CITY OF CHARLEVOIX

Agenda
City of Charlevoix City Council Regular Meeting
Monday, October 17, 2022 - 6:00 PM
Council Chambers, 210 State Street, Charlevoix, MI

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1. **Pledge of Allegiance**
2. **Roll Call**
3. **Presentations**
   A. Mayoral Proclamation Honoring the Life and Work of Gregory Stevens
   Mayor Luther Kurtz
   B. Mayoral Proclamation Honoring the Life and Work of Ron Archey
   Mayor Luther Kurtz
   C. Mayoral Proclamation Recognizing Chamber of Commerce Week
   D. 2021-22 Fiscal Year Financial Audit Presentation
   Annette Eustice-CPA-Rehmann
4. **Inquiry Regarding Conflicts of Interest**
5. **Consent Agenda**
   A. City Council Meeting Minutes - October 3, 2022
   B. Accounts Payable and Payroll Check Registers
   C. Accept 2021-22 Fiscal Year Financial Audit
   D. Approve Tree Planting Bid for $20,380.00
   E. Approve Bridge Park Lift Station Slide Gate Repair and Bypass Improvements Engineering: $17,500
   F. Approve GOAB Switches for $11,609.12
   John Griffith, Electric Department Director
   G. Approve Electric Three Year Line Clearance Contract with Asplundh: up to $300,000 over three years
6. **Public Hearings and Actions Requiring Public Hearings**
   A. Set Public Hearing: Signs in Bridge Park (Ordinance 834)
   Mark Heydlauff, City Manager

B. Set Public Hearing: Building Type Combined Changes (Ordinance 835)
   Mark Heydlauff, City Manager

7. All Other Actions and Requests

A. Accept the Resignation of Greg Bryan, Third Ward Council Member
   Mark Heydlauff, City Manager

B. Proposed Donation: Improve Channel "Welcome" Sign with pavers and plantings
   Steven Anderson

C. City Marina 2023 Fee Recommendations
   Kent Knorr, Recreation Director

D. Discussion of Short Term Rental Ordinance
   Mark Heydlauff, City Manager

8. Reports and Communications

A. Public Comment

B. City Manager's Comments

C. Mayor and Council Comments

9. Other Council Business

10. Adjourn

Persons with disabilities who need an accommodation to fully participate in these meetings should contact the City Clerk's Office at 231-547-3250 or by email clerk@charlevoixmi.gov. A 24-hour notice may be needed for certain accommodations. An attempt will be made to grant all reasonable accommodations requests.

Charlevoix City Council

Presentations

Title: Mayoral Proclamation Honoring the Life and Work of Gregory Stevens
Date: October 17, 2022

Presented By: Mayor Luther Kurtz

Background:

Recommendation:

Attachments:

1. Gregory Stevens Proclamation

CITY OF CHARLEVOIX

Mayoral Proclamation

Honoring the Life and Work of Gregory Stevens

WHEREAS, Gregory Stevens was a longtime resident, business owner, and civically-minded member of the Charlevoix community; and

WHEREAS, Greg Stevens raised his daughter LaRae in Charlevoix and married Kim in 2020; and

WHEREAS, Greg Stevens served many community causes including the Big Rock Point Advisory Board, the Airport Committee, and the Charlevoix Planning Commission; and

WHEREAS, Greg Stevens was elected to the Charlevoix City Council in 2006 and served three terms; and

WHEREAS, Greg Stevens was a volunteer with several roles in the City and various community causes and donation—always thinking of the community in his actions.; and

NOW, THEREFORE BE IT RESOLVED, that I, Luther Kurtz, Mayor of the City of Charlevoix, on behalf of all people of Charlevoix, express my deepest condolences and sympathies to the family of Gregory Stevens on his death;

Furthermore, I encourage all residents to reflect on the life of service and dedication by Gregory Stevens to the Charlevoix community and consider ways to be involved like him.

Given under my hand this 17th day of October 2022.

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Luther Kurtz
Mayor

Charlevoix City Council

Presentations

Title: Mayoral Proclamation Honoring the Life and Work of Ron Archey
Date: October 17, 2022

Presented By: Mayor Luther Kurtz

Background:

Recommendation:

Attachments:
1. Proclamation - Ron Archey

CITY OF
CHARLEVOIX

Mayoral Proclamation

Honoring the Life and Work of Ron Archey

WHEREAS, Ron Archey was born October 13, 1963, and;

WHEREAS, Ron Archey graduated from Charlevoix High School in 1982; and,

WHEREAS, Ron Archey worked at Crown Drugs, Rite Aid, Glen's, and finally Family Fare during his long career in customer service; and,

WHEREAS, Ron Archey was beloved by his customers for his friendly smile, dry wit, helpful demeanor, and kind-hearted presence; and,

WHEREAS, Ron Archey was an avid collector of music and had deep knowledge of various musicians and their discography when not serving his customers.

NOW THEREFORE, I, LUTHER KURTZ, MAYOR OF THE CITY OF CHARLEVOIX, do recognize and honor the life of Ron Archey and convey condolences to his family and many friends on his death this month; and,

FURTHERMORE, I commend the spirit with which Ron served this community through the values of hard work, kindness, and compassion; and,

FURTHERMORE, Furthermore, I encourage us all to appreciate those around us, like Ron, whose customer service and helpfulness makes our lives easier and who put a smile on our face.

Given under my hand this 17th day of October 2022.

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Luther Kurtz, Mayor

Charlevoix City Council
Presentations

Title: Mayoral Proclamation Recognizing Chamber of Commerce Week
Date: October 17, 2022

Presented By: Mayor Luther Kurtz

Background:

Recommendation:

Attachments:
1. Chamber Proclamation

CITY OF
CHARLEVOIX

Mayoral Proclamation

In recognition and appreciation of the work of the Charlevoix Area Chamber of Commerce on the occasion of National Support Your Local Chamber Day

WHEREAS, Chambers of Commerce across the country strive to address community concerns and opportunities through bold leadership, catalytic community partnerships, and innovative problem-solving; and,

WHEREAS, Charlevoix has been blessed since 1958 with the Charlevoix Area Chamber of Commerce whose partnership is invaluable for businesses and residents alike; and,

WHEREAS, the Charlevoix Area Chamber of Commerce advocates for more and better housing for our residents, a vibrant business climate, promoting economic development in our area, and in partnership with Visit Charlevoix, provides a welcoming face for visitors; and,

WHEREAS, the Charlevoix Area Chamber of Commerce through the Northern Michigan Chamber Alliance advocates on behalf of the interests of Charlevoix and other up north communities in Lansing.

NOW, THEREFORE BE IT RESOLVED, that I, Luther Kurtz, Mayor of the City of Charlevoix, do proclaim Wednesday, October 19, 2022 as “Charlevoix Chamber Appreciation Day”; and,

FURTHERMORE, I encourage our residents to learn more about the work of the Charlevoix Chamber of Commerce and consider volunteering to support their work; and,

FURTHERMORE, I extend my appreciation to the Chamber’s President, Board, and staff for their work and dedication to Charlevoix.

Given under my hand this 17th day of October 2022.

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Luther Kurtz
Mayor

Charlevoix City Council

Presentations

Title: 2021-22 Fiscal Year Financial Audit Presentation
Date: October 17, 2022

Presented By: Annette Eustice-CPA-Rehmann

Background:
Annette Eustice, CPA from Rehmann will present the findings of the audit and present a general overview of the financial health of the City.

Recommendation:

Attachments:
1. City of Charlevoix - Audit Presentation

City of Charlevoix

Audited Financial Statements

March 31, 2022

Rehmann

Independent Auditors' Report

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

Financial Highlights

Government-Wide
Financial Statement Highlights

Capital Assets	Total Capital Assets, Net	Capital Asset Additions	Capital Asset Disposals	Depreciation Expense	Transfers
Governmental Activities	$38.2 million	$2.4 million	$1.67 million	$1.01 million	$14,000
Business-type Activities	$35.1 million	$388,000	$0	$2.2 million	$726,000
Component Unit - DDA	$2.7 million	$14,000	$4,800	$196,000	$0

Long-term Debt	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities	$11.7 million	$439,000	$792,000	$11.3 million	$772,000
Business-type Activities	$10.6 million	$0	$822,000	$9.8 million	$847,000

Rehmann

General Fund Highlights

Total general fund balance - $1,056,319 (details on page number 26 of financial statements – page 29 of the PDF):

- Nonspendable - $50,245 (prepaids)
- Unassigned - $1,006,074

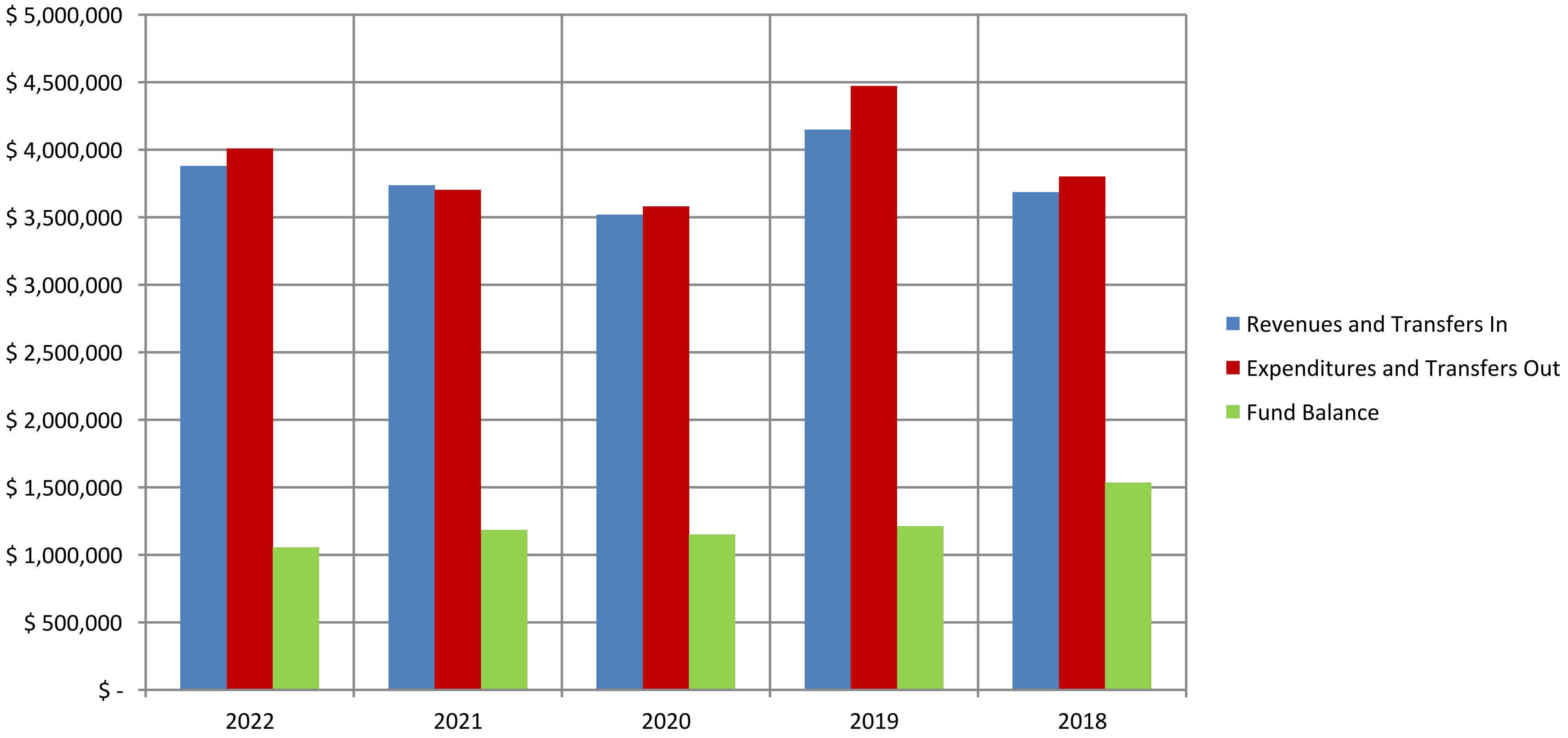
Change in the General Fund balance:

- Actual decrease of $129,491 during the current year
- Final budgeted decrease of $283,817
- Original budgeted decrease of $250,600

General Fund unassigned fund balance is approximately 25% of total General Fund expenditures and transfers out.

Rehmann

General Fund - Trend



Rehmann

Proprietary Funds Highlights

Fund	Revenue and Transfers In	Expenses and Transfers Out	Change in Net Position	Net Position at 3/31/2022
Electric Utility	$7.1 million	$7.4 million	$(273,000)	$8.8 million
Sewage Disposal Utility	$2.6 million	$2.1 million	$510,000	$11.7 million
Water Utility	$1.8 million	$1.5 million	$337,000	$6.6 million
Marina	$912,000	$1.million	$(159,000)	$1.8 million
Airport	$1.9 million	$2.2 million	$(296,000)	$8.8 million

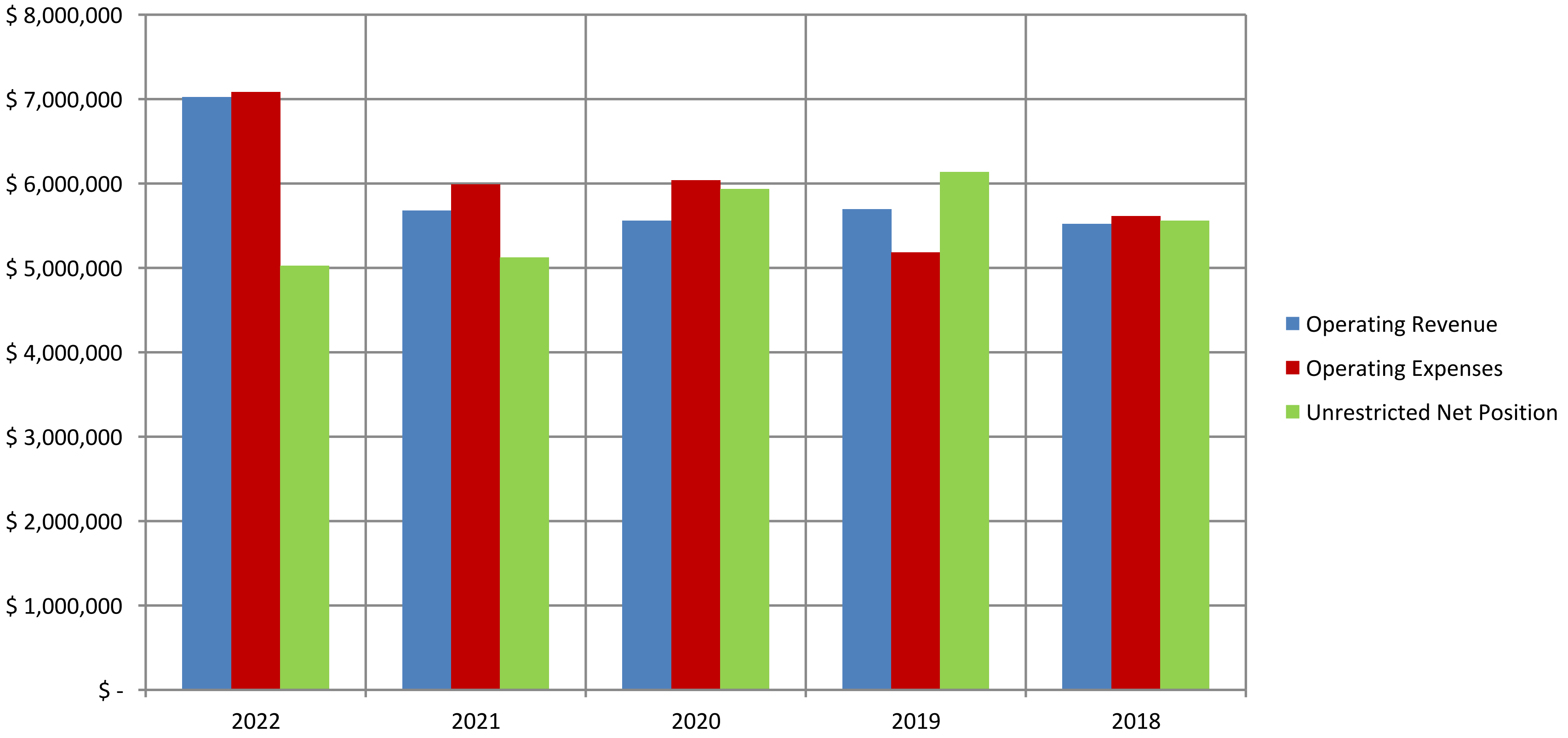
Rehmann

Inter-fund Advances

Fund	Advance From	Advance To
Electric Utility Fund	$411,000	$ -
Marina Fund	$ -	$293,000
General Fund	$ -	$118,000

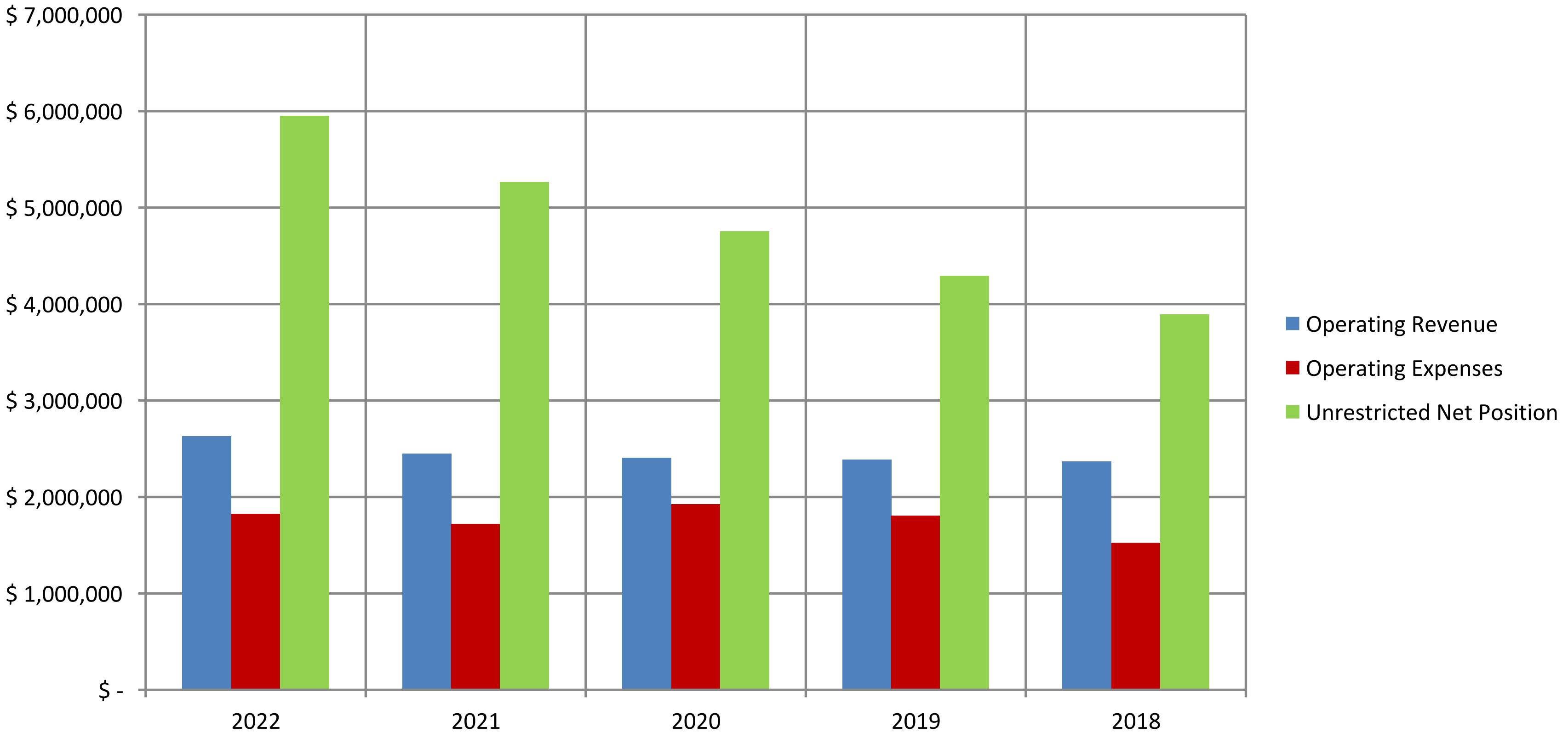
Interfund advances relate to the Electric Utility Fund providing funding to the Marina Fund and General Fund to support operations and the purchase of a piece of land.

Electric Utility Fund - Trend



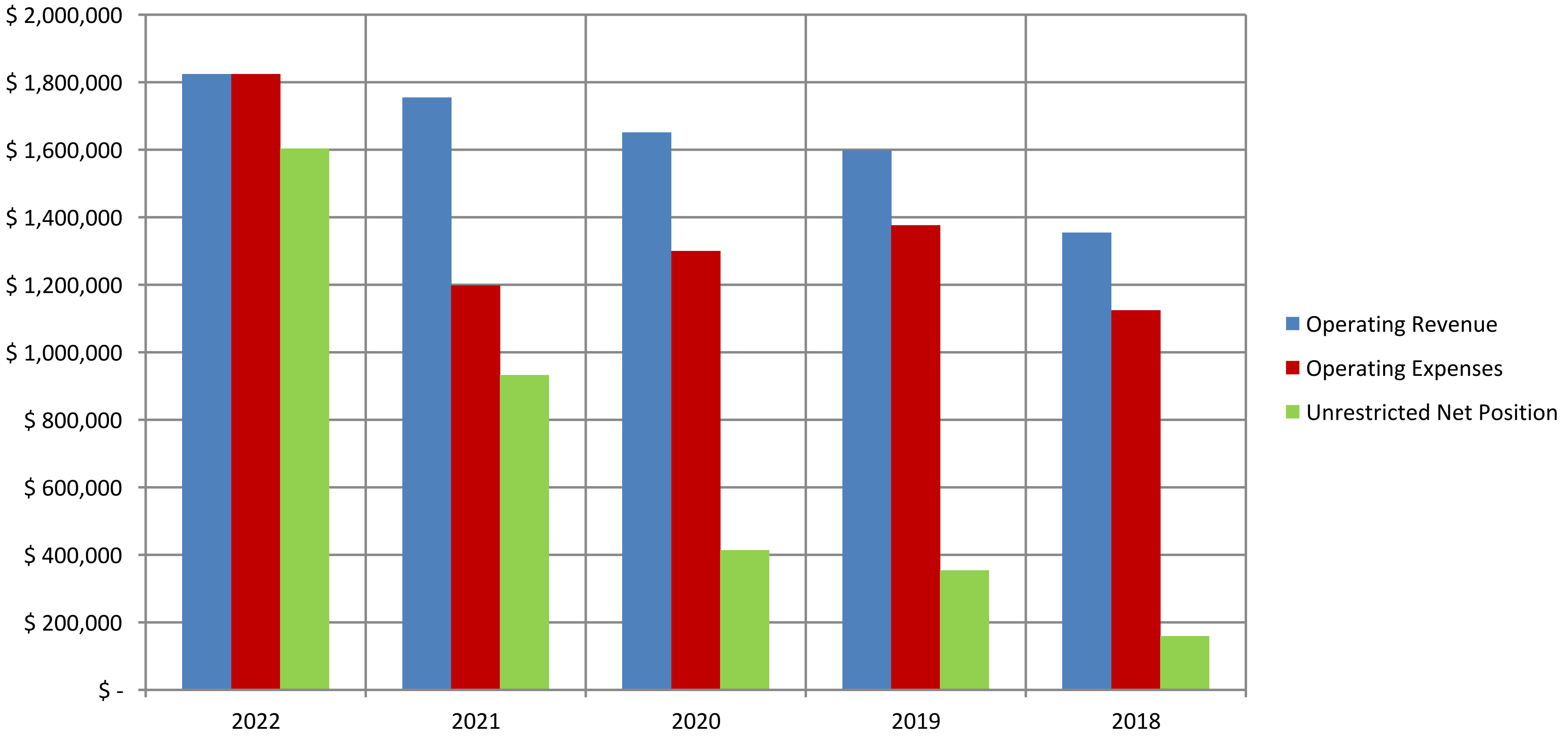
Rehmann

Sewage Disposal Utility Fund - Trend



Rehmann

Water Utility Fund - Trend



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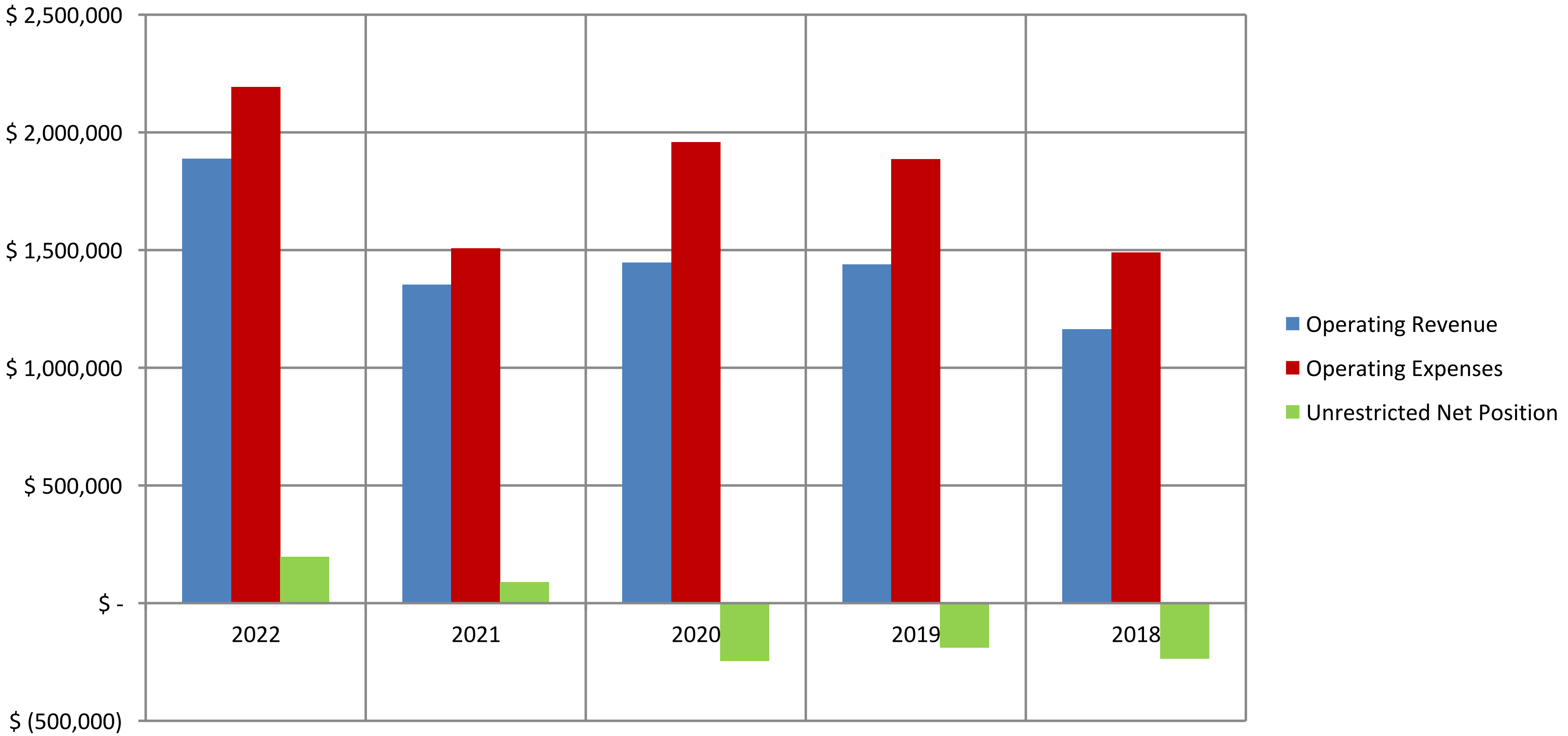
Marina Fund - Trend

Rehmann

Airport Fund - Trend



Findings

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

Questions?

We Sincerely Thank You For Your Continued Business

Annette Eustice, CPA

Annette.Eustice@rehmann.com

Charlevoix City Council

Consent Agenda

Title: City Council Meeting Minutes - October 3, 2022
Date: October 17, 2022

Presented By:

Background:

Recommendation:
Motion to approve the minutes as presented.

Attachments:
1. City Council Draft Meeting Minutes October 3, 2022

City of Charlevoix
City Council Regular Meeting minutes
Monday, October 3, 2022 - 6:00 PM
Council Chambers, 210 State Street, Charlevoix, MI

1. **Pledge of Allegiance**
   The meeting was called to order at 6:00 p.m. by Deputy Mayor Hagen. The Council, staff, and members of the public rose and recited the Pledge of Allegiance.
2. **Roll Call**
   Deputy Mayor: Aaron Hagen
   Members Present: Greg Bryan, Janet Kalbfell, Mark Knapp, Phil Parr, Richard Spring
   Members Absent: Luther Kurtz
   City Manager: Mark L. Heydlauff
   City Clerk: Sarah J. Dvoracek
3. **Presentations**
4. **Inquiry Regarding Conflicts of Interest**
5. **Consent Agenda**
   Deputy Mayor Hagen opened the item for public comment, none were heard.
   Motion by Parr, seconded by Kalbfell to approve the consent agenda.
   Yeas: Bryan, Hagen, Kalbfell, Knapp, Parr, Spring
   Nays: None
   Absent: None
   Motion carried.

   A. City Council Meeting Minutes - September 19, 2022
   Motion to approve the minutes as presented.
   B. Accounts Payable and Payroll Check Registers
   Motion to approve the accounts payable and payroll check registers as presented.

Dates	Description	Amount
09/23/2022	Special Accounts Payble Run	$21,895.89
09/30/2022	Payroll (net pay)	$107,418.07
09/30/2022	Payroll Transmittal Checks	$5,418.74
10/03/2022	Payroll Transmittal Checks (HSA)	$110,050.00
10/04/2022	Regular Accounts Payable	$373,976.45

09/19/2022-09/30/2022	ACH/WIRE Payments	$626,989.31
09/15/2022	Special A/P Tax Disbursement	$3,372,302.16
09/27/2022	Special A/P Tax Disbursement	$294,092.77
10/04/2022	Tax Disbursement	$45,632.98
Grand Total		**$4,957,776.37**
To view the detailed accounts payable and payroll check registers, please Click here.		

C. Westenbroek Substation Vegetation

Motion to approve Drost Landscaping's proposal in the amount of $14,211.49 to replace evergreen trees at the Westenbroek Substation.

D. Winter Ice Control Sand Agreement with Team Elmer's for $22,020.00

Motion to approve the purchase of ice control sand from Team Elmer's for $20,020 and authorize the City Manager to sign the proposal.

E. Investment Update FY 2022-23

Motion to accept the investment report as presented.

6. Public Hearings and Actions Requiring Public Hearings

A. Adopt Ordinance 833 of 2022: Update Floodplain Maps Ordinance

Mark Heydlauff, City Manager

Deputy Mayor Hagen opened the item for public comment, none were heard.

Motion by Kalbfell, seconded by Spring to adopt Ordinance No. 833 of 2022.

Yeas: Bryan, Hagen, Kalbfell, Knapp, Parr, Spring

Nays: None

Absent: None

Motion carried.

7. All Other Actions and Requests

A. Short Term Rental Ordinance Discussion

Council Members Bryan
Hagen
and Knapp

City Manager Heydlauff stated he included a memo from Faith Miller, who was the code enforcer for the short term rental ordinance. The report provided a brief overview of the program including recommendations. Council discussed the pros and cons of amending the ordinance, including the amount of allowable short-term rentals and the issues with enforcement. Discussion was held regarding the short term rental bill (HB 4722) that, if passed, would make the City's current ordinance not enforceable. The history of the current short term rental ordinance was discussed in detail.

Deputy Mayor Hagen opened the item for public comment, eight were heard.

Council collectively requested other ideas about rentals and housing and how other communities are handling short-term rentals. City Manager Heydlauff stated he would do research and look at some other community trends.

Motion by Bryan, seconded by Knapp to request the City Manager draft language to increase the short term rental cap by 120 and that Council will make other changes to the ordinance as discussed.

Council Member Kalbfell asked if there was a conflict of interest regarding Council Member Bryan. Discussion was held. Deputy Mayor Hagen asked if Council Member Kalbfell would like to raise the question of conflict of interest, Council Member Kalbfell stated yes.

Deputy Mayor Hagen asked Council Member Bryan if his motion was off the table (withdrawn) and Council Member Bryan stated yes. No action was taken.

8. Reports and Communications

A. Public Comment

Bridgette Martin asked if she should call the police (regarding short-term rentals).

B. City Manager's Comments

- Thanked Shelly Ferguson, Utility Billing Clerk for her exceptional customer service skills in helping a resident understand their utility bill
- At the golf course, a new fence was replaced by hole two along Division Street
- Condolences to Greg Stevens' family

C. Mayor and Council Comments

- Council collectively thanked the public for attending
- Council Member Parr gave his condolences to the Stevens' family
- Council Member Spring thanked everyone for being civil over controversial topics
- Deputy Mayor Hagen reminded everyone about the open house at the new Public Facility Building before the next Council meeting

9. Other Council Business

10. Adjourn

Deputy Mayor Hagen adjourned the meeting at 7:25 pm.

Sarah J. Dvoracek	City Clerk	Aaron Hagen	Deputy Mayor

Charlevoix City Council

Consent Agenda

Title: Accounts Payable and Payroll Check Registers
Date: October 17, 2022

Presented By:

Background:

Recommendation:
Motion to approve the accounts payable and payroll check registers as presented.

Attachments:
1. Check Registers 10-17-22 Agenda

Check Number	Payee	Amount
09/30/2022		
137855	PRIORITY HEALTH	48,597.49
Total 09/30/2022:		48,597.49
Grand Totals:		48,597.49

Summary of Check Registers & ACH Payments

HUNTINGTON NATIONAL BANK - CHECKS ISSUED

09/30/22 Special Accounts Payable Run	$	48,597.49
10/14/22 Payroll (net pay)	$	111,235.64
10/14/22 Payroll Transmittal Checks	$	6,058.35
10/18/22 Regular Accounts Payable	$	280,790.45
Checks Sub-Total:	$	446,681.93

HUNTINGTON NATIONAL BANK - ACH/WIRE PAYMENTS

10/03/22 AMG Payment Solutions	$	685.19
10/03/22 Payment Service Network Inc.	$	264.25
10/11/22 DTE Energy	$	2,701.18
10/11/22 State of MI (Sales Tax)	$	34,292.83
10/11/22 Neofunds by Neopost	$	2,000.00
10/14/22 IRS (Payroll Tax Deposit)	$	40,190.87
10/14/22 Alerus Financial (HCSP)	$	350.00
10/14/22 Vantagepoint (401 Plan)	$	1,062.00
10/14/22 Vantagepoint (457 Plan)	$	19,731.66
10/14/22 Vantagepoint (Roth IRA)	$	1,055.76
10/14/22 State of MI (Withholding Tax)	$	5,928.66
ACH Sub-Total:	$	108,262.40
Huntington National Bank Total:	$	554,944.33

CHARLEVOIX STATE BANK - CHECKS ISSUED

(PROPERTY TAX DISBURSEMENT TO VARIOUS TAXING AUTHORITIES)

Charlevoix State Bank Total:	$	-
Grand Total:	$	554,944.33

APPROVED: CITY MANAGER | CITY TREASURER | CITY CLERK

M = Manual Check, V = Void Check

Pay Period Date	Journal Code	Check Issue Date	Check Number	Payee	Emp ID	Description	Amount
10/08/2022	PC	10/14/2022	36224	KURTZ, LUTHER J.	54		1,059.71
10/08/2022	PC	10/14/2022	36225	HAGEN, AARON W.	56		697.24
10/08/2022	PC	10/14/2022	36226	KALBFELL, JANET P.	58		662.61
10/08/2022	PC	10/14/2022	36227	BRYAN JR, GREGORY T.	59		599.08
10/08/2022	PC	10/14/2022	36228	PARR, PHILIP M.	61		499.96
10/08/2022	PC	10/14/2022	36229	KNAPP, MARK D.	62		499.96
10/08/2022	PC	10/14/2022	36230	SPRING, RICHARD C.	63		466.92
10/08/2022	PC	10/14/2022	36231	HEYDLAUFF, MARK L.	102		3,660.98
10/08/2022	PC	10/14/2022	36232	DVORACEK, SARAH J.	105		2,280.63
10/08/2022	PC	10/14/2022	36233	DEROSIA, PATRICIA E.	107		868.47
10/08/2022	PC	10/14/2022	36234	DOTSON, LINDSEY J.	109		1,417.18
10/08/2022	PC	10/14/2022	36235	KLOOSTER, ALIDA K.	121		2,246.74
10/08/2022	PC	10/14/2022	36236	BARNEVELD, RICHELLE	123		1,211.42
10/08/2022	PC	10/14/2022	36237	SCHULZ, GINNY L.	125		1,471.66
10/08/2022	PC	10/14/2022	36238	BRADLEY, KATHLEEN R.	126		1,196.94
10/08/2022	PC	10/14/2022	36239	MILLER, FAITH G.	142		28.88
10/08/2022	PC	10/14/2022	36240	MCGINN, KELLY A.	146		2,791.15
10/08/2022	PC	10/14/2022	36241	DOAN, GERARD P.	201		2,511.52
10/08/2022	PC	10/14/2022	36242	SCHOLEY, ROBERT W.	204		1,610.52
10/08/2022	PC	10/14/2022	36243	UMULIS, MATTHEW T.	205		1,765.40
10/08/2022	PC	10/14/2022	36244	ORBAN, BARBARA K.	209		1,154.63
10/08/2022	PC	10/14/2022	36245	RILEY, DENISE M.	213		567.62
10/08/2022	PC	10/14/2022	36246	MUNK, CHRISTOPHER J.	215		1,641.91
10/08/2022	PC	10/14/2022	36247	SCHICK, TIELER R.	216		1,778.37
10/08/2022	PC	10/14/2022	36248	STEWART, MORGAN J.	217		1,411.84
10/08/2022	PC	10/14/2022	36249	YOUNG, KRISTEN L.	230		1,904.01
10/08/2022	PC	10/14/2022	36250	BINGHAM, LARRY E.	240		799.47
10/08/2022	PC	10/14/2022	36251	MACGILLIVRAY, ROGER	244		205.51
10/08/2022	PC	10/14/2022	36252	FERUCCI, ENZO C.	248		749.53
10/08/2022	PC	10/14/2022	36253	DOTSON, WILLIAM R.	249		324.20
10/08/2022	PC	10/14/2022	36254	WURST, RANDALL W.	411		1,372.42
10/08/2022	PC	10/14/2022	36255	HILLING, NICHOLAS A.	413		1,872.95
10/08/2022	PC	10/14/2022	36256	MEIER III, CHARLES A.	421		1,740.29
10/08/2022	PC	10/14/2022	36257	ZACHARIAS, STEVEN B.	422		1,456.91
10/08/2022	PC	10/14/2022	36258	NEWMAN, MARK J.	424		1,349.90
10/08/2022	PC	10/14/2022	36259	LOUGHMILLER, JOHN A.	425		1,700.98
10/08/2022	PC	10/14/2022	36260	GRIFFITH, JOHN J.	500		2,873.63
10/08/2022	PC	10/14/2022	36261	EATON, BRAD A.	515		2,602.28
10/08/2022	PC	10/14/2022	36262	WILSON, TIMOTHY J.	516		3,201.13
10/08/2022	PC	10/14/2022	36263	LAVOIE, RICHARD L.	519		2,399.76
10/08/2022	PC	10/14/2022	36264	STEVENS, BRANDON C.	521		2,978.80
10/08/2022	PC	10/14/2022	36265	WHITLEY, ANDREW T.	522		2,012.39
10/08/2022	PC	10/14/2022	36266	DRAVES, MARTIN J.	523		2,287.54
10/08/2022	PC	10/14/2022	36267	FARRELL, MITCHELL L.	524		1,771.79
10/08/2022	PC	10/14/2022	36268	ANDERSON, ELIZABETH	526		1,336.83
10/08/2022	PC	10/14/2022	36269	KENWABIKISE, DAVID L.	528		1,181.42
10/08/2022	PC	10/14/2022	36270	ELLIOTT, PATRICK M.	600		3,061.75
10/08/2022	PC	10/14/2022	36271	SCHWARTZFISHER, JOS	603		1,410.43
10/08/2022	PC	10/14/2022	36272	BRADLEY, KELLY R.	614		1,382.72
10/08/2022	PC	10/14/2022	36273	HART II, DELBERT W.	616		1,771.52
10/08/2022	PC	10/14/2022	36274	JONES, ROBERT F.	618		1,430.61
10/08/2022	PC	10/14/2022	36275	THORP JR, WILLIAM D.	623		1,320.78
10/08/2022	PC	10/14/2022	36276	LEITNER, RYAN S.	624		1,423.82
10/08/2022	PC	10/14/2022	36277	FERGUSON, ROYCE L.	625		1,858.97
10/08/2022	PC	10/14/2022	36278	REID, ROB A.	632		1,419.96
10/08/2022	PC	10/14/2022	36279	DORAN, JUSTIN J.	634		2,265.74
10/08/2022	PC	10/14/2022	36280	HART III, DELBERT W.	657		926.91

Pay Period Date	Journal Code	Check Issue Date	Check Number	Payee	Emp ID	Description	Amount
10/08/2022	PC	10/14/2022	36281	FINNERTY, HOLLY E.	669		726.94
10/08/2022	PC	10/14/2022	36282	MUMICH, BARRY J.	671		693.52
10/08/2022	PC	10/14/2022	36283	HIGGINS, THERESE M.	689		92.51
10/08/2022	PC	10/14/2022	36284	CRANDELL, ZACKARY R.	691		658.14
10/08/2022	PC	10/14/2022	36285	RABIDEAU, JACOB L.	696		749.71
10/08/2022	PC	10/14/2022	36286	KNORR, KENT J.	700		2,137.46
10/08/2022	PC	10/14/2022	36287	ANZELL, BETH A.	702		1,396.81
10/08/2022	PC	10/14/2022	36288	MCDERMOTT, DENNIS J.	732		1,912.15
10/08/2022	PC	10/14/2022	36289	JASURDA, DONALD J.	748		247.43
10/08/2022	PC	10/14/2022	36290	WHITE III, MARCUS W.	754		752.53
10/08/2022	PC	10/14/2022	36291	KIRINOVIC, THOMAS F.	790		232.27
10/08/2022	PC	10/14/2022	36292	COFFEY, JASON J.	798		91.62
10/08/2022	PC	10/14/2022	36293	DRENTH, DOUGLAS A.	838		723.61
10/08/2022	PC	10/14/2022	36294	GILL, DAVID R.	856		782.48
10/08/2022	PC	10/14/2022	36295	LABLANCE, MAUREEN J.	863		236.69
10/08/2022	PC	10/14/2022	36296	LIVINGSTON, BRIAN D.	866		1,948.83
10/08/2022	PC	10/14/2022	36297	STANLEY, MARK J.	867		31.17
10/08/2022	PC	10/14/2022	36298	KLOOSTER, PATRICK H.	868		383.68
10/08/2022	PC	10/14/2022	36299	WAY, KRISTINA M.	870		80.35
10/08/2022	PC	10/14/2022	36300	DIETRICH, ARLENE M.	871		219.61
10/08/2022	PC	10/14/2022	36301	PETROSKY, TIMOTHY D.	874		45.59
10/08/2022	PC	10/14/2022	36302	WYMAN, MATTHEW A.	927		1,981.08
10/08/2022	PC	10/14/2022	36303	MILLER, WILLIAM S.	933		1,550.43
10/08/2022	PC	10/14/2022	36304	DOUGLAS, MARK	935		1,202.67
10/08/2022	PC	10/14/2022	36305	MCCRANEY, RUSSELL R.	936		1,381.97
10/08/2022	PC	10/14/2022	36306	FRATRICK, JOSEPH W.	940		571.41
10/08/2022	PC	10/14/2022	36307	STEVENS, WILLIAM J.	951		118.93
10/08/2022	PC	10/14/2022	137857	MORRISON, KEVIN P.	601		1,212.09
10/08/2022	PC	10/14/2022	137858	DILAS, CHASE A.	755		445.88
10/08/2022	PC	10/14/2022	137859	COX, RONALD L.	869		131.79
Grand Totals:			87				111,235.64

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Report Criteria:

- Computed checks included
- Manual checks included
- Supplemental checks included
- Termination checks included
- Void checks included

Pay Period Date	Check Issue Date	Check Number	Payee	Emp ID	Description	Amount
10/08/2022	10/14/2022	137860	4FRONT CREDIT UNION	9024	HSA-EMPLOYEE CONTRIB-4FR	1,116.73
10/08/2022	10/14/2022	137861	AMERICAN FAMILY LIFE	9011	AMERICAN FAMILY LIFE-POST T	86.90
10/08/2022	10/14/2022	137861	AMERICAN FAMILY LIFE	9011	AMERICAN FAMILY LIFE-PRETA	418.07
10/08/2022	10/14/2022	137862	CALIFORNIA STATE DISB	9033	Remittance ID 200000001923773	91.62
10/08/2022	10/14/2022	137863	CHARLEVOIX STATE BAN	9017	HSA - EMPLOYEE CONTRIB - C	1,345.00
10/08/2022	10/14/2022	137864	COMMUNICATION WORK	9004	CWA UNION DUES Pay Period:	678.21
10/08/2022	10/14/2022	137865	MI STATE DISBURSEMEN	9012	FRIEND OF THE COURT Pay Pe	116.55
10/08/2022	10/14/2022	137866	POLICE OFFICERS LABO	9003	POL UNION DUES Pay Period: 1	251.25
10/08/2022	10/14/2022	137867	PRIORITY HEALTH	392358	PRIORITY HEALTH Pay Period:	1,533.17
10/08/2022	10/14/2022	137868	THE HARTFORD	9035	LIFE - VOLUNTARY Pay Period	313.88
10/08/2022	10/14/2022	137868	THE HARTFORD	9035	SPOUSE LIFE Pay Period 10/8/2	63.59
10/08/2022	10/14/2022	137868	THE HARTFORD	9035	CHILD LIFE Pay Period 10/8/202	10.29
10/08/2022	10/14/2022	137868	THE HARTFORD	9035	AD&D - VOLUNTARY Pay Period	24.29
10/08/2022	10/14/2022	137868	THE HARTFORD	9035	SPOUSE AD&D Pay Period 10/8/	4.45
10/08/2022	10/14/2022	137868	THE HARTFORD	9035	CHILD AD&D Pay Period 10/8/20	4.35
Grand Totals:		15				6,058.35

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Check Number	Payee	Amount
10/18/2022		
137869	ACE HARDWARE	2,943.77
137870	AIS CONSTRUCTION EQUIPMENT	1,499.61
137871	ALL-PHASE ELECTRIC SUPPLY CO	700.20
137872	AMAZON CAPITAL SERVICES	214.06
137873	APX INC	31.80
137874	ART'S AUTO & TRUCK PARTS	39.84
137875	AT YOUR SERVICE PLUS INC	333.00
137876	AUTO-WARES GROUP	804.86
137877	AVFUEL CORPORATION	75,763.73
137878	BALLARD'S PLUMBING AND HEATING	7,294.00
137879	BD ELECTRICAL INC	7,085.00
137880	BRADFORD MASTER DRYCLEANERS	52.00
137881	CARQUEST OF CHARLEVOIX	1,577.87
137882	CARTER'S IMAGEWEAR & AWARDS	1,487.50
137883	CDW GOVERNMENT	902.10
137884	CHARTER COMMUNICATIONS OPERA	308.27
137885	CHEMICAL SYSTEMS INC.	3,984.00
137886	CINTAS	155.84
137887	CITY OF CHARLEVOIX - MISC	921.77
137888	CITY OF CHARLEVOIX - UTILITIES	57,799.15
137889	COMPASS MINERALS AMERICA INC	7,523.42
137890	CONWAY PROFESSIONAL SERVICES	5,764.00
137891	DELL MARKETING LP	1,048.22
137892	DERRER OIL & PROPANE CO	978.35
137893	DHASELEER, CARL	117.00
137894	DVORACEK, SARAH	38.50
137895	EJ USA INC.	204.21
137896	ELLSWORTH FARMERS EXCHANGE	3,626.64
137897	ERNST, BENJAMIN	61.20
137898	ETNA SUPPLY	1,065.00
137899	FAMILY FARM AND HOME	68.50
137900	FARMER WHITE'S	147.00
137901	FLOWERS UP NORTH	196.00
137902	FREEDOM MAILING SERVICES INC	2,471.04
137903	GALLS LLC	115.66
137904	GATEHOUSE MEDIA MICHIGAN HOLDI	916.34
137905	GFL ENVIRONMENTAL	129.00
137906	GRAND TRAVERSE GARAGE DOOR C	1,772.77
137907	HACH COMPANY	637.96
137908	HAGGARD'S INC	7,926.85
137909	HEYDLAUFF, MARK L.	362.50
137910	HILLSIDE HARVEST FARM LLC	61.00
137911	HUTSON INC	148.81
137912	HYDROCORP	2,077.00
137913	INTEGRITY BUSINESS SOLUTIONS	76.56
137914	IPS GROUP INC	1,016.07
137915	JOHN E GREEN COMPANY	614.70
137916	KREUTZER, GREGORY SCOTT	20.00

M = Manual Check, V = Void Check

Check Number	Payee	Amount
137917	KSS ENTERPRISES	2,640.75
137918	LANDSCAPE FORMS INC	3,845.00
137919	LASER PRINTER TECHNOLOGIES	250.00
137920	LITTLE TRAVERSE DISPOSAL LLC	30.00
137921	MANTHEI CONSTRUCTION	1,331.60
137922	MATT LAFONTAINE FORD	74.16
137923	MCCARDEL CULLIGAN-PETOSKEY	54.50
137924	MCDERMOTT, DENNIS J.	56.50
137925	METAL HEAD WELDING LLC	6,835.17
137926	MI MUNICIPAL TREASURERS ASSOC	198.00
137927	MI-AWWA	485.00
137928	MICHIGAN MUSHROOM MARKET	73.00
137929	MICHIGAN STATE UNIVERSITY	2,500.00
137930	MURRAY'S CREATIONS	2,002.50
137931	MUSTANG TOOL SERVICE	40.60
137932	NAVIA BENEFIT SOLUTIONS	50.00
137933	NCL OF WISCONSIN INC	219.84
137934	NORTHWEST ELECTRONICS & REPAI	15.98
137935	NORTHWEST FIRE	590.50
137936	OLESON'S FOOD STORES	159.08
137937	OTEC	1,036.50
137938	PENINSULA FIBER NETWORK LLC	470.00
137939	PERFORMANCE ENGINEERS INC	6,079.50
137940	PICTURE THIS	400.00
137941	POWER LINE SUPPLY	6,101.78
137942	PREIN & NEWHOF	150.00
137943	PROVIDENCE FARM LLC	363.00
137944	RESOLUTION G2 LLC	7,571.00
137945	ROBINSON'S LANDSCAPING & NURS	18,069.35
137946	SPARTAN STORES LLC	74.57
137947	SPRINGFIELD INC	731.00
137948	STATE OF MICHIGAN	520.00
137949	STATE OF MICHIGAN	50.00
137950	STEVENSON, MICHELLE	20.00
137951	STRICKER'S OUTDOOR POWER EQUI	643.10
137952	SUMMIT FIRE PROTECTION	390.00
137953	SWEET MARIA'S LLC	253.00
137954	TELNET WORLDWIDE	209.72
137955	TERMINAL SUPPLY CO	520.63
137956	TERRILL JR, DELBERT	514.60
137957	THE TROPHY CASE	1,495.00
137958	TI ENTERPRISES LLC	50.53
137959	TRANSUNION RISK AND ALTERNATIV	75.00
137960	UMULIS, MATTHEW T.	42.00
137961	UNIFIRST CORPORATION	627.69
137962	UPPER CASE PRINTING INK.	1,287.00
137963	USABLUEBOOK	938.41
137964	VALENTE, SUSAN	75.00
137965	VILLAGE GRAPHICS INC	1,435.05

Check Number	Payee	Amount
137966	WHARTON, BONNIE	73.73
137967	WILBERT BURIAL VAULT CO	685.44
137968	WITT FAMILY FARM	299.00
137969	XYLEM WATER SOLUTIONS USA INC	3,903.00
137970	ZIXCORP	1,101.00
Total 10/18/2022:		280,790.45
Grand Totals:		280,790.45

M = Manual Check, V = Void Check

Check Number	Payee	Amount
10/03/2022		
100322001	AMG PAYMENT SOLUTIONS	685.19
100322002	PAYMENT SERVICE NETWORK INC.	264.25
Total 10/03/2022:		949.44
Grand Totals:		949.44

M = Manual Check, V = Void Check

Check Number	Payee	Amount
10/11/2022		
101122001	DTE ENERGY	2,701.18
101122002	STATE OF MICHIGAN	34,292.83
101122003	NEOFUNDS BY NEOPOST	2,000.00
Total 10/11/2022:		38,994.01
Grand Totals:		38,994.01

Check Issue Date	Check Number	Payee	Amount
101422001			
10/14/2022	10142200	**EFTPS* Payroll Taxes	10,568.92
10/14/2022	10142200	**EFTPS* Payroll Taxes	10,568.92
10/14/2022	10142200	**EFTPS* Payroll Taxes	2,471.78
10/14/2022	10142200	**EFTPS* Payroll Taxes	2,471.78
10/14/2022	10142200	**EFTPS* Payroll Taxes	14,109.47
Total 101422001:	5		40,190.87
101422002			
10/14/2022	10142200	Alerus Financial	350.00
Total 101422002:	1		350.00
101422003			
10/14/2022	10142200	MissionSquare - 401 Plan 109153	1,062.00
Total 101422003:	1		1,062.00
101422004			
10/14/2022	10142200	MissionSquare - 457 Plan 300959	4,525.00
10/14/2022	10142200	MissionSquare - 457 Plan 300959	2,596.68
10/14/2022	10142200	MissionSquare - 457 Plan 300959	4,309.12
10/14/2022	10142200	MissionSquare - 457 Plan 300959	8,300.86
Total 101422004:	4		19,731.66
101422005			
10/14/2022	10142200	MssionSquare - Roth IRA 706117	1,055.76
Total 101422005:	1		1,055.76
101422006			
10/14/2022	10142200	STATE OF MICHIGAN	5,928.66
Total 101422006:	1		5,928.66
Grand Totals:	13		68,318.95

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Charlevoix City Council

Consent Agenda

Title: Accept 2021-22 Fiscal Year Financial Audit
Date: October 17, 2022

Presented By:

Background:
The City's auditor, Rehmann Robson, completed their audit of the City's financial statements for the fiscal year ending March 31, 2022. Their audit encompassed the financial statements of the City's governmental activities, business-type activities, the Downtown Developmental Authority, each major fund and the aggregate remaining fund information.

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

Recommendation:
Motion to accept the 2021-22 Fiscal Year Financial Audit as presented.

Attachments:
1. City of Charlevoix 03 31 22 AUD FS-FINAL

City of Charlevoix, Michigan

Fiscal Year Ended March 31, 2022

Financial Statements

Rehmann

CITY OF CHARLEVOIX, MICHIGAN

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CITY OF CHARLEVOIX, MICHIGAN

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CITY OF CHARLEVOIX, MICHIGAN

List of Elected and Appointed Officials

Elected Officials

Mayor	Luther Kurtz
Council Member	Aaron Hagen
Council Member	Janet Kalbfell
Council Member	Richard Spring
Council Member	Phil Parr
Council Member	Mark Knapp
Council Member	Greg Bryan

Appointed Officials

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

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Rehmann

INDEPENDENT AUDITORS' REPORT

September 22, 2022

Members of City Council
City of Charlevoix
Charlevoix, Michigan

Report on the Audit of the Financial Statements

Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit, the accompanying 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 as of March 31, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Independent Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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.

218 N Main St., Suite 102, Cheboygan, MI 49721 231.627.3143

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Independent Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards,* we:

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

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 benefit plan, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary 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 and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is 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. The 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 and schedules 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, under separate cover, our report dated September 22, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Rehmann Robson LLC

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

As management of the City of Charlevoix, Michigan (the “City”), we offer readers of the City’s financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended March 31, 2022.

Financial Highlights

- The City’s total net position amounted to $69,058,564 at the end of the current fiscal year compared to $68,663,675 at the end of the prior period. The primary government’s total net position increased by $394,889. Net position of governmental activities increased by $829,316. Net position of business-type activities decreased by $434,427.

- Of the total net position, $14,588,115, (unrestricted net position) may be used to meet the City’s ongoing obligations to citizens and creditors.

- At March 31, 2022, the City’s governmental funds reported combined ending fund balances of $3,334,212, a decrease of $976,750 from the prior year. $1,006,074, or 30 percent of total fund balance is unassigned and available for spending at the City’s discretion.

- At the end of the current fiscal year, unassigned fund balance for the General Fund was $1,006,074 or 25 percent of total general fund expenditures and transfers out.

Overview of the Financial Statements

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

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

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

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

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

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

Management's Discussion and Analysis

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

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

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

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

The City adopts an annual appropriated budget for its General Fund and special revenue funds. A budgetary comparison statement has been provided within the basic financial statements to demonstrate compliance with the general fund budget.

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

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

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

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

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

Management's Discussion and Analysis

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

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $69,058,564 at the close of the most recent fiscal year.

By far the largest portion of the City's net position (76 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 (3 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (21 percent) may be used to meet the City's ongoing obligations to citizens and creditors.

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Assets						
Current and other assets	$ 4,680,661	$ 6,033,403	$ 17,987,648	$ 16,998,673	$ 22,668,309	$ 23,032,076
Capital assets, net	38,202,090	37,225,255	35,115,444	37,288,620	73,317,534	74,513,875
	42,882,751	43,258,658	53,103,092	54,287,293	95,985,843	97,545,951
Deferred outflows of resources	406,818	404,748	679,393	603,988	1,086,211	1,008,736
Liabilities						
Other liabilities	597,024	1,229,742	1,099,623	1,156,812	1,696,647	2,386,554
Long-term debt	11,334,674	11,686,956	9,799,893	10,621,959	21,134,567	22,308,915
Net pension liability	1,713,703	2,115,938	2,483,751	2,594,337	4,197,454	4,710,275
	13,645,401	15,032,636	13,383,267	14,373,108	27,028,668	29,405,744
Deferred inflows of resources	402,073	217,991	582,749	267,277	984,822	485,268
Net position						
Net investment in capital assets	27,181,173	26,958,782	25,405,326	26,774,390	52,586,499	53,733,172
Restricted	1,603,130	1,564,075	491,151	428,102	2,094,281	1,992,177
Unrestricted (deficit)	457,792	(110,078)	13,919,992	13,048,404	14,377,784	12,938,326
Total net position	$ 29,242,095	$ 28,412,779	$ 39,816,469	$ 40,250,896	$ 69,058,564	$ 68,663,675

The City was able to report positive balances in all three categories of net position for fiscal year 2022.

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	
	2022	2021	2022	2021	2022	2021
Program revenues						
Charges for services	$ 955,211	$ 2,099,007	$ 13,890,221	$ 11,730,063	$ 14,845,432	$ 13,829,070
Operating grants and contributions	1,216,145	849,454	377,100	365,750	1,593,245	1,215,204
Capital grants and contributions	-	-	18,785	754,211	18,785	754,211
General revenues						
Property taxes	3,325,634	3,261,202	-	-	3,325,634	3,261,202
State shared revenue	306,361	267,694	-	-	306,361	267,694
Other revenue	30,194	34,877	-	-	30,194	34,877
Gain on sale of capital assets	-	-	52,750	15,850	52,750	15,850
Unrestricted investment earnings	69,136	23,388	-	-	69,136	23,388
Total revenues	5,902,681	6,535,622	14,338,856	12,865,874	20,241,537	19,401,496
Expenses:						
Legislative	179,081	47,334	-	-	179,081	47,334
General government	1,141,619	785,400	-	-	1,141,619	785,400
Public safety	1,093,512	967,920	-	-	1,093,512	967,920
Public works	1,100,071	1,083,781	-	-	1,100,071	1,083,781
Health and welfare	590,428	1,766,301	-	-	590,428	1,766,301
Recreation and culture	1,450,121	1,161,233	-	-	1,450,121	1,161,233
Interest	458,334	282,134	-	-	458,334	282,134
Electric utility	-	-	7,120,485	6,018,725	7,120,485	6,018,725
Sewage disposal utility	-	-	2,026,629	1,928,037	2,026,629	1,928,037
Water utility	-	-	1,404,563	1,213,518	1,404,563	1,213,518
Marina	-	-	1,069,930	1,026,560	1,069,930	1,026,560
Airport	-	-	2,211,875	1,524,280	2,211,875	1,524,280
Total expenses	6,013,166	6,094,103	13,833,482	11,711,120	19,846,648	17,805,223

continued…

	Change in Net Position (concluded)					
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Change in net position before transfers	$ (110,485)	$ 441,519	$ 505,374	$ 1,154,754	$ 394,889	$ 1,596,273
Transfers	921,766	891,238	(921,766)	(891,238)	-	-
Capital transfer to governmental activities	18,035	-	(18,035)	-	-	-
Change in net position	829,316	1,332,757	(434,427)	263,516	394,889	1,596,273
Net position:						
Beginning of year	28,412,779	27,080,022	40,250,896	39,987,380	68,663,675	67,067,402
End of year	$ 29,242,095	$ 28,412,779	$ 39,816,469	$ 40,250,896	$ 69,058,564	$ 68,663,675

concluded

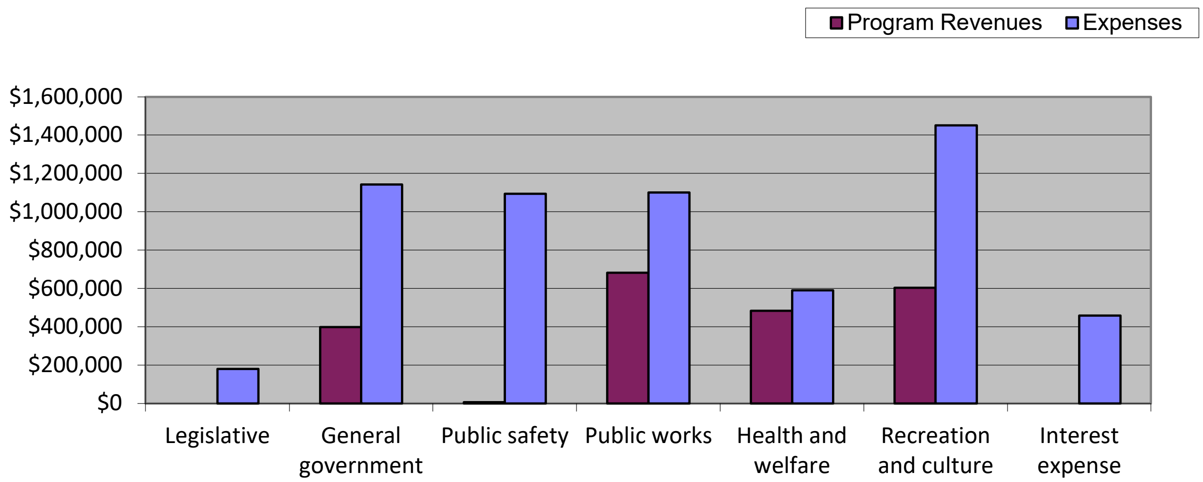
Governmental Activities. Governmental activities increased the City's net position by $829,316. Key elements of this decrease are as follows:

- Total governmental activities revenue decreased by $614,906, or 9 percent, compared to prior year, with the most significant decrease being charges for services, which decreased by $1,143,796. This decrease was caused by a decrease in ambulance services revenue, as those services were taken over by the new legally separate regional ambulance authority. The decrease in charges for services was offset by an increase in operating grants and contributions of $366,691 caused by an increase in accrued revenue from a federal grant that is expected to be received in the next fiscal year.

- Total expenses for governmental activities remained consistent with the prior year.

- Transfers from business-type activities to governmental activities came to $921,766, for the purposes of Infrastructure and Public Service Facilities Debt Service Fund payments.

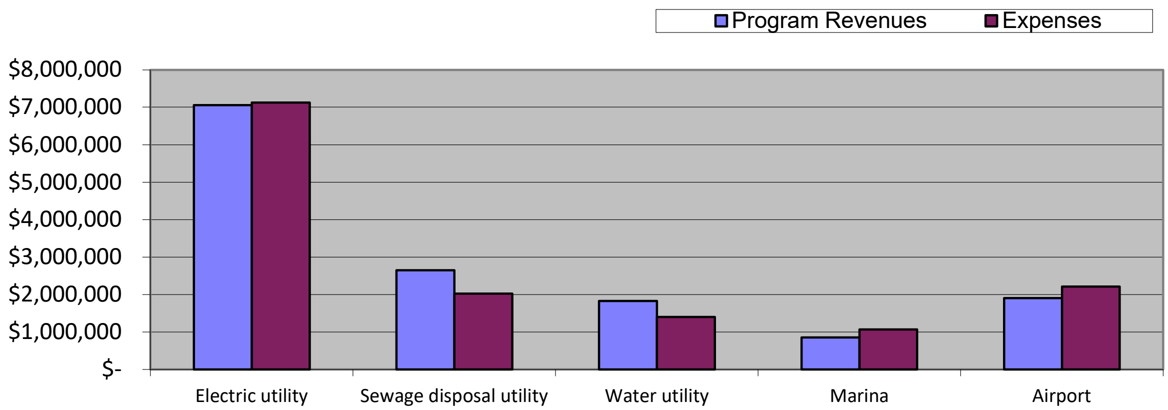
Program Revenues and Expenses - Governmental Activities



Business-type Activities. Net position of the business-type activities decreased by $434,427 in fiscal 2022 as compared to an increase of $263,516 in fiscal 2021. Significant fluctuations occurred related to:

- Charges for services increased by $2,160,158 due to increased utility activity brought on by resumption of community activities that had been curtailed during the COVID-19 pandemic.
- Capital grants decreased by $735,426 due to additional federal dollars used for airport improvements in the prior fiscal year not being repeated in 2022.
- There was an increase in electric utility expenses of $1,101,760, primarily because of an increased operating supplies, contractual services and purchased power.
- There was an increase in water utility expenses of $191,045, mostly caused by additional operating repairs.
- There was an increase in airport expenses of $687,595, due the increased cost of aviation fuel.

Program Revenues and Expenses - Business-type Activities



Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $3,334,212, a decrease of $976,750 from the prior year. This decrease was attributable primarily to the expenditure of construction bond proceeds, received in the prior fiscal year, on construction of the new public utility service building in the amount of $1,612,497. A portion of the fund balance ($42,790), is restricted for purposes of capital improvements. The remaining restrictions are attributable to major and local streets, parking and debt service. Another portion of the fund balances ($1,006,074) constitutes unassigned fund balances, which is available for spending at the City's discretion. The remainder of fund balances is either nonspendable, committed or assigned to indicate that it is not available for new spending.

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

Unrestricted net position of the enterprise funds at the end of the year amounted to $12,515,710, and the net investment in capital assets was $24,653,786. In addition, there was restricted net position in the amount of $491,151 for energy purchases. The changes in enterprise fund net position were as follows:

- Electric utility activities decreased its net position by $272,811, mainly caused by the additional cost of services compared to revenue of electric services received.

- Sewage disposal utility activities increased its net position by $509,879 which is greater than the increase in fiscal 2021 of $433,608. The main cause for this increase was a decrease in total expenses of $151,973. The reason for this change was related to anticipated projects moving into the following year.

- Water utility activities increased its net position by $336,794 which is lower than the increase in net position in fiscal 2021 of $471,388. This decrease was mostly due to repairs to the water distribution system.

- The Marina experienced a decrease in net position of $159,241, which is consistent with the decrease of $164,267 noted in the prior year.

- Airport activities were responsible for a decrease in net position of $295,606, compared to an increase in the prior year of $598,435. The major contributor to this decrease was a fiscal 2021 increase in federal grants for airport improvements that were not repeated in 2022. Another factor in this decrease in net position is increased fuel costs related to higher per gallon rates industry-wide.

General Fund Budgetary Highlights

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

- The budget for charges for services revenue was increased by $53,582 during the year due to increased day camp and golf admissions after Covid restrictions began to lift.

- The budget for other revenue was increased by $111,000 during the year due to fund transfers in order to purchase land.

- The budget for City Council (legislative) expenditures was increased by $126,494 during the year due to the purchase of land that was to be charged to this function.

- The budget for ambulance (health and welfare) expenditures was increased by $78,323 during the year because of increased costs of ambulance services paid for by the City.

- The budget for recreation and culture expenditures was increased by $245,374 during the year because of additional projects to the Boat Launch and Dog Park.

- The budget for interfund transfers in was increased by $130,000 during the year because of a land purchase.

The City reports actual results in comparison to the final amended budgets. Revenues were more than budgetary estimates by $79,209 or 2 percent and expenditures were less than budgetary estimates by $262,031 or 6 percent. The specific contributors to the expenditure variance were as follows:

- Actual public works expenditures were below the final amended budget by $66,747 during the year because of unfinished projects.

- Actual ambulance (health and welfare) expenditures were below the final amended budget by $77,193 during the year because of reduced costs with the newly formed EMS Authority.

- Actual recreation and culture expenditures were below the final amended budget by $157,748 during the year because of unfinished projects.

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, 2022, amounted to $73,317,534 (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.

Management's Discussion and Analysis

Major capital asset event during the current fiscal year was construction costs related to the Public Utility Service Building of approximately $1.6 million.

	Capital Assets (Net of Depreciation, Where Applicable)					
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	$ 17,063,968	$ 16,932,797	$ 1,569,534	$ 1,569,534	$ 18,633,502	$ 18,502,331
Construction in progress	9,351,982	7,635,964	595,552	1,339,498	9,947,534	8,975,462
Land improvements	1,352,743	1,422,832	10,432,445	10,614,175	11,785,188	12,037,007
Infrastructure	5,977,628	5,917,106	-	-	5,977,628	5,917,106
Buildings and improvements	2,470,590	2,651,973	12,827,852	13,509,811	15,298,442	16,161,784
System improvements	-	-	8,725,847	9,279,195	8,725,847	9,279,195
Machinery and equipment	793,189	935,814	964,214	976,408	1,757,403	1,912,222
Vehicles	1,191,990	1,728,769	-	-	1,191,990	1,728,769
Total capital assets, net	$ 38,202,090	$ 37,225,255	$ 35,115,444	$ 37,288,621	$ 73,317,534	$ 74,513,876

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

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

	Long-term Debt					
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Bonds payable	$ 10,260,000	$ 10,695,000	$ 9,589,562	$ 10,369,562	$ 19,849,562	$ 21,064,562
Direct borrowings and direct placements	76,803	-	-	-	76,803	-
Premium on bond issuance	726,904	775,760	210,331	252,397	937,235	1,028,157
Accrued compensated absences	270,967	216,196	-	-	270,967	216,196
Total	$ 11,334,674	$ 11,686,956	$ 9,799,893	$ 10,621,959	$ 21,134,567	$ 22,308,915

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, 2021, the City's plan is 73% funded, compared to 69% funded in the previous year.

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

Management's Discussion and Analysis

Economic Factors and Next Year's Budgets and Rates

The following factors were considered in preparing the City's budget for the 2022-23 fiscal year:

- The unemployment rate for Michigan is currently 4.2% and the national average rate is 3.7%.
- The local, state and national economies have shown a significant downturn due to the COVID-19 pandemic.
- The tax collection rate for the 2022-23 fiscal year are expected to be comparable to fiscal year 2021-22 at 99% of billed taxes. The County tax revolving fund reimburses the City for delinquent real property taxes in April each year following the March settlement.
- For the 2022-23 tax year, the operating millage of 8.9052 mills has decreased from 9.2321 from the 2021-22 tax year. The infrastructure millage remained at 1.7 mills. The refuse millage (PA 213) remained at 1.0 mill.
- Sewer rates charged for services in fiscal year 2022-23 increased 2.0% compared to fiscal year 2021-22.
- Water rates charged for services in fiscal year 2022-23 increased 2.5% from the fiscal year 2020-21 rates.
- Electric rates for fiscal year 2022-23 increased 6.9% from the previous fiscal year 2021-22.
- Wage rates increased 3% for Police Officers Labor Council (POLC) union employees, 4.5% for Communications Workers of America (CWA) union employees per their labor contracts with the City. The City's non-union employees received a 3.0% rate increase effective April 2022.
- The employee fringe benefit fund rates remained constant for 2022-23.

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.

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BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF CHARLEVOIX, MICHIGAN

Statement of Net Position

March 31, 2022

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Unit
Assets				
Cash and cash equivalents	$ 3,260,357	$ 12,613,992	$ 15,874,349	$ 210,201
Investments	876,200	1,903,800	2,780,000	50,000
Cash at fiscal agent	179,350	555,582	734,932	-
Deposit held by Michigan Public Power Agency	-	491,151	491,151	-
Receivables, net	667,265	1,408,782	2,076,047	78,786
Internal balances	(404,209)	404,209	-	-
Other assets	101,698	310,132	411,830	2,522
Restricted investments	-	300,000	300,000	-
Capital assets not being depreciated	26,415,950	2,165,086	28,581,036	935,234
Capital assets being depreciated, net	11,786,140	32,950,358	44,736,498	1,750,381
Total assets	42,882,751	53,103,092	95,985,843	3,027,124
Deferred outflows of resources				
Deferred charge on bond refunding	-	89,775	89,775	-
Deferred pension amounts	406,818	589,618	996,436	-
Total deferred outflows of resources	406,818	679,393	1,086,211	-
Liabilities				
Accounts payable and accrued liabilities	429,821	763,051	1,192,872	33,075
Unearned revenue	167,203	336,572	503,775	-
Long-term debt:				
Due within one year	771,743	847,066	1,618,809	-
Due in more than one year	10,562,931	8,952,827	19,515,758	-
Net pension liability (due in more than one year)	1,713,703	2,483,751	4,197,454	-
Total liabilities	13,645,401	13,383,267	27,028,668	33,075
Deferred inflows of resources				
Deferred pension amounts	402,073	582,749	984,822	-
Net position				
Net investment in capital assets	27,181,173	25,405,326	52,586,499	2,685,615
Restricted for:				
Cemetery perpetual care (non-expendable)	420,233	-	420,233	-
Street improvements	754,178	-	754,178	-
Energy purchases	-	491,151	491,151	-
Capital improvements	403,125	-	403,125	-
Debt service	25,594		25,594	-
Downtown development	-	-	-	308,434
Unrestricted	457,792	13,919,992	14,377,784	-
Total net position	$ 29,242,095	$ 39,816,469	$ 69,058,564	$ 2,994,049

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

Statement of Activities

For the Year Ended March 31, 2022

		Program Revenues			
Functions / Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net Revenue (Expense)
Primary government					
Governmental activities:					
Legislative	$ 179,081	$ -	$ -	$ -	$ (179,081)
General government	1,141,619	336,801	61,059	-	(743,759)
Public safety	1,093,512	-	5,960	-	(1,087,552)
Public works	1,100,071	96,038	585,853	-	(418,180)
Health and welfare	590,428	162,155	321,212	-	(107,061)
Recreation and culture	1,450,121	360,217	242,061	-	(847,843)
Interest	458,334	-	-	-	(458,334)
Total governmental activities	6,013,166	955,211	1,216,145	-	(3,841,810)
Business-type activities:					
Electric utility	7,120,485	7,027,129	24,013	-	(69,343)
Sewage disposal utility	2,026,629	2,632,761	12,109	-	618,241
Water utility	1,404,563	1,824,232	3,337	-	423,006
Marina	1,069,930	517,899	337,641	-	(214,390)
Airport	2,211,875	1,888,200	-	18,785	(304,890)
Total business-type activities	13,833,482	13,890,221	377,100	18,785	452,624
Total primary government	$ 19,846,648	$ 14,845,432	$ 1,593,245	$ 18,785	$ (3,389,186)
Component unit					
Downtown Development Authority	$ 858,244	$ 64,357	$ 133,596	$ -	$ (660,291)

continued...

CITY OF CHARLEVOIX, MICHIGAN

Statement of Activities
For the Year Ended March 31, 2022

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Unit
Change in net position				
Net revenue (expense)	$ (3,841,810)	$ 452,624	$ (3,389,186)	$ (660,291)
General revenues:				
Property taxes	3,325,634	-	3,325,634	494,092
State shared revenues	306,361	-	306,361	-
Other revenue	30,194	-	30,194	-
Gain on sale of capital assets	-	52,750	52,750	-
Unrestricted investment earnings	69,136	-	69,136	-
Transfers - internal activities	921,766	(921,766)	-	-
Capital transfer to governmental activities	18,035	(18,035)	-	-
Total general revenues and transfers	4,671,126	(887,051)	3,784,075	494,092
Change in net position	829,316	(434,427)	394,889	(166,199)
Net position, beginning of year	28,412,779	40,250,896	68,663,675	3,160,248
Net position, end of year	$ 29,242,095	$ 39,816,469	$ 69,058,564	$ 2,994,049

concluded

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

FUND FINANCIAL STATEMENTS

Balance Sheet
Governmental Funds
March 31, 2022

	General Fund	Public Utility Service Building Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	$ 845,713	$ 56,137	$ 1,514,676	$ 2,416,526
Cash at fiscal agent	-	-	179,350	179,350
Investments	400,000	-	276,200	676,200
Receivables				
Accounts	64,007	-	138	64,145
Taxes	1,935	-	696	2,631
Due from other governmental units	126,065	-	470,875	596,940
Interest	698	-	307	1,005
Prepaids	50,245	-	-	50,245
Total assets	$ 1,488,663	$ 56,137	$ 2,442,242	$ 3,987,042
Liabilities				
Negative equity in pooled cash	$ -	$ -	$ 182,172	$ 182,172
Accounts payable	93,181	13,347	17,184	123,712
Accrued liabilities	54,040	-	7,783	61,823
Advances from other funds	117,920	-	-	117,920
Unearned revenue	167,203	-	-	167,203
Total liabilities	432,344	13,347	207,139	652,830
Fund balances				
Nonspendable	50,245	-	420,233	470,478
Restricted	-	42,790	1,363,207	1,405,997
Committed	-	-	25,927	25,927
Assigned	-	-	425,736	425,736
Unassigned	1,006,074	-	-	1,006,074
Total fund balances	1,056,319	42,790	2,235,103	3,334,212
Total liabilities and fund balances	$ 1,488,663	$ 56,137	$ 2,442,242	$ 3,987,042

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

Reconciliation

Fund Balances of Governmental Funds
to Net Position of Governmental Activities
March 31, 2022

Fund balances - total governmental funds	$ 3,334,212
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	26,415,950
Capital assets being depreciated, net	11,786,140
Capital assets accounted for in motor vehicle internal service fund, net	(1,482,254)
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	2,484,314
Net position allocated to business-type activities from governmental activities internal service funds	(286,289)
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	(1,713,703)
Deferred outflows of resources related to the net pension liability	406,818
Deferred inflows of resources related to the net pension liability	(402,073)
Certain noncurrent liabilities, such as bonds and installment purchase agreements payable, are not due and payable in the current period, and therefore are not reported in the funds.	
Compensated absences - sick leave	(57,003)
Interest payable on long-term debt	(180,310)
Bonds payable and related premiums and installment purchase agreements	(11,063,707)
Net position of governmental activities	$ 29,242,095

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

CITY OF CHARLEVOIX, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended March 31, 2022

	General Fund	Public Utility Service Building Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Taxes	$ 2,659,502	$ -	$ 666,132	$ 3,325,634
Federal	61,059	-	321,754	382,813
State	307,236	-	732,507	1,039,743
Licenses and permits	38,525	-	-	38,525
Charges for services	392,757	-	254,367	647,124
Fines and forfeitures	2,391	-	14,946	17,337
Interest	63,296	-	2,736	66,032
Rents and royalties	229,358	-	7,685	237,043
Other	126,069	-	16,391	142,460
Total revenues	3,880,193	-	2,016,518	5,896,711
Expenditures				
Current:				
Legislative	178,792	-	-	178,792
General government	650,842	-	3,159	654,001
Public safety	1,138,019	-	-	1,138,019
Public works	268,291	1,612,497	1,091,692	2,972,480
Health and welfare	179,130	-	411,298	590,428
Recreation and culture	1,424,776	-	35,928	1,460,704
Other	41,340	-	-	41,340
Debt service:				
Principal	-	-	459,357	459,357
Interest	-	-	379,380	379,380
Total expenditures	3,881,190	1,612,497	2,380,814	7,874,501
Revenues under expenditures	(997)	(1,612,497)	(364,296)	(1,977,790)
Other financing sources (uses)				
Proceeds from sales of capital assets	-	-	101,160	101,160
Transfers in	-	451,000	1,234,282	1,685,282
Transfers out	(128,494)	-	(656,908)	(785,402)
Total other financing sources (uses)	(128,494)	451,000	678,534	1,001,040
Net change in fund balances	(129,491)	(1,161,497)	314,238	(976,750)
Fund balances, beginning of year	1,185,810	1,204,287	1,920,865	4,310,962
Fund balances, end of year	$ 1,056,319	$ 42,790	$ 2,235,103	$ 3,334,212

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, 2022

Net change in fund balances - total governmental funds	$ (976,750)
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	2,368,893
Depreciation expense	(726,693)
Loss on sale of capital assets	(393,173)
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.	
Issuance of long-term debt	(101,160)
Principal payment	459,357
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	(61,296)
Change in net position from governmental activities accounted for internal service funds charged to business-type activities	88,869
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	220,223
Bond premium amortization	48,856
Change in accrued interest	(127,810)
Change in compensated absences - sick leave	30,000
Change in net position of governmental activities	$ 829,316

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

CITY OF CHARLEVOIX, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual – General Fund
For the Year Ended March 31, 2022

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes:				
Property taxes	$ 2,596,500	$ 2,656,364	$ 2,618,605	$ (37,759)
Payments in lieu of taxes	13,200	7,400	6,138	(1,262)
Interest and penalties on taxes	7,000	7,000	6,573	(427)
Tax collection fees	24,000	25,000	28,186	3,186
Total taxes	2,640,700	2,695,764	2,659,502	(36,262)
Federal	-	22,321	61,059	38,738
State	262,400	279,747	307,236	27,489
Licenses and permits	47,900	42,378	38,525	(3,853)
Charges for services:				
Cemetery	35,000	57,000	57,580	580
Golf course	123,400	138,400	138,229	(171)
Farmer's market	39,100	30,437	30,356	(81)
Summer sports	7,300	3,462	3,460	(2)
Day camp	46,200	69,552	66,234	(3,318)
Winter sports	55,000	55,080	84,353	29,273
Skate park	1,000	2,451	2,451	-
Other	6,200	10,400	10,094	(306)
Total charges for services	313,200	366,782	392,757	25,975
Fines and forfeitures	1,400	2,225	2,391	166
Interest	5,000	5,000	63,296	58,296
Rents and royalties:				
City hall	202,900	204,900	201,500	(3,400)
Boat launch/harbor building	28,700	26,867	26,867	-
Skate park	500	500	991	491
Total rents and royalties	232,100	232,267	229,358	(2,909)
Other	43,500	154,500	126,069	(28,431)
Total revenues	3,546,200	3,800,984	3,880,193	79,209

continued…

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual – General Fund
For the Year Ended March 31, 2022

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Expenditures				
Current:				
Legislative:				
City council	$ 59,300	$ 185,794	$ 178,792	$ (7,002)
General government:				
Mayor	9,600	9,229	7,260	(1,969)
City manager	114,150	112,951	115,644	2,693
Elections	39,100	42,857	28,596	(14,261)
Assessor	43,200	43,769	45,018	1,249
City attorney	33,400	25,400	22,651	(2,749)
City clerk	39,900	47,104	54,825	7,721
City treasurer	78,100	76,659	64,185	(12,474)
City hall and grounds	191,300	209,209	195,213	(13,996)
Cemetery	96,000	113,840	117,450	3,610
Total general government	644,750	681,018	650,842	(30,176)
Public safety:				
Police department	907,000	812,699	890,940	78,241
Fire department	217,600	204,862	184,053	(20,809)
Planning department	51,000	54,857	63,026	8,169
Total public safety	1,175,600	1,072,418	1,138,019	65,601
Public works:				
Leaf pick up	192,000	193,195	162,199	(30,996)
Waste collection	59,200	59,244	60,615	1,371
Brush pickup	82,000	82,599	45,477	(37,122)
Total public works	333,200	335,038	268,291	(66,747)

continued...

CITY OF CHARLEVOIX, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual – General Fund
For the Year Ended March 31, 2022

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Expenditures (concluded)				
Current (concluded):				
Health and welfare:				
Ambulance	$ 178,000	$ 256,323	$ 179,130	$ (77,193)
Recreation and culture:				
Parks	562,000	672,212	645,600	(26,612)
Recreation administration	178,100	189,826	172,688	(17,138)
City beaches	52,350	55,500	55,127	(373)
Ball fields	20,000	31,596	23,867	(7,729)
Day camp	72,600	80,643	73,307	(7,336)
Farmer's Market	24,600	26,400	25,253	(1,147)
Ice rink	10,100	10,631	5,680	(4,951)
Mt. McSauba ski hill	148,700	148,734	162,920	14,186
Basketball and volleyball	4,200	4,200	487	(3,713)
Golf course	210,600	224,940	207,958	(16,982)
Boat launch	33,700	114,603	34,480	(80,123)
Skate park	6,800	9,814	9,660	(154)
Community promotion	13,400	13,425	7,749	(5,676)
Total recreation and culture	1,337,150	1,582,524	1,424,776	(157,748)
Other	17,300	30,106	41,340	11,234
Total expenditures	3,745,300	4,143,221	3,881,190	(262,031)
Revenues under expenditures	(199,100)	(342,237)	(997)	341,240
Other financing sources (uses)				
Proceeds from sales of capital assets	500	500	-	500
Transfers in	-	130,000	-	(130,000)
Transfers out	(52,000)	(72,080)	(128,494)	56,414
Total other financing sources (uses)	(51,500)	58,420	(128,494)	(73,086)
Net change in fund balance	(250,600)	(283,817)	(129,491)	154,326
Fund balance, beginning of year	1,185,810	1,185,810	1,185,810	-
Fund balance, end of year	$ 935,210	$ 901,993	$ 1,056,319	$ 154,326

concluded

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

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CITY OF CHARLEVOIX, MICHIGAN

Statement of Net Position
Proprietary Funds
March 31, 2022

	Business-type Activities - Enterprise Funds			
	Electric Utility	Sewage Disposal Utility	Water Utility	Marina
Assets				
Current assets:				
Cash and cash equivalents	$ 3,779,599	$ 5,564,655	$ 1,802,345	$ 330,524
Investments	1,420,700	38,400	44,700	-
Cash at fiscal agent	-	513,682	-	41,900
Deposits held by Michigan Public Power Agency	491,151	-	-	-
Receivables:				
Accounts, net	925,759	274,527	155,137	1
Due from other governments	1,000	3,857	2,961	695
Interest	2,617	71	75	93
Prepaids	4,456	3,229	5,353	1,124
Inventories	166,378	-	79,626	-
Total current assets	6,791,660	6,398,421	2,090,197	374,337
Noncurrent assets:				
Restricted investments	75,000	75,000	75,000	75,000
Advance to other funds	410,920	-	-	-
Capital assets, not being depreciated	187,613	345,125	13,730	-
Capital assets, net of accumulated depreciation	3,072,574	12,890,517	4,988,954	4,267,662
Total noncurrent assets	3,746,107	13,310,642	5,077,684	4,342,662
Total assets	10,537,767	19,709,063	7,167,881	4,716,999
Deferred outflows of resources				
Deferred charge on bond refunding	-	-	-	89,775
Deferred pension amounts	310,974	91,199	121,696	10,537
Total deferred outflows of resources	310,974	91,199	121,696	100,312
Liabilities				
Current liabilities:				
Accounts payable	367,048	27,695	32,882	9,414
Accrued liabilities	42,199	111,892	17,915	44,295
Customer deposits	43,288	-	-	-
Current portion of bonds and notes payable	-	420,000	-	427,066
Current portion of compensated absences	-	-	-	-
Unearned revenue	-	-	-	320,535
Total current liabilities	452,535	559,587	50,797	801,310
Noncurrent liabilities:				
Advance from other funds	-	-	-	293,000
Bonds payable, net of current portion	-	7,074,562	-	1,878,265
Net pension liability	1,309,969	384,174	512,640	44,389
Total noncurrent liabilities	1,309,969	7,458,736	512,640	2,215,654
Total liabilities	1,762,504	8,018,323	563,437	3,016,964
Deferred inflows of resources				
Deferred pension amounts	307,350	90,137	120,278	10,415
Net position				
Net investment in capital assets	3,260,187	5,741,080	5,002,684	2,052,106
Restricted for:				
Energy purchases	491,151	-	-	-
Unrestricted (deficit)	5,027,549	5,950,722	1,603,178	(262,174)
Total net position	$ 8,778,887	$ 11,691,802	$ 6,605,862	$ 1,789,932

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

Business-type Activities - Enterprise Funds		
Airport	Total	Internal Service Funds
$ 379,255	$ 11,856,378	$ 1,783,617
-	1,503,800	600,000
-	555,582	-
-	491,151	-
40,771	1,396,195	1,261
465	8,978	-
-	2,856	1,065
1,695	15,857	51,453
48,271	294,275	-
470,457	16,125,072	2,438,367
-	300,000	-
-	410,920	-
960,066	1,506,534	679,205
7,637,663	32,857,370	1,554,589
8,597,729	35,074,824	2,233,794
9,068,186	51,199,896	4,672,161
-	89,775	-
55,212	589,618	-
55,212	679,393	-
13,873	450,912	61,039
12,176	228,477	43,311
-	43,288	-
-	847,066	-
-	-	213,964
16,037	336,572	-
42,086	1,906,315	318,314
-	293,000	-
-	8,952,827	-
232,579	2,483,751	-
232,579	11,729,578	-
274,665	13,635,893	318,314
54,569	582,749	-
8,597,729	24,653,786	2,233,794
-	491,151	-
196,435	12,515,710	2,120,053
$ 8,794,164	$ 37,660,647	$ 4,353,847

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Reconciliation

Net Position of Enterprise Funds
to Net Position of Business-type Activities
March 31, 2022

Net position - total enterprise funds	$ 37,660,647
Amounts reported for *business-type activities* in the statement of net position are different because:	
Internal service funds are used by management to charge the costs of certain activities to other funds. Certain internal service funds net position is allocated to the business-type activities and reported in the statement of net position.	
Net position of business-type activities accounted for in business-type activity internal service funds	1,869,533
Net position allocated to business-type activities from governmental activities internal service funds	286,289
Net position of business-type activities	$ 39,816,469

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

CITY OF CHARLEVOIX, MICHIGAN

Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended March 31, 2022

	Business-type Activities - Enterprise Funds			
	Electric Utility	Sewage Disposal Utility	Water Utility	Marina
Operating revenues				
Charges for services	$ 7,027,129	$ 2,632,761	$ 1,824,232	$ 517,899
Operating expenses				
Purchased power	3,879,020	-	-	-
Fuel purchases	-	-	-	-
Personnel services	1,539,288	685,557	635,110	175,784
Contractual services	266,054	134,754	91,064	54,973
Insurance	22,767	20,741	7,383	3,688
Building rental	81,400	37,600	37,600	-
Equipment rental	269,468	108,265	71,293	1,693
Supplies	138,220	69,282	70,545	16,333
Utilities	101,836	131,109	53,685	70,601
Repairs and maintenance	251,014	33,010	66,832	4,181
Depreciation	467,267	585,981	337,849	653,143
Miscellaneous	70,029	18,474	14,488	13,688
Total operating expenses	7,086,363	1,824,773	1,385,849	994,084
Operating income (loss)	(59,234)	807,988	438,383	(476,185)
Nonoperating revenues (expenses)				
Interest revenue	23,013	393	376	746
Gain on sale of capital assets	52,750	-	-	-
Other revenue	-	-	-	336,200
Interest expense	-	(187,364)	-	(71,268)
Total nonoperating revenues (expenses)	75,763	(186,971)	376	265,678
Income (loss) before transfers and capital contributions	16,529	621,017	438,759	(210,507)
Transfers				
Transfers in	-	-	-	56,700
Transfers out	(290,340)	(114,995)	(104,926)	(6,129)
Asset transfer to governmental activities	-	-	-	-
Total transfers	(290,340)	(114,995)	(104,926)	50,571
Capital contributions				
Federal revenue	1,000	3,857	2,961	695
Change in net position	(272,811)	509,879	336,794	(159,241)
Net position, beginning of year	9,051,698	11,181,923	6,269,068	1,949,173
Net position, end of year	$ 8,778,887	$ 11,691,802	$ 6,605,862	$ 1,789,932

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

Business-type Activities - Enterprise Funds		
Airport	Total	Internal Service Funds
$ 1,888,200	$ 13,890,221	$ 3,863,263
-	3,879,020	-
1,125,761	1,125,761	-
411,453	3,447,192	3,384,011
7,428	554,273	93,058
10,990	65,569	-
-	156,600	-
11,772	462,491	-
5,209	299,589	91,671
33,734	390,965	7,030
15,819	370,856	95,528
496,332	2,540,572	281,112
74,017	190,696	4,200
2,192,515	13,483,584	3,956,610
(304,315)	406,637	(93,347)
-	24,528	10,963
-	52,750	1,798
-	336,200	1,895
-	(258,632)	-
-	154,846	14,656
(304,315)	561,483	(78,691)
-	56,700	163,150
(10,076)	(526,466)	(593,264)
-	-	(18,035)
(10,076)	(469,766)	(448,149)
18,785	27,298	971
(295,606)	119,015	(525,869)
9,089,770	37,541,632	4,879,716
$ 8,794,164	$ 37,660,647	$ 4,353,847

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Reconciliation

Change in Fund Net Position of Enterprise Funds
to Change in Net Position of Business-type Activities
For the Year Ended March 31, 2022

Change in net position - total enterprise funds	$ 119,015
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	(464,573)
Change in net position of internal service funds accounted for in governmental activities but charged to business-type activities	(88,869)
Change in net position of business-type activities	$ (434,427)

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

CITY OF CHARLEVOIX, MICHIGAN

Statement of Cash Flows
Proprietary Funds
For the Year Ended March 31, 2022

	Business-type Activities - Enterprise Funds			
	Electric Utility	Sewage Disposal Utility	Water Utility	Marina
Cash flows from operating activities				
Cash received from customers	$ 6,994,641	$ 2,615,780	$ 1,819,906	$ 613,413
Cash received from interfund services	-	-	-	-
Cash payments to or on behalf of employees	(1,483,189)	(680,890)	(615,265)	(182,465)
Cash payments to suppliers for goods and services	(5,185,044)	(553,772)	(399,235)	(157,881)
Net cash provided by operating activities	326,408	1,381,118	805,406	273,067
Cash flows from noncapital financing activities				
Other receipts	-	-	-	-
Contributions from component unit	-	-	-	336,200
Transfers in	-	-	-	56,700
Transfers out	(290,340)	(114,995)	(104,926)	(6,129)
Net cash provided by (used in) noncapital financing activities	(290,340)	(114,995)	(104,926)	386,771
Cash flows from capital and related financing activities				
Federal receipts	-	-	-	-
Proceeds from sale of capital assets	52,750	-	-	-
Purchase of capital assets	(229,071)	-	(3,639)	-
New interfund advances	(117,920)	-	-	-
Repayment on interfund advances	100,000	-	-	(100,000)
Bond principal payments	-	(410,000)	-	(370,000)
Bond and advance interest payments	-	(187,364)	-	(95,380)
Net cash used in capital and related financing activities	(194,241)	(597,364)	(3,639)	(565,380)
Cash flows from investing activities				
Interest received	35,762	339	317	1,929
Net change in cash and cash equivalents	(122,411)	669,098	697,158	96,387
Cash and cash equivalents, beginning of year	3,902,010	4,895,557	1,105,187	234,137
Cash and cash equivalents, end of year	$ 3,779,599	$ 5,564,655	$ 1,802,345	$ 330,524

Business-type Activities - Enterprise Funds		
Airport	Total	Internal Service Funds
$ 1,912,111	$ 13,955,851	$ -
-	-	3,862,729
(374,742)	(3,336,551)	(3,282,789)
(1,325,489)	(7,621,421)	(307,239)
211,880	2,997,879	272,701
-	-	1,895
-	336,200	-
-	56,700	163,150
(10,076)	(526,466)	(593,264)
(10,076)	(133,566)	(428,219)
18,320	18,320	-
-	52,750	24,430
(93,950)	(326,660)	(49,946)
-	(117,920)	-
-	-	-
-	(780,000)	-
-	(282,744)	-
(75,630)	(1,436,254)	(25,516)
-	38,347	20,577
126,174	1,466,406	(160,457)
253,081	10,389,972	1,944,074
$ 379,255	$ 11,856,378	$ 1,783,617

CITY OF CHARLEVOIX, MICHIGAN

Statement of Cash Flows
Proprietary Funds
For the Year Ended March 31, 2022

	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)	$ (59,234)	$ 807,988	$ 438,383	$ (476,185)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	467,267	585,981	337,849	653,143
Changes in assets and liabilities that provided (used) cash:				
Deposits at MPPA	(63,049)	-	-	-
Cash at fiscal agent	-	(4,875)	-	7,400
Accounts receivable	(32,054)	(16,981)	(4,326)	(1)
Prepaids	(1,495)	(1,374)	(3,904)	(1,124)
Inventory	148,765	-	10,659	-
Accounts payable	(189,457)	5,712	6,900	1,000
Accrued liabilities	1,913	(3,650)	3,842	(6,983)
Customer deposits	(434)	-	-	-
Unearned revenue	-	-	-	95,515
Changes in net pension liability	(63,407)	(26,904)	(30,519)	(3,832)
Changes in deferred outflows	(48,267)	(12,566)	(17,798)	(1,313)
Changes in deferred inflows	165,860	47,787	64,320	5,447
Accrued compensated absences	-	-	-	-
Net cash provided by operating activities	$ 326,408	$ 1,381,118	$ 805,406	$ 273,067

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

Business-type Activities Enterprise Funds		
Airport	Total	Internal Service Funds
$ (304,315)	$ 406,637	$ (93,347)
496,332	2,540,572	281,112
-	(63,049)	-
-	2,525	-
23,911	(29,451)	(534)
(1,695)	(9,592)	(1,519)
(23,151)	136,273	-
(15,913)	(191,758)	(14,233)
3,992	(886)	16,451
-	(434)	-
-	95,515	-
14,076	(110,586)	-
(13,415)	(93,359)	-
32,058	315,472	-
-	-	84,771
$ 211,880	$ 2,997,879	$ 272,701

CITY OF CHARLEVOIX, MICHIGAN

Statement of Fiduciary Net Position

Custodial Fund

March 31, 2022

Assets	
Cash	$ 24,532
Liabilities	
Due to other governmental units	24,532
Net position	
Restricted for:	
Other governments	$ -

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

Statement of Changes in Fiduciary Net Position
Custodial Fund
For the Year Ended March 31, 2022

Additions	
Property taxes collected for other governmental units	$ 13,079,463
Deductions	
Property taxes distributed to other governmental units	13,079,463
Change in net position	-
Net position, beginning of year	-
Net position, end of year	$ -

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

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NOTES TO THE FINANCIAL STATEMENTS

Notes to the Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

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

Government-wide and Fund Financial Statements

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

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

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

Notes to the Financial Statements

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

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

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

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

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, 2022, the General Fund receivable is shown net of an estimated allowance for uncollectible accounts of approximately $1,600. The Ambulance Nonmajor Special Revenue Fund is shown net of an estimated allowance for uncollectible accounts of approximately $233,000 at March 31, 2022. At March 31, 2022, the receivables for the Electric Utility, Sewage Disposal Utility and Water Utility Funds are also shown net of estimated allowance for uncollectible accounts of approximately $2,600, $2,000 and $1,300, 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	5 - 50
Buildings and improvements	3 - 40
System improvements	5 - 50
Machinery and equipment	3 - 20
Vehicles	1 - 20

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

Deferred Outflows of Resources

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

Compensated Absences

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

Long-term Obligations

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

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

Deferred Inflows of Resources

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

Fund Balances

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

The City Council has adopted a minimum fund balance policy in which the total unassigned fund balance of the General Fund will be equal to at least 23 percent of the General Fund expenditures. If the General Fund's fund balance falls below 23 percent of total General Fund expenditures, the City Council will develop a plan to replenish the shortages by at least 1% each year as detailed in the policy. At March 31, 2022, unassigned fund balance of the General Fund met the minimum percentage requirement.

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

The City is reporting a deficit unrestricted net position of $262,174 in the Marina enterprise fund, however, total net position for the fund is positive. Management is looking at ways to increase revenues and decrease expenses in this fund so that they can eliminate the related deficits.

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.

Notes to the Financial Statements

P.A. 621 of 1978, as amended, provides that a local unit shall not incur expenditures in excess of the amount budgeted. During the year ended March 31, 2022, the City incurred expenditures which were in excess of the amounts appropriated, as follows:

	Total Appropriations	Amount of Expenditures	Budget Variance
General Fund			
Public safety	$ 1,072,418	$ 1,138,019	$ 65,601
Other	30,106	41,340	11,234
Transfers out	72,080	128,494	56,414

3. DEPOSITS AND INVESTMENTS

Following is a reconciliation of deposit and investment balances as of March 31, 2022:

	Primary Government	Component Unit	Total
Statement of net position			
Cash and cash equivalents	$ 15,874,349	$ 210,201	$ 16,084,550
Cash at fiscal agent	734,932	-	734,932
Investments	2,780,000	50,000	2,830,000
Deposits held by Michigan Public Power Agency	491,151	-	491,151
Restricted investments	300,000	-	300,000
Total statement of net position	$ 20,180,432	$ 260,201	20,440,633
Statement of fiduciary net position			
Cash and cash equivalents			24,532
Total			$ 20,465,165

Deposits and investments		
Bank deposits (checking and savings accounts)	$	16,108,569
Certificates of deposits:		
Maturing in less than 1 year		2,380,000
Maturing in more than 1 year		750,000
Cash with fiscal agent		734,932
Deposits held by Michigan Public Power Agency		491,151
Petty cash		513
Total	$	20,465,165

Custodial Credit Risk. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned. State law does not require and the City does not have a policy for deposit custodial credit risk. As of year-end, $18,558,847 of the City's bank balance of $19,371,356 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 two highest classifications established by not less than two 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, 2022:

	Governmental Activities	Business-type Activities	Component Unit
Accounts receivable	$ 299,625	$ 1,402,101	$ 68,290
Taxes receivable	2,631	-	244
Due from other governmental units	597,911	8,978	10,201
Interest receivable	1,318	3,608	51
Allowance for uncollectible accounts	(234,220)	(5,905)	-
	$ 667,265	$ 1,408,782	$ 78,786

5. OTHER ASSETS

Other assets consisted of the following amounts at March 31, 2022:

	Governmental Activities	Business-type Activities	Component Unit
Prepaids	$ 101,698	$ 15,857	$ 2,522
Inventories	-	294,275	-
Totals	$ 101,698	$ 310,132	$ 2,522

6. CAPITAL ASSETS

Primary Government

Capital assets activity for the primary government for the year ended March 31, 2022, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Governmental activities					
Capital assets not being depreciated:					
Land	$ 16,932,797	$ 131,171	$ -	$ -	$ 17,063,968
Construction in progress	7,635,964	1,730,275	-	(14,257)	9,351,982
	24,568,761	1,861,446	-	(14,257)	26,415,950
Capital assets being depreciated:					
Land improvements	3,804,757	12,459	(8,909)	-	3,808,307
Infrastructure	8,034,334	412,951	-	-	8,447,285
Buildings and improvements	7,568,251	-	(334,728)	-	7,233,523
Machinery and equipment	2,919,120	111,191	(313,417)	14,257	2,731,151
Vehicles	4,661,533	-	(1,016,207)	-	3,645,326
	26,987,995	536,601	(1,673,261)	14,257	25,865,592
Less accumulated depreciation for:					
Land improvements	(2,381,925)	(82,548)	8,909	-	(2,455,564)
Infrastructure	(2,117,228)	(352,429)	-	-	(2,469,657)
Buildings and improvements	(4,916,278)	(181,383)	334,728	-	(4,762,933)
Machinery and equipment	(1,983,306)	(131,108)	176,452	-	(1,937,962)
Vehicles	(2,932,764)	(257,940)	737,368	-	(2,453,336)
	(14,331,501)	(1,005,408)	1,257,457	-	(14,079,452)
Total capital assets being depreciated, net	12,656,494	(468,807)	(415,804)	14,257	11,786,140
Governmental activities capital assets, net	$ 37,225,255	$ 1,392,639	$ (415,804)	$ -	$ 38,202,090

	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	1,339,498	-	(18,034)	(725,912)	595,552
	2,909,032	-	(18,034)	(725,912)	2,165,086
Capital assets being depreciated:					
Land improvements	22,675,413	122,766	-	724,211	23,522,390
Buildings and improvements	20,457,655	-	-	-	20,457,655
System improvements	29,920,140	174,627	-	-	30,094,767
Machinery and equipment	3,127,688	90,433	-	1,701	3,219,822
	76,180,896	387,826	-	725,912	77,294,634
Less accumulated depreciation for:					
Land improvements	(12,061,238)	(1,028,707)	-	-	(13,089,945)
Buildings and improvements	(6,947,844)	(681,959)	-	-	(7,629,803)
System improvements	(20,640,945)	(727,975)	-	-	(21,368,920)
Machinery and equipment	(2,151,280)	(104,328)	-	-	(2,255,608)
	(41,801,307)	(2,542,969)	-	-	(44,344,276)
Total capital assets being depreciated, net	34,379,589	(2,155,143)	-	725,912	32,950,358
Business-type activities capital assets, net	$ 37,288,621	$ (2,155,143)	$ (18,034)	$ -	$ 35,115,444

Depreciation expense for the year ended March 31, 2022 was charged to functions/programs of the primary government as follows:

Depreciation of governmental activities by function	
General government	$ 202,695
Public safety	56,046
Public works	378,206
Recreation and culture	89,746
Capital assets held by the governmental activity internal service funds are charged to the various functions based on their usage of the assets	278,715
	$ 1,005,408

Depreciation of business-type activities by function	
Electric utility	$ 467,267
Sewage disposal utility	585,981
Water utility	337,849
Marina	653,143
Airport	496,332
Capital assets held by the business-type activity internal service fund are charged to the various functions based on their usage of the assets	2,397
	$ 2,542,969

Discretely presented component unit

Capital assets activity for the Downtown Development Authority ("DDA") component unit for the year ended March 31, 2022, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Capital assets not being depreciated:					
Land	$ 923,071	$ 12,163	$ -	$ -	$ 935,234
Capital assets being depreciated:					
Land Improvements	2,539,312	-	(4,791)	-	2,534,521
Buildings and improvements	3,828,522	-	-	-	3,828,522
Machinery and equipment	69,805	13,594	-	-	83,399
	6,437,639	13,594	(4,791)	-	6,446,442
Less accumulated depreciation for:					
Land improvements	(1,943,753)	(105,397)	4,791	-	(2,044,359)
Buildings and improvements	(2,492,290)	(89,352)	-	-	(2,581,642)
Machinery and equipment	(68,854)	(1,206)	-	-	(70,060)
	(4,504,897)	(195,955)	4,791	-	(4,696,061)
Total capital assets being depreciated, net	1,932,742	(182,361)	-	-	1,750,381
Component unit capital assets, net	$ 2,855,813	$ (170,198)	$ -	$ -	$ 2,685,615

Depreciation expense for the component unit, included in the statement of activities, was $195,955 for fiscal year 2022.

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, 2022:

	Governmental Activities	Business-type Activities	Component Unit
Accounts payable	$ 144,377	$ 491,286	$ 30,592
Accrued liabilities	105,134	228,477	2,483
Accrued interest	180,310	-	-
Customer deposits	-	43,288	-
	$ 429,821	$ 763,051	$ 33,075

8. INTERFUND ADVANCES

The composition of interfund advances as of March 31, 2022, was as follows:

	Advance to Other Funds	Advance From Other Funds
Electric Utility Fund	$ 410,920	$ -
Marina Fund	-	293,000
General Fund	-	117,920
	$ 410,920	$ 410,920

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, did not make payments in certain years. During fiscal year 2022, the Electric Utility Fund received principal and interest payments of $100,000 and $3,930, respectively, from the Marina Fund.

During the year ended March 31, 2022, the Electric Utility Fund advanced a total of $130,000 to the General Fund to cover the purchase cost of a piece of land. This advance is to be repaid over ten years with interest charged at 1.62%. During fiscal year 2022, the Electric Utility Fund received principal and interest payments $12,080 and $2,103, respectively, from the General Fund.

Notes to Financial Statements

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

	Transfers In				
Transfers Out	**Public Services Building Capital Improvement Fund**	**Nonmajor Governmental Funds**	**Marina Fund**	**Internal Service Funds**	**Total**
General Fund	$ -	$ 10,000	$ 56,700	$ 61,794	$ 128,494
Nonmajor Governmental Funds	-	651,592	-	5,316	656,908
Electric Utility	-	250,159	-	40,181	290,340
Sewage Disposal Utility	-	97,655	-	17,340	114,995
Water Utility	-	89,285	-	15,641	104,926
Marina	-	-	-	6,129	6,129
Airport	-	-	-	10,076	10,076
Internal Service Funds	451,000	135,591	-	6,673	593,264
Total	$ 451,000	$ 1,234,282	$ 56,700	$ 163,150	$ 1,905,132

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

Notes to the Financial Statements

9. LONG-TERM DEBT

Long-term debt activity for the year ended March 31, 2022, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Primary government					
Governmental activities:					
General obligation bonds:					
2016 capital improvement bonds	$ 2,625,000	$ -	$ (220,000)	$ 2,405,000	$ 225,000
2019 capital improvement bonds	8,070,000	-	(215,000)	7,855,000	225,000
Total general obligation bonds	10,695,000	-	(435,000)	10,260,000	450,000
Direct borrowings and direct placements:					
Installment purchase agreement	-	101,160	(24,357)	76,803	24,966
Total installment debt	10,695,000	101,160	(459,357)	10,336,803	474,966
Unamortized premiums on bonds payable	775,760	-	(48,856)	726,904	48,856
Compensated absences – sick leave	87,003	3,381	(33,381)	57,003	33,957
Compensated absences – vacation	129,193	334,800	(250,029)	213,964	213,964
Total governmental activities	11,686,956	439,341	(791,623)	11,334,674	771,743
Business-type activities:					
General obligation bonds:					
Marina – 2016 refunding bonds	2,465,000	-	(370,000)	2,095,000	385,000
Revenue bonds	7,904,562	-	(410,000)	7,494,562	420,000
Total installment debt	10,369,562	-	(780,000)	9,589,562	805,000

continued...

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Unamortized premiums on bonds payable	$ 252,397	$ -	$ (42,066)	$ 210,331	$ 42,066
Total business-type activities	10,621,959	-	(822,066)	9,799,893	847,066
Total primary government	$ 22,308,915	$ 439,341	$ (1,613,689)	$ 21,134,567	$ 1,618,809

concluded

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

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

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

Purpose	Matures	Interest Rates	Amount
Governmental activities			
General obligation bonds:			
2016 capital improvement bonds	October 2030	4.0% - 4.2%	$ 2,405,000
2019 capital improvement bonds	October 2044	3.0%-4.0%	7,855,000
Total general obligation bonds:			$ 10,260,000
Direct borrowings and direct placements:			
Installment purchase agreement	October 2024	2.5%	$ 76,803
Business-type activities			
Marina – 2016 refunding bonds	April 2027	2.0% - 4.0%	$ 2,095,000
Sewer - revenue bonds	April 2036	2.5%	7,494,562
			$ 9,589,562

Notes to the Financial Statements

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

	Governmental Activities			Business-type Activities		
Year Ending March 31,	Principal	Interest	Total	Principal	Interest	Total
2023	$ 450,000	$ 358,700	$ 808,700	$ 805,000	$ 265,914	$ 1,070,914
2024	470,000	340,700	810,700	830,000	239,889	1,069,889
2025	485,000	321,900	806,900	860,000	213,014	1,073,014
2026	505,000	302,500	807,500	885,000	185,089	1,070,089
2027	525,000	282,300	807,300	915,000	156,314	1,071,314
2028-2032	2,655,000	1,077,900	3,732,900	2,485,000	509,416	2,994,416
2033-2037	1,755,000	673,500	2,428,500	2,809,562	178,952	2,988,514
2038-2042	2,040,000	393,300	2,433,300	-	-	-
2043-2045	1,375,000	83,250	1,458,250	-	-	-
	$ 10,260,000	$ 3,834,050	$ 14,094,050	$ 9,589,562	$ 1,748,588	$ 11,338,150

Annual debt service requirements to maturity for direct borrowings and direct placements are as follows:

	Governmental Activities		
Year Ending March 31,	Principal	Interest	Total
2023	$ 24,966	$ 1,920	$ 26,886
2024	25,590	1,296	26,886
2025	26,247	638	26,885
	$ 76,803	$ 3,854	$ 80,657

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 $6,000 as of March 31, 2022. Projected operating lease proceeds through the year ended 2028 are as follows:

Year Ended March 31,	Amount
2023	$ 33,628
2024	41,156
2025	42,471
2026	43,831
2027	45,239
2028	46,657
	$ 252,982

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, 2022, 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 2021 levy was assessed and equalized at $268,221,884 (not including properties subject to Industrial Facilities Tax exemption), representing 50 percent of estimated current market value. The City’s general operating tax rate for fiscal year 2020-21 was 9.2321 mills, with an additional 1.7000 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 1.3534 mills. Property taxes are recognized in the fiscal year in which they are levied.

13. DEFINED BENEFIT PENSION PLAN

General Information About the Plan

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

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

Employees Covered by Benefit Terms. At December 31, 2021, plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	46
Inactive employees entitled to but not yet receiving benefits	14
Active employees	46
Total membership	106

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.

Notes to the Financial Statements

Employer and employee contribution amounts or rates, by division/bargaining unit, were as follows for the year ended March 31, 2022:

Division	Plan Type	Status	Employer Contribution Rate	Employee Contribution Rate
Comm Workers	Defined Benefit	Open	19.86%	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, 2021, 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, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

The actuarial assumptions used in the December 31, 2021 valuation were based on the results of the most recent actuarial experience study of 2014-2018.

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, 2021 was 7.60%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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, 2020	$ 14,991,580	$ 10,281,305	$ 4,710,275
Changes for the year:			
Service cost	206,526	-	206,526
Interest	1,105,761	-	1,105,761
Differences between expected and actual experience	18,231	-	18,231
Changes in assumptions	540,350	-	540,350
Employer contributions	-	768,402	(768,402)
Employee contributions	-	58,793	(58,793)
Net investment income	-	1,573,103	(1,573,103)
Benefit payments, including refunds of employee contributions	(1,090,724)	(1,090,724)	-
Administrative expense	-	(16,609)	16,609
Net changes	780,144	1,292,965	(512,821)
Balances at December 31, 2021	$ 15,771,724	$ 11,574,270	$ 4,197,454

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

Notes to the Financial Statements

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

	1% Decrease (6.60%)	Current Discount Rate (7.60%)	1% Increase (8.60%)
City's net pension liability	$ 5,932,329	$ 4,197,454	$ 5,659,820

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

For the year ended March 31, 2022, the City recognized pension expense of $512,468. 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	$ 89,590	$ 82,704	$ 6,886
Changes in assumptions	767,605	-	767,605
Net difference between projected and actual earnings on pension plan investments	-	902,118	(902,118)
	857,195	984,822	(127,627)
Contributions subsequent to the measurement date	139,241	-	139,241
Total	$ 996,436	$ 984,822	$ 11,614

The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the year ending March 31, 2023. 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
2023	$ 98,320
2024	(37,252)
2025	(28,221)
2026	(160,474)
Total	$ (127,627)

Payable to the Pension Plan. At March 31, 2022, the City had no amounts payable for contributions to the pension plan.

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

14. DEFINED CONTRIBUTION PLAN

The City provided pension benefits to its City Manager through a defined contribution plan, "City of Charlevoix City Manager Money Purchase Plan." In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. As established by the City Council, the City contributed 21.60% of the City Manager's gross earnings to the plan or provides this percentage as an increase to annual compensation or a combination of both, at the discretion of the City Manager. The City contributed $24,444 to the Plan during the year ended March 31, 2022. Contributions and interest are allocated to the account and benefits are fully vested at March 31, 2022.

15. ENTITLEMENT COMMITMENT

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

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

Notes to the Financial Statements

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

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

	Combustion Turbine No. 1 2020 Refunding		AFEC Project 2021 Refunding	
Year Ended December 31,	**Principal**	**Interest**	**Principal**	**Interest**
2023	$ 94,872	$ 6,491	$ 108,088	$ 18,353
2024	96,288	5,229	109,976	16,645
2025	97,704	3,949	111,628	14,908
2026	99,120	2,649	113,280	13,144
2027	100,064	1,334	115,168	11,354
2028-2032	-	-	603,452	28,936
Total	$ 488,048	$ 19,652	$ 1,161,592	$ 103,340

	Totals	
Year Ended December 31,	**Principal**	**Interest**
2023	$ 202,960	$ 24,844
2024	206,264	21,874
2025	209,332	18,857
2026	212,400	15,793
2027	215,232	12,688
2028-2032	603,452	28,936
Total	$ 1,649,640	$ 122,992

On October 6, 2021, MPPA issued $24,610,000 in bonds (new bonds) at a rate of 1.58% to refund $28,147,650 (Principal & Interest) in outstanding bonds (AFEC Project Revenue Bonds) with an interest rate of 5.0%. The City's share for refunding debt is the same as the refunded bonds.

The MPPA and its member utilities were over-charged on their power sales contract agreements. Because of this, MPPA and the member utilities have established a trust fund ("The Municipal Competitive Trust"). Specific policies have been established by each member regarding the use of these funds. The City's share of this trust fund was approximately $491,000 at March 31, 2022 and is reported as Deposit with the Michigan Public Power Agency in the Statement of Net Position.

16. NET INVESTMENT IN CAPITAL ASSETS

The composition of net investment in capital assets as of March 31, 2022, was as follows:

	Governmental Activities	Business-type Activities	Component Unit
Capital assets:			
Capital assets, not being depreciated	$ 26,415,950	$ 2,165,086	$ 935,234
Capital assets being depreciated, net	11,786,140	32,950,358	1,750,381
	38,202,090	35,115,444	2,685,615
Less related debt:			
Total installment debt	(10,336,803)	(9,589,562)	-
Unamortized premiums	(726,904)	(210,331)	-
Add back: deferred charge on bond refunding	-	89,775	-
Add back: unexpended bond proceeds	42,790	-	-
	(11,020,917)	(9,710,118)	-
Net investment in capital assets	$ 27,181,173	$ 25,405,326	$ 2,685,615

Notes to the Financial Statements

17. FUND BALANCES - GOVERNMENTAL FUNDS

Detailed information on fund balances of governmental funds at March 31, 2022 is as follows:

	General Fund	Public Utility Building Capital Improvement Fund	Nonmajor Governmental Funds	Total
Nonspendable:				
Perpetual care	$ -	$ -	$ 420,233	$ 420,233
Prepaids	50,245	-	-	50,245
Total nonspendable	50,245		420,233	470,478
Restricted:				
Street improvements	-	-	741,832	741,832
Public service building		42,790	-	42,790
Infrastructure improvements	-	-	89,052	89,052
Debt service	-	-	205,904	205,904
Parking services	-	-	12,346	12,346
Trail development	-	-	314,073	314,073
Total restricted	-	42,790	1,363,207	1,405,997
Committed:				
Housing	-	-	25,927	25,927
Assigned:				
Capital expenditures	-	-	425,736	425,736
Unassigned	1,006,074	-	-	1,006,074
Total fund balances, governmental funds	$ 1,056,319	$ 42,790	$ 2,235,103	$ 3,334,212

Notes to the Financial Statements

18. CORONAVIRUS (COVID-19)

The outbreak of a novel coronavirus (COVID-19), which the World Health Organization declared in March 2020 to be a global pandemic, continues to spread throughout the United States of America and the globe. The pandemic has resulted in an increase in the demands on the City for providing emergency services to its citizens. At this time management does not believe that the negative financial impacts of the pandemic, if any, would be material to the City.

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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			
	2021	2020	2019	2018
Total pension liability				
Service cost	$ 206,526	$ 225,006	$ 491,004	$ 195,891
Interest	1,105,761	1,056,773	1,046,244	1,064,162
Differences between expected and actual experience	18,231	126,529	(28,812)	(355,886)
Changes of assumptions	540,350	302,087	452,725	-
Benefit payments, including refunds of employee contributions	(1,090,724)	(1,022,404)	(1,002,620)	(989,540)
Other changes	-	-	11,184	(279,614)
Net change in total pension liability	780,144	687,991	969,725	(364,987)
Total pension liability, beginning of year	14,991,580	14,303,589	13,333,864	13,698,851
Total pension liability, end of year	15,771,724	14,991,580	14,303,589	13,333,864
Plan fiduciary net position				
Employer contributions	768,402	743,822	889,674	870,485
Employee contributions	58,793	57,768	54,467	50,842
Net investment income (loss)	1,573,103	1,167,332	1,130,073	(339,125)
Benefit payments, including refunds of employee contributions	(1,090,724)	(1,022,404)	(1,002,620)	(989,540)
Administrative expense	(16,609)	(18,656)	(19,525)	(16,877)
Net change in plan fiduciary net position	1,292,965	927,862	1,052,069	(424,215)
Plan fiduciary net position, beginning of year	10,281,305	9,353,443	8,301,374	8,725,589
Plan fiduciary net position, end of year	11,574,270	10,281,305	9,353,443	8,301,374
City's net pension liability	$ 4,197,454	$ 4,710,275	$ 4,950,146	$ 5,032,490
Plan fiduciary net position as a percentage of total pension liability	73.4%	68.6%	65.4%	62.3%
Covered payroll	$ 2,988,179	$ 3,207,279	$ 3,073,827	$ 2,893,241
City's net pension liability as a percentage of covered payroll	140.5%	146.9%	161.0%	173.9%

See notes to required supplementary information.

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

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
2022	$ 621,164	$ 621,164	$ -	$ 3,202,550	19.4%
2021	585,770	885,770	300,000	3,282,628	27.0%
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%

See notes to required supplementary information.

Notes to Required Supplementary Information

MERS Agent Multiple-Employer Defined Benefit Pension Plan

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

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

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

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

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

Notes to Schedule of Contributions

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

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

Methods and assumptions used to determine contribution rates (2021, based on the 12/31/2019 actuarial valuation):

Actuarial cost method	Entry-age normal
Amortization method	Level percent of payroll, closed
Remaining amortization period	19 years
Asset valuation method	5-year smooth market
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
Normal retirement age	Age 60
Mortality	50% Female/50% Male blend of the RP-2014 Healthy Annuitant Mortality Tables with rates multiplied by 105%, the RP-2014 Employee Mortality Tables, and the RP-2014 Juvenile Mortality Tables

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COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS

Combining Balance Sheet

Nonmajor Governmental Funds
March 31, 2022

	Special Revenue Funds				
	Major Streets	Local Streets	Ambulance	Parking Services	Housing
Assets					
Cash and cash equivalents	$ 358,942	$ 301	$ -	$ 12,234	$ 25,927
Cash at fiscal agent	-	-	-	-	-
Investments	-	-	-	-	-
Accounts receivable	-	-	-	137	-
Taxes receivable	-	-	-	-	-
Due from other governmental units	128,944	20,819	321,112	-	-
Interest receivable	-	-	-	-	-
Total assets	$ 487,886	$ 21,120	$ 321,112	$ 12,371	$ 25,927
Liabilities					
Negative equity in pooled cash	$ -	$ -	$ 182,172	$ -	$ -
Accounts payable	1,739	18	1,859	25	-
Accrued liabilities	5,027	2,756	-	-	-
Total liabilities	6,766	2,774	184,031	25	-
Fund balances					
Nonspendable	-	-	-	-	-
Restricted	481,120	18,346	-	12,346	-
Committed	-	-	-	-	25,927
Assigned	-	-	137,081	-	-
Total fund balances	481,120	18,346	137,081	12,346	25,927
Total liabilities and fund balances	$ 487,886	$ 21,120	$ 321,112	$ 12,371	$ 25,927

Debt Service Funds		Capital Projects Funds					
Infrastructure Debt Service	2019 Public Service Building Bond Debt Service	Fire Truck	Infrastructure Improvement	Street Improvements	Industrial Park	Mt. McSauba Improvements	Ambulance
$ 20,774	$ 5,801	$ 223,364	$ 99,187	$ 241,985	$ 27,430	$ 37,916	$ -
48,100	131,250	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	315	381	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
$ 68,874	$ 137,051	$ 223,364	$ 99,502	$ 242,366	$ 27,430	$ 37,916	$ -
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
21	-	-	10,450	-	55	-	-
-	-	-	-	-	-	-	-
21	-	-	10,450	-	55	-	-
-	-	-	-	-	-	-	-
68,853	137,051	-	89,052	242,366	-	-	-
-	-	-	-	-	-	-	-
-	-	223,364	-	-	27,375	37,916	-
68,853	137,051	223,364	89,052	242,366	27,375	37,916	-
$ 68,874	$ 137,051	$ 223,364	$ 99,502	$ 242,366	$ 27,430	$ 37,916	$ -

continued...

Combining Balance Sheet

Nonmajor Governmental Funds

-

	Capital Projects Funds	Permanent Fund	
	Trail Development-Improvement Fund	Cemetery Care	Total
Assets			
Cash and cash equivalents	$ 317,089	$ 143,726	$ 1,514,676
Cash at fiscal agent	-	-	179,350
Investments	-	276,200	276,200
Accounts receivable	1	-	138
Taxes receivable	-	-	696
Due from other governmental units	-	-	470,875
Interest receivable	-	307	307
Total assets	$ 317,090	$ 420,233	$ 2,442,242
Liabilities			
Negative equity in pooled cash	$ -	$ -	$ 182,172
Accounts payable	3,017	-	17,184
Accrued liabilities	-	-	7,783
Total liabilities	3,017	-	207,139
Fund balances			
Nonspendable	-	420,233	420,233
Restricted	314,073	-	1,363,207
Committed	-	-	25,927
Assigned	-	-	425,736
Total fund balances	314,073	420,233	2,235,103
Total liabilities and fund balances	$ 317,090	$ 420,233	$ 2,442,242

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Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds
For the Year Ended March 31, 2022

	Special Revenue Funds				
	Major Streets	Local Streets	Ambulance	Parking Services	Housing
Revenues					
Taxes	$ -	$ -	$ -	$ -	$ -
State	425,075	157,432	-	-	-
Charges for services	-	-	162,155	81,092	-
Fines and forfeitures	-	-	-	14,946	-
Interest	1	-	-	-	-
Rents and royalties	-	-	-	-	-
Other	-	-	7,627	564	-
Total revenues	425,718	157,432	490,894	96,602	-
Expenditures					
Current:					
General government	-	-	-	-	-
Public works	370,111	198,662	-	132,724	9,773
Health and welfare	-	-	411,298	-	-
Recreation and culture	-	-	-	-	-
Debt service:					
Principal	-	-	-	24,357	-
Interest	-	-	-	2,529	-
Total expenditures	370,111	198,662	411,298	159,610	9,773
Revenues over (under) expenditures	55,607	(41,230)	79,596	(63,008)	(9,773)
Other financing sources (uses)					
Proceed from issuance of long-term debt	-	-	-	101,160	-
Transfers in	49,907	43,500	55,750	-	16,000
Transfers out	(3,302)	(1,698)	-	(27,658)	-
Total other financing sources (uses)	46,605	41,802	55,750	73,502	16,000
Net change in fund balances	102,212	572	135,346	10,494	6,227
Fund balances, beginning of year	378,908	17,774	1,735	1,852	19,700
Fund balances, end of year	$ 481,120	$ 18,346	$ 137,081	$ 12,346	$ 25,927

Debt Service Funds		Capital Projects Funds					
Infrastructure Debt Service	2019 Public Service Building Bond Debt Service	Fire Truck	Infrastructure Improvement	Street Improvements	Industrial Park	Mt. McSauba Improvements	Ambulance
$ -	$ -	$ -	$ 422,910	$ 243,222	$ -	$ -	$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	7,685	-
-	-	-	8,200	-	-	-	-
-	-	-	431,110	243,222	-	7,685	-
-	-	-	-	-	3,159	-	-
-	-	-	380,422	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
220,000	215,000	-	-	-	-	-	-
105,250	271,601	-	-	-	-	-	-
325,250	486,601	-	380,422	-	3,159	-	-
(325,250)	(486,601)	-	50,688	243,222	(3,159)	7,685	-
-	-	-	-	-	-	-	-
325,000	487,101	49,524	-	-	7,500	-	-
-	-	-	(368,500)	(200,000)	-	-	(55,750)
325,000	487,101	49,524	(368,500)	(200,000)	7,500	-	(55,750)
(250)	500	49,524	(317,812)	43,222	4,341	7,685	(55,750)
69,103	136,551	173,840	406,864	199,144	23,034	30,231	55,750
$ 68,853	$ 137,051	$ 223,364	$ 89,052	$ 242,366	$ 27,375	$ 37,916	$ -

continued...

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

-

	Capital Projects Funds	Permanent Fund	
	Trail Development-Improvement Fund	Cemetery Care	Total
Revenues			
Taxes	$ -	$ -	$ 666,132
State	150,000	-	732,507
Charges for services	-	11,120	254,367
Fines and forfeitures	-	-	14,946
Interest	1	2,734	2,736
Rents and royalties	-	-	7,685
Other	-	-	16,391
Total revenues	150,001	13,854	2,016,518
Expenditures			
Current:			
General government	-	-	3,159
Public works	-	-	1,091,692
Health and welfare	-	-	411,298
Recreation and culture	35,928	-	35,928
Debt service:			
Principal	-	-	459,357
Interest	-	-	379,380
Total expenditures	35,928	-	2,380,814
Revenues over (under) expenditures	114,073	13,854	(364,296)
Other financing sources (uses)			
Proceeds from sales of capital assets	-	-	101,160
Transfers in	200,000	-	1,234,282
Transfers out	-	-	(656,908)
Total other financing sources (uses)	200,000	-	678,534
Net change in fund balances	314,073	13,854	314,238
Fund balances, beginning of year	-	406,379	1,920,865
Fund balances, end of year	$ 314,073	$ 420,233	$ 2,235,103

concluded

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CITY OF CHARLEVOIX, MICHIGAN

Combining Statement of Net Position
Internal Service Funds
March 31, 2022

	Governmental Activities		Business-type Activities	
	Employee Fringe Benefits	Motor Vehicle	DPW Site	Total
Assets				
Current assets:				
Cash and cash equivalents	$ 9,700	$ 1,016,303	$ 757,614	$ 1,783,617
Investments	100,000	100,000	400,000	600,000
Accounts receivable	1,258	2	1	1,261
Interest receivable	169	144	752	1,065
Due from other governmental units	-	971	-	971
Prepaids	51,430	23	-	51,453
Total current assets	162,557	1,117,443	1,158,367	2,438,367
Noncurrent assets:				
Capital assets, not being depreciated	-	20,653	658,552	679,205
Capital assets being depreciated, net	-	1,461,601	92,988	1,554,589
Total noncurrent assets	-	1,482,254	751,540	2,233,794
Total assets	162,557	2,599,697	1,909,907	4,672,161
Liabilities				
Current liabilities:				
Accounts payable	962	19,703	40,374	61,039
Accrued liabilities	32,334	10,977	-	43,311
Current portion of compensated absences	213,964	-	-	213,964
Total liabilities	247,260	30,680	40,374	318,314
Net position				
Investment in capital assets	-	1,482,254	751,540	2,233,794
Unrestricted (deficit)	(84,703)	1,086,763	1,117,993	2,120,053
Total net position	$ (84,703)	$ 2,569,017	$ 1,869,533	$ 4,353,847

CITY OF CHARLEVOIX, MICHIGAN

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

Internal Service Funds
For the Year Ended March 31, 2022

	Governmental Activities		Business-type Activities	
	Employee Fringe Benefits	Motor Vehicle	DPW Site	Total
Operating revenues				
Charges for services	$ 2,874,347	$ 988,916	$ -	$ 3,863,263
Operating expenses				
Personnel services	3,113,364	270,647	-	3,384,011
Contractual services	7,978	85,080	-	93,058
Supplies	-	91,671	-	91,671
Utilities	-	7,030	-	7,030
Repairs and maintenance	-	95,528	-	95,528
Depreciation	-	278,715	2,397	281,112
Miscellaneous	4,200	-	-	4,200
Total operating expenses	3,125,542	828,671	2,397	3,956,610
Operating (loss) income	(251,195)	160,245	(2,397)	(93,347)
Nonoperating revenues				
Interest revenue	2,461	643	7,859	10,963
Gain on sale of capital assets	-	1,798	-	1,798
Other revenue	162	1,733	-	1,895
Total nonoperating revenues	2,623	4,174	7,859	14,656
Income (loss) before transfers and capital contributions	(248,572)	164,419	5,462	(78,691)
Transfers				
Transfers in	163,150	-	-	163,150
Transfers out	-	(141,264)	(452,000)	(593,264)
Transfer of assets to governmental activities	-	-	(18,035)	(18,035)
Total transfers	163,150	(141,264)	(470,035)	(448,149)
Capital contributions				
Federal grants	-	971	-	971
Change in net position	(85,422)	24,126	(464,573)	(525,869)
Net position, beginning of year	719	2,544,891	2,334,106	4,879,716
Net position, end of year	$ (84,703)	$ 2,569,017	$ 1,869,533	$ 4,353,847

Combining Statement of Cash Flows

Internal Service Funds
For the Year Ended March 31, 2022

	Governmental Activities		Business-type Activities	
	Employee Fringe Benefits	Motor Vehicle	DPW Site	Total
Cash flows from operating activities				
Cash received from interfund services	$ 2,873,810	$ 988,917	$ 2	$ 3,862,729
Cash payments to or on behalf of employees	(3,017,842)	(264,947)	-	(3,282,789)
Cash payments to suppliers for goods and services	(26,603)	(280,636)	-	(307,239)
Net cash (used in) provided by operating activities	(170,635)	443,334	2	272,701
Cash flows from noncapital financing activities				
Other receipts	162	1,733	-	1,895
Transfers in	163,150	-	-	163,150
Transfers out	-	(141,264)	(452,000)	(593,264)
Net cash (used in) provided by noncapital financing activities	163,312	(139,531)	(452,000)	(428,219)
Cash flows from capital and related financing activities				
Proceeds from sale of capital assets	-	24,430	-	24,430
Purchase of capital assets	-	(29,154)	(20,792)	(49,946)
Net cash used in capital and related financing activities	-	(4,724)	(20,792)	(25,516)
Cash flows from investing activities				
Interest received	4,492	1,525	14,560	20,577
Net change in cash and cash equivalents	(2,831)	300,604	(458,230)	(160,457)
Cash and cash equivalents, beginning of year	12,531	715,699	1,215,844	1,944,074
Cash and cash equivalents, end of year	$ 9,700	$ 1,016,303	$ 757,614	$ 1,783,617

continued…

Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended March 31, 2022

	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	$ (251,195)	$ 160,245	$ (2,397)	$ (93,347)
Adjustments to reconcile operating (loss) income to net cash (used in) provided by operating activities				
Depreciation expense	-	278,715	2,397	281,112
Changes in operating assets and liabilities that provided (used) cash:				
Accounts receivable	(537)	1	2	(534)
Prepaids	(1,906)	387	-	(1,519)
Accounts payable	(12,519)	(1,714)	-	(14,233)
Accrued liabilities	10,751	5,700	-	16,451
Accrued compensated absences	84,771	-	-	84,771
Net cash (used in) provided by operating activities	$ (170,635)	$ 443,334	$ 2	$ 272,701

concluded

Balance Sheet

Governmental Fund
Downtown Development Authority Component Unit
March 31, 2022

Assets		
Cash and cash equivalents	$	210,201
Investments		50,000
Receivables:		
Accounts		68,290
Taxes		244
Due from other governmental units		10,201
Interest		51
Prepaids		2,522
Total assets	$	341,509
Liabilities		
Accounts payable	$	30,592
Accrued liabilities		2,483
Total liabilities		33,075
Fund balance		
Restricted		308,434
Total liabilities and fund balance	$	341,509

Reconciliation
Fund Balance of the Governmental Fund
to Net Position of Governmental Activities
Downtown Development Authority Component Unit
March 31, 2022

Fund balance - governmental fund	$ 308,434
Amounts reported for *governmental activities* in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund.	
Capital assets not being depreciated	935,234
Capital assets being depreciated, net	1,750,381
Net position of governmental activities	$ 2,994,049

CITY OF CHARLEVOIX, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Fund
Downtown Development Authority Component Unit
For the Year Ended March 31, 2022

Revenues	
Property taxes	$ 494,092
Federal	10,201
State	88,121
Rents	64,357
Other	35,274
Total revenues	692,045
Expenditures	
Current:	
Community development	688,046
Net change in fund balance	3,999
Fund balance, beginning of year	304,435
Fund balance, end of year	$ 308,434

Reconciliation

Net Change in Fund Balance of the Governmental Fund
to Change in Net Position of Governmental Activities
Downtown Development Authority Component Unit
For the Year Ended March 31, 2022

Net change in fund balance - governmental fund	$	3,999
Amounts reported for *governmental activities* in the statement of activities are different because:		
The governmental fund reports capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense.		
Capital assets purchased/constructed		25,757
Depreciation expense		(195,955)
Change in net position of governmental activities	$	(166,199)

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Rehmann

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

September 22, 2022

Members of City Council
City of Charlevoix
Charlevoix, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the ***City of Charlevoix, Michigan*** (the "City"), as of and for the year ended March 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated September 22, 2022.

Report on 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.

218 N Main St., Suite 102, Cheboygan, MI 49721 231.627.3143

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 2022-001, that we consider to be a material weakness.

Report on 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, 2022

2022-001 – 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.

■ ■ ■ ■ ■

Charlevoix City Council

Consent Agenda

Title: Approve Tree Planting Bid for $20,380.00
Date: October 17, 2022

Presented By: Pat Elliott, Public Works Superintendent

Background:
In the approved 2022/23 budget we allocated money in the major and local street funds for the yearly planting of trees in the right of way. In late September, we advertised for this work and in early October we opened one bid from Louis A. Hoffman Nursery, see attachment. In total the bid included planting 40 street trees. We have worked with Louis A. Hoffman Nursery in the past for these types of projects and have had good success and tree survival rates.

Recommendation:
Motion to approve the bid for tree planting for $20,380.00 and authorize the City Manager to sign any related documents.

Attachments:
1. 2022 Tree Planting Bid Tab

CITY OF CHARLEVOIX

Tree Planting

Bid Opening at City Hall
October 4, 2022
11 am

Bidder Name	Comments
Louis A. Hoffman Nursery Inc	$20,380.00 *

Page 1 of 1

Charlevoix City Council
Consent Agenda

Title: Approve Bridge Park Lift Station Slide Gate Repair and Bypass Improvements Engineering: $17,500

Date: October 17, 2022

Presented By:

Background:
Earlier this summer when doing routine cleaning and maintenance on the Bridge Park Lift Station, we discovered a problem in the lift gate that controls sewage flow into the wet well. In order to correct this for the long-term, a redundant valve needs to be installed so that we can isolate this area, fix it and then have redundancy going forward. The proposal from Prein&Newhof will engineer the solution and develop a scope fo work which can be bid for the actual improvements. An important complication of this process will include the temporary pumping of sewage around the damage valve during the construction process. We have a master agreement with Prein&Newhof to oversee projects like this based on pricing that was previously competitively bid. The actual work will be bid once they have developed the scope of work.

Recommendation:
Approve the proposal from Prein&Newhof for Bridge Park Lift Station Slide Gate Repair and Bypass Improvements in the amount of $17,500 and authorize the City Manager to sign all necessary documents.

Attachments:
1. Prein&Newhof Engineering Proposal

Prein&Newhof
Engineers ▪ Surveyors ▪ Environmental ▪ Laboratory

September 20, 2022

Mr. Randy Wurst
Wastewater Treatment Plant Superintendent
210 State Street
Charlevoix, MI 49720

RE: Bridge Park Lift Station
Slide Gate Repair and Bypass Improvements

Dear Mr. Wurst:

Thank you for the opportunity to prepare an engineering services proposal for the slide gate repair and bypass improvements at the Bridge Park Lift Station. We understand that the project is needed due to failure of the existing slide gate in the wet well of the station. The goal of the project is to repair the existing slide gate, add a redundant slide gate on the opposite side of the wet well, and install a bypass connection to facilitate future maintenance.

Scope
Specific design engineering and bidding work activities include the following:

- Conduct a kickoff call with City representatives to verify scope and secure input on equipment requirements
- Prepare a basis of design and review with the City
- Conduct a site visit to confirm existing conditions
- Design bypass connection
- Determine recommended sequence of construction
- Prepare construction plans and specifications
- Complete plans and specifications for Owner review
- Prepare EGLE Part 41 Construction Permit Application
- Provide estimate of probable construction cost
- Bidding assistance
- Proposal review following bid opening by City
- Collaborate with you to prepare a bid summary and award letter for City

Construction services are not included in the current scope of work.

Schedule
We anticipate contract documents can be completed and available for bidding within four (4) weeks after your direction to proceed. The bidding process is anticipated to take approximately five (5) weeks from advertising to award recommendation. Construction would likely take place in spring 2023 due to lead times of equipment.

Fees for Services

We propose to perform the scope of work on a time and materials basis for a not-to-exceed total of $17,500 in accordance with the Master Agreement – General Engineering Services. Should additional services be requested by you or wastewater plant representatives, we would contact you and obtain your authorization prior to performing such services.

Thank you for allowing us the opportunity to present this proposal to you. Feel free to contact us with any additional thoughts or questions.

Sincerely,

Prein&Newhof

Mark R. Prein, P.E.

MRP/nvh

Charlevoix City Council

Consent Agenda

Title: Approve GOAB Switches for $11,609.12
Date: October 17, 2022

Presented By: John Griffith, Electric Department Director

Background:
In its distribution system study, GRP Engineering, Petoskey, recommended the replacement of three (3) sets of individually operated switches with group operated disconnect switches (GOABs). The Electric Department has three GOABs in inventory for this project. The Electric Department received a quote from Power Line Supply, Reed City, MI, for three (3) GOABs for inventory through its Vendor Managed Inventory Agreement. Two (2) GOABs will be purchased and placed into inventory. The third GOAB will be purchased as needed. The quote included a replacement interrupter assembly to replace a damaged unit in inventory.

Recommendation:
Motion to approve the purchase of two (2) Eaton Group Operated Disconnect Switches (GOAB) and one (1) interrupter assembly for a total amount of $11,609.12.

Attachments:
1. Goab Switches Quote

Eaton
Power Systems Division
Proposal Number: W22469810P
Date: Jun 20, 2022

POWER LINE SUPPLY COMPANY
420 SOUTH ROTH STREET SUITE A
REED CITY Michigan 49677-9115

End Customer: CITY OF CHARLEVOIX
4710938P01-S6 M1H03TR2

Eaton is pleased to present our response to your request. The attached proposal is based on our interpretation of any specifications, drawings and/or other information provided to Eaton.

Should you have any questions or require any additional information, please feel free to contact me. Eaton appreciates the opportunity to provide a response to your inquiry and looks forward to receiving your order.

Sincerely,
KAYLA FULLER
psutilitycentral@eaton.com

Proposal Specifics

- Proposal Valid From: Jun 29, 2022
- Proposal Valid To: Jul 28, 2022
- Terms of Sale: PP3 - FOB Destination - Freight Prepaid and Allowed
- Payment Terms: Net 30 Days
- Standard 12 Months Warranty

Orders must be issued to "Cooper Power Systems, LLC" and are subject to the included Eaton's Terms and Conditions of Sale and/or previously agreed to terms and conditions. For additional ordering information, please see the Proposal Notes section.

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Proposal Notes

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.

Pricing will be reviewed upon the announcement of any tariffs pertaining to the importation or exportation of key components or power distribution products in their entirety.

Orders must be issued to “Cooper Power Systems, LLC” and are subject to Eaton’s Terms and Conditions of Sale that are included or have been provided previously to the buyer.

The following are the purchase order requirements for Eaton’s Power Systems Division

- All purchase orders must have the following clearly identified to be accepted by Power Systems. If a purchase order is missing any one of the requirements, it will be returned for revision prior to entering the order.
  - Legal entity – Cooper Power Systems
  - PO number
  - Sold to number or address
  - Ship to number or address (‘will advise’ acceptable temporarily)
  - Price per line item
  - Quantity per line item
  - Catalog number, customer material number, or quote number with identified item numbers
  - Freight Terms
  - Currency if international
  - Payment Terms

Listing any of the following additional requirements on your purchase order will assist in the speed and accuracy of processing your order and preventing orders from being placed on hold:

- Valid and current contract or quote number
- Shipping Notes (if required)
  - If shipping collect an account number must be provided
  - If shipping third party a payer address is needed
  - If shipping direct to the end user, provide an address, contact name and contact number
  - If shipping complete, this must be noted
- Please note any special instructions, including special billing and customer witness tests. It is preferred that they are highlighted.
- Lead-times
  - Please note when the customer needs the material
  - If expedited lead-times have been committed please note who you received the lead-time from and what the commitment was

Proposal number and item number should be referenced on purchase order.
Quoted lead-times are based on current factory loading and are subject to change.

All prices here represent those in effect at time of quotation and are subject to change at a minimum of 30 days prior to shipment.

LIPE Warehouse Domestic Notes

- A 10% drop ship charge will apply to quoted items not shippd to distributor stock.
- This charge does not apply to products from brands P47 (three phase switches), P54 (Patton & Cooke Junctions), P60 (secters) or P63 (station and intermediate class arresters).

Eaton Power Systems Division
1319 Lincoln Ave
Waukesha, WI 53186 US

Item #	Catalog # Customer Material #	Description	Manufacturing Lead Time (Weeks)	***Approval Drawing Lead Time (Weeks)	Price Each	Qty	Total Price
1.0	4710938P01-S6	KIT 1PH,RELIABREAK INT 15kV & 25kV, AEP	18		$498.00	1	$498.00
2.0	M1H03TR2	MForce,STD,15/110,HOR,UPR,HOOK,POLY.INS	18		$5,555.56	3	$16,666.68

Eventual Catalog # to Order
*** Upon receipt of clean order information (see Proposal Specifics for requirements)

Eaton Power Systems Division
1319 Lincoln Ave
Waukesha, WI 53186 US

Item Number : 1.0 Catalog # :4710938P01-S6

Item Details

Lead-time (Per Lead-time definition in Proposal Specifics):
Manufacturing Lead-time: 18 weeks after release of order by customer
Approval Drawing Lead-time: weeks upon receipt of order

Description	KIT 1PH,RELIABREAK INT 15kV & 25kV, AEP

Eaton Power Systems Division
1319 Lincoln Ave
Waukesha, WI 53186 US

Item Number : 2.0 Catalog # :M1H03TR2

Item Details

Customer RFQ Information:

Lead-time (Per Lead-time definition in Proposal Specifics):
Manufacturing Lead-time: 18 weeks after release of order by customer
Approval Drawing Lead-time: weeks upon receipt of order

Product	
Switch Type	Standard MForce Three Phase Switch
Voltage	15.5kV, 110kV BIL
Mounting	Horizontal Upright
Control Selection	No Rod (Hookstick Bell Crank)
Crossarm	Steel with 1 Point Lift
Insulator Material	Polymer Insulators

Powering Business Worldwide

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 fulfil 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 payment obligations 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 labour 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, THEIRQUALITY, 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 all applicable costs incurred by virtue of the sale, including costs of purchased materials, engineering costs, 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 labour disputes, fires, accidents, floods, epidemics, war, riot, embargoes, delays in transportation, lack of or inability to obtain raw materials, components, labour, 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.

Eaton Power Systems Division
1319 Lincoln Ave
Waukesha, WI 53186 US

Powering Business Worldwide

(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 defence 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 but not limited to 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 waiver with 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 be prepared in the English language. Les parties aux présentes ont expressément exigé que les présents termes et les bons de commandes émis aux 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 and Buyer 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 laws of 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.

Dated: 11012017

Charlevoix City Council

Consent Agenda

Title: Approve Electric Three Year Line Clearance Contract with Asplundh: up to $300,000 over three years

Date: October 17, 2022

Presented By: John Griffith, Electric Department Director

Background:

Line clearance (tree trimming and removal) of overhead electric lines is essential to maintain reliable electric service. The Charlevoix Electric Department issued sealed bid specifications for a three-year contract. The annual amount budgeted for line clearance is $100,000. One bid was received from Asplundh Tree Experts, LLC, on September 29, 2022. Asplundh has the necessary training, experience, and certification to perform line clearance services for the City of Charlevoix Electric Department.

Recommendation:

Motion to approve the bid from Asplundh Tree Experts, LLC, for line clearance operations in fiscal years 2022-2023 through 2024-2025 as presented.

Attachments:

1. Asplundh Proposal 09.29.2022

CITY OF CHARLEVOIX

Electric Line Clearance
Bid Opening at City Hall
September 29, 2022
11 AM

Bidder Name	Comments
Asplundh	2022-2023 $200.95 2023-2024 = $207.77 2024-2025 = $214.98

- See attached

Page 1 of 1

ASPLUNDH

ASPLUNDH TREE EXPERT LLC

2255 NORTHWAY DR, MOUNT PLEASANT, MI 48858 * TELEPHONE (989)772-4454 * FAX (989)772-4352

September 23, 2022

City of Charlevoix
Attention: Mr. John Griffith
Superintendent Electric Department
210 State St.
Charlevoix, MI 49720

Dear Mr. Griffith:

Asplundh Tree Expert LLC would like to thank you for giving us the opportunity to offer you rates for the City of Charlevoix Electric Line Clearance 2022 through 2025. The rates for your review and approval can be found on the attached pages that were provided. We have also attached an Exception to the Specifications and contract language for your review as well.

If you should have any questions or concerns regarding this bid, please feel free to give Asplundh a call at your earliest convenience. You can reach me by calling 530-514-3315. We at Asplundh look forward to hearing from you in the near future.

Sincerely,
Asplundh Tree Expert LLC.

Jeremiah Sparacio
Manager - 064

ASPLUNDH®

ANYTIME. ANYWHERE.

Exceptions for City of Charlevoix Contract language

1. INDEMNIFICATION – Make comparative.
   - Change "***arising out of***" to "***to the proportionate extent caused by***" on line 2 and again on line 3.
2. PERFORMANCE ¶3 – Make comparative.
   - Add "*to the proportionate extent such is caused by Contractor*" to end.

CITY OF CHARLEVOIX

ELECTRIC DEPARTMENT

LINE CLEARANCE SPECIFICATIONS AND CONTRACT

2022 through 2025

CITY OF CHARLEVOIX
ELECTRIC DEPARTMENT
SPECIFICATIONS FOR LINE CLEARANCE

INSTRUCTIONS TO BIDDERS
The work performed under this contract includes furnishing of all labor, materials, equipment, and tools necessary for line clearance in accordance with these specifications. Each bidder is required to review and understand these specifications and become familiar with the sites of the proposed work and surroundings.

- Proposals will be received on a total cost per hour
- Proposals will be based on a three-year maintenance cycle. A list of line clearance locations is attached.
- All primary lines shall be cleared in accordance with ANSI A300 and other applicable arboricultural standards to obtain maximum clearance.

The contract shall be interpreted under the laws of the State of Michigan.

Bidders shall ensure compliance with all applicable laws and regulations, including but not limited to the Employers Engaging in Unfair Labor Practices Act, 1980 PA 278, as amended, MCL 423.321 *et seq.*; the Elliott Larsen Civil Rights Act, 1976 PA 453, as amended, MCL 37.2101 *et seq.*; the Persons with Disabilities Civil Rights Act, 1976 PA 220, as amended, MCL 37.1101 *et seq.*; and all other federal, state, and local fair employment practices and equal opportunity laws and covenants that it shall not discriminate against any employee or applicant for employment, to be employed in the performance of this Agreement, with respect to his or her hire, tenure, terms, conditions, or privileges of employment, or any matter directly or indirectly related to employment, because of his or her race, religion, color, national origin, age, sex, height, weight, marital status, or physical or mental disability that is unrelated to the individual's ability to perform the duties of a particular job or position. Bidder agrees to include in every subcontract entered into for the performance of this Agreement not to discriminate in employment.

Bidder has not sought by collusion to obtain for itself any advantage over any other contractor or over the City.

ADDENDA
All addenda issued prior to the bid due date shall become part of the Line Clearance Specifications and shall be identified as received by each responsive bidder. The bidder shall state any exceptions to the specifications in the proposal.

INSURANCE
Nothing contained in these insurance requirements is to be construed as limiting the extent of the contractor's responsibility for payment of damages resulting from operations under this contract. The successful bidder shall maintain insurance coverage during the term of this agreement at the minimum amounts and types as indicated. Subcontractors

must provide proof of insurance to the contractor upon subcontractor selection and it shall be forwarded to the City.

All coverage shall be with insurance companies licensed and admitted in the State of Michigan. All coverages shall be with insurance carriers that have a Best Company's Insurance Reports Rating of A or A- (Excellent).

Workers' Compensation:
The successful bidder and all subcontractors shall carry Worker's Compensation and Employer's Liability Insurance Coverage during the life of this contract, in accordance with all applicable statutes of the State of Michigan.

Public Liability and Property Damage:
The successful bidder and any subcontractors shall carry Public Liability and Property Damage Insurance during the life of this contract according to the following table:

Bodily Injury: Occurrence	$1,000,000
Aggregate	2,000,000
Products-completed/operations aggregate	2,000,000
Personal & Advertising Injury	500,000
Fire damage (any one fire)	50,000
Medical payment (any one person)	5,000

Coverage to include (if applicable):
Contractual liability
Broad form property damage
Explosion, collapse, and underground damages – XCU when applicable
Protective liability & property damage (construction projects)

Motor Vehicle:

Bodily injury:	Occurrence	1,000,000
Bodily injury:	Accident	1,000,000
Property damage:	Occurrence	250,000
Or combined single limit		1,000,000

Excess Umbrella Coverage

Per Occurrence:	1,000,000
Aggregate:	2,000,000

Additional Insured:
The City of Charlevoix shall be named as an additional insured on all required insurance.

Proof of insurance must be submitted to the City before work begins. All notifications, renewals, Advance Written Notification of Cancellation, Non- Renewal, Reduction, and/or Material Change must be sent to: City of Charlevoix, 210 State Street, Charlevoix, MI 49720, Attn: Electric Department.

SUBCONTRACTORS
No work specified under this contract shall be sub-contracted without prior written approval from the City. Any approved subcontractors will be required to furnish satisfactory evidence that they are covered by all insurance requirements specified for the contractor.

INDEMNIFICATION
The contractor shall indemnify and save harmless the City and its officers and agents from any losses, damages, costs, claims, expenses, judgments, or decrees arising out of the contractor's activities under this contract or arising out of the activities of any subcontractor, employees, or agents of the contractor.

The contractor and each of its employees, agents, subcontractors, and personnel shall in no manner or means be considered an employee of the City and the contractor and all of its agents, and employees shall remain independent contractors for all purposes whatsoever.

RIGHT TO ACCEPT, REJECT, OR WAIVE DEFECTS
The City reserves the right to accept any proposal, to reject any or all proposals, and to waive defects or irregularities in any proposal. Any alterations to the contract documents shall render the accompanying proposal irregular and subject to rejection by the City.

AWARD OF CONTRACT
The contract shall be deemed as having been awarded when formal notice of award has been sent by first class mail to the successful bidder.

WITHDRAWAL OF BIDS
Any bidder may withdraw their bid at any time prior to the scheduled time for the receipt of bids. No bidder may withdraw their bid after the time stated in the advertisement for opening bids.

DAMAGE OR LOSS OF CONTRACTOR/EMPLOYEE PROPERTY
The City does not assume any liability from fire, theft, accident, or any other cause resulting in damage or loss of contractor's supplies, materials, or equipment, or of personal property or belongings of their employees.

SUBMISSION OF WORK RECORDS
The contractor shall furnish weekly time sheets showing the nature, amount, and location of the work performed each day, together with the number of employee and equipment hours, the number of trees trimmed and/or removed, Units of Brush cleared and other pertinent information. The contractor shall submit monthly invoices based on the weekly time sheets and shall show employee hours, equipment hours and the billing rates.

WORK SCHEDULE

The line clearance maintenance cycle is typically October 1 through April 30 and may be adjusted by mutual consent of the City and contractor. The normal workweek is forty (40) hours, Monday through Friday. The typical workday is eight (8) hours and may be adjusted by mutual consent of the City and contractor. Paid holidays shall be borne by the contractor. Two hours of straight time pay will be allowed if inclement weather prevents work, subject to the foreman reporting at the normal start time and at the end of the two hours. The crew will be expected to remain at the work headquarters for the two hours. No billing is to be made for equipment.

EMERGENCY WORK
Emergency work will be on an on-call basis as specified by the City. Emergency work requires a timely response by contractor with sufficient crew(s) and equipment to perform the emergency work. The response time for this emergency work shall be identified by the bidder in the proposal. Emergency work shall include a qualified three (3) man crew, bucket truck with chip box or chip truck, chipper, saws, and equipment.

SAFETY
The contractor shall plan and conduct the work to adequately safeguard all City and third-party property from injury, damage, and loss. The contractor shall be liable for any damage, injury or loss and shall indemnify and hold the City harmless from any such damage, injury, or loss. The contractor shall comply with MIOSHA requirements and be guided by ANSI Z133.1 latest edition "Safety Requirements for Pruning, Trimming, Repairing, Maintenance, and Removing Trees and for Cutting Brush". The City shall be notified as soon as possible in the case of personal injury, accidents, property damage, and any line outage or suspected line outage the crew may have caused. Barricading or rerouting of traffic shall be in accordance with the Michigan Manual of Uniform Traffic Control Devices and MDOT signage and permit requirements. In addition, the contract shall notify the Charlevoix Police Department, the Charlevoix Combination Fire Department, and the Lake Charlevoix EMS Authority. The contractor shall properly barricade sidewalks to prevent pedestrian traffic under the trees being trimmed. The contractor shall provide and maintain all passageways, guard fences, lights, and other facilities for protection required by public authority or local conditions.

SPECIAL INSTRUCTIONS
When working on private property, the contractor shall notify property owners of the type of maintenance to be performed and the approximate time period for the work. Where practical, the property owner should sign a form to indicate approval of the work to be done. The contractor shall notify the City if a property owner does not permit access to perform the work. The contractor is responsible for getting permission for ingress and egress from the property owner, when necessary, to gain access to the work site. The contractor shall repair any damage done to the property. The contractor shall have its personnel and equipment always present a neat appearance. Upon completion of the work, and before moving to a new location, all debris, wood chips, branches, etc., shall be removed and the area left in a broom-clean condition. No chemicals shall be used without approval of the City's representative. No chemicals are permitted to be used on

the City's water well property. Extreme caution shall be exercised when using chemicals near Wellhead Protection Areas, near waterways, crops, ornamental shrubs, etc.

BIDDER QUALIFICATIONS

Each Bidder must be prepared to submit, within five (5) days of City's request, written evidence of qualifications to perform the work. The written evidence should include financial data, previous experience, present commitments, and other such data as may be requested by City. Each bidder must show evidence of the following:

- Compliance with OSHA 1910.269 Line Clearance Tree Trimming Standard
- Compliance with ANSI Z133.1 Safety Requirements for Arboricultural Operations
- Compliance with ANSI A300 Standard for Tree Care Operations
- Documented in-house Safety Program
- Equipment no older than eight years of age
- Capable of providing a minimum of one emergency line clearance qualified crew within four hours of a request and additional line clearance qualified crews within 12 hours of a request.

In addition to the above, when so requested, Bidder shall meet with City's representatives and give further information to determine Bidder's qualifications, responsibility, ability to perform and complete the work in accordance with the contract documents. The City reserves the right to reject any bid if the evidence submitted by, or investigation of, a bidder fails to satisfy the City that the Bidder is properly qualified to carry out the obligations of the Contract and to complete the work as specified herein.

TERM OF CONTRACT

This contract shall be for three (3) years beginning November 1, 2022, and continuing through September 30, 2025. The City will issue a Notice to Proceed as authorized by the Charlevoix City Council. The contractor shall commence work as soon as practical after receipt of the Notice to Proceed, but in no case later than 30 days after receipt of the Notice to Proceed.

RESTORATION FOR PROPERTY DAMAGE

The contractor shall be responsible for any or all damage to utilities or other facilities such as sewers, water lines, gas lines, underground or overhead electric power or communication lines.

The contractor shall promptly repair and/or restore all structures, including driveways, sidewalks, fences, etc. damaged during the performance of the work. In lieu of such repairs, and if agreeable to the City of the damaged structure, the contractor may make a fair and equitable monetary compensation to the property owner.

Whenever lawns, shrubs or other decorative vegetation is damaged by this contractor during in the performance of the work, contractor shall promptly compensate the property owner by replacing the damaged vegetation or making an equitable monetary compensation to the property owner.

MATERIAL AND EQUIPMENT STORAGE
The contractor must obtain all permits and pay all fees and charges for use of public or private property for storage of material and equipment. Storage facilities of the Electric Department will be available for reasonable equipment storage during the work.

INSPECTION OF WORK
The City reserves the right to inspect any and all work prior to authorizing an invoice for payment.

CLEANUP
The contractor shall clean up and remove all debris, limbs and brush that accumulates in connection with the work under this contract. Streets and private property must be left in a neat and orderly condition at the end of each day's work.

In no case, shall brush or wood be allowed to remain on public thoroughfares overnight or on lawns unless arrangements have been made with the property owner. If brush piles are left, they shall be properly marked for safety.

Immediately upon completion of the work at each location, the contractor shall remove and dispose of all brush and debris (completely from public property and from private property) in accordance with the desire of property owner or City.

Any return to clean up brush or yards or other issues found by inspection or complaint, shall be done at the contractor's expense.

CLAIMS FOR EXTRA COSTS
If the contractor claims that any instructions involve extra cost under this contract, contractor shall give the City written notice of such claim within 10 days. In no event, shall the contractor proceed with the work included under such claim unless a written order from the City has authorized the change. No claim shall be valid unless so made.

NON-EXCLUSIVE CONTRACT
The City reserves the right to let other contracts in connection with this work or to perform such related work as the City may deem desirable. Accordingly, this is a non-exclusive contract.

ASSIGNMENT OF CONTRACT
The contractor shall not assign, transfer, convey or otherwise dispose of the Contract or the right to execute it, or any part thereof, or interest therein, without the written consent of the City.

CITY'S RIGHT TO TERMINATE CONTRACT
The City shall have the right to terminate this contract upon fifteen (15) days written notice to the contractor for the failure of the contractor to comply with any terms of this contract.

GUARANTEES

The contractor shall guarantee that performance shall be in accordance with these specifications and arboricultural standards. In the event of failure to comply with or meet the guarantee, the contractor shall proceed at the contractor's own expense to correct faulty workmanship or faulty performance. In the event of failure to do so, the City may proceed to have such corrections made at the expense of the contractor.

CUSTOMER RELATIONS
In order to maintain good customer relations, contractor's crew members shall wear uniforms and hard hats with the name of the contractor clearly displayed. The uniforms and hard hats shall be clean and in good repair.

All public relations such as access and trimming permission from property City's, and general crew conduct will be handled by the contractor in a professional and workmanlike manner. The contractor shall provide notice to all property City's before performing any line clearance activities. If the property owner refuses to grant access, the contractor shall notify the City.

EQUIPMENT
The bucket truck to be provided for tree trimming service shall have at least a fifty (50) foot working height and be certified and tested for line clearance work. All tools, vehicles and equipment necessary to perform the work shall be included in the Power Line Trimming Rate Sheet.

VEHICLE STORAGE
Vehicles and equipment may be stored at facilities furnished by the City.

PERFORMANCE OF WORK
Electric system facilities will remain energized during line clearance operations. Line clearance that requires the lines to be de-energized shall be scheduled in advance with the City.

The City shall be notified immediately for any work site accident, vehicular accident, and accidental contact with energized lines.

The contractor shall be responsible for all damage to the electric system, other public utilities, and private property.

The primary neutral shall be treated as an energized conductor under this contract.

Any limbs trimmed from trees that fall into public streets shall immediately be removed.

The City's 46 kV line sections shall be cleared of all overhanging vegetation with a side clearance of 15 feet. The contractor shall notify the City of any trees outside the 15-foot zone that could contact the 46 kV conductors.

Primary lines shall be cleared to eliminate any overhanging limbs and branches.

All trees shall be trimmed according to arborist standards as described in the most recent ANSI A300 Guidelines. In addition, if trimming removes 30% of the living tree crown, or more, removal shall be discussed with the City. Topping of trees is prohibited. Tree removal will generally be limited to mulberry, silver maple, elm, ailanthus, poplar and cottonwood with a DBH of 12 inches or less. Conifer trees may be trimmed to a clearance of five (5) feet. Oak trees shall only be trimmed from late fall to early spring when temperatures are expected to be below 32 degrees Fahrenheit. All tools used to trim oak trees shall be cleaned before working on each oak tree with a 1:40 bleach to water solution. Ornamental trees and shrubs should generally not be trimmed

Trees shall be trimmed for the maximum clearance under ANSI A300 standards or for a minimum of three (3) years clearance. Where a three (3) year minimum clearance is not achievable the contractor will notify the City.

All dead, dying, or defective limbs which may interfere with or endanger operational safety and line maintenance shall be removed.

Stumps shall be cut to a maximum height of three (3) inches above grade.

All stumps shall be treated with Garlon 4 Ultra Triclopyr unless off-site contact is possible or if the tree is unaffected by the herbicide.

All brush stumps shall be flush cut leaving no "spears".

Rounding over and stubbing cuts are not acceptable.

Trees should be trimmed to the nearest lateral.

Vines shall be cut at the ground line and below the power space on the pole. The stump shall be treated to prevent regrowth.

Trees with non-treatable disease, 50% or greater dying tops, dying major branches, splitting trunks, hollow truck, fungal growth, rodents and insect damage, and private trees that pose a hazard to the health, safety, and welfare of the public shall be reported to the City with a recommendation for removal.

MISS DIG shall be contacted prior to grinding stumps. Stumps are to be ground to six (6) inches below grade. The site is to be cleared of debris, the void filled with topsoil flush with surrounding surface and seeded. Cover the site with mulch.

DEFINITIONS

- City shall mean the City of Charlevoix
- Diameter at Breast Height (DBH) is the diameter measured at 4 ½ feet above the ground
- Trimming: the cutting and removing of any limbs or branches.
- Tree: Woody vegetation with a minimum DBH of four (4) inches
- Brush: Woody vegetations with a DBH of less than four (4) inches.
- Unit of Brush is defined as 500 square feet measured from canopy edge to canopy edge
- Brushing: Trimming of all woody growths below 6" in diameter at 12" above ground, will be considered as Brushing.
- Trim is any woody plant that is identified to be trimmed.
- Removal is any plant that has a four (4) inch DBH or greater and has been identified to be removed

POWER LINE TRIMMING HOURLY RATE SHEET

All time and material hourly rates necessary for execution of the work shall be listed below. These rates will be used as the basis for payment for the duration of this contract. For the purposes of comparing bids the "Total Rate Per Crew Hour" at the bottom of this sheet shall be the sum of the hourly rates for the Foreman, Journeyman Trimmer, Groundman, Aerial Lift, Chipper and dump truck. Any additional labor or equipment rates not listed below that the bidder feels may be necessary shall be added to the bottom of this sheet.

	2022-2023 Rate/Hour	2023-2024 Rate/Hour	2024-2025 Rate/Hour
Foreman	$54.93	$57.06	$59.30
Trimmer	$49.66	$51.50	$53.47
Groundman	$47.00	$48.72	$50.54
Aerial Lift	$25.27	$25.84	$26.44
Chipper	$6.57	$6.72	$6.87
Dump Truck	$16.42	$16.80	$17.19
Other	$1.13	$1.13	$1.17
Cost per Crew Hour	$200.95	$207.77	$214.98

The annual fiscal year budget for line clearance is $100,000.

EXECUTION OF PROPOSAL BY CONTRACTOR

The Proposal must be signed with the full name of the contractor. If the contractor is a partnership, the Proposal must be signed in the partnership name by a partner. If the contractor is a corporation, the Proposal must be signed in the corporate name by a duly authorized officer and the corporate seal affixed and attested by the secretary of the corporation. If the contractor is another form of legal entity, the proposal must be signed by a duly authorized representative of the entity. Proposal must be valid for 90 days.

Upon acceptance of this Proposal and the execution of this document, this document becomes a contract and constitutes the full and complete contract between the parties. Accordingly, the successful Bidder shall be the contractor and all references in the Proposal to the Bidder shall apply to the contractor.

Asplundh Tree Expert, LLC
(Bidder)

2255 Northway Drive
Mt.Pleasant, MI 48858
(Address)

WITNESS:

____

By: ______________________
(Signature)

Its: ______________________

Contact Person: Jeremiah Sparacio

Phone: (530) 514-3315 Fax: ______________

Email: jsparacio@asplundh.com

CITY: City of Charlevoix

____
(Signature)

WITNESS:

____

Date of contract: ______________

Charlevoix City Council

Public Hearings and Actions Requiring Public Hearings

Title: Set Public Hearing: Signs in Bridge Park (Ordinance 834)
Date: October 17, 2022

Presented By: Mark Heydlauff, City Manager

Background:
Draft Ordinance 834 would amend the Sign Ordinance specifically by amending Section 153.215 CBD Zoning District to permit signage on the Bridge Park railing for businesses located beneath Bridge Park and Table 153.219 for clarification purposes.

This ordinance has been approved by the Planning Commission but awaits final legal review by the City Attorney. It now needs a public hearing before adoption. City Planner Jennifer Neal will be present on November 21 to answer questions and discuss this matter further.

Recommendation:
Motion to set a Public Hearing for Monday, November 21, 2022 at 6pm in the Council Chambers of City Hall to consider Ordinance 834 of 2022 to amend the Sign Ordinance.

Attachments:
1. Draft Ordinance 834- Signs in Bridge Park

Draft Zoning Ordinance Amendment
City of Charlevoix Planning Commission
Forwarded to City Council with a recommendation to adopt October 10, 2022
Amendment #2
CBD Sign Ordinance
Changes Marked in Red

§ 153.215 CBD ZONING DISTRICT.

The following signs are authorized in the CBD Zoning Districts. See § 153.219 of this chapter for all dimensional requirements.

(A) Signs not requiring a sign permit. Subject to any other applicable requirements and permits, the following signs are authorized without a sign permit:

(1) Signs authorized by § 153.206(B) of this chapter;

(2) Temporary signs less than or equal to 16 square feet in sign face area and less than eight feet in height. Such signs shall be removed within seven days after the activity referenced has concluded;

(3) External neon signs no larger than two square feet in sign face area;

(4) One commercial flag per business. See § 153.208(G) of this chapter; and

(5) Portable signs. See § 153.208(H) of this chapter.

(B) Signs requiring a sign permit. Subject to any other applicable requirements and permits, the following signs are authorized after issuance of a sign permit:

(1) Temporary signs greater than 16 square feet in sign face area but not to exceed 36 square feet and less than eight feet in height. Such signs shall be removed within seven days after activity referenced has concluded;

(2) On-premises awning, canopy, marquee sign;

(3) On-premises ground sign;

(4) On-premises projecting sign; and

(5) On-premises wall sign.

(C) Commercial properties on Bridge Park Dr. that are located beneath Bridge Park are allowed to attach a sign less than or equal to two square feet in sign face area on the Bridge Park railing above the location of their business. A sign permit must be obtained, which must also be approved by the City Manager. The method of sign attachment must be included in the sign permit application. A sign permit approved under § 153.215(C) is valid only for the permit applicant and cannot be transferred to another entity.

Table 153.219: Schedule of (Sign) Regulations by Zoning District

Zoning District Sign Type	Max. Sign Face Area	Max Height	Max Number	Location	Permit Required?
CBD (Central Business District)[1]					
Temporary	Max. 36 sf	Max 8 ft	1/public frontage	Min. setback 4 ft from ROW	No-if sign face area less than/equal to16 sf
Wall	Max 30 sf	Max 8 ft	1/parcel	First floor of Building	Yes
Portable	Max 6 sf	Max 4 ft	1/business		No
External neon	Max 2 sf	Max 8 ft	1/business	n/a	No
Commercial flag	Max 15 sf	n/a	1/business	Shall not interfere With pedestrians	No
Awning, canopy, marquee	Max 16 sf	Max 8 ft	1/awning, canopy, or marquee	Shall not be located in ROW	Yes
Ground	Max 20 sf	Max 16 ft	1/public frontage	Min. setback 4 ft from ROW	Yes
Projecting	Max 16 sf	Min 8 ft Max 12 ft	1/parcel	Shall not be located in ROW	Yes

[1] See § 153.215(C) regarding commercial properties on Bridge Park Dr. located beneath Bridge Park.

Zoning District Sign Type	Max. Sign Face Area	Max Height	Max Number	Location	Permit Required?
I (Industrial)					
Temporary	Max. 36 sf	Max 8 ft	1/public frontage	Min. setback 4 ft from ROW	No-if sign face area less than/equal to16 sf
Temporary banner	Max. 30 sf	Max 16 ft	n/a	Adjacent to City Golf Course. Shall not be located in ROW	Yes ~~No-Zoning Administrator approval is required~~
Wall	Max 30 sf	Max 8 ft	1/parcel	First floor of Building	Yes
Awning, canopy, marquee	Max 16 sf	Max 8 ft	1/awning, canopy, or marquee	Shall not be located in ROW	Yes
Ground	Max 16 sf	Max 16 ft	1/public frontage	Min. setback 4 ft from ROW	Yes
Projecting	Max 16 sf	Min 8 ft Max 12 ft	1/parcel	Shall not be located in ROW	Yes

Charlevoix City Council

Public Hearings and Actions Requiring Public Hearings

Title: Set Public Hearing: Building Type Combined Changes (Ordinance 835)
Date: October 17, 2022

Presented By: Mark Heydlauff, City Manager

Background:
The Planning Commission has been working on an amendment to amend multiple sections of the City of Charlevoix Zoning Ordinance including Definitions, Area, Height, and Placement, Accessory Buildings and Uses, Accessory Dwelling Units, Structure Height, and Lot Coverage Requirements. This amends language for ongoing ordinance maintenance and provides language for the expansion of uses, modification of dimensional requirements, and design requirements.

This ordinance has been approved by the Planning Commission but awaits final legal review by the City Attorney. It now needs a public hearing before adoption. City Planner Jennifer Neal will be present on November 21 to answer questions and discuss this matter further.

Recommendation:
Motion to set a Public Hearing for Monday, November 21, 2022 at 6pm in the Council Chambers of City Hall to consider Ordinance 835 of 2022 to amend the Zoning Ordinance.

Attachments:
1. Draft Ordinance 835- Amendment Buidling Type Combined Changes

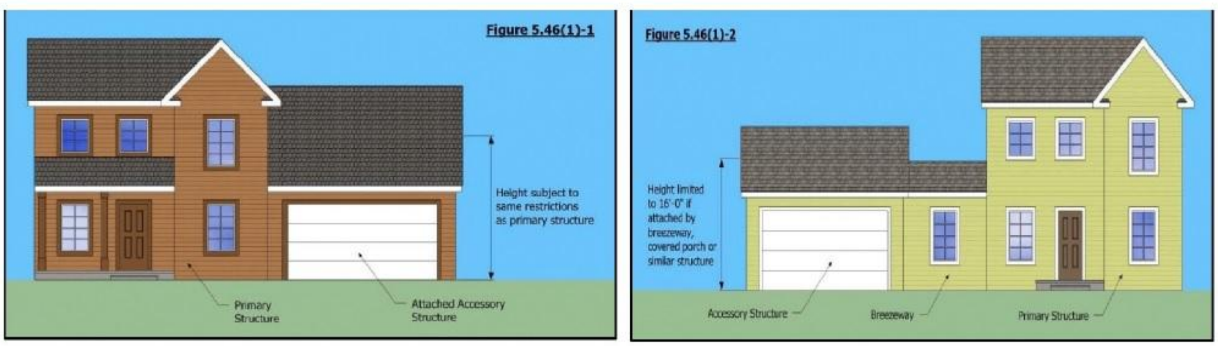
Draft Zoning Ordinance Amendment
City of Charlevoix Planning Commission
Forwarded to City Council with a recommendation to adopt October 10, 2022
Amendment #1
Building Type Standards
Changes Marked in Red

Section 153.005 ***Definitions***

Accessory dwelling unit (ADU). See Dwelling Unit: Dwelling, Accessory (ADU).

Accessory Structure. See Structure, Accessory. ~~An attached or detached structure on the same lot with and of a customarily incidental nature that is subordinate to the principal use or building/structure. (See § 153.116 of this chapter.)~~

Dwelling Unit. A building or portion of a building, designed for use and occupancy by individuals, or one family, for living, kitchen and bathing facilities. A recreational vehicle, vehicle chassis or tent is not considered a ***DWELLING***.



(d) **Dwelling, Accessory (ADU).** An accessory building that incorporates one dwelling unit ~~A second unit on an owner-occupied single-family parcel that is a minimum of three-hundred (300) and less than six-hundred-fifty (650) square feet and is either attached to the principal dwelling or in a separate structure on the same parcel~~.

Add figure for detached ADU Building

Structure*.* Anything constructed or erected requiring a permanent location in or on the ground, or that must be attached to something having such a permanent location. Structures include, but are not limited to, houses, buildings, accessory structures or buildings, fences, signs, decks, retaining walls, parking lots, access drives and swimming pools.

Structure, Accessory. An attached or detached structure on the same lot with and of a customarily incidental nature that is subordinate to the principal use or building/structure. (See § 153.116 of this chapter.)

§ 153.072 AREA, HEIGHT AND PLACEMENT REQUIREMENTS.

(B) *Dimensional requirements, single-family and two-family districts.* Building height, setbacks, lot coverage and minimum floor area for development of a principal structure in the R1, R2, R2A, R4, and PC Districts shall conform to the requirements of Table 153.072(b) of this chapter.

Table 153.072(b): Dimensional Requirements in Single-Family, Two-Family, Private Club Residential

Zoning District	*Max. Average Building Height (ft.)*[7]	*Minimum Yard Setbacks (ft.)*				*Maximum Lot Coverage (%)*	*Min. Gross Floor Area (sq. ft.)*		*Principal Structure Minimum Width (ft.)*
		Front[3]	*Side*		*Rear*				
			Interior	*Street Side*			*1 story*	*2 stories*	
R1	26	154	10	15	25	405	~~1,040~~800	~~1,600~~1,200	20
R2	26	15	8	15	25	406	800	1,200	20
R2A	26	15	10	20	30	40	~~800~~400	~~1,200~~800	20
PC	26	0	0	0	0	NA	0	0	20

NOTES TO TABLES 153.072(a) and 153.072(b)

7. See § 153.005 DEFINITIONS for the definition of building height.

Section 153.072(C) Dimensional requirements: square footage for accessory dwelling units and home conversion units. Square footage for accessory dwelling units and home conversion units shall conform to the requirements of Table 153.072(c).

Table 153.072(c): Dimensional Requirement: Square footage for Accessory Dwelling Units and Home Conversion Units		
Zoning District	*Minimum*	*Maximum*
R1 and R2	300	900~~650~~

Table 153.072(d): Dimensional Requirements in Multiple-family Dwellings in the R4 Zone

Max. Average Building Height (ft.)[2]

NOTES TO TABLE:

2 See § 153.005 DEFINITIONS for the definition of building height.

Table 153.072(f) Dimensional Requirements: Single-Family Attached, Single-Family Detached and Two-Family Dwellings in an R4 Zone Clustered Housing Development

Max. Average Building Height (ft.)[3]

NOTES TO TABLE:

3 See § 153.005 DEFINITIONS for the definition of building height

§ 153.087 AREA, HEIGHT AND PLACEMENT REQUIREMENTS.

Table 153.087: Dimensional Requirements, Non-Residential and Mixed Use Districts

Zoning District	***Max. Average Building Height (ft.)***[7]
PO	26
GD	26
CBD	40
CH	30
MC	35[4]
SR	§ 153.088(A)
I	30
P	35
CM	35

NOTES TO TABLE:

7 See § 153.005 DEFINITIONS for the definition of building height.

Section 153.116 Accessory Buildings and Uses.

(A) Accessory buildings and structures.

(1) Authorized accessory buildings and structures may be erected as part of the principal building, may be connected to the principal building by a roofed breezeway or similar structure or may be completely detached from the principal building.

(2) Where an accessory building is attached to the principal building, it shall be considered part of the principal building for purposes of determining setback dimensions and building height. If, however, the attached accessory building is connected to the principal building by a roofed porch, breezeway or similar covered structure, it shall not exceed 16 feet in height, shall not be closer than 20 feet to the rear lot line and shall meet the front and side yard setback requirements of that zone district.

(3) In the R1 and R2 Single-Family Residential Districts, if the principal building has an attached accessory building, only one detached accessory building shall be permitted.

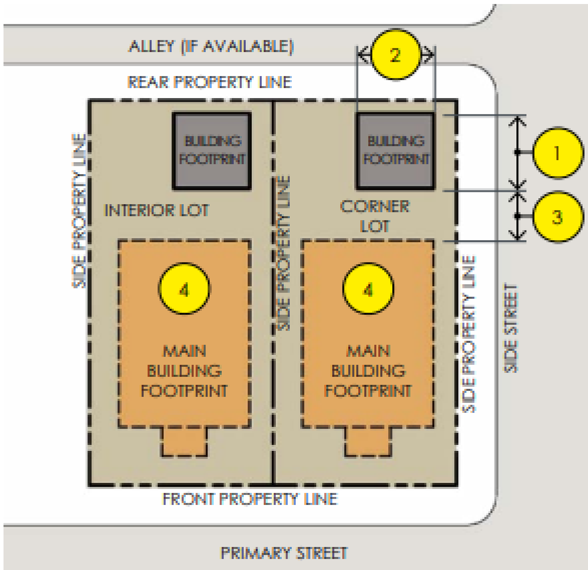
(4) Lots in the R1 and R2 Zone shall be permitted to have a secondary detached accessory building, such as a storage shed. Secondary accessory buildings shall meet all the requirements of this section and not exceed 200 square feet in area.

(5) Building Size and Massing. Accessory buildings and structures shall meet the following requirements and Diagram A

(a) No ~~detached~~ accessory building shall have a building footprint ~~greater than (30' (~~length~~-~~ x ~~30'~~ width~~)~~ (Diagram A: 1,2) greater than 900~~2,000~~ square feet with no side to exceed 30 feet. An accessory building shall not be larger than the main structure (Diagram A: 4).

~~(b)~~ ~~(6)~~ The minimum distance between a principal building and detached accessory buildings shall be ten feet (Diagram A: 3), and a minimum of ten feet shall be provided between the sides of adjacent single~~-~~-family buildings and/or accessory structures.

Diagram A: Building Size and Massing



(6~~7~~) Detached accessory buildings and structures shall meet the following minimum setbacks.

(a) Rear yard: six feet from a rear lot line. Detached accessory structures that store vehicles adjacent to alleys or sidewalks shall not be closer than 15 feet from the edge of the alley or sidewalk surface.

(b) Side yards: an accessory building shall conform to the side yard setback requirements of the principal building, unless it is located in a street side yard, the minimum setback shall be 15 feet from the street side lot line.

(c) Front yard: an accessory structure shall not be located within any front yard.

Add figure for detached accessory building

7. Design Standards. The following standards shall apply to buildings larger than 200 square feet:

~~(a)~~ Detached garages on corner lots shall face side streets. Detached garages on the corner side with driveways extending from the front street are prohibited. When an alley is available, access will come from the alley.

(b) The structure shall be designed so that the appearance maintains that of a single-family dwelling. In determining whether a structure is so designed, the structure shall meet the following requirements and Diagram C:

i. Building with a flat roof, shall have a cornice expression line. ~~or~~ A pitched (sloped) roof ~~that is~~ shall be compatible with the architecture of the main building (1).

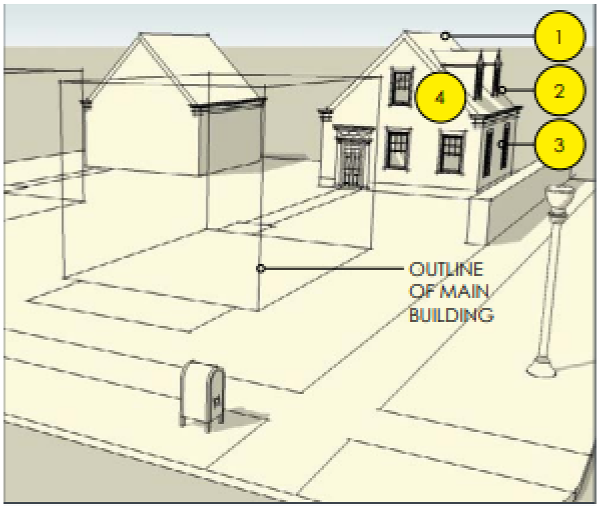
ii. Transparency Upper Floor: Building facades facing streets shall have minimum 10% of the façade be glass between the finish floor line of the second story and bottom of the cornice expression line or bottom eave (2).

iii. Transparency Ground Floor: Building facades facing streets shall have minimum 10% of the façade be glass between the adjacent grade and the finish floor line of the second story (3).

iv. Window color and finish should complement the color and architectural style of the principal building (4).

v. Exterior finish should be constructed of similar materials as the principal building or traditional materials such as wood, wood lookalike, brick, or stone.

Diagram C Façade Composition Requirements



~~(a)~~(c) Driveways see Section 153.189

(d) Design Standards do not apply to residences that may be built in the General Commercial (GC), Professional Office (PO) and Commercial Mixed Use (CM) Districts on lots fronting U.S. 31 (Bridge Street and Michigan Avenue) and M-66. (See Section 153.170 Building Appearance).

(8) Detached accessory structures shall not exceed 16 feet in height. See § 153.005 DEFINITIONS for the definition of building height.

(9) Prohibited uses within detached accessory structures or accessory structures connected by a breezeway or similar structure in all districts except the R1 and R2 Zone:

(a) May not contain features that form a habitable dwelling unit or create a second dwelling unit;

(b) These structures may contain utility sinks, one bathroom, and refrigeration units. Full kitchen facilities that include a range or stove are prohibited; and

(c) Rooms within accessory structures may be used for additional sleeping quarters for the owner, or resident, and their immediate family provided that these rooms may not be rented out as short or long term rentals for any length of time.

(10) Stand-alone carports are prohibited in all zones. Carports attached to existing structures shall meet the requirements of this chapter. Tents, wall tents, garages in a box and similar enclosures are prohibited.

(11) Permanent greenhouses shall be considered an accessory structure and meet the requirements of this section.

(B) Accessory Dwelling Units (ADUs)

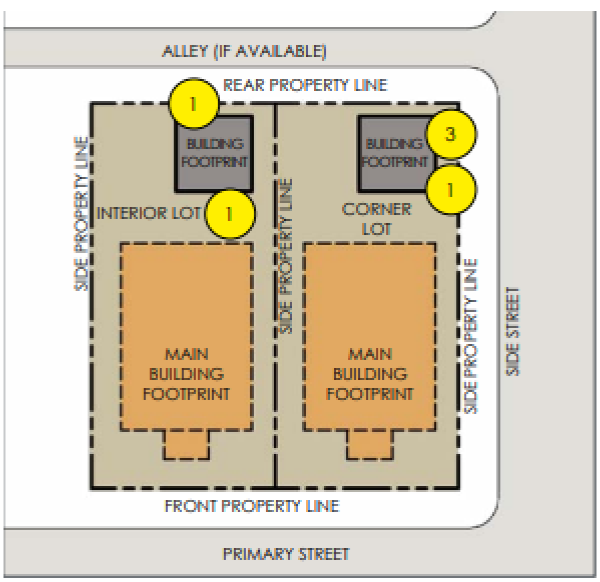
(1) All of the requirements of Section 153.116(A) apply in addition to the ADU-specific requirements of this section.
(2) ADUs shall be permitted as a single use or combined with another accessory use.
(3) ADUs shall be permitted as a second-story use above a first-floor accessory use.
(4) Examples of ADUs. The following images are intended as examples only and should be used for inspiration in the creation of ADU projects.



(5) Ground floor pedestrian access and activation. Accessory dwelling unit building type ground floor entrances shall meet the following requirement of Diagram B

(a) Entrance for upper unit is required to be accessed from the alley, side street, or internal to the lot.
(b) Entrance for upper unit shall not be through a garage.
(c) Parking may be accessed from the alley, side street, or primary street per the requirements for off-street parking access in the zoning district.
(d) Parking may be accessed from the front street only when there is no adjacent alley or side street.

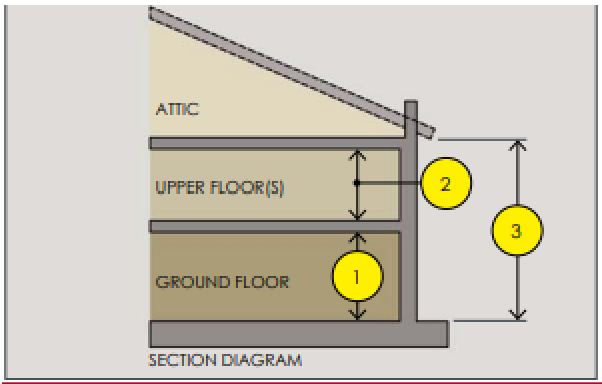
Diagram B Ground Floor Access



3. Building Type Floor Height Requirements. Building Type floor heights shall meet the following requirements and Diagram D.

   1. Ground floor: Floor to ceiling height shall be 8 feet minimum.
   2. Upper floors: floor to ceiling height shall as required by Building Code.
   ~~1.~~3. Overall height of Building Type is regulated by Zoning District, refer to Section 153.072

Diagram D Building Height Story Height



~~B.~~(C) Additional requirements for swimming pools and hot tubs
~~C.~~(D) Bed and Breakfast establishments
~~D.~~ (E) Boathouses and upland dredging
Continued

Section 153.117 Residential Uses.

(A) *Dwellings, single-family attached or detached (outside manufactured home communities).* All dwelling units located outside a licensed manufactured home community shall comply with the following.

(1) A dwelling unit shall conform to the minimum floor area requirements of the district in which it is located.

~~(2) A dwelling unit shall have a minimum floor to ceiling height of seven feet, six inches; or, if a manufactured home, it shall meet the requirements of the United States Department of Housing and Urban Development Regulations, entitled *Mobile Home Construction and Safety Standards*, effective 6-15-1976, as amended.~~

(2~~3~~) The minimum width of a single-family dwelling unit shall be 20~~2~~ feet ~~for at least 67% of its length, measured between the longest exterior walls~~.

(3~~4~~) All dwelling units shall comply with the state's Construction Code as promulgated by the state's Construction Code Commission under provisions of Public Act 30 of 1972, as amended, being M.C.L.A. §§ 125.1501 et seq. or the *Mobile Home Construction and Safety Standards*", as promulgated by the United States Department of Housing and Urban Development, being 24 C.F.R. part 3280, and as from time to time such standards may be amended.

(4~~5~~) A dwelling unit shall be attached to a permanent foundation constructed in accordance with the State Construction Code and shall have the same perimeter dimensions as the dwelling. In the case of a manufactured home, it shall be installed per the manufacturer's set-up instructions and shall be secured to a foundation by an anchoring system or device complying with the rules and regulations of the state's Manufactured Housing Commission or the state's Construction Code, whichever is stricter.

(5~~6~~) If provided, the wheels of a manufactured home shall be removed and the towing mechanism, undercarriage and chassis shall not be exposed.

(6~~7~~) All dwellings shall be connected to city sanitary sewer and water utilities.

(7~~8~~) Any addition to a dwelling shall meet all the requirements of this chapter.

(8~~9~~) A dwelling may have either a roof overhang of not less than six inches on all sides or, alternatively, a roof drainage system that concentrates water at collection points and discharges it away from the dwelling.

(D) *Accessory dwelling unit (ADU).*

(1) ADUs are subject to all applicable regulations of the zoning district in which they are located unless otherwise expressly stated in this section. ADUs are considered an accessory building and shall fit within the standards of § 153.116(A) which covers both attached and detached ADUs. All ADUs are required to obtain a zoning permit prior to construction.

(2) In districts that allow ADUs, they may be allowed on any legal parcel of record as of January 1, 2019, and there shall be an existing principal residential use on the parcel.

(3) At least one of the units on the parcel shall be occupied by a long term renter or an owner with at least 50% interest in the subject property. The owner or renter shall occupy either the principal dwelling unit or the ADU as their permanent residence~~ via Michigan homestead exemption~~. An ADU shall not be sold independently of the primary dwelling on the parcel. Short-term rentals of ADUs shall only be allowed in compliance with the standards and requirements of this Zoning Ordinance and the City of Charlevoix Code of Ordinances.

~~(4) The minimum square footage of an ADU is 300 square feet. The maximum square footage of an ADU is 650 square feet.~~

(~~5~~4) A permanent foundation is required.

(5~~6~~) The maximum lot coverage for parcels with an ADU may be increased to a maximum of 50% when stormwater runoff equivalent to 20% of the lot coverage area is collected in rain barrels, rain gardens, or is mitigated via porous concrete or other materials on the parcel. See Section 153.152

~~(7) The ADU shall be designed so that the appearance of the structure maintains that of a single-family dwelling.~~

(7~~8~~) Any exterior staircases that provide access to a second floor ADU shall not be on the front of either the principal dwelling or the ADU.

(8~~9~~) *Dimensional requirement modifications.* Under some circumstances certain dimensional requirements modifications may be granted by a Special Land Use Permit after a site plan review by the Planning Commission. Application for modifications may be applied for new construction or pre-existing structures built prior to 2019 that are located within the required setbacks of the district. In order to grant a Special Land Use permit for any modifications all of the following must be met:

(a) That any walls within the setback areas comply with applicable building and fire codes.

(b) That a setback requirement of a minimum of 5 feet from the side and rear property lines shall be required.

(c) The location and design of the ADU maintains a compatible relationship to adjacent properties and does not significantly impact the privacy, light, air, or parking of adjacent properties.

(d) Windows on the ADU that impact the privacy of the neighboring side or rear yards have been minimized or screened.

(G) *Single-family attached and single multiple-family buildings.*

(8) Porches and stoops may project into the yards in accordance with Section 153.149.
(9) Façade elements above the ground floor may project into the yards in accordance with Section 153.149.

§ 153.146 STRUCTURE HEIGHT CALCULATIONS AND HEIGHT LIMITS.

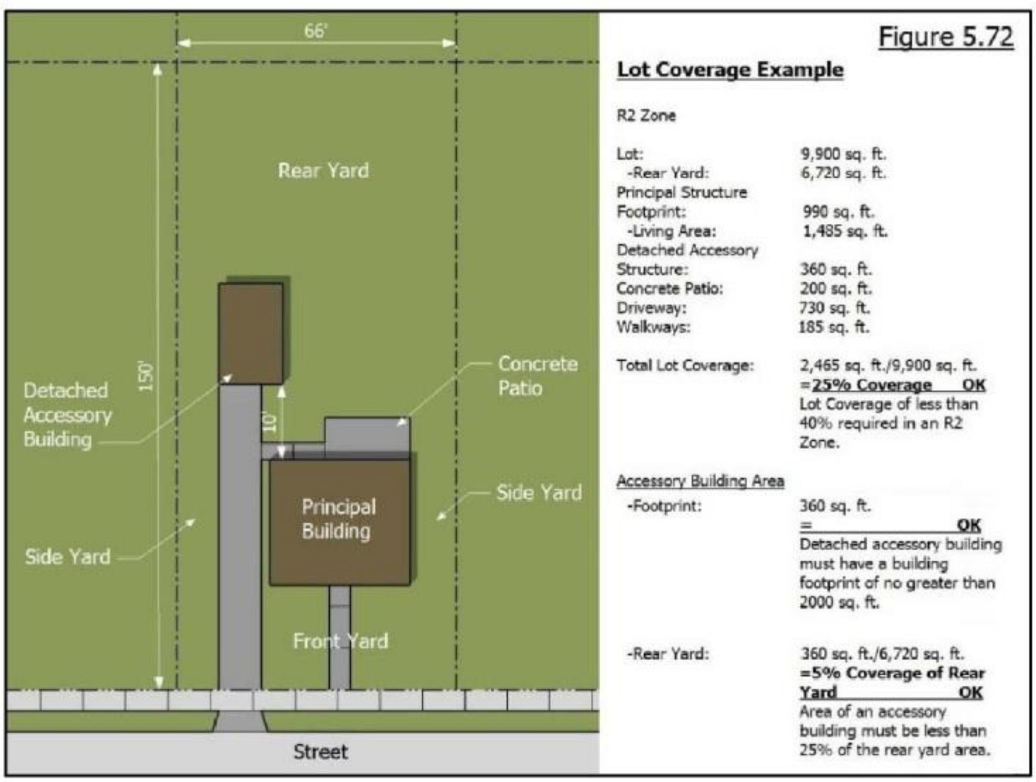
(E) Height limits specified elsewhere in this chapter shall not apply to:

(2) Unoccupied ~~B~~barns, silos or other buildings or structures on farms; church spires, belfries, cupolas and domes; monuments; ~~transmission towers;~~ windmills; ~~chimneys; smokestacks; flagpoles; and radio towers, masts and aerials.~~ These unoccupied structures shall be limited to 100 feet in height in any case, unless otherwise permitted in this chapter.

Section 153.152 Lot Coverage Requirements.

(A) Lot coverage requirements in all zones shall be calculated by dividing the total area of the lot by the total square footage of all impervious surfaces.

(B) Use of materials such as gravel or stone, pavers and similar permeable surfaces shall not count be calculated in lot coverage, however; the use permeable surfaces shall not exceed 60% of the lot area.



(C) Accessory buildings and structures refer to Section 153.117.D

Charlevoix City Council

All Other Actions and Requests

Title: Accept the Resignation of Greg Bryan, Third Ward Council Member
Date: October 17, 2022

Presented By: Mark Heydlauff, City Manager

Background:
Mr. Bryan advised by letter on October 10 of his intention to resign from City Council effective immediately. Council needs to formally accept the resignation for his term which ends in November 2023.

Pursuant to the City Charter, City Council must appoint his replacement within 30 days. See below:

> <u>Section 2.6 COUNCIL - FILLING OF VACANCIES</u>
> When a vacancy occurs on the Council, the Council shall appoint another person from the ward in which the vacancy occurs to serve for the remainder of the vacant term. This appointment is to be completed within thirty (30) days of the time at which the vacancy occurs,
> In the event that three (3) or more vacancies exist simultaneously on the Council, the Clerk shall call a Special Election as authorized by law, and all vacancies shall be filled for the remaining portions of the vacant terms.

The person appointed to this position would serve until the election held in November 2023.

Recommendation:
Motion to accept the resignation of Greg Bryan as Council Member from the Third Ward with immediate effect.

Attachments:
1. Greg Bryan's Letter of Resignation from City Council

Mark Heydlauff, City Manager

201 State ST

Charlevoix, MI. 49720

Mr. Manager,

I'm not sure of the procedure, but as of Oct, 10, 2022 I am vacating my seat on the City Council. My involvement in the community creates so many "perceptions" of conflict of interest questions, that I feel I cannot execute my responsibilities to my constituents and the City of Charlevoix as expected from the elected position.

I have enjoyed my time on the council but my family takes priority.

Sincerely,

Charlevoix City Council
All Other Actions and Requests

Title: Proposed Donation: Improve Channel "Welcome" Sign with pavers and plantings
Date: October 17, 2022

Presented By: Steven Anderson

Background:
Steven Anderson is proposing to add pavers at the base of the Welcome to Charlevoix sign along the Channel in fulfillment of his Eagle Scout badge. To complete this, he will need to comply with the Donation Acceptance Policy (found in your packet). Below is his proposal:

“Welcome to Charlevoix” Sign Paver Eagle Scout Project
My name is Steven Anderson, a Life scout with Troop 4953 in Boyne Falls. The project I am proposing is to beautify and improve the area around the “Welcome to Charlevoix” sign that is on the Pine River Channel near the drawbridge in downtown Charlevoix. The sign and planter were installed in the past as an Eagle Scout project by Jonathon Lindfors and Troop 11 in Charlevoix. Since then, the area in front of the sign has been worn down by people going in front of the sign to take pictures. The area has some compaction and the plants that are directly in front of the sign are getting trampled.

The project I would like to complete with adults and scouts from my troop is to install a path made of brick pavers in front of the sign for people to stand. We will remove the plants in front of the sign and possibly transplant some of them back into the same area. This will help the remaining plants from being trampled and reduce the existing topsoil from being compacted more. This will also reduce the chance of any soil erosion from happening from the planter area when it rains. In addition to moving some existing plants, we will supplement the area with a few more native plants. I contacted the Charlevoix Conservation District and got recommendations for a variety of native plants that would be good for the soil conditions and amount of sunlight. They were also selected to bloom at different times of the year and have a variety of heights. Some of these plants were also selected to improve pollinator habitat as well. The plants were donated by the Charlevoix Conservation District. The pavers and other materials for installing the pavers were donated by the Charlevoix Public School.

The work on this project would be completed in the months of October and November, 2022.
Below is the list of native plants to be installed (3 plants of each, 15 plants total):
Butterfly Weed
Cardinal Flower
Early (oxeye) Sunflower
Harebell
Showy Coneflower

Thank you for your time,
Steven Anderson

Recommendation:
Based on the policy, Council can consider several options:

- Deny the request.
- Request the Planning Commission review the donation proposal in November.
- Direct staff and/or other boards and commissions also review the request before the Planning Commission and then contemplate the request again in late November.

While not contemplated in the policy, the decision on accepting a donation remains a Council decision and Council could exempt itself from this policy.

Attachments:

1. Donation Acceptance Policy 2022 Revision
2. Sign Schmematic
3. Sign Picture #1
4. Sign Picture #2
5. Sign Picture #3

Donation Acceptance Policy

Adopted by City Council on April 18, 2022

POLICY PURPOSE

The City appreciates the generosity of donors who offer improvements for the community. The residents of the Charlevoix have a well-established record of giving their time, talent and treasure to events, causes, and improvements in the community. The purpose of this policy is to establish guidelines, standards and procedures for the acceptance of gifts to the City, including the installation, long-term maintenance and operation of donated elements to the City which will enhance the quality of life. The City desires to encourage donations while at the same time considering aesthetic impacts and on-going maintenance and operational costs.

BACKGROUND

In 2013, a Donation Acceptance Committee was formed to develop a policy for the consideration and acceptance of gifts (whether funding for a specific purpose, a specific feature or item, or a building). The policy was adopted in September 2013 and established the public review process and criteria to evaluate a proposed donation.

The City Council resurrected the committee in 2015 to review potential changes. The revised policy was approved by City Council on October 19, 2015.

At the request of City Council in March 2022, the City Manager was asked to review the policy for potential further direction to the Planning Commission on how it considers gifts. The review included a recodification of the past work on the policy and its contents.

POLICY REVIEW

This policy will be reviewed at least annually by City Council and the Planning Commission; revisions and changes may be made. An updated copy will be kept on the City's website.

PROCEDURE FOR MAKING A DONATION

The City Council shall have the full and final authority to approve or deny all gift proposals. To promote an efficient review process though, as well as to prevent disappointed expectations, prior to preparing a written proposal the donor or donor's representatives should contact the City Manager's Office to discuss a proposed gift. Such pre-application meeting can assist both the prospective donor and the City in determining whether a gift will meet the criteria contained in this policy. City staff or City Council may request additional information including but not limited to scaled drawings, artist's renditions or other documents to better illustrate the exact nature of the donation. The City may choose to consult with other agencies or organizations in the review process.

CONSIDERATION GUIDELINES

Financial Gifts for Programming or Improvement Funds
Financial gifts are the easiest and preferred method of donation since the final outcome of a project is ultimately directed by City Council. Contributions without condition in the form of cash or other monetary instruments will automatically be accepted and can be directed to various causes.

Donations can be sent to several funds at the Charlevoix County Community Foundation intended for the benefit of the City:

- Charlevoix Canopy Fund—to support long-term tree planting in the city
- Brookside Cemetery Improvement Fund—to support long-term projects at the Brookside Cemetery
- Charlevoix Dog Park Fund—to support long-term operation and improvement to the dog park
- Mt. McSauba Recreational Area Fund—to support the activities of Mt. McSauba

In addition to these funds, the City can accept cash donations for a variety of projects and purposes to the various funds of the City including:

- Housing Fund
- Park-specific improvement funds
- Skate Park
- Scholarships for youth skiing and day camp
- Junior Golf or the golf course generally
- Mt. McSauba

Additionally, the City may directly or through a third party, work to raise funds for a specific project from time to time. In the past, this has included efforts to create the Dog Park and improve Hoop Skirt Alley through Junior Main Street.

Gifts of Fixed Assets and Equipment/Vehicles
Gifts intended for installation on public land (including parks) as well as gifts of equipment, vehicles, boats or facilities often involve considerations of aesthetics, costs, and compatibility. These features shall be evaluated using the following criteria:

1. Aesthetics- The community has an interest in ensuring the best appearance and aesthetic quality of public lands and facilities. Donations and their recognition shall reflect the character and be consistent with the intended surroundings.
2. Requirement of Maintenance/Repair- Since donated elements and their associated recognition become City property, the community has an interest in ensuring that all elements remain in good repair. Elements must be of a quality to ensure a long life, be resistant to weather, wear and tear, and acts of vandalism.
3. Requirement of Consistency with Current and Future Use- Proposed donations should not substantially interfere with the intended current or future use of the land or facility.
4. Uniqueness of the Proposed Gift
5. Whether the Proposed Gift Requires Relocation, Removal or Installation of Other Equipment or Infrastructure to Accommodate the Donation
6. Absence of Substantial Impact on Public Health and Safety and/or Welfare
7. Costs Associated with the Proposed Gift- The City also has an interest in knowing in advance the full cost which may be associated with a gift, namely those which may relate to purchase,

installation, maintenance and operation during the gift's expected life cycle. In the ordinary course the amount of the gift must be sufficient to cover all such expenses.

a. Neither purchase nor installation shall commence until the donor's gift has been completed and funds have been received by the City for such purposes.
b. Gifts requiring on-going operation and maintenance which are estimated to exceed $5,000 annually must include an additional amount sufficient to defray that expense for twenty years. Example: $5000. maintenance annually for twenty years = $100,000.
c. In rare and unusual circumstances where the City has determined that the value of the gift substantially exceeds the cost associated therewith, these requirements may be waived, but only after appropriate notice and public hearing.

Fixed asset gifts for public land shall be reviewed first by City Council who shall determine whether the gift is reasonably appropriate for use somewhere in the City, if it finds the answer is yes, it shall determine what City departments and/or boards should also review it (such as the Department of Public Works, Marina, Shade Tree and Parks Commission, Recreation Advisory Committee, etc).

Following reviews and reports from these groups, the Planning Commission shall review the proposed donation and the findings of these other bodies to make a recommendation to Council. Based on the above criteria, the Planning Commission shall determine the following:

- The donation is in keeping with the spirit and design intentions of the public space and protects and preserves the natural resources of the City
- There is sufficient funding (either through a donated endowment or through City operations) to cover long-term costs and maintenance of the donation
- Determination of no-adverse affect from the gift either in financial cost or reputational harm to the community

Memorial Plaques
Plaques will be limited in use and small in scale when recognizing donations. Aside from plaques already contemplated for benches and tables and to ensure uniformity of appearance and good taste, the language of such plaques shall also be approved by the City. Donation acknowledgments and memorial plaques shall be made of bronze and be of the highest quality, life and durability. In cases where bronze plaques are not feasible, other alternative types may be considered.

Gifts in City Parks
In cases of donations to City parks which may reasonably affect the park or its immediate surroundings, the City Council shall hold a public hearing for such purpose to invite comment from the community with respect to impact on view corridors, safety, potential for noise generation, and compatibility with the aesthetic features of the park.

Prior to consideration by City Council, the Planning Commission will need to affirmatively find the donation in keeping with the City's Master Plan and Parks and Recreation Master Plan where applicable. Donations not consistent with these plans shall be declined with appreciation.

Benches and Tables
The City will maintain a map of future locations for donated benches and tables. These must be of uniform character and donors may choose locations from the map for their donation. Donors pay costs

for the bench or table and the City will install them as time allows when they are received. Plaques may be placed on these in keeping with past practice.

INSTALLATION OF FIXED-ASSET OR LAND ALTERING DONATION

Once a gift of a fixed asset or land-altering donations are received (projects not planned and executed by City staff), a written agreement will be developed between the donor, any and all licensed contractors used in the donation, and the City. This contract will determine payment, expectations for final results, and performance bonds as necessary for reimbursement for unplanned expenses or failures of the project. Costs for bonds and all aspects of the project will be borne by the donor. The City shall have sole discretion to determine the time and manner of construction. Various aspects of state and federal law may apply for work on public land and within public rights of way.

REMOVAL and RELOCATION

The City reserves the right to restore, relocate, remove or relinquish donations. This decision shall be made based upon the best interests of the City. Upon receipt of a donation, donated property becomes the sole property of the City of Charlevoix; disposal, sale, or other actions related to the donation shall be made by the City.

VETERANS and MILITARY MEMORIALS

Memorials honoring veterans and military memorial or improvements to existing memorials should be looked at on a case by case basis and approved at the discretion of City Council according to this policy.

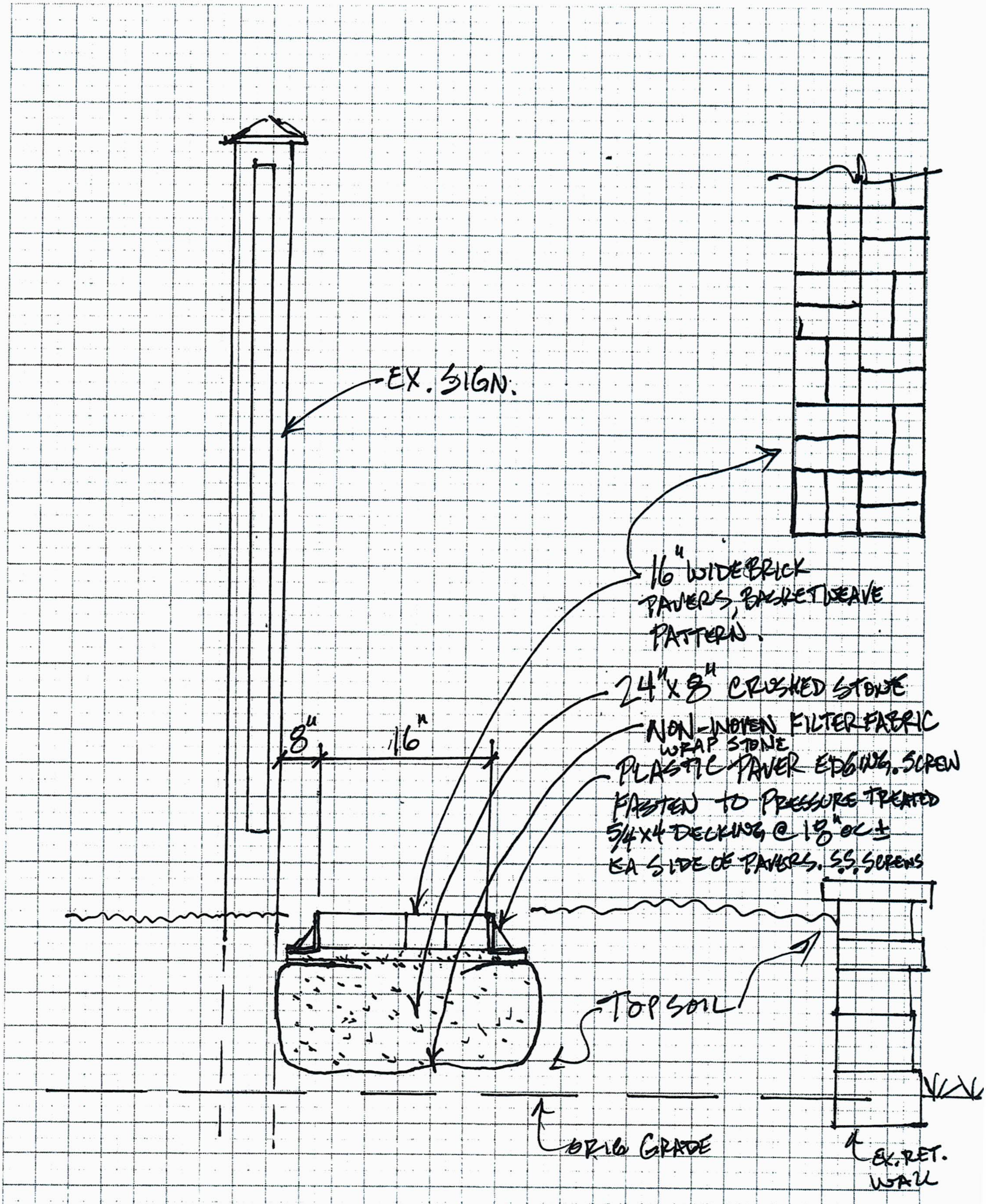
OPPORTUNITIES FOR FUTURE GIFTS

The City will regularly identify a list of projects that would be desirable for the community. Donors unsure how to provide a meaningful benefit to the community could consult this list and provide funds for these purposes as described above:

- Upgrade the Michigan Beach access steps along Michigan Avenue
- Improve playground equipment at Depot Beach, Ferry Beach and Mt. McSauba
- Combined recycling/trash receptacles in the downtown (Big Belly units)

Performance Engineers Inc.
Civil and Structural Engineering

Title: PINE RIVER CHANNEL WELCOME SIGN - WALKWAY.		Sheet No. 1 Of 1
By BWL	Date 4 OCT 22	Job No.




INTERNATIONAL
B P O E
CHARLEVOIX
7172
G
Zonta Club
of Charlevoix
INTERNATIONAL
LIONS
INTERNATIONAL


LIONS


Welcome to
Charlevoix
the Beautiful
B P O E
KNIGHTS OF COLUMBUS
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Charlevoix City Council
All Other Actions and Requests

Title: City Marina 2023 Fee Recommendations
Date: October 17, 2022

Presented By: Kent Knorr, Recreation Director

Background:
The Charlevoix City Marina continues to be one of the most sought after and desirable locations in Michigan. Over the past two years, we have been recognized by USHarbors.com as America's Best Marina in 2021 and Best Marina in the Midwest in 2022. The amenities that we offer, our close proximity to downtown and East Park, combined with a wide variety of tourist, leisure, and recreational opportunities creates a very high demand and busy environment. From late June until mid August we are near capacity nightly. During the month of July we have additional demand due to major events such as Boyne Thunder and the Venetian Festival. As a reminder, the City Marina will be a slip specific marina in 2023, meaning that boats will have a specific slip assigned at the time of booking.

Last year we began using a dynamic pricing model based on occupancy rates. This has proven to be effective and appropriate based on our high demand. In our recommendations for fees, we have included the term "Jet Ski" in an effort to eliminate any confusion about those vessels. We are recommending staying at those levels again this upcoming season.

Through a study of our occupancy rates at the Marina, we have determined that there may be an opportunity to increase occupancy during the shoulder seasons by offering a limited number of extended slip rentals. We are proposing the development of an extended stay program for the 2023 season. If approved, beginning in 2023, the City Marina will allow up to 12 reservable slips to be rented for a 45 day period during the spring (May 14-June 27) and for a 45 day period in the fall (August 14-September 27). The rental rate would be based on the actual daily rate for that time of year. Those rates are currently levels B and H. There would not be any discounts and the boater would pay for ALL 45 days.

We believe that this will be popular with many boaters who currently must enter multiple 7 day bookings to stay at the Marina. The current process is time-consuming and laborious for the boaters. Other city and state operated marinas utilize a similar strategy with favorable results. This extended stay program has also been approved by the DNR. If approved by the Council, we believe that this will generate more revenue and maximize the use of slips at the Marina.

Parameters for the Extended Stay include:

1. We will offer a maximum of 12 slips in the spring and the fall. Applications will be accepted and a lottery held if more than 12 people apply.
2. Slips will come out of the reservable pool and will not affect transient slips.
3. Total payment is due 30 days after the approved application.
4. Benefits for boaters include eliminating the need to call every 7 days to reserve slips, not

having to move to a different slip and peace of mind knowing they have a 45 day rental.
5. Benefits to the City include secured revenue, reduction of staff docking these boats, and maximizing slip usage.

2023 Proposed Rates:

Transient Boater Rates:

Pre and Post Season	DNR Tier B
Shoulder Season	DNR Tier H
Prime Season	DNR Tier I
Special Events	DNR Tier J

Seasonal Slip Rates:
DNR Tier E multiplied by 156 days
Seasonal Non-Conforming Slips $75 per foot
Seasonal Burn Street Dock Slips $50 per foot
Seasonal Dingy and Jet Ski Slips $400

45 Day Extended Stay Slip pay the Pre-Season (Tier B) or Shoulder Season Rate (Tier H) with no discount.

Recommendation:
Motion to approve the development of the 45 day extended slip program as presented.

Motion to approve the 2023 Marina Fees as presented.

Attachments:
1. 45 day extended stay policy
2. Extended Stay Application and Fee Schedule
3. State Marina Fee Chart

Charlevoix City Marina

45-Day Extended Slip Rental Policy

Overview

The Marina will allow up to 12 of the reservable slips in the Marina to be rented for a 45-day period during the spring and fall. Annually, staff shall set the dates based roughly on the first six weeks of marina operation and the six weeks ending at the end of September. The rental rate will be the actual daily rate at for that time of year. Rates shall annually be set by Council pursuant to the Charlevoix City Code. Boaters will have the option of selecting either a 45-day spring stay, a 45 day fall stay, or both.

Policy

Interested boaters will apply with general information including boat size. A copy of the boat's registration must be turned in along with the application.

Spring applications are due on or about December 1 annually with specific dates being advertised on the Marina website. If the total number of applications is greater than 12, a lottery will be held no more than 5 days following the established deadline for the year. If selected, the boat will be assigned a slip for the 45-day period. Payment in full will be due by the date set annually by staff, roughly 30 days following the lottery (if necessary).

Fall applications are due on or about January 1 annually with specific dates being advertised on the Marina website. If the total number of applications is greater than 12, a lottery will be held no more than 5 days following the established deadline for the year. If selected, the boat will be assigned a slip for the 45-day period. Payment in full will be due by the date set annually by staff, roughly 30 days following the lottery (if necessary).

Boaters will be invoiced; failure to fully pay the cost of slips will forfeit the boater's opportunity to receive the slip.

Staff shall create necessary forms, documents, and other methods to execute this policy and shall annually review the policy for compliance with the Michigan Department of Natural Resources, the Waterways Commission, and related requirements.

This policy shall be appended to and included within comprehensive policies for the Charlevoix City Marina.

Draft presented to City Council: 10/17/22 Status: Pending approval

CHARLEVOIX
RECREATION

Charlevoix City Marina
45 Day Slip Application

Name: ______________________________

Address: ______________________________

____

____

Home & Cell Phone: ______________________________

Email: ______________________________

<u>Boat Information</u>

Name & Make: ______________________________

Length & Width: ______________________________

☐ Resident ☐ Non-Resident

Choose one:

☐ Spring Application May 14 – June 27, 2023 (Due by December 2, 2022)

☐ Fall Application August 14 – September 27, 2023 (Due by January 6, 2023)

Conditions and Terms

1. Applicant acknowledges that fees for the 45-day reservation reflect normal daily rates as set by the DNR and adopted by City Council. No discounts apply.
2. Current boat registration must be submitted with application. Applications will not be accepted without a current registration.
3. Payment in full is due 30 days after application is accepted.
4. A maximum of 12 slips will be available for the Extended Slip Rental Program. If more than 12 applications are received, all applications will automatically be placed in a lottery and drawn three days after the due date listed above.

I understand and accept the above terms and conditions.

Signature: ______________________________ Date: ______________

Remit via email to betha@charlevoixmi.gov or mail application to Charlevoix Recreation 210 State Street Charlevoix, MI 49720

Charlevoix City Marina
45 Day Slip Fee Schedule
2023

SEASON	DATES	DNR RATE SCHEDULE
Pre-Season Rates	May 14 - May 25	Tier B
Shoulder Season	May 26 - June 27	Tier H
Shoulder Season	August 14 - September 4	Tier H
Post Season Rates	September 5 - September 27	Tier B

Example Fee Schedule of the 45-day agreement using a 30' Boat

Spring Pre Season	12 Days @ $27 (Tier B) =	$ 324
Spring Shoulder Season	33 Days @ $53 (Tier H) =	$1,749
	TOTAL	$2,073

Fall Shoulder Season	23 Days @ $27 (Tier H) =	$ 621
Fall Post Season	22 Days @ $53 (Tier B) =	$1,166
	TOTAL	$1,787

General Blue

2023

January

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

February

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28				

March

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

April

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

May

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

June

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

July

S	M	T	W	T	F	S
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9	10	11	12	13	14	15
16	17	18	19	20	21	22
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30	31					

August

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27	28	29	30	31		

September

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10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

October

S	M	T	W	T	F	S
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8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

November

S	M	T	W	T	F	S
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12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

December

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

Pre and Post Season Tier B

Shoulder Season Tier H

Spring 12 + 33 = 45

Fall 23 + 22 = 45

Boat Length	A	B	C	D	E	F	G	H	I	J
25	**$19**	**$22**	**$27**	**$31**	**$34**	**$37**	**$40**	**$44**	**$48**	**$52**
26	$20	$23	$28	$32	$35	$38	$42	$46	$49	$54
27	$21	$24	$29	$33	$37	$40	$43	$47	$51	$56
28	$21	$25	$30	$35	$38	$41	$45	$49	$53	$58
29	$22	$26	$31	$36	$39	$43	$46	$51	$55	$60
30	**$23**	**$27**	**$32**	**$37**	**$41**	**$44**	**$48**	**$53**	**$57**	**$62**
31	$24	$28	$33	$38	$42	$46	$50	$54	$59	$64
32	$24	$29	$34	$40	$44	$47	$51	$56	$61	$66
33	$25	$30	$35	$41	$45	$49	$53	$58	$63	$68
34	$26	$31	$36	$42	$46	$50	$54	$60	$65	$70
35	**$27**	**$32**	**$37**	**$43**	**$48**	**$52**	**$56**	**$61**	**$67**	**$72**
36	$27	$32	$38	$45	$49	$53	$58	$63	$68	$74
37	$28	$33	$39	$46	$50	$55	$59	$65	$70	$76
38	$29	$34	$40	$47	$52	$56	$61	$67	$72	$78
39	$30	$35	$41	$48	$53	$58	$62	$68	$74	$80
40	**$30**	**$36**	**$42**	**$50**	**$54**	**$59**	**$64**	**$70**	**$76**	**$82**
41	$31	$37	$43	$51	$56	$61	$66	$72	$78	$84
42	$32	$38	$45	$52	$57	$62	$67	$74	$80	$87
43	$33	$38	$46	$53	$58	$64	$69	$76	$82	$89
44	$33	$40	$47	$55	$60	$65	$70	$77	$84	$91
45	**$34**	**$41**	**$48**	**$56**	**$61**	**$67**	**$72**	**$79**	**$86**	**$93**
46	$35	$41	$49	$57	$63	$68	$74	$81	$87	$95
47	$36	$42	$50	$58	$64	$70	$75	$83	$89	$97
48	$36	$43	$51	$60	$65	$71	$77	$84	$91	$99
49	$37	$44	$52	$61	$67	$73	$78	$86	$93	$101
50	**$38**	**$45**	**$53**	**$62**	**$68**	**$74**	**$80**	**$88**	**$95**	**$103**
51	$39	$46	$54	$63	$69	$75	$82	$89	$97	$105
52	$40	$47	$55	$64	$71	$77	$83	$91	$99	$107
53	$40	$48	$56	$66	$72	$78	$85	$93	$101	$109
54	$41	$49	$57	$67	$73	$80	$86	$95	$103	$111
55	**$42**	**$50**	**$58**	**$68**	**$75**	**$81**	**$88**	**$96**	**$105**	**$113**
56	$43	$50	$59	$69	$76	$83	$90	$98	$106	$115
57	$43	$51	$60	$71	$78	$84	$91	$100	$108	$117
58	$44	$52	$61	$72	$79	$86	$93	$102	$110	$119
59	$45	$53	$63	$73	$80	$87	$94	$103	$112	$122
60	**$46**	**$54**	**$64**	**$74**	**$82**	**$89**	**$96**	**$105**	**$114**	**$124**
61	$46	$55	$65	$76	$83	$90	$98	$107	$116	$126
62	$47	$56	$66	$77	$84	$92	$99	$109	$118	$128
63	$48	$57	$67	$78	$86	$93	$101	$110	$120	$130
64	$49	$58	$68	$79	$87	$95	$102	$112	$122	$132
65	**$49**	**$59**	**$69**	**$81**	**$88**	**$96**	**$104**	**$114**	**$124**	**$134**
66	$50	$59	$70	$82	$90	$98	$106	$116	$126	$136
67	$51	$60	$71	$83	$91	$99	$107	$118	$127	$138
68	$52	$61	$72	$84	$92	$101	$109	$119	$129	$140
69	$52	$62	$73	$86	$94	$102	$110	$121	$131	$142
70	**$53**	**$63**	**$74**	**$87**	**$95**	**$104**	**$112**	**$123**	**$133**	**$144**
71	$54	$64	$75	$88	$97	$105	$114	$124	$135	$146
72	$55	$65	$76	$89	$98	$107	$115	$126	$137	$148
73	$55	$66	$77	$91	$99	$108	$117	$128	$139	$150
74	$56	$67	$78	$92	$101	$110	$118	$130	$141	$152
75 ft or greater	**$0.76**	**$0.90**	**$1.06**	**$1.24**	**$1.36**	**$1.48**	**$1.60**	**$1.75**	**$1.90**	**$2.06**

Charlevoix City Council

All Other Actions and Requests

Title: Discussion of Short Term Rental Ordinance
Date: October 17, 2022

Presented By: Mark Heydlauff, City Manager

Background:
At your meeting on October 3, you began a discussion of our Short Term Rental Ordinance.You asked that I bring back some additional information:

House Bill 4722- A bill to amend the Zoning Enabling Act
This bill moved through the Michigan House of Representatives several months ago and a couple of weeks ago, passed the Senate Regulatory Affairs Committee. The Senate is not scheduled to meet until after the election--perhaps not until after Thanksgiving. It is possible there will be movement by the full Senate during the lame duck session, but that is not assured. It is also possible the bill will be modified in lame duck. I'm not aware of Governor Whitmer's opinion on the matter.

The bill does impose regulations on how communities can and cannot regulate short-term rentals. Principally, it prohibits communities from banning them outright and requires that any limit on the number be not less than 30% of the housing units in the jurisdiction. I have included the full analysis from the House Fiscal Agency.

As I mentioned at the last meeting, I think the concerns from the Michigan Municipal League about this bill center on the degree to which the legislature dictates local land use decisions. Other communities around the state are still exploring the topic of short-term rentals--especially in light of this legislation. I understand Boyne City is actively considering a new ordinance on the topic and other communities are continuing with previously established regulatory frameworks. Broadly speaking, I would say the decision on whether and how a community regulates short-term rentals depends on their philosophy concerning rental regulations broadly and the degree to which there is a desire to have short-term rentals. For example, the community I previously managed would be unlikely to have concerns about this topic though, in the past few years, it has addressed the condition of long-term rentals. In some places, it simply isn't an issue and in others it is. There is no common feeling about whether or how rental properties should or should not be regulated. You can find many good examples of regulatory ordinances and you can find many equally fine communities who take a different approach.

Community Feedback
I heard feedback since your last meeting about the question of raising, lowering, or maintaining the status quo of the cap in the R-1 and R-2 zones. Opinions, unsurprisingly, range on this topic. One STR owner suggested it would be prudent for the city to require licensing for all STRs, even if not capped in some zones. Similarly, the inspections should cover all STRs regardless of zone, because if there is a concern for safety in one, all should be treated equally.

Enforcement

The question of enforcement is an important one and perhaps something we need to explore more broadly. In 2016, we shifted away from full-time, employed staff in our planning and zoning department and instead relied on a mix of part-time employees and contractors through Networks Northwest, the regional planning agency. In many ways, this has brought a fuller opportunity for experience and insight from across our region than we could provide internally. By using planners who work in multiple communities in our region, we have gained best practice insights. On the other hand, sharing staff and keeping hours less than full-time naturally limits the opportunities to take on new projects--like the enforcement of STR rules adopted by Council. Covid restrictions and changes further impacted our ability to do this.

Currently, we have a part-time contracted Zoning Administrator whose work, by contract, with Networks Northwest doesn't include short-term rental enforcement. During the summer, we had a part-time code enforcement officer who spent much of her time on STR enforcement. Additionally, we have a part-time contracted planner who works closely with our Planning Commission. Each of these staff does good work within their respective areas but if we want additional tasks, complete or completed in greater depth, we may need to rethink this formula. At present, our staffing capacity doesn't have much room for expansion without rethinking this approach.

Recommendation:
Council discussion and direction.

Attachments:
1. HB 4722- Analysis by the House Fiscal Agency

Legislative Analysis

HOUSE FI$CAL AGENCY

SHORT-TERM RENTALS

Phone: (517) 373-8080
http://www.house.mi.gov/hfa

Analysis available at
http://www.legislature.mi.gov

House Bill 4722 (H-11) as passed by the House
Sponsor: Rep. Sarah L. Lightner
Committee: Commerce and Tourism
Complete to 11-2-21

SUMMARY:

House Bill 4722 would amend the Zoning Enabling Act to prohibit a county, township, city, or village from adopting or enforcing zoning ordinance provisions that have the effect of prohibiting short-term rentals. The bill would provide that the rental of a dwelling is a permitted residential (and not commercial) use of property that is not subject to special permits or procedures. A local government could adopt certain specified zoning ordinances and practices if consistently applied to rentals and other residences. Within parameters described below, a local government could limit the number of short-term rentals owned by the same person and limit the total number of short-term rentals as a percentage of all residences. The bill also would allow the continued enforcement of certain ordinance provisions in existence on July 11, 2019.

Specifically, under the bill all of the following would apply, for purposes of zoning, to the rental of a dwelling, including a ***short-term rental***:

- It is a residential use of property and a permitted use in all residential zones.
- It is not subject to a special use or conditional use permit or procedure different from those required for other dwellings in the same zone.
- It is not a commercial use of property.

Short-term rental would mean the rental, for up to 30 consecutive days, of a single-family residence, a dwelling unit in a one- to four-family house, or a unit or group of units in a condominium.

A county, township, city, or village would be prohibited from adopting or enforcing zoning ordinance provisions that have the effect of prohibiting short-term rentals.

However, the bill would expressly *not* prohibit a zoning ordinance provision that is applied on a consistent basis to rental and owner-occupied residences and regulates any of the following:

- Noise.
- Advertising.
- Traffic.
- Any other conditions that may create a nuisance.

The bill also would expressly *not* prohibit a county, township, city, or village from doing either of the following:

- Inspecting a residence for compliance with or enforcement of an ordinance that is not a zoning ordinance, that is for the protection of public health and safety, and that does not have the effect of prohibiting short-term rentals.
- Collecting taxes otherwise authorized by law.

However, a local government could limit the number of dwelling units in its jurisdiction that are used for short-term ownership and are owned in whole or in part by the same individual or individuals or legal entity—as long as that limit is not less than two units.

A local government also could limit the total number of dwelling units used for short-term rental in its jurisdiction—as long as that limit is not less than 30% of the number of existing residential units and as long as it applies without regard to the location of the dwelling units.

Finally, the bill would provide that a county, township, city, or village that, as of July 11, 2019, had zoning ordinance provisions that regulate the rental of dwellings by overlay district without distinction between short-term rental and rental for longer terms, and that, as of July 11, 2019, had a rental overlay district or districts that were initiated by petition, could continue to enforce those zoning ordinance provisions as they existed on July 11, 2019. The local government could revise existing overlay district boundaries or create new overlay districts, but only under the terms of the zoning ordinance provisions as they existed on July 11, 2019.

The bill would take effect 90 days after its enactment.

Proposed MCL 125.3206b

FISCAL IMPACT:

House Bill 4722 would have an indeterminate, but likely negligible, fiscal impact on local unit of government regulatory costs associated with short-term rentals. Local units of government regulating short-term rentals through a zoning ordinance presumably either prohibit them or charge a permit or licensing fee to cover the costs of regulation. Unless a local unit of government was levying permit or licensing fees in excess of actual regulatory costs, there would be no net fiscal impact for local unit of government regulatory costs.

Other fiscal implications directly related to short-term rentals would be difficult to quantify because the number of local units that would restrict short-term rentals in the future is unknown and the interplay and magnitude of each component would vary by local unit. These areas with fiscal implications include sales and use taxes, income taxes, lodging taxes, real estate prices, and property taxes. Net fiscal impacts could vary widely by local unit.

Legislative Analyst: Rick Yuille
Fiscal Analyst: Ben Gielczyk

Charlevoix City Council

Reports and Communications

Title: City Manager's Comments
Date: October 17, 2022

Presented By: Mark Heydlauff, City Manager

Background:

A. Michigan Municipal Electric Association

Last week, I joined John Griffith in attending the Michigan Municipal Electric Association. With the terrific leadership previously of Don Swem and now John, this is an area that frankly I am less knowledgeable about than others in our municipal portfolio. It was interesting to hear of the many challenges notably the twin challenges of moving toward renewable sources while demand is increasing and traditional sources of electricity are coming off-line. In the renewable sector in Michigan. opposition continues to grow in communities where wind farms are proposed from folks with concerns about living near them; this has slowed or killed projects while delaying and increasing costs in others that have proceeded. Additionally, regulatory changes meant to ensure the reliability of the electrical grid work against the value of solar since it has limitations at night and in different weather conditions.

Supply chain and labor issues continue be a problem for utility companies large and small:

- New transformers routinely take 100 weeks+ from order to delivery
- New bucket trucks are estimated to have up to a four year lead-time
- The grid is getting tighter and has less margin for error
- Cybsersecurity remains a critical concern throughout the industry

We also got an update on federal funding that may be beneficial in projects we have in the works including our AMI, renewable generation shared with other MMEA members (especially in our region), and efforts to build more EV charging stations.

B. Lake Michigan Beach Park Improvements

Soil borings have been finished and final plans have been submitted to the DNR for the construction of the pedestrian walkway and scenic overlook at Lake Michigan Beach Park. Once the state signs off on the plans, the project will be released for bidding for spring/summer construction. We anticipate incorporating stone elements in reconstructed pillars by the stairway in the park and to match similar styles for bollards and other needed items during this project.

C. State of the Community Luncheon

The Charlevoix Area Chamber of Commerce will hold their annual State of the Community Luncheon on November 2 from 11am-1pm at the Castle. We can get a table for city officials. If Council is interested in attending, please let me know and we'll reserve you a spot.

D. Deer Cull Options

On November 7, Chief Doan will provide an update on holding a deer cull and suggest you set a public hearing for full discussion of this option at your meeting on November 21.

Recommendation:

Attachments:

1. Planning Commission Minutes 09/12/2022

City of Charlevoix
Planning Commission Regular Meeting minutes
Monday, September 12, 2022 - 6:00 PM
Council Chambers, 210 State Street, Charlevoix, MI

A. Call to Order/Pledge of Allegiance

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

B. Roll Call

Chair:	RJ Waddell
Members Present:	Sherm Chamberlain, Annemarie Conway, Toni Felter, Mary Millington, Jennifer Muladore, Maureen Radke
Members Absent:	
Staff Present:	Jennifer Neal, Community Planner; Janet Koch, Zoning Administrator

C. Inquiry into Potential Conflicts of Interest

D. Approval of Agenda

Motion by Member Chamberlain, seconded by Member Millington to approve the agenda as presented.
Motion passed by unanimous voice vote.

E. Approval of the Minutes

1. August 8, 2022 Draft Meeting Minutes
   Motion by Member Radke, seconded by Member Felter to approve the minutes of August 8, 2022 as presented.
   Motion passed by unanimous voice vote.

F. Call for Public Comment Not Related to Agenda Items

G. New Business

1. Public Hearing: 101 Leonard Special Land Use Permit Application
   The public hearing was opened. Members of the public were heard. The public hearing was closed.
2. 101 Leonard Site Plan Review
   Chair Waddell received a message from Member Chamberlain requesting a full site plan prepared and submitted for review for the subject property. Member Chamberlain identified potential parking conflicts and other site conditions that could impact their decision. Chair Waddell identified the past precedent of requiring a site plan and wished to allow the applicant an opportunity to attend the meeting in person. It was noted that the applicant was available via phone.

Motion by Member Chamberlain, seconded by Member Millington to postpone the site plan review and require a site plan to be prepared by the applicant.
Motion passed by unanimous voice vote.

3. 205 Bridge Street Site Plan Review

   Chair Waddell identified the applicant, Rodney Rotman, who is proposing construction of a 3rd floor outdoor rooftop space located at 205 Bridge Street. Chair Waddell noted to pay particular attention to the building height; Zoning Administrator Koch confirmed that based on her calculations, the building height meets all regulations. Member Chamberlain noted the glass railings atop the building surrounding the rooftop space. Member Radke asked if the rooftop space is reserved for residents only. The applicant responded in the affirmative, the space will be reserved for building occupants.

   Motion by Member Chamberlain, seconded by Member Radke, to approve the site plan as presented.
   Motion passed by unanimous voice vote.

4. Building Height Corrective Language Amendment

   Zoning Administrator Koch prepared language to amend the Zoning Ordinance with regard to building height and structure height calculations. Discussion followed regarding occupancy of spaces not intended for residential use. The Commission requested to incorporate "unoccupied" to signify the specified structures are not permitted for residential use.

   Motion by Member Chamberlain, seconded by Member Felter, to hold a public hearing for the building height amendment with changes.
   Motion passed by unanimous voice vote.

5. Building Height Story Amendment

   Zoning Administrator Koch prepared language to amend the Zoning Ordinance with regard to building height and maximum number of stories. Chair Waddell noted staff was requested to present the amended language after the Commission reviewed comparison ordinances, especially the City of Harbor Springs. Member Chamberlain noted the reason for including half stories, provided a commonly accepted definition, and described half stories as historically workforce housing spaces in attics. Discussion followed. The Commission agreed the amended headers provided clarification. Member Chamberlain preferred to remove the number of stories because the height number specified the permitted height. Member Muladore preferred to keep the number of stories for downtown; however, specific stories in residential districts are not necessary. Member Conway requested additional discussion to hear the arguments presented for the proposed amendment. Member Chamberlain considered the restrictions an impetus to tear down existing buildings and build new.

   Motion by Member Muladore, seconded by Member Felter, to hold a public hearing for the building height and story amendment with headers and cross-references but remove number of stories.
   Motion passed by unanimous voice vote.

6. Residential Unit Size Amendment

Chair Waddell presented the proposed Zoning Ordinance amendment as a follow up to an earlier discussion related to minimum permitted unit sizes. The proposed amendment is an opportunity to expand “missing middle” housing types, including duplexes and quadplexes in residential zoning districts. Chair Waddell expects to have additional discussion about minimum lot sizes and a review of properties previously identified for R2A zoning.

Motion by Member Radke, seconded by Member Muladore, to hold a public hearing for the residential unit size amendment as presented.
Motion passed by unanimous voice vote.

7. Revised ADU Architectural Standards Amendment

   Planner Neal presented the proposed ADU (Accessory Dwelling Unit) Architectural Standards to the Commission after multiple revisions by the Commission and City Attorney. Planner Neal asked the Commission to consider if the proposed amendment met the Commission’s expectations. The Commission confirmed the proposed amendment does meet expectations.

   Motion by Member Conway, seconded by Member Radke, to hold a public hearing for the ADU architectural standards amendment as presented.
   Motion passed by unanimous voice vote.

8. Special Meeting Proposal

   Chair Waddell requested the Commission consider holding a joint meeting with members of the Downtown Development Authority, Historic District Commission, Charlevoix Chamber, Shade Tree and Park Commission, and the Zoning Board of Appeals. The Commission agreed and requested the meeting be held on October 24 at 6:30 pm. Chair Waddell will reach out to representatives from each committee to confirm their attendance.

9. Housing Yes! Discussion

   Member Conway presented the continued need for new, affordable housing in Charlevoix. The City faces many challenges, including a decline in the number of young families, school-age children, and an aging population. The City has also accomplished many things and is ripe for redevelopment. Redevelopment should be done so as to preserve historical resources, green space, and Charlevoix’s unique character. However, there is an opportunity to support redevelopment by connecting potential developers who are interested in projects within the City with City staff who are knowledgeable about the regulations for development. The City’s graduation from the Main Street Program cuts the City off from grants and missing middle housing opportunities, but tax incentives, knowledge of development practices, and current zoning changes can help the City make more progress. Member Conway would like to propose City staff expand their scope of work to include conversations and meetings with prospective developers. Member Conway will reach out to the City Manager to discuss opportunities to include planning and zoning staff in development discussions. No action was taken.

H. Old Business

1. Downtown Signage Amendment Update

   A public hearing will be held on October 10, 2022. No discussion was held.

2. Master Plan Update

A public hearing will be held on October 10, 2022. No discussion was held.

I. Staff Updates

1. Zoning Administrator's Report

   Zoning Administrator Koch prepared a monthly report of activities for the Commission. No discussion was held.

J. Requests For Next Months Agenda or Research Items

Chair Waddell requested to review the memo prepared by Faith, Code Enforcement Officer, language for outdoor storage, language for bed &breakfast parking standards, R2A district changes as requested, and public hearings as discussed.

K. Adjournment by 8:00 p.m. unless extended by a motion

Motion by Member Millington, seconded by Member Felter to adjourn the meeting at 7:59 pm.
Motion passed by unanimous voice vote.

______________________________ ______________________________

Sarah Dvoracek/jn City Clerk RJ Waddell Chair

Charlevoix City Council

Reports and Communications

Title: Mayor and Council Comments
Date: October 17, 2022

Presented By:

Background:

Recommendation:

Attachments:
None