Reduce minimum square footage required for dwellings
- Allow SRO – Single Room Occupancy – boarding houses
- Allow motels to have some rooms rented out as long term units
- Zoning can include standards that state whether a certain type of unit has to be owner-occupied, rented out long-term, or can be used as short term rental

Planning Commission Process

- PC has studied the housing situation and demographics
- October meeting will include a walk-through of the R2 district
- Goals:
    - Allow for a variety of new housing
    - Create a zoning amendment that will be flexible for property owners
    - Create incentive for local investment
    - Create opportunity for infill housing development
    - Streamline approval processes
- Future: examine all city-owned property for housing potential

Charlevoix 2016 Census Information
Source: U.S. Census Bureau, American Community Survey, latest 5-Year Estimates

Population by Age, (2016)		
Total	2,522	100%
Preschool (0 to 4)	163	6.50%
School Age (5 to 17)	187	7.40%
College Age (18 to 24)	212	8.40%
Young Adult (25 to 44)	566	22.40%
Adult (45 to 64)	624	24.70%
Older Adult (65 plus)	770	30.50%
Median Age*	50.9	

*Median Age is averaged for combined areas

Median Household Income (2016)	$31,926	

Total Housing Units	2,196	100.00%
Owner Occupied	644	29.30%
Renter Occupied	721	32.80%
Seasonal or Recreational Use	770	35.10%
1-Unit (Attached or Detached)	779	35.50%
2 - 9 Units	353	16.10%
10 - 19 Units	80	3.60%
20 or more Units	128	5.80%
Built prior to 1940	725	33.00%

Households, 2016		
Total Households	1,365	100.00%
Married with Children	76	5.60%
Married without Children	419	30.70%
Single Parents	100	7.30%
Non-family Households	770	56.40%
Living Alone	656	48.10%
Average Household Size	1.7	
Average Family Household Size	2.5	

The 2014 Target Market Analysis (funded by Networks Northwest and MSHDA) concluded the following:
In order to meet the current demand for housing for the City of Charlevoix for *<u>each</u>* of the next five years the number of units needed include:

Aggressive Prediction:	**Renters - 201 Units**	**Owners – 38 Units**
Conservative Prediction:	**Renters – 91**	**Owners - 20**

CHARLEVOIX CITY COUNCIL

Consent Agenda

TITLE: City Council Meeting Minutes - September 17, 2018
DATE: October 1, 2018

RECOMMENDATION:
Motion to approve City Council minutes.

ATTACHMENTS:

- Draft Council Minutes

CITY OF CHARLEVOIX
DRAFT REGULAR CITY COUNCIL MEETING MINUTES
Monday, September 17, 2018 – 6:00 p.m.
Council Chambers, 210 State Street, Charlevoix, MI

The meeting was called to order at 6:00 p.m. by Mayor Luther Kurtz.

1. Pledge of Allegiance

2. Roll Call

Mayor:	Luther Kurtz
Members Present:	Greg Bryan, Shane Cole, Aaron Hagen, Janet Kalbfell, Tom Oleksy, Leon Perron
Members Absent:	None
City Manager:	Mark L. Heydlauff
City Clerk:	Joyce Golding

3. Presentations

A. EMS Department Update
EMS Director McMullen stated that over the course of the last several months, we have implemented several new initiatives and he explained the details to Council. He discussed enhanced billing rates, expanded level of care with licensing, additional staffing, updated equipment, collaboration with local hospitals and North Central Michigan Community College and community public health awareness.

4. Inquiry Regarding Conflicts of Interest

5. Consent Agenda

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

A. City Council Meeting Minutes – September 4, 2018
B. Accounts Payable and Payroll Check Registers
   a. Regular Accounts Payable Check Register – September 18, 2018
   b. ACH Payments – September 4, 2018 to September 12, 2018
   c. Payroll Check Register – September 7, 2018
   d. Payroll Transmittal – September 7, 2018
   e. Tax Disbursement – September 18, 2018
C. MDOT Sponsor Contract Agreement for $585,507

CITY OF CHARLEVOIX
RESOLUTION NO. 2018-09-03
EXECUTION OF CONTRACT WITH THE STATE OF MICHIGAN DEPARTMENT OF TRANSPORTATION FOR A FEDERAL/STATE LOCAL AIRPORT PROJECT
(Federal Project No. 3-26-0017-2218 MDOT CONTRACT NO. 2018-0825)

WHEREAS, *the City is entering into a contract with the State of Michigan Department of Transportation for the Design and Construction of South Taxiway and Fence Installation; and*

WHEREAS, *MDOT will provide the City with a contract agreement; and*

WHEREAS, *the agreement will be in the amount of Five Hundred Eighty-Five Thousand Five Hundred Seven Dollars ($585,507.00) with the funding breakdown of 90% Federal, 5% State (MDOT) and 5% Local match; and*

WHEREAS, *the City of Charlevoix Local Share of the grant will be Twenty-Nine Thousand Two Hundred Seventy-Six Dollars ($29,276.00).*

NOW THEREFORE BE IT RESOLVED, *that the City of Charlevoix City Council hereby authorizes the City Manager to execute the MDOT agreement after review by City Staff and the City Attorney.*

RESOLVED *this 17th day of September, 2018 A.D.*

Resolution was adopted by the following yea and nay vote:
Yeas: Kalbfell, Bryan, Hagen, Perron, Oleksy, Cole
Nays: None

D. Purchase 4/0 Kerite Cable for $26,901
E. Purchase of a New Pickup Truck for $30,567

F. Community Foundation Grant Application for Additional Wayfinding Signs
G. Community Foundation Grant Application for Smart Trash/Recycling Bin

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

6. Public Hearings & Actions Requiring Public Hearings

A. Public Hearing for Zoning Ordinance Amendment: Development Review Process

The Mayor opened the Public Hearing at 6:20 p.m. Kathy Egan, Community Planner with Networks Northwest stated that City Council decided that they want to shift some zoning approval processes to the Planning Commission. They felt that the Planning Commission was the appropriate body to determine if these applications meet the ordinance requirements, and that by eliminating the second round of review and approval by Council the process would be streamlined for both the City and the applicant. Those approvals include: special land use permits, site plan reviews, site condo approvals, and Planned Unit Development approvals. Planner Egan confirmed that the Planning Commission applies the ordinances approved by Council and if the ordinances are not followed, this leaves the door open for a lawsuit against the City. Council has no discretionary authority to override ordinances. She noted that most northern Michigan communities have eliminated the approval process redundancy that exists in Charlevoix.

Mayor Kurtz opened the item to public comment.

- Rick Wertz questioned the noticing requirements and approval process followed by the Planning Commission.
- Gabe Campbell stated that the Planning Commission and Zoning Board of Appeals members need training.
- Jodi Laurent questioned whether new Planning Commission members have full voting rights when they are appointed.

Perron commented that some of his constituents wanted to preserve the “rubber stamp” effect of Council re-approving. Bryan explained the frustration of having to wait for multiple approvals from a developer’s perspective.

The Public Hearing was closed at 6:46 p.m.

CITY OF CHARLEVOIX
ORDINANCE NO. 794 of 2018

AN ORDINANCE TO AMEND TITLE V, CHAPTER 51, ARTICLES 2, 4, 7, 10, 12, 13, AND 14 OF THE CHARLEVOIX CITY CODE

THE CITY OF CHARLEVOIX ORDAINS:

SECTION 1. Title V, Chapter 51, Article 2, Section 5.7 (9) of the City Code is hereby repealed in its entirety and replaced with the following:

Condominium Site

(9) Site Condominium Development Plan. The plans, drawings and information prepared for a site condominium development, as required by Section 66 of the Condominium Act and this ordinance, for review by the planning commission.

SECTION 2. Title V, Chapter 51, Article 4, Section 5.27(4)(b)(6) footnote [1] of the City Code is hereby amended with the following change:

[1] The Planning Commission may waive this requirement for the expansion of existing developments.

SECTION 3. Title V, Chapter 51, Article 4, Section 5.47(3) of the City Code is hereby amended with the following change:

(3) Site Condominiums. This chapter requires preliminary review of site condominium plans by the planning commission to ensure that site condominiums comply with this ordinance and other applicable city ordinances.

SECTION 4. Title V, Chapter 51, Article 7, Section 5.47(3)(a) and 5.47(3)(a)1 of the City Code is hereby amended with the following change:

(a) *Optional Planning Commission Review of Preliminary Plans.*

1. *Prior to final review and approval of a site condominium development plan, a preliminary site condominium development plan may be reviewed by the planning commission in accordance with the procedures, standards and requirements provided by this section if requested by the applicant. Such review shall take place following a public hearing by the planning commission on the preliminary plan. At least fifteen (15) days’ notice of the hearing shall be given by ordinary mail, sent to the owners of, or parties with interest in, the lands within three hundred (300) feet of the property to be included in the development, as listed in the current city tax assessment rolls.*

SECTION 5. Title V, Chapter 51, Article 7, Section 5.47(3)(a)4 of the City Code is hereby repealed in its entirety and replaced with the

following:

4. *After reviewing the preliminary site condominium development plan, the planning commission shall prepare a written statement of recommendations regarding the proposed site condominium development, including any suggested or required changes in the plan. The planning commission shall provide a copy of its written recommendations to the applicant.*

.

SECTION 6. Title V, Chapter 51, Article 7, Section 5.47(3)(b)1, 2, 3, and 4 of the City Code is hereby repealed in its entirety and replaced with the following:

(b) Review and Approval of Final Plans.

1. The final site condominium plan shall incorporate all of the recommendations, if any, made by the planning commission based on its prior review of the preliminary plan. If any of the planning commission's recommendations are not incorporated in the final plan, the applicant shall clearly specify, in writing, which recommendations have not been incorporated and the reasons why. Except for changes made to the plan as needed to incorporate the recommendations of the planning commission, the final plan shall otherwise be identical to the preliminary plan acted upon by the planning commission. Changes made to the plan other than those necessary to incorporate the recommendations of the planning commission shall be resubmitted to the planning commission for further review and recommendation prior to approval of the plan.

2. After receiving the final site condominium development plan, the planning commission shall proceed to review and may approve, deny, or approve with conditions the plan in accordance with the standards and requirements provided the City of Charlevoix Parcel Division Ordinance and other applicable procedures, standards and requirements of this section.

3. As a condition of approval of a final site condominium development plan the city manager, with input from staff, may require that a financial guarantee, covering the estimated cost of improvements associated with the site condominium development for which approval is sought, be deposited with the city, as provided by the Michigan Zoning Enabling Act, Public Act 110 of the Public Acts of 2006, as it may be amended from time to time.

SECTION 7. Title V, Chapter 51, Article 7, Section 5.47(3)(d) of the City Code is hereby repealed in its entirety and replaced with the following:

(d) Construction in Compliance with Approved Plan. No buildings or structures shall be constructed, nor shall any other site improvements or changes be made on the property in connection with a proposed site condominium development, except in compliance with a final site condominium development plan, as approved by the planning commission, including any conditions of approval.

SECTION 8. Title V, Chapter 51, Article 7, Section 5.47(3)(f) of the City Code is hereby repealed in its entirety and replaced with the following:

(f) Expandable or Convertible Condominium Developments. Approval of a final site condominium development plan shall not constitute approval of expandable or convertible portions of a site condominium development, unless the expandable or convertible areas were specifically reviewed and approved by the planning commission in compliance with the procedures, standards and requirements of this section.

SECTION 9. Title V, Chapter 51, Article 7, Section 5.47(3)(g)2 of the City Code is hereby repealed in its entirety and replaced with the following:

2. Any change which constitutes a major change shall be reviewed by the planning commission, at a public hearing and with the notice required for an original approval of a site condominium development, as provided in this chapter for the original review and approval of preliminary and final plans.

SECTION 10. Title V, Chapter 51, Article 7, Section 5.47(3)(h) of the City Code is hereby repealed in its entirety and replaced with the following:

(h) Incorporation of Approved Provisions in Master Deed. All provisions of a final site condominium development plan which are approved by the planning commission, as provided by this section, shall be incorporated by reference in the master deed for the site condominium project. Further, all major changes to a development shall be incorporated by reference in the master deed. A copy of the master deed, as recorded with the Charlevoix County Register of Deeds, shall be provided to the city within ten (10) days after recording.

SECTION 11. Title V, Chapter 51, Article 7, Section 5.47(3)(i) of the City Code is hereby repealed in its entirety and replaced with the following:

(i) Commencement of Construction. Construction of an approved site condominium development shall commence within two (2) years after final site condominium development approval and be diligently pursued to completion in accordance with the terms and conditions of the approval. The two-year period may be extended by the planning commission, at its discretion, for additional time periods as determined appropriate by the planning commission. Any extension shall be applied for, in writing, by the applicant prior to the expiration of the initial two-year period.

SECTION 12. Title V, Chapter 51, Article 7, Section 5.48(1)(d) 1 and 2 of the City Code is hereby repealed in its entirety and replaced with the following:

(d) Procedures.

1. Special Use. Review of any request for establishment of a sexually oriented business shall be in accordance with the special land use provisions of Article 13 of this ordinance. The planning commission shall conduct a public hearing, in accordance with the timing and notification requirements of Section 5.131(2) and shall approve, deny or approve with conditions the special land use request based on the requirements of this Article and the general standards of Section 5.133.

2. Conditions of Approval. Prior to granting approval for the establishment of any sexually oriented business, the planning commission may impose conditions or limitations upon the establishment, location, construction, maintenance or operation of the use as authorized by Section 5.132. Any evidence, bond or other performance guarantee may be required as proof that the conditions stipulated in connection therewith will be fulfilled.

SECTION 13. Title V, Chapter 51, Article 7, Section 5.55(2)(a) of the City Code is hereby repealed in its entirety and replaced with the following:

(a) A special use approval shall be required for mineral extraction operations, including removal of soil, sand or gravel, where more than six hundred (600) cubic yards will be removed. The special use permit shall be subject to approval by the planning commission following a public hearing. Once issued, the special use may be reviewed annually by the planning commission to ensure that the operation conforms to all plans, progress, conditions and sureties. Removal operations shall not begin until the special use is approved and a zoning compliance permit is issued.

SECTION 14. Title V, Chapter 51, Article 7, Section 5.55(2)(b)7 of the City Code is hereby repealed in its entirety and replaced with the following:

7. A fee, determined by the city manager, with input from staff to defray review, administration and inspection costs.

SECTION 15. Title V, Chapter 51, Article 7, Section 5.55(2)(c) of the City Code is hereby amended as follows:

(c) Requirements. A special use permit shall not be issued unless activities comply with all the following requirements and the planning commission finds that there will be no serious consequences to the immediate area or community at large. A special use permit may be revoked if the use is found in violation of any part of this section.

SECTION 16. Title V, Chapter 51, Article 7, Section 5.55(2)(c)2 of the City Code is hereby amended as follows:

2. Final grades shall not exceed five (5) percent and shall meet existing elevations at all property lines. Grades in excess of five (5) percent may be permitted by the planning commission if the applicant demonstrates that an increase is essential to implement a plan for future use.

SECTION 17. Title V, Chapter 51, Article 10, Section 5.93(6) of the City Code is hereby repealed in its entirety and replaced with the following:

(6) Payment in Lieu of Parking. The creation of commercial or accessory residential floor space or uses in the Central Business District, unless exempt under Section 5.93(4), shall require the provision for parking in accordance with this chapter; provided that the planning commission may approve a site plan as required by Section 5.118 as amended, if the property owner pays on a one-time basis to the City of Charlevoix Central Business District parking improvement fund the sum of three thousand (3,000) dollars adjusted on an annual basis in accord with the Consumer Price Index, based on the year 1991 for each parking space which cannot be provided on site. Such funds shall be used to benefit the provision of public parking in the Central Business District. Parking spaces thus provided shall be unreserved and generally available to the public. Payments into the parking fund shall be made prior to the issuance of a land use permit for the proposed project by the zoning administrator.

SECTION 18. Title V, Chapter 51, Article 12, Section 5.118(2)(e), (f), and (g) of the City Code is hereby repealed in its entirety and replaced with the following:

(e) The planning commission shall consider the site plan and shall either approve the site plan, as submitted, if all applicable requirements and standards have been met; approve the site plan with conditions; or deny the site plan if applicable requirements and standards have not been met. The planning commission review shall be based on the requirements of this chapter, comments received from city departments and consultants, and, specifically, the review standards of Section 5.120.

(f) If approved, two (2) copies of the site plan shall be signed and dated by the chairperson of the planning commission and the applicant. One (1) copy, plus the digital copy, shall be kept on file with the city and one (1) copy shall be returned to the applicant or their designated representative. If the plan is approved with conditions, a revised plan shall be submitted reflecting those conditions and signed by the applicant and the planning commission chairperson, prior to issuance of any permits.

SECTION 19. Title V, Chapter 51, Article 12, Section 5.122 of the City Code is hereby repealed in its entirety and replaced with the following:

5.122 Performance Guarantee

To assure compliance with this ordinance and any conditions of approval, performance guarantees may be required. The city manager may require that a performance guarantee be furnished to ensure compliance with the requirements and conditions imposed under the city's Zoning Ordinance. The amount of the performance guarantee shall be set forth by the city manager, with input from staff, and shall be an amount acceptable to the city in covering the estimated cost of improvements associated with the project for which zoning approval is sought. This performance guarantee may be in the form of a cash deposit, certified check, irrevocable bank letter of credit, or a surety bond, and shall be deposited with the treasurer of the city. The performance guarantee shall be deposited at the time of issuance of the permit authorizing the activity or project. The city shall not require the deposit of the performance guarantee before the date on which the city is prepared to issue the permit. The city shall rebate any cash deposits in reasonable proportion to the ratio of work completed on the required improvement as work on the required improvements progresses.

SECTION 20. Title V, Chapter 51, Article 13, Section 5.130 of the City Code is hereby amended to delete footnote [37] in its entirety.

SECTION 21. Title V, Chapter 51, Article 14, Section 5.141(2) of the City Code is hereby amended as follows:

(2) Size. Each PUD shall contain a minimum of twenty-one thousand, seven hundred eighty (21,780) square feet; provided sites containing less than twenty-one thousand, seven hundred eighty (21,780) square feet may be considered for rezoning to PUD, if the planning commission determines that the site will advance the purposes of the PUD District. When determining the appropriateness of areas less than the applicable minimum required, the planning commission shall determine that:

SECTION 22. Title V, Chapter 51, Article 14, Section 5.142(3) of the City Code is hereby amended as follows:

(3) Modification of Minimum Requirements. District regulations applicable to a land use in the PUD may be altered from the requirements specified in Table 5.142(2), including, but not limited to, modification from the lot area and width, building setbacks, height, lot coverage, signs and parking. The applicant for a PUD shall identify in writing all intended deviations from the zoning requirements. Modifications may be approved by the planning commission during the preliminary development plan review stage. These adjustments may be permitted only if they will result in a higher quality and more sustainable development consistent with the purposes of PUD expressed in Section 5.140. The modifications shall also satisfy at least four (4) of the following criteria:

SECTION 23. Title V, Chapter 51, Article 14, Section 5.142(4) of the City Code is hereby amended as follows:

(4) Density Bonus. In addition to the modification of minimum requirements permitted in Section 5.142(3), the planning commission may permit an increase in the total number of residential units allowed within a PUD where it is demonstrated that at least three (3) of the following amenities will be included in the development:

SECTION 24. Title V, Chapter 51, Article 14, Section 5.143(1) of the City Code is hereby amended as follows:

(1) Conditions. Reasonable conditions may be imposed upon the PUD approval by the planning commission as part of the final decision of the PUD application. The conditions imposed shall be recorded in the minutes of the approval action and shall remain unchanged except upon amendment of the PUD in accordance with the procedures of Section 5.147. Conditions may include, but are not limited to, those necessary to:

SECTION 25. Title V, Chapter 51, Article 14, Section 5.143(2) of the City Code is hereby amended as follows:

(2) Performance Guarantees. The planning commission may require reasonable performance guarantees in accordance with Section 5.122 of this ordinance to ensure completion of specified improvements within the PUD.

SECTION 26. Title V, Chapter 51, Article 14, Section 5.143(4) of the City Code is hereby amended as follows:

(4) Time Limits. Each PUD shall be under construction within twelve (12) months after the date of approval of the final development plan. If this requirement is not met, the planning commission may, in its discretion, grant one extension not exceeding up to twelve (12) additional months; provided that prior to the expiration of the initial twelve (12) month period, the applicant shall submit reasonable evidence in writing to the effect that unforeseen difficulties or special circumstances have been encountered, causing delay in commencement of the PUD. If the PUD has not been commenced within the initial twelve (12) month approval period, or within an authorized extension thereof, any building permits issued for the PUD or any part thereof shall be of no further effect. At the expiration of the applicable period of time, the planning commission may initiate proceedings for the rezoning of the property to some other zoning district.

SECTION 27. Title V, Chapter 51, Article 14, Section 5.144(3)(d), (e), and (f) of the City Code is hereby repealed in its entirety and replaced with the following:

(d) Recommendation. Following the public hearing, the planning commission shall review the PUD request and the preliminary development plan based on conformance with the standards of Section 5.145 and shall approve, deny or approve with modifications the

request for PUD zoning and the preliminary development plan.

(e) Zoning Map. If the PUD zoning is approved, the zoning administrator shall cause the zoning map to be changed to indicate the planned unit development. If the preliminary development plan is approved with modifications, the applicant shall file with the zoning administrator written notice of consent to the modifications and a properly revised preliminary development plan prior to the map being changed.

SECTION 28. Title V, Chapter 51, Article 14, Section 5.144(4) of the City Code is hereby amended as follows:

(4) Final Development Plan. Within twelve (12) months of the planning commission's approval of the preliminary development plan and PUD rezoning, the applicant shall submit a final development plan for the entire PUD or one or more phases to the zoning administrator, in accordance with the requirements for Level B site plan review, as contained in Table 5.119(1) of this ordinance. If determined to be complete by the zoning administrator, copies of the plan shall be forwarded to the planning commission.

SECTION 29. Title V, Chapter 51, Article 14, Section 5.144(4)(b) of the City Code is hereby amended as follows:

(b) Extension of Time Limit. One extension of the time period for submitting the final development plan may be granted by the planning commission for up to an additional twelve (12) months if a request is submitted by the applicant in writing prior to the expiration of the original twelve (12) month approval period. If an application for final development plan approval has not been submitted prior to the expiration of the original twelve (12) months or an approved extension, the preliminary development plan shall be null and void. In addition, the planning commission may initiate a rezoning of the property to another zoning district.

SECTION 30. Title V, Chapter 51, Article 14, Section 5.144(4)(d) of the City Code is hereby amended as follows:

(d) Review and Action. The planning commission shall review the final development plan in relation to its conformance with the preliminary development plan and any conditions or modifications attached to the PUD rezoning. If it is determined that the final plan does not substantially conform to the preliminary development plan, the review process shall be conducted as a preliminary development plan review, in accordance with Section 5.144(3). If the final development plan is consistent with the approved preliminary development plan, the planning commission shall review the final plan in accordance with the standards for site plan review, Section 5.120 and the PUD standards of Section 5.145. The planning commission shall prepare a record of its findings and shall approve, deny or approve with modifications the final development plan.

SECTION 31. 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 32. Effective Date.

This Ordinance shall become effective thirty (30) days after its enactment.

Ordinance No. 794 was adopted on the 17th day of September, 2018 A.D., by the Charlevoix City Council as follows:
Motion by Cole, second by Kalbfell.
Yeas: Kalbfell, Bryan, Hagen, Cole
Nays: Perron, Oleksy
Absent: None

State of Michigan)
) §
City of Charlevoix)

B. Set Public Hearing for Zoning Ordinance Amendment: Housekeeping Changes
Planner Egan stated that proposed amendments to multiple sections of the Zoning Ordinance were approved by the Planning Commission on September 10, 2018. All of the changes are corrections, clarifications, or minor in nature.

Mayor Kurtz opened the item to public comment.

- Maureen Owens suggested that Council educate their constituents regarding the planning approval process.
- Rick Wertz requested the definition of "housekeeping".

The item was closed to the public.

Motion by Hagen, second by Cole, to set a Public Hearing for Monday, October 1, 2018 at 6:00 p.m. in Council Chambers for the proposed Zoning Ordinance amendments.
Yeas: Kalbfell, Bryan, Hagen, Perron, Oleksy, Cole
Nays: None

7. All Other Actions & Requests

A. MPPA Solar Energy Project

Electric Superintendent Swem recalled that the City looked at the possibility of investing in some form of solar energy project but, the cost was too expensive. The State recently passed legislation that set new goals for renewables and energy efficiency. The City needs to add to its present portfolio to meet these future goals. He stated that MPPA will be the owner of the solar projects and the City will contract with MPPA to get our share of the energy, capacity, and any environmental attributes that are generated. The City is not obligated to share in any other costs – we only pay for the energy delivered.

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

Motion by Kalbfell, second by Hagen, to allow the Authorized Representative to execute the attached Energy Services Project Transaction Authorization which entitles the City of Charlevoix to 1.0% of the Energy, Capacity, and Environmental Attributes of the MPPA Solar Project and makes the City responsible to cover 1.0% of MPPA's financial obligations under the Project.
Yeas: Kalbfell, Bryan, Hagen, Perron, Oleksy, Cole
Nays: None

B. Full Time EMT and Paramedic Plan

EMS Director McMullen stated that historically the City of Charlevoix EMS Department operated as a volunteer, paid-on-call system under the direction of a full-time Director. This spring, we added a full-time Paramedic. The full-time Paramedic takes up a third of the required Paramedic shifts in order to maintain 24/7/365 coverage. The other Paramedic and EMT shifts are filled with Staff who select shifts based upon their availability. Council retained the Center for Public Safety Management who conducted a needs assessment for the department. The results showed we need to expand to a full-time model system such that we add an additional full-time Paramedic and two EMTs. This will fill 66% of our schedule requirements while allowing ample opportunity for our paid-on-call Staff to fill the remaining shifts. He stated that one of the new Sstaff will also take on the responsibility of Assistant EMS Director. With fewer runs by paid-on-call Staff and increased revenue, we project the additional costs of the Staff will be in line with budget projections for the department.

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

Motion by Kalbfell, second by Perron, to approve the EMS Department job descriptions as presented and authorize the hiring of the Staff outlined.
Yeas: Kalbfell, Bryan, Hagen, Perron, Oleksy, Cole
Nays: None.

8. Reports & Communications

A. Public Comments

B. City Manager Comments

- Beth Egler has information to pass along regarding the beaches
- New website is scheduled to go live on October 11th
- Blue Star memorial will be dedicated on November 8th
- NW Michigan Housing Summit in Traverse City on October 22nd
- Underground water access on Bridge Park Drive is moving
- Congratulations to the organizers of the first Oktoberfest
- Resident complaint about the noon and evening whistle

C. Mayor & Council Comment

- Mayor announced the Boyne City to Charlevoix trail dedication on October 21st
- Bryan added his congratulations on Oktoberfest
- Cole talked to some folks out of town who were excited about Charlevoix

9. Other Council Business

Mayor Kurtz continued the discussion from Council's earlier Work Session. City Manager Heydlauff will find a mutually agreeable time for another Work Session to discuss the final downtown parking report.

A. Closed Session: City Manager Performance Review

Motion by Cole, second by Perron, to enter Closed Session for the purpose of conducting a performance evaluation at the request of the employee [MCL 15.268 Section 8(a).]
Yeas: Kalbfell, Bryan, Hagen, Perron, Oleksy, Cole
Nays: None

Council moved into Closed Session at 7:19 p.m. Council resumed Open Session at 8:08 p.m.

Motion by Cole, second by Hagen, to award City Manager Heydlauff the following: pay increase will be split into a cost of living increase reflecting the published Consumer Price Index (CPI) with a cap of 5%; plus over the next three years, 6% this year

effective immediately, 5% next year, and 4% the year after that in an effort to bring his wages in line with other City Managers in the area; extend his contract through September 17, 2021.
Yeas: Kalbfell, Bryan, Hagen, Perron, Oleksy, Cole
Nays: None

10. Adjourn
The Mayor adjourned the meeting at 8:10 p.m.

Joyce M. Golding	City Clerk	Luther Kurtz	Mayor

Regular Accounts Payable – 09/18/2018

2ND STORY MARKETING LLC	500.00	JACK DOHENY SUPPLIES INC	905.84
ACE HARDWARE	1,939.40	JESS CONSTRUCTION CO. INC.	280.00
AMERICAN CEMETERY SUPPLIES INC.	19.96	JOHN E. GREEN COMPANY	285.00
AMERICAN WASTE INC.	3,624.40	KALBFELL, JANET P.	139.92
ANDY'S CLEANING SYSTEMS	50.00	KSS ENTERPRISES	760.36
ARMOR EXPRESS	2,164.00	LATITUDE 45 LTD	1,275.12
AUTO VALUE	1,150.12	LAUTNER IRRIGATION INC	116.60
AVFUEL CORPORATION	89,901.47	LOTTIE'S BAGELS	198.00
BERG, REBECCA	221.00	MCCARDEL CULLIGAN-PETOSKEY	50.00
BLANCHARD, JOAN	21.18	McGHEE, ROBERT	88.25
BLARNEY CASTLE OIL CO	926.39	MCMULLEN, DONALD R	138.60
BRADFORD'S	58.50	MICHIGAN DOWNTOWN ASSOCIATION	250.00
BRADY'S CARPET CLEANING	337.00	MICHIGAN MUNICIPAL LEAGUE	206.64
BY THE BAY WINDOW CLEANING SVCS.	357.00	MICHIGAN MUSHROOM MARKET LLC	31.00
CARQUEST OF CHARLEVOIX	1,057.89	MICHIGAN OFFICEWAYS INC	1,527.81
CDW GOVERNMENT INC.	2,050.80	NISWANDER, JARED L.	300.00
CHARLEVOIX CONVENTION &	5,000.00	OLESON'S FOOD STORES	160.05
CHARLEVOIX SCREEN MASTERS INC	410.00	OTEC	442.50
CHARLEVOIX TOWNSHIP	33,115.00	PINE HILL NURSERY	160.00
CHARTER COMMUNICATIONS	219.97	POND HILL FARM LLC	257.00
CHEMICAL SYSTEMS INC.	3,360.00	POWER LINE SUPPLY	1,644.50
CINTAS CORPORATION #729	128.10	POWERPLAN	573.68
CLEES, JOSHUA	400.00	PREFERRED WASTE 2 LLC	740.00
COOK FAMILY FARMS	203.00	PRESTON FEATHER	256.48
CURREY FARMS LLC	109.00	PURITY CYLINDER GASES INC	69.85
DELL MARKETING L P	1,249.58	PVS TECHNOLOGIES INC	6,577.51
DHASELEER, CARL	489.00	RANGE TELECOMMUNICATIONS	141.60
DORNBOS SIGN INC.	894.40	RUSTIC BAKER	100.00
EMERGENCY VEHICLES PLUS	398.82	SAUL, GINNIE	250.00
ETNA SUPPLY	2,500.00	SEARS COMMERCIAL ONE	1,639.48
FARMER WHITE'S	289.00	SHARROW, JACOB	2,300.00
FASTENAL COMPANY	299.14	SILVA, JESSE	31.03
FREEDOM MAILING SERVICES INC.	2,443.20	SITE PLANNING DEVELOPMENT INC	5,500.00
GERBER HOMEMADE SWEETS	30.00	STATE OF MICHIGAN	57.00
GINOP SALES INC	297.88	STATE OF MICHIGAN	200.00
GRAINGER	678.39	SYSTEMS SPECIALISTS INC	9,057.50
GRAND TRAVERSE DIESEL INC.	407.72	TIMMS, ROBERT	65.00
GREENVIEW DATA INC	6,812.00	TRAVERS, MANUEL J.	76.34
GUNTZVILLER, RHONDA	351.00	UNIFIRST CORPORATION	625.58
HACH COMPANY	643.50	UP NORTH PROPERTY SERVICES LLC	4,031.00
HAMMERSMITH EQUIPMENT CO	795.00	VILLAGE GRAPHICS INC.	72.85
HARRELL'S	295.00	WASHBURNE, BRENDA	113.00
HEP'S HOMEBAKED GRANOLA	60.00	WATERWAY OF MICHIGAN	2,589.00
HISEY, JON	27.53	WINNELL, CHARLES	1,200.00
HYDE SERVICES LLC	192.50	WINNIE'S ORIGINAL LLC	10.00
HYDRO CORP	530.00	WORK & PLAY SHOP	311.37
INTERWATER FARMS INC	537.00	**TOTAL**	**213,350.30**

ACH Payments – 09/04/2018 to 09/12/2018

MI PUBLIC POWER AGENCY	25,473.50	VANTAGEPOINT (457 ICMA PLAN)	15,673.59
PAYMENT SERVICE NETWORK	240.10	VANTAGEPOINT (ROTH IRA)	936.53
IRS (PAYROLL TAX DEPOSIT)	39,402.53	MI PUBLIC POWER AGENCY	17,609.13
ALERUS FINANCIAL (HCSP)	400.00	STATE OF MI (SALES TAX)	29,853.64
STATE OF MI (WITHHOLDING TAX)	5,996.86	DTE ENERGY	1,222.54
VANTAGEPOINT (401 ICMA PLAN)	742.50	**TOTAL**	**137,550.92**

Payroll Net Pay – Pay Period Ending 09/01/2018 (Paid 09/07/2018)

HEYDLAUFF, MARK L.	2,648.97	DEROSIA, PATRICIA E.	595.52
GOLDING, JOYCE M.	2,181.12	DOTSON, LINDSEY J.	1,457.31

LOY, EVELYN R.	1,086.31	ROSENTHAL, GABRIEL M.	932.86
KLOOSTER, ALIDA K.	2,013.71	KNORR, KENT J.	1,958.07
GOLOVICH, KAREN J.	969.62	STEBE, LAURA A.	184.70
SPENCLEY, PATRICIA L.	1,234.03	ANZELL, BETH A.	745.28
MCGINN, KELLY A.	1,670.38	KLOOSTER, PATRICK H.	1,465.01
JONES, JANET M.	518.62	EVANS JR, HALBERT K.	913.86
DOAN, GERARD P.	1,865.13	GREENE, GLORIA C.	389.11
SCHLAPPI, JAMES L.	1,016.00	DAVIS, LEAH R.	266.09
UMULIS, MATTHEW T.	981.09	TELGENHOF, WILL G.	597.05
HANKINS, SCOTT A.	1,633.62	KIRINOVIC, THOMAS F.	522.32
ORBAN, BARBARA K.	1,211.63	KLOOSTER, SUSAN E.	22.86
WILLIAMS, ASHLEY M.	1,311.72	HEID, THOMAS J	1,317.16
FLICKEMA, ANDREW M.	1,730.61	LEESE, ALAN K.	470.58
RILEY, DENISE M.	415.63	HART, DAVID R.	19.40
MATELSKI, KRISTEN L.	1,259.64	GRUNCH, RONALD J.	395.87
BINGHAM, LARRY E.	766.70	DAVIS, RONALD L.	306.39
MATELSKI, RYAN G.	818.88	FAIRCHILD, GALEN W.	295.11
MACGILLIVRAY, ROGER	777.24	MASSON, DONALD J.	554.53
WURST, RANDALL W.	1,587.07	KUSINA, DENNIS W.	300.64
MAYER, SHELLEY L.	2,001.11	LABLANCE, MAUREEN J.	352.46
HILLING, NICHOLAS A.	1,309.54	LIVINGSTON, BRIAN D.	1,028.74
MEIER III, CHARLES A.	1,911.40	STANLEY, MARK J.	33.01
ZACHARIAS, STEVEN B.	1,490.05	WYMAN, MATTHEW A.	1,575.75
NEWMAN, MARK J.	1,018.05	MILLER, WILLIAM S.	1,526.05
SWEM, DONALD L.	1,975.53	DOUGLAS, MARK	1,095.68
EATON, BRAD A.	1,805.75	PRIOR, ERIN C.	487.85
WILSON, TIMOTHY J.	2,520.34	CERTA, BRIAN	769.82
LAVOIE, RICHARD L.	1,734.42	MCMULLEN, DONALD R.	1,886.82
STEVENS, BRANDON C.	2,086.48	TRAVERS, MANUEL J.	2,002.82
DRAVES, MARTIN J.	1,776.13	STEVENS, JEFFREY W.	461.80
ANDERSON, ELIZABETH A.	1,240.03	RILEY, CASEY W.	671.65
LEITNER, RYAN S.	1,114.77	JONES, LARRY M.	1,096.62
ELLIOTT, PATRICK M.	2,167.95	BEAN, PETER J.	753.25
SCHWARTZFISHER, JOSEPH L.	1,334.96	RILEY, REBECCA J.	310.04
BRADLEY, KELLY R.	1,259.74	ERWIN, RACHELLE L.	181.20
HART II, DELBERT W.	1,397.55	SILVA, JESSE L.A.	1,408.30
JONES, ROBERT F.	1,339.31	SEHL, JENNA R.	322.72
DORAN, JUSTIN J.	1,916.85	RILEY, DANIEL A.	630.34
FARRELL, MITCHELL L.	1,706.01	WHEELER, MICHAEL W.	881.30
THORP JR, WILLIAM D.	1,132.01	SNYDER, CORY G.	631.49
MANKER JR, DAVID W.	517.78	PEARSALL, KRISTA M.	128.00
MANKER SR, DAVID W.	675.60	DRAKE, WILLIAM F.	1,248.19
BECKER, MICHAEL S.	812.25	JOHNSON, MELISSA A.	1,815.40
FREY, DYLAN V.	457.32	AZZOPARDI, ANTHONY J.	836.05
SHEPARD, ZACHARY N.	78.72	VOUSBOUKIS, AUTUMN M.	92.35
HART III, DELBERT W.	586.01	GERBER, SAMUEL A.	27.70
SLADEK, RYLYNN S.	525.05	WHITLEY, ANDREW T.	1,640.19
MCGHEE, ROBERT R.	999.42	MORRISON, KEVIN P.	1,089.35
MUMICH, BARRY J.	338.45	JOHNSON, STEVEN P.	1,192.22
CRANDELL, ZACKARY R.	575.89	JOHNSON, STEVEN P.	3,827.16
FERGUSON, ROYCE L.	711.39	BISHAW, JAMES H.	766.75
MUELLER, JASON C.	253.22	KLINGER, BRADLEY W.	670.69
BOSS, SHERRY M.	179.22	GILL, DAVID R.	1,243.24
SAYWARD, MADISON E.	754.96		
ZIPP, BRANDON M.	504.65	**TOTAL**	**116,300.35**

Payroll Transmittal – 09/07/2018

4FRONT CREDIT UNION	558.84	CHEMICAL BANK	150.00
AMERICAN FAMILY LIFE	198.66	COMMUNICATION WORKERS OF AMER	588.11
AMERICAN FAMILY LIFE	372.78	MI STATE DISBURSEMENT UNIT	679.30
CHAR EM UNITED WAY	52.00	POLICE OFFICERS LABOR COUNCIL	201.00
CHARLEVOIX STATE BANK	859.00	PRIORITY HEALTH	1,712.17
CHARLEVOIX STATE BANK	1,200.77	**TOTAL**	**6,572.63**

Tax Disbursement – 09/18/2018

CHARLEVOIX COUNTY TREASURER	1,497.19	CITY OF CHARLEVOIX - TAXES DUE	1,312,346.80
CHARLEVOIX COUNTY TREASURER	1,119,106.98	CORELOGIC	8,374.09
CHARLEVOIX PUBLIC SCHOOLS	1,278,465.15	LERETA LLC	2,174.93
CHARLEVOIX PUBLIC SCHOOLS	217,478.66	MABEE INVESTMENTS	10.00
CHARLEVOIX PUBLIC SCHOOLS	13,453.06	STATE OF MICHIGAN	8,865.67
CHARLEVOIX PUBLIC SCHOOLS	53,828.43	**TOTAL**	**4,015,600.96**

CHARLEVOIX CITY COUNCIL

Consent Agenda

TITLE: Accounts Payable and Payroll Check Registers

DATE: October 1, 2018

ATTACHMENTS:

- Accounts Payable and Payroll Check Registers

Check Number	Payee	Amount
09/21/2018		
124804	AT&T	3,958.07
124805	AT&T MOBILITY	89.00
124806	CHARLEVOIX STATE BANK	5,956.26
124807	CHARTER COMMUNICATIONS	1,851.60
124808	DELTA DENTAL	3,156.84
124809	GREAT LAKES ENERGY	216.71
124810	METLIFE SMALL BUSINESS CENTER	543.26
124811	STANDARD INSURANCE CO	4,271.52
124812	VERIZON WIRELESS	56.72
124813	VISION SERVICE PLAN	513.34
Total 09/21/2018:		20,613.32
Grand Totals:		20,613.32

Summary of Check Registers & ACH Payments

HUNTINGTON NATIONAL BANK - CHECKS ISSUED

09/21/18	Special Accounts Payable Run	$	20,613.32
09/21/18	Payroll (net pay)	$	110,422.58
09/21/18	Payroll Transmittal Checks	$	5,640.00
10/01/18	Payroll Transmittal Checks	$	73,100.00
10/02/18	Regular Accounts Payable	$	253,596.38
	Checks Sub-Total:	$	463,372.28

HUNTINGTON NATIONAL BANK - ACH/WIRE PAYMENTS

09/17/18	MI Public Power Agency	$	46,436.62
09/21/18	IRS (Payroll Tax Deposit)	$	38,566.86
09/21/18	Alerus Financial (HCSP)	$	400.00
09/21/18	State of MI (Withholding Tax)	$	5,833.01
09/21/18	Vantagepoint (401 ICMA Plan)	$	742.50
09/21/18	Vantagepoint (457 ICMA Plan)	$	18,472.11
09/21/18	Vantagepoint (Roth IRA)	$	936.53
09/21/18	MERS (Defined Benefit Plan)	$	40,834.32
09/24/18	MI Public Power Agency	$	14,834.57
09/25/18	MI Public Power Agency	$	245,246.03
	ACH Sub-Total:	$	412,302.55
	Huntington National Bank Total:	$	875,674.83

CHARLEVOIX STATE BANK - CHECKS ISSUED

(PROPERTY TAX DISBURSEMENT TO VARIOUS TAXING AUTHORITIES)

10/02/18	Tax Disbursement	$	491,614.40
	Charlevoix State Bank Total:	$	491,614.40
	Grand Total:	$	1,367,289.23

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
09/15/2018	PC	09/21/2018	26659	HEYDLAUFF, MARK L.	102		2,358.07
09/15/2018	PC	09/21/2018	26660	GOLDING, JOYCE M.	106		1,761.58
09/15/2018	PC	09/21/2018	26661	DEROSIA, PATRICIA E.	107		1,113.68
09/15/2018	PC	09/21/2018	26662	DOTSON, LINDSEY J.	109		1,454.40
09/15/2018	PC	09/21/2018	26663	LOY, EVELYN R.	117		1,089.90
09/15/2018	PC	09/21/2018	26664	KLOOSTER, ALIDA K.	121		1,650.02
09/15/2018	PC	09/21/2018	26665	GOLOVICH, KAREN J.	122		1,012.32
09/15/2018	PC	09/21/2018	26666	SPENCLEY, PATRICIA L.	136		521.38
09/15/2018	PC	09/21/2018	26667	MILLER, FAITH G.	142		62.05
09/15/2018	PC	09/21/2018	26668	MCGINN, KELLY A.	146		1,666.30
09/15/2018	PC	09/21/2018	26669	JONES, JANET M.	148		518.62
09/15/2018	PC	09/21/2018	26670	LAVENDER, JOSEPH E.	153		871.82
09/15/2018	PC	09/21/2018	26671	DOAN, GERARD P.	201		1,860.52
09/15/2018	PC	09/21/2018	26672	SCHLAPPI, JAMES L.	204		1,168.49
09/15/2018	PC	09/21/2018	26673	UMULIS, MATTHEW T.	205		1,440.37
09/15/2018	PC	09/21/2018	26674	HANKINS, SCOTT A.	208		1,810.65
09/15/2018	PC	09/21/2018	26675	ORBAN, BARBARA K.	209		1,376.91
09/15/2018	PC	09/21/2018	26676	WILLIAMS, ASHLEY M.	210		1,747.10
09/15/2018	PC	09/21/2018	26677	FLICKEMA, ANDREW M.	211		1,701.81
09/15/2018	PC	09/21/2018	26678	RILEY, DENISE M.	213		457.14
09/15/2018	PC	09/21/2018	26679	MATELSKI, KRISTEN L.	230		1,257.15
09/15/2018	PC	09/21/2018	26680	BINGHAM, LARRY E.	240		941.64
09/15/2018	PC	09/21/2018	26681	MATELSKI, RYAN G.	242		907.16
09/15/2018	PC	09/21/2018	26682	MACGILLIVRAY, ROGER	244		604.87
09/15/2018	PC	09/21/2018	26683	WURST, RANDALL W.	411		1,609.26
09/15/2018	PC	09/21/2018	26684	MAYER, SHELLEY L.	412		2,091.89
09/15/2018	PC	09/21/2018	26685	HILLING, NICHOLAS A.	413		1,326.77
09/15/2018	PC	09/21/2018	26686	MEIER III, CHARLES A.	421		1,173.70
09/15/2018	PC	09/21/2018	26687	ZACHARIAS, STEVEN B.	422		1,297.16
09/15/2018	PC	09/21/2018	26688	NEWMAN, MARK J.	424		1,097.11
09/15/2018	PC	09/21/2018	26689	SWEM, DONALD L.	512		1,970.94
09/15/2018	PC	09/21/2018	26690	EATON, BRAD A.	515		1,831.20
09/15/2018	PC	09/21/2018	26691	WILSON, TIMOTHY J.	516		2,137.97
09/15/2018	PC	09/21/2018	26692	LAVOIE, RICHARD L.	519		1,750.55
09/15/2018	PC	09/21/2018	26693	STEVENS, BRANDON C.	521		2,216.01
09/15/2018	PC	09/21/2018	26694	DRAVES, MARTIN J.	523		1,808.89
09/15/2018	PC	09/21/2018	26695	ANDERSON, ELIZABETH	526		1,243.58
09/15/2018	PC	09/21/2018	26696	LEITNER, RYAN S.	527		1,137.16
09/15/2018	PC	09/21/2018	26697	ELLIOTT, PATRICK M.	600		2,163.46
09/15/2018	PC	09/21/2018	26698	SCHWARTZFISHER, JOS	603		1,019.56
09/15/2018	PC	09/21/2018	26699	BRADLEY, KELLY R.	614		1,666.35
09/15/2018	PC	09/21/2018	26700	HART II, DELBERT W.	616		1,212.06
09/15/2018	PC	09/21/2018	26701	JONES, ROBERT F.	618		1,277.88
09/15/2018	PC	09/21/2018	26702	DORAN, JUSTIN J.	621		1,468.45
09/15/2018	PC	09/21/2018	26703	FARRELL, MITCHELL L.	622		1,303.78
09/15/2018	PC	09/21/2018	26704	THORP JR, WILLIAM D.	623		1,549.17
09/15/2018	PC	09/21/2018	26705	MANKER JR, DAVID W.	638		441.12
09/15/2018	PC	09/21/2018	26706	MANKER SR, DAVID W.	639		644.53
09/15/2018	PC	09/21/2018	26707	BECKER, MICHAEL S.	641		652.40
09/15/2018	PC	09/21/2018	26708	NEDWICK, DAVID J.	642		594.99
09/15/2018	PC	09/21/2018	26709	FREY, DYLAN V.	643		461.21
09/15/2018	PC	09/21/2018	26710	HART III, DELBERT W.	657		547.01
09/15/2018	PC	09/21/2018	26711	MCGHEE, ROBERT R.	663		999.42
09/15/2018	PC	09/21/2018	26712	MUMICH, BARRY J.	671		190.35
09/15/2018	PC	09/21/2018	26713	CRANDELL, ZACKARY R.	691		419.41
09/15/2018	PC	09/21/2018	26714	FERGUSON, ROYCE L.	693		508.95
09/15/2018	PC	09/21/2018	26715	BOSS, SHERRY M.	695		646.72

Pay Period Date	Journal Code	Check Issue Date	Check Number	Payee	Emp ID	Description	Amount
09/15/2018	PC	09/21/2018	26716	SAYWARD, MADISON E.	696		496.99
09/15/2018	PC	09/21/2018	26717	ZIPP, BRANDON M.	697		460.91
09/15/2018	PC	09/21/2018	26718	ROSENTHAL, GABRIEL M	698		756.30
09/15/2018	PC	09/21/2018	26719	KNORR, KENT J.	700		1,919.41
09/15/2018	PC	09/21/2018	26720	ANZELL, BETH A.	712		417.45
09/15/2018	PC	09/21/2018	26721	KLOOSTER, PATRICK H.	743		1,465.01
09/15/2018	PC	09/21/2018	26722	EVANS JR, HALBERT K.	744		968.66
09/15/2018	PC	09/21/2018	26723	KIRINOVIC, THOMAS F.	790		645.60
09/15/2018	PC	09/21/2018	26724	HEID, THOMAS J	802		1,314.09
09/15/2018	PC	09/21/2018	26725	LEESE, ALAN K.	835		425.47
09/15/2018	PC	09/21/2018	26726	GRUNCH, RONALD J.	844		132.06
09/15/2018	PC	09/21/2018	26727	DAVIS, RONALD L.	853		259.15
09/15/2018	PC	09/21/2018	26728	FAIRCHILD, GALEN W.	855		174.15
09/15/2018	PC	09/21/2018	26729	MASSON, DONALD J.	861		498.30
09/15/2018	PC	09/21/2018	26730	KUSINA, DENNIS W.	862		194.26
09/15/2018	PC	09/21/2018	26731	LABLANCE, MAUREEN J.	863		311.45
09/15/2018	PC	09/21/2018	26732	LIVINGSTON, BRIAN D.	866		1,030.26
09/15/2018	PC	09/21/2018	26733	STANLEY, MARK J.	867		35.55
09/15/2018	PC	09/21/2018	26734	WYMAN, MATTHEW A.	927		1,572.53
09/15/2018	PC	09/21/2018	26735	MILLER, WILLIAM S.	933		1,259.94
09/15/2018	PC	09/21/2018	26736	DOUGLAS, MARK	935		932.67
09/15/2018	PC	09/21/2018	26737	PRIOR, ERIN C.	938		342.25
09/15/2018	PC	09/21/2018	26738	CERTA, BRIAN	939		851.83
09/15/2018	PC	09/21/2018	26739	MCMULLEN, DONALD R.	1000		1,466.58
09/15/2018	PC	09/21/2018	26740	TRAVERS, MANUEL J.	1010		2,463.64
09/15/2018	PC	09/21/2018	26741	STEVENS, JEFFREY W.	1028		823.71
09/15/2018	PC	09/21/2018	26742	RILEY, CASEY W.	1052		764.29
09/15/2018	PC	09/21/2018	26743	JONES, LARRY M.	1057		1,369.96
09/15/2018	PC	09/21/2018	26744	WILLSON, BRENDA R.	1059		1,337.45
09/15/2018	PC	09/21/2018	26745	BEAN, PETER J.	1060		1,526.50
09/15/2018	PC	09/21/2018	26746	SILVA, JESSE L.A.	1073		1,675.34
09/15/2018	PC	09/21/2018	26747	SEHL, JENNA R.	1101		412.69
09/15/2018	PC	09/21/2018	26748	RILEY, DANIEL A.	1102		131.37
09/15/2018	PC	09/21/2018	26749	WHEELER, MICHAEL W.	1103		1,943.58
09/15/2018	PC	09/21/2018	26750	SNYDER, CORY G.	1104		300.66
09/15/2018	PC	09/21/2018	26751	PEARSALL, KRISTA M.	1105		237.53
09/15/2018	PC	09/21/2018	26752	DRAKE, WILLIAM F.	1106		1,350.02
09/15/2018	PC	09/21/2018	26753	JOHNSON, MELISSA A.	1107		1,204.71
09/15/2018	PC	09/21/2018	26754	AZZOPARDI, ANTHONY J	1108		1,272.48
09/15/2018	PC	09/21/2018	26755	DEKORNE, ELIZABETH A.	1109		323.31
09/15/2018	PC	09/21/2018	26756	McRANEY, RUSSELL R.	1111		22.03
09/15/2018	PC	09/21/2018	124786	GERBER, SAMUEL A.	147		33.25
09/15/2018	PC	09/21/2018	124787	WHITLEY, ANDREW T.	522		1,753.63
09/15/2018	PC	09/21/2018	124788	MORRISON, KEVIN P.	601		1,275.10
09/15/2018	PC	09/21/2018	124789	BISHAW, JAMES H.	633		656.72
09/15/2018	PC	09/21/2018	124790	KLINGER, BRADLEY W.	747		282.89
09/15/2018	PC	09/21/2018	124791	GILL, DAVID R.	856		1,517.89
Grand Totals:			104				110,422.58

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Pay Period Date	Check Issue Date	Check Number	Payee	Emp ID	Description	Amount
09/15/2018	09/21/2018	124792	4FRONT CREDIT UNION	9024	HSA-EMPLOYEE CONTRIB-4FR	558.84
09/15/2018	09/21/2018	124793	AMERICAN FAMILY LIFE	9011	AMERICAN FAMILY LIFE-POST	198.66
09/15/2018	09/21/2018	124793	AMERICAN FAMILY LIFE	9011	AMERICAN FAMILY LIFE-PRETA	372.78
09/15/2018	09/21/2018	124794	CHAR EM UNITED WAY	9009	UNITED WAY Pay Period: 9/15/2	52.00
09/15/2018	09/21/2018	124795	CHARLEVOIX STATE BA	9017	HSA - EMPLOYEE CONTRIB - C	1,150.77
09/15/2018	09/21/2018	124796	CHEMICAL BANK	9018	HSA - EMPLOYEE CONTRIB - C	150.00
09/15/2018	09/21/2018	124797	COMMUNICATION WORK	9004	CWA UNION DUES Pay Period:	582.62
09/15/2018	09/21/2018	124798	MI STATE DISBURSEME	9012	FRIEND OF THE COURT Pay P	679.30
09/15/2018	09/21/2018	124799	PRIORITY HEALTH	392358	PRIORITY HEALTH Pay Period:	1,725.38
09/15/2018	09/21/2018	124800	VELO LAW OFFICE	9030	Garnishment: File #RR-00021825	169.65
09/15/2018	10/01/2018	124801	4FRONT CREDIT UNION	9028	Lump Sum Employer Contribution	29,050.00
09/15/2018	10/01/2018	124802	CHARLEVOIX STATE BA	9016	Lump Sum Employer Contribution	41,550.00
09/15/2018	10/01/2018	124803	CHEMICAL BANK	9027	Lump Sum Employer Contribution	2,500.00
Grand Totals:		13				78,740.00

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Check Number	Payee	Amount
10/02/2018		
124814	AIRGAS USA LLC	70.51
124815	AMERICAN WASTE INC.	106.76
124816	AMERICAN WATER WORKS ASSN	211.00
124817	ARCADIA BENEFITS GROUP INC	25.00
124818	AT YOUR SERVICE PLUS INC	1,840.00
124819	AVFUEL CORPORATION	129,433.25
124820	BARUZZINI GENERAL CONTRACTOR	1,770.00
124821	BEAN, PETER	20.83
124822	BEIJO DE CHOCOLAT LLC	13.00
124823	BERG, REBECCA	156.00
124824	BRADLEY, KELLY R.	60.00
124825	CDW GOVERNMENT INC.	395.00
124826	CHARLEVOIX SCREEN MASTERS INC	1,138.60
124827	CINTAS CORPORATION	145.32
124828	CINTAS CORPORATION #729	75.60
124829	CITY OF CHARLEVOIX - UTILITIES	44,878.50
124830	CONSUMER OFFICE FURNITURE	136.00
124831	COOK FAMILY FARMS	45.00
124832	DeROSIA, PATRICIA E.	50.00
124833	DHASELEER, CARL	192.00
124834	DITCH WITCH SALES OF MICHIGAN	488.00
124835	DIXON ENGINEERING INC	3,800.00
124836	DOAN, GERARD P.	50.00
124837	DORNBOS SIGN INC.	558.13
124838	DOTSON, LINDSEY J.	50.00
124839	ECONO SIGNS LLC	821.37
124840	EJ USA INC.	898.20
124841	ELLIOTT, PATRICK M.	50.00
124842	FAMILY FARM & HOME	594.68
124843	FARMER WHITE'S	162.00
124844	FASTENAL COMPANY	1,157.36
124845	GAUTHIER, KARRIE	50.00
124846	GBS INC.	960.00
124847	GERBER HOMEMADE SWEETS	121.00
124848	GOLDING, JOYCE M.	50.00
124849	GREAT LAKES PIPE & SUPPLY	83.28
124850	GUNTZVILLER, RHONDA	107.00
124851	HANKINS, SCOTT A.	50.00
124852	HANSON, VIVIAN	115.00
124853	HARBOR HOUSE PUBLISHERS	910.00
124854	HEID, THOMAS J.	50.00
124855	HEP'S HOMEBAKED GRANOLA	27.00
124856	HEYDLAUFF, MARK L	50.00
124857	HOLIDAY COMPANIES	7,765.94
124858	HYDE SERVICES LLC	591.72
124859	IDEXX DISTRIBUTION INC.	1,361.77
124860	INDEPENDENT DRAFTING SERVICES	1,900.00
124861	JACK DOHENY SUPPLIES INC	3,375.18

M = Manual Check, V = Void Check

Check Number	Payee	Amount
124862	JACKLIN STEEL SUPPLY CO	959.70
124863	JOBA, ROBERT	50.00
124864	KLOOSTER, ALIDA K.	50.00
124865	KLOOSTER, PATRICK H	50.00
124866	KNORR, KENT	142.65
124867	KSS ENTERPRISES	596.68
124868	LAKE FOREST BAKING COMPANY	78.00
124869	LAVENDER, JOSEPH E.	100.00
124870	LEAH, ANTON	23.24
124871	LETTERS ONLINE	170.00
124872	LOTTIE'S BAGELS	106.00
124873	LOUNSBURY SEQUANOTA COTTAGE	306.99
124874	MADDIN, RICHARD	12.00
124875	MAILLOUX, SUSIE	25.00
124876	MAYER, SHELLEY L.	50.00
124877	McGINN, KELLY A.	50.00
124878	MCMULLEN, DONALD R	423.02
124879	MDC CONTRACTING LLC	437.50
124880	MICHIGAN MUNICIPAL LEAGUE	4,085.49
124881	MICHIGAN MUSHROOM MARKET LLC	31.00
124882	MILLER, WILLIAM S.	50.00
124883	MOORE MEDICAL LLC	191.83
124884	MUNSON HEALTHCARE CHARLEVOIX	522.58
124885	MUTT MITT	1,846.38
124886	NETWORKS NORTHWEST	225.00
124887	NOIROT, CYNTHIA	30.00
124888	NORRIS, CHARLENE	11.14
124889	NORTH COAST FASTENERS LLC	32.49
124890	NORTHERN CREDIT BUREAU	94.78
124891	NORTHERN MICHIGAN REVIEW INC.	718.08
124892	OLESON'S FOOD STORES	119.14
124893	OLSON BZDOK & HOWARD	3,985.76
124894	OMS COMPLIANCE SERVICES INC	52.50
124895	PARASTAR INC.	2,575.19
124896	PARKER, MICHAEL	11.00
124897	PHYSICIAN'S CLINIC OF CHARLEVOIX	157.00
124898	PLUNKETT & COONEY	20.00
124899	POND HILL FARM LLC	102.00
124900	POSTMASTER	43.96
124901	POWER LINE SUPPLY	537.78
124902	RUNDBLAD, TED	16.00
124903	RUSTIC BAKER	67.00
124904	S&W HEALTHCARE CORPORATION	249.93
124905	SNOW MACHINES INC	5,499.70
124906	SPARTAN STORES LLC	88.87
124907	SPIEGEL, JOZEF	49.00
124908	STATE OF MICHIGAN	565.82
124909	STRICKER'S OUTDOOR POWER EQUI	24.75
124910	SUMMIT COMPANIES	300.00

Check Number	Payee	Amount
124911	SUPERIOR MECHANICAL	225.00
124912	SWEM, DONALD L.	50.00
124913	SYN-TECH SYSTEMS INC.	267.00
124914	SYSTEMS SPECIALISTS INC	5,753.50
124915	TELE-RAD INC	3,715.00
124916	TERMINAL SUPPLY CO	224.78
124917	TIMMS, ROBERT	200.00
124918	TRAVERSE LEGAL PLC	3,800.00
124919	UNIFIRST CORPORATION	573.61
124920	UP NORTH PROPERTY SERVICES LL	3,378.50
124921	USA BLUE BOOK	462.62
124922	VILLAGE GRAPHICS INC.	184.40
124923	WADE TRIM OPERATIONS SERVICES	1,319.13
124924	WAHOSKI, DAVID	419.97
124925	WATROS, WILLIAM	27.92
124926	WURST, RANDALL W.	50.00
124927	WYMAN, MATTHEW A.	50.00
Total 10/02/2018:		253,596.38
Grand Totals:		253,596.38

M = Manual Check, V = Void Check

Check Number	Payee	Amount
09/17/2018		
91718001	MICHIGAN PUBLIC POWER AGENCY	46,436.62
Total 09/17/2018:		46,436.62
Grand Totals:		46,436.62

M = Manual Check, V = Void Check

Check Issue Date	Check Number	Payee	Amount
92118001			
09/21/2018	92118001	**EFTPS* Payroll Taxes	10,287.42
09/21/2018	92118001	**EFTPS* Payroll Taxes	10,287.42
09/21/2018	92118001	**EFTPS* Payroll Taxes	2,405.98
09/21/2018	92118001	**EFTPS* Payroll Taxes	2,405.98
09/21/2018	92118001	**EFTPS* Payroll Taxes	13,180.06
Total 92118001:	5		38,566.86
92118002			
09/21/2018	92118002	Alerus Financial	400.00
Total 92118002:	1		400.00
92118003			
09/21/2018	92118003	STATE OF MICHIGAN	5,833.01
Total 92118003:	1		5,833.01
92118004			
09/21/2018	92118004	Vantagepoint - 401 Plan 109153	742.50
Total 92118004:	1		742.50
92118005			
09/21/2018	92118005	Vantagepoint - 457 Plan 300959	6,303.79
09/21/2018	92118005	Vantagepoint - 457 Plan 300959	1,485.49
09/21/2018	92118005	Vantagepoint - 457 Plan 300959	3,595.78
09/21/2018	92118005	Vantagepoint - 457 Plan 300959	7,087.05
Total 92118005:	4		18,472.11
92118006			
09/21/2018	92118006	Vantagepoint - Roth IRA 706117	936.53
Total 92118006:	1		936.53
Grand Totals:	13		64,951.01

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Check Number	Payee	Amount
09/21/2018		
92118007	MERS	40,834.32
Total 09/21/2018:		40,834.32
Grand Totals:		40,834.32

M = Manual Check, V = Void Check

Check Number	Payee	Amount
09/24/2018		
92418001	MICHIGAN PUBLIC POWER AGENCY	14,834.57
Total 09/24/2018:		14,834.57
Grand Totals:		14,834.57

M = Manual Check, V = Void Check

Check Number	Payee	Amount
09/25/2018		
92518001	MICHIGAN PUBLIC POWER AGENCY	245,246.03
Total 09/25/2018:		245,246.03
Grand Totals:		245,246.03

Check Number	Payee	Amount
10/02/2018		
3126	CHARLEVOIX COUNTY TREASURER	126,171.40
3127	CHARLEVOIX PUBLIC SCHOOLS	180,669.14
3128	CHARLEVOIX PUBLIC SCHOOLS	24,543.87
3129	CHARLEVOIX PUBLIC SCHOOLS	1,518.15
3130	CHARLEVOIX PUBLIC SCHOOLS	6,074.86
3131	CITY OF CHARLEVOIX - TAXES DUE	148,689.89
3132	GORMAS, THADDAEUS & MICHELLE	2,722.43
3133	SCHULLER, MARTIN & ONEDA	1,224.66
Total 10/02/2018:		491,614.40
Grand Totals:		491,614.40

CHECKS DRAWN ON CHARLEVOIX STATE BANK ACCOUNT

M = Manual Check, V = Void Check

CHARLEVOIX CITY COUNCIL

Consent Agenda

TITLE: Resolution to Waive Penalty Fees for Failure to File a Property Transfer Avidavit

DATE: October 1, 2018

BACKGROUND:

The General Property Tax Act allows municipalities to waive penalty fees and interest for failure to file a Property Transfer Affidavit. Currently the City does waive such fees. In order to be compliant with the Tax Act, Council needs to pass a Resolution confirming their desire to waive the penalty fees.

RECOMMENDATION:

Motion to approve Resolution 2018-10-01.

ATTACHMENTS:

- Resolution 2018-10-01

CITY OF CHARLEVOIX
RESOLUTION NO. 2018-10-01
WAIVE PENALTY FEES AND INTEREST FOR FAILURE TO FILE A PROPERTY TRANSFER AFFIDAVIT

WHEREAS, Section 211.27a of the General Property Tax Act requires the buyer, grantee or other transferee of property to file a property transfer affidavit as prescribed by the State Tax Commission, with the appropriate Assessing Officer in the local unit of government in which the property is located; and

WHEREAS, Section 211.27b of the General Property Tax Act imposes penalties for the failure to file a Property Transfer Affidavit after 45 days have elapsed; and

WHEREAS, Section 211.27b of the General Property Tax Act provides that the local governing body may waive, by Resolution, the penalties levied for the failure to file a Property Transfer Affidavit; and

WHEREAS, the City of Charlevoix waives the penalties for the failure to file a Property Transfer Affidavit within 45 days of transfer.

NOW THEREFORE BE IT RESOLVED, that the City Council of the City of Charlevoix hereby waives penalties under Section 211.27b of the General Property Tax Act.

IT IS FURTHER RESOLVED, that all resolutions or parts of resolutions in conflict herewith are hereby repealed.

RESOLVED this 1st day of October, 2018 A.D.

Resolution was adopted by the following yea and nay vote:
Yeas:
Nays:

CHARLEVOIX CITY COUNCIL

Consent Agenda

TITLE: EMS Job Descriptions

DATE: October 1, 2018

BACKGROUND:

Prepared job descriptions for the paid-on-call EMT, AEMT and Paramedics positions and corrected the FLSA code on Assistant EMS Director from exempt to non-exempt.

RECOMMENDATION:

Motion to approve new Paid-on-Call - EMT, AEMT, Paramedic Job Description and revision to the Assistant EMS Director position (changing from exempt to non exempt).

ATTACHMENTS:

- Paid-On-Call EMT, AEMT, Paramedic Job Description
- Assistant EMS Director Job Description

CITY OF CHARLEVOIX

Title:	EMT/AEMT/Paramedic	**FLSA:**	Non-Exempt
		STATUS:	Paid-On-Call, Non-Union
Department:	Police/Emergency Medical Services		
Reports To:	Emergency Medical Services Director		
Date:	October 1, 2018		

Purpose

Under direction of the Emergency Medical Services Director, the EMT, AEMT or Paramedic responds to EMS emergency calls to provide efficient and immediate care to the critically ill and injured. As applicable, under their scope of practice, conducts patient assessments; provides patient care while on scene of call and during transport; and is responsible for conducting invasive procedures. Applies extrication skills as required; prepares patients under varying environments to be safely moved to the vehicle for transport, is responsible for cooperating with partners to provide for the safe and smooth transport of everyone on-board vehicle; unloads the patient from the vehicle, and transfer patient care to the receiving facility; complete required documentation; and prepares vehicle and equipment for the next assignment.

Scope

EMS work involves a wide variety of duties and atmospheres. Duties range from repetitive maintenance of vehicles and living quarters to unique and demanding extrication problems. Often the work atmosphere consists of extreme weather conditions without adequate lighting, space, safety and/or personnel. EMS personnel must be adept in carrying, lifting and extrication maneuvers that do not negatively impact patients, fellow workers, or self. Safety is a responsibility and the EMS personnel should know the physical requirements of the job and work within those guidelines. Performs job duties safely at all times, utilizing learned body mechanics and transferring/lifting techniques. Plans actions to promote safety. Reports any unsafe situations/equipment according to hospital procedure. Works under physical and mental pressure produced by working with patients during emergency and non-emergency transports. May be exposed to communicable diseases. Must be willing to work all type of shifts (i.e. 12 or 24-hour schedules including nights, weekends and/or holidays.

Essential Job Functions

- Performs initial and on-going assessment of each patient and administers emergency medical care utilizing accepted guidelines of basic life support procedures in treating the sick and injured; examine patients and communicate physical assessment findings to base hospital physicians.
- Implements the appropriate medical protocols; recognizes and communicates pertinent changes in health status to on-line Medical Control Authority (MCA).
- Achieves and maintains standards of patience care and clinical performance in accordance with MCA and follows direction of the MCA, his/her designee and administrative personnel.

- Loads and transports patients from a point of pick-up to the vehicle and from the vehicle to the point of destination; this includes lifting patients to and from backboard, stretcher, or equivalent, and maneuvering patients through hallways, up and down stairways, and up and down vehicle/handicap ramps as required.
- Responsible always for the care and transportation of patients treated and for the accurate documentation and timely completion of all required paperwork.
- Operates all City vehicles under control always and in accordance with all federal, state and local laws and ordinances governing vehicle operation; must also comply with all City policies regarding safe and efficient vehicle operations.
- Responsible for appropriate radio transmissions and for appropriate responses to and compliance with all lawful 911 Dispatch.
- Works in collaboration always with physicians, nurses, and all other health care professionals, law enforcement, and members of the public to maintain positive relationships.
- Maintain patient confidentiality in accordance with all HIPAA regulations.
- Participates, as requested, in the education of other health care professionals and the public.
- Responsible for the proper care, use and appearance of his/her assigned vehicles and equipment.
- Maintain adequate inventory of EMS supplies.
- Maintain EMS apparatus readiness including rig check program and preventive maintenance programs, etc.
- Reports to assigned area on time and when scheduled to work as assigned.
- Act in a professional and respectful manner with EMS staff members.
- Immediately reports to the Emergency Medical Services Director, any malfunctions of and/or damage to any equipment, whether he/she was using or operating the equipment at the time of the damage or malfunction; responsible for accurate documentation of said incident within appropriate time.
- Immediately notifies the EMS Director, or his/her designee, of any incident not within normal or required operations; responsible for accurate documentation of said incident within accepted time frame.
- Adheres to all City of Charlevoix policies, procedures, and directives.
- Responsible for other duties as assigned by and at the sole discretion of administration.

Knowledge, Skills and Abilities

- Ability to work independently, using good judgment, and initiative to make sound decisions;
- Ability to communicate professionally and effectively, both verbally and in writing;
- Establish and maintain effective working relationships with various individuals and groups;
- Perform work assignments, and respond to emergency and non-emergency calls during normal hours, and on weekend, and on holidays if required;
- Work outdoor on uneven terrain during extreme and difficult weather conditions;
- Climb stairs without assistance and work at varying heights above the ground;
- Comply with all safety rules and requirements, including the wearing of all required protective clothing and safety equipment;

- Perform tasks which require frequent and repetitive bending and stooping; lifting up to 90 pounds, carrying, rolling, dragging and pulling large/heavy objects and persons.
- Sit at a work station for extended periods;
- Effectively utilize computer equipment and associated software applications, telephones, and other office equipment;
- Research and prepare detailed reports, develop and maintain confidential records and files;
- Knowledge of fire based emergency medical programs, training methodology, and techniques;
- Be adept with the use of map books, electronic mapping and can receive and follow written and/or verbal instructions appropriately.
- Strong computer skills, including the ability to chart electronically and complete electronic documentation.
- Be able to maintain a respectful and positive attitude under a variety of conditions, and relate appropriately to a variety of individuals.
- Exemplary customer service, documentation and interpersonal abilities
- Be physically able to perform job functions as described.

Essential Physical Abilities
The primary duties of this class are performed in a work environment in which the employee is subject to potential personal danger; therefore, the following physical abilities are deemed essential:

- Sufficient clarity of speech and hearing and other communication capabilities, with or without reasonable accommodation, which permits the employee to communicate effectively, including during emergency situations which may involve a high degree of noise;
- Sufficient vision and other powers of observation, with or without reasonable accommodations, which permits the employee to effectively operate at an emergency scene;
- Sufficient manual dexterity with or without reasonable accommodation, which permits the employee to operate EMS equipment;
- Sufficient personal mobility and physical reflexes, with or without reasonable accommodation, which permits the employee to perform all duties involved in protecting life and property.

Education and Experience
- Possess high school diploma or GED certificate
- Two (2) years of EMT, AEMT, or Paramedic experience preferred

Job Requirements
- Possess and maintain a current, unrestricted, non-probationary State of Michigan EMT, AEMT or Paramedic License
- Possess and Drivers Training Certificate (FFTC, CEVO, EVOC)
- Maintain a current, unrestricted Michigan driver’s license
- Maintain level of function with appropriate Medical Control Authority
- AHA Basic Cardiac Life Support (BCLS, aka CPR) Certification
- Trauma Certification; PHTLS or ITLS Certification

- Advanced Cardiac Life Support (ACLS) Certification (as required for Paramedics)
- PALS or PEPP Certification (as required for Paramedics)

The information contained in this position description is intended to describe the general content and requirements for successful performance of the job. It is not an exhaustive list of duties, responsibilities or requirements. Additional duties and requirements may be assigned at the sole discretion of the City. Hence, 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 approved: Pending

CITY OF CHARLEVOIX

Title: Assistant Emergency Medical Services Director **FLSA:** Non-Exempt

STATUS: Full-time, non-union

Department: Police/Emergency Medical Services

Reports To: Emergency Medical Services Director

Date: October 1, 2018

Purpose

The Assistant EMS Director will support the EMS Director in all aspects of the director's responsibilities. This includes planning, organizing and administering the emergency medical training program and entering and maintaining Quality Assurance on all medical documentation of runs performed by the personnel of the Charlevoix City EMS Department while maintaining records as required by the State of Michigan Medical Services. In the absence of the EMS Director, this position will supervise EMS personnel and will report directly to the EMS Director.

The Assistant EMS Director will also perform EMT, AEMT, or Paramedic duties, depending on their current certification, and respond to emergency calls to provide efficient and immediate care to the critically ill and injured. Conducts patient assessments as applicable under their scope of practice; provides patient care while on scene of call and during transport; is responsible for conducting all invasive procedures; applies extrication skills as required; prepares patients under varying environments to be safely moved to the vehicle for transport, is responsible for cooperating with partners to provide for the safe and smooth transport of everyone on-board vehicle; unloads the patient from the vehicle, and transfer patient care to the receiving facility; complete required documentation; and prepares vehicle and equipment for the next assignment.

Scope

EMS work involves a wide variety of duties and atmospheres. Duties range from repetitive maintenance of vehicles and living quarters to unique and demanding extrication problems. Often the work atmosphere consists of extreme weather conditions without adequate lighting, space, safety and/or personnel. EMS personnel must be adept in carrying, lifting and extrication maneuvers that do not negatively impact patients, fellow workers, or self. Safety is a responsibility and the EMS personnel should know the physical requirements of the job and work within those guidelines. Performs job duties safely at all times, utilizing learned body mechanics and transferring/lifting techniques. Plans actions to promote safety. Reports any unsafe situations/equipment according to hospital procedure. Works under physical and mental pressure produced by working with patients during emergency and non-emergency transports. May be exposed to communicable diseases. Must be willing to work all type of shifts (i.e. 12 or 24-hour schedules including nights, weekends and/or holidays.

Essential Job Functions – Assistant EMS Director

In the EMS Director's absence or as assigned by the Director performs the following:

- Instruct, train and coordinate instruction and training on EMS procedures as it related to public education, CPR, Basic Emergency Medical Technician (EMT), quality assurance/improvement and other EMS functions;
- Develop proposals and prepare presentations;
- Attend meetings, training seminars and public hearings to ensure the interests of the Charlevoix EMS are met and to serve as a source of information concerning EMS issues;
- Coordinate all department activities and personnel as it relates to EMS operations, continuing education requirements, infectious disease and other EMS/MIOSHA policies and regulations;
- Maintain the records for continued licensing requirements for the State of Michigan;
- Coordinate, research, and maintain records for EMS supplies and budget accordingly for supplies needed for EMS operations;
- Coordinate records as it pertains to personnel relating to licensing, certifications, training, vaccinations, and infectious disease exposures;
- Be responsible to review all patient care reports to ensure accuracy and enter date into the approved collection data base as required by local, state and/or federal requirements;
- Develops, reviews and updates EMS policies, as needed;
- Respond to and perform rescue, emergency medical, hazardous materials, and other emergency and non-emergency activities as directed;
- Attends training programs and seminars in all areas of Emergency Medical, rescue, hazardous materials, and other training as directed;
- Performs other duties which may include administrative, clerical, and public relations;
- Attends EMS trainings and stays current in EMS operations.

Essential Job Functions – EMT, AEMT or Paramedic

- Performs initial and on-going patient assessment and administers emergency medical care utilizing accepted guidelines of basic or advanced life support procedures, depending upon their scope of practice, in treating the sick and injured; examine patients and communicate physical assessment findings to base hospital physicians.
- Implements the appropriate medical protocols; recognizes and communicates pertinent changes in health status to on-line Medical Control Authority (MCA).
- Achieves and maintains standards of patience care and clinical performance in accordance with MCA and follows direction of the MCA, his/her designee and administrative personnel.
- Loads and transports patients from a point of pick-up to the vehicle and from the vehicle to the point of destination; this includes lifting patients to and from backboard, stretcher, or equivalent, and maneuvering patients through hallways, up and down stairways, and up and down vehicle/handicap ramps as required.
- Responsible always for the care and transportation of patients treated and for the accurate documentation and timely completion of all required paperwork.
- Operates all City vehicles under control always and in accordance with all federal, state and local laws and ordinances governing vehicle operation; must also comply with all City policies regarding safe and efficient vehicle operations.
- Responsible for appropriate radio transmissions and for appropriate responses to and compliance with all lawful 911 Dispatch.

- Works in collaboration always with physicians, nurses, and all other health care professionals, law enforcement, and members of the public to maintain positive relationships.
- Maintain patient confidentiality in accordance with all HIPAA regulations.
- Participates, as requested, in the education of other health care professionals and the public.
- Responsible for the proper care, use and appearance of his/her assigned vehicles and equipment.
- Maintain adequate inventory of EMS supplies.
- Maintain EMS apparatus readiness including rig check program and preventive maintenance programs, etc.
- Reports to assigned area on time and when scheduled to work as assigned.
- Act in a professional and respectful manner with EMS staff members.
- Immediately reports to the Emergency Medical Services Director, any malfunctions of and/or damage to any equipment, whether or not he/she was using or operating the equipment at the time of the damage or malfunction; responsible for accurate documentation of said incident within appropriate time.
- Immediately notifies the EMS Director, or his/her designee, of any incident not within normal or required operations; responsible for accurate documentation of said incident within accepted time frame.
- Adheres to all City of Charlevoix policies, procedures, and directives.
- Responsible for other duties as assigned by and at the sole discretion of administration.

Knowledge, Skills & Abilities

- Ability to work independently, using good judgment, and initiative to make sound decisions;
- Ability to communicate professionally and effectively, both verbally and in writing;
- Establish and maintain effective working relationships with various individuals and groups;
- Provide both general and direct supervision to subordinate employees as required;
- Perform work assignments, and respond to emergency and non-emergency calls during normal hours, and on weekend, and on holidays if required;
- Work outdoor on uneven terrain during extreme and difficult weather conditions;
- Climb stairs without assistance and work at varying heights above the ground;
- Comply with all safety rules and requirements, including the wearing of all required protective clothing and safety equipment;
- Perform tasks which require frequent and repetitive bending and stooping; lifting up to 90 pounds, carrying, rolling, dragging and pulling large/heavy objects and persons.
- Sit at a work station for extended periods;
- Effectively utilize computer equipment and associated software applications, telephones, and other office equipment;
- Manage projects and assignments with frequent changes in priorities and interruptions while still meeting specific deadlines and goals;
- Research and prepare detailed reports, develop and maintain confidential records and files;

- Knowledge of fire based emergency medical programs, training methodology, and techniques;
- Ability to plan, organize and conduct emergency medical service training based on the policies and procedures of the City of Charlevoix EMS Department;
- Ability to demonstrate and provide instruction in a variety of medical techniques common to emergency and medical situations;
- Ability to develop and maintain a cooperative working relationship with a variety of local, county, state, and private agencies;
- Be adept with the use of map books, electronic mapping and can receive and follow written and/or verbal instructions appropriately.
- Strong computer skills, including the ability to chart electronically and complete electronic documentation.
- Be able to maintain a respectful and positive attitude under a variety of conditions, and relate appropriately to a variety of individuals.
- Exemplary customer service, documentation and interpersonal abilities
- Be physically able to perform job functions as described.

Essential Physical Abilities
The primary duties of this class are performed in a work environment in which the employee is subject to potential personal danger; therefore, the following physical abilities are deemed essential:

- Sufficient clarity of speech and hearing and other communication capabilities, with or without reasonable accommodation, which permits the employee to communicate effectively, including during emergency situations which may involve a high degree of noise;
- Sufficient vision and other powers of observation, with or without reasonable accommodations, which permits the employee to effectively operate at an emergency scene;
- Sufficient manual dexterity with or without reasonable accommodation, which permits the employee to operate EMS equipment;
- Sufficient personal mobility and physical reflexes, with or without reasonable accommodation, which permits the employee to perform all duties involved in protecting life and property.

Education and Experience:
- An associate's degree or higher in EMS or equivalent is preferred
- Significant training in the area of emergency medical services delivery and operations is preferred
- Three (3) years of field experience as an EMT, AEMT or Paramedic preferred.
- Supervisory and management experience is preferred.
- Equivalent combinations of experience, education and training, which provide the required knowledge, skills and abilities, will be considered.

Job Requirements:
- Possess and maintain a current, unrestricted, non-probationary State of Michigan EMS-EMT, AEMT or Paramedic License
- Possess and maintain a current, unrestricted Michigan driver's license
- Drivers Training Certificate (FFTC, CEVO, EVOC)

- Maintain level of function with appropriate Medical Control Authority
- AHA Basic Cardiac Life Support (BCLS, aka CPR) Certification
- Trauma Certification; PHTLS or ITLS Certification
- Advanced Cardiac Life Support (ACLS) Certification (as required for Paramedic)
- PALS or PEPP Certification (as required for Paramedic)

The information contained in this position description is intended to describe the general content and requirements for successful performance of the job. It is not an exhaustive list of duties, responsibilities or requirements. Additional duties and requirements may be assigned at the sole discretion of the City. Hence, 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 Approved: Pending

CHARLEVOIX CITY COUNCIL

Consent Agenda

TITLE: Accept the 2017-18 Fiscal Year Financial Audit

DATE: October 1, 2018

PRESENTED BY: Rehmann Robson

BACKGROUND:

The City's auditor, Rehmann Robson, has completed their audit of the City's financial statements as of and for the year ended March 31, 2018. Their audit encompassed the financial statements of the City's governmental activities, business-type activities, DDA, each major fund and the aggregate remaining fund information. A representative from Rehmann will present the findings of the audit and present a general overview of the financial health of the City.

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

RECOMMENDATION:

Approve the 2017-18 Fiscal Year Financial Audit as presented.

ATTACHMENTS:

- Financial Statement
- Letter

City of Charlevoix, Michigan

Fiscal Year Ended March 31, 2018

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	Greg Bryan

Appointed Officials

City Manager	Mark Heydlauff
Attorney	Scott Howard
Clerk	Joyce Golding
Treasurer	Kelly McGinn
Planning Director	Sarah Lucas
Zoning Administrator	Jonathan Scheel
Police Chief	Gerard Doan
Fire Chief	Dan Thorp
EMS Director	Don McMullen
DPW Superintendent	Pat Elliott
Electric Superintendent	Donald Swem
Wastewater Chief Operator	Randall Wurst
Water Treatment Chief Operator	Shelley Mayer
DDA Director	Lindsey Dotson
Airport Manager	Matt Wyman
Harbormaster	Pat Klooster
Recreation Director	Kent Knorr
Director of Golf & Grounds	Tom Heid

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Rehmann

Rehmann Robson

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Cheboygan, MI 49721
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Fx: 231.627.5787
rehmann.com

INDEPENDENT AUDITORS' REPORT

September 28, 2018

Members of City Council
City of Charlevoix
Charlevoix, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the *City of Charlevoix, Michigan* (the "City"), as of and for the year ended March 31, 2018, 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, 2018, 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.

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 28, 2018, 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

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, 2018.

Financial Highlights

- The City's total net position increased to approximately $66,082,000 at the end of the current fiscal year compared to approximately $64,222,000 at the end of the prior period. The primary government's total net position increased by approximately $1,860,000. Net position of governmental activities decreased by approximately $233,000. Net position of business-type activities increased by approximately $2,093,000.
- 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 $66,082,000 (net position). Of this amount, approximately $11,071,000 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- At March 31, 2018, the City's governmental funds reported combined ending fund balances of approximately $2,912,000, a decrease of approximately $1,174,000 from the prior year. Approximately 52% of these combined ending fund balances or approximately $1,501,000 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 $1,501,000 or 39% 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.

Management's Discussion and Analysis

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 for each of the City's individual governmental funds 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 Capital Project 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 $66,082,000 at the close of the most recent fiscal year.

By far the largest portion of the City's net position (81 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	
	2018	2017	2018	2017	2018	2017
Assets						
Current and other assets	$ 4,177,679	$ 5,313,003	$ 14,798,938	$ 13,479,005	$ 18,976,617	$ 18,792,008
Capital assets, net	29,762,819	28,889,918	39,961,778	39,573,938	69,724,597	68,463,856
	33,940,498	34,606,992	54,760,716	53,613,678	88,701,214	87,255,864
Deferred outflows of resources	326,746	404,071	439,465	560,735	766,211	964,806
Liabilities						
Other liabilities	381,136	323,274	1,060,663	795,803	1,441,799	1,119,077
Long-term debt	3,742,707	3,983,852	12,943,157	13,683,260	16,685,864	17,667,112
Net pension liability	2,687,622	2,685,441	2,285,640	2,383,618	4,973,262	5,069,059
	6,811,465	7,072,259	16,289,460	16,926,451	23,100,925	23,855,248
Deferred inflows of resources	153,735	79,692	130,742	63,770	284,477	143,462
Net position						
Net investment in capital assets	26,396,395	26,453,531	27,180,212	26,070,223	53,576,607	52,523,754
Restricted	752,568	705,738	381,927	682,387	1,134,495	1,388,125
Unrestricted	153,081	375,464	11,217,840	9,934,617	11,370,921	10,310,081
Total net position	$ 27,302,044	$ 27,534,733	$ 38,779,979	$ 36,687,227	$ 66,082,023	$ 64,221,960

Management's Discussion and Analysis

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.

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

	Change in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Program revenues						
Charges for services	$ 915,952	$ 856,227	$ 10,844,608	$ 10,607,484	$ 11,760,560	$ 11,463,711
Operating grants and contributions	587,942	434,666	389,687	369,656	977,629	804,322
Capital grants and contributions	-	-	1,571,318	1,410,025	1,571,318	1,410,025
General revenues						
Property taxes	3,037,259	2,985,220	-	-	3,037,259	2,985,220
State shared revenue	291,430	249,525	-	-	291,430	249,525
Other revenues	12,579	7,378	-	-	12,579	7,378
Gain on sale of capital assets	6,148	-	-	-	6,148	-
Unrestricted investment earnings	20,457	12,722	-	-	20,457	12,722
Total revenues	4,871,767	4,545,738	12,805,613	12,387,165	17,677,380	16,932,903
Expenses:						
Legislative	56,166	56,227	-	-	56,166	56,227
General government	736,232	646,601	-	-	736,232	646,601
Public safety	1,232,129	1,219,180	-	-	1,232,129	1,219,180
Public works	962,188	915,039	-	-	962,188	915,039
Health and welfare	540,299	385,795	-	-	540,299	385,795
Recreation and culture	1,099,244	1,028,411	-	-	1,099,244	1,028,411
Interest expense	106,569	108,454	-	-	106,569	108,454
Electric utility	-	-	5,639,452	5,479,757	5,639,452	5,479,757
Sewage disposal utility	-	-	1,762,447	1,356,738	1,762,447	1,356,738
Water utility	-	-	1,131,404	1,121,636	1,131,404	1,121,636
Marina	-	-	1,059,142	1,035,232	1,059,142	1,035,232
Airport	-	-	1,492,045	1,425,848	1,492,045	1,425,848
Total expenses	4,732,827	4,359,707	11,084,490	10,419,211	15,817,317	14,778,918

Continued…

	Change in Net Position (concluded)					
	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Change in net position before transfers	$ 138,940	$ 186,031	$ 1,721,123	$ 1,967,954	$ 1,860,063	$ 2,153,985
Transfers	(371,629)	(879,530)	371,629	879,530	-	-
Change in net position	(232,689)	(693,499)	2,092,752	2,847,484	1,860,063	2,153,985
Net position:						
Beginning of year	27,534,733	28,228,232	36,687,227	33,839,743	64,221,960	62,067,975
End of year	$ 27,302,044	$ 27,534,733	$ 38,779,979	$ 36,687,227	$ 66,082,023	$ 64,221,960

Concluded

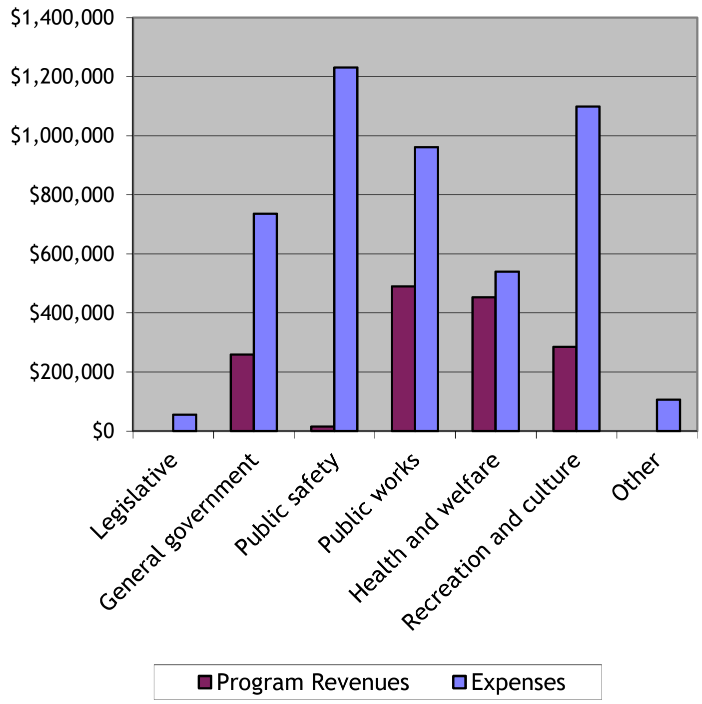
Governmental Activities. Governmental activities decreased the City's net position by approximately $233,000. Key elements of this decrease are as follows:

- Total governmental activities revenue increased by approximately $326,000 or 7.17% compared to prior year, with the most significant increase from operating grants and contributions of approximately $153,000 due to an increase in gas and weight tax revenue of approximately $78,000 from the previous year and a $36,000 federal public improvements grant not received in the prior year.

- Total expenses for governmental activities increased by approximately $373,000 compared to prior year, with the most significant cost increase in health and welfare of approximately $155,000 primarily due to an increase in ambulance wages and benefits of approximately $114,000 from the previous year.

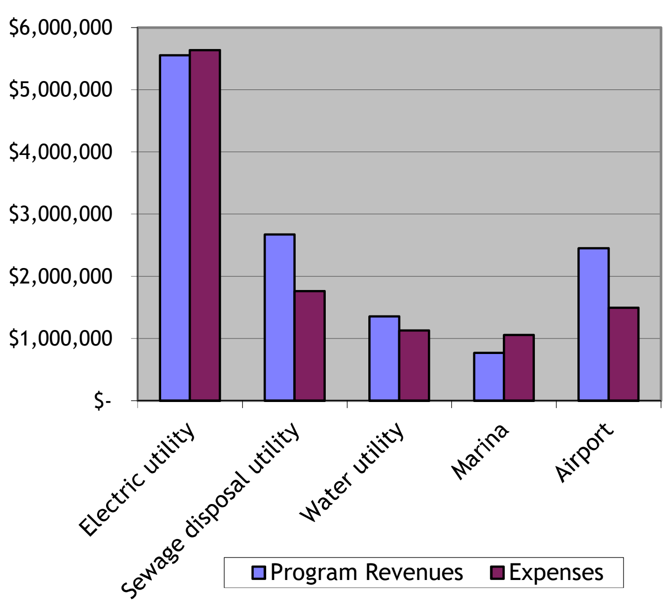
- Transfers from the governmental activities to the business-type activities decreased by $507,901 reflecting reduced funding from capital improvements monies to the water and sewage disposal activities.

Program Revenues and Expenses - Governmental Activities



Business-type Activities. Net position of the business-type activities increased by approximately $2,093,000, a decrease of approximately $754,000 from the change in net position for fiscal year 2017. The decrease is primarily attributable to an increase in expenses of approximately $406,000 from sewer activities and $160,000 in electric utility activities. The sewer expense increase was primarily attributable to greater sewer depreciation of approximately $376,000 and the electric utility expense increase was primarily due to higher wages and benefits of approximately $72,000.

Program Revenues and Expenses - Business-type Activities



Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of approximately $2,912,000, a decrease of approximately $1,174,000 from the prior year. This decrease was attributable primarily to the effect of the activity related to the infrastructure work for the street projects in the Infrastructure Improvement Capital Project Fund. In fiscal 2018, there was approximately $1.1 million spent in public infrastructure improvements. A significant portion of the fund balances, approximately $1,501,000, constitutes unassigned fund balances, which is available for spending at the City's discretion. The remainder of fund balances is either nonspendable, restricted or assigned to indicate that it is not available for new spending.

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

Unrestricted net positions of the enterprise funds at the end of the year amounted to approximately $8,937,000 and the net investment in capital assets was approximately $27,036,000. The changes in enterprise fund net positions were as follows:

- Electric utility activities decreased the City's net position by approximately $161,000 with charges for services less than expenses by approximately $97,000. There were transfers out of approximately $173,000, with the most significant transfer transaction due to a transfer of $126,000 for improvements to the DPW site in the future.
- Sewage disposal utility activities increased the City's net position by approximately $985,000. This was attributable mainly to the excess of charges for services over the expenses by $845,000 and state revenue of approximately $280,000. The state revenue is from the state's Stormwater Asset Management grant for infrastructure improvements.
- Water utility activities increased the City's net position by approximately $349,000 due to charges for services exceeding expenses by approximately $230,000 and transfers in of approximately $156,000 related to capitalizing infrastructure work that was performed through the infrastructure bonds.
- Marina activities negatively impacted the City's net position by approximately $288,000 primarily due to depreciation expense of approximately $649,000, with an offset in other revenue of approximately $336,000 from the DDA's bond payment contribution to the Marina.
- Airport activities increased the City's net position by approximately $1,023,000, primarily due to the City receiving $1,291,000 in capital grants and contributions for the terminal apron rehabilitation project, part of which is offset by depreciation expense of approximately $439,000.

General Fund Budgetary Highlights

During the year, General Fund revenues were lower than budgetary estimates by approximately $79,000 or 2% and expenditures were lower than budgetary estimates by approximately $150,000 or 4%. Revenues were less than anticipated primarily due to receiving approximately $46,000 less in property tax revenue, this was due to a slight overbudget of property taxes by 1.94%. The most significant budget variances in expenditures was an underspending of approximately $41,000 in the fire department due to less contractual services used and fewer equipment rentals and an underspending of approximately $39,000 in city beaches due to less contractual services used. There were no significant budget amendments made during the year.

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, 2018, amounted to approximately $69,725,000 (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:

- Infrastructure for streets project, approximately $1,187,400.
- Airport Friction Improvements and Taxiway A. Rehabilitation Design of approximately $1,396,350.
- Vehicle and vehicle equipment purchases of approximately $262,880.
- City Hall HVAC System, approximately $158,100.

	Capital Assets (Net of Depreciation, Where Applicable)					
	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	$ 16,932,797	$ 16,932,797	$ 1,569,534	$ 1,569,534	$ 18,502,331	$ 18,502,331
Construction in progress	621,704	-	826,978	-	1,448,682	-
Land improvements	1,700,102	1,594,587	13,019,254	12,488,981	14,719,356	14,083,568
Infrastructure	5,722,949	5,440,972	-	-	5,722,949	5,440,972
Buildings and improvements	3,045,824	3,225,987	14,738,432	15,297,641	17,784,256	18,523,628
System improvements	-	-	9,508,270	9,860,562	9,508,270	9,860,562
Machinery and equipment	679,403	582,851	299,310	357,220	978,713	940,071
Vehicles	1,060,040	1,112,724	-	-	1,060,040	1,112,724
Total capital assets, net	$ 29,762,819	$ 28,889,918	$ 39,961,778	$ 39,573,938	$ 69,724,597	$ 68,463,856

Additional information on the City's capital assets can be found in the notes (see footnote 6) 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 $3,869,000, including bond premium, and capital improvement bonds with a balance of $3,598,000, 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 2018, the City paid approximately $385,000 for the wastewater treatment plant improvement project bonds. The outstanding balance at fiscal year end amounted to approximately $9,075,000.

	General Obligations and Other Long Term Debt					
	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
2016 Capital improvement bonds	$ 3,230,000	$ 3,420,000	$ -	$ -	$ 3,230,000	$ 3,420,000
Marina limited tax general obligation bonds	-	-	3,490,000	3,805,000	3,490,000	3,805,000
Sewage disposal utility fund revenue bonds	-	-	9,074,562	9,457,599	9,074,562	9,457,599
Deferred amounts- Issuance premiums	368,447	396,789	378,595	420,661	747,042	817,450
Compensated absences	144,260	167,063	-	-	144,260	167,063
Total	$ 3,742,707	$ 3,983,852	$ 12,943,157	$ 13,683,260	$ 16,685,864	$ 17,667,112

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 $24,611,791, which is in excess of the City’s outstanding general obligation debt.

In addition, the City offers its full-time employees a retirement pension through the Municipal Employees' Retirement System of Michigan (MERS). Based on the latest annual actuarial valuation report from MERS dated December 31, 2017, the City's plan is 64% funded, compared to 62% reported for the previous year.

Additional information on the City’s long-term debt can be found in the notes (see footnote 9) 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 2018-19 fiscal year:

- The unemployment rate for Michigan is currently 4.8% and the national average rate is 4.1%.
- 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 2018-19 fiscal year are expected to be comparable to fiscal year 2017-18 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 2018 tax year, the operating millage of 9.05 mills remained the same as the 2017 tax year to enable the same level of service to taxpayers provided by the General Fund. The infrastructure millage reduced slightly to 2.0026 mills. The refuse millage (PA 213) remained at 1.0 mills. Overall, the 2018 tax rates remained relatively consistent with 2017.
- Sewer rates charged for services in fiscal year 2018-19 remained the same as the fiscal year 2017-18 rates.
- Water rates charged for services in fiscal year 2018-19 slightly decreased 13.5%, down 1.5% from the fiscal year 2017-18 rates.

Management's Discussion and Analysis

- Electric rates for fiscal year 2018-19 remained unchanged from fiscal year 2017-18.

- Wage rates increased 2% for Police Officers Labor Council (POLC) union employees with no change for Communications Workers of America (CWA) union employees per their labor contracts with the City. The City's non-union employees received a 2% rate increase effective April 2018.

- The employee fringe benefit fund rates increased only 1.0% for all funds for 2018/19 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, 2018

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Unit
Assets				
Cash and cash equivalents	$ 3,226,146	$ 9,313,134	$ 12,539,280	$ 485,292
Cash at fiscal agent	64,600	563,233	627,833	-
Investments	881,155	1,912,895	2,794,050	50,000
Deposit held by Michigan Public Power Agency	-	381,927	381,927	-
Receivables, net	523,489	1,331,632	1,855,121	2,333
Internal balances	(603,118)	603,118	-	-
Other assets	85,407	392,999	478,406	-
Restricted investments	-	300,000	300,000	-
Capital assets not being depreciated	17,554,501	2,396,512	19,951,013	923,071
Capital assets being depreciated, net	12,208,318	37,565,266	49,773,584	2,457,414
Total assets	33,940,498	54,760,716	88,701,214	3,918,110
Deferred outflows of resources				
Deferred charge on bond refunding	-	161,591	161,591	-
Deferred pension amounts	326,746	277,874	604,620	-
Total deferred outflows of resources	326,746	439,465	766,211	-
Liabilities				
Accounts payable and accrued liabilities	352,585	1,042,065	1,394,650	7,195
Unearned revenue	28,551	18,598	47,149	5,626
Long-term debt:				
Due within one year	227,897	752,066	979,963	-
Due in more than one year	3,514,810	12,191,091	15,705,901	-
Net pension liability	2,687,622	2,285,640	4,973,262	-
Total liabilities	6,811,465	16,289,460	23,100,925	12,821
Deferred inflows of resources				
Deferred pension amounts	153,735	130,742	284,477	-
Net position				
Net investment in capital assets	26,396,395	27,180,212	53,576,607	3,380,485
Restricted for:				
Perpetual care	426,419	-	426,419	-
Street improvements	326,149	-	326,149	-
Energy purchases	-	381,927	381,927	-
Downtown development	-	-	-	524,804
Unrestricted	153,081	11,217,840	11,370,921	-
Total net position	$ 27,302,044	$ 38,779,979	$ 66,082,023	$ 3,905,289

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

Statement of Activities

For the Year Ended March 31, 2018

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	$ 56,166	$ -	$ -	$ -	$ (56,166)
General government	736,232	211,437	48,152	-	(476,643)
Public safety	1,232,129	-	15,339	-	(1,216,790)
Public works	962,188	1,750	488,619	-	(471,819)
Health and welfare	540,299	453,100	-	-	(87,199)
Recreation and culture	1,099,244	249,665	35,832	-	(813,747)
Interest	106,569	-	-	-	(106,569)
Total governmental activities	4,732,827	915,952	587,942	-	(3,228,933)
Business-type activities:					
Electric utility	5,639,452	5,519,944	34,615	-	(84,893)
Sewage disposal utility	1,762,447	2,374,026	16,543	280,268	908,390
Water utility	1,131,404	1,354,349	1,557	-	224,502
Marina	1,059,142	433,923	336,972	-	(288,247)
Airport	1,492,045	1,162,366	-	1,291,050	961,371
Total business-type activities	11,084,490	10,844,608	389,687	1,571,318	1,721,123
Total primary government	$ 15,817,317	$ 11,760,560	$ 977,629	$ 1,571,318	$ (1,507,810)
Component unit					
Downtown Development Authority	$ 797,290	$ 79,706	$ 53,623	$ -	$ (663,961)

Continued...

Statement of Activities
For the Year Ended March 31, 2018

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Unit
Change in net position				
Net revenue (expense)	$ (3,228,933)	$ 1,721,123	$ (1,507,810)	$ (663,961)
General revenues:				
Property taxes	3,037,259	-	3,037,259	433,925
State shared revenues	291,430	-	291,430	-
Other revenue	12,579	-	12,579	-
Gain on sale of capital assets	6,148	-	6,148	-
Unrestricted investment earnings	20,457	-	20,457	-
Transfers - internal activities	(371,629)	371,629	-	-
Total general revenues and transfers	2,996,244	371,629	3,367,873	433,925
Change in net position	(232,689)	2,092,752	1,860,063	(230,036)
Net position, beginning of year	27,534,733	36,687,227	64,221,960	4,135,325
Net position, end of year	$ 27,302,044	$ 38,779,979	$ 66,082,023	$ 3,905,289

Concluded

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

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FUND FINANCIAL STATEMENTS

CITY OF CHARLEVOIX, MICHIGAN

Balance Sheet
Governmental Funds
March 31, 2018

	General Fund	Infrastructure Improvement Capital Project Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	$ 906,004	$ 242,618	$ 706,990	$ 1,855,612
Cash at fiscal agent	-	-	64,600	64,600
Investments	403,687	-	276,734	680,421
Accounts receivable, net	255,407	19	691	256,117
Taxes receivable	48,216	9,617	11,079	68,912
Interest receivable	4,587	-	1,520	6,107
Other assets	36,225	-	-	36,225
Due from other governmental units	53,611	-	134,259	187,870
Total assets	$ 1,707,737	$ 252,254	$ 1,195,873	$ 3,155,864
Liabilities				
Accounts payable	$ 98,976	$ 326	$ 50,815	$ 150,117
Accrued liabilities	45,317	19,905	1,318	66,540
Unearned revenue	26,555	-	616	27,171
Total liabilities	170,848	20,231	52,749	243,828
Fund balances				
Nonspendable	36,225	-	426,419	462,644
Restricted	-	232,023	326,149	558,172
Assigned	-	-	390,556	390,556
Unassigned	1,500,664	-	-	1,500,664
Total fund balances	1,536,889	232,023	1,143,124	2,912,036
Total liabilities and fund balances	$ 1,707,737	$ 252,254	$ 1,195,873	$ 3,155,864

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, 2018

Fund balances - total governmental funds	$ 2,912,036
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	17,554,501
Capital assets being depreciated, net	12,208,318
Capital assets accounted for in motor vehicle internal service funds, net	(1,234,048)
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	2,651,694
Net position allocated to business-type activities from governmental activities internal service funds	(603,118)
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	(2,687,622)
Deferred outflows of resources related to the net pension liability	326,746
Deferred inflows of resources related to the net pension liability	(153,735)
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	(7,781)
Interest payable on long-term debt	(66,500)
Bonds payable	(3,598,447)
Net position of governmental activities	$ 27,302,044

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

CITY OF CHARLEVOIX, MICHIGAN

Statement of Revenues, Expenditures and Change in Fund Balances

Governmental Funds
For the Year Ended March 31, 2018

	General Fund	Infrastructure Improvement Capital Project Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Taxes	$ 2,344,944	$ 464,083	$ 228,232	$ 3,037,259
Federal revenue	-	-	36,000	36,000
State revenue	292,873	-	491,991	784,864
Licenses and permits	7,230	-	-	7,230
Charges for services	713,623	-	4,725	718,348
Fines and forfeitures	18,137	-	-	18,137
Interest	9,967	757	4,252	14,976
Rents and royalties	126,323	-	7,230	133,553
Other revenue	99,242	-	10,000	109,242
Total revenues	3,612,339	464,840	782,430	4,859,609
Expenditures				
Current:				
Legislative	56,083	-	-	56,083
General government	711,047	-	44,519	755,566
Public safety	1,060,455	-	-	1,060,455
Public works	234,946	1,125,442	416,642	1,777,030
Health and welfare	535,426	-	-	535,426
Recreation and culture	1,164,674	-	319	1,164,993
Other expenditures	28,789	-	-	28,789
Debt service:				
Principal	-	-	190,000	190,000
Interest	-	-	133,411	133,411
Total expenditures	3,791,420	1,125,442	784,891	5,701,753
Revenues under expenditures	(179,081)	(660,602)	(2,461)	(842,144)
Other financing sources (uses)				
Transfers in	72,700	75,000	408,833	556,533
Transfers out	(10,700)	(562,777)	(314,552)	(888,029)
Total other financing sources (uses)	62,000	(487,777)	94,281	(331,496)
Net change in fund balances	(117,081)	(1,148,379)	91,820	(1,173,640)
Fund balances, beginning of year	1,653,970	1,380,402	1,051,304	4,085,676
Fund balances, end of year	$ 1,536,889	$ 232,023	$ 1,143,124	$ 2,912,036

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

Reconciliation

Net Change in Fund Balances of Governmental Funds
to Change in Net Position of Governmental Activities
For the Year Ended March 31, 2018

Net change in fund balances - total governmental funds	$ (1,173,640)
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	1,542,891
Depreciation expense	(613,732)
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	190,000
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	(123,889)
Change in net position from governmental activities accounted for in internal service funds charged to business-type activities	52,068
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	(153,549)
Bond premium amortization	28,342
Change in interest expense	(1,500)
Net decrease in compensated absences - sick leave	20,320
Change in net position of governmental activities	$ (232,689)

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

Statement of Revenues, Expenditures and Change in Fund Balance
Budget and Actual - General Fund
For the Year Ended March 31, 2018

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes:				
Property taxes	$ 2,306,700	$ 2,350,842	$ 2,305,301	$ (45,541)
Payments in lieu of taxes	5,000	13,200	14,437	1,237
Interest and penalties on taxes	8,000	8,000	5,909	(2,091)
Tax collection fees	18,000	18,000	19,297	1,297
Total taxes	2,337,700	2,390,042	2,344,944	(45,098)
State revenue	256,500	301,104	292,873	(8,231)
Licenses and permits	5,300	6,195	7,230	1,035
Charges for services:				
Fire runs	25,400	25,400	-	(25,400)
Ambulance runs	257,300	342,542	374,963	32,421
Ambulance contracts	92,000	92,000	78,137	(13,863)
Cemetery	35,000	35,000	28,388	(6,612)
Golf course	90,100	93,061	92,730	(331)
Summer sports	6,900	12,538	12,413	(125)
Day camp	56,000	42,524	40,379	(2,145)
Winter sports	57,000	57,000	48,919	(8,081)
Skate park	1,000	1,000	637	(363)
Parking	30,000	31,250	29,889	(1,361)
Other	5,700	7,593	7,168	(425)
Total charges for services	656,400	739,908	713,623	(26,285)
Fines and forfeitures	20,900	21,224	18,137	(3,087)
Interest	2,500	2,500	9,967	7,467
Rents and royalties:				
City hall	102,500	104,700	105,000	300
Boat launch/harbor building	20,500	20,501	20,970	469
Skate park	300	300	353	53
Total rents and royalties	123,300	125,501	126,323	822
Other revenue	64,600	104,480	99,242	(5,238)
Total revenues	3,467,200	3,690,954	3,612,339	(78,615)

Continued...

Statement of Revenues, Expenditures and Change in Fund Balance

Budget and Actual - General Fund
For the Year Ended March 31, 2018

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Expenditures				
Legislative:				
City council	$ 47,800	$ 56,138	$ 56,083	$ (55)
General government:				
Mayor	7,000	8,231	5,912	(2,319)
City manager	113,700	116,409	109,109	(7,300)
Elections	24,900	16,963	13,899	(3,064)
Assessor	58,700	60,168	56,831	(3,337)
City attorney	40,000	30,350	21,731	(8,619)
City clerk	51,200	47,679	38,649	(9,030)
City treasurer	68,800	69,367	59,910	(9,457)
City hall and grounds	289,900	333,310	315,874	(17,436)
Cemetery	100,300	101,136	89,132	(12,004)
Total general government	754,500	783,613	711,047	(72,566)
Public safety:				
Police department	781,400	809,030	791,506	(17,524)
Parking law enforcement	7,300	8,336	8,117	(219)
Fire department	248,500	217,799	176,942	(40,857)
Planning department	72,200	56,141	83,890	27,749
Total public safety	1,109,400	1,091,306	1,060,455	(30,851)
Public works:				
Highways and streets	300	300	240	(60)
Leaf pick up	147,300	147,254	136,592	(10,662)
Waste collection	51,600	51,612	61,496	9,884
Brush pickup	52,900	52,795	36,618	(16,177)
Total public works	252,100	251,961	234,946	(17,015)

Continued...

Statement of Revenues, Expenditures and Change in Fund Balance

Budget and Actual - General Fund
For the Year Ended March 31, 2018

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Expenditures (Continued)				
Health and welfare:				
Ambulance	$ 426,600	$ 487,024	$ 535,426	$ 48,402
Recreation and culture:				
Parks	436,000	480,225	511,073	30,848
Recreation administration	59,400	95,583	71,734	(23,849)
City beaches	97,100	97,143	58,352	(38,791)
Ball fields	23,600	18,785	13,872	(4,913)
Day camp	69,600	69,853	57,890	(11,963)
Ice rink	8,900	14,604	7,153	(7,451)
Mt. McSauba ski hill	133,100	132,473	128,158	(4,315)
Basketball and volleyball	55,100	51,166	48,002	(3,164)
Golf course	236,900	243,655	227,063	(16,592)
Boat launch	21,300	21,204	19,606	(1,598)
Skate park	7,900	7,879	5,662	(2,217)
Community promotion	17,700	17,700	16,109	(1,591)
Total recreation and culture	1,166,600	1,250,270	1,164,674	(85,596)
Other expenditures	37,000	21,600	28,789	7,189
Total expenditures	3,794,000	3,941,912	3,791,420	(150,492)
Revenues under expenditures	(326,800)	(250,958)	(179,081)	71,877
Other financing sources (uses)				
Transfers in	72,700	72,700	72,700	-
Transfers out	(75,700)	(103,200)	(10,700)	(92,500)
Total other financing sources (uses)	(3,000)	(30,500)	62,000	(92,500)
Net change in fund balance	(329,800)	(281,458)	(117,081)	164,377
Fund balance, beginning of year	1,653,970	1,653,970	1,653,970	-
Fund balance, end of year	$ 1,324,170	$ 1,372,512	$ 1,536,889	$ 164,377

Concluded

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

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CITY OF CHARLEVOIX, MICHIGAN

Statement of Net Position
Proprietary Funds
March 31, 2018

	Business-type Activities - Enterprise Funds			
	Electric Utility	Sewage Disposal Utility	Water Utility	Marina
Assets				
Current assets:				
Cash and cash equivalents	$ 4,046,494	$ 3,434,306	$ 362,627	$ 177,780
Investments	1,425,584	40,000	44,000	-
Cash at fiscal agent	-	493,433	-	69,800
Deposits held by Michigan Public Power Agency	381,927	-	-	-
Accounts receivable, net	804,537	351,150	118,083	27
Interest receivable	11,908	145	153	552
Other assets	1,310	1,380	1,310	-
Inventories	271,402	-	76,237	-
Total current assets	6,943,162	4,320,414	602,410	248,159
Noncurrent assets:				
Restricted investments	75,000	75,000	75,000	75,000
Advance to other funds	683,000	-	-	-
Capital assets, not being depreciated	248,770	877,878	171,759	-
Capital assets, net of accumulated depreciation	3,767,740	14,001,564	4,785,980	6,790,215
Total noncurrent assets	4,774,510	14,954,442	5,032,739	6,865,215
Total assets	11,717,672	19,274,856	5,635,149	7,113,374
Deferred outflows of resources				
Deferred charge on bond refunding	-	-	-	161,591
Deferred pension amounts	171,280	29,466	55,502	-
Total deferred outflows of resources	171,280	29,466	55,502	161,591
Liabilities				
Current liabilities:				
Accounts payable	355,531	151,812	83,066	6,776
Accrued liabilities	21,243	123,766	7,943	70,691
Customer deposits	62,511	-	-	95,406
Current portion of bonds and notes payable	-	380,000	-	372,066
Unearned revenue	-	-	-	-
Total current liabilities	439,285	655,578	91,009	544,939
Noncurrent liabilities:				
Advance from other funds	-	-	-	593,000
Bonds payable, net of current portion	-	8,694,562	-	3,496,529
Compensated absences, net of current portion	-	-	-	-
Net pension liability	1,408,860	242,371	456,526	-
Total noncurrent liabilities	1,408,860	8,936,933	456,526	4,089,529
Total liabilities	1,848,145	9,592,511	547,535	4,634,468
Deferred inflows of resources				
Deferred pension amounts	80,589	13,864	26,114	-
Net position				
Net investment in capital assets	4,016,510	5,804,880	4,957,739	3,083,211
Restricted for:				
Energy purchases	381,927	-	-	-
Unrestricted (deficit)	5,561,781	3,893,067	159,263	(442,714)
Total net position	$ 9,960,218	$ 9,697,947	$ 5,117,002	$ 2,640,497

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

Airport	Total	Internal Service Funds
$ 2,270	$ 8,023,477	$ 2,660,191
-	1,509,584	604,045
-	563,233	-
-	381,927	-
39,916	1,313,713	2,624
-	12,758	7,020
4,295	8,295	49,182
37,065	384,704	-
83,546	12,197,691	3,323,062
-	300,000	-
-	683,000	-
997,416	2,295,823	121,342
8,176,247	37,521,746	1,256,915
9,173,663	40,800,569	1,378,257
9,257,209	52,998,260	4,701,319
-	161,591	-
21,626	277,874	-
21,626	439,465	-
36,657	633,842	56,717
6,474	230,117	32,900
-	157,917	-
-	752,066	-
18,598	18,598	1,380
61,729	1,792,540	90,997
90,000	683,000	-
-	12,191,091	-
-	-	136,479
177,883	2,285,640	-
267,883	15,159,731	136,479
329,612	16,952,271	227,476
10,175	130,742	-
9,173,663	27,036,003	1,378,257
-	381,927	-
(234,615)	8,936,782	3,095,586
$ 8,939,048	$ 36,354,712	$ 4,473,843

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Reconciliation

Net Position of Enterprise Funds
to Net Position of Business-type Activities
March 31, 2018

Net position - total enterprise funds	$ 36,354,712
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	1,822,149
Net position allocated to business-type activities from governmental activities internal service funds	603,118
Net position of business-type activities	$ 38,779,979

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

CITY OF CHARLEVOIX, MICHIGAN

Statement of Revenues, Expenses and Change in Fund Net Position

Proprietary Funds

For the Year Ended March 31, 2018

	Business-type Activities - Enterprise Funds			
	Electric Utility	Sewage Disposal Utility	Water Utility	Marina
Operating revenues				
Charges for services	$ 5,519,944	$ 2,370,526	$ 1,354,349	$ 433,923
Operating expenses				
Purchased power	3,104,874	-	-	-
Fuel purchases	-	-	-	-
Personnel services	1,309,695	584,351	454,826	121,218
Contractual services	102,298	79,756	98,457	54,720
Insurance	16,311	13,303	4,279	2,756
Building rental	53,200	25,800	24,600	-
Equipment rental	175,022	66,522	90,648	84
Supplies	66,975	53,504	73,720	5,867
Utilities	61,883	115,571	44,413	77,249
Repairs and maintenance	160,926	15,691	58,056	11,238
Depreciation	485,449	543,929	265,058	648,796
Miscellaneous	80,359	26,753	10,545	8,146
Total operating expenses	5,616,992	1,525,180	1,124,602	930,074
Operating income (loss)	(97,048)	845,346	229,747	(496,151)
Nonoperating revenues (expenses)				
Interest revenue	34,615	6,300	1,557	1,272
Gain on sale of capital assets	-	-	-	-
Other revenue	-	3,500	-	335,700
Interest expense	-	(226,885)	-	(128,430)
Total nonoperating revenues (expenses)	34,615	(217,085)	1,557	208,542
Income (loss) before transfers and capital contributions	(62,433)	628,261	231,304	(287,609)
Transfers				
Transfers in	74,217	199,321	155,991	-
Transfers out	(173,191)	(123,004)	(38,205)	-
Total transfers	(98,974)	76,317	117,786	-
Capital contributions				
Federal revenue	-	-	-	-
State revenue	-	280,268	-	-
Total capital contributions	-	280,268	-	-
Change in net position	(161,407)	984,846	349,090	(287,609)
Net position, beginning of year	10,121,625	8,713,101	4,767,912	2,928,106
Net position, end of year	$ 9,960,218	$ 9,697,947	$ 5,117,002	$ 2,640,497

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

Airport	Total	Internal Service Funds
$ 1,162,366	$ 10,841,108	$ 2,890,563
-	3,104,874	-
700,420	700,420	-
219,610	2,689,700	2,424,784
10,994	346,225	51,592
9,848	46,497	-
-	103,600	-
1,176	333,452	-
4,781	204,847	70,926
31,923	331,039	11,328
6,795	252,706	105,037
439,389	2,382,621	322,635
64,599	190,402	3,749
1,489,535	10,686,383	2,990,051
(327,169)	154,725	(99,488)
-	43,744	15,723
-	-	6,148
-	339,200	14,530
(1,150)	(356,465)	-
(1,150)	26,479	36,401
(328,319)	181,204	(63,087)
60,500	490,029	286,000
-	(334,400)	(110,133)
60,500	155,629	175,867
1,291,050	1,291,050	-
-	280,268	-
1,291,050	1,571,318	-
1,023,231	1,908,151	112,780
7,915,817	34,446,561	4,361,063
$ 8,939,048	$ 36,354,712	$ 4,473,843

Reconciliation

Change in Fund Net Position of Enterprise Funds
to Change in Net Position of Business-type Activities
For the Year Ended March 31, 2018

Change in net position - total enterprise funds	$ 1,908,151
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	236,669
Change in net position of internal service funds accounted for in governmental activities but charged to business-type activities	(52,068)
Change in net position of business-type activities	$ 2,092,752

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, 2018

	Business-type Activities - Enterprise Funds			
	Electric Utility	Sewage Disposal Utility	Water Utility	Marina
Cash flows from operating activities				
Cash received from customers	$ 5,566,936	$ 2,268,751	$ 1,340,765	$ 441,315
Cash received from interfund services	-	-	-	-
Cash payments to employees	(1,185,589)	(547,315)	(511,877)	(56,733)
Cash payments to suppliers for goods and services	(3,833,186)	(269,195)	(338,245)	(158,772)
Net cash provided by operating activities	548,161	1,452,241	490,643	225,810
Cash flows from noncapital financing activities				
Other receipts	-	3,500	-	335,700
Transfers out	(173,191)	(123,004)	(38,205)	-
Net cash provided by (used in) noncapital financing activities	(173,191)	(119,504)	(38,205)	335,700
Cash flows from capital and related financing activities				
State receipts	-	280,268	-	-
Proceeds from sale of capital assets	-	-	-	-
Purchase of capital assets	(239,717)	(551,316)	(548,885)	-
Repayment on interfund advances	-	-	-	(50,000)
Transfers in	74,217	199,321	155,991	-
Proceeds from issuance of long-term debt	-	1,963	-	-
Bond principal payments	-	(385,000)	-	(315,000)
Bond and advance interest payments	-	(242,892)	-	(152,542)
Net cash used in capital and related financing activities	(165,500)	(697,656)	(392,894)	(517,542)
Cash flows from investing activities				
Purchase of investments	(4,335)	-	-	-
Receipt of amounts from advance to other funds	75,000	-	-	-
Interest received	27,065	6,808	2,082	1,395
Net cash provided by investing activities	97,730	6,808	2,082	1,395
Net increase in cash and cash equivalents	307,200	641,889	61,626	45,363
Cash and cash equivalents, beginning of year	4,121,221	3,285,850	301,001	202,217
Cash and cash equivalents, including cash at fiscal agent and deposit held by MPPA, beginning of year	4,428,421	3,927,739	362,627	247,580
Cash at fiscal agent, end of year	-	(493,433)	-	(69,800)
Deposit held by MPPA, end of year	(381,927)	-	-	-
Cash and cash equivalents, end of year	$ 4,046,494	$ 3,434,306	$ 362,627	$ 177,780

Airport	Total	Internal Service Funds
$ 1,143,830	$ 10,761,597	$ -
-	-	2,889,224
(262,710)	(2,564,224)	(2,411,649)
(808,100)	(5,407,498)	(235,562)
73,020	2,789,875	242,013
-	339,200	14,530
-	(334,400)	(110,133)
-	4,800	(95,603)
-	280,268	-
-	-	6,148
(105,300)	(1,445,218)	(300,570)
(25,000)	(75,000)	-
60,500	490,029	286,000
-	1,963	-
-	(700,000)	-
(1,150)	(396,584)	-
(70,950)	(1,844,542)	(8,422)
-	(4,335)	-
-	75,000	-
-	37,350	7,049
-	108,015	7,049
2,070	1,058,148	145,037
200	7,910,489	2,515,154
2,270	8,968,637	2,660,191
-	(563,233)	-
-	(381,927)	-
$ 2,270	$ 8,023,477	$ 2,660,191

Continued...

CITY OF CHARLEVOIX, MICHIGAN

Statement of Cash Flows
Proprietary Funds
For the Year Ended March 31, 2018

	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)	$ (97,048)	$ 845,346	$ 229,747	$ (496,151)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	485,449	543,929	265,058	648,796
Changes in assets and liabilities that provided (used) cash:				
Accounts receivable	53,312	(101,775)	(13,584)	(25)
Other assets	-	60	-	-
Inventory	(16,473)	-	13,399	228
Deposits held by Michigan Public Power Agency	460	-	-	-
Accounts payable	4,675	111,638	53,074	1,060
Accrued liabilities	(4,432)	11,833	(2,713)	64,485
Net pension liability and related deferred amounts	128,538	41,210	(54,338)	-
Customer deposits	(6,320)	-	-	7,417
Accrued compensated absences	-	-	-	-
Unearned revenue	-	-	-	-
Net cash provided by operating activities	$ 548,161	$ 1,452,241	$ 490,643	$ 225,810

Non-cash transaction

The airport fund purchased capital assets in the amount of $1,291,050 for the Taxiway A Rehabilitation Project which was founded with federal revenue capital contributions.

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

Airport	Total	Internal Service Funds
$ (327,169)	$ 154,725	$ (99,488)
439,389	2,382,621	322,635
(15,780)	(77,852)	(2,585)
-	60	(2,497)
(7,281)	(10,127)	-
-	460	-
28,769	199,216	9,567
948	70,121	15,618
(43,100)	72,310	-
-	1,097	-
-	-	(2,483)
(2,756)	(2,756)	1,246
$ 73,020	$ 2,789,875	$ 242,013

Concluded

Statement of Fiduciary Assets and Liabilities

Agency Funds
March 31, 2018

Assets	
Cash	$ 75,320
Liabilities	
Undistributed receipts	$ 75,320

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 and zoning, public improvement and general administrative services), public safety (police and fire), public works (highways and streets, brush pick-up, sanitation, electricity), health and welfare and recreation and culture.

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

Government-wide and Fund Financial Statements

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

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

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

Notes to the Financial Statements

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting,* as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. 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. The City considers all revenues reported in the governmental funds to be available if they are collected within three months after year-end, except for property taxes that use a 60-day collection period, and reimbursement-based grants that use a one year collection period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The City reports the following major governmental funds:

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

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

The *debt service fund* accounts for financial resources that are restricted, committed or assigned to expenditure for principal, interest and other related costs.

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

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

The *agency fund* accounts for resources held in a trustee or agent capacity.

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.

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

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

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

Deposits and investments

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

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

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

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

Receivables and payables

All receivables are reported at their gross value, and where appropriate, are reduced by the estimated portion that is expected to be uncollectible. As of March 31, 2018, 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 $3,400, $1,100 and $500, 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. Amounts received in advance of project costs being incurred are reported as unearned revenue.

Inventory

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

Restricted investments

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

Capital assets

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

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

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.

Payables

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

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 and balance sheets will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position or fund balance that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until a future period. The 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 by at least 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, assigned, and finally unassigned fund balance.

The City is reporting a deficit unrestricted net position of $517,714 and $234,615 in the Marina and Airport enterprise funds, respectively; however, total net position for each fund 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.

Pensions

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

Use of Estimates

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

2. BUDGETARY INFORMATION

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

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

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

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, 2018, 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			
Public safety:			
Planning department	$ 56,141	$ 83,890	$ 27,749
Public works:			
Waste collection	51,612	61,496	9,884
Health and welfare:			
Ambulance	487,024	535,426	48,402
Recreation and culture:			
Parks	480,225	511,073	30,848
Other expenditures	21,600	28,789	7,189

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

3. DEPOSITS AND INVESTMENTS

Following is a reconciliation of deposit and investment balances as of March 31, 2018:

	Primary Government	Component Unit	Total
Statement of Net Position			
Cash and cash equivalents	$ 12,539,280	$ 485,292	$ 13,024,572
Cash at fiscal agent	627,833	-	627,833
Investments	2,794,050	50,000	2,844,050
Deposits held by Michigan Public Power Agency	381,927	-	381,927
Restricted investments	300,000	-	300,000
Total Statement of Net Position	$ 16,643,090	$ 535,292	17,178,382
Statement of Fiduciary Assets and Liabilities			
Cash and cash equivalents			75,320
Total			$ 17,253,702
Deposits and investments			
Bank deposits (checking and savings accounts)			$ 13,109,995
Certificates of deposits:			
Maturing in less than 1 year			1,880,000
Maturing in more than 1 year			1,253,040
Cash with fiscal agent			627,833
Deposits held by Michigan Public Power Agency			381,927
Petty cash			907
Total			$ 17,253,702

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 $13,991,000 of the City's bank balance of approximately $16,003,000 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.

Notes to the Financial Statements

4. RECEIVABLES

Receivables are comprised of the following as of March 31, 2018:

	Governmental Activities	Business-type Activities	Component Unit
Accounts receivable	$ 288,741	$ 1,318,713	$ 2,333
Taxes receivable	68,912	-	-
Interest receivable	7,966	17,919	-
Due from other governmental units	187,870	-	-
Allowance for uncollectible accounts	(30,000)	(5,000)	-
	$ 523,489	$ 1,331,632	$ 2,333

5. OTHER ASSETS

Other assets consisted of the following amounts at March 31, 2018:

	Governmental Activities	Business-type Activities	Component Units
Inventories	$ -	$ 384,704	$ -
Prepaids	85,407	8,295	-
Totals	$ 85,407	$ 392,999	$ -

Notes to the Financial Statements

6. CAPITAL ASSETS

Primary Government

Capital assets activity for the primary government for the year ended March 31, 2018, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Governmental activities					
Capital assets not being depreciated:					
Land	$ 16,932,797	$ -	$ -	$ -	$ 16,932,797
Construction in progress	-	621,704	-	-	621,704
	16,932,797	621,704	-	-	17,554,501
Capital assets being depreciated:					
Land improvements	3,679,183	184,255	(14,471)	-	3,848,967
Infrastructure	6,298,006	564,052	-	-	6,862,058
Buildings and improvements	7,430,185	-	(4,250)	-	7,425,935
Machinery and equipment	2,148,584	205,149	(47,215)	-	2,306,518
Vehicles	3,452,630	230,612	(106,694)	-	3,576,548
	23,008,588	1,184,068	(172,630)	-	24,020,026
Less accumulated depreciation for:					
Land improvements	(2,084,596)	(78,740)	14,471	-	(2,148,865)
Infrastructure	(857,034)	(282,075)	-	-	(1,139,109)
Buildings and improvements	(4,204,198)	(180,163)	4,250	-	(4,380,111)
Machinery and equipment	(1,565,733)	(108,597)	47,215	-	(1,627,115)
Vehicles	(2,339,906)	(283,296)	106,694	-	(2,516,508)
	(11,051,467)	(932,871)	172,630	-	(11,811,708)
Total capital assets being depreciated, net	11,957,121	251,197	-	-	12,208,318
Governmental activities capital assets, net	$ 28,889,918	$ 872,901	$ -	$ -	$ 29,762,819

Notes to the Financial Statements

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Business-type activities					
Capital assets not being depreciated:					
Land	$ 1,569,534	$ -	$ -	$ -	$ 1,569,534
Construction in progress	-	826,978	-	-	826,978
	1,569,534	826,978	-	-	2,396,512
Capital assets being depreciated:					
Land improvements	20,588,159	1,492,639	-	-	22,080,798
Buildings and improvements	21,959,708	32,370	(2,130,901)	-	19,861,177
System improvements	27,241,222	346,502	(1,392)	-	27,586,332
Machinery and equipment	2,607,417	75,468	(125,910)	-	2,556,975
	72,396,506	1,946,979	(2,258,203)	-	72,085,282
Less accumulated depreciation for:					
Land improvements	(8,099,178)	(962,366)	-	-	(9,061,544)
Buildings and improvements	(6,662,067)	(591,579)	2,130,901	-	(5,122,745)
System improvements	(17,380,660)	(698,794)	1,392	-	(18,078,062)
Machinery and equipment	(2,250,197)	(133,378)	125,910	-	(2,257,665)
	(34,392,102)	(2,386,117)	2,258,203	-	(34,520,016)
Total capital assets being depreciated, net	38,004,404	(439,138)	-	-	37,565,266
Business-type activities capital assets, net	$ 39,573,938	$ 387,840	$ -	$ -	$ 39,961,778

Depreciation expense for the year ended March 31, 2018 was charged to functions/programs of the primary government as follows:

Depreciation of governmental activities by function	
General government	$ 174,468
Public safety	51,487
Public works	317,704
Recreation and culture	68,644
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	319,139
	$ 932,871

Depreciation of business-type activities by function

Electric utility	$ 485,449
Sewage disposal utility	543,929
Water utility	265,058
Marina	648,796
Airport	439,389
Capital assets held by the business-type activity internal service fund are charged to the various functions based on their usage of the assets	3,496
	$ 2,386,117

Discretely presented component unit

Capital assets activity for the Downtown Development Authority ("DDA") component unit for the year ended March 31, 2018, 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	2,398,995	106,203	-	-	2,505,198
Buildings and improvements	3,897,817	-	-	-	3,897,817
Machinery and equipment	68,305	-	-	-	68,305
	6,365,117	106,203	-	-	6,471,320
Less accumulated depreciation for:					
Land improvements	(1,561,395)	(95,027)	-	-	(1,656,422)
Buildings and improvements	(2,203,687)	(89,477)	-	-	(2,293,164)
Machinery and equipment	(61,133)	(3,187)	-	-	(64,320)
	(3,826,215)	(187,691)	-	-	(4,013,906)
Total capital assets being depreciated, net	2,538,902	(81,488)	-	-	2,457,414
Component unit capital assets, net	$ 3,461,973	$ (81,488)	$ -	$ -	$ 3,380,485

Depreciation expense for the component unit, included in the statement of activities, was $187,691 for fiscal year 2018.

Notes to the Financial Statements

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities are comprised of the following as of March 31, 2018:

	Governmental Activities	Business-type Activities	Component Unit
Accounts payable	$ 186,645	$ 654,031	$ 7,195
Accrued liabilities	99,440	230,117	-
Accrued interest	66,500	-	-
Customer deposits	-	157,917	-
	$ 352,585	$ 1,042,065	$ 7,195

8. INTERFUND ADVANCES

The composition of interfund advances as of March 31, 2018, was as follows:

	Advance to Other Funds	Advance From Other Funds
Electric Utility Fund	$ 683,000	$ -
Marina Fund	-	593,000
Airport Fund	-	90,000
	$ 683,000	$ 683,000

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 2017/18, the Electric Utility Fund received principal and interest payments of $50,000 and $6,430, respectively, from the Marina Fund and principal and interest payments of $25,000 and $7,580, respectively, from the Airport Fund.

For the year ended March 31, 2018, interfund transfers consisted of the following:

	Transfers In	Transfers Out
General Fund	$ 72,700	$ 10,700
Infrastructure Improvements Fund	75,000	562,777
Nonmajor Governmental Funds	408,833	314,552
Electric Utility Fund	74,217	173,191
Sewage Disposal Utility Fund	199,321	123,004
Water Utility Fund	155,991	38,205
Airport Fund	60,500	-
Internal Service Funds	286,000	110,133
	$ 1,332,562	$ 1,332,562

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.

9. LONG-TERM DEBT

Long-term debt activity for the year ended March 31, 2018, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Primary government					
Governmental activities:					
2016 capital improvement bonds	$ 3,420,000	$ -	$ (190,000)	$ 3,230,000	$ 195,000
Deferred amounts- Bond premiums	396,789	-	(28,342)	368,447	28,342
Compensated absences - sick leave	28,101	49,635	(69,955)	7,781	4,555
Compensated absences - vacation	138,962	161,403	(163,886)	136,479	-
Total governmental activities	3,983,852	211,038	(452,183)	3,742,707	227,897
Business-type activities:					
General obligation bonds	3,805,000	-	(315,000)	3,490,000	330,000
Revenue bonds	9,457,599	1,963	(385,000)	9,074,562	380,000
Total installment debt	13,262,599	1,963	(700,000)	12,564,562	710,000
Deferred amounts- Bond premiums	420,661	-	(42,066)	378,595	42,066
Total business-type activities	13,683,260	1,963	(742,066)	12,943,157	752,066
Total primary government	$ 17,667,112	$ 213,001	$ (1,194,249)	$ 16,685,864	$ 979,963

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, 2018, the City has received bond proceeds in the amount of $9,459,562, with $1,963 received in fiscal 2018.

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

Notes to the Financial Statements

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%	$ 3,230,000
Premium on bonds	October 2030		368,447
			$ 3,598,447
Business-type activities			
Marina – 2016 refunding bonds	April 2027	2.0% - 4.0%	$ 3,490,000
Premium on Marina refunding bonds			378,595
Sewer - revenue bonds	April 2036	2.5%	9,074,562
			$ 12,943,157

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
2019	$ 195,000	$ 129,200	$ 324,200	$ 710,000	$ 361,715	$ 1,781,715
2020	200,000	121,400	321,400	730,000	339,014	1,799,014
2021	210,000	113,400	323,400	755,000	315,414	1,825,414
2022	220,000	105,000	325,000	780,000	291,089	1,851,089
2023	225,000	96,200	321,200	805,000	265,914	1,875,914
2024-2028	1,275,000	338,000	1,613,000	3,965,000	920,733	4,885,733
2029-2033	905,000	37,200	942,200	2,545,000	394,353	2,939,353
2034-2038	-	-	-	2,274,562	58,041	2,332,603
	$ 3,230,000	$ 940,400	$ 4,170,400	$ 12,564,562	$ 2,946,273	$ 15,510,835

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 for five years with each renewal. The City has also signed a $26,000 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 $26,000 as of March 31, 2018. Projected operating lease proceeds through the year ended 2028 are as follows:

Year Ended March 31,	Amount
2019	$ 28,963
2020	30,070
2021	31,215
2022	32,401
2023	33,628
2024-2028	172,697
	$ 328,974

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, 2018, 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 2017 levy was assessed and equalized at $246,117,605 (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 2017-18 was 9.0500 mills, with an additional 2.0459 mills levied for infrastructure improvements and an additional 1.0000 mill levied for refuse.

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 1.3580 mills. Property taxes are recognized in the fiscal year in which they are levied.

Tax Abatements

Industrial property tax abatements are granted by the State of Michigan under public Act 198, as amended, to promote economic development, creation of jobs, and new or improvement facilities. The industrial facilities tax (IFT) exemption must be approved by both the local unit (after a public hearing is held) and the State of Michigan. IFT exemptions can cover real and/or personal property. By State law, the exemption must be applied for no later than six months after commencement of the project, and must be accompanied by a written agreement between the taxpayer and the local unit. An exemption allows for taxation on IFT property at 25%, 50%, or 100% of the local property tax millage rate for a period of up to 12 years, depending on the agreement. Accordingly, such agreements meet the criteria of "tax abatements" under GASB Statement No. 77. Property taxes abated by the City of Charlevoix, in fiscal 2018, was $11,171 for IFT abatements.

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 0% to 3% of covered wages as presented in the table below.

Employees Covered by Benefit Terms. At December 31, 2017, plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	44
Inactive employees entitled to but not yet receiving benefits	4
Active employees	41
Total membership	89

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	17.46%	3.00%
Non-Union	Defined Benefit	Open	17.52%	0.00%
Police Officers	Defined Benefit	Open	6.18%	3.00%

Net Pension Liability. The City's net pension liability was measured as of December 31, 2017, 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, 2017 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.

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	55.50%	5.02%	2.79%
Global fixed income	18.50%	2.18%	0.40%
Real assets	13.50%	4.23%	0.51%
Diversifying strategies	12.50%	6.56%	0.82%
	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 2017, consistent with the rate used in 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, 2016	$ 13,333,864	$ 8,264,805	$ 5,069,059
Changes for the year:			
Service cost	156,135	-	156,135
Interest	1,034,166	-	1,034,166
Differences between expected and actual experience	144,372	-	144,372
Employer contributions	-	337,044	(337,044)
Employee contributions	-	47,103	(47,103)
Net investment income	-	1,063,210	(1,063,210)
Benefit payments, including refunds of employee contributions	(969,686)	(969,686)	-
Administrative expense	-	(16,887)	16,887
Net changes	364,987	460,784	(95,797)
Balances at December 31, 2017	$ 13,698,851	$ 8,725,589	$ 4,973,262

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	$ 6,359,670	$ 4,973,262	$ 3,790,308

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, 2018, the City recognized pension expense of $693,482. 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	$ 142,467	$ 107,596	$ 34,871
Changes in assumptions	259,350	-	259,350
Net difference between projected and actual earnings on pension plan investments	-	176,881	(176,881)
	401,817	284,477	117,340
Contributions subsequent to the measurement date	202,803	-	202,803
Total	$ 604,620	$ 284,477	$ 320,143

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, 2019. 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
2019	$ 170,485
2020	170,482
2021	(138,401)
2022	(85,226)
Total	$ 117,340

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 $18,977 to the Plan during the year ended March 31, 2018. Contributions and interest are allocated to the account and benefits are fully vested at March 31, 2018.

Notes to the Financial Statements

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 and the Combustion Turbine No. 1 and AFEC Project generating electrical output of 55(mw) and 180(mw), 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:

	Belle River		Combustion Turbine No. 1	
Year Ended December 31,	Principal	Interest	Principal	Interest
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	-	-	84,724	28,780
2023-2027	-	-	490,880	76,050
Total	$ 431,063	$ 22,631	$ 875,796	$ 258,396

Notes to the Financial Statements

Year Ended December 31,	Campbell Project Bank Principal	Campbell Project Bank Interest	AFEC Project Principal	AFEC Project Interest
2018	$ 204,213	$ 18,181	$ 19,380	$ 47,945
2019	208,692	13,480	20,349	47,073
2020	213,699	8,671	21,157	46,158
2021	218,442	3,753	22,126	45,205
2022	-	-	23,256	44,099
2023-2027	-	-	134,047	202,662
2028-2032	-	-	170,546	166,225
2033-2037	-	-	217,541	119,114
2038-2042	-	-	277,620	59,020
2043	-	-	64,116	3,206
Total	$ 845,046	$ 44,085	$ 970,138	$ 780,707

Year Ended December 31,	Total Principal	Total Interest
2018	$ 724,276	$ 132,547
2019	302,201	100,862
2020	311,556	91,480
2021	321,280	81,774
2022	107,980	72,879
2023-2027	624,927	278,712
2028-2032	170,546	166,225
2033-2037	217,541	119,114
2038-2042	277,620	59,020
2043	64,116	3,206
Total	$ 3,122,043	$ 1,105,819

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 $382,000 at March 31, 2018 and is reported as Deposit with the Michigan Public Power Agency in the Statement of Net Position.

Notes to the Financial Statements

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 as follows at March 31, 2018:

Street projects	$ 122,822
Server project	66,611
Wastewater treatment plant project	316,321
Airport taxiway project	155,615
Total	$ 661,369

17. NET INVESTMENT IN CAPITAL ASSETS

The composition of net investment in capital assets as of March 31, 2018, was as follows:

	Governmental Activities	Business-type Activities	Component Unit
Capital assets:			
Capital assets, not being depreciated	$ 17,554,501	$ 2,396,512	$ 923,071
Capital assets being depreciated, net	12,208,318	37,565,266	2,457,414
	29,762,819	39,961,778	3,380,485
Less related debt:			
Noncurrent liabilities:			
Due within one year	(227,897)	(752,066)	-
Due in more than one year	(3,514,810)	(12,191,091)	-
Add back: compensated absences	144,260	-	-
Add back: deferred charge on bond refunding	-	161,591	-
Add back: unexpended bond proceeds	232,023	-	-
	(3,366,424)	(12,781,566)	-
Net investment in capital assets	$ 26,396,395	$ 27,180,212	$ 3,380,485

Notes to the Financial Statements

18 FUND BALANCES - GOVERNMENTAL FUNDS

Detailed information on fund balances of governmental funds at March 31, 2018 is as follows:

	General Fund	Infrastructure Improvements	Nonmajor Governmental Funds	Total
Nonspendable:				
Perpetual care	$ -	$ -	$ 426,419	$ 426,419
Prepaids	36,225	-	-	36,225
Total nonspendable	36,225	-	426,419	462,644
Restricted:				
Special revenue funds:				
Major streets	-	-	212,692	212,692
Local streets	-	-	13,243	13,243
Capital project funds:				
Street improvements	-	232,023	100,214	332,237
Total restricted	-	232,023	326,149	558,172
Assigned:				
Capital project funds:				
Fire truck and ambulance	-	-	257,352	257,352
Industrial park	-	-	35,258	35,258
Mt. McSauba improvements	-	-	28,381	28,381
Debt service fund:				
Debt service infrastructure	-	-	69,565	69,565
Total assigned	-	-	390,556	390,556
Unassigned	1,500,664	-	-	1,500,664
Total fund balances, governmental funds	$ 1,536,889	$ 232,023	$ 1,143,124	$ 2,912,036

Notes to the Financial Statements

19. SUBSEQUENT EVENT

Subsequent to year-end, the City has executed various equipment purchases and entered into contracts as follows:

Equipment purchases		
Various vehicles		
and heavy equipment	$	524,898
Bridge Park pump		11,460
Computer back-up system		11,125
Defibrillators		45,870
		593,353
Contracts		
Airport taxilane project		24,412
Pavement improvements		16,890
		41,302
Total	$	634,655

REQUIRED SUPPLEMENTARY INFORMATION

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		
	2018	2017	2016
Total pension liability			
Service cost	$ 156,135	$ 165,666	$ 167,849
Interest	1,034,166	1,028,535	976,917
Differences between expected and actual experience	144,372	(179,328)	85,473
Changes of assumptions	-	-	648,378
Benefit payments, including refunds of employee contributions	(969,686)	(909,054)	(815,464)
Other changes	-	(341)	-
Net change in total pension liability	364,987	105,478	1,063,153
Total pension liability, beginning of year	13,333,864	13,228,386	12,165,233
Total pension liability, end of year	13,698,851	13,333,864	13,228,386
Plan fiduciary net position			
Employer contributions	337,044	311,253	303,782
Employee contributions	47,103	46,738	53,025
Net investment income (loss)	1,063,210	880,516	(124,534)
Benefit payments, including refunds of employee contributions	(969,686)	(909,054)	(815,464)
Administrative expense	(16,887)	(17,408)	(18,424)
Net change in plan fiduciary net position	460,784	312,045	(601,615)
Plan fiduciary net position, beginning of year	8,264,805	7,952,760	8,554,375
Plan fiduciary net position, end of year	8,725,589	8,264,805	7,952,760
City's net pension liability	$ 4,973,262	$ 5,069,059	$ 5,275,626
Plan fiduciary net position as a percentage of total pension liability	63.70%	61.98%	60.12%
Covered payroll	$ 2,334,109	$ 2,444,252	$ 2,601,560
City's net pension liability as a percentage of covered payroll	213.07%	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
2018	$ 13,698,851	$ 8,725,589	$ 4,973,262	63.7%	$ 2,334,109	213.1%
2017	13,333,864	8,264,805	5,069,059	62.0%	2,444,252	207.4%
2016	13,228,386	7,952,760	5,275,626	60.1%	2,601,560	202.8%

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
2018	$ 347,625	$ 467,625	$ (120,000)	$ 2,408,496	19.42%
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	21 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.

COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS

Combining Balance Sheet

Nonmajor Governmental Funds
March 31, 2018

	Special Revenue Funds		Capital Projects Funds	
	Major Streets	Local Streets	Fire Truck and Ambulance	Industrial Park
Assets				
Cash and cash equivalents	$ 139,414	$ 4,395	$ 257,332	$ 35,249
Cash at fiscal agent	-	-	-	-
Investments	-	-	-	-
Accounts receivable	-	-	20	9
Taxes receivable	-	-	-	-
Interest receivable	-	-	-	-
Due from other governmental units	104,956	29,303	-	-
Total assets	$ 244,370	$ 33,698	$ 257,352	$ 35,258
Liabilities				
Accounts payable	$ 30,815	$ 20,000	$ -	$ -
Accrued liabilities	863	455	-	-
Unearned revenue	-	-	-	-
Total liabilities	31,678	20,455	-	-
Fund balances				
Nonspendable	-	-	-	-
Restricted	212,692	13,243	-	-
Assigned	-	-	257,352	35,258
Total fund balances	212,692	13,243	257,352	35,258
Total liabilities and fund balances	$ 244,370	$ 33,698	$ 257,352	$ 35,258

Capital Projects Funds		Debt Service Fund	Permanent Fund	
Street Improvement	Mt. McSauba Improvements	Debt Service Infrastructure	Cemetery Care	Total
$ 89,109	$ 28,378	$ 4,965	$ 148,148	$ 706,990
-	-	64,600	-	64,600
-	-	-	276,734	276,734
26	619	-	17	691
11,079	-	-	-	11,079
-	-	-	1,520	1,520
-	-	-	-	134,259
$ 100,214	$ 28,997	$ 69,565	$ 426,419	$ 1,195,873
$ -	$ -	$ -	$ -	$ 50,815
-	-	-	-	1,318
-	616	-	-	616
-	616	-	-	52,749
-	-	-	426,419	426,419
100,214	-	-	-	326,149
-	28,381	69,565	-	390,556
100,214	28,381	69,565	426,419	1,143,124
$ 100,214	$ 28,997	$ 69,565	$ 426,419	$ 1,195,873

Combining Statement of Revenues, Expenditures and Change in Fund Balances

Nonmajor Governmental Funds
For the Year Ended March 31, 2018

	Special Revenue Funds		Capital Projects Funds	
	Major Streets	Local Streets	Fire Truck and Ambulance	Industrial Park
Revenues				
Taxes	$ -	$ -	$ -	$ -
Federal revenue	-	-	-	36,000
State revenue	366,716	125,275	-	-
Charges for services	-	-	-	-
Interest	214	18	260	107
Rents and royalties	-	-	-	-
Other revenue	6,000	4,000	-	-
Total revenues	372,930	129,293	260	36,107
Expenditures				
Current:				
General government	-	-	-	44,519
Public works	286,733	129,909	-	-
Recreation and culture	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	286,733	129,909	-	44,519
Revenues over (under) expenditures	86,197	(616)	260	(8,412)
Other financing sources (uses)				
Transfers in	-	-	85,833	-
Transfers out	-	-	-	(39,552)
Total other financing sources (uses)	-	-	85,833	(39,552)
Net change in fund balances	86,197	(616)	86,093	(47,964)
Fund balances, beginning of year	126,495	13,859	171,259	83,222
Fund balances, end of year	$ 212,692	$ 13,243	$ 257,352	$ 35,258

Capital Projects Funds		Debt Service Fund	Permanent Fund	
Street Improvement	Mt. McSauba Improvements	Debt Service Infrastructure	Cemetery Care	Total
$ 228,232	$ -	$ -	$ -	$ 228,232
-	-	-	-	36,000
-	-	-	-	491,991
-	-	-	4,725	4,725
195	38	4	3,416	4,252
-	7,230	-	-	7,230
-	-	-	-	10,000
228,427	7,268	4	8,141	782,430
-	-	-	-	44,519
-	-	-	-	416,642
319	-	-	-	319
-	-	190,000	-	190,000
-	-	133,411	-	133,411
-	-	-	-	-
319	-	323,411	-	784,891
228,108	7,268	(323,407)	8,141	(2,461)
-	-	323,000	-	408,833
(275,000)	-	-	-	(314,552)
(275,000)	-	323,000	-	94,281
(46,892)	7,268	(407)	8,141	91,820
147,106	21,113	69,972	418,278	1,051,304
$ 100,214	$ 28,381	$ 69,565	$ 426,419	$ 1,143,124

CITY OF CHARLEVOIX, MICHIGAN

Combining Statement of Net Position
Internal Service Funds
March 31, 2018

	Governmental Activities		Business-type Activities	
	Employee Fringe Benefits	Motor Vehicle	DPW Site	Total
Assets				
Current assets:				
Cash and cash equivalents	$ 707,996	$ 662,538	$ 1,289,657	$ 2,660,191
Investments	100,734	100,000	403,311	604,045
Accounts receivable	2,542	82	-	2,624
Interest receivable	889	970	5,161	7,020
Other assets	48,802	380	-	49,182
Total current assets	860,963	763,970	1,698,129	3,323,062
Noncurrent assets:				
Capital assets, not being depreciated	-	20,653	100,689	121,342
Capital assets being depreciated, net	-	1,213,395	43,520	1,256,915
Total noncurrent assets	-	1,234,048	144,209	1,378,257
Total assets	860,963	1,998,018	1,842,338	4,701,319
Liabilities				
Current liabilities:				
Accounts payable	9,718	26,810	20,189	56,717
Accrued liabilities	26,223	6,677	-	32,900
Unearned revenue	1,380	-	-	1,380
Total current liabilities	37,321	33,487	20,189	90,997
Noncurrent liabilities:				
Compensated absences, net of current portion	136,479	-	-	136,479
Total liabilities	173,800	33,487	20,189	227,476
Net position				
Investment in capital assets	-	1,234,048	144,209	1,378,257
Unrestricted	687,163	730,483	1,677,940	3,095,586
Total net position	$ 687,163	$ 1,964,531	$ 1,822,149	$ 4,473,843

Combining Statement of Revenues, Expenses and Change in Fund Net Position
Internal Service Funds
For the Year Ended March 31, 2018

	Governmental Activities		Business-type Activities	
	Employee Fringe Benefits	Motor Vehicle	DPW Site	Total
Operating revenues				
Charges for services	$ 2,172,035	$ 718,528	$ -	$ 2,890,563
Operating expenses				
Personnel services	2,224,071	200,713	-	2,424,784
Contractual services	3,567	47,947	78	51,592
Supplies	-	70,926	-	70,926
Utilities	-	11,328	-	11,328
Repairs and maintenance	-	105,037	-	105,037
Depreciation	-	319,139	3,496	322,635
Miscellaneous	3,749	-	-	3,749
Total operating expenses	2,231,387	755,090	3,574	2,990,051
Operating income (loss)	(59,352)	(36,562)	(3,574)	(99,488)
Nonoperating revenues				
Interest revenue	3,108	2,372	10,243	15,723
Gain on sale of capital assets	-	6,148	-	6,148
Other revenue	-	530	14,000	14,530
Total nonoperating revenues	3,108	9,050	24,243	36,401
Income (loss) before transfers	(56,244)	(27,512)	20,669	(63,087)
Transfers				
Transfers in	-	70,000	216,000	286,000
Transfers out	-	(110,133)	-	(110,133)
Total transfers	-	(40,133)	216,000	175,867
Change in net position	(56,244)	(67,645)	236,669	112,780
Net position, beginning of year	743,407	2,032,176	1,585,480	4,361,063
Net position, end of year	$ 687,163	$ 1,964,531	$ 1,822,149	$ 4,473,843

Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended March 31, 2018

	Governmental Activities		Business-type Activities	
	Employee Fringe Benefits	Motor Vehicle	DPW Site	Total
Cash flows from operating activities				
Cash received from interfund services	$ 2,170,739	$ 718,485	$ -	$ 2,889,224
Cash payments to employees	(2,213,546)	(198,103)	-	(2,411,649)
Cash payments to suppliers for goods and services	(5,308)	(243,365)	13,111	(235,562)
Net cash provided by (used in) operating activities	(48,115)	277,017	13,111	242,013
Cash flows from noncapital financing activities				
Other receipts	-	530	14,000	14,530
Transfers in	-	70,000	216,000	286,000
Transfers out	-	(110,133)	-	(110,133)
Net cash (used in) provided by noncapital financing activities	-	(39,603)	230,000	190,397
Cash flows from capital and related financing activities				
Proceeds from sale of capital assets	-	6,148	-	6,148
Purchase of capital assets	-	(262,881)	(37,689)	(300,570)
Net cash used in capital and related financing activities	-	(256,733)	(37,689)	(294,422)
Cash flows from investing activities				
Interest received	1,811	2,153	3,085	7,049
Net change in cash and cash equivalents	(46,304)	(17,166)	208,507	145,037
Cash and cash equivalents, beginning of year	754,300	679,704	1,081,150	2,515,154
Cash and cash equivalents, end of year	$ 707,996	$ 662,538	$ 1,289,657	$ 2,660,191

Continued...

Combining Statement of Cash Flows

Internal Service Funds
For the Year Ended March 31, 2018

	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)	$ (59,352)	$ (36,562)	$ (3,574)	$ (99,488)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation expense	-	319,139	3,496	322,635
Changes in operating assets and liabilities that provided (used) cash:				
Accounts receivable	(2,542)	(43)	-	(2,585)
Other assets	(2,812)	315	-	(2,497)
Accounts payable	4,820	(8,442)	13,189	9,567
Accrued liabilities	13,008	2,610	-	15,618
Accrued compensated absences	(2,483)	-	-	(2,483)
Net cash provided by (used in) operating activities	$ (48,115)	$ 277,017	$ 13,111	$ 242,013

Concluded

Balance Sheet and Statement of Net Position

Downtown Development Authority Component Unit
March 31, 2018

	Balance Sheet	Adjustments	Statement of Net Position
Assets			
Cash and cash equivalents	$ 485,292	$ -	$ 485,292
Investments	50,000	-	50,000
Receivables	2,333	-	2,333
Capital assets not being depreciated	-	923,071	923,071
Capital assets being depreciated, net	-	2,457,414	2,457,414
Total assets	$ 537,625	3,380,485	3,918,110
Liabilities			
Accounts payable	$ 5,394	1,801	7,195
Accrued liabilities	1,801	(1,801)	-
Unearned revenue	5,626	-	5,626
Total liabilities	12,821	-	12,821
Fund balance			
Restricted	524,804	(524,804)	-
Total liabilities and fund balance	$ 537,625		
Net position			
Investment in capital assets		3,380,485	3,380,485
Restricted		524,804	524,804
Total net position		$ 3,905,289	$ 3,905,289

Statement of Revenues, Expenditures and Change in Fund Balance
and Statement of Activities
Downtown Development Authority Component Unit
For the Year Ended March 31, 2018

	Statement of Revenues, Expenditures and Changes in Fund Balance	Adjustments	Statement of Activities
Revenues			
Property taxes	$ 433,925	$ -	$ 433,925
Rents	79,706	-	79,706
Miscellaneous	53,623	-	53,623
Total revenues	567,254	-	567,254
Expenditures / expenses			
Current:			
Other functions	715,802	81,488	797,290
Change in fund balance / net position	(148,548)	(81,488)	(230,036)
Fund balance / net position, beginning of year	673,352	3,461,973	4,135,325
Fund balance / net position, end of year	$ 524,804	$ 3,380,485	$ 3,905,289

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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 28, 2018

Members of City Council
City of Charlevoix
Charlevoix, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the *City of Charlevoix, Michigan* (the "City"), as of and for the year ended March 31, 2018, 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 28, 2018.

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 2018-001 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 2018-002 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, 2018

2018-001 – 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 related to capital assets, pension, accrued liabilities and the receivables allowance (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, 2018

2018-002 – 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.

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INDEPENDENT AUDITORS' COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

September 28, 2018

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, 2018, and have issued our report thereon dated September 28, 2018. 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 March 30, 2018, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

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

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

We have provided our findings regarding internal control over financial reporting and compliance noted during our audit in a separate letter to you dated September 28, 2018. In addition, we noted certain other matters which are included in Attachment A to this letter.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter and in our meeting about planning matters on July 5, 2018.

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.

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

Significant Accounting Estimates

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

The most sensitive accounting estimates affecting the financial statements were:

- Management's estimate of the useful lives of depreciable capital assets is based on the length of time it is believed that those assets will provide some economic benefit in the future.

- Management's estimate of the accrued compensated absences is based on current hourly rates and policies regarding payment of sick and vacation banks.

- Management's estimate of the allowance for uncollectible receivable balances is based on past experience and future expectation for collection of various account balances.

We evaluated the key factors and assumptions used to develop these estimates and determined that they are reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units. In addition, the financial statements include a net pension liability and other 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 B to this letter.

The schedule of adjustments passed is included with management's written representations in Attachment D 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 D 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 C to this letter contains a brief overview of recent pronouncements of the Governmental Accounting Standards Board (GASB) and their related effective dates. Management is responsible for reviewing these standards, determining their applicability, and implementing them in future accounting periods.

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

Very truly yours,

Rehmann Robson LLC

CITY OF CHARLEVOIX, MICHIGAN

Attachment A - Comments and Recommendations
For the March 31, 2018 Audit

During our audit, we became aware of certain other matters that are opportunities for strengthening internal control and/or improving operating efficiency. This memorandum summarizes our comments and recommendations regarding those matters. Our consideration of the City's internal control over financial reporting is described in our report, dated September 28, 2018, issued in accordance with *Government Auditing Standards.* This memorandum does not affect that report or our report dated September 28, 2018, on the financial statements of the City of Charlevoix, Michigan.

Untimely Tax Disbursements

Section 43(3)(a) of Public Act 206 of 1893, the General Property Tax Act, MCL 211.43(3)(a), provides that local units of Government with a State equalized value of more than $15,000,000 shall, within 10 business days after the first and fifteenth day of each month, account for and deliver to the county treasurer and other tax assessing units, the tax collections on hand on the first and fifteenth day of each month. During the City's 2018 audit fieldwork, 15 of the selected 16 tested tax disbursements were documented as untimely disbursements. Rehmann recommends that the City implement procedures and a policy to adhere to section 43(3)(a) of Public Act 206 of 1893.

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CITY OF CHARLEVOIX, MICHIGAN

Attachment B - Fund Audit Adjustments
For the March 31, 2018 Audit

Entry #	Account Number	Account Description	Debit	Credit
1	582-539-719.000	Employee Fringe Benefits	$ 128,538	$ -
	591-000-300.000	Net Pension Liability	123,236	-
	581-000-300.000	Net Pension Liability	57,041	-
	590-558-719.000	Employee Fringe Benefits	41,210	-
	582-000-190.000	Deferred Outflows - Contributions	38,043	-
	582-000-192.000	Deferred Outflows - Experience	26,673	-
	591-000-190.000	Deferred Outflows - Contributions	10,767	-
	582-000-194.000	Deferred Inflow - Experience	8,612	-
	590-000-190.000	Deferred Outflows - Contributions	6,855	-
	591-000-192.000	Deferred Outflows - Experience	6,622	-
	590-000-192.000	Deferred Outflows - Experience	4,873	-
	581-000-190.000	Deferred Outflows - Contributions	3,835	-
	581-000-194.000	Deferred Inflow - Experience	3,828	-
	581-000-192.000	Deferred Outflows - Experience	2,823	-
	590-000-194.000	Deferred Inflow - Experience	1,224	-
	591-000-194.000	Deferred Inflow - Experience	656	-
	590-000-193.000	Deferred Outflows - Assumptions	-	3,067
	581-000-193.000	Deferred Outflows - Assumptions	-	7,970
	581-000-191.000	Deferred Outflows - Investment Returns	-	16,457
	590-000-191.000	Deferred Outflows - Investment Returns	-	18,624
	591-000-193.000	Deferred Outflows - Assumptions	-	25,166
	582-000-193.000	Deferred Outflows - Assumptions	-	30,349
	590-000-300.000	Net Pension Liability	-	32,471
	581-581-719.000	Employee Fringe Benefits	-	43,100
	582-000-300.000	Net Pension Liability	-	49,828
	591-579-719.000	Employee Fringe Benefits	-	54,338
	591-000-191.000	Deferred Outflows - Investment Returns	-	61,777
	582-000-191.000	Deferred Outflows - Investment Returns	-	121,689
	To record change in net pension liability and related deferred amounts.			
2	202-466-818.000	Contractual Services	9,944	-
	203-000-202.000	Accounts Payable	9,944	-
	203-466-818.000	Contractual Services	-	9,944
	202-000-202.000	Account Payable	-	9,944
	Reclass payable from the Local Street fund to the Major Street fund.			
3	406-406-818.000	Contractual Services	19,905	-
	406-000-257.000	Accrued Liabilities	-	19,905
	To recognize retainage.			
4	582-000-140.000	Machinery & Equipment	15,424	-
	582-539-977.000	Mach & Equip (Trans & Regulat)	-	15,424
	To record current year additions to actual.			
5	581-901-818.000	Contractual Services	12,450	-
	581-000-132.000	Land Improvements	-	12,450
	To adjust capital assets to actual.			

CITY OF CHARLEVOIX, MICHIGAN

Attachment B - Fund Audit Adjustments
For the March 31, 2018 Audit

Entry #	Account Number	Account Description	Debit	Credit
6	590-000-136.000	Building & Improvements	$ 2,121,290	$ -
	590-000-158.000	Construction In Progress	199,321	-
	591-000-158.000	Construction In Progress	158,029	-
	591-000-132.000	Land Improvements	49,560	-
	590-000-158.000	Construction In Progress	5,746	-
	594-000-131.000	Accumulated Depreciation	1	-
	591-581-740.000	Operating Supplies	-	1
	591-000-136.000	Building & Improvements	-	2,038
	590-000-136.000	Building & Improvements	-	5,746
	591-000-153.005	Transmission & Distrib. Mains	-	49,560
	591-000-153.005	Transmission & Distrib. Mains	-	155,991
	590-000-155.002	Transmission & Collection Main	-	199,321
	590-000-136.001	Building & Improvement - Wwtp	-	2,121,290
	To recognize capital asset additions.			
7	582-000-046.000	Allowance-Uncollect Acct	14,279	-
	405-000-041.000	Allowance-Uncollect. Acct	3,500	-
	590-000-692.000	Miscellaneous	3,500	-
	590-000-046.000	Allowance-Uncollect Acct	2,400	-
	591-000-630.002	Water Services - Miscellaneous	280	-
	591-000-046.000	Allowance-Uncollect Acct	-	280
	590-000-692.000	Miscellaneous	-	2,400
	405-000-692.000	Miscellaneous	-	3,500
	590-000-046.000	Allowance-Uncollect Acct	-	3,500
	582-000-627.001	Elec. Serv. - Misc.	-	14,279
	To adjust receivables allowance.			
8	638-000-259.001	Accrued Vacation Payroll-Current Portion	105,993	-
	638-638-723.000	Vacation Pay	20	-
	638-000-259.000	Accrued Vacation Payroll	-	106,013
	To adjust vacation accrual.			
9	582-000-699.000	Contributions From Other Funds	50,000	-
	594-000-314.000	Advance From Electric	50,000	-
	594-784-999.000	Transfer To Other Fund-Efb	-	50,000
	591-580-962.000	Miscellaneous	-	50,000
	To recognize the repayment on advance from electric fund.			
10	582-000-699.000	Contributions From Other Funds	25,000	-
	581-000-314.000	Advance From Electric	25,000	-
	581-581-999.000	Transfers Out	-	25,000
	582-000-198.000	Advance To Other Funds	-	25,000
	To recognize the repayment on advance from electric fund.			
11	590-000-698.000	Proceeds From Bond Sale	1,963	-
	590-000-307.000	Bonds Payable	-	1,963
	To recognize bond proceeds for wastewater revenue bond.			

Attachment B - Fund Audit Adjustments

For the March 31, 2018 Audit

Entry #	Account Number	Account Description	Debit	Credit
12	582-000-158.000	Construction In Progress	$ 61,157	$ -
	582-000-143.001	Undergrnd Conductors & Devices	-	34,665
	582-000-136.000	Building & Improvements	-	26,492
	To reclassify CY additions to CIP.			
13	671-000-130.002	CIP	37,689	-
	671-000-136.000	Buildings	-	37,689
	To reclassify CY additions to CIP.			
14	581-000-131.000	Construction In Progress	37,350	-
	581-000-132.000	Land Improvements	-	37,350
	To reclassify CY additions to CIP.			
15	582-000-111.000	Inventory Of Material & Supply	29,067	-
	582-539-775.000	Repairs & Maintenance Supplies	-	29,067
	To adjust inventory to actual.			
16	582-000-665.000	Interest Earnings	1,242	
	590-000-665.000	Interest Earnings	583	
	591-000-665.000	Interest Earnings	603	
	711-000-665.000	Interest Earnings	765	
	582-000-003.000	Cash-Certificates Of Deposits		1,242
	590-000-003.000	Cash-Certificates Of Deposits		583
	591-000-003.000	Cash-Certificates Of Deposits		603
	711-000-003.000	Cash-Certificates Of Deposits		765
	Adjustment to accrued interest.			
17	101-000-003.000	Cash-Certificates Of Deposits	751	
	582-000-003.000	Cash-Certificates Of Deposits	751	
	671-000-003.000	Cash-Certificates Of Deposits	375	
	101-000-665.000	Interest Earnings		751
	582-000-665.000	Interest Earnings		751
	671-000-665.000	Interest Earnings		375
	To adjust accrued interest on Chemical Bank CD.			
18	582-000-003.000	Cash-Certificates Of Deposits	1,163	
	582-000-665.000	Interest Earnings		1,163
	To adjust accrued interest on Flagstar Bank CD.			
19	582-000-003.000	Cash-Certificates Of Deposits	3,670	
	101-000-003.000	Cash-Certificates Of Deposits	2,936	
	671-000-003.000	Cash-Certificates Of Deposits	2,936	
	638-000-003.000	Cash-Certificates Of Deposits	734	
	711-000-003.000	Cash-Certificates Of Deposits	734	
	638-000-665.000	Interest Earnings		734
	711-000-665.000	Interest Earnings		734
	101-000-665.000	Interest Earnings		2,936
	671-000-665.000	Interest Earnings		2,936
	582-000-665.000	Interest Earnings		3,670
	To adjust accrued interest on Huntington HUB account.			

■ ■ ■ ■ ■

Attachment C – Upcoming Changes in Accounting Standards / Regulations
For the March 31, 2018 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 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. We do not expect this standard to have any significant effect on the City.

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.

Attachment C – Upcoming Changes in Accounting Standards / Regulations

For the March 31, 2018 Audit

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.

GASB 88 ■ Certain Disclosures Related to Debt

Effective 06/15/2019 (your FY 2020)

This standard provides guidance on note disclosures related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. We do not expect this standard to have any significant effect on the City.

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

Effective 12/15/2020 (your FY 2021)

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

■ ■ ■ ■ ■

Attachment D – Management Representations

For the March 31, 2018 Audit

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

CITY OF
CHARLEVOIX

September 28, 2018

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, 2018, 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 28, 2018:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated March 30, 2018, 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-entity transactions and balances have been properly classified and reported.
18. Special items and extraordinary items have been properly classified and reported.
19. Deposit and investment risks have been properly and fully disclosed.
20. Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
21. All required supplementary information is measured and presented within the prescribed guidelines.
22. We believe that the actuarial assumptions and methods used to measure pension and other postemployment benefit liabilities and costs for financial accounting purposes are appropriate in the circumstances.
23. 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.

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 entity 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 entity and involves:
    a. Management;
    b. Employees who have significant roles in internal control; or
    c. Others where the fraud could have a material effect on the financial statements.
28. We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.
29. We not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements and we have not consulted legal counsel concerning litigation or claims.
30. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
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, 2018 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
Previous year's passed adjustments (fiscal 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
Cumulative effect of items noted above	$ -	$ -	$ 253	$ 23,747	$ 24,000
Misstatement as a percentage of total expenditures - general fund	**0.00%**	**0.00%**	**0.01%**	**0.63%**	**0.63%**
Airport Fund					
Understatement of capital assets, fiscal 2017	(67,592)	-	(67,592)	-	-
Understatement of expense due to capitalization of prior year capital asset additions, fiscal 2018	67,592	-	-	-	(67,592)
Cumulative effect of items noted above	$ -	$ -	$ (67,592)	$ -	$ (67,592)
Misstatement as a percentage of total assets - airport fund	**0.00%**	**0.00%**	**-0.82%**	**0.00%**	**-0.82%**
Electric Fund					
Overstatement of inventory	26,305	-	-	-	(26,305)
Misstatement as a percentage of total assets - electric fund	**0.22%**	**0.00%**	**0.00%**	**0.00%**	**-0.22%**
Total business-type activities	$ 26,305	$ -	$ (67,592)	$ -	$ (93,897)
Misstatement as a percentage of total program/general revenues - business-type	**0.05%**	**0.00%**	**-0.12%**	**0.00%**	**-0.17%**

CHARLEVOIX CITY COUNCIL

Public Hearings and Actions Requiring Public Hearings

TITLE: Public Hearing for Zoning Ordinance Amendment: Housekeeping Changes

DATE: October 1, 2018

PRESENTED BY: Kathy Egan, Community Planner Networks Northwest

BACKGROUND:

The attached proposed amendments to multiple sections of the City of Charlevoix Zoning Ordinance were approved by the Planning Commission on September 10, 2018. All of the changes are corrections, clarifications, or minor in nature. Public Comment will be taken at this meeting and Council's vote on these proposed changes will take place at the October 15th meeting.

ATTACHMENTS:

- Zoning Ordinance Housekeeping Amendments
- Amendment detail 1 of 2
- Amendment detail 2 of 2
- Ordinance 795 of 2018

City of Charlevoix
Zoning Ordinance Amendments - Housekeeping
9/10/18 PC Meeting - Recommended to Council for Adoption

Page No.	Section Number	Topic	Langauge	Notes
11	Sect. 5.9	Home Occupation (Minor) defintion	**Home Occupation (Minor).** A vocational activity conducted as an accessory use in a dwelling unit by a member or members of the resident family, which is accessory and incidental to the principal residential use of the dwelling. Minor home occupations have two (2) or less employees ~~who also reside at the same location~~, have no exterior signage, and conduct business in a manner not known to the general public.	Conflicts with standards in Section 5.46(7)
12	Sect. 5.11	Lot Lines. *Front Lot Line* definition	*Front Lot Line* . In the case of an interior lot, the line separating the lot from the street right-of-way or road easement. For a corner lot, the principal **front lot line** shall be the location of the traditional front entrance of the **structure**. ~~the front lot line shall be the shortest of the two lot lines tangent to the street right-of-way or road easement.~~ In the case of a through lot, the front lot line shall be determined by the zoning administrator based on the dominant orientation of abutting and facing lots.	Correct contradiction with Sect. 5.71(1)
15	Sect 5.14	Recreation Facility, Indoor and Outdoor defintions	A facility ~~that is not publicly owned,~~ open either to the general public or to members and their guests…	Apply to both public and non-public per D. Cline review.
17	Sect. 5.14	Signs	A structure, including its base, foundation and erection supports upon which is displayed any words, letters, figures, emblems, symbols, designs or trademarks by which any message or image is afforded public visibility from outdoors on behalf of, or for the benefit of, any product, place, activity, individual, firm, corporation, institution, profession, association, business or organization. (See *Article 11* for detailed definitons.)	Strike existing defintion and match definition to new definition in Article 11
25/51	Sect. 5.27(2) and 5.47(1)(c)	Area, Height, and Placement/Residential Uses	see attached	Standards for minimum dwelling width do not match
25	Sect. 5.27(2)	Footnote no. 7	see attached	Move to 5.46(1)(g) and reletter rest of section
31	Sect. 5.31	Allowed Uses chart	add "Athletic Courts" to Recreation facility line. See attached	Per D. Cline review.
40	Sect. 4.46(1)(g)	Add sentence	The minimum distance between a principal building and detached accessory buildings shall be ten (10) feet, and a minimum of twenty (20) feet shall be provided between the sides of adjacent single family buildings and/or accessory structures.	Relocate Footnote no. 7 from page 25

City of Charlevoix
Zoning Ordinance Amendments - Housekeeping
9/10/18 PC Meeting - Recommended to Council for Adoption

Page No.	Section Number	Topic	Langauge	Notes
45	Sect. 5.46(7)(b)	Signs	Except for a **sign**, as allowed by *Article 11* , the **home occupation** must not be evident from the **street** or any neighboring property. ~~(**Minor home occupations** shall not have signage.)~~	
45	Sect. 5.46(8)	Outdoor Display and Sales	Outdoor Display and Sales are allowed in CBD Overlay only during district-wide sidewalk sale events.	Add sentence to the end of 5.46(8)
46	Sect. 5.46(9)(a)5	Signs	There shall be no **signs** on the unit, greater than three (3) square feet, other than allowed per Article 11. ~~a **sign** or logo identifying the manufacturer with an area no greater than three (3) square feet, plus any necessary safety information **signs**.~~	
48	Sect. 5.46(10)(c)2	WECS	Minimum Lot Area. A building-mounted **WECS** shall be allowed on any **lot**, except in the SR district, provided that all other requirements are met.	Per D. Cline review.
48	Sect. 5.46(10(c)6	Signs	There shall be no **signs** on the **WECS**, greater than three (3) square feet, other than allowed per Article 11. ~~a **sign** or logo identifying the manufacturer with an area no greater than three (3) square feet, plus any necessary safety information **signs**.~~	
59	Sect. 5.48(1)(b)1(d)i	Signs	Offers accommodations to the public for any form of consideration; provides patrons with closed-circuit television transmissions, films, motion pictures, video cassettes, slides or other photographic reproductions which are characterized by the depiction or description of “specified sexual activities” or “specified anatomical areas;” and has a sign visible from the public right-of-way ~~which advertises the availability of this type of photographic reproduction~~; or	
60	Sect. 5.48(1)(f)1	Signs	Any **sign** ~~or advertising for the sexually oriented business~~ must comply with the provisions of this ordinance. ~~No **sign** or advertising may include photographs, silhouettes or drawings of any “specified anatomical areas” or “specified sexual activities,” or obscene representations of the human form and may not include animated or flashing illumination.~~	
66	Sect. 5.52(4)(i)	Signs	…Any such delivery vehicle shall be unmarked ~~and not bear any emblem or **sign** that would indicate the nature of its cargo.~~ In addition,…	
67	Sect. 5.52(4)(l)	Signs	A **dwelling** or an **accessory structure** in which a primary caregiver is providing primary caregiver services to qualifying patients shall not have any signage, ~~symbols, pictures or similar features visible from the outdoors that would indicate the nature of the primary caregiver services being conducted in the **dwelling**.~~	

City of Charlevoix

Zoning Ordinance Amendments - Housekeeping

9/10/18 PC Meeting - Recommended to Council for Adoption

Page No.	Section Number	Topic	Langauge	Notes
79	Sect. 5.61(4)	Building Regulations	*Frontage* . No principal building shall be erected on a lot, unless that lot fronts ~~its full width~~, as required by *Section 5.60* , upon an improved street or access road. Multiple-family, commercial, office, industrial, or other developments may be exempt from this requirement, as provided in *Section 5.60* .	Per Denise Cline notes
83	Sect. 5.69(1)	Projections into setbacks	Certain architectural features, such as eaves, cornices, bay windows (or windows without foundations), gutters, chimneys, pilasters and similar features may project no further than three (3) feet into any **required yard**.	clarifiying that eaves can project into yard setbacks
83	Sect. 5.71(1)	Setback Requirements	see attached	Correct conflict with defintion of Front Lot Line.
86	Sect. 5.78(2)	Signs	~~No exterior signage advertising the rental shall be allowed.~~ Signage shall be subject to the requirements of Article 11.	
112	Sect. 5.101	Signs	Strike defintions for "Flashing Sign", Home Occupation Sign", and Ingress-Egress Sign".	Strike defintions for words that do not appear anywhere in the text.
159	Sect. 5.175(2)	ZBA	Membership. The ZBA shall consist of ~~seven (7)~~ five (5) members appointed by the city council, one (1) of whom may be a member of the planning commission, and two (2) alternate members.	Change ZBA from 7 to 5 members
159	Sect. 5.177(1)	ZBA	Meetings of the board shall be held ~~once each month, and~~ at such ~~additional times~~ as the board may determine but at least one time annually. ~~The time of regular meetings shall be specified in the rules and regulations~~. There shall be a fixed place of meeting, and all meetings shall comply with the Open Meetings Act, Act 267 of the Public Acts of 1976, as amended.	Match meeting requirement to that of the MZEA
160	Sect. 5.177(2)	ZBA	... except that a concurring vote of ~~five (5)~~ four (4) members shall be necessary to grant a land use variance.	Change requirement for a land use variance vote.
171	Sect. 5.195	Conditional Zoning	Section 5.195 Conditional Zoning	Create Section heading - language is there but heading isn't.

City of Charlevoix
Zoning Ordinance Amendments
Housekeeping
9/10/18 Planning Commission Meeting
Recommended to City Council for Adoption

Section 5.27(2) chart and 5.47(1)(c) Pages 25 and 51

- The chart has the minimum dwelling width at 16’ and the Residential Uses section has it at 22’ along with a provision that the 22’ be at least 67% of the length of the building. Planning Commission needs to discuss which they prefer and make the two sections match each other. Planning Commission recommends minimum dwelling width of 20’ in all respective places in the Zoning Ordinance.
- Also, footnote No. 7 does not have a corresponding point on the chart. It needs to be moved to Section 5.46(1)(g). *(as shown in Zoning Ordinance Amendment Chart)*

Table 5.27(2) Dimensional Requirements: Single Family- Two Family - Private Club Residential

Zoning District	Max. Building Height (ft.)	Minimum Yard Setbacks (ft.)				Lot Coverage (%)	Min. Floor Area (sq. ft.)		Principal Structure Minimum Width (ft)
		Front[1]	Side		Rear				
			Interior	Street Side			1 story	2 stories	
R1	26	15[2]	10	15	25	40[3]	1,040	1,600	~~16~~ 20
R2	26	15	8	15	25	40[4]	800	1,200	~~16~~ 20
R2A	26	15	10	20	30	40	800	1,200	~~16~~ 20
PC	26	0	See	0	0	0	0	0	~~16~~ 20

[1] The zoning administrator may determine that front yards may be the opposite of the yard fronting a public street or right of way on lots with sloping topography, or facing water bodies.
[2] Setbacks within the C&O Club Development shall be thirty-five (35) feet for front yard, fifteen (15) side yard, and twenty-five (25) for the rear yard.
[3] Maximum lot coverage shall be fifty (50) percent for lots less than seven thousand (7,000) square feet.
[4] Maximum lot coverage shall be fifty (50) percent for lots less than six thousand (6,000) square feet.
[7] A minimum of twenty (20) feet shall be provided between the sides of adjacent single family buildings and/or accessory structures.

Zoning ordinance Amendments – Housekeeping Page 2

Section 5.31 Allowed Uses: Non-Residential and Mixed Use Zones   Page 31

Recreation facility/Athletic courts	Indoor	**-**	**P**	**P**	**-**	**-**	**-**	**P**	**-**	**-**	
	Outdoor	**-**	**-**	**-**	**-**	**-**	**P**	**S**	**-**	**P**	Section 5.49(1)

Section 5.47(1)(c) Residential Uses   Page 51

Page 51 Sect. 5.47(1)(c) The minimum width of a single family dwelling unit shall be twenty~~-two (22)~~ (20) feet for at least sixty-seven (67) percent of its length, measured between the longest exterior walls.

Section 7.71 (1) Setback Requirements   Page 83

Changes shown in red

5.71 Setback Requirements

(1) *Front Setback on Corner Lots.* A **corner lot** shall have two **front lot lines**: a principal **front lot line** and a secondary **front lot line** which is considered a **street side setback.** ~~The principal **front lot line** shall be the location of the traditional front entrance of the **structure**. Where the **lot lines** are of equal length, and/or the principal **front lot line** is not evident, then the **zoning administrator** shall determine the principal **front lot line**.~~

(a) The required **front setback** shall apply to the principal and secondary **front lot line**. ~~**front yard**.~~

(b) The required **setback** for the secondary **front yard** shall be the lesser of the required **front setback** or the established **setback** for the **principal building** on the **abutting lot** that faces the same **street** as the secondary **front lot line**.

(c) The remaining **setbacks** shall be **side setbacks**. ~~a **rear** and a **side setback**. The **rear setback** shall be measured from the **rear lot line**, which in the case of a **corner lot**, shall be the **lot line** opposite the principal **front lot line**.~~

Proposed language 5.71(1)– with changes incorporated:

Section 5.71 Setback Requirements

1. *Front Setback on Corner Lots.* A **corner lot** shall have two **front lot lines**: a principal **front lot line** and a secondary **front lot line** which is considered a **street side setback.**

   a. The required **front setback** shall apply to the principal and secondary **front lot line**.

   b. The required **setback** for the secondary **front yard** shall be the lesser of the required **front setback** or the established **setback** for the **principal building** on the **abutting lot** that faces the same **street** as the secondary **front lot line**.

   c. The remaining **setbacks** shall be **side setbacks**.

CITY OF CHARLEVOIX
ORDINANCE NO. 795 of 2018
AN ORDINANCE TO AMEND TITLE V, CHAPTER 51, ARTICLES 2, 4, 5, 7, 8, 11, 17, AND 18 OF THE CHARLEVOIX CITY CODE

THE CITY OF CHARLEVOIX ORDAINS:

SECTION 1. Title V, Chapter 51, Article 2, Section 5.9 of the City Code is hereby amended with the following change:

Home Occupation (Minor). A vocational activity conducted as an accessory use in a dwelling unit by a member or members of the resident family, which is accessory and incidental to the principal residential use of the dwelling. Minor home occupations have two (2) or less employees, have no exterior signage, and conduct business in a manner not known to the general public.

SECTION 2. Title V, Chapter 51, Article 2, Section 5.11 Lot Lines, (1) Front Lot Line of the City Code is hereby amended with the following change:

Lot Lines.
(1) *Front Lot Line*. In the case of an interior lot, the line separating the lot from the street right-of-way or road easement. For a corner lot, the principal front lot line shall be the location of the traditional front entrance of the structure. In the case of a through lot, the front lot line shall be determined by the zoning administrator based on the dominant orientation of abutting and facing lots.

SECTION 3. Title V, Chapter 51, Article 2, Section 5.14 Recreation Facility, Indoor and Recreation Facility, Outdoor of the City Code is hereby amended with the following change:

Recreation Facility, Indoor. A facility open either to the general public or to members and their guests, located in an enclosed building that is designed to accommodate sports, recreational activities, training or related enterprises such as racquet clubs, fitness clubs, skating rinks and the like. Also included are accessory uses that are clearly in support of the primary use, such as sporting goods shops, food service and party/banquet facilities serving patrons of the indoor recreation use, spectator accommodations, changing/locker rooms and employee offices.
Recreation Facility, Outdoor. A recreation facility that is operated primarily for outdoor recreation uses, as well as related buildings and structures that are accessory to the primary outdoor nature of the activities. Included are golf courses and related support facilities, court games, field sports, shooting ranges, winter sports, swim clubs, campgrounds and resorts, or a combination of such uses.

SECTION 4. Title V, Chapter 51, Article 2, Section 5.14 Sign of the City Code is hereby amended with the following change:

Sign. A structure, including its base, foundation and erection supports upon which is displayed any words, letters, figures, emblems, symbols, designs or trademarks by which any message or image is afforded public visibility from outdoors on behalf of, or for the benefit of, any product, place, activity, individual, firm, corporation, institution, profession, association, business or organization. (See Article 11 for detailed definitions.)

SECTION 5. Title V, Chapter 51, Article 4, Section 5.27(2) of the City Code is hereby amended with the following change:

Table 5.27(2) Dimensional Requirements: Single Family- Two Family - Private Club Residential

Zoning District	Max. Building Height (ft.)	Minimum Yard Setbacks (ft.)				Lot Coverage (%)	Min. Floor Area (sq. ft.)		Principal Structure Minimum Width (ft)
		Front[3]	Side: Interior	Side: Street Side	Rear		1 story	2 stories	
R1	26	15[4]	10	15	25	40[5]	1,040	1,600	20
R2	26	15	8	15	25	40[6]	800	1,200	20
R2A	26	15	10	20	30	40	800	1,200	20
PC	26	0	See	0	0	0	0	0	20

SECTION 6. Title V, Chapter 51, Article 4, Section 5.27(2) of the City Code is hereby amended to delete Footnote [7] in its entirety.

SECTION 7. Title V, Chapter 51, Article 5, Section 5.31 of the City Code is hereby amended to add "/Athletic courts" to the "Recreation facility" uses row of the table as follows:

Recreation facility/Athletic courts	Indoor	**-**	**P**	**P**	**-**	**-**	**-**	**P**	**-**	**-**	
	Outdoor	**-**	**-**	**-**	**-**	**-**	**P**	**S**	**-**	**P**	Section 5.49(1)

SECTION 8. Title V, Chapter 51, Article 7, Section 5.46(1)(g) of the City Code is hereby repealed in its entirety and replaced with the following:

(g) The minimum distance between a principal building and detached accessory buildings shall be ten (10) feet, and a minimum of twenty (20) feet shall be provided between the sides of adjacent single family buildings and/or accessory structures.

SECTION 9. Title V, Chapter 51, Article 7, Section 5.46(7)(b) of the City Code is hereby repealed in its entirety and replaced with the following:

(b) Except for a sign, as allowed by Article 11, the home occupation must not be evident from the street or any neighboring property.

SECTION 10. Title V, Chapter 51, Article 7, Section 5.46(8) of the City Code is hereby repealed in its entirety and replaced with the following:

(8) *Outdoor Display and Sales (Accessory)*. Outdoor Display and Sales are allowed in CBD Overlay only during district-wide sidewalk sale events. Outdoor display and sales that are accessory to a permitted or special land use shall be subject to the following requirements:

SECTION 11. Title V, Chapter 51, Article 7, Section 5.46(9)(a)5 of the City Code is hereby repealed in its entirety and replaced with the following:

5. There shall be no signs on the unit greater than three (3) square feet, other than allowed per Article 11.

SECTION 12. Title V, Chapter 51, Article 7, Section 5.46(10)(c)2 of the City Code is hereby repealed in its entirety and replaced with the following:

2. Minimum Lot Area. A building-mounted WECS shall be allowed on any lot, except in the SR district, provided that all other requirements are met. The minimum lot area for installation of a ground-mounted WECS shall be ten thousand (10,000) square feet.

SECTION 13. Title V, Chapter 51, Article 7, Section 5.46(10)(c)6 of the City Code is hereby repealed in its entirety and replaced with the following:

6. There shall be no signs on the WECS greater than three (3) square feet, other than allowed per Article 11.

SECTION 14. Title V, Chapter 51, Article 7, Section 5.47(1)(c) of the City Code is hereby repealed in its entirety and replaced with the following:

(c) The minimum width of a single family dwelling unit shall be twenty (20) feet for at least sixty-seven (67) percent of its length, measured between the longest exterior walls.

SECTION 15. Title V, Chapter 51, Article 7, Section 5.48(1)(b)1(d)i of the City Code is hereby repealed in its entirety and replaced with the following:

i. Offers accommodations to the public for any form of consideration; provides patrons with closed-circuit television transmissions, films, motion pictures, video cassettes, slides or other photographic reproductions which are characterized by the depiction or description of "specified sexual activities" or "specified anatomical areas;" and has a sign visible from the public right-of-way; or

SECTION 16. Title V, Chapter 51, Article 7, Section 5.48(1)(f)1 of the City Code is hereby repealed in its entirety and replaced with the following:

1. Any sign must comply with the provisions of this ordinance.

SECTION 17. Title V, Chapter 51, Article 7, Section 5.52(4)(i) of the City Code is hereby repealed in its entirety and replaced with the

following:

(i) No marijuana for medical use shall be dispensed by the primary caregiver to qualifying patients at the dwelling or accessory structure in which a primary caregiver is providing primary caregiver services to qualifying patients, except to a qualifying patient who resides with the primary caregiver at the dwelling. Except as provided herein, the primary caregiver shall deliver all marijuana for the medical use of such qualifying patient, and such delivery shall take place on private property away from public view. Any such delivery vehicle shall be unmarked. In addition, all marijuana for medical use delivered to a qualifying patient shall be packaged so the public cannot see or smell the marijuana.

SECTION 18. Title V, Chapter 51, Article 7, Section 5.52(4)(l) of the City Code is hereby repealed in its entirety and replaced with the following:

(l) A dwelling or an accessory structure in which a primary caregiver is providing primary caregiver services to qualifying patients shall not have any signage.

SECTION 19. Title V, Chapter 51, Article 8, Section 5.61(4) of the City Code is hereby repealed in its entirety and replaced with the following:

(4) *Frontage*. No principal building shall be erected on a lot, unless that lot fronts, as required by Section 5.60, upon an improved street or access road. Multiple-family, commercial, office, industrial, or other developments may be exempt from this requirement, as provided in Section 5.60.

SECTION 20. Title V, Chapter 51, Article 8, Section 5.69(1) of the City Code is hereby repealed in its entirety and replaced with the following:

(1) Certain architectural features, such as eaves, cornices, bay windows (or windows without foundations), gutters, chimneys, pilasters and similar features may project no further than three (3) feet into any required yard.

SECTION 21. Title V, Chapter 51, Article 8, Section 5.71(1) of the City Code is hereby repealed in its entirety and replaced with the following:

(1) *Front Setback on Corner Lots.* A corner lot shall have two front lot lines: a principal front lot line and a secondary front lot line which is considered a street side setback.
  (a) The required front setback shall apply to the principal and secondary front lot line.
  (b) The required setback for the secondary front yard shall be the lesser of the required front setback or the established setback for the principal building on the abutting lot that faces the same street as the secondary front lot line.
  (c) The remaining setbacks shall be side setbacks.

SECTION 22. Title V, Chapter 51, Article 8, Section 5.78(2) of the City Code is hereby repealed in its entirety and replaced with the following:

(2) Signage shall be subject to the requirements of Article 11.

SECTION 23. Title V, Chapter 51, Article 11, Section 5.101 of the City Code is hereby amended by deleting the definitions of "Flashing Sign", "Home Occupation Sign", and "Ingress-Egress Sign."

SECTION 24. Title V, Chapter 51, Article 17, Section 5.175(2) of the City Code is hereby repealed in its entirety and replaced with the following:

(2) *Membership*. The ZBA shall consist of five (5) members appointed by the city council, one (1) of whom may be a member of the planning commission, and two (2) alternate members.

SECTION 25. Title V, Chapter 51, Article 17, Section 5.177(1) of the City Code is hereby repealed in its entirety and replaced with the following:

(1) Meetings of the board shall be held at such times as the board may determine but, at least one time annually. There shall be a fixed place of meeting, and all meetings shall comply with the Open Meetings Act, Act 267 of the Public Acts of 1976, as amended.

SECTION 26. Title V, Chapter 51, Article 17, Section 5.177(2) of the City Code is repealed in its entirety and replaced with the following:

(2) The presence of four (4) members shall constitute a quorum. The concurring vote of four (4) members of the board shall be necessary to reverse any order, requirement, decision or determination of the zoning administrator, or to decide in favor of the applicant on any matter upon which it is required to pass by this ordinance, or to grant variation from the requirements of the ordinance, except that a concurring vote of four (4) members shall be necessary to grant a land use variance.

SECTION 27. Title V, Chapter 51, Article 18, Section 5.194 of the City Code is amended by adding a missing Section header after the first sentence, thus creating a new Section 5.195 Conditional Zoning and items (1) through (14) will fall under Section 5.195, as follows:

5.194. Amendments Required to Conform to Court Decree
An amendment for the purpose of conforming to a decree of a court of competent jurisdiction shall be adopted by the city council and published without necessity of a public hearing or a referral to any other commission or agency.

5.195. Conditional Zoning

SECTION 28. 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 29. Effective Date.

This Ordinance shall become effective thirty (30) days after its enactment.

Ordinance No. 795 was adopted on the 15th day of October, 2018 A.D., by the Charlevoix City Council as follows:
Motion by, Second by,
Yeas:
Nays:
Absent:

State of Michigan)
) §
City of Charlevoix)

Joyce M. Golding	Clerk	Luther Kurtz	Mayor

CHARLEVOIX CITY COUNCIL

All Other Actions and Requests

TITLE: Historic District Request

DATE: October 1, 2018

PRESENTED BY: Mark L. Heydlauff, City Manager; Sidney Feldman, Homeowner

BACKGROUND:

In 2016, the City Council created the Earl Young Historic District to protect the unique history and character of these homes. Recently, I received a letter requesting two homes be removed from this district.

The ordinance language specific to modifying a district is outlined below:

1.505 Section 5. ESTABLISHING, MODIFYING, OR ELIMINATING HISTORIC DISTRICTS

(1) The City Council may at any time establish by ordinance additional historic districts, including proposed districts previously considered and rejected, may modify boundaries of an existing historic district, or may eliminate an existing historic district. Before establishing, modifying, or eliminating a historic district, a historic district study committee appointed by the City Council shall follow the procedures as stated in Section 399.203 (1-3) of Public Act 169 of 1970, as amended. To conduct these activities, the City Council may retain the initial committee, establish a standing committee, or establish a committee to consider only specific proposed districts and then be dissolved. The committee shall consider any previously written committee reports pertinent to the proposed action.

(2) In considering elimination of a historic district, a committee shall follow the procedures set forth in Section 399.203 (1-3) of Public Act 169 of 1970, as amended for the issuance of a preliminary report, holding a public hearing, and issuing a final report but with the intent of showing one or more of the following:

(A) The historic district has lost those physical characteristics that enabled the establishment of the district.
(B) The historic district was not significant in the way previously defined. (C) The historic district was established pursuant to defective procedures.

While the district creates the burden to receive approval before modifying the exterior of the home, there is substantial research suggesting local historic districts help maintain or even increase property values in addition to promoting the character and charm of the community.

RECOMMENDATION:

Motion to reject the request to modify the Earl Young Historic District.

OR

Motion to refer to the Standing Historic District Commission the request to modify the Earl Young Historic District.

ATTACHMENTS:

- Request for Removal from Historic Distric
- Report on property values from MHPN

Mark Heydlauff, City Manager
City of Charlevoix
210 State Street
Charlevoix, Michigan 49720

September 12, 2018

RE: Historic District Designation

Dear Mark:

Per our conversation this date, we are requesting the removal of our homes from "Historic Designation".

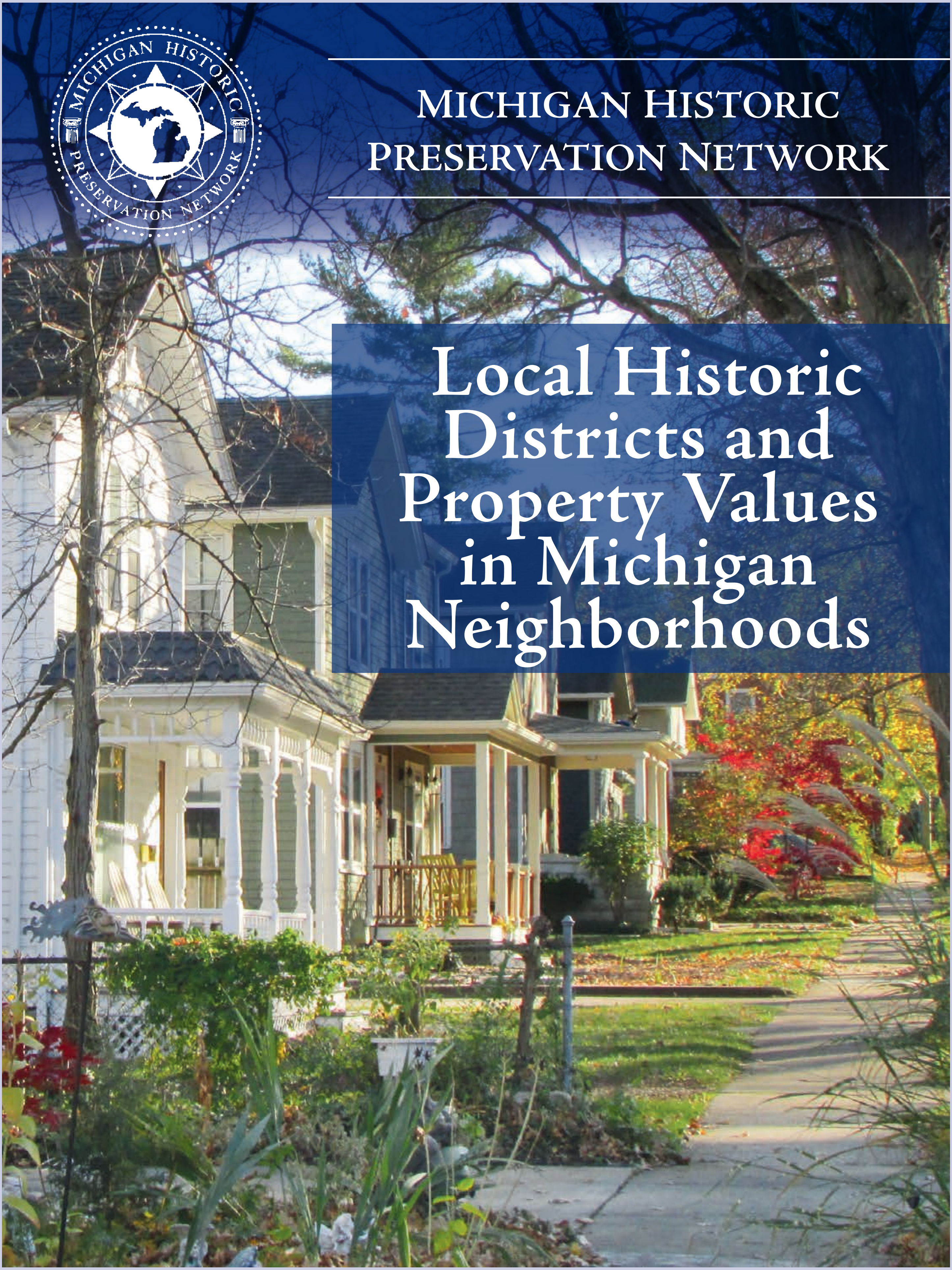
When this was passed, we were opposed. Also, from our viewpoint, there is no benefit to us from this ordinance. Furthermore, no changes to the structures have ever been made, which as we understand is the main purpose.

Please pass this on to whomever would be able to tell us what the process would be to accomplish this.

Signed:
Beth & Sidney Feldman, 306 Park. sidneyif@me.com 248-758-9702
Debra & Miles Singer, 308 Park. singerdf@yahoo.com 248-539-1881

MICHIGAN HISTORIC PRESERVATION NETWORK

Local Historic Districts and Property Values in Michigan Neighborhoods



Local Historic Districts and Property Values in Michigan Neighborhoods

Funded by the Michigan State Housing Development Authority
and the Michigan State Historic Preservation Office.

This study was funded by the Michigan State Housing Development Authority and the Michigan State Historic Preservation Office. The views and opinions expressed in this publication do not necessarily reflect the official policy or position of the Michigan State Housing Development Authority or the State Historic Preservation Office.

This publication has been financed in part with federal funds from the National Park Service, U.S. Department of the Interior. However, the contents and opinions do not necessarily reflect the views or policies of the Department of the Interior, nor does the mention of trade names or commercial products constitute endorsement or recommendation by the Department of the Interior.

This program receives federal financial assistance for identification and protection of historic properties. Under Title VI of the Civil Rights Acts of 1964, Section 504 of the Rehabilitation Act of 1973, and the Age Discrimination Act of 1975, as amended, the U.S. Department of the Interior prohibits discrimination on the basis of race, color, national origin, disability, or age in its federally assisted programs. Michigan law prohibits discrimination on the basis of religion, race, color, national origin, age, sex, marital status, or disability. If you believe you have been discriminated against in any program, activity, or facility as described above, or if you desire further information, please write to: Office for Equal Opportunity, National Park Service, 1849 C Street, NW, Washington, DC 20240.

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Introduction

At the Michigan Historic Preservation Network (MHPN), our mission is to advocate for Michigan's historic places to contribute to our economic vitality, sense of place, and connection to the past. Michigan's special places—forests, lakes, and rivers, waterfront fishing villages, lakeside resorts, family farms, and industry boom towns—tell our history. That story connects people to people, both past and present, and connects us all to the places themselves. As the Michigan Land Use Institute expressed in their 2003 publication, *A Civic Gift*, "People care about old buildings because they reflect shared memories and a sense of continuity, which are the essence of community." Indeed, old buildings nurture community and convey a sense of a community's character and identity.

Maintaining the character and architecture of a place is not about history alone—it's also about the quality of life for residents and the draw of a unique experience for visitors, who invest in local businesses and experiences. The most effective way for Michigan communities to protect their unique sense of place and manage change in their historic areas is to create local historic districts. Many studies have shown (see a sampling of studies in the Resources section) that in local historic districts, homeowners tend to stay and invest for longer periods of time, rates of foreclosure tend to be lower, and properties tend to appreciate at a higher rate than non-designated properties. In 2002, MHPN looked at the relationship between local historic districts and property values as part of its broader study of the economic impacts of historic preservation in Michigan. We, too, found a positive correlation between local historic district designation and property values in the communities we studied.

In 2016, with funding from the Michigan State Housing Development Authority and the State Historic Preservation Office, MHPN sought to revisit a study of the relationship between property values and local historic districts. We wanted to know how property values within local historic districts would compare with nearby similar, non-designated neighborhoods over time and how the historic districts weathered the 2007-08 real estate crash and subsequent recession. We wanted to be able to share updated information with communities considering local historic district designation. To investigate, four communities of varying sizes and demographics were selected that have local historic districts and similar historic houses outside the local district.

We are again pleased to find that, as a rule, properties in local historic districts have higher property values than nearby similar, non-designated properties. Michigan has thousands and thousands of historic resources that are not locally protected—currently, only 78 communities in Michigan have local historic districts. We know that many of our historic buildings and neighborhoods could be lost to insensitive development or long-term neglect without local protection. It is our hope that this report's findings will provide encouragement and information to communities as they consider local designation to protect their significant resources. Local historic district designation helps communities retain their unique historic character and benefits homeowners with higher property values.

Nancy Finegood, Executive Director
Michigan Historic Preservation Network

Executive Summary

Assessor data from four communities at three points over time was analyzed to reveal how local historic district designation affects property values in residential neighborhoods. The communities studied were Ann Arbor, Bay City, Grand Rapids, and Kalamazoo. The points in time for the snapshots were around the year 2000, 2010, and 2015/16.

The data was explored in two ways:

(1) overall patterns were identified across averaged collections of similar data from in and outside local historic districts, and

(2) more exhaustively, the study's author applied a statistical technique that seeks to measure the effect of local historic designation, while holding constant all other factors that contribute to property value. In other words, this second approach (hedonic regression) breaks out and assigns weights to the various components that contribute to a property's value to create true, apples-to- apples comparisons between properties inside local historic districts and similar undesignated properties nearby. The result is a determination of the actual value of local historic district designation and how it contributes to property values.

Overall Findings:

- In all communities and time periods studied, the property values in designated historic districts were higher than the comparable non-designated areas of the same community, regardless of whether the overall values were stable, increasing, or decreasing.
- In communities and time periods where there was an overall increase in property values, the homes in the designated historic districts generally increased at nearly the same or better rates than the comparable non-designated areas.
- In communities and time periods where there was an overall decrease in property values, the homes in the designated historic districts still fared better. While the rate of decreasing values was inconsistent between the designated historic and non-designated areas, the actual property values in designated historic districts always remained higher than non-designated neighborhoods.

Specific Findings of the Statistical Analyses:

Hedonic regression models were estimated and tested for each community to determine the actual value of local historic district designation and how it contributes to property values. In Ann Arbor, Grand Rapids, and Kalamazoo, historic designation contributed positively to property values in every year of the study.

- In the earliest year studied (between 2000 and 2004 depending on the community) in these communities, local historic district designation added between 11% and 35% in value when compared to similar non-designated properties.
- In 2010 in these communities, local historic district designation added between 10.6% and 28.5% in value when compared to similar non-designated properties.
- In 2015, in the same communities, local historic district designation added between 6% and 28.6% in value when compared to similar non-designated properties.

In Bay City, actual property values in the local historic district were consistently higher than similar properties outside the district in every year studied. Because of the small dataset for Bay City (27 undesignated and 64 designated houses), however, the hedonic regression approach was deemed statistically unreliable.

Conclusion:

Whether similar collections of data are averaged or an in-depth hedonic regression technique is used to determine the value of local historic designation between similar properties in and outside local historic districts, the outcome is the same: **local historic district designation enhances property values.**

LOCAL HISTORIC DISTRICTS

Definition and Community Selection

What is a Local Historic District?

In general, there are three types of historic designation: national (National Register of Historic Places), state (State Historical Marker program), and local. Both national and state designations are honorary and raise awareness of the importance of historic places but do not, broadly speaking, protect those places. If a community's goal is to protect historic character and a sense of place, that goal is most effectively achieved at the local level. Local historic districts in Michigan are enabled by P.A. 169 of 1970, as amended, and local historic districts are established by local ordinances and administered by local residents. These residents serve on a historic district commission, which reviews applications for proposed exterior changes, new construction, and demolition. This application and review process helps to manage change in the district so that the historic character of a neighborhood is retained over time, even as properties change hands.

How were communities selected for this study?

Because the Michigan Historic Preservation Network (MHPN) wanted to compare property values within local historic districts with property values of nearby similar properties over time, communities with both local historic districts and comparable undesignated properties were needed, as well as an ordinance and districts that were established in 2000 or earlier. Of Michigan's 78 communities with local historic district ordinances, most are in the Lower Peninsula, and many have districts that were established well after 2000. In addition, several have scattered single-resource districts (scattered districts of one building) instead of contiguous districts where neighborhoods or whole areas are designated. Whole collections of designated buildings were necessary for this study.

Many of those 78 communities have locally designated their commercial area and not any residential districts. MHPN had initially wanted to include one downtown commercial district in the study, but the host of variables that go into commercial property assessments made a commercial property value study exceedingly complicated. Additionally, many communities that have designated a commercial local historic district have, logically, designated all of the historic buildings in the historic downtown, leaving no comparable undesignated buildings for a study like this one.

Another factor was the size of the districts—collections of the data needed to be large enough so that the statistical analysis would be reliable. As seen in one of the communities in this study, sample size ended up being an issue when trying to draw larger conclusions from the data.

Other criteria included diversity in geography and population size, a local ordinance that was compliant with the state enabling act, and some staff capacity and a willing partner in the city assessor's office. Ultimately, after sifting through all of these factors and discussing this project with municipal staff and local stakeholders all over the state, Ann Arbor, Bay City, Grand Rapids, and Kalamazoo were the communities selected for this study.

METHODOLOGY

MHPN wished to know whether local historic designation increases the value of properties in a historically designated area relative to those in a comparable neighborhood. One challenge associated with such a study is that designated and non-designated homes might differ in ways other than designation. For example, in any given area, designated homes might be larger than otherwise comparable non-designated properties, and a simple comparison of the two types might ascribe the higher valuation of designated homes to the designation, when in fact the difference is due to size. One might, in that case, use price per square foot as the measuring rod, but size is only one of many possible structural differences between designated and non-designated properties.

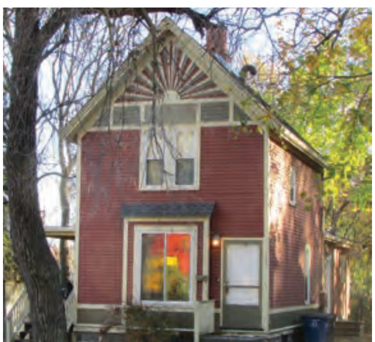
Because of these potential structural differences, the *hedonic regression* method has become the primary tool used in studies across the country to evaluate how historic designation contributes to property values. This method views the price of a piece of real estate as the sum of the value of its parts. When using this method, various characteristics of the houses being studied (fireplace, garage, full bathrooms, etc.) are assigned weights and those values are entered into an equation. This method allows the researcher to measure how much one characteristic (such as historic designation) contributes to property value, while holding the other characteristics constant, thus overcoming the issue described above.

For each of the four cities in this study — Ann Arbor, Bay City, Grand Rapids, and Kalamazoo — a hedonic regression model was estimated, and three years of assessor data for each city was analyzed. MHPN's general request to the assessors was for data from the years 2000, 2010, and 2016, but the actual years assessors were able to access varied slightly from city to city. In each city, a locally designated neighbor-hood and a comparable, non-designated neighborhood were recommended by respective city staff. The home attributes used in each community included: local designation, interior square footage, yard size, year of construction, number of bathrooms (full and half), number of fireplaces, and indicators for various building classes, styles, HVAC systems, and garage presence and size. Assessors also provided property value data and most recent sales prices.

For each city, a hedonic regression model was estimated and tested, and three years of assessor data was analyzed.

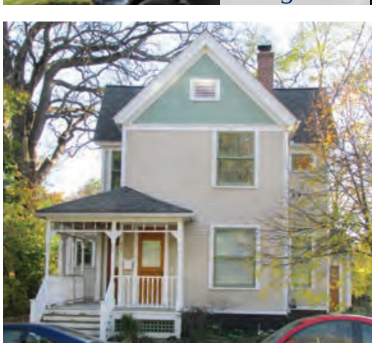
ANN ARBOR

Designated



Non-Designated

Designated



Non-Designated

County: Washtenaw

Local Historic Districts: 14

Population: 113,934

Ethnic Makeup:
- White: 73%
- African American: 7.7%
- American Indian & Alaska Native: .3%
- Asian: 14.4%
- Two or more races: 3.6%
- Hispanic or Latino: 4.1%

Median Household Income, 2011-2015 (in 2015 dollars): $55,990

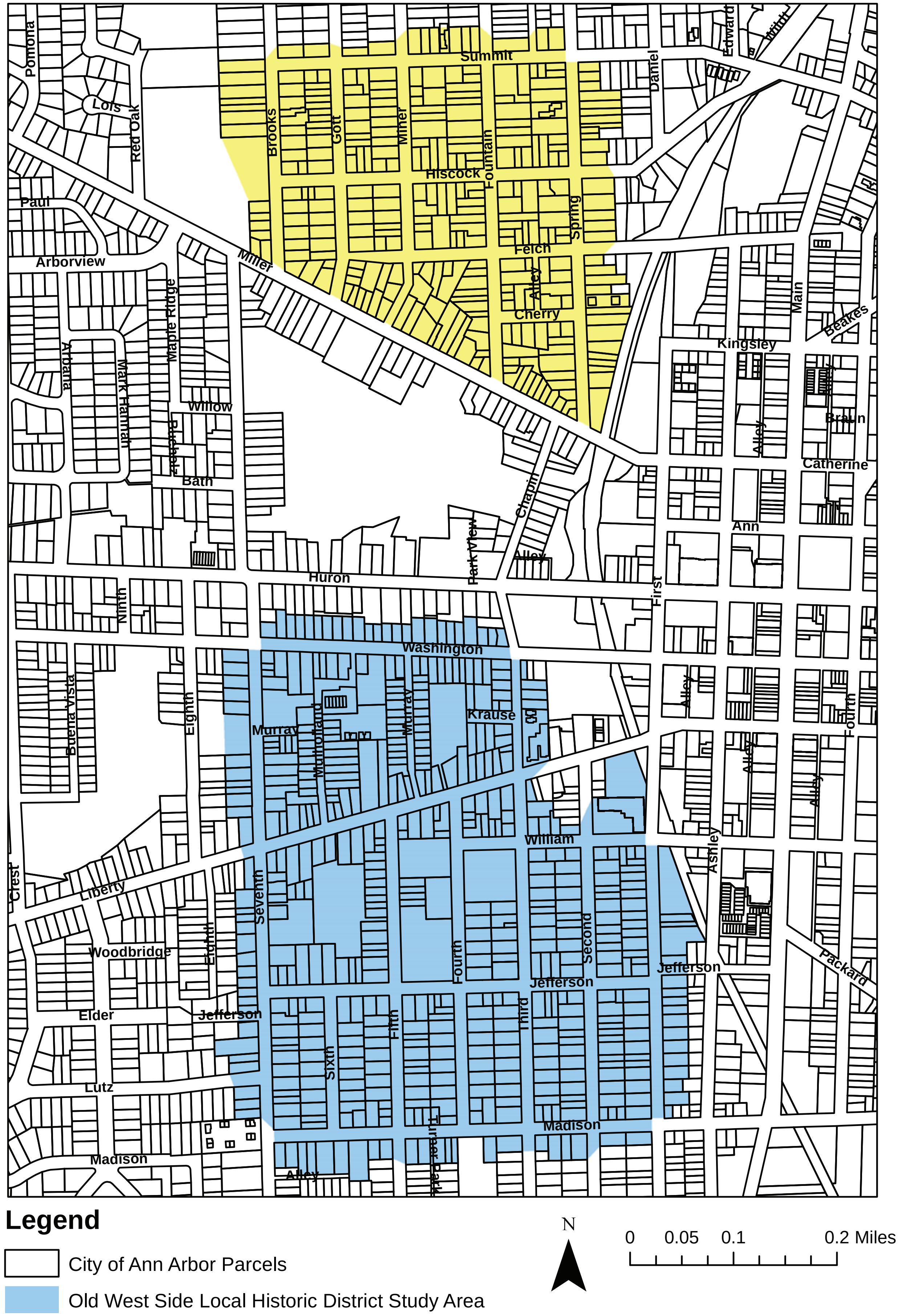
Owner-occupied Housing Unit Rate: 44.8%

Median Value of Owner-Occupied Housing Units, 2011-2015: $240,700

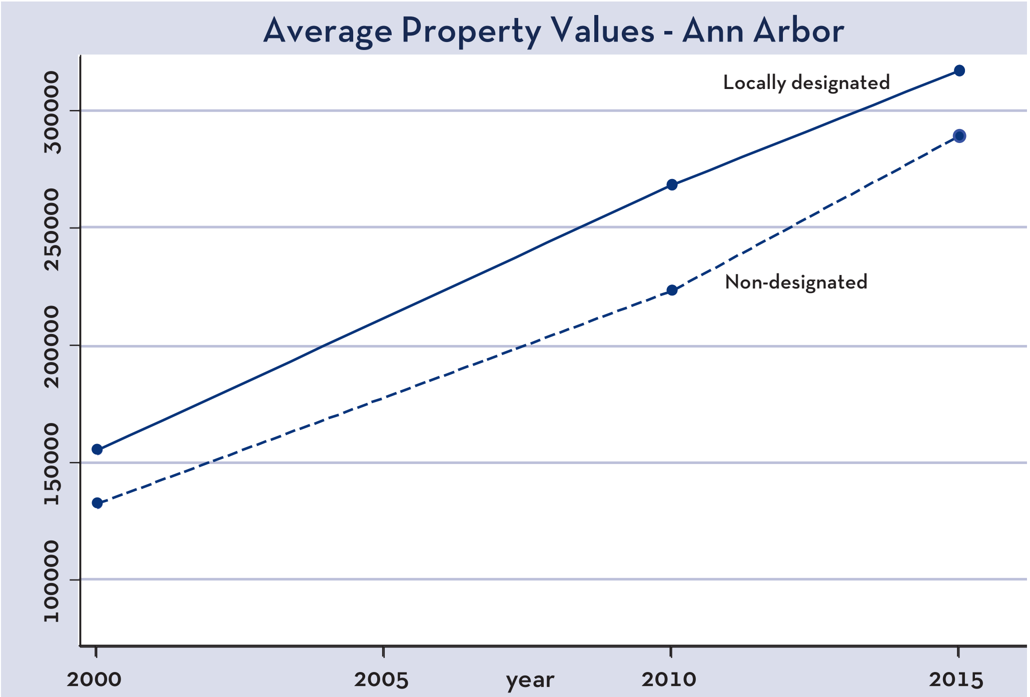
Data from 2010 U.S. Census, census.gov/quickfacts

Description of study areas

The two areas analyzed for this study are portions of the neighborhoods known as the Old West Side and Water Hill. The Old West Side (designated in 1978) is a local historic district located west and southwest of downtown, comprised of 955 mostly residential properties. Water Hill is an adjacent neighborhood just northwest of downtown, also mostly residential. Both neighborhoods are about equidistant from downtown. The portions of both neighborhoods that were selected for the study are the portions closest to each other, both geographically and architecturally. The architecture throughout both is very similar—the majority of the houses are modest, gable-front, clapboard-sided, and one-and-a-half to two stories tall. Many have front porches and there are many different styles, including Classical Revival, Italianate, Queen Anne, and some Colonial Revival and Craftsman. Both neighborhoods attend the Ann Arbor public schools and share the same elementary and middle schools. The average square footage in the Old West Side is 1524, while in Water Hill it is 1452. The lot sizes are also quite similar. Data for approximately 450 homes was analyzed from the Old West Side and compared to data from approximately 265 Water Hill houses for the years 2000, 2010, and 2015.



Ann Arbor Study Area



Property values data from assessor, totaled and averaged, before statistical analysis. Property values in the local historic district are consistently higher than in the similar non-designated neighborhood.

Designated

Non-Designated

Conclusions

Unlike many parts of Michigan between 2000 and 2010, property values in Ann Arbor rose, and the value of the designated homes rose faster during these years than the comparable non-designated properties. The statistical analysis showed that in the year 2000, local historic district designation added an average of 11% to property values in the local historic district when compared to similar non-designated properties. In 2010, that premium on local historic designation added an average of 16% to property values when compared to similar undesignated properties. Between 2010 and 2015, however, property values began to converge in the two neighborhoods. In 2015, the value added by designation was about 6%. At 6%, the dollar value of the premium for the designation is almost $7,000 on a 2015 base of about $113,000.

Designated

Non-Designated

BAY CITY

Designated

Non-Designated

Designated

Non-Designated

County: Bay

Local Historic Districts:
2 multi-resource districts
5 single-resource districts

Population: 34,932

Ethnic Makeup:
White: 89.7%
African American: 3.5%
American Indian & Alaska Native: .6%
Asian: .5%
Two or more races: 3.9%
Hispanic or Latino: 8.5%

Median Household Income, 2011-2015 (in 2015 dollars): $34,743

Owner-occupied Housing Unit Rate: 69.4%

Median Value of Owner-Occupied Housing Units, 2011-2015: $67,700

Data from 2010 U.S. Census, census.gov/quickfacts

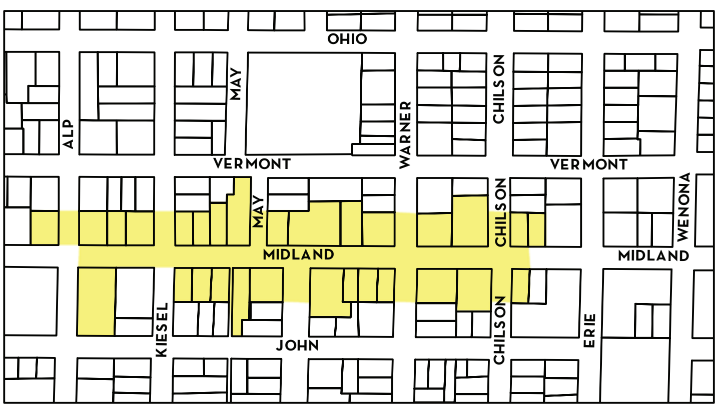
Description of study areas

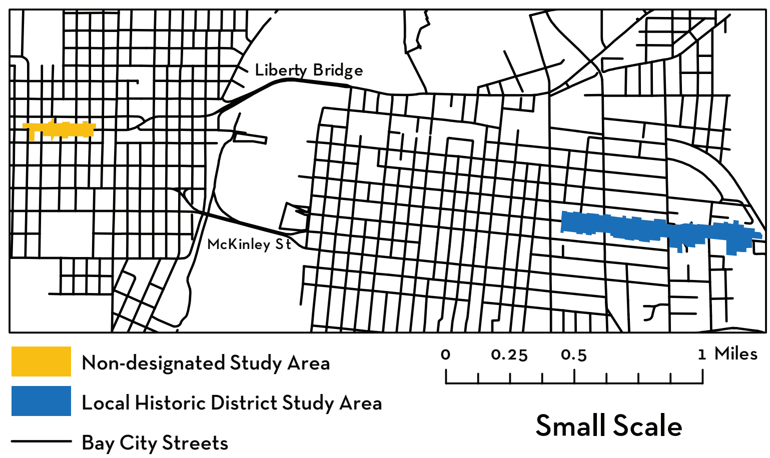
In the 1800s in the region surrounding Bay City, the rich forests and water access gave rise to lumber and shipping industries. Bay City became known as the "Lumber Capital of the World," and its smaller neighbor to the west, West Bay City, was also a successful city in its own right, profiting from the lumber, shipbuilding, and salt industries that were building this region. Both cities had wealthy lumbermen, ship builders, and industrialists who built homes and businesses. In Bay City, the wealthy built their homes along Center Avenue, and in West Bay City, on a slightly smaller scale, the wealthy built their homes along Midland Street. In 1905, West Bay City merged with the City of Bay City.

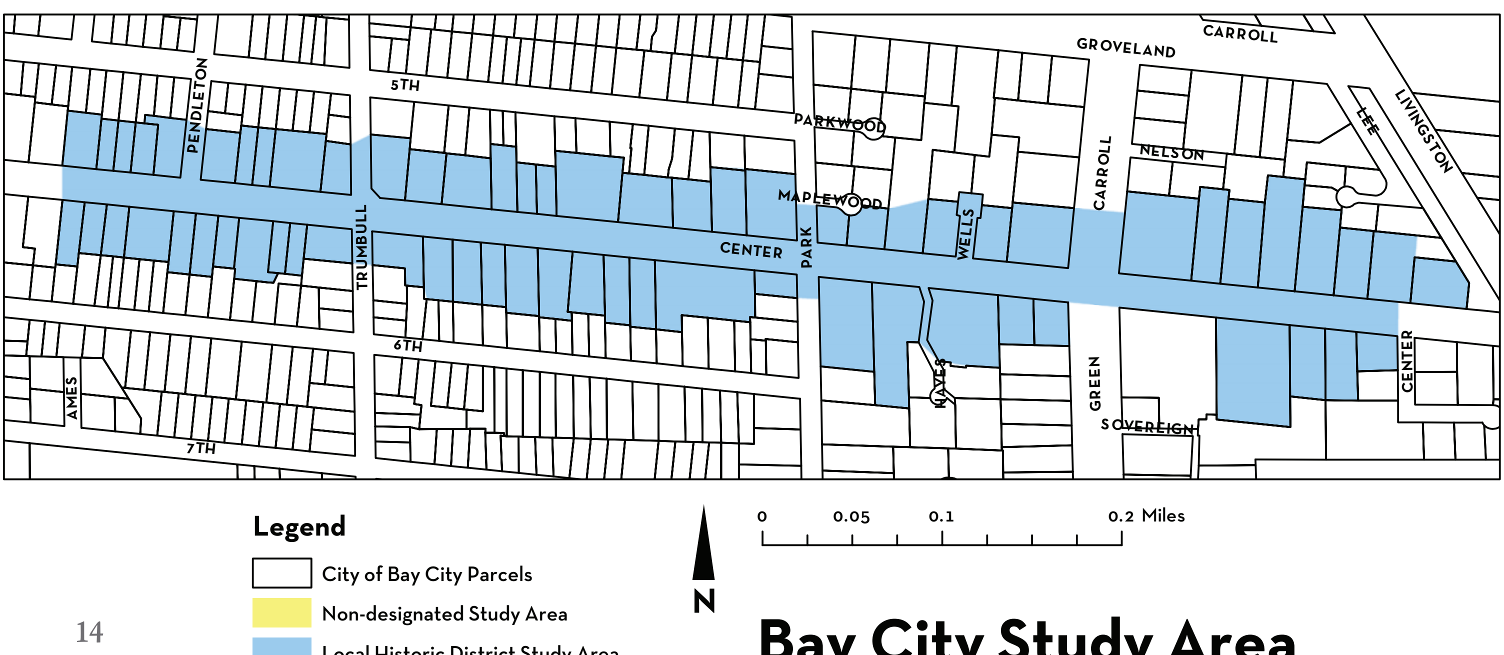
The two areas analyzed for this study include a portion of the locally designated Center Avenue District and a portion of the residential neighborhood West Midland Street in what was formerly West Bay City. The original Center Avenue historic district included properties having frontage on Center Avenue between Madison and Livingston Streets. In this district, property owners who have wanted to make exterior architectural changes to their properties have sought approval from a design review body since 1999. From 1999 to 2011, proposed architectural changes in this area were reviewed by a committee who used the Secretary of the Interior's

Standards for Rehabilitation to approve or deny proposed work. In 2012, Bay City sought to get its architectural review processes in line with the state enabling act for local historic districts and adopted a compliant ordinance. At the same time, architectural review for the district went to the local historic district commission, who used the same standards for review. Also in 2012, the Center Avenue Historic District was expanded to include some of the surrounding houses to the north and south of Center Avenue for a block or two at the far west and far east ends of the district. Because those houses did not begin their architectural review processes until 2012, they were not included in this study. Also not included in this study is the western half of the original Center Avenue district, because the largest homes are concentrated there. For the study, the portion of the Center Avenue district that was analyzed is between approximately Johnson and Livingston Streets.

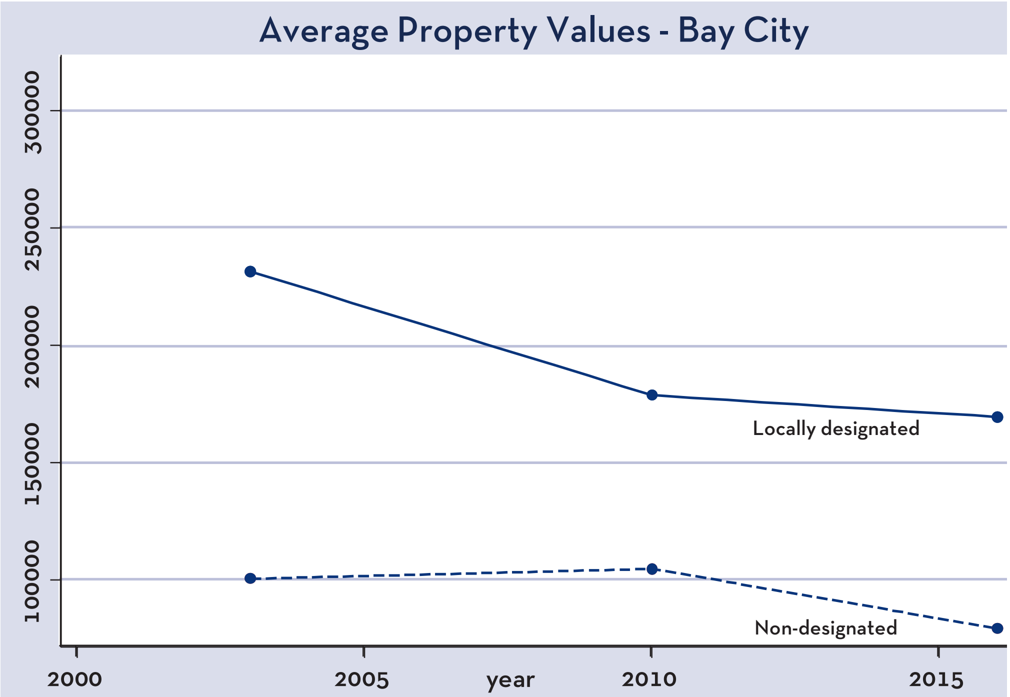
The non-designated area that was used for a comparison in this study is the portion of West Midland Street between approximately Alp and Erie Streets. Both study areas include houses from the 19th and 20th centuries of a variety of styles, including Arts & Crafts, Colonial Revival, Queen Anne (common in these neighborhoods), Second Empire, and Tudor Revival. The Center Avenue neighborhood features additional styles as well, and the Center Avenue houses tend to be larger on larger lots. There were only 27 houses included in the W Midland Street area and 64 houses in the Center Avenue area and the years for the data were 2003, 2010, and 2016.







Bay City Study Area



Property values data from assessor, totaled and averaged, before statistical analysis. Property values in the local historic district are consistently higher than in the similar non-designated neighborhood.

Designated

Non-Designated

Designated

Non-Designated

Conclusions

When Bay City data is compared as a collection and property values are averaged, the property values in the local historic district are higher than they are in the nearby undesignated, comparable area for every year of the study—2003, 2010, and 2016.

When the hedonic regression method is applied, the conclusion is that the data set for Bay City is too small to be statistically reliable. "T-values" are a typical metric used to assess the quality of statistical estimates. A t-value greater than 2 indicates reasonable precision in a statistical estimate, and Bay City's results don't exhibit a t-value greater than 2 until the 2016 data. In 2016, the value of the premium for historic designation is 14.6%.

After more time has passed following Bay City's 2012 historic district expansion, the enlarged local historic district could provide an interesting case study to measure the effects of local historic district designation over time. Rates of change in property values pre-designation could be measured and compared with rates of change in property values post-designation, and this comparison could help the researcher understand the effects local historic designation has had on these properties. The 2012 district expansion was too recent an occurrence for this study to explore.

Grand Rapids

Designated

Non-Designated

Designated

Non-Designated

County: Kent

Local Historic Districts:
6 multi-resource districts
79 single-resource districts

Population: 188,040

Ethnic Makeup:
White: 64.6%
African American: 20.9%
American Indian & Alaska Native: .7%
Asian: 1.9%
Two or more races: 4.2%
Hispanic or Latino: 15.6%

Median Household Income, 2011-2015 (in 2015 dollars): $40,355

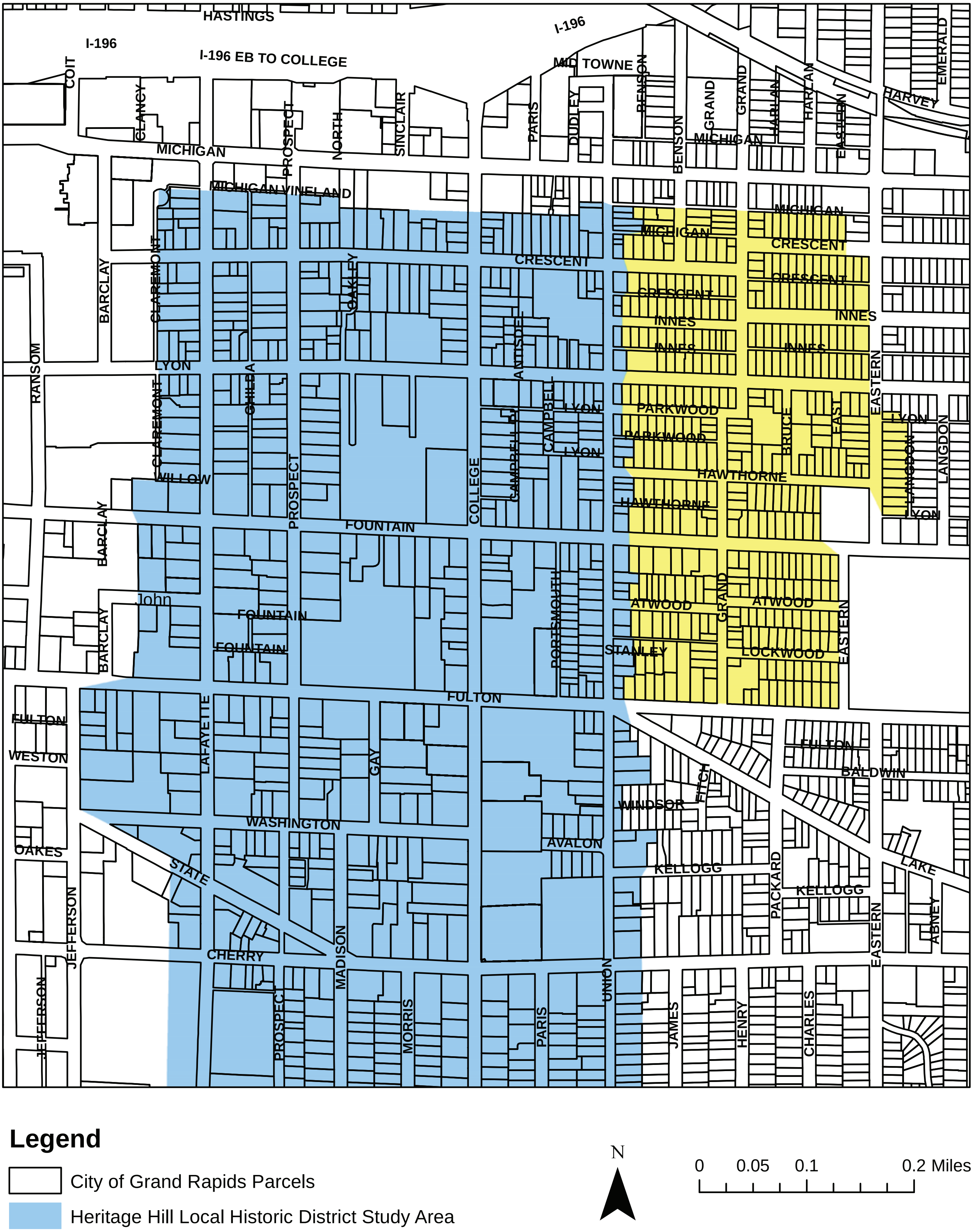
Owner-occupied Housing Unit Rate: 54.3%

Median Value of Owner-Occupied Housing Units, 2011-2015: $109,400

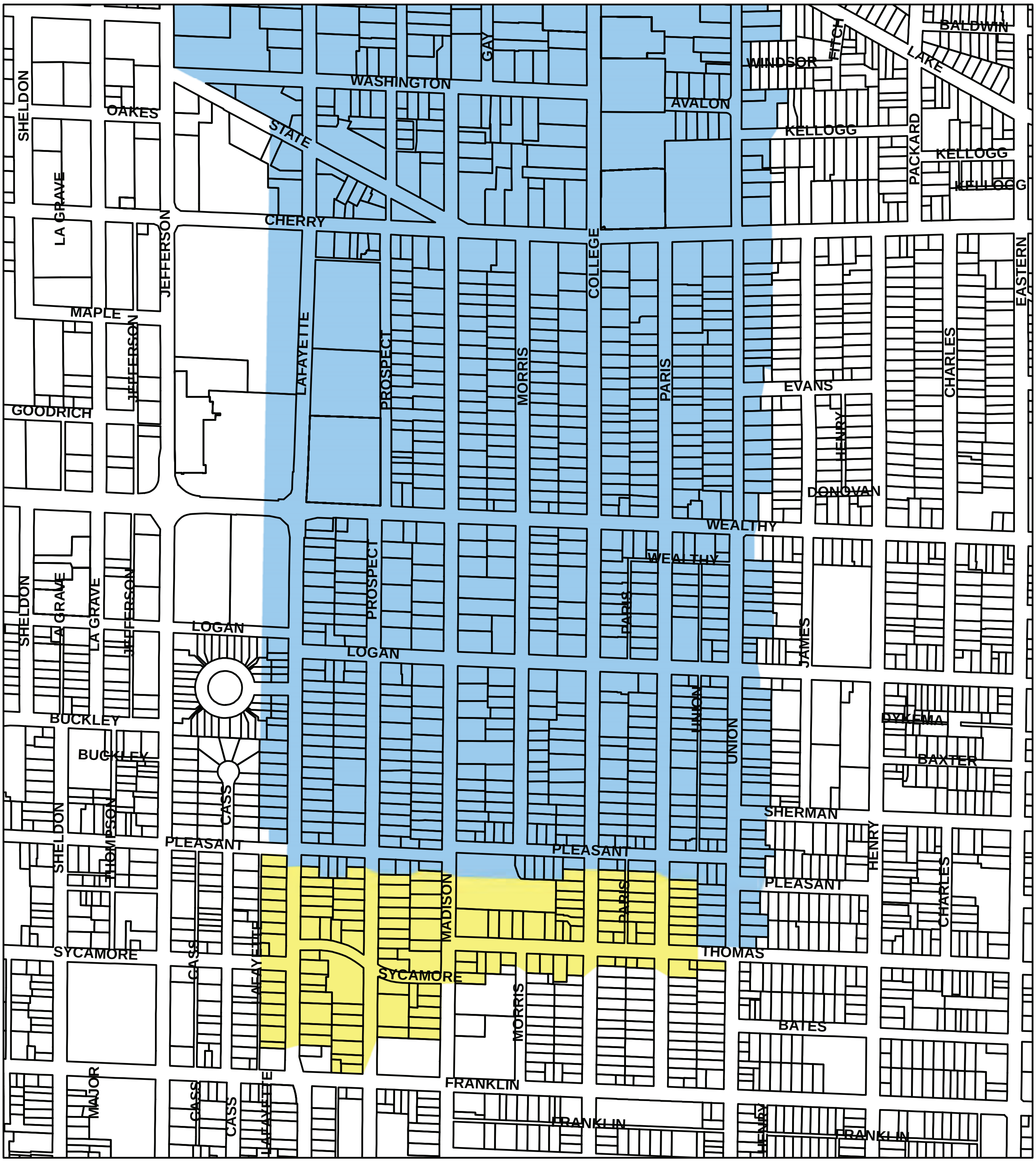
Data from 2010 U.S. Census, census.gov/quickfacts

Description of study areas

Heritage Hill Historic District was locally designated in 1973 and is one of the largest urban historic districts in the country. This district includes many of Grand Rapids' finest surviving structures, with many of these constructed between 1860 and 1920 for residents such as lumber barons, teachers, judges, and legislators. In the late 1800s and early 1900s, this was the city's most prestigious residential area. There are about 1,300 buildings in the district and many styles of architecture are represented, including Greek Revival, Italianate, Queen Anne, Tudor, and Prairie. Many of the same styles are represented in the blocks adjacent to the locally designated district, and the comparison data was drawn from the blocks just outside the district to the northeast and southwest. Data from approximately 900 houses within the district and 500 houses adjacent to the district was analyzed for the years 2004, 2010, and 2015. Houses larger than 8,000 square feet were eliminated from the analysis.



Grand Rapids Study Area (North)



Legend

City of Grand Rapids Parcels

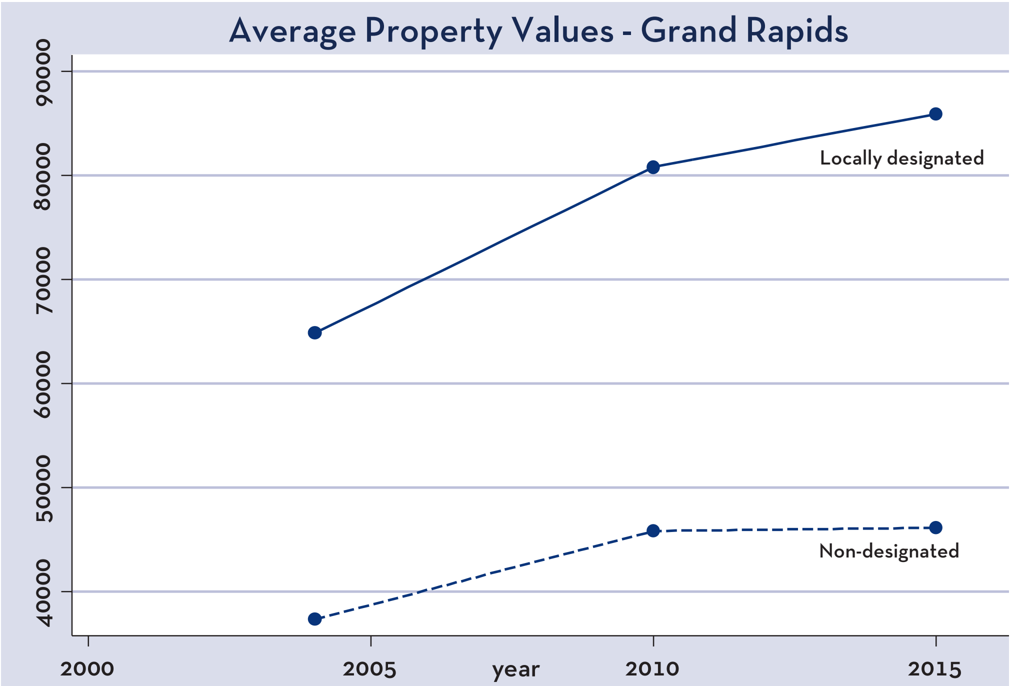
Heritage Hill Local Historic District Study Area

Non-designated Study Area

N

0 0.05 0.1 0.2 Miles

Grand Rapids Study Area (South)



Property values data from assessor, totaled and averaged, before statistical analysis. Property values in the local historic district are consistently higher than in the similar non-designated neighborhood.


Designated


Non-Designated


Designated


Non-Designated

Conclusions

In Grand Rapids, the designated neighborhood enjoys a substantial premium. The statistical analysis showed that in 2004, local historic district designation added an average of 35% to property values within the local historic district when compared to similar properties in the comparable undesignated areas. In 2010 and 2015, that premium on local historic designation added an average of 28-29% to property values when compared to similar non-designated properties. This is the highest observed premium in this study and on the upper end of historical valuations found in other studies from across the country.


Designated

Kalamazoo

Designated

Non-Designated

Designated

Non-Designated

County: Kalamazoo

Local Historic Districts:
5 multi-resource districts
9 single-resource districts

Population: 74,262

Ethnic Makeup:
White: 68.1%
African American: 22.2%
American Indian & Alaska Native: .5%
Asian: 1.7%
Two or more races: 4.6%
Hispanic or Latino: 6.4%

Median Household Income, 2011-2015 (in 2015 dollars): $33,009

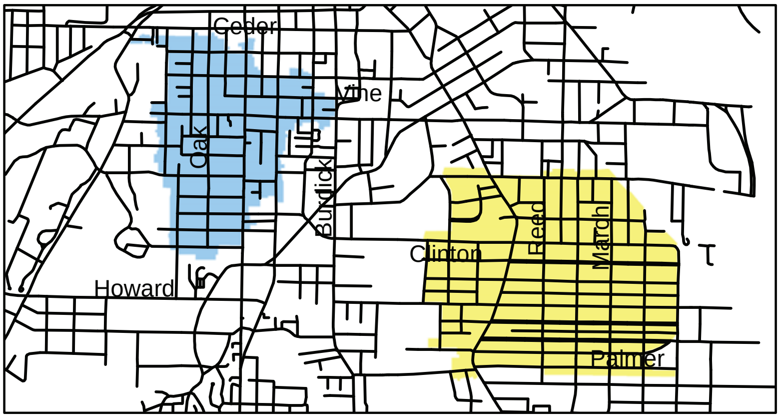
Owner-occupied Housing Unit Rate: 44.5%

Median Value of Owner-Occupied Housing Units, 2011-2015: $96,600

Data from 2010 U.S. Census, census.gov/quickfacts

Description of study areas

Data for approximately 970 homes in the Vine local historic district and approximately 1,700 homes in a portion of the Edison neighborhood was analyzed for the years 2000, 2010, and 2015. Both neighborhoods are located just south of downtown Kalamazoo and both have similar housing stock, mostly built between the 1880s and the 1920s. In both neighborhoods, most houses are modest, one-and-a-half or two-story houses, and many are gable-front with front porches. Four-squares are also quite common. Architectural styles in both neighborhoods include Greek Revival, Queen Anne, Craftsman, some Tudor, and others. The Vine neighborhood has a small commercial area to serve its residents and the Edison neighborhood accesses the Washington Square business district. In many respects, the two neighborhoods are very similar. The Edison neighborhood is larger, however, so only the portion of it deemed most architecturally similar to Vine by the historic preservation coordinator in Kalamazoo was used in this study.



Legend

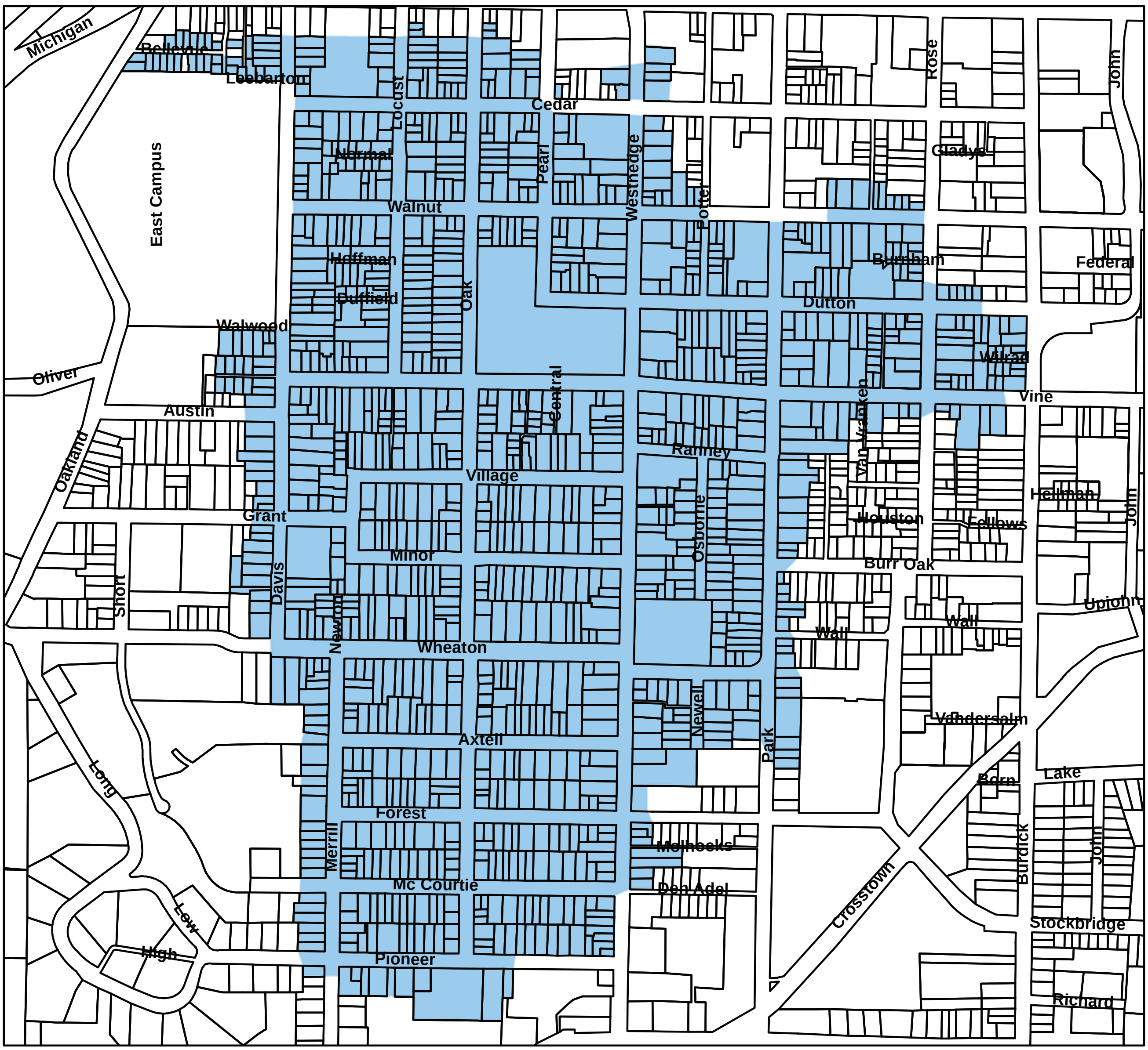
Kalamazoo Streets

Vine Area Historic District Study Area

Non-designated Study Area

0 0.25 0.5 1 Miles

Kalamazoo Study Area (Small Scale)



Vine Area Historic District

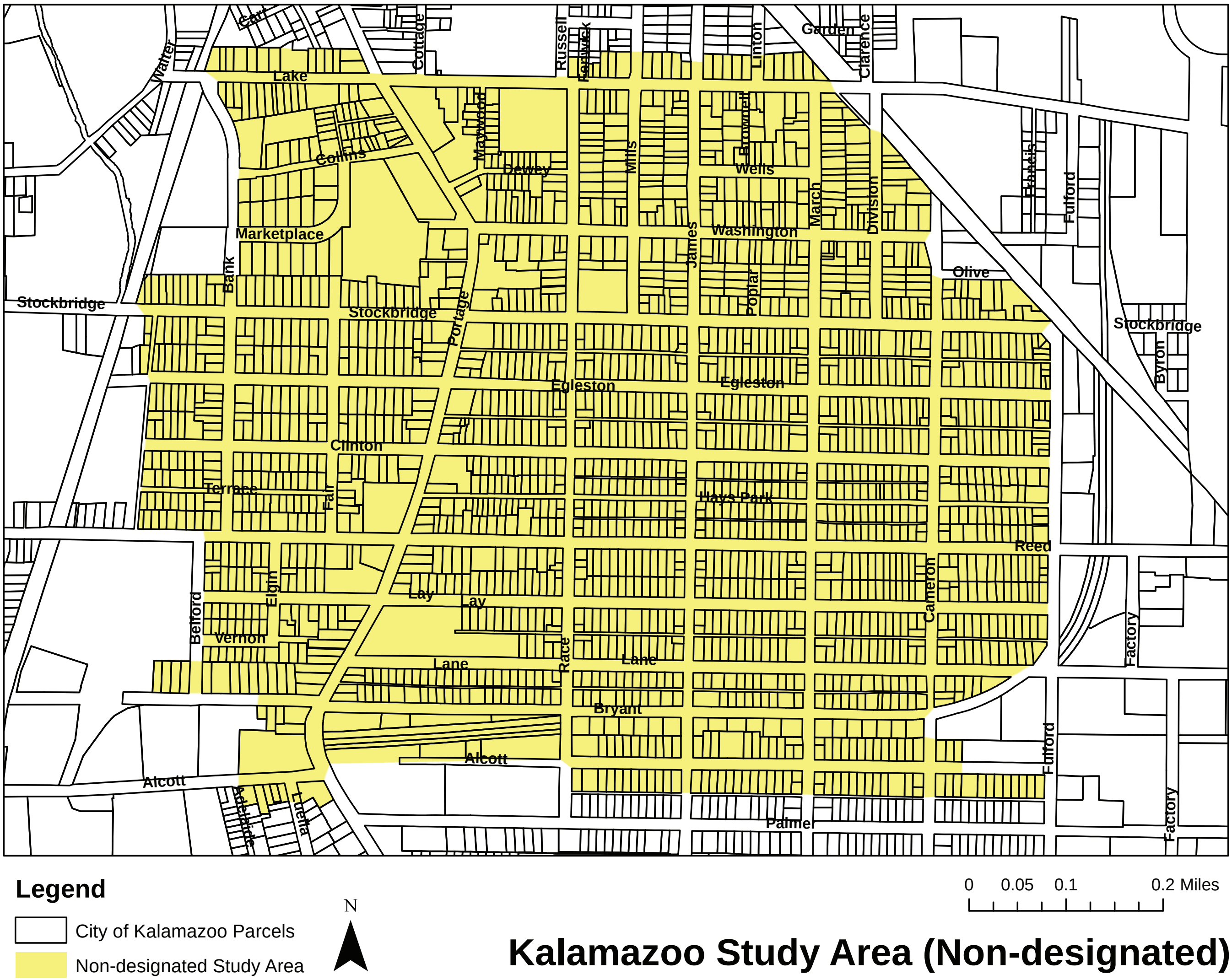
City of Kalamazoo Parcels

Vine Area Historic District Study Area

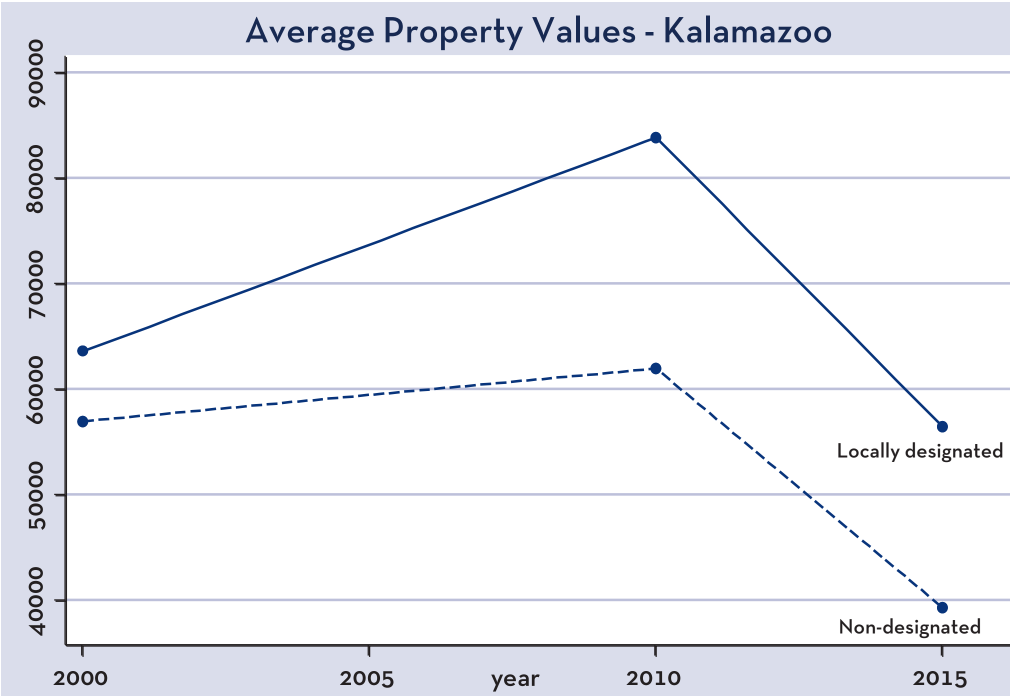
N

0 0.05 0.1 0.2 Miles

Kalamazoo Study Area



Kalamazoo Study Area (Non-designated)



Property values data from assessor, totaled and averaged, before statistical analysis. Property values in the local historic district are consistently higher than in the similar non-designated neighborhood.

Designated

Non-Designated

Designated

Non-Designated

Conclusions

In Kalamazoo, the statistical analysis showed that in 2000, local historic district designation added 12.6% to property values in the local historic district when compared to property values of similar houses outside the district. In 2010, local historic designation added 10.6% to property values in the district, and in 2015, local historic designation added 16% to property values in the district when compared to similar properties outside it.

Non-Designated

Resources

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South Carolina Department of Archives & History. (2000). *Historic Districts Are Good for Your Pocketbook: The Impact of Local Historic Districts on House Prices in South Carolina.* Available at http://shpo.sc.gov/pubs/Documents/hdgoodforpocketbook.pdf.

For the Bay City and Grand Rapids Descriptions of Study Areas, the following resources were referenced:

City of Bay City Historic District Study Committee. (2011). *Preliminary Historic District Study Report: Midland Street Business District.* Available at http://www.baycitymi.org.

The Heritage Hill Association. "One of a kind community." Available at http://www.heritagehillweb.org.

For more information about historic preservation or local historic districts in Michigan, please visit the websites below or contact:

State Historic Preservation Office
Michigan State Housing Development Authority
735 E. Michigan Ave., P O Box 30044
Lansing, MI 48909
517.373.1630
www.michigan.gov/shpo

Michigan Historic Preservation Network
313 E Grand River, Lansing, MI 48906
517.371.8080 | info@mhpn.org | www.mhpn.org

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MHPN had many conversations and e-mail exchanges about this project throughout 2016 with generous people all over the state who shared their time, expertise, data, contacts, and ideas. We thank them all, and include some of them below by name and community. Sincere apologies to those who contributed to the project and are unnamed below.

Special thanks to the staff in Ann Arbor, Bay City, Grand Rapids, and Kalamazoo for all of their time, patience, and expertise. We truly appreciate all of the assistance we received for this project.

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Mason: David Haywood

Menominee: Pat Johnson

Oakland County: Ron Campbell, Bret Rasegan, and Leigh Young

Saginaw: Bill Ostash

Saugatuck: Vic Bella

Traverse City: David Weston

Williamston: Vonnie Green

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Edward Coulson is Professor of Economics and Public Policy at the Merage School of Business at the University of California, Irvine. Professor Coulson received his B.S. in Economics at the University of California, Riverside, and his Ph.D. from UC San Diego. From 2014 through 2016, he was Professor of Economics and Director of the Lied Institute for Real Estate Studies at University of Nevada at Las Vegas, and was prior to that on the faculty of The Pennsylvania State University where he was Professor of Economics and the Jeffrey and Cindy King Faculty Fellow in Real Estate. Professor Coulson has published widely on a number of topics in real estate and urban economics, and served as President of the American Real Estate and Urban Economics Association for the calendar year 2016.

Academic affiliations are provided for identification purposes, and do not imply endorsement of the views expressed in this document.

Credits

Photos:

Ann Arbor: Ellen Thackery

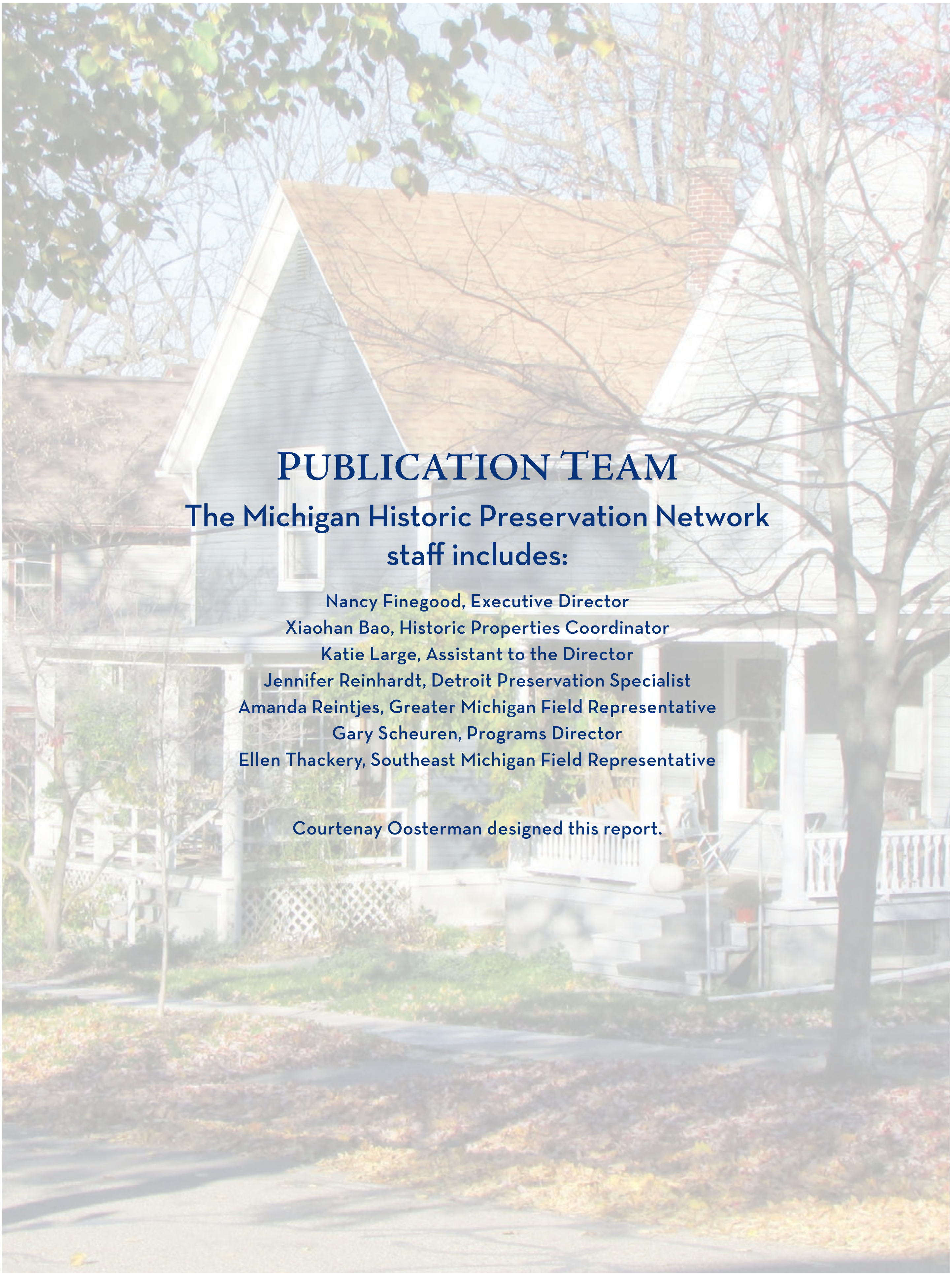
Bay City: Scott McKillop

Grand Rapids: Amanda Reintjes

Kalamazoo: Spring: Sharon Ferraro; Winter: Pamela Hall O'Connor

Maps:

The Cities of Ann Arbor, Bay City, Grand Rapids, and Kalamazoo provided the base maps for this report.



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Katie Large, Assistant to the Director
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Courtenay Oosterman designed this report.

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CHARLEVOIX CITY COUNCIL

All Other Actions and Requests

TITLE: Set Work Session for October 29

DATE: October 1, 2018

PRESENTED BY: Mark L. Heydlauff, City Manager

BACKGROUND:

At your last meeting, you had a work session on the topic of parking. Council requested a chance to follow-up on this topic sometime next month. October 29 happens to be a fifth Monday on which no regular meetings are scheduled. If Council would like, I would suggest holding a work session that evening to address the parking topic and the deer management topic with biologists from the DNR.

RECOMMENDATION:

Motion to set a Council Work Session for 6pm on October 29, 2018 for the purpose of discussing parking and deer management.

CHARLEVOIX CITY COUNCIL

Reports and Communications

TITLE: Public Comments

DATE: October 1, 2018

CHARLEVOIX CITY COUNCIL

Reports and Communications

TITLE: City Manager Comments

DATE: October 1, 2018

BACKGROUND:

A. US 31 and Airport Construction
With the ongoing strike, I question whether the planned work on US 31 by MDOT will be completed this fall. Similarly, the work on the taxi lane at the airport has also been held up because of the labor impasse. These are matters beyond our control and we'll have to see what happens.

B. Parking Information
While attending the ICMA Convention this week, I talked with several vendors about parking. I look forward to sharing more ideas with you at the potential work session in October.

ATTACHMENTS:

- Recreation Advisory Committee Minutes

CITY OF CHARLEVOIX RECREATION ADVISORY COMMITTEE

Wednesday, April 18, 2018
Meeting Minutes

I. Call to Order/Roll Call

Chairperson Seely called the meeting to order at 5:58PM.

Members Present: Seely, Gowell, Bryan, Matye, Joy, Cunningham, Putman,
Staff Present: Knorr, Kirinovic, Anzell
Members Absent: Kelly, Vollmer, Peterson
Also Present: Tom Heid, Jane Milan, Laura Stebe, Pat Klooster

II. Inquiry Regarding Possible Conflicts of Interest

None.

III. Determination of a Quorum

Yes.

IV. Motion to Approve Minutes

A. December 13, 2018 Meeting Minutes

Chairperson Seely called for a motion to approve the December 13, 2018 meeting minutes. Motion made by Member Mayte, second by Member Gowell. Motion passed by a unanimous voice vote.

V. Old Business

A. Welcome and Introductions

Chair Seely welcomed the group and asked that Director Knorr and additional Staff introduce themselves to the Committee. Seely thanked Kirinovic for his service and diligence. Kirinovic addressed the Committee and expressed his confidence that new Director Knorr will do great things for the Recreation Department.

B. Camp Survey

Assistant Anzell reported that the Camp Survey has been revised in response to the Committee's concern over the length.

C. Coastal Zone Management Grant Update

Assistant Anzell reported that we will be notified in June or July if our grant efforts were successful. Kirinovic reiterated that this is phase 2 of making all aspects of our Lake Michigan Beach Park handicap accessible. Anzell told the Committee that if the CZM Grant is awarded, we will apply for grant funding through the Charlevoix County Community Foundation to help with the required one-to-one match. Director Knorr shared with the group that support toward this effort may also come from a small group of local citizens. Anzell reported that the $45,000 grant from the DNR for the playground has finally been received. Chair Seely reminded the Committee that our 5-Year Master Plan is the reason we were able to apply for DNR support and encouraged the Members to read the document if they have not yet done so.

VI. New Business

A. Recreation Department Open Positions

Director Knorr informed the Committee of our part-time seasonal job openings: softball/baseball field operator and skate park attendant. Marina, golf course and day camp staffing is all set.

B. Camp Brochures and Scholarships

Assistant Anzell distributed the 2018 camp brochures. Anzell reported that we have approximately 50 scholarships to award this season. Families are asked to pay a $20 participation fee if they are awarded a scholarship. This will help our dollars go farther in helping our youth attend camp.

C. Update – Disk Golf

Director Knorr met with Sam Kantola at the disk golf course. Sam expressed concern over some downed trees on the course and he shared with Knorr their annual/report/sponsorship packet. The disk golf group has committed to donate a portion of their proceeds to the Recreation Department for scholarships.

D. Update – Lake Michigan Beach Park

Director Knorr attended the community meeting in early March. The preliminary plan is exciting. Edgewater Resources has done a good job, but we haven't seen a final plan yet. They (Edgewater) have submitted a grant request from the DNR toward this overall project.

E. On-Site Manger Updates

Director of Charlevoix Golf Club Tom Heid explained that with the weather and course conditions, there will be a later than usual opening. They will consider at extended hours due to the shorter season. Heid shared with the Committee the upcoming tree removal operation. Approximately 100 trees that have been affected by Beech Bark Disease are scheduled for removal. Heid also noted that the Charlevoix Golf Club sign has been taken down for repair and refurbishing. Chair Seely asked about working the new logo/branding into the sign. Heid and Knorr will follow up on that possibility.

Jane Milan, Camp Director reported that Camp will start one week later this year so as not to conflict with the Community Reform Church Camp. Camp numbers were low last year during that first week because of the overlap. Milan is looking to hire 2 more Counselors for the season, and she has 3 (maybe 4) lifeguards in place now. Milan would like to look into purchasing a rock wall for camp next year and is looking for other ideas to help promote Camp and boost numbers. Member Matye said Leadership Charlevoix County often participates in community projects and may be a resource for Milan to consider.

Laura Stebe, Skate Park Manager reported that the Park is beginning its 13th season and has been almost maintenance-free. Stebe noted that the average span of a typical skate park is 8 years. Daily equipment checks are performed by staff. Charlevoix Township has been a loyal supporter of the Park with monetary donations each year. There are no events planned currently, however Stebe and Knorr are exploring ideas that will boost numbers. Kirinovic commented that our Skate Park is unique in that we have supervision, require helmets and provide a 'clean' atmosphere.

Pat Klooster, Harbormaster reported that he plans on being on site May 1st, with the Marina opening on May 12. Staff is in place, with most of the crew returning this season. New dock pedestals will be installed this season. These pedestals will automatically shut off shore power if they sense a boat is leaking electricity into the water. This new system will greatly limit our liability.

VII. Miscellaneous Business

No miscellaneous business.

VIII. Call for Public Comment

None.

IX. Adjournment

With no other business to discuss, Chairperson Seely called for a motion to adjourn at 7:00PM. Motion made by Member Bryan, second Member Gowell. Motion passed by a unanimous voice vote.

Future meeting schedule: June 13, September 12 and December 12, 2018