AGENDA
CITY OF CHARLEVOIX CITY COUNCIL REGULAR MEETING
Monday, December 7, 2020- 6:00 PM
Council Chambers, 210 State Street, Charlevoix, MI

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1. **Pledge of Allegiance**

   A. Zoom Log-in Instructions

2. **Roll Call**

3. **Presentations**

   A. 2019-20 Fiscal Year Financial Audit Presentation
   Rehmann Robson

4. **Inquiry Regarding Conflicts of Interest**

5. **Consent Agenda**

   A. City Council Meeting Minutes - November 16, 2020
   B. Accounts Payable and Payroll Check Registers
   C. 2021 MDOT Annual Permit
   D. Purchase Skid Steer for Electric Department - $51,245.70
   E. Chamber of Commerce Reporting
   F. Purchase 3 Substation Reclosers - $42,832.08
   G. Deficit Elimination Plan for the Marina and Ambulance

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

7. **All Other Actions and Requests**

   A. Downtown Snow Removal
   Mark L. Heydlauff, City Manager
   B. Temporary Winter Dining Structures Policy
   Jonathan Scheel, Zoning Administrator; Mark L. Heydlauff, City Manager
   C. Northside Trail Easements
   Luther Kurtz, Mayor
   D. Council Appointments
   Janet Kalbfell, Council Member

8. Reports and Communications

A. Public Comment

B. City Manager's Comments

C. Mayor and Council Comments

9. Other Council Business

10. Adjourn

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

CHARLEVOIX CITY COUNCIL

Pledge of Allegiance

TITLE: Zoom Log-in Instructions

DATE: December 7, 2020

BACKGROUND:

Due to the ongoing Covid-19 gathering restrictions, this meeting will be held entirely virtually.
Click: Join Zoom Meeting
Meeting ID: 963 1187 3153
Passcode: 813750

Dial by your location
+1 312 626 6799 US (Chicago)
Meeting ID: 963 1187 3153
Passcode: 813750
Find your local number: https://zoom.us/u/aea0xrOt2v

CHARLEVOIX CITY COUNCIL

Presentations

TITLE: 2019-20 Fiscal Year Financial Audit Presentation

DATE: December 7, 2020

PRESENTED BY: Rehmann Robson

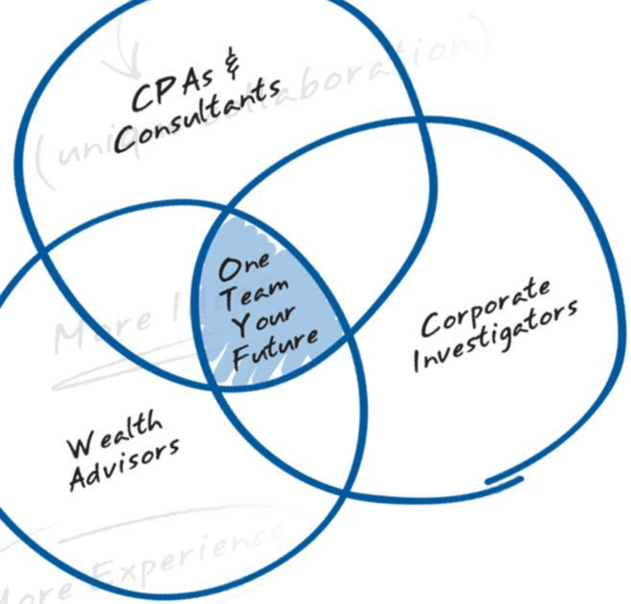
BACKGROUND:

The City's auditor, Rehmann Robson, has completed their audit of the City's financial statements as of and for the year ended March 31, 2020. Their audit encompassed the financial statements of the City's governmental activities, business-type activities, DDA, each major fund and the aggregate remaining fund information. A representative from Rehmann will present the findings of the audit and present a general overview of the financial health of the City.

With the financial audit now completed, staff has 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.

ATTACHMENTS:

- 2020 Audit Presentation
- Audited Financial Statement for March 31, 2020
- Auditor Communication Letter



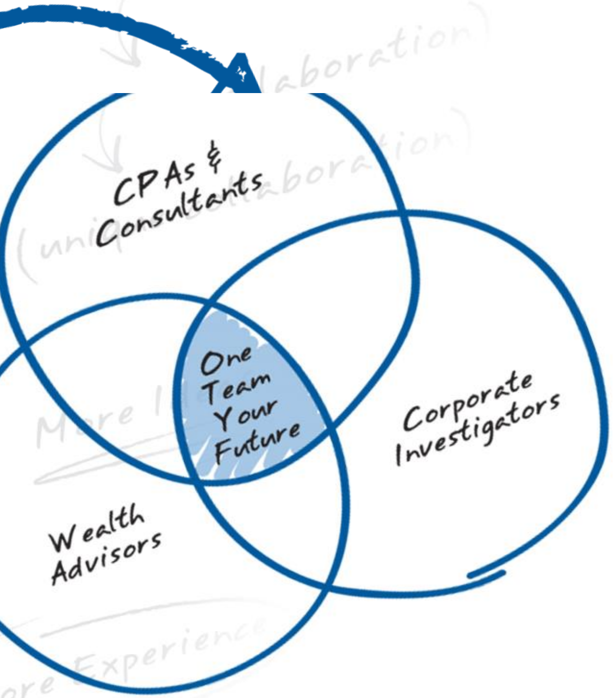
City of Charlevoix

Audited Financial Statements
March 31, 2020

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.
- The City did not expend more than $750,000 in federal expenditures in current year. As a result, no Single Audit compliance procedures were required.



Financial Highlights

Government-Wide Financial Statement Highlights

Capital Assets	Total Capital Assets, Net	Capital Asset Additions	Capital Asset Disposals	Depreciation Expense	Transfers
Governmental Activities	$30.3 million	$2 million	$194,000	$969,000	$0
Business-type Activities	$38.3 million	$1.5 million	$25,000	$2.5 million	$172,000
Component Unit - DDA	$3 million	$1,500	$3,700	$192,000	$0

Long-term Debt	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities	$3.6 million	$9.1 million	$508,000	$12.2 million	$563,000
Business-type Activities	$12.2 million	$0	$772,000	$11.4 million	$797,000

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General Fund Highlights

Total general fund balance - $1,151,972 (details on page number 17 of financial statements – page 28 of the PDF):

- Nonspendable - $39,142 (prepaids)
- Unassigned - $1,112,650

Change in the General Fund balance:

- Actual decrease of $60,742 during the current year
- Final budgeted decrease of $100,293
- Original budgeted decrease of $249,500

The actual decrease is primarily related to actual revenues being less than the budget, in total, by $96,054, which consisted mainly of decreases in tax revenues ($66,558), charges for services ($28,504), and rents and royalties ($22,928). Total expenses resulted in actual expenditures also being less than budget in the amount of $133,105 which consisted mainly of public works ($39,139), health and welfare ($34,488), and recreation and culture ($28,732).

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

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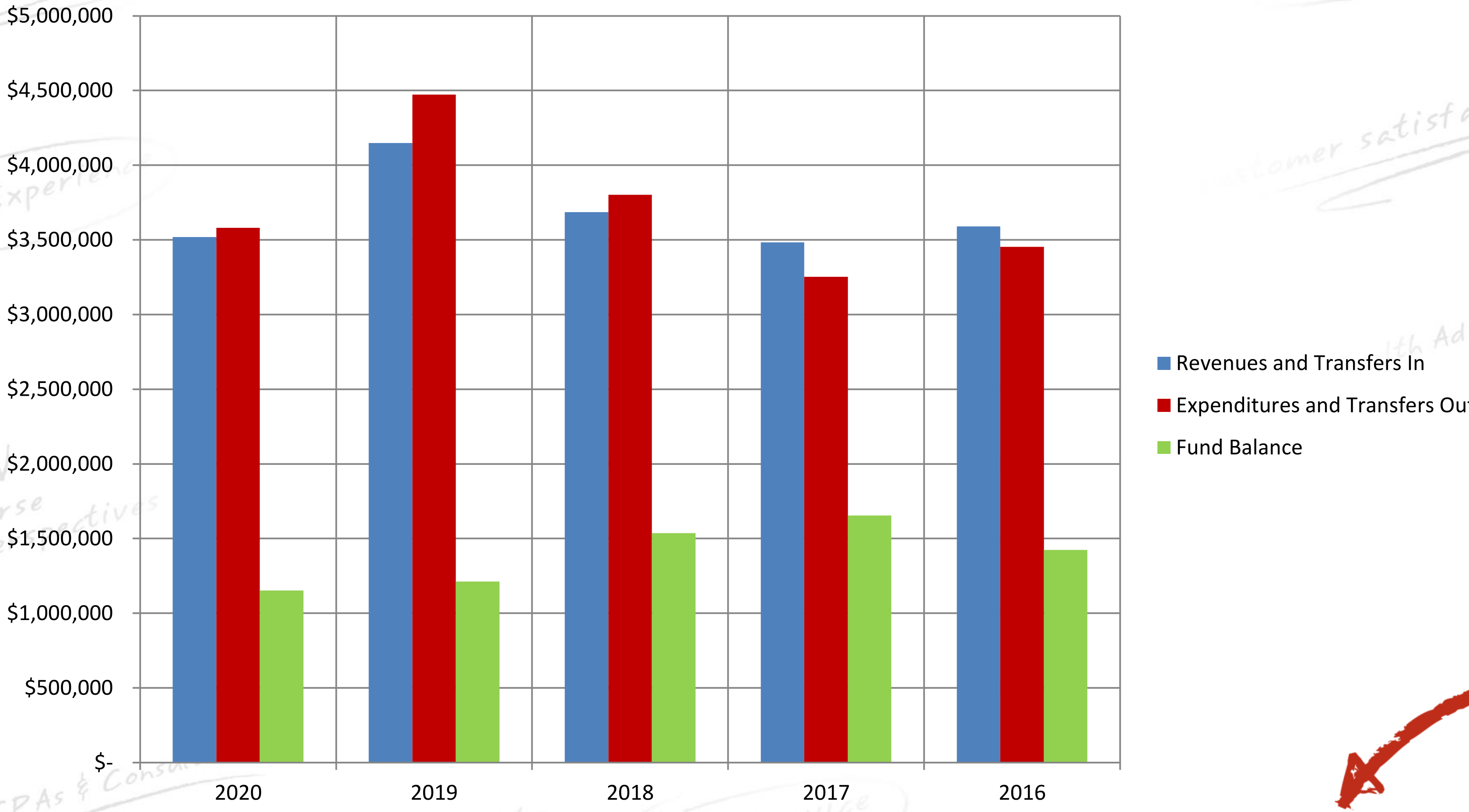
General Fund - Trend



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Proprietary Funds Highlights

Fund	Revenue and Transfers In	Expenses and Transfers Out	Change in Net Position	Net Position at 3/31/2020
Electric Utility	$5.6 million	$6 million	$(415,000)	$10 million
Sewage Disposal Utility	$2.4 million	$2.1 million	$297,000	$10.7 million
Water Utility	$1.7 million	$1.3 million	$358,000	$5.8 million
Marina	$462,000	$1.1 million	$(221,000)	$2.1 million
Airport	$1.5 million	$2 million	$1,100	$8.5 million

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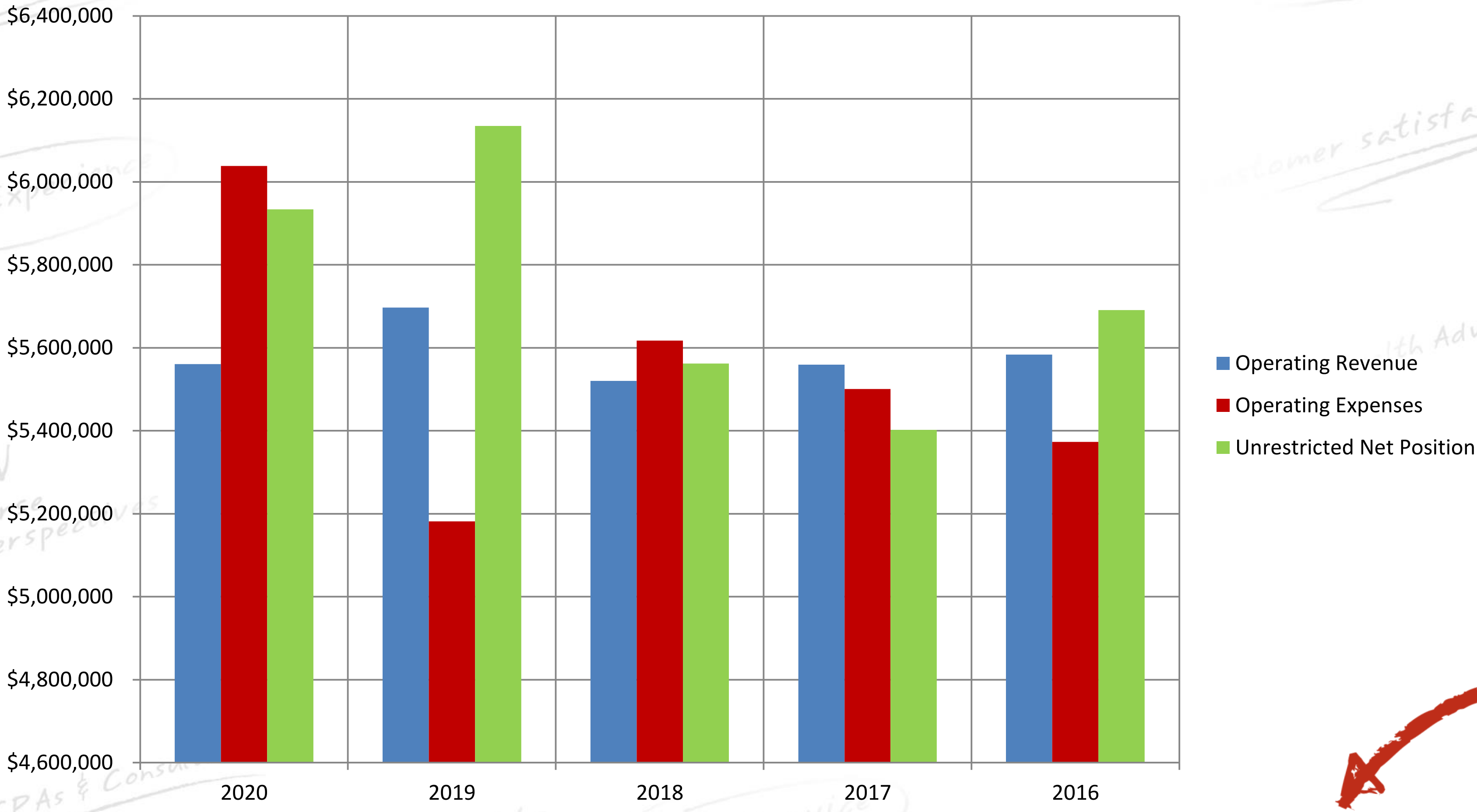
Inter-fund Advances

Fund	Advance From	Advance To
Electric Utility Fund	$493,000	$ -
Marina Fund	$ -	$493,000

Interfund advances relate to the Electric Utility Fund providing funding to the Marina Fund and Airport Fund (repaid as of 3/31/2020) to support operations and capital improvements.

Electric Utility Fund - Trend



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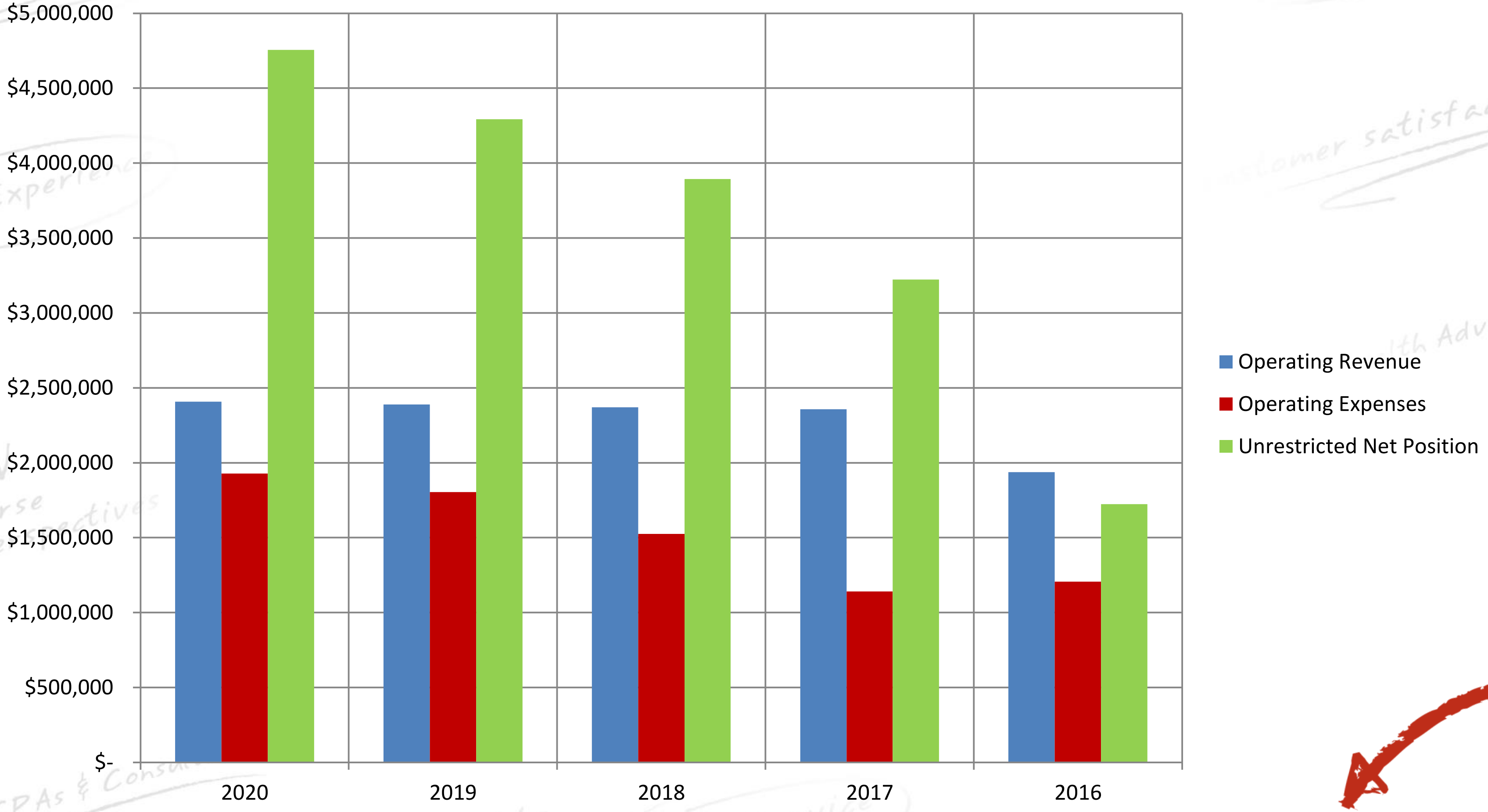
Sewage Disposal Utility Fund - Trend



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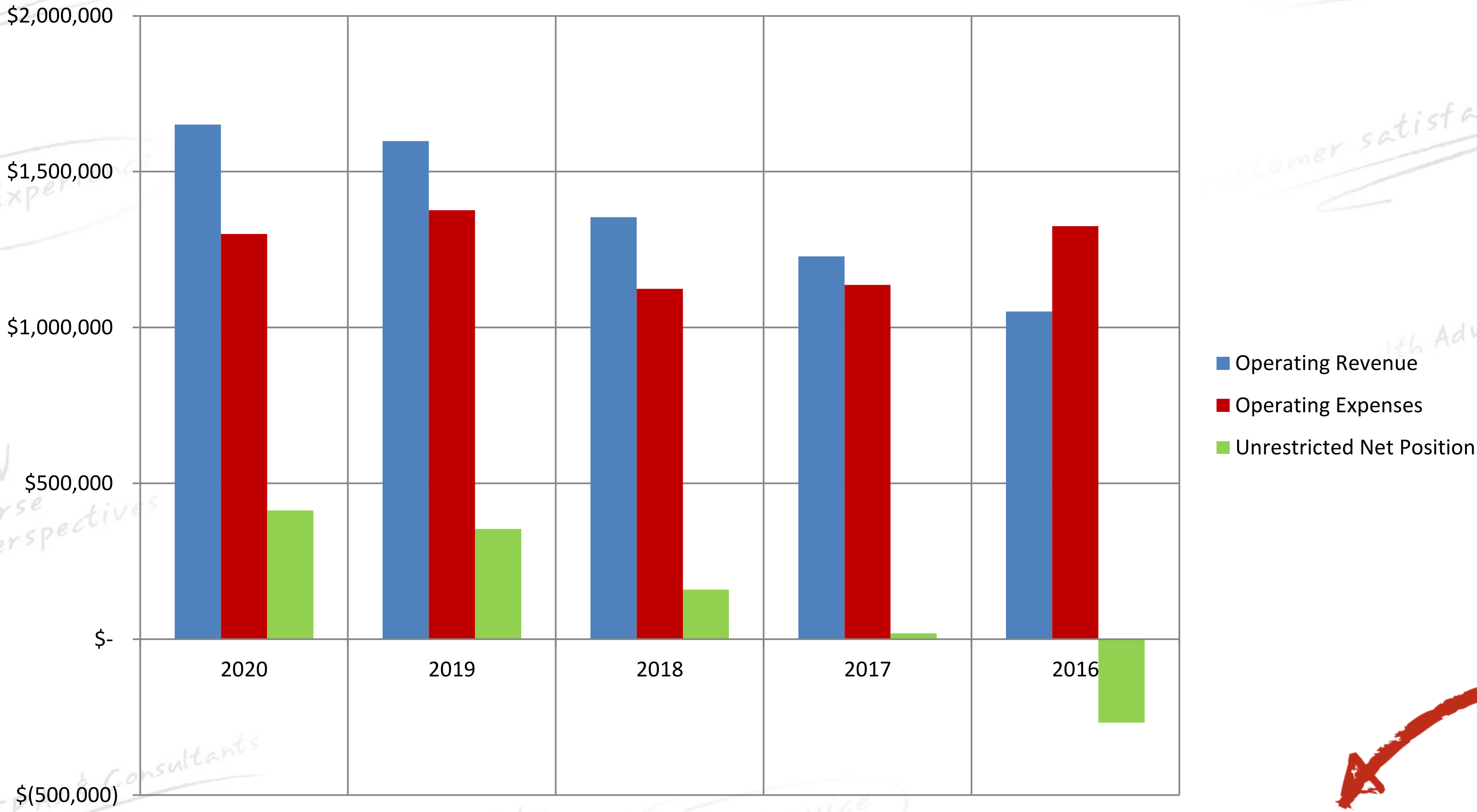
Water Utility Fund - Trend



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Marina Fund - Trend

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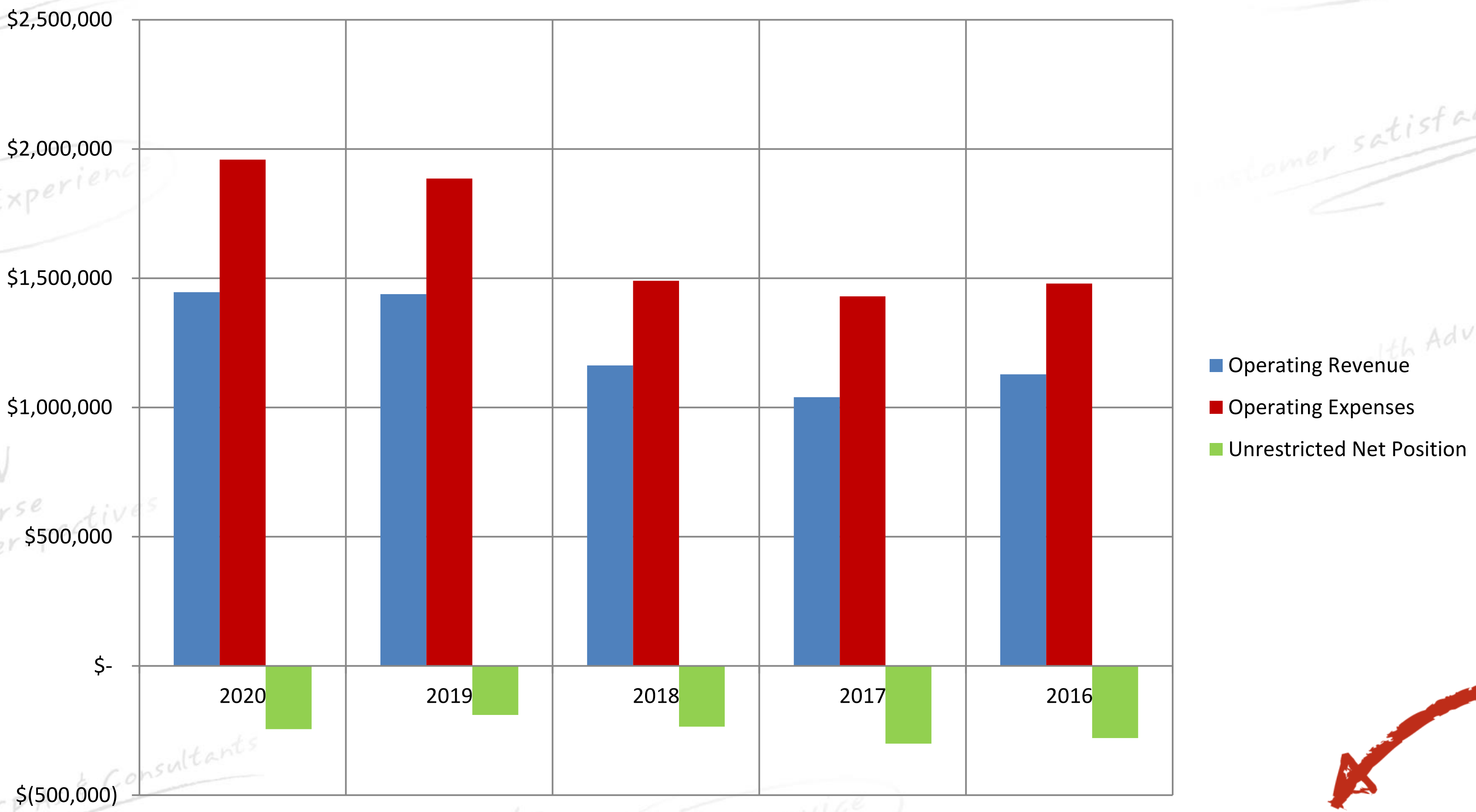
Airport Fund - Trend



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Findings

- Material Weakness – Preparation of Financial Statements in Accordance with Generally Accepted Accounting Principals (GAAP), Material Adjustments (repeat comment)
- Other Matter – Untimely Tax Disbursements. – Section 43(3)(a) of Public Act 206 of 1893 – General Property Tax Act provides for 15 days between collection and distribution of taxes. Sixteen of sixteen tested disbursements were untimely. However, all were distributed by the final distribution date of April 1, 2020.

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Deficit Elimination Plans

- Marina Fund
- Ambulance Special Revenue Fund
- Resolutions to be presented for approval tonight.

Questions?

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We Sincerely Thank You For Your Continued Business

Annette Eustice, CPA, CGFM
Annette.Eustice@rehmann.com
231-627-8381

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City of Charlevoix, Michigan

Fiscal Year Ended March 31, 2020

Financial Statements

Rehmann

Business wisdom delivered.

CITY OF CHARLEVOIX, MICHIGAN

Table of Contents

CITY OF CHARLEVOIX, MICHIGAN

Table of Contents

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CITY OF CHARLEVOIX, MICHIGAN

List of Elected and Appointed Officials

Elected Officials

Mayor	Luther Kurtz
Council Member	Aaron Hagen
Council Member	Janet Kalbfell
Council Member	Brian Slater
Council Member	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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Fx: 231.627.5787
rehmann.com

INDEPENDENT AUDITORS' REPORT

November 3, 2020

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, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Independent Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Charlevoix, Michigan, as of March 31, 2020, 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 November 3, 2020, 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, 2020.

Financial Highlights

- The City's total net position increased to approximately $67,071,000 at the end of the current fiscal year compared to approximately $66,797,000 at the end of the prior period. The primary government's total net position increased by approximately $270,000. Net position of governmental activities decreased by approximately $54,000. Net position of business-type activities increased by approximately $324,000.
- 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 $67,067,000 (net position). Of this amount, approximately $12,065,000 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- At March 31, 2020, the City's governmental funds reported combined ending fund balances of approximately $10,532,000, an increase of approximately $7,504,000 from the prior year. This increase was attributable mainly to the Public Utility Service Building capital project fund bond issue in the current year. Approximately 11% of these combined ending fund balances or approximately $1,067,000 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 $1,113,000 or 31% percent of total General Fund expenditures and transfers out.

Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

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

The City adopts an annual appropriated budget for its General Fund and special revenue funds. 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.

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 $67,067,000 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	
	2020	2019	2020	2019	2020	2019
Assets						
Current and other assets	$ 12,061,889	$ 4,013,135	$ 16,599,407	$ 15,771,449	$ 28,661,296	$ 19,784,589
Capital assets, net	30,313,351	29,193,911	38,300,724	39,302,968	68,614,075	68,496,874
	42,375,240	33,207,046	54,900,131	55,074,417	97,275,371	88,281,463
Deferred outflows of resources	251,833	448,730	437,793	665,102	689,626	1,113,832
Liabilities						
Other liabilities	1,015,952	430,837	1,041,106	988,988	2,057,058	1,419,825
Long-term debt	12,198,920	3,598,166	11,419,025	12,191,091	23,617,945	15,789,257
Net pension liability	2,210,516	2,327,610	2,739,630	2,704,880	4,950,146	5,032,490
	15,425,388	6,356,613	15,199,761	15,884,959	30,625,149	22,241,572
Deferred inflows of resources	121,663	164,858	150,783	191,581	272,446	356,439
Net position						
Net investment in capital assets	27,120,459	26,328,287	26,514,382	27,255,509	53,634,841	53,583,796
Restricted	939,634	837,398	427,777	396,074	1,367,411	1,233,472
Unrestricted (deficit)	(980,071)	(31,380)	13,045,221	12,011,396	12,065,150	11,980,016
Total net position	$ 27,080,022	$ 27,134,305	$ 39,987,380	$ 39,662,979	$ 67,067,402	$ 66,797,284

For its governmental activities, the City had a significant increase in current and other assets and long-term debt relative to the cash proceeds on bonds for the construction of the Service Utility Building that began this year. The City was able to report positive balances in two of the three categories of net position, with a deficit of approximately $980,000 in unrestricted net position.

Management's Discussion and Analysis

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

	Change in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Program revenues						
Charges for services	$ 2,047,100	$ 1,449,244	$ 11,527,677	$ 11,570,758	$ 13,574,777	$ 13,020,002
Operating grants and contributions	634,068	608,397	446,246	403,102	1,080,314	1,011,499
Capital grants and contributions	-	-	514,549	330,340	514,549	330,340
General revenues						
Property taxes	3,184,779	3,097,523	-	-	3,184,779	3,097,523
State shared revenue	266,928	257,524	-	-	266,928	257,524
Other revenues	29,384	281,133	-	-	29,384	281,133
Gain on sale of capital assets	4,149	10,500	-	-	4,149	10,500
Unrestricted investment earnings	46,533	19,691	-	-	46,533	19,691
Total revenues	6,212,941	5,724,012	12,488,472	12,304,200	18,701,413	18,028,212
Expenses:						
Legislative	68,415	53,053	-	-	68,415	53,053
General government	902,592	799,561	-	-	902,592	799,561
Public safety	1,539,898	1,256,398	-	-	1,539,898	1,256,398
Public works	826,976	860,997	-	-	826,976	860,997
Health and welfare	1,403,842	1,231,903	-	-	1,403,842	1,231,903
Recreation and culture	1,303,118	1,240,025	-	-	1,303,118	1,240,025
Interest expense	89,433	95,329	-	-	89,433	95,329
Electric utility	-	-	5,856,299	5,237,880	5,856,299	5,237,880
Sewage disposal utility	-	-	2,083,911	2,133,627	2,083,911	2,133,627
Water utility	-	-	1,262,888	1,409,483	1,262,888	1,409,483
Marina	-	-	1,123,176	1,097,246	1,123,176	1,097,246
Airport	-	-	1,970,747	1,897,449	1,970,747	1,897,449
Total expenses	6,134,274	5,537,266	12,297,021	11,775,685	18,431,295	17,312,951

Continued…

	Change in Net Position (concluded)					
	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Change in net position before transfers	$ 78,667	$ 186,746	$ 191,451	$ 528,515	$ 270,118	$ 715,261
Transfers	(132,950)	(354,485)	132,950	354,485	-	-
Change in net position	(54,283)	(167,739)	324,401	883,000	270,118	715,261
Net position:						
Beginning of year	27,134,305	27,302,044	39,662,979	38,779,979	66,797,284	66,082,023
End of year	$ 27,080,022	$ 27,134,305	$ 39,987,380	$ 39,662,979	$ 67,067,402	$ 66,797,284

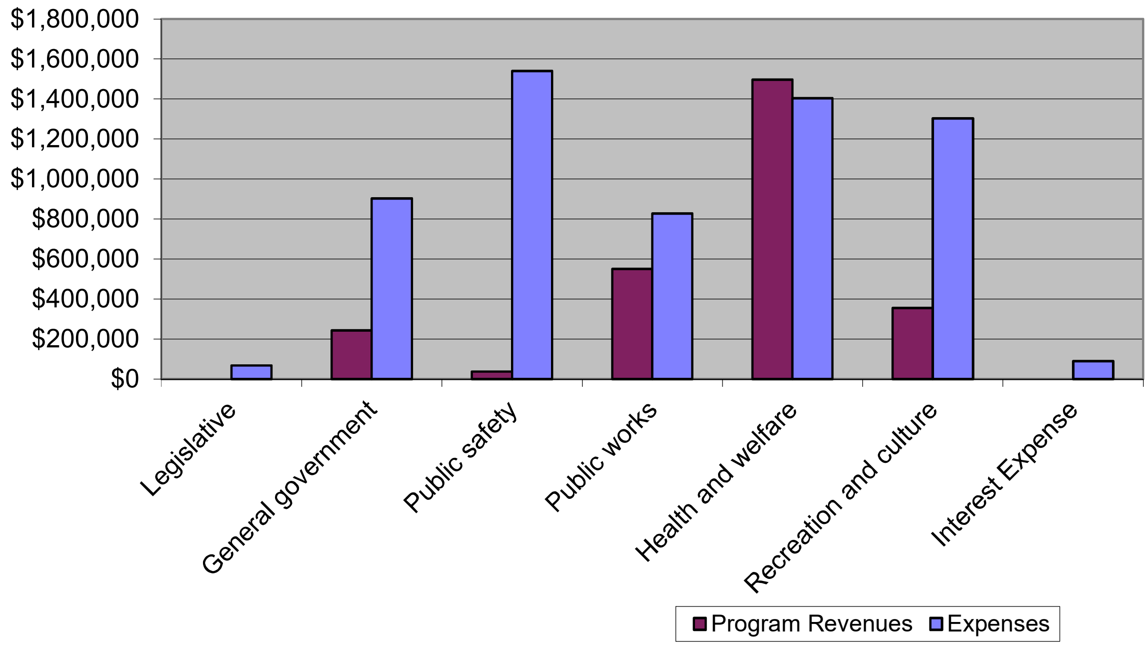
Concluded

Governmental Activities. Governmental activities decreased the City's net position by approximately $54,000. Key elements of this decrease are as follows:

- Total governmental activities revenue increased by approximately $489,000 or 8.54% compared to prior year, with the most significant increase in charges for services attributable to additional amounts collected for ambulance services from townships to cover cost reimbursements.

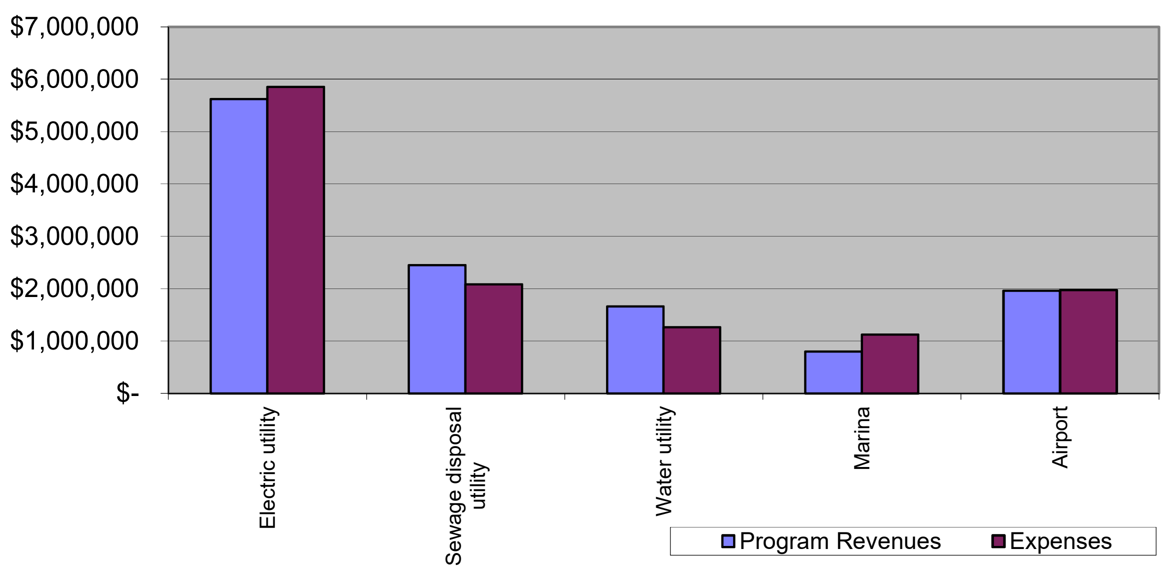
- Total expenses for governmental activities increased by approximately $597,000 compared to prior year, with the most significant cost changes attributable to non-capitalizable repair and maintenance costs and pension adjustments.

Program Revenues and Expenses - Governmental Activities



Business-type Activities. Net position of the business-type activities increased by approximately $324,000 in fiscal 2020 as compared to an increase of approximately $883,000 in fiscal 2019. This reduction in positive impact on the business-type activities net position is mainly attributable to an increase in capital grants and contributions of approximately $184,000 and a decrease in sewage disposal utility costs of approximately $147,000. Electric Utility costs increased by approximately $618,000 attributable to personnel costs of approximately $335,000 and contracted services of approximately $251,000 as well as approximately $74,000 in increased purchased power costs. Personnel costs and contracted service cost increases were attributable to the department moving from their existing facility which is to be replaced over the next several months.

Program Revenues and Expenses - Business-type Activities



Management's Discussion and Analysis

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 $10,532,000, an increase of approximately $7,504,000 from the prior year. This increase was attributable primarily to bond proceeds received to begin construction of a new public utility service building in the amount of approximately $8,878,000 offset by related capital expenditures of approximately $1,329,000. A significant part of the fund balance ($8,359,000) is restricted for purposes of capital improvements. Remaining restrictions are attributable to major and local street and debt service. Another portion of the fund balances, approximately $1,067,000, 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 $10,386,000 and the net investment in capital assets was approximately $26,315,000. The changes in enterprise fund net positions were as follows:

- Electric utility activities decreased its net position by approximately $415,000, mainly caused by increases in electric utility costs in personnel of approximately $335,430, contracted services of $251,290 spent on various projects related to construction in process and an increase in purchased power of approximately $74,000.

- Sewage disposal utility activities increased its net position by approximately $297,000 which is less than the increase in fiscal 2019 of approximately $754,000. In 2019 the City received $330,340 in state revenue and $167,555 in transfers from other funds to complete certain capital projects that didn't occur in 2020.

- Water utility activities increased its net position by approximately $358,000 which is approximately $36,000 higher than the increase in net position in fiscal 2019 of $322,000. In 2019, the water utility fund received $131,000 in transfers from other funds to cover personnel costs to complete certain capital projects. In 2020, there was no transfer in and personnel costs decreased by approximately $167,000 resulting in the change from 2019.

- The Marina experienced a decrease in net position of approximately $221,000. In fiscal 2019, the decrease in net position was approximately $306,000. The net change in 2020 resulted because of a transfer in from other funds of approximately $100,000 to assist in eliminating the unrestricted deficit net position at March 31, 2020.

- Airport activities nearly broke even with an increase in net position of approximately $1,000. Over the past several years, management has worked diligently to manage costs and increase fees when appropriate to better cover their costs and manage to a positive bottom line.

General Fund Budgetary Highlights

During the year, General Fund revenues were less than budgetary estimates by approximately $96,000 or 2.7% and expenditures were less than budgetary estimates by approximately $133,000 or 3.7%. The City budgets for collection of approximately 99.5% of tax levied. During the current year taxes collected were somewhat less than that. City hall revenues were under budget attributable to the City not collecting rent from EMS in the amount of $22,660. This cost would generally get passed on to the Townships and to the City for EMS services. With the Township costs so high this year, an executive decision was made to start collecting rent in the 2020-2021 fiscal year rather than in 2019-2020.

The most significant budget variances in expenditures were related to public works ($39,000), ambulance ($34,000), and recreation and culture ($29,000). Public works variance was attributable to reduced costs of brush and leaf pickup. The City did not do as much leaf pickup during the 2019-2020 fiscal year. Further, less labor was spent on brush pick up which in turn reduced equipment rental costs. Ambulance fluctuations were attributable mainly to the City moving most ambulance activity to a special revenue fund in the current year with remaining costs in the general fund attributable mainly to certain collection efforts on past receivables. Recreation and culture and recreation costs were under budget because the City postponed scheduled roof improvements to subsequent years.

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, 2020, amounted to approximately $68,614,000 (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:

- Construction costs related to the Public Utility Service Building of approximately $1,329,000.
- Airport fuel farm expansion of approximately $538,000.
- Vehicle and vehicle equipment purchases of approximately $681,000 including an ambulance with a cost of $242,000.
- Server upgrades of approximately $224,000.

	Capital Assets (Net of Depreciation, Where Applicable)					
	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	$ 16,932,797	$ 16,932,797	$ 1,569,534	$ 1,569,534	$ 18,502,331	$ 18,502,331
Construction in progress	1,334,080	50,262	553,595	663,050	1,887,675	713,312
Land improvements	1,549,198	1,631,947	13,277,313	13,210,914	14,826,511	14,842,861
Infrastructure	5,573,163	5,762,099	-	-	5,573,163	5,762,099
Buildings and improvements	2,705,499	2,873,931	14,016,828	14,541,912	16,722,327	17,415,843
System improvements	-	-	8,323,641	8,929,842	8,323,641	8,929,842
Machinery and equipment	759,755	721,546	559,813	387,711	1,319,568	1,109,257
Vehicles	1,458,859	1,221,329	-	-	1,458,859	1,221,329
Total capital assets, net	$ 30,313,351	$ 29,193,911	$ 38,300,724	$ 39,302,963	$ 68,614,075	$ 68,496,874

Additional information on the City's capital assets can be found in the notes (see note 6) to the financial statements.

Long-term debt. The components of the City's long term debt are listed below. During fiscal 2020 the City entered obtained a capital improvement bond in the amount of $8,335,000 for the purpose of construction of the new Public Utility Service Building. The City has pledged its full faith and credit towards the bond obligations.

	Long-term Debt					
	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Bonds payable	$ 11,170,000	$ 3,035,000	$ 11,124,562	$ 11,854,562	$ 22,294,562	$ 14,889,562
Premium on bond issuance	824,616	340,105	294,463	336,529	1,119,079	676,634
Accrued compensated absences	204,304	223,061	-	-	204,304	223,061
Total	$ 12,198,920	$ 3,598,166	$ 11,419,025	$ 12,191,091	$ 23,617,945	$ 15,789,257

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

In addition, the City offers its full-time employees a retirement pension through the Municipal Employees' Retirement System of Michigan (MERS). Based on the latest annual actuarial valuation report from MERS dated December 31, 2019, the City's plan is 65% funded, compared to 62% funded in the previous year.

Additional information on the City's long-term debt and pension liability can be found in the notes (see footnote 9 and 13) 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 2020-21 fiscal year:

- The unemployment rate for Michigan is currently 22.7% and the national average rate is 14.7%.
- The local, state and national economies have shown a significant downturn due to the COVID-19 pandemic.
- The tax collection rate for the 2020-21 fiscal year are expected to be comparable to fiscal year 2019-20 at 99% of billed taxes. The County tax revolving fund reimburses the City for delinquent real property taxes in April each year following the March settlement.
- For the 2021 tax year, the operating millage of 9.3526 mills which is different from the 2020 tax year to enable the same level of service to taxpayers provided by the General Fund. The infrastructure millage remained at 1.7 mills. The refuse millage (PA 213) remained at 1.0 mill.
- Sewer rates charged for services in fiscal year 2020-21 increased 3.9% compared to fiscal year 2019-2020.
- Water rates charged for services in fiscal year 2020-21 increased 4.9% from the fiscal year 2019-2020 rates.
- Electric rates for fiscal year 2020-2021 increased 3.9% from fiscal year 2019-2020.
- Wage rates increased 5% for Police Officers Labor Council (POLC) union employees, 2.0% for Communications Workers of America (CWA) union employees per their labor contracts with the City. The City's non-union employees received a 2.0% rate increase effective April 2020.
- The employee fringe benefit fund rates remained constant for 2020-2021.

Management's Discussion and Analysis

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

CITY OF CHARLEVOIX, MICHIGAN

Statement of Net Position

March 31, 2020

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Unit
Assets				
Cash and cash equivalents	$ 10,489,525	$ 11,143,107	$ 21,632,632	$ 305,789
Investments	876,200	1,903,800	2,780,000	50,000
Cash at fiscal agent	136,515	560,207	696,722	-
Deposit held by Michigan Public Power Agency	-	427,777	427,777	-
Receivables, net	914,253	1,318,294	2,232,547	6,068
Internal balances	(443,252)	443,252	-	-
Other assets	88,648	502,970	591,618	-
Restricted investments	-	300,000	300,000	-
Capital assets not being depreciated	18,266,877	2,123,129	20,390,006	923,071
Capital assets being depreciated, net	12,046,474	36,177,595	48,224,069	2,118,393
Total assets	42,375,240	54,900,131	97,275,371	3,403,321
Deferred outflows of resources				
Deferred charge on bond refunding	-	125,683	125,683	-
Deferred pension amounts	251,833	312,110	563,943	-
Total deferred outflows of resources	251,833	437,793	689,626	-
Liabilities				
Accounts payable and accrued liabilities	970,886	1,025,069	1,995,955	24,337
Unearned revenue	45,066	16,037	61,103	850
Long-term debt:				
Due within one year	562,543	797,066	1,359,609	-
Due in more than one year	11,636,377	10,621,959	22,258,336	-
Net pension liability, due in more than one year	2,210,516	2,739,630	4,950,146	-
Total liabilities	15,425,388	15,199,761	30,625,149	25,187
Deferred inflows of resources				
Deferred pension amounts	121,663	150,783	272,446	-
Net position				
Net investment in capital assets	27,120,459	26,514,382	53,634,841	3,041,464
Restricted for:				
Perpetual care (non-expendable)	445,219	-	445,219	-
Street improvements	480,888	-	480,888	-
Energy purchases	-	427,777	427,777	-
Debt service	13,527		13,527	-
Downtown development	-	-	-	336,670
Unrestricted (deficit)	(980,071)	13,045,221	12,065,150	-
Total net position	$ 27,080,022	$ 39,987,380	$ 67,067,402	$ 3,378,134

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

Statement of Activities
For the Year Ended March 31, 2020

Functions / Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net Revenue (Expense)
Primary government					
Governmental activities:					
Legislative	$ 68,415	$ -	$ -	$ -	$ (68,415)
General government	902,592	242,045	693	-	(659,854)
Public safety	1,539,898	-	37,299	-	(1,502,599)
Public works	826,976	-	549,895	-	(277,081)
Health and welfare	1,403,842	1,496,836	-	-	92,994
Recreation and culture	1,303,118	308,219	46,181	-	(948,718)
Interest	89,433	-	-	-	(89,433)
Total governmental activities	6,134,274	2,047,100	634,068	-	(3,453,106)
Business-type activities:					
Electric utility	5,856,299	5,560,292	62,566	-	(233,441)
Sewage disposal utility	2,083,911	2,408,610	39,475	-	364,174
Water utility	1,262,888	1,651,326	7,039	-	395,477
Marina	1,123,176	461,957	337,166	-	(324,053)
Airport	1,970,747	1,445,492	-	514,549	(10,706)
Total business-type activities	12,297,021	11,527,677	446,246	514,549	191,451
Total primary government	$ 18,431,295	$ 13,574,777	$ 1,080,314	$ 514,549	$ (3,261,655)
Component unit					
Downtown Development Authority	$ 897,977	$ 65,537	$ 24,399	$ -	$ (808,041)

Continued...

Statement of Activities
For the Year Ended March 31, 2020

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Unit
Change in net position				
Net revenue (expense)	$ (3,453,106)	$ 191,451	$ (3,261,655)	$ (808,041)
General revenues:				
Property taxes	3,184,779	-	3,184,779	471,980
State shared revenues	266,928	-	266,928	43,296
Other revenue	29,384	-	29,384	-
Gain on sale of capital assets	4,149	-	4,149	-
Unrestricted investment earnings	46,533	-	46,533	-
Transfers - internal activities	(132,950)	132,950	-	-
Total general revenues and transfers	3,398,823	132,950	3,531,773	515,276
Change in net position	(54,283)	324,401	270,118	(292,765)
Net position, beginning of year	27,134,305	39,662,979	66,797,284	3,670,899
Net position, end of year	$ 27,080,022	$ 39,987,380	$ 67,067,402	$ 3,378,134

Concluded

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

FUND FINANCIAL STATEMENTS

Balance Sheet

Governmental Funds
March 31, 2020

	General Fund	Public Utility Service Building Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	$ 727,348	$ 8,050,549	$ 911,627	$ 9,689,524
Cash at fiscal agent	-	-	136,515	136,515
Investments	400,000	-	276,200	676,200
Accounts receivable, net	46,686	2,847	612,674	662,207
Taxes receivable	54,690	-	23,188	77,878
Due from other governmental units	57,274	-	106,350	163,624
Interest receivable	5,593	-	1,577	7,170
Prepaids	39,142	-	929	40,071
Total assets	$ 1,330,733	$ 8,053,396	$ 2,069,060	$ 11,453,189
Liabilities				
Accounts payable	$ 98,213	$ 609,682	$ 78,263	$ 786,158
Accrued liabilities	50,672	-	38,902	89,574
Unearned revenue	30,056	-	15,010	45,066
Total liabilities	178,941	609,682	132,175	920,798
Fund balances				
Nonspendable	39,142	-	446,148	485,290
Restricted	-	7,443,714	1,299,068	8,742,782
Assigned	-	-	237,713	237,713
Unassigned (deficit)	1,112,650	-	(46,044)	1,066,606
Total fund balances	1,151,792	7,443,714	1,936,885	10,532,391
Total liabilities and fund balances	$ 1,330,733	$ 8,053,396	$ 2,069,060	$ 11,453,189

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

CITY OF CHARLEVOIX, MICHIGAN

Reconciliation

Fund Balances of Governmental Funds
to Net Position of Governmental Activities
March 31, 2020

Fund balances - total governmental funds	$ 10,532,391
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	18,266,877
Capital assets being depreciated, net	12,046,474
Capital assets accounted for in motor vehicle internal service fund, net	(1,452,365)
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	2,349,653
Net position allocated to business-type activities from governmental activities internal service funds	(443,252)
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	(2,210,516)
Deferred outflows of resources related to the net pension liability	251,833
Deferred inflows of resources related to the net pension liability	(121,663)
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	(88,094)
Interest payable on long-term debt	(56,700)
Bonds payable and related premiums	(11,994,616)
Net position of governmental activities	$ 27,080,022

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, 2020

	General Fund	Public Utility Service Building Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Taxes	$ 2,477,459	$ -	$ 707,320	$ 3,184,779
State revenue	268,108	-	546,883	814,991
Licenses and permits	7,720	-	-	7,720
Charges for services	463,377	-	1,345,688	1,809,065
Fines and forfeitures	18,023	-	-	18,023
Interest	13,808	12,629	11,993	38,430
Rents and royalties	179,434	-	7,409	186,843
Other revenue	89,226	-	48,589	137,815
Total revenues	3,517,155	12,629	2,667,882	6,197,666
Expenditures				
Current:				
Legislative	67,863	-	-	67,863
General government	686,734	-	4,249	690,983
Public safety	1,129,737	-	320,643	1,450,380
Public works	258,983	1,329,418	618,682	2,207,083
Health and welfare	79,081	-	1,295,300	1,374,381
Recreation and culture	1,236,025	-	37,469	1,273,494
Other expenditures	21,974	-	-	21,974
Debt service:				
Principal	-	-	200,000	200,000
Interest	-	-	121,775	121,775
Bond issuance costs	-	87,350	-	87,350
Total expenditures	3,480,397	1,416,768	2,598,118	7,495,283
Revenues over (under) expenditures	36,758	(1,404,139)	69,764	(1,297,617)
Other financing sources (uses)				
Bond proceeds	-	8,335,000	-	8,335,000
Premium on bonds	-	512,853	-	512,853
Transfers in	2,500	-	548,097	550,597
Transfers out	(100,000)	-	(496,600)	(596,600)
Total other financing sources (uses)	(97,500)	8,847,853	51,497	8,801,850
Net change in fund balances	(60,742)	7,443,714	121,261	7,504,233
Fund balances, beginning of year	1,212,534	-	1,815,624	3,028,158
Fund balances, end of year	$ 1,151,792	$ 7,443,714	$ 1,936,885	$ 10,532,391

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

Reconciliation

Net Change in Fund Balances of Governmental Funds
to Change in Net Position of Governmental Activities
For the Year Ended March 31, 2020

Net change in fund balances - total governmental funds	$ 7,504,233
Amounts reported for *governmental activities* in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense.	
Capital assets purchased/constructed	1,819,387
Depreciation expense	(686,362)
Debt proceeds provide current financial resources to governmental funds in the period issued, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the funds, but the repayment reduces long-term liabilities in the statement of net position.	
Bond issuance	(8,335,000)
Premium on bonds	(512,853)
Principal payment	200,000
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	(61,486)
Change in net position from governmental activities accounted for internal service funds charged to business-type activities	26,954
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	(36,608)
Bond premium amortization	28,342
Change in accrued interest	(4,000)
Net increase in compensated absences - sick leave	3,110
Change in net position of governmental activities	$ (54,283)

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, 2020

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes:				
Property taxes	$ 2,407,600	$ 2,488,817	$ 2,439,572	$ (49,245)
Payments in lieu of taxes	13,200	23,200	7,379	(15,821)
Interest and penalties on taxes	8,000	8,000	6,788	(1,212)
Tax collection fees	18,000	24,000	23,720	(280)
Total taxes	2,446,800	2,544,017	2,477,459	(66,558)
State revenue	263,400	266,165	268,108	1,943
Licenses and permits	5,900	7,400	7,720	320
Charges for services:				
Ambulance runs	867,000	-	-	-
Ambulance contracts	157,600	162,575	153,683	(8,892)
Cemetery	35,000	35,000	27,589	(7,411)
Golf course	95,300	99,321	99,319	(2)
Farmer's market	-	37,236	32,342	(4,894)
Summer sports	6,800	9,282	8,782	(500)
Day camp	48,200	52,351	46,922	(5,429)
Winter sports	55,000	55,000	54,274	(726)
Skate park	800	1,000	969	(31)
Parking	24,500	33,416	33,416	-
Other	6,700	6,700	6,081	(619)
Total charges for services	1,296,900	491,881	463,377	(28,504)
Fines and forfeitures	21,300	18,930	18,023	(907)
Interest	2,500	5,000	13,808	8,808
Rents and royalties:				
City hall	150,500	173,161	151,700	(21,461)
Boat launch/harbor building	28,700	28,701	27,404	(1,297)
Skate park	500	500	330	(170)
Total rents and royalties	179,700	202,362	179,434	(22,928)
Other revenue	90,800	77,454	89,226	11,772
Total revenues	4,307,300	3,613,209	3,517,155	(96,054)

Continued...

Statement of Revenues, Expenditures and Change in Fund Balance

Budget and Actual - General Fund
For the Year Ended March 31, 2020

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Expenditures				
Legislative:				
City council	$ 61,700	$ 80,278	$ 67,863	$ (12,415)
General government:				
Mayor	8,300	7,850	7,429	(421)
City manager	121,250	122,007	124,780	2,773
Elections	42,800	39,358	25,344	(14,014)
Assessor	77,000	77,693	70,558	(7,135)
City attorney	29,300	29,325	43,125	13,800
City clerk	43,800	44,123	40,337	(3,786)
City treasurer	78,100	71,512	71,003	(509)
City hall and grounds	173,200	177,451	190,368	12,917
Cemetery	99,700	120,202	113,790	(6,412)
Total general government	673,450	689,521	686,734	(2,787)
Public safety:				
Police department	840,100	859,682	847,574	(12,108)
Parking law enforcement	8,500	9,932	9,724	(208)
Fire department	208,300	213,397	201,217	(12,180)
Planning department	55,000	56,129	71,222	15,093
Total public safety	1,111,900	1,139,140	1,129,737	(9,403)
Public works:				
Highways and streets	300	300	-	(300)
Leaf pick up	190,700	195,436	171,385	(24,051)
Waste collection	58,600	51,657	46,766	(4,891)
Brush pickup	50,700	50,729	40,832	(9,897)
Total public works	300,300	298,122	258,983	(39,139)

Continued...

Statement of Revenues, Expenditures and Change in Fund Balance

Budget and Actual - General Fund
For the Year Ended March 31, 2020

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Expenditures (Continued)				
Health and welfare:				
Ambulance	$ 1,105,800	$ 113,569	$ 79,081	$ (34,488)
Recreation and culture:				
Parks	558,000	572,744	555,099	(17,645)
Recreation administration	173,300	156,124	154,625	(1,499)
City beaches	5,350	35,753	34,644	(1,109)
Ball fields	25,200	25,750	13,663	(12,087)
Day camp	67,400	68,872	56,504	(12,368)
Farmer's Market	-	-	23,748	23,748
Ice rink	12,100	13,331	5,416	(7,915)
Mt. McSauba ski hill	143,300	142,889	146,096	3,207
Basketball and volleyball	4,700	4,700	2,605	(2,095)
Golf course	204,800	187,699	188,085	386
Boat launch	27,100	35,608	32,920	(2,688)
Skate park	7,900	6,287	6,296	9
Community promotion	13,700	15,000	16,324	1,324
Total recreation and culture	1,242,850	1,264,757	1,236,025	(28,732)
Other expenditures	33,300	28,115	21,974	(6,141)
Total expenditures	4,529,300	3,613,502	3,480,397	(133,105)
Revenues over (under) expenditures	(222,000)	(293)	36,758	37,051
Other financing sources (uses)				
Transfers in	2,500	-	2,500	2,500
Transfers out	(30,000)	(100,000)	(100,000)	-
Total other financing sources (uses)	(27,500)	(100,000)	(97,500)	(2,500)
Net change in fund balance	(249,500)	(100,293)	(60,742)	39,551
Fund balance, beginning of year	1,212,534	1,212,534	1,212,534	-
Fund balance, end of year	$ 963,034	$ 1,112,241	$ 1,151,792	$ 39,551

Concluded

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

Statement of Net Position

Proprietary Funds
March 31, 2020

	Business-type Activities - Enterprise Funds			
	Electric Utility	Sewage Disposal Utility	Water Utility	Marina
Assets				
Current assets:				
Cash and cash equivalents	$ 4,280,973	$ 4,520,233	$ 830,899	$ 167,271
Investments	1,420,700	38,400	44,700	-
Cash at fiscal agent	-	503,807	-	56,400
Deposits held by Michigan Public Power Agency	427,777	-	-	-
Accounts receivable, net	859,976	246,891	146,976	144
Interest receivable	21,393	85	90	164
Prepaids	3,815	2,256	2,150	-
Inventories	383,850	-	85,507	-
Total current assets	7,398,484	5,311,672	1,110,322	223,979
Noncurrent assets:				
Restricted investments	75,000	75,000	75,000	75,000
Advance to other funds	493,000	-	-	-
Capital assets, not being depreciated	238,151	356,787	13,730	-
Capital assets, net of accumulated depreciation	3,378,075	13,941,197	5,370,518	5,573,949
Total noncurrent assets	4,184,226	14,372,984	5,459,248	5,648,949
Total assets	11,582,710	19,684,656	6,569,570	5,872,928
Deferred outflows of resources				
Deferred charge on bond refunding	-	-	-	125,683
Deferred pension amounts	152,956	51,953	68,771	5,544
Total deferred outflows of resources	152,956	51,953	68,771	131,227
Liabilities				
Current liabilities:				
Accounts payable	253,780	79,257	188,363	9,390
Accrued liabilities	41,303	123,340	15,222	58,131
Customer deposits	46,408	-	-	164,391
Current portion of bonds and notes payable	-	400,000	-	397,066
Current portion of compensated absences	-	-	-	-
Unearned revenue	-	-	-	-
Total current liabilities	341,491	602,597	203,585	628,978
Noncurrent liabilities:				
Advance from other funds	-	-	-	493,000
Bonds payable, net of current portion	-	7,904,562	-	2,717,397
Compensated absences, net of current portion	-	-	-	-
Net pension liability	1,342,620	456,036	603,652	48,662
Total noncurrent liabilities	1,342,620	8,360,598	603,652	3,259,059
Total liabilities	1,684,111	8,963,195	807,237	3,888,037
Deferred inflows of resources				
Deferred pension amounts	73,895	25,099	33,224	2,678
Net position				
Net investment in capital assets	3,616,226	5,993,422	5,384,248	2,585,169
Restricted for:				
Energy purchases	427,777	-	-	-
Unrestricted (deficit)	5,933,657	4,754,893	413,632	(471,729)
Total net position	$ 9,977,660	$ 10,748,315	$ 5,797,880	$ 2,113,440

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

Business-type Activities - Enterprise Funds		
Airport	Total	Internal Service Funds
$ 24,296	$ 9,823,672	$ 2,119,436
-	1,503,800	600,000
-	560,207	-
-	427,777	-
33,961	1,287,948	744
-	21,732	11,244
-	8,221	48,577
25,392	494,749	-
83,649	14,128,106	2,780,001
-	300,000	-
-	493,000	-
960,066	1,568,734	575,048
7,776,045	36,039,784	1,569,523
8,736,111	38,401,518	2,144,571
8,819,760	52,529,624	4,924,572
-	125,683	-
32,886	312,110	-
32,886	437,793	-
30,942	561,732	33,532
9,785	247,781	9,679
-	210,799	-
-	797,066	-
-	-	6,379
16,037	16,037	-
56,764	1,833,415	49,590
-	493,000	-
-	10,621,959	-
-	-	109,831
288,660	2,739,630	-
288,660	13,854,589	109,831
345,424	15,688,004	159,421
15,887	150,783	-
8,736,111	26,315,176	2,144,571
-	427,777	-
(244,776)	10,385,677	2,620,580
$ 8,491,335	$ 37,128,630	$ 4,765,151

Reconciliation

Net Position of Enterprise Funds
to Net Position of Business-type Activities
March 31, 2020

Net position - total enterprise funds	$ 37,128,630
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	2,415,498
Net position allocated to business-type activities from governmental activities internal service funds	443,252
Net position of business-type activities	$ 39,987,380

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

Statement of Revenues, Expenses and Change in Fund Net Position

Proprietary Funds
For the Year Ended March 31, 2020

	Business-type Activities - Enterprise Funds			
	Electric Utility	Sewage Disposal Utility	Water Utility	Marina
Operating revenues				
Charges for services	$ 5,560,292	$ 2,408,610	$ 1,651,326	$ 461,957
Operating expenses				
Purchased power	3,028,409	-	-	-
Fuel purchases	-	-	-	-
Personnel services	1,426,352	729,285	570,650	195,786
Contractual services	354,665	168,080	90,369	48,515
Insurance	17,456	14,033	4,513	2,862
Building rental	78,300	36,100	36,100	-
Equipment rental	236,497	107,668	73,854	3,344
Supplies	77,785	75,526	74,526	12,955
Utilities	84,512	117,662	44,063	74,909
Repairs and maintenance	24,100	21,719	52,648	18,039
Depreciation	466,632	582,016	299,722	653,146
Miscellaneous	56,229	21,256	9,573	9,099
Total operating expenses	5,850,937	1,873,345	1,256,018	1,018,655
Operating income (loss)	(290,645)	535,265	395,308	(556,698)
Nonoperating revenues (expenses)				
Interest revenue	62,566	23,195	7,039	2,566
Gain on sale of capital assets	-	-	-	-
Other revenue	-	-	-	334,600
Interest expense	-	(207,614)	-	(101,168)
Total nonoperating revenues (expenses)	62,566	(184,419)	7,039	235,998
Income (loss) before transfers and capital contributions	(228,079)	350,846	402,347	(320,700)
Transfers				
Transfers in	-	-	-	100,000
Transfers out	(186,940)	(54,300)	(44,250)	-
Total transfers	(186,940)	(54,300)	(44,250)	100,000
Capital contributions				
Federal revenue	-	-	-	-
Change in net position	(415,019)	296,546	358,097	(220,700)
Net position, beginning of year	10,392,679	10,451,769	5,439,783	2,334,140
Net position, end of year	$ 9,977,660	$ 10,748,315	$ 5,797,880	$ 2,113,440

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

Business-type Activities - Enterprise Funds		
Airport	Total	Internal Service Funds
$ 1,445,492	$ 11,527,677	$ 3,702,167
-	3,028,409	-
861,662	861,662	-
448,508	3,370,581	3,165,341
11,025	672,654	55,060
10,731	49,595	-
-	150,500	-
2,070	423,433	-
5,969	246,761	78,215
30,367	351,513	11,086
4,268	120,774	96,577
508,602	2,510,118	285,492
75,095	171,252	5,373
1,958,297	11,957,252	3,697,144
(512,805)	(429,575)	5,023
-	95,366	24,383
-	-	4,149
-	334,600	3,023
(650)	(309,432)	-
(650)	120,534	31,555
(513,455)	(309,041)	36,578
-	100,000	319,440
-	(285,490)	(87,947)
-	(185,490)	231,493
514,549	514,549	-
1,094	20,018	268,071
8,490,241	37,108,612	4,497,080
$ 8,491,335	$ 37,128,630	$ 4,765,151

Reconciliation

Change in Fund Net Position of Enterprise Funds
to Change in Net Position of Business-type Activities
For the Year Ended March 31, 2020

Change in net position - total enterprise funds	$ 20,018
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	331,337
Change in net position of internal service funds accounted for in governmental activities but charged to business-type activities	(26,954)
Change in net position of business-type activities	$ 324,401

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

Statement of Cash Flows

Proprietary Funds
For the Year Ended March 31, 2020

	Business-type Activities - Enterprise Funds			
	Electric Utility	Sewage Disposal Utility	Water Utility	Marina
Cash flows from operating activities				
Cash received from customers	$ 5,557,003	$ 2,409,255	$ 1,642,388	$ 524,977
Cash received from interfund services	-	-	-	-
Cash payments to employees	(1,357,066)	(674,786)	(583,373)	(178,864)
Cash payments to suppliers for goods and services	(4,126,611)	(553,011)	(253,219)	(168,242)
Net cash provided by operating activities	73,326	1,181,458	805,796	177,871
Cash flows from noncapital financing activities				
Contributions from component unit	-	-	-	334,600
Transfers in	-	-	-	100,000
Transfers out	(186,940)	(54,300)	(44,250)	-
Net cash provided by (used in) noncapital financing activities	(186,940)	(54,300)	(44,250)	434,600
Cash flows from capital and related financing activities				
Proceeds from sale of capital assets	-	-	-	-
Purchase of capital assets	(220,941)	(26,125)	(597,881)	-
Repayment on interfund advances	-	-	-	(50,000)
Bond principal payments	-	(390,000)	-	(340,000)
Bond and advance interest payments	-	(202,863)	-	(125,280)
Net cash used in capital and related financing activities	(220,941)	(618,988)	(597,881)	(515,280)
Cash flows from investing activities				
Receipt of amounts from advance to other funds	115,000	-	-	-
Interest received	60,359	23,326	7,178	3,441
Net cash provided by investing activities	175,359	23,326	7,178	3,441
Net increase (decrease) in cash and cash equivalents	(159,196)	531,496	170,843	100,632
Cash and cash equivalents, beginning of year	4,867,946	4,492,544	660,056	123,039
Cash and cash equivalents, including cash at fiscal agent and deposit held by MPPA, end of year	4,708,750	5,024,040	830,899	223,671
Cash at fiscal agent, end of year	-	(503,807)	-	(56,400)
Deposit held by MPPA, end of year	(427,777)	-	-	-
Cash and cash equivalents, end of year	$ 4,280,973	$ 4,520,233	$ 830,899	$ 167,271
Noncash transactions: Assets purchased with federal revenue.	$ -	$ -	$ -	$ -

Business-type Activities - Enterprise Funds		
Airport	Total	Internal Service Funds
$ 1,448,830	$ 11,582,453	$ -
-	-	3,703,213
(351,892)	(3,145,981)	(3,204,225)
(999,111)	(6,100,194)	(434,732)
97,827	2,336,278	64,256
-	334,600	3,023
-	100,000	319,440
-	(285,490)	(87,947)
-	149,110	234,516
-	-	4,149
(50,859)	(895,806)	(369,429)
(65,000)	(115,000)	-
-	(730,000)	-
(650)	(328,793)	-
(116,509)	(2,069,599)	(365,280)
-	115,000	-
-	94,304	25,833
-	209,304	25,833
(18,682)	625,093	(40,675)
42,978	10,186,563	2,160,111
24,296	10,811,656	2,119,436
-	(560,207)	-
-	(427,777)	-
$ 24,296	$ 9,823,672	$ 2,119,436
$ 514,549	$ 514,549	$ -

Continued...

Statement of Cash Flows
Proprietary Funds
For the Year Ended March 31, 2020

	Business-type Activities Enterprise Funds			
	Electric Utility	Sewage Disposal Utility	Water Utility	Marina
Reconciliation of operating income (loss) to net cash provided by operating activities				
Operating income (loss)	$ (290,645)	$ 535,265	$ 395,308	$ (556,698)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	466,632	582,016	299,722	653,146
Changes in assets and liabilities that provided (used) cash:				
Accounts receivable	3,120	645	(8,938)	(98)
Prepaids	1,688	96	(518)	-
Inventory	(55,716)	-	(1,458)	385
Deposits held by Michigan Public Power Agency	(31,703)	-	-	-
Accounts payable	(82,927)	13,688	134,403	4,199
Accrued liabilities	17,108	(1,233)	4,032	(6,468)
Changes in net pension liability	(37,021)	25,304	(62,444)	19,610
Changes in deferred outflows	113,021	31,086	59,643	57
Changes in deferred inflows	(23,822)	(5,409)	(13,954)	620
Customer deposits	(6,409)	-	-	63,118
Accrued compensated absences	-	-	-	-
Unearned revenue	-	-	-	-
Net cash provided by operating activities	$ 73,326	$ 1,181,458	$ 805,796	$ 177,871

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

Business-type Activities Enterprise Funds		
Airport	Total	Internal Service Funds
$ (512,805)	$ (429,575)	$ 5,023
508,602	2,510,118	285,492
5,428	157	2,194
4,725	5,991	2,425
(10,410)	(67,199)	-
-	(31,703)	-
5,258	74,621	(190,846)
2,503	15,942	(17,017)
89,301	34,750	-
5,548	209,355	-
1,767	(40,798)	-
-	56,709	-
-	-	(21,867)
(2,090)	(2,090)	(1,148)
$ 97,827	$ 2,336,278	$ 64,256

Concluded

CITY OF CHARLEVOIX, MICHIGAN

Statement of Fiduciary Assets and Liabilities

Agency Funds
March 31, 2020

Assets	
Cash	$ 82,184
Liabilities	
Undistributed receipts	$ 82,184

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 funds:

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

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

The City reports the following major proprietary funds:

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

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

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

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

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

Additionally, the City reports the following fund types:

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

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

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

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

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

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, 2020, the General Fund receivable is shown net of an estimated allowance for uncollectible accounts of approximately $95,000. The Ambulance Nonmajor Special Revenue Fund is shown net of an estimated allowance for uncollectible accounts of approximately $160,000 at March 31, 2020. At March 31, 2020, the receivables for the Electric Utility, Sewage Disposal Utility and Water Utility Funds are also shown net of estimated allowance for uncollectible accounts of $2,251, $1,480 and $480, 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	5 - 50
Infrastructure	30 - 50
Buildings and improvements	5 - 40
System improvements	5 - 40
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 charge on refunding. A deferred refunding charge results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Compensated absences

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

Long-term obligations

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

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 $471,729 and $244,776 in the Marina and Airport enterprise funds, respectively; however, total net position for each fund is not in a deficit. The City is also reporting a deficit in the Ambulance special revenue fund of $45,490 for which a deficit elimination plan has been filed and accepted. Management is looking at ways to increase revenues and decrease expenses in these funds so that they can eliminate the related deficit.

Interfund transactions

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

Pensions

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

Use of Estimates

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

2. BUDGETARY INFORMATION

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

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

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

P.A. 621 of 1978, as amended, provides that a local unit shall not incur expenditures in excess of the amount budgeted. During the year ended March 31, 2020, 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 manager	$ 122,007	$ 124,780	$ 2,773
City attorney	29,325	43,125	13,800
City hall and grounds	177,451	190,368	12,917
Public safety:			
Planning department	56,129	71,222	15,093
Recreation and culture:			
Farmer's market	-	23,748	23,748
Mt. McSauba ski hill	142,889	146,096	3,207
Golf course	187,699	188,085	386
Skate park	6,287	6,296	9
Community promotion	15,000	16,324	1,324

3. DEPOSITS AND INVESTMENTS

Following is a reconciliation of deposit and investment balances as of March 31, 2020:

	Primary Government	Component Unit	Total
Statement of Net Position			
Cash and cash equivalents	$ 21,632,632	$ 305,789	$ 21,938,421
Cash at fiscal agent	696,722	-	696,722
Investments	2,780,000	50,000	2,830,000
Deposits held by Michigan Public Power Agency	427,777	-	427,777
Restricted investments	300,000	-	300,000
Total Statement of Net Position	$ 25,837,131	$ 355,789	26,192,920
Statement of Fiduciary Assets and Liabilities			
Cash and cash equivalents			82,184
Total			$ 26,275,104
Deposits and investments			
Bank deposits (checking and savings accounts)			$ 22,019,699
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			696,722
Deposits held by Michigan Public Power Agency			427,777
Petty cash			906
Total			$ 26,275,104

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, $24,181,176 of the City's bank balance of $25,239,857 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, 2020:

	Governmental Activities	Business-type Activities	Component Unit
Accounts receivable	$ 918,144	$ 1,292,480	$ 6,068
Taxes receivable	77,878	-	-
Interest receivable	10,121	30,025	-
Due from other governmental units	163,624	-	-
Allowance for uncollectible accounts	(255,514)	(4,211)	-
	$ 914,253	$ 1,318,294	$ 6,068

Notes to the Financial Statements

5. OTHER ASSETS

Other assets consisted of the following amounts at March 31, 2020:

	Governmental Activities	Business-type Activities	Component Units
Prepaids	$ 88,648	$ 8,221	$ -
Inventories	-	494,749	-
Totals	$ 88,648	$ 502,970	$ -

6. CAPITAL ASSETS

Primary Government

Capital assets activity for the primary government for the year ended March 31, 2020, 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	50,262	1,283,818	-	-	1,334,080
	16,983,059	1,283,818	-	-	18,266,877
Capital assets being depreciated:					
Land improvements	3,863,570	-	-	-	3,863,570
Infrastructure	7,210,329	137,571	-	-	7,347,900
Buildings and improvements	7,433,408	11,180	-	-	7,444,588
Machinery and equipment	2,433,988	180,548	(14,628)	-	2,599,908
Vehicles	3,976,862	475,142	(178,997)	-	4,273,007
	24,918,157	804,441	(193,625)	-	25,528,973
Less accumulated depreciation for:					
Land improvements	(2,231,623)	(82,749)	-	-	(2,314,372)
Infrastructure	(1,448,230)	(326,507)	-	-	(1,774,737)
Buildings and improvements	(4,559,477)	(179,612)	-	-	(4,739,089)
Machinery and equipment	(1,712,442)	(142,339)	14,628	-	(1,840,153)
Vehicles	(2,755,533)	(237,612)	178,997	-	(2,814,148)
	(12,707,305)	(968,819)	193,625	-	(13,482,499)
Total capital assets being depreciated, net	12,210,852	(164,378)	-	-	12,046,474
Governmental activities capital assets, net	$ 29,193,911	$ 1,119,440	$ -	$ -	$ 30,313,351

	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	663,050	62,199	-	(171,654)	553,595
	2,232,584	62,199	-	(171,654)	2,123,129
Capital assets being depreciated:					
Land improvements	23,241,485	1,102,827	(7,828)	-	24,336,484
Buildings and improvements	20,382,434	117,591	(6,176)	-	20,493,849
System improvements	27,623,672	166,900	-	-	27,790,572
Machinery and equipment	2,644,098	61,392	(11,011)	171,654	2,866,133
	73,891,689	1,448,710	(25,015)	171,654	75,487,038
Less accumulated depreciation for:					
Land improvements	(10,030,571)	(1,036,428)	7,828	-	(11,059,171)
Buildings and improvements	(5,801,726)	(681,471)	6,176	-	(6,477,021)
System improvements	(18,693,830)	(723,235)	-	(49,866)	(19,466,931)
Machinery and equipment	(2,295,178)	(72,019)	11,011	49,866	(2,306,320)
	(36,821,305)	(2,513,153)	25,015	-	(39,309,443)
Total capital assets being depreciated, net	37,070,384	(1,064,443)	-	171,654	36,177,595
Business-type activities capital assets, net	$ 39,302,968	$ (1,002,244)	$ -	$ -	$ 38,300,724

Depreciation expense for the year ended March 31, 2020 was charged to functions/programs of the primary government as follows:

Depreciation of governmental activities by function	
General government	$ 186,942
Public safety	66,233
Public works	363,304
Recreation and culture	69,883
Capital assets held by the governmental activity internal service funds are charged to the various functions based on their usage of the assets	282,457
	$ 968,819

Depreciation of business-type activities by function

Electric utility	$ 466,632
Sewage disposal utility	582,016
Water utility	299,722
Marina	653,146
Airport	508,602
Capital assets held by the business-type activity internal service fund are charged to the various functions based on their usage of the assets	3,035
	$ 2,513,153

Discretely presented component unit

Capital assets activity for the Downtown Development Authority ("DDA") component unit for the year ended March 31, 2020, 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	2,540,886	-	(3,672)	-	2,537,214
Buildings and improvements	3,828,522	-	-	-	3,828,522
Machinery and equipment	68,305	1,500	-	-	69,805
	6,437,713	1,500	(3,672)	-	6,435,541
Less accumulated depreciation for:					
Land improvements	(1,748,013)	(101,429)	3,672	-	(1,845,770)
Buildings and improvements	(2,313,347)	(89,477)	-	-	(2,402,824)
Machinery and equipment	(67,507)	(1,047)	-	-	(68,554)
	(4,128,867)	(191,953)	3,672	-	(4,317,148)
Total capital assets being depreciated, net	2,308,846	(190,453)	-	-	2,118,393
Component unit capital assets, net	$ 3,231,917	$ (190,453)	$ -	$ -	$ 3,041,464

Depreciation expense for the component unit, included in the statement of activities, was $191,953 for fiscal year 2020.

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, 2020:

	Governmental Activities	Business-type Activities	Component Unit
Accounts payable	$ 814,933	$ 566,489	$ 22,314
Accrued liabilities	99,253	247,781	2,023
Accrued interest	56,700	-	-
Customer deposits	-	210,799	-
	$ 970,886	$ 1,025,069	$ 24,337

8. INTERFUND ADVANCES

The composition of interfund advances as of March 31, 2020, was as follows:

	Advance to Other Funds	Advance From Other Funds
Electric Utility Fund	$ 493,000	$ -
Marina Fund	-	493,000
	$ 493,000	$ 493,000

During the year ended March 31, 2009, the Electric Utility Fund advanced a total of $700,000 to the Marina Fund to cover planned additional costs on the marina and park area reconstruction project that was substantially complete in July 2008. This advance was to be repaid over eight years with interest charged at 0.5%. The City, however, didn't make payments in certain years. During fiscal year 2020, the Electric Utility Fund received principal and interest payments of $50,000 and $5,430, respectively, from the Marina Fund. In addition, the Electric Utility Fund received the final principal and interest payments of $65,000 and $650, respectively, on an Airport Fund advance.

Notes to the Financial Statements

For the year ended March 31, 2020, interfund transfers consisted of the following:

	Transfers In	Transfers Out
General Fund	$ 2,500	$ 100,000
Nonmajor Governmental Funds	548,097	496,600
Electric Utility Fund	-	186,940
Sewage Disposal Utility Fund	-	54,300
Water Utility Fund	-	44,250
Marina Fund	100,000	-
Internal Service Funds	319,440	87,947
	$ 970,037	$ 970,037

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, 2020, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Primary government					
Governmental activities:					
2016 capital improvement bonds	$ 3,035,000	$ -	$ 200,000	$ 2,835,000	$ 210,000
Deferred amounts- Bond premiums	340,105	-	28,342	311,763	28,342
2019 capital improvement bonds	-	8,335,000	-	8,335,000	265,000
Deferred amounts- Bond premiums	-	512,853	-	512,853	20,514
Total installment debt	3,375,105	8,847,853	228,342	11,994,616	523,856
Compensated absences – sick leave	84,984	100,277	97,167	88,094	32,308
Compensated absences – vacation	138,077	161,026	182,893	116,210	6,379
Total governmental activities	3,598,166	9,109,156	508,402	12,198,920	562,543
Business-type activities:					
Marina - 2016 refunding bonds	3,160,000	-	340,000	2,820,000	355,000
Revenue bonds	8,694,562	-	390,000	8,304,562	400,000
Deferred amounts- Bond premiums	336,529	-	42,066	294,463	42,066
Total business-type activities	12,191,091	-	772,066	11,419,025	797,066
Total primary government	$ 15,789,257	$ 9,109,156	$ 1,280,468	$ 23,617,945	$ 1,359,609

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.

Notes to the Financial Statements

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

Purpose	Matures	Interest Rates	Amount
Governmental activities			
2016 capital improvement bonds	October 2030	4.0% - 4.2%	$ 2,835,000
Premium on bonds	October 2030		311,763
2019 capital improvement bonds	October 2044	3.0%-4.0%	8,335,000
Premium on bonds	October 2044		512,853
			$ 11,994,616
Business-type activities			
Marina – 2016 refunding bonds	April 2027	2.0% - 4.0%	$ 2,820,000
Premium on Marina refunding bonds			294,463
Sewer - revenue bonds	April 2036	2.5%	8,304,562
			$ 11,419,025

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
2021	$ 475,000	$ 334,065	$ 809,065	$ 755,000	$ 315,414	$ 1,070,414
2022	435,000	376,100	811,100	780,000	291,089	1,071,089
2023	450,000	358,700	808,700	805,000	265,914	1,070,914
2024	470,000	340,700	810,700	830,000	239,889	1,069,889
2025	485,000	321,900	806,900	860,000	213,014	1,073,014
2026-2030	2,745,000	1,302,100	4,047,100	3,255,000	684,434	3,939,434
2031-2035	1,960,000	795,900	2,755,900	2,675,000	316,040	2,991,040
2036-2040	1,925,000	510,600	2,435,600	1,164,562	29,297	1,193,859
2041-2045	2,225,000	204,150	2,429,150	-	-	-
	$ 11,170,000	$ 4,544,215	$ 15,714,215	$ 11,124,562	$ 2,355,091	$ 13,479,653

Notes to the Financial Statements

10. OPERATING LEASE AND COMMITMENT

The City has entered into an operating lease agreement with the Beaver Island Boat Company ("BIBCO"). BIBCO rents dock space and office space from the City. Both parties have agreed to a 5-year rental agreement, in which BIBCO has a conditional right of renewal it may exercise five times for five years with each renewal. The City has also signed a $30,000 promissory note payable bearing 5% interest which is to be paid to BIBCO only in the event the City elects to terminate the rental agreement before 2028. Also, if the City were to terminate this agreement before 2028, then it would be liable to BIBCO for the balance on BIBCO's note payable for the construction of a storage building, which approximates $17,000 as of March 31, 2020. Projected operating lease proceeds through the year ended 2028 are as follows:

Year Ended March 31,	Amount
2021	$ 31,215
2022	32,401
2023	33,628
2024	41,156
2025	42,471
2026-2028	135,767
	$ 316,638

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, 2020, 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 2019 levy was assessed and equalized at $256,713,731 (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 2019-20 was 9.0500 mills, with an additional 2.0026 mills levied for infrastructure improvements and an additional 1.0000 mill levied for refuse.

Property taxes for the DDA are derived from a tax increment financing agreement between the DDA and other taxing districts. Under this arrangement, the DDA receives those property taxes levied on the increment of current taxable valuations (determined as of the preceding December 31, the lien date) over base year assessed valuations on certain property located in the City of Charlevoix, which are within the DDA district. The DDA also has an operating levy of 1.3556 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. IFT and CFT property taxes abated by the City of Charlevoix in fiscal 2020 were $6,792.

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, 2019, plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	42
Inactive employees entitled to but not yet receiving benefits	13
Active employees	52
Total membership	107

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

Employer and employee contribution amounts or rates, by division/bargaining unit, were as follows for the year ended March 31, 2020:

Division	Plan Type	Status	Employer Contribution Rate	Employee Contribution Rate
Comm Workers	Defined Benefit	Open	19.89%	3.00%
Non-Union	Defined Benefit	Open	20.76%	0.00%
Police Officers	Defined Benefit	Open	12.65%	3.00%

Net Pension Liability. The City's net pension liability was measured as of December 31, 2019, 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, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

The 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, 2019 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	60.0%	5.25%	3.15%
Global fixed income	20.0%	1.25%	0.25%
Private investments	20.0%	7.25%	1.45%
	100.00%		
Inflation			2.50%
Administrative expenses netted above			0.25%
Investment rate of return			7.60%

Discount Rate. The discount rate used to measure the total pension liability as of December 31, 2019 was 7.60% (down from 8.00% at December 31, 2018). 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, 2018	$ 13,333,864	$ 8,301,374	$ 5,032,490
Changes for the year:			
Service cost	491,004	-	491,004
Interest	1,046,244	-	1,046,244
Differences between expected and	-	-	-
actual experience	(28,812)	-	(28,812)
Changes in assumptions	452,725	-	452,725
Employer contributions	-	889,674	(889,674)
Employee contributions	-	54,467	(54,467)
Net investment income	-	1,130,073	(1,130,073)
Benefit payments, including refunds of employee contributions	(1,002,620)	(1,002,620)	-
Administrative expense	-	(19,525)	19,525
Other changes	11,184	-	11,184
Net changes	969,725	1,052,069	(82,344)
Balances at December 31, 2019	$ 14,303,589	$ 9,353,443	$ 4,950,146

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

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

	1% Decrease (6.60%)	Current Discount Rate (7.60%)	1% Increase (8.60%)
City's net pension liability	$ 6,434,936	$ 4,950,146	$ 3,686,320

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

Notes to the Financial Statements

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

For the year ended June 30, 2020, the City recognized pension expense of $1,175,968. The City reported deferred outflows/inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Difference between expected and actual experience	$ 36,093	$ 272,446	$ (236,353)
Changes in assumptions	362,180	-	362,180
Net difference between projected and actual earnings on pension plan investments	21,139	-	21,139
	419,412	272,446	146,966
Contributions subsequent to the measurement date	144,531	-	144,531
Total	$ 563,943	$ 272,446	$ 291,497

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 June 30, 2021. 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
2021	$ (11,857)
2022	41,317
2023	126,540
2024	(9,034)
Total	$ 146,966

Payable to the Pension Plan. At March 31, 2020, 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 $21,589 to the Plan during the year ended March 31, 2020. Contributions and interest are allocated to the account and benefits are fully vested at March 31, 2020.

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
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	93,550	20,107		
2025-2027	308,924	31,399	-	-
Total	$ 733,346	$ 174,297	$ 325,160	$ 7,476

Notes to the Financial Statements

Year Ended December 31,	AFEC Project Principal	AFEC Project Interest	Total Principal	Total Interest
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	25,679	41,717	119,229	61,824
2025-2029	147,290	189,449	456,214	220,848
2030-2034	187,987	148,742	187,987	148,742
2035-2039	239,829	96,819	239,829	96,819
2040-2043	238,698	30,564	238,698	30,564
Total	$ 930,409	$ 685,689	$ 1,988,915	$ 867,462

The MPPA and its member utilities were over-charged on their power sales contract agreements. Because of this, MPPA and the member utilities have established a trust fund ("The Municipal Competitive Trust"). Specific policies have been established by each member regarding the use of these funds. The City's share of this trust fund was approximately $428,000 at March 31, 2020 and is reported as Deposit with the Michigan Public Power Agency in the Statement of Net Position.

16. COMMITMENT

The City has issued capital improvement bonds for the construction of a public service facility in the amount of $8,848,000 including the premium on bonds. Through March 31, 2020, the City has expended approximately $1,850,000 and expects to expend the balance by Summer 2021.

Notes to the Financial Statements

17. NET INVESTMENT IN CAPITAL ASSETS

The composition of net investment in capital assets as of March 31, 2020, was as follows:

	Governmental Activities	Business-type Activities	Component Unit
Capital assets:			
Capital assets, not being depreciated	$ 18,266,877	$ 2,123,129	$ 923,071
Capital assets being depreciated, net	12,046,474	36,177,595	2,118,393
	30,313,351	38,300,724	3,041,464
Less related debt:			
Noncurrent liabilities:			
Due within one year	(562,543)	(797,066)	-
Due in more than one year	(11,636,377)	(10,621,959)	-
Advance from other funds	-	(493,000)	-
Add back: compensated absences	204,304	-	-
Add back: deferred charge on bond refunding	-	125,683	-
Add back: unexpended bond proceeds	8,801,724	-	-
	(3,192,892)	(11,786,342)	-
Net investment in capital assets	$ 27,120,459	$ 26,514,382	$ 3,041,464

Notes to the Financial Statements

18. FUND BALANCES - GOVERNMENTAL FUNDS

Detailed information on fund balances of governmental funds at March 31, 2020 is as follows:

	General Fund	Public Utility Building Capital Improvement Fund	Nonmajor Governmental Funds	Total
Nonspendable:				
Perpetual care	$ -	$ -	$ 445,219	$ 445,219
Prepaids	39,142	-	929	40,071
Total nonspendable	39,142		446,148	485,290
Restricted:				
Special revenue funds:				
Major streets	-	-	301,242	301,242
Local streets	-	-	13,217	13,217
Capital project funds:				
Street improvements	-		166,429	166,429
Infrastructure improvements	-	7,443,714	748,328	8,192,042
Debt service funds:				
Infrastructure debt service fund	-	-	69,352	69,352
2019 Public Utility Building debt service fund	-	-	500	500
Total restricted	-	7,443,714	1,299,068	8,742,782
Assigned:				
Capital project funds:				
Fire truck and ambulance	-	-	76,142	76,142
Industrial park	-	-	24,700	24,700
Mt. McSauba improvements	-	-	22,648	22,648
Ambulance	-	-	114,223	114,223
Total assigned	-	-	237,713	237,713
Unassigned (deficit)	1,112,650	-	(46,044)	1,066,606
Total fund balances, governmental funds	$ 1,151,792	$ 7,443,714	$ 1,936,885	$ 10,532,391

Notes to the Financial Statements

19. SUBSEQUENT EVENTS

In March 2020, the World Health Organization declared the novel coronavirus outbreak (COVID-19) to be a global pandemic. The extent of the ultimate impact of the pandemic on the City's operational and financial performance will depend on various developments, including the duration and spread of the outbreak and its impact on employees, vendors, and taxpayers, all of which cannot be reasonably predicted at this time. In addition, it will continue to place additional demands on the City as it determines the appropriate methods to deliver services to its local constituents in a safe environment. While management reasonably expects the COVID-19 outbreak to negatively impact the City's financial position, changes in financial position, and where applicable, the timing and amounts of cash flows, the related financial consequences and duration are highly uncertain. Subsequent to March 31, 2020, the City received approximately $152,000 in COVID related funding for various programs.

In May 2020 the City entered into a contract with the State of Michigan Department of Transportation for the construction of a fuel farm in the amount of $828,000 of which 92% will be federally funded, 5% funded by the State of Michigan, and 3% funded by the City. The City will be responsible for approximately $77,000.

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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				
	2020	2019	2018	2017	2016
Total pension liability					
Service cost	$ 491,004	$ 195,891	$ 156,135	$ 165,666	$ 167,849
Interest	1,046,244	1,064,162	1,034,166	1,028,535	976,917
Differences between expected and actual experience	(28,812)	(355,886)	144,372	(179,328)	85,473
Changes of assumptions	452,725	-	-	-	648,378
Benefit payments, including refunds of employee contributions	(1,002,620)	(989,540)	(969,686)	(909,054)	(815,464)
Other changes	11,184	(279,614)	-	(341)	-
Net change in total pension liability	969,725	(364,987)	364,987	105,478	1,063,153
Total pension liability, beginning of year	13,333,864	13,698,851	13,333,864	13,228,386	12,165,233
Total pension liability, end of year	14,303,589	13,333,864	13,698,851	13,333,864	13,228,386
Plan fiduciary net position					
Employer contributions	889,674	870,485	337,044	311,253	303,782
Employee contributions	54,467	50,842	47,103	46,738	53,025
Net investment income (loss)	1,130,073	(339,125)	1,063,210	880,516	(124,534)
Benefit payments, including refunds of employee contributions	(1,002,620)	(989,540)	(969,686)	(909,054)	(815,464)
Administrative expense	(19,525)	(16,877)	(16,887)	(17,408)	(18,424)
Net change in plan fiduciary net position	1,052,069	(424,215)	460,784	312,045	(601,615)
Plan fiduciary net position, beginning of year	8,301,374	8,725,589	8,264,805	7,952,760	8,554,375
Plan fiduciary net position, end of year	9,353,443	8,301,374	8,725,589	8,264,805	7,952,760
City's net pension liability	$ 4,950,146	$ 5,032,490	$ 4,973,262	$ 5,069,059	$ 5,275,626
Plan fiduciary net position as a percentage of total pension liability	65.4%	62.3%	63.7%	62.0%	60.1%
Covered payroll	$ 3,073,827	$ 2,893,241	$ 2,334,109	$ 2,444,252	$ 2,601,560
City's net pension liability as a percentage of covered payroll	160.7%	173.9%	213.1%	207.4%	202.8%

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.

Changes in assumptions. In 2016, amounts reported as changes of assumptions resulted primarily from adjustments to the mortality table to reflect longer lifetimes, decreases in the assumed rate of return, and changes in asset smoothing. In 2020, amounts reported as changes of assumptions resulted primarily from a decrease in the assumed rate of return from 7.75% to 7.35%, and a decrease in the assumed rate of wage inflation from 3.75% to 3.00%.

Required Supplementary Information

MERS Agent Multiple-Employer Defined Benefit Pension Plan

Schedule of Contributions

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

Note: GASB 68 was implemented in fiscal year 2015. 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 the December 31 that is 18 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates (2020, based on the 12/31/2017 actuarial valuation):

Actuarial cost method	Entry-age normal
Amortization method	Level percent of payroll, open
Remaining amortization period	21 years
Asset valuation method	5-year smooth market
Inflation	2.50%
Salary increases	3.75% in the long-term
Investment rate of return	7.75%, net of investment and administrative expense including inflation
Normal retirement age	Age 60
Mortality	50% Female/50% Male blend of the RP-2014 Healthy Annuitant Mortality Tables with rates multiplied by 105%, the RP-2014 Employee Mortality Tables, and the RP-2014 Juvenile Mortality Tables

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS

CITY OF CHARLEVOIX, MICHIGAN

Combining Balance Sheet
Nonmajor Governmental Funds
March 31, 2020

	Special Revenue Funds			Capital Projects Funds	
	Major Streets	Local Streets	Ambulance	Fire Truck	Industrial Park
Assets					
Cash and cash equivalents	$ 223,246	$ (7,838)	$ (570,420)	$ 76,131	$ 24,691
Cash at fiscal agent	-	-	-	-	-
Investments	-	-	-	-	-
Accounts receivable	-	-	612,187	11	9
Taxes receivable	-	-	-	-	-
Interest receivable	-	-	-	-	-
Due from other governmental units	83,569	22,781	-	-	-
Prepaid items	-	-	554	-	-
Total assets	$ 306,815	$ 14,943	$ 42,321	$ 76,142	$ 24,700
Liabilities					
Accounts payable	$ 1,590	$ 56	$ 39,552	$ -	$ -
Accrued liabilities	3,983	1,670	33,249	-	-
Unearned revenue	-	-	15,010	-	-
Total liabilities	5,573	1,726	87,811	-	-
Fund balances					
Nonspendable	-	-	554	-	-
Restricted	301,242	13,217	-	-	-
Assigned	-	-	-	76,142	24,700
Unassigned	-	-	(46,044)	-	-
Total fund balances	301,242	13,217	(45,490)	76,142	24,700
Total liabilities and fund balances	$ 306,815	$ 14,943	$ 42,321	$ 76,142	$ 24,700

Capital Projects Funds				Debt Service Fund		Permanent Fund	
Street Improvement	Infrastructure Improvement	Mt. McSauba Improvements	Ambulance	Infrastructure Debt Service	2019 Public Service Building Bond Debt Service	Cemetery Care	Total
$ 153,849	$ 750,227	$ 23,897	$ 137,109	$ 12,668	$ (79,315)	$ 167,382	$ 911,627
-	-	-	-	56,700	79,815	-	136,515
-	-	-	-	-	-	276,200	276,200
55	291	7	49	5	-	60	612,674
12,525	10,663	-	-	-	-	-	23,188
-	-	-	-	-	-	1,577	1,577
-	-	-	-	-	-	-	106,350
-	-	-	-	-	375	-	929
$ 166,429	$ 761,181	$ 23,904	$ 137,158	$ 69,373	$ 875	$ 445,219	$ 2,069,060
$ -	$ 12,853	$ 1,256	$ 22,935	$ 21	$ -	$ -	$ 78,263
-	-	-	-	-	-	-	38,902
-	-	-	-	-	-	-	15,010
-	12,853	1,256	22,935	21	-	-	132,175
-	-	-	-	-	375	445,219	446,148
166,429	748,328	-	-	69,352	500	-	1,299,068
-	-	22,648	114,223	-	-	-	237,713
-	-	-	-	-	-	-	(46,044)
166,429	748,328	22,648	114,223	69,352	875	445,219	1,936,885
$ 166,429	$ 761,181	$ 23,904	$ 137,158	$ 69,373	$ 875	$ 445,219	$ 2,069,060

CITY OF CHARLEVOIX, MICHIGAN

Combining Statement of Revenues, Expenditures and Change in Fund Balances
Nonmajor Governmental Funds
For the Year Ended March 31, 2020

	Special Revenue Funds			Capital Projects Funds	
	Major Streets	Local Streets	Ambulance	Fire Truck	Industrial Park
Revenues					
Taxes	$ -	$ -	$ -	$ -	$ -
State revenue	395,363	151,520	-	-	-
Charges for services	-	-	1,343,153	-	-
Interest	925	21	14	446	114
Rents and royalties	-	-	-	-	-
Other revenue	-	-	20,643	5,011	-
Total revenues	396,288	151,541	1,363,810	5,457	114
Expenditures					
Current:					
General government	-	-	-	-	4,249
Public safety	-	-	-	320,643	-
Public works	373,816	193,344	-	-	-
Health and welfare	-	-	1,295,300	-	-
Recreation and culture	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	373,816	193,344	1,295,300	320,643	4,249
Revenues over (under) expenditures	22,472	(41,803)	68,510	(315,186)	(4,135)
Other financing sources (uses)					
Transfers in	20,000	45,000	-	46,697	-
Transfers out	-	-	(114,000)	-	-
Total other financing sources (uses)	20,000	45,000	(114,000)	46,697	-
Net change in fund balances	42,472	3,197	(45,490)	(268,489)	(4,135)
Fund balances, beginning of year	258,770	10,020	-	344,631	28,835
Fund balances, end of year	$ 301,242	$ 13,217	$ (45,490)	$ 76,142	$ 24,700

Capital Projects Funds				Debt Service Funds		Permanent Fund	
Street Improvement	Infrastructure Improvement	Mt. McSauba Improvements	Ambulance	Infrastructure Debt Service	2019 Public Service Building Bond Debt Service	Cemetery Care	Total
$ 233,513	$ 473,807	$ -	$ -	$ -	$ -	$ -	$ 707,320
-	-	-	-	-	-	-	546,883
-	-	-	-	-	-	2,535	1,345,688
343	2,962	120	223	176	-	6,649	11,993
-	-	7,409	-	-	-	-	7,409
-	-	-	22,935	-	-	-	48,589
233,856	476,769	7,529	23,158	176	-	9,184	2,667,882
-	-	-	-	-	-	-	4,249
-	-	-	-	-	-	-	320,643
-	51,522	-	-	-	-	-	618,682
-	-	-	-	-	-	-	1,295,300
-	-	14,534	22,935	-	-	-	37,469
-	-	-	-	200,000	-	-	200,000
-	-	-	-	121,650	125	-	121,775
-	51,522	14,534	22,935	321,650	125	-	2,598,118
233,856	425,247	(7,005)	223	(321,474)	(125)	9,184	69,764
-	-	-	114,000	321,400	1,000	-	548,097
(200,000)	(186,400)	3,800	-	-	-	-	(496,600)
(200,000)	(186,400)	3,800	114,000	321,400	1,000	-	51,497
33,856	238,847	(3,205)	114,223	(74)	875	9,184	121,261
132,573	509,481	25,853	-	69,426	-	436,035	1,815,624
$ 166,429	$ 748,328	$ 22,648	$ 114,223	$ 69,352	$ 875	$ 445,219	$ 1,936,885

CITY OF CHARLEVOIX, MICHIGAN

Combining Statement of Net Position

Internal Service Funds
March 31, 2020

	Governmental Activities		Business-type Activities	
	Employee Fringe Benefits	Motor Vehicle	DPW Site	Total
Assets				
Current assets:				
Cash and cash equivalents	$ 250,120	$ 549,881	$ 1,319,435	$ 2,119,436
Investments	100,000	100,000	400,000	600,000
Accounts receivable	195	228	321	744
Interest receivable	1,392	1,559	8,293	11,244
Prepaid items	48,177	400	-	48,577
Total current assets	399,884	652,068	1,728,049	2,780,001
Noncurrent assets:				
Capital assets, not being depreciated	-	20,653	554,395	575,048
Capital assets being depreciated, net	-	1,431,712	137,811	1,569,523
Total noncurrent assets	-	1,452,365	692,206	2,144,571
Total assets	399,884	2,104,433	2,420,255	4,924,572
Liabilities				
Current liabilities:				
Accounts payable	15,806	12,969	4,757	33,532
Accrued liabilities	3,301	6,378	-	9,679
Current portion of compensated absences	6,379	-	-	6,379
Total current liabilities	25,486	19,347	4,757	49,590
Noncurrent liabilities:				
Compensated absences, net of current portion	109,831	-	-	109,831
Total liabilities	135,317	19,347	4,757	159,421
Net position				
Investment in capital assets	-	1,452,365	692,206	2,144,571
Unrestricted	264,567	632,721	1,723,292	2,620,580
Total net position	$ 264,567	$ 2,085,086	$ 2,415,498	$ 4,765,151

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

Internal Service Funds
For the Year Ended March 31, 2020

	Governmental Activities		Business-type Activities	
	Employee Fringe Benefits	Motor Vehicle	DPW Site	Total
Operating revenues				
Charges for services	$ 2,765,234	$ 936,933	$ -	$ 3,702,167
Operating expenses				
Personnel services	2,936,716	228,625	-	3,165,341
Contractual services	3,639	51,421	-	55,060
Supplies	-	78,215	-	78,215
Utilities	-	11,086	-	11,086
Repairs and maintenance	-	96,577	-	96,577
Depreciation	-	282,457	3,035	285,492
Miscellaneous	5,025	-	348	5,373
Total operating expenses	2,945,380	748,381	3,383	3,697,144
Operating (loss) income	(180,146)	188,552	(3,383)	5,023
Nonoperating revenues				
Interest revenue	3,444	4,659	16,280	24,383
Gain on sale of capital assets	-	4,149	-	4,149
Other revenue	11	3,012	-	3,023
Total nonoperating revenues	3,455	11,820	16,280	31,555
Income (loss) before transfers	(176,691)	200,372	12,897	36,578
Transfers				
Transfers in	-	-	319,440	319,440
Transfers out	-	(86,947)	(1,000)	(87,947)
Total transfers	-	(86,947)	318,440	231,493
Change in net position	(176,691)	113,425	331,337	268,071
Net position, beginning of year	441,258	1,971,661	2,084,161	4,497,080
Net position, end of year	$ 264,567	$ 2,085,086	$ 2,415,498	$ 4,765,151

Combining Statement of Cash Flows

Internal Service Funds
For the Year Ended March 31, 2020

	Governmental Activities		Business-type Activities	
	Employee Fringe Benefits	Motor Vehicle	DPW Site	Total
Cash flows from operating activities				
Cash received from interfund services	$ 2,766,251	$ 936,962	$ -	$ 3,703,213
Cash payments to employees	(2,975,721)	(228,504)	-	(3,204,225)
Cash payments to suppliers for goods and services	(1,494)	(335,075)	(98,163)	(434,732)
Net cash (used in) provided by operating activities	(210,964)	373,383	(98,163)	64,256
Cash flows from noncapital financing activities				
Other receipts	11	3,012	-	3,023
Transfers in	-	-	319,440	319,440
Transfers out	-	(86,947)	(1,000)	(87,947)
Net cash (used in) provided by noncapital financing activities	11	(83,935)	318,440	234,516
Cash flows from capital and related financing activities				
Proceeds from sale of capital assets	-	4,149	-	4,149
Purchase of capital assets	-	(268,872)	(100,557)	(369,429)
Net cash used in capital and related financing activities	-	(264,723)	(100,557)	(365,280)
Cash flows from investing activities				
Interest received	4,813	4,172	16,848	25,833
Net change in cash and cash equivalents	(206,140)	28,897	136,568	(40,675)
Cash and cash equivalents, beginning of year	456,260	520,984	1,182,867	2,160,111
Cash and cash equivalents, end of year	$ 250,120	$ 549,881	$ 1,319,435	$ 2,119,436

Continued...

CITY OF CHARLEVOIX, MICHIGAN

Combining Statement of Cash Flows

Internal Service Funds
For the Year Ended March 31, 2020

	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	$ (180,146)	$ 188,552	$ (3,383)	$ 5,023
Adjustments to reconcile operating (loss) income to net cash (used in) provided by operating activities				
Depreciation expense	-	282,457	3,035	285,492
Changes in operating assets and liabilities that provided (used) cash:				
Accounts receivable	2,165	29	-	2,194
Prepaid items	2,435	(10)	-	2,425
Accounts payable	4,735	(97,766)	(97,815)	(190,846)
Accrued liabilities	(17,138)	121	-	(17,017)
Unearned revenue	(1,148)	-	-	(1,148)
Accrued compensated absences	(21,867)	-	-	(21,867)
Net cash (used in) provided by operating activities	$ (210,964)	$ 373,383	$ (98,163)	$ 64,256

Concluded

Balance Sheet and Statement of Net Position

Downtown Development Authority Component Unit
March 31, 2020

	Balance Sheet	Adjustments	Statement of Net Position
Assets			
Cash and cash equivalents	$ 305,789	$ -	$ 305,789
Investments	50,000	-	50,000
Receivables	6,068	-	6,068
Capital assets not being depreciated	-	923,071	923,071
Capital assets being depreciated, net	-	2,118,393	2,118,393
Total assets	$ 361,857	3,041,464	3,403,321
Liabilities			
Accounts payable	$ 22,314	2,023	24,337
Accrued liabilities	2,023	(2,023)	-
Unearned revenue	850	-	850
Total liabilities	25,187	-	25,187
Fund balance			
Restricted	336,670	(336,670)	-
Total liabilities and fund balance	$ 361,857		
Net position			
Investment in capital assets		3,041,464	3,041,464
Restricted		336,670	336,670
Total net position		$ 3,378,134	$ 3,378,134

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, 2020

	Statement of Revenues, Expenditures and Changes in Fund Balance	Adjustments	Statement of Activities
Revenues			
Property taxes	$ 471,980	$ -	$ 471,980
State revenue	43,296	-	43,296
Rents	65,537	-	65,537
Miscellaneous	24,399	-	24,399
Total revenues	605,212	-	605,212
Expenditures / expenses			
Current:			
Other functions	707,524	190,453	897,977
Change in fund balance / net position	(102,312)	(190,453)	(292,765)
Fund balance / net position, beginning of year	438,982	3,231,917	3,670,899
Fund balance / net position, end of year	$ 336,670	$ 3,041,464	$ 3,378,134

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

November 3, 2020

Honorable members of the City Council
of the City of Charlevoix
Charlevoix, MI

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the *City of Charlevoix* (the "City"), as of and for the year ended March 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated November 3, 2020.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses, as item 2020-001, that we consider to be a material weakness.

Compliance and Other Matters

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

City of Charlevoix's Response to the Finding

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

Purpose of this Report

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

Rehmann Robson LLC

Schedule of Findings and Responses

For the Year Ended March 31, 2020

2020-001 – Preparation of Financial Statements in Accordance with Generally Accepted Accounting Principles (GAAP), Material Adjustments (repeat comment)

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

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

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

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

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

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

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

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Rehmann

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Independent Auditors' Communication with Those Charged with Governance

November 3, 2020

City Council
City of Charlevoix
Charlevoix, MI

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* (the "City") as of and for the year ended March 31, 2020, and have issued our report thereon dated November 3, 2020. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated March 5, 2020, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

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

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

We have provided our findings regarding internal control over financial reporting and compliance noted during our audit in a separate letter to you dated November 3, 2020. In addition, we noted a certain other matter which is included in Attachment A to this letter.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter and in our meeting about planning matters on July 14, 2020.

Compliance with All Ethics Requirements Regarding Independence

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

Qualitative Aspects of the City's Significant Accounting Practices

Significant Accounting Policies

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

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

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

Significant Accounting Estimates

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

The most sensitive accounting estimates affecting the financial statements were:

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

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

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

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

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

Significant Difficulties Encountered During the Audit

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

Uncorrected and Corrected Misstatements

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

The schedule of adjustments passed is included with management's written representations in Attachment 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 entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the City's auditors.

Other Information in Documents Containing Audited Financial Statements

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

Upcoming Changes in Accounting Standards

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

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

Rehmann Robson LLC

CITY OF CHARLEVOIX, MICHIGAN

Attachment A - Comments and Recommendations

For the March 31, 2020 Audit

During our audit, we became aware of a certain other matter that is an opportunity for strengthening internal control and/or improving operating efficiency. This memorandum summarizes our comments and recommendations regarding this matter. Our consideration of the City's internal control over financial reporting is described in our report, dated November 3, 2020, issued in accordance with *Government Auditing Standards.* This memorandum does not affect that report or our report dated November 3, 2020, 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 2020 audit fieldwork, 16 of the selected 16 tested tax disbursements were documented as untimely disbursements, although, all collections were distributed by the final distribution date of April 1, 2020 per Section 43(3)(a) of the General Property Tax Act. Rehmann recommends that the City implement procedures and a policy to adhere to section 43(3)(a) of Public Act 206 of 1893.

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CITY OF CHARLEVOIX, MICHIGAN

Attachment B - Fund Audit Adjustments
For the March 31, 2020 Audit

Entry #	Account Number	Account Description	Debit	Credit
1	661-000-148.000	Vehicles	36,432	
	661-000-149.000	Allowance for Depreciation - Vehicles		36,432
	661-000-140.000	Machinery & Equipment		36,432
	661-000-141.000	Allowance for Depreciation - Machinery and Equipment	36,432	
	To correct misposting.			
2	591-000-111.000	Inventory Materials & Supplies	33,198	
	591-000-111.001	Inventory - Meters		802
	591-579-775.000	Repairs & Maintenance Supplies		32,396
	To adjust water inventory to actual counts as of 3/31/2020.			
3	582-000-111.000	Inventory Of Material & Supply	26,331	
	582-539-775.000	Repairs & Maintenance Supplies		26,331
	To adjust electric inventory to actual counts as of 3/31/2020.			
4	581-000-300.000	Net Pension Liability		89,301
	581-000-190.000	Deferred Outflows - Contributions	3,492	
	581-000-191.000	Deferred Outflows - Investment Returns		23,591
	581-000-192.000	Deferred Outflows - Experience		1,432
	581-000-194.000	Deferred Inflow - Experience		1,767
	581-000-193.000	Deferred Outflows - Assumptions	15,983	
	581-581-719.000	Employee Fringe Benefits	96,616	
	590-000-300.000	Net Pension Liability		25,304
	590-000-190.000	Deferred Outflows - Contributions	2,651	
	590-000-191.000	Deferred Outflows - Investment Returns		51,688
	590-000-192.000	Deferred Outflows - Experience		4,316
	590-000-194.000	Deferred Inflow - Experience	5,409	
	590-000-193.000	Deferred Outflows - Assumptions	22,267	
	590-558-719.000	Employee Fringe Benefits	50,981	
	591-000-300.000	Net Pension Liability	62,444	
	591-000-190.000	Deferred Outflows - Contributions	1,134	
	591-000-191.000	Deferred Outflows - Investment Returns		80,364
	591-000-192.000	Deferred Outflows - Experience		7,416
	591-000-194.000	Deferred Inflow - Experience	13,954	
	591-000-193.000	Deferred Outflows - Assumptions	27,003	
	591-579-719.000	Employee Fringe Benefits		16,755
	582-000-300.000	Net Pension Liability	37,021	
	582-000-190.000	Deferred Outflows - Contributions	5,043	
	582-000-191.000	Deferred Outflows - Investment Returns		166,060
	582-000-192.000	Deferred Outflows - Experience		14,687
	582-000-194.000	Deferred Inflow - Experience	23,822	
	582-000-193.000	Deferred Outflows - Assumptions	62,683	
	582-539-719.000	Employee Fringe Benefits	52,178	
	594-000-300.000	Net Pension Liability		19,610
	594-000-190.000	Deferred Outflows - Contributions	702	
	594-000-191.000	Deferred Outflows - Investment Returns		3,410
	594-000-192.000	Deferred Outflows - Experience		160
	594-000-194.000	Deferred Outflows - Assumptions		620
	594-000-193.000	Deferred Inflow - Experience	2,811	
	594-539-719.000	Employee Fringe Benefits	20,287	
	To record change in net pension liability and related deferred amounts.			

CITY OF CHARLEVOIX, MICHIGAN

Attachment B - Fund Audit Adjustments
For the March 31, 2020 Audit

Entry #	Account Number	Account Description	Debit	Credit
5	582-000-158.000	Construction In Progress		10,619
	582-000-143.000	Poles, Towers & Fixtures	10,619	
	590-000-158.000	Construction In Progress		866,635
	590-000-136.001	Building & Improvement - WWTP	866,635	
	591-000-158.000	Construction In Progress		158,029
	591-000-153.005	Transmission & Distribution and Maintenance	158,029	
	581-000-131.000	Construction In Progress		37,350
	581-000-133.000	Equipment	37,350	
	671-000-130.002	CIP	453,706	
	671-000-136.000	Buildings		453,706
	Capital asset adjustments - classifications changes.			
6	414-414-962.000	Bond Issue Costs	87,350	
	414-000-698.000	Bond Proceeds		87,350
	To expense bond issue costs.			
7	934-000-133.000	GA Accumulated Depreciation	144,463	
	934-000-132.003	GA Public Safety-Capital		144,463
	To record Fixed Assets Disposals in governmental activities.			
8	934-000-128.000	Ga Construction In Progress	1,283,818	
	934-934-803.000	Ga Public Works Expenses		1,283,818
	To record construction in process for public utility service building.			
9	934-000-132.000	Ga Capital Assets	153,643	
	934-000-132.003	Public Safety-Capital	26,871	
	934-000-132.004	Public Works-Capital	5,032	
	934-000-132.005	Health & Welfare-Capital	333,843	
	934-000-132.006	Recreation/Culture-Capital	16,180	
	934-934-800.000	Ga General Govt Expenses		11,662
	934-934-801.000	Ga Public Safety Expenses		26,871
	934-934-802.000	Ga Health & Welfare Expenses		333,843
	934-934-803.000	Ga Public Works Expenses		141,981
	934-934-805.000	Ga Parks & Recreation Expenses		21,212
	To record Fixed asset additions.			
10	934-905-996.255	Cu-DDAa Expense	191,953	
	934-000-134.000	Cu-Accumulated Depreciation		191,953
	934-934-800.000	Ga General Government Expenses	186,942	
	934-934-801.000	Ga Public Safety Expenses	66,233	
	934-934-802.000	Ga Health & Welfare Expenses	363,304	
	934-934-805.000	Ga Parks & Recreation Expenses	69,883	
	934-000-133.000	Ga Accumulated Depreciation		686,362
	To record GA and DDA depreciation expense.			
11	934-900-850.001	Ba Electric Expenses	2,206	
	934-900-922.001	Ba Wastewater Expenses	649	
	934-900-923.001	Ba Water Expenses	528	
	934-000-688.001	Ba Internal Service Fund Net Income		3,383
	To eliminate income from DPW Internal Service Fund.			

CITY OF CHARLEVOIX, MICHIGAN

Attachment B - Fund Audit Adjustments
For the March 31, 2020 Audit

Entry #	Account Number	Account Description	Debit	Credit
12	934-000-688.000	Ga Internal Service Fund Net Income	188,552	
	934-934-800.000	Ga General Govt Expenses		663
	934-934-801.000	Ga Public Safety Expenses		22,508
	934-934-803.000	Ga Public Works Expenses		64,282
	934-934-805.000	Ga Parks & Rec Expenses		15,058
	934-000-084.000	Ga Internal Balance		86,041
	934-000-084.001	Ba Internal Balance	86,041	
	934-900-850.001	Ba Electric Expenses		48,958
	934-900-924.001	Ba Airport Expenses		46
	934-900-921.001	Ba Marina Expenses		178
	934-900-922.001	Ba Wastewater Expenses		22,289
	934-900-923.001	Ba Water Expenses		14,570
	To eliminate income from Motor Vehicle IS.			
13	934-900-850.001	Ba Electric Expenses	52,114	
	934-900-921.001	Ba Marina Expenses	3,531	
	934-900-922.001	Ba Wastewater Exp.	24,592	
	934-900-923.001	Ba Water Expenses	20,912	
	934-900-924.001	Ba Airport Expenses	11,846	
	934-934-806.000	Ga-Legislative	552	
	934-934-800.000	Ga General Govt Expenses	11,908	
	934-934-801.000	Ga Public Safety Expenses	26,778	
	934-934-802.000	Ga Health & Welfare Expenses	-	
	934-934-803.000	Ga Public Works Expenses	11,358	
	934-934-805.000	Ga Parks & Recreation Expenses	16,555	
	934-000-688.000	Ga Isf Net Income		180,146
	934-000-084.000	Ga Internal Balance	112,995	
	934-000-084.001	Ba Internal Balance		112,995
	To eliminate income from Fringe benefits IS.			
14	934-934-905.991	Ga Principal Expenses		200,000
	934-000-300.000	Ga Long Term Debt	200,000	
	934-934-995.000	Ga Interest Expenses		28,342
	934-000-300.000	Ga Long Term Debt	28,342	
	934-000-301.000	Ga Current Portion Of Long Term Debt		10,000
	934-000-300.000	Ga Long Term Debt	10,000	
	To record current year LTD activity.			
15	934-000-130.000	CU-DDA Capital Assets	1,500	
	934-905-996.255	CU-DDA Expense		1,500
	To record fixed asset addition in DDA fund.			
16	934-000-130.000	Cu-Capital Assets		3,672
	934-000-134.000	Cu-Accumulated Depreciation	3,672	
	To record component unit disposals.			

CITY OF CHARLEVOIX, MICHIGAN

Attachment B - Fund Audit Adjustments
For the March 31, 2020 Audit

Entry #	Account Number	Account Description	Debit	Credit
17	934-000-303.000	Net Pension Liability	117,094	
	934-000-200.000	Deferred Outflows - Pension Contributions	6,913	
	934-000-201.000	Deferred Outflows - Pension Invest Returns		280,394
	934-000-202.000	Deferred Outflows - Pension Experience		25,175
	934-000-204.000	Deferred Inflow - Experience	43,195	
	934-000-203.000	Deferred Outflows - Pension Assumptions	101,759	
	934-934-700.000	Pension Expense - Public Safety	18,007	
	934-934-701.000	Pension Expense - General Government	4,944	
	934-934-702.000	Pension Expense - Public Works	11,266	
	934-934-703.000	Pension Expense - Recreation & Culture	2,391	
	To record change in net pension liability and related deferred amounts.			
18	934-000-301.000	Ga Current Portion Of Long Term Debt		48,856
	934-000-300.000	Ga Long Term Debt	48,856	
	To adjust current portion of premiums on long-term debt.			
19	934-000-299.001	Ga-Accrued Compensation Absences	4,315	
	934-934-800.000	Ga General Govt Expenses	3,110	
	934-000-301.002	Ga Current Portion Of Long-Term Debt-Accrued Compensated Absences		7,425
	638-638-723.000	Vacation Pay		21,867
	638-000-259.000	Accrued Vacation Payroll	28,246	
	638-000-259.001	Accrued Vacation Payroll-Current Portion		6,379
	To adjust accrued compensated absences to actual.			
20	934-000-251.000	Ga Accrued Interest Payable	4,000	
	934-934-995.000	Ga Interest Expenses		4,000
	To record the change in accrued interest as of 3/31/2020.			
21	934-000-425.000	Ga Other Revenue	8,847,853	
	934-000-300.000	Ga Long Term Debt		8,611,195
	934-000-301.000	Ga Current Portion Of Long Term Debt		236,658
	To record the DPW bond activity.			

■■■■■

Attachment C – Upcoming Changes in Accounting Standards / Regulations

For the March 31, 2020 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, 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 06/15/2020 (your FY 2021)

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 12/15/2020 (your FY 2021)

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.

GASB 87 ■ Leases

Effective 06/15/2022 (your FY 2023)

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

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

Effective 12/15/2021 (your FY 2022)

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

GASB 91 ■ Conduit Debt Obligations

Effective 12/15/2022 (your FY 2023)

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

Attachment C – Upcoming Changes in Accounting Standards / Regulations

For the March 31, 2020 Audit

GASB 92 ■ Omnibus 2020

Effective 06/15/2022 (your FY 2023)

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

GASB 93 ■ Replacement of Interbank Offered Rates

Effective 06/15/2022 (your FY 2023)

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

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

Effective 06/15/2023 (your FY 2024)

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

GASB 96 ■ Subscription-Based Information Technology Arrangements

Effective 06/15/2023 (your FY 2024)

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

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

Effective 06/15/2022 (your FY 2022)

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

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CITY OF CHARLEVOIX, MICHIGAN

Attachment D - Management Representations
For the March 31, 2020 Audit

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

November 3, 2020

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, the major fund, and the aggregate remaining fund information of the *City of Charlevoix, Michigan* (the "City"), as of and for the year ended June 30, 2020, 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 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 November 3, 2020:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated March 5, 2020, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
2. The financial statements referred to above have been fairly presented in accordance with U.S. GAAP, and include all properly classified funds, required supplementary information, and notes to the basic financial statements.
3. With respect to any assistance you provided in drafting the financial statements and related notes, we have performed the following:
   a. Made all management decisions and performed all management functions;
   b. Assigned a competent individual to oversee the services;
   c. Evaluated the adequacy of the services performed;
   d. Evaluated and accepted responsibility for the result of the service performed; and
   e. Established and maintained internal controls, including monitoring ongoing activities.
4. 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.
5. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
6. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

7. 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.
8. 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.
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 funds and activities are properly classified.
12. 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.
13. All components of net position and fund balance classifications have been properly reported.
14. 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.
15. 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.
16. All interfund and intra-entity transactions and balances have been properly classified and reported.
17. Deposit and investment risks have been properly and fully disclosed.
18. Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
19. All required supplementary information is measured and presented within the prescribed guidelines.
20. 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.
21. 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.
22. In response to the novel coronavirus outbreak (COVID-19), the Governor issued various temporary Executive Orders that, among other stipulations, effectively prohibited in-person work activities for most businesses and industries including non-essential government services, having the effect of suspending or severely curtailing operations. As a result, the COVID-19 outbreak is disrupting and affecting the City's normal activities. The extent of the ultimate impact of the pandemic on the City's operational and financial performance will depend on certain developments, including the

duration and spread of the outbreak and its impact on employees, vendors, and taxpayers, all of which cannot be reasonably predicted at this time. In addition, it may place additional demands on the City as it determines the appropriate methods to deliver education to students in a safe environment. While management reasonably expects the COVID-19 outbreak to negatively impact the City's financial position, changes in financial position, and, where applicable, the timing and amounts of cash flows, the related financial consequences and duration are highly uncertain.

Information Provided

23. We have provided you with:
    a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
    b. Additional information that you have requested from us for the purpose of the audit; and
    c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
24. All transactions have been recorded in the accounting records and are reflected in the financial statements.
25. 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.
26. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
    a. Management;
    b. Employees who have significant roles in internal control; or
    c. Others where the fraud could have a material effect on the financial statements.
27. We have no knowledge of any instances, that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance, whether communicated by employees, former employees, vendors (contractors), regulators, or others.
28. We have no knowledge of any instances that have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that has a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
29. We have no knowledge of any instances that have occurred or are likely to have occurred of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
30. We have identified for you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
31. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements and we have not consulted legal counsel concerning litigation or claims.
32. 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.
33. There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
34. The City has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
35. We have disclosed to you all guarantees, whether written or oral, under which the City is contingently liable.

36. 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.
37. There are no:
    a. Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
    b. Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.
    c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB Statement No. 62.
38. 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.
39. 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.
40. We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.

Supplementary Information in Relation to the Financial Statements as a Whole

41. 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

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

d. We believe the significant assumptions or interpretations underlying the measurement or presentation of the required supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.

Mark Heydlauff, City Manager

Kelly McGinn, City Treasurer, City Treasurer

CITY OF CHARLEVOIX, MICHIGAN

Schedule of Adjustments Passed (SOAP)

For the March 31, 2020 Audit

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

	Effect of Passed Adjustment - Over(Under)Statement				
	Assets	Liabilities	Beginning Equity	Revenues	Expenses/ Expenditures
Governmental activities					
2020 - Overstatement of capital assets	$ 19,884	$ -	$ -	$ -	$ (19,884)
Misstatement as a percentage of total assets- governmental activities	**0.05%**	**0.00%**	**0.00%**	**0.00%**	**-0.05%**
Water fund					
2020 - Understatement of capital assets	$ (5,211)	$ -	$ -	$ -	$ 5,211
Misstatement as a percentage of total assets - water fund	**-0.08%**	**0.00%**	**0.00%**	**0.00%**	**0.08%**
Governmental activities					
2019 - Overstatement of capital assets	$ 17,795	$ -	$ -	$ -	$ (17,795)
Misstatement as a percentage of total assets- governmental activities	**0.04%**	**0.00%**	**0.00%**	**0.00%**	**-0.04%**
Water fund					
2019 - Understatement of capital assets	$ (5,211)	$ -	$ -	$ -	$ 5,211
Misstatement as a percentage of total assets - water fund	**-0.08%**	**0.00%**	**0.00%**	**0.00%**	**0.08%**
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)	$ -	$ -	$ (947)
Misstatement as a percentage of total assets - business-type activities	**-0.01%**	**-0.01%**	**0.00%**	**0.00%**	**0.00%**

CHARLEVOIX CITY COUNCIL

Consent Agenda

TITLE: City Council Meeting Minutes - November 16, 2020
DATE: December 7, 2020

RECOMMENDATION:
Motion to approve City Council minutes.

ATTACHMENTS:

- Draft Council Minutes

CITY OF CHARLEVOIX
REGULAR CITY COUNCIL MEETING MINUTES
Monday, November 16, 2020 – 6:00 p.m.
210 State Street, Charlevoix, MI

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

1. Pledge of Allegiance

2. Roll Call

Mayor:	Luther Kurtz
Members Present:	Greg Bryan (remote from home), Aaron Hagen, Janet Kalbfell, Mark Knapp, Phil Parr, Brian Slater
Members Absent:	None
City Manager:	Mark L. Heydlauff
City Clerk:	Joyce Golding

3. Presentations

A. Green Storm Water Infrastructure on Lake Charlevoix

Don Carpenter, Drummond Carpenter, stated that his company and the Watershed Council have worked to assess opportunities for integrating green stormwater infrastructure (GSI) with existing gray stormwater infrastructure in the three Lake Charlevoix communities of Boyne City, Charlevoix, and East Jordan. He presented various options and noted that the project team will provide each city with the results of a survey along with design plans of proposed GSI options and preliminary cost estimates. These plans will guide future water quality protection efforts and position the communities to move forward with GSI for the benefit of Lake Charlevoix.

B. MDARD 2021 Rural Development Fund Grant

Community Development Fellow Martin stated that the DDA Board will be reviewing an upper floor housing incentive program. The Upper Floor Housing Grant will serve to create housing specifically for year-round residents, which will expand options for those living and working in our community and it aligns with the MDARD grant through the emphasis on housing.

C. Mayoral Proclamation – End Violence Against Women Day

MAYORAL PROCLAMATION

WHEREAS, *the Charlevoix Zonta Club annually advocates for awareness on the topic of gender-based violence; and*

WHEREAS, *gender-based violence affects persons throughout the Charlevoix community and harms our entire society; and*

WHEREAS, *there were 187 victims of domestic violence in Charlevoix County in 2019; and*

WHEREAS, *the Charlevoix Zonta Club will be demonstrating against violence against women during the period of November 25th through December 10th.*

NOW THEREFORE, I, LUTHER KURTZ, MAYOR OF THE CITY OF CHARLEVOIX, *do hereby join the Zonta Club of Charlevoix in saying NO to violence against women in our community; and*

FURTHERMORE, *I applaud the Zonta Club of Charlevoix for their advocacy in stopping gender-based violence and supporting the victims of this crime; and*

FURTHERMORE, *I encourage all residents of Charlevoix to stand up against gender-based violence; and*

FINALLY, *I declare December 10, 2020 to be End Violence Against Women Day in Charlevoix to recognize the end of the "Tied Together by Violence" campaign of the Charlevoix Zonta Club.*

Given under my hand this 16th day of November, 2020.
Luther Kurtz, Mayor

4. Inquiry Regarding Conflicts of Interest

Kalbfell stated she would recuse herself from the three marina agenda items.

5. Consent Agenda

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

A. City Council Meeting Minutes – November 2, 2020
B. Accounts Payable and Payroll Check Registers
   a. Regular Accounts Payable Check Register – November 17, 2020

b. ACH Payments – November 2, 2020 to November 13, 2020
c. Payroll Check Register – November 13, 2020
d. Payroll Transmittal – November 13, 2020
e. Tax Disbursement – November 17, 2020

C. November 2020 Local Election Results
The November local election results are as follows:
WARD 1: Janet Kalbfell 392
WARD 2: Mark Knapp 321
WARD 3: Phil Parr 341
MAYOR: Luther Kurtz 805 and Norman "Boogie" Carlson 655
Proposal 1 Use City Golf Course Vacant Land for Housing: YES 367 NO 1232
Proposal 2 Airport Hangar Lease Term City Charter Amendment: YES 699 NO 808
Proposal 3 Publish Summary of Adopted Ordinances City Charter Amendment: YES 1149 NO 367
Proposal 4 City Clerk & Assessor to Attend Board of Review Meetings Upon Request City Charter Amendment: YES 1237 NO 147

D. Set Council Work Session for December 7, 2020 – define 2021 City Council goals

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

6. Public Hearings & Actions Requiring Public Hearings

7. All Other Actions & Requests

A. City Marina Commercial RFP
Kalbfell recused herself. Recreation Director Knorr stated that the marina was approved by the Michigan Waterways Commission to offer a total of 3 commercial slips for a period of 3 years 2021-2023 thus offering Request for Proposals for two unused commercial slips. The Recreation Director suggested releasing the RFP immediately and ask that proposals be returned by December 14th. All qualifying proposals will be submitted to the City Council at the December 21st meeting for consideration.

Mayor Kurtz opened the item to public comment and one was heard.

Motion by Parr, second by Slater to approve the Commercial Slip RFP Fall 2020. Motion carried by unanimous voice vote with Kalbfell abstaining.

B. Marina Waiting List
Recreation Director Knorr stated the marina has eight seasonal slips allocated equally to resident and non-resident boat owners and a waiting list is maintained for both. He suggested that in order for boaters to remain on either list, that beginning on October 1st of each year, they will be invoiced a $50 "maintenance fee" to remain on the list and all collected maintenance fees will be credited to the first year's dockage. With this change, we are prepared to offer anyone that wishes to opt off the current list a one-time refund of their $100 deposit.

Mayor Kurtz opened the item to public comment and two were heard.

Motion by Parr, second by Hagen to direct the Recreation Department to make changes to the Marina Seasonal Wait List to include an annual $50 maintenance fee beginning at the end of the 2021 season. Motion carried by unanimous voice vote with Kalbfell abstaining.

C. City Marina Fees 2021
Recreation Director Knorr stated that currently transient boaters are charged rate level "H" and seasonal boaters are charged level "E" multiplied by 156 days. At the Burns Street Dock the current rate is $49 per foot. He recommended that the seasonal rate remain the same in 2021 and the transient rate remain the same with the exception of Boyne Thunder and Venetian Festival weekends moving to level "J". He also suggested increasing the Burns Street Dockage to $50 per foot.

Mayor Kurtz opened the item to public comment and one was heard.

Motion by Hagen, second by Slater to set Marina Transient Fees at level "H" and to set the seasonal rate at level "E" multiplied by 156 days and to set the Burns Street Dock rate at $50 per foot. Motion carried by unanimous voice vote with Kalbfell abstaining.

Motion by Parr, second by Hagen to prioritize the dockage at Burns Street to city residents first. Motion carried by unanimous voice vote with Kalbfell abstaining.

Motion by Knapp, second by Parr to set Transient Fees for the weekends of Boyne Thunder and Venetian Festival at level "J" and to direct the Recreation Department to book both Boyne Thunder and Venetian weekends via email system for the 2021 season. Motion carried by unanimous voice vote with Kalbfell abstaining.

D. Interlocal Agreement for County Designated Assessor

Kalbfell returned to the meeting. City Manager Heydlauff explained that the Designated Assessor is a part of property assessing reform approved in Lansing. If a local assessing unit (like the City) failed to properly manage and execute assessing services, the State Tax Tribunal would assume responsibility for the tax roll. He stated that this agreement between the assessing units in Charlevoix County and the Charlevoix County Board of Commissioners would appoint Emily Selph, the County Equalization Director, as the Designated Assessor for the County. This agreement will be valid once it is signed by the County and a majority of the assessing units within the County.

Mayor Kurtz opened the item to public comment and none was heard.

Motion by Parr, second by Kalbfell to approve Resolution 2020-11-01 authorizing the approval and signing of an interlocal agreement for the Charlevoix County Designated Assessor.

CITY OF CHARLEVOIX
RESOLUTION NO. 2020-11-01
AUTHORIZE THE APPROVAL AND SIGNING OF AN INTERLOCAL AGREEMENT FOR THE CHARLEVOIX COUNTY DESIGNATED ASSESSOR

WHEREAS, MCL 211.10g establishes the requirement for a designated assessor in each county and that such designation should be made before December 31, 2020; and

WHEREAS, to meet the requirement of appointing a Designated Assessor for Charlevoix County, the assessing districts in Charlevoix County and the County of Charlevoix have agreed to designate Emily Selph as Designated Assessor; and

WHEREAS, the Interlocal Agreement naming the designated assessor shall be binding upon all assessing districts upon its approval by the County Board of Commissioners, Emily Selph, a majority of the assessing districts, and the State Tax Commission; and

WHEREAS, the Designated Assessor shall only act as the assessor of record for an assessing district when required to by the State Tax Commission pursuant to MCL 211.10g or upon direct action of the governing board of an assessing district.

NOW THEREFORE BE IT RESOLVED, that the City Council of the City of Charlevoix approves the Interlocal Agreement naming Emily Selph, an individual qualified and certified by the State Tax Commission as a Michigan Advanced Assessing Officer, to be the County Designated Assessor for Charlevoix County; and

BE IT FURTHER RESOLVED THAT, the Mayor is authorized to sign the Interlocal Agreement.

RESOLVED this 16th day of November, 2020 A.D.

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

E. Withdrawal of Norwood Township from EMS Agreement

City Manager Heydlauff stated that Norwood Township wishes to exercise their ability to exit the mutual EMS agreement. While they are bound to give six months' notice, he suggested they be granted the exit on December 31, 2020 as requested and they must pay any outstanding costs they owe now and in the future for this period of service.

Mayor Kurtz opened the item to public comment and none was heard.

Motion by Kalbfell, second by Parr to allow Norwood Township to withdraw from the 2019 Charlevoix Emergency Medical Service Agreement for Ambulance Services pursuant to section 5 effective December 31, 2020 at 11:59pm and require full payment for outstanding and future invoices for costs up until December 31, 2020. Motion carried by unanimous voice vote.

F. Snow Removal RFP

City Manager Heydlauff recalled that Council asked him to research options for expanding snow removal on the sidewalks downtown by partnering with a private firm. He drafted a request for proposals that would solicit contractors to perform extra clearing in the area from State Street to Round Lake and Hurlbut to Dixon Avenue. Snow would be cleared twice per day. Council held discussion and asked several questions.

Mayor Kurtz opened the item to public comment and none was heard.

Motion by Hagen, second by Slater to approve the Snow Removal RFP, ask the City Manager to work with the DPW Superintendent to see what other options are available and ask the DDA to discuss whether they want to share in the cost. Motion carried by unanimous voice vote.

G. Organizational Meeting

Clerk Golding stated that Section 2.15 of the City Charter requires that Council hold an organizational meeting at the first meeting of the Council after the November General Election. The purpose of the meeting is to establish the regularly scheduled meetings for the 2021 calendar year and to appoint a Deputy Mayor.

Mayor Kurtz opened the item to public comment and none was heard.

Motion by Parr, second by Knapp to set 2020 City Council meetings for the first and third Mondays of the month at 6:00 p.m. Motion carried by unanimous voice vote.

Motion by Knapp, second by Parr to appoint Councilmember Hagen as Deputy Mayor. Motion carried by unanimous voice vote with Hagen abstaining.

H. Mayoral Appointments

Motion by Parr, second by Hagen to appoint Ron Way to the Downtown Development Authority, term expiring April 2024. Motion carried by unanimous voice vote.

Motion by Hagen, second by Kalbfell to appoint Reid Beeger to the Planning Commission, term expiring April 2022. Motion carried by unanimous voice vote.

8. Reports & Communications

A. Public Comments

- Darlene Klien felt crosswalk safety should be reviewed; suggested that members should identify themselves when speaking; noted that there was damage to the split rail fence and trees at Michigan Beach Park

B. City Manager Comments

- Latest changes from MDHSS regarding COVID-19 pause were issued to City Staff
- Wind damage over the last several days was being assessed
- Leaf collection should be complete by the end of the week, thus reducing seasonal staff
- Rain gardens at the boat launch should be finished by Thanksgiving
- Looking at collaborative recycling options with Boyne City and East Jordan

C. Mayor & Council Comments

- Hagen is looking forward to working with the new Council members
- Parr extended thanks to Third Ward constituents
- Slater commented on an exciting meeting
- Kalbfell stated the Commission on Aging will re-engage their snow removal program for seniors; collaboration with County Transit to deliver groceries begins in December

9. Other Council Business

The Mayor suggested that due to the MDHSS pause limiting indoor dining, it may be a good idea to consider allowing outdoor structures such as igloos to assist the downtown restaurants. After discussion, Council agreed to have the DDA and the Main Street Design Committee weigh in on the topic.

10. Adjourn

The Mayor adjourned the meeting at 8:17 p.m.

Joyce M. Golding City Clerk | Luther Kurtz Mayor

Regular Accounts Payable – 11/17/2020

ACCUMED GROUP, THE	4,199.62	CHERRY REPUBLIC	25.00
ACE HARDWARE	1,315.66	CINTAS	72.39
ALL-PHASE ELECTRIC	130.44	CONWAY PROFESSIONAL SERVICES	1,261.00
AT&T MOBILITY	577.64	CROSS III, JOHN H.	6,500.00
AUTO VALUE	235.32	CURREY FARMS LLC	30.00
AVFUEL CORPORATION	13,723.66	DITCH WITCH SALES OF MICHIGAN	272.01
BELL EQUIPMENT COMPANY	1,621.00	DUTCH OVEN, THE	401.00
BOEHMER, SHELLE	50.00	EJ USA INC.	1,983.53
BOUND TREE MEDICAL LLC	431.59	EMERGENCY MEDICAL PRODUCTS INC	316.50
BS& A SOFTWARE	1,213.00	ETNA SUPPLY	316.39
BY THE BAY CLEANING	754.00	FAMILY FARM & HOME	821.66
CARQUEST OF CHARLEVOIX	1,338.33	FASTENAL COMPANY	48.86
CDW GOVERNMENT INC.	534.39	FERGUSON, ROYCE L	109.00
CHARLEVOIX ROD & GUN CLUB	130.00	FLECK, WILLIAM	50.00
CHARLEVOIX TOWNSHIP	28.14	FREEDOM MAILING SERVICES INC.	2,265.19
CHARTER COMMUNICATIONS	147.15	GALLS AN ARAMARK COMPANY	138.99

DRAFT

GERBER HOMEMADE SWEETS	98.00	PROVIDENCE FARM LLC	1,205.00
GOLDING, JOYCE M.	15.96	PURITY CYLINDER GASES INC	52.05
GREENVIEW DATA INC	700.42	QUALITY CAR & TRUCK REPAIR INC	183.12
HARRELL'S	645.00	QUILL CORP	54.92
INDEPENDENT DRAFTING SERVICES	1,976.00	RANGE TELECOMMUNICATIONS	179.60
INHABITECT LLC	2,500.00	RCL CONSTRUCTION CO INC	442,627.33
IPS GROUP INC	932.31	SCOTT T. BEATTY	722.00
J. PHILLIPS	100.00	SHARROW MASONRY INC	1,650.00
JACK DOHENY COMPANIES	262.89	SIEGRIST, DAVID	112.00
KIWANIS CLUB OF CHARLEVOIX	40.00	STATE AND MASON LLC	1,000.00
KSS ENTERPRISES	74.72	STATE OF MICHIGAN	237.00
LAMAR COMPANIES	770.00	STATE OF MICHIGAN	70.00
LOTTIE'S BAGELS	20.00	STATE OF MICHIGAN	50.00
LOUIS A. HOFFMAN NURSERY INC	37,710.00	STATE OF MICHIGAN	70.00
MICHIGAN MUNICIPAL LEAGUE	14,134.00	STRICKER'S OUTDOOR POWER EQUIP	79.30
MICHIGAN OFFICEWAYS INC	1,189.26	TAYLOR 12501 LLC	4,417.50
MILLINGTON, MARY F.	37.00	TELNET WORLDWIDE	124.63
NAVIA BENEFIT SOLUTIONS	50.00	THORP JR, WILLIAM D.	105.00
NORTHERN MICHIGAN REVIEW INC.	1,817.25	VILLAGE GRAPHICS INC.	267.00
OLSON BZDOK & HOWARD	1,457.00	WOLTERS KLUWER LAW & BUSINESS	620.50
OMS COMPLIANCE SERVICES INC	56.25	XEROX FINANCIAL SERVICES	168.84
PARKER, MICHAEL	25.00	ZIIBIMIJWANG INC	57.00
PEASE ENTERPRISE INC	279.84	UP NORTH ASSESSING INC	5,100.00
POWER LINE SUPPLY	1,026.96	**TOTAL**	**570,532.11**
PREIN & NEWHOF	660.00		
PRICE BUILDING AND REMODELING	3,760.00		

ACH Payments – 11/02/2020 to 11/13/2020

MI PUBLIC POWER AGENCY	10,079.29	ALERUS FINANCIAL (HCSP)	350.00
NEOFUNDS BY NEOPOST (ACH FEE)	50.00	STATE OF MI (WITHHOLDING TAX)	6,364.95
PROXIMITY SPACE INC	102.20	VANTAGEPOINT (401 ICMA PLAN)	912.08
AMG PAYMENT SOLUTIONS	482.27	VANTAGEPOINT (457 ICMA PLAN)	20,421.46
PAYMENT SERVICE NETWORK INC	275.01	VANTAGEPOINT (ROTH IRA)	1,080.75
DTE ENERGY	2,467.13	**TOTAL**	**116,045.93**
MI PUBLIC POWER AGENCY	9,811.27		
STATE OF MI (SALES TAX)	19,765.21		
IRS (PAYROLL TAX DEPOSIT)	43,884.30		

Payroll Net Pay – Check Date 11/13/2020

OLEKSY, THOMAS M.	145.26	ANDERSON, ELIZABETH A.	1,233.97
HEYDLAUFF, MARK L.	3,171.17	KENWABIKISE, DAVID L.	1,105.17
GOLDING, JOYCE M.	2,085.85	ELLIOTT, PATRICK M.	2,739.34
DEROSIA, PATRICIA E.	914.66	SCHWARTZFISHER, JOSEPH	1,305.57
DOTSON, LINDSEY J.	1,421.40	BRADLEY, KELLY R.	1,913.55
KLOOSTER, ALIDA K.	2,129.16	HART II, DELBERT W.	1,562.89
GOLOVICH, KAREN J.	980.66	JONES, ROBERT F.	1,584.63
BARNEVELD, RICHELLE L.	1,231.28	FARRELL, MITCHELL L.	1,346.26
EDWARDS, MACKENZIE R.	1,706.81	THORP JR, WILLIAM D.	1,962.72
MILLER, FAITH G.	37.42	LEITNER, RYAN S.	1,768.57
MCGINN, KELLY A.	2,578.97	FERGUSON, ROYCE L.	2,363.07
LAVENDER, JOSEPH E.	1,230.59	DORAN, JUSTIN J.	2,107.26
DOAN, GERARD P.	2,413.82	MANKER SR, DAVID W.	661.42
UMULIS, MATTHEW T.	1,200.75	NEDWICK, DAVID J.	969.79
HANKINS, SCOTT A.	1,692.27	FREY, DYLAN V.	350.44
ORBAN, BARBARA K.	1,772.70	HART III, DELBERT W.	767.87
RILEY, DENISE M.	463.87	FINNERTY, HOLLY E.	736.17
MUNK, CHRISTOPHER J.	1,300.44	KNORR, KENT J.	1,958.91
SCHICK, TIELER R.	1,544.06	ANZELL, BETH A.	1,318.21
MATELSKI, KRISTEN L.	1,355.87	GILL, DAVID R.	546.58
AZZOPARDI, LAUREN E.	34.35	LIVINGSTON, BRIAN D.	1,708.92
WURST, RANDALL W.	1,161.67	WYMAN, MATTHEW A.	1,647.33
MAYER, SHELLEY L.	1,595.06	MILLER, WILLIAM S.	1,441.98
HILLING, NICHOLAS A.	1,420.05	DOUGLAS, MARK	945.90
MEIER III, CHARLES A.	1,400.58	FRATRICK, JOSEPH W.	504.84
ZACHARIAS, STEVEN B.	1,642.74	MCMULLEN, DONALD R.	1,800.39
NEWMAN, MARK J.	1,056.43	SILVA, JESSE L.A.	1,526.32
SWEM, DONALD L.	3,086.31	JOHNSON, MELISSA A.	1,793.67
EATON, BRAD A.	2,976.18	STEPHENS, LYON G.	73.49
WILSON, TIMOTHY J.	3,033.31	TRAVERS, MANUEL J.	1,704.08
LAVOIE, RICHARD L.	2,494.70	FAULKNOR, CHRISTOPHER J.	3,287.74
STEVENS, BRANDON C.	2,985.02	RILEY, CASEY W.	486.04
DRAVES, MARTIN J.	2,736.18	JONES, LARRY M.	335.09

VANZANDT, ZORRAN C.	606.51	EATON, JOHN R.	210.00
MATZ, EMILY S.	1,289.78	VOORHEIS, MARGARET A.	105.00
LEPIRD, KATIE A.	1,444.35	KOZLAUSKOS, KENDRA J.	177.00
MOYER, DAVID T.	455.39	NEMEC, AARON D.	84.00
WHEELER, MICHAEL W.	1,960.75	BRADLEY, SEAN P.	114.00
MISHLER, MICHAEL. J.	759.36	WAY, HILARY G.	108.00
AZZOPARDI, ANTHONY J.	1,123.37	FOCHTMAN, MICHAEL A.	204.00
PECK, JARICA L.	580.65	HENNE, BETTY M.	78.00
DIETZ, AMANDA M.	970.16	COLE, SHANE	242.58
MOYER, NATHAN I.	1,721.44	WHITLEY, ANDREW T.	3,162.83
DALY, SUZETTE M.	214.50	MORRISON, KEVIN P.	1,715.88
DUERR, JANE R.	104.00	BISHAW, JAMES H.	472.19
HERDER, DIANE M.	238.00	SEROUR III, MICHAEL J.	242.63
OHALLORAN, LINDA J.	238.00	BUDAY, JOAN E.	108.00
DIPERT, ANNE M.	110.50	CAMPBELL, KAREN L.	96.00
HAVEMAN, NANCY A.	102.00	LALEWICZ, AMELIA M.	84.00
LINKLATER, LINDA K.	84.00	CIUK, JULIA A.	165.00
SUAREZ PAWLICKI, EMMA	69.00	**TOTAL**	**120,211.64**
DISANTE, SANDRA A.	105.00		
LEGENZA, TAMMY L.	108.00		

Payroll Transmittal – 11/13/2020

4FRONT CREDIT UNION	943.00	MI STATE DISBURSEMENT UNIT	209.65
AMERICAN FAMILY LIFE	608.28	MONY LIFE INSURANCE	380.82
CHAR EM UNITED WAY	90.00	POLICE OFFICERS LABOR COUNCIL	201.00
CHARLEVOIX STATE BANK	967.00	PRIORITY HEALTH	1,464.72
COMMUNICATION WORKERS OF AMER	672.47	**TOTAL**	**5,536.94**

Tax Disbursement – 11/17/2020

CHARLEVOIX COUNTY TREASURER	19,317.27	GRUNCH, RICHARD	24.85
CHARLEVOIX PUBLIC SCHOOLS	17,564.63	JONES, SUSAN	556.92
CHARLEVOIX PUBLIC SCHOOLS	924.18	**TOTAL**	**63,142.59**
CHARLEVOIX PUBLIC SCHOOLS	646.87		
CHARLEVOIX PUBLIC SCHOOLS	277.15		
CHARLEVOIX PUBLIC SCHOOLS	905.67		
CITY OF CHARLEVOIX - TAXES DUE	22,925.05		

CHARLEVOIX CITY COUNCIL

Consent Agenda

TITLE: Accounts Payable and Payroll Check Registers

DATE: December 7, 2020

ATTACHMENTS:

- Accounts Payable and Payroll Check Registers

Check Number	Payee	Amount
11/19/2020		
131956	AT&T	2,413.63
131957	CHARLEVOIX STATE BANK	7,808.29
131958	CHARTER COMMUNICATIONS	706.11
131959	DELTA DENTAL	3,254.66
131960	GREAT LAKES ENERGY	293.84
131961	HOLIDAY COMPANIES	6,849.30
131962	MONY LIFE INSURANCE	447.81
131963	PRIORITY HEALTH	41,612.67
131964	STANDARD INSURANCE CO	2,573.73
131965	VERIZON WIRELESS	88.29
131966	VSP INSURANCE CO. (CT)	540.74
131967	WEX BANK	1,293.24
Total 11/19/2020:		67,882.31
Grand Totals:		67,882.31

Summary of Check Registers & ACH Payments

HUNTINGTON NATIONAL BANK - CHECKS ISSUED

11/19/20 Special Accounts Payable Run	$	67,882.31
11/25/20 Payroll (net pay)	$	111,604.82
11/25/20 Payroll Transmittal Checks	$	5,587.13
12/08/20 Regular Accounts Payable	$	342,955.21
Checks Sub-Total:	$	528,029.47

HUNTINGTON NATIONAL BANK - ACH/WIRE PAYMENTS

11/16/20 MI Public Power Agency	$	11,362.59
11/23/20 MI Public Power Agency	$	8,605.85
11/25/20 MI Public Power Agency	$	231,404.37
11/25/20 MERS (Defined Benefit Plan)	$	48,894.59
11/25/20 IRS (Payroll Tax Deposit)	$	40,500.57
11/25/20 Alerus Financial (HCSP)	$	350.00
11/25/20 State of MI (Withholding Tax)	$	6,002.89
11/25/20 Vantagepoint (401 ICMA Plan)	$	912.08
11/25/20 Vantagepoint (457 ICMA Plan)	$	19,906.64
11/25/20 Vantagepoint (Roth IRA)	$	1,080.76
11/30/20 MI Public Power Agency	$	9,420.64
ACH Sub-Total:	$	378,440.98
Huntington National Bank Total:	$	906,470.45

CHARLEVOIX STATE BANK - CHECKS ISSUED

(PROPERTY TAX DISBURSEMENT TO VARIOUS TAXING AUTHORITIES)

12/08/20 Tax Disbursement	$	11,160.72
Charlevoix State Bank Total:	$	11,160.72
Grand Total:	$	917,631.17

APPROVED: CITY MANAGER | CITY TREASURER | CITY CLERK

M = Manual Check, V = Void Check

Pay Period Date	Journal Code	Check Issue Date	Check Number	Payee	Emp ID	Description	Amount
11/21/2020	PC	11/25/2020	32092	HEYDLAUFF, MARK L.	102		2,882.72
11/21/2020	PC	11/25/2020	32093	GOLDING, JOYCE M.	106		1,653.60
11/21/2020	PC	11/25/2020	32094	DEROSIA, PATRICIA E.	107		1,135.58
11/21/2020	PC	11/25/2020	32095	DOTSON, LINDSEY J.	109		1,421.40
11/21/2020	PC	11/25/2020	32096	KLOOSTER, ALIDA K.	121		1,753.72
11/21/2020	PC	11/25/2020	32097	GOLOVICH, KAREN J.	122		980.65
11/21/2020	PC	11/25/2020	32098	BARNEVELD, RICHELLE	123		1,197.17
11/21/2020	PC	11/25/2020	32099	EDWARDS, MACKENZIE	124		1,320.73
11/21/2020	PC	11/25/2020	32100	MILLER, FAITH G.	142		69.87
11/21/2020	PC	11/25/2020	32101	MCGINN, KELLY A.	146		2,146.71
11/21/2020	PC	11/25/2020	32102	DOAN, GERARD P.	201		2,413.82
11/21/2020	PC	11/25/2020	32103	UMULIS, MATTHEW T.	205		939.70
11/21/2020	PC	11/25/2020	32104	HANKINS, SCOTT A.	208		1,854.75
11/21/2020	PC	11/25/2020	32105	ORBAN, BARBARA K.	209		1,179.51
11/21/2020	PC	11/25/2020	32106	RILEY, DENISE M.	213		459.28
11/21/2020	PC	11/25/2020	32107	MUNK, CHRISTOPHER J.	215		1,268.56
11/21/2020	PC	11/25/2020	32108	SCHICK, TIELER R.	216		1,287.76
11/21/2020	PC	11/25/2020	32109	STEWART, MORGAN J.	217		1,217.56
11/21/2020	PC	11/25/2020	32110	MATELSKI, KRISTEN L.	230		1,355.87
11/21/2020	PC	11/25/2020	32111	WURST, RANDALL W.	411		1,380.94
11/21/2020	PC	11/25/2020	32112	MAYER, SHELLEY L.	412		1,769.55
11/21/2020	PC	11/25/2020	32113	HILLING, NICHOLAS A.	413		1,407.82
11/21/2020	PC	11/25/2020	32114	MEIER III, CHARLES A.	421		1,565.66
11/21/2020	PC	11/25/2020	32115	ZACHARIAS, STEVEN B.	422		1,311.90
11/21/2020	PC	11/25/2020	32116	NEWMAN, MARK J.	424		1,100.93
11/21/2020	PC	11/25/2020	32117	SWEM, DONALD L.	512		3,086.32
11/21/2020	PC	11/25/2020	32118	EATON, BRAD A.	515		2,349.79
11/21/2020	PC	11/25/2020	32119	WILSON, TIMOTHY J.	516		2,750.92
11/21/2020	PC	11/25/2020	32120	LAVOIE, RICHARD L.	519		2,267.71
11/21/2020	PC	11/25/2020	32121	STEVENS, BRANDON C.	521		2,436.86
11/21/2020	PC	11/25/2020	32122	DRAVES, MARTIN J.	523		2,812.54
11/21/2020	PC	11/25/2020	32123	ANDERSON, ELIZABETH	526		1,233.97
11/21/2020	PC	11/25/2020	32124	KENWABIKISE, DAVID L.	528		1,105.17
11/21/2020	PC	11/25/2020	32125	ELLIOTT, PATRICK M.	600		2,739.35
11/21/2020	PC	11/25/2020	32126	SCHWARTZFISHER, JOS	603		1,275.66
11/21/2020	PC	11/25/2020	32127	BRADLEY, KELLY R.	614		1,253.43
11/21/2020	PC	11/25/2020	32128	HART II, DELBERT W.	616		1,378.95
11/21/2020	PC	11/25/2020	32129	JONES, ROBERT F.	618		1,559.76
11/21/2020	PC	11/25/2020	32130	FARRELL, MITCHELL L.	622		1,369.97
11/21/2020	PC	11/25/2020	32131	THORP JR, WILLIAM D.	623		1,695.41
11/21/2020	PC	11/25/2020	32132	LEITNER, RYAN S.	624		1,785.98
11/21/2020	PC	11/25/2020	32133	FERGUSON, ROYCE L.	625		1,398.96
11/21/2020	PC	11/25/2020	32134	DORAN, JUSTIN J.	634		2,107.26
11/21/2020	PC	11/25/2020	32135	MANKER SR, DAVID W.	639		419.90
11/21/2020	PC	11/25/2020	32136	NEDWICK, DAVID J.	642		769.46
11/21/2020	PC	11/25/2020	32137	FREY, DYLAN V.	643		536.43
11/21/2020	PC	11/25/2020	32138	HART III, DELBERT W.	657		573.05
11/21/2020	PC	11/25/2020	32139	FINNERTY, HOLLY E.	669		665.10
11/21/2020	PC	11/25/2020	32140	CRANDELL, ZACKARY R.	691		541.49
11/21/2020	PC	11/25/2020	32141	KNORR, KENT J.	700		1,958.91
11/21/2020	PC	11/25/2020	32142	ANZELL, BETH A.	702		1,318.21
11/21/2020	PC	11/25/2020	32143	MATTACK, JEFFREY C.	767		523.75
11/21/2020	PC	11/25/2020	32144	BOSS, BEAU J.	788		593.22
11/21/2020	PC	11/25/2020	32145	GILL, DAVID R.	856		284.56
11/21/2020	PC	11/25/2020	32146	LIVINGSTON, BRIAN D.	866		900.43
11/21/2020	PC	11/25/2020	32147	WYMAN, MATTHEW A.	927		1,647.33
11/21/2020	PC	11/25/2020	32148	MILLER, WILLIAM S.	933		981.71

Pay Period Date	Journal Code	Check Issue Date	Check Number	Payee	Emp ID	Description	Amount
11/21/2020	PC	11/25/2020	32149	DOUGLAS, MARK	935		1,050.54
11/21/2020	PC	11/25/2020	32150	FRATRICK, JOSEPH W.	940		474.56
11/21/2020	PC	11/25/2020	32151	CARSON, SAWYER J.	941		693.66
11/21/2020	PC	11/25/2020	32152	MCMULLEN, DONALD R.	1000		1,800.39
11/21/2020	PC	11/25/2020	32153	SILVA, JESSE L.A.	1001		1,434.22
11/21/2020	PC	11/25/2020	32154	JOHNSON, MELISSA A.	1004		1,421.89
11/21/2020	PC	11/25/2020	32155	STEPHENS, LYON G.	1005		73.49
11/21/2020	PC	11/25/2020	32156	TRAVERS, MANUEL J.	1006		2,087.18
11/21/2020	PC	11/25/2020	32157	FAULKNOR, CHRISTOPH	1007		2,407.50
11/21/2020	PC	11/25/2020	32158	STEVENS, JEFFREY W.	1028		51.10
11/21/2020	PC	11/25/2020	32159	RILEY, CASEY W.	1052		449.74
11/21/2020	PC	11/25/2020	32160	JONES, LARRY M.	1057		502.85
11/21/2020	PC	11/25/2020	32161	VANZANDT, ZORRAN C.	1058		942.12
11/21/2020	PC	11/25/2020	32162	MATZ, EMILY S.	1059		1,001.44
11/21/2020	PC	11/25/2020	32163	LEPIRD, KATIE A.	1061		1,068.05
11/21/2020	PC	11/25/2020	32164	MOYER, DAVID T.	1073		485.46
11/21/2020	PC	11/25/2020	32165	WHEELER, MICHAEL W.	1103		2,089.00
11/21/2020	PC	11/25/2020	32166	MISHLER, MICHAEL. J.	1107		1,235.37
11/21/2020	PC	11/25/2020	32167	AZZOPARDI, ANTHONY J.	1108		1,214.44
11/21/2020	PC	11/25/2020	32168	PECK, JARICA L.	1114		870.98
11/21/2020	PC	11/25/2020	32169	DIETZ, AMANDA M.	1115		656.75
11/21/2020	PC	11/25/2020	32170	MOYER, NATHAN I.	1118		1,271.02
11/21/2020	PC	11/25/2020	131968	WHITLEY, ANDREW T.	522		2,933.50
11/21/2020	PC	11/25/2020	131969	MORRISON, KEVIN P.	601		1,741.97
11/21/2020	PC	11/25/2020	131970	BISHAW, JAMES H.	633		807.24
11/21/2020	PC	11/25/2020	131971	BOSS JR, DALE E.	701		819.26
11/21/2020	PC	11/25/2020	131972	HOLM, ARTHUR R.	791		623.78
Grand Totals:			84				111,604.82

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

CITY OF CHARLEVOIX

Check Register - Check Transmittals
Report Dates: 11/8/2020-11/21/2020

Nov 23, 2020 10:30AM

Pay Period Date	Check Issue Date	Check Number	Payee	Emp ID	Description	Amount
11/21/2020	11/25/2020	131973	4FRONT CREDIT UNION	9024	HSA-EMPLOYEE CONTRIB-4FR	943.00
11/21/2020	11/25/2020	131974	AMERICAN FAMILY LIFE	9011	AMERICAN FAMILY LIFE-POST T	127.28
11/21/2020	11/25/2020	131974	AMERICAN FAMILY LIFE	9011	AMERICAN FAMILY LIFE-PRETA	481.00
11/21/2020	11/25/2020	131975	CHAR EM UNITED WAY	9009	UNITED WAY Pay Period: 11/21/	90.00
11/21/2020	11/25/2020	131976	CHARLEVOIX STATE BAN	9017	HSA - EMPLOYEE CONTRIB - C	942.00
11/21/2020	11/25/2020	131977	COMMUNICATION WORK	9004	CWA UNION DUES Pay Period:	672.47
11/21/2020	11/25/2020	131978	DISCOVER BANK	9032	Garnishment: WWR File #040038	263.83
11/21/2020	11/25/2020	131979	MI STATE DISBURSEMEN	9012	FRIEND OF THE COURT Pay Pe	209.65
11/21/2020	11/25/2020	131980	MONY LIFE INSURANCE	9008	LIFE - VOLUNTARY Pay Period:	275.55
11/21/2020	11/25/2020	131980	MONY LIFE INSURANCE	9008	SPOUSE LIFE Pay Period: 11/21/	51.59
11/21/2020	11/25/2020	131980	MONY LIFE INSURANCE	9008	CHILD LIFE Pay Period: 11/21/20	4.00
11/21/2020	11/25/2020	131980	MONY LIFE INSURANCE	9008	AD&D - VOLUNTARY Pay Period	40.24
11/21/2020	11/25/2020	131980	MONY LIFE INSURANCE	9008	SPOUSE AD&D Pay Period: 11/2	6.85
11/21/2020	11/25/2020	131980	MONY LIFE INSURANCE	9008	CHILD AD&D Pay Period: 11/21/2	2.59
11/21/2020	11/25/2020	131981	PRIORITY HEALTH	392358	PRIORITY HEALTH Pay Period:	1,477.08
Grand Totals:		15				5,587.13

Check Number	Payee	Amount
12/08/2020		
131982	ABILITA	10,504.34
131983	AIRGAS USA LLC	71.15
131984	ALL-PHASE ELECTRIC	898.85
131985	ALTA CONSTRUCTION EQUIP LLC	24.23
131986	AMERICAN WASTE INC.	976.76
131987	ANDERSON, ELIZABETH A.	50.00
131988	ANZELL, BETH A.	50.00
131989	AT YOUR SERVICE PLUS INC	375.00
131990	AT&T LONG DISTANCE	13.59
131991	AT&T MOBILITY	577.64
131992	AVFUEL CORPORATION	48,713.85
131993	BARUZZINI GENERAL CONTRACTORS	2,750.00
131994	BEAUDOIN, LOUISE	124.99
131995	BOUND TREE MEDICAL LLC	1,191.19
131996	BRADFORD'S	63.25
131997	CENTRAL DRUG STORE	98.42
131998	CHARLEVOIX LAVENDER	116.00
131999	CHARLEVOIX ROD & GUN CLUB	65.00
132000	CHARLEVOIX TOWNSHIP	13.12
132001	CHARTER COMMUNICATIONS	994.52
132002	CINTAS	72.39
132003	CINTAS CORPORATION	201.51
132004	CITY OF CHARLEVOIX - UTILITIES	43,576.05
132005	CLARK, ANGIE	133.40
132006	COMPASS MINERALS AMERICA	19,260.37
132007	COOPER, MELANIE SUE	192.00
132008	D & D ELECTRONICS	150.00
132009	DECKER, LORI	75.00
132010	DELL MARKETING L P	2,571.41
132011	DeROSIA, PATRICIA E.	50.00
132012	DITCH WITCH SALES OF MICHIGAN	3,184.41
132013	DOAN, GERARD P.	50.00
132014	DOTSON, LINDSEY J.	50.00
132015	EJ USA INC.	50.91
132016	ELLIOTT, PATRICK M.	50.00
132017	ELLSWORTH FARMER'S EXCHANGE	761.54
132018	ELMER'S CRANE & DOZER INC.	13,980.00
132019	ESRI	880.27
132020	FASTENAL COMPANY	53.35
132021	FAULKNOR, CHRISTOPHER	50.00
132022	FEYEN ZYLSTRA LLC	1,776.16
132023	FOSMORE, SHIRLEY	56.61
132024	GOLDING, JOYCE M.	50.00
132025	GRAINGER	171.41
132026	GRANATH, WILL	132.75
132027	GRAND TRAVERSE DIESEL INC.	756.33
132028	GREAT LAKES PIPE & SUPPLY	93.00
132029	HACH COMPANY	1,442.36

Check Number	Payee	Amount
132030	HANKINS, SCOTT A.	50.00
132031	HARRELL'S	1,625.00
132032	HERITAGE-CRYSTAL CLEAN LLC	129.00
132033	HEYDLAUFF, MARK L.	50.00
132034	HYDRO CORP	1,079.00
132035	INDEPENDENT DRAFTING SERVICES	1,520.00
132036	INHABITECT LLC	64,337.00
132037	JACK DOHENY COMPANIES	446.16
132038	JOHN E. GREEN COMPANY	3,537.96
132039	JOHNSON, MELISSA A.	50.00
132040	KLOOSTER, ALIDA K.	50.00
132041	KLOOSTER, PATRICK H.	50.00
132042	KNORR, KENT J.	50.00
132043	KSS ENTERPRISES	354.06
132044	LITTLE TRAVERSE DISPOSAL LLC	1,345.00
132045	MATTHEWS CONSTRUCTION	24.83
132046	MAYER, SHELLEY L.	50.00
132047	MCCLANATHAN, ANGELIA	27.61
132048	MCCLINTOCK, MAUREEN	75.00
132049	McGINN, KELLY A.	50.00
132050	MCLAREN HEALTH PLAN	201.69
132051	MCLEAN ENGINEERING CO INC	693.00
132052	MCMULLEN, DONALD R.	50.00
132053	MDC CONTRACTING LLC	5,374.65
132054	METTLER TOLEDO INC	760.70
132055	MICHIGAN ASSN OF MUNICIPAL CLER	120.00
132056	MICHIGAN MUNICIPAL LEAGUE	17,996.00
132057	MILLER, WILLIAM S.	50.00
132058	MISS DIG SYSTEM INC	2,547.93
132059	MUTT MITT	1,970.80
132060	NEXVORTEX INC	299.31
132061	NORTHERN CREDIT SERVICES	30.58
132062	NORTHERN MICHIGAN TRUCK &	648.64
132063	NORTHWEST FIRE	136.50
132064	OHM ADVISORS	16,000.00
132065	OSCAR W LARSON COMPANY	778.54
132066	OUDBIER INSTRUMENT CO	950.00
132067	PENINSULA FIBER NETWORK LLC	470.00
132068	PETERS, JOHN	57.74
132069	PLUNKETT & COONEY	220.00
132070	POLLARDWATER	188.38
132071	POWER LINE SUPPLY	18,004.80
132072	POWERPLAN	1,626.44
132073	PREIN & NEWHOF	147.00
132074	PRESTON FEATHER	613.20
132075	PROTEC	314.13
132076	PURITY CYLINDER GASES INC	75.00
132077	QUALITY CAR & TRUCK REPAIR INC	1,284.71
132078	QUILL CORP	194.99

Check Number	Payee	Amount
132079	R & R PRODUCTS INC	1,691.35
132080	RENTON, RUTH BETTY	44.57
132081	RESOLUTION G2 LLC	8,097.50
132082	RON'S AUTO & WRECKER	515.00
132083	SAMPSON, RUSS	51.82
132084	SAXTON, KAREN	150.00
132085	SELIGMAN, MARGARET	25.22
132086	SIGMA-ALDRICH INC.	72.56
132087	SILVA, JESSE L.A.	50.00
132088	SPARTAN STORES LLC	53.35
132089	STATE OF MICHIGAN	465.00
132090	STATE OF MICHIGAN	1,300.05
132091	STEPHENS, LYON G.	50.00
132092	STRICKER'S OUTDOOR POWER EQUI	172.90
132093	STROBES N MORE	323.37
132094	SWANSON K & D INC	1,750.00
132095	SWEM, DONALD L.	50.00
132096	SYSTEMS SPECIALISTS INC	5,596.00
132097	TAYLOR 12501 LLC	4,417.50
132098	TERMINAL SUPPLY CO	115.26
132099	TIMMS, ROBERT	400.00
132100	TRAVERS, MANUEL J.	50.00
132101	UMLOR, DAVID	75.00
132102	UNIFIRST CORPORATION	954.92
132103	UP NORTH ASSESSING INC	5,100.00
132104	UPPER CASE PRINTING INK.	1,091.35
132105	USA BLUE BOOK	3,451.57
132106	VALLEY TRUCK - TRAVERSE CITY	570.00
132107	VERMEER OF MICHIGAN INC	41.69
132108	VILLAGE GRAPHICS INC.	795.95
132109	WHINNIE, JOHN	84.60
132110	WHITLEY, GREGG	6.49
132111	WILL, CARRIE	50.43
132112	WORK & PLAY SHOP	508.15
132113	WURST, RANDALL W.	50.00
132114	WYMAN, MATTHEW A.	113.59
132115	XEROX FINANCIAL SERVICES	168.84
132116	YOUNG, PAT & GARY	80.70
132117	Z & Z MEDICAL INC	122.00
Total 12/08/2020:		342,955.21
Grand Totals:		342,955.21

Check Number	Payee	Amount
11/16/2020		
111620001	MICHIGAN PUBLIC POWER AGENCY	11,362.59
Total 11/16/2020:		11,362.59
Grand Totals:		11,362.59

M = Manual Check, V = Void Check

Check Number	Payee	Amount
11/23/2020		
112320001	MICHIGAN PUBLIC POWER AGENCY	8,605.85
Total 11/23/2020:		8,605.85
Grand Totals:		8,605.85

M = Manual Check, V = Void Check

Check Number	Payee	Amount
11/25/2020		
112520001	MICHIGAN PUBLIC POWER AGENCY	231,404.37
112520008	MERS	48,894.59
Total 11/25/2020:		280,298.96
Grand Totals:		280,298.96

M = Manual Check, V = Void Check

Check Issue Date	Check Number	Payee	Amount
112520002			
11/25/2020	11252000	**EFTPS* Payroll Taxes	10,638.48
11/25/2020	11252000	**EFTPS* Payroll Taxes	9,892.45
11/25/2020	11252000	**EFTPS* Payroll Taxes	2,488.03
11/25/2020	11252000	**EFTPS* Payroll Taxes	2,488.03
11/25/2020	11252000	**EFTPS* Payroll Taxes	14,993.58
Total 112520002:	5		40,500.57
112520003			
11/25/2020	11252000	Alerus Financial	350.00
Total 112520003:	1		350.00
112520004			
11/25/2020	11252000	STATE OF MICHIGAN	6,002.89
Total 112520004:	1		6,002.89
112520005			
11/25/2020	11252000	Vantagepoint - 401 Plan 109153	912.08
Total 112520005:	1		912.08
112520006			
11/25/2020	11252000	Vantagepoint - 457 Plan 300959	5,312.92
11/25/2020	11252000	Vantagepoint - 457 Plan 300959	2,114.51
11/25/2020	11252000	Vantagepoint - 457 Plan 300959	4,243.61
11/25/2020	11252000	Vantagepoint - 457 Plan 300959	8,235.60
Total 112520006:	4		19,906.64
112520007			
11/25/2020	11252000	Vantagepoint - Roth IRA 706117	1,080.76
Total 112520007:	1		1,080.76
Grand Totals:	13		68,752.94

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Check Number	Payee	Amount
11/30/2020		
113020001	MICHIGAN PUBLIC POWER AGENCY	9,420.64
Total 11/30/2020:		9,420.64
Grand Totals:		9,420.64

M = Manual Check, V = Void Check

Check Number	Payee	Amount
12/08/2020		
3513	CHARLEVOIX COUNTY TREASURER	77.85
3514	CHARLEVOIX COUNTY TREASURER	2,775.99
3515	CHARLEVOIX DISTRICT LIBRARY	19.06
3516	CHARLEVOIX PUBLIC SCHOOLS	4,204.01
3517	CHARLEVOIX PUBLIC SCHOOLS	20.04
3518	CHARLEVOIX PUBLIC SCHOOLS	138.39
3519	CHARLEVOIX PUBLIC SCHOOLS	96.86
3520	CHARLEVOIX PUBLIC SCHOOLS	41.49
3521	CHARLEVOIX PUBLIC SCHOOLS	130.13
3522	CHARLEVOIX-EMMET ISD	41.82
3523	CITY OF CHARLEVOIX - TAXES DUE	3,346.89
3524	RECREATIONAL AUTHORITY	3.69
3525	STATE OF MICHIGAN	264.50
Total 12/08/2020:		11,160.72
Grand Totals:		11,160.72

CHECKS DRAWN ON CHARLEVOIX STATE BANK ACCOUNT

M = Manual Check, V = Void Check

CHARLEVOIX CITY COUNCIL

Consent Agenda

TITLE: 2021 MDOT Annual Permit

DATE: December 7, 2020

BACKGROUND:

Annually, we file a permit request with MDOT for a variety of events and activities we expect will occur within the MDOT right of way on US 31 and M-66. This includes mundane and necessary activities like tree pruning, maintenance and electrical line work and also special event focused things like festivals and parades. We try to include as many special events in the year as we know to expect when we file this permit.

RECOMMENDATION:

Motion to approve Resolution 2020-12-01 the MDOT Annual Performance Resolution and direct the City Manager to advise event organizers of street closure plans for 2021.

ATTACHMENTS:

- 2021 Event Road Closures
- Resolution

2021 EVENT ROAD CLOSURES

MAY 29, TOP O'MICHIGAN COMMUNITY MARATHON, LANE SHIFT 6:30 AM-9:30 AM

MAY 31, MEMORIAL DAY PARADE, PARADE DETOUR 9:50 AM-10:30 AM

JUNE 19, CHARLEVOIX MARATHON, LANE SHIFT 6:00 AM-1:00 PM

JULY 21-26, VENETIAN FESTIVAL, FULL CLOSURE, HURLBUT TO PARK, DETOUR ON STATE STREET

WEDNESDAY 5:30 PM-1:00 AM THURSDAY

THURSDAY 5:30 PM-1:00 AM FRIDAY

FRIDAY 5:30 PM-1:00 AM SUNDAY

TBD, CHARLEVOIX HIGH SCHOOL HOMECOMING PARADE, PARADE DETOUR 5:30 PM-6:30 PM

OCTOBER 9, APPLEFEST, FULL CLOSURE HURLBUT TO PARK, DETOUR ON STATE 7:00 AM-6:00 PM

NOVEMBER 26, HOLIDAY PARADE AND TREE LIGHTING, PARADE DETOUR, 5:15 PM-6:15 PM

DECEMBER 31, CHARLEVOIX BRIDGE DROP, TRAFFIC STOPPED 11:50 PM-12:10 AM, NO DETOUR

CITY OF CHARLEVOIX
RESOLUTION NO. 2020-12-01
PERFORMANCE RESOLUTION FOR GOVERNMENTAL AGENCIES

RESOLVED WHEREAS, the City of Charlevoix hereinafter referred to as the "GOVERNMENTAL AGENCY," periodically applies to the Michigan Department of Transportation, hereinafter referred to as the "DEPARTMENT," for permits, referred to as "PERMIT," to construct, operate, use and/or maintain utilities or other facilities, or to conduct other activities, on, over, and under State Highway Right of Way at various locations within and adjacent to its corporate limits;

NOW THEREFORE, in consideration of the DEPARTMENT granting such PERMIT, the GOVERNMENTAL AGENCY agrees that:

1. Each party to this Agreement shall remain responsible for any claims arising out of their own acts and/or omissions during the performance of this Agreement, as provided by law. This Agreement is not intended to increase either party's liability for, or immunity from, tort claims, nor shall it be interpreted, as giving either party hereto a right of indemnification, either by Agreement or at law, for claims arising out of the performance of this Agreement.

2. If any of the work performed for the GOVERNMENTAL AGENCY is performed by a contractor, the GOVERNMENTAL AGENCY shall require its contractor to hold harmless, indemnify and defend in litigation, the State of Michigan, the DEPARTMENT and their agents and employee's, against any claims for damages to public or private property and for injuries to person arising out of the performance of the work, except for claims that result from the sole negligence or willful acts of the DEPARTMENT, until the contractor achieves final acceptance of the GOVERNMENTAL AGENCY. Failure of the GOVERNMENTAL AGENCY to require its contractor to indemnify the DEPARTMENT, as set forth above, shall be considered a breach of its duties to the DEPARTMENT.

3. Any work performed for the GOVERNMENTAL AGENCY by a contractor or subcontractor will be solely as a contractor for the GOVERNMENTAL AGENCY and not as a contractor or agent of the DEPARTMENT. The DEPARTMENT shall not be subject to any obligations or liabilities by vendors and contractors of the GOVERNMENTAL AGENCY, or their subcontractors or any other person not a party to the PERMIT without the DEPARTMENT'S specific prior written consent and notwithstanding the issuance of the PERMIT. Any claims by any contractor or subcontractor will be the sole responsibility of the GOVERNMENTAL AGENCY.

4. The GOVERNMENTAL AGENCY shall take no unlawful action or conduct, which arises either directly or indirectly out of its obligations, responsibilities, and duties under the PERMIT which results in claims being asserted against or judgment being imposed against the State of Michigan, the Michigan Transportation Commission, the DEPARTMENT, and all officers, agents and employees thereof and those contracting governmental bodies performing permit activities for the DEPARTMENT and all officers, agents, and employees thereof, pursuant to a maintenance contract. In the event that the same occurs, for the purposes of the PERMIT, it will be considered as a breach of the PERMIT thereby giving the State of Michigan, the DEPARTMENT, and/or the Michigan Transportation Commission a right to seek and obtain any necessary relief or remedy, including, but not by way of limitation, a judgment for money damages.

5. The GOVERNMENTAL AGENCY will, by its own volition and/or request by the DEPARTMENT, promptly restore and/or correct physical or operating damages to any State Highway Right of Way resulting from the installation construction, operation and/or maintenance of the GOVERNMENTALAGENCY'S facilities according to a PERMIT issued by the DEPARTMENT.

6. With respect to any activities authorized by a PERMIT, when the GOVERNMENTAL AGENCY requires insurance on its own or its contractor's behalf it shall also require that such policy include as named insured the State of Michigan, the Transportation Commission, the DEPARTMENT, and all officers, agents, and employees thereof and those governmental bodies performing permit activities for the DEPARTMENT and all officers, agents, and employees thereof, pursuant to a maintenance contract.

7. The incorporation by the DEPARTMENT of this resolution as part of a PERMIT does not prevent the DEPARTMENT from requiring additional performance security or insurance before issuance of a PERMIT.

8. This resolution shall continue in force from this date until cancelled by the GOVERNMENTAL AGENCY or the DEPARTMENT with no less than thirty (30) days prior written notice provided to the other party. It will not be cancelled or otherwise terminated by the GOVERNMENTAL AGENCY with regard to any PERMIT which has already been issued or activity which has already been undertaken.

BE IT FURTHER RESOLVED, that the following position(s) are authorized to apply to the DEPARTMENT for the necessary permit to work within State Highway Right of Way on behalf of the GOVERNMENTAL AGENCY:

City Manager Mark L. Heydlauff
Electric Superintendent Don Swem/ Electric Department Director John Griffith
DPW Superintendent Patrick Elliott
City Clerk Joyce Golding.

RESOLVED this 7th day of December 2020 A.D.

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

CHARLEVOIX CITY COUNCIL

Consent Agenda

TITLE: Purchase Skid Steer for Electric Department - $51,245.70

DATE: December 7, 2020

BACKGROUND:

The Electric Department often needs access to customer back yards or heavily landscaped areas to work on our electric system, which presents challenges for access without damaging property. In the past we bought a small trencher to help with this but find that we still need a machine that can do other things as well, such as lifting transformers, etc. The attached quote is for a Skid Steer that can do several of the things that we can't do right now without using larger equipment. With both a bucket and forks it can be used for all kinds of work at the shop and in the field.

The attached quote from Ditch Witch includes a bucket for dirt work and pallet forks for stockroom work. The quote was obtained from Ditch Witch through Sourcewell, a cooperative bidding process equivalent to MiDeal but on a national scale. The total delivered price is $51,245.70. The current budget includes $55,000 for this purchase.

RECOMMENDATION:

Motion to approve the purchase of the Skid Steer from Ditch Witch for $51,245.70.

ATTACHMENTS:

- Quote

The Charles Machine Works
1959 West Fir Avenue
P.O.Box PO BOX 66
Perry, OK 73077
Phone No : 1-800-654-6481
Fax No : 580 336 0617
Email : global@ditchwitch.com

Quotation

Information

Quotation No.	20164069
Document Date	11/11/2020
Customer No.	509703
Dealership	DITCH WITCH SALES OF MICHIGAN HOWELL
PO	____________________
Created by	Todd Miller

Sold-to Party Address

CITY OF CHARLEVOIX
MEMBER # 105135
210 STATE STREET
CHARLEVOIX MI 49720

Global Account Price Quote
Quote Valid until : 01/10/2021

TAXES ARE AN ESTIMATE AT TIME OF QUOTATION-ACTUAL TAX WILL BE CALCULATED AT TIME OF INVOICING. IF TAXES ARE QUOTED AND THIS IS A TAX EXEMPT TRANSACTION, PLEASE PROVIDE TAX EXEMPT CERTIFICATE OR LEASING DETAILS WITH YOUR PURCHASE ORDER.

FOR MODEL SPECIFICATIONS OR OTHER INFORMATION, VISIT OUR WEBSITE AT WWW.DITCHWITCH.COM

Quotation Details

Qty	Part Number	Description
1	MSS	Mini Skid Steer
1	SK1550	SK1550 Mini Skid Steer With the following configuration: Decals English Model SK1550 Rubber Tracks Wide Tracks 46 in Front Plate Universal Mini Plate Control Valve 2 Lever Auxiliary Hydraulics Single Auxiliary Hydraulic Oil Standard Color Standard Engine Stage V
1	SK15VP	SK15VP Utility Attachment With the following configuration: Decals English Front Plate Universal Mini Plate
1	190-2671	SKID SHOE KIT
1	NON CMW PART	52" BUCKET W B/O CUTTING EDGE - BD52
1	NON CMW PART	42" BLUE DIAMON PALLET FORKS - BD42PF

The Charles Machine Works
1959 West Fir Avenue
P.O.Box PO BOX 66
Perry, OK 73077
Phone No : 1-800-654-6481
Fax No : 580 336 0617
Email : global@ditchwitch.com

Quotation

Information

Quotation No.	20164069
Document Date	11/11/2020
Customer No.	509703
Dealership	DITCH WITCH SALES OF MICHIGAN HOWELL
PO	
Created by	Todd Miller

Sold-to Party Address

CITY OF CHARLEVOIX
MEMBER # 105135
210 STATE STREET
CHARLEVOIX MI 49720

Global Account Price Quote
Quote Valid until : 01/10/2021

TAXES ARE AN ESTIMATE AT TIME OF QUOTATION-ACTUAL TAX WILL BE CALCULATED AT TIME OF INVOICING. IF TAXES ARE QUOTED AND THIS IS A TAX EXEMPT TRANSACTION, PLEASE PROVIDE TAX EXEMPT CERTIFICATE OR LEASING DETAILS WITH YOUR PURCHASE ORDER.

FOR MODEL SPECIFICATIONS OR OTHER INFORMATION, VISIT OUR WEBSITE AT WWW.DITCHWITCH.COM

Quotation Details

Qty	Part Number	Description	
		Global Account Pricing	50,659.95
		Total Freight	585.75
		Total Amount	$ 51,245.70

CHARLEVOIX CITY COUNCIL

Consent Agenda

TITLE: Chamber of Commerce Reporting

DATE: December 7, 2020

BACKGROUND:

The Charlevoix Area Chamber of Commerce is appreciative of the opportunity the City of Charlevoix has granted us to continue our partnership through our collaborative missions to support and lead Charlevoix. The scope of work of the Chamber directly supports the City's goals of solving area-wide challenges and promoting the quality of life. This partnership allows the Chamber to strengthen our service to the City as we dedicate resources towards these efforts, and allows the City to direct your efforts towards your own most pressing goals.

The current Strategic Plan for the Charlevoix Area Chamber of Commerce further aligns with this partnership. The Chamber exists to be a voice for business, working to better the business environment and produce a thriving community. Residents and jobs are two important aspects to a thriving community, and our initiatives in economic development keep these aspects in mind, aiming to produce and promote a Charlevoix that is a living and working destination. Our advocacy efforts, which are consistently rated as most important by our members, work to produce a community climate in which it is easier to conduct and thrive in business.

2020 has turned out to be much different than any of us could have anticipated. COVID caused projects and initiatives to be upended, as our immediate focus shifted to maintaining our health, safety, and economy. At the onset of the pandemic, the Chamber pivoted to a temporary scope of work to respond to the initial ramifications brought to our region. The Chamber has worked to provide community information and business resources, maintain an understanding of legislative decisions and financial resources, and promote creative commerce and community involvement. While COVID caused some of our energy and efforts to be redirected, it has remained in the interest of continuing efforts towards our shared challenges, promoting amenities of the City, supporting a better business environment, and sustaining our community.

With that, we present our annual report to the City detailing the efforts accomplished towards our mutual goals. We appreciate the City of Charlevoix's partnership and contribution to the resources needed to work towards our shared efforts.

RECOMMENDATION:

Motion to accept the annual report of the Charlevoix Area Chamber of Commerce.

ATTACHMENTS:

- Chamber Report
- Fall Farmer's Market Event Recap

City of Charlevoix Partnership Report
December 2020

AGREEMENT TERM:

April 1, 2020 – March 31, 2021

AGREEMENT RECITALS:

The City of Charlevoix wishes to engage with partners to:

a. Solve area-wide challenges in year-round occupancy, population growth, more and better housing, business investment, and local job growth

b. Promote the quality of life and build on area amenities offered for residents and those looking for relocation opportunities

The Chamber wishes to fulfill its mission of:

a. Providing leadership and support efforts to create a better business environment and produce a thriving community

b. Promote and make known the industrial, commercial, educational, recreational, civic, resort, and other advantages of the City

CHAMBER COMMITMENT:

The Chamber shall dedicate resources and efforts towards initiatives aimed at solving area-wide challenges hindering business and resident investment and job growth.

The Chamber shall publish and disseminate information to make known the industrial, commercial, educational, recreational, civic, and other advantages of the City.

In light of the agreement and other areas of in-kind support received by the Chamber, the Chamber will extend membership benefits to the City commensurate with the established policies of the Chamber when mutually beneficial for both parties.

2020 AGREEMENT EFFORTS & ACCOMPLISHMENTS:

COVID Efforts

- Charlevoix is 'Open In A Different Way' messaging campaign with business and organization partners, encouraging continued use of local services, retail, and restaurants through virtual and curbside methods
- Messaging Committee participation with City of Charlevoix, Visit Charlevoix, Charlevoix Main Street, Health Department of Northwest Michigan, and Munson Healthcare Charlevoix Hospital to develop and implement safety messaging and safe operational methods for consumers
- Advocacy efforts through the Northern Michigan Chamber Alliance to reopen Regions 6 & 8, change restrictive outdoor eating and liquor license policies, and seek involvement in decisions being made by the Governor and Department of Labor & Economic Opportunity
- Partnership and connection to MEDC and SBDC for grant opportunities being made available to our area businesses
- Collaboration and direction with Charlevoix Main Street to build and facilitate local Business Relief Grant distributed to downtown Charlevoix business applicants

Area-Wide Challenge Efforts

- Participation and leadership on the Housing and Business Park Initiative, collaborating with municipality, organization, and business leaders on housing efforts and industrial park recruitment
- Participation on the Charlevoix Main Street Economic Vitality committee and leadership on the DDA Housing Incentive Project
- Participation and leadership as incoming Vice-Chair on the Northern Michigan Chamber Alliance, working towards legislative solutions to rural housing, talent attraction, business development, and childcare
- Leadership of Housing North through Board of Directors seat, representing Charlevoix, to develop regional housing solutions including advocacy, funding opportunities, and public awareness
- Continued education, community growth, and broadened networking participation through opportunities such as Housing North's Housing Summit and MSU Extensions Connecting Entrepreneurial Communities
- Involvement in manufacturing and industrial workforce development efforts with Char-Em ISD and Networks Northwest such as Manufacturing Day and MiCareer Quest

Area Promotion

- Charlevoix.org website featuring Business Directory, Available Commercial Property, Area Demographics, Relocation Information, and more
- Charlevoix Area Guide Publication with 25,000 copies distributed through MDOT Welcome Centers, direct mailings, and local distribution, plus online digital views

- Charlevoix Community Video Series on Charlevoix.org highlighting Charlevoix's downtown, educational, business, industrial, healthcare, and volunteering amenities
- Chamber Office and Visitors Center operations, answering phone, in-person, and email inquiries from residents and visitors about City amenities and services, community events and initiatives, business referrals, and travel guidance

City of Charlevoix Membership Benefits Utilized To-Date

- Standard-Level Membership benefits
  - Ability to post City information, news, job openings, and events on Charlevoix.org and in the weekly Biz-Blast e-newsletter
  - Ability to attend and participate in Chamber events and programs
- VIP Member Investment recognition
  - Logo placement and recognition on Charlevoix.org homepage
  - Logo placement and recognition on weekly Biz-Blast e-newsletter
- State of the Community VIP Sponsor
  - Eight event tickets
  - Sponsor recognition via event logo placement and promotion
  - Introductory speaking opportunity

A recap of our Fall Farmers Market Festival as granted per the City event policy:

The Fall Farmers Market hosted eighteen local farmers and market vendors on October 9th and 10th in East Park. The following report details the event procedures and outcomes as requested through the City of Charlevoix Event Policy. The Charlevoix Area Chamber of Commerce is thankful to the City for allowing this modified event to take place so that we could offer a fall boost to our businesses and raise a small amount of funds to continue the work that the Chamber does for the community.

<u>CITY STAFF AND EQUIPMENT USED</u>

Pre-Event: City staff provided set up services including placement of electrical boxes, traffic cones, and a dumpster. City staff also provided, as already scheduled, daily morning restroom and trash services.

During Event: The City Recreation Department offered assistance from their Farmer's Market staff to allow 'market token' sales for vendors.

Post-Event: City staff provided tear down services including collection of the electrical boxes, traffic cones, and a dumpster.

<u>ECONOMIC IMPACT</u>

Market participants reported some of their highest sales from this event, a few even compared to past Applefest weekends. Most compared it to successful summer markets, others beat summer records. These market vendors include several Charlevoix City and immediately surrounding Township business and community members: The Freund's of That French Place,The Boss's of Charlevoix Lavendar, The Currey's of Currey Farms Pure Maple Syrup, The Hughes of Lottie's Bagels, The Washburne's of Mike's Mustard, the Jaenicke's of Charlevoix Moon Artisan Wine, and the crew of North Country Critters. A few reviews from these residents:

"All the patrons seemed to follow guidelines that were given in the advertising…Our daily sales were that of mid-July farmers market. We were very happy with the outcome.."

"I sell wine at 3 different markets throughout the season and the Charlevoix Fall Farmers Market was the highlight of the year. Each of the two days ranked in the top four or five market sales days of the year and certainly the best back to back market days of the year…Safety protocols seemed to be followed by customers and vendors, similar to regular market days."

This was an important weekend opportunity for downtown businesses to capture sales they would have missed otherwise to get them through the now slow season. Downtown businesses reported sales in-line with a successful summer weekend though vastly down from past Applefest weekends, as expected. The ability to have another 'summer' weekend in the absence of traditional Applefest will have an overall impact with year-end numbers. It goes without saying that the income made by these residents and business owners trickles down to benefit the community and the City.

Charlevoix
AREA CHAMBER OF COMMERCE

Sarah Hagen
President

231.547.2101
Charlevoix.org
109 Mason St
Charlevoix MI 49720

CHARLEVOIX CITY COUNCIL

Consent Agenda

TITLE: Purchase 3 Substation Reclosers - $42,832.08

DATE: December 7, 2020

BACKGROUND:

Earlier this year a squirrel got into the Industrial Park Substation and caused some severe damage to one of the reclosers. There are four reclosers running four circuits in that substation so now we are temporarily down to three circuits. Of the three working reclosers one is new and the other two were to be replaced soon. Therefore I propose we purchase three new reclosers to match the one that was already replaced. This will allow us to put the fourth circuit back in service and bring all the reclosers up to date.

I had some issues getting quotes for the replacement reclosers – we worked to get replacements that would match the one new recloser and also allow for easy installation. As a result we have the attached quote from Eaton Cooper Power Systems through Power Line Supply for three reclosers at $14,277.36 each. We chose these particular units based on function, compatibility and ease of installation. These were not specifically budgeted for replacement this year but we do not want to wait on getting the fourth circuit back in service and it makes some sense to take care of the other units at the same time. The electric budget can handle this purchase and it is advantageous for reliability of the system.

RECOMMENDATION:

Motion to approve the purchase of three reclosers from Eaton Cooper Power Systems for a total of $42,832.08.

ATTACHMENTS:

- Quiote

Customer Quotation

Cooper Power Systems, LLC
Customer Support Center
1319 Lincoln Ave
Waukesha, WI 53186
Phone: (262)-524-3300
www.eaton.com/cooperpowerseries

Quotation Number: **BRDO075243**
Date: **10/09/2020**
Cust. purchase order no.: **CITY OF CHARLEVOIX**
Cust. no.: **41912**
Prepared By: **Luke Ferry**
Validity period: **10/09/2020 to 11/08/2020**
Bid Date: **10/09/2020**
Customer Service Contact: **LUKE FERRY 262 524 3296**

Sold-to address
POWER LINE SUPPLY COMPANY
420 SOUTH ROTH STREET SUITE A
REED CITY MI 49677-9115
US

Ship-to address
POWER LINE SUPPLY COMPANY
420 SOUTH ROTH STREET SUITE A
REED CITY MI 49677-9115
US

Incoterms: Pre-Paid FOB PLANT - FREIGHT PREPAID
Payment Terms: Net 30 Days
End User: CITY OF CHARLEVOIX
Country of destination: USA

THIS DOCUMENT INCORPORATES AND IS SUBJECT TO THE ATTACHED TERMS AND CONDITIONS.

Item	Quantity	UOM	Description	Material No	Price	Ext. Value
Cust.item	**Catalog Number**					
	Cust.Material Number					
10	3	EA	Type VWE Three-Phase Recloser, 15kV	KVWE RECLOSER	$14277.36	$ 42,832.08

ECCN : EAR99

Commodity code 8535210000 3.000 Country of origin US WI Z120

Quoted Lead-time in Weeks - 6 Weeks

Additional Product Group Characteristics

VWE GROUP Basic Types	KVWE VWE Type Recloser
Closing Coil Code	8 250 Vdc
Low Voltage Closing Option,VWE	KA742R8 240Vac Close
Servicing Accy Options	KA161W Oil-Level Sight Gauge
Miscellaneous Accy. Options KA1190R2 Ground Pad Accy (2)	
Inspection Options:	No Customer Inspection Req'd
Shipment Type:	Domestic Shipment
Domestic Packaging	KIE594 Std Dom Pkg

10/07/2020
11:57:48

Cooper Power Systems, LLC
Customer Support Center
1319 Lincoln Ave
Waukesha, WI 53186
Phone: (262)-524-3300
www.eaton.com/cooperpowerseries

Customer Quotation

Quotation no./Date
BRDO075243 / 10/09/2020

Sales Contact: JIM KHOURY / 2487984062

Terms and Conditions

1. Applicable Terms and Conditions

(a) These terms and conditions of sale establish the rights, obligations, and remedies of Buyer and Seller that apply to any order issued by Buyer for the purchase of Seller#s products and/or services (#Products#). No additional or different terms or conditions, whether contained in Buyer#s purchase order form or in any other document or communication pertaining to Buyer#s order, will be binding on Seller unless accepted in writing by an authorized representative of Seller. Seller expressly objects to and rejects any additional or different terms and conditions, which shall be ineffective.

(b) If Seller#s order acknowledgement, invoice, other document, or electronic transmittal including or attaching these terms and conditions is found to be an acceptance of an offer, acceptance is expressly made conditional upon Buyer's assent solely to these terms and conditions, and acceptance of any part of Products delivered by Seller shall be deemed to constitute such assent by Buyer. If the order acknowledgement, invoice, other document, or electronic transmittal including or attaching these terms and conditions constitutes an offer, Buyer's acceptance of the offer is hereby limited to the terms of the offer.

2. Price, Payment Terms, and Title

(a) All prices represent those in effect at the time of quotation and are subject to change without notice. Unless prices are bid or quoted as "firm," Seller reserves the right to invoice at prices in effect at the date of shipment, regardless of any prior bid and whether notice was received by Buyer. Unless otherwise indicated, prices are stated in United States dollars and are exclusive of shipping, handling, shipping insurance, duties, and sales, use, excise or similar taxes. Export packaging or any other special handling requested by Buyer will be at Buyer#s expense. A service charge of $25 will be assessed for any order less than $250. Seller requires a minimum $100 emergency handling charge for all orders that require shipment the same day or next day.

(b) Buyer acknowledges that the pricing of the Products has been set based on the agreed allocation of risks contained in these terms and conditions. If, notwithstanding the provisions of these terms and conditions, a court of competent jurisdiction determines that Buyer#s terms and conditions apply to an order, then Seller shall have the right to either (i) modify the prices (including retroactively) according to the additional level of risk and responsibility that Buyer#s terms and conditions require Seller to undertake; or (ii) cancel the order any time after such a determination without liability for the termination other than for the Products already delivered on these terms and conditions.

(c) Unless different credit terms have been extended to Buyer in writing by Seller, payment terms are net 30 days after delivery or date of invoice, whichever first occurs, in the currency invoiced. Seller reserves the right to modify or withdraw credit terms at any time without notice. If Buyer fails to fulfill the terms of payment, Seller may defer further shipments to Buyer or, at its option, cancel the unshipped portions of Buyer's orders. Buyer agrees to pay interest on all past due invoices at the lesser of 18% per annum, compounded monthly, or the highest contractual rate allowable under the law.

(d) Until full payment of all obligations of the Buyer for an order, Seller reserves the title (but not the risk of loss) to all Products furnished under that order. If the Buyer defaults in payment or performance or becomes subject to insolvency, receivership or bankruptcy proceedings or makes an assignment for the benefit of creditors, or without the consent of Seller voluntarily or involuntarily sells, transfers, leases or permits any lien or attachment on the Products, Seller may treat all amounts then or thereafter owing by Buyer to be immediately due and payable and Seller at its election may repossess Products for which Buyer has not paid in full. In the event of repossession of Products under this section or under the section entitled "Security Interest," Buyer agrees that Seller may enter the premises where the Products may be located and remove them without notice and without being liable to Buyer for such repossession. Buyer will not set off invoiced amounts or any portion thereof against sums that are due or may become due from Seller, its parents, affiliates, or subsidiaries. Buyer grants Seller a security interest in Products for which title has passed to Buyer, products in which Products are incorporated, and Products that Seller sells (including all Products acquired hereafter from Seller, and all accessions, substitutions, replacements, and additions, and any proceeds from sale or disposition of Products), as security for performance by Buyer of all of its paymentobligations under these terms and conditions (including obligations regarding future advances). Buyer consents to Seller#s execution of any documents to evidence and perfect this security interest, and agrees to execute the same if requested by Seller.

3. Delivery and Risk of Loss

(a) Unless otherwise agreed in writing, all deliveries of Products will be EXW (Incoterms 2000) Seller#s facility. Products will be packed in Seller#s standard commercial shipping packages. Charges for shipping may not reflect net transportation costs paid by Seller. Buyer shall reimburse Seller for all costs of storage and handling incurred by Seller after the date that Seller is prepared to make shipment.

(b) Delivery and shipping dates are approximate and represent Seller#s best estimate of the time required to make delivery or shipment. Time is not of the essence with respect to the transactions covered by these terms and conditions, except with respect to Buyer#s obligation to make all related payments. Seller#s obligations under these terms and conditions will be dependent upon Seller#s ability to obtain necessary raw materials and components. Seller shall have the right to make partial deliveries and to ship up to forty (40) days in advance of shipping date.

4. Acceptance

Acceptance shall occur, if not before, when Buyer fails to reject within ten (10) days after delivery of the Products. Buyer may rightfully reject only when a reasonable inspection shows that the Products fail to conform substantially to the specifications for the Products. Buyer waives any right to revoke acceptance. Buyer's remedies for any nonconformity detected after acceptance are limited to those expressly provided in these terms and conditions for breach of warranty.

5. Limited Warranty

(a) Seller warrants to each original Buyer of Products that Products are, at the time of delivery to the Buyer, in good working order and conform to Seller#s official published specifications, provided that no warranty is made with respect to any Products, component parts, or accessories manufactured by others but supplied by Seller.

(b) Seller's obligation under this warranty for any Product proved not to be as warranted within the applicable warranty period is limited to, at its option, replacing the Product, refunding the purchase price of the Product, or using reasonable efforts to repair the Product during normal business hours at any authorized service facility of Seller. All costs of transportation of any Product claimed not to be as warranted and of any repaired or replacement Product to or from such service facility shall be borne by Buyer.

(c) Seller may require the return of any Product claimed not to be as warranted to one of its facilities as designated by Seller, transportation prepaid by Buyer, to establish a claim under this warranty. The cost of labor for removing a Product and for installing a repaired or replacement Product shall be borne by Buyer. Replacement parts provided under the terms of this warranty are warranted for the remainder of the warranty period of the Products in which they are installed to the same extent as if such parts were original components. Warranty services provided under these terms and conditions do not assure uninterrupted operations of Products; Seller shall not be liable for damages caused by any delays involving warranty service.

(d) The warranty period for Products is the shorter of twelve (12) months from the date of installation or eighteen (18) months from the date of shipment unless otherwise agreed by Seller in writing.

(e) EXCEPT FOR THE EXPRESS WARRANTY SET FORTH ABOVE, SELLER PROVIDES PRODUCTS AS-IS AND MAKES NO OTHER REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, STATUTORY OR OTHERWISE, REGARDING THE PRODUCTS, THEIR FITNESS FOR ANY PARTICULAR PURPOSE, THEIR MERCHANTIBILITY, THEIR QUALITY, THEIR NONINFRINGEMENT, OR OTHERWISE. IN NO EVENT SHALL SELLER BE LIABLE FOR THE COST OF PROCUREMENT OR INSTALLATION OF SUBSTITUTE GOODS.

6. LIMITATION OF LIABILITY

IN NO EVENT WILL SELLER BE LIABLE FOR ANY SPECIAL DAMAGES, CONSEQUENTIAL DAMAGES, INDIRECT DAMAGES, INCIDENTAL DAMAGES, STATUTORY DAMAGES, EXEMPLARY OR PUNITIVE DAMAGES, LOSS OF PROFITS, LOSS OF REVENUE, LIQUIDATED DAMAGES, OR LOSS OF USE, EVEN IF INFORMED OF THE POSSIBILITY OF SUCH DAMAGES. SELLER#S LIABILITY FOR DAMAGES ARISING OUT OF OR RELATED TO A PRODUCT SHALL IN NO CASE EXCEED THE PURCHASE PRICE OF THE PRODUCT FROM WHICH THE CLAIM ARISES. TO THE EXTENT PERMITTED BY APPLICABLE LAW, THESE LIMITATIONS AND EXCLUSIONS WILL APPLY WHETHER SELLER#S LIABILITY ARISES OR RESULTS FROM BREACH OF CONTRACT, BREACH OF WARRANTY, TORT (INCLUDING BUT NOT LIMITED TO NEGLIGENCE, GROSS NEGLIGENCE, MALICE, OR INTENTIONAL CONDUCT), STRICT LIABILITY, BY OPERATION OF LAW, OR OTHERWISE.

7. Cancellation and Return of Products

Orders shall not be subject to cancellation or modification either in whole or in part without Seller's written consent and then only with terms that will reimburse Seller for reasonable termination charges, including all progress billings and all incurred direct manufacturing costs. Seller's written consent must be given in advance of Buyer's return of Products for credit. Seller reserves the right to cancel any sale of Products without liability to Buyer (except for refund of monies already paid), if the manufacture or sale of the goods is or becomes technically or economically impractical.

8. Force Majeure

Seller shall not be liable for any failure to perform or delay in performing its obligations resulting directly or indirectly from or contributed to by any acts of God, acts of Buyer or those under Buyer#s control, acts of government or other civil or military authorities, priorities, strikes, or other labor disputes, fires, accidents, floods, epidemics, war, riot, embargoes, delays in transportation, lack of or inability to obtain raw materials, components, labor, fuel or supplies, or other circumstances beyond Seller's reasonable control ("Force Majeure Event"). If Seller elects, the time for performance shall be extended by a period of time equal to the time lost because of any delays caused by reasons of a Force

Majeure Event. Should Seller be prevented from completing Buyer#s order or any part thereof because of any Force Majeure Event, then Buyer agrees promptly upon request and upon receipt of invoice therefor, to pay Seller for any Product or Products then completed.

9. Work Product

"Work Product" shall include, without limitation, all designs, discoveries, creations, works, devices, masks, models, work in progress, service deliverables, inventions, products, special tooling, computer programs, procedures, improvements, developments, drawings, notes, documents, business processes, information and materials made, conceived or developed by Seller alone or with others that result from or relate to the Products. All Work Product shall at all times be and remain the sole and exclusive property of Seller. Buyer hereby agrees to irrevocably assign and transfer to Seller and does hereby assign and transfer to Seller all of its worldwide right, title and interest in and to the Work Product including all associated intellectual property rights. Buyer hereby waives any and all moral and other rights in any Work Product or any other intellectual property created, developed or acquired in respect of the Products. Seller will have the sole right to determine the treatment of any Work Product, including the right to keep it as trade secret, execute and file patent applications on it, to use and disclose it without prior patent application, to file registrations for copyright or trademark in its own name or to follow any other procedure that Seller deems appropriate. All tools and equipment supplied by Buyer to Seller shall remain the sole property of Seller.

10. Confidentiality

(a) Buyer may acquire knowledge of Seller Confidential Information (as defined below) in connection with Products and/or its performance hereunder and agrees to keep Seller Confidential Information in confidence during and following termination or expiration of this Agreement. "Seller Confidential Information" includes but is not limited to all information, whether written or oral, in any form, including, without limitation, information relating to the research, development, products, methods of manufacture, trade secrets, business plans, customers, vendors, finances, personnel data, Work Product, and other material or information considered proprietary by Seller relating to the current or anticipated business or affairs of Seller that is disclosed directly or indirectly to Buyer. In addition, Seller Confidential Information means any third party's proprietary or confidential information disclosed to Buyer in the course of providing Products to Buyer.

(b) Buyer agrees not to copy, alter or directly or indirectly disclose any Seller Confidential Information. Additionally, Buyer agrees to limit its internal distribution of Seller Confidential Information to Buyer#s employees who have a need to know, and to take steps to ensure that the dissemination is so limited. In no event will Buyer use less than the degree of care and means that it uses to protect its own information of like kind, but in any event not less than reasonable care to prevent the unauthorized use of Seller Confidential Information. Buyer may disclose Seller Confidential Information that is required to be disclosed pursuant to a requirement of a government agency or law but only after Buyer provides prompt notice to Seller of such requirement and gives Seller the opportunity to challenge or limit the scope of the disclosure.

(c) Buyer further agrees not to use Seller Confidential Information except in the course of performing hereunder and will not use such Seller Confidential Information for its own benefit or for the benefit of any third party. All Seller Confidential Information is and shall remain the property of Seller. Upon Seller#s written request, Buyer shall return, transfer or assign to Seller all Seller Confidential Information, including all Work Product, and all copies containing Seller Confidential Information.

11. Patent Indemnity

In the event any Product is made in accordance with drawings, samples or manufacturing specifications designated by Buyer, Buyer agrees to indemnify, defend, and hold Seller harmless from any and all damages, costs and expenses (including attorney's fees) relating to any claim arising from or relating to the design, distribution, manufacture, marketing, sale, or use of the Product or arising from or relating to a claim that such Product furnished to Buyer by Seller, or the use thereof, infringes any claim of any patent, foreign or domestic, and Buyer agrees at its own expense to undertake the defense of any suit against Seller brought upon such claim or claims.

12. Changes in Product Design or Manufacture

Seller shall have the right to change, discontinue or modify the design and construction of any of its products and to substitute material equal to or superior to that originally specified.

13. Software License

Software, if included with a Product, is hereby licensed and not sold. The license is nonexclusive, and is limited to use with the Product with which it is included. No other use is permitted and Seller retains for itself (or, if applicable, its suppliers) all title and ownership to any software delivered hereunder, all of which contains confidential and proprietary information and which ownership includes without limitation all rights in patents, copyrights, trademarks and trade secrets. Buyer shall not attempt any sale, transfer, sublicense, reverse compilation or disassembly (save to the extent expressly permitted by law) or redistribution of the software. Buyer shall not copy, disclose or display any such software, or otherwise make it available to others.

14. Compliance with Laws

Buyer shall comply with all laws and regulations applicable to Products including all applicable import and export laws and regulations.Buyer and Buyer#s Agent shall provide all information requested by Seller relating to Seller#s voluntary or mandatory compliance with any law or regulation, and Buyer shall indemnify Seller for any losses incurred by Seller arising from Buyer#s or Buyer#s Agent#s failure to provide the information requested by Seller.

15. Waiver

No waiver of any provision of these terms and conditions (or any right or default hereunder) shall be effective unless in writing and signed by an authorized representative Seller. Any such waiver shall be effective only for the instance given, and shall not operate as a waiverwith respect to any other rights or obligations under these terms and conditions or applicable law in connection with any other instances or circumstances.

16. Language

The parties have expressly required that these terms and conditions beprepared in the English language. Les parties aux présentes ont expressément exigé que les présents termes et les bons de commandes émisaux termes des présentes soient rédigés en langue Anglaise.

17. Choice of Law and Dispute Resolution

Except as set forth below, these terms and conditions shall be governed by and construed in accordance with the laws of the State of Texas, without reference to its choice of law rules. If both Seller andBuyer are incorporated under the laws of Canada or a province of Canada,these terms and conditions shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal lawsof Canada. If Buyer is incorporated in the United States, any claim or litigation arising out of or relating to Products shall be brought exclusively in a court of competent jurisdiction in Harris County, Texas. If Buyer is incorporated outside of the United States, any dispute will be resolved by arbitration in Houston, Texas, by three arbitrators and under the International Chamber of Commerce Rules of Arbitration. The language of the arbitration will be English. In all cases, Buyer and Seller expressly exclude from application the United Nations Convention on Contracts for the International Sale of Goods.

18. Assignment

Buyer may not assign, transfer or subcontract the performance of its services, or any of its rights and/or obligations hereunder, without Seller#s prior written consent.

19. Severability

If any provision of these terms and conditions is determined to be illegal, invalid, or unenforceable, the validity and enforceability of the remaining provisions of these terms and conditions will not be affected and, in lieu of such illegal, invalid, or unenforceable provision, there will be added, as part of these terms and conditions, one or more provisions as similar in terms as may be legal, valid and enforceable under applicable law. CPS 04092020

20. Epidemic

Seller shall not be responsible for any failure to perform, or delay in performance of, its obligations resulting from the COVID-19 pandemic or any future epidemic, and Buyer shall not be entitled to any damages resulting thereof.

CHARLEVOIX CITY COUNCIL

Consent Agenda

TITLE: Deficit Elimination Plan for the Marina and Ambulance

DATE: December 7, 2020

BACKGROUND:

The Marina Fund has a $7,933 deficit fund balance as of March 31, 2020. The Ambulance Fund also has a $45,580 deficit fund balance as of March 31, 2020. Public Act 140 of 1971 states that units of local government 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 Treasurer has formulated a deficit elimination plan for the Marina Fund and for the Ambulance Fund that needs Council approval.

You may recall the Marina was in a substantially larger deficit position a year ago; this represents improvements in the fiscal health of the fund and recent changes will further improve the fund going forward.

RECOMMENDATION:

Motion to approve Resolution 2020-12-02 to establish a deficit elimination plan for the Marina Fund and the Ambulance Fund.

ATTACHMENTS:

- Department of Treasury Deficit Letter
- Resolution 2020-12-02 Marina Ambulance Deficit

November 4, 2020

Notice of Intent To
Withhold State Payments
Municipality Code: 152020
APR Form ID Number: 79087
Report ID Number: 107160

Sent Via Email
Chief Administrative Officer
City of Charlevoix
kellym@charlevoixmi.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 2020. Your Certified Public Accountant has indicated a deficit in one or more funds as follows:

FUND NAME	AMOUNT
Marina	-$404,999.00
Airport	No Plan Necessary
Ambulance	-$46,044.00

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,” within 30 days from the date of this letter please upload a deficit elimination plan for all funds listed above and a certified resolution online by visiting Michigan.gov/MunicipalFinance and select Deficit Elimination Plan Upload. 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 2020-12-02
RESOLUTION TO ADOPT A DEFICIT ELIMINATION PLAN FOR THE MARINA AND AMBULANCE 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 $7,933.00 deficit fund balance on March 31, 2020; and

WHEREAS, the City of Charlevoix Ambulance Fund has a $45,580.00 deficit fund balance on March 31, 2020; 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 and the City of Charlevoix Ambulance Fund Deficit Elimination Plan:

CITY OF CHARLEVOIX
MARINA FUND

	2019-20 Original Budget	2019-20 Amended Budget	2019-20 Actual	2020-21 Proposed Amended Budget	2021-22 Projected Budget	
UNRESTRICT NET POSITION (DEFICIT) APRIL 1	$ (540,061)	$ (540,061)	$ (540,061)	$ (471,729)	(400,000)	
REVENUES						
LAUNDRY REVENUE	$ 1,730	$ 1,810	$ 1,810	$ 1,730	1,730	
RENTS & ROYALTIES - DOCKING SEASONAL	68,000	76,000	75,344	72,000	73,440	
RENTS & ROYALTIES - DOCKING RESERV SYSTEM	350,000	357,000	356,123	405,000	413,100	
RENTS & ROYALTIES - DOCKING TRANSIENT	29,000	29,000	11,401	13,000	14,000	
RENTS & ROYALTIES - SUNSHINE	4,000	4,000	4,000	4,000	4,000	
RENTS & ROYALTIES - LITTLE TRAVERSE CHARTERS	4,100	4,100	4,100	4,100	8,000	
INTEREST INCOME	600	600	2,566	600	600	
FUND TRANSFERS FROM DDA - DEBT SVC	334,600	334,600	334,600	335,700	336,200	
MISCELLANEOUS-OTHER REVENUE	-	9,188	9,179	-	-	
TRANSFER FROM GENERAL FUND	-	100,000	100,000	50,000	36,000	
TOTAL REVENUES	**$ 792,030**	**$ 916,298**	**$ 899,123**	**$ 886,130**	**$ 887,070**	
EXPENSES						
SALARIES & WAGES - FULL TIME	$ 32,400	$ 31,154	$ 34,214	$ 34,716	36,800	
WAGES - ICMA	3,900	3,761	4,042	4,167	4,400	
SALARIES & WAGES - TEMPORARY	83,400	96,197	96,136	69,002	83,900	
EMPLOYEE FRINGE BENEFITS	37,800	38,730	61,394	37,429	41,300	
OFFICE SUPPLIES	100	268	267	365	100	
OPERATING SUPPLIES	6,900	7,700	12,685	3,000	6,900	
PROFESSIONAL SERVICES	5,300	5,250	1,916	3,000	3,000	
CONTRACTUAL SERVICES	9,400	28,400	26,800	11,750	11,800	
STATE CRS COMMISSION FEES	17,300	13,000	10,468	14,300	15,700	
STATE CRS RESERVATION FEES	10,700	9,700	9,334	10,700	11,800	
TELEPHONE	1,300	1,800	2,958	2,400	2,400	
CONFERENCE/TRAVEL/TRAINING	900	150	150	-	1,200	
INSURANCE & BONDS	3,000	2,929	2,862	3,000	3,100	
UTILITIES	71,400	68,000	71,951	71,400	65,000	
BUILDING & DOCK MAINTENANCE	14,600	17,800	18,039	18,100	18,400	
EQUIPMENT RENTAL	700	700	861	700	700	
MISCELLANEOUS	2,200	2,200	1,776	4,200	4,100	
CREDIT CARD PROCESSING FEES	7,600	7,600	7,173	8,100	8,100	
REFUNDS AND REBATES	-	-	-	1,200	-	
DEPRECIATION	658,000	654,000	653,146	658,000	658,000	
MACHINERY & EQUIPMENT	300	2,528	2,483	300	300	
INTEREST EXPENSE	5,400	5,430	5,430	4,930	3,900	
TRANSFER TO ELECTRIC - ADVANCE REIMBUSE	50,000	50,000	-	100,000	100,000	
DEBT SERVICE - PRINCIPAL	340,000	340,000	-	355,000	370,000	
DEBT SERVICE - INTEREST	126,400	119,600	95,488	105,700	91,200	
DEBT SERVICE - PAYING AGENT FEES	500	500	250	500	500	
TOTAL EXPENSES	**$ 1,489,500**	**$ 1,507,397**	**$ 1,119,823**	**$ 1,521,959**	**$ 1,542,600**	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	**$ (697,470)**	**$ (591,099)**	**$ (220,700)**	**$ (635,829)**	**$ (655,530)**	
ADD BACKS						
DEPRECIATION	$ 658,000	$ 654,000	$ 653,146	$ 658,000	$ 658,000	
TRANSFER TO ELECTRIC - ADVANCE REIMBUSE	50,000	50,000	-	100,000	100,000	
DEBT SERVICE - PRINCIPAL	340,000	340,000	-	355,000	370,000	
TOTAL ADD BACKS	**$ 1,048,000**	**$ 1,044,000**	**$ 653,146**	**$ 1,113,000**	**$ 1,128,000**	
UNRESTRICT NET POSITION (DEFICIT) MARCH 31	**$ (189,531)**	**$ (87,160)**	**$ (107,615)**	**$ 5,442**	**$ 72,470**	
Explanation: Increase in price of dock rentals as well as compensation and controllable cost containment.						
YEAR END BALANCES						
NET POSITION BEGINNING OF YEAR			2,334,140	2,113,440	1,477,611	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES (From Above)			(220,700)	(635,829)	(655,530)	
NET POSITION			**$ 2,113,440**	**$ 1,477,611**	**$ 822,081**	
CASH AT PAYING AGENT			56,400	100,000	100,000	
UNRESTRICTED			242,271	220,842	223,312	
CASH & INVESTMENTS			**$ 298,671**	**$ 320,842**	**$ 323,312**	
Less Charter Reserve			75,000	75,000	75,000	
Less AP/Accrued Liabilities/Cust Dep			231,912	241,281	246,107	
Plus AR/Interest Rec/prepaids			308	320	326	
Cash (Deficit) Balance			**$ (7,933)**	**$ 4,881**	**$ 2,532**	
				Assumption 2% increase in AP & AR		
CA-CL (DEFICIT) APRIL 1			$ (46,552)	$ (7,933)	4,881	Estimated.
REVENUES			899,123	886,130	887,070	
EXPENSES			(1,119,823)	(1,521,959)	(1,542,600)	
ADD BACKS (Depreciation and Debt Payments)			653,146	1,113,000	1,128,000	
Projected CA-CL (DEFICIT) MARCH 31			**$ 385,894**	**$ 469,238**	**$ 477,351**	
BALANCE SHEET DEFICIT PER REQUEST FOR IMPROVEMENT OF DEFICIENCIES						
CURRENT ASSETS (PER AUDITED FINANCIAL STATEMENT OF NET POSITION - PROPRIETARY FUNDS - MARINA			$ 223,979			
LESS: CURRENT LIABILITIES (PER AUDITED FINANCIAL STATEMENT OF NET POSITION - PROPRIETARY FUNDS - MARINA			(628,978)			
DEFICIT PER MI DEPARTMENT OF TREASURY			(404,999)			
ADD BACKS PER						
CURRENT PORTION OF BOND AND NOTES PAYABLE (PER AUDITED FINANCIAL STATEMENT OF NET POSITION - PROPRIETARY FUNDS - MARINA			397,066			
ACTUAL CASH POSITION (DEFICIT) AT MARCH 31, 2020			**$ (7,933)**	**(Deficit elimination plan required)**		

CITY OF CHARLEVOIX AMBULANCE FUND					
	2019-20 Original Budget	2019-20 Amended Budget	2019-20 Actual	2020-21 Projected Amended Budget	2021-22 Projected Budget
UNRESTRICT NET POSITION (DEFICIT) APRIL 1	$ -	$ -	$ -	$ (45,490)	-
REVENUES					
GRANTS	-	-	-	43,633	-
AMBULANCE RUNS - INSURANCE	-	1,204,564	839,125	840,000	882,000
AMBULANCE RUNS - PRIVATE PAY	-	4,115	5,759	17,000	10,000
AMBULANCE CONTRACTS	-	344,148	498,269	627,634	655,300
INTEREST EARNINGS	-	14	14	10	-
SALE OF FIXED ASSETS	-	12,700	12,700	10,000	-
CONTRIBUTIONS AND DONATIONS - PRIVATE SOURCES	-	17,050	-	2,000	2,000
REFUNDS AND REBATES - INSURANCE	-	7,578	7,578	1,988	-
MISCELLANEOUS	-	35	365	200	-
TOTAL REVENUES	**$ -**	**$ 1,590,204**	**$ 1,363,810**	**$ 1,542,465**	**$ 1,549,300**
EXPENSES					
SALARIES & WAGES	$ -	$ 294,624	$ 252,001	$ 370,415	376,700
WAGES (ICMA)	-	30,936	19,068	38,894	39,600
SALARIES & WAGES - TEMPORARY	-	10,215	6,534	1,647	1,700
EMPLOYEE FRINGE BENEFITS	-	283,550	260,751	345,420	352,300
SALARIES & WAGES - PAID ON CALL	-	348,070	421,400	375,000	388,000
OFFICE SUPPLIES	-	5,000	9,745	5,200	5,200
OPERATING SUPPLIES	-	50,000	51,680	36,000	41,000
LICENSES & STATE FEES	-	3,000	3,931	5,000	5,000
UNIFORMS	-	8,250	8,618	5,000	6,000
FUEL	-	48,000	25,599	28,000	30,000
CONTRACTUAL SERVICES	-	60,228	65,357	16,032	5,000
TELEPHONE	-	5,060	8,901	9,000	7,000
CONFERENCES & TRAVEL	-	8,800	5,459	5,000	5,000
INSURANCE & BONDS	-	5,900	5,819	6,000	6,100
APPARATUS MAINTENANCE & REPAIR	-	34,762	46,275	27,988	25,000
BUILDING RENTAL	-	22,661	-	42,661	42,700
MISCELLANEOUS	-	7,350	4,926	5,000	5,500
EDUCATION & TRAINING	-	15,000	9,046	15,200	15,000
BAD DEBT EXPENSE	-	150,000	32,968	59,000	46,500
MACHINERY & EQUIPMENT	-	55,000	57,222	20,000	30,000
TRANSFER TO AMBULANCE CAPITAL PROJECT FUND	-	114,000	114,000	75,000	114,000
TOTAL EXPENSES	**$ -**	**$ 1,560,406**	**$ 1,409,300**	**$ 1,491,457**	**$ 1,547,300**
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	**$ -**	**$ 29,798**	**$ (45,490)**	**$ 51,008**	**$ 2,000**
UNRESTRICT NET POSITION (DEFICIT) MARCH 31	**$ -**	**$ 29,798**	**$ (45,490)**	**$ 5,518**	**$ 2,000**

Explanation: Townships have agreed to be charged sufficient to eliminate any deficit. Consideration is also being made to form an Ambulance Authority. Transfers to cover capital outlay in Ambulance Capital Project Fund could be reduced.

CA-CL (DEFICIT) APRIL 1			$ -	$ (45,490)	5,518
REVENUES			1,363,810	1,542,465	1,549,300
EXPENSES			(1,409,300)	(1,491,457)	(1,547,300)
Projected CA-CL (DEFICIT) MARCH 31			**$ (45,490)**	**$ 5,518**	**$ 7,518**
BALANCE SHEET DEFICIT PER REQUEST FOR IMPROVEMENT OF DEFICIENCIES					
CURRENT ASSETS (PER AUDITED FINANCIAL STATEMENT OF NET POSITION - PROPRIETARY FUNDS - MARINA			$ 42,231		
LESS: CURRENT LIABILITIES (PER AUDITED FINANCIAL STATEMENT OF NET POSITION - PROPRIETARY FUNDS - MARINA			(87,811)		
DEFICIT PER MI DEPARTMENT OF TREASURY			(45,580)		
ADD BACKS PER					
CURRENT PORTION OF BOND AND NOTES PAYABLE (PER AUDITED FINANCIAL STATEMENT OF NET POSITION - PROPRIETARY FUNDS - MARINA			-		
ACTUAL CASH POSITION (DEFICIT) AT MARCH 31, 2020			**$ (45,580)**		

BE IT FURTHER RESOLVED that the City of Charlevoix submits the Marina Fund Deficit Elimination Plan and the Ambulance Fund Deficit Elimination Plan to the Michigan Department of Treasury for Certification.

RESOLVED, this 7th day of December, A.D. 2020.

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

CHARLEVOIX CITY COUNCIL

All Other Actions and Requests

TITLE: Downtown Snow Removal

DATE: December 7, 2020

PRESENTED BY: Mark L. Heydlauff, City Manager

BACKGROUND:

In November, you approved a RFP for Downtown Snow Removal. The deadline for bids was Tuesday this week and we did not receive any responses. I would speculate that snow removal contractors who might normally do this kind of work find their obligations already full for this current season. If this is something Council still wants to consider, I would suggest re-issuing the RFP (with any modifications to the service included) and soliciting bids for the winter of 2021-2022. If we receive responses in January, for example, we can include this cost expectation in our next fiscal year budget. I've included the current draft for your renewed consideration.

One thing we learned from reviewing snow removal practices in other peer communities is that they often include a strong ordinance requirement for property owners to remove snow on the sidewalks by their businesses. This is true in Sault Ste. Marie and also Petoskey but alternative, communal snow removal options are presented for them to utilize to make this requirement easier. Early this year, Council considered an ordinance like this but ultimately chose not to act. It might be prudent to consider this again as a compliment to a planned snow removal contact. The last ordinance is also attached for your consideration; I would suggest you consider how you might want to modify this to be more effective for the community concerns you heard.

With both of these strategies, our goal can be a clear (no pun intended) solution for next winter while preparing for the policy now while the iron is hot (pun fully intended). In the meantime, we can continue to refine the in-house snow removal our staff already does downtown to see what challenges we can eliminate through our normal efforts.

RECOMMENDATION:

Council discussion and direction.

ATTACHMENTS:

- Snow Clearing Ordinance (Not Approved)
- 2020 Snow Removal RFP

CITY OF CHARLEVOIX
ORDINANCE NO. 812 of 2019
AN ORDINANCE TO AMEND TITLE XV, CHAPTER 151, SECTION 151.48 (B) OF THE CHARLEVOIX CITY CODE

THE CITY OF CHARLEVOIX ORDAINS:

SECTION 1. Title XV, Chapter 151, Section 151.48 (B) of the City of Charlevoix Code is hereby amended to read as follows:

Sidewalks to be cleared within clearance districts. The occupant of every lot or premises, or the owner of such lot or premises located within any snow or ice clearance district, shall clear all ice and snow from sidewalks adjoining such lot or premises within the time herein required. Such snow or ice shall be cleared from the sidewalks by 11:00 A.M. each day and in daylight hours when snow has stopped falling and is 4 inches or higher.

SECTION 3. Severability.

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

SECTION 4. Effective Date.

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

Ordinance No. 812 was adopted on the 16th day of December, 2019 A.D., by the Charlevoix City Council as follows:
Motion by:
Seconded by:
Yeas:
Nays:
Absent:

State of Michigan
City of Charlevoix } §

Joyce M. Golding, Clerk

Luther Kurtz, Mayor

Request for Proposals
Downtown Snow Removal

The City of Charlevoix seeks qualified firms to complete snow and ice removal during the winter season in the downtown area.

Project Area
For purposes of this project, the downtown area includes the following sidewalks and public areas:

- Bridge Street sidewalks between Hurlbut Street to Dixon Avenue including across the bascule bridge
- State Street sidewalks from Hurlbut Street to Park Avenue
- Clinton Street from the Harbormaster Building to west side of State Street
- Park Avenue, Mason Street and Antrim Street from Bridge Street to the west side of State Street
- Van Pelt Alley from Bridge Street to the DeWitt Parking Lot
- Hoop Skirt Alley from Bridge Street to the parking lot

Scope of Service
When snowfall overnight exceeds 1 inch, snow shall be cleared by 10am. When daytime snow occurs, snow accumulation above one inch should be removed again by 4pm. Removal of snow shall occur in coordination with the City's Department of Public Works who will remove snow from the highway, streets, street parking lanes, and parking lots. The City shall furnish a location for snow to be hauled to or remove the snow piles periodically as the contractor and City may mutually agree. Salting sidewalks shall be conducted as needed but the City shall provide the salt.

Fees
The City prefers to receive a bid for service to include the entire scope of service for a flat fee sum. Alternatively, the contractor may quote a per day cleaning charge. The City shall pay invoices monthly for services rendered.

Non-performance
Should the contractor fail to full remove snow and ice based on the requirements above, the City shall have grounds to terminate the contract.

Indemnification
The contractor shall indemnify and hold harmless the City of Charlevoix, the Charlevoix Downtown Development Authority, and its officers and agents. The contractor shall solely be responsible for any damage it causes to buildings, vehicles, or other public or private property properly placed within the walkways. The contractor shall also name the City of Charlevoix as an additional insured for not less than $1 million for property, accident, and vehicle insurance.

Responses
Interested firms shall respond to this RFP with relevant qualifications of the firm and the fee schedule for the services. This response shall be in a sealed package mailed or hand delivered by **12noon EST, December 1, 2020** to:

Charlevoix City Clerk
SNOW REMOVAL BID
210 State Street
Charlevoix, MI 49720

Electronic, faxed, or late bids will not be considered. The City of Charlevoix reserves the right to accept or reject any and all bids and negotiate final terms in the best interest of the City.

CHARLEVOIX CITY COUNCIL

All Other Actions and Requests

TITLE: Temporary Winter Dining Structures Policy

DATE: December 7, 2020

PRESENTED BY: Jonathan Scheel, Zoning Administrator; Mark L. Heydlauff, City Manager

BACKGROUND:

At the last Council meeting, Council discussed the prospect of working with businesses to permit temporary, outdoor dining structures like plastic igloos. Some restaurants and bars have used these as an alternative serving location while indoor dining is prohibited. At present, it appears the Michigan Department of Health and Human Services deems these kinds of structures as an appropriate alternative. In any case, with the interest Council has had in these structures and some requests of interest from business owners, we have drafted standards to guide the implementation of these structures in a relatively quick way.

Primarily, these standards are based on the already-approved Outdoor Dining Policy Council implemented several years ago.

- Four feet of pedestrian space is required around the structures
- They could be placed in the sidewalk, non-street parking areas, or park areas
- There would be standards to govern the heating inside the structures, how they should be secured, and other standards

The DDA applied for a grant to assist businesses with the purchase of igloos or related structures.

RECOMMENDATION:

Council discussion and direction.

ATTACHMENTS:

- Draft Temporary Winter Dining Structures Policy

Temporary Winter Structures Dining Policy

Current health and safety restrictions enforced by the Michigan Department of Health and Human Services (MDHHS) limit food and beverage services exclusively to outdoor dining and takeout. As businesses adapt to this, the City of Charlevoix approves these standards for outdoor, temporary structures for dining service *in a manner compliant with City of Charlevoix Planning and Zoning Standards*. Policies and regulations enacted by state and federal agencies supercede these guidelines in areas of conflict.

These standards serve to enhance the seasonal vibrancy of Charlevoix while enabling businesses to utilize available space for operations. These guidelines do not address specific regulations enforced by the MDHHS. Ultimately it is the businesses' responsibility to follow state and federal laws for operation.

Outdoor Dining Permit

- All locations intending to offer outdoor dining must complete an Outdoor Dining Permit application and be approved by the Zoning Administrator.
- Outdoor Dining activities must comply with all local ordinances, and state and federal regulations, including fire and building codes, zoning ordinances, and state health and liquor rules.
- Outdoor Dining Permits are revocable for reasons not limited to: City Council resolution, violation of fire code, building code, zoning ordinances, or state and federal law, non-compliance with these listed guidelines.
- Permits for these structures may be in place from November 1-April 30.

Location

- Any public location that has outdoor dining must allocate 4 feet of available open space for pedestrian right-of-way.
- Outdoor dining is limited to private property, sidewalks, alleys, corridors, and public parking lots, and parks. Outdoor dining temporary shelters have different location requirements than standard outdoor dining. Temporary Shelters cannot be placed on the front of properties facing Bridge Street/US 31, or in areas that do not permit adequate space for pedestrian right-of-way.
- Applicants may, with the permission of a neighboring property owner, extend service areas to one business on either side. Alternatively applicants may utilize a reasonably nearby park for service area (with the exception that no service shall be permitted in Veterans Park).
- Businesses may not cross Bridge Street to provide service to outdoor dining.
- Temporary structures may not be within 15' of a fire hydrant. Outdoor dining cannot impede access to public utilities, manholes, building entrances, and crosswalks.

Temporary Shelters

- Temporary shelters must be smaller than 12' in diameter if non-rectuangular, or 10' x10' if rectangular. The maximum height for temporary shelters is 8'.
- Temporary shelters must be consistent in model if the application is seeking multiple units. This consistency applies to both the applicant, and the designated space being used.
- Temporary shelters shall be utilized and vented to meet all standards set by the Michigan Department of Health and Human Services or other competent public health authority.
- Temporary Shelters must be weighted, anchored, or secured to the ground in a satisfactory manner.
- Temporary structures must have a fire-resistant certification or flame certification showing material is noncombustible; additional documentation specific to materials may also be required.
- Broken, defunct, or collapsed temporary shelters must be removed promptly.

- It is the applicant's responsibility to clear snow accumulation at the start of business, and clear snow accumulations of 6'' or more around the entrance of the shelter throughout the day.

Heating Sources

- All heating sources must comply with local fire code.
- Only UL-rated heating sources can be used in temporary shelters and for outdoor dining in public areas.
- Fuel-based heating sources must have propane fuel tanks secured when placed in the right-of-way/public areas. Propane cylinders must be at least 5 ft. away from heating source and temporary shelter entrance.
- Open flames are not permitted in pedestrian right-of-ways.
- Heating and Fuel equipment must not be stored in right-of-way when not in use.
- Cooking or food preparation is not permitted in temporary shelters.
- Electric Heating Sources must be at minimum 3 ft from combustibles (i.e. tents, canopies, etc).
- Electric or propane equipment must be listed and labeled for outdoor dining use.
- Electrical permits are required for any new connections.
- Cords must be secured to prevent tripping hazards.

Liability

- The applicant bears full responsibility for any damage or injury that occurs from weatherization actions, outdoor dining, temporary shelters, or heating.
- Approval of an Outdoor Dining Permit does not permit the applicant to violate any ordinances, regulations, restrictions, or laws.
- The City is not liable for any actions related to the lawful or unlawful use of a temporary structure.

For any questions regarding these guidelines or the outdoor dining application process, please contact Jonathan Scheel, City of Charlevoix Zoning Administrator, at planner@charlevoixmi.gov or 231-547-3265 Cell: 231-631-0004

CHARLEVOIX CITY COUNCIL

All Other Actions and Requests

TITLE: Northside Trail Easements
DATE: December 7, 2020

PRESENTED BY: Luther Kurtz, Mayor

BACKGROUND:
As you know, I've been spearheading a group of community volunteers interested in further developing the trail system in Charlevoix. We've worked to connect the County's trail to Boyne City, better mark the on-street trail in the City, and now begin the creation of an off-road, non-motorized trail to connect the Wheelway to downtown. During the meeting, I'll discuss this progress and ask your approval for signing the easements donated to us.

GOALS:
Enhance and showcase the outstanding quality of life in Charlevoix

RECOMMENDATION:
Motion to authorize the Mayor and City Clerk to sign and file with the Register of Deeds donated easements for a non-motorized trail.

ATTACHMENTS:

- Easement Agreements

CHARLEVOIX TOWNSHIP

RESOLUTION #20-011

GRANT OF EASEMENT

KNOW ALL MEN BY THESE PRESENTS; that the **Township of Charlevoix,** a Michigan municipality, Grantor, whose address is 12491 Waller Road, Charlevoix, Michigan, 49720, for the consideration of One and 00/100 ($1.00) Dollar, grants and conveys to the **City of Charlevoix**, a Michigan municipality, Grantee, whose address is 210 State Street, Charlevoix, MI 49720, and the successors and assigns of Grantee an easement referred to in this Agreement as the Trail Easement as set forth below:

Grantor is the fee title owner of the real property legally described as:

> A 30.00 foot wide strip of land located in Section 24, Town 34 North, Range 08 West, Charlevoix Township, Charlevoix County, Michigan described as commencing at the north corner of said Section 24, Town 34 North, Range 08 West, S0°48'57"W along the north south 1/4 line 365.99 feet; thence N89°11'03"W 33.00 feet to the west right-of-way of Martin road and being the Point of Beginning; thence S0°47'28"W along the west right-of-way of Martin road 30.00 feet to the southeast corner of the Charlevoix Township parcel 004-024-010-001-55; thence N89°23'07"W along the south line of said parcel 301.61 feet to the southwest corner of said parcel; thence N0°42'39"E along the west line of said parcel 30.00 feet; thence S89°23'07"E parallel with the south line of said parcel 301.65 feet to the Point of Beginning.
>
> Containing: 0.20 acres more or less

Commonly referred to as 8977 Martin Road, Charlevoix, Michigan 49720.

Parcel # 004-024-010-55, known as the Easement Area.

Grantor grants to Grantee an easement to establish and make available for public use a trail in the Easement Area location as described above. The Trail Easement includes the right to develop, construct, maintain, and repair a non-motorized recreational trail, including the right to construct, maintain, and repair structures and signs associated with the trail.

1. Change in Use

   This easement is granted in perpetuity; provided, however, if the easement is abandoned and ceases to be used as a non-motorized recreational trail open to the public as specified above, the easement shall revert to the Grantor. Mere delay in use or development of the trail or nonuse does not constitute abandonment; rather, Grantee shall provide in writing to Grantor a clear statement of the intention to abandon the easement. In the absence of a clear statement of intention to abandon, Grantor reserves its right to seek a judicial finding of abandonment from a court of competent jurisdiction.

2. Exercise of Rights

Under this agreement, Grantee and agents of Grantee have the right to construct, install, maintain, and repair the Trail. This activity may include but is not limited to trailblazing; grading; building retaining walls, steps, railings, boardwalks, and bridges; cutting vegetation; installing markers and other signs; application of gravel, crushed stone, wood chips, or paving; and identifying the Trail's path. These activities may include vehicular use.

3. Costs and Expenses

All costs and expenses associated with the construction and maintenance are to be borne by Grantee and Grantor shall be under no obligation to maintain the trail or to ensure its condition for safe use as intended. However, if such costs and expenses are in connection with the intentional, reckless, or negligent act or acts of Grantor damaging the Trail, Grantor shall be fully liable for the repair and maintenance expense.

4. Indemnity

If a trail user asserts a claim for bodily injury or property damage caused by an unsafe condition on the trail and the unsafe condition was not the fault of Grantor or anyone on the Property at the invitation of Grantor, Grantee agrees to defend such claim on behalf of both Grantor and Grantee. If such defense is not successful, Grantee agrees to hold Grantor harmless from any judgment entered against Grantor on account of such claim. Grantee further agrees to obtain general liability insurance and to name Grantor as an additional insured on said policy for any claims or losses arising out of the maintenance or use of the trail by any person.

5. Binding Agreement

This agreement is a servitude running with the land binding upon the undersigned Grantor, and all subsequent owners of the Easement Area or any portion of the Easement Area are bound by its terms. This agreement binds and benefits Grantor and Grantee and their respective personal representatives, successors, and assigns.

6. Entire Agreement

This document is the entire agreement between the Grantor and Grantee pertaining to the Trail Easement and supersedes any other agreements or understandings whether written or oral.

7. Amendments

No amendments or waivers of any provision of this Agreement is effective unless the amendment or waiver is in writing and signed by both parties.

8. Severability

If any term, covenant, or condition of this Agreement or the application of which to any party or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement or the application of the term, covenant, or condition to persons or circumstances other than those to which it is held invalid or unenforceable, shall be effective, and each term, covenant, or condition of this Agreement shall be valid and enforced to the fullest extent permitted by law.

9. Governing Law

Any disputes under this Agreement shall be subject to the laws of the state of Michigan, and venue for any disputes shall lie in Charlevoix County, Michigan.

Therefore, be it resolved that the Township Supervisor and the Township Clerk are authorized and directed to execute the revised Grant of Easement creatintg a 30 foot wide easement over Parcel No. 004-024-010-55 for use as a non-motorized recreational trail, and other rights consistent therewith, and to deliver the executed document to an Escrow Agreement as approved by the Township Attorney.

Dated this 12 day of October, 2020

SIGNED:

The Township of Charlevoix, a Michigan municipality, Grantor

Chuck Center

By: Chuck Center

Its: Township Supervisor

STATE OF MICHIGAN)
)ss
COUNTY OF CHARLEVOIX)

Acknowledged before me in Charlevoix County, Michigan on the 12 day of OCTOBER, 2020, by Chuck Center as a Township Supervisor of the Township of Charlevoix, a Michigan municipality, of 12491 Waller Road, Charlevoix, Michigan 49720.

Sandra L. Witherspoon
Notary Public:
Charlevoix County, Michigan
My Commission Expires: 03/08/2022

GRANT OF EASEMENT

KNOW ALL MEN BY THESE PRESENTS; that **Hahn Associates, LLC**, a Michigan Limited Liability Company, Grantor, whose address is 8660 Ance Road, Charlevoix, Michigan, 49720, for the consideration of One and 00/100 ($1.00) Dollar, grants and conveys to the **City of Charlevoix**, a Michigan municipality, Grantee, whose address is 210 State Street, Charlevoix, MI 49720, and the successors and assigns of Grantee an easement referred to in this Agreement as the Trail Easement as set forth below:

Grantor is the fee title owner of the real property legally described as:

> A 30.00 foot wide strip of land located in Section 24, Town 34 North, Range 08 West, Charlevoix Township, Charlevoix County, Michigan described as commencing at the north corner of said Section 24, Town 34 North, Range 08 West, S0°48'57"W along the north south 1/4 line of said Section 24, 396.90 feet; thence N89°11'03"W 294.58 feet to a point S89°23'07"E 39.99 feet from the southwest corner of the Township of Charlevoix property; thence S54°03'42"W 50.37 feet; thence N89°23'07"W 423.13 feet to the east line of Lot 8 of the Charlevoix Industrial Park; thence N0°45'36"E along said east line of said Lot 8, 30.00 feet; thence S89°23'07"E 463.51 feet to the Point of Beginning.
>
> Contains: 0.30 acres more or less

Commonly referred to as 8911 Martin Road, Charlevoix, Michigan 49720.

Parcel # 052-124-012-10, known as the Easement Area.

Grantor grants to Grantee an easement to establish and make available for public use a trail in the Easement Area location as described above. The Trail Easement includes the right to develop, construct, maintain, and repair a non-motorized recreational trail, including the right to construct, maintain, and repair structures and signs associated with the trail.

1. Change in Use

This easement is granted in perpetuity; provided, however, if the easement is abandoned and ceases to be used as a non-motorized recreational trail open to the public as specified above, the easement shall revert to the Grantor. Mere delay in use or development of the trail or nonuse does not constitute abandonment; rather, Grantee shall provide in writing to Grantor a clear statement of the intention to abandon the easement.

2. Exercise of Rights

Under this agreement, Grantee and agents of Grantee have the right to construct, install, maintain, and repair the Trail. This activity may include but is not limited to trailblazing; grading; building retaining walls, steps, railings, boardwalks, and bridges; cutting vegetation; installing markers and other signs; application of gravel, crushed stone, wood chips, or paving; and identifying the Trail's path. These activities may include vehicular use.

3. Costs and Expenses

All costs and expenses associated with the construction and maintenance are to be borne by Grantee. However, if such costs and expenses are in connection with the intentional, reckless, or negligent act or acts of Grantor damaging the Trail, Grantor shall be fully liable for the repair and maintenance expense.

4. Indemnity

If a trail user asserts a claim for bodily injury or property damage caused by an unsafe condition on the trail and the unsafe condition was not the fault of Grantor or anyone on the Property at the invitation of Grantor, Grantee agrees to defend such claim on behalf of both Grantor and Grantee. If such defense is not successful, Grantee agrees to hold Grantor harmless from any judgment entered against Grantor on account of such claim.

5. Binding Agreement

This agreement is a servitude running with the land binding upon the undersigned Grantor, and all subsequent owners of the Easement Area or any portion of the Easement Area are bound by its terms. This agreement binds and benefits Grantor and Grantee and their respective personal representatives, successors, and assigns.

6. Entire Agreement

This document is the entire agreement between the Grantor and Grantee pertaining to the Trail Easement and supersedes any other agreements or understandings whether written or oral.

7. Amendments

No amendments or waivers of any provision of this Agreement is effective unless the amendment or waiver is in writing and signed by both parties.

8. Severability

If any term, covenant, or condition of this Agreement or the application of which to any party or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement or the application of the term, covenant, or condition to persons or circumstances other than those to which it is held invalid or unenforceable, shall be effective, and each term, covenant, or condition of this Agreement shall be valid and enforced to the fullest extent permitted by law.

9. Governing Law

Any disputes under this Agreement shall be subject to the laws of the state of Michigan, and venue for any disputes shall lie in Charlevoix County, Michigan.

Dated this 24 day of NOVEMBER, 2020

SIGNED:

Hahn Associates, LLC, a Michigan Limited Liability Company, Grantor

By: Reinhard Matye

Its: Member

STATE OF MICHIGAN)
)ss
COUNTY OF CHARLEVOIX)

Acknowledged before me in Charlevoix County, Michigan on the 24 day of November, 2020, by Reinhard Matye as a Member of Hahn Associates, LLC, a Michigan Limited Liability Company, of 8660 Ance Road, Charlevoix, Michigan 49720.

A. AMSTUTZ
NOTARY PUBLIC, STATE OF MI
COUNTY OF CHARLEVOIX
MY COMMISSION EXPIRES Mar 2, 2021
ACTING IN COUNTY OF charlevoix

Notary Public:
Charlevoix County, Michigan
My Commission Expires:

CITY OF CHARLEVOIX PROPOSED TRAIL ALIGNMENT
8911 MARTIN RD

FOR REFERENCE ONLY

GRAPHIC SCALE: 1 inch = 30 feet

OHM
ARCHITECTS ENGINEERS PLANNERS
300 EAST MITCHELL STREET
PETOSKEY, MI 49770
(P) 231.344.1150
OHM-ADVISORS.COM

TOP OF MICHIGAN TRAILS COUNCIL
LTW TO DOWNTOWN CHARLEVOIX CONNECTOR TRAIL
PROPOSED TRAIL ALIGNMENT

1
OF 1

GRANT OF EASEMENT

KNOW ALL MEN BY THESE PRESENTS; that **J.P. Investment, LLC**, a Michigan limited liability corporation, whose address is 03050 Boyne City Road, Boyne City, Michigan, 49720, for the consideration of One and 00/100 ($1.00) Dollar, grants and conveys to the **City of Charlevoix**, a Michigan municipality, Grantee, whose address is 210 State Street, Charlevoix, MI 49720, and the successors and assigns of Grantee an easement referred to in this Agreement as the Trail Easement as set forth below:

Grantor is the fee title owner of the real property legally described as:

> A strip of land located in Section 24, Town 34 North, Range 08 West, Charlevoix Township, Charlevoix County, Michigan described as commencing at the Northwest corner of said Section 24, Town 34 North, Range 08 West, S89°22'57"E along the north line of said section 1343.29 feet; thence S0°37'03"W 655.77 feet to the a point on the west line of JP Investment LLC parcel(052-130-007-00) and the Point of Beginning; thence S89°29'08"E 57.60 feet; thence along a curve to the right 76.78 feet (Radius 75.00 feet, Delta 58°39'13", Chord Bearing S60°09'31"E, Chord 73.47 feet); thence S30°49'55"E 23.55 feet; thence along a curve to the left 46.04 feet (Radius 45.00 feet, Delta 58°36'57", Chord Bearing S60°08'23"E, Chord 44.06 feet); thence S89°26'52"E 66.50 feet; thence along a curve to the left 70.74 feet (Radius 45.00 feet, Delta 90°03'50", Chord Bearing N45°31'14"E, Chord 63.68 feet) to the east line of said parcel; thence S0°29'19"W along said east line 75.04 feet to the southeast corner of said parcel; thence N89°27'06"W along the south line of said parcel 153.69 feet; thence N30°49'55"W 65.66 feet; along a curve to the left 45.96 feet (Radius 44.76 feet, Delta 58°49'32", Chord Bearing N60°04'22"W, Chord 43.96 feet); thence N89°29'08"W 57.74 feet to the west line of said parcel; thence N0°30'52"E along said west line 30.00 feet to the Point of Beginning.
>
> Containing: 0.23 acres more or less.

Commonly known as 8833 Gibbons Drive, Charlevoix, Michigan 49720.

Parcel # 052-130-007-00, known as the Easement Area.

Grantor grants to Grantee an easement to establish and make available for public use a trail in the Easement Area location as described above. The Trail Easement includes the right to develop, construct, maintain, and repair a non-motorized recreational trail, including the right to construct, maintain, and repair structures and signs associated with the trail.

1. Change in Use

This easement is granted in perpetuity; provided, however, if the easement is abandoned and ceases to be used as a non-motorized recreational trail open to the public as specified above, the easement shall revert to the Grantor. Mere delay in use or development of the trail or nonuse does not constitute abandonment; rather, Grantee shall provide in writing to Grantor a clear statement of the intention to abandon the easement.

2. Exercise of Rights

Under this agreement, Grantee and agents of Grantee have the right to construct, install, maintain, and repair the Trail. This activity may include but is not limited to trailblazing; grading; building retaining walls, steps, railings, boardwalks, and bridges; cutting vegetation; installing markers and other signs; application of gravel, crushed stone, wood chips, or paving; and identifying the Trail's path. These activities may include vehicular use.

3. Costs and Expenses

All costs and expenses associated with the construction and maintenance are to be borne by Grantee. However, if such costs and expenses are in connection with the intentional, reckless, or negligent act or acts of Grantor damaging the Trail, Grantor shall be fully liable for the repair and maintenance expense.

4. Indemnity

If a trail user asserts a claim for bodily injury or property damage caused by an unsafe condition on the trail and the unsafe condition was not the fault of Grantor or anyone on the Property at the invitation of Grantor, Grantee agrees to defend such claim on behalf of both Grantor and Grantee. If such defense is not successful, Grantee agrees to hold Grantor harmless from any judgment entered against Grantor on account of such claim.

5. Binding Agreement

This agreement is a servitude running with the land binding upon the undersigned Grantor, and all subsequent owners of the Easement Area or any portion of the Easement Area are bound by its terms. This agreement binds and benefits Grantor and Grantee and their respective personal representatives, successors, and assigns.

6. Entire Agreement

This document is the entire agreement between the Grantor and Grantee pertaining to the Trail Easement and supersedes any other agreements or understandings whether written or oral.

7. Amendments

No amendments or waivers of any provision of this Agreement is effective unless the amendment or waiver is in writing and signed by both parties.

8. Severability

If any term, covenant, or condition of this Agreement or the application of which to any party or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement or the application of the term, covenant, or condition to persons or circumstances other than those to which it is held invalid or unenforceable, shall be effective, and each term, covenant, or condition of this Agreement shall be valid and enforced to the fullest extent permitted by law.

9. Governing Law

Any disputes under this Agreement shall be subject to the laws of the state of Michigan, and venue for any disputes shall lie in Charlevoix County, Michigan.

Dated this 19 day of OCTOBER, 2020

SIGNED:

J.P. Investment, LLC, a Michigan limited liability corporation, Grantor

Robert C. Grove

By: Robert Grove

Its: Member

STATE OF MICHIGAN)
)ss
COUNTY OF CHARLEVOIX)

Acknowledged before me in Charlevoix County, Michigan on the 19th day of October, 2020, by Robert Grove as a member of J.P. Investment, LLC., a Michigan limited liability corporation, of 03050 Boyne City Road, Boyne City, Michigan 49720.

Notary Public:
Charlevoix County, Michigan
My Commission Expires:

Richard Christner, Notary Public
Charlevoix County, Michigan
My Commission Expires 12/20/2024
Acting in Charlevoix County

GRANT OF EASEMENT

KNOW ALL MEN BY THESE PRESENTS; that **G & G North Properties, LLC**, a Michigan Limited Liability Company, Grantor, whose address is 2424 Beech Dale Road, Inkster, Michigan, 48141, for the consideration of One and 00/100 ($1.00) Dollar, grants and conveys to the **City of Charlevoix**, a Michigan municipality, Grantee, whose address is 210 State Street, Charlevoix, MI 49720, and the successors and assigns of Grantee an easement referred to in this Agreement as the Trail Easement as set forth below:

Grantor is the fee title owner of the real property legally described as:

> A strip of land located in Section 24, Town 34 North, Range 08 West, Charlevoix Township, Charlevoix County, Michigan described as commencing at the Northwest corner of said Section 24, Town 34 North, Range 08 West, S0°38'44"W along the west line of said Section 24, 663.13 feet; thence S89°29'17"E 433.04 feet to the northwest corner of Lot 1 Charlevoix Industrial Park and being the Point of Beginning; thence S89°29'14"E along the north line of said Lot 1, 292.35 feet to the east line of said Lot 1; thence S0°37'49"W along the east line said Lot 1, 30.00 feet to a point 30.00 feet perpendicular measure to the north line of said Lot 1; thence N89°29'14"W parallel with the north line of said Lot 1, 222.79 feet; thence S45°27'10"W 56.11 feet to a point 30.00 feet perpendicular measure to the west line of said Lot 1; thence S0°37'29"W parallel with the west line of said Lot 1, 109.56 feet; thence N89°33'32"W 30.00 feet to the west line of said lot 1; thence N0°37'29"E along the west line said Lot 1, 179.31 feet to the Point of Beginning
>
> Contains: 0.32 acres more or less

Commonly referred to as 12725 Taylor Road, Charlevoix, Michigan 49720.

Parcel # 052-130-001-10, known as the Easement Area.

Grantor grants to Grantee an easement to establish and make available for public use a trail in the Easement Area location as described above. The Trail Easement includes the right to develop, construct, maintain, and repair a non-motorized recreational trail, including the right to construct, maintain, and repair structures and signs associated with the trail.

1. Change in Use

This easement is granted in perpetuity; provided, however, if the easement is abandoned and ceases to be used as a non-motorized recreational trail open to the public as specified above, the easement shall revert to the Grantor. Mere delay in use or development of the trail or nonuse does not constitute abandonment; rather, Grantee shall provide in writing to Grantor a clear statement of the intention to abandon the easement.

2. Exercise of Rights

Under this agreement, Grantee and agents of Grantee have the right to construct, install, maintain, and repair the Trail. This activity may include but is not limited to trailblazing; grading; building retaining walls, steps, railings, boardwalks, and bridges; cutting vegetation; installing markers and other signs; application of gravel, crushed stone, wood chips, or paving; and identifying the Trail's path. These activities may include vehicular use.

3. Costs and Expenses

All costs and expenses associated with the construction and maintenance are to be borne by Grantee. However, if such costs and expenses are in connection with the intentional, reckless, or negligent act or acts of Grantor damaging the Trail, Grantor shall be fully liable for the repair and maintenance expense.

4. Indemnity

If a trail user asserts a claim for bodily injury or property damage caused by an unsafe condition on the trail and the unsafe condition was not the fault of Grantor or anyone on the Property at the invitation of Grantor, Grantee agrees to defend such claim on behalf of both Grantor and Grantee. If such defense is not successful, Grantee agrees to hold Grantor harmless from any judgment entered against Grantor on account of such claim.

5. Binding Agreement

This agreement is a servitude running with the land binding upon the undersigned Grantor, and all subsequent owners of the Easement Area or any portion of the Easement Area are bound by its terms. This agreement binds and benefits Grantor and Grantee and their respective personal representatives, successors, and assigns.

6. Entire Agreement

This document is the entire agreement between the Grantor and Grantee pertaining to the Trail Easement and supersedes any other agreements or understandings whether written or oral.

7. Amendments

No amendments or waivers of any provision of this Agreement is effective unless the amendment or waiver is in writing and signed by both parties.

8. Severability

If any term, covenant, or condition of this Agreement or the application of which to any party or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement or the application of the term, covenant, or condition to persons or circumstances other than those to which it is held invalid or unenforceable, shall be effective, and each term, covenant, or condition of this Agreement shall be valid and enforced to the fullest extent permitted by law.

9. Governing Law

Any disputes under this Agreement shall be subject to the laws of the state of Michigan, and venue for any disputes shall lie in Charlevoix County, Michigan.

Dated this 19 day of OCTOBER, 2020

SIGNED:

G & G North Properties, LLC, a Michigan Limited Liability Company, Grantor

Robert A. Grove

By: Robert Grove

Its: Member

STATE OF MICHIGAN)
)ss
COUNTY OF CHARLEVOIX)

Acknowledged before me in Charlevoix County, Michigan on the 19th day of October, 2020, by Robert Grove as a Member of G & G North Properties, LLC, a Michigan Limited Liability Company, of 2424 Beech Daly Road, Inkster, Michigan 48141.

Notary Public:
Charlevoix County, Michigan
My Commission Expires:

Richard Christner, Notary Public
Charlevoix County, Michigan
My Commission Expires 12/20/2024
Acting in Charlevoix County

GRANT OF EASEMENT

KNOW ALL MEN BY THESE PRESENTS; that **G & G North Properties, LLC**, a Michigan Limited Liability Company, Grantor, whose address is 2424 Beech Dale Road, Inkster, Michigan, 48141, for the consideration of One and 00/100 ($1.00) Dollar, grants and conveys to the **City of Charlevoix**, a Michigan municipality, Grantee, whose address is 210 State Street, Charlevoix, MI 49720, and the successors and assigns of Grantee an easement referred to in this Agreement as the Trail Easement as set forth below:

Grantor is the fee title owner of the real property legally described as:

> The north 30.00 feet of Lot 4, Charlevoix Industrial park, located in section 24, Town 34 North, Range 08 West, Charlevoix Township, Charlevoix County, Michigan described as commencing at the northwest corner of said section 24, Town 34 North, Range 08 West, S0°38'44"W along the west line of said section 24, 663.21 feet; thence S89°29'15"E 725.39 feet to the northwest corner of said Lot 4 and the Point of Beginning; thence S89°29'14"E along the north line of said Lot 4, 552.28 feet to the northeast corner said Lot 4; thence S0°30'46"W along the east line said Lot 4, 30.00 feet; thence N89°29'14"W parallel with the north line Lot 4, 552.35 feet to the west line of said Lot 4; thence N0°37'51"E along the west line of said Lot 4, 30.00 feet to the Point of Beginning.
>
> Contains: 0.38 acres more or less.

Commonly referred to ask 8755 Gibbons Drive, Charlevoix, Michigan 49720.

Parcel # 052-130-002-10, known as the Easement Area.

Grantor grants to Grantee an easement to establish and make available for public use a trail in the Easement Area location as described above. The Trail Easement includes the right to develop, construct, maintain, and repair a non-motorized recreational trail, including the right to construct, maintain, and repair structures and signs associated with the trail.

1. Change in Use

   This easement is granted in perpetuity; provided, however, if the easement is abandoned and ceases to be used as a non-motorized recreational trail open to the public as specified above, the easement shall revert to the Grantor. Mere delay in use or development of the trail or nonuse does not constitute abandonment; rather, Grantee shall provide in writing to Grantor a clear statement of the intention to abandon the easement.

2. Exercise of Rights

Under this agreement, Grantee and agents of Grantee have the right to construct, install, maintain, and repair the Trail. This activity may include but is not limited to trailblazing; grading; building retaining walls, steps, railings, boardwalks, and bridges; cutting vegetation; installing markers and other signs; application of gravel, crushed stone, wood chips, or paving; and identifying the Trail's path. These activities may include vehicular use.

3. Costs and Expenses

All costs and expenses associated with the construction and maintenance are to be borne by Grantee. However, if such costs and expenses are in connection with the intentional, reckless, or negligent act or acts of Grantor damaging the Trail, Grantor shall be fully liable for the repair and maintenance expense.

4. Indemnity

If a trail user asserts a claim for bodily injury or property damage caused by an unsafe condition on the trail and the unsafe condition was not the fault of Grantor or anyone on the Property at the invitation of Grantor, Grantee agrees to defend such claim on behalf of both Grantor and Grantee. If such defense is not successful, Grantee agrees to hold Grantor harmless from any judgment entered against Grantor on account of such claim.

5. Binding Agreement

This agreement is a servitude running with the land binding upon the undersigned Grantor, and all subsequent owners of the Easement Area or any portion of the Easement Area are bound by its terms. This agreement binds and benefits Grantor and Grantee and their respective personal representatives, successors, and assigns.

6. Entire Agreement

This document is the entire agreement between the Grantor and Grantee pertaining to the Trail Easement and supersedes any other agreements or understandings whether written or oral.

7. Amendments

No amendments or waivers of any provision of this Agreement is effective unless the amendment or waiver is in writing and signed by both parties.

8. Severability

If any term, covenant, or condition of this Agreement or the application of which to any party or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement or the application of the term, covenant, or condition to persons or circumstances other than those to which it is held invalid or unenforceable, shall be effective, and each term, covenant, or condition of this Agreement shall be valid and enforced to the fullest extent permitted by law.

9. Governing Law

Any disputes under this Agreement shall be subject to the laws of the state of Michigan, and venue for any disputes shall lie in Charlevoix County, Michigan.

Dated this 19 day of OCTOBER, 2020

SIGNED:

G & G North Properties, LLC, a Michigan Limited Liability Company, Grantor

Robert C. Grove

By: Robert Grove

Its: Member

STATE OF MICHIGAN)
)ss
COUNTY OF CHARLEVOIX)

Acknowledged before me in Charlevoix County, Michigan on the 14th day of October, 2020, by Robert Grove as a Member of G & G North Properties, LLC, a Michigan Limited Liability Company, of 2424 Beech Daly Road, Inkster, Michigan 48141.

Notary Public:
Charlevoix County, Michigan
My Commission Expires:

Richard Christner, Notary Public
Charlevoix County, Michigan
My Commission Expires 12/20/2024
Acting in Charlevoix County

CHARLEVOIX CITY COUNCIL

All Other Actions and Requests

TITLE: Council Appointments
DATE: December 7, 2020

PRESENTED BY: Janet Kalbfell, Council Member

BACKGROUND:
We have several memberships on boards and commissions expiring in the month of December.

Brenda Bryan has requested reappointment to the Board of Review. Jennifer Mulladore has requested reappointment to the Shade Tree and Parks Commission. Shirley Gibson and Ann Gorney have requested reappointment to the Zoning Board of Appeals.

Council also needs to appoint (reappoint) two of its members to the Board of Review.

RECOMMENDATION:
Motion to reappoint Brenda Bryan to the Board of Review, term expiring December 2023.

Motion to reappoint Jennifer Mulladore to the Shade Tree and Parks Commission, term expiring December 2023.

Motion to reappoint Shirley Gibson to the Zoning Board of Appeals, term expiring December 2023.

Motion to reappoint Ann Gorney to the Zoning Board of Appeals, term expiring December 2023.

Motion to reappoint Council Member Aaron Hagen to the Board of Review, term expiring December 2021.

Motion to appoint/reappoint Council Member *name* to the Board of Review, term expiring December 2021.

ATTACHMENTS:

- Applications

RECEIVED
NOV 18 2020

CITY OF CHARLEVOIX
VOLUNTEER BOARDS AND COMMITTEES APPLICATION

Thank you for your interest in serving on a volunteer board, commission or committee. The purpose of this form is to provide the Mayor and City Council members with some information about residents considered for appointment. Your application will be kept active for six months and you will be contacted if you are chosen to serve.

- [x] BOARD OF REVIEW
- [ ] COMPENSATION COMMISSION
- [ ] DDA/MAIN STREET BOARD
- [ ] HISTORIC DISTRICT COMMISSION
- [ ] HOUSING COMMISSION
- [ ] PLANNING COMMISSION
- [ ] RECREATION ADVISORY COMMITTEE
- [ ] SHADE TREE & PARK COMMISSION
- [ ] ZONING BOARD OF APPEALS
- [ ] OTHER ______
- [ ] NO PREFERENCE

PLEASE PRINT

NAME: Brenda Bryan

ADDRESS: 108 Belvedere

HOME PHONE: 231 590 4541 CELL PHONE: 231 590 4541

EMAIL:

ARE YOU A REGISTERED VOTER IN THE CITY? yes HOW LONG HAVE YOU LIVED IN THE CITY? 8 yrs.

EDUCATIONAL BACKGROUND: some college

PROFESSIONAL QUALIFICATIONS AND/OR WORK EXPERIENCE:

COMMUNITY ACTIVITIES AND/OR OTHER EXPERIENCE:
Recreation Advisory committee

HAVE YOU SERVED ON A BOARD/COMMITTEE OR HELD A CIVIC POSITION IN THE PAST? IF YES, PLEASE EXPLAIN:
Recreation Advisory committee
Board of Review

DO YOU FORESEE ANY POTENTIAL CONFLICTS OF INTEREST WHILE EXECUTING THE DUTIES OF THIS POSITION? IF YES, PLEASE EXPLAIN:
No

REASON(S) YOU WISH TO SERVE:

HAVE YOU REVIEWED THE CURRENT MEETING SCHEDULE OF THE BOARD/COMMITTEE AND CAN COMMIT TO REGULAR MEETING ATTENDANCE? yes

SIGNATURE: Brenda L Bryan **DATE:** 11-18-20

RETURN APPLICATION TO THE CITY CLERK'S OFFICE: 210 STATE STREET CHARLEVOIX, MI 49720 – EMAIL

REV 04-2020

Online Form Submittal: Volunteer Boards and Committees Application

RECEIVED
NOV 18 2020

noreply@civicplus.com <noreply@civicplus.com>
Wed 11/18/2020 10:57 AM
To: Joyce Golding <joyceg@charlevoixmi.gov>

Volunteer Boards and Committees Application

Thank you for your interest in serving on a volunteer board, commission or committee. The purpose of this form is to provide the Mayor and City Council members with some information about residents considered for appointment. Your application will be kept active for six months and you will be contacted if you are chosen to serve.

Committees and Boards to Apply For	Zoning Board of Appeals
Name	Shirley Gibson
Email Address	sjgibson1@live.com
Address	209 E. Upright Street, Charlevoix, MI 49720
Home Phone	231-547-5463
Cell Phone	*Field not completed.*
Are you a registered voter in the City?	Yes
How long have you lived in the City?	born and raised
Educational Background	Associate of Applied Science, Ferris University
Professional Qualifications and / or Work Experience	6 years on City Planning Commission 10 years on City Council 15 months on Zoning Board of Appeals
Community Activities and / or Other Experience	see above
Have you served on a board / committee or held a civic position in the past?	Yes
If yes, please explain.	see above

Do you foresee any potential conflicts of interest while executing the duties of this position?	No
Reason(s) You Wish to Serve	I am experienced and interested in public service. The ZBA board is a well run board making positive decisions for the city and would like to continue my involvement with that effort.
Have you reviewed the current meeting schedule of the board / committee and can commit to regular meeting attendance?	Yes
Electronic Signature Agreement	I agree.
Electronic Signature	Shirley Gibson
Date	11/18/2020

Email not displaying correctly? View it in your browser.

Links contained in this email have been replaced. If you click on a link in the email above, the link will be analyzed for known threats. If a known threat is found, you will not be able to proceed to the destination. If suspicious content is detected, you will see a warning.

Online Form Submittal: Volunteer Boards and Committees Application

RECEIVED
NOV 19 2020

noreply@civicplus.com <noreply@civicplus.com>
Thu 11/19/2020 7:47 PM
To: Joyce Golding <joyceg@charlevoixmi.gov>

Volunteer Boards and Committees Application

Thank you for your interest in serving on a volunteer board, commission or committee. The purpose of this form is to provide the Mayor and City Council members with some information about residents considered for appointment. Your application will be kept active for six months and you will be contacted if you are chosen to serve.

Committees and Boards to Apply For	Shade Tree & Park Commission
Name	Jennifer Muladore
Email Address	jennifer.muladore@gmail.com
Address	1020 Stroud Court
Home Phone	2313503614
Cell Phone	2313503614
Are you a registered voter in the City?	Yes
How long have you lived in the City?	Charlevoix
Educational Background	MS Conservation Biology 2006 - University of Michigan School of Environment and Sustainability (Ann Arbor) BS Biology and English 2003 - University of Michigan College of Literature, Science, and the Arts (Ann Arbor)
Professional Qualifications and / or Work Experience	2007-2019 - Senior Ecologist and Communications Manager - Huron Pines (Gaylord, MI). Coordinated environmental restoration and education projects involving native and invasive plants, forestry, endangered species, shorelines and prairies, private landowner assistance, land preservation, municipal stormwater and green infrastructure. Served on statewide low impact development committee (2007-2009), statewide climate change response working group (2013-2016), and state invasive species management leadership team (2016-2019). Applied for and received over $2 million in state, federal, and private grants to fund projects across Northeast Michigan.

Community Activities and / or Other Experience	Volunteer stream monitoring with Tip of the Mitt Watershed Council (Antrim County) (2014-2017), current board member at Charlevoix Circle of Arts, member of Munson Charlevoix Holly Daze planning committee.
Have you served on a board / committee or held a civic position in the past?	Yes
If yes, please explain.	I have served one term on the Shade Tree and Parks Commission and am also on the Planning Commission
Do you foresee any potential conflicts of interest while executing the duties of this position?	No
Reason(s) You Wish to Serve	I believe I have a valuable knowledge of the trees and plants in the area as well as their ecological needs, and years of experience balancing ecological needs with the visions of communities and individual residents to the benefit of all. I have enjoyed my first term on the Commission and I look forward to continuing to enhance the beauty of our town. I have led our efforts in using new technology (electronic tree planting mapping and monitoring) to the team to improve our efficiency and expand our impact in the future, and I hope to keep working with the group and city staff on that project.
Have you reviewed the current meeting schedule of the board / committee and can commit to regular meeting attendance?	Yes
Electronic Signature Agreement	I agree.
Electronic Signature	Jennifer E. Muladore
Date	11/19/2020

RECEIVED

DEC - 1 2020

CITY OF CHARLEVOIX

CITY OF CHARLEVOIX
VOLUNTEER BOARDS AND COMMITTEES APPLICATION

Thank you for your interest in serving on a volunteer board, commission or committee. The purpose of this form is to provide the Mayor and City Council members with some information about residents considered for appointment. Your application will be kept active for six months and you will be contacted if you are chosen to serve.

- [ ] BOARD OF REVIEW
- [ ] COMPENSATION COMMISSION
- [ ] DDA/MAIN STREET BOARD
- [ ] HISTORIC DISTRICT COMMISSION
- [ ] HOUSING COMMISSION
- [ ] PLANNING COMMISSION
- [ ] RECREATION ADVISORY COMMITTEE
- [ ] SHADE TREE & PARK COMMISSION
- [x] ZONING BOARD OF APPEALS
- [ ] OTHER ____________
- [ ] NO PREFERENCE

PLEASE PRINT

NAME: Ann M. Gorney

ADDRESS: 116 E. Hurlbut, Charlevoix, MI 49720

HOME PHONE: (231) 547-5315 CELL PHONE: (231) 881-5495

EMAIL: agorney10@charter.mi.net

ARE YOU A REGISTERED VOTER IN THE CITY? Yes HOW LONG HAVE YOU LIVED IN THE CITY? Since 1995

EDUCATIONAL BACKGROUND: BA in Math - 1992 - Siena Heights University
MA in Educational Technology - 2002 - Michigan State University

PROFESSIONAL QUALIFICATIONS AND/OR WORK EXPERIENCE:
28 years as a secondary math and science teacher

COMMUNITY ACTIVITIES AND/OR OTHER EXPERIENCE: City Band, ZBA, volunteered thousands of hours at sporting events

HAVE YOU SERVED ON A BOARD/COMMITTEE OR HELD A CIVIC POSITION IN THE PAST? IF YES, PLEASE EXPLAIN:
ZBA

DO YOU FORESEE ANY POTENTIAL CONFLICTS OF INTEREST WHILE EXECUTING THE DUTIES OF THIS POSITION? IF YES, PLEASE EXPLAIN:
No.

REASON(S) YOU WISH TO SERVE: It's my civic duty to give back to the community.

HAVE YOU REVIEWED THE CURRENT MEETING SCHEDULE OF THE BOARD/COMMITTEE AND CAN COMMIT TO REGULAR MEETING ATTENDANCE? ____________

SIGNATURE: Ann M. Gorney DATE: 11-30-2020

RETURN APPLICATION TO THE CITY CLERK'S OFFICE: 210 STATE STREET CHARLEVOIX, MI 49720 – EMAIL clerk@charlevoixmi.gov

REV 04.2020

CHARLEVOIX CITY COUNCIL

Reports and Communications

TITLE: City Manager's Comments
DATE: December 7, 2020

PRESENTED BY: Mark L. Heydlauff, City Manager

BACKGROUND:

A. Covid-19 Changes
Since the MDHHS orders went into place a couple weeks ago, we've moved most City Hall staff to remote work and modified the hours and work stations of those for whom remote work is not possible. I am not aware of challenges this has yet posed for the public as we adjust to a new normal. We have had a couple instances of staff who have tested positive or who have been required to quarantine due to close exposure but we have generally been able to maintain operations; we consistently look at back-up scenarios--especially for critical infrastructure.

The Michigan Legislature is considering at least two bills currently of interest for us and our operations:

- Under a bill introduced by Representative Calley, certain types of jobs would be reclassified as critical and be able to return to work following a negative test result without a waiting period as is currently required. This would most notably apply to electric line staff; especially in an emergency situation, the limited number of staff is a challenge with the current rules.
- The legislature is also considering an extension of the temporary modifications to the Open Meetings Act that allow virtual public meetings until March 31, 2021. Currently this provision sunsets on December 31.

The CDC has also released new guidance shortening the quarantine period for some workers who have no symptoms. We'll be monitoring this closely to see if it affects how and when employees can return to work.

ATTACHMENTS:

- Housing Commission Minutes
- Planning Commission Minutes
- DDA Minutes

CHARLEVOIX HOUSING COMMISSION
210 WEST GARFIELD ST.
CHARLEVOIX, MICHIGAN 49720
(231) 547-5451

PROJECT
PINE RIVER PLACE

REGULAR MEETING

CHARLEVOIX HOUSING COMMISSION

Tuesday, September 15, 2020

2:00 P.M.

PINE RIVER PLACE COMMUNITY ROOM

Commissioners Present: Laurene Crandall, R.J. Waddell, Lillian Left, Joan Buday
Commissioners Absent: Mitts Lee

Others Present: Annessa Haist – Director, Mt. Pleasant Housing Commission/Charlevoix Housing Commission, Mark Little MPHC – Maintenance Supervisor, Cindy Morris – Occupancy Specialist (CHC), and Residents of Pine River Place.

Vice Chairperson Joan Buday called the meeting to order at 2:07 p.m.

ADDITIONS TO THE AGENDA: None

Approval of Meeting Minutes and Payables presented for August 18, 2020.

Lillian Left moved to accept the regular meeting minutes for August 18, 2020 and payables as presented. R.J. Waddell seconded.

Ayes: Crandall, Waddell, Left and Buday
Nays: None
Absent: Lee

OLD BUSINESS:

EPC Update was given by the Director, Annessa Haist (MPHC/CHC) informing the Board Members of the discussion had at the last MPHC Commissioners Meeting.

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PROJECT
PINE RIVER PLACE

Director, (MPHC/CHC) Annessa Haist let everyone know the Roofing Project Started on Monday, September 14, 2020.
Annessa Haist, Director updated the Board Members a date for the New Payroll Switch (approved by the Board previously) has been set for September 27, 2020.

CARES Act Funding Summary was verbally brought to the Boards attention by Annessa Haist, Director (MPHC/CHC). Letting everyone know what projects have been supported since received.

NEW BUSINESS:

Executive Director's Report: Audit Report Update was given letting the Board know a full Report would be presented next month by the Auditor via phone.

Annessa Haist, Director gave specific's outlining the Insurance renewal on the handout given. Positive discussion was had by Board Members.

Director, Annessa Haist informed all at the meeting of a COVID Case in the building. Which lead us to hiring a company SERVPRO for a thorough professional cleaning.

The MHDA Conference this fall was cancelled for general membership, but they are holding an executive board meeting retreat. The Board Members (in which Annessa Haist, Director has been appointed as the new Treasurer) will be attending in person.

Evaluations of the Director, Annessa Haist were not all turned in for a discussion. Tabled until the next meeting on October 20, 2020.

Public Comment on subjects unrelated to Agenda Items:

Director, Annessa Haist informed everyone a new bike rake was purchased for CHC/Pine River Place. Price was a small donation.
Residents and Board members had discussions on a few topics.

R.J. Waddell made a motion that we adjourn the meeting. Lillian Left 2nd the motion.

CHARLEVOIX HOUSING COMMISSION
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PROJECT
PINE RIVER PLACE

Adjournment: Meeting was adjourned at 2:59 p.m.

Respectfully submitted and approved by:

Executive Director, Annessa Haist – CHC/MPHC

The next Board Meeting is October 20, 2020 at 2:00 p.m. at the Pine River Place Community Room at 210 W. Garfield St., Charlevoix, MI. 49720.

CITY OF CHARLEVOIX
PLANNING COMMISSION MEETING MINUTES
Depot Beach Park 307 Chicago Avenue
Monday, October 12, 2020 - 6:00 p.m.

A. Call to Order
The meeting was called to order at 6:00 p.m. by Chair Waddell.

B. Roll Call

Chair	RJ Waddell
Vice Chair:	Dennis Halverson
Members Present:	Sherm Chamberlain, Jennifer Muladore, Toni Felter Philip Parr, Mary Millington,
Members Absent:	David Gray
Staff Present:	Kathy Egan, Community Development Director; Jonathan Scheel, Zoning Administrator, Dean Martin, Community Development Fellow; Jennifer Neal, Community Planner

C. Inquiry into Potential Conflicts of Interest
Member Chamberlain stated he had a conflict of interest in Item G.1.

D. Approval of Agenda
Motion by Member Halverson second by Member Felter to approve the agenda as presented. Motion passed by unanimous voice vote.

E. Approval of the Minutes
1. September 14, 2020 Meeting Minutes
Motion by Member Halverson, second by Member Muladore to approve the minutes of September 14, 2020 as presented. Motion passed by unanimous voice vote.

F. Call for Public Comment Not Related to Agenda Items

G. New Business
1. Level B Site Plan Review Amendment 2019-3-SPA: Pine River Lane Site Condominium
Member Chamberlain recused himself. Zoning Administrator Scheel introduced the application. The applicant requested approval to add eight roof decks to units 1-8 per the previously approved site plan. Due to the potential impact on surrounding residential properties the request qualifies for site plan review B and thus, requires an amendment to the site plan. The applicant has provided additional information and detail regarding the design of the decks which was lacking on previous applications. The applicant's previous similar request was presented to the Commission last month and was denied.

Timothy Burden, President of Midtown Development Inc., spoke to the Commission via telephone and stated he would like a fair review of his request. Mr. Burton provided a revised application with additional information including sample images of the proposed rooftop decks, elevation drawings, and detailed dimensions to clarify the request.

Chair Waddell noted that several letters have come in from the public. Zoning Administrator Scheel summarized two additional letters that were received since the agenda packet was posted.

Dan Wausmann, 110 W. Dixon, spoke for his group which included his wife and sister in-law. He was concerned about noise from people using the decks negatively affecting his property. He is convinced that the proposed homes will be used as short term rentals which could have even a bigger negative impact on their family property.

Kathryn Engel, 127 Pine River Lane, stated she agreed with Mr. Wausmann's concerns.

Member Halverson was concerned with potential noise nuisance to neighboring properties. Discussion centered on railings and screening walls. There was some discussion on open flame on the decks and the Fire Chief's letter.

Chairman Waddell went through the proposed finding of fact. There was consensus from all members on approval of all findings of fact with the exception on whether there was potential noise nuisance to the Wausmann property that needed mitigation.

Motion by Member Felter, second by Member Halverson to approve decks for all units with the exception of units 5 and 6 per the site plan presented, with the following conditions:
a. The applicant shall provide the Planning Commission with revised, detailed drawings that clearly indicate the materials to be included in the design, the location, look and style of each rooftop deck railing and screening walls.
b. That the Master Deed include provisions that furniture shall be secured to the decks and that no heating or cooking elements shall be allowed on the rooftop decks.

2. International Property Management Code
Member Chamberlain returned to the meeting. Zoning Administrator Scheel presented a memo regarding the proposed adoption of the International Property Management Code (IPMC) which would allow the City to pursue blighted buildings prior to them deteriorating beyond

the point of repair and need to be torn down. He will provide hard copies, pages 9 through 20 of the IPMC which are the specific regulations for the Commissioners to review next month.

3. Sidewalk Inventory
Community Development Fellow Martin distributed a copy of a City sidewalk map and a sidewalk inventory sheet that will be used to collect information on the condition of the sidewalks. Commissioners spoke to the importance of connecting the sidewalks, so pedestrians do not have to walk in the road or on unpaved property with various obstacles. The Commission supported connecting all of downtown and neighborhoods close to downtown. They also stated concern over the lack of sidewalks around and to the school on May Street for safety of children.

H. Old Business

I. Staff Updates

Director Egan announced that she will be retiring from Networks Northwest in November; Planner Neal will be taking her place in working with Charlevoix.

J. Request for Next Month's Agenda or Research Items

Director Egan stated that there was potential for the applicant of Pine River to return with requested drawings; Zoning Administrator Scheel will have more detailed information on the International Property Management Code; some housekeeping updates for the Zoning Ordinance and; in the future Steve Schnell would like to update the Commission on county housing efforts.

K. Adjournment by 8:00 PM Unless Extended by Motion

Motion by Member Halverson, second by Member Parr to adjourn the meeting. Meeting adjourned at 7:27 p.m.

Joyce M. Golding (ke/js)	City Clerk	R.J. Waddell	Chair

CITY OF CHARLEVOIX
DOWNTOWN DEVELOPMENT AUTHORITY/MAIN STREET MEETING
Monday, October 26, 2020 at 5:30 p.m.
Council Chambers, City Hall

1. Call to Order

2. Pledge of Allegiance

3. Roll Call

Chair: Maureen Owens
Vice Chair: Richard Christner
Members Present: Sam Bingham, Sean Bradley, Luther Kurtz, Paul Silva, Amanda Wilkin
Members Absent: Kirby Dipert
Non-Voting Member: Liam Dreyer
City Staff: Lindsey Dotson, Executive Director

4. Inquiry Into Potential Conflicts of Interest

5. Consent Agenda

A. Monthly Report
B. Committee Minutes
C. Board Minutes
D. Letter from Representative Triston Cole

Motion by Wilkin, second by Member Christner to approve the Consent Agenda items as presented. Motion passed by unanimous voice vote.

6. Reports

A. Info Meeting Presentation

Director Dotson stated that pursuant to Public Act 57 of 2018, Downtown Development Authorities are required to hold two informational meetings per year to share information about goals and objectives and work moving forward. She stated that the DDA had an overarching goal of creating a walkable downtown and a year-round downtown. She proceeded to review a brief presentation regarding the DDA Board driven directives and goals, annual report, The Vault, façade program, Match on Main Program, small business support, Junior Main Street Committee, Downtown Alley Corridor Vision, Cooperative Advertising Campaign, and tree lighting program.

B. Housing North Deed Restriction Program & Housing Updates

Steve Schnell, Charlevoix County Housing Ready Program Director – Housing North, stated that his particular position was focused on creating as many housing opportunities as possible in Charlevoix County. He stated that only 38% of the homes in Charlevoix were lived in year-round and home prices were 2.6 times family income in good economic times, and it was now at a rate of 5.1. Mr. Schnell explained the Year-round Housing Deed Restriction Program and that the City of Charlevoix wanted to look at a proactive way to voluntarily entice people to deed restrict their home so that the home can be only purchased and owned by someone who is going to live 10-12 months per year in Charlevoix. The homeowner who chooses to place this deed restriction on their home would receive a cash payout. Mr. Schnell proceeded to explain the *Vail In Deed* program in Vail, Colorado, and he responded to questions from the Board members about the deed restriction program.

Mr. Schnell stated that 400 units could be absorbed into the Charlevoix market each year. He stated that the demand for detached housing units in the City of Charlevoix was 169 either ownership or rental units in 2020, and 82 attached units for renters. He stated that 215 detached and attached units could be rented every year.

Director Dotson stated that she was going through the Zoning Ordinance trying to figure out specifics for housing in the downtown area and there was nothing that spells it out because it's the Central Business District and a lot of the language was pertaining specifically to commercial use. She stated that there were restricted uses in the Downtown that include day care and laundromats and to have a walkable community those amenities would be needed.

Director Dotson reviewed the Prospective Property Inventory included in the Board packet. She stated that during the last meeting they instructed the Economic Vitality Sub-Committee to consider a Local Housing Incentive Program and they were looking at an example from Three Rivers and modifying it to match Charlevoix's needs.

C. Director's Report

Director Dotson summarized several of the items included in the Report.

D. SBEI Update

Director Dotson reminded everyone to review the "Corridor and Alley Implementation of Designs" document before the November Board meeting.

7. Old Business

A. The Vault Co-Working Space Update

Sarah Hagen, President, Charlevoix Chamber of Commerce, explained that during the Chamber's meeting on October 23rd a motion was made to enter into a partnership with the DDA for the oversight/management of The Vault Co-Working Space for one year with the intent to fully take over the following year. Ms. Hagen stated in knowing that the staffing issue was one of the main issues the Board had with keeping The Vault that there could be room to partner where they could use the strength of the Chamber and resources in terms of staff time and dedicate that to The Vault and growing programs. Also, she wanted to discuss with the DDA their priorities with The Vault and if the partnership would be a 50/50 split or 60/40.

Motion by Vice Chair Christner, second by Member Wilkin to give the DDA Chair the authority to negotiate with the Chamber Director & the Chair of the Chamber Board to establish an agreement regarding a partnership for The Vault and then sign the lease by November 1st. Motion passed by unanimous voice vote.

B. Long Road Distillers Lease Discussion.

Vice Chair Christner reported that the City Council had approved an Off Premise Tasting Room License for Long Road Distillers (LRD) at their regular meeting on October 5th. He reported that the owners wanted to "propose an amendment to the lease that if at the sole discretion of LRD, they make the determination to open and begin operation while under a state of emergency, rent would be prorated based upon the occupancy percentage allowed for by the State of Michigan (i.e. if operations are limited to 50% occupancy capacity, rent would be prorated at 50% of the monthly rate)". Vice Chair Christner recommended that the Board check with their legal counsel on whether the right to renew verbiage in the TERM paragraph of the existing lease obligates the DDA to accept this notice and renew the lease as it stands or if the DDA has the option to try to negotiate and improve the DDA's position.

Mr. Jon O'Connor, Long Road Distillers, stated that he felt that this was being a bit misconstrued in that the current lease agreement gave them the option to renew and as a show of good faith they offered the amendment related to the reduced seating capacity. He stated that they probably hold the ability to renew the lease under the current terms. Mayor Kurtz stated that they ride two lines with one being an advocate for and trying to invite good businesses into our community and then they are also trying to negotiate on behalf of the taxpayers. He felt that the 50% was low. The Board concurred to have Vice Chair Christner continue negotiations with Mr. O'Connor and Long Road Distillers.

8. New Business

A. Financial Certification for Certified Local Government Grant Application

Director Dotson stated that 10% of her job for the City included that she was the staff advisor for the Historic District Commission and they were the group that spearheaded the City becoming a Certified Local Government, She stated that once they received the certification they were able to apply for funding from the National Park Service through the Certified Local Government Grant program and according to the goals set during strategic planning sessions of the Historic District Commission and Historical Society, the first task would be to resume the process of nominating the 200 block of downtown Charlevoix for the National Register of Historic Places.

Motion by Member Wilkin, second by Member Bradley to allocate $10,000 of DDA Funds to support expenses related to the CLG Grant application, if awarded, with the understanding that a reimbursement will come from the State Historic Preservation Office upon project completion. Motion passed by unanimous voice vote.

Chair Owens asked to move Item B to Item D and make Item B the discussion of the contract for advertising and the Board concurred.

B. Contract for Advertising Discussion

Director Dotson stated that members of the Promotions Committee along with the Chairs of the *Gift Local* event have reviewed the prospect of increasing holiday advertising. She stated that many of the national ads pushing holiday spending actually started early in October this year. She explained the proposal for the email newsletter for advertising holiday shopping deals in Charlevoix. Director Dotson responded to the questions regarding the My North advertising proposal which would be sent to over 10,000 targeted email addresses.

The Board concurred not to participate in the My North holiday advertising program this year.

C. Light Up Charlevoix Tree Light Pledge Program Proposal

Chair Owens suggested "Keep Charlevoix Bright" as a program name.

Director Dotson described the details of a new pledge program to re-engage past pledgees while also helping to fund the annual maintenance and phased replacement of tree lights in downtown Charlevoix and to conduct the program through online and regular mail requests. She suggested a new campaign that will give several pledge options:

- One-time donations of varying amounts;
- Yearly donations for 5 years in varying amounts;
- Monthly "sustaining" donations at smaller amounts to fit into anyone's budget.

Director Dotson stated that the proposed cost for a phased-in approach to replace the lights was $10,000 per year over the next five years and it didn't include general maintenance expenses each year - $15,000 per year would cover all of the expenses.

Motion by Member Bradley, second by Member Wilkin to approve launching the Keep Charlevoix Bright Program Pledge Campaign to solicit funds to support the annual maintenance and phased in replacement of the downtown tree lights. Motion passed by unanimous voice vote.

D. Director Task/Time Management Discussion
Director Dotson stated that during her annual performance review the Board requested that they consider categorizing the way she spends her time and prioritizing as necessary to focus more on working toward the goals the DDA has established. She described the spreadsheet she provided including categories of tasks related to: Housing, SBEI/Walkability, Operations, Main Street Specific Tasks, Economic Vitality, Promotions, Organization/Outreach, Design, and the City of Charlevoix.

Chair Owens suggested that if the tasks were within an Excel spreadsheet that everyone could put things into categories the way that they would like to see the tasks prioritized. Discussion followed among the Board members about how to conduct this exercise. After discussion, the Board agreed to have Director Dotson categorize the time spent on each task and bring that back to the Board for further discussion at the next meeting.

9. Public Comments

10. Request for Future Agenda Items
Member Silva stated that they should have a discussion regarding The Bridge Park Building and the Board getting a better return on that investment by possibly selling the property and talking to a realtor. Mayor Kurtz stated that because of the City needing access to the pump station that it may be complicated. Silva then asked if we could look into the feasibility of whether or not the DDA could sell the property.

11. Board Comments

12. Adjourn
Meeting adjourned at 7:26 p.m.

________________________________ ________________________________
Joyce Golding/fgm Maureen Owens Chair