



Agenda
City of Charlevoix City Council Regular Meeting
Tuesday, September 3, 2024 - 6:00 PM
Council Chambers, 210 State Street, Charlevoix, MI

- 1. Pledge of Allegiance**
- 2. Roll Call**
- 3. Presentations**
 - A. Introduction of Officer Charles Ramirez and Officer Donald Martin
Jill McDonnell, Chief of Police
 - B. 2023-24 Fiscal Year Financial Audit Presentation
Kim Lindsay
Rehmann
- 4. Inquiry Regarding Conflicts of Interest**
- 5. Consent Agenda**
 - A. City Council Meeting Minutes - August 19, 2024
 - B. Accounts Payable and Payroll Check Registers
 - C. Electric Service Tariff Edit
 - D. Changes to Marina 45 Day Extended Stay Policy
 - E. FY 2024 Audit
- 6. Public Hearings and Actions Requiring Public Hearings**
- 7. All Other Actions and Requests**
 - A. Temporary Commercial Slip Leasee at City Marina
Kent Knorr, Recreation Director
- 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: Introduction of Officer Charles Ramirez and Officer Donald Martin

Date: September 3, 2024

Presented By: Jill McDonnell, Chief of Police

Background:

Officer Charles Ramirez is a proud graduate of Petoskey High School and holds an associate's degree from Finlandia University. Charles, known as Charlie, joined the department as a police recruit, sponsored by the City to attend the Kirkland Community College Regional Police Academy through a grant from the Michigan Commission on Law Enforcement Standards (MCOLES).

Upon successfully completing the rigorous 16-week academy, Officer Ramirez underwent an additional 16 weeks of on-the-job training through the department's Field Training Program, where he received mentorship and hands-on experience from seasoned field training officers. Having successfully completed his training, Officer Ramirez is now serving the community on solo patrol.

Officer Donald Martin has joined the City of Charlevoix Police Department, bringing 14 years of law enforcement experience. Officer Martin earned his bachelor's degree in Criminal Justice from Northern Michigan University. He began his career with the Sault Ste. Marie Police Department in 2011 before moving to the Emmet County Sheriff's Office in 2019. Officer Martin resides in Charlevoix with his family.

Officer Martin began his service with the City of Charlevoix on August 19, 2024, and has successfully completed an accelerated field training program.

Recommendation:

Attachments:

None

Charlevoix City Council

Presentations

Title: 2023-24 Fiscal Year Financial Audit Presentation

Date: September 3, 2024

Presented By: Kim Lindsay
Rehmann

Background:

The City's auditor, Rehmann Robson, has completed their audit of the City's financial statements as of and for the year ended March 31, 2024. Their audit encompassed the financial statements of the City's governmental activities, business-type activities, DDA, each major fund and the aggregate remaining fund information. A representative from Rehmann will present the findings of the audit and present a general overview of the financial health of the City.

With the financial audit now completed, staff can file 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 will comply with SEC disclosure requirements in regard to the audited financial statements.

Recommendation:

Attachments:

1. Presentation Slides
2. City of Charlevoix 03 31 24 AUD FS-Final
3. City of Charlevoix 03 31 24 AUD SAS Letter-Final

City of Charlevoix

Audited Financial Statements

March 31, 2024

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 - all fully depreciated	Depreciation Expense	Net Transfers
Governmental Activities	\$39.5 million	\$2.4 million	\$442,000	\$1.6 million	\$0
Business-type Activities	\$31.0 million	\$1.0 million	\$11.3 million	\$2.5 million	\$0
Component Unit - DDA	\$2.3 million	\$0	\$44,000	\$177,000	\$0
Long-term Debt	Beginning Balance	Additions	Reductions	Ending Balance	Within One Year
Governmental Activities	\$10.9 million	\$249,000	\$835,000	\$10.3 million	\$807,000
Business-type Activities	\$9.0 million	\$0	\$872,000	\$8.1 million	\$902,000

General Fund Highlights

Total general fund balance - \$1,168,031 (details on page number 26 of financial statements – page 29 of the PDF):

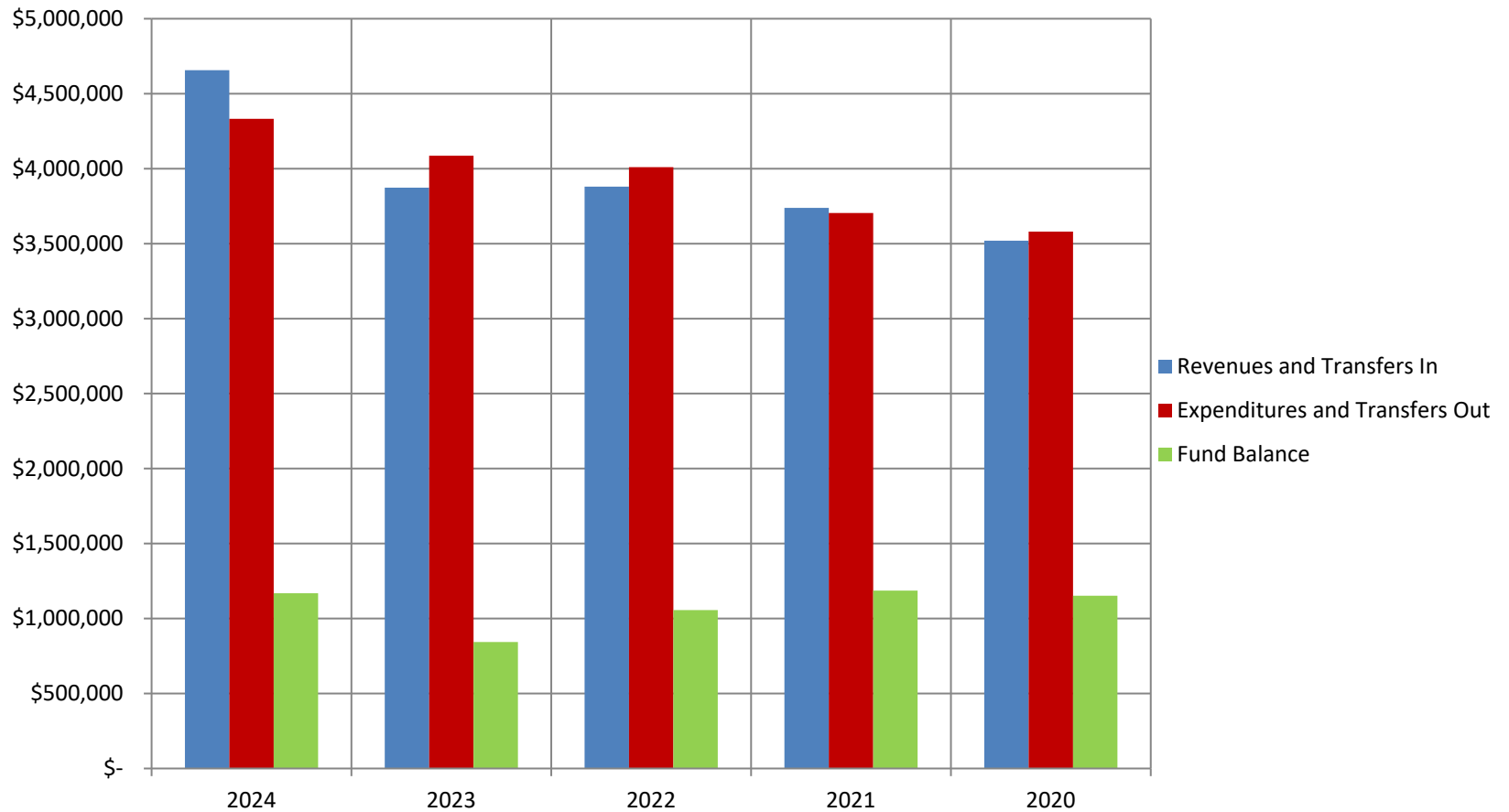
- Nonspendable - \$11,901 (prepaids)
- Unassigned - \$1,156,130

Change in the General Fund balance:

- Actual increase of \$324,784 during the current year
- Final budgeted decrease of \$29,907
- Original budgeted increase of \$33,050

General Fund unassigned fund balance is approximately 27% of total General Fund expenditures and transfers out.

General Fund - Trend



Proprietary Funds Highlights

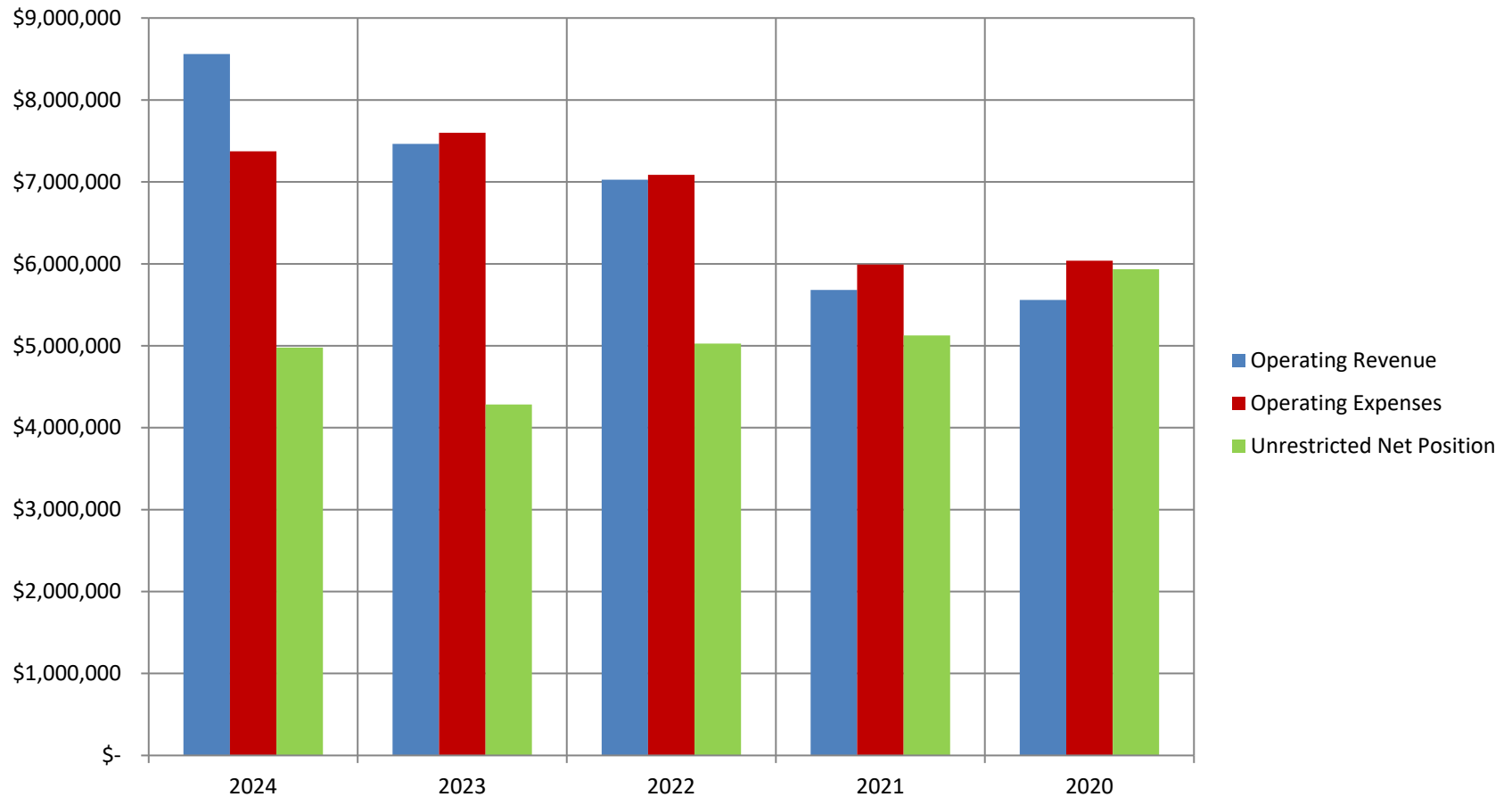
Fund	Revenue and Transfers In	Expenses and Transfers Out	Change in Net Position	Net Position at 3/31/2023
Electric Utility	\$8.6 million	\$7.8 million	\$833,000	\$8.9 million
Sewage Disposal Utility	\$2.9 million	\$2.3 million	\$571,000	\$12.6 million
Water Utility	\$2.0 million	\$1.9 million	\$154,000	\$6.8 million
Marina	\$939,000	\$1.1 million	\$(153,000)	\$1.7 million
Airport	\$1.9 million	\$2.3 million	\$(345,000)	\$8.2 million

Inter-fund Advances

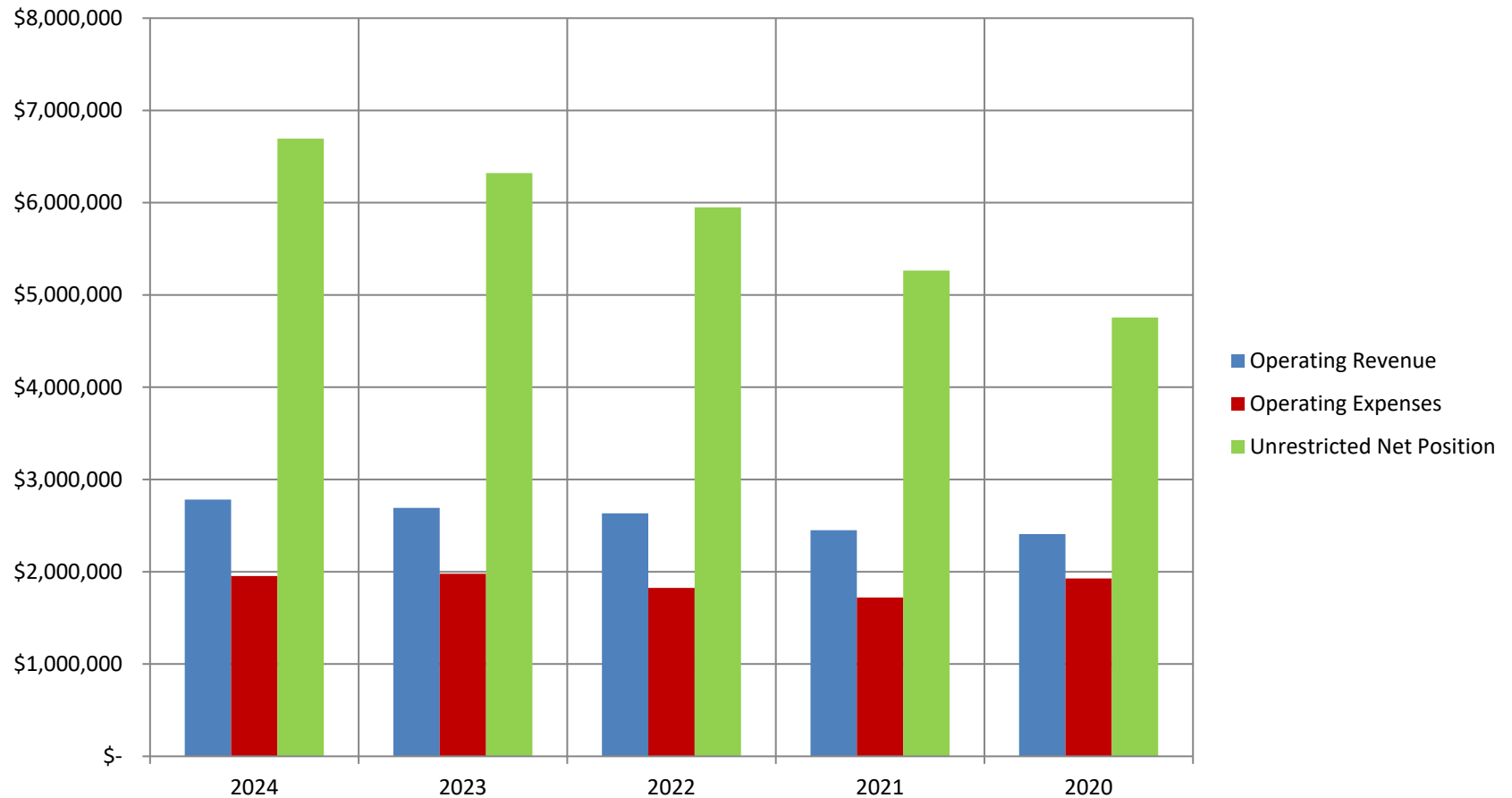
Fund	Advance To	Advance From
Electric Utility Fund	\$186,169	\$ -
Marina Fund	\$ -	\$93,000
General Fund	\$ -	\$93,169

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.

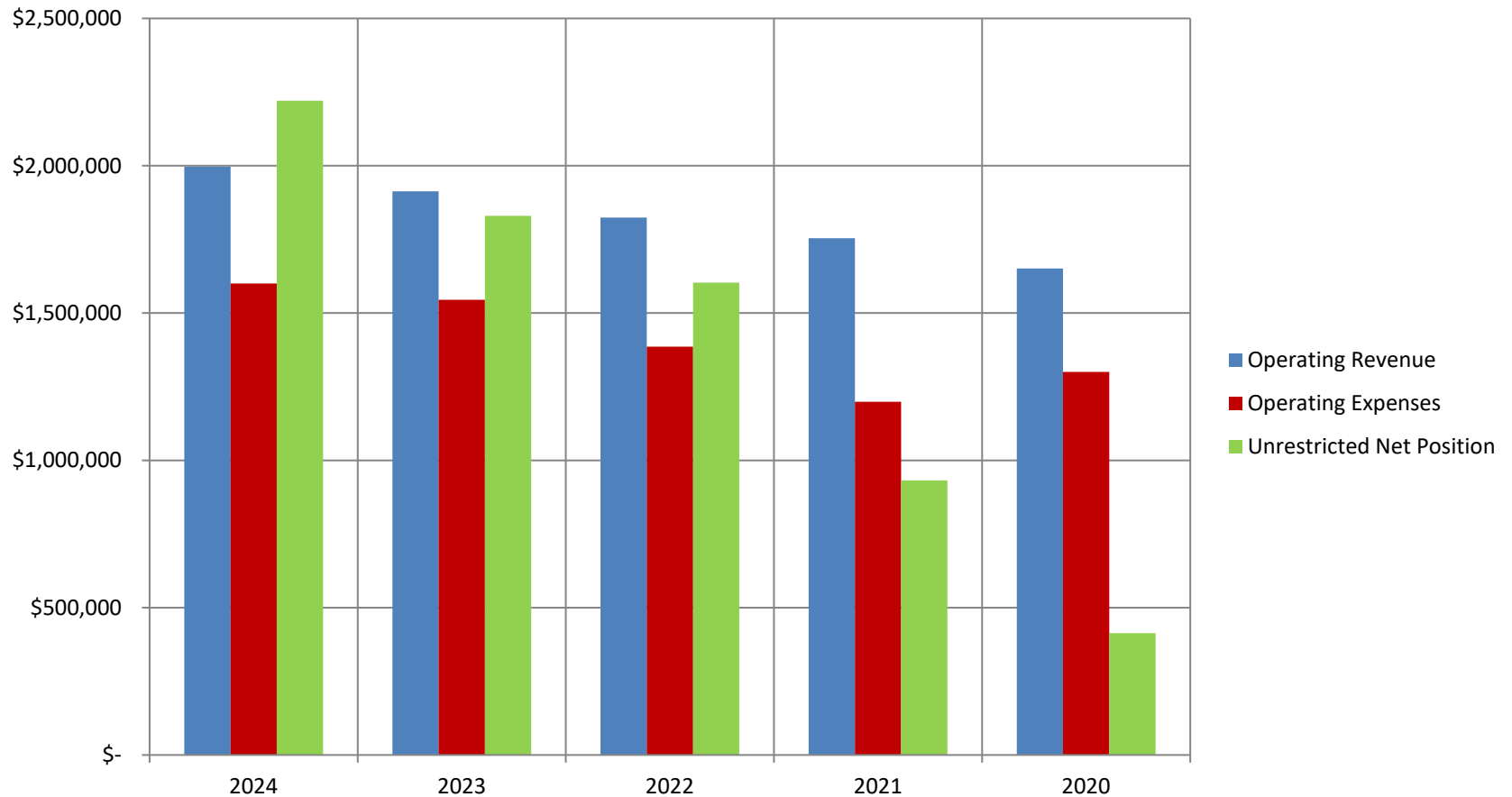
Electric Utility Fund - Trend



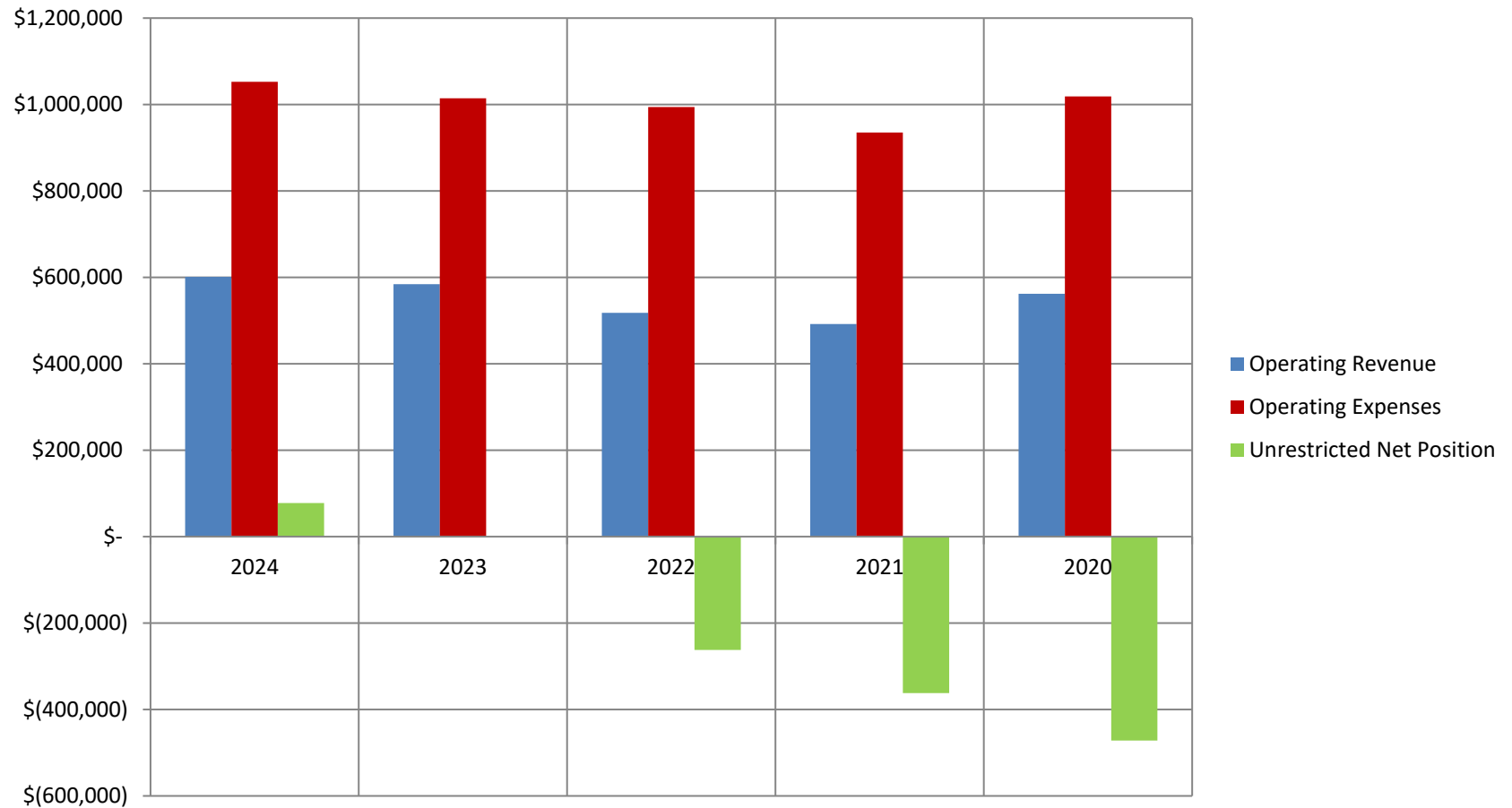
Sewage Disposal Utility Fund - Trend



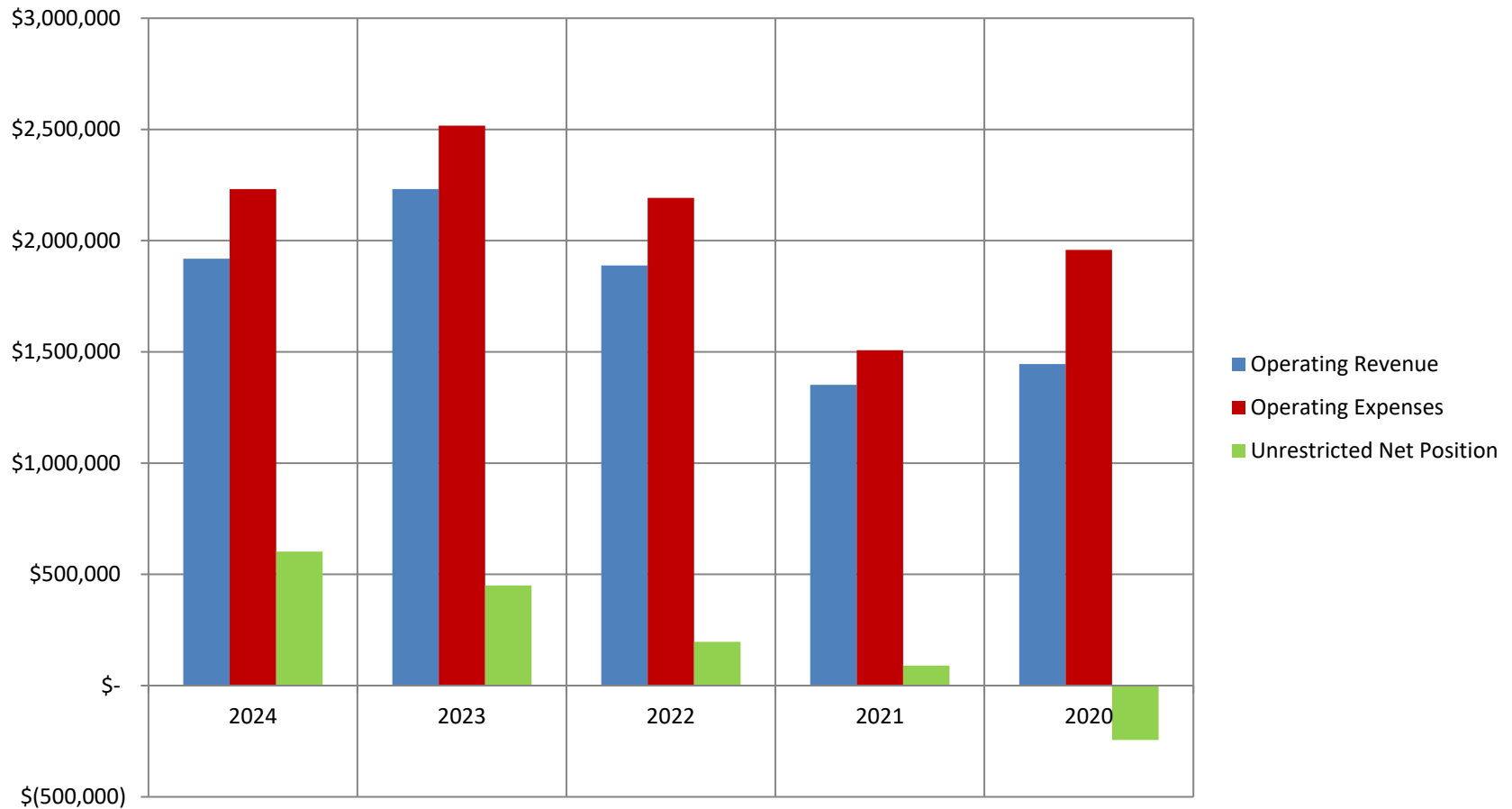
Water Utility Fund - Trend



Marina Fund - Trend



Airport Fund - Trend



Questions?

We Sincerely Thank You For Your Continued Business

Kim Lindsay, CPA
Kim.Lindsay@rehmann.com

Rehmann

City of Charlevoix,
Michigan



Fiscal Year
Ended
March 31, 2024

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	Lyle Gennett
Council Member	Aaron Hagen
Council Member	Janet Kalbfell
Council Member	Richard Spring
Council Member	Philip Parr
Council Member	Mark Knapp
Council Member	Shane Cole

Appointed Officials

City Manager	Mark Heydlauff
Attorney	Scott Howard
Clerk	Sarah Dvoracek
Treasurer	Kelly McGinn
Planning Director	Jennifer Neal
Zoning Administrator	Jonathan Scheel
Police Chief	Jill McDonnell
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	Brian Ewalt
Harbormaster	Denny McDermott
Recreation Director	Kent Knorr

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INDEPENDENT AUDITORS' REPORT

August 19, 2024

Members of the 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, 2024, 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 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, 2024, 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.

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 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 our report dated August 19, 2024, 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 Lobson LLC

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF CHARLEVOIX, MICHIGAN

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, 2024.

Financial Highlights

- The City's total net position amounted to \$71,514,509 at the end of the current fiscal year compared to \$69,553,773 at the end of the prior period. The primary government's total net position increased by \$1,960,736. Net position of governmental activities increased by \$889,945. Net position of business-type activities increased by \$1,070,791.
- Of the total net position, \$17,227,539, (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- At March 31, 2024, the City's governmental funds reported combined ending fund balances of \$4,509,548, a decrease of \$437,132 from the prior year. \$1,156,130, or 26 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 \$1,156,130 or 27 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, community development 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.

CITY OF CHARLEVOIX, MICHIGAN

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 infrastructure improvements 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, and motor vehicle pool.

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.

CITY OF CHARLEVOIX, MICHIGAN

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 \$71,514,509 at the close of the most recent fiscal year.

By far the largest portion of the City's net position (73 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 (24 percent) may be used to meet the City's ongoing obligations to citizens and creditors.

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Assets						
Current and other assets	\$ 6,115,802	\$ 6,724,360	\$ 19,669,371	\$ 17,864,350	\$ 25,785,173	\$ 24,588,710
Capital assets, net	39,520,058	38,686,666	31,012,471	32,503,473	70,532,529	71,190,139
Total assets	<u>45,635,860</u>	<u>45,411,026</u>	<u>50,681,842</u>	<u>50,367,823</u>	<u>96,317,702</u>	<u>95,778,849</u>
Total deferred outflows of resources	<u>505,652</u>	<u>696,501</u>	<u>841,606</u>	<u>1,209,715</u>	<u>1,347,258</u>	<u>1,906,216</u>
Liabilities						
Other liabilities	434,980	722,903	1,040,938	1,137,922	1,475,918	1,860,825
Long-term liabilities	12,782,410	13,348,259	11,892,123	12,916,445	24,674,533	26,264,704
Total liabilities	<u>13,217,390</u>	<u>14,071,162</u>	<u>12,933,061</u>	<u>14,054,367</u>	<u>26,150,451</u>	<u>28,125,529</u>
Total deferred inflows of resources	<u>-</u>	<u>2,188</u>	<u>-</u>	<u>3,575</u>	<u>-</u>	<u>5,763</u>
Net position						
Net investment in capital assets	29,424,872	28,005,463	22,985,577	23,622,467	52,410,449	51,627,930
Restricted	1,157,489	1,632,332	719,032	709,171	1,876,521	2,341,503
Unrestricted	2,341,761	2,396,382	14,885,778	13,187,958	17,227,539	15,584,340
Total net position	<u>\$ 32,924,122</u>	<u>\$ 32,034,177</u>	<u>\$ 38,590,387</u>	<u>\$ 37,519,596</u>	<u>\$ 71,514,509</u>	<u>\$ 69,553,773</u>

The City was able to report positive balances in all three categories of net position for fiscal year 2024.

CITY OF CHARLEVOIX, MICHIGAN

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	
	2024	2023	2024	2023	2024	2023
Program revenues						
Charges for services	\$ 924,636	\$ 838,946	\$ 15,864,098	\$ 14,884,953	\$ 16,788,734	\$ 15,723,899
Operating grants and contributions	1,034,021	731,198	437,726	382,070	1,471,747	1,113,268
Capital grants and contributions	-	-	42,000	123,102	42,000	123,102
General revenues						
Property taxes	3,605,039	3,382,066	-	-	3,605,039	3,382,066
State shared revenue	395,678	390,753	-	-	395,678	390,753
Other revenue	124,125	5,996	-	-	124,125	5,996
Loss on disposal of capital assets	-	-	-	(61,166)	-	(61,166)
Unrestricted investment earnings	137,584	14,816	-	5,135	137,584	19,951
Total revenues	6,221,083	5,363,775	16,343,824	15,334,094	22,564,907	20,697,869
Expenses						
Legislative	60,603	55,868	-	-	60,603	55,868
General government	932,970	919,898	-	-	932,970	919,898
Public safety	1,277,579	1,149,232	-	-	1,277,579	1,149,232
Public works	1,912,264	1,297,765	-	-	1,912,264	1,297,765
Health and welfare	1,519	1,564	-	-	1,519	1,564
Community development	81,718	61,191	-	-	81,718	61,191
Recreation and culture	1,646,563	1,498,125	-	-	1,646,563	1,498,125
Interest	284,163	302,829	-	-	284,163	302,829
Electric utility	-	-	7,362,129	7,610,105	7,362,129	7,610,105
Sewage disposal utility	-	-	2,116,489	2,158,459	2,116,489	2,158,459
Water utility	-	-	1,599,705	1,552,397	1,599,705	1,552,397
Marina	-	-	1,092,242	1,071,532	1,092,242	1,071,532
Airport	-	-	2,236,227	2,523,695	2,236,227	2,523,695
Total expenses	6,197,379	5,286,472	14,406,792	14,916,188	20,604,171	20,202,660

continued...

CITY OF CHARLEVOIX, MICHIGAN

Management's Discussion and Analysis

	Change in Net Position (concluded)					
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Change in net position before transfers	\$ 23,704	\$ 77,303	\$ 1,937,032	\$ 417,906	\$ 1,960,736	\$ 495,209
Transfers	866,241	2,034,885	(866,241)	(2,034,885)	-	-
Capital transfer to governmental activities	-	679,894	-	(679,894)	-	-
Change in net position	889,945	2,792,082	1,070,791	(2,296,873)	1,960,736	495,209
Net position:						
Beginning of year	32,034,177	29,242,095	37,519,596	39,816,469	69,553,773	69,058,564
End of year	\$ 32,924,122	\$ 32,034,177	\$ 38,590,387	\$ 37,519,596	\$ 71,514,509	\$ 69,553,773

concluded

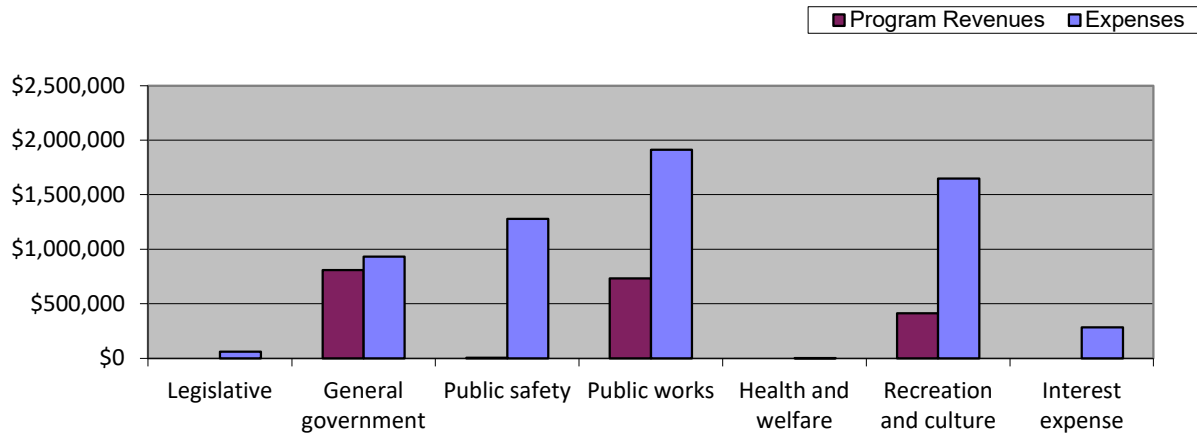
Governmental Activities. Governmental activities increased the City's net position by \$889,945. Key elements of this increase are as follows:

- Total governmental activities revenue increased by \$857,308, or 16 percent, compared to prior year, with the most significant increases being operating grants, which increased by \$302,823, and property taxes, which increased by \$222,973. The operating grant increase was caused by the Michigan Pathway Grant and the use of ARPA Grant funds. The increase in property taxes was due to an increase in operating Mills and taxable values.
- Total expenses for governmental activities increased by \$910,907, or 17 percent, compared to the prior year. The most significant fluctuation was in the public works category, which increased by \$614,499. This increase was mostly the result of the City taking a full year's depreciation on the new public service facility. Depreciation related to this facility is classified as public works expenses on the statement of activities. Recreation and culture expenses also increased by \$148,438 as a result of one time recreational projects that were partially covered by Grants which included Michigan Beach, Ferry Beach Boat Launch, Golf Course operating equipment, and Performance Pavilion improvements.
- Operating and capital transfers from business-type activities to governmental activities decreased by \$1,168,644 and \$679,894, respectively, as the result of the closing of the DPW site internal service fund and the transfer of all assets, both operating and capital, liabilities and fund balance to governmental activities in the prior year.

CITY OF CHARLEVOIX, MICHIGAN

Management's Discussion and Analysis

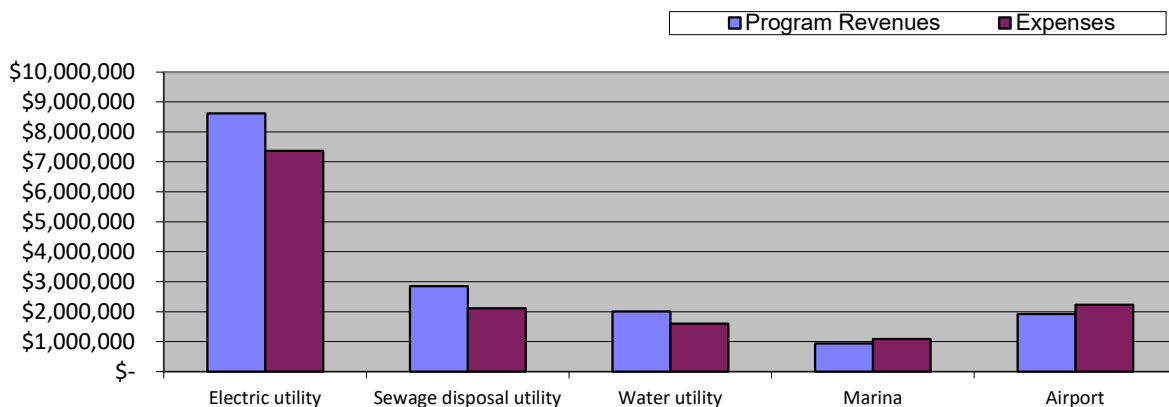
Program Revenues and Expenses - Governmental Activities



Business-type Activities. Net position of the business-type activities increased by \$1,070,791 in fiscal 2024 as compared to a decrease of \$2,296,873 in fiscal 2023. Significant fluctuations occurred related to:

- Charges for services increased by \$979,145 due to increased utility activity.
- There was a decrease in electric utility expenses of \$247,976, primarily because of the completion of the Mason Street Project in the previous year.
- There was a decrease in airport expenses of \$287,468, due to a decrease in aviation fuel costs.
- Operating and capital transfers from business-type activities to governmental activities decreased by \$1,168,644 and \$679,894, respectively, as the result of the closing of the DPW site internal service fund and the transfer of all assets, both operating and capital, liabilities and fund balance to governmental activities in the prior year.

Program Revenues and Expenses - Business-type Activities



CITY OF CHARLEVOIX, MICHIGAN

Management's Discussion and Analysis

Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$4,509,548, a decrease of \$437,132 from the prior year. This decrease was attributable to increased operating costs. A portion of the fund balance (\$862,616), is restricted for specific purposes as determined by either an entity outside of the primary government, or by enabling legislation. Another portion of the fund balances (\$1,156,130) 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.

The general fund, which is the main operating fund of the City, ended with fund balance of \$1,168,031, an increase of \$324,784. The main reason for this increase was grant support for some large projects.

The infrastructure improvements fund, which was a major fund this year, ended with fund balance of \$124,699, a decrease of \$1,018,322. The main reason for this decrease was the expenditure of \$1.8 million on improvements to Mason Street.

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 \$14,572,642, and the net investment in capital assets was \$22,985,577. In addition, there was restricted net position in the amount of \$225,000 from investments mandated to be restricted by the City Charter and \$494,032 for energy purchases. The changes in enterprise fund net position were as follows:

- Electric utility activities increased its net position by \$832,999, mainly caused by delayed major projects costs into the next year.
- Sewage disposal utility activities increased its net position by \$571,059, which is greater than the increase in fiscal 2023 of \$327,869. The main cause for this change was a decrease or postponed capital expenditures.
- Water utility activities increased its net position by \$153,829 which is greater than the increase in fiscal 2023 of \$75,716. This increase was mostly due to decreased costs to the water distribution system.
- The Marina experienced a decrease in net position of \$153,248, compared with the increase of \$38,022 noted in the prior year. This change was the result of unexpected maintenance costs.
- Airport activities were responsible for a decrease in net position of \$344,535, compared to a decrease in the prior year of \$213,392. The major contributor to this decrease was due to additional maintenance costs including terminal building and repairs.

CITY OF CHARLEVOIX, MICHIGAN

Management's Discussion and Analysis

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 tax revenues was increased by \$96,983 to account for the change of operating Mills and taxable values.
- The budget for federal revenues was increased by \$51,953 due to the spending of ARPA funding of qualifying projects.
- The budget for state revenues was decreased by \$116,270 because the City did not receive the Spark Grant for \$120,000 as anticipated.
- The budget for charges for services was increased by \$44,571 as the result of an increase in demand for services for recreational activities such as day camp, sports, ski hill, beaches, and boat launch.
- The budget for total general fund expenditures was increased by \$117,705 or 2.7% from the original approved budget. The only significant functional increase was for recreation and culture expenditures, which increased by \$41,900 during the year because of improvements to Michigan Beach.

The City reports actual results in comparison to the final amended budgets. Revenues were more than budgetary estimates by \$159,224 or 4 percent and expenditures were less than budgetary estimates by \$164,761 or 4 percent. The most significant variances were as follows:

- The actual amount of federal revenues reported exceeded the final amended budget by \$182,098. This variance was the result of using additional ARPA grant funds on Recreational projects such as Michigan Beach, Boat Launch, and Performance Pavilion, and the Golf Course.
- The actual amount of public safety expenditures came in under the final amended budget by \$46,162. This variance was caused by employee vacancies and the Motorpool handling the Police Vehicle costs.
- The actual amount of public works expenditures came in under the final amended budget by \$49,932. This variance was due to reduced contractual service costs and reduced labor costs.

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, 2024, amounted to \$70,532,529 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and improvements, system improvements, machinery and equipment, vehicles (both purchased and leased), and infrastructure including park facilities, roads, highways and bridges.

CITY OF CHARLEVOIX, MICHIGAN

Management's Discussion and Analysis

Major capital asset event during the current fiscal year included mason street and mason street parking improvements, bridge park lift station improvements, improvements to Lake Michigan Beach Park, and an AML metering system.

	Capital Assets (Net of Depreciation, Where Applicable)					
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 17,126,968	\$ 17,126,968	\$ 1,506,534	\$ 1,506,534	\$ 18,633,502	\$ 18,633,502
Construction in progress	209,189	244,691	263,867	143,836	473,056	388,527
Land improvements	1,681,385	1,392,595	8,531,455	9,397,358	10,212,840	10,789,953
Infrastructure	7,361,863	5,954,004	-	-	7,361,863	5,954,004
Buildings and improvements	11,400,496	12,069,757	11,471,471	12,147,291	22,871,967	24,217,048
System improvements	-	-	7,839,505	8,249,007	7,839,505	8,249,007
Machinery and equipment	897,721	790,304	1,399,639	1,059,447	2,297,360	1,849,751
Vehicles	745,653	967,030	-	-	745,653	967,030
Leased vehicles	96,783	141,317	-	-	96,783	141,317
Total capital assets, net	\$ 39,520,058	\$ 38,686,666	\$ 31,012,471	\$ 32,503,473	\$ 70,532,529	\$ 71,190,139

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	
	2024	2023	2024	2023	2024	2023
Bonds payable	\$ 9,340,000	\$ 9,810,000	\$ 7,954,562	\$ 8,784,562	\$ 17,294,562	\$ 18,594,562
Direct borrowings and direct placements	26,248	51,838	-	-	26,248	51,838
Leases payable	99,746	141,317	-	-	99,746	141,317
Premium on bond issuance	629,192	678,048	126,199	168,265	755,391	846,313
Accrued compensated absences	240,702	240,936	-	-	240,702	240,936
Total	\$ 10,335,888	\$ 10,922,139	\$ 8,080,761	\$ 8,952,827	\$ 18,416,649	\$ 19,874,966

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 \$31 million, which is in excess of the City's outstanding general obligation debt.

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

CITY OF CHARLEVOIX, MICHIGAN

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 2024-25 fiscal year:

- The unemployment rate for Michigan is currently 4.1% and the national average rate is 4.3%.
- The tax collection rate for the 2024-25 fiscal year are expected to be comparable to fiscal year 2023-24 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 2024-25 tax year, the operating millage of 9.2736 mills has decreased from 9.4052 mills from the 2023-24 tax year. The infrastructure millage remained at 1.2 mills. The refuse millage (PA 213) remained at 1.0 mill.
- Sewer rates charged for services in fiscal year 2024-25 increased 2.0% compared to fiscal year 2023-24 rates.
- Water rates charged for services in fiscal year 2024-25 increased 4.9% from the fiscal year 2023-24 rates.
- Electric rates for fiscal year 2024-25 increased 2.5% from the previous fiscal year 2023-24.
- Wage rates increased 4.0% for Police Officers Labor Council (FOPLC) union employees, 4.0% for Communications Workers of America (CWA) union employees per their labor contracts with the City. The City's non-union employees received a 4.0% rate increase effective April 2024.
- The employee fringe benefit fund rates remained constant for 2024-25.

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, 2024

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and cash equivalents	\$ 4,424,789	\$ 14,259,116	\$ 18,683,905	\$ 215,848
Investments	1,276,200	1,578,800	2,855,000	50,000
Cash at fiscal agent	160,950	549,257	710,207	-
Deposit held by Michigan Public Power Agency	-	494,032	494,032	-
Receivables, net	593,378	1,634,647	2,228,025	175,195
Internal balances	(406,305)	406,305	-	-
Other assets	66,790	522,214	589,004	126
Restricted investments	-	225,000	225,000	-
Capital assets not being depreciated/amortized	17,336,157	1,770,401	19,106,558	935,234
Capital assets being depreciated/amortized, net	22,183,901	29,242,070	51,425,971	1,416,235
Total assets	45,635,860	50,681,842	96,317,702	2,792,638
Deferred outflows of resources				
Deferred charge on bond refunding	-	53,867	53,867	-
Deferred pension amounts	505,652	787,739	1,293,391	-
Total deferred outflows of resources	505,652	841,606	1,347,258	-
Liabilities				
Accounts payable and accrued liabilities	352,397	638,802	991,199	6,238
Unearned revenue	82,583	402,136	484,719	-
Bond, loans and other long-term liabilities:				
Due within one year	807,486	902,066	1,709,552	-
Due in more than one year	9,528,402	7,178,695	16,707,097	-
Net pension liability (due in more than one year)	2,446,522	3,811,362	6,257,884	-
Total liabilities	13,217,390	12,933,061	26,150,451	6,238
Deferred inflows of resources				
Deferred lease amounts	-	-	-	140,699
Net position				
Net investment in capital assets	29,424,872	22,985,577	52,410,449	2,351,469
Restricted for:				
Cemetery perpetual care (non-expendable)	455,767	-	455,767	-
Street and trail improvements	655,631	-	655,631	-
City charter mandate	-	225,000	225,000	-
Energy purchases	-	494,032	494,032	-
Debt service	46,091	-	46,091	-
Downtown development	-	-	-	294,232
Unrestricted	2,341,761	14,885,778	17,227,539	-
Total net position	\$ 32,924,122	\$ 38,590,387	\$ 71,514,509	\$ 2,645,701

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

CITY OF CHARLEVOIX, MICHIGAN

Statement of Activities

For the Year Ended March 31, 2024

		Program Revenues			
Functions / Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net Revenue (Expense)
Primary government					
Governmental activities:					
Legislative	\$ 60,603	\$ -	\$ -	\$ -	\$ (60,603)
General government	932,970	402,296	405,814	-	(124,860)
Public safety	1,277,579	-	4,583	-	(1,272,996)
Public works	1,912,264	145,945	586,751	-	(1,179,568)
Health and welfare	1,519	-	-	-	(1,519)
Community development	81,718	-	-	-	(81,718)
Recreation and culture	1,646,563	376,395	36,873	-	(1,233,295)
Interest	284,163	-	-	-	(284,163)
Total governmental activities	6,197,379	924,636	1,034,021	-	(4,238,722)
Business-type activities:					
Electric utility	7,362,129	8,561,680	56,908	-	1,256,459
Sewage disposal utility	2,116,489	2,785,316	28,563	42,000	739,390
Water utility	1,599,705	1,997,044	14,391	-	411,730
Marina	1,092,242	601,090	337,864	-	(153,288)
Airport	2,236,227	1,918,968	-	-	(317,259)
Total business-type activities	14,406,792	15,864,098	437,726	42,000	1,937,032
Total primary government	\$ 20,604,171	\$ 16,788,734	\$ 1,471,747	\$ 42,000	\$ (2,301,690)
Component unit					
Downtown Development Authority	\$ 896,560	\$ 51,282	\$ 48,589	\$ -	\$ (796,689)

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CITY OF CHARLEVOIX, MICHIGAN

Statement of Activities

For the Year Ended March 31, 2024

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
Change in net position				
Net revenue (expense)	\$ (4,238,722)	\$ 1,937,032	\$ (2,301,690)	\$ (796,689)
General revenues:				
Property taxes	3,605,039	-	3,605,039	571,381
State shared revenues	395,678	-	395,678	-
Other revenue	124,125	-	124,125	-
Unrestricted investment earnings	137,584	-	137,584	13,508
Transfers - internal activities	866,241	(866,241)	-	-
Total general revenues and transfers	5,128,667	(866,241)	4,262,426	584,889
Change in net position	889,945	1,070,791	1,960,736	(211,800)
Net position, beginning of year	32,034,177	37,519,596	69,553,773	2,857,501
Net position, end of year	<u>\$ 32,924,122</u>	<u>\$ 38,590,387</u>	<u>\$ 71,514,509</u>	<u>\$ 2,645,701</u>
				concluded

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

FUND FINANCIAL STATEMENTS

CITY OF CHARLEVOIX, MICHIGAN

Balance Sheet

Governmental Funds

March 31, 2024

	General Fund	Infrastructure Improvement	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 864,235	\$ 102,362	\$ 2,145,707	\$ 3,112,304
Cash at fiscal agent	-	-	160,950	160,950
Investments	400,000	-	676,200	1,076,200
Receivables:				
Accounts	49,253	23,200	5,047	77,500
Taxes	7,768	889	545	9,202
Due from other governments	114,665	-	314,380	429,045
Interest	16,937	-	28,470	45,407
Prepays	11,901	-	375	12,276
Total assets	<u>\$ 1,464,759</u>	<u>\$ 126,451</u>	<u>\$ 3,331,674</u>	<u>\$ 4,922,884</u>
Liabilities				
Negative equity in pooled cash	\$ -	\$ -	\$ 92,451	\$ 92,451
Accounts payable	96,080	1,752	20,134	117,966
Accrued liabilities	26,396	-	771	27,167
Advances from other funds	93,169	-	-	93,169
Unearned revenue	81,083	-	1,500	82,583
Total liabilities	<u>296,728</u>	<u>1,752</u>	<u>114,856</u>	<u>413,336</u>
Fund balances				
Nonspendable	11,901	-	456,142	468,043
Restricted	-	-	862,616	862,616
Committed	-	124,699	1,331,594	1,456,293
Assigned	-	-	566,466	566,466
Unassigned	1,156,130	-	-	1,156,130
Total fund balances	<u>1,168,031</u>	<u>124,699</u>	<u>3,216,818</u>	<u>4,509,548</u>
Total liabilities and fund balances	<u>\$ 1,464,759</u>	<u>\$ 126,451</u>	<u>\$ 3,331,674</u>	<u>\$ 4,922,884</u>

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

CITY OF CHARLEVOIX, MICHIGAN

Reconciliation

Fund Balances of Governmental Funds
to Net Position of Governmental Activities
March 31, 2024

Fund balances - total governmental funds	\$ 4,509,548
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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/amortized	17,336,157
Capital assets being depreciated/amortized, net	22,183,901
Capital assets accounted for in motor vehicle internal service fund, net	(1,211,755)

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	2,574,854
Net position allocated to business-type activities from governmental activities internal service funds	(313,136)

Certain pension-related amounts, such as the net pension liability and deferred amounts, are not due and payable in the current period and do not represent current financial resources, and therefore are not reported in the funds.

Net pension liability	(2,446,522)
Deferred outflows of resources related to the net pension liability	505,652

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	(57,868)
Interest payable on long-term debt	(161,269)
Bonds and installment purchase agreements	(9,995,440)

Net position of governmental activities	<u>\$ 32,924,122</u>
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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, 2024

	General Fund	Infrastructure Improvement	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Taxes	\$ 2,989,777	\$ 340,991	\$ 274,271	\$ 3,605,039
Federal	234,051	-	-	234,051
State	569,553	-	569,381	1,138,934
Local grants and contributions	31,981	-	-	31,981
Licenses and permits	63,078	-	-	63,078
Charges for services	439,327	-	142,420	581,747
Fines and forfeitures	1,343	-	14,980	16,323
Interest and rents	266,446	74,930	42,921	384,297
Other	33,948	100,000	3,975	137,923
Total revenues	<u>4,629,504</u>	<u>515,921</u>	<u>1,047,948</u>	<u>6,193,373</u>
Expenditures				
Current:				
Legislative	60,519	-	-	60,519
General government	773,741	-	9,087	782,828
Public safety	1,159,056	-	-	1,159,056
Public works	352,635	1,824,533	575,911	2,753,079
Health and welfare	351	-	661	1,012
Community development	81,718	-	-	81,718
Recreation and culture	1,852,541	-	19,545	1,872,086
Other	34,533	-	-	34,533
Debt service:				
Principal	-	-	495,590	495,590
Interest	-	-	342,748	342,748
Total expenditures	<u>4,315,094</u>	<u>1,824,533</u>	<u>1,443,542</u>	<u>7,583,169</u>
Revenues over (under) expenditures	<u>314,410</u>	<u>(1,308,612)</u>	<u>(395,594)</u>	<u>(1,389,796)</u>
Other financing sources (uses)				
Transfers in	27,643	412,490	910,961	1,351,094
Transfers out	(17,269)	(122,200)	(258,961)	(398,430)
Total other financing sources (uses)	<u>10,374</u>	<u>290,290</u>	<u>652,000</u>	<u>952,664</u>
Net change in fund balances	<u>324,784</u>	<u>(1,018,322)</u>	<u>256,406</u>	<u>(437,132)</u>
Fund balances, beginning of year	<u>843,247</u>	<u>1,143,021</u>	<u>2,960,412</u>	<u>4,946,680</u>
Fund balances, end of year	<u>\$ 1,168,031</u>	<u>\$ 124,699</u>	<u>\$ 3,216,818</u>	<u>\$ 4,509,548</u>

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

CITY OF CHARLEVOIX, MICHIGAN

Reconciliation

Net Change in Fund Balances of Governmental Funds
to Change in Net Position of Governmental Activities
For the Year Ended March 31, 2024

Net change in fund balances - total governmental funds	\$ (437,132)
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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	2,422,330
Capital assets purchased/constructed for internal service funds	(139,631)
Depreciation/amortization expense	(1,588,938)
Depreciation/amortization expense for internal service funds	321,162

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.

Principal payments on bonds and installment purchases agreements	495,590
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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	(20,061)
Change in net position from governmental activities accounted for internal service funds charged to business-type activities	(10,687)

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	(209,063)
Bond premium amortization	48,856
Change in accrued interest	9,729
Change in compensated absences - sick leave	(2,210)

Change in net position of governmental activities	<u>\$ 889,945</u>
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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, 2024

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes:				
Property taxes	\$ 2,616,300	\$ 2,701,208	\$ 2,667,222	\$ (33,986)
Payments in lieu of taxes	280,000	289,075	280,828	(8,247)
Interest and penalties on taxes	7,000	7,000	9,284	2,284
Tax collection fees	27,000	30,000	32,443	2,443
Total taxes	2,930,300	3,027,283	2,989,777	(37,506)
Federal	-	51,953	234,051	182,098
State	672,400	556,130	569,553	13,423
Local grants and contributions	6,500	35,200	31,981	(3,219)
Licenses and permits	56,700	60,850	63,078	2,228
Charges for services:				
Cemetery	50,000	65,319	65,869	550
Golf course	150,000	157,200	157,189	(11)
Farmer's market	15,000	15,000	14,230	(770)
Summer sports	7,500	14,000	12,810	(1,190)
Day camp	75,000	80,600	80,600	-
Winter sports	55,000	56,615	56,811	196
Other	44,700	53,037	51,818	(1,219)
Total charges for services	397,200	441,771	439,327	(2,444)
Fines and forfeitures	2,300	2,400	1,343	(1,057)
Interest and rents:				
Interest	5,000	5,000	18,151	13,151
City hall	212,500	213,267	209,267	(4,000)
Boat launch/harbor building	27,000	39,449	39,028	(421)
Total interest and rents	244,500	257,716	266,446	8,730
Other	39,600	36,977	33,948	(3,029)
Total revenues	4,349,500	4,470,280	4,629,504	159,224

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, 2024

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Expenditures				
Current:				
Legislative:				
City council	\$ 62,200	\$ 77,836	\$ 60,519	\$ (17,317)
General government:				
Mayor	8,700	9,913	7,774	(2,139)
City manager	126,400	129,201	120,234	(8,967)
Elections	67,000	55,145	39,514	(15,631)
Assessor	44,800	48,047	45,085	(2,962)
City attorney	33,400	28,400	26,250	(2,150)
City clerk	55,700	59,376	49,739	(9,637)
City treasurer	81,200	83,824	79,394	(4,430)
City hall and grounds	228,800	249,447	266,969	17,522
Cemetery	146,300	146,457	138,782	(7,675)
Total general government	792,300	809,810	773,741	(36,069)
Public safety:				
Police department	942,900	970,700	923,981	(46,719)
Fire department	234,200	234,518	235,075	557
Total public safety	1,177,100	1,205,218	1,159,056	(46,162)
Public works:				
Leaf pick up	246,800	242,800	221,518	(21,282)
Waste collection	97,900	97,896	92,006	(5,890)
Brush pickup	65,000	61,871	39,111	(22,760)
Total public works	409,700	402,567	352,635	(49,932)

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, 2024

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Expenditures (concluded)				
Current (concluded):				
Health and welfare:				
Ambulance	\$ -	\$ -	\$ 351	\$ 351
Community development:				
Planning	83,900	89,074	81,718	(7,356)
Recreation and culture:				
Parks	690,800	701,644	731,679	30,035
Recreation administration	229,200	239,605	223,634	(15,971)
City beaches	283,550	238,049	290,602	52,553
Ball fields	23,000	25,694	21,338	(4,356)
Day camp	89,400	89,393	74,447	(14,946)
Ice rink	4,100	2,800	2,321	(479)
Mt. McSaubia ski hill	177,900	186,888	147,688	(39,200)
Basketball and volleyball	-	2,400	2,321	(79)
Golf course	261,300	303,889	298,461	(5,428)
Boat launch	35,300	46,251	45,326	(925)
Skate park	9,400	9,412	4,911	(4,501)
Community promotion	12,100	11,925	9,813	(2,112)
Total recreation and culture	1,816,050	1,857,950	1,852,541	(5,409)
Other	20,900	37,400	34,533	(2,867)
Total expenditures	4,362,150	4,479,855	4,315,094	(164,761)
Revenues over (under) expenditures	(12,650)	(9,575)	314,410	323,985
Other financing sources (uses)				
Proceeds from sales of capital assets	500	500	-	(500)
Transfers in	27,600	27,643	27,643	-
Transfers out	(48,500)	(48,475)	(17,269)	(31,206)
Total other financing sources (uses)	(20,400)	(20,332)	10,374	(31,706)
Net change in fund balance	(33,050)	(29,907)	324,784	354,691
Fund balance, beginning of year	843,247	843,247	843,247	-
Fund balance, end of year	\$ 810,197	\$ 813,340	\$ 1,168,031	\$ 354,691

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, 2024

	Business-type Activities - Enterprise Funds			
	Electric Utility	Sewage Disposal Utility	Water Utility	Marina
Assets				
Current assets:				
Cash and cash equivalents	\$ 3,958,851	\$ 6,479,733	\$ 2,615,956	\$ 544,777
Investments	1,420,700	38,400	44,700	75,000
Cash at fiscal agent	-	523,057	-	26,200
Deposits held by Michigan Public Power Agency	494,032	-	-	-
Receivables:				
Accounts, net	1,066,299	286,981	162,689	534
Interest	55,565	5,670	5,985	2,513
Due from other governments	1,039	3,875	2,578	233
Prepays	6,352	2,633	3,198	1,386
Inventories	293,908	-	114,184	-
Total current assets	7,296,746	7,340,349	2,949,290	650,643
Noncurrent assets:				
Restricted investments	75,000	75,000	75,000	-
Advance to other funds	186,169	-	-	-
Capital assets, not being depreciated/amortized	451,480	345,125	13,730	-
Capital assets, net of accumulated depreciation/amortization	2,942,398	12,120,924	4,525,823	2,979,280
Total noncurrent assets	3,655,047	12,541,049	4,614,553	2,979,280
Total assets	10,951,793	19,881,398	7,563,843	3,629,923
Deferred outflows of resources				
Deferred charge on bond refunding	-	-	-	53,867
Deferred pension amounts	412,912	136,230	179,566	15,781
Total deferred outflows of resources	412,912	136,230	179,566	69,648
Liabilities				
Current liabilities:				
Accounts payable	368,622	33,718	32,941	7,157
Accrued liabilities	12,297	89,486	6,261	26,782
Customer deposits	45,801	-	-	-
Current portion of bonds payable	-	440,000	-	462,066
Current portion of compensated absences	-	-	-	-
Current portion of leases payable	-	-	-	-
Unearned revenue	-	-	-	385,373
Total current liabilities	426,720	563,204	39,202	881,378
Noncurrent liabilities:				
Advance from other funds	-	-	-	93,000
Bonds payable, net of current portion	-	6,204,562	-	974,133
Leases payable, net of current portion	-	-	-	-
Net pension liability	1,997,814	659,132	868,800	76,354
Total noncurrent liabilities	1,997,814	6,863,694	868,800	1,143,487
Total liabilities	2,424,534	7,426,898	908,002	2,024,865
Net position				
Net investment in capital assets	3,393,878	5,821,487	4,539,553	1,596,948
Restricted for:				
City charter mandate	75,000	75,000	75,000	-
Energy purchases	494,032	-	-	-
Unrestricted (deficit)	4,977,261	6,694,243	2,220,854	77,758
Total net position	\$ 8,940,171	\$ 12,590,730	\$ 6,835,407	\$ 1,674,706

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

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Business-type Activities - Enterprise Funds		Governmental Activities
Airport	Total	Internal Service Funds
\$ 659,799	\$ 14,259,116	\$ 1,404,936
-	1,578,800	200,000
-	549,257	-
-	494,032	-
40,248	1,556,751	2,555
-	69,733	7,910
438	8,163	21,759
1,851	15,420	54,514
98,702	506,794	-
801,038	19,038,066	1,691,674
-	225,000	-
-	186,169	-
960,066	1,770,401	20,653
6,673,645	29,242,070	1,191,102
7,633,711	31,423,640	1,211,755
8,434,749	50,461,706	2,903,429
-	53,867	-
43,250	787,739	-
43,250	841,606	-
10,068	452,506	21,076
5,669	140,495	24,919
-	45,801	-
-	902,066	-
-	-	182,834
-	-	30,181
16,763	402,136	-
32,500	1,943,004	259,010
-	93,000	-
-	7,178,695	-
-	-	69,565
209,262	3,811,362	-
209,262	11,083,057	69,565
241,762	13,026,061	328,575
7,633,711	22,985,577	1,112,009
-	225,000	-
-	494,032	-
602,526	14,572,642	1,462,845
\$ 8,236,237	\$ 38,277,251	\$ 2,574,854

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CITY OF CHARLEVOIX, MICHIGAN

Reconciliation

Net Position of Enterprise Funds
to Net Position of Business-type Activities
March 31, 2024

Net position - total enterprise funds	\$ 38,277,251
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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 allocated to business-type activities from governmental activities internal service funds	313,136
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Net position of business-type activities	<u><u>\$ 38,590,387</u></u>
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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, 2024

	Business-type Activities - Enterprise Funds			
	Electric Utility	Sewage Disposal Utility	Water Utility	Marina
Operating revenues				
Charges for services	\$ 8,561,680	\$ 2,785,316	\$ 1,997,044	\$ 601,090
Operating expenses				
Purchased power	4,004,456	-	-	-
Fuel purchases	-	-	-	-
Personnel services	1,762,493	807,106	793,004	215,800
Contractual services	272,339	108,042	107,454	63,718
Insurance	29,701	20,848	10,424	3,920
Building rental	84,700	39,100	39,100	-
Equipment rental	298,594	108,598	77,257	632
Supplies	234,386	59,759	95,778	13,905
Utilities	129,503	184,587	76,134	82,218
Repairs and maintenance	39,654	19,025	54,162	2,984
Depreciation/amortization	427,124	591,223	337,122	655,118
Miscellaneous	91,483	15,513	9,843	14,257
Total operating expenses	7,374,433	1,953,801	1,600,278	1,052,552
Operating income (loss)	1,187,247	831,515	396,766	(451,462)
Nonoperating revenues (expenses)				
Interest revenue	56,908	28,563	14,391	2,464
Other revenue	-	42,000	-	335,400
Interest expense	-	(166,114)	-	(38,468)
Total nonoperating revenues (expenses)	56,908	(95,551)	14,391	299,396
Income (loss) before transfers	1,244,155	735,964	411,157	(152,066)
Transfers				
Transfers in	-	-	-	-
Transfers out	(411,156)	(164,905)	(257,328)	(1,182)
Total transfers	(411,156)	(164,905)	(257,328)	(1,182)
Change in net position	832,999	571,059	153,829	(153,248)
Net position, beginning of year	8,107,172	12,019,671	6,681,578	1,827,954
Net position, end of year	\$ 8,940,171	\$ 12,590,730	\$ 6,835,407	\$ 1,674,706

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



Business-type Activities - Enterprise Funds		Internal Service Funds
Airport	Total	
\$ 1,918,968	\$ 15,864,098	\$ 3,917,360
-	4,004,456	-
1,063,023	1,063,023	-
413,175	3,991,578	3,226,266
17,059	568,612	76,783
-	64,893	-
-	162,900	-
109	485,190	-
8,110	411,938	83,531
31,964	504,406	15,671
94,730	210,555	147,878
505,948	2,516,535	321,162
97,715	228,811	7,417
2,231,833	14,212,897	3,878,708
(312,865)	1,651,201	38,652
-	102,326	10,340
-	377,400	17,370
-	(204,582)	-
-	275,144	27,710
(312,865)	1,926,345	66,362
-	-	56,917
(31,670)	(866,241)	(143,340)
(31,670)	(866,241)	(86,423)
(344,535)	1,060,104	(20,061)
8,580,772	37,217,147	2,594,915
\$ 8,236,237	\$ 38,277,251	\$ 2,574,854

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CITY OF CHARLEVOIX, MICHIGAN

Reconciliation

Change in Fund Net Position of Enterprise Funds
to Change in Net Position of Business-type Activities
For the Year Ended March 31, 2024

Change in net position - total enterprise funds \$ 1,060,104

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.

10,687

Change in net position of business-type activities \$ 1,070,791

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, 2024

	Business-type Activities - Enterprise Funds			
	Electric Utility	Sewage Disposal Utility	Water Utility	Marina
Cash flows from operating activities				
Cash received from customers	\$ 8,512,264	\$ 2,778,778	\$ 1,992,311	\$ 639,065
Cash received from interfund services	-	-	-	-
Cash payments to or on behalf of employees	(1,698,434)	(747,790)	(704,717)	(215,347)
Cash payments to suppliers for goods and services	(5,298,069)	(567,022)	(477,917)	(177,135)
Net cash provided by operating activities	<u>1,515,761</u>	<u>1,463,966</u>	<u>809,677</u>	<u>246,583</u>
Cash flows from noncapital financing activities				
Other receipts	-	-	-	-
Contributions from component unit	-	42,000	-	335,400
Transfers out	(411,156)	(164,905)	(257,328)	(1,182)
Net cash provided by (used in) noncapital financing activities	<u>(411,156)</u>	<u>(122,905)</u>	<u>(257,328)</u>	<u>334,218</u>
Cash flows from capital and related financing activities				
Purchase of capital assets	(556,850)	(359,314)	(100,179)	-
Repayment on interfund advances	112,475	-	-	(100,000)
Bond principal payments	-	(430,000)	-	(400,000)
Lease principal payments	-	-	-	-
Bond and advance interest payments	-	(166,114)	-	(62,580)
Net cash provided by (used in) capital and related financing activities	<u>(444,375)</u>	<u>(955,428)</u>	<u>(100,179)</u>	<u>(562,580)</u>
Cash flows from investing activities				
Interest received	20,444	23,250	8,783	1,507
Proceeds from sale of investments	-	-	-	-
Net cash provided by (used in) investing activities	<u>20,444</u>	<u>23,250</u>	<u>8,783</u>	<u>1,507</u>
Net change in cash and cash equivalents	<u>680,674</u>	<u>408,883</u>	<u>460,953</u>	<u>19,728</u>
Cash and cash equivalents, beginning of year	<u>3,278,177</u>	<u>6,070,850</u>	<u>2,155,003</u>	<u>525,049</u>
Cash and cash equivalents, end of year	<u>\$ 3,958,851</u>	<u>\$ 6,479,733</u>	<u>\$ 2,615,956</u>	<u>\$ 544,777</u>



Business-type Activities - Enterprise Funds		Internal Service Funds
Airport	Total	
\$ 1,970,171	\$ 15,892,589	\$ -
-	-	3,915,642
(445,702)	(3,811,990)	(3,221,672)
<u>(1,366,100)</u>	<u>(7,886,243)</u>	<u>(349,187)</u>
158,369	4,194,356	344,783
-	-	17,370
-	377,400	-
<u>(31,670)</u>	<u>(866,241)</u>	<u>(143,340)</u>
<u>(31,670)</u>	<u>(488,841)</u>	<u>(69,053)</u>
(9,190)	(1,025,533)	(139,631)
-	12,475	-
-	(830,000)	-
-	-	(41,572)
<u>-</u>	<u>(228,694)</u>	<u>-</u>
<u>(9,190)</u>	<u>(2,071,752)</u>	<u>(181,203)</u>
-	53,984	5,043
<u>-</u>	<u>-</u>	<u>50,000</u>
-	53,984	55,043
117,509	1,687,747	149,570
<u>542,290</u>	<u>12,571,369</u>	<u>1,255,366</u>
<u>\$ 659,799</u>	<u>\$ 14,259,116</u>	<u>\$ 1,404,936</u>

continued...

CITY OF CHARLEVOIX, MICHIGAN

Statement of Cash Flows

Proprietary Funds

For the Year Ended March 31, 2024

	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)	\$ 1,187,247	\$ 831,515	\$ 396,766	\$ (451,462)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation/amortization expense	427,124	591,223	337,122	655,118
Changes in assets and liabilities that provided (used) cash:				
Deposits at MPPA	(9,861)	-	-	-
Cash at fiscal agent	-	(4,625)	-	8,000
Accounts receivable	(48,029)	(6,538)	(4,733)	(477)
Prepays	604	119	(4)	(601)
Inventory	(83,839)	-	(23,336)	-
Accounts payable	(20,157)	(7,044)	15,575	(2,900)
Accrued liabilities	(3,644)	(5,284)	1,126	(8,403)
Customer deposits	(1,387)	-	-	-
Unearned revenue	-	-	-	38,452
Changes in net pension liability	(127,659)	17,088	25,345	3,903
Changes in deferred outflows	197,279	48,091	62,577	5,018
Changes in deferred inflows	(1,917)	(579)	(761)	(65)
Accrued compensated absences	-	-	-	-
Net cash provided by operating activities	<u>\$ 1,515,761</u>	<u>\$ 1,463,966</u>	<u>\$ 809,677</u>	<u>\$ 246,583</u>

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

Business-type Activities Enterprise Funds		Internal Service Funds
Airport	Total	

\$	(312,865)	\$	1,651,201	\$	38,652
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505,948	2,516,535	321,162
---------	-----------	---------

-	(9,861)	-
---	---------	---

-	3,375	-
---	-------	---

52,709	(7,068)	(1,718)
--------	---------	---------

277	395	(2,462)
-----	-----	---------

49,614	(57,561)	-
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(103,281)	(117,807)	(15,445)
-----------	-----------	----------

1,469	(14,736)	7,038
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-	(1,387)	-
---	---------	---

(1,506)	36,946	-
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(70,933)	(152,256)	-
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37,190	350,155	-
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(253)	(3,575)	-
-------	---------	---

-	-	(2,444)
---	---	---------

<u>\$</u>	<u>158,369</u>	<u>\$</u>	<u>4,194,356</u>	<u>\$</u>	<u>344,783</u>
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concluded

CITY OF CHARLEVOIX, MICHIGAN

Statement of Fiduciary Net Position

Custodial Fund

March 31, 2024

Assets

Cash	\$ 60,276
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Liabilities

Due to other governmental units	<u>60,276</u>
---------------------------------	---------------

Net position

Restricted for:	
Other governments	<u><u>\$ -</u></u>

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

CITY OF CHARLEVOIX, MICHIGAN

Statement of Changes in Fiduciary Net Position

Custodial Fund
For the Year Ended March 31, 2024

Additions	
Property taxes collected for other governmental units	\$ 15,818,350
Deductions	
Property taxes distributed to other governmental units	<u>15,818,350</u>
Change in net position	-
Net position, beginning of year	<u>-</u>
Net position, end of year	<u><u>\$ -</u></u>

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

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NOTES TO THE FINANCIAL STATEMENTS

CITY OF CHARLEVOIX, MICHIGAN

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 *Infrastructure Improvement Fund* accounts for financial resources that are restricted or committed for capital projects related to City infrastructure.

The City reports the following major proprietary funds:

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

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

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

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

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

CITY OF CHARLEVOIX, MICHIGAN

Notes to the Financial Statements

Additionally, the City reports the following fund types:

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

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

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

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

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

The *Custodial Fund* accounts 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/amortization on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

CITY OF CHARLEVOIX, MICHIGAN

Notes to the Financial Statements

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, 2024, the General Fund receivable is shown net of an estimated allowance for uncollectible accounts of approximately \$2,000. The Ambulance Nonmajor Special Revenue Fund is shown net of an estimated allowance for uncollectible accounts of approximately \$112,000 at March 31, 2024. At March 31, 2024, 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 \$5,500, \$200 and \$400, respectively.

CITY OF CHARLEVOIX, MICHIGAN

Notes to the Financial Statements

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.

Prepaids

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Prepaids are accounted for in governmental funds using the consumption method whereby expenditures are recognized over the benefitting period.

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.

Leases

Lessee. The City is a lessee for noncancellable leases of motor vehicles. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide and proprietary fund financial statements. The City recognizes lease liabilities with an initial, individual value of \$10,000 or more.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

CITY OF CHARLEVOIX, MICHIGAN

Notes to the Financial Statements

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments. The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses a risk-free rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price (if applicable) that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lessor. The City is a lessor for a noncancellable lease of buildings and improvements. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for prepaid lease payments received at lease inception. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts. The City uses a risk-free rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable if certain changes occur that are expected to significantly affect the amount of the lease receivable.

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.

CITY OF CHARLEVOIX, MICHIGAN

Notes to the Financial Statements

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 assets 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.

CITY OF CHARLEVOIX, MICHIGAN

Notes to the Financial Statements

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 assets that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until a future period. The statement of net position and governmental funds balance sheets report deferred inflows related to leases. The amounts are deferred and amortized over the remaining life of the lease.

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, 2024, 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.

CITY OF CHARLEVOIX, MICHIGAN

Notes to the Financial Statements

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.

CITY OF CHARLEVOIX, MICHIGAN

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, 2024, the City incurred expenditures which were in excess of the amounts appropriated, as follows:

	Total Appropriations	Amount of Expenditures/ Transfers	Budget Variance
General Fund			
General government:			
City hall and grounds	\$ 249,447	\$ 266,969	\$ 17,522
Public safety:			
Fire department	234,518	235,075	557
Health and welfare:			
Ambulance	-	351	351
Recreation and culture:			
Parks	701,644	731,679	30,035
City beaches	238,049	290,602	52,553

3. DEPOSITS AND INVESTMENTS

Following is a reconciliation of deposit and investment balances as of March 31, 2024:

	Primary Government	Component Unit	Total
Statement of net position			
Cash and cash equivalents	\$ 18,683,905	\$ 215,848	\$ 18,899,753
Cash at fiscal agent	710,207	-	710,207
Investments	2,855,000	50,000	2,905,000
Deposits held by Michigan Public Power Agency	494,032	-	494,032
Restricted investments	225,000	-	225,000
Total statement of net position	<u>\$ 22,968,144</u>	<u>\$ 265,848</u>	23,233,992
Statement of fiduciary net position			
Cash and cash equivalents			<u>60,276</u>
Total			<u>\$ 23,294,268</u>

CITY OF CHARLEVOIX, MICHIGAN

Notes to the Financial Statements

Deposits and investments

Bank deposits (checking and savings accounts)	\$ 18,961,095
Certificates of deposits:	
Maturing in less than 1 year	750,189
Maturing in 1 to 5 years	2,377,801
Cash with fiscal agent	710,207
Deposits held by Michigan Public Power Agency	494,032
Petty cash	944

Total	<u>\$ 23,294,268</u>
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Custodial Credit Risk - Deposits. 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, \$20,501,785 of the City's bank balance of \$22,294,291 was exposed to custodial credit risk because it was uninsured and uncollateralized.

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 with the authority to purchase only investment vehicles that are legal for direct investment by a public corporation.
- 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.

CITY OF CHARLEVOIX, MICHIGAN

Notes to the Financial Statements

4. RECEIVABLES

Receivables are comprised of the following as of March 31, 2024:

	Governmental Activities	Business-type Activities	Component Unit
Accounts receivable	\$ 194,490	\$ 1,562,920	\$ 6,526
Taxes receivable	9,202	-	976
Due from other governmental units	450,804	8,163	7,606
Interest receivable	53,317	69,733	2,375
Lease receivable	-	-	157,712
Allowance for uncollectible accounts	(114,435)	(6,169)	-
	<u>\$ 593,378</u>	<u>\$ 1,634,647</u>	<u>\$ 175,195</u>

Of the amounts reported for receivables above, a portion of the lease receivable in the amount of \$123,819 are not expected to be collected within one year.

5. OTHER ASSETS

Other assets consisted of the following amounts at March 31, 2024:

	Governmental Activities	Business-type Activities	Component Unit
Prepays	\$ 66,790	\$ 15,420	\$ 126
Inventories	-	506,794	-
Totals	<u>\$ 66,790</u>	<u>\$ 522,214</u>	<u>\$ 126</u>

CITY OF CHARLEVOIX, MICHIGAN

Notes to the Financial Statements

6. CAPITAL ASSETS

Primary Government

Capital assets activity for the primary government for the year ended March 31, 2024, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Governmental activities					
Capital assets not being depreciated/amortized:					
Land	\$ 17,126,968	\$ -	\$ -	\$ -	\$ 17,126,968
Construction in progress	244,691	83,730	-	(119,232)	209,189
	<u>17,371,659</u>	<u>83,730</u>	<u>-</u>	<u>(119,232)</u>	<u>17,336,157</u>
Capital assets being depreciated/amortized:					
Land improvements	3,962,342	338,900	(94,160)	37,127	4,244,209
Infrastructure	8,801,933	1,759,624	(7,920)	82,105	10,635,742
Buildings and improvements	17,325,152	-	(163,104)	-	17,162,048
Machinery and equipment	2,856,348	240,076	(162,964)	-	2,933,460
Vehicles	3,645,326	-	(14,309)	-	3,631,017
Leased vehicles (Note 10)	160,615	-	-	-	160,615
	<u>36,751,716</u>	<u>2,338,600</u>	<u>(442,457)</u>	<u>119,232</u>	<u>38,767,091</u>
Less accumulated depreciation/amortization for:					
Land improvements	(2,569,747)	(87,237)	94,160	-	(2,562,824)
Infrastructure	(2,847,929)	(433,870)	7,920	-	(3,273,879)
Buildings and improvements	(5,255,395)	(669,261)	163,104	-	(5,761,552)
Machinery and equipment	(2,066,044)	(132,659)	162,964	-	(2,035,739)
Vehicles	(2,678,296)	(221,377)	14,309	-	(2,885,364)
Leased vehicles (Note 10)	(19,298)	(44,534)	-	-	(63,832)
	<u>(15,436,709)</u>	<u>(1,588,938)</u>	<u>442,457</u>	<u>-</u>	<u>(16,583,190)</u>
Total capital assets being depreciated/amortized, net	<u>21,315,007</u>	<u>749,662</u>	<u>-</u>	<u>119,232</u>	<u>22,183,901</u>
Governmental activities capital assets, net					
	<u>\$ 38,686,666</u>	<u>\$ 833,392</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39,520,058</u>

CITY OF CHARLEVOIX, MICHIGAN

Notes to the Financial Statements

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Business-type activities					
Capital assets not being depreciated:					
Land	\$ 1,506,534	\$ -	\$ -	\$ -	\$ 1,506,534
Construction in progress	143,836	184,215	-	(64,184)	263,867
	<u>1,650,370</u>	<u>184,215</u>	<u>-</u>	<u>(64,184)</u>	<u>1,770,401</u>
Capital assets being depreciated:					
Land improvements	23,489,503	129,270	(166,305)	51,942	23,504,410
Buildings and improvements	20,267,286	-	(207,994)	-	20,059,292
System improvements	30,303,983	265,853	(10,065,749)	-	20,504,087
Machinery and equipment	3,424,319	446,195	(880,251)	12,242	3,002,505
	<u>77,485,091</u>	<u>841,318</u>	<u>(11,320,299)</u>	<u>64,184</u>	<u>67,070,294</u>
Less accumulated depreciation for:					
Land improvements	(14,092,145)	(1,047,115)	166,305	-	(14,972,955)
Buildings and improvements	(8,119,995)	(672,306)	204,480	-	(8,587,821)
System improvements	(22,054,976)	(675,355)	10,065,749	-	(12,664,582)
Machinery and equipment	(2,364,872)	(121,759)	883,765	-	(1,602,866)
	<u>(46,631,988)</u>	<u>(2,516,535)</u>	<u>11,320,299</u>	<u>-</u>	<u>(37,828,224)</u>
Total capital assets being depreciated, net	<u>30,853,103</u>	<u>(1,675,217)</u>	<u>-</u>	<u>64,184</u>	<u>29,242,070</u>
Business-type activities capital assets, net					
	<u>\$ 32,503,473</u>	<u>\$ (1,491,002)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,012,471</u>

Depreciation/amortization expense for the year ended March 31, 2024 was charged to functions/programs of the primary government as follows:

Depreciation/amortization of governmental activities by function

General government	\$ 664,318
Public safety	15,372
Public works	498,155
Recreation and culture	89,931
Capital assets held by the governmental activity	
internal service funds are charged to the various	
functions based on their usage of the assets	<u>321,162</u>
	<u>\$ 1,588,938</u>

CITY OF CHARLEVOIX, MICHIGAN

Notes to the Financial Statements

Depreciation of business-type activities by function

Electric utility	\$ 427,124
Sewage disposal utility	591,223
Water utility	337,122
Marina	655,118
Airport	505,948
	<u>\$ 2,516,535</u>

Discretely presented component unit

Capital assets activity for the Downtown Development Authority ("DDA") component unit for the year ended March 31, 2024, was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Capital assets not being depreciated:					
Land	\$ 935,234	\$ -	\$ -	\$ -	\$ 935,234
Capital assets being depreciated:					
Land Improvements	2,534,521	-	(20,876)	-	2,513,645
Buildings and improvements	3,828,522	-	(16,166)	-	3,812,356
Machinery and equipment	103,093	-	(7,008)	-	96,085
	<u>6,466,136</u>	<u>-</u>	<u>(44,050)</u>	<u>-</u>	<u>6,422,086</u>
Less accumulated depreciation for:					
Land improvements	(2,129,501)	(83,730)	20,876	-	(2,192,355)
Buildings and improvements	(2,670,989)	(89,347)	16,166	-	(2,744,170)
Machinery and equipment	(72,705)	(3,629)	7,008	-	(69,326)
	<u>(4,873,195)</u>	<u>(176,706)</u>	<u>44,050</u>	<u>-</u>	<u>(5,005,851)</u>
Total capital assets being depreciated, net	<u>1,592,941</u>	<u>(176,706)</u>	<u>-</u>	<u>-</u>	<u>1,416,235</u>
Component unit capital assets, net	<u>\$ 2,528,175</u>	<u>\$ (176,706)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,351,469</u>

Depreciation expense for the component unit, included in the statement of activities, was \$176,706 for fiscal year 2024.

CITY OF CHARLEVOIX, MICHIGAN

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, 2024:

	Governmental Activities	Business-type Activities	Component Unit
Accounts payable	\$ 139,042	\$ 452,506	\$ 5,360
Accrued liabilities	52,086	140,495	878
Accrued interest	161,269	-	-
Customer deposits	-	45,801	-
	<u>\$ 352,397</u>	<u>\$ 638,802</u>	<u>\$ 6,238</u>

8. INTERFUND ADVANCES

The composition of interfund advances as of March 31, 2024, was as follows:

	Advance to Other Funds	Advance From Other Funds
Electric Utility Fund	\$ 186,169	\$ -
Marina Fund	-	93,000
General Fund	-	93,169
	<u>\$ 186,169</u>	<u>\$ 186,169</u>

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 2024, the Electric Utility Fund received principal and interest payments of \$100,000 and \$2,930, respectively, from the Marina Fund.

During the year ended March 31, 2023, 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 2024, the Electric Utility Fund received principal and interest payments \$12,076 and \$1,910, respectively, from the General Fund.

CITY OF CHARLEVOIX, MICHIGAN

Notes to Financial Statements

For the year ended March 31, 2024, interfund transfers consisted of the following:

Transfers Out	Transfers In				Total
	General Fund	Infrastructure Improvement Fund	Nonmajor Governmental Funds	Internal Service Funds	
General Fund	\$ -	\$ -	\$ -	\$ 17,269	\$ 17,269
Infrastructure Improvement Fund	-	-	122,200	-	122,200
Nonmajor Governmental Funds	-	27,159	230,474	1,328	258,961
Electric Utility	-	145,004	249,250	16,902	411,156
Sewage Disposal Utility	-	67,668	90,163	7,074	164,905
Water Utility	-	172,659	77,925	6,744	257,328
Marina	-	-	-	1,182	1,182
Airport	27,643	-	-	4,027	31,670
Internal Service Funds	-	-	140,949	2,391	143,340
Total	\$ 27,643	\$ 412,490	\$ 910,961	\$ 56,917	\$ 1,408,011

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.

CITY OF CHARLEVOIX, MICHIGAN

Notes to the Financial Statements

9. LONG-TERM DEBT AND OTHER LIABILITIES

Long-term debt activity for the year ended March 31, 2024, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Primary government					
Governmental activities:					
General obligation bonds:					
2016 capital					
improvement bonds	\$ 2,180,000	\$ -	\$ (235,000)	\$ 1,945,000	\$ 245,000
2019 capital					
improvement bonds	7,630,000	-	(235,000)	7,395,000	240,000
Total general					
obligation bonds	9,810,000	-	(470,000)	9,340,000	485,000
Direct borrowings and					
direct placements:					
Installment purchase					
agreement	51,838	-	(25,590)	26,248	26,248
Leases payable (Note 10)	141,317	-	(41,571)	99,746	30,181
Total installment debt	10,003,155	-	(537,161)	9,465,994	541,429
Unamortized premiums on					
bonds payable	678,048	-	(48,856)	629,192	48,856
Compensated					
absences – sick leave	55,658	2,324	(114)	57,868	34,367
Compensated					
absences – vacation	185,278	246,305	(248,749)	182,834	182,834
Total governmental					
activities	10,922,139	248,629	(834,880)	10,335,888	807,486
Business-type activities:					
General obligation bonds:					
Marina – 2016 refunding					
bonds	1,710,000	-	(400,000)	1,310,000	420,000
Revenue bonds	7,074,562	-	(430,000)	6,644,562	440,000
Total installment debt	8,784,562	-	(830,000)	7,954,562	860,000

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CITY OF CHARLEVOIX, MICHIGAN

Notes to the Financial Statements

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities (concluded):					
Unamortized premiums on bonds payable	\$ 168,265	\$ -	\$ (42,066)	\$ 126,199	\$ 42,066
Total business-type activities	8,952,827	-	(872,066)	8,080,761	902,066
Total primary government	\$ 19,874,966	\$ 248,629	\$ (1,706,946)	\$ 18,416,649	\$ 1,709,552

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. Outstanding installment debt is as follows:

Purpose	Original Issue	Matures	Interest Rates	Amount
Governmental activities				
General obligation bonds:				
2016 capital improvement bonds	\$ 3,600,000	October 2030	4.0% - 4.2%	\$ 1,945,000
2019 capital improvement bonds	8,335,000	October 2044	3.0%-4.0%	<u>7,395,000</u>
Total general obligation bonds:				<u>\$ 9,340,000</u>
Direct borrowings and direct placements:				
Installment purchase agreement	126,848	October 2024	2.5%	<u>\$ 26,248</u>

CITY OF CHARLEVOIX, MICHIGAN

Notes to the Financial Statements

Purpose	Original Issue	Matures	Interest Rates	Amount
Business-type activities				
Marina – 2016 refunding bonds	\$ 3,535,000	October 2026	2.0% - 4.0%	\$ 1,310,000
Sewer - revenue bonds	9,459,562	April 2036	2.5%	<u>6,644,562</u>
				<u>\$ 7,954,562</u>

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

Year Ending March 31,	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
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	545,000	261,300	806,300	475,000	126,427	601,427
2029	575,000	239,500	814,500	485,000	114,427	599,427
2030-2034	2,205,000	877,400	3,082,400	2,610,000	382,103	2,992,103
2035-2039	1,865,000	566,550	2,431,550	1,724,562	65,411	1,789,973
2040-2044	2,165,000	269,100	2,434,100	-	-	-
2045	470,000	14,100	484,100	-	-	-
	<u>\$ 9,340,000</u>	<u>\$ 3,134,650</u>	<u>\$ 12,474,650</u>	<u>\$ 7,954,562</u>	<u>\$ 1,242,785</u>	<u>\$ 9,197,347</u>

All balances for direct borrowings and direct placements are due in the year ended March 31, 2025.

CITY OF CHARLEVOIX, MICHIGAN

Notes to the Financial Statements

10. LEASES

Lessee - The City is involved in five agreements as a lessee that qualifies as long-term lease agreements. Below is a summary of the nature of these agreements. These agreements qualify as intangible, right-to-use assets and not a financed purchases, as the City will not own the assets at the end of the contract term and the noncancelable term of the agreements surpasses one year.

The right-to-use-assets (leased vehicles) and the related activity are included in Note 6, Capital Assets. The lease liability and related activity are presented in Note 9, Long-term Debt and Other Liabilities.

Remaining Term of Agreements

Asset Type

Vehicles

1-4 years

The net present value of future minimum payments as of March 31, 2024 were as follows:

Year Ended March 31,	Governmental Activities	
	Principal	Interest
2025	\$ 30,181	\$ 6,414
2026	32,508	4,087
2027	21,043	2,013
2028	16,014	654
Totals	\$ 99,746	\$ 13,168

Lessor - The Downtown Development Authority (DDA) discretely presented component unit has entered into an operating lease agreement with the Beaver Island Boat Company ("BIBCO"). BIBCO rents dock space and office space from the DDA. 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 DDA has also signed a \$30,000 promissory note payable bearing 5% interest which is to be paid to BIBCO only in the event the DDA elects to terminate the rental agreement before 2028. Also, if the DDA 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, 2024. Total lease revenue for the year ended March 31, 2024 was \$35,175.

Remaining Term of Agreement

Asset Type

Dock and Facilities

5 years

CITY OF CHARLEVOIX, MICHIGAN

Notes to the Financial Statements

	Beginning Balance	Additions	Deductions	Ending Balance
Governmental activities				
Leases receivable	\$ 188,367	\$ -	\$ (30,655)	\$ 157,712

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, 2024, 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 2023 levy was assessed and equalized at \$305,897,133 (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 2023-23 was 9.4052 mills, with an additional 1.2000 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 1.3252 mills. Property taxes are recognized in the fiscal year in which they are levied.

Notes to the Financial Statements

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, 2023, plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	48
Inactive employees entitled to but not yet receiving benefits	19
Active employees	<u>46</u>
Total membership	<u><u>113</u></u>

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.

CITY OF CHARLEVOIX, MICHIGAN

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, 2024:

Division	Plan Type	Status	Employer Contribution Rate	Employee Contribution Rate
Comm Workers	Defined Benefit	Open	19.43%	3.00%
Non-Union	Defined Benefit	Open	25.08%	0.00%
Police Officers	Defined Benefit	Open	15.52%	3.00%

Net Pension Liability. The City's net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022.

Actuarial Assumptions. The total pension liability in the December 31, 2023 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	7.00%, 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, 2023 valuation were based on the results of the most recent actuarial experience study of 2014-2018.

CITY OF CHARLEVOIX, MICHIGAN

Notes to the Financial Statements

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%	4.50%	2.70%
Global fixed income	20.0%	2.00%	0.40%
Private investments	20.0%	7.00%	1.40%
	<u>100.00%</u>		
Inflation			2.50%
Administrative expenses netted above			<u>0.25%</u>
Investment rate of return			<u><u>7.25%</u></u>

Discount Rate. The discount rate used to measure the total pension liability as of December 31, 2023 was 7.25%. 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.

CITY OF CHARLEVOIX, MICHIGAN

Notes to the Financial Statements

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, 2022	\$ 16,212,926	\$ 9,823,188	\$ 6,389,738
Changes for the year:			
Service cost	244,627	-	244,627
Interest	1,142,104	-	1,142,104
Differences between expected and actual experience	157,500	-	157,500
Changes in assumptions	116,996	-	116,996
Employer contributions	-	674,864	(674,864)
Employee contributions	-	65,755	(65,755)
Net investment income	-	1,075,284	(1,075,284)
Benefit payments, including refunds of employee contributions	(1,162,136)	(1,162,136)	-
Administrative expense	-	(22,823)	22,823
Other changes	(1)	-	(1)
Net changes	499,090	630,944	(131,854)
Balances at December 31, 2023	\$ 16,712,016	\$ 10,454,132	\$ 6,257,884

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 7.25%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1% lower (6.25%) or 1% higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
City's net pension liability	\$ 8,090,124	\$ 6,257,884	\$ 4,709,654

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

CITY OF CHARLEVOIX, MICHIGAN

Notes to the Financial Statements

For the year ended March 31, 2024, the City recognized pension expense of \$1,087,747. 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	\$ 263,285	\$ -	\$ 263,285
Changes in assumptions	283,252	-	283,252
Net difference between projected and actual earnings on pension plan investments	562,871	-	562,871
	<u>1,109,408</u>	<u>-</u>	<u>1,109,408</u>
Contributions subsequent to the measurement date	183,983	-	183,983
	<u>183,983</u>	<u>-</u>	<u>183,983</u>
Total	<u><u>\$ 1,293,391</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,293,391</u></u>

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, 2024. Other amounts reported as pension-related deferred outflows/inflows of resources will be recognized in pension expense as follows:

Year Ended March 31,	Amount
2025	\$ 448,982
2026	316,729
2027	419,555
2028	<u>(75,858)</u>
Total	<u><u>\$ 1,109,408</u></u>

Payable to the Pension Plan. At March 31, 2024, 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.

CITY OF CHARLEVOIX, MICHIGAN

Notes to the Financial Statements

14. DEFINED CONTRIBUTION PLAN

The City provided pension benefits to its City Manager through a defined contribution plan, "City of Charlevoix City Manager Money Purchase Plan." In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. As established by the City Council, the City contributed 21.24% 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 \$28,164 to the Plan during the year ended March 31, 2024. Contributions and interest are allocated to the account and benefits are fully vested at March 31, 2024.

15. ENTITLEMENT COMMITMENT

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

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

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

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

Year Ended March 31,	Combustion Turbine No. 1 2020 Refunding		AFEC Project 2021 Refunding	
	Principal	Interest	Principal	Interest
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	-	-	116,820	9,535
2029	-	-	118,000	7,689
2030-2032	-	-	368,632	11,712
Total	\$ 296,888	\$ 7,932	\$ 943,528	\$ 68,342

CITY OF CHARLEVOIX, MICHIGAN

Notes to the Financial Statements

Year Ended March 31,	Totals	
	Principal	Interest
2024	\$ 209,332	\$ 18,857
2025	212,400	15,793
2026	215,232	12,688
2027	116,820	9,535
2028	118,000	7,689
2029-2032	368,632	11,712
Total	\$ 1,240,416	\$ 76,274

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 \$494,000 at March 31, 2024 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, 2024, was as follows:

	Governmental Activities	Business-type Activities	Component Unit
Capital assets:			
Capital assets, not being depreciated/ amortized	\$ 17,336,157	\$ 1,770,401	\$ 935,234
Capital assets being depreciated/ amortized, net	22,183,901	29,242,070	1,416,235
	<u>39,520,058</u>	<u>31,012,471</u>	<u>2,351,469</u>
Less related debt:			
Total installment debt	(9,465,994)	(7,954,562)	-
Unamortized premiums	(629,192)	(126,199)	-
Add back: deferred charge on bond refunding	-	53,867	-
	<u>(10,095,186)</u>	<u>(8,026,894)</u>	<u>-</u>
Net investment in capital assets	\$ 29,424,872	\$ 22,985,577	\$ 2,351,469

CITY OF CHARLEVOIX, MICHIGAN

Notes to the Financial Statements

17. FUND BALANCES - GOVERNMENTAL FUNDS

Detailed information on fund balances of governmental funds at March 31, 2024 is as follows:

	General Fund	Infrastructure Improvements Fund	Nonmajor Governmental Funds	Total
Nonspendable:				
Perpetual care	\$ -	\$ -	\$ 455,767	\$ 455,767
Prepays	11,901	-	375	12,276
Total nonspendable	11,901	-	456,142	468,043
Restricted:				
Street improvements	-	-	575,619	575,619
Debt service	-	-	206,985	206,985
Trail development	-	-	80,012	80,012
Total restricted	-	-	862,616	862,616
Committed:				
Housing	-	-	28,796	28,796
Infrastructure improvements	-	124,699	-	124,699
Building improvements	-	-	1,001,188	1,001,188
Trail development	-	-	251,502	251,502
Parking services	-	-	50,108	50,108
Total committed	-	124,699	1,331,594	1,456,293
Assigned:				
Capital expenditures	-	-	566,466	566,466
Unassigned	1,156,130	-	-	1,156,130
Total fund balances, governmental funds	\$ 1,168,031	\$ 124,699	\$ 3,216,818	\$ 4,509,548

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CHARLEVOIX, MICHIGAN

Required Supplementary Information

MERS Agent Multiple-Employer Defined Benefit Pension Plan

Schedule of Changes in the City's Net Pension Liability and Related Ratios

	Year Ended December 31,			
	2023	2022	2021	2020
Total pension liability				
Service cost	\$ 244,627	227,350	\$ 206,526	\$ 225,006
Interest	1,142,104	1,110,818	1,105,761	1,056,773
Differences between expected and actual experience	157,500	230,596	18,231	126,529
Changes of assumptions	116,996	-	540,350	302,087
Benefit payments, including refunds of employee contributions	(1,162,136)	(1,127,562)	(1,090,724)	(1,022,404)
Other changes	(1)	-	-	-
Net change in total pension liability	<u>499,090</u>	<u>441,202</u>	<u>780,144</u>	<u>687,991</u>
Total pension liability, beginning of year	<u>16,212,926</u>	<u>15,771,724</u>	<u>14,991,580</u>	<u>14,303,589</u>
Total pension liability, end of year	<u>16,712,016</u>	<u>16,212,926</u>	<u>15,771,724</u>	<u>14,991,580</u>
Plan fiduciary net position				
Employer contributions	674,864	644,713	768,402	743,822
Employee contributions	65,755	63,413	58,793	57,768
Net investment income (loss)	1,075,284	(1,310,757)	1,573,103	1,167,332
Benefit payments, including refunds of employee contributions	(1,162,136)	(1,127,562)	(1,090,724)	(1,022,404)
Administrative expense	(22,823)	(20,889)	(16,609)	(18,656)
Net change in plan fiduciary net position	<u>630,944</u>	<u>(1,751,082)</u>	<u>1,292,965</u>	<u>927,862</u>
Plan fiduciary net position, beginning of year	<u>9,823,188</u>	<u>11,574,270</u>	<u>10,281,305</u>	<u>9,353,443</u>
Plan fiduciary net position, end of year	<u>10,454,132</u>	<u>9,823,188</u>	<u>11,574,270</u>	<u>10,281,305</u>
City's net pension liability	<u>\$ 6,257,884</u>	<u>\$ 6,389,738</u>	<u>\$ 4,197,454</u>	<u>\$ 4,710,275</u>
Plan fiduciary net position as a percentage of total pension liability	62.6%	60.6%	73.4%	68.6%
Covered payroll	\$ 3,247,758	\$ 3,063,855	\$ 2,988,179	\$ 3,207,279
City's net pension liability as a percentage of covered payroll	192.7%	208.6%	140.5%	146.9%

See notes to required supplementary information.



Year Ended December 31,				
2019	2018	2017	2016	2015
\$ 491,004	\$ 195,891	\$ 156,135	\$ 165,666	\$ 167,849
1,046,244	1,064,162	1,034,166	1,028,535	976,917
(28,812)	(355,886)	144,372	(179,328)	85,473
452,725	-	-	-	648,378
(1,002,620)	(989,540)	(969,686)	(909,054)	(815,464)
11,184	(279,614)	-	(341)	-
969,725	(364,987)	364,987	105,478	1,063,153
13,333,864	13,698,851	13,333,864	13,228,386	12,165,233
14,303,589	13,333,864	13,698,851	13,333,864	13,228,386
889,674	870,485	337,044	311,253	303,782
54,467	50,842	47,103	46,738	53,025
1,130,073	(339,125)	1,063,210	880,516	(124,534)
(1,002,620)	(989,540)	(969,686)	(909,054)	(815,464)
(19,525)	(16,877)	(16,887)	(17,408)	(18,424)
1,052,069	(424,215)	460,784	312,045	(601,615)
8,301,374	8,725,589	8,264,805	7,952,760	8,554,375
9,353,443	8,301,374	8,725,589	8,264,805	7,952,760
\$ 4,950,146	\$ 5,032,490	\$ 4,973,262	\$ 5,069,059	\$ 5,275,626
65.4%	62.3%	63.7%	62.0%	60.1%
\$ 3,073,827	\$ 2,893,241	\$ 2,334,109	\$ 2,444,252	\$ 2,601,560
161.0%	173.9%	213.1%	207.4%	202.8%

CITY OF CHARLEVOIX, MICHIGAN

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
2024	\$ 674,894	\$ 674,894	\$ -	\$ 3,287,472	20.5%
2023	679,959	679,959	-	3,372,783	20.2%
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

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.

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 2022, amounts reported as changes of assumptions resulted from a decrease in the assumed rate of return from 7.35% to 7.00%.

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

Methods and assumptions used to determine contribution rates (2023, based on the 12/31/2021 actuarial valuation):

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CITY OF CHARLEVOIX, MICHIGAN

Notes to Required Supplementary Information

- 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

**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS**

CITY OF CHARLEVOIX, MICHIGAN

Combining Balance Sheet

Nonmajor Governmental Funds

March 31, 2024

	Special Revenue Funds				
	Major Streets	Local Streets	Ambulance	Parking Services	Housing
Assets					
Cash and cash equivalents	\$ 373,696	\$ 88,956	\$ -	\$ 51,526	\$ 28,768
Cash at fiscal agent	-	-	-	-	-
Investments	-	-	-	-	-
Accounts receivable	-	-	-	551	28
Taxes receivable	-	-	-	-	-
Due from other governmental units	56,459	21,507	236,414	-	-
Interest receivable	-	-	-	-	-
Prepaid items	-	-	-	-	-
Total assets	<u>\$ 430,155</u>	<u>\$ 110,463</u>	<u>\$ 236,414</u>	<u>\$ 52,077</u>	<u>\$ 28,796</u>
Liabilities					
Negative equity in pooled cash	\$ -	\$ -	\$ 92,451	\$ -	\$ -
Accounts payable	10,546	7,756	-	257	-
Accrued liabilities	392	167	-	212	-
Unearned revenue	-	-	-	1,500	-
Total liabilities	<u>10,938</u>	<u>7,923</u>	<u>92,451</u>	<u>1,969</u>	<u>-</u>
Fund balances					
Nonspendable	-	-	-	-	-
Restricted	419,217	102,540	-	-	-
Committed	-	-	-	50,108	28,796
Assigned	-	-	143,963	-	-
Total fund balances	<u>419,217</u>	<u>102,540</u>	<u>143,963</u>	<u>50,108</u>	<u>28,796</u>
Total liabilities and fund balances	<u>\$ 430,155</u>	<u>\$ 110,463</u>	<u>\$ 236,414</u>	<u>\$ 52,077</u>	<u>\$ 28,796</u>

Debt Service Funds		Capital Projects Funds			
Infrastructure Debt Service	2019 Public Service Building Bond Debt Service	Fire Truck	Street Improvements	Industrial Park	Mt. McSaub Improvements
\$ 29,640	\$ 16,371	\$ 336,110	\$ 53,265	\$ 31,104	\$ 52,089
38,900	122,050	-	-	-	-
-	-	-	-	-	-
29	16	329	52	30	3,051
-	-	-	545	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	375	-	-	-	-
<u>\$ 68,569</u>	<u>\$ 138,812</u>	<u>\$ 336,439</u>	<u>\$ 53,862</u>	<u>\$ 31,134</u>	<u>\$ 55,140</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21	-	-	-	210	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>21</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>210</u>	<u>-</u>
-	375	-	-	-	-
68,548	138,437	-	53,862	-	-
-	-	-	-	-	-
-	-	336,439	-	30,924	55,140
<u>68,548</u>	<u>138,812</u>	<u>336,439</u>	<u>53,862</u>	<u>30,924</u>	<u>55,140</u>
<u>\$ 68,569</u>	<u>\$ 138,812</u>	<u>\$ 336,439</u>	<u>\$ 53,862</u>	<u>\$ 31,134</u>	<u>\$ 55,140</u>

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CITY OF CHARLEVOIX, MICHIGAN

Combining Balance Sheet

Nonmajor Governmental Funds

March 31, 2024

	Capital Projects Funds		Permanent Fund	
	Trail Development-Improvement Fund	Building Improvement Fund	Cemetery Care	Total
Assets				
Cash and cash equivalents	\$ 332,533	\$ 584,528	\$ 167,121	\$ 2,145,707
Cash at fiscal agent	-	-	-	160,950
Investments	-	400,000	276,200	676,200
Accounts receivable	325	472	164	5,047
Taxes receivable	-	-	-	545
Due from other governmental units	-	-	-	314,380
Interest receivable	-	16,188	12,282	28,470
Prepaid items	-	-	-	375
Total assets	<u>\$ 332,858</u>	<u>\$ 1,001,188</u>	<u>\$ 455,767</u>	<u>\$ 3,331,674</u>
Liabilities				
Negative equity in pooled cash	\$ -	\$ -	\$ -	\$ 92,451
Accounts payable	1,344	-	-	20,134
Accrued liabilities	-	-	-	771
Unearned revenue	-	-	-	1,500
Total liabilities	<u>1,344</u>	<u>-</u>	<u>-</u>	<u>114,856</u>
Fund balances				
Nonspendable	-	-	455,767	456,142
Restricted	80,012	-	-	862,616
Committed	251,502	1,001,188	-	1,331,594
Assigned	-	-	-	566,466
Total fund balances	<u>331,514</u>	<u>1,001,188</u>	<u>455,767</u>	<u>3,216,818</u>
Total liabilities and fund balances	<u>\$ 332,858</u>	<u>\$ 1,001,188</u>	<u>\$ 455,767</u>	<u>\$ 3,331,674</u>

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CITY OF CHARLEVOIX, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended March 31, 2024

	Special Revenue Funds				
	Major Streets	Local Streets	Ambulance	Parking Services	Housing
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
State	407,467	161,914	-	-	-
Charges for services	-	-	-	130,965	-
Fines and forfeitures	-	-	-	14,980	-
Interest and rents	1,135	3,559	-	186	95
Other	-	-	3,975	-	-
Total revenues	408,602	165,473	3,975	146,131	95
Expenditures					
Current:					
General government	-	-	-	-	-
Public works	305,379	144,521	-	74,460	4,625
Health and welfare	-	-	661	-	-
Recreation and culture	-	-	-	-	-
Debt service:					
Principal	-	-	-	25,590	-
Interest	-	-	-	1,296	-
Total expenditures	305,379	144,521	661	101,346	4,625
Revenues over (under) expenditures	103,223	20,952	3,314	44,785	(4,530)
Other financing sources (uses)					
Transfers in	-	30,474	-	-	6,000
Transfers out	(589)	(476)	-	(30,737)	-
Total other financing sources (uses)	(589)	29,998	-	(30,737)	6,000
Net change in fund balances	102,634	50,950	3,314	14,048	1,470
Fund balances, beginning of year	316,583	51,590	140,649	36,060	27,326
Fund balances, end of year	\$ 419,217	\$ 102,540	\$ 143,963	\$ 50,108	\$ 28,796

Debt Service Funds		Capital Projects Funds			
Infrastructure Debt Service	2019 Public Service Building Bond Debt Service	Fire Truck	Street Improvements	Industrial Park	Mt. McSaubia Improvements
\$ -	\$ -	\$ -	\$ 274,271	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
130	265	1,029	85	109	8,934
-	-	-	-	-	-
130	265	1,029	274,356	109	8,934
-	-	-	-	9,087	-
-	-	-	16,597	-	-
-	-	-	-	-	-
-	-	-	-	-	-
235,000	235,000	-	-	-	-
87,450	254,002	-	-	-	-
322,450	489,002	-	16,597	9,087	-
(322,320)	(488,737)	1,029	257,759	(8,978)	8,934
322,200	489,501	55,286	-	7,500	-
-	-	-	(227,159)	-	-
322,200	489,501	55,286	(227,159)	7,500	-
(120)	764	56,315	30,600	(1,478)	8,934
68,668	138,048	280,124	23,262	32,402	46,206
\$ 68,548	\$ 138,812	\$ 336,439	\$ 53,862	\$ 30,924	\$ 55,140

continued...

CITY OF CHARLEVOIX, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended March 31, 2024

	Capital Projects Funds		Permanent Fund	
	Trail Development-Improvement Fund	Building Improvement Fund	Cemetery Perpetual Care	Total
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ 274,271
State	-	-	-	569,381
Charges for services	-	-	11,455	142,420
Fines and forfeitures	-	-	-	14,980
Interest	1,177	15,263	10,954	42,921
Other	-	-	-	3,975
Total revenues	<u>1,177</u>	<u>15,263</u>	<u>22,409</u>	<u>1,047,948</u>
Expenditures				
Current:				
General government	-	-	-	9,087
Public works	-	30,329	-	575,911
Health and welfare	-	-	-	661
Recreation and culture	19,545	-	-	19,545
Debt service:				
Principal	-	-	-	495,590
Interest	-	-	-	342,748
Total expenditures	<u>19,545</u>	<u>30,329</u>	<u>-</u>	<u>1,443,542</u>
Revenues over (under) expenditures	<u>(18,368)</u>	<u>(15,066)</u>	<u>22,409</u>	<u>(395,594)</u>
Other financing sources (uses)				
Transfers in	-	-	-	910,961
Transfers out	-	-	-	(258,961)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>652,000</u>
Net change in fund balances	<u>(18,368)</u>	<u>(15,066)</u>	<u>22,409</u>	<u>256,406</u>
Fund balances, beginning of year	<u>349,882</u>	<u>1,016,254</u>	<u>433,358</u>	<u>2,960,412</u>
Fund balances, end of year	<u>\$ 331,514</u>	<u>\$ 1,001,188</u>	<u>\$ 455,767</u>	<u>\$ 3,216,818</u>

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CITY OF CHARLEVOIX, MICHIGAN

Combining Statement of Net Position

Internal Service Funds

March 31, 2024

	Employee Fringe Benefits	Motor Vehicle	Total
Assets			
Current assets:			
Cash and cash equivalents	\$ 25,670	\$ 1,379,266	\$ 1,404,936
Investments	100,000	100,000	200,000
Accounts receivable	1,192	1,363	2,555
Interest receivable	4,585	3,325	7,910
Due from other governments	21,038	721	21,759
Prepays	54,514	-	54,514
Total current assets	206,999	1,484,675	1,691,674
Noncurrent assets:			
Capital assets, not being depreciated/amortized	-	20,653	20,653
Capital assets, being depreciated/amortized	-	1,191,102	1,191,102
Total noncurrent assets	-	1,211,755	1,211,755
Total assets	206,999	2,696,430	2,903,429
Liabilities			
Current liabilities:			
Accounts payable	424	20,652	21,076
Accrued liabilities	23,741	1,178	24,919
Current portion of compensated absences	182,834	-	182,834
Current portion of leases payable	-	30,181	30,181
Total current liabilities	206,999	52,011	259,010
Noncurrent liabilities:			
Leases payable, net of current portion	-	69,565	69,565
Total liabilities	206,999	121,576	328,575
Net position			
Net investment in capital assets	-	1,112,009	1,112,009
Unrestricted	-	1,462,845	1,462,845
Total net position	\$ -	\$ 2,574,854	\$ 2,574,854

CITY OF CHARLEVOIX, MICHIGAN

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

Internal Service Funds

For the Year Ended March 31, 2024

	Employee Fringe Benefits	Motor Vehicle	Total
Operating revenues			
Charges for services	\$ 2,927,705	\$ 989,655	\$ 3,917,360
Operating expenses			
Personnel services	2,979,954	246,312	3,226,266
Contractual services	2,565	74,218	76,783
Supplies	-	83,531	83,531
Utilities	-	15,671	15,671
Repairs and maintenance	-	147,878	147,878
Depreciation/amortization	-	321,162	321,162
Miscellaneous	6,606	811	7,417
Total operating expenses	2,989,125	889,583	3,878,708
Operating income (loss)	(61,420)	100,072	38,652
Nonoperating revenues			
Interest revenue	4,503	5,837	10,340
Other revenue	-	17,370	17,370
Total nonoperating revenues	4,503	23,207	27,710
Income (loss) before transfers	(56,917)	123,279	66,362
Transfers			
Transfers in	56,917	-	56,917
Transfers out	-	(143,340)	(143,340)
Total transfers	56,917	(143,340)	(86,423)
Change in net position	-	(20,061)	(20,061)
Net position, beginning of year	-	2,594,915	2,594,915
Net position, end of year	\$ -	\$ 2,574,854	\$ 2,574,854

CITY OF CHARLEVOIX, MICHIGAN

Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended March 31, 2024

	Employee Fringe Benefits	Motor Vehicle	Total
Cash flows from operating activities			
Cash received from interfund services	\$ 2,927,134	\$ 988,508	\$ 3,915,642
Cash payments to or on behalf of employees	(2,974,172)	(247,500)	(3,221,672)
Cash payments to suppliers for goods and services	(12,313)	(336,874)	(349,187)
Net cash provided by (used in) operating activities	<u>(59,351)</u>	<u>404,134</u>	<u>344,783</u>
Cash flows from noncapital financing activities			
Other receipts	-	17,370	17,370
Transfers in	56,917	-	56,917
Transfers out	-	(143,340)	(143,340)
Net cash provided by (used in) noncapital financing activities	<u>56,917</u>	<u>(125,970)</u>	<u>(69,053)</u>
Cash flows from capital and related financing activities			
Purchase of capital assets	-	(139,631)	(139,631)
Lease principal payments	-	(41,572)	(41,572)
Net cash provided by (used in) capital and related financing activities	<u>-</u>	<u>(181,203)</u>	<u>(181,203)</u>
Cash flows from investing activities			
Interest received	291	4,752	5,043
Proceeds from sale of investments	-	50,000	50,000
Net cash provided by (used in) investing activities	<u>291</u>	<u>54,752</u>	<u>55,043</u>
Net change in cash and cash equivalents	<u>(2,143)</u>	<u>151,713</u>	<u>149,570</u>
Cash and cash equivalents, beginning of year	<u>27,813</u>	<u>1,227,553</u>	<u>1,255,366</u>
Cash and cash equivalents, end of year	<u>\$ 25,670</u>	<u>\$ 1,379,266</u>	<u>\$ 1,404,936</u>

continued...

CITY OF CHARLEVOIX, MICHIGAN

Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended March 31, 2024

	Employee Fringe Benefits	Motor Vehicle	Total
Reconciliation of operating (loss) income to net cash provided by (used in) operating activities			
Operating (loss) income	\$ (61,420)	\$ 100,072	\$ 38,652
Adjustments to reconcile operating (loss) income to net cash (used in) provided by operating activities			
Depreciation/amortization expense	-	321,162	321,162
Changes in operating assets and liabilities that provided (used) cash:			
Accounts receivable	(571)	(1,147)	(1,718)
Prepays	(2,484)	22	(2,462)
Accounts payable	(658)	(14,787)	(15,445)
Accrued liabilities	8,226	(1,188)	7,038
Accrued compensated absences	(2,444)	-	(2,444)
Net cash provided by (used in) operating activities	<u>\$ (59,351)</u>	<u>\$ 404,134</u>	<u>\$ 344,783</u>

concluded

CITY OF CHARLEVOIX, MICHIGAN

Balance Sheet

Governmental Fund

Downtown Development Authority Component Unit

March 31, 2024

Assets

Cash and cash equivalents	\$ 215,848
Investments	50,000
Receivables:	
Accounts	6,526
Taxes	976
Due from other governmental units	7,606
Interest	2,375
Leases	157,712
Prepays	126

Total assets	\$ 441,169
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Liabilities

Accounts payable	\$ 5,360
Accrued liabilities	878

Total liabilities	6,238
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Deferred inflows of resources

Deferred lease amounts	140,699
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Fund balance

Nonspendable	126
Restricted	294,106

Total fund balance	294,232
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Total liabilities, deferred inflows of resources and fund balances	\$ 441,169
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CITY OF CHARLEVOIX, MICHIGAN

Reconciliation

Fund Balance of the Governmental Fund
to Net Position of Governmental Activities
Downtown Development Authority Component Unit
March 31, 2024

Fund balance - governmental fund	\$ 294,232
---	------------

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	<u>1,416,235</u>

Net position of governmental activities	<u><u>\$ 2,645,701</u></u>
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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, 2024

Revenues

Property taxes	\$ 571,381
State	41,124
Interest and rents	64,790
Other	<u>7,465</u>

Total revenues	684,760
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Expenditures

Current:

Community development	<u>719,854</u>
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Net change in fund balance	(35,094)
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Fund balance, beginning of year	<u>329,326</u>
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Fund balance, end of year	<u><u>\$ 294,232</u></u>
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CITY OF CHARLEVOIX, MICHIGAN

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, 2024

Net change in fund balance - governmental fund	\$ (35,094)
---	-------------

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.

Depreciation expense	<u>(176,706)</u>
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Change in net position of governmental activities	<u><u>\$ (211,800)</u></u>
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INTERNAL CONTROL AND COMPLIANCE

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

August 19, 2024

Members of the 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, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated August 19, 2024.

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.



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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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*.

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.

A handwritten signature in black ink that reads "Lehmann Lobson LLC". The script is cursive and fluid, with the letters "L" and "L" being particularly large and stylized.

INDEPENDENT AUDITORS' COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

August 19, 2024

Members of the City Council
City of Charlevoix
Charlevoix, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the **City of Charlevoix, Michigan** (the "City") as of and for the year ended March 31, 2024, and have issued our report thereon dated August 19, 2024. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated April 2, 2024, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

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

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

We have provided our findings regarding internal control over financial reporting and compliance noted during our audit in a separate letter to you dated August 19, 2024. In addition, we noted certain other matters which are included in Attachment A to this letter.



Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter and in our meeting about planning matters on July 15, 2024.

Compliance with All Ethics Requirements Regarding Independence

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

Qualitative Aspects of the City's Significant Accounting Practices*Significant Accounting Policies*

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

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

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

Significant Accounting Estimates

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

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

Significant Difficulties Encountered During the Audit

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

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the City's financial statements or the auditors' report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in Attachment C to this letter.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the City, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the City's auditors.

Other Information in Documents Containing Audited Financial Statements

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

Upcoming Changes in Accounting Standards

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

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

Very truly yours,

A handwritten signature in black ink that reads "Lehmann Johnson LLC". The signature is written in a cursive, flowing style.

CITY OF CHARLEVOIX, MICHIGAN

Attachment A – Comments and Recommendations

For the March 31, 2024 Audit

During our audit, we became aware of certain other matters that are opportunities for strengthening internal control and/or improving operating efficiency. This memorandum summarizes our comments and recommendations regarding these matters. Our consideration of the City's internal control over financial reporting is described in our report, dated August 19, 2024, issued in accordance with *Government Auditing Standards*. This memorandum does not affect that report or our report dated August 19, 2024, on the financial statements of the City of Charlevoix, Michigan.

Fiduciary Fund Liabilities (Repeat Comment)

Many of the custodial fund liability accounts have debit balances and/or have not changed since the prior year-end. We recommend that these accounts be reviewed and reconciled on a periodic basis and that they be adjusted to the proper balances as of the date of reconciliation.

Lack of Procedures to Review User Access on a Periodic Basis

Per inquiry with Management, there is not a defined process to review user accounts and entitlements for in-scope financial applications. The in-scope users and their roles/access rights have not been obtained and reviewed to assess the appropriateness of access retained by users in the system. We recommend that Management consider implementing a regular review of user accounts and entitlements for in-scope financial applications.

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CITY OF CHARLEVOIX, MICHIGAN

■ Attachment B – Upcoming Changes in Accounting Standards / Regulations

For the March 31, 2024 Audit

The following pronouncements of the Governmental Accounting Standards Board (GASB) have been released recently and may be applicable to the City in the near future. We encourage management to review the following information and determine which standard(s) may be applicable to the City. For the complete text of these and other GASB standards, visit www.gasb.org and click on the “Standards & Guidance” tab. If you have questions regarding the applicability, timing, or implementation approach for any of these standards, please contact your audit team.

GASB 100 ■ Accounting Changes and Error Corrections

Effective 06/15/2024 (your FY 2025)

This standard clarifies the presentation and disclosure requirements for prior period adjustments to beginning net position. We do not expect this standard to have any significant effect on the City.

GASB 101 ■ Compensated Absences

Effective 12/15/2024 (your FY 2025)

This standard revises the liability governments record for compensated absences payable to include any sick, vacation, personal time, or other PTO reasonably expected to be used by employees or paid out to them at termination.

GASB 102 ■ Certain Risk Disclosures

Effective 06/15/2025 (your FY 2026)

This standard requires governments to disclose essential information about risks related to vulnerabilities due to certain concentrations or constraints. We do not expect this standard to have any significant effect on the City.

GASB 103 ■ Financial Reporting Model Improvements

Effective 06/15/2026 (your FY 2027)

This standard establishes new accounting and financial reporting requirements—or modifies existing requirements—related to the following: a. management’s discussion and analysis (MD&A), b. unusual or infrequent items, c. presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position, d. information about major component units in basic financial statements, e. budgetary comparison information, and f. financial trends information in the statistical section.

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CITY OF CHARLEVOIX, MICHIGAN

Attachment C – Management Representations

For the March 31, 2024 Audit

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



August 19, 2024

Rehmann Robson
218 N. Main Street
Suite 102
Cheboygan, Michigan 49721

This representation letter is provided in connection with your audit of the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the **City of Charlevoix, Michigan** (the "City"), as of and for the year ended March 31, 2024, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, and the respective budgetary comparison for the General Fund of the City in conformity with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of August 19, 2024:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated April 2, 2024, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
2. The financial statements referred to above have been fairly presented in accordance with U.S. GAAP, and include all properly classified funds, required supplementary information, and notes to the basic financial statements.
3. We have reviewed and approved the various adjusting journal entries that were proposed by you for recording in our books and records and reflected in the financial statements.

4. With respect to the nonattest services provided, which include any assistance you provided in drafting the financial statements and related notes, proposing standard, adjusting or conversion journal entries, assistance with maintaining/updating a GASB 68 template for pension, assistance with maintaining/updating a GASB 87 template for leases and assistance in completion of portions of the Annual Local Unit Fiscal Report (Form F-65), we have performed the following:
 - a. Made all management decisions and performed all management functions;
 - b. Assigned a competent individual to oversee the services;
 - c. Evaluated the adequacy of the services performed;
 - d. Evaluated and accepted responsibility for the result of the service performed; and
 - e. Established and maintained internal controls, including monitoring ongoing activities.
5. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
6. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
7. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
8. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP. For the purposes of this letter, related parties mean members of the governing body; board members; administrative officials; immediate families of administrative officials, board members, and members of the governing body; and any companies affiliated with or owned by such individuals.
9. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
10. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
11. With regard to items reported at fair value:
 - a. The underlying assumptions are reasonable, and they appropriately reflect management's intent and ability to carry out its stated courses of action.
 - b. The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
 - c. The disclosures related to fair values are complete, adequate, and in conformity with U.S. GAAP.
 - d. There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.
12. All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
13. All funds and activities are properly classified.
14. All funds that meet the quantitative GASB criteria for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
15. All components of net position and fund balance classifications have been properly reported.

16. All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
17. All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
18. All interfund and intra-entity transactions and balances have been properly classified and reported.
19. Deposit and investment risks have been properly and fully disclosed.
20. Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
21. All required supplementary information is measured and presented within the prescribed guidelines.
22. We believe that the actuarial assumptions and methods used to measure pension liability and costs for financial accounting purposes are appropriate in the circumstances.
23. We are responsible for the fair presentation of the City's net pension liability as calculated by the Municipal Employees' Retirement System of Michigan (MERS) and related amounts. We provided MERS with complete and accurate information regarding the City's participation in the plan, and have reviewed the information provided by MERS for inclusion in the City's financial statements.

Information Provided

24. We have provided you with:
 - a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
 - b. Additional information that you have requested from us for the purpose of the audit; and
 - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
25. All transactions have been recorded in the accounting records and are reflected in the financial statements.
26. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
27. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - a. Management;
 - b. Employees who have significant roles in internal control; or
 - c. Others where the fraud could have a material effect on the financial statements.
28. We have no knowledge of any instances, that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance, whether communicated by employees, former employees, vendors (contractors), regulators, or others.
29. We have no knowledge of any instances that have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that has a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.

30. We have no knowledge of any instances that have occurred or are likely to have occurred of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
31. We have a process to track the status of audit findings and recommendations.
32. We have identified for you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
33. We have provided views on your reported audit findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
34. We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements and we have not consulted legal counsel concerning litigation or claims.
35. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
36. There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
37. The government has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
38. We have disclosed to you all guarantees, whether written or oral, under which the government is contingently liable.
39. We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
40. There are no:
 - a. Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
 - b. Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.
 - c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB Statement No. 62.
41. The government has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
42. We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
43. We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.

Supplementary Information in Relation to the Financial Statements as a Whole

44. With respect to the supplementary information accompanying the financial statements:
- We acknowledge our responsibility for the presentation of the supplementary information in accordance with accounting principles generally accepted in the United States of America.
 - We believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America.
 - The methods of measurement or presentation have not changed from those used in the prior period.
 - We believe the significant assumptions or interpretations underlying the measurement or presentation of the supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.

Required Supplementary Information

45. With respect to the required supplementary information accompanying the financial statements:
- We acknowledge our responsibility for the presentation of the required supplementary information in accordance with accounting principles generally accepted in the United States of America.
 - We believe the required supplementary information, including its form and content, is measured and fairly presented in accordance with accounting principles generally accepted in the United States of America.
 - The methods of measurement or presentation have not changed from those used in the prior period.
 - We believe the significant assumptions or interpretations underlying the measurement or presentation of the required supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.



Mark Heydlauff, City Manager



Kelly McGinn, City Treasurer

Charlevoix City Council

Consent Agenda

Title: City Council Meeting Minutes - August 19, 2024

Date: September 3, 2024

Presented By:

Background:

Recommendation:

Motion to approve the minutes as presented.

Attachments:

1. City Council Draft Minutes 08/19/2024

City of Charlevoix
City Council Regular Meeting Minutes
Monday, August 19, 2024 - 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 Mayor Gennett. The Council, staff, and members of the public rose and recited the Pledge of Allegiance.

2. Roll Call

Mayor: Lyle Gennett

Members Present: Shane Cole, Aaron Hagen, Janet Kalbfell, Mark Knapp, Phil Parr, Richard Spring

Members Absent: None

City Manager: Mark L. Heydlauff

City Clerk: Sarah J. Dvoracek

3. Presentations

4. Inquiry Regarding Conflicts of Interest

5. Consent Agenda

Motion by Parr, seconded by Knapp to approve the consent agenda as presented.

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

Nays: None

Absent: None

Motion carried.

A. City Council Meeting Minutes - August 7, 2024

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
08/16/2024	Payroll Transmittal Checks	\$5,420.34
08/16/2024	Payroll (net pay)	\$159,206.59
08/20/2024	Regular Accounts Payable	\$385,569.47
08/05/2024-08/16/2024	ACH/WIRE Payments	\$717,819.77
08/13/2024	Special A/P Tax Disbursement	\$1,762,874.19
Grand Total		\$2,480,693.96

The entire accounts payable and payroll check registers [can be viewed here.](#)

C. 2024 Cleaning and Televising of MDOT Storm System

Motion to approve the proposal as submitted by MEC Underground Solutions and authorize the Public Works Supervisor to sign all required documents.

D. Request for Local Government Recommendation for Banquet Facility Permit

Motion to recommend the banquet facility permit application for Hotel Earl Charlevoix, Inc. to be considered for approval by the Michigan Liquor Control Commission.

CITY OF CHARLEVOIX

RESOLUTION NO. 2024-08-03

LOCAL GOVERNING BODY RESOLUTION FOR BANQUET FACILITY PERMIT
(REQUIRED BY MCLA 436.1522)

At a regular meeting of the Charlevoix City Council called to order by Mayor Lyle Gennett on Monday, August 19, 2024 at 6:00 p.m. the following resolution was offered:

Moved by Parr and supported by Knapp that the application from Hotel Earl Charlevoix, Inc. for the following license of Banquet Facility Permit under MCLA 436.1522 to be located at 104 State Street and the following permit, if applied for:

Banquet Facility Permit Address of Banquet Facility: 104 State Street, Charlevoix, Michigan

It is the consensus of this body that it recommends this application be considered for approval by the Michigan Liquor Control Commission.

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

Nays: None

Absent: None

Motion carried.

E. Belle River Contract Amendments

Motion to authorize the payment of its \$577,500 share of the Belle River repowering through MPPA's issuance of bonds at an estimated interest rate of three percent (3%) as presented.

F. Michigan Township Participating Plan Grant Application-Body Worn Cameras

Motion to approve the application for the Michigan Township Participating Plan Grant for \$5,000 for the Police Department's Body Worn Camera Program.

6. Public Hearings and Actions Requiring Public Hearings

7. All Other Actions and Requests

8. Reports and Communications

A. Public Comment

- Dave Coen provided an updated from the EPA regarding the clean-up site on Antrim Street which will take place in November or December

B. City Manager's Comments

- Fall refuse collection will take place on Saturday, September 14, 2024
- The Bridge Street light replacement project will begin soon
- New BS&A financial management software will be implemented in September
- The AMI meter replacement project will be rolled out soon
- The Recreation Department is switching from REC Desk software to Civic Rec software

C. Mayor and Council Comments

9. Other Council Business

10. Adjourn

Mayor Gennett adjourned the meeting at 6:09 p.m.

Sarah J. Dvoracek

City Clerk

Lyle Gennett

Mayor

DRAFT

Charlevoix City Council

Consent Agenda

Title: Accounts Payable and Payroll Check Registers

Date: September 3, 2024

Presented By:

Background:

Recommendation:

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

Attachments:

1. Check Registers 09-03-24 Agenda

Check Number	Payee	Amount
08/21/2024		
143203	AT&T	1,596.65
143204	AT&T MOBILITY	910.34
143205	CHARTER COMMUNICATIONS	713.93
143206	CHARTER COMMUNICATIONS OPERA	103.93
143207	DELTA DENTAL	3,193.36
143208	GFL ENVIRONMENTAL	6,914.02
143209	GREAT LAKES ENERGY	218.31
143210	PRIORITY HEALTH	46,155.49
143211	RANGE TELECOMMUNICATIONS	214.00
143212	VSP INSURANCE CO. (CT)	526.09
143213	WEX BANK	9,038.12
Total 08/21/2024:		69,584.24
Grand Totals:		69,584.24

Summary of Check Registers & ACH Payments

HUNTINGTON NATIONAL BANK - CHECKS ISSUED

08/21/24	Special Accounts Payable Run	\$ 69,584.24
08/27/24	Special Accounts Payable Run	\$ 11,287.37
08/30/24	Payroll (net pay)	\$ 137,222.65
08/30/24	Payroll Transmittal Checks	\$ 5,285.42
09/04/24	Regular Accounts Payable	\$ 945,020.97
Checks Sub-Total:		\$ 1,168,400.65

HUNTINGTON NATIONAL BANK - ACH/WIRE PAYMENTS

08/19/24	MI Public Power Agency	\$ 61,760.99
08/20/24	Enterprise FM Trust (fleet lease)	\$ 4,361.36
08/26/24	MI Public Power Agency	\$ 372,637.74
08/26/24	MI Public Power Agency	\$ 16,657.60
08/30/24	IRS (Payroll Tax Deposit)	\$ 49,153.53
08/30/24	Alerus Financial (HCSP)	\$ 558.00
08/30/24	Vantagepoint (401 Plan)	\$ 1,204.14
08/30/24	Vantagepoint (457 Plan)	\$ 22,612.81
08/30/24	Vantagepoint (Roth IRA)	\$ 1,165.00
08/30/24	State of MI (Withholding Tax)	\$ 7,321.15
08/30/24	MERS (Defined Benefit Plan)	\$ 103,405.53

ACH Sub-Total: \$ 640,837.85

Huntington National Bank Total: \$ 1,809,238.50

CHARLEVOIX STATE BANK - CHECKS ISSUED

(PROPERTY TAX DISBURSEMENT TO VARIOUS TAXING AUTHORITIES)

08/28/24	Special A/P Tax Disbursement	\$ 2,181,303.35
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Charlevoix State Bank Total: \$ 2,181,303.35

Grand Total: \$ 3,990,541.85

APPROVED:



CITY MANAGER



CITY TREASURER

CITY CLERK

Check Number	Payee	Amount
08/27/2024		
143222	AMERICAN LEGION	2,809.91
143223	CHARLEVOIX STATE BANK	7,189.36
143224	CHARLEVOIX TOWNSHIP TREASURE	98.89
143225	CITY OF CHARLEVOIX - MISC	1,189.21
Total 08/27/2024:		11,287.37
Grand Totals:		11,287.37

Pay Period Date	Journal Code	Check Issue Date	Check Number	Payee	Emp ID	Description	Amount
08/24/2024	PC	08/30/2024	40214	HEYDLAUFF, MARK L.	102		3,834.15
08/24/2024	PC	08/30/2024	40215	DVORACEK, SARAH J.	105		2,498.73
08/24/2024	PC	08/30/2024	40216	DEROSIA, PATRICIA E.	107		970.76
08/24/2024	PC	08/30/2024	40217	KLOOSTER, ALIDA K.	121		2,068.54
08/24/2024	PC	08/30/2024	40218	BARNEVELD, RICHELLE	123		1,402.45
08/24/2024	PC	08/30/2024	40219	SCHULZ, GINNY L.	125		1,626.70
08/24/2024	PC	08/30/2024	40220	JENKINS, JESSICA-RAE	127		1,468.59
08/24/2024	PC	08/30/2024	40221	MILLER, FAITH G.	142		564.97
08/24/2024	PC	08/30/2024	40222	MCGINN, KELLY A.	146		2,440.65
08/24/2024	PC	08/30/2024	40223	SCHEEL, JONATHAN D.	149		2,184.03
08/24/2024	PC	08/30/2024	40224	MCDONNELL, JILL L.	202		2,211.21
08/24/2024	PC	08/30/2024	40225	UMULIS, MATTHEW T.	205		2,123.66
08/24/2024	PC	08/30/2024	40226	ORBAN, BARBARA K.	209		1,458.98
08/24/2024	PC	08/30/2024	40227	RILEY, DENISE M.	213		521.49
08/24/2024	PC	08/30/2024	40228	MUNK, CHRISTOPHER J.	215		1,579.91
08/24/2024	PC	08/30/2024	40229	CHRISTIANSEN, BRIAN D	218		2,028.82
08/24/2024	PC	08/30/2024	40230	RAMIREZ, CHARLES V.	219		1,695.75
08/24/2024	PC	08/30/2024	40231	MARTIN III, DONALD L.	220		798.46
08/24/2024	PC	08/30/2024	40232	YOUNG, KRISTEN L.	230		1,547.98
08/24/2024	PC	08/30/2024	40233	CONWAY, PATRICK G.	239		859.61
08/24/2024	PC	08/30/2024	40234	MACGILLIVRAY, ROGER	244		1,087.64
08/24/2024	PC	08/30/2024	40235	DOTSON, WILLIAM R.	249		493.36
08/24/2024	PC	08/30/2024	40236	KALLMAN, ARIN J.	251		370.68
08/24/2024	PC	08/30/2024	40237	WURST, RANDALL W.	411		1,782.23
08/24/2024	PC	08/30/2024	40238	HILLING, NICHOLAS A.	413		2,457.60
08/24/2024	PC	08/30/2024	40239	MEIER III, CHARLES A.	421		1,749.71
08/24/2024	PC	08/30/2024	40240	ZACHARIAS, STEVEN B.	422		2,607.93
08/24/2024	PC	08/30/2024	40241	NEWMAN, MARK J.	424		2,044.10
08/24/2024	PC	08/30/2024	40242	LOUGHMILLER, JOHN A.	425		1,814.96
08/24/2024	PC	08/30/2024	40243	GRIFFITH, JOHN J.	500		2,669.96
08/24/2024	PC	08/30/2024	40244	EATON, BRAD A.	515		2,904.88
08/24/2024	PC	08/30/2024	40245	WILSON, TIMOTHY J.	516		3,006.42
08/24/2024	PC	08/30/2024	40246	LAVOIE, RICHARD L.	519		2,693.88
08/24/2024	PC	08/30/2024	40247	STERRETT, PHILLIP R.	520		1,980.09
08/24/2024	PC	08/30/2024	40248	STEVENS, BRANDON C.	521		2,841.78
08/24/2024	PC	08/30/2024	40249	WHITLEY, ANDREW T.	522		2,759.77
08/24/2024	PC	08/30/2024	40250	FARRELL, MITCHELL L.	524		2,282.12
08/24/2024	PC	08/30/2024	40251	ANDERSON, ELIZABETH	526		1,460.44
08/24/2024	PC	08/30/2024	40252	KENWABIKISE, DAVID L.	528		1,310.63
08/24/2024	PC	08/30/2024	40253	ELLIOTT, PATRICK M.	600		3,385.35
08/24/2024	PC	08/30/2024	40254	MORRISON, KEVIN P.	601		1,458.15
08/24/2024	PC	08/30/2024	40255	FURGESON, JUSTIN L.	613		1,905.02
08/24/2024	PC	08/30/2024	40256	BRADLEY, KELLY R.	614		2,203.12
08/24/2024	PC	08/30/2024	40257	HART II, DELBERT W.	616		1,746.23
08/24/2024	PC	08/30/2024	40258	JONES, ROBERT F.	618		1,867.35
08/24/2024	PC	08/30/2024	40259	THORP JR, WILLIAM D.	623		1,418.61
08/24/2024	PC	08/30/2024	40260	LEITNER, RYAN S.	624		1,593.51
08/24/2024	PC	08/30/2024	40261	NOWKA, STEPHEN P.	626		1,854.15
08/24/2024	PC	08/30/2024	40262	RILEY, DANIEL A.	627		2,103.54
08/24/2024	PC	08/30/2024	40263	REID, ROB A.	632		1,530.44
08/24/2024	PC	08/30/2024	40264	DORAN, JUSTIN J.	634		2,506.57
08/24/2024	PC	08/30/2024	40265	CONWAY, ANNEMARIE	668		161.89
08/24/2024	PC	08/30/2024	40266	FINNERTY, HOLLY E.	669		1,172.15
08/24/2024	PC	08/30/2024	40267	WILSON, SAMUEL J.	672		1,052.50
08/24/2024	PC	08/30/2024	40268	POIROT, KENNETH R.	673		956.04
08/24/2024	PC	08/30/2024	40269	VENTZKE, COLE C.	674		885.35
08/24/2024	PC	08/30/2024	40270	JOHNSON, RANDY J.	680		1,236.95

Pay Period Date	Journal Code	Check Issue Date	Check Number	Payee	Emp ID	Description	Amount
08/24/2024	PC	08/30/2024	40271	PARRISH, JASON P.	681		704.80
08/24/2024	PC	08/30/2024	40272	SPEER, LIAM M.	682		518.89
08/24/2024	PC	08/30/2024	40273	HIGGINS, THERESE M.	689		524.19
08/24/2024	PC	08/30/2024	40274	CRANDELL, ZACKARY R.	691		912.98
08/24/2024	PC	08/30/2024	40275	RABIDEAU, JACOB L.	696		1,078.93
08/24/2024	PC	08/30/2024	40276	BORTHS, MICHAEL J.	698		917.60
08/24/2024	PC	08/30/2024	40277	KNORR, KENT J.	700		2,394.26
08/24/2024	PC	08/30/2024	40278	ANZELL, BETH A.	702		1,668.93
08/24/2024	PC	08/30/2024	40279	STEBE, LAURA A.	703		207.56
08/24/2024	PC	08/30/2024	40280	STEWART, SPENCER P.	720		949.18
08/24/2024	PC	08/30/2024	40281	MCDERMOTT, DENNIS J.	732		2,201.86
08/24/2024	PC	08/30/2024	40282	BLECKE, SKYLAR T.	749		755.10
08/24/2024	PC	08/30/2024	40283	LAVOIE, AUBREY J.	750		482.04
08/24/2024	PC	08/30/2024	40284	SUSTIC, HANNAH L.	751		697.27
08/24/2024	PC	08/30/2024	40285	WHITE III, MARCUS W.	754		1,011.87
08/24/2024	PC	08/30/2024	40286	CUNNINGHAM, ABIGAIL A.	759		631.36
08/24/2024	PC	08/30/2024	40287	WALKER, MEREDITH A.	771		822.86
08/24/2024	PC	08/30/2024	40288	PETROSKY, JACOB D.	772		71.14
08/24/2024	PC	08/30/2024	40289	SMITH, ANNA K.	773		507.18
08/24/2024	PC	08/30/2024	40290	JAREMA, ALISON, K.	774		606.94
08/24/2024	PC	08/30/2024	40291	LEVY, JAYDEE L.	775		207.16
08/24/2024	PC	08/30/2024	40292	ROSIER, OLIVIA J.	777		594.86
08/24/2024	PC	08/30/2024	40293	SAUER, JOHN V.P.	778		148.58
08/24/2024	PC	08/30/2024	40294	BOLLMANN, JOSIE J.	779		232.14
08/24/2024	PC	08/30/2024	40295	PETROSKY, TAYLOR G.	780		355.71
08/24/2024	PC	08/30/2024	40296	PHILP, DAVAYAH A.	781		716.78
08/24/2024	PC	08/30/2024	40297	HOSLER, ISABELLA C.	783		458.12
08/24/2024	PC	08/30/2024	40298	MAY, MADALYNE M.	792		258.36
08/24/2024	PC	08/30/2024	40299	WAGNER, KIRSTEN M.	793		159.91
08/24/2024	PC	08/30/2024	40300	DRENTH, DOUGLAS A.	838		624.71
08/24/2024	PC	08/30/2024	40301	ELGART, SARAH N.	840		473.45
08/24/2024	PC	08/30/2024	40302	GILL, DAVID R.	856		1,334.57
08/24/2024	PC	08/30/2024	40303	LABLANCE, MAUREEN J.	863		381.67
08/24/2024	PC	08/30/2024	40304	LIVINGSTON, BRIAN D.	866		2,298.02
08/24/2024	PC	08/30/2024	40305	KLOOSTER, PATRICK H.	868		412.25
08/24/2024	PC	08/30/2024	40306	WAY, KRISTINA M.	870		234.46
08/24/2024	PC	08/30/2024	40307	GAFFNEY, KARRIE J.	872		227.96
08/24/2024	PC	08/30/2024	40308	PARKER, SCOTT W.	873		168.20
08/24/2024	PC	08/30/2024	40309	PETROSKY, TIMOTHY D.	874		68.28
08/24/2024	PC	08/30/2024	40310	NISWANDER, WILLIAM M.	876		599.71
08/24/2024	PC	08/30/2024	40311	FRESA, EDWARD K.	877		447.79
08/24/2024	PC	08/30/2024	40312	SCHOLEY, ROBERT W.	902		2,041.57
08/24/2024	PC	08/30/2024	40313	MCCRANEY, RUSSELL R.	914		1,941.24
08/24/2024	PC	08/30/2024	40314	POSTMUS, ANTHONY H.	916		1,273.69
08/24/2024	PC	08/30/2024	40315	BENNETT, TAWNIA E.	953		161.61
08/24/2024	PC	08/30/2024	40316	TRAVERS, MANUEL J.	998		2,222.17
08/24/2024	PC	08/30/2024	143214	COX, RONALD L.	869		274.20
Grand Totals:			104				137,222.65

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Pay Period Date	Check Issue Date	Check Number	Payee	Emp ID	Description	Amount
08/24/2024	08/30/2024	143215	4FRONT CREDIT UNION	9024	HSA-EMPLOYEE CONTRIB-4FR	1,195.58
08/24/2024	08/30/2024	143216	AMERICAN FAMILY LIFE	9011	AMERICAN FAMILY LIFE-POST T	33.60
08/24/2024	08/30/2024	143216	AMERICAN FAMILY LIFE	9011	AMERICAN FAMILY LIFE-PRETA	427.44
08/24/2024	08/30/2024	143217	CHARLEVOIX STATE BAN	9017	HSA - EMPLOYEE CONTRIB - C	1,135.00
08/24/2024	08/30/2024	143218	COMMUNICATION WORK	9004	CWA UNION DUES Pay Period:	647.95
08/24/2024	08/30/2024	143219	MI STATE DISBURSEMEN	9012	FRIEND OF THE COURT Pay Pe	116.55
08/24/2024	08/30/2024	143220	PRIORITY HEALTH	392358	PRIORITY HEALTH Pay Period:	1,369.11
08/24/2024	08/30/2024	143221	THE HARTFORD	9035	LIFE - VOLUNTARY Pay Period:	257.62
08/24/2024	08/30/2024	143221	THE HARTFORD	9035	SPOUSE LIFE Pay Period: 8/24/	54.63
08/24/2024	08/30/2024	143221	THE HARTFORD	9035	CHILD LIFE Pay Period: 8/24/20	10.29
08/24/2024	08/30/2024	143221	THE HARTFORD	9035	AD&D - VOLUNTARY Pay Period	28.04
08/24/2024	08/30/2024	143221	THE HARTFORD	9035	SPOUSE AD&D Pay Period: 8/24	5.26
08/24/2024	08/30/2024	143221	THE HARTFORD	9035	CHILD AD&D Pay Period: 8/24/2	4.35
Grand Totals:		13				5,285.42

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Check Number	Payee	Amount
09/04/2024		
143226	AB TOOLS LLC	223.95
143227	ACLARA TECHNOLOGIES LLC	2,316.84
143228	AMAZON CAPITAL SERVICES	170.55
143229	ANDERSON, ELIZABETH A.	50.00
143230	ANZELL, BETH A.	50.00
143231	APEX SOFTWARE	335.00
143232	APPRIVER LLC	2,499.96
143233	AT YOUR SERVICE PLUS INC	8,570.00
143234	AVFUEL CORPORATION	74,302.82
143235	BALLOID, ROBERT	50.00
143236	BAY STREET ORTHOPAEDICS PLLC	200.00
143237	BOB MATHERS FORD	643.40
143238	BOSS LANDSCAPE & SUPPLY	906.00
143239	CDW GOVERNMENT	2,809.45
143240	CHARLEVOIX CHEESE COMPANY	137.00
143241	CHARLEVOIX COUNTY CLERK	361.57
143242	CHARLEVOIX COUNTY TREASURER	1,572.47
143243	CHARLEVOIX SCREEN MASTERS INC	2,804.11
143244	CINTAS CORPORATION	359.36
143245	CONWAY PROFESSIONAL SERVICES	10,700.00
143246	COOPER, MELANIE S	115.00
143247	CUMMINS SALES AND SERVICE	1,727.32
143248	DeROSIA, PATRICIA E.	50.00
143249	DHASELEER EVENTS BARN	308.00
143250	DITCH WITCH SALES OF MICHIGAN	970.04
143251	DORAN, JUSTIN J.	50.00
143252	DORST, KRISTA M	120.00
143253	DRENTH, DOUGLAS A	50.00
143254	DROST LANDSCAPE	6,515.00
143255	DUTCH OVEN BAKERY, THE	390.00
143256	DVORACEK, SARAH	50.00
143257	ECONO SIGNS LLC	2,442.00
143258	EJ USA INC.	34.65
143259	ELECTIONSOURCE	1,320.00
143260	ELLIOTT, PATRICK M.	50.00
143261	ELMER'S CRANE & DOZER INC	506.81
143262	ETNA SUPPLY	3,700.00
143263	FARMER WHITE'S	103.00
143264	FERGUSON ENTERPRISES LLC #3326	278.28
143265	GERBER'S HOMEMADE SWEETS	147.00
143266	GFL ENVIRONMENTAL	500.00
143267	GRAND TRAVERSE GARAGE DOOR C	443.40
143268	GRIFFITH, JOHN J	338.10
143269	GRP ENGINEERING INC	1,458.75
143270	GUNTZVILLERS FARM LLC	1,239.00
143271	HACH COMPANY	958.09
143272	HARRELL'S LLC	3,988.86
143273	HART, ABBIE	50.00

Check Number	Payee	Amount
143274	HAYES, JASON	56.07
143275	HEYDLAUFF, MARK L.	50.00
143276	HILLING, NICHOLAS A.	50.00
143277	HUGHES, LAURIE	369.00
143278	HYDE SERVICES LLC	2,832.17
143279	IPS GROUP INC	795.74
143280	JANSON EQUIPMENT COMPANY	406.77
143281	KALAMAZOO SANITARY SUPPLY LLC	3,379.64
143282	KCI	145.00
143283	KLOOSTER, ALIDA K.	50.00
143284	KNORR, KENT J.	50.00
143285	KRAFT BUSINESS SYSTEMS	22.80
143286	KRAZY KAKE A HOLICS	38.00
143287	LAKE FOREST BAKING COMPANY	84.00
143288	LAKESHORE TIRE & AUTO SERVICE	76.83
143289	LIVINGSTON, BRIAN D.	50.00
143290	LURIA, DANA	110.70
143291	MANAGEMENT AND BEHAVIOR CONS	630.00
143292	MANTHEI CONSTRUCTION	604.71
143293	MCCRANEY, RUSSELL R	50.00
143294	MCDERMOTT, DENNIS J.	50.00
143295	MCDONNELL, JILL L	50.00
143296	McGINN, KELLY A.	50.00
143297	MICHIGAN ASSOCIATION OF CHIEFS	125.00
143298	MICHIGAN MUNICIPAL LEAGUE	2,330.00
143299	MIKE'S MUSTARD	82.00
143300	MILLER, FAITH G	31.49
143301	MIROS, WILLIAM	30.00
143302	MISSION COMMUNICATIONS LLC	318.23
143303	NEXT-LEVEL SANDBAG	900.00
143304	NORTH COAST FASTENERS LLC	165.42
143305	NORTHERN LIGHTS	329.00
143306	NORTHERN PUMP SERVICE INC	15,061.26
143307	NORTHWEST ELECTRONICS & REPAI	35.00
143308	NORWOOD CENTENNIAL FARMS	15.00
143309	NUCO2 LLC	200.90
143310	OLESON'S FOOD STORES	271.53
143311	OLSON & HOWARD	3,164.00
143312	O'REILLY AUTOMOTIVE INC	129.99
143313	OTEC	120.00
143314	PENINSULA FIBER NETWORK LLC	360.00
143315	PET PAWPS, PAULSON PETS LLC	32.00
143316	POLETECTOR	313.13
143317	POWER LINE SUPPLY	13,535.00
143318	POWER SYSTEM ENGINEERING INC	2,520.00
143319	PREIN & NEWHOF	813.47
143320	PRESTON FEATHER	1,490.17
143321	PROVIDENCE ORGANIC FARM	201.00
143322	R & R PRODUCTS INC	119.94

Check Number	Payee	Amount
143323	RATUSZNIK, MARIA	50.00
143324	SCHEEL, JONATHAN D	50.00
143325	SCHOLEY, ROBERT W.	50.00
143326	SCIENTIFIC BRAKE - GAYLORD	122.99
143327	SHAPIRO, AUDREY	50.00
143328	SHARROW MASONRY INC	2,040.00
143329	SPARTAN DISTRIBUTORS INC	1,939.75
143330	STATE OF MICHIGAN	501.00
143331	STUART C IRBY CO	2,449.50
143332	SUPERIOR MECHANICAL OF CHARLE	3,325.97
143333	SWEET MARIA'S LLC	207.00
143334	TARGET SPECIALTY PRODUCTS	957.42
143335	TILLIE'S TAFEL	72.00
143336	TOKIO MARINE HCC-PRG-CLAIM #MT	1,000.00
143337	TRACE ANALYTICAL LABORATORIES I	227.50
143338	UNIFIRST CORPORATION	298.97
143339	UP NORTH ASSESSING INC	5,500.00
143340	US BANK	730,100.00
143341	USABBLUEBOOK	1,615.89
143342	VILLA MODERNE MOTEL	187.18
143343	VILLAGE GRAPHICS INC	437.90
143344	WILBERT BURIAL VAULT CO	791.68
143345	WILMOT ELECTRIC INC	3,285.48
143346	WURST, RANDALL W.	50.00
143347	YOUNG, KRISTEN L.	50.00
Total 09/04/2024:		945,020.97
Grand Totals:		945,020.97

Check Number	Payee	Amount
08/19/2024		
81924001	MICHIGAN PUBLIC POWER AGENCY	61,760.99
Total 08/19/2024:		61,760.99
Grand Totals:		61,760.99

Check Number	Payee	Amount
08/20/2024		
82024001	ENTERPRISE FM TRUST	4,361.36
Total 08/20/2024:		4,361.36
Grand Totals:		4,361.36

Check Number	Payee	Amount
08/26/2024		
82624001	MICHIGAN PUBLIC POWER AGENCY	372,637.74
82624002	MICHIGAN PUBLIC POWER AGENCY	16,657.60
Total 08/26/2024:		389,295.34
Grand Totals:		389,295.34

Check Issue Date	Check Number	Payee	Amount
83024001			
08/30/2024	83024001	**EFTPS* Payroll Taxes	12,942.33
08/30/2024	83024001	**EFTPS* Payroll Taxes	12,942.33
08/30/2024	83024001	**EFTPS* Payroll Taxes	3,026.83
08/30/2024	83024001	**EFTPS* Payroll Taxes	3,026.83
08/30/2024	83024001	**EFTPS* Payroll Taxes	17,215.21
Total 83024001:			
	5		49,153.53
83024002			
08/30/2024	83024002	Alerus Financial	558.00
Total 83024002:			
	1		558.00
83024003			
08/30/2024	83024003	MissionSquare - 401 Plan 109153	1,204.14
Total 83024003:			
	1		1,204.14
83024004			
08/30/2024	83024004	MissionSquare - 457 Plan 300959	4,432.00
08/30/2024	83024004	MissionSquare - 457 Plan 300959	3,396.91
08/30/2024	83024004	MissionSquare - 457 Plan 300959	5,253.77
08/30/2024	83024004	MissionSquare - 457 Plan 300959	9,530.13
Total 83024004:			
	4		22,612.81
83024005			
08/30/2024	83024005	MissionSquare - Roth IRA 706117	1,165.00
Total 83024005:			
	1		1,165.00
83024006			
08/30/2024	83024006	STATE OF MICHIGAN	7,321.15
Total 83024006:			
	1		7,321.15
Grand Totals:			
	13		82,014.63



Check Number	Payee	Amount
08/30/2024		
83024007	MERS	103,405.53
Total 08/30/2024:		103,405.53
Grand Totals:		103,405.53

Check Number	Payee	Amount
08/28/2024		
4144	CHARLEVOIX COUNTY TREASURER	2,309.38
4145	CHARLEVOIX COUNTY TREASURER	596,386.05
4146	CHARLEVOIX PUBLIC SCHOOLS	898,893.28
4147	CITY OF CHARLEVOIX - TAXES DUE	670,912.07
4148	STATE OF MICHIGAN	12,802.57
Total 08/28/2024:		2,181,303.35
Grand Totals:		2,181,303.35

CHECKS DRAWN ON CHARLEVOIX STATE BANK ACCOUNT

Charlevoix City Council

Consent Agenda

Title: Electric Service Tariff Edit

Date: September 3, 2024

Presented By:

Background:

At the May 20, 2024, City Council meeting, tariff sheets were presented for consideration. The Energy Charge for Rate 162 (GPS) as submitted was \$0.470 per kWh. It should be \$0.0470 per kWh. This error has not affected customer bills.

Recommendation:

Motion to accept the change from \$0.470 per kWh to \$0.0470 per kWh on the tariff sheet for Rate 162 (GPS) as presented.

Attachments:

1. General Service Optional Rate GSP and Demand Draft 09.03.2024

CITY OF CHARLEVOIX, MICHIGAN
GENERAL SERVICE OPTIONAL RATE (GPS)
RATE 162 (GPS) and RATE 562 (GPS-
DEMAND)

AVAILABILITY

This rate shall apply to commercial, industrial, governmental, and institutional customers with a monthly billing demand of 100 kW, or more, when all electric requirements are supplied through a single meter. Rate 562 (DEMAND) also applies to customers being served under this General Service Optional Rate (GPS). This rate is not available for emergency or standby service.

CHARACTER OF SERVICE

Alternating current, 60 hertz, three-phase at a nominal secondary or primary voltage as determined by the City.

RATE PER METER PER MONTH

Rate 162:

Service Charge	\$322.00
Energy Charge \$ / kWh	\$0.470 <u>\$0.0470</u>
Clean Energy Plan Surcharge	\$67.24

Rate 562:

Demand Charge	\$15.50
---------------	---------

CLEAN ENERGY PLAN SURCHARGE

The Clean Energy Plan Surcharge is updated annually and is applied to all electric rates on a per kWh basis.

POWER COST ADJUSTMENT FACTOR

The Power Cost Adjustment Factor (PCAF) is calculated each month to reflect variations in the City's power supply costs. It is applied to all electric rates on a per kWh basis.

MINIMUM CHARGE

The minimum monthly charge is equal to the monthly Service Charge plus the minimum demand charge plus applicable fees.

SALES TAX

The above rate is subject to the Michigan State Sales Tax.

PAYMENTS

Bills are due and payable as indicated on the monthly bill.

DETERMINATION OF BILLING DEMAND

The billing demand shall be the kW supplied during the 15-minute period of maximum use during the billing period, but not less than 50% of the highest demand in the preceding 11 months. The minimum demand charge under this rate shall be 100 kW.

Adopted by Charlevoix City Council on May 20, 2024

EQUIPMENT SUPPLIED BY CUSTOMER

The customer shall be responsible for furnishing, installing, and maintaining all necessary transforming, controlling and protective equipment required for service beyond the City's primary voltage delivery point (Point of Common Coupling).

UTILITY RULES AND REGULATIONS FOR ELECTRIC SERVICE

Service under this rate is subject to the City of Charlevoix's Rules and Regulations for Electric Service, incorporated herein by reference.

DRAFT

Charlevoix City Council

Consent Agenda

Title: Changes to Marina 45 Day Extended Stay Policy

Date: September 3, 2024

Presented By: Kent Knorr, Recreation Director

Background:

Last year, the Council approved changes to the 45-day Extended Stay Policy. This policy continues to prove positive for boaters and interest seems to be growing. We can accept up to 15 boaters for a reservable slip for 45-day periods in the spring and fall. The rental rate will be the actual rental rate for those calendar days.

We would like to make a change to the policy and require a \$200 non-refundable application fee. If selected, the \$200 fee would serve as a deposit. If not selected, the \$200 would be returned in full. If selected and the boater then declines the slip, they would forfeit the \$200 deposit.

We are proposing this policy change as we had people initially apply for a slip but then change their decision after slips were assigned. Based on the fact that we are slip-specific and will most likely have more requests than slips available, we believe that it is important that only people who are serious about acquiring a slip apply.

Recommendation:

Motion to approve the 45-Day Extended Stay Policy as presented for dockage at the City Marina.

Attachments:

1. 45 day extended stay policy 2025
2. Extended Stay Application



45-Day Extended Stay Policy

Overview

The Marina will allow a number of the reservable slips to be rented for a 45-day period during the spring and fall. Staff shall set the dates each year 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 for that time of year. Rates shall be set annually by City Council, and the Department of Natural Resources (DNR). 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 registration must be turned in along with the application.** No exceptions. **There is a \$200 non-refundable application fee that is due with all applications. If selected for a slip, your \$200 deposit will go toward the total 45-day stay fee. If your boat is not selected, your \$200 fee will be refunded in full. If you are selected for a slip and you decline, your \$200 fee will be forfeited. Applications submitted without a current boat registration, or without the \$200 deposit will not be considered.**

Spring applications are due in November annually with specific dates being advertised on the Marina website. If the total number of applications is greater than the number of slips available, a lottery will be held at 1:00 PM on the day of the application deadline for the spring stay. If selected, the boat will be assigned a slip for the 45-day period. Payment in full will be due roughly 30 days following the application acceptance.

Fall applications are due in January annually with specific dates being advertised on the Marina website. If the total number of applications is greater than the number of slips available, a lottery will be held at 1:00 PM on the day of the application deadline for the fall stay. If selected, the boat will be assigned a slip for the 45-day period. Payment in full will be due roughly 30 days following the application acceptance.

Applicants will have the opportunity to select a first, second and third choice of boat slip location. While marina staff will do their best to honor requests, slip location cannot be guaranteed. The Harbormaster has final say on slip placement. Slip assignment will be reflected in your agreement.

Cancellation/Refund Policy

If after the agreement is signed and the fee is paid in full, should you cancel your agreement, this is the refund policy: 60 days or more in advance, refund less 10%; less than 60 days in

advance, refund less 25%; less than 30 days in advance, no refund.



2025
45 Day Extended Stay Application

Name:

Address:

Home Phone: _____ Cell Phone:

Email:

Boat Information

Name & Make:

Length & Width:

Applying as a ☐ Resident or ☐ Non-Resident (For internal use only. Has no bearing on acceptance.)

Choose one or both: ☐ Spring Application May 12 – June 25, 2025 (Due by November 7, 2024, at Noon)

☐ Fall Application August 11 – September 24, 2024 (Due by January 6, 2025, at Noon)

Choice of Slip # in our Marina: 1st: _____ 2nd: _____ 3rd:

See Marina Map. We will do our best to honor your request, but selections are not guaranteed and are determined by boat size and slip availability. Final slip assignment is determined by the Harbormaster.

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. A \$200 non-refundable deposit is required with all applications. Applications will not be accepted without the \$200 deposit. Please see the 45-Day Stay Extended Stay Policy for more information.
4. Agreements and invoices will be mailed in early December (Spring Stay) and Mid-January (Fall Stay).
5. A limited number of slips will be available for the Extended Stay Program. If we receive more applications than slips available, all applications will automatically be placed in a lottery and drawn at 1:00 PM on the day of the due dates listed above.
6. If after the agreement is signed and the fee is paid in full, should you cancel your agreement, this is the refund policy: 60 days or more in advance, refund less 10%; less than 60 days in advance, refund less 25%; less than 30 days in advance, no refund. No exceptions.
7. PLEASE NOTE: At the time of the estimated fee schedule, the 2025 rates were not yet determined by the DNR and City Council. Fees subject to change.

I understand and accept the above terms and conditions and have read the 45 Day Extended Stay Policy.

Signature: _____

Date: _____

Questions? Email betha@charlevoixmi.gov or mail application, boat registration and deposit to Charlevoix Recreation 210 State Street Charlevoix, MI 49720, Attention Beth Anzell.



45 Day Slip Estimated Fee Schedule 2025

(PLEASE NOTE: At the time of this estimated fee schedule, the 2025 rates were not yet determined by the DNR and City Council. Fees subject to change.)

SEASON	DATES	DNR RATE SCHEDULE
Pre-Season Rates	May 12 - May 22	Tier C
Shoulder Season	May 23 - June 19	Tier I
Regular Season	June 20 - 25	Tier J
Regular Season	August 11 - 17	Tier J
Shoulder Season	August 18 - September 7	Tier I

Post-Season Rates	September 8 - September 24	Tier C
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Example Fee Schedule of the 45-day agreement using a 30' Boat.

Spring Stay

Spring Pre-Season	11 Days @ \$32 (Tier C) =	\$ 352
Spring Shoulder Season	28 Days @ \$57 (Tier I) =	\$ 1,596
Regular Season	6 Days @ \$62 (Tier J) =	<u>\$ 372</u>
	TOTAL	\$ 2,320

Fall Stay

Regular Season	7 Days @ \$62 (Tier J) =	\$ 434
Fall Shoulder Season	21 Days @ \$57 (Tier I) =	\$ 1,197
Fall Post Season	17 Days @ \$32 (Tier C) =	<u>\$ 544</u>
	TOTAL	\$ 2,175

Charlevoix City Council

Consent Agenda

Title: FY 2024 Audit

Date: September 3, 2024

Presented By:

Background:

Based on the audit presentation, Council needs to formally accept the results.

Recommendation:

Motion to accept the FY 2024 Audit as presented.

Attachments:

None

Charlevoix City Council

All Other Actions and Requests

Title: Temporary Commercial Slip Leasee at City Marina

Date: September 3, 2024

Presented By: Kent Knorr, Recreation Director

Background:

In March of this year, Council reviewed proposals related to the request for proposal for commercial operations in the City Marina. Harbor Princess/Little Traverse Bay Ferry Co. submitted a proposal at that time that was geared primarily toward fall color tours. At that time, City Council directed the Recreation Department to have further discussions with our current commercial vendors and the Harbor Master to determine the feasibility of this type of commercial operation this autumn.

We have confirmed with Sunshine Charters, who currently operates charter tours, that they don't anticipate any excursions after September 15.

Based on the updated proposal, Harbor Princess would be interested in running color tours from September 16 through October 13, weather permitting. They are proposing a rate of \$105 a day to anchor at the former Coast Guard Acacia slip at the north end of the marina. Harbor Princess has docked here for both school programs and also while assisting the Beaver Island Ferry this spring, so the location has been tested successfully.

Recommendation:

Motion authorizing the City Manager to sign an agreement for operation of a dock lease for the dates of September 16 to October 13 at the rate of \$105 a day.

Attachments:

1. Harbor Princess Charlevoix 24 NEW pptx
2. harbor princess rfp Spring 2024 response

LITTLE TRAVERSE BAY FERRY CO.



Serving Petoskey, Harbor Springs, Bay Harbor, and Hopefully Charlevoix!

HARBOR PRINCESS AND THE FERRY (MISS LAUREN)

www.littletraversebayferry.org

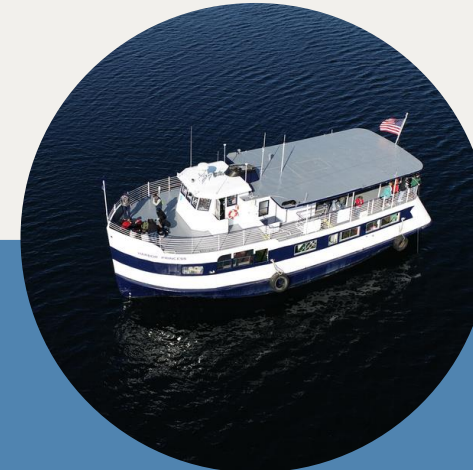
WELCOME ABOARD



Captain Chris Chamberlain CEO/Founder, Charlevoix Resident

Manages a five-boat fleet across Michigan and is the primary captain of the Harbor Princess, featured in "30 In Their Thirties" by Hour Detroit Magazine (2024)

LTBF Co Crew includes Cruise Director, Marketing & Communications Consultant, 5 Captains, 5 Deckhands



OUR BOATS

OPERATE FROM MID-JUNE TO EARLY OCTOBER, WEATHER PERMITTING



The Ferry (Miss Lauren), Petoksey, Harbor Springs, Bay Harbor

Offers ferry service and trips
around Little Traverse Bay



Harbor Princess, Petoskey

Offers sunset cruises, historical narration
tours, special events such as fireworks,
Boyne Thunder and Ugotta Regatta, Family
Days, and Private Charters

HARBOR PRINCESS SPECS



Size: 65'

Capacity: 149

Passenger Area: Double deck with indoor and outdoor seating

Restroom: Yes

Food and Beverage: Snacks, Soft Drinks, Full Service Bar

Wheelchair Accessible: Yes

RICH HISTORY



Emerald Isle (1955): The first purpose-built ferry for the Charlevoix to Beaver Island run, built to carry 9 cars and 125 passengers.



Diamond Jack (1991-2021): More recently operated as a tour boat on Detroit River in Detroit.



Harbor Princess (2023): Brought back home to Northern Michigan waters as charter boat for specialty cruises and private charters.

HISTORICAL NARRATION CRUISES

HARBOR SPRINGS AREA HISTORICAL SOCIETY NARRATION CRUISE

1:30-3:30PM DEPARTING FROM PETOSKEY



In Partnership with Harbor Springs Area Historical Society: Narration Cruise around the picturesque Little Traverse Bay. Immerse in captivating stories of the area's rich history, narrated by a guide, while enjoying the serene beauty of the bay. We would love offer the same option in Charlevoix!



HARBOR PRINCESS TODAY

- **Active participant in local community:** Partnerships with businesses and organizations such as Harbor Springs Area Historical Society, Latitude 45 Bike Shop, Trails Council, and Petoskey CVB
- **Flagship** for Annual Blessing of the Fleet, 2024
- Offers public and private charters
- **Accessible:** Conveniently docked in downtown area, attracting visitors and tourists

STUDENTS EXPERIENCE LAKE CHARLEVOIX



Welcomed students for "Students Experience Lake Charlevoix," where they dive into environmental stewardship and learn to protect our great waterways.

In Partnership with:

- Beaver Island Boat Company
- Michigan EGLE
- Lake Charlevoix Association
- Charlevoix, East Jordan, Boyne City, Concord, and St. Mary's schools



IMPACT

Enhancing Local Events

- **Boyne Thunder & Ugotta Regatta**
Spectating Cruises: Popular spectating cruises bring the community together and attract more visitors.
- **Blessing of the Fleet:** Participated as the flagship, uniting the community in a cherished tradition.
- **Fireworks:** Providing unique fireworks viewing experience for visitors and locals.



PASSENGER BENEFITS

- Experience a Unique Perspective
- Lakeside Exploration
- Rich History
- Scenic Views
- Enhanced Public Events
- Educational Opportunities
- Private Charters



PROPOSAL

- Allow the Harbor Princess Dock and operate from Round Lake after September 14th until Mid October or weather allows
- The ability at the Harbor Master's discretion to dock in Round Lake for events at other times of the year
- Offer similar cruise itineraries including:
 - Sunset cruise
 - Fall Color Tours cruise
 - History cruise
 - Senior cruise
 - Other local event participation
- Compensation to the city at a daily rate of \$105 per day



TESTIMONIALS

5 STAR SUNSET CRUISES

Eric Recommends the Harbor Princess



"I took the sunset cruise this past Thursday and had a great time. Captain Chris and his entire crew were wonderful. **You couldn't ask for a more professional and personable group of people.** I am a fairly new resident to Petoskey and **I will certainly be taking this sunset cruise several more times** and will recommend it to all of my out of town visitors."

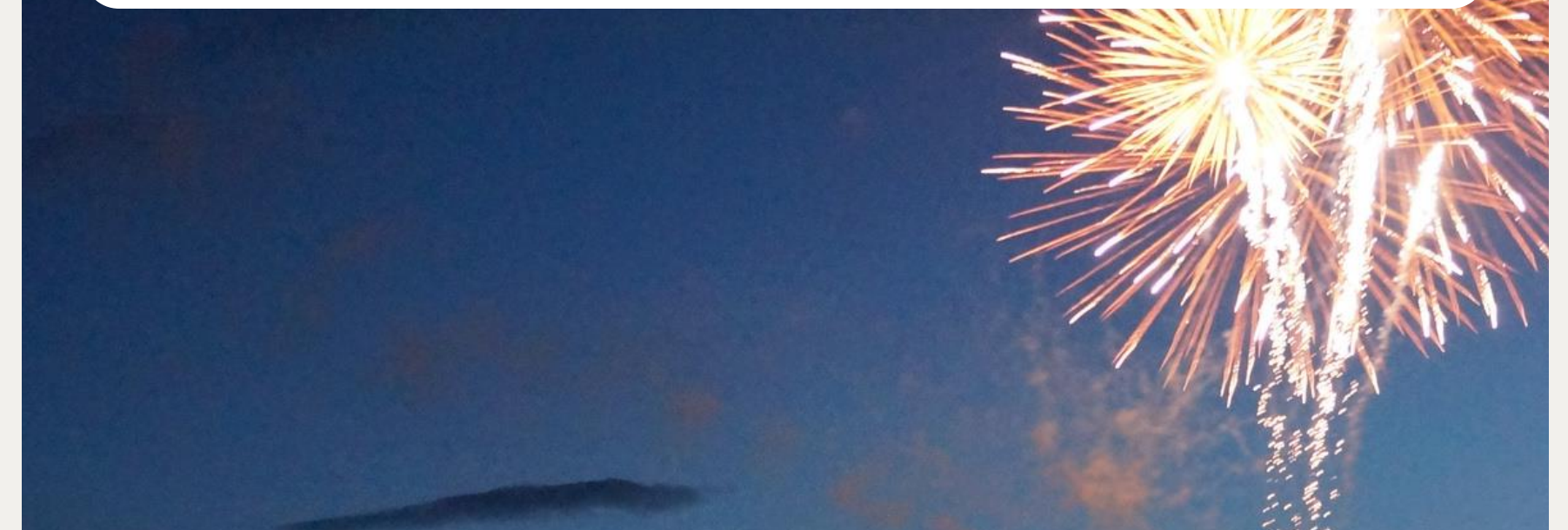


5 STAR FIREWORK CRUISE

Emma Recommends the Harbor Princess



I had an amazing time on the Harbor Princess Fireworks Cruise! The crew was welcoming, the boat was beautifully decorated, and the sunset views were stunning. **The fireworks display from the water was such a unique experience.** Service was excellent! It was a perfect, memorable way to celebrate Independence Day. **Highly recommend!**



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THE LAND OF
MORE
PETOSKEY, MI

EXPLORE FALL

NEWS

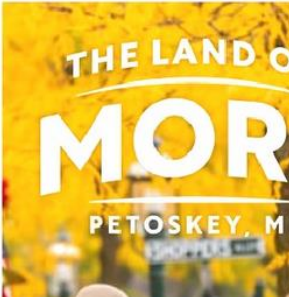
Ferry between Petoskey, Bay Harbor and Harbor Springs kicks off summer season

Published: Jun. 30, 2023, 10:31 a.m.



Advertisement

THE LAND OF
MOR
PETOSKEY, MI



m

LIVE

Michigan

LIFE

Little Traverse Bay Ferry, Harbor Princess cruises kick off season in Petoskey

Updated: May. 30, 2024, 12:32 p.m. | Published: May. 30, 2024, 12:03 p.m.



Advertisement

NEW!





33 CHANCES TO WIN

MICHIGAN LOTTERY

18+

DETAILS













THANK YOU

Adventure Awaits!

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231-444-BOAT (2628)

www.LittleTraverseBayFerry.org

 @LittleTraverseBayFerry

 @LittleTraverseBayFerryCo

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CHARLEVOIX

Commercial Dock Proposal Form

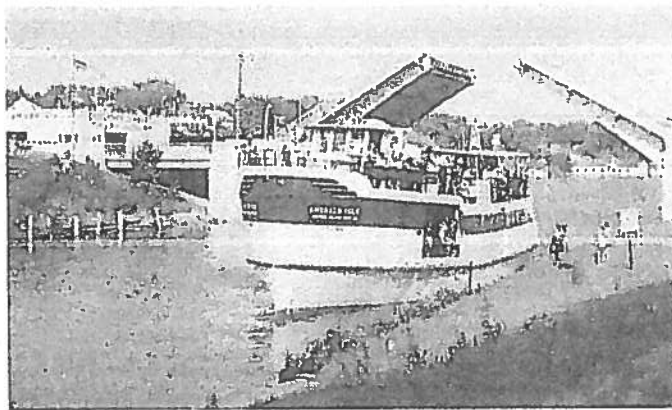
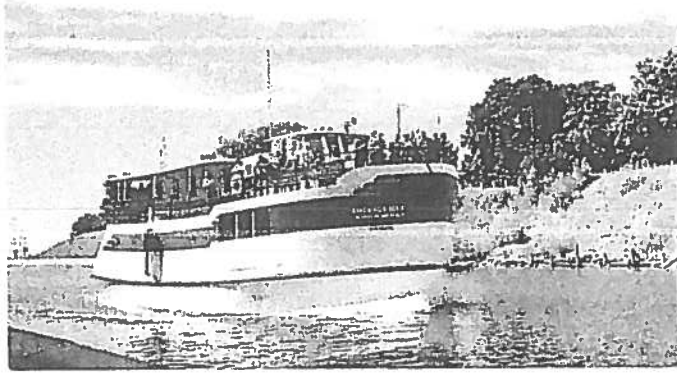
Company Name	Harbor Princess (Little Traverse Bay Ferry Co.)
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Mailing Address	3621 Jefferson Hwy
City, State, Zip	Grand Ledge, MI 48837
Code	

Contact Person	Chris Chamberlain
Phone Number	517-490-4888 (cell) or 231-444-2628
Email Address	chris@michiganprincess.com

Name of Vessel	Harbor Princess
Type of Boat	Passenger Vessel / Riverboat
Length of Boat	65.0'
Width of Boat	25.0'
Draft of Boat	7.3'

OVERVIEW: PROVIDE INFORMATION ON THE PROPOSED COMMERCIAL SERVICES INCLUDING TYPE OF VESSEL AND SPECIFIC OPPORTUNITIES OFFERED TO CLIENTS.



(then)



(now)

The Harbor Princess (formerly the Emerald Isle) proposes to bring unique sightseeing and cruising experiences to the City of Charlevoix. Our service currently operates in Petoskey but aims to offer cruises around Lake Charlevoix and Round Lake. Post-Labor Day, we propose Fall Color Tours and Sunset Cruises on Lake Charlevoix.

Historically built in 1955 as the Emerald Isle, Harbor Princess was the first ferry to travel from Charlevoix to Beaver Island. Passengers will have the opportunity to sightsee on the water and learn about the rich history of the area, making each cruise both enjoyable and informative. Special themed cruises, such as the Fall Color Tours during the autumn months, add to the allure, catering to a wide range of interests.

Fall color cruises are designed to draw national groups, such as bus tours and associations, and enhance local tourism significantly. Our services complement and enhance the existing tourism landscape in Charlevoix, bringing new visitors and vitality to the community. Visitors often spend time shopping and exploring, thus contributing to the local economy. We plan to collaborate with local businesses, contributing to and participating in local events to enhance the tourist experience. These efforts are intended to attract more visitors to Charlevoix, benefiting both the city and its residents.

Subject to availability and the harbormaster's discretion, we aim to offer departures from Charlevoix on a case-by-case basis during the rest of the season. Our focus in the fall will be on offering Color Tours and Sunset Cruises on Lake Charlevoix. The calmer waters of this lake, as opposed to the often-choppy conditions on Lake Michigan, make it an ideal location for cruising during the windy autumn months.

WILL YOUR BUSINESS BE COMPETING WITH ANY EXISTING CHARLEVOIX BUSINESSES? IF SO, PLEASE EXPLAIN.

Our operations with Harbor Princess aim to complement, not compete with Charlevoix's existing businesses. We plan to enhance the tourist experience, indirectly benefiting local restaurants and bars by offering post-dinner cruises. Additionally, we're looking to partner with local caterers for private events, potentially expanding their reach. Our goal is to integrate our services into Charlevoix's community, fostering mutual growth and enriching the overall appeal of the city.

TOURISM: PROVIDE INFORMATION ON WHAT SERVICES YOU PLAN TO OFFER AND HOW YOUR BUSINESS ALIGNS WITH PROMOTING TOURISM.

We will offer ticketed boat rides for individuals and large groups on the waters of Lake Charlevoix, Round Lake, and Lake Michigan. These services are designed to showcase the natural beauty of the region, thereby enhancing the local tourism experience. Our boat tours will not only provide a unique perspective of the area's lakes but also contribute to promoting the region as a destination for water-based leisure activities.

In addition to public ticket sales, we will also offer private event reservations for a more exclusive cruise experience, catering to a wide variety of private events like luncheons, senior outings, receptions, and family reunions. This creates unique experiences for both visitors and local residents. Hosting special occasions on the water offers an attractive, memorable setting for celebrations and gatherings.

PROPOSED OPERATION DATES AND DAILY SCHEDULE:

The operation, planned from post-Labor Day until mid-October, will offer a unique experience that complements existing tourism offerings. We are committed to actively marketing and promoting these services to attract both local and out-of-town visitors.

Our proposed daily operations feature two primary cruise types: morning/afternoon cruises that are perfect for families and residents seeking daytime outings, and sunset cruises tailored for tourists and residents to enjoy a cocktail hour and watch the sunset. The morning/afternoon cruises will offer guests a chance to enjoy the scenic beauty of the area in the daylight. For the sunset cruises, we plan to start between 7:30 and 8:00 PM, adjusting the exact time as needed to align with the changing sunset times throughout the season. This flexible scheduling ensures our guests experience the most picturesque views during their cruise.

The exact dates and daily schedule will be subject to weather conditions, ensuring the comfort of our passengers. We plan to adapt our schedule to the best weather windows during this period to offer the most enjoyable experience to our clients.

COMMUNITY: LIST COMMUNITY CONTRIBUTIONS AND/OR PARTNERSHIPS THAT YOU WILL BE OFFERING.

We plan to collaborate closely with the Charlevoix Chamber of Commerce and Charlevoix Convention & Visitor Bureau, and actively engage with and participate in local events such as Apple Fest, Boyne Thunder, Venetian Festival, and others by

offering our services or participating in other capacities. We are also interested in forming partnerships with specific groups like the Charlevoix Historical Society, non-profits, and various associations. Our goal is to actively contribute to the richness of the community through these collaborations.

This past year, both the Harbor Princess and Little Traverse Bay Ferry garnered media attention, being featured in MLive and Petoskey News. We are actively collaborating with Tanda Gmitter, Northern Michigan Travel Editor from MLive, to maintain a strong presence in local media.

BUSINESS EXPERIENCE

Since launching in 2023 in the Greater Petoskey Area, the Harbor Princess has welcomed about 2,500 passengers, offering family and sunset cruises, and hosting various private events. We've operated the Little Traverse Bay Ferry since 2020, which served approximately 5,000 passengers last year. Looking ahead, we're excited to enhance our cruise experience with live entertainment and narrations on local history, aiming to deepen the residents' and tourists' connection with Charlevoix's surrounding natural waters.

OUTLINE OF BUSINESS EXPERIENCE AND PROVIDE THREE (3) BUSINESS REFERENCES AND CLIENT REFERENCES.

Princess Riverboats has established a robust presence in Michigan's maritime tourism industry, owning and operating five commercial passenger vessels including: the Detroit Princess in Detroit, Michigan Princess and Grand Princess in Lansing, Harbor Princess in Petoskey, and the Little Traverse Bay Ferry in Bay Harbor. Annually, we serve approximately 100,000 passengers, a testament to our popularity and reliability in the regions we operate. Our operations have not only become iconic in these regions but have also gained national recognition. Our boat rides in Detroit, featured in Pure Michigan commercials and national broadcasts, are renowned for their top-rated Motown shows. In Lansing, our operations have been praised in media outlets like PBS's "Under the Radar". Our Fall Color Cruises and Thanksgiving dinners are regional highlights, attracting numerous bus tours and private event requests.

Business References:

1. **Bryant Morrison**, Owner of NOMAD, Bay Harbor, 248-933-1618, bmorrison@rossrestaurantgroup.com
2. **Martin Leemaster**, Harbormaster, Bay Harbor Lake Marina / Yacht Docks, 231-881-2648, mleemasater@bayharbor.com

3. **Katie Potts**, Owner of Petoskey Cheese, 231-838-8494, info@petoskeycheese.com
4. **Kendall Klingelsmith**, Director of Parks and Recreation, Petoskey, 231-347-2500, kklingsmith@petoskey.us
5. **Sheriff Charles** (Chuck) Vondra, 231-675-1909, vondrac@charlevoixcounty.org

Client References:

1. **Heidi Geiger**, Customer, 513-470-2375, geiger.eh@gmail.com
2. **Joanne Froeuch**, Customer, 517-202-0553
3. **Nick Rockey**, Customer, 231-838-6204, soliddesignbuilders@gmail.com

ACCIDENT AND SAFETY PROCEDURES

We have a comprehensive accident and safety procedure plan that is always kept at the boat, as required by the US Coast Guard, and all staff undergo rigorous safety training. In the event of an accident, we have clear protocols to assess and address any damage responsibly. After the initial incident is resolved. Any damage will be assessed and if necessary, reported to the USCG per the requirements. As for compensation for damages to city property that will either be paid directly to the city from the business or via an insurance claim in the event of a larger accident.

All accident and safety procedures follow those of the US Coast Guard.

Our staff training program is comprehensive and mandatory for all team members. It includes a dedicated training day onboard, where staff are thoroughly educated on emergency and safety procedures. In addition to this, we provide ongoing on-the-job training covering food and drink safety, as well as customer interaction skills, ensuring a high standard of service and safety at all times.

Copy of US Coast Guard Inspection Certificate is attached.

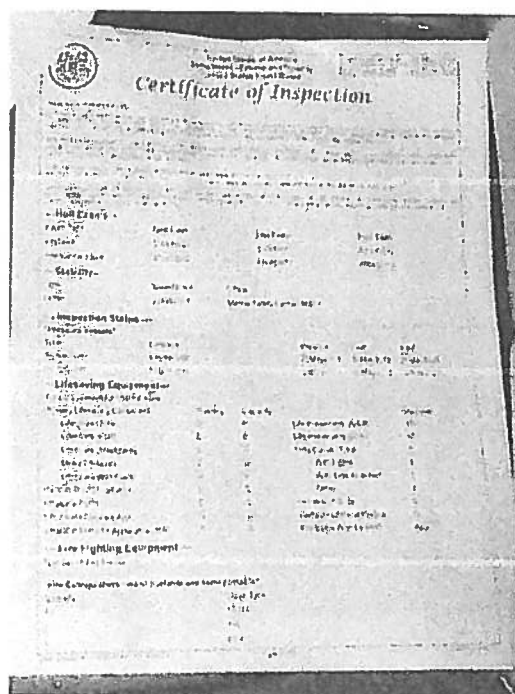
Proof of Insurance is attached.

PROPOSED COMPENSATION TO THE CITY

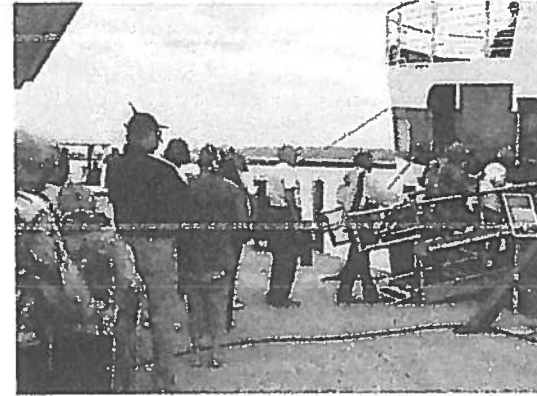
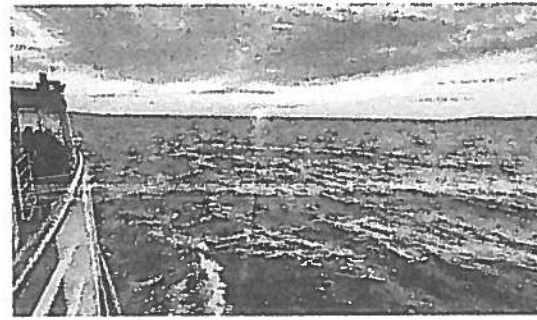
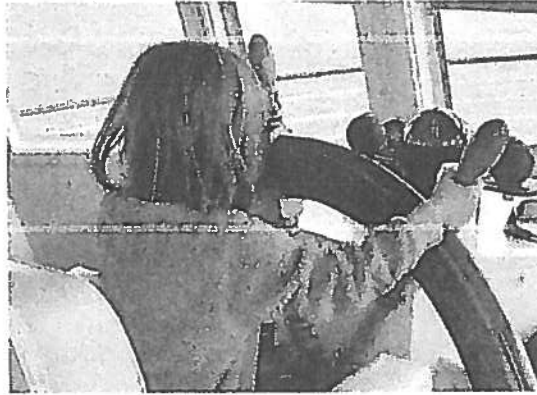
We propose a daily docking fee of \$104, mirroring our agreement in Petoskey. Any necessary tenant improvements, such as boarding ramps, will be undertaken at our expense and with the city's prior consent.

A desired improvement would be the installation of a temporary boarding ramp. An enhancement would be designed for easy removal and storage to maintain the dock's appearance and functionality when the boat is not in operation.

CERTIFICATE OF US COAST GUARD INSPECTION



PHOTOGRAPHS





PRINRIV-01

ADEROSIA

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

6/23/2023

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must have **ADDITIONAL INSURED** provisions or be endorsed. If **SUBROGATION IS WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER

ourer Foster, Inc
15 N. Capitol Ave.
ansing, MI 48933

CONTACT NAME: John Foster

NAME:

PHONE (A/C, No, Ext):

FAX

(A/C, No):

E-MAIL ADDRESS: info@mourerfoster.com

INSURER(S) AFFORDING COVERAGE

NAIC #

INSURER A: Great American Insurance

16691

INSURER B:

INSURER C:

INSURER D:

INSURER E:

INSURER F:

INSURED

Princess Riverboats, LLC
PO Box C
Grand Ledge, MI 48837

OVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

SR	TYPE OF INSURANCE	ADDL	SUBR	POLICY NUMBER	POLICY EFF	POLICY EXP	LIMITS
R		INSD	WVD		(MM/DD/YYYY)	(MM/DD/YYYY)	
A	COMMERCIAL GENERAL LIABILITY			OMH 4033668	6/28/2023	6/28/2024	EACH OCCURRENCE \$ 1,000,000
	CLAIMS-MADE ☒ OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 50,000
	☒ MARINE GENERAL LIAB						MED EXP (Any one person) \$ 10,000
							PERSONAL & ADV INJURY \$ 1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE \$ 2,000,000
	POLICY ☐ PRO-JECT ☐ LOC						PRODUCTS - COMP/OP AGG \$ 2,000,000
	OTHER:						PROTECTION AND \$ 1,000,000
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident) \$
	ANY AUTO OWNED AUTOS ONLY ☐ SCHEDULED AUTOS						BODILY INJURY (Per person) \$
	HIRED AUTOS ONLY ☐ NON-OWNED AUTOS ONLY						BODILY INJURY (Per accident) \$
							PROPERTY DAMAGE (Per accident) \$
	UMBRELLA LIAB ☐ OCCUR						
	EXCESS LIAB ☐ CLAIMS-MADE						EACH OCCURRENCE \$
	DED ☐ RETENTION \$						AGGREGATE \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY						
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) ☐ Y/N		N/A				PER STATUTE ☐ OTH-ER ☐
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. EACH ACCIDENT \$
	Equipment Floater			OMH 4033668	6/28/2023	6/28/2024	E.L. DISEASE - EA EMPLOYEE \$
							E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER

CANCELLATION

FOR YOUR INFORMATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

ACORD 25 (2016/03)

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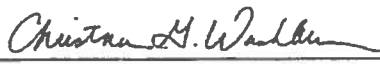


UNITED STATES OF AMERICA

DEPARTMENT OF HOMELAND SECURITY
UNITED STATES COAST GUARD

NATIONAL VESSEL DOCUMENTATION CENTER

CERTIFICATE OF DOCUMENTATION

VESSEL NAME HARBOR PRINCESS		OFFICIAL NUMBER [REDACTED]	IMO OR OTHER NUMBER NONE	YEAR COMPLETED 1955	
HAILING PORT PETOSKEY MI		HULL MATERIAL STEEL		MECHANICAL PROPULSION YES	
GROSS TONNAGE 82 GRT	NET TONNAGE 56 NRT	LENGTH 65.0	BREADTH 25.0	DEPTH 7.3	
PLACE BUILT STURGEON BAY WI					
OWNERS PRINCESS RIVERBOATS LLC COMPRISED OF ONE MEMBER		OPERATIONAL ENDORSEMENTS RECREATION REGISTRY COASTWISE			
MANAGING OWNER PRINCESS RIVERBOATS LLC 3621 JEFFERSON HWY PO BOX C GRAND LEDGE MI 48837					
RESTRICTIONS NONE					
ENTITLEMENTS NONE					
REMARKS NONE					
ISSUE DATE JULY 14, 2022		 DIRECTOR, NATIONAL VESSEL DOCUMENTATION CENTER			
THIS CERTIFICATE EXPIRES JULY 31, 2023					



OUR BOATS



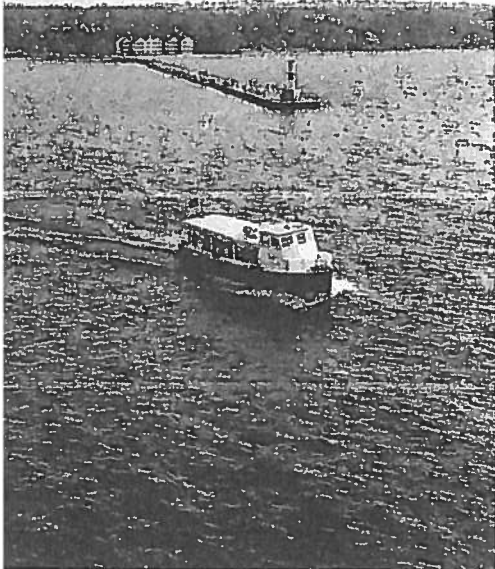
WE OPERATE FROM MID-JUNE TO EARLY OCTOBER, WEATHER PERMITTING

Miss Lauren "the ferry", Bay Harbor

Miss Lauren is the official name of the beloved ferry of the Greater Petoskey Area. She may also be referred to as "the little boat" or "the Little Traverse Bay Ferry". Miss Lauren offers trips across the Little Traverse Bay, sunset cruises and special events.

Passengers can ride the ferry to save the drive between the cities of Bay Harbor, Petoskey and Harbor Springs. She transits passengers between the promenade at Petoskey's Bayfront Park, Bay Harbor and Ford Park in Harbor Springs. Each drop-off location is a short walking distance from each town.

The ferry has a spacious deck with covered seating and is wheelchair-accessible, weather permitting. All run times are weather-dependent, guests can check the website and social media for updates before planning their trip. Tickets are available for purchase online or at the dock. The ferry is open for public and private charters.



Harbor Princess, Petoskey

Harbor Princess is open for boat tours, private charters, sunset cruises and more.

Docked in the Petoskey City Marina, free parking is available next to Ed White Baseball Field near Bayfront Park, Petoskey. The main deck is ADA-compliant and wheelchair-accessible, weather permitting.

Open for Public and Private Charters

Harbor Princess offers private double-deck seating. Beer, wine and spirits are available for purchase onboard.

History

The first ferry actually built for the Charlevoix to Beaver Island run was the Emerald Isle in 1955 (65' long, carried 9 cars & 125 passengers). She was built by the Cristie Shipbuilding Co. for the Beaver Island Boat Company. She most recently operated as a tour boat in Detroit (the Diamond Jack). Now back to Northern Michigan, she proudly sails as the Harbor Princess.



MISS LAUREN "THE FERRY", BAY HARBOR, MI

HARBOR PRINCESS, PETOSKEY, MI

Book Tickets



CRUISES
BOAT TOURS
PRIVATE CHARTERS
AND MORE!



HARBOR PRINCESS DOCKS BY THE
CLOCK TOWER IN BAYFRONT PARK
PETOSKEY, MI

MISS LAUREN "THE FERRY", BAY HARBOR, MI



ADVENTURE AWAITS!

MISS LAUREN
"THE FERRY"

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BAY HARBOR, MI 49720

HARBOR
PRINCESS

PETOSKEY CITY MARINA
PETOSKEY, MI 49770

Book Tickets Online

(231) 444-BOWT (236281)

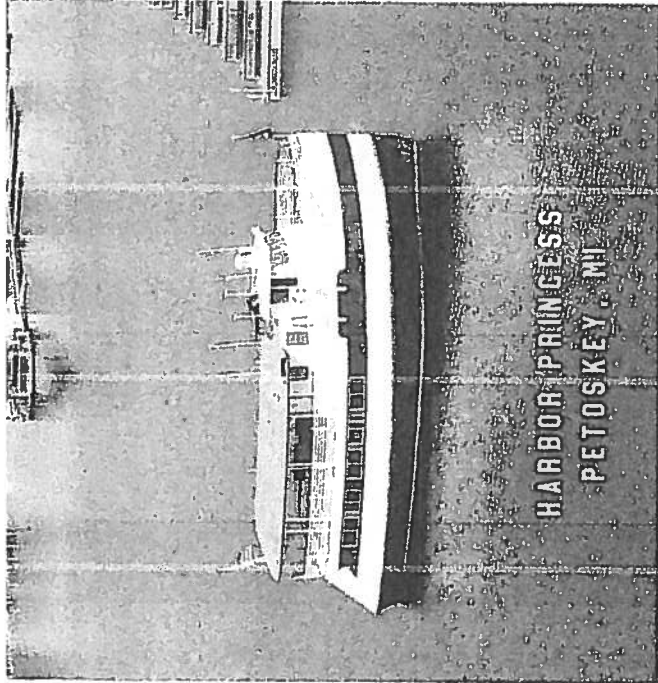
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ONE CONTINUOUS PASSAGE BETWEEN
PETOSKEY AND HARBOR SPRINGS
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WE OPERATE FROM MID-JUNE TO EARLY OCTOBER. WEATHER PERMITTING



Embark on a memorable journey aboard Miss Lauren, the beloved ferry of the Greater Petoskey Area. The ferry offers trips across the Little Traverse Bay, sunset cruises and special events.

Best Way Around the Bay

Ride the ferry to save the drive between the beautiful cities of Bay Harbor, Petoskey and Harbor Springs. Miss Lauren can transit you between the promenade at Petoskey's Bayfront Park, Bay Harbor and Ford Park in Harbor Springs. Each drop-off location is a short walking distance from each town.

The ferry has a spacious deck with covered seating and is wheelchair-accessible, weather permitting. Please note that all run times are weather dependent, so check the website and social media for updates before planning your trip. Tickets are available for purchase online. Book to experience the best views of Little Traverse Bay!

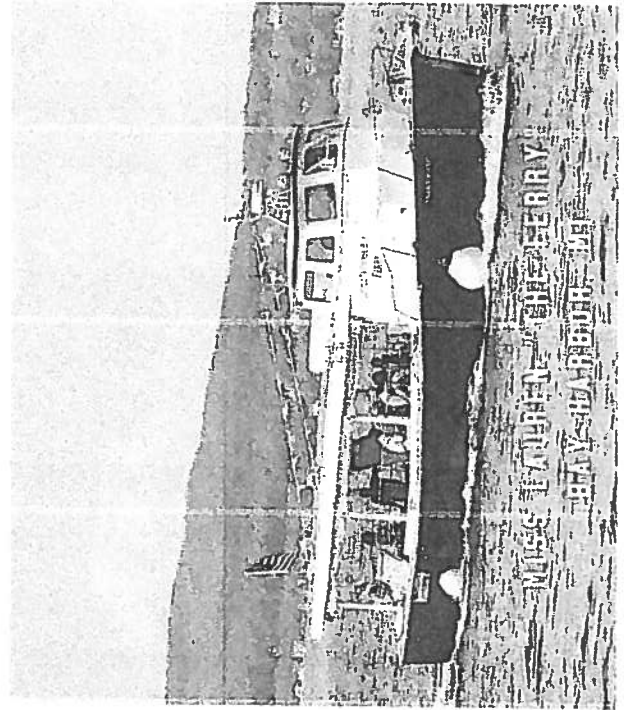
Harbor Princess offers boat tours, private charters, sunset cruises and more. This magnificent vessel docks at the picturesque Petoskey City Marina in the historic downtown district of Petoskey, Michigan.

Free parking is available next to Ed White Baseball Field near Bayfront Park, Petoskey. The main deck is ADA-compliant and wheelchair-accessible, weather permitting.

Private Charters

We offer private double-deck seating and delicious, local catering options. Beer, wine and spirits are available for purchase onboard (restrictions may apply). Our experienced events planning team can assist you to make every detail perfect, so please email Ahoy@LittleTraverseBayFerry.org to Inquire.

To book your tickets and receive updates, simply visit the Little Traverse Bay Ferry Co. website at www.LittleTraverseBayFerry.org and choose Harbor Princess Cruise.



MISS LAUREN "THE FERRY" HARBOR PRINCESS

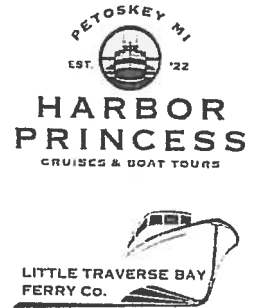
Year Launched	2023
Size	52' 65'
Capacity	30 149
Passenger Area	Single deck with covered canopy and bench seating Double deck with indoor seating and outdoor seating with canopy
Home Port	Bay Harbor Petoskey
Ports served	Bay Harbor, Petoskey and Harbor Springs Petoskey
Daily Schedules	Yes Yes
Private Charters	Yes Yes
Restrooms	Yes Yes
Food and Beverage	Light snacks and beverages available for purchase Snacks and beverages available for purchase, cash bar (restrictions may apply)
ADA-Compliant	Yes (weather dependent, must call ahead) Yes main deck (weather dependent, must call ahead)
Bikes	Yes for an additional fee N/A
Pets	Dogs on leash only N/A
Duration of Sailing	30-45 min upon departure 1.5 hour upon departure (can modify for private events)
Online Tickets	Yes Yes
Ticket Office	Petoskey Only/ Limited Hours Petoskey Only/ Limited Hours
Catering	Private Events Only Private Events Only
Boarding Assistance	Yes Yes

FAQS



To better serve our passengers, please review the Frequently Asked Questions page at: <https://www.littletraversebayferry.org/frequently-asked-questions/> and see the chart below.

	MISS LAUREN "THE FERRY"	HARBOR PRINCESS
Year Launched	2020	2023
Size	52'	65'
Capacity	30	149
Passenger Area	Single deck with covered canopy and bench seating	Double deck with indoor seating and outdoor seating with canopy
Home Port	Bay Harbor	Petoskey
Ports served	Bay Harbor, Petoskey and Harbor Springs	Petoskey
Daily Schedules	Yes	Yes
Private Charters	Yes	Yes
Restrooms	Yes	Yes
Food and Beverage	Light snacks and beverages available for purchase	Snacks and beverages available for purchase, cash bar (restrictions may apply)
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Duration of Sailing	30-45 min upon departure	1.5 hour upon departure (can modify for private events)
Online Tickets	Yes	Yes
Ticket Office	Petoskey Only/ Limited Hours	Petoskey Only/ Limited Hours
Catering	Private Events Only	Private Events Only



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ADVENTURE AWAITS!

**MISS LAUREN
"THE FERRY"**

**HARBOR
PRINCESS**

BAY HARBOR LAKE MARINA

PETOSKEY CITY MARINA

LITTLE TRAVERSE BAY
FERRY CO.

Charlevoix City Council

Reports and Communications

Title: City Manager's Comments

Date: September 3, 2024

Presented By:

Background:

A. Whitley Family Recognition

This month's MMEA publication contains a great cover article detailing the Whitley family's work in Charlevoix over three generations at the electric department. I've included it for your review.

B. Apple Fest Road Closure

As we have done in recent years, Bridge Street will be closed for Apple Fest on Friday, October 11 in the morning through the later evening of Saturday, October 12. As with the past, if the weather forecast looks especially grim, we can call this off at the last minute.

C. Renewable Energy Law

We are working now with the Michigan Public Power Agency on our strategy to meet new renewable energy standards in the coming years. We are comfortably above the current minimums for renewables but the pathway toward the 50% target for 2030 is more challenging. We are looking at an approach that would bank our excess renewable energy credits now as a cushion for future standards while we continue to ramp up from the roughly 32% of our load that already comes from renewable sources today.

D. Police Sergeants

In lieu of a new deputy police chief, we are in the final stages of hiring two sergeants who will supervise and work the road on opposite shifts. The sergeants will be able to coach and oversee the work of our patrol officers and provide steady guidance through all of our shifts. This was a point that was discussed during the police chief hiring process and I appreciate the effort Chief McDonnell has put into creating this different approach to leadership in the department.

Recommendation:

Attachments:

1. MMEA- Whitley Article
2. Too many people, not enough management_ A look at the chaos of 'overtourism' in the summer of 2024

Currents



September 2024

Charlevoix's First Family of Public Power



Traverse City Light & Power
Launches "My Clean Choice"
Program to Promote
Environmental Sustainability

DOE Invests
\$2.2 Billion to
Protect Grid

Features

Page 6:

Charlevoix's First Family of Public Power

- 32 Report: U.S. Community Solar Market to Break 14 GWdc of Cumulative Capacity by 2029
- 36 Clean Energy Industry to Power Economic Growth with Billions in New Investments
- 38 DOE Invests \$2.2 Billion to Protect Grid
- 44 DOE Announces \$50 Million to Bolster Domestic Electric Vehicle Manufacturing



Charlevoix's First Family of Public Power

By Dennis Hicks
MMEA Currents Editor

With the passing of Ed Whitley at age 74 in February of 2024, the Whitley family, the **Charlevoix Electric Department**, and the entire City of Charlevoix saw the closing of a celebrated chapter in the community's history. In addition, the **Michigan Municipal Electric Association** (MMEA), the **Michigan Public Power Agency** (MPPA), and the entire Michigan Public Power community mourned his loss.



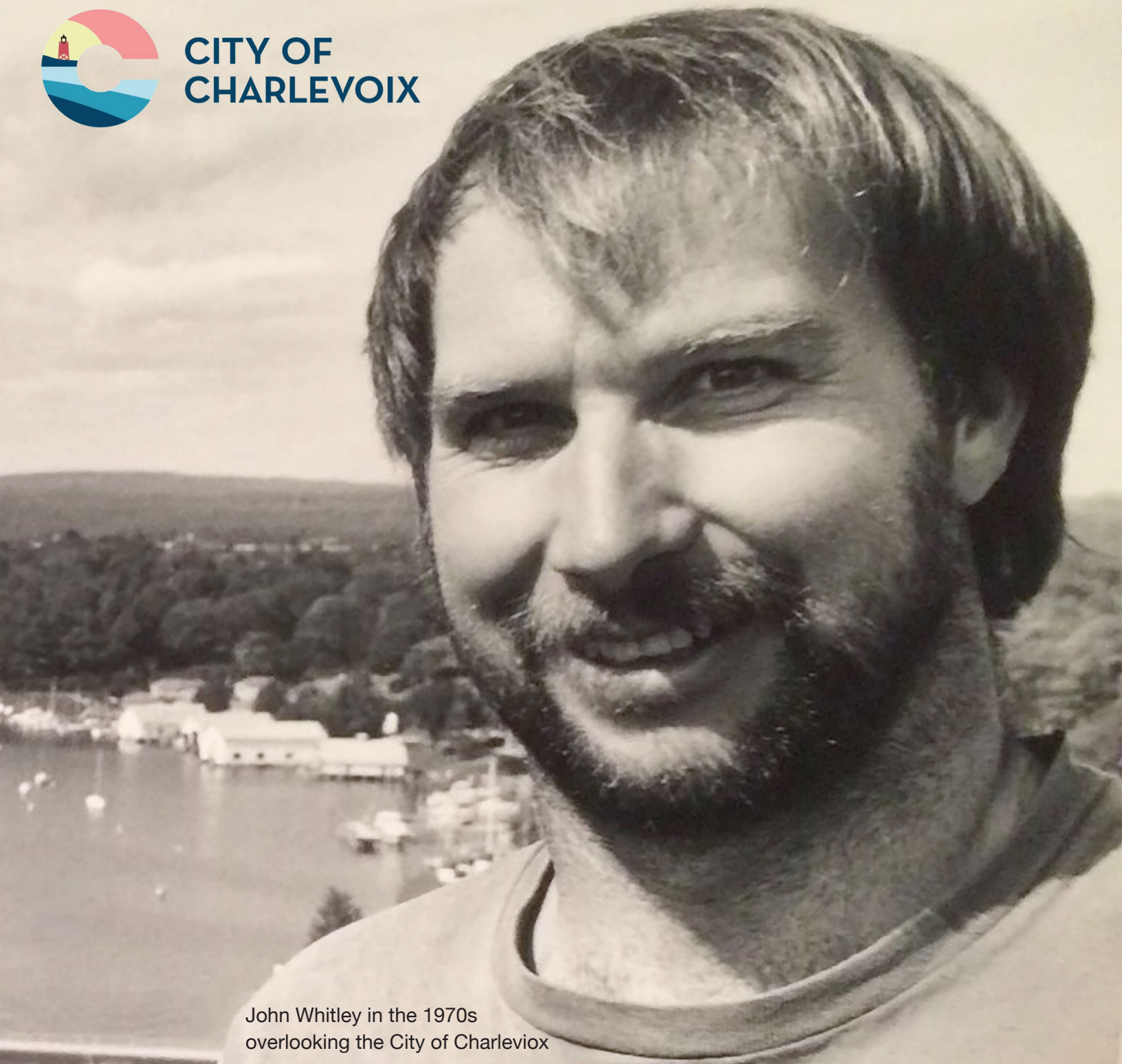
Ed served as a City of Charlevoix Electric and Water Department Superintendent for 30 years. His brother, John, who passed away in 2016, was an Electric Department lineworker and lead lineman for 38 years. The two brothers followed their father, Jim, into the Electric Department. Jim worked for 37 years as a lineman, and as Electrical Water Superintendent. Before that, he served in

the Army during World War II, and was awarded the Purple Heart and the Bronze Star.

"When I moved to Charlevoix, I learned that the Whitley family is dedicated to the community and to Public Power," said John Griffith, City of Charlevoix Electric Department Director. "I first met Ed Whitley through the MMEA. His nephew,



CITY OF
CHARLEVOIX



John Whitley in the 1970s
overlooking the City of Charlevoix

Andrew Whitley, is a lineman for the city, as were Andrew's father and grandfather. I think this speaks highly of the dedication, pride, and sense of service of individuals choosing a career in Public Power."

"Between my dad, my Uncle Ed, and my grandfather, I think they gave 105 years of service

to the City," said Andrew Whitley. "Except for a four month break between my dad's retirement and me being hired, we have served the Electric Department continuously for three generations."

"I knew all three generations," said Scott Blanchard, retired Electric Department crew chief. "Jim hired me, and I worked with John and



Jim and Bessie Faye Whitley
circa 1945

Ed. I also worked some with Andrew during his apprenticeship. Honestly, you couldn't meet a nicer family. Ed was the Superintendent, but he only took the job with the understanding that he would continue to work in the field. He was out there with the crews climbing poles. Ed was the one who set up the work plans. John was the one who looked at the plans and figured out the best way to get it done."

Don Swem, a retired Electric Department Superintendent who took over from Ed, echoes

the view of John and Ed's practical approach. Ed was the all-around boss. He knew what to do and how to do it. John could look at the plans and say 'No, we're doing it this way.' And John's way was always better. He was the one who kept the ship moving forward."

"My dad had no formal schooling past high school," said Andrew. "He just had a mindset to make things work. I worked on small, random projects with him and he just had an always-moving-forward attitude. Don't let something

hang you up. If there's an issue, get past it. We have a big family—my grandfather, Jim, had ten kids—so there were a lot of uncles, and a lot of knowledge available.”

For Andrew, that deep well of practical knowledge was on full display when his dad came up with an idea to build a portable hunting camp. “My dad was talking to Don Swem about this idea, and asking for input, because Swem was an engineer. But Swem couldn't get his mind around it so my dad made a model. It's so hard to describe, but this whole big contraption folds up, with bunks in it. They'd run it up to the U.P. and unfold it, throw a tarp over it and they'd have a big, portable cabin on wheels. Watching my dad and Swem work on it and modify it over the years was like an old time comedy skit, the way they would poke at each other. But they built it, and it turned out to be a great product.”

Cindy Whitley, Ed's wife, remembers Jim, John, and Ed as very hard workers. “Ed's father, Jim, would do his job for the city, and then do electrical work for people who were building homes,” she said. “Ed would work with his dad, which taught him a lot. When Ed joined the Navy, they recognized his skills and put him to work on electrical jobs. After four years in the Navy, he came to work for the City. Till the day he died, he was still doing electrical work for our neighbors down in Florida.”

Ed and Cindy's daughter Jamie, now a High School science teacher, recalled her father's dedication to his work when she was a child. “My mom's family had a restaurant so she worked evenings. When my dad had to respond to an outage after work hours, there were often times when he would put my brother and I in the back of our old station wagon. He had a bed set up in the back and we would sleep there until my mom got off work to pick us up. That always seemed so cool to me as a kid. I love that Andrew is working for the Department now, and keeping the tradition going.”

Jamie, who was awarded Petoskey High School's Teacher of the Year in 2019, also works with alternative education students. “Our school has a Career and Technical Education program where students can get into a contract for lineworker training.”

Whitley traditions are not limited to work. Some time in the 1970s, Ed and John decided to trek across the Lake Michigan ice from Charlevoix to Beaver Island and back in one day—a 50 mile round trip. In 2014, Andrew, his brother Nicholas, and brother-in-law Paul Beauvais decided to follow in their footsteps. “The ice wasn't smooth,” said Andrew. It was very choppy, so it was like walking on gravel. We roped off to each other in case of emergency, and we each carried another person's extra clothes in case someone got wet. It's something I'm glad I did, but I wouldn't do it again.”

Scott Blanchard feels that the Electric Department is in good hands with Andrew's generation. “I think the younger people in the industry now are smarter than we were, because the schooling is better. In our day, you learned on the job, and the training was something you picked up from the experienced hands,” he said.

Don Swem agrees. “We were such a small time operation, with not much formal training, and much more isolated in the past,” he said. “I don't know how Jim Whitley and his generation did it. Today, there is more, and broader, formal training, and the system is more reliable, thanks to the updating done by Ed and John, and their crews. The work is safer, too. Back then, there was a lot of pole climbing where today, bucket trucks make the work faster and safer.”

Cindy Whitley can attest to the difference in safety between Ed's generation and Andrew's. “One day, Ed was working and a pole went down with him on it,” she said. “He ended up in the hospital with a concussion. He got out the same day and went right back to work.”



Ed Whitley

“Ed and I drove to Lansing for meetings every month, for years. We would talk about everything or nothing, about quantum physics, and things you wouldn’t believe. He and John were great to work with, and I miss them both.”

Don Swem

While this scenario might play out differently today, it does speak to Ed’s resilience, toughness, and the work ethic for which the Whitleys are known. Ed was a working boss, who led by example and didn’t want to sit behind a desk. He did, however, spend countless hours behind the wheel traveling to Lansing to represent Charlevoix at MMEA and MPPA meetings.

“Ed and I drove to Lansing for meetings every month, for years,” said Don Swem. “We would talk about everything or nothing, about quantum physics, and things you wouldn’t believe. He and John were great to work with, and I miss them both.”

Jamie Whitley also has memories of Ed’s trips to Lansing. “I was a student at Michigan State University during that time and for me, his visits usually meant a dinner out and money for groceries. As a student, that meant a lot to me,” she said.

There are many in the community who miss Ed and John. The two were beloved for their deep

commitment to the community that went beyond the power lines. “I feel that sense of legacy,” said Andrew. “It’s more out in the community than in the shop. People recognize me as a Whitley. We have a distance facial construction, so they’ll ask who my dad is. They’ll always have a story about my dad or my uncle Ed, and tell me how great my family is. It reminds me to do my best and try to live up to that reputation so that in the future people will still see the family the way they do now.”

Ed used to tell Andrew: “It goes beyond the power lines. You work for the community. Even if you see someone’s garbage blown into the street, it doesn’t take much to pull the truck over and stand the garbage can back up and put it in the driveway.”

A lot of community noticed, and respected the Electric Department for those little services to the community back then. Andrew, and the rest of the Electric Department, want to continue that tradition as well.

“A lot of the current crew worked with my dad,” said Andrew. “Some of them worked with my uncle Ed. We all feel the legacy they left behind. They were not just hard workers, they were community oriented and we all work to uphold that spirit. I feel the legacy a little bit as a family thing, but I also feel it as a Department thing. We all try to insure that we are looked at favorably by the community, and that includes doing the little things.” 💡

LIFE

Too many people, not enough management: A look at the chaos of 'overtourism' in the summer of 2024

Laurie Kellman Associated Press

Published 9:49 a.m. ET Aug. 19, 2024 | Updated 9:49 a.m. ET Aug. 19, 2024

Sintra, Portugal — The doorbell to Martinho de Almada Pimentel’s house is hard to find, and he likes it that way. It’s a long rope that, when pulled, rings a literal bell on the roof that lets him know someone is outside the mountainside mansion that his great-grandfather built in 1914 as a monument to privacy.

There's precious little of that for Pimentel during this summer of “overtourism.”

Travelers idling in standstill traffic outside the sunwashed walls of Casa do Cipreste sometimes spot the bell and pull the string “because it's funny,” he says. With the windows open, he can smell the car exhaust and hear the “tuk-tuk” of outsized scooters named for the sound they make. And he can sense the frustration of 5,000 visitors a day who are forced to queue around the house on the crawl up single-lane switchbacks to Pena Palace, the onetime retreat of King Ferdinand II.

“Now I’m more isolated than during COVID,” the soft-spoken Pimentel, who lives alone, said during an interview this month on the veranda. “Now I try to (not) go out. What I feel is: angry.”

This is a story of what it means to be visited in 2024, the first year in which global tourism is expected to set records since the coronavirus pandemic brought much of life on Earth to a halt. Wandering is surging, rather than leveling off, driven by lingering revenge travel, digital nomad campaigns and so-called golden visas blamed in part for skyrocketing housing prices.

Anyone paying attention during this summer of “overtourism” is familiar with the escalating consequences around the world: traffic jams in paradise. Reports of hospitality workers

living in tents. And “anti-tourism” protests intended to shame visitors as they dine — or, as in Barcelona in July, douse them with water pistols.

The demonstrations are an example of locals using the power of their numbers and social media to issue destination leaders an ultimatum: Manage this issue better or we'll scare away the tourists — who could spend their \$11.1 trillion a year elsewhere. Housing prices, traffic and water management are on all of the checklists.

Cue the violins, you might grouse, for people like Pimentel who are well-off enough to live in places worth visiting. But it's more than a problem for rich people.

“Not to be able to get an ambulance or to not be able to get my groceries is a rich people problem?” said Matthew Bedell, another resident of Sintra, which has no pharmacy or grocery store in the center of the UNESCO-designated district. “Those don't feel like rich people problems to me.”

What is ‘overtourism,’ anyway?

The phrase itself generally describes the tipping point at which visitors and their cash stop benefitting residents and instead cause harm by degrading historic sites, overwhelming infrastructure and making life markedly more difficult for those who live there.

It's a hashtag that gives a name to the protests and hostility that you've seen all summer. But look a little deeper and you'll find knottier issues for locals and their leaders, none more universal than housing prices driven up by short-term rentals like Airbnb, from Spain to South Africa. Some locales are encouraging “quality tourism,” generally defined as more consideration by visitors toward residents and less drunken behavior, disruptive selfie-taking and other questionable choices.

“Overtourism is arguably a social phenomenon, too,” according to an analysis for the World Trade Organization written by Joseph Martin Cheer of Western Sydney University and Marina Novelli of the University of Nottingham. In China and India, for example, they wrote, crowded places are more socially accepted. “This suggests that cultural expectations of personal space and expectations of exclusivity differ.”

The summer of 2023 was defined by the chaos of the journey itself — airports and airlines overwhelmed, passports a nightmare for travelers from the US. Yet by the end of the year, signs abounded that the COVID-19 rush of revenge travel was accelerating.

In January, the United Nations' tourism agency predicted that worldwide tourism would exceed the records set in 2019 by 2%. By the end of March, the agency reported, more than 285 million tourists had travelled internationally, about 20% more than the first quarter of 2023. Europe remained the most-visited destination. The World Travel & Tourism Council projected in April that 142 of 185 countries it analyzed would set records for tourism, set to generate \$11.1 trillion globally and account for 330 million jobs.

Aside from the money, there's been trouble in paradise this year, with Spain playing a starring role in everything from water management problems to skyrocketing housing prices and drunken tourist drama.

Protests erupted across the country as early as March, when graffiti in Malaga reportedly urged tourists to “go f—— home.” Thousands of protesters demonstrated in Spain's Canary Islands against visitors and construction that was overwhelming water services and jacking up housing prices. In Barcelona, protesters shamed and squirted water at people presumed to be visitors as they dined al fresco in touristy Las Ramblas.

In Japan, where tourist arrivals fueled by the weak yen were expected to set a new record in 2024, Kyoto banned tourists from certain alleys. The government set limits on people climbing Mount Fuji. And in Fujikawaguchiko, a town that offers some of the best views of the mountain's perfect cone, leaders erected a large black screen in a parking lot to deter tourists from overcrowding the site. The tourists apparently struck back by cutting holes in the screen at eye level.

Air travel, meanwhile, only got more miserable, the U.S. government reported in July. UNESCO has warned of potential damage to protected areas. And Fodor's “No List 2024” urged people to reconsider visiting suffering hotspots, including sites in Greece and Vietnam, as well as areas with water management problems in California, India and Thailand.

Not-yet-hot spots looked to capitalize on “de-touristing” drives such as Amsterdam's “Stay Away” campaign aimed at partying young men. The “Welcome to MonGolia” campaign, for example, beckoned from the land of Genghis Khan. Visits to that country by foreign tourists jumped 25% the first seven months of 2024 over last year.

Tourism is surging and shifting so quickly, in fact, that some experts say the very term “overtourism” is outdated.

Michael O'Regan, a lecturer on tourism and events at Glasgow Caledonian University, argues that “overtourism” has become a buzzword that doesn't reflect the fact that the experience

depends largely on the success or failure of crowd management. It's true that many of the demonstrations aren't aimed at the tourists themselves, but at the leaders who allow the locals who should benefit to become the ones who pay.

“There’s been backlash against the business models on which modern tourism has been built and the lack of response by politicians,” he said in an interview. Tourism “came back quicker than we expected,” he allows, but tourists aren't the problem. “There's a global fight for tourists. We can't ignore that. ... So what happens when we get too many tourists? Destinations need to do more research.”

Of visitors vs being visited

Virpi Makela can describe exactly what happens in her corner of Sintra.

Incoming guests at Casa do Valle, her hillside bed-and-breakfast near the village center, call Makela in anguish because they cannot figure out how to find her property amid Sintra's “disorganized” traffic rules that seem to change without notice.

“There's a pillar in the middle of the road that goes up and down and you can’t go forward because you ruin your car. So you have to somehow come down but you can’t turn around, so you have to back down the road,” says Makela, a resident of Portugal for 36 years. “And then people get so frustrated they come to our road, which also has a sign that says ‘authorized vehicles only.’ And they block everything.”

Nobody disputes the idea that the tourism boom in Portugal needs better management. The WTTC predicted in April that the country's tourism sector will grow this year by 24% over 2019 levels, create 126,000 more jobs since then and account for about 20% of the national economy. Housing prices already were pushing an increasing number of people out of the property market, driven upward in part by a growing influx of foreign investors and tourists seeking short-term rentals.

To respond, Lisbon announced plans to halve the number of tuk-tuks allowed to ferry tourists through the city and built more parking spaces for them after residents complained that they are blocking traffic.

A 40-minute train ride to the west, Sintra's municipality has invested in more parking lots outside town and youth housing at lower prices near the center, the mayor's office said.

More than 3 million people every year visit the mountains and castles of Sintra, long one of Portugal's wealthiest regions for its cool microclimate and scenery. Sintra City Hall also said via email that fewer tickets are now sold to the nearby historic sites. Pena Palace, for example, began this year to permit less than half the 12,000 tickets per day sold there in the past.

It's not enough, say residents, who have organized into QSintra, an association that's challenging City Hall to “put residents first” with better communication, to start. They also want to know the government's plan for managing guests at a new hotel being constructed to increase the number of overnight stays, and more limits on the number of cars and visitors allowed.

“We're not against tourists,” reads the group's manifesto. “We're against the pandemonium that (local leaders) cannot resolve.”

Associated Press reporters Helena Alves in Lisbon and Mari Yamaguchi in Tokyo contributed to this report.

Charlevoix City Council

Reports and Communications

Title: Mayor and Council Comments

Date: September 3, 2024

Presented By:

Background:

Recommendation:

Attachments:

None