CITY OF
CHARLEVOIX

AGENDA
CITY OF CHARLEVOIX CITY COUNCIL REGULAR MEETING
Thursday, October 17, 2019- 6:00 PM
Council Chambers, 210 State Street, Charlevoix, MI

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1. **Pledge of Allegiance**
2. **Roll Call**
3. **Presentations**
   - A. 2018-19 Fiscal Year Financial Audit Presentation
     Rehmann Robson
4. **Inquiry Regarding Conflicts of Interest**
5. **Consent Agenda**
   - A. City Council Meeting Minutes - October 7, 2019
   - B. Accounts Payable and Payroll Check Registers
   - C. Purchase HLA Snow Wing for $27,359 (Airport)
   - D. Bridge Park Pump Repairs for $16,635
   - E. Revised Employee Handbook, dated October 17, 2019
   - F. Assistant Club House Manager Job Description
6. **Public Hearings and Actions Requiring Public Hearings**
7. **All Other Actions and Requests**
   - A. Refuse Collection Bid
     Patrick M. Elliott, Public Works Superintendent
   - B. Financing Public Service Facility Construction
     Warren Creamer, RW Baird & Mark L. Heydlauff, City Manager
   - C. Resolution of Support for Recreational Funding Legislation
     Mark L. Heydlauff, City Manager
   - D. Deficit Elimination Plan for the Marina
     Mark L. Heydlauff, City Manager
8. **Reports and Communications**
   - A. Public Comments

B. City Manager's Comments

C. Mayor and Council Comments

9. Other Council Business

10. Adjourn

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

CHARLEVOIX CITY COUNCIL

Presentations

TITLE: 2018-19 Fiscal Year Financial Audit Presentation

DATE: October 17, 2019

PRESENTED BY: Rehmann Robson

BACKGROUND:

The City's auditor, Rehmann Robson, completed their audit of the City's financial statements for the year ended March 31, 2019. 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 audit findings and a general overview of the financial health of the City.

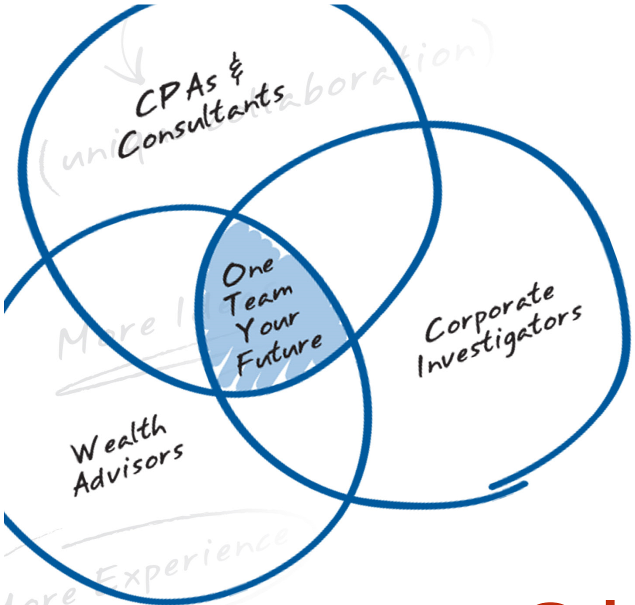
With the financial audit now completed, Staff filed the audited financial statements, the F-65 report and the City's and DDA's Michigan Finance Qualifying Statements with the State in order to comply with State requirements. Additionally, Staff will comply with SEC disclosure requirements in regards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

RECOMMENDATION:

City Council to accept and approve the audit

ATTACHMENTS:

- Presentation PDF
- Independent Auditor Communication
- 2018-19 Audit



City of Charlevoix

Presentation of the March 31, 2019 Audited Financial Statements

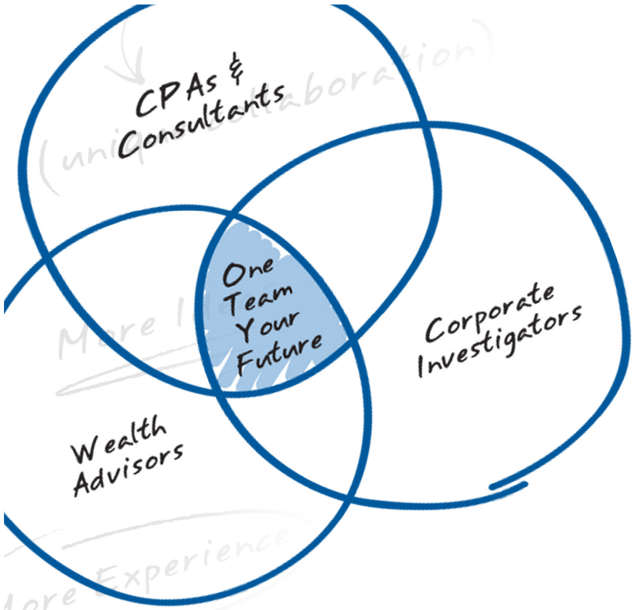
October 17, 2019

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.

Rehmann
Business wisdom delivered.



Financial Highlights

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Government-Wide Financial Statement Highlights

Capital Assets	Total Capital Assets, Net	Capital Asset Additions	Capital Asset Disposals	Depreciation Expense	Transfers
Governmental Activities	$29.2 million	$707,000	$0	$948,000	$(328,000)
Business-type Activities	$39.3 million	$1.6 million	$78,000	$2.5 million	$328,000
Component Unit - DDA	$3.2 million	$44,000	$0	$193,000	$0

Long-term Debt	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities	$3.7 million	$290,000	$435,000	$3.6 million	$254,000
Business-type Activities	$13 million	$0	$752,000	$12.2 million	$772,000

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General Fund Highlights

Total Fund balance - $1,212,534 (details on page number 17 of financial statements – page 28 of the PDF):

- Nonspendable - $37,273
- Unassigned - $1,175,261

Change in the General Fund balance:

- Actual decrease of $324,355 during the current year
- Final budgeted decrease of $211,321
- Original budgeted decrease of $286,400

The actual decrease is primarily related to actual expenditures exceeding the budget for the Ambulance Department ($225,000). This unfavorable variance in health & welfare was offset by favorable variances in recreation ($73,000) and general government ($60,000). All other variances in both revenues and expenditures accounted for approximately $21,000.

General Fund unassigned fund balance is approximately 26% of total General Fund expenditures and transfers out.

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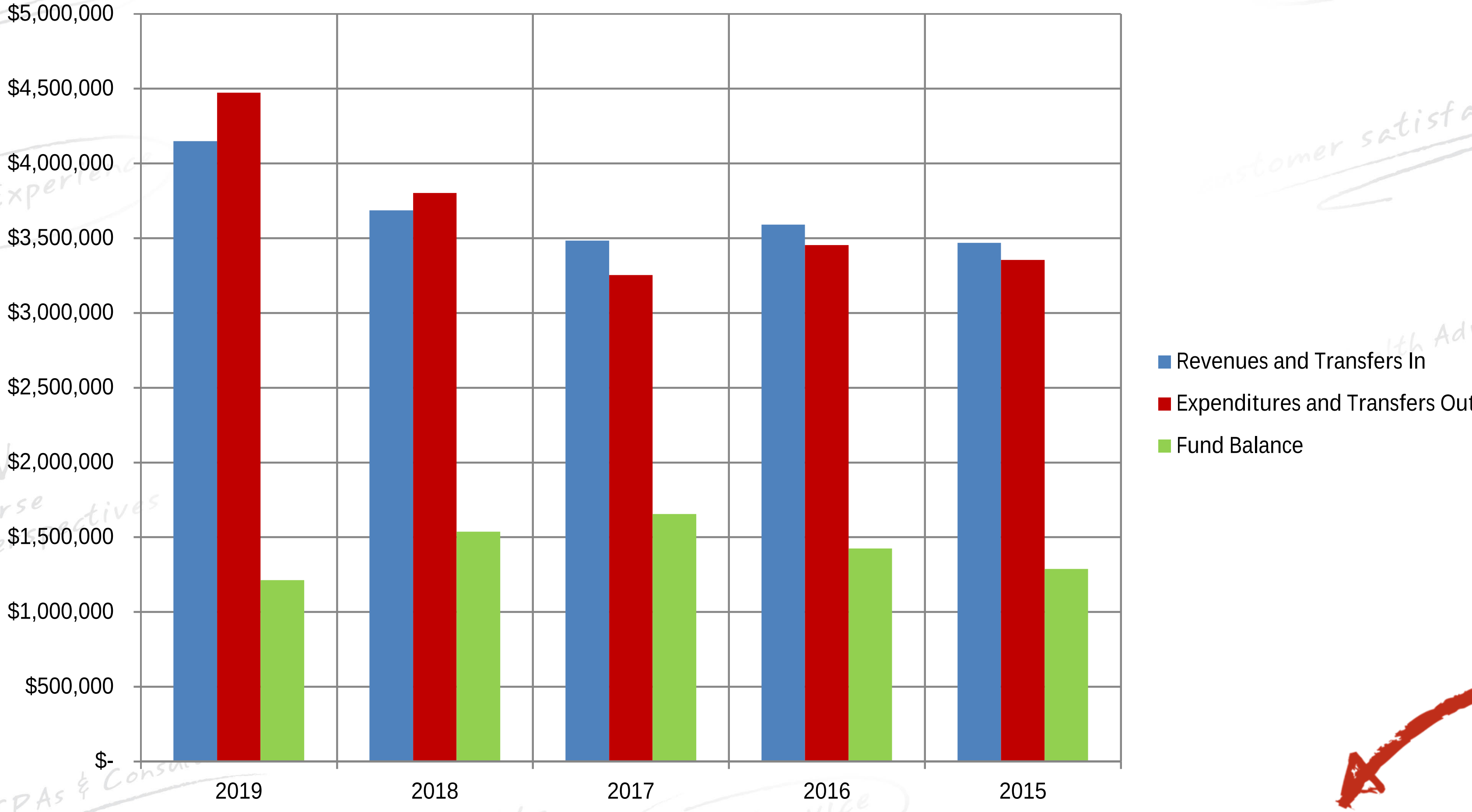
General Fund - Trend



Business wisdom delivered.

Proprietary Funds Highlights

Fund	Revenue and Transfers In	Expenses and Transfers Out	Change in Net Position	Net Position at 3/31/2019
Electric Utility	$5.7 million	$5.3 million	$432,000	$10.4 million
Sewage Disposal Utility	$2.6 million	$1.8 million	$754,000	$10.5 million
Water Utility	$1.7 million	$1.4 million	$323,000	$5.4 million
Marina	$448,000	$979,000	$(306,000)	$2.3 million
Airport	$1.4 million	$1.9 million	$(449,000)	$8.5 million

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Inter-fund Advances

Fund	Advance From	Advance To
Electric Utility Fund	$608,000	$ -
Marina Fund	$ -	$543,000
Airport Fund	$ -	$ 65,000

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

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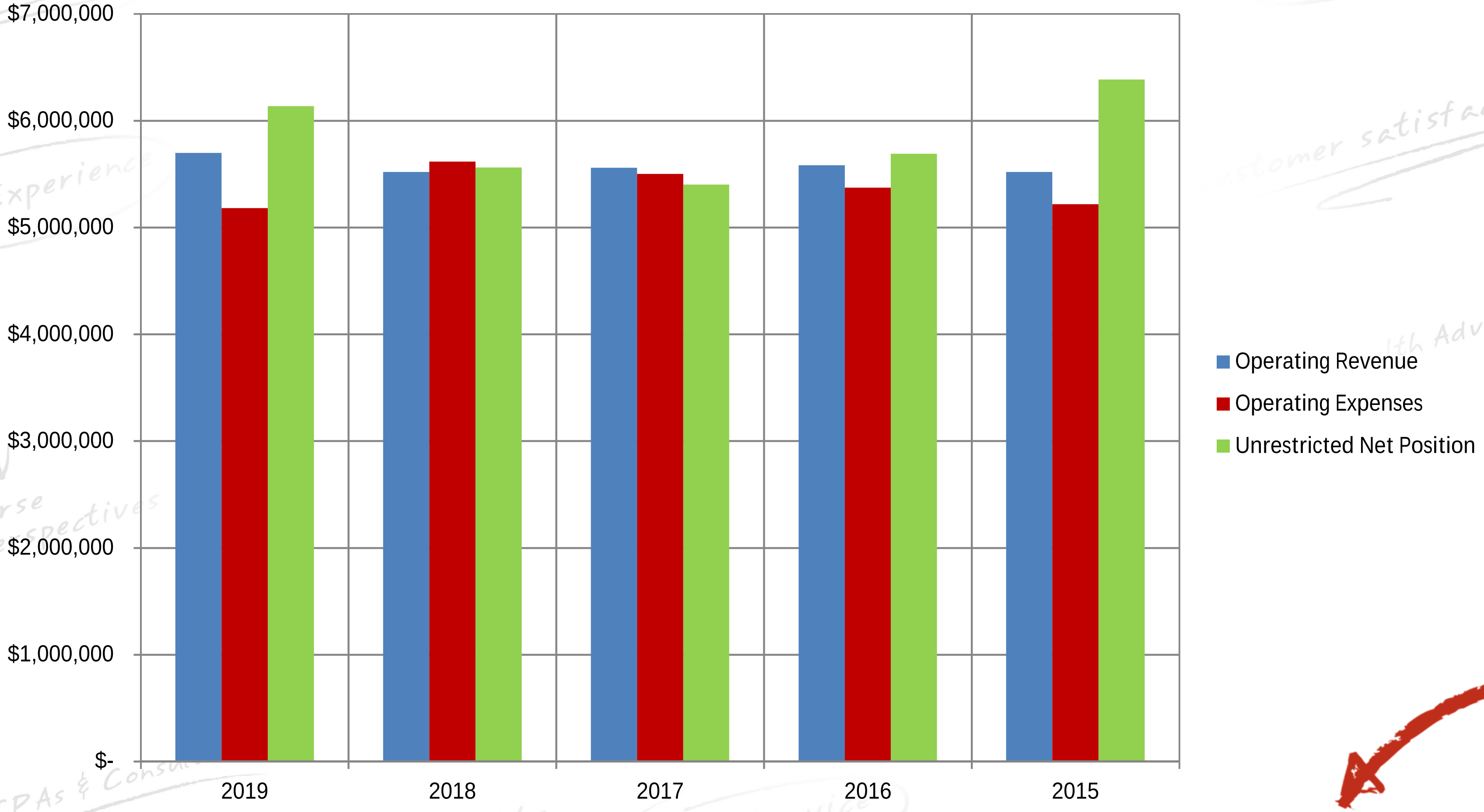
Electric Utility Fund - Trend



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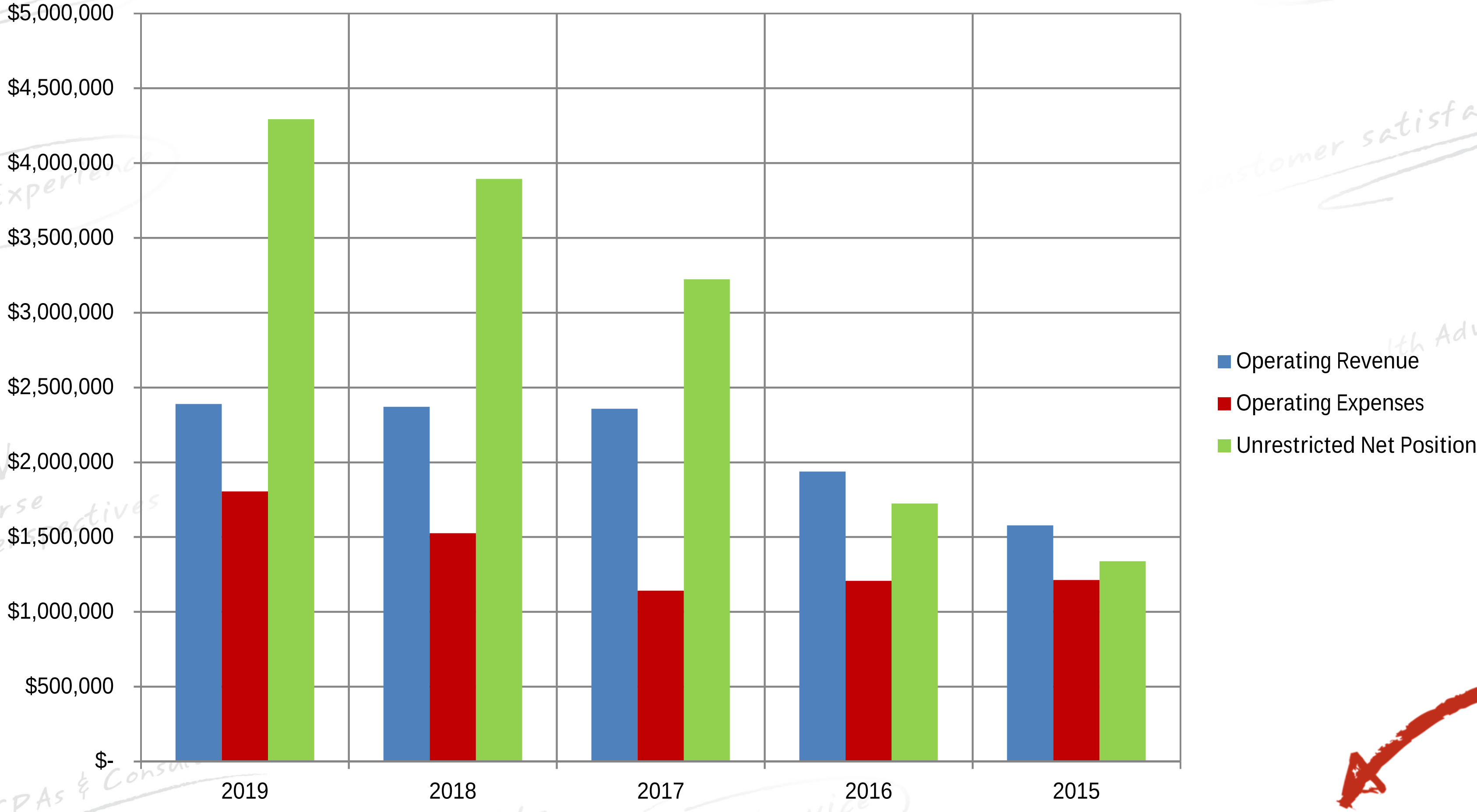
Sewage Disposal Utility Fund - Trend



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Water Utility Fund - Trend

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Marina Fund - Trend

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Airport Fund - Trend

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Questions?

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We Sincerely Thank You For Your Continued Business

Kari Kortz, CPA
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231-627-3143

Rehmann
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Rehmann

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INDEPENDENT AUDITORS' COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

September 30, 2019

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, 2019, and have issued our report thereon dated September 30, 2019. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated April 16, 2019, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

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

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

We have provided our findings regarding internal control over financial reporting and compliance noted during our audit in a separate letter to you dated September 30, 2019. In addition, we noted one other matter which is included in Attachment A to this letter.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter and in our meeting about planning matters on August 7, 2019.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm have 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 net pension liabilities and other related amounts, which are dependent on estimates made by the plan. These estimates are based on historical trends and industry standards, but are not within the control of management.

Significant Difficulties Encountered During the Audit

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

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The material misstatements detected as a result of audit procedures and corrected by management are described in 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 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, 2019 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 30, 2019, issued in accordance with *Government Auditing Standards.* This memorandum does not affect that report or our report dated September 30, 2019, 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 2019 audit fieldwork, 16 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, 2019 Audit

Entry #	Account Number	Account Description	Debit	Credit
1	590-000-673.000	Sale Of Fixed Assets	$ 78,352.00	
	590-000-131.000	Accumulated Depreciation		$ 78,352.00
	To record loss on disposal of assets in sewer fund.			
2	101-000-056.000	Interest Receivable	3,138.08	
	255-000-056.000	Interest Receivable	134.40	
	582-000-056.000	Interest Receivable	3,540.58	
	590-000-056.000	Interest Receivable	11.49	
	591-000-056.000	Interest Receivable	13.00	
	594-000-056.000	Interest Receivable		83.79
	638-000-056.000	Interest Receivable	885.53	
	661-000-056.000	Interest Receivable		46.71
	671-000-056.000	Interest Receivable	3,089.60	
	711-000-056.000	Interest Receivable	682.66	
	101-000-665.000	Interest Earnings		3,138.08
	255-000-665.000	Interest Earnings		134.40
	582-000-665.000	Interest Earnings		3,540.58
	590-000-665.000	Interest Earnings		11.49
	591-000-665.000	Interest Earnings		13.00
	594-000-665.000	Interest Earnings	83.79	
	638-000-665.000	Interest Earnings		885.53
	661-000-665.000	Interest Earnings	46.71	
	671-000-665.000	Interest Earnings		3,089.60
	711-000-665.000	Interest Earnings		682.66
	To correct interest receivables as of 3/31/2019.			
3	101-000-040.000	Accounts Receivable	34,558.28	
	101-000-637.000	Ambulance Runs		26,132.28
	101-000-692.000	Miscellaneous		8,426.00
	To adjust accounts receivable to match the subsidiary ledger as of 3/31/2019.			
4	591-000-111.000	Inventory Materials & Supplies	1,295.34	
	591-000-111.001	Inventory - Meters	27,376.82	
	591-579-775.000	Repairs & Maintenance Supplies		28,672.16
	To adjust water inventory to actual counts as of 3/31/2019.			
5	101-651-975.000	Bad Debt Expense	144,281.00	
	101-000-637.000	Ambulance Runs	134,719.00	
	101-000-041.000	Est. Uncoll. Accts. Receivable		279,000.00
	To adjust allowance for ambulance receivables to 50%.			
6	582-000-111.000	Inventory Of Material & Supply	33,613.22	
	582-539-775.000	Repairs & Maintenance Supplies		33,613.22
	To adjust electric inventory to actual counts as of 3/31/2019.			
7	582-540-968.000	Depreciation Expense	473,121.44	
	582-540-980.000	Office Equipment		473,121.44
	To reclass depreciation expense to the correct account.			
8	581-000-300.000	Net Pension Liability		21,476.00
	581-000-190.000	Deferred Outflows - Contributions		2,318.00
	581-000-191.000	Deferred Outflows - Investment Returns	31,151.00	
	581-000-192.000	Deferred Outflows - Experience		1,559.00
	581-000-194.000	Deferred Inflow - Experience		10,272.00
	581-000-193.000	Deferred Outflows - Assumptions		4,139.00
	581-581-719.000	Employee Fringe Benefits	8,613.00	

CITY OF CHARLEVOIX, MICHIGAN

Attachment B - Fund Audit Adjustments
For the March 31, 2019 Audit

Entry #	Account Number	Account Description	Debit	Credit
	590-000-300.000	Net Pension Liability		$ 188,361.00
	590-000-190.000	Deferred Outflows - Contributions	$ 780.00	
	590-000-191.000	Deferred Outflows - Investment Returns	62,255.00	
	590-000-192.000	Deferred Outflows - Experience	698.00	
	590-000-194.000	Deferred Inflow - Experience		25,264.00
	590-000-193.000	Deferred Outflows - Assumptions		1,540.00
	590-558-719.000	Employee Fringe Benefits	151,432.00	
	591-000-300.000	Net Pension Liability		209,570.00
	591-000-190.000	Deferred Outflows - Contributions		2,126.00
	591-000-191.000	Deferred Outflows - Investment Returns	99,179.00	
	591-000-192.000	Deferred Outflows - Experience		1,261.00
	591-000-194.000	Deferred Inflow - Experience		37,301.00
	591-000-193.000	Deferred Outflows - Assumptions		6,643.00
	591-579-719.000	Employee Fringe Benefits	157,722.00	
	582-000-300.000	Net Pension Liability	29,219.00	
	582-000-190.000	Deferred Outflows - Contributions		23,293.00
	582-000-191.000	Deferred Outflows - Investment Returns	221,901.00	
	582-000-192.000	Deferred Outflows - Experience		15,883.00
	582-000-194.000	Deferred Inflow - Experience		67,236.00
	582-000-193.000	Deferred Outflows - Assumptions		37,920.00
	582-539-719.000	Employee Fringe Benefits		106,788.00
	594-000-300.000	Net Pension Liability		29,052.00
	594-000-190.000	Deferred Outflows - Contributions	719.00	
	594-000-191.000	Deferred Outflows - Investment Returns	3,618.00	
	594-000-192.000	Deferred Outflows - Experience	515.00	
	594-000-194.000	Deferred Outflows - Assumptions		2,058.00
	594-000-193.000	Deferred Inflow - Experience	749.00	
	594-539-719.000	Employee Fringe Benefits	25,509.00	
	To record change in net pension liability and related deferred amounts.			
9	934-934-800.000	Ga General Govt Expenses	1,421.00	
	934-934-801.000	Ga Public Safety Expenses	10,136.00	
	934-934-803.000	Ga Public Works Expenses	22,657.00	
	934-000-299.001	Ga-Accrued Compensation Absence		34,214.00
	To adjust vacation/sick accruals to actual at 3/31/2019.			
10	934-934-800.000	Ga General Govt Expenses	1,985.00	
	934-934-801.000	Ga Public Safety Expenses	5,103.00	
	934-934-803.000	Ga Public Works Expenses	35,901.00	
	934-000-299.001	Ga-Accrued Compensation Absence		42,989.00
	To record changes in frozen sick bank time.			

CITY OF CHARLEVOIX, MICHIGAN

Attachment B - Fund Audit Adjustments

For the March 31, 2019 Audit

Entry #	Account Number	Account Description	Debit	Credit
11	934-000-130.000	Cu-Capital Assets	$ 41,300.00	
	934-905-996.255	Cu-Dda Expense		$ 41,300.00
	934-000-132.000	Ga Capital Assets	126,730.00	
	934-000-132.005	Health & Welfare-Capital	56,899.80	
	934-934-800.000	Ga General Govt Expenses		31,717.00
	934-934-802.000	Ga Health & Welfare Expenses		56,899.80
	934-934-805.000	Ga Parks & Rec Expenses		14,603.26
	934-934-803.000	Ga Public Works Expenses	262,018.26	
	934-000-132.000	Ga Capital Assets		327,825.00
	934-934-800.000	Ga General Govt Expenses		14,603.00
	To record fixed asset additions.			
12	934-905-996.255	Cu-Dda Expense	192,563.00	
	934-000-134.000	Cu-Accumulated Depreciation		192,563.00
	934-934-800.000	Ga General Govt Expenses	187,382.00	
	934-934-801.000	Ga Public Safety Expenses	53,846.00	
	934-934-802.000	Ga Health & Welfare Expenses	1,184.00	
	934-934-803.000	Ga Public Works Expenses	344,524.00	
	934-934-805.000	Ga Parks & Rec Expenses	69,679.00	
	934-000-133.000	Ga Accumulated Depreciation		656,615.00
	To record fixed asset depreciation.			
13	934-900-850.001	Ba Electric Expenses	2,582.00	
	934-900-922.001	Ba Wastewater Exp.	742.00	
	934-900-923.001	Ba Water Expenses	605.00	
	934-000-688.001	Ba Isf Net Income		3,929.00
	To eliminate income from DPW internal service fund.			
14	934-000-084.001	Ba Internal Balance	23,311.00	
	934-900-850.001	Ba Electric Expenses		12,036.00
	934-900-924.001	Ba Airport Expenses		7.00
	934-900-921.001	Ba Marina Expenses		12.00
	934-900-922.001	Ba Wastewater Exp.		6,279.00
	934-900-923.001	Ba Water Expenses		4,977.00
	934-000-688.000	Ga Isf Net Income	58,167.00	
	934-934-800.000	Ga General Govt Expenses		82.00
	934-934-801.000	Ga Public Safety Expenses		6,467.00
	934-934-802.000	Ga Health & Welfare Expenses		2,513.00
	934-934-803.000	Ga Public Wiorks Expenses		21,938.00
	934-934-805.000	Ga Parks & Rec Expenses		3,856.00
	934-000-084.000	Ga Internal Balance		23,311.00
	To eliminate income from Motor Vehicle internal service fund.			

CITY OF CHARLEVOIX, MICHIGAN

Attachment B - Fund Audit Adjustments

For the March 31, 2019 Audit

Entry #	Account Number	Account Description	Debit	Credit
15	934-900-850.001	Ba Electric Expenses	$ 65,796.00	
	934-900-921.001	Ba Marina Expenses	3,193.00	
	934-900-922.001	Ba Wastewater Exp.	38,649.00	
	934-900-923.001	Ba Water Expenses	37,754.00	
	934-900-924.001	Ba Airport Expenses	10,831.00	
	934-000-084.001	Ba Internal Balance		$ 156,223.00
	934-934-806.000	Ga-Legislative	609.00	
	934-934-800.000	Ga General Govt Expenses	11,063.00	
	934-934-801.000	Ga Public Safety Expenses	28,435.00	
	934-934-802.000	Ga Health & Welfare Expenses	18,886.00	
	934-934-803.000	Ga Public Works Expenses	12,688.00	
	934-934-805.000	Ga Parks & Rec Expenses	20,195.00	
	934-000-084.000	Ga Internal Balance	156,223.00	
	934-000-688.000	Ga Isf Net Income		248,099.00
	To eliminate income from Fringe Benefits internal service fund.			
16	934-000-688.000	Ga Isf Net Income	95,914.00	
	934-934-800.000	Ga General Govt Expenses	48,123.00	
	934-934-803.000	Ga Public Wiorks Expenses	854,949.00	
	934-934-805.000	Ga Parks & Rec Expenses	72,215.00	
	934-934-905.991	Ga Principal Expenses	190,000.00	
	934-934-995.000	Ga Interest Expenses	26,842.00	
	934-934-700.000	Pension Expense - Public Safety		56,062.00
	934-934-701.000	Pension Expense - General Government		50,914.00
	934-934-702.000	Pension Expense - Public Works		40,107.00
	934-934-703.000	Pension Expense - Recreation & Culture		6,466.00
	934-934-801.000	Ga Public Safety Expenses		64,698.00
	934-934-802.000	Ga Health & Welfare Expenses		4,873.00
	934-934-806.000	Ga-Legislative		83.00
	934-000-381.000	Ga Net Assets		1,064,840.00
	934-000-381.001	Ba Net Assets	52,068.00	
	934-000-688.001	Ba Isf Net Income		10,426.00
	934-900-850.001	Ba Electric Expenses		22,460.00
	934-900-921.001	Ba Marina Expenses		638.00
	934-900-922.001	Ba Wastewater Exp.		10,382.00
	934-900-923.001	Ba Water Expenses		6,802.00
	934-900-924.001	Ba Airport Expenses		1,360.00
	934-905-997.255	Cu-Capital Outlay Expense	106,203.00	
	934-000-381.255	Cu Net Assets	81,488.00	
	934-905-996.255	Cu-Dda Expense		187,691.00
	To close out the prior year GASB 34 Fund activity.			
17	934-934-905.991	Ga Principal Expenses		195,000.00
	934-000-300.000	Ga Long Term Debt	195,000.00	
	934-934-995.000	Ga Interest Expenses		28,342.00
	934-000-300.000	Ga Long Term Debt	28,342.00	
	934-000-301.000	Ga Current Portion Of Ltd		5,000.00
	934-000-300.000	Ga Long Term Debt	5,000.00	
	To record current year LTD activity.			

CITY OF CHARLEVOIX, MICHIGAN

Attachment B - Fund Audit Adjustments
For the March 31, 2019 Audit

Entry #	Account Number	Account Description	Debit	Credit
18	934-934-995.000	Ga Interest Expenses	$ 1,900.00	
	934-000-251.000	Ga Accrued Interest Payable		$ 1,900.00
	To adjust accrued interest on bonds.			
19	594-000-308.000	Refunding Bonds Payable	340,000.00	
	594-000-308.002	Bond Payable-Current		340,000.00
	To reclass current portion of marina refunding bonds.			
20	934-000-130.000	Cu-Capital Assets	2,695.01	
	934-905-996.255	Cu-Dda Expense		2,695.01
	To record an additional fixed asset in the DDA fund.			
21	934-000-303.000	Net Pension Liability	360,012.00	
	934-000-201.000	Deferred Outflows - Pension Invest Returns	385,423.00	
	934-000-200.000	Deferred Outflows - Pension Contributions		51,969.00
	934-000-202.000	Deferred Outflows - Pension Experience		35,698.00
	934-000-204.000	Deferred Inflow - Experience		106,712.00
	934-000-203.000	Deferred Outflows - Pension Assumptions		80,183.00
	934-934-700.000	Pension Expense - Public Safety		220,156.00
	934-934-701.000	Pension Expense - General Government		62,108.00
	934-934-702.000	Pension Expense - Public Works		150,717.00
	934-934-703.000	Pension Expense - Recreation & Culture		37,892.00
	To record change in net pension liability and related deferred amounts.			
22	934-000-299.001	Ga-Accrued Compensation Absence	20,328.00	
	934-000-301.002	Ga Current Portion Of Ltd-Accd Comp Abs.		20,328.00
	638-000-259.000	Accrued Vacation Payroll	845.00	
	638-000-259.001	Accrued Vacation Payroll-Current Portion		845.00
	To adjust current portion of accrued compensated absences to actual as of 3/31/2019.			
23	934-000-251.000	Ga Accrued Interest Payable	7,700.00	
	934-934-995.000	Ga Interest Expenses		7,700.00
	To adjust accrued interest to actual as of 3/31/2019.			
24	934-000-132.000	Ga Capital Assets	672,603.00	
	934-000-128.000	Ga Construction In Progress		571,442.00
	934-000-133.000	Ga Accumulated Depreciation		101,161.00
	To reclass capital assets.			

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Attachment C – Upcoming Changes in Accounting Standards / Regulations

For the March 31, 2019 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 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 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 C – Upcoming Changes in Accounting Standards / Regulations

For the March 31, 2019 Audit

GASB 90 ■ Majority Equity Interests
Effective 12/15/2019 (your FY 2020)

This standard addresses situations in which a government acquires a majority of the equity interest in a legally separate organization, and whether such holdings should be reported as an investment or a component unit. We do not expect this standard to have any significant effect on the City.

GASB 91 ■ Conduit Debt Obligations
Effective 12/15/2021 (your FY 2022)

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

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CITY OF CHARLEVOIX, MICHIGAN

Attachment D - Management Representations

For the March 31, 2019 Audit

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

CITY OF
CHARLEVOIX

September 30, 2019

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, 2019, 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 30, 2019.

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated April 16, 2019, 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 City from whom you determined it necessary to obtain audit evidence.

25. All transactions have been recorded in the accounting records and are reflected in the financial statements.
26. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
27. We have no knowledge of any fraud or suspected fraud that affects the City and involves:
    a. Management;
    b. Employees who have significant roles in internal control; or
    c. Others where the fraud could have a material effect on the financial statements.
28. We have no knowledge of any allegations of fraud, or suspected fraud, affecting the City's financial statements communicated by employees, former employees, vendors, regulators, or others.
29. We 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 City's related parties and all the related party relationships and transactions of which we are aware.
31. There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
32. The City 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 City 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 City 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, 2019 Audit

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

	Effect of Passed Adjustment - Over(Under)Statement				
	Assets	Liabilities	Beginning Equity	Revenues	Expenses/ Expenditures
Governmental activities					
2019 - Overstatement of capital assets	$ 17,795	$ -	$ -	$ -	$ (17,795)
Misstatement as a percentage of total assets- governmental activities	**0.05%**	**0.00%**	**0.00%**	**0.00%**	**-0.05%**
Electric fund					
2018 - Overstatement of inventory	$ -	$ -	$ 26,305	$ -	$ 26,305
Misstatement as a percentage of total assets - electric fund	**0.00%**	**0.00%**	**0.22%**	**0.00%**	**0.22%**
Water fund					
2019 - Understatement of capital assets	$ (5,211)	$ -	$ -	$ -	$ 5,211
Misstatement as a percentage of total assets - water fund	**-0.09%**	**0.00%**	**0.00%**	**0.00%**	**0.09%**
Marina fund					
2019 - Understatement of interest accrual / expense	$ -	$ (6,158)	$ -	$ -	$ (6,158)
Misstatement as a percentage of total assets - marina fund	**0.00%**	**-0.10%**	**0.00%**	**0.00%**	**-0.10%**
Total business-type activities	$ (5,211)	$ (6,158)	$ 26,305	$ -	$ 25,358
Misstatement as a percentage of total assets - business-type activities	**-0.01%**	**-0.01%**	**0.05%**	**0.00%**	**0.05%**

City of Charlevoix, Michigan

Fiscal Year Ended March 31, 2019

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
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

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Rehmann Robson
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Cheboygan, MI 49721
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rehmann.com

INDEPENDENT AUDITORS' REPORT

September 30, 2019

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, 2019, 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, 2019, 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 30, 2019, 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, 2019.

Financial Highlights

- The City's total net position increased to approximately $66,797,000 at the end of the current fiscal year compared to approximately $66,082,000 at the end of the prior period. The primary government's total net position increased by approximately $715,000. Net position of governmental activities decreased by approximately $168,000. Net position of business-type activities increased by approximately $883,000.
- 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 $66,797,000 (net position). Of this amount, approximately $11,980,000 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- At March 31, 2019, the City's governmental funds reported combined ending fund balances of approximately $3,028,000, an increase of approximately $116,000 from the prior year. Approximately 39% of these combined ending fund balances or approximately $1,175,000 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 $1,175,000 or 25% percent of total General Fund expenditures and transfers out.

Overview of the Financial Statements

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

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

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

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

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

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

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 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, which is considered to be the City's only major governmental fund. 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 vehicle, and Department of Public Works (DPW). Because the motor vehicle and employee fringe benefit funds predominantly benefit governmental rather than business-type activities, they have been included within governmental activities in the government-wide financial statements. The DPW is used for site maintenance and its services predominantly benefit business-type activities and it has been combined with business-type activities in the government-wide financial statements.

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

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

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

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

Management's Discussion and Analysis

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 $66,797,000 at the close of the most recent fiscal year.

By far the largest portion of the City's net position (80 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 (18 percent) may be used to meet the City's ongoing obligations to citizens and creditors.

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Assets						
Current and other assets	$ 4,013,135	$ 4,177,679	$ 15,771,454	$ 14,798,938	$ 19,784,589	$ 18,976,617
Capital assets, net	29,193,911	29,762,819	39,302,963	39,961,778	68,496,874	69,724,597
	33,207,046	33,940,498	55,074,417	54,760,716	88,281,463	88,701,214
Deferred outflows of resources	448,730	326,746	665,102	439,465	1,113,832	766,211
Liabilities						
Other liabilities	430,837	381,136	988,988	1,060,663	1,419,825	1,441,799
Long-term debt	3,598,166	3,742,707	12,191,091	12,943,157	15,789,257	16,685,864
Net pension liability	2,327,610	2,687,622	2,704,880	2,285,640	5,032,490	4,973,262
	6,356,613	6,811,465	15,884,959	16,289,460	22,241,572	23,100,925
Deferred inflows of resources	164,858	153,735	191,581	130,742	356,439	284,477
Net position						
Net investment in capital assets	26,328,287	26,396,395	27,255,509	27,180,212	53,583,796	53,576,607
Restricted	837,398	752,568	396,074	381,927	1,233,472	1,134,495
Unrestricted (deficit)	(31,380)	153,081	12,011,396	11,217,840	11,980,016	11,370,921
Total net position	$ 27,134,305	$ 27,302,044	$ 39,662,979	$ 38,779,979	$ 66,797,284	$ 66,082,023

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 business-type activities. For its governmental activities, the City is able to report positive balances in two of the three categories of net position, with a small deficit of approximately $31,000 in unrestricted net position.

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	
	2019	2018	2019	2018	2019	2018
Program revenues						
Charges for services	$ 1,449,244	$ 915,952	$ 11,570,758	$ 10,844,608	$ 13,020,002	$ 11,760,560
Operating grants and contributions	608,397	587,942	403,102	389,687	1,011,499	977,629
Capital grants and contributions	-	-	330,340	1,571,318	330,340	1,571,318
General revenues						
Property taxes	3,097,523	3,037,259	-	-	3,097,523	3,037,259
State shared revenue	257,524	291,430	-	-	257,524	291,430
Other revenues	281,133	12,579	-	-	281,133	12,579
Gain on sale of capital assets	10,500	6,148	-	-	10,500	6,148
Unrestricted investment earnings	19,691	20,457	-	-	19,691	20,457
Total revenues	5,724,012	4,871,767	12,304,200	12,805,613	18,028,212	17,677,380
Expenses:						
Legislative	53,053	56,166	-	-	53,053	56,166
General government	799,561	736,232	-	-	799,561	736,232
Public safety	860,997	1,232,129	-	-	860,997	1,232,129
Public works	1,256,398	962,188	-	-	1,256,398	962,188
Health and welfare	1,231,903	540,299	-	-	1,231,903	540,299
Recreation and culture	1,240,025	1,099,244	-	-	1,240,025	1,099,244
Interest expense	95,329	106,569	-	-	95,329	106,569
Electric utility	-	-	5,237,880	5,639,452	5,237,880	5,639,452
Sewage disposal utility	-	-	2,133,627	1,762,447	2,133,627	1,762,447
Water utility	-	-	1,409,483	1,131,404	1,409,483	1,131,404
Marina	-	-	1,097,246	1,059,142	1,097,246	1,059,142
Airport	-	-	1,897,449	1,492,045	1,897,449	1,492,045
Total expenses	5,537,266	4,732,827	11,775,685	11,084,490	17,312,951	15,817,317

Continued…

	Change in Net Position (concluded)					
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Change in net position before transfers	$ 186,746	$ 138,940	$ 528,515	$ 1,721,123	$ 715,261	$ 1,860,063
Transfers	(354,485)	(371,629)	354,485	371,629	-	-
Change in net position	(167,739)	(232,689)	883,000	2,092,752	715,261	1,860,063
Net position:						
Beginning of year	27,302,044	27,534,733	38,779,979	36,687,227	66,082,023	64,221,960
End of year	$ 27,134,305	$ 27,302,044	$ 39,662,979	$ 38,779,979	$ 66,797,284	$ 66,082,023

Concluded

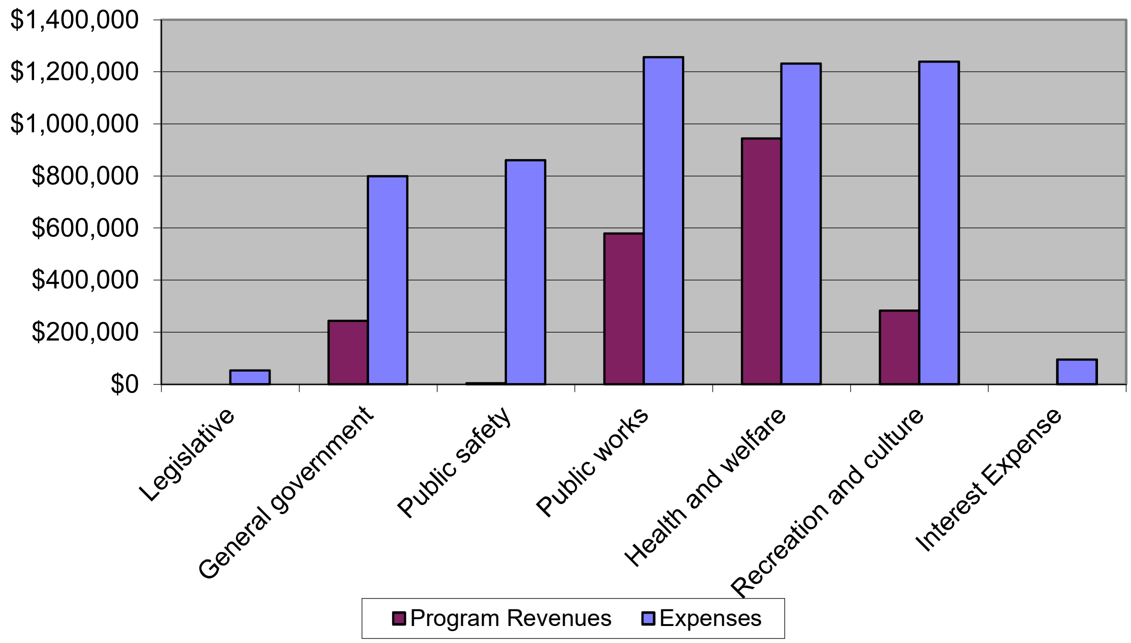
Governmental Activities. Governmental activities decreased the City's net position by approximately $168,000. Key elements of this decrease are as follows:

- Total governmental activities revenue increased by approximately $987,000 or 20.26% compared to prior year, with the most significant increase in charges for services of approximately $668,000 and other revenues of $269,000. The charges for services increase is attributable to ambulance services; the City showed a significant increase in both number of runs and longer transports. The changes in other revenue is attributable to the recovery of 2018 expenditures, which were subsequently reclassified to business-type activities.

- Total expenses for governmental activities increased by approximately $939,000 compared to prior year, with the most significant cost increase in health and welfare of approximately $826,000 primarily due to an increase in ambulance wages and benefits and per diems to provide staffing for additional runs and longer transports of $407,000 and bad debt expense of $153,000 required to increase the City's allowance of uncollectible ambulance receivables. Public safety expenditures decreased approximately $371,000 primarily due to the pension adjustment related to the GASB 68. The increase in public works expenditures was also due to the pension adjustment related to GASB 68.

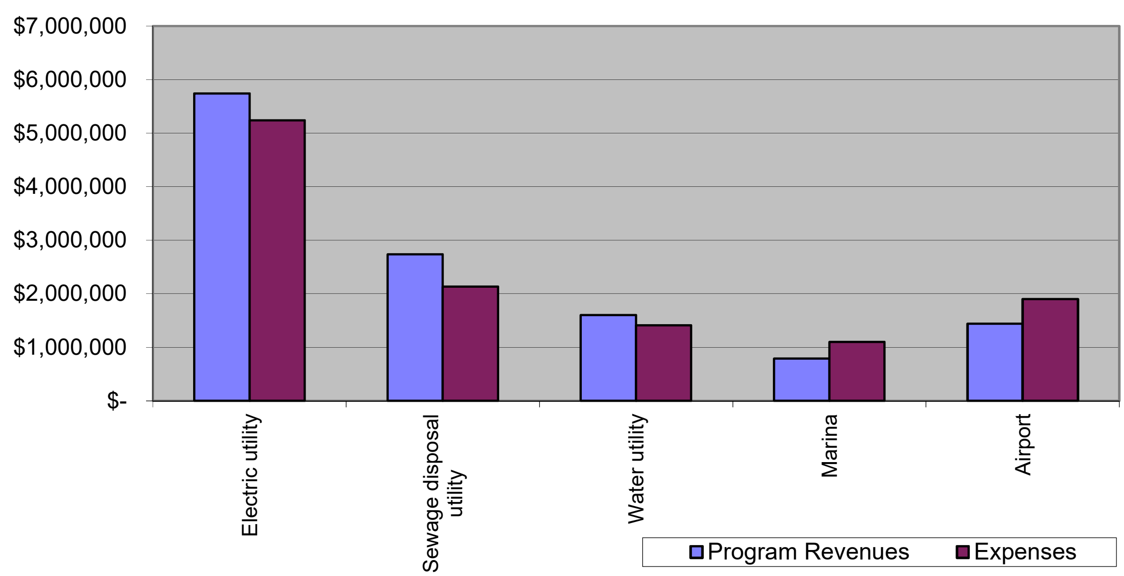
Management's Discussion and Analysis

Program Revenues and Expenses - Governmental Activities



Business-type Activities. Net position of the business-type activities increased by approximately $883,000 in fiscal 2019 as compared to an increase of approximately $2,093,000 in fiscal 2018. This reduction in positive impact on the business-type activities net position is mainly attributable to a decrease in capital grants and contributions of approximately $1,241,000 as prior year projects were significantly completed in the prior year.

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 $3,028,000, an increase of approximately $116,000 from the prior year. This increase was attributable primarily to other revenue in the infrastructure improvement fund related to a cost recovery of 2018 expenditures, which were subsequently transferred to business-type activities offset by a net decrease related to ambulance services in the general fund of approximately $234,000 due to the increase in revenue from additional runs being outpaced by the increase in expenditures to provide these services. A significant portion of the fund balances, approximately $1,175,000, 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 $10,052,000 and the net investment in capital assets was approximately $26,661,000. The changes in enterprise fund net positions were as follows:

- Electric utility activities increased its net position by approximately $432,000. This was attributable to the operating revenues exceeding operating expenses by approximately $515,000 of which a portion ($151,200) was transferred out to the DPW site fund. The reduction in operating expenditures was caused by a decrease in employee fringe benefits of approximately $231,000 and a decrease in purchased power of $389,000.
- Sewage disposal utility activities increased its net position by approximately $754,000. This was attributable mainly to the excess of charges for services over the expenses by $585,000 and state revenue of approximately $330,000. The state revenue is from the state's Stormwater Asset Management grant for infrastructure improvements.
- Water utility activities increased its net position by approximately $323,000, due an increase in charges for services of approximately $253,000 related to a rate increase and an increase in employee fringe benefit expenses of approximately $236,000 mainly related to the GASB 68 pension adjustment.
- Marina activities had a negative impact on its net position by approximately $306,000, primarily due to its transfer of $158,000 from the DDA not covering the entire bond payment.
- Airport activities had a negative impact on its net position by approximately $449,000, primarily due an increase in jet fuel costs of $206,000, an increase in fringe benefits costs of $71,000 due to replacing part-time employees with full-time employees and an increase in depreciation expense of $67,000.

General Fund Budgetary Highlights

During the year, General Fund revenues were higher than budgetary estimates by approximately $71,000 or 1.69% and expenditures were higher than budgetary estimates by approximately $190,000 or 4.31%. Revenues were more than anticipated due additional ambulance runs totaling $200,000 offset by less revenue than anticipated in ambulance contracts of $73,000 and property tax revenue of approximately $43,000. The most significant budget variances in expenditures were related to ambulance activities due to increased costs related to additional runs and longer transports.

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, 2019, amounted to approximately $68,497,000 (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:

- Vehicle and vehicle equipment purchases of approximately $523,000.
- Sewer infrastructure including the SAW Grant project of approximately $513,000.
- Engineering for the new DPW building site of approximately $454,000.
- Water infrastructure of approximately $359,000.
- Server upgrades of approximately $162,000.
- Dock pedestals at the Marina for approximately $87,000.

	Capital Assets (Net of Depreciation, Where Applicable)					
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	$ 16,932,797	$ 16,932,797	$ 1,569,534	$ 1,569,534	$ 18,502,331	$ 18,502,331
Construction in progress	50,262	621,704	663,050	826,978	713,312	1,448,682
Land improvements	1,631,947	1,700,102	13,210,914	13,019,254	14,842,861	14,719,356
Infrastructure	5,762,099	5,722,949	-	-	5,762,099	5,722,949
Buildings and improvements	2,873,931	3,045,824	14,541,912	14,738,432	17,415,843	17,784,256
System improvements	-	-	8,929,842	9,508,270	8,929,842	9,508,270
Machinery and equipment	721,546	679,403	387,711	299,310	1,109,257	978,713
Vehicles	1,221,329	1,060,040	-	-	1,221,329	1,060,040
Total capital assets, net	$ 29,193,911	$ 29,762,819	$ 39,302,963	$ 39,961,778	$ 68,496,874	$ 69,724,597

Additional information on the City's capital assets can be found in the notes (see note 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 $3,497,000, including bond premium, and capital improvement bonds with a balance of $3,375,000, including bond premium. The City has pledged its full faith and credit towards the above obligations. Additionally, the City issued revenue bonds in the previous year to fund the wastewater treatment plant improvement project with an amount still outstanding at year end of approximately $8,695,000.

	General Obligations and Other Long Term Debt					
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
2016 Capital improvement bonds	$ 3,035,000	$ 3,230,000	$ -	$ -	$ 3,035,000	$ 3,230,000
Marina limited tax general obligation bonds	-	-	3,160,000	3,490,000	3,160,000	3,490,000
Sewage disposal utility fund revenue bonds	-	-	8,694,562	9,074,562	8,694,562	9,074,562
Deferred amounts- Issuance premiums	340,105	368,447	336,529	378,595	676,634	747,042
Compensated absences	223,061	144,260	-	-	223,061	144,260
Total	$ 3,598,166	$ 3,742,707	$ 12,191,091	$ 12,943,157	$ 15,789,257	$ 16,685,864

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total assessed valuation. The current debt limitation for the City is approximately $25.1 million, which is in excess of the City’s outstanding general obligation debt.

In addition, the City offers its full-time employees a retirement pension through the Municipal Employees' Retirement System of Michigan (MERS). Based on the latest annual actuarial valuation report from MERS dated December 31, 2018, the City's plan is 62% funded, compared to 64% funded in 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 4.3% and the national average rate is 3.7%.

- 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 2019-20 fiscal year are expected to be comparable to fiscal year 2018-19 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.

Management's Discussion and Analysis

- For the 2019 tax year, the operating millage of 9.05 mills remained the same as the 2018 tax year to enable the same level of service to taxpayers provided by the General Fund. The infrastructure millage remained at 2.0028 mills. The refuse millage (PA 213) remained at 1.0 mills. Overall, the 2019 tax rates remained consistent with 2018.

- Sewer rates charged for services in fiscal year 2019-20 remained the same as the fiscal year 2018-19 rates.

- Water rates charged for services in fiscal year 2019-20 increased 6.5% from the fiscal year 2018-19 rates.

- Electric rates for fiscal year 2019-20 remained unchanged from fiscal year 2018-19.

- Wage rates increased 2% for Police Officers Labor Council (POLC) union employees, 2.5% for Communications Workers of America (CWA) union employees per their labor contracts with the City. The City's non-union employees received a 2.5% rate increase effective April 2019.

- The employee fringe benefit fund rates remained constant for 2019-20.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Statement of Net Position

March 31, 2019

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Unit
Assets				
Cash and cash equivalents	$ 2,870,636	$ 10,379,771	$ 13,250,407	$ 418,675
Cash at fiscal agent	60,700	561,882	622,582	-
Investments	876,200	1,903,800	2,780,000	50,000
Deposit held by Michigan Public Power Agency	-	396,074	396,074	-
Receivables, net	587,530	1,317,959	1,905,489	13,395
Internal balances	(470,206)	470,206	-	-
Other assets	88,275	441,762	530,037	455
Restricted investments	-	300,000	300,000	-
Capital assets not being depreciated	16,983,059	2,232,584	19,215,643	923,071
Capital assets being depreciated, net	12,210,852	37,070,379	49,281,231	2,308,846
Total assets	33,207,046	55,074,417	88,281,463	3,714,442
Deferred outflows of resources				
Deferred charge on bond refunding	-	143,637	143,637	-
Deferred pension amounts	448,730	521,465	970,195	-
Total deferred outflows of resources	448,730	665,102	1,113,832	-
Liabilities				
Accounts payable and accrued liabilities	397,703	970,861	1,368,564	36,046
Unearned revenue	33,134	18,127	51,261	7,497
Long-term debt:				
Due within one year	254,070	772,066	1,026,136	-
Due in more than one year	3,344,096	11,419,025	14,763,121	-
Net pension liability, due in more than one year	2,327,610	2,704,880	5,032,490	-
Total liabilities	6,356,613	15,884,959	22,241,572	43,543
Deferred inflows of resources				
Deferred pension amounts	164,858	191,581	356,439	-
Net position				
Net investment in capital assets	26,328,287	27,255,509	53,583,796	3,231,917
Restricted for:				
Perpetual care	436,035	-	436,035	-
Street improvements	401,363	-	401,363	-
Energy purchases	-	396,074	396,074	-
Downtown development	-	-	-	438,982
Unrestricted (deficit)	(31,380)	12,011,396	11,980,016	-
Total net position	$ 27,134,305	$ 39,662,979	$ 66,797,284	$ 3,670,899

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

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Statement of Activities
For the Year Ended March 31, 2019

		Program Revenues			
Functions / Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net Revenue (Expense)
Primary government					
Governmental activities:					
Legislative	$ 53,053	$ -	$ -	$ -	$ (53,053)
General government	799,561	244,112	-	-	(555,449)
Public safety	860,997	-	4,525	-	(856,472)
Public works	1,256,398	-	580,037	-	(676,361)
Health and welfare	1,231,903	945,097	-	-	(286,806)
Recreation and culture	1,240,025	260,035	23,835	-	(956,155)
Interest	95,329	-	-	-	(95,329)
Total governmental activities	5,537,266	1,449,244	608,397	-	(3,479,625)
Business-type activities:					
Electric utility	5,237,880	5,697,027	41,532	-	500,679
Sewage disposal utility	2,133,627	2,389,628	16,995	330,340	603,336
Water utility	1,409,483	1,598,456	4,696	-	193,669
Marina	1,097,246	447,829	339,879	-	(309,538)
Airport	1,897,449	1,437,818	-	-	(459,631)
Total business-type activities	11,775,685	11,570,758	403,102	330,340	528,515
Total primary government	$ 17,312,951	$ 13,020,002	$ 1,011,499	$ 330,340	$ (2,951,110)
Component unit					
Downtown Development Authority	$ 809,019	$ 79,307	$ 38,890	$ -	$ (690,822)

Continued...

CITY OF CHARLEVOIX, MICHIGAN

Statement of Activities
For the Year Ended March 31, 2019

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Unit
Change in net position				
Net revenue (expense)	$ (3,479,625)	$ 528,515	$ (2,951,110)	$ (690,822)
General revenues:				
Property taxes	3,097,523	-	3,097,523	456,432
State shared revenues	257,524	-	257,524	-
Other revenue	281,133	-	281,133	-
Gain on sale of capital assets	10,500	-	10,500	-
Unrestricted investment earnings	19,691	-	19,691	-
Transfers - internal activities	(354,485)	354,485	-	-
Total general revenues and transfers	3,311,886	354,485	3,666,371	456,432
Change in net position	(167,739)	883,000	715,261	(234,390)
Net position, beginning of year	27,302,044	38,779,979	66,082,023	3,905,289
Net position, end of year	$ 27,134,305	$ 39,662,979	$ 66,797,284	$ 3,670,899

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, 2019

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets			
Cash and cash equivalents	$ 536,514	$ 1,356,878	$ 1,893,392
Cash at fiscal agent	-	60,700	60,700
Investments	400,000	276,200	676,200
Accounts receivable, net	316,926	1,058	317,984
Taxes receivable	51,627	21,708	73,335
Due from other governmental units	55,236	121,649	176,885
Interest receivable	9,995	2,881	12,876
Prepaids	37,273	-	37,273
Total assets	$ 1,407,571	$ 1,841,074	$ 3,248,645
Liabilities			
Accounts payable	$ 98,991	$ 18,929	$ 117,920
Accrued liabilities	64,677	5,904	70,581
Unearned revenue	31,369	617	31,986
Total liabilities	195,037	25,450	220,487
Fund balances			
Nonspendable	37,273	436,035	473,308
Restricted	-	910,844	910,844
Assigned	-	468,745	468,745
Unassigned	1,175,261	-	1,175,261
Total fund balances	1,212,534	1,815,624	3,028,158
Total liabilities and fund balances	$ 1,407,571	$ 1,841,074	$ 3,248,645

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, 2019

Fund balances - total governmental funds	$ 3,028,158
Amounts reported for *governmental activities* in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Capital assets not being depreciated	16,983,059
Capital assets being depreciated, net	12,210,852
Capital assets accounted for in motor vehicle internal service fund, net	(1,465,950)
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	2,412,919
Net position allocated to business-type activities from governmental activities internal service funds	(470,206)
Certain pension-related amounts, such as the net pension liability and deferred amounts, are not due and payable in the current period and do not represent current financial resources, and therefore are not reported in the funds.	
Net pension liability	(2,327,610)
Deferred outflows of resources related to the net pension liability	448,730
Deferred inflows of resources related to the net pension liability	(164,858)
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	(84,984)
Interest payable on long-term debt	(60,700)
Bonds payable and related premiums	(3,375,105)
Net position of governmental activities	$ 27,134,305

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, 2019

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues			
Taxes	$ 2,398,904	$ 698,619	$ 3,097,523
State revenue	258,757	539,318	798,075
Licenses and permits	7,485	-	7,485
Charges for services	1,222,198	4,425	1,226,623
Fines and forfeitures	16,435	-	16,435
Interest	6,254	7,639	13,893
Rents and royalties	176,118	7,395	183,513
Other revenue	60,367	263,081	323,448
Total revenues	4,146,518	1,520,477	5,666,995
Expenditures			
Current:			
Legislative	52,444	-	52,444
General government	603,076	6,501	609,577
Public safety	1,052,208	-	1,052,208
Public works	245,351	505,914	751,265
Health and welfare	1,271,246	-	1,271,246
Recreation and culture	1,205,522	980	1,206,502
Other expenditures	34,535	-	34,535
Debt service:			
Principal	-	195,000	195,000
Interest	-	129,471	129,471
Total expenditures	4,464,382	837,866	5,302,248
Revenues (under) over expenditures	(317,864)	682,611	364,747
Other financing sources (uses)			
Transfers in	2,500	419,891	422,391
Transfers out	(8,991)	(662,025)	(671,016)
Total other financing uses	(6,491)	(242,134)	(248,625)
Net change in fund balances	(324,355)	440,477	116,122
Fund balances, beginning of year	1,536,889	1,375,147	2,912,036
Fund balances, end of year	$ 1,212,534	$ 1,815,624	$ 3,028,158

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

CITY OF CHARLEVOIX, MICHIGAN

Reconciliation

Net Change in Fund Balances of Governmental Funds
to Change in Net Position of Governmental Activities
For the Year Ended March 31, 2019

Net change in fund balances - total governmental funds	$ 116,122
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	183,632
Capital assets transferred to business-type activities	(327,825)
Depreciation expense	(656,617)
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	195,000
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	(238,775)
Change in net position from governmental activities accounted for internal service funds charged to business-type activities	132,912
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	470,873
Bond premium amortization	28,342
Change in accrued interest	5,800
Net decrease in compensated absences - sick leave	(77,203)
Change in net position of governmental activities	$ (167,739)

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, 2019

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes:				
Property taxes	$ 2,347,700	$ 2,407,604	$ 2,364,324	$ (43,280)
Payments in lieu of taxes	13,200	13,200	3,860	(9,340)
Interest and penalties on taxes	8,000	8,000	7,214	(786)
Tax collection fees	18,000	18,000	23,506	5,506
Total taxes	2,386,900	2,446,804	2,398,904	(47,900)
State revenue	256,100	258,835	258,757	(78)
Licenses and permits	6,200	6,245	7,485	1,240
Charges for services:				
Ambulance runs	359,700	774,241	839,205	64,964
Ambulance contracts	92,000	179,242	105,892	(73,350)
Cemetery	35,000	39,050	39,043	(7)
Golf course	93,600	95,390	94,543	(847)
Summer sports	6,500	6,875	6,728	(147)
Day camp	46,000	48,395	47,998	(397)
Winter sports	55,000	55,000	48,487	(6,513)
Skate park	800	1,125	1,125	-
Parking	39,000	34,487	32,511	(1,976)
Other	6,700	6,700	6,666	(34)
Total charges for services	734,300	1,240,505	1,222,198	(18,307)
Fines and forfeitures	21,300	21,300	16,435	(4,865)
Interest	2,500	2,500	6,254	3,754
Rents and royalties:				
City hall	147,500	148,400	148,600	200
Boat launch/harbor building	28,700	28,700	27,215	(1,485)
Skate park	500	500	303	(197)
Total rents and royalties	176,700	177,600	176,118	(1,482)
Other revenue	56,500	56,442	60,367	3,925
Total revenues	3,640,500	4,210,231	4,146,518	(63,713)

Continued...

Statement of Revenues, Expenditures and Change in Fund Balance

Budget and Actual - General Fund
For the Year Ended March 31, 2019

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Expenditures				
Legislative:				
City council	$ 45,400	$ 54,038	$ 52,444	$ (1,594)
General government:				
Mayor	8,200	5,694	4,287	(1,407)
City manager	109,850	114,860	113,200	(1,660)
Elections	33,800	34,741	27,593	(7,148)
Assessor	60,300	77,037	66,545	(10,492)
City attorney	34,100	30,320	40,402	10,082
City clerk	44,100	46,742	37,707	(9,035)
City treasurer	70,400	78,561	64,276	(14,285)
City hall and grounds	153,000	177,347	170,485	(6,862)
Cemetery	96,100	97,956	78,581	(19,375)
Total general government	609,850	663,258	603,076	(60,182)
Public safety:				
Police department	812,300	798,576	787,055	(11,521)
Parking law enforcement	7,500	10,621	10,033	(588)
Fire department	208,900	207,280	194,620	(12,660)
Planning department	55,500	58,933	60,500	1,567
Total public safety	1,084,200	1,075,410	1,052,208	(23,202)
Public works:				
Highways and streets	300	300	217	(83)
Leaf pick up	161,500	158,737	154,750	(3,987)
Waste collection	55,700	55,720	58,047	2,327
Brush pickup	56,700	51,268	32,337	(18,931)
Total public works	274,200	266,025	245,351	(20,674)

Continued...

CITY OF CHARLEVOIX, MICHIGAN

Statement of Revenues, Expenditures and Change in Fund Balance
Budget and Actual - General Fund
For the Year Ended March 31, 2019

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Expenditures (Continued)				
Health and welfare:				
Ambulance	$ 531,200	$ 1,045,819	$ 1,271,246	$ 225,427
Recreation and culture:				
Parks	523,000	561,762	524,614	(37,148)
Recreation administration	148,100	137,513	130,175	(7,338)
City beaches	12,750	14,312	8,259	(6,053)
Ball fields	24,400	18,549	14,395	(4,154)
Day camp	72,000	64,311	51,074	(13,237)
Ice rink	8,900	9,631	3,832	(5,799)
Mt. McSauba ski hill	135,200	136,738	142,388	5,650
Basketball and volleyball	3,700	4,510	3,155	(1,355)
Golf course	281,400	275,207	263,074	(12,133)
Boat launch	81,300	27,922	27,287	(635)
Skate park	7,900	5,260	5,355	95
Community promotion	22,700	22,650	31,914	9,264
Total recreation and culture	1,321,350	1,278,365	1,205,522	(72,843)
Other expenditures	37,200	26,137	34,535	8,398
Total expenditures	3,903,400	4,409,052	4,464,382	55,330
Revenues under expenditures	(262,900)	(198,821)	(317,864)	(119,043)
Other financing sources (uses)				
Transfers in	2,500	2,500	2,500	-
Transfers out	(26,000)	(15,000)	(8,991)	(6,009)
Total other financing sources (uses)	(23,500)	(12,500)	(6,491)	(6,009)
Net change in fund balance	(286,400)	(211,321)	(324,355)	(113,034)
Fund balance, beginning of year	1,536,889	1,536,889	1,536,889	-
Fund balance, end of year	$ 1,250,489	$ 1,325,568	$ 1,212,534	$ (113,034)

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, 2019

	Business-type Activities - Enterprise Funds			
	Electric Utility	Sewage Disposal Utility	Water Utility	Marina
Assets				
Current assets:				
Cash and cash equivalents	$ 4,440,169	$ 3,993,862	$ 660,056	$ 59,839
Investments	1,420,700	38,400	44,700	-
Cash at fiscal agent	-	498,682	-	63,200
Deposits held by Michigan Public Power Agency	396,074	-	-	-
Accounts receivable, net	863,096	247,536	138,038	46
Interest receivable	19,186	216	229	1,041
Prepaids	5,503	2,352	1,632	385
Inventories	328,134	-	84,049	-
Total current assets	7,472,862	4,781,048	928,704	124,511
Noncurrent assets:				
Restricted investments	75,000	75,000	75,000	75,000
Advance to other funds	608,000	-	-	-
Capital assets, not being depreciated	319,160	375,115	23,848	-
Capital assets, net of accumulated depreciation	3,542,757	14,478,760	5,062,241	6,227,093
Total noncurrent assets	4,544,917	14,928,875	5,161,089	6,302,093
Total assets	12,017,779	19,709,923	6,089,793	6,426,604
Deferred outflows of resources				
Deferred charge on bond refunding	-	-	-	143,637
Deferred pension amounts	265,977	83,039	128,414	5,601
Total deferred outflows of resources	265,977	83,039	128,414	149,238
Liabilities				
Current liabilities:				
Accounts payable	336,707	65,569	53,960	5,191
Accrued liabilities	24,195	119,822	11,190	64,599
Customer deposits	52,817	-	-	101,273
Current portion of bonds and notes payable	-	390,000	-	382,066
Current portion of compensated absences	-	-	-	-
Unearned revenue	-	-	-	-
Total current liabilities	413,719	575,391	65,150	553,129
Noncurrent liabilities:				
Advance from other funds	-	-	-	543,000
Bonds payable, net of current portion	-	8,304,562	-	3,114,463
Compensated absences, net of current portion	-	-	-	-
Net pension liability	1,379,641	430,732	666,096	29,052
Total noncurrent liabilities	1,379,641	8,735,294	666,096	3,686,515
Total liabilities	1,793,360	9,310,685	731,246	4,239,644
Deferred inflows of resources				
Deferred pension amounts	97,717	30,508	47,178	2,058
Net position				
Net investment in capital assets	3,861,917	6,159,313	5,086,089	2,874,201
Restricted for:				
Energy purchases	396,074	-	-	-
Unrestricted (deficit)	6,134,688	4,292,456	353,694	(540,061)
Total net position	$ 10,392,679	$ 10,451,769	$ 5,439,783	$ 2,334,140

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

Business-type Activities - Enterprise Funds		Internal Service Funds
Airport	Total	
$ 42,978	$ 9,196,904	$ 2,160,111
-	1,503,800	600,000
-	561,882	-
-	396,074	-
39,389	1,288,105	2,617
-	20,672	13,015
4,725	14,597	51,002
14,982	427,165	-
102,074	13,409,199	2,826,745
-	300,000	-
-	608,000	-
960,066	1,678,189	575,048
7,719,239	37,030,090	1,485,586
8,679,305	39,616,279	2,060,634
8,781,379	53,025,478	4,887,379
-	143,637	-
38,434	521,465	-
38,434	665,102	-
25,684	487,111	224,378
7,282	227,088	26,696
-	154,090	-
-	772,066	-
-	-	845
18,127	18,127	1,148
51,093	1,658,482	253,067
65,000	608,000	-
-	11,419,025	-
-	-	137,232
199,359	2,704,880	-
264,359	14,731,905	137,232
315,452	16,390,387	390,299
14,120	191,581	-
8,679,305	26,660,825	2,060,634
-	396,074	-
(189,064)	10,051,713	2,436,446
$ 8,490,241	$ 37,108,612	$ 4,497,080

Reconciliation

Net Position of Enterprise Funds
to Net Position of Business-type Activities
March 31, 2019

Net position - total enterprise funds	$ 37,108,612
Amounts reported for *business-type activities* in the statement of net position are different because:	
Internal service funds are used by management to charge the costs of certain activities to other funds. Certain internal service funds net position is allocated to the business-type activities and reported in the statement of net position.	
Net position of business-type activities accounted for in business-type activity internal service funds	2,084,161
Net position allocated to business-type activities from governmental activities internal service funds	470,206
Net position of business-type activities	$ 39,662,979

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

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CITY OF CHARLEVOIX, MICHIGAN

Statement of Revenues, Expenses and Change in Fund Net Position

Proprietary Funds

For the Year Ended March 31, 2019

	Business-type Activities - Enterprise Funds			
	Electric Utility	Sewage Disposal Utility	Water Utility	Marina
Operating revenues				
Charges for services	$ 5,697,027	$ 2,389,628	$ 1,598,456	$ 447,829
Operating expenses				
Purchased power	2,954,234	-	-	-
Fuel purchases	-	-	-	-
Personnel services	1,090,922	743,113	737,572	178,070
Contractual services	103,375	168,774	65,705	43,259
Insurance	16,824	13,872	4,520	2,861
Building rental	76,700	35,400	35,400	-
Equipment rental	173,455	82,071	90,447	2,507
Supplies	59,090	57,278	67,734	6,679
Utilities	62,594	109,642	45,144	71,471
Repairs and maintenance	99,985	22,402	44,939	15,260
Depreciation	473,121	553,104	278,115	650,240
Miscellaneous	71,238	19,144	6,525	8,629
Total operating expenses	5,181,538	1,804,800	1,376,101	978,976
Operating income (loss)	515,489	584,828	222,355	(531,147)
Nonoperating revenues (expenses)				
Interest revenue	41,532	10,254	4,696	1,879
(Loss) gain on sale of capital assets	-	(78,351)	-	-
Other revenue	-	-	-	338,000
Interest expense	-	(217,364)	-	(115,089)
Total nonoperating revenues (expenses)	41,532	(285,461)	4,696	224,790
Income (loss) before transfers and capital contributions	557,021	299,367	227,051	(306,357)
Transfers				
Transfers in	29,140	167,555	131,130	-
Transfers out	(153,700)	(43,440)	(35,400)	-
Total transfers	(124,560)	124,115	95,730	-
Capital contributions				
State revenue	-	330,340	-	-
Change in net position	432,461	753,822	322,781	(306,357)
Net position, beginning of year	9,960,218	9,697,947	5,117,002	2,640,497
Net position, end of year	$ 10,392,679	$ 10,451,769	$ 5,439,783	$ 2,334,140

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

Business-type Activities - Enterprise Funds		
Airport	Total	Internal Service Funds
$ 1,437,818	$ 11,570,758	$ 3,379,605
-	2,954,234	-
908,215	908,215	-
301,014	3,050,691	2,991,945
27,605	408,718	75,388
10,192	48,269	-
-	147,500	-
3,034	351,514	-
5,464	196,245	91,714
29,389	318,240	12,046
12,800	195,386	104,201
506,808	2,461,388	294,272
81,204	186,740	3,900
1,885,725	11,227,140	3,573,466
(447,907)	343,618	(193,861)
-	58,361	12,539
-	(78,351)	10,500
-	338,000	40,719
(900)	(333,353)	-
(900)	(15,343)	63,758
(448,807)	328,275	(130,103)
-	327,825	269,200
-	(232,540)	(115,860)
-	95,285	153,340
-	330,340	-
(448,807)	753,900	23,237
8,939,048	36,354,712	4,473,843
$ 8,490,241	$ 37,108,612	$ 4,497,080

CITY OF CHARLEVOIX, MICHIGAN

Reconciliation

Change in Fund Net Position of Enterprise Funds
to Change in Net Position of Business-type Activities
For the Year Ended March 31, 2019

Change in net position - total enterprise funds	$ 753,900
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	262,012
Change in net position of internal service funds accounted for in governmental activities but charged to business-type activities	(132,912)
Change in net position of business-type activities	$ 883,000

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

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Statement of Cash Flows
Proprietary Funds
For the Year Ended March 31, 2019

	Business-type Activities - Enterprise Funds			
	Electric Utility	Sewage Disposal Utility	Water Utility	Marina
Cash flows from operating activities				
Cash received from customers	$ 5,628,774	$ 2,493,242	$ 1,578,501	$ 453,677
Cash received from interfund services	-	-	-	-
Cash payments to employees	(1,194,758)	(595,625)	(576,603)	(133,144)
Cash payments to suppliers for goods and services	(3,711,391)	(600,549)	(397,654)	(178,145)
Net cash provided by operating activities	722,625	1,297,068	604,244	142,388
Cash flows from noncapital financing activities				
Other receipts	-	-	-	338,000
Transfers in	29,140	167,555	131,130	-
Transfers out	(153,700)	(43,440)	(35,400)	-
Net cash provided by (used in) noncapital financing activities	(124,560)	124,115	95,730	338,000
Cash flows from capital and related financing activities				
State receipts	-	330,340	-	-
Proceeds from sale of capital assets	-	-	-	-
Purchase of capital assets	(318,528)	(605,888)	(406,465)	(87,118)
Repayment on interfund advances	-	-	-	(50,000)
Bond principal payments	-	(380,000)	-	(330,000)
Bond and advance interest payments	-	(212,613)	-	(139,201)
Net cash used in capital and related financing activities	(318,528)	(868,161)	(406,465)	(606,319)
Cash flows from investing activities				
Purchase of investments	4,884	-	-	-
Receipt of amounts from advance to other funds	75,000	-	-	-
Interest received	34,254	11,783	3,920	1,390
Net cash provided by investing activities	114,138	11,783	3,920	1,390
Net increase (decrease) in cash and cash equivalents	393,675	564,805	297,429	(124,541)
Cash and cash equivalents, beginning of year	4,442,568	3,927,739	362,627	247,580
Cash and cash equivalents, including cash at fiscal agent and deposit held by MPPA, beginning of year	4,836,243	4,492,544	660,056	123,039
Cash at fiscal agent, end of year	-	(498,682)	-	(63,200)
Deposit held by MPPA, end of year	(396,074)	-	-	-
Cash and cash equivalents, end of year	$ 4,440,169	$ 3,993,862	$ 660,056	$ 59,839

Business-type Activities - Enterprise Funds		Internal Service Funds
Airport	Total	
$ 1,437,874	$ 11,592,068	$ -
-	-	3,461,065
(292,401)	(2,792,531)	(2,996,551)
(1,066,415)	(5,954,154)	(203,093)
79,058	2,845,383	261,421
-	338,000	40,719
-	327,825	269,200
-	(232,540)	(115,860)
-	433,285	194,059
-	330,340	-
-	-	10,500
(12,450)	(1,430,449)	(976,649)
(25,000)	(75,000)	-
-	(710,000)	-
(900)	(352,714)	-
(38,350)	(2,237,823)	(966,149)
-	4,884	-
-	75,000	-
-	51,347	10,589
-	131,231	10,589
40,708	1,172,076	(500,080)
2,270	8,982,784	2,660,191
42,978	10,154,860	2,160,111
-	(561,882)	-
-	(396,074)	-
$ 42,978	$ 9,196,904	$ 2,160,111

Continued…

CITY OF CHARLEVOIX, MICHIGAN

Statement of Cash Flows
Proprietary Funds
For the Year Ended March 31, 2019

	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)	$ 515,489	$ 584,828	$ 222,355	$ (531,147)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	473,121	553,104	278,115	650,240
Changes in assets and liabilities that provided (used) cash:				
Accounts receivable	(58,559)	103,614	(19,955)	(19)
Prepaids	(4,193)	(972)	(322)	-
Inventory	(56,732)	-	(7,812)	(385)
Deposits held by Michigan Public Power Agency	(14,147)	-	-	-
Accounts payable	(18,824)	(86,243)	(29,106)	(1,585)
Accrued liabilities	2,952	(8,695)	3,247	(6,092)
Net pension liability and related deferred amounts	(106,788)	151,432	157,722	25,509
Customer deposits	(9,694)	-	-	5,867
Accrued compensated absences	-	-	-	-
Unearned revenue	-	-	-	-
Net cash provided by operating activities	$ 722,625	$ 1,297,068	$ 604,244	$ 142,388

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

Business-type Activities Enterprise Funds		
Airport	Total	Internal Service Funds
$ (447,907)	$ 343,618	$ (193,861)
506,808	2,461,388	294,272
527	25,608	7
(430)	(5,917)	(1,820)
22,083	(42,846)	-
-	(14,147)	-
(10,973)	(146,731)	167,661
808	(7,780)	(6,204)
8,613	236,488	-
-	(3,827)	-
-	-	1,598
(471)	(471)	(232)
$ 79,058	$ 2,845,383	$ 261,421

Concluded

CITY OF CHARLEVOIX, MICHIGAN

Statement of Fiduciary Assets and Liabilities

Agency Funds
March 31, 2019

Assets		
Cash	$	74,991
Liabilities		
Undistributed receipts	$	74,991

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.

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 fund:

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 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 federal grant revenue sources that are legally restricted for expenses of the Airport.

Additionally, the City reports the following fund types:

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

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

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 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, 2019, the General Fund receivable is shown net of an estimated allowance for uncollectible accounts of $309,000. The receivables for the Electric Utility, Sewage Disposal Utility and Water Utility Funds are also shown net of estimated allowance for uncollectible accounts of $4,635, $810 and $1,145, 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 acquisition cost as of the date of donation.

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

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 items related to its pension plan 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 also sometimes 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.

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 $540,061 and $189,064 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.

Notes to the Financial Statements

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, 2019, 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			
General government:			
City attorney	$ 30,320	$ 40,402	$ 10,082
Public safety:			
Planning department	58,933	60,500	1,567
Public works:			
Waste collection	55,720	58,047	2,327
Health and welfare:			
Ambulance	1,045,819	1,271,246	225,427
Recreation and culture:			
Mt. McSauba ski hill	136,738	142,388	5,650
Skate park	5,260	5,355	95
Community promotion	22,650	31,914	9,264
Other expenditures	26,137	34,535	8,398

3. DEPOSITS AND INVESTMENTS

Following is a reconciliation of deposit and investment balances as of March 31, 2019:

	Primary Government	Component Unit	Total
Statement of Net Position			
Cash and cash equivalents	$ 13,250,407	$ 418,675	$ 13,669,082
Cash at fiscal agent	622,582	-	622,582
Investments	2,780,000	50,000	2,830,000
Deposits held by Michigan Public Power Agency	396,074	-	396,074
Restricted investments	300,000	-	300,000
Total Statement of Net Position	$ 17,349,063	$ 468,675	17,817,738
Statement of Fiduciary Assets and Liabilities			
Cash and cash equivalents			74,991
Total			$ 17,892,729

Deposits and investments

Bank deposits (checking and savings accounts)	$ 13,743,167
Certificates of deposits:	
Maturing in less than 1 year	1,006,897
Maturing in more than 1 year	2,123,103
Cash with fiscal agent	622,582
Deposits held by Michigan Public Power Agency	396,074
Petty cash	906
Total	$ 17,892,729

Custodial Credit Risk. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned. State law does not require and the City does not have a policy for deposit custodial credit risk. As of year-end, approximately $15,633,000 of the City's bank balance of approximately $16,914,000 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.

4. RECEIVABLES

Receivables are comprised of the following as of March 31, 2019:

	Governmental Activities	Business-type Activities	Component Unit
Accounts receivable	$ 629,601	$ 1,294,695	$ 13,395
Taxes receivable	73,335	-	-
Interest receivable	16,709	29,854	-
Due from other governmental units	176,885	-	-
Allowance for uncollectible accounts	(309,000)	(6,590)	-
	$ 587,530	$ 1,317,959	$ 13,395

5. OTHER ASSETS

Other assets consisted of the following amounts at March 31, 2019:

	Governmental Activities	Business-type Activities	Component Units
Prepaids	$ 88,275	$ 14,597	$ 455
Inventories	-	427,165	-
Totals	$ 88,275	$ 441,762	$ 455

Notes to the Financial Statements

6. CAPITAL ASSETS

Primary Government

Capital assets activity for the primary government for the year ended March 31, 2019, 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	24,244	-	(595,686)	50,262
	17,554,501	24,244	-	(595,686)	16,983,059
Capital assets being depreciated:					
Land improvements	3,848,967	14,603	-	-	3,863,570
Infrastructure	6,862,058	80,410	-	267,861	7,210,329
Buildings and improvements	7,425,935	7,473	-	-	7,433,408
Machinery and equipment	2,306,518	165,920	(38,450)	-	2,433,988
Vehicles	3,576,548	413,925	(13,611)	-	3,976,862
	24,020,026	682,331	(52,061)	267,861	24,918,157
Less accumulated depreciation for:					
Land improvements	(2,148,865)	(82,758)	-	-	(2,231,623)
Infrastructure	(1,139,109)	(309,121)	-	-	(1,448,230)
Buildings and improvements	(4,380,111)	(179,366)	-	-	(4,559,477)
Machinery and equipment	(1,627,115)	(123,777)	38,450	-	(1,712,442)
Vehicles	(2,516,508)	(252,636)	13,611	-	(2,755,533)
	(11,811,708)	(947,658)	52,061	-	(12,707,305)
Total capital assets being depreciated, net	12,208,318	(265,327)	-	267,861	12,210,852
Governmental activities capital assets, net	$ 29,762,819	$ (241,083)	$ -	$ (327,825)	$ 29,193,911

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	263,260	-	(427,188)	663,050
	2,396,512	263,260	-	(427,188)	2,232,584
Capital assets being depreciated:					
Land improvements	22,080,798	443,024	-	717,663	23,241,485
Buildings and improvements	19,861,177	445,111	-	37,350	20,343,638
System improvements	27,586,332	240,980	(203,640)	-	27,623,672
Machinery and equipment	2,556,975	163,955	(38,041)	-	2,682,889
	72,085,282	1,293,070	(241,681)	755,013	73,891,684
Less accumulated depreciation for:					
Land improvements	(9,061,544)	(969,027)	-	-	(10,030,571)
Buildings and improvements	(5,122,745)	(678,981)	-	-	(5,801,726)
System improvements	(18,078,062)	(741,057)	125,289	-	(18,693,830)
Machinery and equipment	(2,257,665)	(75,554)	38,041	-	(2,295,178)
	(34,520,016)	(2,464,619)	163,330	-	(36,821,305)
Total capital assets being depreciated, net	37,565,266	(1,171,549)	(78,351)	755,013	37,070,379
Business-type activities capital assets, net	$ 39,961,778	$ (908,289)	$ (78,351)	$ 327,825	$ 39,302,963

Depreciation expense for the year ended March 31, 2019 was charged to functions/programs of the primary government as follows:

Depreciation of governmental activities by function	
General government	$ 187,382
Public safety	53,847
Public works	344,525
Recreation and culture	69,679
Health and welfare	1,184
Capital assets held by the governmental activity internal service funds are charged to the various functions based on their usage of the assets	291,041
	$ 947,658

Depreciation of business-type activities by function	
Electric utility	$ 473,121
Sewage disposal utility	553,104
Water utility	278,115
Marina	650,240
Airport	506,808
Capital assets held by the business-type activity internal service fund are charged to the various functions based on their usage of the assets	3,231
	$ 2,464,619

Discretely presented component unit

Capital assets activity for the Downtown Development Authority ("DDA") component unit for the year ended March 31, 2019, 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	2,505,198	43,995	-	-	2,549,193
Buildings and improvements	3,897,817	-	-	-	3,897,817
Machinery and equipment	68,305	-	-	-	68,305
	6,471,320	43,995	-	-	6,515,315
Less accumulated depreciation for:					
Land improvements	(1,656,422)	(99,898)	-	-	(1,756,320)
Buildings and improvements	(2,293,164)	(89,478)	-	-	(2,382,642)
Machinery and equipment	(64,320)	(3,187)	-	-	(67,507)
	(4,013,906)	(192,563)	-	-	(4,206,469)
Total capital assets being depreciated, net	2,457,414	(148,568)	-	-	2,308,846
Component unit capital assets, net	$ 3,380,485	$ (148,568)	$ -	$ -	$ 3,231,917

Depreciation expense for the component unit, included in the statement of activities, was $192,563 for fiscal year 2019.

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, 2019:

	Governmental Activities	Business-type Activities	Component Unit
Accounts payable	$ 239,726	$ 589,683	$ 36,046
Accrued liabilities	97,277	227,088	-
Accrued interest	60,700	-	-
Customer deposits	-	154,090	-
	$ 397,703	$ 970,861	$ 36,046

8. INTERFUND ADVANCES

The composition of interfund advances as of March 31, 2019, was as follows:

	Advance to Other Funds	Advance From Other Funds
Electric Utility Fund	$ 608,000	$ -
Marina Fund	-	543,000
Airport Fund	-	65,000
	$ 608,000	$ 608,000

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 2013 with principal to be repaid over six years, however, the City did not begin making payments until fiscal year 2016. During fiscal year 2019, the Electric Utility Fund received principal and interest payments of $50,000 and $5,930, respectively, from the Marina Fund and principal and interest payments of $25,000 and $900, respectively, from the Airport Fund.

For the year ended March 31, 2019, interfund transfers consisted of the following:

	Transfers In	Transfers Out
General Fund	$ 2,500	$ 8,991
Nonmajor Governmental Funds	419,891	662,025
Electric Utility Fund	29,140	153,700
Sewage Disposal Utility Fund	167,555	43,440
Water Utility Fund	131,130	35,400
Internal Service Funds	269,200	115,860
	$ 1,019,416	$ 1,019,416

Transfers are used to (1) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them, and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Notes to the Financial Statements

9. LONG-TERM DEBT

Long-term debt activity for the year ended March 31, 2019, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Primary government					
Governmental activities:					
2016 capital improvement bonds	$ 3,230,000	$ -	$ 195,000	$ 3,035,000	$ 200,000
Deferred amounts- Bond premiums	368,447	-	28,342	340,105	28,342
Compensated absences - sick leave	7,781	107,245	30,042	84,984	24,883
Compensated absences - vacation	136,479	182,987	181,389	138,077	845
Total governmental activities	3,742,707	290,232	434,773	3,598,166	254,070
Business-type activities:					
Marina - 2016 refunding bonds	3,490,000	-	330,000	3,160,000	340,000
Revenue bonds	9,074,562	-	380,000	8,694,562	390,000
Total installment debt	12,564,562	-	710,000	11,854,562	730,000
Deferred amounts- Bond premiums	378,595	-	42,066	336,529	42,066
Total business-type activities	12,943,157	-	752,066	12,191,091	772,066
Total primary government	$ 16,685,864	$ 290,232	$ 1,186,839	$ 15,789,257	$ 1,026,136

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, 2019, the City has received bond proceeds in the amount of $9,459,562. No proceeds were received in fiscal 2019.

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

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

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

Purpose	Matures	Interest Rates	Amount
Governmental activities			
2016 capital improvement bonds	October 2030	4.0% - 4.2%	$ 3,035,000
Premium on bonds	October 2030		340,105
			$ 3,375,105
Business-type activities			
Marina – 2016 refunding bonds	April 2027	2.0% - 4.0%	$ 3,160,000
Premium on Marina refunding bonds			336,529
Sewer - revenue bonds	April 2036	2.5%	8,694,562
			$ 12,191,091

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
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	105,000	330,000	805,000	291,089	1,876,089
2024	235,000	87,200	322,200	830,000	239,889	1,069,889
2025-2029	1,330,000	287,000	1,617,000	3,620,000	795,271	4,415,271
2030-2034	615,000	37,200	652,200	2,610,000	316,040	2,926,040
2035-2037	-	-	-	1,724,562	21,927	1,746,489
	$ 3,035,000	$ 856,200	$ 3,891,200	$ 11,854,562	$ 2,609,733	$ 14,464,295

Notes to the Financial Statements

10. OPERATING LEASE AND COMMITMENT

The City has entered into an operating lease agreement with the Beaver Island Boat Company ("BIBCO"). BIBCO rents dock space and office space from the City. Both parties have agreed to a 5-year rental agreement, in which BIBCO has a conditional right of renewal it may exercise five times for five years with each renewal. The City has also signed a $22,000 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 $22,000 as of March 31, 2019. Projected operating lease proceeds through the year ended 2028 are as follows:

Year Ended March 31,	Amount
2020	$ 30,070
2021	31,215
2022	32,401
2023	33,628
2024	41,156
2025-2028	178,237
	$ 346,707

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, 2019, 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 $251,277,141 (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 2018-19 was 9.0500 mills, with an additional 2.0028 mills levied for infrastructure improvements and an additional 1.0000 mill levied for refuse.

Notes to the Financial Statements

Property taxes for the DDA are derived from a tax increment financing agreement between the DDA and other taxing districts. Under this arrangement, the DDA receives those property taxes levied on the increment of current taxable valuations (determined as of the preceding December 31, the lien date) over base year assessed valuations on certain property located in the City of Charlevoix, which are within the DDA district. The DDA also has an operating levy of 1.3580 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 2019, was $6,868 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 1.50% to 2.50%. Participants are considered to be fully vested in the plan after 10 years. Normal retirement age is 60 with early retirement at age 50 with 25 years of service. Member contributions range from 0.00% to 3.00% of covered wages as presented in the table below.

Employees Covered by Benefit Terms. At December 31, 2018, plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	43
Inactive employees entitled to but not yet receiving benefits	9
Active employees	51
Total membership	103

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	18.75%	3.00%
Non-Union	Defined Benefit	Open	18.54%	0.00%
Police Officers	Defined Benefit	Open	8.48%	3.00%

Net Pension Liability. The City's net pension liability was measured as of December 31, 2018, 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, 2018 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 2.50% long-term wage inflation assumption would be consistent with a price inflation of 3.00%-4.00%.

The mortality table used to project the mortality experience of non-disabled plan members is a 50% male, 50% female blend of the following tables:

- The RP-2014 Healthy Annuitant Mortality Tables, with rates multiplied by 105%
- The RP-2014 Employee Mortality Tables
- The RP-2014 Juvenile Mortality Tables

The mortality table used to project the mortality experience of disabled plan members is 50% Male, 50% Female blend of RP-2014 Disabled Retiree Mortality Tables.

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of the most recent actuarial experience study of 2009-2013.

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Expected Money-Weighted Rate of Return
Global equity	55.50%	6.15%	3.41%
Global fixed income	18.50%	1.26%	0.23%
Real assets	13.50%	7.22%	0.51%
Diversifying strategies	12.50%	5.00%	0.63%
	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 2018, 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, 2017	$ 13,698,851	$ 8,725,589	$ 4,973,262
Changes for the year:			
Service cost	195,891	-	195,891
Interest	1,064,162	-	1,064,162
Differences between expected and actual experience	(355,886)	-	(355,886)
Employer contributions	-	870,485	(870,485)
Employee contributions	-	50,842	(50,842)
Net investment loss	-	(339,125)	339,125
Benefit payments, including refunds of employee contributions	(989,540)	(989,540)	-
Administrative expense	-	(16,877)	16,877
Other changes	(279,614)	-	(279,614)
Net changes	(364,987)	(424,215)	59,228
Balances at December 31, 2018	$ 13,333,864	$ 8,301,374	$ 5,032,490

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	$ 6,413,158	$ 5,032,490	$ 3,854,031

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

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

For the year ended March 31, 2019, the City recognized pension expense of $557,893. 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	$ 89,279	$ 356,439	$ (267,160)
Changes in assumptions	129,674	-	129,674
Net difference between projected and actual earnings on pension plan investments	626,646	-	626,646
	845,599	356,439	489,160
Contributions subsequent to the measurement date	124,596	-	124,596
Total	$ 970,195	$ 356,439	$ 613,756

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
2020	$ 306,058
2021	(2,823)
2022	50,351
2023	135,574
Total	$ 489,160

Payable to the Pension Plan. At March 31, 2019, the City had no amounts payable for contributions to the pension plan.

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

Notes to the Financial Statements

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 $20,087 to the Plan during the year ended March 31, 2019. Contributions and interest are allocated to the account and benefits are fully vested at March 31, 2019.

15. ENTITLEMENT COMMITMENT

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

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

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

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

	Combustion Turbine No. 1		Campbell Project Bank	
Year Ended December 31,	Principal	Interest	Principal	Interest
2019	$ 73,160	$ 40,309	$ 211,327	$ 11,091
2020	76,700	36,651	215,807	6,224
2021	80,712	32,816	109,353	1,252
2022	84,724	28,780	-	-
2023	88,736	24,544	-	-
2024-2027	402,144	51,506	-	-
Total	$ 806,176	$ 214,606	$ 536,487	$ 18,567

Year Ended December 31,	AFEC Project Principal	AFEC Project Interest	Total Principal	Total Interest
2019	$ 20,349	$ 47,073	$ 304,836	$ 98,473
2020	21,157	46,158	313,664	89,033
2021	22,126	45,205	212,191	79,273
2022	23,256	44,099	107,980	72,879
2023	24,387	42,936	113,123	67,480
2024-2028	140,507	196,217	140,507	196,217
2029-2033	179,105	157,698	179,105	157,698
2034-2038	228,362	108,237	228,362	108,237
2039-2043	291,509	45,139	291,509	45,139
Total	$ 950,758	$ 732,762	$ 1,891,277	$ 914,429

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 $396,000 at March 31, 2019 and is reported as Deposit with the Michigan Public Power Agency in the Statement of Net Position.

16. COMMITMENTS

The City has entered into several contracts for goods and services including certain infrastructure and capital improvement projects. The total commitment related to these various contracts is as follows at March 31, 2019:

Public service facility design	$ 286,700
Server project	129,707
Airport taxilane and fencing improvement project design	585,507
Airport taxilane and fencing improvement project	488,230
Total	$ 1,490,144

Notes to the Financial Statements

17. NET INVESTMENT IN CAPITAL ASSETS

The composition of net investment in capital assets as of March 31, 2019, was as follows:

	Governmental Activities	Business-type Activities	Component Unit
Capital assets:			
Capital assets, not being depreciated	$ 16,983,059	$ 2,232,584	$ 923,071
Capital assets being depreciated, net	12,210,852	37,070,379	2,308,846
	29,193,911	39,302,963	3,231,917
Less related debt:			
Noncurrent liabilities:			
Due within one year	(254,070)	(772,066)	-
Due in more than one year	(3,344,096)	(11,419,025)	-
Add back: compensated absences	223,061	-	-
Add back: deferred charge on bond refunding	-	143,637	-
Add back: unexpended bond proceeds	509,481	-	-
	(2,865,624)	(12,047,454)	-
Net investment in capital assets	$ 26,328,287	$ 27,255,509	$ 3,231,917

18. FUND BALANCES - GOVERNMENTAL FUNDS

Detailed information on fund balances of governmental funds at March 31, 2019 is as follows:

	General Fund	Nonmajor Governmental Funds	Total
Nonspendable:			
Perpetual care	$ -	$ 436,035	$ 436,035
Prepaids	37,273	-	37,273
Total nonspendable	37,273	436,035	473,308
Restricted:			
Special revenue funds:			
Major streets	-	258,770	258,770
Local streets	-	10,020	10,020
Capital project funds:			
Street improvements	-	132,573	132,573
Infrastructure improvements	-	509,481	509,481
Total restricted	-	910,844	910,844
Assigned:			
Capital project funds:			
Fire truck and ambulance	-	344,631	344,631
Industrial park	-	28,835	28,835
Mt. McSauba improvements	-	25,853	25,853
Debt service fund:			
Debt service infrastructure	-	69,426	69,426
Total assigned	-	468,745	468,745
Unassigned	1,175,261	-	1,175,261
Total fund balances, governmental funds	$ 1,212,534	$ 1,815,624	$ 3,028,158

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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			
	2019	2018	2017	2016
Total pension liability				
Service cost	$ 195,891	$ 156,135	$ 165,666	$ 167,849
Interest	1,064,162	1,034,166	1,028,535	976,917
Differences between expected and actual experience	(355,886)	144,372	(179,328)	85,473
Changes of assumptions	-	-	-	648,378
Benefit payments, including refunds of employee contributions	(989,540)	(969,686)	(909,054)	(815,464)
Other changes	(279,614)	-	(341)	-
Net change in total pension liability	(364,987)	364,987	105,478	1,063,153
Total pension liability, beginning of year	13,698,851	13,333,864	13,228,386	12,165,233
Total pension liability, end of year	13,333,864	13,698,851	13,333,864	13,228,386
Plan fiduciary net position				
Employer contributions	870,485	337,044	311,253	303,782
Employee contributions	50,842	47,103	46,738	53,025
Net investment (loss) income	(339,125)	1,063,210	880,516	(124,534)
Benefit payments, including refunds of employee contributions	(989,540)	(969,686)	(909,054)	(815,464)
Administrative expense	(16,877)	(16,887)	(17,408)	(18,424)
Net change in plan fiduciary net position	(424,215)	460,784	312,045	(601,615)
Plan fiduciary net position, beginning of year	8,725,589	8,264,805	7,952,760	8,554,375
Plan fiduciary net position, end of year	8,301,374	8,725,589	8,264,805	7,952,760
City's net pension liability	$ 5,032,490	$ 4,973,262	$ 5,069,059	$ 5,275,626
Plan fiduciary net position as a percentage of total pension liability	62.26%	63.70%	61.98%	60.12%
Covered payroll	$ 2,893,241	$ 2,334,109	$ 2,444,252	$ 2,601,560
City's net pension liability as a percentage of covered payroll	173.94%	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
2019	$ 13,333,864	$ 8,301,374	$ 5,032,490	62.3%	$ 2,893,241	173.9%
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
2019	$ 492,278	$ 612,278	$ (120,000)	$ 2,787,982	21.96%
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	20 years
Asset valuation method	5 year smoothed
Inflation	2.5%
Salary increases	3.75% in the long-term
Investment rate of return	7.75%, net of investment and administrative expense including inflation
Retirement age	Age-based table of rates that are specific to the type of eligibility condition. The Normal Retirement rates were first used for the December 31, 2015 actuarial valuations. The Early Retirement rates were first used for the December 31, 2015 actuarial valuations.
Mortality	Mortality rates used were based on the RP-2014 Group Annuity Mortality Table of a 50% Male and 50% Female Blend.

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COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS

Combining Balance Sheet

Nonmajor Governmental Funds
March 31, 2019

	Special Revenue Funds		Capital Projects Funds	
	Major Streets	Local Streets	Fire Truck and Ambulance	Industrial Park
Assets				
Cash and cash equivalents	$ 161,932	$ -	$ 344,529	$ 28,824
Cash at fiscal agent	-	-	-	-
Investments	-	-	-	-
Accounts receivable	-	-	102	11
Taxes receivable	-	-	-	-
Interest receivable	-	-	-	-
Due from other governmental units	103,096	18,553	-	-
Total assets	$ 265,028	$ 18,553	$ 344,631	$ 28,835
Liabilities				
Accounts payable	$ 4,200	$ 6,777	$ -	$ -
Accrued liabilities	2,058	1,756	-	-
Unearned revenue	-	-	-	-
Total liabilities	6,258	8,533	-	-
Fund balances				
Nonspendable	-	-	-	-
Restricted	258,770	10,020	-	-
Assigned	-	-	344,631	28,835
Total fund balances	258,770	10,020	344,631	28,835
Total liabilities and fund balances	$ 265,028	$ 18,553	$ 344,631	$ 28,835

Capital Projects Funds			Debt Service Fund	Permanent Fund	
Street Improvement	Infrastructure Improvement	Mt. McSauba Improvements	Debt Service Infrastructure	Cemetery Care	Total
$ 121,862	$ 508,256	$ 25,839	$ 8,744	$ 156,892	$ 1,356,878
-	-	-	60,700	-	60,700
-	-	-	-	276,200	276,200
48	201	631	3	62	1,058
11,631	10,077	-	-	-	21,708
-	-	-	-	2,881	2,881
-	-	-	-	-	121,649
$ 133,541	$ 518,534	$ 26,470	$ 69,447	$ 436,035	$ 1,841,074
$ 968	$ 6,963	$ -	$ 21	$ -	$ 18,929
-	2,090	-	-	-	5,904
-	-	617	-	-	617
968	9,053	617	21	-	25,450
-	-	-	-	436,035	436,035
132,573	509,481	-	-	-	910,844
-	-	25,853	69,426	-	468,745
132,573	509,481	25,853	69,426	436,035	1,815,624
$ 133,541	$ 518,534	$ 26,470	$ 69,447	$ 436,035	$ 1,841,074

Combining Statement of Revenues, Expenditures and Change in Fund Balances

Nonmajor Governmental Funds
For the Year Ended March 31, 2019

	Special Revenue Funds		Capital Projects Funds	
	Major Streets	Local Streets	Fire Truck and Ambulance	Industrial Park
Revenues				
Taxes	$ -	$ -	$ -	$ -
State revenue	383,484	155,834	-	-
Charges for services	-	-	-	-
Interest	431	29	579	78
Rents and royalties	-	-	-	-
Other revenue	-	-	-	-
Total revenues	383,915	155,863	579	78
Expenditures				
Current:				
General government	-	-	-	6,501
Public works	337,837	168,077	-	-
Recreation and culture	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	337,837	168,077	-	6,501
Revenues over (under) expenditures	46,078	(12,214)	579	(6,423)
Other financing sources (uses)				
Transfers in	-	8,991	86,700	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	8,991	86,700	-
Net change in fund balances	46,078	(3,223)	87,279	(6,423)
Fund balances, beginning of year	212,692	13,243	257,352	35,258
Fund balances, end of year	$ 258,770	$ 10,020	$ 344,631	$ 28,835

Capital Projects Funds			Debt Service Fund	Permanent Fund	
Street Improvement	Infrastructure Improvement	Mt. McSauba Improvements	Debt Service Infrastructure	Cemetery Care	Total
$ 233,206	$ 465,413	$ -	$ -	$ -	$ 698,619
-	-	-	-	-	539,318
-	-	-	-	4,425	4,425
133	989	77	132	5,191	7,639
-	-	7,395	-	-	7,395
-	263,081	-	-	-	263,081
233,339	729,483	7,472	132	9,616	1,520,477
-	-	-	-	-	6,501
-	-	-	-	-	505,914
980	-	-	-	-	980
-	-	-	195,000	-	195,000
-	-	-	129,471	-	129,471
980	-	-	324,471	-	837,866
232,359	729,483	7,472	(324,339)	9,616	682,611
-	-	-	324,200	-	419,891
(200,000)	(452,025)	(10,000)	-	-	(662,025)
(200,000)	(452,025)	(10,000)	324,200	-	(242,134)
32,359	277,458	(2,528)	(139)	9,616	440,477
100,214	232,023	28,381	69,565	426,419	1,375,147
$ 132,573	$ 509,481	$ 25,853	$ 69,426	$ 436,035	$ 1,815,624

CITY OF CHARLEVOIX, MICHIGAN

Combining Statement of Net Position
Internal Service Funds
March 31, 2019

	Governmental Activities		Business-type Activities	
	Employee Fringe Benefits	Motor Vehicle	DPW Site	Total
Assets				
Current assets:				
Cash and cash equivalents	$ 456,260	$ 520,984	$ 1,182,867	$ 2,160,111
Investments	100,000	100,000	400,000	600,000
Accounts receivable	2,360	257	-	2,617
Interest receivable	2,761	1,072	9,182	13,015
Prepaids	50,612	390	-	51,002
Total current assets	611,993	622,703	1,592,049	2,826,745
Noncurrent assets:				
Capital assets, not being depreciated	-	20,653	554,395	575,048
Capital assets being depreciated, net	-	1,445,297	40,289	1,485,586
Total noncurrent assets	-	1,465,950	594,684	2,060,634
Total assets	611,993	2,088,653	2,186,733	4,887,379
Liabilities				
Current liabilities:				
Accounts payable	11,071	110,735	102,572	224,378
Accrued liabilities	20,439	6,257	-	26,696
Unearned revenue	1,148	-	-	1,148
Current portion of compensated absences	845	-	-	845
Total current liabilities	33,503	116,992	102,572	253,067
Noncurrent liabilities:				
Compensated absences, net of current portion	137,232	-	-	137,232
Total liabilities	170,735	116,992	102,572	390,299
Net position				
Investment in capital assets	-	1,465,950	594,684	2,060,634
Unrestricted	441,258	505,711	1,489,477	2,436,446
Total net position	$ 441,258	$ 1,971,661	$ 2,084,161	$ 4,497,080

CITY OF CHARLEVOIX, MICHIGAN

Combining Statement of Revenues, Expenses and Change in Fund Net Position
Internal Service Funds
For the Year Ended March 31, 2019

	Governmental Activities		Business-type Activities	
	Employee Fringe Benefits	Motor Vehicle	DPW Site	Total
Operating revenues				
Charges for services	$ 2,525,750	$ 853,855	$ -	$ 3,379,605
Operating expenses				
Personnel services	2,766,064	225,881	-	2,991,945
Contractual services	3,884	70,806	698	75,388
Supplies	-	91,714	-	91,714
Utilities	-	12,046	-	12,046
Repairs and maintenance	-	104,201	-	104,201
Depreciation	-	291,041	3,231	294,272
Miscellaneous	3,900	-	-	3,900
Total operating expenses	2,773,848	795,689	3,929	3,573,466
Operating (loss) income	(248,098)	58,166	(3,929)	(193,861)
Nonoperating revenues				
Interest revenue	2,193	3,605	6,741	12,539
Gain on sale of capital assets	-	10,500	-	10,500
Other revenue	-	40,719	-	40,719
Total nonoperating revenues	2,193	54,824	6,741	63,758
Income (loss) before transfers	(245,905)	112,990	2,812	(130,103)
Transfers				
Transfers in	-	10,000	259,200	269,200
Transfers out	-	(115,860)	-	(115,860)
Total transfers	-	(105,860)	259,200	153,340
Change in net position	(245,905)	7,130	262,012	23,237
Net position, beginning of year	687,163	1,964,531	1,822,149	4,473,843
Net position, end of year	$ 441,258	$ 1,971,661	$ 2,084,161	$ 4,497,080

CITY OF CHARLEVOIX, MICHIGAN

Combining Statement of Cash Flows

Internal Service Funds
For the Year Ended March 31, 2019

	Governmental Activities		Business-type Activities	
	Employee Fringe Benefits	Motor Vehicle	DPW Site	Total
Cash flows from operating activities				
Cash received from interfund services	$ 2,525,700	$ 853,680	$ 81,685	$ 3,461,065
Cash payments to employees	(2,770,250)	(226,301)	-	(2,996,551)
Cash payments to suppliers for goods and services	(8,241)	(194,852)	-	(203,093)
Net cash (used in) provided by operating activities	(252,791)	432,527	81,685	261,421
Cash flows from noncapital financing activities				
Other receipts	-	40,719	-	40,719
Transfers in	-	10,000	259,200	269,200
Transfers out	-	(115,860)	-	(115,860)
Net cash (used in) provided by noncapital financing activities	-	(65,141)	259,200	194,059
Cash flows from capital and related financing activities				
Proceeds from sale of capital assets	-	10,500	-	10,500
Purchase of capital assets	-	(522,943)	(453,706)	(976,649)
Net cash used in capital and related financing activities	-	(512,443)	(453,706)	(966,149)
Cash flows from investing activities				
Interest received	1,055	3,503	6,031	10,589
Net change in cash and cash equivalents	(251,736)	(141,554)	(106,790)	(500,080)
Cash and cash equivalents, beginning of year	707,996	662,538	1,289,657	2,660,191
Cash and cash equivalents, end of year	$ 456,260	$ 520,984	$ 1,182,867	$ 2,160,111

Continued...

Combining Statement of Cash Flows

Internal Service Funds
For the Year Ended March 31, 2019

	Governmental Activities		Business-type Activities	
	Employee Fringe Benefits	Motor Vehicle	DPW Site	Total
Reconciliation of operating (loss) income to net cash (used in) provided by operating activities				
Operating (loss) income	$ (248,098)	$ 58,166	$ (3,929)	$ (193,861)
Adjustments to reconcile operating (loss) income to net cash (used in) provided by operating activities				
Depreciation expense	-	291,041	3,231	294,272
Changes in operating assets and liabilities that provided (used) cash:				
Accounts receivable	182	(175)	-	7
Prepaids	(1,810)	(10)	-	(1,820)
Accounts payable	1,353	83,925	82,383	167,661
Accrued liabilities	(5,784)	(420)	-	(6,204)
Unearned revenue	(232)	-	-	(232)
Accrued compensated absences	1,598	-	-	1,598
Net cash (used in) provided by operating activities	$ (252,791)	$ 432,527	$ 81,685	$ 261,421

Concluded

Balance Sheet and Statement of Net Position

Downtown Development Authority Component Unit
March 31, 2019

	Balance Sheet	Adjustments	Statement of Net Position
Assets			
Cash and cash equivalents	$ 418,675	$ -	$ 418,675
Investments	50,000	-	50,000
Receivables	13,395	-	13,395
Prepaids	455	-	455
Capital assets not being depreciated	-	923,071	923,071
Capital assets being depreciated, net	-	2,308,846	2,308,846
Total assets	$ 482,525	3,231,917	3,714,442
Liabilities			
Accounts payable	$ 34,478	1,568	36,046
Accrued liabilities	1,568	(1,568)	-
Unearned revenue	7,497	-	7,497
Total liabilities	43,543	-	43,543
Fund balance			
Restricted	438,982	(438,982)	-
Total liabilities and fund balance	$ 482,525		
Net position			
Investment in capital assets		3,231,917	3,231,917
Restricted		438,982	438,982
Total net position		$ 3,670,899	$ 3,670,899

CITY OF CHARLEVOIX, MICHIGAN

Statement of Revenues, Expenditures and Change in Fund Balance
and Statement of Activities
Downtown Development Authority Component Unit
For the Year Ended March 31, 2019

	Statement of Revenues, Expenditures and Changes in Fund Balance	Adjustments	Statement of Activities
Revenues			
Property taxes	$ 456,432	$ -	$ 456,432
Rents	79,307	-	79,307
Miscellaneous	38,890	-	38,890
Total revenues	574,629	-	574,629
Expenditures / expenses			
Current:			
Other functions	660,451	148,568	809,019
Change in fund balance / net position	(85,822)	(148,568)	(234,390)
Fund balance / net position, beginning of year	524,804	3,380,485	3,905,289
Fund balance / net position, end of year	$ 438,982	$ 3,231,917	$ 3,670,899

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Rehmann

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Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

September 30, 2019

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, 2019, 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 30, 2019.

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 2019-001 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 2019-002 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.

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Schedule of Findings and Responses

For the Year Ended March 31, 2019

2019-001 – 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 inventory, capital assets, pension, accrued liabilities and the allowance for uncollectible receivables (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 and audit.

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, 2019

2019-002 – 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.

■ ■ ■ ■ ■

CHARLEVOIX CITY COUNCIL

Consent Agenda

TITLE: City Council Meeting Minutes - October 7, 2019
DATE: October 17, 2019

RECOMMENDATION:
Motion to approve City Council minutes.

ATTACHMENTS:

- Draft Council Minutes

CITY OF CHARLEVOIX
REGULAR CITY COUNCIL MEETING MINUTES
Monday, October 7, 2019 – 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, Aaron Hagen, Janet Kalbfell, Tom Oleksy, Leon Perron
Members Absent:	Shane Cole
City Manager:	Mark L. Heydlauff
City Clerk:	Joyce Golding

3. Presentations

4. Inquiry Regarding Conflicts of Interest

5. Consent Agenda

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

A. City Council Meeting Minutes – October 7, 2019
B. Accounts Payable and Payroll Check Registers
   a. Special Accounts Payable Check Register – September 23, 2019
   b. Special Accounts Payable Check Register – September 25, 2019
   c. Regular Accounts Payable Check Register – October 8, 2019
   d. ACH Payments – September 11, 2019 to October 4, 2019
   e. Payroll Check Register – September 20, 2019
   f. Payroll Transmittal – September 20, 2019
   g. Payroll Transmittal Checks (HSA) – October 1, 2019
   h. Payroll Check Register – October 4, 2019
   i. Payroll Transmittal – October 4, 2019
   j. Tax Disbursement – October 8, 2019
C. EMS Checking Account and Signature Cards – approve new EMS checking account with Charlevoix State Bank

CITY OF CHARLEVOIX
RESOLUTION NO. 2019-10-01
RESOLUTION TO OPEN A NEW CHARLEVOIX STATE BANK CHECKING ACCOUNT FOR EMS CREDIT CARD AND EBAY TRANSACTIONS AND DESIGNATE AUTHORIZED SIGNERS

***WHEREAS**, the EMS Department requires a new checking account with Charlevoix State Bank for credit card payments and EBay sales; and*

***WHEREAS**, City Council has approved the Charlevoix State Bank as depository for the City business accounts during the City Council meeting of February 4, 2013; and*

***WHEREAS**, Charlevoix State Bank is required to comply with Michigan P.A. 20 Act; and*

***WHEREAS**, Charlevoix State Bank requires a corporate authorization resolution including appointment of agents allowed to authorize receipts and payments to this bank account.*

***NOW THEREFORE BE IT RESOLVED**, that any and all funds of this new bank account for the City of Charlevoix may be withdrawn with checks, drafts, notices for the payment of money, when signed by any of the following:*

Joyce M. Golding, City Clerk
Alida K. Klooster, City Assistant Treasurer
Kelly A. McGinn, City Treasurer

***RESOLVED** this 7th day of October, 2019 A.D.*

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

DRAFT

Absent: Cole

D. Grand Traverse Band of Ottawa & Chippewa Indians Grant Application – approve Joppa House Ministries for $11,200
E. Substation Maintenance - approve Utilities Instrumentation Services for $22,430

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

6. Public Hearings & Actions Requiring Public Hearings

A. Ordinance 808: Amendment to the Shade Tree Commission

City Manager Heydlauff recalled that Council requested language be drafted to change the number of members on the Shade Tree Commission from three to five. He also recommended changing the commission's name to the Shade Tree and Park Commission reflecting their role in giving guidance about the City's vegetation beyond just trees in the right of way. The Shade Tree Commission reviewed a draft of the ordinance and unanimously endorsed the proposal.

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

Motion by Kalbfell, second by Perron, to set a public hearing on Ordinance 808 of 2019, an ordinance to amend Title III, Chapter 32, Section 32.055 and Section 32.058 of the Charlevoix City Code for Monday, November 18, 2019 at 6pm in the Council Chambers of City Hall. Motion carried by unanimous voice vote.

B. Ordinance 809: Amendment to the Shade Tree Ordinance

City Manager Heydlauff recalled that Council requested that he look into the requirements for trimming trees and the process through which this is accomplished. Chapter 152 of the City Code currently allows the City Manager to issue permits for tree maintenance for abutting property owners for street trees. He drafted a revision to the ordinance that would allow the appropriate department of the City to conduct maintenance activities along public ways and in City public spaces. Property owners seeking other kinds of pruning or cutting would need approval from the Shade Tree Commission for the work to be done. Upon Commission approval, owners would be required to provide funding for the planting of new trees and to pay for work requested.

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

Motion by Hagen, second by Bryan, to set a public hearing on Ordinance 809, an ordinance to amend Title XV, Chapter 152 of the Charlevoix Code related to shade trees for Monday, November 18, 2019 at 6pm in the Council Chambers of City Hall. Motion carried by unanimous voice vote.

C. Ordinance 810: Storm Water Control

City Manager Heydlauff explained that Charlevoix, Boyne City, and East Jordan have long discussed a collaborative storm water control ordinance based on the ordinance already enacted by all Charlevoix County townships. This draft ordinance accomplishes this goal and will lead to stronger standards for the control of storm water runoff but more applicable to the urban atmosphere of a city. Charlevoix County has agreed to enforce this ordinance during the building plan review and inspection process as they do with the existing township ordinance. The three cities have worked jointly on this ordinance along with input and support from the Tip of the Mitt Watershed Council.

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

Motion by Perron, second by Kalbfell, to set a Public Hearing to consider Storm Water Management Ordinance 810 on Monday, November 18, 2019 at 6pm in the Council Chambers of City Hall. Motion carried by unanimous voice vote.

7. All Other Actions & Requests

A. Construction Contract for Public Service Facility

City Manager Heydlauff recalled that in 2016, we retained Northwest Design Group to formulate a preliminary needs assessment for combining the DPW and Electric Departments and in early 2018 we retained OHM Advisors to engineer the plans for the 67,000 square foot facility. The low bid was received from RCL Construction of Sanford, MI at $8,998,400. Staff and OHM Advisors interviewed the team from RCL along with the next low bidder. It is Staff's recommendation, to move forward with the low bid from RCL Construction. City Manager Heydlauff stated that in addition to the contract to construct the building, we have contracts from OHM to perform construction administration and testing of the contractor's work.

City Manager Heydlauff stated that in total, the project will require approximately $10.4 million to complete going forward; we've already paid OHM $533,000 for the design services to this point. Of this $10.4 million, $900,000 has been allocated as contingency for unexpected issues or changes that may come along. We propose to use the $1.5 million cash on hand in the Facility Fund as contingency rather than borrow this money. Additionally, approximately $500,000 is allocated specifically for buildings used by the Electric Department; we propose to pay this directly from the Electric Fund up front along with the costs ($150,000) to temporarily house and move the Electric Department offsite. In total then, we will recommend selling bonds for approximately $8.9 million.

He stated that the City's adviser from RW Baird would be present at the October 17th meeting to walk through the financing decision and how to issue the debt. We will also consider the bond term (whether 20, 25 or 30 years).

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

Motion by Hagen, second by Kalbfell, to authorize Charlevoix Building Authority to execute a Notice of Award with RCL Construction, Inc. of Sanford, MI for an amount not to exceed $8,998,400 plus any change order up to $649,840 as staff and engineers may deem necessary pending the final execution of financing and lease documents by the Charlevoix Building Authority. Motion carried by unanimous voice vote.

Motion by Kalbfell, second by Hagen, to authorize the Charlevoix Building Authority to sign the Construction Administration Services Agreement with OHM Advisors for a fee-for-service basis estimate of $240,000 pending financing and lease agreements with the Charlevoix Building Authority. Motion carried by unanimous voice vote.

Motion by Oleksy, second by Kalbfell, to authorize the Charlevoix Building Authority to sign the Testing and Special Inspection proposal with OHM Advisors for a fee-for-service basis estimate of $146,874 pending financing and lease agreements with the Charlevoix Building Authority. Motion carried by unanimous voice vote.

B. Tree Planting Fall 2019
DPW Superintendent Elliott stated that in the approved 2019/20 budget we have monies allocated for planting street trees within the ROW throughout town. In late September we advertised for sealed bids for this work, and Louis Hoffman was the low bidder for the project; we have used Louis Hoffman in the past with good success. In all, we will be planting approximately 215 trees this fall.

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 Louis A Hoffman tree planting proposal for $56,760 as presented. Motion carried by unanimous voice vote.

C. Disposition of 1991 International Rescue Fire Truck
City Manager Heydlauff stated that given the assessed value of the truck and upon Chief Thorp's recommendation that this vehicle is surplus, he would like authorization to solicit sealed bids and sell the truck as is (minus equipment), with no warranty, to the highest bidder.

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

Motion by Hagen, second by Oleksy, to authorize the City Manager to sell the 1991 International Fire Rescue Truck through a sealed bid process to the highest bidder. Motion carried by unanimous voice vote.

D. Mayoral Appointment to the Recreation Advisory Committee
The Mayor stated that Kate Klinger requested appointment to the Recreation Advisory Committee as junior student member. The term is for one year with no voting rights.

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

Motion by Kalbfell, second by Hagen, to appoint Kate Klinger to the Recreation Advisory Committee as junior student member, term expiring September 2020. Motion carried by unanimous voice vote.

8. Reports & Communications

A. Public Comments

B. City Manager Comments
- Water Treatment Plant Filter Rehab project has begun
- Next Council meeting is October 17th
- Thanked Council for their approval of the Public Service Facility project

C. Mayor & Council Comments
- Oleksy questioned if utility rates would increase due to the new facility
- Perron was looking forward to the nicest city owned building in 2nd Ward
- Mayor announced that the bike reroute on private property is moving forward and would like to discuss further in Other Council Business; Council concurred

9. Other Council Business
Mayor Kurtz discussed the progress of Route 35 north of the City. He requested that Council reaffirm their commitment to the Wheelway.

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Motion by Kalbfell, second by Hagen, that the City is still in support of holding and managing easements for the bike trail from the end of Waller Road to downtown and the route would be through the golf course from the northeast side to the southwest side. Motion carried by unanimous voice vote.

10. Adjourn

The Mayor adjourned the meeting at 6:51 p.m.

Joyce M. Golding	City Clerk	Luther Kurtz	Mayor

Special Accounts Payable – 09/23/2019

AT&T	4,125.49	PRIORITY HEALTH	42,186.75
AT&T MOBILITY	388.24	STANDARD INSURANCE CO	2,648.46
CHARLEVOIX STATE BANK	8,096.43	VERIZON WIRELESS	56.72
CHARTER COMMUNICATIONS	918.99	VISION SERVICE PLAN	554.12
DELTA DENTAL	3,499.13	WEX BANK	806.97
GREAT LAKES ENERGY	208.54	**TOTAL**	**64,756.82**
HOLIDAY COMPANIES	1,191.98		
LOTTIE'S BAGELS	75.00		

Special Accounts Payable – 09/25/2019

AT&T MOBILITY	37.82		
XEROX FINANCIAL SERVICES	293.84	**TOTAL**	**331.66**

Regular Accounts Payable – 10/08/2019

A STARS & STRIPES FLAG COMPANY	594.58	FLOTATION DOCKING SYSTEMS INC.	7,119.00
ACME SPORTS INC	98.95	FOX CHARLEVOIX FORD	145.72
AIRGAS USA LLC	70.51	FREIDINGER, REED	28.00
ALL-PHASE ELECTRIC SUPPLY CO.	295.75	GERBER HOMEMADE SWEETS	96.00
AMERICAN WASTE INC.	46.76	GOLDING, JOYCE M.	221.68
AMERICAN WATER WORKS ASSN	218.00	GRAINGER	74.88
ANDERSON, ELIZABETH A.	50.00	GRAND TRAVERSE DIESEL INC.	331.22
ANZELL, BETH A.	50.00	GRAND TRAVERSE GARAGE DOOR	139.48
AT&T LONG DISTANCE	97.01	GREAT LAKES PIPE & SUPPLY	201.34
AVFUEL CORPORATION	49,839.80	GREENVIEW DATA INC	8,405.00
BAKER COLLEGE OF CADILLAC	17.00	GUNTZVILLER, RHONDA	114.00
BEAVER RESEARCH COMPANY	1,208.70	HANEY, ALLISON	50.00
BEHAN WINDOW CLEANING	315.00	HANKINS, SCOTT A.	50.00
BEIJO DE CHOCOLAT LLC	98.00	HARRELL'S	554.52
BERG, REBECCA	434.00	HEYDLAUFF, MARK L.	172.00
BOB MATHERS FORD	673.75	HYDE SERVICES LLC	73.85
BOSS, ERICA	150.00	INDEPENDENT DRAFTING SERVICES	1,748.00
BOUND TREE MEDICAL LLC	4,450.00	INTERWATER FARMS INC	181.00
BRADFORD'S	39.00	JOHNSON, MELISSA A.	50.00
CDW GOVERNMENT INC.	1,602.81	KEHOE, PETER C.	50.00
CENTRAL DRUG STORE	60.18	KLOOSTER, ALIDA K.	50.00
CHARLEVOIX AREA CHAMBER OF COMM	120.00	KLOOSTER, PATRICK H.	50.00
CHARLEVOIX COMMUNITY SHOPPER	189.00	KNORR, KENT J.	50.00
CHARLEVOIX SCREEN MASTERS INC	360.00	KSS ENTERPRISES	417.64
CHARLEVOIX TOWNSHIP	23.75	KURTZ, LUTHER	410.04
CINTAS CORPORATION	146.22	LAKE FOREST BAKING COMPANY	46.00
CITY OF CHARLEVOIX - UTILITIES	49,171.34	LAMAR COMPANIES	1,500.00
CONWAY PROFESSIONAL SERVICES	14,256.00	LANDSCAPE FORMS INC.	2,800.00
COOK FAMILY FARMS	36.00	LAVENDER, JOSEPH E.	640.93
COUNTY OF CHARLEVOIX	6.00	LITTLE TRAVERSE DISPOSAL LLC	845.00
CURREY FARMS LLC	66.00	LIVINGSTON, BRIAN D.	225.00
DeROSIA, PATRICIA E.	50.00	LOTTIE'S BAGELS	277.00
DERRER OIL & PROPANE CO	212.40	LYNSKEY, JAYNE	275.40
DOAN, GERARD P.	50.00	MACGREGOR PLUMBING & HEATING	342.00
DORAN, JUSTIN J.	50.00	MAFEE, MARY	50.00
DOTSON, LINDSEY J.	50.00	MAYER, SHELLEY L.	50.00
EDGEWATER RESOURCES LLC	8,155.19	McGINN, KELLY A.	50.00
EJ USA INC.	403.78	MCMULLEN, DONALD R.	168.32
ELHORN ENGINEERING COMPANY	1,555.50	MDC CONTRACTING LLC	103.00
ELLIOTT, PATRICK M.	50.00	METAL HEAD WELDING LLC	4,162.53
ELLSWORTH FARMER'S EXCHANGE	851.85	MICHAEL'S LOCKSMITH SERVICE	264.00
EMBROIDME	1,336.60	MICHIGAN ASSOC OF PLANNING	675.00
EMERGENCY MEDICAL PRODUCTS INC	251.30	MICHIGAN ELECTRIC	17,143.00
FARMER WHITE'S	269.00	MICHIGAN MUNICIPAL LEAGUE	4,027.41
FASTENAL COMPANY	47.73	MICHIGAN MUSHROOM MARKET LLC	35.00

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MILLER, WILLIAM S.	50.00	RESOLUTION G2 LLC	13,044.50
MUNICIPAL UNDERWRITERS OF MICH	102,592.00	SCHWARTZFISHER, JOSEPH L.	132.00
MUNSON HEALTHCARE CHX HOSPITAL	790.00	SHARROW MASONRY INC	2,673.00
MY CHARLEVOIX HANDYMAN	1,650.00	SHINDORF BUILDERS	337.00
MY GRANDMOTHER'S TABLE	25,000.00	SIGMA-ALDRICH INC.	72.97
MY TCBD	475.00	SILVA, JESSE L.A.	50.00
NAMOVICH, KATHLEEN	54.00	SPARTAN DISTRIBUTORS INC	467.27
NORTH CENTRAL MICHIGAN COLLEGE	65.00	STATE OF MICHIGAN	208.44
NORTH COAST FASTENERS LLC	30.53	STEPHENS, LYON G.	50.00
NORTHERN CREDIT BUREAU	360.41	SWEM, DONALD L.	50.00
NORTHWEST FIRE	395.00	SYSTEMS SPECIALISTS INC	4,565.00
OHM ADVISORS	6,331.50	TELE-RAD INC	386.84
OMS COMPLIANCE SERVICES INC	52.50	THE DUTCH OVEN	388.00
OPERATION SERVICES	3,344.84	THUNDER BAY TREE SERVICE LLC	32,166.38
OTEC	545.00	TRI-TURF SOILS INC.	1,524.78
OWEN G. DUNN CO, DBA PRINTELECT	284.34	UNIFIRST CORPORATION	939.78
PHYSICIAN'S CLINIC OF CHARLEVOIX	478.00	USA BLUE BOOK	1,345.43
PICTURE THIS	112.70	VALLEY TRUCK - GAYLORD	1,985.00
PLUNKETT & COONEY	600.00	VILLAGE GRAPHICS INC.	1,103.34
POWER LINE SUPPLY	3,120.64	WASHBURNE, BRENDA	44.00
PRO WEB MARKETING LLC	20.00	WORK & PLAY SHOP	981.20
PROVIDENCE FARM LLC	271.00	WURST, RANDALL W.	50.00
PRO-VISION VIDEO SYSTEMS	113.04	WYMAN, MATTHEW A.	50.00
QUICK CARE MEDICAL CENTER	55.00	ZIIBIMIJWANG INC	154.00
QUILL CORP	357.83	**TOTAL**	**407,047.68**
RAVEN HILL DISCOVERY CENTER	150.00		
REHMANN-ROBSON & CO	4,400.00		

ACH Payments – 09/11/2019 to 10/04/2019

PROXIMITY SPACE INC (THE VAULT)	3.23	MI PUBLIC POWER AGENCY	233,606.93
MI PUBLIC POWER AGENCY	38,801.08	MI PUBLIC POWER AGENCY	4,806.85
IRS (PAYROLL TAX DEPOSIT)	42,107.65	IRS (PAYROLL TAX DEPOSIT)	44,019.77
ALERUS FINANCIAL (HCSP)	350.00	ALERUS FINANCIAL (HCSP)	350.00
STATE OF MI (WITHHOLDING TAX)	6,283.22	STATE OF MI (WITHHOLDING TAX)	6,507.26
VANTAGEPOINT (401 ICMA PLAN)	802.64	VANTAGEPOINT (401 ICMA PLAN)	858.02
VANTAGEPOIONT (457 ICMA PLAN)	19,596.75	VANTAGEPOIONT (457 ICMA PLAN)	19,572.09
VANTAGEPOINT (ROTH IRA)	955.76	VANTAGEPOINT (ROTH IRA)	955.76
MERS (DEFINED BENEFIT PLAN)	49,399.83	**TOTAL**	**480,473.57**
MI PUBLIC POWER AGENCY	11,496.73		

Payroll Net Pay – Pay Period Ending 09/14/2019 (Paid 09/20/2019)

HEYDLAUFF, MARK L.	2,557.16	WILSON, TIMOTHY J.	2,623.25
GOLDING, JOYCE M.	1,836.29	LAVOIE, RICHARD L.	2,235.76
DEROSIA, PATRICIA E.	878.93	STEVENS, BRANDON C.	2,842.18
DOTSON, LINDSEY J.	1,388.96	DRAVES, MARTIN J.	2,242.17
KLOOSTER, ALIDA K.	1,735.88	ANDERSON, ELIZABETH A.	1,235.06
GOLOVICH, KAREN J.	1,017.06	KENWABIKISE, DAVID L.	1,116.59
BARNEVELD, RICHELLE L.	1,235.61	ELLIOTT, PATRICK M.	2,332.83
SPENCLEY, PATRICIA L.	63.79	SCHWARTZFISHER, JOSEPH	1,310.57
MILLER, FAITH G.	61.16	BRADLEY, KELLY R.	1,474.65
MCGINN, KELLY A.	2,045.01	HART II, DELBERT W.	1,427.60
LAVENDER, JOSEPH E.	1,693.06	JONES, ROBERT F.	1,464.66
SCHULMAN, BLAKE B.	685.39	FARRELL, MITCHELL L.	1,354.31
DOAN, GERARD P.	2,041.12	THORP JR, WILLIAM D.	1,656.15
SCHLAPPI, JAMES L.	1,330.91	LEITNER, RYAN S.	1,259.95
UMULIS, MATTHEW T.	1,377.50	DORAN, JUSTIN J.	2,064.45
HANKINS, SCOTT A.	1,612.24	MANKER SR, DAVID W.	437.26
ORBAN, BARBARA K.	1,342.53	NEDWICK, DAVID J.	126.98
FLICKEMA, ANDREW M.	1,597.64	FREY, DYLAN V.	211.44
RILEY, DENISE M.	475.28	HART III, DELBERT W.	601.74
MUNK, CHRISTOPHER J.	1,604.39	DOTSON, WILLIAM R.	148.00
MATELSKI, KRISTEN L.	1,302.47	KUNKLE, KENNETH E.	494.85
BINGHAM, LARRY E.	974.69	MUMICH, BARRY J.	454.49
MACGILLIVRAY, ROGER	406.50	CRANDELL, ZACKARY R.	491.13
WURST, RANDALL W.	1,736.99	FERGUSON, ROYCE L.	874.80
MAYER, SHELLEY L.	1,555.11	MUELLER, JASON C.	241.99
HILLING, NICHOLAS A.	1,490.70	ROSENTHAL, GABRIEL M.	859.76
MEIER III, CHARLES A.	1,587.05	KNORR, KENT J.	1,917.26
ZACHARIAS, STEVEN B.	1,633.80	ANZELL, BETH A.	1,011.83
NEWMAN, MARK J.	1,304.32	STEBE, LAURA A.	38.79
SWEM, DONALD L.	1,745.62	MILAN, JANE E.	443.87
EATON, BRAD A.	2,561.31	KLOOSTER, PATRICK H.	1,621.93

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EVANS JR, HALBERT K.	686.93	RILEY, CASEY W.	674.96
TELGENHOF, WILL G.	572.92	JONES, LARRY M.	676.63
WHITE III, MARCUS W.	306.71	FLORE, ROBERT A.	1,180.93
GREYERBIEHL, KELLY M.	608.69	MATZ, EMILY S.	912.86
KIRINOVIC, THOMAS F.	411.43	TRAVERS, MANUEL J.	168.49
SHANAHAN, CHERYL J.	943.45	RILEY, DANIEL A.	308.46
DAVIS, RONALD L.	78.92	WHEELER, MICHAEL W.	1,487.65
MASSON, DONALD J.	462.63	AZZOPARDI, ANTHONY J.	1,393.79
LABLANCE, MAUREEN J.	111.75	DEKORNE, ELIZABETH A.	903.57
LIVINGSTON, BRIAN D.	1,390.93	MCCRANEY, RUSSELL R.	392.41
STANLEY, MARK J.	26.55	PORTMAN, BROOKE A.	348.11
WYMAN, MATTHEW A.	1,714.23	MOYER, NATHAN I.	1,178.36
MILLER, WILLIAM S.	1,106.22	MARIHUGH, ANDREW J.	146.41
DOUGLAS, MARK	1,102.08	GERBER, SAMUEL A.	27.70
PRIOR, ERIN C.	1,210.41	WHITLEY, ANDREW T.	2,146.56
CERTA, BRIAN	607.62	MORRISON, KEVIN P.	1,011.96
SEAVER, WILLIAM F.	342.64	BISHAW, JAMES H.	513.98
MCMULLEN, DONALD R.	4,074.78	KISH, ANASTASIA L.	207.91
SILVA, JESSE L.A.	2,274.90	KLINGER, BRADLEY W.	172.76
WILLSON, BRENDA R.	274.23	GILL, DAVID R.	1,016.16
JOHNSON, MELISSA A.	2,423.58	WATTS, TIMOTHY L.	194.24
STEPHENS, LYON G.	533.05	**TOTAL**	**116,446.17**
STEVENS, JEFFREY W.	622.85		

Payroll Transmittal – 09/20/2019

4FRONT CREDIT UNION	876.84	CHEMICAL BANK	150.00
AMERICAN FAMILY LIFE	148.82	COMMUNICATION WORKERS OF AMER	638.72
AMERICAN FAMILY LIFE	525.04	MI STATE DISBURSEMENT UNIT	533.10
CHAR EM UNITED WAY	90.00	PRIORITY HEALTH	1,403.07
CHARLEVOIX STATE BANK	1,161.00	**TOTAL**	**5,526.59**

Payroll Transmittal (HSA) – 10/01/2019

4FRONT CREDIT UNION	36,820.00	CHEMICAL BANK	2,500.00
CHARLEVOIX STATE BANK	46,750.00	**TOTAL**	**86,070.00**

Payroll Net Pay – Pay Period Ending 09/28/2019 (Paid 10/04/2019)

PERRON, LEON R.	405.91	WILSON, TIMOTHY J.	3,205.83
KURTZ, LUTHER J.	817.30	LAVOIE, RICHARD L.	2,223.84
HAGEN, AARON W.	408.64	STEVENS, BRANDON C.	2,544.13
OLEKSY, THOMAS M.	356.81	DRAVES, MARTIN J.	2,399.95
KALBFELL, JANET P.	374.02	ANDERSON, ELIZABETH A.	1,233.28
BRYAN JR, GREGORY T.	323.76	KENWABIKISE, DAVID L.	1,097.45
HEYDLAUFF, MARK L.	3,008.26	ELLIOTT, PATRICK M.	2,331.90
GOLDING, JOYCE M.	2,260.16	SCHWARTZFISHER, JOSEPH	1,021.34
DEROSIA, PATRICIA E.	904.18	BRADLEY, KELLY R.	1,600.39
DOTSON, LINDSEY J.	1,390.26	HART II, DELBERT W.	1,558.00
KLOOSTER, ALIDA K.	2,100.39	JONES, ROBERT F.	1,185.11
GOLOVICH, KAREN J.	984.97	FARRELL, MITCHELL L.	1,780.62
BARNEVELD, RICHELLE L.	1,201.90	THORP JR, WILLIAM D.	1,491.08
SPENCLEY, PATRICIA L.	62.93	LEITNER, RYAN S.	1,453.51
MILLER, FAITH G.	100.30	FERGUSON, ROYCE L.	1,872.85
MCGINN, KELLY A.	2,449.09	DORAN, JUSTIN J.	2,064.45
LAVENDER, JOSEPH E.	1,692.80	MANKER SR, DAVID W.	574.70
SCHULMAN, BLAKE B.	725.83	NEDWICK, DAVID J.	627.53
DOAN, GERARD P.	2,033.70	FREY, DYLAN V.	498.44
SCHLAPPI, JAMES L.	1,252.21	HART III, DELBERT W.	697.87
UMULIS, MATTHEW T.	1,093.03	DOTSON, WILLIAM R.	296.02
HANKINS, SCOTT A.	1,735.01	KUNKLE, KENNETH E.	549.51
ORBAN, BARBARA K.	1,226.77	MUMICH, BARRY J.	636.27
FLICKEMA, ANDREW M.	1,749.62	CRANDELL, ZACKARY R.	536.24
RILEY, DENISE M.	473.05	MUELLER, JASON C.	398.19
MUNK, CHRISTOPHER J.	1,915.91	ROSENTHAL, GABRIEL M.	1,012.71
MATELSKI, KRISTEN L.	1,296.95	KNORR, KENT J.	1,916.46
BINGHAM, LARRY E.	748.20	ANZELL, BETH A.	961.08
WURST, RANDALL W.	1,684.80	STEBE, LAURA A.	22.16
MAYER, SHELLEY L.	1,799.77	KLOOSTER, PATRICK H.	1,621.93
HILLING, NICHOLAS A.	1,360.96	EVANS JR, HALBERT K.	686.93
MEIER III, CHARLES A.	1,319.25	TELGENHOF, WILL G.	628.57
ZACHARIAS, STEVEN B.	1,285.08	WHITE III, MARCUS W.	298.12
NEWMAN, MARK J.	992.45	GREYERBIEHL, KELLY M.	415.66
SWEM, DONALD L.	1,710.39	KIRINOVIC, THOMAS F.	311.38
EATON, BRAD A.	2,267.32	SHANAHAN, CHERYL J.	303.21

MASSON, DONALD J.	499.25	RILEY, DANIEL A.	46.25
LIVINGSTON, BRIAN D.	1,390.93	WHEELER, MICHAEL W.	1,836.82
STANLEY, MARK J.	58.41	AZZOPARDI, ANTHONY J.	1,960.67
WYMAN, MATTHEW A.	1,707.86	DEKORNE, ELIZABETH A.	482.75
MILLER, WILLIAM S.	1,383.25	MCCRANEY, RUSSELL R.	169.59
DOUGLAS, MARK	1,086.34	PORTMAN, BROOKE A.	948.34
PRIOR, ERIN C.	878.48	MOYER, NATHAN I.	1,371.69
CERTA, BRIAN	353.95	MARIHUGH, ANDREW J.	149.34
SEAVER, WILLIAM F.	323.90	COLE, SHANE	651.07
MCMULLEN, DONALD R.	1,687.59	GERBER, SAMUEL A.	44.32
SILVA, JESSE L.A.	1,997.43	WHITLEY, ANDREW T.	2,244.90
JOHNSON, MELISSA A.	1,832.06	MORRISON, KEVIN P.	1,414.29
STEPHENS, LYON G.	2,244.35	BISHAW, JAMES H.	701.91
STEVENS, JEFFREY W.	937.85	KISH, ANASTASIA L.	43.61
RILEY, CASEY W.	906.17	KLINGER, BRADLEY W.	435.94
JONES, LARRY M.	772.21	GILL, DAVID R.	1,047.84
FLORE, ROBERT A.	652.03	WATTS, TIMOTHY L.	254.88
MATZ, EMILY S.	1,318.45	**TOTAL**	**121,706.72**
LAGASSE, TRACY M.	166.31		
MOYER, DAVID T.	137.00		

Payroll Transmittal – 10/04/2019

CHEMICAL BANK	1,350.00	COMMUNICATION WORKERS OF AMER	638.72
4FRONT CREDIT UNION	932.01	MI STATE DISBURSEMENT UNIT	533.10
AMERICAN FAMILY LIFE	673.86	MONY LIFE INSURANCE CO OF AMERICA	326.65
CHAR EM UNITED WAY	90.00	POLICE OFFICERS LABOR COUNCIL	201.00
CHARLEVOIX STATE BANK	1,247.00	PRIORITY HEALTH	1,428.29
CHEMICAL BANK	175.00	**TOTAL**	**7,595.63**

Tax Disbursement – 10/08/2019

ALBA, BEN	73.45	CHARLEVOIX PUBLIC SCHOOLS	4,588.16
CHARLEVOIX COUNTY TREASURER	136,302.17	CHARLEVOIX PUBLIC SCHOOLS	1,966.06
CHARLEVOIX PUBLIC SCHOOLS	191,290.09	CITY OF CHARLEVOIX - TAXES DUE	159,358.50
CHARLEVOIX PUBLIC SCHOOLS	23,598.34	VANWIEREN, GORDON & MARY	38.89
CHARLEVOIX PUBLIC SCHOOLS	6,554.83	**TOTAL**	**523,770.49**

CHARLEVOIX CITY COUNCIL

Consent Agenda

TITLE: Accounts Payable and Payroll Check Registers
DATE: October 17, 2019

RECOMMENDATION:
Motion to approve the Accounts Payable and Payroll Register as presented.

ATTACHMENTS:

- Accounts Payable and Payroll Check Registers

Pay Period Date	Check Issue Date	Check Number	Payee	Emp ID	Description	Amount
10/12/2019	10/18/2019	128441	4FRONT CREDIT UNION	9024	HSA-EMPLOYEE CONTRIB-4FR	932.01
10/12/2019	10/18/2019	128442	AMERICAN FAMILY LIFE	9011	AMERICAN FAMILY LIFE-POST T	148.82
10/12/2019	10/18/2019	128442	AMERICAN FAMILY LIFE	9011	AMERICAN FAMILY LIFE-PRETA	525.04
10/12/2019	10/18/2019	128443	CHAR EM UNITED WAY	9009	UNITED WAY Pay Period: 10/12/	90.00
10/12/2019	10/18/2019	128444	CHARLEVOIX STATE BAN	9017	HSA - EMPLOYEE CONTRIB - C	1,247.00
10/12/2019	10/18/2019	128445	CHEMICAL BANK	9018	HSA - EMPLOYEE CONTRIB - C	175.00
10/12/2019	10/18/2019	128446	COMMUNICATION WORK	9004	CWA UNION DUES Pay Period:	638.72
10/12/2019	10/18/2019	128447	MI STATE DISBURSEMEN	9012	FRIEND OF THE COURT Pay Pe	533.10
10/12/2019	10/18/2019	128448	MONY LIFE INSURANCE	9008	LIFE - VOLUNTARY Pay Period:	233.30
10/12/2019	10/18/2019	128448	MONY LIFE INSURANCE	9008	SPOUSE LIFE Pay Period: 10/12	39.61
10/12/2019	10/18/2019	128448	MONY LIFE INSURANCE	9008	CHILD LIFE Pay Period: 10/12/2	4.00
10/12/2019	10/18/2019	128448	MONY LIFE INSURANCE	9008	AD&D - VOLUNTARY Pay Period	40.32
10/12/2019	10/18/2019	128448	MONY LIFE INSURANCE	9008	SPOUSE AD&D Pay Period: 10/1	6.83
10/12/2019	10/18/2019	128448	MONY LIFE INSURANCE	9008	CHILD AD&D Pay Period: 10/12/	2.59
10/12/2019	10/18/2019	128449	PRIORITY HEALTH	392358	PRIORITY HEALTH Pay Period:	1,428.29
Grand Totals:		15				6,044.63

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Summary of Check Registers & ACH Payments

HUNTINGTON NATIONAL BANK - CHECKS ISSUED

10/18/19 Payroll Transmittal Checks	$	6,044.63
10/18/19 Payroll (net pay)	$	112,653.61
10/18/19 Regular Accounts Payable	$	174,445.04
Checks Sub-Total:	$	293,143.28

HUNTINGTON NATIONAL BANK - ACH/WIRE PAYMENTS

10/02/19 Proximity Space Inc (The Vault)	$	100.41
10/04/19 Payment Service Network Inc.	$	238.90
10/07/19 MI Public Power Agency	$	10,464.09
10/08/19 State of MI (Sales Tax)	$	21,236.29
10/14/19 MI Public Power Agency	$	17,917.42
10/15/19 DTE Energy	$	2,172.14
10/18/19 IRS (Payroll Tax Deposit)	$	41,078.90
10/18/19 Alerus Financial (HCSP)	$	350.00
10/18/19 State of MI (Withholding Tax)	$	6,134.37
10/18/19 Vantagepoint (401 ICMA Plan)	$	858.02
10/18/19 Vantagepoint (457 ICMA Plan)	$	19,812.71
10/18/19 Vantagepoint (Roth IRA)	$	955.76
10/18/19 MERS (Defined Benefit Plan)	$	51,399.03
ACH Sub-Total:	$	172,718.04

Huntington National Bank Total: $ 465,861.32

CHARLEVOIX STATE BANK - CHECKS ISSUED

(PROPERTY TAX DISBURSEMENT TO VARIOUS TAXING AUTHORITIES)

10/18/19 Tax Disbursement	$	112,800.51
Charlevoix State Bank Total:	$	112,800.51

Grand Total: $ 578,661.83

APPROVED: ______ CITY MANAGER ______ CITY TREASURER ______ CITY CLERK

Pay Period Date	Journal Code	Check Issue Date	Check Number	Payee	Emp ID	Description	Amount
10/12/2019	PC	10/18/2019	29448	HEYDLAUFF, MARK L.	102		2,719.82
10/12/2019	PC	10/18/2019	29449	GOLDING, JOYCE M.	106		1,836.29
10/12/2019	PC	10/18/2019	29450	DEROSIA, PATRICIA E.	107		787.99
10/12/2019	PC	10/18/2019	29451	DOTSON, LINDSEY J.	109		1,390.27
10/12/2019	PC	10/18/2019	29452	KLOOSTER, ALIDA K.	121		1,732.22
10/12/2019	PC	10/18/2019	29453	GOLOVICH, KAREN J.	122		984.97
10/12/2019	PC	10/18/2019	29454	BARNEVELD, RICHELLE	123		1,162.91
10/12/2019	PC	10/18/2019	29455	SPENCLEY, PATRICIA L.	136		62.93
10/12/2019	PC	10/18/2019	29456	MCGINN, KELLY A.	146		2,025.21
10/12/2019	PC	10/18/2019	29457	LAVENDER, JOSEPH E.	153		1,692.80
10/12/2019	PC	10/18/2019	29458	SCHULMAN, BLAKE B.	154		343.58
10/12/2019	PC	10/18/2019	29459	DOAN, GERARD P.	201		2,033.71
10/12/2019	PC	10/18/2019	29460	SCHLAPPI, JAMES L.	204		1,093.90
10/12/2019	PC	10/18/2019	29461	UMULIS, MATTHEW T.	205		1,188.49
10/12/2019	PC	10/18/2019	29462	HANKINS, SCOTT A.	208		1,889.67
10/12/2019	PC	10/18/2019	29463	ORBAN, BARBARA K.	209		1,120.55
10/12/2019	PC	10/18/2019	29464	FLICKEMA, ANDREW M.	211		1,389.03
10/12/2019	PC	10/18/2019	29465	RILEY, DENISE M.	213		470.81
10/12/2019	PC	10/18/2019	29466	MUNK, CHRISTOPHER J.	215		1,473.27
10/12/2019	PC	10/18/2019	29467	MATELSKI, KRISTEN L.	230		1,296.95
10/12/2019	PC	10/18/2019	29468	BINGHAM, LARRY E.	240		66.95
10/12/2019	PC	10/18/2019	29469	WURST, RANDALL W.	411		1,121.15
10/12/2019	PC	10/18/2019	29470	MAYER, SHELLEY L.	412		1,851.72
10/12/2019	PC	10/18/2019	29471	HILLING, NICHOLAS A.	413		1,775.26
10/12/2019	PC	10/18/2019	29472	MEIER III, CHARLES A.	421		1,486.01
10/12/2019	PC	10/18/2019	29473	ZACHARIAS, STEVEN B.	422		1,279.12
10/12/2019	PC	10/18/2019	29474	NEWMAN, MARK J.	424		882.43
10/12/2019	PC	10/18/2019	29475	SWEM, DONALD L.	512		1,710.39
10/12/2019	PC	10/18/2019	29476	EATON, BRAD A.	515		2,730.86
10/12/2019	PC	10/18/2019	29477	WILSON, TIMOTHY J.	516		2,638.46
10/12/2019	PC	10/18/2019	29478	LAVOIE, RICHARD L.	519		2,272.34
10/12/2019	PC	10/18/2019	29479	STEVENS, BRANDON C.	521		2,929.65
10/12/2019	PC	10/18/2019	29480	DRAVES, MARTIN J.	523		2,270.16
10/12/2019	PC	10/18/2019	29481	ANDERSON, ELIZABETH	526		1,233.28
10/12/2019	PC	10/18/2019	29482	KENWABIKISE, DAVID L.	528		1,097.45
10/12/2019	PC	10/18/2019	29483	ELLIOTT, PATRICK M.	600		2,331.90
10/12/2019	PC	10/18/2019	29484	SCHWARTZFISHER, JOS	603		1,338.92
10/12/2019	PC	10/18/2019	29485	BRADLEY, KELLY R.	614		1,501.88
10/12/2019	PC	10/18/2019	29486	HART II, DELBERT W.	616		1,542.86
10/12/2019	PC	10/18/2019	29487	JONES, ROBERT F.	618		1,514.94
10/12/2019	PC	10/18/2019	29488	FARRELL, MITCHELL L.	622		1,354.30
10/12/2019	PC	10/18/2019	29489	THORP JR, WILLIAM D.	623		1,459.10
10/12/2019	PC	10/18/2019	29490	LEITNER, RYAN S.	624		1,541.12
10/12/2019	PC	10/18/2019	29491	FERGUSON, ROYCE L.	625		1,431.87
10/12/2019	PC	10/18/2019	29492	DORAN, JUSTIN J.	634		2,064.45
10/12/2019	PC	10/18/2019	29493	MANKER SR, DAVID W.	639		659.28
10/12/2019	PC	10/18/2019	29494	NEDWICK, DAVID J.	642		500.61
10/12/2019	PC	10/18/2019	29495	FREY, DYLAN V.	643		488.45
10/12/2019	PC	10/18/2019	29496	HART III, DELBERT W.	657		903.95
10/12/2019	PC	10/18/2019	29497	DOTSON, WILLIAM R.	661		268.26
10/12/2019	PC	10/18/2019	29498	KUNKLE, KENNETH E.	665		553.42
10/12/2019	PC	10/18/2019	29499	MUMICH, BARRY J.	671		624.28
10/12/2019	PC	10/18/2019	29500	CRANDELL, ZACKARY R.	691		612.43
10/12/2019	PC	10/18/2019	29501	MUELLER, JASON C.	694		574.19
10/12/2019	PC	10/18/2019	29502	ROSENTHAL, GABRIEL M	698		708.23
10/12/2019	PC	10/18/2019	29503	KNORR, KENT J.	700		1,916.46
10/12/2019	PC	10/18/2019	29504	ANZELL, BETH A.	702		1,287.41

Pay Period Date	Journal Code	Check Issue Date	Check Number	Payee	Emp ID	Description	Amount
10/12/2019	PC	10/18/2019	29505	KLOOSTER, PATRICK H.	743		1,621.93
10/12/2019	PC	10/18/2019	29506	EVANS JR, HALBERT K.	744		686.93
10/12/2019	PC	10/18/2019	29507	TELGENHOF, WILL G.	749		615.72
10/12/2019	PC	10/18/2019	29508	WHITE III, MARCUS W.	754		289.54
10/12/2019	PC	10/18/2019	29509	GREYERBIEHL, KELLY M.	757		430.61
10/12/2019	PC	10/18/2019	29510	KIRINOVIC, THOMAS F.	790		296.94
10/12/2019	PC	10/18/2019	29511	MASSON, DONALD J.	861		540.73
10/12/2019	PC	10/18/2019	29512	LIVINGSTON, BRIAN D.	866		1,390.93
10/12/2019	PC	10/18/2019	29513	STANLEY, MARK J.	867		29.21
10/12/2019	PC	10/18/2019	29514	WYMAN, MATTHEW A.	927		1,669.82
10/12/2019	PC	10/18/2019	29515	MILLER, WILLIAM S.	933		959.37
10/12/2019	PC	10/18/2019	29516	DOUGLAS, MARK	935		925.56
10/12/2019	PC	10/18/2019	29517	PRIOR, ERIN C.	938		1,049.70
10/12/2019	PC	10/18/2019	29518	CERTA, BRIAN	939		512.13
10/12/2019	PC	10/18/2019	29519	SEAVER, WILLIAM F.	940		63.44
10/12/2019	PC	10/18/2019	29520	MCMULLEN, DONALD R.	1000		1,687.59
10/12/2019	PC	10/18/2019	29521	SILVA, JESSE L.A.	1001		1,777.58
10/12/2019	PC	10/18/2019	29522	JOHNSON, MELISSA A.	1004		1,493.95
10/12/2019	PC	10/18/2019	29523	STEPHENS, LYON G.	1005		1,820.33
10/12/2019	PC	10/18/2019	29524	STEVENS, JEFFREY W.	1028		212.76
10/12/2019	PC	10/18/2019	29525	RILEY, CASEY W.	1052		692.47
10/12/2019	PC	10/18/2019	29526	JONES, LARRY M.	1057		488.47
10/12/2019	PC	10/18/2019	29527	FLORE, ROBERT A.	1058		836.59
10/12/2019	PC	10/18/2019	29528	MATZ, EMILY S.	1059		1,390.82
10/12/2019	PC	10/18/2019	29529	LAGASSE, TRACY M.	1060		17.62
10/12/2019	PC	10/18/2019	29530	TRAVERS, MANUEL J.	1071		398.65
10/12/2019	PC	10/18/2019	29531	MOYER, DAVID T.	1073		156.38
10/12/2019	PC	10/18/2019	29532	RILEY, DANIEL A.	1102		46.25
10/12/2019	PC	10/18/2019	29533	WHEELER, MICHAEL W.	1103		1,393.96
10/12/2019	PC	10/18/2019	29534	AZZOPARDI, ANTHONY J.	1108		1,986.50
10/12/2019	PC	10/18/2019	29535	DEKORNE, ELIZABETH A.	1109		1,536.36
10/12/2019	PC	10/18/2019	29536	MCCRANEY, RUSSELL R.	1111		280.82
10/12/2019	PC	10/18/2019	29537	WELLS, JANNINA J.	1117		281.92
10/12/2019	PC	10/18/2019	29538	MOYER, NATHAN I.	1118		1,457.16
10/12/2019	PC	10/18/2019	128434	WHITLEY, ANDREW T.	522		2,165.75
10/12/2019	PC	10/18/2019	128435	MORRISON, KEVIN P.	601		1,309.05
10/12/2019	PC	10/18/2019	128436	BISHAW, JAMES H.	633		748.28
10/12/2019	PC	10/18/2019	128437	KISH, ANASTASIA L.	668		599.46
10/12/2019	PC	10/18/2019	128438	KLINGER, BRADLEY W.	747		216.70
10/12/2019	PC	10/18/2019	128439	GILL, DAVID R.	856		1,128.79
10/12/2019	PC	10/18/2019	128440	WATTS, TIMOTHY L.	868		227.93
Grand Totals:			98				112,653.61

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

Check Number	Payee	Amount
10/18/2019		
128323	ACCUMED GROUP, THE	3,575.92
128324	ACE HARDWARE	2,757.97
128325	AIRGAS USA LLC	68.65
128326	AMERICAN LEGAL PUBLISHING CORP	30.00
128327	AMERICAN WASTE INC.	3,419.16
128328	APX INC.	33.58
128329	AT YOUR SERVICE PLUS INC	1,158.30
128330	AT&T	4,730.04
128331	AUTO VALUE	40.92
128332	AVFUEL CORPORATION	21,781.10
128333	B & L SOUND INC	1,017.93
128334	BERG, REBECCA	119.00
128335	BOUND TREE MEDICAL LLC	634.01
128336	BRADFORD'S	45.50
128337	BRADLEY, KELLY R.	441.21
128338	BRADY'S CARPET CLEANING	3,894.49
128339	BUDDERFLY INC.	137.80
128340	CARQUEST OF CHARLEVOIX	1,300.29
128341	CCI SOUTH LLC	78.75
128342	CCP INDUSTRIES INC	281.69
128343	CDW GOVERNMENT INC.	191.44
128344	CENTER POINT ASSEMBLY	427.00
128345	CENTRAL DRUG STORE	100.90
128346	CHARLEVOIX AREA CHAMBER OF CO	200.00
128347	CHARLEVOIX BRIDGE DROP	2,500.00
128348	CHARLEVOIX SCREEN MASTERS INC	920.00
128349	CHARTER COMMUNICATIONS	994.66
128350	CINTAS	84.09
128351	CINTAS CORPORATION	150.75
128352	COMPASS MINERALS AMERICA	16,064.50
128353	CONWAY PROFESSIONAL SERVICES	4,228.00
128354	COUNTY OF CHARLEVOIX	4.00
128355	DHASELEER, CARL	85.00
128356	DOTSON, LINDSEY J.	1,163.73
128357	ECKSTEIN, BREENNE	21.94
128358	EJ USA INC.	904.93
128359	ELLSWORTH FARMER'S EXCHANGE	738.00
128360	EMERGENCY MEDICAL PRODUCTS IN	293.96
128361	ETNA SUPPLY	8,350.00
128362	FAMILY FARM & HOME	487.07
128363	FEYEN ZYLSTRA LLC	500.00
128364	FISHER SCIENTIFIC	810.39
128365	FREEDOM MAILING SERVICES INC.	2,277.50
128366	GINOP SALES INC	118.25
128367	GRAND TRAVERSE CONSTRUCTION	7,433.05
128368	HACH COMPANY	1,668.43
128369	HARRELL'S	2,640.66
128370	HART II, DELBERT W.	112.00

M = Manual Check, V = Void Check

Check Number	Payee	Amount
128371	HERRIMAN, KRISTEN	50.00
128372	HERZOG ELECTRIC	1,626.29
128373	HYDRO CORP	539.50
128374	JOHN E. GREEN COMPANY	1,339.75
128375	KLOOSTER, ALIDA K.	48.72
128376	KSS ENTERPRISES	741.67
128377	LAMAR COMPANIES	750.00
128378	LASER PRINTER TECHNOLOGIES	499.00
128379	LEGENDS AUTO GLASS	325.00
128380	LOTTIE'S BAGELS	15.00
128381	MACGREGOR PLUMBING & HEATING	80.80
128382	MAILLOUX, SUSIE	8.43
128383	MCCARDEL CULLIGAN-PETOSKEY	50.50
128384	MCMULLEN, DONALD R.	109.31
128385	MDC CONTRACTING LLC	1,890.50
128386	MEADOWBROOK INSURANCE GROU	1,085.93
128387	MI MUNICIPAL TREASURERS ASSOC	150.00
128388	MI-AWWA	340.00
128389	MICHIGAN MUNICIPAL LEAGUE	25.00
128390	MICHIGAN MUNICIPAL LEAGUE	11,918.00
128391	MICHIGAN OFFICEWAYS INC	1,298.55
128392	MUTT MITT	973.22
128393	MY TCBD	1,365.00
128394	NAVIA BENEFIT SOLUTIONS	50.00
128395	NORTHERN MICHIGAN REVIEW INC.	3,651.31
128396	NORTHERN SAFETY CO INC	214.36
128397	NW MI COG	12,375.00
128398	OLESON'S FOOD STORES	154.03
128399	OLSON BZDOK & HOWARD	3,084.50
128400	ONE BEAT CPR	120.00
128401	PARASTAR INC.	524.73
128402	PLUNKETT & COONEY	440.00
128403	POSTMASTER	55.54
128404	POWERPLAN	5,800.00
128405	PRESTON FEATHER	159.84
128406	PROVIDENCE FARM LLC	328.00
128407	PRO-VISION VIDEO SYSTEMS	715.00
128408	PURITY CYLINDER GASES INC	367.72
128409	RANGE TELECOMMUNICATIONS	172.50
128410	SHARROW MASONRY INC	1,128.00
128411	SHINDORF BUILDERS	844.00
128412	SIEGRIST, DAVID	65.00
128413	SIGN & DESIGN	85.00
128414	SITE PLANNING DEVELOPMENT INC	530.42
128415	SNAP-ON	110.50
128416	SOTO, DAVE	33.47
128417	SPARTAN STORES LLC	66.78
128418	STANDARD ELECTRIC CO	900.00
128419	STATE OF MICHIGAN	520.00

M = Manual Check, V = Void Check

Check Number	Payee	Amount
128420	STATE OF MICHIGAN	630.68
128421	STRICKER'S OUTDOOR POWER EQUI	54.65
128422	SUMMIT COMPANIES	285.00
128423	TERMINAL SUPPLY CO	618.62
128424	THUNDER BAY TREE SERVICE LLC	11,068.00
128425	TOP LINE	450.00
128426	TRAVERSE CITY RECORD EAGLE	381.00
128427	UNIFIRST CORPORATION	509.97
128428	USA BLUE BOOK	2,968.98
128429	VIEAU, KENDRA	43.17
128430	VILLAGE GRAPHICS INC.	93.50
128431	WILBERT BURIAL VAULT CO	469.04
128432	WILLIAMSON, ROBERT	75.00
128433	ZIIBIMIJWANG INC	55.00
Total 10/18/2019:		174,445.04
Grand Totals:		174,445.04

M = Manual Check, V = Void Check

Check Number	Payee	Amount
10/02/2019		
100219001	PROXIMITY SPACE INC.	100.41
Total 10/02/2019:		100.41
Grand Totals:		100.41

M = Manual Check, V = Void Check

Check Number	Payee	Amount
10/04/2019		
100419007	PAYMENT SERVICE NETWORK INC.	238.90
Total 10/04/2019:		238.90
Grand Totals:		238.90

Check Number	Payee	Amount
10/07/2019		
100719001	MICHIGAN PUBLIC POWER AGENCY	10,464.09
Total 10/07/2019:		10,464.09
Grand Totals:		10,464.09

M = Manual Check, V = Void Check

Check Number	Payee	Amount
10/08/2019		
100819001	STATE OF MICHIGAN	21,236.29
Total 10/08/2019:		21,236.29
Grand Totals:		21,236.29

Check Number	Payee	Amount
10/14/2019		
101419001	MICHIGAN PUBLIC POWER AGENCY	17,917.42
Total 10/14/2019:		17,917.42
Grand Totals:		17,917.42

M = Manual Check, V = Void Check

Check Number	Payee	Amount
10/15/2019		
101519001	DTE ENERGY	2,172.14
Total 10/15/2019:		2,172.14
Grand Totals:		2,172.14

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Check Issue Date	Check Number	Payee	Amount
101819001			
10/18/2019	10181900	**EFTPS* Payroll Taxes	10,678.18
10/18/2019	10181900	**EFTPS* Payroll Taxes	10,678.18
10/18/2019	10181900	**EFTPS* Payroll Taxes	2,497.30
10/18/2019	10181900	**EFTPS* Payroll Taxes	2,497.30
10/18/2019	10181900	**EFTPS* Payroll Taxes	14,727.94
Total 101819001:	5		41,078.90
101819002			
10/18/2019	10181900	Alerus Financial	350.00
Total 101819002:	1		350.00
101819003			
10/18/2019	10181900	STATE OF MICHIGAN	6,134.37
Total 101819003:	1		6,134.37
101819004			
10/18/2019	10181900	Vantagepoint - 401 Plan 109153	858.02
Total 101819004:	1		858.02
101819005			
10/18/2019	10181900	Vantagepoint - 457 Plan 300959	5,662.92
10/18/2019	10181900	Vantagepoint - 457 Plan 300959	2,009.79
10/18/2019	10181900	Vantagepoint - 457 Plan 300959	4,095.13
10/18/2019	10181900	Vantagepoint - 457 Plan 300959	8,044.87
Total 101819005:	4		19,812.71
101819006			
10/18/2019	10181900	Vantagepoint - Roth IRA 706117	955.76
Total 101819006:	1		955.76
Grand Totals:	13		69,189.76

Check Number	Payee	Amount
10/18/2019		
101819007	MERS	51,399.03
Total 10/18/2019:		51,399.03
Grand Totals:		51,399.03

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Check Number	Payee	Amount
10/18/2019		
3295	CHARLEVOIX COUNTY TREASURER	28,111.59
3296	CHARLEVOIX PUBLIC SCHOOLS	43,810.18
3297	CHARLEVOIX PUBLIC SCHOOLS	4,842.14
3298	CHARLEVOIX PUBLIC SCHOOLS	1,344.89
3299	CHARLEVOIX PUBLIC SCHOOLS	941.36
3300	CHARLEVOIX PUBLIC SCHOOLS	403.35
3301	CITY OF CHARLEVOIX - TAXES DUE	33,184.37
3302	JASURDA, DONALD F.	162.63
Total 10/18/2019:		112,800.51
Grand Totals:		112,800.51

CHECKS DRAWN ON CHARLEVOIX STATE BANK ACCOUNT

M = Manual Check, V = Void Check

CHARLEVOIX CITY COUNCIL

Consent Agenda

TITLE: Purchase HLA Snow Wing for $27,359 (Airport)

DATE: October 17, 2019

BACKGROUND:

The City of Charlevoix Municipal Airport is looking to replace our existing snow pusher box with a much more versatile product called the HLA Snow Wing. Our existing pusher box is a fixed unit that is 18' wide with a rubber blade. The HLA Snow Wing's primary carbide blade is 16' with two 5' wings that have a 180-degree range of motion. The Snow Wing can be used as a pusher box and a 26' (max width) clearing blade that can be angled left or right. Furthermore, with its wings folded back the snow wing can drag snow away from structures, resulting in less potential for hangar damage.

In addition to improving our snow clearing operation on non-critical surfaces, the snow wing would provide the airport with a much needed back up plan for clearing our runway and taxiways in the event our primary plow vehicle goes down. This is especially important when it comes to keeping essential air service to Beaver Island safe and on time.

The HLA Snow Wing is considered an implement for another piece of equipment and therefore would not be eligible for Federal or State funding.

RECOMMENDATION:

Motion to approve the purchase of the HLA Snow Wing for twenty seven thousand three hundred and fifty-nine dollars ($27,359.00)

ATTACHMENTS:

- HLA Snow Wing Quote

GINOP SALES Inc.

"When you think tractors...think Ginop Sales!"

Alanson: (231) 548-2272 | Williamsburg: (231) 267-5400 | Hillman: (989) 742-7500

Kubota | NEW HOLLAND AGRICULTURE | NEW HOLLAND CONSTRUCTION

October 1, 2019

Charlevoix Airport,
Matthew Wyman
231-547-3605
mattw@charlevoixmi.gov

Ginop Sales is pleased to provide the following quote on a HLA 2505 snow pusher:

DESCRIPTION

- 5205 Snow Wing
- 16'-26'
- Flex Edge
- 2 Year Warranty
- 5' Wings
- Removeable Upper Wing Tip
- 180° Rotation
- 35° Angle with Crossover Relief Valve Protection
- Floating End Plate Edge
- Lateral Float
- Nitrate Rods on Angle Cylinders
- Replaceable, Reversible Cutting Edge
- Rotary Actuators - PATENTED
- Skid Shoes
- Spring Trip Cutting Edge
- Tire Protection System - PATENTED
- Double Diverter
- Standard edge with carbide edge doubled up with long wear skid shoes

Retail $31,820.00

Sale price $27,359.00

Thank you for the opportunity, **Brian Siegrist,** P: (231) 548-2272, E: Brian@ginopsales.com

CHARLEVOIX CITY COUNCIL

Consent Agenda

TITLE: Bridge Park Pump Repairs for $16,635

DATE: October 17, 2019

BACKGROUND:

The Bridge Park Lift Station is the main sewage pumping station for our collection system. Several weeks ago, we had a pump fail and had to send it to Kennedy Industries to figure out the problem. They are the only supplier of Flygt brand pumps for Michigan. See the attached quote for $16,635 and a report from Kennedy Industries regarding the reason for the pump failure. The pump needs to be repaired so that we have redundancy in case of another pump failure in the future.

RECOMMENDATION:

Motion to approve the Kennedy Industries quote for $16,635 to repair the Bridge Park List Station pump.

ATTACHMENTS:

- Report
- Quote

October 4, 2019

Mr. Randy Wurst
City of Charlevoix WWTP
15116 Lake Shore Dr
Charlevoix, MI 49720

RE: Flygt 3202.090 Bridgepark Station
Serial Number: 1050038
Customer Reference Order #: N/A
Kennedy Industries #: 101321

Mr. Wurst:

Attached are photos with descriptions of the parts in need of repair or replacement. If you have any questions, please do not hesitate to contact us.

Sincerely,

Mike Horn

Repair Center Manager

KENNEDY INDUSTRIES, INC.

P.O. Box 930079 · 4925 Holtz Dr. · Wixom, MI 48393 · Phone (248) 684-1200 · Fax (248) 684-6011

PUMP

- Pump at disassembly.
- Pump rotates freely by hand.
- Pump passed initial electrical testing.

PUMP

- Outer mechanical seal failure allowed product to contaminate the cooling system.
- No coolant is left in the pump and cooling system is clogged with sewage.
- Mechanical seals, bearings, and O-rings will be replaced with new.

KENNEDY INDUSTRIES | INNOVATE SOLVE MONITOR REPAIR

IMPELLER

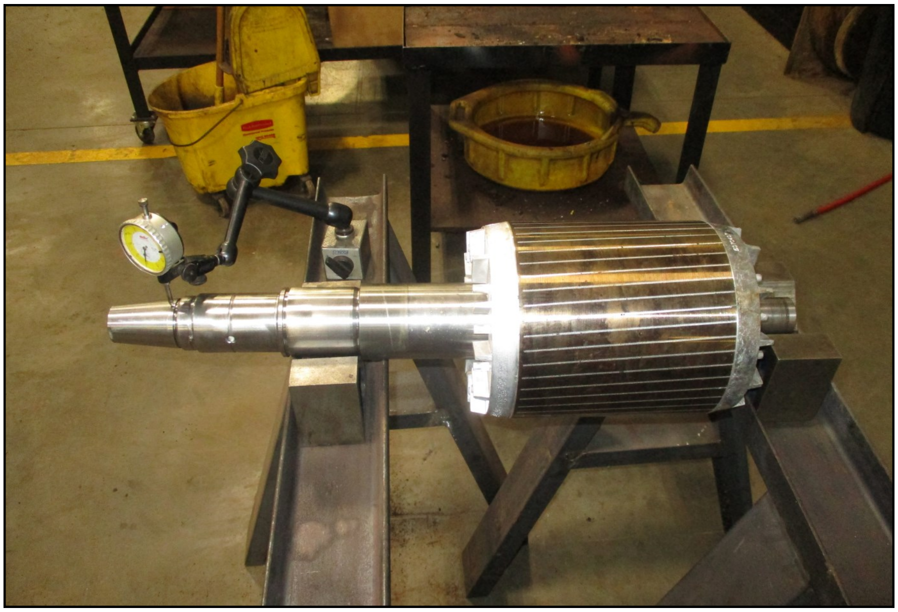
- Impeller is eroded at the discharge vane edge.
- Worn are will be welded and hand blended to restore integrity.

INSERT RING

- Impeller vane face to insert ring clearance was .009-.018 clearance specification is .004 -.020.
- Insert ring will be reused and face clearance will be reset to specification at assembly.

INNOVATE
SOLVE
MONITOR
REPAIR

ROTOR



- Rotor total indicator runout is .0005 and is within specification.
- Rotor is in good condition and will be reused.

STATOR

- Stator was washed and baked to remove contamination.
- After wash and bake stator passed electrical testing.
- Stator will be reused.

INTERNAL COOLING JACKET

- Internal cooling jacket is corroded with holes throughout.
- Internal cooling jacket will be replaced with a new OEM cooling jacket.

FLOW DIFFUSOR

- Flow diffuser is corroded and pitted at O-ring fits.
- Flow diffuser will be replaced with a new OEM flow diffuser.

P.O. Box 930079 · 4925 Holtz Dr. · Wixom, MI 48393 · Phone (248) 684-1200 · Fax (248) 684-6011

KENNEDY INDUSTRIES
INNOVATE
SOLVE
MONITOR
REPAIR

ADAPTER

- Adapter is pitted and eroded at the O-ring fit and mechanical seal fit.
- Adapter will be metal sprayed and machined to restore proper size and finish.

CABLE

- Cable is blistered for the first 6 feet on the pump end.
- Cable was inspected and passed electrical testing.
- Cable will be reused.

KENNEDY INDUSTRIES | INNOVATE SOLVE MONITOR REPAIR | 60TH ANNIVERSARY

QUOTATION		
DATE	NUMBER	PAGE
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BILL TO
ADA200
CITY OF CHARLEVOIX
210 STATE STREET
CHARLEVOIX, MI 49720

Accepted By:____________________

Company:____________________

Date:____________________

PO#:____________________

ATTENTION:
RANDY WURST 231-547-3274 randyw@cityofcharlevoiorg

WE ARE PLEASED TO PROPOSE THE FOLLOWING FOR YOUR CONSIDERATION:

CUSTOMER REF/PO#	JOB TITLE	SLP	SHIPPING TYPE
	BRIDGE PARK, FLYGT, PUMP, 3202.090-1050038, SEWAGE	JSB/CRB	FREIGHT ALLOWED

QTY	DESCRIPTION
	NP462-6 45/460/3 50' FM FLS FV

THE FOLLOWING QUOTE IS FOR THE COST OF LABOR AND MATERIALS TO REPAIR THE ABOVE REFERENCED PUMP.

NEW PARTS REQUIRED:
****
(1) UPPER MECHANICAL SEAL
(1) LOWER MECHANICAL SEAL
(1) UPPER BEARING
(1) LOWER BEARING
(1) O-RING KIT
(1) PROTECTIVE CAP
(1) COOLING JACKET
(1) FLOW DIFFUSER

LABOR REQUIRED:
****
PICK UP AND TRANSPORT TO KENNEDY INDUSTRIES' WIXOM REPAIR FACILITY.

PERFORM ALL ELECTRICAL TESTS AND TEST RUN.

DISASSEMBLE, SANDBLAST, CLEAN AND INSPECT COMPLETE PUMP.

CLEAN, BAKE AND TEST STATOR ASSEMBLY.

DIMENSIONALLY MEASURE ALL OPERATING CLEARANCES AND RECORD ON INSPECTION REPORT.

WELD AND HAND BLEND 2 SPOTS ON IMPELLER VANES.

METAL SPRAY AND MACHINE O-RING FIT AND MECHANICAL SEAL FIT ON ADAPTER HOUSING.

ASSEMBLE ALL ROTATING PARTS ON SHAFT AND PLACE IN BALANCE MACHINE.

VERIFY TOTAL INDICATOR RUN OUTS THEN DYNAMICALLY BALANCE ROTOR TO ISO G2.5.

ASSEMBLE PUMP COMPLETE WITH NEW PARTS LISTED.

PRESSURE TEST SEAL CHAMBER TO ENSURE LEAK FREE.

INSTALL NEW OIL OR COOLANT IN SEAL CHAMBER.

QUOTATION		
DATE	NUMBER	PAGE
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QTY	DESCRIPTION
	PERFORM ALL ELECTRICAL TESTS AND TEST RUN.
	PRESERVE, CRATE AND DELIVER TO YOUR LOCATION.
	TOTAL REPAIR COST: $16,635.00
	DELIVERY: 3 WEEKS (AFTER RECEIPT OF ORDER)

****

PLEASE PROVIDE WRITTEN OR VERBAL AUTHORIZATION SO THAT WE MAY RESPOND TO YOUR REQUIREMENTS.

IF YOU HAVE ANY QUESTIONS, COMMENTS, OR ARE IN NEED OF ANY ADDITIONAL INFORMATION PLEASE FEEL FREE TO CONTACT ME AT (248) 684-1200.

SINCERELY,

MIKE HORN
REPAIR CENTER MANAGER
MHORN@KENNEDYIND.COM

JN/CRB

This quote is subject to and incorporates by reference Kennedy Industries, Inc.'s ("Kennedy") Terms & Conditions (Rev'd 4/2019) and Customer Warranty available at www.kennedyind.com which will be provided by email upon written request. Kennedy reserves the right to change the Terms & Conditions and Customer Warranty for future orders. By accepting this quote and/or issuing a purchase order relative to this quote, buyer expressly agrees to the provisions set forth in the Terms & Conditions and Customer Warranty posted on Kennedy's website.

CREDIT CARD PAYMENTS ARE SUBJECT TO AN ADDITIONAL 3% CHARGE
NO TAXES OF ANY KIND ARE INCLUDED IN THIS PROPOSAL

TOTAL: $16,635.00

CHARLEVOIX CITY COUNCIL

Consent Agenda

TITLE: Revised Employee Handbook, dated October 17, 2019

DATE: October 17, 2019

BACKGROUND:

We are requesting approval of the revised Employee Handbook, dated October 17, 2019. This revision was necessary due to a modification to the Kelly Schedule for the full-time EMS employees.

RECOMMENDATION:

Motion to approve Employee Handbook, dated October 17, 2019.

ATTACHMENTS:

- Employee Handbook - October 17, 2019

City of Charlevoix

Employee Handbook

City of Charlevoix
Charlevoix, Michigan
231-547-3270
www.charlevoixmi.gov
October 17, 2019

Approved by City Council: October 17, 2019

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

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

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

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

TABLE OF CONTENTS

** End Table of Contents **

SECTION 1: GENERAL INFORMATION

1.1 APPLICABILITY AND SCOPE OF COVERAGE

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

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

1.2 PURPOSE OF THE HANDBOOK

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

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

1.3 RESERVATION OF RIGHTS

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

1.4 EXCLUSIVE POLICY STATEMENT

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

1.5 EMPLOYMENT AT-WILL

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

1.6 EQUAL EMPLOYMENT OPPORTUNITY

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

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

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

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

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

1.8 WORKPLACE HARASSMENT

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

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

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

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

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

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

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

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

1.9 RELATIVES/NEPOTISM

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

Definitions:

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

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

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

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

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

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

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

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

SECTION 2: EMPLOYMENT POLICIES

2.1 EMPLOYMENT REFERENCE CHECKS AND BACKGROUND INFORMATION

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

2.2 EMPLOYMENT CLASSIFICATION

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

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

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

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

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

In addition to the above categories, each employee is designated as either EXEMPT or NON-EXEMPT as required by Federal Law. Non-exempt employees are entitled to compensation at time and a half for each hour worked over 40 in a work week. Exempt employees are paid on a salary basis and are not entitled to overtime.

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

2.3 INTRODUCTORY PERIOD & PERFORMANCE EVALUATIONS

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

All employees receive regular performance evaluations.

2.4 ATTENDANCE

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

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

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

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

2.5 ETHICAL CONDUCT

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

2.6 RULES OF CONDUCT

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

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

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

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

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

2.7 SUBSTANCE ABUSE

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

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

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

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

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

2.8 POLITICAL ACTIVITIES

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

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

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

2.9 RESIDENCY

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

2.10 DISSEMINATION OF INFORMATION

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

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

2.11 CONFIDENTIALITY

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

2.12 SOCIAL SECURITY NUMBER PRIVACY

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

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

2.13 PRIVACY POLICY DISPOSAL/SHREDDING OF SENSITIVE DATA

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

Sensitive data includes:

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

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

2.14 KEEPING US INFORMED

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

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

2.15 SECONDARY EMPLOYMENT AND COMMUNITY INVOLVEMENT

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

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

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

2.16 JOB POSTINGS

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

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

2.17 RESIGNATIONS AND TERMINATIONS

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

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

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

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

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

2.18 PERSONAL PROPERTY

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

2.19 RIGHT OF INSPECTION AND SEARCH

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

2.20 USE OF CITY VEHICLES

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

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

2.21 VEHICLE SAFETY

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

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

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

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

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

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

II. RESEARCH
Well-documented research has proven that:

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

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

IV. EXEMPTIONS
A. For Police and Public Works Vehicles

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

B. For All Vehicles

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

C. Additional Diesel Engine Specific Exemptions

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

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

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

2.22 USE OF OTHER CITY PROPERTY

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

2.23 PERSONAL TELEPHONE CALLS & TEXTS

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

2.24 COMPUTERS, EMAIL, AND INTERNET USAGE

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

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

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

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

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

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

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

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

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

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

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

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

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

2.26 SOCIAL MEDIA/NETWORKING

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

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

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

The following additional prohibitions apply:

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

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

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

2.27 SMOKING POLICY

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

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

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

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

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

2.28 WORKPLACE VIOLENCE

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

The City may, in its sole discretion,

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

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

SECTION 3: HOURS AND PAY PROCEDURES

3.1 WORK SCHEDULES

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

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

Police and EMS Personnel – Police and EMS Departments schedules will vary.

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

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

3.1 (a) CITY EMPLOYEES RESPONDING TO EMERGENCIES

City employees who are also Paid-On-Call employees of the Charlevoix EMS Department and the Charlevoix Township Fire Department shall be allowed to respond to emergencies while at work under the following conditions:

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

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

Note: Since EMS crews (unless there is a general call for all EMS personnel, which only happens in the case of a mass casualty incident) are scheduled in advance, this process does not include EMS runs.

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

3.2 TIME RECORDING

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

3.3 COMPENSATION/PAY

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

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

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

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

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

3.4 OVERTIME

Non-exempt employees shall receive time and one-half (1½) at their straight–time rate for all hours worked in excess of forty (40) in one work week. Sick, vacation, personal, and holiday will be counted as hours worked for the purpose of computing overtime payments. For EMS employees working a modified Kelly Schedule, sick, vacation, personal, compensatory leave usage and holiday not worked will not be counted as hours worked for the purpose of computing overtime payments due to scheduled overtime. Unpaid leave shall not count as hours worked.

Exempt employees are paid on a salary basis and are not entitled to overtime. Refer also to Section 3.5 (a) Compensatory Time for Exempt Employees.

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

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

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

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

3.5 COMPENSATORY TIME FOR NONEXEMPT EMPLOYEES

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

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

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

Non-exempt employees may accumulate a maximum of forty (40) hours of earned compensatory time and carry forward a maximum of sixteen (16) hours into the next calendar year. EMS non-exempt employees may accumulate a maximum of sixty (60) hours of earned compensatory time and can carry forward a maximum of 24 hours into the next calendar year. Any unused hours above the maximum will be paid to the employee in the first pay of that next calendar year.

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

3.5 (a) COMPENSATORY TIME FOR EXEMPT EMPLOYEES

In special situations, an exempt employee may earn compensatory time with the prior approval of his/her supervisor.

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

Exceptions include Premium Pay situations and special employment agreements. Exempt employee comp time is earned at the rate of one hour for each hour worked.

Exempt employees may accumulate a maximum of forty (40) hours of earned compensatory time and may carry forward a maximum of sixteen (16) hours into the next calendar year and will not receive payment for unused compensatory time under any circumstances. Special or extenuating circumstances will be addressed on an individual basis and with the approval of the City Manager.

3.6 PREMIUM PAY/ON CALL/PER DIEM PAY FOR EXEMPT EMPLOYEES

Exempt employees may be eligible for additional compensation for performing work in addition to their normal job duties. In certain circumstances, such work may qualify the employee for premium pay defined as financial compensation in addition to the employee's annual salary. Such compensation must be approved in advanced by the City Manager.

When a department is lacking sufficient staffing for proper operations, an exempt employee, with the appropriate qualifications, may be required to fill in for a pre-determined amount of time. In such cases the employee will be paid time and a half (1½) at their base rate of pay for any hours beyond the normal workweek.

There may be situations that require an exempt employee to devote time and/or effort above and beyond the normal course of business. In those situations where such special circumstances exist, an exempt employee may be eligible to receive compensation at a per diem rate. The City Manager will determine eligibility and rate of compensation in advance on a case-by-case basis.

All forms of premium pay will be paid as part of the pay period in which the time or effort were incurred.

SECTION 4: EMPLOYEE BENEFITS

4.1 PAID TIME OFF

4.1 (a) HOLIDAYS

The City recognizes the following nine holidays each year.

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

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

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

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

Whenever a holiday falls on a Saturday, the preceding day will be recognized as a holiday and when a holiday falls on a Sunday, the following day will be recognized as a holiday. However, the holiday will be recognized on the calendar day that it falls for EMS staff who work a modified Kelly Schedule.

4.1 (b) PERSONAL LEAVE

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

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

Full-Time EMS Employees – On a Modified Kelly Schedule	
Hire Date or Date Returned to Work	Number of Personal Hours
January through April	36
May through August	24
September through December	12

4.1 (c) VACATION LEAVE

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

New EMS employees, who work a modified Kelly Schedule, shall be credited with sixty (60) hours of vacation leave upon completion of six months of employment. Once the new EMS employee has completed one full year of employment, they shall be credited with an additional sixty (60) hours of vacation leave.

Upon completion of two full years of employment, the employee will be credited with vacation leave based on the following scale.

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

In consideration of transitioning from a calendar year accrual to an anniversary date accrual, employees will be credited in 2019 as follows:

1. On January 1, 2019, current employees will be credited with vacation hours according to years of employment identified in the scale below. Upon employee's 2019 anniversary date, employee will also receive a prorated credit to make them whole.

   Example: An employee who on December 31, 2018, has reached seven (7) years of employment, will be credited with 152 vacation hours according to the scale below. Credit will occur on January 1, 2019. This employee, who has an April hire date, will also be credited with an additional 41 vacation hours on their April 2019 anniversary date. As a result, this employee would have a total of 193 vacation hours available to use until their April 2020 anniversary date.

2. Employee will follow the scale below on their 2020 anniversary date.

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

Full-Time EMS Employees – On A Modified Kelly Schedule	
Credited Years of Full Time Employment as of Employee's Anniversary Date	Vacation Leave Hours Credited on Employee's Anniversary Date
6 months	60
1	60
2	120
3	180
4	192
5	204
6	216
7	228
8	240
9	252
10	264
11	276
12	288
13	300

3. Vacation leave shall be the employee's regular straight-time hourly rate at the time the vacation leave is taken. An employee who works eight (8) hours a day, five days a week, shall record eight (8) hours of leave time when taking a day off on vacation leave. If the employee works a ten (10) hour day, four (4) day workweek, and takes a day off for vacation, he/she shall record ten (10) hours of vacation leave. EMS employees who work a modified Kelly Schedule shall record twenty-four (24) hours of leave time when taking a day/shift off on vacation leave.

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

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

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

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

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

9. A maximum of eighty (80) hours of vacation leave may be carried forward from one calendar year to the next and any unused hours in excess of eighty (80) are forfeited. EMS employees who work a modified Kelly Schedule may only carry a maximum of 120 hours of vacation leave from one calendar year to the next and any unused hours in excess of 120 are forfeited. Special or extenuating circumstances will be addressed on an individual basis and with the approval of the City Manager.

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

1. Starting January 1, 2019, and each year thereafter, eligible full-time employees are credited with ninety-six (96) hours of sick leave. Full-time EMS employees who work a modified Kelly Schedule are credited with 144 hours of sick leave. Sick leave hours are prorated for new or returning (from leave of absence) employees on the basis of hire or return date identified below.

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

Full-Time EMS Employees – On A Modified Kelly Schedule			
Hire Date or Date Returned to Work	Sick Leave Hours	Hire date or Date Returned to Work	Sick Leave Hours
January - February	144	July – August	72
March - April	120	September- October	48
May – June	96	November - December	24

a) Unused paid sick leave hours may be accumulated from year to year up to a maximum of 248 hours. EMS employees, who work a modified Kelly Schedule, unused paid sick leave hours may be accumulated from year to year up to a maximum of 372 hours

On December 31stof each year, if the number of hours for an individual exceeds 152 hours, then the employee will be paid for those hours in excess of 152 at half (1/2) the employee's current rate of pay. If the number of hours for an EMS employee, who work a modified Kelly Schedule exceeds 228 hours, the employee will be paid for those hours in excess of 228 at half (1/2) the employee's current rate of pay.

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

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

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

e) All sick leave usage requires the submission and approval of a "Request for Absence Report" form.

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

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

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

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

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

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

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

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

NOTE: The 1983 Frozen Bank - Subject to the restrictions specified above for regular sick leave, employees hired before January 1, 1983, have sick leave credits from preceding years in a frozen bank for their use if their annual allotment or accumulation of fifty six (56) hours does not cover an extended illness and their Short Term Disability cannot be used until the fourteenth (14th) calendar day of an illness. Frozen bank hours from 1983 or earlier will be paid to an employee at the hourly rate the employee was earning on January 1, 1983 or the date they became department heads. Upon retirement, an employee with frozen bank hours from 1983 will be paid for half of the hours remaining in the bank at the wage rate the employee was earning on January 1, 1983.

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

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

a) Current year-round, part-time or variable, non-exempt employees, who worked at least 26 weeks with an average of 25 hours a week during their look-back period, will receive 40 hours of sick leave credits on March 29, 2019. The look back period for these employees is the previous calendar year.

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

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

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

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

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

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

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

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

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

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

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

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

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

   (7) For domestic violence and sexual assault situations, employees may use paid medical leave (sick leave) for any of the following:
      (a) Medical care or psychological or other counseling,
      (b) Receiving services from a victim services organization,
      (c) Relocation and obtaining legal services.

(d) Participation in civil or criminal proceedings related to or resulting from the domestic violence or sexual assault

h) Whenever the need to use sick leave under the PMLA is known in advance, employees should complete the Request for Absence Report and submit it to their supervisor for approval.

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

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

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

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

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

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

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

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

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

4. Employees may also use available sick, vacation, personal leave hours to make up the difference between the amount of daily benefit to which he/she is entitled under the Disability Plan and the amount of daily salary he/she would have received in his/her own job classification had he/she worked, but not to exceed the total equivalent of what he/she would have received in daily pay on an eight (8) hour per day basis. Employees may use

frozen sick leave hours, if applicable, once the regular sick leave benefits are exhausted, to supplement the disability plan; however those hours will be paid at the frozen rate of pay.

4.1 (f) CONFERENCES AND TRAINING

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

4.1 (g) LEAVES OF ABSENCE

FUNERAL LEAVE

In the event of a death in the immediate family of an employee, up to 3 working days with pay shall be allowed for personal matters relating to the death. Immediate family shall include: spouse, child, step-child, grandchild, parent, step-parent, sister, sister-in-law, brother, brother-in-law, mother-in-law, father-in-law, grandparents and grandparents-in-law of the employee. Additional personal, sick or vacation leave may be granted from the employee's unused leave banks, not to exceed sixteen (16) hours or twenty-four (24) hours for an EMS employee working a modified Kelly Schedule. Additional hours may be granted without pay when extenuating circumstances warrant same.

JURY DUTY LEAVE

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

MILITARY LEAVE

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

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

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

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

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

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

PARENTAL LEAVE

An employee shall, after the birth of his/her child or adoption of a child, be granted eighty (80) hours of paid parental leave to bond with the child or (120) hours for EMS employees who work a modified Kelly Schedule. This time can be taken in a block of time or intermittently as needed. This grant will expire and must conclude within twelve (12) months after the birth or adoption. In those instances where both spouses are covered by this provision, such leaves may be taken either concurrently or consecutively. Requests for time off must follow the same process as requests for sick, personal and vacation leave.

4.1 (h) REQUESTS FOR TIME OFF

A "Request for Absence Report" form must be completed by the employee when requesting time off (with or without pay).

4.1 (i) LEAVE OF ABSENCES – WITHOUT PAY

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

4.1 (j) MEDICAL COVERAGE DURING LEAVES OF ABSENCE

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

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

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

4.2 BENEFIT PLANS

4.2 (a) RETIREMENT BENEFITS

Defined Benefit Plan

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

Defined Contribution Plan

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

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

4.2 (b) MEDICAL/DENTAL/VISION INSURANCE

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

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

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

4.2 (c) SECTION 125 PLAN AND FLEXIBLE SPENDING ACCOUNT

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

4.2 (d) MEDICAL OPT-OUT REIMBURSEMENT

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

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

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

4.3 HEALTH SAVINGS ACCOUNT (HSA)

The HSA is an employee-owned, IRS-defined, savings account for use on eligible medical expenses. It is used in conjunction with a High Deductible Health Plan (HDHP). This policy applies to all regular full-time employees covered by the City's HSA/HDHP health insurance plan option. Current employees who select the HSA/HDHP option may be offered a City HSA lump sum contribution of $2500.00 for double or family (D & F) coverage and $1350.00 for single (S) coverage. The payment would be effective the date of qualified plan coverage.

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

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

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

4.4 LIFE INSURANCE

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

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

4.5 OTHER INSURANCE

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

4.6 MEMBERSHIPS

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

4.7 EDUCATION/TUITION ASSISTANCE

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

Application must be made to the department head for job-related or otherwise appropriate coursework from an accredited institution of higher education utilizing the approved request form.

Advance approval from the department head is required. Scheduling of classes may also require prior approval of the department head if the class may interfere with a work schedule.

Requests will be considered for approval based on the following:

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

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

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

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

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

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

- If the City provides financial support for an individual employee for an associate, bachelor, or advanced degree, the employee agrees to remain a City employee for two (2), four (4) and five (5) years respectively upon completion of the degree.
- Should the employee leave active employment, or conduct him/herself in a manner that results in termination with the City within two (2), four (4) and five (5) years of completion of the program, as described above, he/she agrees to reimburse the City for all actual costs expended by the City for the program on a pro-rated/percentage of time remaining on the original commitment. (For example, if an employee completes a bachelor's degree and then leaves after two years, the employee is responsible for repaying the City 50% of the funds expended by the City for the education.)

4.8 MISCELLANEOUS EMPLOYEE BENEFITS/DISCOUNTS

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

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

City 10% Employee Discounts* on the following:

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

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

4.9 SOCIAL SECURITY AND MEDICARE

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

4.10 UNEMPLOYMENT AND WORKER COMPENSATION

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

4.11 FAMILY AND MEDICAL LEAVE ACT (FMLA)

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

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

1. Have been employed for at least 12 months in the last seven years (which do not need to be consecutive) by the City; and,
2. Have worked at least 1,250 hours for the City during the twelve months immediately preceding the beginning of requested leave; and
3. Be employed at a worksite where 50 or more employees are located within 75 miles of the worksite.

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

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

1. The birth and newborn care of an employee's child after birth, or placement of a child with the employee for adoption or foster care or
2. To care for an employee's spouse, child or parent (but not in-law) who has a serious health condition; or
3. For the employee's own serious health condition that makes the employee unable to perform one or more of the essential functions of the employee's job; and/or

4. Because of any qualifying exigency arising out of the fact that an employee’s spouse, son, daughter or parent is a covered military member on covered active duty (any deployment of an Armed Service member to a foreign country) or in the National Guard or Reserves who has been notified of an impending call or order to covered active duty status (deployment to a foreign country).
5. To care for the employee’s spouse, son, daughter, parent or next of kin who is a covered service member.

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

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

- To address issues that arise from an impending call or order to active duty 7 or less calendar days before deployment during that 7 day notice period.
- To attend an official ceremony, program or event sponsored by the military that is related to the call to active duty or active duty of the Military Member.
- To attend certain family support or assistance programs and informational briefings related to the call to active duty or active duty of the Military Member.
- To arrange for alternative child care when the call to duty or active duty necessitates a change in existing arrangements.
- To provide child care on an urgent, immediate basis (but not on a routine, regular or everyday basis), when the need arises because of the call to active duty or active duty.
- To enroll in or transfer a child to a new school or day care facility when necessitated by the call to active duty or active duty.
- To attend meetings with team member at a school or day care facility when attendance is necessary due to circumstances arising from the call to active duty or active duty.
- To make or update financial or legal arrangements to address the covered Military Member's absence caused by the call to active duty or active duty.

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

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

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

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

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

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

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

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

A covered service member means a member of the Armed Forces, including a member of the National Guard or Reserves, who is undergoing medical treatment, recuperation, or therapy, is otherwise in outpatient status, or is on the temporary retired list, for a serious injury or illness; and veterans who are undergoing medical treatment for a serious injury or illness sustained in the line of duty and who were members of the armed forces within five years preceding the need for such treatment. A member of the Armed Forces would have a serious injury or illness if he/she has incurred an injury or illness in the line of duty while on active duty in the Armed Forces provided that the injury or illness may render the service member medically unfit to perform duties of the member's office, grade, rank or rating.

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

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

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

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

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

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

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

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

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

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

Notice of Eligibility For and Designation of FMLA Leave

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

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

Employee Obligations

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

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

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

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

When Requesting Intermittent or Reduced Schedule Leave – When requesting intermittent or reduced schedule leave for planned medical treatment for the employee or a family member, including during a period of recovery from a serious health condition or to care for a covered service member, employees must consult with the City and make a reasonable effort to schedule treatment so as not to unduly disrupt the City operations, subject to approval from the health care provider. Employees must consult with the City prior to the scheduling of treatment to work out a treatment schedule that best suits the needs of both the City and the employees, subject to the approval of an employee's health care provider. If employees providing notice of the need to take FMLA leave on an intermittent basis for planned medical treatment neglect to fulfill this obligation, the City may require employees to attempt to make such arrangements, subject to the approval of the employee's health care provider.

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

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

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

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

With the employee's permission, the City (through individuals other than the employee's direct supervisor) may contact the employee's health care provider to authenticate or clarify completed and sufficient medical certifications. If employees choose not to provide the City with authorization allowing it to clarify or authenticate certifications with health care providers, the City may deny FMLA leave if certifications are unclear. In its sole discretion, the City may waive its right to receive timely, complete and/or sufficient FMLA medical certifications.

Initial Medical Certifications – Employees requesting leave because of their own, or a covered relative's serious health condition, or to care for a covered service member, must supply medical certification supporting the need for such leave from their health care provider or, if applicable, the health care provider of the covered family or service member. The certification must state the date when the serious health condition commenced; probable duration of the employee or family member's condition or the estimated period of time during which the employee will be needed to care for the family member; and all appropriate medical facts upon which the opinion is based. Medical certification for employee's serious health condition will be provided using the DOL Certification of Health Care Provider for Employee's Serious Health Condition Form WH-380-E (http://www.dol.gov/). Medical certification for the family member's serious health condition will be provided using the DOL Certification of Health Care Provider for Family Member's Serious Health Condition Form WH-380-F (http://www.dol.gov/).

If the employee has provided 30 day notice of the need for leave, certification should be submitted before the leave begins. A new initial medical certification will be required on an annual basis for serious medical conditions lasting beyond a single leave year.

Certification must be provided within 15 calendar days of the request, unless not feasible under the circumstances. Failure to provide timely certification will result in denial of leave until the certification is provided.

The City may require a second medical opinion by an independent physician of its choice (and, in some cases a third opinion by a mutually agreeable physician) at the City's expense as a condition of the granting of FMLA Leave based on a serious health condition.

Medical Recertification – Depending on the circumstances and duration of FMLA leave, the City may require employees to provide recertification of medical conditions giving rise to the need for leave. The City will notify employees if recertification is required and will give employees at least 15 calendar days to provide medical recertification.

Keeping in contact with the City while on a FMLA Leave is important. Individuals are required to contact the Human Resources at least every 14 days regarding the expected length of the leave and when he/she intends to return to work. The City may require re-certification by the individual's health care provider every 30 days to support continuation of a leave based on a serious health condition.

Certifications for Military Family Leave (Exigency) – When employees seek leave due to qualifying exigencies arising out of the active duty or call to active duty status of a covered military member, the City may require employees to provide: 1) a copy of the covered military member's active duty orders or other documentation issued by the military indicating the covered military member is on active duty or call to active duty status and the dates of the covered military member's active duty service; and 2) a certification from the employee setting forth information concerning the nature of the qualifying exigency for which leave is requested. Employees shall provide a copy of new active duty orders or other documentation issued by the military for leaves arising out of a different active duty or call to active duty status of the same or a different covered military member.

When leave is taken to care for a covered service member with a serious injury or illness, the City may require employees to obtain certifications completed by an authorized health care provider of the covered service member. This certification will be provided using the DOL Certification for Serious Injury or Illness of Covered Service Member Form WH-385 (http://www.dol/gov/). In addition, and in accordance with the FMLA regulations, the City may request that the certification submitted by employees set forth additional information provided by the employee and/or the covered service member confirming entitlement to such leave.

Return to Work/Fitness for Duty Medical Certifications

Certification to return to work - Before returning to work, an individual who has been on FMLA Leave because of the individual's serious health condition must provide a certification from the individual's licensed health care provider that the individual is able to resume work and perform the essential functions of the job, with or without reasonable accommodation. Reinstatement will be denied until the required certification is provided.

Returning to work - Upon completion of FMLA Leave, an employee will be restored to the position held when the leave began, or to an equivalent position with the same or substantially equivalent position with the same or substantially similar benefits, pay and working conditions. Reinstatement to the same position with the same benefits may not be available in such a case where the employee's position or benefits change or have been eliminated during the employee's FMLA Leave.

If an exempt employee is among the highest paid ten percent of the City's employees and within 75 miles of his/her worksite, such an individual may be denied reinstatement if it would impose a substantial economic injury to the City. The City will notify the employee if he/she is a "highly compensated" employee, if the City intends to deny reinstatement, and of one's rights in such instances.

Failure to return to work - An employee who fails to return to work after the expiration of FMLA Leave will be considered a voluntary resignation. The City may recover from the employee the cost of any payments made to maintain the individual's health care coverage during the leave, unless the failure to return to work was due to reasons beyond the employee's control.

General Rules of Leave

Employees may elect to use or the City may require employee to use, any accrued paid time while taking unpaid FMLA Leave. The substitution of paid time for unpaid FMLA leave time does not extend the length of FMLA Leave and the paid time will run concurrently with an employee's FMLA entitlement.

Upon written request where allowed by law, the City will allow employees to use accrued paid time to supplement any paid benefits the employee is receiving while on leave.

Leaves of absence taken in connection with a disability leave plan (e.g. sick and accident) or worker's compensation injury/illness shall run concurrently with any FMLA Leave entitlement.

Vacation and personal time for non-exempt employees will not accrue during the FMLA Leave.

Employees will be subject to immediate termination of employment for:

1. Failure to return to work as scheduled following the end of a medical or family leave;
2. Failure to return to work within the maximum time allowed for a leave;
3. Providing false or misleading information or omitting certain information in connection with a family or medical leave;
4. Working for any other business or entity unless prior approval is given by the City Manager in writing;
5. Failure to provide any periodic updates required by the City; or,
6. Violation of any of the City's rules and regulations relating to a family or medical leave (or any other policy).

Intent to Return to Work From FMLA Leave

On a basis that does not discriminate against employee on FMLA leave, the City may require an employee on FMLA leave to report periodically on the employee's status and intent to return to work.

4.12 COBRA

There is a Federal law called COBRA (Consolidated Omnibus Reconciliation Act) which requires the City to offer employees and/or their dependents the opportunity to continue their own health care and dental care benefits when certain events occur that would terminate participation under the plan. The City does not pay any COBRA costs.

Initial notice of continuation coverage rights under COBRA

For employees covered by one of the City's health care plans (the Plan), this notice contains important information about the employee's right to COBRA continuation coverage, which is a temporary extension of coverage under the Plan. The right to COBRA continuation coverage was created by the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). COBRA continuation coverage can become available to employees and to other members of their family who are covered under the Plan when the employee would otherwise lose their group health coverage. The purpose of this notice is to generally explain COBRA continuation coverage, when it may become available to the employee and their family, and what the employee needs to do to protect the right to receive it. This notice gives only a summary of COBRA continuation coverage rights. For more information about rights and obligations under the Plan and under Federal law, review the Summary Plan Description which can be obtained from the Plan Administrator. The Plan Administrator contact is the City Manager, 210 State Street, Charlevoix, Michigan, 49720, (231) 547-3270. The Plan Administrator is responsible for administering COBRA continuation coverage.

COBRA continuation coverage is a continuation of Plan coverage when coverage would otherwise end because of a life event known as a "qualifying event." Specific qualifying events are listed later in this notice. COBRA continuation coverage must be offered to each person who is a "qualified beneficiary." A qualified beneficiary is someone who will lose coverage under the Plan because of a qualifying event. Depending on the type of qualifying event, employees, spouses of employees, and dependent children of employees may be qualified beneficiaries. Under the Plan, qualified beneficiaries who elect COBRA continuation coverage must pay for COBRA continuation coverage.

An employee will become a qualified beneficiary if the employee will lose his/her coverage under the Plan because either one of the following qualifying events happens:

1. Hours of employment are reduced, or
2. Employment ends for any reason other than gross misconduct.

The spouse of an employee will become a qualified beneficiary if he/she will lose coverage under the Plan because any of the following qualifying events happens:

1. Spouse dies;
2. Spouse's hours of employment are reduced;
3. Spouse's employment ends for any reason other than his/her gross misconduct;
4. Spouse becomes enrolled in Medicare (Part A, Part B, or both); or
5. Divorced or legally separated.

Dependent children will become qualified beneficiaries if they will lose coverage under the Plan because any of the following qualifying events happens:

1. The parent-employee dies;
2. The parent-employee's hours of employment are reduced;
3. The parent-employee's employment ends for any reason other than his/her gross misconduct;
4. The parent-employee becomes enrolled in Medicare (Part A, Part B, or both);
5. The parents become divorced or legally separated; or
6. The child stops being eligible for coverage under the plan as a "dependent child."

The Plan will offer COBRA continuation coverage to qualified beneficiaries only after the Plan Administrator has been notified that a qualifying event has occurred. When the qualifying event is the end of employment or reduction of hours of employment, death of the employee, or enrollment of the employee in Medicare (Part A, Part B, or both), the City must notify the Plan Administrator of the qualifying event within 30 days following the date coverage ends.

For the other qualifying events (divorce or legal separation of the employee and spouse or a dependent child's losing eligibility for coverage as a dependent child), the City must notify the Plan Administrator. The Plan requires the employee to notify the Plan Administrator within 60 days after the qualifying event occurs. Notice must be sent to: City Manager, 210 State Street, Charlevoix, Michigan, 49720, (231) 547-3270.

Once the Plan Administrator receives notice that a qualifying event has occurred, COBRA continuation coverage will be offered to each of the qualified beneficiaries. For each qualified beneficiary who elects COBRA continuation coverage, COBRA continuation coverage will begin on the date that Plan coverage would otherwise have been lost.

COBRA continuation coverage is a temporary continuation of coverage. When the qualifying event is the death of the employee, enrollment of the employee in Medicare (Part A, Part B, or both), divorce or legal separation, or a dependent child losing eligibility as a dependent child, COBRA continuation coverage lasts for up to 36 months.

When the qualifying event is the end of employment or reduction of the employee's hours of employment, COBRA continuation coverage lasts for up to 18 months. There are two ways in which this 18 month period of COBRA continuation coverage can be extended.

1. If the employee or anyone in his/her family covered under the Plan is determined by the Social Security Administration to be disabled at any time during the first 60 days of COBRA continuation coverage and the employee notifies the Plan Administrator in a timely fashion, the employee and his/her entire family can receive an additional 11 months of COBRA continuation coverage, for a total maximum of 29 months. The employee must make sure that the Plan Administrator is notified of the Social Security Administration's determination within 60 days of the date of determination and before the end of the 18 month period of COBRA continuation coverage. This notice should be sent to: City Manager, 210 State Street, Charlevoix, Michigan, 49720, (231) 547-3270*.*
2. If the employee's family experiences another qualifying event while receiving COBRA continuation coverage, the spouse and dependent children in the employee's family can get additional months of COBRA continuation coverage, up to a maximum of 36 months. This extension is available to the spouse and dependent children if the former employee dies, enrolls in Medicare (Part A, Part B, or both), or gets divorced or legally separated. The extension is also available to a dependent child when that child stops being eligible under the Plan as a dependent child. In all of these cases, the employee must make sure that the Plan Administrator is notified of the second qualifying event within 60 days of the second qualifying event. This notice should be sent to: City Manager, 210 State Street, Charlevoix, Michigan, 49720, (231) 547-3270*.*

The employee must keep the Plan Administrator informed of any address changes for the employee and his/her qualified beneficiaries.

Questions about COBRA continuation coverage should be directed to the City Manager, 210 State Street, Charlevoix, Michigan, 49720, (231) 547-3270 or an employee may contact the nearest Office of the U.S. Department of Labor Employee Benefits Security Administration (EBSA), the addresses of which can be found at www.dol.gov.

It is imperative that an employee notify the City immediately of any of the above changes that the City would not already know about, such as divorce or dependent child eligibility. Additional information will be provided at that time with instructions regarding application, payment, and deadlines.

4.13 LONGEVITY

Full-time and *part-time year-round employees shall be paid an annual longevity payment based on length of service with the City of Charlevoix according to the following schedule:

Years of Service As of December 1st	Annual Payment
Five (5)	$200.00
Ten (10)	$300.00
Fifteen (15)	$400.00
Twenty (20)	$500.00
Twenty-Five (25)	$600.00
Thirty (30)	$700.00

This payment will be made on the first pay period following December 1st of each year.

*If employee was at seasonal status and changes to year-round part-time status, the City will use the date employee changed their status to Part-time as the hire date for longevity purposes.

SECTION 5: SAFETY POLICIES

5.1 EQUIPMENT

Employees should operate machinery only when they have been instructed in its safe use. This includes all City vehicles, powered grounds keeping equipment, and power tools. Employees are expected to report all equipment damage, defects and/or problems to their supervisor as soon as possible so that appropriate repairs are made.

5.2 PROTECTIVE DEVICES

Protective devices such as safety glasses, hard hats, and other safety equipment are provided as required to regular employees and must be worn as required.

Proper goggles will be provided and must be worn when grinding, chipping, welding, solvent cleaning, or doing any work where flying particles may cause injury to the eyes. Safety glasses are REQUIRED in the shop (MUST be OSHA approved). If the employee wears prescription glasses, he/she MUST have OSHA approved prescription lenses and side shields, or wear safety glasses over his/her prescription glasses.

Disposable hearing protection is provided upon request and non-disposable types may be available by special request.

Leather shoes which have low heels, rubber heels and soles, or any other common shoe that enclose the feet are required in the shop. However, tennis shoes are not allowed for sheet metal shop personnel. Steel-toed work shoes are encouraged for all sheet metal shop personnel or persons working around any type of power equipment.

Seasonal employees shall be required to wear protective (steel-toed) footwear in any City department that requires the same of regular employees and/or if the seasonal employee is engaged in lawn-mowing, weed whipping, or any other activities which may cause injury to feet. The seasonal employee is responsible for providing their own protective footwear and will be forbidden from performing any task that requires same until appropriately protected. All other required safety equipment for the seasonal employee will be provided by the City.

5.2 (a) PROTECTIVE DEVICE REIMBURSEMENT

The City will reimburse a full-time regular employee for the cost incurred for the “safety lens option” (must provide a doctor receipt specifying the additional cost of the safety lens) if the employee is required to wear safety glasses and the department head has determined “generic” non-prescription glasses are not appropriate.

The City will pay an annual flat amount to full-time regular employees required to wear safety shoes.

5.3 REPORTING ACCIDENTS, INJURIES, AND SAFETY VIOLATIONS

All accidents involving City employees or City vehicles must be reported to the employee's department head and then to the Treasurer, and an Incident Report must be completed on each accident. It is especially important to complete an Incident Report if there is damage to property or any possible indication of liability on the part of the City, its employees, or its agents.

In case of any injury, NO MATTER HOW SLIGHT, the injury must be reported to one’s supervisor or a manager immediately. An employee should not treat one’s own or a co-workers injuries or remove foreign particles from the eye, unless under emergency circumstances. Failure to report injuries promptly may exclude the employee from benefits to which he/she may otherwise be entitled.

The City’s number one priority is to create the safest working environment for all employees. The City is committed to fully investigate any and all claims of safety violations. The City expects all employees to immediately report any safety violation to his/her supervisors. Failure to do so endangers not only the employee but co-workers.

5.4 HAZARDOUS MATERIALS

All pertinent information concerning chemicals used by the City is included in a Material Safety Data Sheet (MSDS) located in a notebook in City Hall and at appropriate City buildings. The City's written Hazard Communication Program is also included in the MSDS notebook.

5.5 SAFETY RULES

It is the policy of the City to provide and maintain safe working conditions, to follow operating practices that will safeguard all employees, and to create safe working conditions and efficient operations.

The City expects all employees to be safety conscious and to assist in finding conditions at work sites and offices that might cause an accident. If the employee notices or suspects unsafe conditions, he/she should notify one’s supervisor or a manager immediately.

1. Horseplay (including throwing of objects or water), and practical joking can result in serious injuries or death and are strictly prohibited and punishable. Yelling, whistling, loud radio playing or any other kind of confusion that could cause a delay in calling for assistance is not allowed.
2. Equipment is to be used only for its intended purpose.
3. Poor housekeeping can be the cause of accidents, wasted material, and wasted time. Maintain clear aisles, stack material neatly and solidly, return tools and equipment to their

proper storage places, and keep floors clean and clear of debris. Stairways and exits must be clear at all times.

4. Report any irregularity in equipment immediately to one's supervisor or a manager. Do NOT operate until inspected and/or repaired.
5. Keep tools and equipment in clean, good condition and ensure that they are properly positioned to avoid slipping.
6. Do NOT use chairs or stools to stand on. Use approved ladders; ensure that they are properly positioned to prevent slipping.
7. When repairing any power equipment the employee must be authorized to work on such equipment and follow proper lockout and blocking procedures.

The Charlevoix City Council met on Monday, June 18, 2018 with Mayor Luther Kurtz presiding. All Councilmembers were present. The following is an excerpt from the official records of said meeting:

Motion by Cole, seconded by Kalbfell, to approve Ordinance No. 793 of 2018, as follows:

CITY OF CHARLEVOIX
ORDINANCE NO. 793 of 2018
AN ORDINANCE TO AMEND THE CODE OF THE CITY OF CHARLEVOIX BY ADDING A NEW CHAPTER, WHICH NEW CHAPTER SHALL BE DESIGNATED AS CHAPTER 10 OF TITLE 1 – ADMINISTRATION OF SAID CODE

THE CITY OF CHARLEVOIX ORDAINS:

SECTION 1. Title I, Chapter 10, Sections 1.801 through 1.806 of the City Code are hereby added as follows:

CHAPTER 10
ETHICAL CONDUCT

1.801. Ethical Conduct.

(1) The citizens of Charlevoix are entitled to have fair, ethical and accountable local government that has earned the public's full confidence for integrity.

(2) Furthermore, the effective functioning of democratic government requires that public officials, both elected and appointed, comply with both the letter and spirit of the laws and policies affecting the operations of government; public officials be independent, impartial and fair in their judgment and actions; public office be used for the public good, not for personal gain; and public deliberations and processes be conducted openly, unless legally confidential, in an atmosphere of respect and civility.

(3) To this end, the Charlevoix City Council adopts this ordinance to assure public confidence in the integrity of local government and its effective and fair operation. Serving in local government is the holding of public trust. This trust should never be undermined.

In all actions, employees, the City Manager, and City Council members will adhere to all local, state and federal laws regulating ethical action. Various professional codes of ethics and other similar documents may be used to supplement determinations of ethical conduct.

1.802. Conflicts of Interest.

(1) Conflicts of interest will naturally occur from time to time and in such cases when they may or do in fact arise, should be presented publicly to diminish the potential of actual or perceived special interests.

(2) *Definitions.* For the purpose of this subchapter, the following definitions shall apply unless the context clearly indicates or requires a different meaning.

(a) "Conflict of interest" may occur when action by the city, either through its employees, its boards, committees, commissions or other such bodies, or the City Council, could be construed as impacting negatively or positively an interest of an employee or Council Member, his or her relatives, business or financial investments, property, or other interests.

(b) "Immediate family" shall mean the spouse, child, parents, brother, sister, half- sister, half-brother or the spouses of any listed relatives. All relationships shall include those arising from adoption and marriage.

(c) "City Council", except where specifically referred to, shall refer to the Mayor and each member of the City Council.

(d) "Boards, Commissions, Committees" shall refer to those boards, committees, commissions, or other bodies created by statute, local ordinance, resolution, local policy and any and all subcommittees those bodies may, from time to time, create.

(3) City Council reporting of conflicts of interest.

(a) If a case may arise when a Council Member or the Mayor has a conflict of interest, he or she shall make known the potential conflict in open session when City Council business might involve such interest. The Council Member or Mayor need not provide detail on the potential conflict so as to injure a client or patient relationship.

(b) In addition to the general rule on conflicts of interest above, the following specific conflicts of interest are specifically prohibited:

(i) *Holding of other offices.* No Council Member shall hold any other city office or employment during the term for which they were elected to the Council except where specifically allowed by the Charter and/or statute.

(ii) *Voting involving a conflict of interest.* No member of the Council shall vote on any question in which he, she or a member of their immediate family as defined in this subchapter, has a financial interest, other than the common public interest, or on any question concerning his or her own conduct. Council Members who may have a financial interest shall state such interest and then refrain from debating, commenting, or otherwise seeking to influence the Council on such question.

(iii) If a member of City Council believes that another member of City Council has a conflict, he or she shall raise such perceived conflict. If the member in question does not concede a conflict, the majority of the remaining Council Members may vote to prohibit that Council Member or the Mayor who may have a conflict from participating in that item of business. The Council shall solely be the judge of its own members and the Mayor.

(4) Board, Committee, Commission Conflicts of interest.

(a) If a case may arise when a member of a board, committee, or commission has a conflict of interest, he or she shall make known the potential conflict in open session when the body might conduct business involving such interest. The member need not provide detail on the potential conflict so as to injure a client or patient relationship.

(b) In addition to the general rule on conflicts of interest above, the following specific conflicts of interest are specifically prohibited:

(i) *Voting involving a conflict of interest.* No member of the body shall vote on any question in which he, she or a member of their immediate family as defined in this subchapter, has a financial interest, other than the common public interest, or on any question concerning his or her own conduct. Members who may have a financial interest shall state such interest and then refrain from debating, commenting, or otherwise seeking to influence the Council on such question.

(ii) If a member believes that another member has a conflict, he or she shall raise such perceived conflict. If the member in question does not concede a conflict, the majority of the remaining body members may vote to prohibit that member who may have a conflict from participating in that item of business.

(5) City Manager reporting of conflicts of interest.

(a) If a case may arise when the City Manager has a conflict of interest, he or she shall make written notification of such conflict to the Mayor and the City Clerk. To the extent possible, the City Manager's involvement in the situation will be minimized to avoid the appearance of impropriety. The City Manager's conduct shall at all times be in accord with the ICMA Code of Ethics.

(b) It shall not be deemed a conflict of interest by the City Manager to enforce or cause to be enforced zoning or ordinance violations in keeping with standard practice. It shall also not be deemed a conflict of interest for action to be taken by the city to improve or otherwise conduct normal public activities in the neighborhood where the City Manager may reside.

(6) *Employee reporting of conflicts of interest.* If a case may arise when an employee of the city or the city's Attorney, Auditor, or other professional contractor may have a conflict of interest, he, she, or the corporation, partnership or entity shall promptly report such conflict or potential conflict to the City Manager. The City Manager shall determine what steps if any may be necessary to avoid the potential for preferential or adverse action because of the conflict.

(7) *Council appearance before other bodies.* City Council shall not appear before or seek to influence members of other Boards, Commissions, or Committees except when they may be appointed to such body, serve as a member by virtue of statute or Charter, or may be invited to address the body by a majority vote of the body.

(8) *General prohibition.* The City Council, board, committee, and commission members, the City Manager, and city employees should not take any special advantage of services, goods or opportunity for personal gain that is not available to the public in general.

1.803. Statutory Prohibitions.

In accord with Public Act 196 of 1973 (being M.C.L.A. §§ 15.342 et seq.) the following shall apply to members of the City Council, the City Manager, and all other employees of the city.

(1) *Confidential information.* The City Council, the City Manager, or an employee shall not divulge to an unauthorized person, confidential information acquired in the course of employment in advance of the time prescribed for its authorized release to the public.

(2) *Personal opinions.* The City Council, the City Manager, or an employee shall not represent his or her personal opinion as that of the city.

(3) *Use of city resources.* The City Council, the City Manager, or an employee shall use city personnel resources, property, and funds judiciously and solely in accordance with prescribed constitutional, statutory, and regulatory procedures and not for personal gain or benefit.

(4) *Acceptance of gifts.* The City Council, the City Manager, or an employee shall not solicit or accept a gift or loan of money, goods, services, or other thing of value for the benefit of a person or organization, other than the state, which tends to influence the manner in which the public officer or employee or another public officer or employee performs official duties.

(5) *Use of office for private gain.* The City Council, the City Manager or an employee shall not engage in a business transaction in which the public officer or employee may profit from his or her official position or authority or benefit financially from confidential information which the person has obtained or may obtain by reason of that position or authority. Instruction which is not done during regularly scheduled working hours except for annual leave or vacation time shall not be considered a business transaction pursuant to this division if the instructor does not have any direct dealing with or influence on the employing or contracting facility associated with his or her course of employment with this state.

(6) *Outside employment.* The City Council, the City Manager, or an employee shall not engage in or accept employment or render services for a private or public interest when that employment or service is incompatible or in conflict with

the discharge of the officer or employee's official duties or when that employment may tend to impair his or her independence of judgment or action in the performance of official duties.

(7) *Negotiation for private gain.* Except in cases of an employment agreement or contract, the City Council, the City Manager, or an employee shall not participate in the negotiation or execution of contracts, making of loans, granting of subsidies, fixing of rates, issuance of permits or certificates, or other regulation or supervision relating to a business entity in which the person has a financial or personal interest.

1.804. Non-Discrimination.

The city will not discriminate against any person in the provision of public service or employment on the basis of gender, race, creed, age, sexual orientation, language proficiency, income level, or any other legally protected classification. Such non-discrimination provisions may be limited by state or federal law.

1.805. Promulgation.

(1) The City Manager is authorized to draft policies, procedures, and other documents necessary to enforce provisions of this subchapter. To the extent deemed necessary, statements from this subchapter may be appended to contracts with outside vendors and contractors. The City Manager may also revise the city's Personnel Policy as needed to reflect this subchapter.

(2) Upon approval of this ordinance and upon assuming office, the Mayor, Council Members, board, committee, and commission members, the City Manager and employees the City Manager may designate from time to time shall affirm their commitment to ethical conduct and this ordinance by signing the form below:

As a _____ of the City of Charlevoix, I agree to uphold the Ethical Conduct Ordinance of the City of Charlevoix and conduct myself by the following model of excellence. I will:

- *Recognize the worth of all individuals and appreciate their individual talents, perspectives, and contributions;*
- *Help create an atmosphere of respect and civility where individual members, City staff, and the public are free to express their ideas and work to their full potential;*
- *Respect the dignity and privacy of individuals and organizations;*
- *Respect and maintain the nature of confidential and privileged information and opinions acquired as a result of my position;*
- *Conduct my public affairs with honesty, integrity, fairness and respect for others;*
- *Avoid and discourage conduct that is divisive or harmful to the best interests of Charlevoix; and*
- *Keep the common good as my highest purpose and focus on achieving constructive solutions for the public benefit.*

I affirm that I have read and fully understand the Code of Ethics for the City of Charlevoix.

______________________ __________
Signed *Dated*

1.806. Penalty.

(1) *Violations by Council members and board, commission, and committee members.* Violation of any provision of by a member of the City Council or a board, commission, committee may be punishable by action of the City Council to censure, reprimand, or otherwise discipline its own members or those of a board. Additionally, violations may also be felonies or misdemeanors under state or federal law.

(2) *Violations by employees.* Violation of any provision may subject an employee to punishment up to and including termination. In addition to employment disciplinary action, the city may seek remedy in a court of competent jurisdiction for damages.

SECTION 2. Severability.

No other portion, paragraph or phase of the Code of the City of Charlevoix, Michigan shall be affected by this Ordinance except as to the above sections, and in the event any portion, section or subsection of this Ordinance shall be held invalid for any reason, such invalidation shall not be construed to affect the validity of any other part or portion of this Ordinance or of the Code of the City of Charlevoix, Michigan.

SECTION 3. Effective Date.

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

Ordinance No. 793 of 2018 was adopted on the 18th day of June, 2018 A.D., by the Charlevoix City Council as follows:

Motion by: Cole
Seconded by: Kalbfell

Yeas: Kalbfell, Bryan, Hagen, Perron, Oleksy, Cole
Nays: None
Absent: None

State of Michigan } §
City of Charlevoix

Luther Kurtz, Mayor
Joyce M. Golding, Clerk

CERTIFICATION

I, the undersigned, City Clerk of the City of Charlevoix, Charlevoix County, Michigan, do hereby certify that the foregoing is a true and complete copy of Ordinance No. 793 of 2018 adopted by the City Council of the City of Charlevoix, County of Charlevoix, State of Michigan, at a regular meeting held on June 18, 2018 and published in the *Charlevoix Courier* on June 22, 2018, the original of which is on file in my office and available to the public. Public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267 of the Michigan Public Acts of 1976.

Dated: June 22, 2018

Joyce M. Golding
Joyce M. Golding, City Clerk

Motion by Councilmember Bob Timms, seconded by Councilmember Sherm Chamberlain to approve 2006-03-01 as follows:

CITY OF CHARLEVOIX
RESOLUTION No. 2006-03-01
RESOLUTION ESTABLISHING
SOCIAL SECURITY NUMBER PRIVACY POLICY

At a regular meeting of the Charlevoix City Council held in the Charlevoix City Hall located at 210 State Street, Michigan, on March 6, 2006.

PRESENT: Council members Gabe Campbell, Sherm Chamberlain, Shirley Gibson, Bill Haggard, Bob Timms, and Gene Beer
ABSENT: None

Recitals

WHEREAS, the Michigan Social Security Number Privacy Act, Public Act 454 of 2004, MCL 445.81 *et seq.,* (the "Act") requires a person who obtains one or more social security numbers in the ordinary course of business (including a local unit of government) to create a privacy policy concerning social security numbers that complies with the requirements of the Act; and

WHEREAS, the Charlevoix City Council desires to comply with the Act and hereby creates the following Social Security Number Privacy Policy.

Resolution

NOW, THEREFORE, BE IT RESOLVED that the Charlevoix City Council hereby establishes the following Social Security Number Privacy Policy for the City:

1. Purpose:

The City of Charlevoix (the "City") is required by the Michigan Social Security Number Privacy Act, Public Act 454 of 2004, MCL 445.81 *et seq.,* (the "Act") to create a privacy policy concerning the social security numbers that it possesses or obtains. This Privacy Policy, therefore, sets forth the City's policies and procedures regarding how social security numbers are obtained, stored, transferred, used, disclosed and disposed.

2. Policy:

It is the policy of the City to protect the confidentiality of social security numbers obtained in the ordinary course of city business from employees, vendors, contractors, customers or others. No city official or employee shall knowingly obtain, store, transfer, use, disclose, or dispose of a social security number that the City obtains or possesses, except in accordance with the Act and this Privacy Policy.

3. Procedure:

A. Obtaining Social Security Numbers. Social security numbers should be collected only where required by Federal and state law or as otherwise permitted by Federal and state law for legitimate reasons consistent with the Act and this Privacy Policy. When the City obtains a social security number, the individual from whom the social security is obtained shall be entitled to know the purpose, intended use, whether the number is required to be provided by law, and the consequences of not providing the number.

Legitimate reasons for collecting a social security number include, but are not limited to:

- Applicants may be required to provide a social security number for purposes of a pre-employment background check.
- Copies of social security cards may be obtained for purposes of verifying employee eligibility for employment in accordance with the Immigration Reform and Control Act.
- Social security numbers may be obtained from employees for tax reporting purposes (i.e., IRS Form W-4), for new hire reporting or for purposes of enrollment in any City employee benefit plans.
- Social security numbers may be obtained from creditors or vendors for tax reporting purposes (i.e., IRS Form 1089).

- Social security numbers may be obtained to verify an individual's identity related to accounts, transactions and services with the City.

- Social security numbers may be obtained to investigate an individual's claim, credit, criminal, or driving history.

- Social security numbers may be obtained to detect, prevent, or deter identity theft or another crime.

- Social security numbers may be obtained to lawfully investigate, collect, or enforce a child or spousal support obligation or tax liability.

B. Public Display. All or more than four sequential digits of a social security number shall not be publically displayed and shall not be placed on identification cards, badges, time cards, employee rosters, bulletin boards, permits, licenses or any other materials or documents designed for public display. Documents, materials or computer screens that display all or more than four sequential digits of a social security number shall be kept out of public view at all times.

C. Account Numbers. Except as permitted by the Act, all or more than four sequential digits of a social security number shall not be used as a primary account number for an individual.

D. Computer Transmission. All or more than four sequential digits of a social security number shall not be used or transmitted on the Internet or on a computer system or network and shall not be used to gain access to a computer system or network, unless the connection is secure or the transmission is encrypted.

E. Mailed Documents. City documents containing all or more than four sequential digits of a social security number shall not be intentionally mailed to a person, unless one of the following exceptions apply. In addition, any document or information mailed or otherwise sent to an individual shall not have all or more than four sequential digits of a social security number visible on or, without manipulation, from outside of the envelope or packaging.

(i) State or Federal law, rule, regulation, or court order or rule authorizes, permits, or requires that a social security number appear on the document.

(ii) The document is sent as part of an application or enrollment process initiated by the individual.

(iii) The document is sent to establish, confirm the status of, service, amend, or terminate an account, contract, policy, or employee or health insurance benefit or to confirm the accuracy of a social security number of an individual who has an account, contract, policy, or employee or health insurance benefit.

(iv) The document or information is a public record and is mailed by the City in compliance with the Michigan Freedom of Information Act.

(v) The document or information is a copy of a vital record as provided by law and is mailed to a person entitled to receive that record.

(vi) The documentation or information is mailed by or at the request of an individual whose social security number appears in the document or information or his or her parent or legal guardian.

(vii) State or Federal law authorizes, permits or otherwise requires the mailing of the document containing all or more than four sequential digits of the social security number.

F. Freedom of Information Act. Where all or more than four sequential digits of a social security number are contained within a document subject to disclosure under the Freedom of Information Act, the social security number shall be redacted or otherwise rendered unreadable before the document or copy of a document is disclosed.

G. Storage. All documents containing social security numbers shall be stored in a physically secure manner. Social security numbers shall not be stored on computers or other electronic devices that are not secured against unauthorized access.

H. Retention and Access to Social Security Numbers.

(i) All records containing social security numbers (whether partial or complete) will be maintained in secured files.

(ii) All paper records containing social security numbers must be stamped "Confidential," "Controlled Document," or some similar identifying mark.

(iii) Only personnel who have a legitimate business reason will have access to records containing social security numbers. The department heads having access to records containing social security numbers shall determine which other personnel within their departments have a legitimate reason in the City's ordinary course of business to have access to such social security numbers.

(a) Employees whose jobs entail regular access to records containing social security numbers shall be trained in the requirements of the Act and this Privacy Policy.

(b) Where a record containing a social security number is to be disseminated to persons outside of the City of Charlevoix, to persons within the City of Charlevoix who are not authorized or trained in the Act and this Privacy Policy, or where the social security number is not relevant to the purpose for which the record is being shared, the social security number shall be redacted or otherwise rendered unreadable.

(iv) Employees using records containing social security numbers will take appropriate steps to secure such records when not in immediate use. Such steps may include:

(a) Placing such records in a locked desk or file drawer when not in use.

(b) Using password protection or screen-savers on computers and computerized records to prevent unauthorized access to or viewing of such records by others.

(v) Inactive records containing social security numbers will be retained in accordance with the requirements of state and Federal laws and then destroyed in a manner that continues to ensure this confidentiality. For purposes of this Privacy Policy, "inactive records" are those where there is no longer a current employee, supplier or customer relationship.

I. Disposal. Documents containing social security numbers shall be retained in accordance with the requirements of state and Federal laws. At such time as documents containing social security numbers are disposed of, such disposal shall be accomplished in a manner that protects the confidentiality of the social security numbers, such as shredding.

J. Unauthorized Use or Disclosure of Social Security Numbers. The City shall take reasonable measures to enforce this Privacy Policy and to correct and prevent the reoccurrence of any known violations. Any employee, who knowingly obtains, uses or discloses social security numbers for unlawful purposes or contrary to the requirements of this Privacy Policy shall be subject to discipline up to and including discharge. Additionally, certain violations of the Act carry criminal and/or civil sanctions. The City will cooperate with appropriate law enforcement or administrative agencies in the apprehension and prosecution of any person who knowingly obtains, uses or discloses social security numbers through the City for unlawful purposes.

4. Exceptions to Privacy Policy:

A. Authorized Use of Social Security Numbers. This Privacy Policy shall not apply to the use of all or more than four sequential digits of a social security number that is authorized or required by state or Federal law, by court order or rule, or pursuant to legal discovery or process.

B. Agencies Authorized to Use Social Security Numbers. This Privacy Policy shall not apply to the use of all or more than four sequential digits of a social security number by officers of the Charlevoix City Police and the City Attorney as part of a criminal investigation.

C. Authorized Disclosure of Social Security Numbers. This Privacy Policy shall not apply to the disclosure of all or more than four sequential digits of a social security number to a title IV-D agency, law enforcement agency, court, or prosecutor as part of a criminal investigation or prosecution.

RESOLVED this 6th day of March, 2006.

Resolution adopted by the following yea and nay votes:
Yeas: Campbell, Chamberlain, Gibson, Haggard, Timms, and Beer
Nays: None
Absent: None

RESOLUTION DECLARED ADOPTED.

CITY OF CHARLEVOIX

By: ______________________________
Norman Carlson, Jr., Mayor

CERTIFICATION
I, the undersigned, the Clerk of the City of Charlevoix, Charlevoix County, Michigan, do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Council of the City of Charlevoix, County of Charlevoix, State of Michigan, at its regular meeting held on March 6th, 2006, the original of which is on file in my office and available to the public. Public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267 of the Michigan Public Acts of 1976.

Dated: 07/03/06

____
Carol A. Ochs, Clerk

CHARLEVOIX CITY COUNCIL

Consent Agenda

TITLE: Assistant Club House Manager Job Description

DATE: October 17, 2019

BACKGROUND:

We are requesting approval of the newly created Assistant Club House Manager job description, dated October 17, 2019. This position will assist the Club House Manager with a variety of responsibilities. This position can also be an internship or educational co-op position.

RECOMMENDATION:

Motion to approve the Assistant Club House Manager job description dated October 17, 2019.

ATTACHMENTS:

- Assistant Club House Manager Job Description

CITY OF CHARLEVOIX

Title:	Assistant Club House Manager	**FLSA:**	Exempt
		STATUS:	Seasonal
Department:	Golf		
Reports To:	Recreation Director		
Date:	October 17, 2019		

Position Purpose and Objectives

Assist Club House Manager, with the management of the City of Charlevoix Golf Club and Club House facilities, training and managing employees, developing a comprehensive marketing plan and developing and conducting tournaments, clinics, and various golf events. This position can also be either an internship or educational co-op position.

Essential Job Functions

- Manage golf shop as a profit center.
    - Assist in inventory control: Ordering, receiving, pricing procedures, display and sales
    - Reporting: Daily activity records, revenue & expense reports, daily tee sheets
    - Directly responsible for maintaining records and relationship with both GAM (Golf Association of Michigan) and USGA membership
- Marketing, Event Planning & Tournament Operations:
    - Assist in Tournament operations including planning, promotion, course setup, scoring, prize distribution & follow up.
    - Assist in increasing Membership through membership drive & specific Membership Loyalty programs
    - Assist with Junior Golf events & programs
    - Assist in the development & operations of weekly league play
    - Conduct individual lessons & group clinics
- Leadership Management:
    - Assist with staff management, work schedules, record keeping, opening & closing procedures
    - Assist in budget review, planning, & adherence
    - Facility Management – insure both inside & outside Club House is maintained and clean
    - Enforce all City of Charlevoix Golf Course policies
    - Conduct a professional manner & maintain a professional image at all times

Knowledge, Skills and Abilities Required

- Fundamental knowledge of the game of golf, rules of golf, golf facility operations and tournament operations
- Act as a role model for all employees by demonstrating the behavior and work ethic expected of all employees
- Passion for Service and Customer focus

- Self-motivated with desire to promote and market the Golf Course
- Actively pursuing and/or maintaining PGA membership in good standing
- Strong Oral & Written communication skills
- Experienced computer user: Microsoft Office, Social Media, etc.

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 Approval: Pending

CHARLEVOIX CITY COUNCIL

All Other Actions and Requests

TITLE: Refuse Collection Bid

DATE: October 17, 2019

PRESENTED BY: Patrick M. Elliott, Public Works Superintendent

BACKGROUND:

The current contract that we have with American Waste expires at the end of October. This contract covers all of the waste pick up from the different departments, dumpster delivery for special events, and the first and third Monday pick up of curbside refuse.

In early October we advertised for sealed bids for this service, and on October 10, 2019 we opened one bid from American Waste. See attached bid tab and summary. Currently their cost per cubic yard for department dumpsters is $3.60, the proposed rate is $10.00 per cubic yard. The delivery and disposal of the waste from special event dumpsters was not an item that had been bid in previous years, but is included in this bid.

Perhaps of most importance to note is that American Waste declined to bid the first and third Monday refuse pick up item. The current cost per month for that service is $1,595 or $19,140 per year. Since there were no other bids for this service, we do not have an option for curbside large-item pick up after November 1. These services, along with some special event refuse and all of our yard waste, leaf collection, brush pick-up are funded with a 1 mill tax. Pursuant to MCL 123.261, Council is able to levy up to 3 mills for garbage and garbage disposal facilities. We can continue to discuss these services but this could be an opportunity during the budget process to reevaluate this portfolio of service and the cost of the service.

RECOMMENDATION:

Motion to accept the bid from American Waste and enter into a contract with them for City waste disposal and special event costs.

ATTACHMENTS:

- American Waste Bid 2019

CITY OF CHARLEVOIX

Refuse Pickup

Bid Opening at City Hall
October 10, 2019 – 2:00pm

Bidder Name	Comments
American Waste	No bid for curbside (see attached price schedule for remaining items)

BID AND SUMMARY OF REQUIREMENTS FORM

To: The City of Charlevoix, Charlevoix, Michigan

Proposals must be delivered before 2:00 pm, October 10, 2019.

The successful bidder will provide refuse and bulk collection on the 1st and 3rd Monday of the month, except holidays when pick-up will be Tuesday. The bidder will be required to:

1. **1st and 3rd Mondays;** Collect up to two (2) cubic yards of refuse and bulk from each residential units' curbside, provided items are placed neat and orderly and packaged, whenever possible. ALL FREON MUST BE REMOVED BY THE RESIDENT FROM ANY REFRIGERANT UNIT.

JH * $ N/A monthly rate for 2 pick-ups a month *Please see attached alternative option.
JH * $ N/A monthly rate for 1 pick up a month if City opts to change schedule

2. $ 10.00 Per yd. Per cu. yd. rate per dump for various size dumpsters at various City facilities. Locations to be Street Department, Electric Department, Sewer Treatment Plant, Golf Course and McSauba Ski Hill.

4. The following are to be considered incidental to this Contract:

   A. City Hall garbage pickup, schedule to be determined.

   B. Contractor to provide 4-6 cubic yard temporary dumpsters and 20 * See back page cubic yard temporary dumpsters at locations determined by City for miscellaneous events. Placing, time, and dumping to be determined by City. Waste will be compactable.

Event/Temp Cans

$100.00 Delivery charge per dumpster

$30.00 Cubic yard charge per dumpster

$100.00 Removal charge per dumpster

JH 20-yd Roll-off #585.00. This includes delivery, disposal, and removal at level full.

PROPOSAL SUBMITTED BY:

American Waste
Company Name

Jill Harris, Jill Harris
Company Representative (signature)

Date 10-8-19

THIS PROPOSAL SHALL BECOME A CONTRACT WHEN SIGNED BY THE CITY OF CHARLEVOIX.

Jill H
Bidder (signature)

10-8-19
Date

CITY OF CHARLEVOIX

City of Charlevoix (signature)
Mark Heydlauff

Date

American WASTE

October 8, 2019

City of Charlevoix

210 State St.

Charlevoix, MI 49720

Bid Summary of Requirements alternative option for bi-weekly and/or monthly clean-up:

***Respectfully declining to bid as stated. Please see alternative option below.**

***American Waste will provide 30-yd roll offs for $735.00 per roll off. We will drop at a location of your choice for your residents to utilize. This rate includes delivery, disposal, and removal at level full. We can deliver on a Friday and remove on a Tuesday.**

CHARLEVOIX CITY COUNCIL

All Other Actions and Requests

TITLE: Financing Public Service Facility Construction

DATE: October 17, 2019

PRESENTED BY: Warren Creamer, RW Baird & Mark L. Heydlauff, City Manager

BACKGROUND:

Following your last meeting, the Charlevoix Building Authority approved the bid for construction for the new Public Service Facility. The Authority now needs authorization from the Council to finalize the bond sale. Warren Creamer from RW Baird has advised the City through several debt sales in past years, notably including the original construction of East Park and the Marina as well as our refunding of that debt in 2016 when we also improved 15 streets. He'll be discussing with you several aspects of the debt issue in this matter and giving you guidance on options you have to proceed. Our target is approximately $8.7 million in bonds for 25 years to finance this project. This takes into account cash on hand for the project.

Also included for your review is a preliminary debt service schedule. This shows how the annual debt service payments would be allocated over the life of the bond issue across the different funds. You'll note the Electric Department will pay more up front (given it's cash position) and taper off over time while the other funds will ramp up slowly over time. This will eliminate any need to dramatically raise rates to cover debt service payments.

RECOMMENDATION:

Council discussion and direction.

ATTACHMENTS:

- Preliminary Estimated Bond Information
- Preliminary Debt service Schedule

TABLE OF CONTENTS

City of Charlevoix Building Authority, Michigan
2019 Building Authority Bonds
(Limited Tax General Obligation)
Scenario 2B :: $8.7 Million Project Fund Deposit | 25 Years | Level Debt Service
Assumes Bond Rating of 'AA' | Assumes Bank Qualified Scale
Preliminary, Estimated Interest Rates as of October 11, 2019 (Market Rates Plus 25 Basis Points)

SOURCES AND USES OF FUNDS

City of Charlevoix Building Authority, Michigan
2019 Building Authority Bonds
(Limited Tax General Obligation)
Scenario 2B :: $8.7 Million Project Fund Deposit | 25 Years | Level Debt Service
Assumes Bond Rating of 'AA' | Assumes Bank Qualified Scale
Preliminary, Estimated Interest Rates as of October 11, 2019 (Market Rates Plus 25 Basis Points)

Dated Date	12/01/2019
Delivery Date	12/01/2019

Sources:	
Bond Proceeds:	
Par Amount	8,995,000.00
	8,995,000.00

Uses:	
Project Fund Deposits:	
Deposit to the Project Fund	8,700,000.00
Cost of Issuance:	
Bond Counsel	44,500.00
Municipal Advisor	40,050.00
Rating Agency (S&P)	17,500.00
Official Statement	4,000.00
Auditor's Consent	1,500.00
Paying Agent	750.00
Ipreo	500.00
MAC Fee	400.00
Treasury, Publications and Miscellaneous	3,000.00
	112,200.00
Delivery Date Expenses:	
Underwriter's Discount	179,900.00
Other Uses of Funds:	
Rounding Amount	2,900.00
	8,995,000.00

Notes:
Robert W. Baird & Co. Incorporated ('Baird') is not recommending any action to you. Baird is not acting as an advisor to you and does not owe you a fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934. Baird is acting for its own interests. You should discuss the information contained herein with any and all internal or external advisors and experts you deem appropriate before acting on the information. Baird seeks to serve as an underwriter (or placement agent) on a future transaction and not as a financial advisor or municipal advisor. The primary role of an underwriter (or placement agent) is to purchase, or arrange for the placement of, securities in an arm's length commercial transaction with the issuer, and it has financial and other interests that differ from those of the issuer. The information provided is for discussion purposes only, in seeking to serve as underwriter (or placement agent). See 'Important Disclosures' contained herein.

BAIRD

BOND PRICING

City of Charlevoix Building Authority, Michigan
2019 Building Authority Bonds
(Limited Tax General Obligation)
Scenario 2B :: $8.7 Million Project Fund Deposit | 25 Years | Level Debt Service
Assumes Bond Rating of 'AA' | Assumes Bank Qualified Scale
Preliminary, Estimated Interest Rates as of October 11, 2019 (Market Rates Plus 25 Basis Points)

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Serial Bonds Through 2044:					
	10/01/2020	310,000	1.470%	1.470%	100.000
	10/01/2021	275,000	1.550%	1.550%	100.000
	10/01/2022	280,000	1.600%	1.600%	100.000
	10/01/2023	285,000	1.660%	1.660%	100.000
	10/01/2024	290,000	1.720%	1.720%	100.000
	10/01/2025	295,000	1.800%	1.800%	100.000
	10/01/2026	300,000	1.870%	1.870%	100.000
	10/01/2027	305,000	1.940%	1.940%	100.000
	10/01/2028	310,000	2.000%	2.000%	100.000
	10/01/2029	320,000	2.260%	2.260%	100.000
	10/01/2030	325,000	2.610%	2.610%	100.000
	10/01/2031	335,000	2.610%	2.610%	100.000
	10/01/2032	345,000	2.870%	2.870%	100.000
	10/01/2033	350,000	2.870%	2.870%	100.000
	10/01/2034	365,000	3.100%	3.100%	100.000
	10/01/2035	375,000	3.100%	3.100%	100.000
	10/01/2036	385,000	3.010%	3.010%	100.000
	10/01/2037	395,000	3.010%	3.010%	100.000
	10/01/2038	410,000	3.080%	3.080%	100.000
	10/01/2039	420,000	3.080%	3.080%	100.000
	10/01/2040	435,000	3.180%	3.180%	100.000
	10/01/2041	450,000	3.180%	3.180%	100.000
	10/01/2042	465,000	3.180%	3.180%	100.000
	10/01/2043	475,000	3.180%	3.180%	100.000
	10/01/2044	495,000	3.180%	3.180%	100.000
		8,995,000			

Dated Date	12/01/2019	
Delivery Date	12/01/2019	
First Coupon	04/01/2020	
Par Amount	8,995,000.00	
Original Issue Discount		
Production	8,995,000.00	100.000000%
Underwriter's Discount	-179,900.00	-2.000000%
Purchase Price	8,815,100.00	98.000000%
Accrued Interest		
Net Proceeds	8,815,100.00	

BOND SUMMARY STATISTICS

City of Charlevoix Building Authority, Michigan
2019 Building Authority Bonds
(Limited Tax General Obligation)
Scenario 2B :: $8.7 Million Project Fund Deposit | 25 Years | Level Debt Service
Assumes Bond Rating of 'AA' | Assumes Bank Qualified Scale
Preliminary, Estimated Interest Rates as of October 11, 2019 (Market Rates Plus 25 Basis Points)

Dated Date	12/01/2019
Delivery Date	12/01/2019
Last Maturity	10/01/2044
Arbitrage Yield	2.895550%
True Interest Cost (TIC)	3.078169%
Net Interest Cost (NIC)	3.067030%
NIC w/Interest only	2.925260%
NIC w/Interest & OID	2.925260%
NIC w/Interest, OID & Und. Discount	3.067030%
All-In TIC	3.194827%
Average Coupon	2.925260%
Average Life (years)	14.107
Duration of Issue (years)	11.182
Par Amount	8,995,000.00
Bond Proceeds	8,995,000.00
Total Interest	3,712,032.83
Net Interest	3,891,932.83
Total Debt Service	12,707,032.83
Maximum Annual Debt Service	510,758.00
Average Annual Debt Service	511,692.60

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Serial Bonds Through 2044	8,995,000.00	100.000	2.925%	14.107	9,807.30
	8,995,000.00			14.107	9,807.30

	TIC	All-In TIC	Arbitrage Yield
Par Value	8,995,000.00	8,995,000.00	8,995,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount	-179,900.00	-179,900.00	
- Cost of Issuance Expense		-112,200.00	
- Other Amounts			
Target Value	8,815,100.00	8,702,900.00	8,995,000.00
Target Date	12/01/2019	12/01/2019	12/01/2019
Yield	3.078169%	3.194827%	2.895550%

BAIRD

BOND DEBT SERVICE

City of Charlevoix Building Authority, Michigan
2019 Building Authority Bonds
(Limited Tax General Obligation)
Scenario 2B :: $8.7 Million Project Fund Deposit | 25 Years | Level Debt Service
Assumes Bond Rating of 'AA' | Assumes Bank Qualified Scale
Preliminary, Estimated Interest Rates as of October 11, 2019 (Market Rates Plus 25 Basis Points)

Dated Date	12/01/2019
Delivery Date	12/01/2019

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
04/01/2020			78,739.33	78,739.33	
10/01/2020	310,000	1.470%	118,109.00	428,109.00	506,848.33
04/01/2021			115,830.50	115,830.50	
10/01/2021	275,000	1.550%	115,830.50	390,830.50	506,661.00
04/01/2022			113,699.25	113,699.25	
10/01/2022	280,000	1.600%	113,699.25	393,699.25	507,398.50
04/01/2023			111,459.25	111,459.25	
10/01/2023	285,000	1.660%	111,459.25	396,459.25	507,918.50
04/01/2024			109,093.75	109,093.75	
10/01/2024	290,000	1.720%	109,093.75	399,093.75	508,187.50
04/01/2025			106,599.75	106,599.75	
10/01/2025	295,000	1.800%	106,599.75	401,599.75	508,199.50
04/01/2026			103,944.75	103,944.75	
10/01/2026	300,000	1.870%	103,944.75	403,944.75	507,889.50
04/01/2027			101,139.75	101,139.75	
10/01/2027	305,000	1.940%	101,139.75	406,139.75	507,279.50
04/01/2028			98,181.25	98,181.25	
10/01/2028	310,000	2.000%	98,181.25	408,181.25	506,362.50
04/01/2029			95,081.25	95,081.25	
10/01/2029	320,000	2.260%	95,081.25	415,081.25	510,162.50
04/01/2030			91,465.25	91,465.25	
10/01/2030	325,000	2.610%	91,465.25	416,465.25	507,930.50
04/01/2031			87,224.00	87,224.00	
10/01/2031	335,000	2.610%	87,224.00	422,224.00	509,448.00
04/01/2032			82,852.25	82,852.25	
10/01/2032	345,000	2.870%	82,852.25	427,852.25	510,704.50
04/01/2033			77,901.50	77,901.50	
10/01/2033	350,000	2.870%	77,901.50	427,901.50	505,803.00
04/01/2034			72,879.00	72,879.00	
10/01/2034	365,000	3.100%	72,879.00	437,879.00	510,758.00
04/01/2035			67,221.50	67,221.50	
10/01/2035	375,000	3.100%	67,221.50	442,221.50	509,443.00
04/01/2036			61,409.00	61,409.00	
10/01/2036	385,000	3.010%	61,409.00	446,409.00	507,818.00
04/01/2037			55,614.75	55,614.75	
10/01/2037	395,000	3.010%	55,614.75	450,614.75	506,229.50
04/01/2038			49,670.00	49,670.00	
10/01/2038	410,000	3.080%	49,670.00	459,670.00	509,340.00
04/01/2039			43,356.00	43,356.00	
10/01/2039	420,000	3.080%	43,356.00	463,356.00	506,712.00
04/01/2040			36,888.00	36,888.00	
10/01/2040	435,000	3.180%	36,888.00	471,888.00	508,776.00
04/01/2041			29,971.50	29,971.50	
10/01/2041	450,000	3.180%	29,971.50	479,971.50	509,943.00
04/01/2042			22,816.50	22,816.50	
10/01/2042	465,000	3.180%	22,816.50	487,816.50	510,633.00
04/01/2043			15,423.00	15,423.00	
10/01/2043	475,000	3.180%	15,423.00	490,423.00	505,846.00
04/01/2044			7,870.50	7,870.50	
10/01/2044	495,000	3.180%	7,870.50	502,870.50	510,741.00
	8,995,000		3,712,032.83	12,707,032.83	12,707,032.83

BOND DEBT SERVICE

City of Charlevoix Building Authority, Michigan
2019 Building Authority Bonds
(Limited Tax General Obligation)
Scenario 2B :: $8.7 Million Project Fund Deposit | 25 Years | Level Debt Service
Assumes Bond Rating of 'AA' | Assumes Bank Qualified Scale
Preliminary, Estimated Interest Rates as of October 11, 2019 (Market Rates Plus 25 Basis Points)

Dated Date	12/01/2019
Delivery Date	12/01/2019

Period Ending	Principal	Coupon	Interest	Debt Service
10/01/2020	310,000	1.470%	196,848.33	506,848.33
10/01/2021	275,000	1.550%	231,661.00	506,661.00
10/01/2022	280,000	1.600%	227,398.50	507,398.50
10/01/2023	285,000	1.660%	222,918.50	507,918.50
10/01/2024	290,000	1.720%	218,187.50	508,187.50
10/01/2025	295,000	1.800%	213,199.50	508,199.50
10/01/2026	300,000	1.870%	207,889.50	507,889.50
10/01/2027	305,000	1.940%	202,279.50	507,279.50
10/01/2028	310,000	2.000%	196,362.50	506,362.50
10/01/2029	320,000	2.260%	190,162.50	510,162.50
10/01/2030	325,000	2.610%	182,930.50	507,930.50
10/01/2031	335,000	2.610%	174,448.00	509,448.00
10/01/2032	345,000	2.870%	165,704.50	510,704.50
10/01/2033	350,000	2.870%	155,803.00	505,803.00
10/01/2034	365,000	3.100%	145,758.00	510,758.00
10/01/2035	375,000	3.100%	134,443.00	509,443.00
10/01/2036	385,000	3.010%	122,818.00	507,818.00
10/01/2037	395,000	3.010%	111,229.50	506,229.50
10/01/2038	410,000	3.080%	99,340.00	509,340.00
10/01/2039	420,000	3.080%	86,712.00	506,712.00
10/01/2040	435,000	3.180%	73,776.00	508,776.00
10/01/2041	450,000	3.180%	59,943.00	509,943.00
10/01/2042	465,000	3.180%	45,633.00	510,633.00
10/01/2043	475,000	3.180%	30,846.00	505,846.00
10/01/2044	495,000	3.180%	15,741.00	510,741.00
	8,995,000		3,712,032.83	12,707,032.83

FORM 8038 STATISTICS

City of Charlevoix Building Authority, Michigan
2019 Building Authority Bonds
(Limited Tax General Obligation)
Scenario 2B :: $8.7 Million Project Fund Deposit | 25 Years | Level Debt Service
Assumes Bond Rating of 'AA' | Assumes Bank Qualified Scale
Preliminary, Estimated Interest Rates as of October 11, 2019 (Market Rates Plus 25 Basis Points)

Dated Date	12/01/2019
Delivery Date	12/01/2019

Bond Component	Date	Principal	Coupon	Price	Issue Price	Redemption at Maturity
Serial Bonds Through 2044:						
	10/01/2020	310,000.00	1.470%	100.000	310,000.00	310,000.00
	10/01/2021	275,000.00	1.550%	100.000	275,000.00	275,000.00
	10/01/2022	280,000.00	1.600%	100.000	280,000.00	280,000.00
	10/01/2023	285,000.00	1.660%	100.000	285,000.00	285,000.00
	10/01/2024	290,000.00	1.720%	100.000	290,000.00	290,000.00
	10/01/2025	295,000.00	1.800%	100.000	295,000.00	295,000.00
	10/01/2026	300,000.00	1.870%	100.000	300,000.00	300,000.00
	10/01/2027	305,000.00	1.940%	100.000	305,000.00	305,000.00
	10/01/2028	310,000.00	2.000%	100.000	310,000.00	310,000.00
	10/01/2029	320,000.00	2.260%	100.000	320,000.00	320,000.00
	10/01/2030	325,000.00	2.610%	100.000	325,000.00	325,000.00
	10/01/2031	335,000.00	2.610%	100.000	335,000.00	335,000.00
	10/01/2032	345,000.00	2.870%	100.000	345,000.00	345,000.00
	10/01/2033	350,000.00	2.870%	100.000	350,000.00	350,000.00
	10/01/2034	365,000.00	3.100%	100.000	365,000.00	365,000.00
	10/01/2035	375,000.00	3.100%	100.000	375,000.00	375,000.00
	10/01/2036	385,000.00	3.010%	100.000	385,000.00	385,000.00
	10/01/2037	395,000.00	3.010%	100.000	395,000.00	395,000.00
	10/01/2038	410,000.00	3.080%	100.000	410,000.00	410,000.00
	10/01/2039	420,000.00	3.080%	100.000	420,000.00	420,000.00
	10/01/2040	435,000.00	3.180%	100.000	435,000.00	435,000.00
	10/01/2041	450,000.00	3.180%	100.000	450,000.00	450,000.00
	10/01/2042	465,000.00	3.180%	100.000	465,000.00	465,000.00
	10/01/2043	475,000.00	3.180%	100.000	475,000.00	475,000.00
	10/01/2044	495,000.00	3.180%	100.000	495,000.00	495,000.00
		8,995,000.00			8,995,000.00	8,995,000.00

	Maturity Date	Interest Rate	Issue Price	Stated Redemption at Maturity	Weighted Average Maturity	Yield
Final Maturity	10/01/2044	3.180%	495,000.00	495,000.00		
Entire Issue			8,995,000.00	8,995,000.00	14.1074	2.8955%

Proceeds used for accrued interest	0.00
Proceeds used for bond issuance costs (including underwriters' discount)	292,100.00
Proceeds used for credit enhancement	0.00
Proceeds allocated to reasonably required reserve or replacement fund	0.00

PROOF OF ARBITRAGE YIELD

City of Charlevoix Building Authority, Michigan
2019 Building Authority Bonds
(Limited Tax General Obligation)
Scenario 2B :: $8.7 Million Project Fund Deposit | 25 Years | Level Debt Service
Assumes Bond Rating of 'AA' | Assumes Bank Qualified Scale
Preliminary, Estimated Interest Rates as of October 11, 2019 (Market Rates Plus 25 Basis Points)

Date	Debt Service	PV Factor	Present Value to 12/01/2019 @ 2.8955499131%
04/01/2020	78,739.33	0.990463135	77,988.40
10/01/2020	428,109.00	0.976328102	417,974.85
04/01/2021	115,830.50	0.962394791	111,474.67
10/01/2021	390,830.50	0.948660324	370,765.39
04/01/2022	113,699.25	0.935121864	106,322.65
10/01/2022	393,699.25	0.921776613	362,902.76
04/01/2023	111,459.25	0.908621814	101,274.31
10/01/2023	396,459.25	0.895654749	355,090.61
04/01/2024	109,093.75	0.882872738	96,315.90
10/01/2024	399,093.75	0.870273142	347,320.57
04/01/2025	106,599.75	0.857853356	91,446.95
10/01/2025	401,599.75	0.845610814	339,597.09
04/01/2026	103,944.75	0.833542988	86,642.42
10/01/2026	403,944.75	0.821647383	331,900.15
04/01/2027	101,139.75	0.809921541	81,915.26
10/01/2027	406,139.75	0.798363041	324,246.97
04/01/2028	98,181.25	0.786969494	77,265.65
10/01/2028	408,181.25	0.775738546	316,641.93
04/01/2029	95,081.25	0.764667876	72,705.58
10/01/2029	415,081.25	0.753755197	312,869.65
04/01/2030	91,465.25	0.742998254	67,958.52
10/01/2030	416,465.25	0.732394825	305,016.99
04/01/2031	87,224.00	0.721942719	62,970.73
10/01/2031	422,224.00	0.711639777	300,471.39
04/01/2032	82,852.25	0.701483869	58,119.52
10/01/2032	427,852.25	0.691472897	295,848.23
04/01/2033	77,901.50	0.681604794	53,098.04
10/01/2033	427,901.50	0.671877519	287,497.40
04/01/2034	72,879.00	0.662289064	48,266.96
10/01/2034	437,879.00	0.652837447	285,863.81
04/01/2035	67,221.50	0.643520715	43,258.43
10/01/2035	442,221.50	0.634336944	280,517.43
04/01/2036	61,409.00	0.625284235	38,398.08
10/01/2036	446,409.00	0.616360719	275,148.97
04/01/2037	55,614.75	0.607564552	33,789.55
10/01/2037	450,614.75	0.598893916	269,870.43
04/01/2038	49,670.00	0.590347019	29,322.54
10/01/2038	459,670.00	0.581922097	267,492.13
04/01/2039	43,356.00	0.573617408	24,869.76
10/01/2039	463,356.00	0.565431236	261,995.96
04/01/2040	36,888.00	0.557361890	20,559.97
10/01/2040	471,888.00	0.549407703	259,258.90
04/01/2041	29,971.50	0.541567031	16,231.58
10/01/2041	479,971.50	0.533838255	256,227.15
04/01/2042	22,816.50	0.526219777	12,006.49
10/01/2042	487,816.50	0.518710023	253,035.31
04/01/2043	15,423.00	0.511307442	7,885.89
10/01/2043	490,423.00	0.504010504	247,178.34
04/01/2044	7,870.50	0.496817702	3,910.20
10/01/2044	502,870.50	0.489727549	246,269.54
	12,707,032.83		8,995,000.00

Proceeds Summary

Delivery date	12/01/2019
Par Value	8,995,000.00
Target for yield calculation	8,995,000.00

IMPORTANT DISCLOSURES

City of Charlevoix Building Authority, Michigan
2019 Building Authority Bonds
(Limited Tax General Obligation)
Scenario 2B :: $8.7 Million Project Fund Deposit | 25 Years | Level Debt Service
Assumes Bond Rating of 'AA' | Assumes Bank Qualified Scale
Preliminary, Estimated Interest Rates as of October 11, 2019 (Market Rates Plus 25 Basis Points)

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City of Charlevoix Public Service Facility

Preliminary Debt Service Schedule and Method of Payment

		Electric	Motor Pool	Water	Sewer	Total Annual Payment
FY 2020	Fund Contribution	189,000	36,450	44,250	54,300	324,000
FY 2021	Principle & Interest	362,674	42,746	47,055	54,373	506,848
FY 2022	Principle & Interest	361,542	42,746	48,000	54,373	506,661
FY 2023	Principle & Interest	362,279	42,746	48,000	54,373	507,399
FY 2024	Principle & Interest	362,799	42,746	48,000	54,373	507,919
FY 2025	Principle & Interest	351,068	42,746	60,000	54,373	508,188
FY 2026	Principle & Interest	318,826	75,000	60,000	54,373	508,200
FY 2027	Principle & Interest	318,516	75,000	60,000	54,373	507,890
FY 2028	Principle & Interest	317,906	75,000	60,000	54,373	507,280
FY 2029	Principle & Interest	316,989	75,000	60,000	54,373	506,363
FY 2030	Principle & Interest	320,789	75,000	60,000	54,373	510,163
FY 2031	Principle & Interest	297,931	75,000	75,000	60,000	507,931
FY 2032	Principle & Interest	299,448	75,000	75,000	60,000	509,448
FY 2033	Principle & Interest	300,705	75,000	75,000	60,000	510,705
FY 2034	Principle & Interest	210,803	95,000	75,000	125,000	505,803
FY 2035	Principle & Interest	215,758	95,000	75,000	125,000	510,758
FY 2036	Principle & Interest	214,443	95,000	75,000	125,000	509,443
FY 2037	Principle & Interest	212,818	95,000	75,000	125,000	507,818
FY 2038	Principle & Interest	211,230	95,000	75,000	125,000	506,230
FY 2039	Principle & Interest	214,340	95,000	75,000	125,000	509,340
FY 2040	Principle & Interest	151,712	140,000	90,000	125,000	506,712
FY 2041	Principle & Interest	153,776	140,000	90,000	125,000	508,776
FY 2042	Principle & Interest	119,943	140,000	125,000	125,000	509,943
FY 2043	Principle & Interest	120,633	140,000	125,000	125,000	510,633
FY 2044	Principle & Interest	115,846	140,000	125,000	125,000	505,846
FY 2045	Principle & Interest	120,741	140,000	125,000	125,000	510,741
	Totals:	6,353,516.41	2,223,730.75	1,906,054.92	2,223,730.75	$12,707,033
		50%	17.50%	15%	17.500%	

CHARLEVOIX CITY COUNCIL

All Other Actions and Requests

TITLE: Resolution of Support for Recreational Funding Legislation

DATE: October 17, 2019

PRESENTED BY: Mark L. Heydlauff, City Manager

BACKGROUND:

Early this year, I began having conversations with J.B. Hoyt who owns a condo here in Charlevoix. Along with local leaders in his hometown of St. Joseph, he has been advocating the legislature to expand a small provision of state law allowing counties of a certain size to implement an assessment on hotel rooms to fund local recreation programming.

As drafted, the bills would allow all local governments to levy up to a 5% excise tax on "short term lodging"--this includes traditional hotels and short-term rentals (except for those rented for 14 days or less).

While I do not have an estimate of how much revenue this could raise for us, it is noteworthy that our General Fund currently covers approximately $1.2 million in expenses for recreational amenities. By approving this resolution, the City Council will be on record supporting the two-bill package. I have also been approached to testify when the bills are brought up at a State House Committee.

RECOMMENDATION:

Motion to approve Resolution 2019-10-02 and support the effort to expand recreational excise taxes on lodging.

ATTACHMENTS:

- Resolution
- Recreational Funding Legislation- Bill 1
- Recreational Funding Legislation- Bill 2

CITY OF CHARLEVOIX
RESOLUTION NO. 2019-10-02
RESOLUTION ENDORSING ESTABLISHMENT OF A RECREATIONAL FUNDING FEE

WHEREAS, the State of Michigan has substantial natural resources which lend themselves to recreation; and

WHEREAS, municipal investment is required to facilitate and maintain the safe and effective use of such natural resources while preserving their use for future generations of residents and visitors; and

WHEREAS, recreational facilities are an important element for the health and quality of life for residents and an economic development tool for the City of Charlevoix and across the State of Michigan; and

WHEREAS, recreational facilities also provide a popular activity for visitors to enhance their overall travel experience; and

WHEREAS, currently the funding for the development, expansion and maintenance of recreational facilities is currently borne primarily by municipal budgets and state grants; and

WHEREAS, Public Act 263 of 1974 allows a fee on transient lodging in narrowly prescribed situations; and

WHEREAS, the drafters of this proposal have collected input from various local, county, regional and statewide stakeholders and municipalities to develop this proposal; and

WHEREAS, the City of Charlevoix has identified the development, expansion and maintenance of recreational facilities as a priority for the State of Michigan in order to improve our state as a place of interest for residents and visitors in the region.

NOW THEREFORE BE IT RESOLVED, the City of Charlevoix hereby endorses the drafts of two House Bills (attached) prepared by the Michigan Legislative Service Bureau) as a means of improving the funding for the development, improvement and maintenance of its recreational facilities.

RESOLVED this 17th day of October, 2019 A.D.

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

Taxation: hotel-motel; certain criteria for hotel-motel tax and expansion for certain local units of government; provide for.
Taxation: hotel-motel; Taxation: excise taxes;

DRAFT 3

A bill to amend 1974 PA 263, entitled

"An act to permit counties to impose and collect an excise tax on persons engaged in the business of providing rooms for dwelling, lodging, or sleeping purposes to transient guests; to provide for the disposition of the revenues thereof; and to prescribe penalties,"

by amending the title and sections 1, 2, 3, 4, and 7 (MCL 141.861, 141.862, 141.863, 141.864, and 141.867), section 2 as amended by 2004 PA 118, section 4 as amended by 2014 PA 284, and section 7 as amended by 1989 PA 13.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

Legal Division

JLB

<<QR Code>>
03401'19 * Draft 3

TITLE

An act to permit ~~counties~~ **local units of government** to impose and collect an excise tax on persons engaged in the business of providing rooms for dwelling, lodging, or sleeping purposes to transient guests; to provide for the disposition of the ~~revenues thereof;~~ **proceeds of the excise tax**; and to prescribe penalties.

Sec. 1. As used in this act:

(a) "Accommodations" means the room or other space provided **to transient guests** for **dwelling, lodging, or** sleeping **purposes**, including furnishings and other accessories ~~therein.~~ **in the room or other space. Accommodations also include the short-term rental of short-term transient facilities.** Accommodations do not include food and beverages.

(b) "Administrator" means the official designated by the ~~county~~ **local unit of government** to collect the tax and to administer and enforce the ordinance.

(c) "Convention and entertainment facilities" means all or any part, or any combination of convention halls, auditoriums, stadiums, music halls, arenas, meeting rooms, exhibit areas, **public recreation facilities**, and related public areas **and supporting infrastructure.**

(d) "Governing body" means 1 or more of the following:

(*i*) The council, commission, or other entity vested with the legislative power of a city or village.

(*ii*) The township board of a township or charter township.

(*iii*) The county board of commissioners of a county.

(e) "Local unit of government" or "local unit" means a city, village, township, charter township, or county.

(f) ~~(d)~~ "Person" means a natural person, partnership, fiduciary, association, corporation, or other entity.

(g) "Public recreation facility" means parks, beaches, parkways, wheel ways, nonmotorized or motorized trails, bridlepaths, playgrounds, playfields, bathhouses, comfort stations, swimming pools, boat launches, kayak launches, recreation centers, ice rinks, skateboard parks, dog parks, Nordic and alpine skiing facilities, and other similar recreational facilities, including both supporting infrastructure and wayfinding for those facilities. Public recreation facilities include the operation and equipment used for the operation of the facilities.

(h) ~~(e)~~ "Revenues" means the income derived from the tax, plus interest and penalties imposed by this act, levied and assessed under an ordinance adopted pursuant to this act.

(i) "Short-term rental" means, except as otherwise provided in this subdivision, a rental of a short-term transient facility of not more than 30 consecutive days. A short-term rental does not include the rental of a short-term transient facility if that property is rented out for 14 days or less in a calendar year.

(j) "Short-term transient facility" means an apartment, house, cottage, condominium, or other occupied property where 1 or more rooms are rented by an owner through the use of advanced reservations. A short-term transient facility does not include a hotel or a motel.

(k) ~~(f)~~ "Transient guest" means a natural person staying less than 30 consecutive days.

Sec. 2. (1) ~~The county board of commissioners of a county having a population of less than 600,000 persons, and having a city of at least 40,000 population~~ **The governing body of a local unit of government** may enact an ordinance to levy, assess, and collect an excise tax from all persons engaged in the business of providing ~~rooms for dwelling, lodging, or sleeping purposes,~~ **accommodations**, except in hospitals, **confinement facilities**, or nursing homes, ~~to transient guests,~~ whether or not membership is required for the use of the accommodations.

~~(2) If a county meets the requirements of subsection (1) on the date it enacts an ordinance under this act and, after the 1990 decennial census, the county has a population of less than 120,000 persons and has a city with a population of 35,000 or more persons, that county may continue to levy, assess, and collect the excise tax under this act until October 1, 1991.~~

~~(3) If a county described in subsection (2) has any accommodations located within the county that are also located within the boundaries of a city in which the majority of the population of that city reside in an adjoining county, then the accommodation is exempt from the tax under this act.~~

~~(4) If a county described in subsection (2) has any accommodations located within the county that are also located within the boundaries of a city with a population of less than 5,000 persons, then the accommodation is exempt from tax under this act.~~

(2) A local unit of government that is not a county shall not levy a tax under this act if a tax is levied by a county under this act within that city, village, township, or charter township.

(3) ~~(5)~~ The ordinance provided by this act may be amended or repealed in the same manner as it was adopted.

(4) ~~(6) The~~ **Except as otherwise provided in this subsection, the** tax imposed ~~pursuant to~~ **under** this act shall be at a rate of not more than 5% of the total charge for accommodations ~~subject to~~

under this act. **The tax imposed under this act by a local unit of government that is subject to be approved by a majority of the qualified electors of that local unit of government as described in subsection (5), shall be at a rate of not more than 4% of the total charge for accommodations under this act.**

~~(7) If a county meets the requirements of subsection (1) on the date it enacts an ordinance under this act, the county may continue to levy, assess, and collect the excise tax under this act.~~

(5) The levying of the excise tax described in subsection (1) is subject to section 31 of article IX of the state constitution of 1963, which may require the tax to be approved by a majority of the qualified electors of the local unit of government.

Sec. 3. A ~~county~~ **local unit of government** levying a tax pursuant to an ordinance adopted under this act shall provide in the ordinance for **all of the following**:

(a) The effective date of the ordinance which shall be in accordance with section 5.

(b) The rate of the tax to be imposed.

(c) The rate and manner of the imposition of interest and penalties for delinquency in payment of taxes or other violations of the ordinance. The interest imposed on delinquency in payment of the tax shall not be more than 1% per month or fraction ~~thereof~~ **of a month** of the unpaid tax after the due date ~~thereof~~ until paid. The penalty for delinquency in payment of the tax when due or other violations of the ordinance may be in addition to the interest but shall not be more than 5% of the amount of the unpaid tax per month or fraction ~~thereof~~ **of a month** after the due date ~~thereof~~ until paid. However, the penalty shall not exceed 25% of the unpaid tax.

(d) The determination and allowance of abatements and refunds.

(e) The designation of the administrator of the tax and methods of collection.

Sec. 4. A ~~county~~ **local unit of government** levying a tax under this act may provide in the ordinance for 1 or more of the following:

(a) The adoption and enforcement of rules to apply, interpret, effectuate, and administer the ordinance and the purposes of the tax.

(b) The prescribing and furnishing to taxpayers of forms, instructions, manuals, and other materials necessary for indorsement of the tax and the auditing of tax returns.

(c) The examination by the administrator or his **or her** agent of the books and records of a taxpayer for purposes of determining the correctness of a tax return or information filed, or the determination of any tax liability under this act.

(d) The imposition of a fine of not more than $500.00, or imprisonment of not more than 90 days, or both for violation of the ordinance.

(e) ~~If the tax imposed under this act remains unpaid for more than 90 days, the treasurer of the county may collect the tax in the same manner as a delinquent special assessment, along with any associated interest, fees, and costs, under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155.~~ **The tax imposed under this act may be a lien on the premises regardless of whether or not a tenant is responsible for the payment of the tax.**

(f) The tax, if delinquent for 6 months or more, may be certified annually by the administrator to the proper tax assessing officer or agency, who shall enter the lien on the next tax roll

against the premises in which the accommodations have been provided, and the charges shall be collected and the lien shall be enforced in the same manner as provided for the collection of taxes assessed upon the roll and the enforcement of the lien for the taxes.

Sec. 7. **(1)** The revenues derived from the taxes imposed pursuant to this act shall be deposited in a special fund to be used by the ~~county~~ **local unit of government** or by an authority that is organized pursuant to state law, together with other available funds only to pay **1 or more of the following:**

(a) The cost of administration and enforcement of the ordinance.

(b) The financing of the acquisition, construction, improvement, enlargement, repair, or maintenance of convention and entertainment facilities, including, except as provided in subdivision (e), the payment of principal and interest, when due, on bonds or other evidence of indebtedness issued by the ~~county~~ **local unit of government** for convention and entertainment facilities.

(c) Except as provided in subdivision (e), current or future annual rental payable by the ~~county~~ **local unit of government** to an authority organized pursuant to state law for the purpose of acquiring, constructing, improving, enlarging, repairing, or maintaining the convention and entertainment facilities and leasing them to the ~~county.~~ **local unit of government.**

(d) The promotion and encouragement of tourist and convention business, ~~in the county.~~ **including, but not limited to, the acquisition, construction, improvement, maintenance, or operation of public recreation facilities owned or operated by the local unit**

of government.

(e) The principal and interest, when due, on bonds or other evidence of indebtedness issued by or on behalf of the ~~county~~ **local unit of government** for the purpose of financing the construction of a museum, or the current or future rental payable by the ~~county~~ **local unit of government** to an authority organized pursuant to state law for the purpose of constructing a museum and leasing it to the ~~county, only if the museum is located in a city with a population of 180,000 or more.~~**local unit of government.**

(2) A local unit of government may enter into agreements with 1 or more municipalities for the development and finance of convention and entertainment facilities that benefit the residents of the local unit of government under an interlocal agreement under the urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512.

CHARLEVOIX CITY COUNCIL

All Other Actions and Requests

TITLE: Deficit Elimination Plan for the Marina

DATE: October 17, 2019

PRESENTED BY: Mark L. Heydlauff, City Manager

BACKGROUND:

The City of Charlevoix Marina Fund has a $46,552 deficit fund balance as of March 31, 2019. The Glenn Steil State Revenue Sharing Act of 1971, Public Act 140 of 1971, Section 21(2) states that units of local government (local units) that end their fiscal year in a deficit condition shall formulate a deficit elimination plan.

In working with the Auditor and also with the State of Michigan Treasury, the City of Charlevoix has formulated a deficit elimination plan for the Marina Fund.

RECOMMENDATION:

Motion to approve Resolution 2019-10-03 to establish a deficit elimination plan for the Marina.

ATTACHMENTS:

- Treasury Department Letter
- Resolution

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

October 8, 2019

Notice of Intent To
Withhold State Payments
Municipality Code: 152020
APR Form ID Number: 67712
Report ID Number: 95399

Sent Via Email
Chief Administrative Officer
City of Charlevoix
kellym@cityofcharlevoix.gov

Dear Chief Administrative Officer:

The Glenn Steil State Revenue Sharing Act of 1971, Public Act 140 of 1971, Section 21(2) states that units of local government (local units) that end their fiscal year in a deficit condition shall formulate a deficit elimination plan. Any assessment of a local unit's deficit condition should be made using the guidelines provided in Treasury Website (Numbered Letter 2016-1).

The Community Engagement and Finance Division received an audit report from your local unit for the fiscal year ending 2019. Your Certified Public Accountant has indicated a deficit in one or more funds as follows:

FUND NAME	AMOUNT
Marina	-$46,552.00
Airport	No Plan Necessary

If a deficit exists in the General Fund, the General Fund plan should include a monthly breakdown of revenues and expenditures for the first two years of the projection and annual detail for the remaining years. For example, a five-year plan would show monthly detail for 24 months, and annual detail for the remaining three years. When a revised plan is submitted in the subsequent year, it would include a monthly breakdown for two years and an annual breakdown for the remaining two years. The monthly breakdown shall be for actual revenue and expenditures expected that month. For example, property taxes should be included in the months the taxes are projected to be actually collected. It shall not be merely the annual revenue and expenditures divided by

12 months. This will allow for a more meaningful picture of how the municipality is progressing on a monthly basis.

Except where indicated "No Plan Necessary," please upload a deficit elimination plan for all funds listed above and a certified resolution online at Michigan Department of Treasury/online report within 30 days from the date of this letter. Should a plan not be filed within 30 days, we may withhold 25% of the local unit's State Incentive Payments or payments issued under Public Act 140 of 1971, the Glenn Steil State Revenue Sharing Act of 1971. Once withheld, payments are not released when a plan has been *filed*, but when a plan has been *evaluated and certified* by Treasury.

After receiving your plan, we will notify you by email if additional information is needed or that your plan has been certified. If you have any questions, contact the Municipal Finance Section at (517) 335-7469 or email questions to Treas_MunicipalFinance@Michigan.gov.

Sincerely,

Harlan Goodrich

Harlan Goodrich, Municipal Finance Manager
Community Engagement and Finance Division

CITY OF CHARLEVOIX
RESOLUTION 2019-10-03
RESOLUTION TO ADOPT A DEFICIT ELIMINATION PLAN FOR THE MARINA PER THE GLENN STEIL STATE REVENUE SHARING ACT OF 1971, PUBLIC ACT 140 OF 1971, SECTION 21(2)

WHEREAS, the City of Charlevoix Marina Fund has a $46,552.00 deficit fund balance on March 31, 2019; and

WHEREAS, 1971 PA 140 requires that a Deficit Elimination Plan be formulated by the local unit of government and filed with the Michigan Department of Treasury;

NOW THEREFORE BE IT RESOLVED, that the City Council of the City of Charlevoix adopts the following as the City of Charlevoix Marina Fund Deficit Elimination Plan:

CITY OF CHARLEVOIX MARINA FUND

	2019-20 Original Budget	2019-20 Amended Budget	2019-20 Est. Actual	2020-21 Budget
UNRESTRICT NET POSITION (DEFICIT) APRIL 1	$ (540,061)	$ (540,061)	$ (540,061)	$ (144,185)
REVENUES				
LAUNDRY REVENUE	1,730	$ 1,730	$ 1,730	$ 1,730
RENTS & ROYALTIES - DOCKING SEASONAL	68,000	68,000	68,000	68,000
RENTS & ROYALTIES - DOCKING RESERV SYSTEM	350,000	350,000	350,000	350,000
RENTS & ROYALTIES - DOCKING TRANSIENT	29,000	29,000	29,000	29,000
RENTS & ROYALTIES - SUNSHINE	4,000	4,000	4,000	4,000
RENTS & ROYALTIES - LITTLE TRAVERSE CHARTERS	4,100	4,100	4,100	4,100
INTEREST INCOME	600	600	600	600
FUND TRANSFERS FROM DDA - DEBT SVC	334,600	334,600	334,600	335,700
MISCELLANEOUS-OTHER REVENUE	-	-	15,000	-
TRANSFER FROM GENERAL FUND	-	94,000	94,000	-
TOTAL REVENUES	**$ 792,030**	**$ 886,030**	**$ 901,030**	**$ 793,130**
EXPENSES				
SALARIES & WAGES - FULL TIME	32,400	$ 32,400	$ 31,154	$ 33,000
WAGES - ICMA	3,900	3,900	3,761	4,000
SALARIES & WAGES - TEMPORARY	83,400	83,400	91,097	83,500
EMPLOYEE FRINGE BENEFITS	37,800	37,800	37,965	38,300
OFFICE SUPPLIES	100	100	190	100
OPERATING SUPPLIES	6,900	6,900	6,900	6,900
PROFESSIONAL SERVICES	5,300	5,300	5,250	5,300
CONTRACTUAL SERVICES	9,400	9,400	28,400	11,800
STATE CRS COMMISSION FEES	17,300	17,300	13,000	14,300
STATE CRS RESERVATION FEES	10,700	10,700	9,700	10,700
TELEPHONE	1,300	1,300	1,300	1,300
CONFERENCE/TRAVEL/TRAINING	900	900	150	900
INSURANCE & BONDS	3,000	3,000	2,929	3,000
UTILITIES	71,400	71,400	68,000	71,400
BUILDING & DOCK MAINTENANCE	14,600	14,600	16,800	17,100
EQUIPMENT RENTAL	700	700	700	700
MISCELLANEOUS	2,200	2,200	2,200	2,200
CREDIT CARD PROCESSING FEES	7,600	7,600	7,600	7,600
DEPRECIATION	658,000	658,000	658,000	658,000
MACHINERY & EQUIPMENT	300	300	2,528	300
INTEREST EXPENSE	5,400	5,400	5,430	4,900
TRANSFER TO ELECTRIC - ADVANCE REIMBUSE	50,000	50,000	50,000	100,000
DEBT SERVICE - PRINCIPAL	340,000	340,000	340,000	355,000
DEBT SERVICE - INTEREST	126,400	126,400	119,600	105,700
DEBT SERVICE - PAYING AGENT FEES	500	500	500	500
TOTAL EXPENSES	**$ 1,489,500**	**$ 1,489,500**	**$ 1,503,154**	**$ 1,536,500**
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	**$ (697,470)**	**$ (603,470)**	**$ (602,124)**	**$ (743,370)**
ADD BACKS				
DEPRECIATION	$ 658,000	$ 658,000	$ 658,000	$ 658,000
DEBT SERVICE - PRINCIPAL	340,000	340,000	340,000	355,000
TOTAL ADD BACKS	**$ 998,000**	**$ 998,000**	**$ 998,000**	**$ 1,013,000**
UNRESTRICT NET POSITION (DEFICIT) MARCH 31	**$ (239,531)**	**$ (145,531)**	**$ (144,185)**	**$ 125,445**
CA-CL (DEFICIT) APRIL 1	$ (46,552)	$ (46,552)	$ (46,552)	$ 349,324
REVENUES	792,030	886,030	901,030	793,130
EXPENSES	(1,489,500)	(1,489,500)	(1,503,154)	(1,536,500)
ADD BACKS	998,000	998,000	998,000	1,013,000
CA-CL (DEFICIT) MARCH 31	$ 253,978	$ 347,978	$ 349,324	$ 618,954

BE IT FURTHER RESOLVED that the City of Charlevoix submits the Marina Fund Deficit Elimination Plan to the Michigan Department of Treasury for Certification.

RESOLVED, this 17th day of October, A.D. 2019.
Resolution was adopted by the following yea and nay vote:
Yeas:
Nays:

CHARLEVOIX CITY COUNCIL

Reports and Communications

TITLE: City Manager's Comments
DATE: October 17, 2019

PRESENTED BY: Mark L. Heydlauff, City Manager

BACKGROUND:

A. Water Treatment Plant Project
Grand Traverse Construction has begun the process to drain portions of the water plant in order to replace the filter media. There are some valve issues our staff are working through along with the contractors who installed them recently. They hope to begin the filter replacement early next week.

B. Downtown Power Outage
As you may know, there was an unexpected power outage for much of the afternoon on Monday in the downtown. A private contractor damaged the underground line on Belvedere Avenue shortly after noon. Our crews were able to switch some services and temporarily restore service later in the day. Beginning Thursday night at midnight, they'll be shutting down service in the same area affected in order to install a permanent fix. They should have all service restored by 5am on Friday morning.

ATTACHMENTS:

- Historic District Commission Minutes
- Planning Commission Minutes

Meeting of the
City of Charlevoix
Historic District Commission
Friday, April 26, 2019
Minutes

Vicki Voisin, Chair of the Historic District Commission, called the meeting to order at 11:05 am.

1) Roll Call
Present: Mary Adams, John Campbell, Kay Heise, David Miles, Vicki Voisin, Paul Weston
Representing the City of Charlevoix: Lindsey Dotson, Executive Director, Downtown Development Authority (DDA)
Absent: Hans Wiemer

2) Approval of Agenda: A quorum was present, and the amended agenda was unanimously approved.
Motion made by Paul Weston and supported by David Miles.

3) Inquiry Regarding Conflicts of Interest: none

4) Approval of Minutes: The minutes of the January 25, 2019 meeting were unanimously approved. Motion made by David Miles and supported by Mary Adams.

5) Old Business

a. CLG (Certified Local Government) Application Status
Dotson reported that a few items still remain to complete the application, including a listing of the current achievable, measurable goals that are related to the identification, evaluation, registration, and protection of the City's historic and architectural resources. Five goals were then identified:

1. Nominate the 200 block of downtown for the National Register - 2019/2020
2. Install signage in the Earl Young Historic District – 2020
3. Nominate the Chicago Club & Belvedere Club neighborhoods for the National Register – 2021
4. Expand the Earl Young Local Historic District into Charlevoix Township – 2022
5. Survey the rest of Charlevoix to determine other eligible districts - 2023

Motion made by Mary Adams and supported by John Campbell that the five listed goals be approved. Unanimous approval.

b. Request for Removal from Historic District – Feldman
Dotson reported that the Feldmans had been informed that the City rejected their request that their two properties be removed from the Earl Young District.

c. Ordinance Update
Dotson provided copies (attached) of the amendment to Ordinance #800 that the City Council approved on April 15, 2019. It primarily requires that a fire or smoke alarm system be put in place before completion of any work on designated historic structures.

d. Park Avenue street and parking areas
Vicki Voisin reported that when she asked First Ward Councilpersons for an update on the plans for the repairs to the Park Avenue Street and parking areas which are next to the Earl Young Historic Buildings Local Historic District, both Janel Kalbfell and Aaron Hagen were unaware of any proposed plans. Kalbfell agreed to ask for further information from the City Manager. Kalbfell reported back that the first grant application for funds to begin the work had been denied, and that the City was applying again.

e. Signage for the two ends of Earl Young Historic Buildings Local Historic District.
Dotson provided examples of signs which exist in other communities, and commissioners initialed their preferences so that possible mock-ups for our own district can be drawn.

6) New Business

a. Application for Certificate of Appropriateness – Charlevoix Historical Society

1. Installation of striped canvas awnings on four turret windows at the Train Depot. After review of the application and the accompanying photos by the commission a motion was made by John Campbell as follows:

I move that the Commission issue a Certificate of Appropriateness for application number three (3). The work as proposed meets standard 6 of "The Secretary if the Interior's Standards for Rehabilitation."

Seconded by Mary Adams and unanimously approved.

2. Placement of an interpretive historic sign at the Train Depot. After review of the application and the accompanying photos by the commission a motion was made by Mary Adams as follows:

I move that the Commission issue a Certificate of Appropriateness for application number four (4). The work as proposed meets standard 10 of "The Secretary if the Interior's Standards for Rehabilitation."

Seconded by Paul Weston and unanimously approved.

*Point of privilege: Kay Heise read and requested to add to the record the following recently discovered excerpt from the Clockwise column by Bob Clock, editor of the Charlevoix Courier, June 11, 1975:

> "Few men leave behind so many tangible monuments to their artistry as Earl Young. And few monuments in this tear-'em-down, build-'em-up world are more worthy of preservation than Mr. Young's fanciful homes and business places."

7) Request for Future Agenda Items

- Report from Mary Adams as to her discussion with Pat Elliot of the Streets Department as to his ability to place "no parking" signs or other restrictions on the Park Avenue shoulder across from the Earl Young Historic Buildings Local Historic District.
- Possible historic signage choices provided by Lindsey Dotson.

8) Adjournment: The agreement to adjourn was unanimously approved. Motion made by Mary Adams and supported by David Miles. Meeting adjourned at 11:51 am.

Next Meeting: as needed

Submitted by: Kay Heise, Secretary

CITY OF CHARLEVOIX
PLANNING COMMISSION MEETING MINUTES
Monday, September 9, 2019 - 6:00 p.m.
210 State Street, City Hall, Council Chambers, Charlevoix, MI

A. Call to Order/Pledge of Allegiance
The meeting was called to order at 6:00 p.m. by Chair Chamberlain.

B. Roll Call

Chair:	Sherm Chamberlain
Members Present:	Ben Edwards, Toni Felter, Brian Gelb, David Gray, Dennis Halverson, Jennifer Muladore, RJ Waddell
Members Absent:	Phillip Parr
Staff Present:	Kathy Egan, Community Planner; Jonathan Scheel, Zoning Administrator

C. Inquiry into Potential Conflicts of Interest

D. Approval of Agenda
Motion by Member Gray, second by Member Edwards to approve the Agenda as presented. Motion passed by unanimous voice vote.

E. Approval of the Minutes
1. August 12, 2019 Meeting Minutes
Motion by Member Waddell, second by Member Gelb to approve the minutes of August 12, 2019 as presented. Motion passed by unanimous voice vote.

F. Call for Public Comment Not Related to Agenda Items

G. New Business

H. Old Business
1. Rooftop Usage Discussion
Planner Egan stated that she found rooftop usage type ordinances for much larger cities, but not for smaller cities. Commission members reviewed and discussed the listed items as prepared by Planner Egan – building types, building standards, and uses. Discussion also included existing construction, building and zoning requirements related to decks, porches and rooftop areas; screening of mechanical and HVAC units on building roofs; existing balconies overlooking Round Lake; allowable activities in the commercial district; impacts to neighboring properties; and the need for special use permits for various rooftops uses. Planner Egan stated that she would consolidate key points of the discussion for further consideration at the next meeting.

2. Sidewalk Use Report
Zoning Administrator Scheel stated that there were three different sections in the public safety ordinance and another in the zoning ordinance. He stated that Section 153.101 "basically says no merchandise". He stated that the bigger issue was the signs, table & chairs, and other items within the sidewalk area that walkers must dodge, and after talking to the City Manager the Zoning Administrator will start enforcing all the sidewalk restrictions. He stated that every one of the allowable uses on the public sidewalks requires a permit and there hasn't been a permit issued on sidewalk use for 3-4 years. He stated that he met with the DDA and he will be sending a letter out to the business/property owners within the next month indicating that in the spring the restrictions will be enforced. Zoning Administrator Scheel stated that the fourth ordinance dealt with sidewalk cafes which he would also enforce.

3. Site Plan Review Levels A and B
Planner Egan stated that Level A was a Zoning Administrator approval of a plan and Level B is the plan that comes to the Planning Commission for review. Chair Chamberlain stated that the standards were reasonable but there were issues with the Hotel Earl when there were changes to the site plan shortly after it was approved. There was the question if the changes constituted a two-phase approval.

Zoning Administrator Scheel stated that when he reviews a Level A on an existing project that has gone through the Planning Commission, he looks at the criteria and any issues that the Commission had especially with regard to the effect on neighboring properties. Zoning Administrator Scheel stated that changes in use as to how a roof would be utilized or any change in use after the fact would be brought back before the Planning Commission.

I. Staff Updates

Zoning Administrator Scheel stated that they had a site plan review that is going to come before the Commission next month that is for a project on Pine River. He stated that several years ago condominiums were approved next to the Weathervane Hotel. He distributed copies of the site condominium plans to the Commission members.

J. Request for Next Month's Agenda or Research Items

Zoning Administrator Scheel stated that he had four Zoning Board of Appeals cases scheduled for next month.

K. Adjournment by 8:00 PM Unless Extended by Motion

Motion by Member Felter, second by Member Waddell to adjourn the meeting. Motion passed by unanimous voice vote. Meeting adjourned at 7:22 p.m.

Joyce M. Golding/fgm	City Clerk	Sherm Chamberlain	Chair