CITY OF
CHARLEVOIX

Agenda
City of Charlevoix City Council Regular Meeting
Monday, November 3, 2025 - 12:00 PM
Council Chambers, 210 State Street, Charlevoix, MI

1. **Pledge of Allegiance**
2. **Roll Call**
3. **Presentations**
   A. 2024-25 Fiscal Year Financial Audit Presentation
   Will Love
   B. 2025 Summer and Fall Recreation Department Presentation
   Kent Knorr, Recreation Director
4. **Inquiry Regarding Conflicts of Interest**
5. **Consent Agenda**
   A. City Council Meeting Minutes - October 20, 2025
   B. Accounts Payable and Payroll Check Registers
   C. Accept 2024-2025 Audit Report
   D. Lease of 2025 Tahoe
6. **Public Hearings and Actions Requiring Public Hearings**
7. **All Other Actions and Requests**
   A. Recreation Department Fee Updates
   Kent Knorr, Recreation Director
   B. Park Avenue Work Session Scheduling
   Mark Heydlauff, City Manager
   C. Election Security and Accessibility Update
   Sarah Dvoracek, City Clerk
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: 2024-25 Fiscal Year Financial Audit Presentation
Date: November 3, 2025

Presented By: Will Love

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, 2025. Their audit encompassed the financial statements of the City's governmental activities, business-type activities, DDA, each major fund and the aggregate remaining fund information. A representative from Rehmann will present the findings of the audit and present a general overview of the financial health of the City.

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

Recommendation:

Attachments:

1. 2024 Presentation
2. City of Charlevoix 03 31 25 AUD FS-FINAL

City of Charlevoix

Audited Financial Statements

March 31, 2025

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	$38.6 million	$833,000	$0	$1.8 million	$0
Business-type Activities	$29.9 million	$1.4 million	$0	$2.6 million	$0
Component Unit - DDA	$2.2 million	$69,000	$0	$184,000	$0
Long-term Debt	**Beginning Balance**	**Additions**	**Reductions**	**Ending Balance**	**Within One Year**
Governmental Activities	$10.6 million	$48,000	$598,000	$10.0 million	$1.1 million
Business-type Activities	$8.1 million	$0	$902,000	$7.2 million	$927,000

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General Fund Highlights

Total general fund balance - $1,322,944 (details on page number 26 of financial statements – page 30 of the PDF):

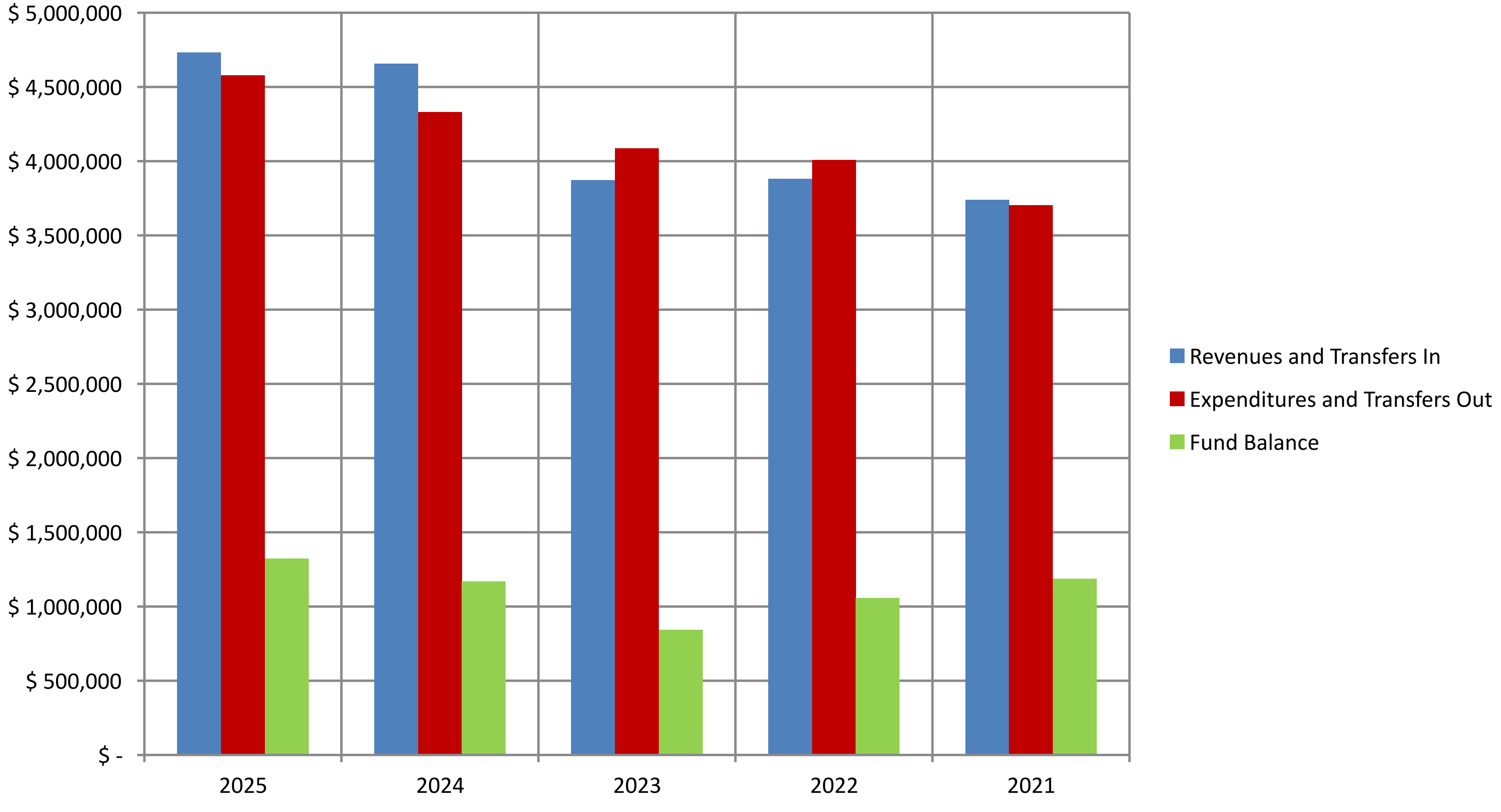
- Nonspendable - $4,343 (prepaids)
- Unassigned - $1,318,601

Change in the General Fund balance:

- Actual increase of $154,913 during the current year
- Final budgeted decrease of $15,402
- Original budgeted increase of $37,250

General Fund unassigned fund balance is approximately 29% of total General Fund expenditures and transfers out.

General Fund - Trend



Proprietary Funds Highlights

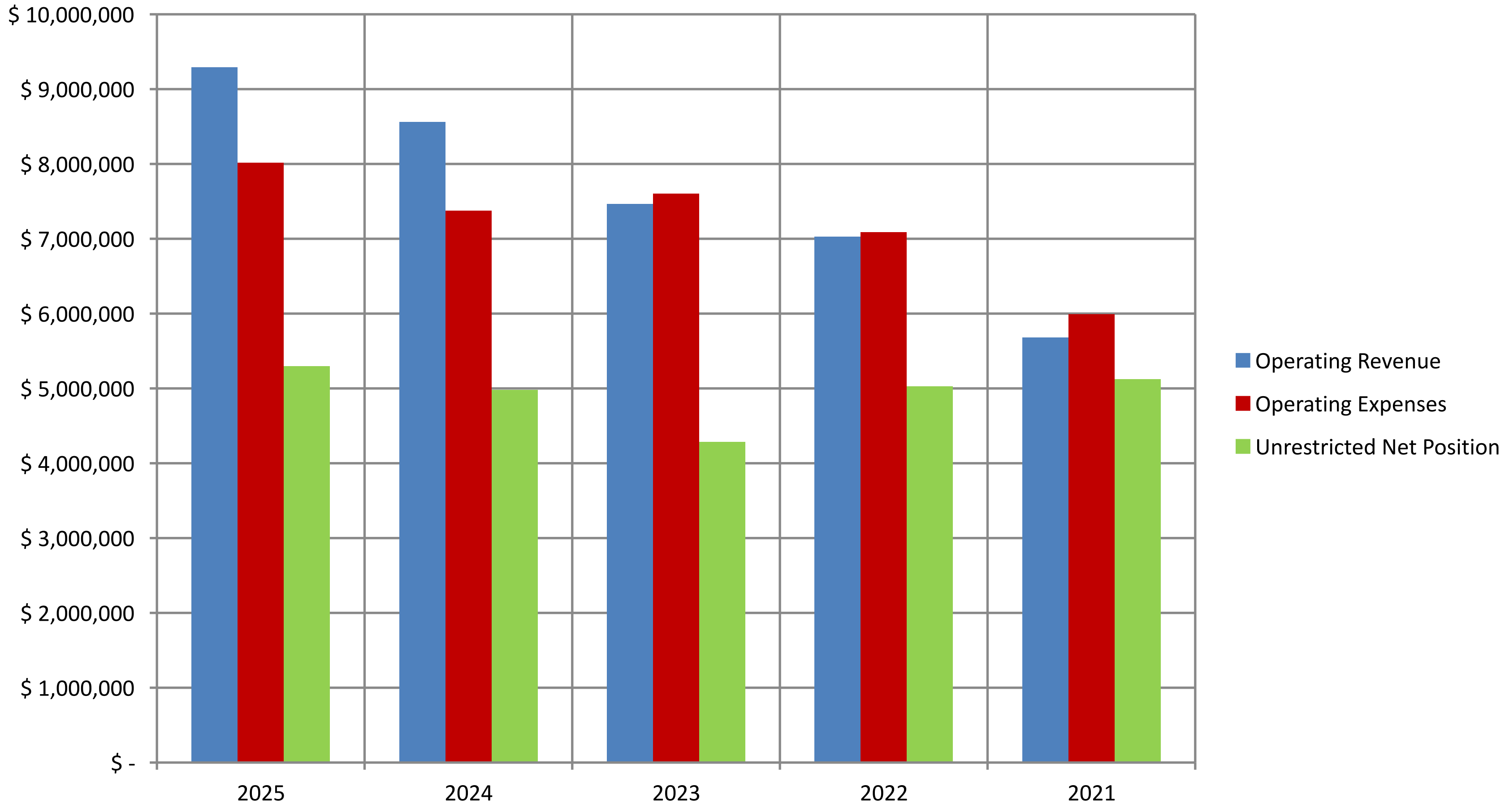
Fund	Revenue and Transfers In	Expenses and Transfers Out	Change in Net Position	Net Position at 3/31/2025
Electric Utility	$9.3 million	$8.4 million	$1.0 million	$10.0 million
Sewage Disposal Utility	$2.9 million	$2.3 million	$561,000	$13.2 million
Water Utility	$2.1 million	$1.9 million	$209,000	$7.0 million
Marina	$654,000	$1.0 million	$(42,000)	$1.7 million
Airport	$2.2 million	$2.5 million	$(283,000)	$8.0 million

Inter-fund Advances

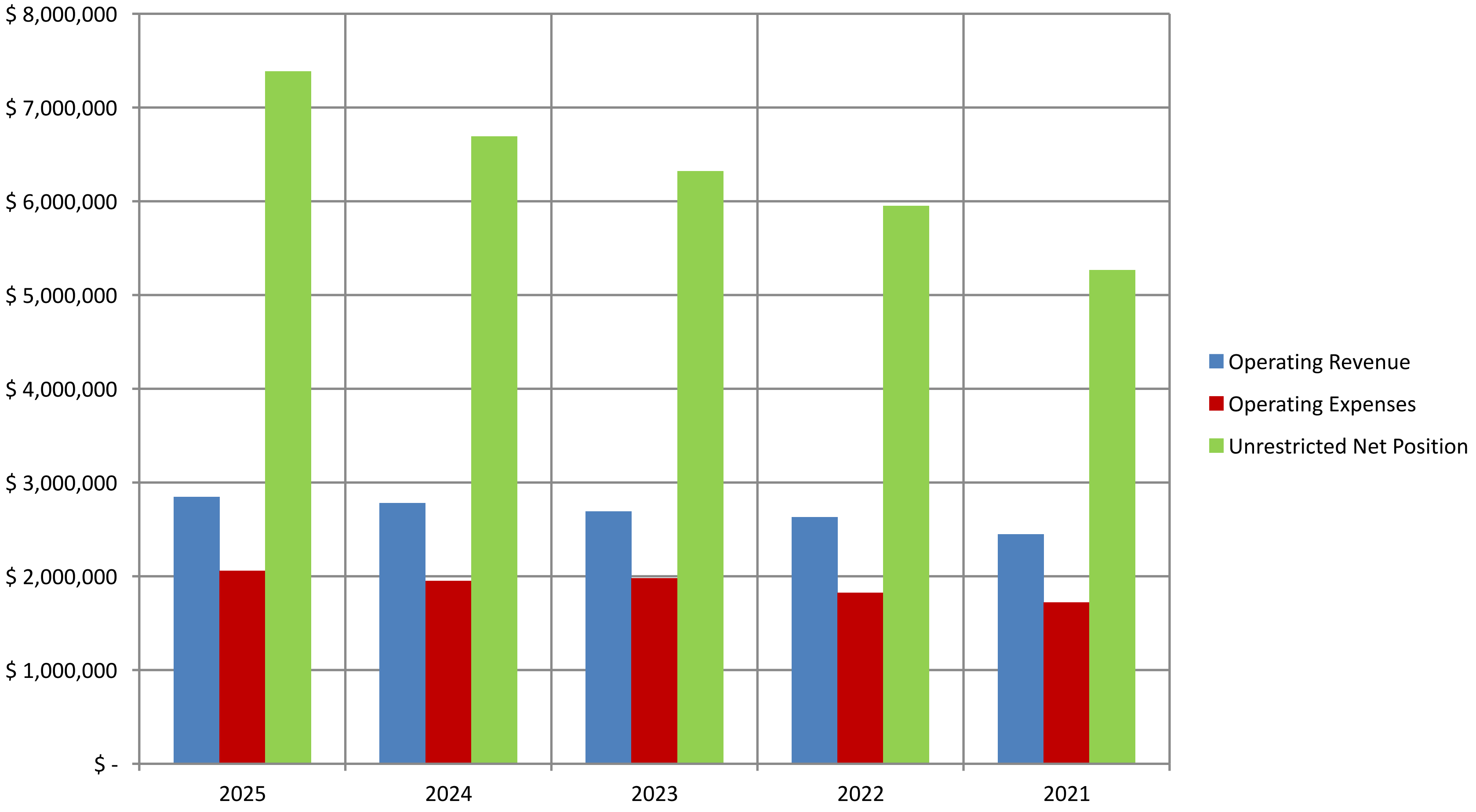
Fund	Advance To	Advance From
Electric Utility Fund	$80,492	$ -
Marina Fund	$ -	$80,492

Interfund advances relate to the Electric Utility Fund providing funding to the Marina Fund to support operations.

Electric Utility Fund - Trend



Sewage Disposal Utility Fund - Trend



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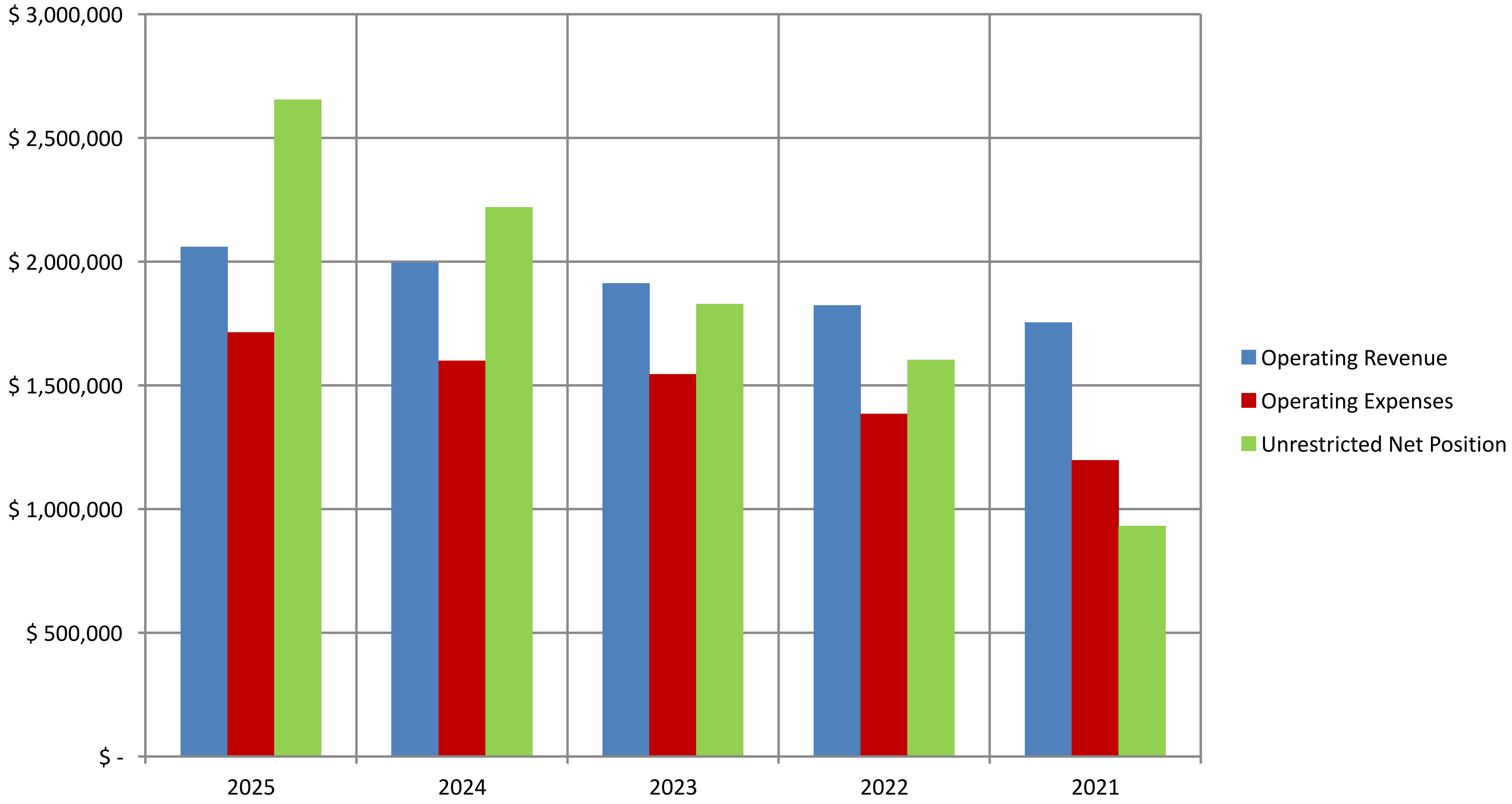
Water Utility Fund - Trend



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Marina Fund - Trend

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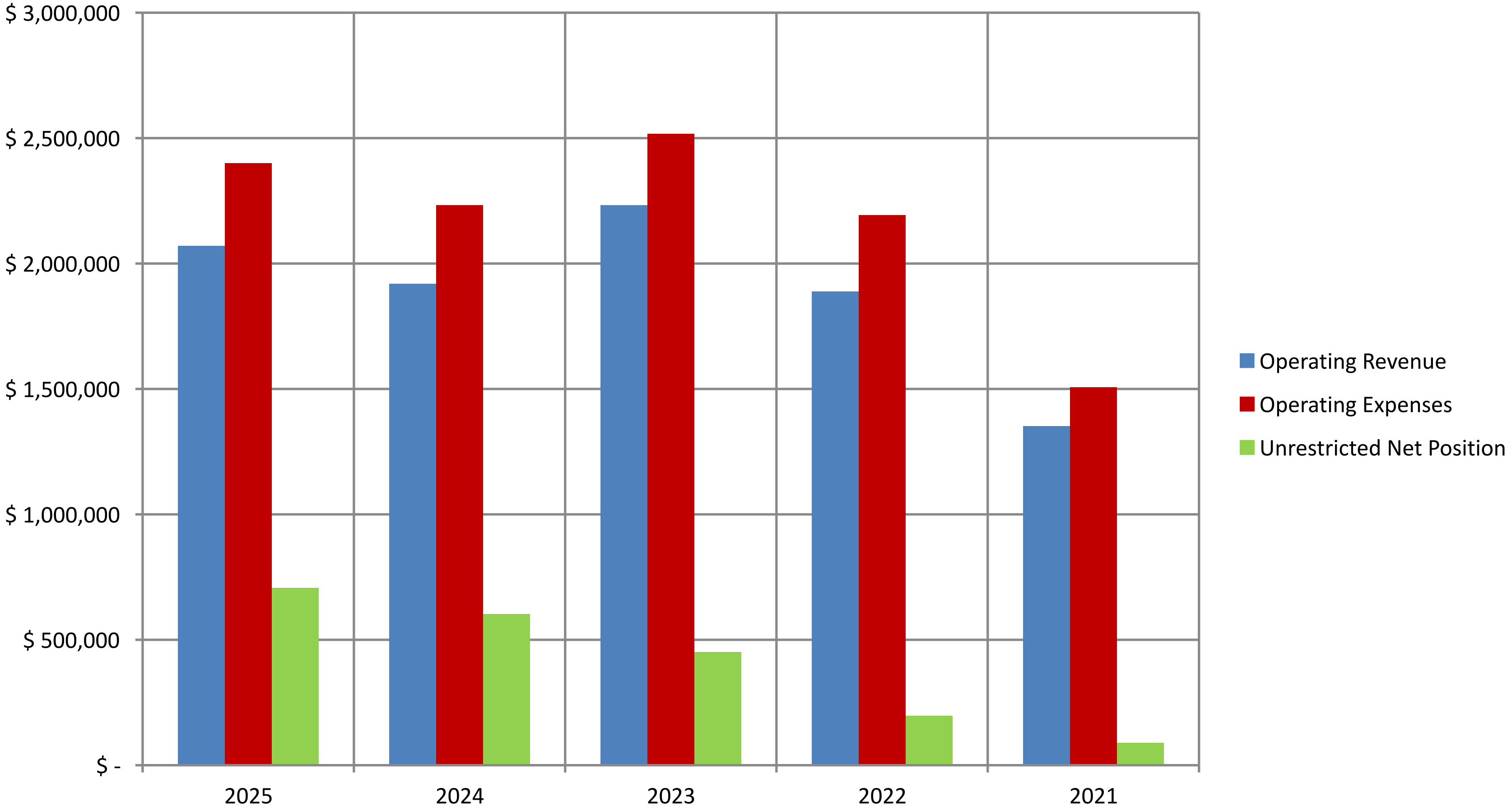
Airport Fund - Trend



Questions?

We Sincerely Thank You For Your Continued Business

Kim Lindsay, CPA
Kim.Lindsay@rehmann.com

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City of Charlevoix, Michigan

Fiscal Year Ended March 31, 2025

Financial Statements

Rehmann

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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	Jonathan Scheel
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	Mark Heydlauff
Airport Manager	Rob Scholey
Harbormaster	Denny McDermott
Recreation Director	Kent Knorr

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INDEPENDENT AUDITORS' REPORT

September 30, 2025

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, 2025, 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, 2025, and the respective changes in financial position, where applicable, cash flows thereof, and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Implementation of GASB Statement No. 101

As described in Note 19, the City implemented the provisions of GASB Statement No. 101, *Compensated Absences,* in the current year. Accordingly, beginning net position of the employee fringe benefits internal service fund and governmental activities were restated. Our opinion is not modified with respect to this matter.

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 September 30, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Rehmann Robson LLC

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

As management of the City of Charlevoix, Michigan (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended March 31, 2025.

Financial Highlights

- The City's total net position amounted to $73,065,406 at the end of the current fiscal year compared to $71,293,459 at the end of the prior period. The primary government's total net position increased by $1,771,947. Net position of governmental activities increased by $271,202. Beginning net position of governmental activities was restated by $221,050, for the implementation of GASB 101, *Compensated Absences.* Net position of business-type activities increased by $1,500,745.

- Of the total net position, $19,300,021, (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.

- At March 31, 2025, the City's governmental funds reported combined ending fund balances of $4,929,348, an increase of $419,800 from the prior year. $1,318,601, or 27 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 $1,318,601 or 29 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.

Management's Discussion and Analysis

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

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

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

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

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

Proprietary funds. The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its electric, sewage disposal, water distribution, marina, and airport operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its employee fringe benefits, and motor vehicle pool.

Proprietary fund financial statements 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 enterprise funds, each of which are considered to be major funds of the City. Data for internal service funds is combined in a single aggregated presentation. Individual fund data for each of the internal service funds is provided in the form of combining statements elsewhere in the report.

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

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

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

Management's Discussion and Analysis

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

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $73,065,406 at the close of the most recent fiscal year.

By far the largest portion of the City's net position (71 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 (26 percent) may be used to meet the City's ongoing obligations to citizens and creditors.

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Assets						
Current and other assets	$ 6,777,001	$ 6,115,802	$ 21,751,878	$ 19,669,371	$ 28,528,879	$ 25,785,173
Capital assets, net	38,593,673	39,520,058	29,877,010	31,012,471	68,470,683	70,532,529
Total assets	45,370,674	45,635,860	51,628,888	50,681,842	96,999,562	96,317,702
Total deferred outflows of resources	327,353	505,652	561,488	841,606	888,841	1,347,258
Liabilities						
Other liabilities	356,763	434,980	1,191,282	1,040,938	1,548,045	1,475,918
Long-term liabilities	12,326,213	12,782,410	10,842,495	11,892,123	23,168,708	24,674,533
Total liabilities	12,682,976	13,217,390	12,033,777	12,933,061	24,716,753	26,150,451
Total deferred inflows of resources	40,777	-	65,467	-	106,244	-
Net position						
Net investment in capital assets	29,048,608	29,424,872	22,734,228	22,985,577	51,782,836	52,410,449
Restricted	1,240,426	1,157,489	750,924	719,032	1,991,350	1,876,521
Unrestricted	2,685,240	2,341,761	16,605,980	14,885,778	19,291,220	17,227,539
Total net position	$ 32,974,274	$ 32,924,122	$ 40,091,132	$ 38,590,387	$ 73,065,406	$ 71,514,509

The City was able to report positive balances in all three categories of net position for fiscal year 2025.

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	
	2025	2024	2025	2024	2025	2024
Program revenues						
Charges for services	$ 982,052	$ 924,636	$ 16,923,724	$ 15,864,098	$ 17,905,776	$ 16,788,734
Operating grants and contributions	1,026,562	1,034,021	588,820	437,726	1,615,382	1,471,747
Capital grants and contributions	-	-	160,160	42,000	160,160	42,000
General revenues						
Property taxes	3,814,101	3,605,039	-	-	3,814,101	3,605,039
State shared revenue	391,279	395,678	-	-	391,279	395,678
Other revenue	26,064	124,125	-	-	26,064	124,125
Unrestricted investment earnings	127,326	137,584	-	-	127,326	137,584
Total revenues	6,367,384	6,221,083	17,672,704	16,343,824	24,040,088	22,564,907
Expenses						
Legislative	60,533	60,603	-	-	60,533	60,603
General government	928,120	932,970	-	-	928,120	932,970
Public safety	1,276,621	1,277,579	-	-	1,276,621	1,277,579
Public works	2,343,038	1,912,264	-	-	2,343,038	1,912,264
Health and welfare	142,321	1,519	-	-	142,321	1,519
Community development	95,578	81,718	-	-	95,578	81,718
Recreation and culture	1,781,140	1,646,563	-	-	1,781,140	1,646,563
Interest	263,989	284,163	-	-	263,989	284,163
Electric utility	-	-	7,996,950	7,362,129	7,996,950	7,362,129
Sewage disposal utility	-	-	2,209,014	2,116,489	2,209,014	2,116,489
Water utility	-	-	1,717,104	1,599,705	1,717,104	1,599,705
Marina	-	-	1,046,700	1,092,242	1,046,700	1,092,242
Airport	-	-	2,407,033	2,236,227	2,407,033	2,236,227
Total expenses	6,891,340	6,197,379	15,376,801	14,406,792	22,268,141	20,604,171

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	Change in Net Position (concluded)					
	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Change in net position before transfers	$ (523,956)	$ 23,704	$ 2,295,903	$ 1,937,032	$ 1,771,947	$ 1,960,736
Transfers	795,158	866,241	(795,158)	(866,241)	-	-
Change in net position	271,202	889,945	1,500,745	1,070,791	1,771,947	1,960,736
Net Position						
Beginning of year	32,924,122	32,034,177	38,590,387	37,519,596	71,514,509	69,553,773
Restatement for implementation of GASB 101	(221,050)	-	-	-	(221,050)	-
End of year	$ 32,974,274	$ 32,924,122	$ 40,091,132	$ 38,590,387	$ 73,065,406	$ 71,514,509

concluded

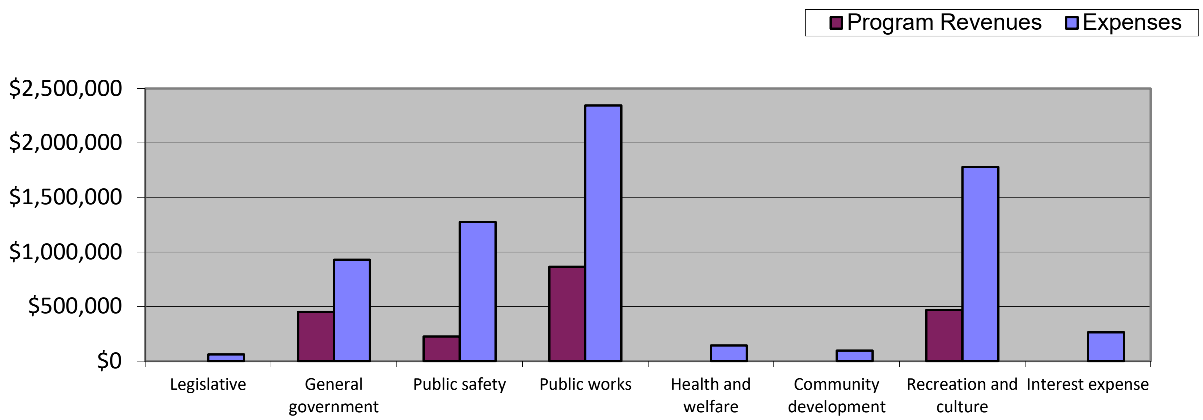
Governmental Activities. Governmental activities increased the City's net position by $271,202. Key elements of this increase are as follows:

- Total governmental activities revenue increased by $146,301, or 2 percent, compared to prior year, with the most significant increase was property taxes, which increased by $209,062. The increase in property taxes was due to an increase in operating mills and taxable values.

- Total expenses for governmental activities increased by $693,961, or 11 percent, compared to the prior year. The most significant fluctuation was in the public works category, which increased by $430,774. This increase was mostly the result of increased cost for services and projects (i.e playground at Mt McSauba). Health and welfare expenses also increased by $140,802 as a result of the write off of previously accrued federal grant funds. Recreation and culture expenses increased by $134,577 because of additional contractual services for special projects and increase operating costs.

Management's Discussion and Analysis

Program Revenues and Expenses - Governmental Activities



Business-type Activities. Net position of the business-type activities increased by $1,500,745 in fiscal 2025 as compared to an increase of $1,070,791 in fiscal 2024. Significant fluctuations occurred related to:

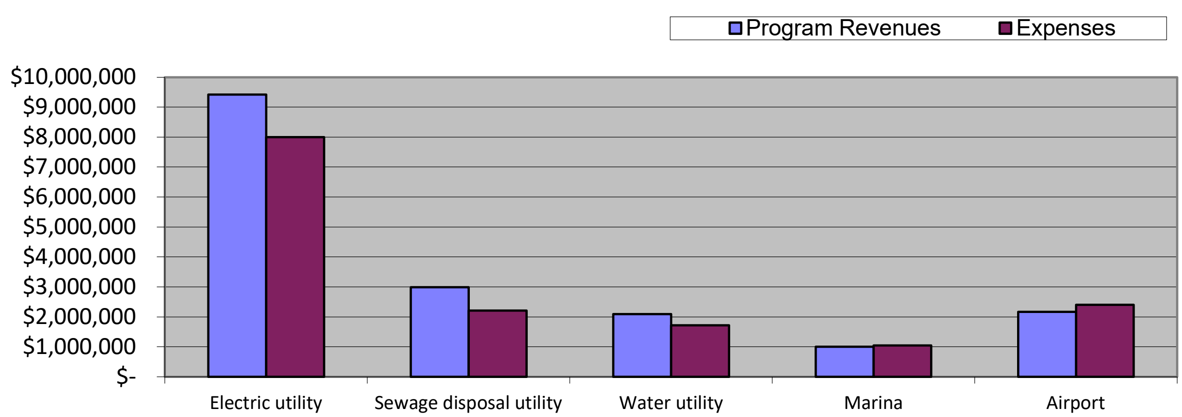
· Charges for services increased by $1,059,626 due to increased utility activity.

· There was an increase in electric utility expenses of $634,821, primarily because of increased operating costs, improvements, and purchased power.

· There was an increase in water utility expenses of $117,399, caused by contractual services and improvements.

· There was an increase in airport expenses of $170,806, due to aviation fuel costs and equipment repairs.

Program Revenues and Expenses - Business-type Activities



Management's Discussion and Analysis

Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $4,929,348, an increase of $419,800 from the prior year. This increase was attributable to reduced project expenditures. A portion of the fund balance ($1,195,477), 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 ($1,318,601) 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 $1,322,944, an increase of $154,913. The main reason for this increase was reduced operating and project expenditures.

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 $16,283,075, and the net investment in capital assets was $22,734,228. In addition, there was restricted net position in the amount of $225,000 from investments mandated to be restricted by the City Charter and $525,924 for energy purchases. The changes in enterprise fund net position were as follows:

- Electric utility activities increased its net position by $1,046,734, mainly caused by increased utility usage while major project costs were pushed into the following years.

- Sewage disposal utility activities increased its net position by $561,145. The main cause for this change was related to anticipated projects moving into the following years.

- Water utility activities increased its net position by $208,855. This increase was mostly due to anticipated projects moving into the following years.

- The Marina experienced a decrease in net position of $42,237. This change was the result of increased operating costs.

- Airport activities were responsible for a decrease in net position of $283,421. The major contributor to this decrease were related to an increase in costs for repairs and maintenance.

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 other revenues was increased by $254,606 to account for a private donation received by the City for the construction of the playground at Mt McSauba.

Management's Discussion and Analysis

- The budget for total general fund expenditures was increased by $546,919 or 13% from the original approved budget. The only significant functional increase was for recreation and culture expenditures, which increased by $370,895 during the year because of anticipated capital projects.

The City reports actual results in comparison to the final amended budgets. Revenues were less than budgetary estimates by $96,970 or 2 percent and expenditures were less than budgetary estimates by $307,684 or 6 percent. The only significant variance was for public works expenditures which came in under the final amended budget by $96,025. This variance was due to reduced operating 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, 2025, amounted to $68,470,683 (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.

Major capital asset events during the current fiscal year included improvements to street lighting in town, runways at the airport and equipment and improvements to McSauba playground. In addition, several vehicles of various types were purchased.

	Capital Assets (Net of Depreciation, Where Applicable)					
	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	$ 17,126,968	$ 17,126,968	$ 1,506,534	$ 1,506,534	$ 18,633,502	$ 18,633,502
Construction in progress	79,406	209,189	64,433	263,867	143,839	473,056
Land improvements	1,582,468	1,681,732	7,515,820	8,531,455	9,098,288	10,213,187
Infrastructure	6,955,726	7,361,863	-	-	6,955,726	7,361,863
Buildings and improvements	10,763,897	11,400,496	10,822,782	11,462,922	21,586,679	22,863,418
System improvements	-	-	7,317,546	7,839,505	7,317,546	7,839,505
Machinery and equipment	1,179,914	897,374	2,649,895	1,408,188	3,829,809	2,305,562
Vehicles	816,172	745,653	-	-	816,172	745,653
Leased vehicles	89,122	96,783	-	-	89,122	96,783
Total capital assets, net	$ 38,593,673	$ 39,520,058	$ 29,877,010	$ 31,012,471	$ 68,470,683	$ 70,532,529

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

Management's Discussion and Analysis

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

	Long-term Debt					
	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Bonds payable	$ 8,855,000	$ 9,340,000	$ 7,094,562	$ 7,954,562	$ 15,949,562	$ 17,294,562
Direct borrowings and direct placements	-	26,248	-	-	-	26,248
Leases payable	109,729	99,746	-	-	109,729	99,746
Premium on bond issuance	580,336	629,192	84,133	126,199	664,469	755,391
Accrued compensated absences	499,150	461,752	-	-	499,150	461,752
Total	$ 10,044,215	$ 10,556,938	$ 7,178,695	$ 8,080,761	$ 17,222,910	$ 18,637,699

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.

Economic Factors and Next Year's Budgets and Rates

The following factors were considered in preparing the City's budget for the 2025-26 fiscal year:

- The unemployment rate for Michigan is currently 5.3% and the national average rate is 4.3%.

- The tax collection rate for the 2025-26 fiscal year are expected to be comparable to fiscal year 2024-25 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 2025-26 tax year, the operating millage of 9.0075 mills has decreased from 9.2736 mills from the 2024-25 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 2025-26 increased 2.0% compared to fiscal year 2024-25 rates.

- Water rates charged for services in fiscal year 2025-26 increased 4.9% from the fiscal year 2024-25 rates.

- Electric rates for fiscal year 2025-26 increased 2.5% from the previous fiscal year 2024-25.

- Wage rates increased 3.5% 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 2025.

- The employee fringe benefit fund rates remained constant for 2025-26.

Management's Discussion and Analysis

Requests for Information

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

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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, 2025

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Unit
Assets				
Cash and cash equivalents	$ 5,344,974	$ 16,078,389	$ 21,423,363	$ 318,695
Investments	1,276,200	1,578,800	2,855,000	50,000
Cash at fiscal agent	151,250	545,357	696,607	-
Deposit held by Michigan Public Power Agency	-	525,924	525,924	-
Receivables, net	345,005	1,903,442	2,248,447	137,979
Internal balances	(403,397)	403,397	-	-
Other assets	62,969	491,569	554,538	126
Restricted investments	-	225,000	225,000	-
Capital assets not being depreciated/amortized	17,206,374	1,570,967	18,777,341	935,234
Capital assets being depreciated/amortized, net	21,387,299	28,306,043	49,693,342	1,300,352
Total assets	45,370,674	51,628,888	96,999,562	2,742,386
Deferred outflows of resources				
Deferred charge on bond refunding	-	35,913	35,913	-
Deferred pension amounts	327,353	525,575	852,928	-
Total deferred outflows of resources	327,353	561,488	888,841	-
Liabilities				
Accounts payable and accrued liabilities	310,740	778,069	1,088,809	112,034
Unearned revenue	46,023	413,213	459,236	-
Bond, loans and other long-term liabilities:				
Due within one year	1,103,884	927,066	2,030,950	-
Due in more than one year	8,940,331	6,251,629	15,191,960	-
Net pension liability (due in more than one year)	2,281,998	3,663,800	5,945,798	-
Total liabilities	12,682,976	12,033,777	24,716,753	112,034
Deferred inflows of resources				
Deferred pension amounts	40,777	65,467	106,244	-
Deferred lease amounts	-	-	-	105,525
Total deferred inflows of resources	40,777	65,467	106,244	105,525
Net position				
Net investment in capital assets	29,048,608	22,734,228	51,782,836	2,235,586
Restricted for:				
Cemetery perpetual care (non-expendable)	478,971	-	478,971	-
Street and trail improvements	761,455	-	761,455	-
City charter mandate	-	225,000	225,000	-
Energy purchases	-	525,924	525,924	-
Downtown development	-	-	-	289,241
Unrestricted	2,685,240	16,605,980	19,291,220	-
Total net position	$ 32,974,274	$ 40,091,132	$ 73,065,406	$ 2,524,827

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

CITY OF CHARLEVOIX, MICHIGAN

Statement of Activities
For the Year Ended March 31, 2025

Functions / Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net Revenue (Expense)
Primary government					
Governmental activities:					
Legislative	$ 60,533	$ -	$ -	$ -	$ (60,533)
General government	928,120	372,696	77,948	-	(477,476)
Public safety	1,276,621	-	226,053	-	(1,050,568)
Public works	2,343,038	165,041	699,521	-	(1,478,476)
Health and welfare	142,321	-	-	-	(142,321)
Community development	95,578	-	-	-	(95,578)
Recreation and culture	1,781,140	444,315	23,040	-	(1,313,785)
Interest	263,989	-	-	-	(263,989)
Total governmental activities	6,891,340	982,052	1,026,562	-	(4,882,726)
Business-type activities:					
Electric utility	7,996,950	9,290,540	128,800	-	1,422,390
Sewage disposal utility	2,209,014	2,847,466	81,310	59,000	778,762
Water utility	1,717,104	2,060,953	29,496	-	373,345
Marina	1,046,700	654,309	349,214	-	(43,177)
Airport	2,407,033	2,070,456	-	101,160	(235,417)
Total business-type activities	15,376,801	16,923,724	588,820	160,160	2,295,903
Total primary government	$ 22,268,141	$ 17,905,776	$ 1,615,382	$ 160,160	$ (2,586,823)
Component unit					
Downtown Development Authority	$ 858,679	$ 58,177	$ 44,386	$ -	$ (756,116)

continued...

CITY OF CHARLEVOIX, MICHIGAN

Statement of Activities

For the Year Ended March 31, 2025

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Unit
Change in net position				
Net revenue (expense)	$ (4,882,726)	$ 2,295,903	$ (2,586,823)	$ (756,116)
General revenues:				
Property taxes	3,814,101	-	3,814,101	623,061
State shared revenues	391,279	-	391,279	-
Other revenue	26,064	-	26,064	-
Unrestricted investment earnings	127,326	-	127,326	12,181
Transfers - internal activities	795,158	(795,158)	-	-
Total general revenues and transfers	5,153,928	(795,158)	4,358,770	635,242
Change in net position	271,202	1,500,745	1,771,947	(120,874)
Net position, beginning of year, as previously reported	32,924,122	38,590,387	71,514,509	2,645,701
Restatement - GASB 101 Implementation	(221,050)	-	(221,050)	-
Net position, beginning of year, as restated	32,703,072	38,590,387	71,293,459	2,645,701
Net position, end of year	$ 32,974,274	$ 40,091,132	$ 73,065,406	$ 2,524,827

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, 2025

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets			
Cash and cash equivalents	$ 924,443	$ 2,642,690	$ 3,567,133
Cash at fiscal agent	-	151,250	151,250
Investments	400,000	676,200	1,076,200
Receivables:			
Accounts	34,912	951	35,863
Taxes	74,054	25,469	99,523
Due from other governments	68,771	93,671	162,442
Interest	14,909	23,839	38,748
Prepaids	4,343	375	4,718
Total assets	$ 1,521,432	$ 3,614,445	$ 5,135,877
Liabilities			
Accounts payable	$ 38,904	$ 1,603	$ 40,507
Accrued liabilities	33,069	6,438	39,507
Advances from other funds	80,492	-	80,492
Unearned revenue	46,023	-	46,023
Total liabilities	198,488	8,041	206,529
Fund balances			
Nonspendable	4,343	479,346	483,689
Restricted	-	1,195,477	1,195,477
Committed	-	1,231,996	1,231,996
Assigned	-	699,585	699,585
Unassigned	1,318,601	-	1,318,601
Total fund balances	1,322,944	3,606,404	4,929,348
Total liabilities and fund balances	$ 1,521,432	$ 3,614,445	$ 5,135,877

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

Reconciliation

Fund Balances of Governmental Funds
to Net Position of Governmental Activities
March 31, 2025

Fund balances - total governmental funds	$ 4,929,348
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	17,206,374
Capital assets being depreciated/amortized, net	21,387,299
Capital assets accounted for in motor vehicle internal service fund, net	(1,261,169)
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	2,617,335
Net position allocated to business-type activities from governmental activities internal service funds	(322,905)
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	(2,281,998)
Deferred outflows of resources related to the net pension liability	327,353
Deferred inflows of resources related to the net pension liability	(40,777)
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.	
Interest payable on long-term debt	(151,250)
Bonds and installment purchase agreements	(9,435,336)
Net position of governmental activities	$ 32,974,274

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, 2025

	General Fund	(Formerly Major Fund) Infrastructure Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Taxes	$ 3,149,147		$ 664,954	$ 3,814,101
Federal	29,748		-	29,748
State	450,674		676,207	1,126,881
Local grants and contributions	16,100		-	16,100
Licenses and permits	61,208		-	61,208
Charges for services	471,198		154,204	625,402
Fines and forfeitures	5,365		17,279	22,644
Interest and rents	285,199		87,999	373,198
Other	235,335		16,945	252,280
Total revenues	4,703,974		1,617,588	6,321,562
Expenditures				
Current:				
Legislative	60,434		-	60,434
General government	781,622		3,500	785,122
Public safety	1,248,728		-	1,248,728
Public works	371,675		983,855	1,355,530
Health and welfare	160		141,237	141,397
Community development	95,578		-	95,578
Recreation and culture	1,877,451		31,815	1,909,266
Other	53,837		-	53,837
Debt service:				
Principal	-		511,248	511,248
Interest	-		322,866	322,866
Total expenditures	4,489,485		1,994,521	6,484,006
Revenues over (under) expenditures	214,489		(376,933)	(162,444)
Other financing sources (uses)				
Transfers in	29,500		1,023,876	1,053,376
Transfers out	(89,076)		(382,056)	(471,132)
Total other financing sources (uses)	(59,576)		641,820	582,244
Net change in fund balances	154,913		264,887	419,800
Fund balances, beginning of year, as previously reported	1,168,031	124,699	3,216,818	4,509,548
Change within financial reporting entity	-	(124,699)	124,699	-
Fund balances, beginning of year, as adjusted	1,168,031	-	3,341,517	4,509,548
Fund balances, end of year	$ 1,322,944	$ -	$ 3,606,404	$ 4,929,348

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

Reconciliation

Net Change in Fund Balances of Governmental Funds
to Change in Net Position of Governmental Activities
For the Year Ended March 31, 2025

Net change in fund balances - total governmental funds	$ 419,800
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	832,823
Capital assets purchased/constructed for internal service funds	(422,135)
Depreciation/amortization expense	(1,759,208)
Depreciation/amortization expense for internal service funds	372,721
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	511,248
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	263,531
Change in net position from governmental activities accounted for internal service funds charged to business-type activities	(9,769)
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	(54,552)
Bond premium amortization	48,856
Change in accrued interest	10,019
Transfer of compensated absences from internal service fund	57,868
Change in net position of governmental activities	$ 271,202

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, 2025

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes:				
Property taxes	$ 2,787,400	$ 2,842,310	$ 2,801,386	$ (40,924)
Refuse tax	290,800	300,823	293,758	(7,065)
Payments in lieu of taxes	7,400	10,500	10,471	(29)
Interest and penalties on taxes	7,000	7,000	10,605	3,605
Tax collection fees	30,000	34,000	32,927	(1,073)
Total taxes	3,122,600	3,194,633	3,149,147	(45,486)
Federal	-	29,748	29,748	-
State	386,500	452,907	450,674	(2,233)
Local grants and contributions	9,000	12,000	16,100	4,100
Licenses and permits	45,800	47,600	61,208	13,608
Charges for services:				
Cemetery	55,000	55,000	33,543	(21,457)
Golf course	167,900	190,500	193,100	2,600
Farmer's market	38,500	38,500	34,935	(3,565)
Summer sports	13,000	13,000	9,150	(3,850)
Day camp	80,600	105,000	105,544	544
Winter sports	75,500	76,500	79,823	3,323
Other	14,400	14,700	15,103	403
Total charges for services	444,900	493,200	471,198	(22,002)
Fines and forfeitures	2,300	5,300	5,365	65
Interest and rents:				
Interest	5,000	15,000	25,875	10,875
City hall	217,000	216,750	215,191	(1,559)
Boat launch/harbor building	39,400	45,000	44,133	(867)
Total interest and rents	261,400	276,750	285,199	8,449
Other	34,200	288,806	235,335	(53,471)
Total revenues	4,306,700	4,800,944	4,703,974	(96,970)

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, 2025

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Expenditures				
Current:				
Legislative:				
City council	$ 61,400	$ 67,845	$ 60,434	$ (7,411)
General government:				
Mayor	8,900	8,884	5,381	(3,503)
City manager	132,700	138,795	121,608	(17,187)
Elections	57,900	62,874	41,608	(21,266)
Assessor	47,600	54,120	50,166	(3,954)
City attorney	30,400	30,400	16,689	(13,711)
City clerk	61,300	62,081	51,165	(10,916)
City treasurer	85,500	88,828	82,667	(6,161)
City hall and grounds	229,700	249,715	266,270	16,555
Cemetery	151,600	154,600	146,068	(8,532)
Total general government	805,600	850,297	781,622	(68,675)
Public safety:				
Police department	1,031,000	1,062,929	1,028,997	(33,932)
Fire department	245,700	246,168	219,731	(26,437)
Total public safety	1,276,700	1,309,097	1,248,728	(60,369)
Public works:				
Leaf pick up	243,400	293,200	263,315	(29,885)
Waste collection	99,900	99,900	59,138	(40,762)
Brush pickup	64,200	74,600	49,222	(25,378)
Total public works	407,500	467,700	371,675	(96,025)

continued…

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual – General Fund
For the Year Ended March 31, 2025

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Expenditures (concluded)				
Current (concluded):				
Health and welfare:				
Ambulance	$ -	$ -	$ 160	$ 160
Community development:				
Planning	93,500	103,875	95,578	(8,297)
Recreation and culture:				
Parks	706,800	1,021,239	987,669	(33,570)
Recreation administration	245,200	258,019	239,045	(18,974)
City beaches	8,150	13,850	9,695	(4,155)
Ball fields	23,700	26,410	20,237	(6,173)
Day camp	91,800	103,380	95,356	(8,024)
Ice rink	4,100	4,100	9,118	5,018
Mt. McSauba ski hill	174,400	188,183	180,504	(7,679)
Basketball and volleyball	-	3,540	3,520	(20)
Golf course	271,900	274,624	279,310	4,686
Boat launch	36,300	38,525	37,746	(779)
Skate park	8,100	9,450	6,015	(3,435)
Community promotion	11,900	11,925	9,236	(2,689)
Total recreation and culture	1,582,350	1,953,245	1,877,451	(75,794)
Other	23,200	45,110	53,837	8,727
Total expenditures	4,250,250	4,797,169	4,489,485	(307,684)
Revenues over (under) expenditures	56,450	3,775	214,489	210,714
Other financing sources (uses)				
Transfers in	29,500	29,500	29,500	-
Transfers out	(48,700)	(48,677)	(89,076)	40,399
Total other financing sources (uses)	(19,200)	(19,177)	(59,576)	40,399
Net change in fund balance	37,250	(15,402)	154,913	170,315
Fund balance, beginning of year	1,168,031	1,168,031	1,168,031	-
Fund balance, end of year	$ 1,205,281	$ 1,152,629	$ 1,322,944	$ 170,315

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, 2025

	Business-type Activities - Enterprise Funds						Governmental Activities
	Electric Utility	Sewage Disposal Utility	Water Utility	Marina	Airport	Total	Internal Service Funds
Assets							
Current assets:							
Cash and cash equivalents	$ 4,281,553	$ 7,164,910	$ 3,100,600	$ 623,633	$ 907,693	$ 16,078,389	$ 1,777,841
Investments	1,420,700	38,400	44,700	75,000	-	1,578,800	200,000
Cash at fiscal agent	-	527,557	-	17,800	-	545,357	-
Deposits held by Michigan Public Power Agency	525,924	-	-	-	-	525,924	-
Receivables:							
Accounts, net	1,305,844	313,640	176,203	298	40,680	1,836,665	1,151
Interest	63,172	432	457	2,716	-	66,777	7,278
Prepaids	8,391	1,871	1,169	1,386	1,851	14,668	58,251
Inventories	315,934	-	102,498	-	58,469	476,901	-
Total current assets	7,921,518	8,046,810	3,425,627	720,833	1,008,693	21,123,481	2,044,521
Noncurrent assets:							
Restricted investments	75,000	75,000	75,000	-	-	225,000	-
Advance to other funds	80,492	-	-	-	-	80,492	-
Capital assets, not being depreciated/amortized	222,046	345,125	13,730	-	990,066	1,570,967	20,653
Capital assets, net of accumulated depreciation/ amortization	3,864,511	11,548,683	4,300,189	2,337,354	6,255,306	28,306,043	1,240,516
Total noncurrent assets	4,242,049	11,968,808	4,388,919	2,337,354	7,245,372	30,182,502	1,261,169
Total assets	12,163,567	20,015,618	7,814,546	3,058,187	8,254,065	51,305,983	3,305,690
Deferred outflows of resources							
Deferred charge on bond refunding	-	-	-	35,913	-	35,913	-
Deferred pension amounts	276,179	86,060	113,099	10,065	40,172	525,575	-
Total deferred outflows of resources	276,179	86,060	113,099	45,978	40,172	561,488	-
Liabilities							
Current liabilities:							
Accounts payable	376,674	34,186	68,409	9,586	31,498	520,353	24,919
Accrued liabilities	70,700	100,404	12,473	19,487	8,835	211,899	54,557
Customer deposits	45,817	-	-	-	-	45,817	-
Current portion of bonds payable	-	450,000	-	477,066	-	927,066	-
Current portion of compensated absences	-	-	-	-	-	-	493,969
Current portion of leases payable	-	-	-	-	-	-	56,059
Unearned revenue	-	-	-	397,176	16,037	413,213	-
Total current liabilities	493,191	584,590	80,882	903,315	56,370	2,118,348	629,504
Noncurrent liabilities:							
Bonds payable, net of current portion	-	5,754,562	-	497,067	-	6,251,629	-
Compensated absences, net of current portion	-	-	-	-	-	-	5,181
Leases payable, net of current portion	-	-	-	-	-	-	53,670
Net pension liability	1,925,249	599,931	788,413	70,160	280,047	3,663,800	-
Total noncurrent liabilities	1,925,249	6,354,493	788,413	567,227	280,047	9,915,429	58,851
Total liabilities	2,418,440	6,939,083	869,295	1,470,542	336,417	12,033,777	688,355
Deferred inflows of resources							
Deferred pension amounts	34,401	10,720	14,088	1,254	5,004	65,467	-
Net position							
Net investment in capital assets	4,086,557	5,689,246	4,313,919	1,399,134	7,245,372	22,734,228	1,151,440
Restricted for:							
City charter mandate	75,000	75,000	75,000	-	-	225,000	-
Energy purchases	525,924	-	-	-	-	525,924	-
Unrestricted	5,299,424	7,387,629	2,655,343	233,235	707,444	16,283,075	1,465,895
Total net position	$ 9,986,905	$ 13,151,875	$ 7,044,262	$ 1,632,369	$ 7,952,816	$ 39,768,227	$ 2,617,335

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

Reconciliation

Net Position of Enterprise Funds
to Net Position of Business-type Activities
March 31, 2025

Net position - total enterprise funds	$ 39,768,227
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	322,905
Net position of business-type activities	$ 40,091,132

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, 2025

	Business-type Activities - Enterprise Funds						
	Electric Utility	Sewage Disposal Utility	Water Utility	Marina	Airport	Total	Internal Service Funds
Operating revenues							
Charges for services	$ 9,290,540	$ 2,847,466	$ 2,060,953	$ 654,309	$ 2,070,456	$ 16,923,724	$ 4,362,516
Operating expenses							
Purchased power	4,108,585	-	-	-	-	4,108,585	-
Fuel purchases	-	-	-	-	1,139,943	1,139,943	-
Personnel services	2,020,278	801,933	804,126	207,405	554,238	4,387,980	3,590,534
Contractual services	629,059	161,600	160,401	44,020	18,143	1,013,223	51,873
Insurance	32,892	25,864	14,594	4,477	-	77,827	-
Building rental	86,300	39,900	39,900	-	-	166,100	-
Equipment rental	332,999	117,516	77,232	-	140	527,887	-
Supplies	116,533	88,591	88,006	10,156	7,239	310,525	103,979
Utilities	131,147	186,292	78,250	75,363	33,894	504,946	16,259
Repairs and maintenance	29,456	20,589	86,063	9,969	89,346	235,423	111,614
Depreciation/amortization	441,070	605,385	359,601	658,426	495,047	2,559,529	372,721
Miscellaneous	85,511	10,342	7,031	13,825	61,732	178,441	27,304
Total operating expenses	8,013,830	2,058,012	1,715,204	1,023,641	2,399,722	15,210,409	4,274,284
Operating income (loss)	1,276,710	789,454	345,749	(369,332)	(329,266)	1,713,315	88,232
Nonoperating revenues (expenses)							
Interest revenue	128,800	63,310	29,496	10,214	-	231,820	22,508
Other revenue	-	18,000	-	339,000	-	357,000	23,314
Interest expense	-	(155,114)	-	(21,047)	-	(176,161)	(25,569)
Total nonoperating revenues (expenses)	128,800	(73,804)	29,496	328,167	-	412,659	20,253
Income (loss) before transfers and capital contributions	1,405,510	715,650	375,245	(41,165)	(329,266)	2,125,974	108,485
Transfers							
Transfers in	-	-	-	-	-	-	384,443
Transfers out	(358,776)	(213,505)	(166,390)	(1,172)	(55,315)	(795,158)	(229,397)
Total transfers	(358,776)	(213,505)	(166,390)	(1,172)	(55,315)	(795,158)	155,046
Capital contributions							
Federal revenue	-	-	-	-	69,160	69,160	-
State revenue	-	-	-	-	32,000	32,000	-
Other	-	59,000	-	-	-	59,000	-
Total capital contributions	-	59,000	-	-	101,160	160,160	-
Change in net position	1,046,734	561,145	208,855	(42,337)	(283,421)	1,490,976	263,531
Net position, beginning of year, as previously reported	8,940,171	12,590,730	6,835,407	1,674,706	8,236,237	38,277,251	2,574,854
Restatement - GASB 101 Implementation	-	-	-	-	-	-	(221,050)
Net position, beginning of year, as restated	8,940,171	12,590,730	6,835,407	1,674,706	8,236,237	38,277,251	2,353,804
Net position, end of year	$ 9,986,905	$ 13,151,875	$ 7,044,262	$ 1,632,369	$ 7,952,816	$ 39,768,227	$ 2,617,335

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

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, 2025

Change in net position - total enterprise funds	$ 1,490,976
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.	9,769
Change in net position of business-type activities	$ 1,500,745

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, 2025

	Business-type Activities - Enterprise Funds						
	Electric Utility	Sewage Disposal Utility	Water Utility	Marina	Airport	Total	Internal Service Funds
Cash flows from operating activities							
Cash received from customers	$ 9,051,011	$ 2,820,807	$ 2,047,439	$ 666,348	$ 2,069,298	$ 16,654,903	$ -
Cash received from interfund services	-	-	-	-	-	-	4,364,641
Cash payments to or on behalf of employees	(1,863,306)	(789,326)	(797,746)	(213,924)	(472,205)	(4,136,507)	(3,523,498)
Cash payments to suppliers for goods and services	(5,600,387)	(653,964)	(502,294)	(146,981)	(1,288,774)	(8,192,400)	(289,885)
Net cash provided by operating activities	1,587,318	1,377,517	747,399	305,443	308,319	4,325,996	551,258
Cash flows from noncapital financing activities							
Other receipts	-	-	-	-	-	-	23,314
Contributions from component unit	-	18,000	-	339,000	-	357,000	-
Transfers in	-	-	-	-	-	-	384,443
Transfers out	(358,776)	(213,505)	(166,390)	(1,172)	(55,315)	(795,158)	(171,529)
Net cash provided by (used in) noncapital financing activities	(358,776)	(195,505)	(166,390)	337,828	(55,315)	(438,158)	236,228
Cash flows from capital and related financing activities							
Cash received from capital contributions	1,039	62,875	2,578	233	101,598	168,323	-
Purchase of capital assets	(1,133,749)	(33,144)	(133,967)	(16,500)	(106,708)	(1,424,068)	(374,424)
Repayment on interfund advances	105,677	-	-	(93,000)	-	12,677	-
Bond principal payments	-	(440,000)	-	(420,000)	-	(860,000)	-
Lease principal payments	-	-	-	-	-	-	(37,728)
Lease interest payments	-	-	-	-	-	-	(25,569)
Bond and advance interest payments	-	(155,114)	-	(45,159)	-	(200,273)	-
Net cash provided by (used in) capital and related financing activities	(1,027,033)	(565,383)	(131,389)	(574,426)	(5,110)	(2,303,341)	(437,721)
Cash flows from investing activities							
Interest received	121,193	68,548	35,024	10,011	-	234,776	23,140
Net change in cash and cash equivalents	322,702	685,177	484,644	78,856	247,894	1,819,273	372,905
Cash and cash equivalents, beginning of year	3,958,851	6,479,733	2,615,956	544,777	659,799	14,259,116	1,404,936
Cash and cash equivalents, end of year	$ 4,281,553	$ 7,164,910	$ 3,100,600	$ 623,633	$ 907,693	$ 16,078,389	$ 1,777,841

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Statement of Cash Flows
Proprietary Funds
For the Year Ended March 31, 2025

	Business-type Activities Enterprise Funds						
	Electric Utility	Sewage Disposal Utility	Water Utility	Marina	Airport	Total	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by operating activities							
Operating income (loss)	$ 1,276,710	$ 789,454	$ 345,749	$ (369,332)	$ (329,266)	$ 1,713,315	$ 88,232
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:							
Depreciation/amortization expense	441,070	605,385	359,601	658,426	495,047	2,559,529	372,721
Write off of federal grant receivable	-	-	-	-	-	-	21,038
Changes in assets and liabilities that provided (used) cash:							
Deposits at MPPA	(31,892)	-	-	-	-	(31,892)	-
Cash at fiscal agent	-	(4,500)	-	8,400	-	3,900	-
Accounts receivable	(239,545)	(26,659)	(13,514)	236	(432)	(279,914)	1,404
Prepaids	(2,039)	762	2,029	-	-	752	(3,737)
Inventory	(22,026)	-	11,686	-	40,233	29,893	-
Accounts payable	8,052	468	35,468	2,429	21,430	67,847	3,843
Accrued liabilities	58,403	10,918	6,212	(7,295)	3,166	71,404	29,638
Customer deposits	16	-	-	-	-	16	-
Unearned revenue	-	-	-	11,803	(726)	11,077	-
Changes in net pension liability	(72,565)	(59,201)	(80,387)	(6,194)	70,785	(147,562)	-
Changes in deferred outflows	136,733	50,170	66,467	5,716	3,078	262,164	-
Changes in deferred inflows	34,401	10,720	14,088	1,254	5,004	65,467	-
Accrued compensated absences	-	-	-	-	-	-	37,398
Net cash provided by operating activities	$ 1,587,318	$ 1,377,517	$ 747,399	$ 305,443	$ 308,319	$ 4,325,996	$ 551,258

concluded

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

CITY OF CHARLEVOIX, MICHIGAN

Statement of Fiduciary Net Position

Custodial Fund

March 31, 2025

Assets		
Cash	$	87,269
Liabilities		
Due to other governmental units		87,269
Net position		
Restricted for:		
Other governments	$	-

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, 2025

Additions	
Property taxes collected for other governmental units	$ 15,160,129
Deductions	
Property taxes distributed to other governmental units	15,160,129
Change in net position	-
Net position, beginning of year	-
Net position, end of year	$ -

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

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NOTES TO THE FINANCIAL STATEMENTS

Notes to the Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

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

Government-wide and Fund Financial Statements

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

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

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

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 City reports the following major proprietary funds:

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

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

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

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

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

Additionally, the City reports the following fund types:

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

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

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

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

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

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.

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.

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.

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.

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

The District recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences - vacation and sick. The liability for compensated absences is reported as incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Vacation - The City's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment at the employee's current pay rate upon separation from employment.

Sick Leave - The City's policy permits employees to accumulate earned but unused sick leave. A liability for the estimated value of sick leave that will be used by employees as time off is included in the liability for compensated absences. Upon separation of service or retirement, employees who meet years of service requirements are eligible for payment at the employee's current pay rate for 50% of their accumulated sick leave.

Long-term Obligations

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

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

Deferred Inflows of Resources

In addition to liabilities, the statements of net position and balance sheets will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net 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. The City also reports deferred items related to its pension plan.

Fund Balances

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

The City Council has adopted a minimum fund balance policy in which the total unassigned fund balance of the General Fund will be equal to at least 23 percent of the General Fund expenditures. If the General Fund's fund balance falls below 23 percent of total General Fund expenditures, the City Council will develop a plan to replenish the shortages by at least 1% each year as detailed in the policy. At March 31, 2025, 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.

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.

Notes to the Financial Statements

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

P.A. 621 of 1978, as amended, provides that a local unit shall not incur expenditures in excess of the amount budgeted. During the year ended March 31, 2025, 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	$ 249,715	$ 266,270	$ 16,555
Health and welfare:			
Ambulance	-	160	160
Recreation and culture:			
Ice rink	4,100	9,118	5,018
Golf course	274,624	279,310	4,686
Other	45,110	53,837	8,727
Other financing sources (uses):			
Transfers out	48,677	89,076	40,399

3. DEPOSITS AND INVESTMENTS

Following is a reconciliation of deposit and investment balances as of March 31, 2025:

	Primary Government	Component Unit	Total
Statement of net position			
Cash and cash equivalents	$ 21,423,363	$ 318,695	$ 21,742,058
Cash at fiscal agent	696,607	-	696,607
Investments	2,855,000	50,000	2,905,000
Deposits held by Michigan Public Power Agency	525,924	-	525,924
Restricted investments	225,000	-	225,000
Total statement of net position	$ 25,725,894	$ 368,695	26,094,589
Statement of fiduciary net position			
Cash and cash equivalents			87,269
Total			$ 26,181,858

Deposits and investments	
Bank deposits (checking and savings accounts)	$ 21,828,892
Certificates of deposits	3,130,000
Cash with fiscal agent	696,607
Deposits held by Michigan Public Power Agency	525,924
Petty cash	435
Total	$ 26,181,858

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, $21,733,420 of the City's bank balance of $25,208,012 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.

4. RECEIVABLES

Receivables are comprised of the following as of March 31, 2025:

	Governmental Activities	Business-type Activities	Component Unit
Accounts receivable	$ 135,751	$ 1,843,440	$ 10,630
Taxes receivable	99,523	-	3,295
Due from other governmental units	162,442	-	-
Interest receivable	46,026	66,777	265
Lease receivable	-	-	123,789
Allowance for uncollectible accounts	(98,737)	(6,775)	-
	$ 345,005	$ 1,903,442	$ 137,979

Of the amounts reported for receivables above, a portion of the lease receivable in the amount of $86,374 are not expected to be collected within one year.

5. OTHER ASSETS

Other assets consisted of the following amounts at March 31, 2025:

	Governmental Activities	Business-type Activities	Component Unit
Prepaids	$ 62,969	$ 14,668	$ 126
Inventories	-	476,901	-
Totals	$ 62,969	$ 491,569	$ 126

Notes to the Financial Statements

6. CAPITAL ASSETS

Primary Government

Capital assets activity for the primary government for the year ended March 31, 2025, 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	209,189	78,655	-	(208,438)	79,406
	17,336,157	78,655	-	(208,438)	17,206,374
Capital assets being depreciated/amortized:					
Land improvements	4,244,556	16,688	-	-	4,261,244
Infrastructure	10,635,742	19,063	-	63,923	10,718,728
Buildings and improvements	17,162,048	35,527	-	-	17,197,575
Machinery and equipment	2,933,113	320,201	-	144,515	3,397,829
Vehicles	3,631,017	314,978	-	-	3,945,995
Leased vehicles (Note 10)	160,615	47,711	-	-	208,326
	38,767,091	754,168	-	208,438	39,729,697
Less accumulated depreciation/amortization for:					
Land improvements	(2,562,824)	(115,952)	-	-	(2,678,776)
Infrastructure	(3,273,879)	(489,123)	-	-	(3,763,002)
Buildings and improvements	(5,761,552)	(672,126)	-	-	(6,433,678)
Machinery and equipment	(2,035,739)	(182,176)	-	-	(2,217,915)
Vehicles	(2,885,364)	(244,459)	-	-	(3,129,823)
Leased vehicles (Note 10)	(63,832)	(55,372)	-	-	(119,204)
	(16,583,190)	(1,759,208)	-	-	(18,342,398)
Total capital assets being depreciated/amortized, net	22,183,901	(1,005,040)	-	208,438	21,387,299
Governmental activities capital assets, net	$ 39,520,058	$ (926,385)	$ -	$ -	$ 38,593,673

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	263,867	772,257	-	(971,691)	64,433
	1,770,401	772,257	-	(971,691)	1,570,967
Capital assets being depreciated:					
Land improvements	23,504,410	39,161	-	-	23,543,571
Buildings and improvements	20,050,743	15,287	-	-	20,066,030
System improvements	20,504,087	139,613	-	-	20,643,700
Machinery and equipment	3,011,054	457,750	-	971,691	4,440,495
	67,070,294	651,811	-	971,691	68,693,796
Less accumulated depreciation for:					
Land improvements	(14,972,955)	(1,054,796)	-	-	(16,027,751)
Buildings and improvements	(8,587,821)	(655,427)	-	-	(9,243,248)
System improvements	(12,664,582)	(661,572)	-	-	(13,326,154)
Machinery and equipment	(1,602,866)	(187,734)	-	-	(1,790,600)
	(37,828,224)	(2,559,529)	-	-	(40,387,753)
Total capital assets being depreciated, net	29,242,070	(1,907,718)	-	971,691	28,306,043
Business-type activities capital assets, net	$ 31,012,471	$ (1,135,461)	$ -	$ -	$ 29,877,010

Depreciation/amortization of governmental activities by function

General government	$ 205,503
Public safety	16,965
Public works	1,015,000
Health and welfare	1,906
Recreation and culture	147,113
Capital assets held by the governmental activity internal service funds are charged to the various functions based on their usage of the assets	372,721
	$ 1,759,208

Depreciation of business-type activities by function	
Electric utility	$ 441,070
Sewage disposal utility	605,385
Water utility	359,601
Marina	658,426
Airport	495,047
	$ 2,559,529

Discretely presented component unit

Capital assets activity for the Downtown Development Authority ("DDA") component unit for the year ended March 31, 2025, 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	2,513,645	-	-	-	2,513,645
Buildings and improvements	3,812,356	6,900	-	-	3,819,256
Machinery and equipment	96,085	61,605	-	-	157,690
	6,422,086	68,505	-	-	6,490,591
Less accumulated depreciation for:					
Land improvements	(2,192,355)	(83,715)	-	-	(2,276,070)
Buildings and improvements	(2,744,170)	(90,037)	-	-	(2,834,207)
Machinery and equipment	(69,326)	(10,636)	-	-	(79,962)
	(5,005,851)	(184,388)	-	-	(5,190,239)
Total capital assets being depreciated, net	1,416,235	(115,883)	-	-	1,300,352
Component unit capital assets, net	$ 2,351,469	$ (115,883)	$ -	$ -	$ 2,235,586

Depreciation expense for the component unit, included in the statement of activities, was $184,388 for fiscal year 2025.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities are comprised of the following as of March 31, 2025:

	Governmental Activities	Business-type Activities	Component Unit
Accounts payable	$ 65,426	$ 520,353	$ 111,900
Accrued liabilities	94,064	211,899	134
Accrued interest	151,250	-	-
Customer deposits	-	45,817	-
	$ 310,740	$ 778,069	$ 112,034

8. INTERFUND ADVANCES AND TRANSFERS

The composition of interfund advances as of March 31, 2025, was as follows:

	Advance to Other Funds	Advance From Other Funds
Electric Utility Fund	$ 80,492	$ -
General Fund	-	80,492
	$ 80,492	$ 80,492

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 2025, the Electric Utility Fund received principal and interest payments of $93,000 and $930, respectively, from the Marina Fund. This advance is fully paid as of March 31, 2025.

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 2025, the Electric Utility Fund received principal and interest payments of $12,677 and $1,509, respectively, from the General Fund.

Notes to Financial Statements

For the year ended March 31, 2025, interfund transfers consisted of the following:

	Transfers In			
Transfers Out	**General Fund**	**Nonmajor Governmental Funds**	**Internal Service Funds**	**Total**
General Fund	$ -	$ -	$ 89,076	$ 89,076
Nonmajor Governmental Funds	29,500	352,556	-	382,056
Electric Utility	-	342,003	16,773	358,776
Sewage Disposal Utility	-	84,963	128,542	213,505
Water Utility	-	72,825	93,565	166,390
Marina	-	-	1,172	1,172
Airport	-	-	55,315	55,315
Internal Service Funds	-	171,529	-	171,529
Total	$ 29,500	$ 1,023,876	$ 384,443	$ 1,437,819

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.

A transfer in the amount of $57,868 was made from governmental activities to the employee fringe benefits internal service fund to move the balance of compensated absences to the internal service fund for external reporting.

Notes to the Financial Statements

9. BOND, LOANS AND OTHER LONG-TERM LIABILITIES

Long-term debt activity for the year ended March 31, 2025, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Primary government					
Governmental activities:					
General obligation bonds:					
2016 capital improvement bonds	$ 1,945,000	$ -	$ (245,000)	$ 1,700,000	$ 255,000
2019 capital improvement bonds	7,395,000	-	(240,000)	7,155,000	250,000
Total general obligation bonds	9,340,000	-	(485,000)	8,855,000	505,000
Direct borrowings and direct placements:					
Installment purchase agreement	26,248	-	(26,248)	-	-
Leases payable (Note 10)	99,746	47,711	(37,728)	109,729	56,059
Total installment debt	9,465,994	47,711	(548,976)	8,964,729	561,059
Unamortized premiums on bonds payable	629,192	-	(48,856)	580,336	48,856
Compensated absences	461,752	37,398	-	499,150	493,969
Total governmental activities	10,556,938	85,109	(597,832)	10,044,215	1,103,884

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities:					
General obligation bonds:					
Marina – 2016 refunding bonds	$ 1,310,000	$ -	$ (420,000)	$ 890,000	$ 435,000
Limited tax sewer bonds	6,644,562	-	(440,000)	6,204,562	450,000
Total general obligation bonds	7,954,562	-	(860,000)	7,094,562	885,000
Unamortized premiums on bonds payable	126,199	-	(42,066)	84,133	42,066
Total business-type activities	8,080,761	-	(902,066)	7,178,695	927,066
Total primary government	$ 18,637,699	$ 85,109	$ (1,499,898)	$ 17,222,910	$ 2,030,950

concluded

The change in compensated absences above is a net change for the year.

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%	$ 1,700,000
2019 capital improvement bonds	8,335,000	October 2044	3.0%-4.0%	7,155,000
Total general obligation bonds:				$ 8,855,000
Business-type activities				
Marina – 2016 refunding bonds	$ 3,535,000	October 2026	2.0% - 4.0%	$ 890,000
Limited tax sewer bonds	9,459,562	April 2036	2.5%	6,204,562
				$ 7,094,562

Notes to the Financial Statements

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

	Governmental Activities			Business-type Activities		
Year Ending March 31,	Principal	Interest	Total	Principal	Interest	Total
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	595,000	216,500	811,500	495,000	102,177	597,177
2031-2035	1,960,000	795,900	2,755,900	2,675,000	316,040	2,991,040
2036-2040	1,925,000	510,600	2,435,600	1,164,562	29,297	1,193,859
2041-2045	2,225,000	204,150	2,429,150	-	-	-
	$ 8,855,000	$ 2,812,750	$ 11,667,750	$ 7,094,562	$ 1,029,771	$ 8,124,333

10. LEASES

Lessee - The City is involved in five agreements as a lessee that qualify 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, Bonds, Loans and Other Long-term Liabilities.

Asset Type	Remaining Term of Agreements
Vehicles	1-3 years

The net present value of future minimum payments as of March 31, 2025 were as follows:

	Governmental Activities	
Year Ended March 31,	Principal	Interest
2026	$ 56,059	$ 6,286
2027	37,656	2,485
2028	16,014	654
Totals	$ 109,729	$ 9,425

Lessor - The Downtown Development Authority (DDA) discretely presented component unit has entered into a 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, 2025. Total lease revenue for the year ended March 31, 2025 was $35,175.

Asset Type	Remaining Term of Agreement
Dock and Facilities	4 years

	Beginning Balance	Additions	Deductions	Ending Balance
Governmental activities				
Leases receivable	$ 157,712	$ -	$ (33,923)	$ 123,789

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, 2025, 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 2024 levy was assessed and equalized at $326,979,452 (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 2024 was 9.2736 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 1.2919 mills. Property taxes are recognized in the fiscal year in which they are levied.

13. DEFINED BENEFIT PENSION PLAN

General Information About the Plan

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

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

Employees Covered by Benefit Terms. At December 31, 2024, plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	49
Inactive employees entitled to but not yet receiving benefits	17
Active employees	47
Total membership	113

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

Employer and employee contribution amounts or rates, by division/bargaining unit, were as follows for the year ended March 31, 2025:

Division	Plan Type	Status	Employer Contribution Rate	Employee Contribution Rate
Comm Workers	Defined Benefit	Open	20.73%	3.00%
Non-Union	Defined Benefit	Open	29.83%	0.00%
Police Officers	Defined Benefit	Open	20.73%	3.00%

Net Pension Liability. The City's net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2024.

Actuarial Assumptions. The total pension liability in the December 31, 2024 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	6.93%, 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, 2024 valuation were based on the results of the most recent actuarial experience study of 2014-2018.

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Expected Money-Weighted Rate of Return
Global equity	60.0%	4.50%	2.70%
Global fixed income	20.0%	2.00%	0.40%
Private investments	20.0%	7.00%	1.40%
	100.00%		
Inflation			2.50%
Dedicated gains adjustment			-0.07%
Administrative expenses netted above			0.25%
Investment rate of return			7.18%

In February 2022, the MERS Retirement Board adopted a Dedicated Gains Policy. The purpose of the Policy is to automatically reduce the assumed rate of investment return for annual actuarial valuation purposes if the plan year's market value of investment income exceeds the expected investment income. Investment performance measured for the one-year period ending December 31, 2023 resulted in current year excess gains for use in lowering the assumed rate of investment return, as reflected above.

Discount Rate. The discount rate used to measure the total pension liability as of December 31, 2024 was 7.18% (down from 7.25% at December 31, 2023). The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

The components of the change in the net pension liability are summarized as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2023	$ 16,712,016	$ 10,454,132	$ 6,257,884
Changes for the year:			
Service cost	260,025	-	260,025
Interest	1,167,569	-	1,167,569
Differences between expected and actual experience	(106,323)	-	(106,323)
Changes in assumptions	(35,336)	-	(35,336)
Employer contributions	-	772,824	(772,824)
Employee contributions	-	70,798	(70,798)
Net investment income	-	775,318	(775,318)
Benefit payments, including refunds of employee contributions	(1,161,245)	(1,161,245)	-
Administrative expense	-	(23,081)	23,081
Other changes	(2,162)	-	(2,162)
Net changes	122,528	434,614	(312,086)
Balances at December 31, 2025	$ 16,834,544	$ 10,888,746	$ 5,945,798

Changes in Assumptions. Amounts reported as changes in assumptions resulted from a decrease in the assumed rate of return from 7.00% to 6.93%.

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 7.18%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1% lower (6.18%) or 1% higher (8.18%) than the current rate:

	1% Decrease (6.18%)	Current Discount Rate (7.18%)	1% Increase (8.18%)
City's net pension liability	$ 7,773,270	$ 5,945,798	$ 4,397,403

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

For the year ended March 31, 2025, the City recognized pension expense of $1,045,518. 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	$ 136,399	$ 79,742	$ 56,657
Changes in assumptions	58,498	26,502	31,996
Net difference between projected and actual earnings on pension plan investments	435,975	-	435,975
	630,872	106,244	524,628
Contributions subsequent to the measurement date	222,056	-	222,056
Total	$ 852,928	$ 106,244	$ 746,684

Notes to the Financial Statements

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, 2026. Other amounts reported as pension-related deferred outflows/inflows of resources will be recognized in pension expense as follows:

Year Ended March 31,	Amount
2026	$ 273,925
2027	376,751
2028	(118,661)
2029	(7,387)
Total	$ 524,628

Payable to the Pension Plan. At March 31, 2025, the City had no amounts payable for contributions to the pension plan.

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

14. DEFINED CONTRIBUTION PLAN

The City provided pension benefits to its City Manager through a defined contribution plan, "City of Charlevoix City Manager Money Purchase Plan." In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. As established by the City Council, the City contributed 21.24% 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 $30,870 to the Plan during the year ended March 31, 2025. Contributions and interest are allocated to the account and benefits are fully vested at March 31, 2025.

15. ENTITLEMENT COMMITMENT

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

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

Notes to the Financial Statements

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

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

	Combustion Turbine No. 1 2020 Refunding		AFEC Project 2021 Refunding	
Year Ended March 31,	**Principal**	**Interest**	**Principal**	**Interest**
2026	$ 98,884	$ 2,649	$ 113,280	$ 13,144
2027	100,300	1,334	115,168	11,354
2028	-	-	116,820	9,535
2029	-	-	118,944	7,689
2030	-	-	119,888	5,809
2031-2032	-	-	247,800	5,876
Total	$ 199,184	$ 3,983	$ 831,900	$ 53,407

	Belle River Project 2025		Totals	
Year Ended March 31,	**Principal**	**Interest**	**Principal**	**Interest**
2026	$ 148,916	$ 63,588	$ 361,080	$ 79,381
2027	158,592	53,926	374,060	66,614
2028	166,380	45,996	283,200	55,531
2029	174,876	37,677	293,820	45,366
2030	184,316	28,934	304,204	34,743
2031-2032	394,356	29,866	642,156	35,742
Total	$ 1,227,436	$ 259,987	$ 2,258,520	$ 317,377

Notes to the Financial Statements

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 $526,000 at March 31, 2025 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, 2025, was as follows:

	Governmental Activities	Business-type Activities	Component Unit
Capital assets:			
Capital assets, not being depreciated/ amortized	$ 17,206,374	$ 1,570,967	$ 935,234
Capital assets being depreciated/ amortized, net	21,387,299	28,306,043	1,300,352
	38,593,673	29,877,010	2,235,586
Less related debt:			
Total installment debt	(8,964,729)	(7,094,562)	-
Unamortized premiums	(580,336)	(84,133)	-
Add back: deferred charge on bond refunding	-	35,913	-
	(9,545,065)	(7,142,782)	-
Net investment in capital assets	$ 29,048,608	$ 22,734,228	$ 2,235,586

17. FUND BALANCES - GOVERNMENTAL FUNDS

Detailed information on fund balances of governmental funds at March 31, 2025 is as follows:

	General Fund	Nonmajor Governmental Funds	Total
Nonspendable:			
Perpetual care	$ -	$ 478,971	$ 478,971
Prepaids	4,343	375	4,718
Total nonspendable	4,343	479,346	483,689
Restricted:			
Street improvements	-	683,259	683,259
Infrastructure improvements	-	434,022	434,022
Trail development	-	78,196	78,196
Total restricted	-	1,195,477	1,195,477
Committed:			
Housing	-	34,669	34,669
Infrastructure improvements	-	-	-
Building improvements	-	875,537	875,537
Trail development	-	254,192	254,192
Parking services	-	67,598	67,598
Total committed	-	1,231,996	1,231,996
Assigned:			
Capital expenditures	-	487,355	487,355
Debt service	-	212,230	212,230
Total assigned	-	699,585	699,585
Unassigned	1,318,601	-	1,318,601
Total fund balances, governmental funds	$ 1,322,944	$ 3,606,404	$ 4,929,348

Notes to the Financial Statements

18. ADJUSTMENTS TO BEGINNING FUND BALANCE

For the year ended March 31, 2025, the City had the following adjustments to beginning fund balance:

	Infrastructure Improvements Capital Projects Fund	Nonmajor Governmental Funds
Fund balance, beginning of year as previously reported	$ 124,699	$ 3,216,818
Change within the financial reporting entity:		
Change from major fund to nonmajor fund	(124,699)	124,699
Fund balance, beginning of year as adjusted	$ -	$ 3,341,517

The City previously reported the Infrastructure Improvements capital projects fund as major. The Infrastructure Improvements capital projects fund no longer met the quantitative threshold for major funds in accordance with GAAP for the year ended March 31, 2025.

19. RESTATEMENT OF BEGINNING BALANCES

During the current year, the City implemented GASB Statement No. 101, *Compensated Absences.* The effects of the change in accounting principle are summarized below:

	Governmental Activities	Internal Service Funds
Net position, beginning of year, as previously reported	$ 32,924,122	$ 2,574,854
Restatement - GASB 101 implementation	(221,050)	(221,050)
Net position, beginning of year, as restated	$ 32,703,072	$ 2,353,804

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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,				
	2024	**2023**	**2022**	**2021**	**2020**
Total pension liability					
Service cost	$ 260,025	$ 244,627	$ 227,350	$ 206,526	$ 225,006
Interest	1,167,569	1,142,104	1,110,818	1,105,761	1,056,773
Differences between expected and actual experience	(106,323)	157,500	230,596	18,231	126,529
Changes of assumptions	(35,336)	116,996	-	540,350	302,087
Benefit payments, including refunds of employee contributions	(1,161,245)	(1,162,136)	(1,127,562)	(1,090,724)	(1,022,404)
Other changes	(2,162)	(1)	-	-	-
Net change in total pension liability	122,528	499,090	441,202	780,144	687,991
Total pension liability, beginning of year	16,712,016	16,212,926	15,771,724	14,991,580	14,303,589
Total pension liability, end of year	16,834,544	16,712,016	16,212,926	15,771,724	14,991,580
Plan fiduciary net position					
Employer contributions	772,824	674,864	644,713	768,402	743,822
Employee contributions	70,798	65,755	63,413	58,793	57,768
Net investment income (loss)	775,318	1,075,284	(1,310,757)	1,573,103	1,167,332
Benefit payments, including refunds of employee contributions	(1,161,245)	(1,162,136)	(1,127,562)	(1,090,724)	(1,022,404)
Administrative expense	(23,081)	(22,823)	(20,889)	(16,609)	(18,656)
Net change in plan fiduciary net position	434,614	630,944	(1,751,082)	1,292,965	927,862
Plan fiduciary net position, beginning of year	10,454,132	9,823,188	11,574,270	10,281,305	9,353,443
Plan fiduciary net position, end of year	10,888,746	10,454,132	9,823,188	11,574,270	10,281,305
City's net pension liability	$ 5,945,798	$ 6,257,884	$ 6,389,738	$ 4,197,454	$ 4,710,275
Plan fiduciary net position as a percentage of total pension liability	64.7%	62.6%	60.6%	73.4%	68.6%
Covered payroll	$ 3,487,045	$ 3,247,758	$ 3,063,855	$ 2,988,179	$ 3,207,279
City's net pension liability as a percentage of covered payroll	170.5%	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
2025	$ 810,896	$ 810,896	$ -	$ 3,526,203	23.0%
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	612,278	120,000	2,655,443	23.1%
2018	347,625	467,625	120,000	2,334,109	20.0%
2017	318,731	318,731	-	2,354,198	13.5%
2016	290,280	290,280	-	2,552,035	11.4%

See notes to required supplementary information.

Notes to Required Supplementary Information

MERS Agent Multiple-Employer Defined Benefit Pension Plan

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

The amounts presented for each fiscal year were determined as of December 31 of the preceding year.

Changes in Assumptions. In 2015, amounts reported as changes of assumptions resulted primarily from adjustments to the mortality table to reflect longer lifetimes, decreases in the assumed rate of return, and changes in asset smoothing.

In 2019, 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 2020, amounts reported as changes of assumptions related to updated demographic assumptions, including adjustments to the following actuarial assumptions: mortality, retirement, disability, and termination rates.

In 2021, amounts reported as changes of assumptions resulted from a decrease in the assumed rate of return from 7.35% to 7.00%.

In 2023, amounts reported as changes in assumptions resulted from a decrease in the assumed rate of return from 7.00% to 6.93%.

In 2024, the MERS Retirement Board adopted the results of an Experience Study covering the period, January 1, 2019 through December 31, 2023. The study examined recent experience and trends, with consideration for the COVID-19 pandemic. The study resulted in incremental assumption updates, with limited impact on employer contributions and funded status, for most employers when results are measured on the new assumption basis. The results of this study are reflected in the December 31, 2024 annual actuarial valuations.

Notes to Schedule of Contributions

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

Methods and assumptions used to determine contribution rates (2024, based on the 12/31/2022 actuarial valuation):

Actuarial cost method	Entry-age normal
Amortization method	Level percent of payroll, closed
Remaining amortization period	18 years
Asset valuation method	5-year smooth market
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
Normal retirement age	Age 60

Notes to Required Supplementary Information

Mortality	• 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

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS

CITY OF CHARLEVOIX, MICHIGAN

Combining Balance Sheet
Nonmajor Governmental Funds
March 31, 2025

	Special Revenue Funds				
	Major Streets	Local Streets	Ambulance	Parking Services	Housing
Assets					
Cash and cash equivalents	$ 431,194	$ 34,166	$ 19,584	$ 68,159	$ 34,652
Cash at fiscal agent	-	-	-	-	-
Investments	-	-	-	-	-
Accounts receivable	-	-	-	84	17
Taxes receivable	-	-	-	-	-
Due from other governmental units	71,213	22,458	-	-	-
Interest receivable	-	-	-	-	-
Prepaid items	-	-	-	-	-
Total assets	$ 502,407	$ 56,624	$ 19,584	$ 68,243	$ 34,669
Liabilities					
Accounts payable	$ 1,349	$ -	$ -	$ 254	$ -
Accrued liabilities	3,541	2,506	-	391	-
Total liabilities	4,890	2,506	-	645	-
Fund balances					
Nonspendable	-	-	-	-	-
Restricted	497,517	54,118	-	-	-
Committed	-	-	-	67,598	34,669
Assigned	-	-	19,584	-	-
Total fund balances	497,517	54,118	19,584	67,598	34,669
Total liabilities and fund balances	$ 502,407	$ 56,624	$ 19,584	$ 68,243	$ 34,669

Debt Service Funds		Capital Projects Funds			
Infrastructure Debt Service	2019 Public Service Building Bond Debt Service	Fire Truck	Infrastructure Improvements	Street Improvements	Industrial Park
$ 36,139	$ 24,812	$ 398,015	$ 425,422	$ 114,539	$ 35,210
34,000	117,250	-	-	-	-
-	-	-	-	-	-
17	12	162	150	66	17
-	-	-	8,450	17,019	-
-	-	-	-	-	-
-	-	-	-	-	-
-	375	-	-	-	-
$ 70,156	$ 142,449	$ 398,177	$ 434,022	$ 131,624	$ 35,227
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	375	-	-	-	-
-	-	-	434,022	131,624	-
-	-	-	-	-	-
70,156	142,074	398,177	-	-	35,227
70,156	142,449	398,177	434,022	131,624	35,227
$ 70,156	$ 142,449	$ 398,177	$ 434,022	$ 131,624	$ 35,227

continued…

CITY OF CHARLEVOIX, MICHIGAN

Combining Balance Sheet
Nonmajor Governmental Funds
March 31, 2025

	Capital Projects Funds			Permanent Fund	
	Mt. McSauba Improvements	Trail Development-Improvement Fund	Building Improvement Fund	Cemetery Care	Total
Assets					
Cash and cash equivalents	$ 34,363	$ 332,229	$ 457,507	$ 196,699	$ 2,642,690
Cash at fiscal agent	-	-	-	-	151,250
Investments	-	-	400,000	276,200	676,200
Accounts receivable	4	159	169	94	951
Taxes receivable	-	-	-	-	25,469
Due from other governmental units	-	-	-	-	93,671
Interest receivable	-	-	17,861	5,978	23,839
Prepaid items	-	-	-	-	375
Total assets	$ 34,367	$ 332,388	$ 875,537	$ 478,971	$ 3,614,445
Liabilities					
Accounts payable	$ -	$ -	$ -	$ -	$ 1,603
Accrued liabilities	-	-	-	-	6,438
Total liabilities	-	-	-	-	8,041
Fund balances					
Nonspendable	-	-	-	478,971	479,346
Restricted	-	78,196	-	-	1,195,477
Committed	-	254,192	875,537	-	1,231,996
Assigned	34,367	-	-	-	699,585
Total fund balances	34,367	332,388	875,537	478,971	3,606,404
Total liabilities and fund balances	$ 34,367	$ 332,388	$ 875,537	$ 478,971	$ 3,614,445

concluded

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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, 2025

	Special Revenue Funds				
	Major Streets	Local Streets	Ambulance	Parking Services	Housing
Revenues					
Taxes	$ -	$ -	$ -	$ -	$ -
State	522,809	153,398	-	-	-
Charges for services	-	-	-	147,762	-
Fines and forfeitures	-	-	-	17,279	-
Interest and rents	2,376	980	35	479	251
Other	-	-	16,823	122	-
Total revenues	525,185	154,378	16,858	165,642	251
Expenditures					
Current:					
General government	-	-	-	-	-
Public works	446,885	234,500	-	86,036	378
Health and welfare	-	-	141,237	-	-
Recreation and culture	-	-	-	-	-
Debt service:					
Principal	-	-	-	26,248	-
Interest	-	-	-	237	-
Total expenditures	446,885	234,500	141,237	112,521	378
Revenues over (under) expenditures	78,300	(80,122)	(124,379)	53,121	(127)
Other financing sources (uses)					
Transfers in	-	31,700	-	-	6,000
Transfers out	-	-	-	(35,631)	-
Total other financing sources (uses)	-	31,700	-	(35,631)	6,000
Net change in fund balances	78,300	(48,422)	(124,379)	17,490	5,873
Fund balances, beginning of year, as previously reported	419,217	102,540	143,963	50,108	28,796
Change within financial reporting entity	-	-	-	-	-
Fund balances, beginning of year, as adjusted	419,217	102,540	143,963	50,108	28,796
Fund balances, end of year	$ 497,517	$ 54,118	$ 19,584	$ 67,598	$ 34,669

Debt Service Funds		Capital Projects Funds			
Infrastructure Debt Service	2019 Public Service Building Bond Debt Service	Fire Truck	Infrastructure Improvements	Street Improvements	Industrial Park
$ -	$ -	$ -	$ 363,573	$ 301,381	$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,837	2,736	2,738	21,229	112	303
-	-	-	-	-	-
1,837	2,736	2,738	384,802	301,493	303
-	-	-	-	-	3,500
-	-	-	64,054	106	-
-	-	-	-	-	-
-	-	-	-	-	-
245,000	240,000	-	-	-	-
78,029	244,600	-	-	-	-
323,029	484,600	-	64,054	106	3,500
(321,192)	(481,864)	2,738	320,748	301,387	(3,197)
322,800	485,501	59,000	111,375	-	7,500
-	-	-	(122,800)	(223,625)	-
322,800	485,501	59,000	(11,425)	(223,625)	7,500
1,608	3,637	61,738	309,323	77,762	4,303
68,548	138,812	336,439	-	53,862	30,924
-	-	-	124,699	-	-
68,548	138,812	336,439	124,699	53,862	30,924
$ 70,156	$ 142,449	$ 398,177	$ 434,022	$ 131,624	$ 35,227

continued...

CITY OF CHARLEVOIX, MICHIGAN

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended March 31, 2025

	Capital Projects Funds			Permanent Fund	
	Mt. McSauba Improvements	Trail Development-Improvement Fund	Building Improvement Fund	Cemetery Perpetual Care	Total
Revenues					
Taxes	$ -	$ -	$ -	$ -	$ 664,954
State	-	-	-	-	676,207
Charges for services	-	-	-	6,442	154,204
Fines and forfeitures	-	-	-	-	17,279
Interest	9,227	2,689	26,245	16,762	87,999
Other	-	-	-	-	16,945
Total revenues	9,227	2,689	26,245	23,204	1,617,588
Expenditures					
Current:					
General government	-	-	-	-	3,500
Public works	-	-	151,896	-	983,855
Health and welfare	-	-	-	-	141,237
Recreation and culture	30,000	1,815	-	-	31,815
Debt service:					
Principal	-	-	-	-	511,248
Interest	-	-	-	-	322,866
Total expenditures	30,000	1,815	151,896	-	1,994,521
Revenues over (under) expenditures	(20,773)	874	(125,651)	23,204	(376,933)
Other financing sources (uses)					
Transfers in	-	-	-	-	1,023,876
Transfers out	-	-	-	-	(382,056)
Total other financing sources (uses)	-	-	-	-	641,820
Net change in fund balances	(20,773)	874	(125,651)	23,204	264,887
Fund balances, beginning of year, as previously reported	55,140	331,514	1,001,188	455,767	3,216,818
Change within financial reporting entity	-	-	-	-	124,699
Fun Fund balances, beginning of year	55,140	331,514	1,001,188	455,767	3,341,517
Fund balances, end of year	$ 34,367	$ 332,388	$ 875,537	$ 478,971	$ 3,606,404

concluded

CITY OF CHARLEVOIX, MICHIGAN

Combining Statement of Net Position

Internal Service Funds
March 31, 2025

	Employee Fringe Benefits	Motor Vehicle	Total
Assets			
Current assets:			
Cash and cash equivalents	$ 395,710	$ 1,382,131	$ 1,777,841
Investments	100,000	100,000	200,000
Accounts receivable	631	520	1,151
Interest receivable	2,951	4,327	7,278
Prepaids	58,251	-	58,251
Total current assets	557,543	1,486,978	2,044,521
Noncurrent assets:			
Capital assets, not being depreciated/amortized	-	20,653	20,653
Capital assets, being depreciated/amortized	-	1,240,516	1,240,516
Total noncurrent assets	-	1,261,169	1,261,169
Total assets	557,543	2,748,147	3,305,690
Liabilities			
Current liabilities:			
Accounts payable	8,453	16,466	24,919
Accrued liabilities	49,940	4,617	54,557
Current portion of compensated absences	493,969	-	493,969
Current portion of leases payable	-	56,059	56,059
Total current liabilities	552,362	77,142	629,504
Noncurrent liabilities:			
Compensated absences, net of current portion	5,181	-	5,181
Leases payable, net of current portion	-	53,670	53,670
Total liabilities	557,543	130,812	688,355
Net position			
Net investment in capital assets	-	1,151,440	1,151,440
Unrestricted	-	1,465,895	1,465,895
Total net position	$ -	$ 2,617,335	$ 2,617,335

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

Internal Service Funds
For the Year Ended March 31, 2025

	Employee Fringe Benefits	Motor Vehicle	Total
Operating revenues			
Charges for services	$ 3,208,533	$ 1,153,983	$ 4,362,516
Operating expenses			
Personnel services	3,289,140	301,394	3,590,534
Contractual services	2,295	49,578	51,873
Supplies	-	103,979	103,979
Utilities	-	16,259	16,259
Repairs and maintenance	-	111,614	111,614
Depreciation/amortization	-	372,721	372,721
Miscellaneous	27,304	-	27,304
Total operating expenses	3,318,739	955,545	4,274,284
Operating income (loss)	(110,206)	198,438	88,232
Nonoperating revenues			
Interest revenue	4,681	17,827	22,508
Other revenue	-	23,314	23,314
Interest expense	-	(25,569)	(25,569)
Total nonoperating revenues	4,681	15,572	20,253
Income (loss) before transfers	(105,525)	214,010	108,485
Transfers			
Transfers in	384,443	-	384,443
Transfers out	(57,868)	(171,529)	(229,397)
Total transfers	326,575	(171,529)	155,046
Change in net position	221,050	42,481	263,531
Net position, beginning of year, as previously reported	-	2,574,854	2,574,854
Restatement - GASB 101 Implementation	(221,050)	-	(221,050)
Net position, beginning of year, as restated	(221,050)	2,574,854	2,353,804
Net position, end of year	$ -	$ 2,617,335	$ 2,617,335

Combining Statement of Cash Flows

Internal Service Funds
For the Year Ended March 31, 2025

	Employee Fringe Benefits	Motor Vehicle	Total
Cash flows from operating activities			
Cash received from interfund services	$ 3,209,094	$ 1,155,547	$ 4,364,641
Cash payments to or on behalf of employees	(3,225,543)	(297,955)	(3,523,498)
Cash payments to suppliers for goods and services	(4,269)	(285,616)	(289,885)
Net cash provided by (used in) operating activities	(20,718)	571,976	551,258
Cash flows from noncapital financing activities			
Other receipts	-	23,314	23,314
Transfers in	384,443	-	384,443
Transfers out	-	(171,529)	(171,529)
Net cash provided by (used in) noncapital financing activities	384,443	(148,215)	236,228
Cash flows from capital and related financing activities			
Purchase of capital assets	-	(374,424)	(374,424)
Lease principal payments	-	(37,728)	(37,728)
Lease interest payments	-	(25,569)	(25,569)
Net cash provided by (used in) capital and related financing activities	-	(437,721)	(437,721)
Cash flows from investing activities			
Interest received	6,315	16,825	23,140
Net cash provided by (used in) investing activities	6,315	16,825	23,140
Net change in cash and cash equivalents	370,040	2,865	372,905
Cash and cash equivalents, beginning of year	25,670	1,379,266	1,404,936
Cash and cash equivalents, end of year	$ 395,710	$ 1,382,131	$ 1,777,841

continued...

CITY OF CHARLEVOIX, MICHIGAN

Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended March 31, 2025

	Employee Fringe Benefits	Motor Vehicle	Total
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities			
Operating income (loss)	$ (110,206)	$ 198,438	$ 88,232
Adjustments to reconcile operating income (loss) to net cash (used in) provided by operating activities			
Depreciation/amortization expense	-	372,721	372,721
Write off of federal grant receivable	21,038	-	21,038
Changes in operating assets and liabilities that provided (used) cash:			
Accounts receivable	561	843	1,404
Due from other governments	-	721	721
Prepaids	(3,737)	-	(3,737)
Accounts payable	8,029	(4,186)	3,843
Accrued liabilities	26,199	3,439	29,638
Accrued compensated absences	37,398	-	37,398
Net cash provided by (used in) operating activities	$ (20,718)	$ 571,976	$ 551,258

concluded

Noncash disclosure - The motor vehicle internal service funds leased $47,711 of vehicles during the current year.

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CITY OF CHARLEVOIX, MICHIGAN

Balance Sheet

Governmental Fund
Downtown Development Authority Component Unit
March 31, 2025

Assets		
Cash and cash equivalents	$	318,695
Investments		50,000
Receivables:		
Accounts		10,630
Taxes		3,295
Interest		265
Leases		123,789
Prepaids		126
Total assets	$	506,800
Liabilities		
Accounts payable	$	111,900
Accrued liabilities		134
Total liabilities		112,034
Deferred inflows of resources		
Deferred lease amounts		105,525
Fund balance		
Nonspendable		126
Restricted		289,115
Total fund balance		289,241
Total liabilities, deferred inflows of resources and fund balances	$	506,800

Reconciliation
Fund Balance of the Governmental Fund
to Net Position of Governmental Activities
Downtown Development Authority Component Unit
March 31, 2025

Fund balance - governmental fund	$ 289,241
Amounts reported for *governmental activities* in the statement of net position are different because:	
Capital assets used in *governmental activities* are not financial resources and therefore are not reported in the fund.	
Capital assets not being depreciated	935,234
Capital assets being depreciated, net	1,300,352
Net position of governmental activities	$ 2,524,827

Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Fund
Downtown Development Authority Component Unit
For the Year Ended March 31, 2025

Revenues	
Property taxes	$ 623,061
State	41,387
Interest and rents	69,938
Other	3,419
Total revenues	737,805
Expenditures	
Current:	
Community development	742,796
Net change in fund balance	(4,991)
Fund balance, beginning of year	294,232
Fund balance, end of year	$ 289,241

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, 2025

Net change in fund balance - governmental fund	$ (4,991)
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	(184,388)
Change in net position of governmental activities	$ (120,874)

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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*

September 30, 2025

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, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated September 30, 2025.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses, as item 2025-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

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

City of Charlevoix's Response to Findings

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

Purpose of this Report

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

Rehmann Robson LLC

Schedule of Findings and Responses
For the Year Ended March 31, 2025

2025-001 – Material Adjustments

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

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

Condition. Material adjustments were identified and proposed during the audit to adjust the City's general ledger to the appropriate balances. These entries were approved and posted by management. The entries were necessary to adjust pooled cash balances, utility fund receivables and capital assets in the electric utility fund to appropriate year-end balances.

Cause. The general ledger was misstated due to errors caused by a critical software conversion that occurred during the fiscal year.

Effect: As a result of this condition, the City's accounting records were initially misstated by amounts material to the financial statements.

Recommendation. We recommend an individual review year end balances and schedules and record adjustments as needed, to ensure everything is recorded properly and completely before the adjusted trial balance is provided for the audit.

View of Responsible Officials. Management agrees with this finding and has prepared a corrective action plan.

■ ■ ■ ■ ■

Charlevoix City Council
Presentations

Title: 2025 Summer and Fall Recreation Department Presentation
Date: November 3, 2025

Presented By: Kent Knorr, Recreation Director

Background:
Recreation Director Knorr will be sharing an overview of the Recreation Department operations from this past summer and fall. Focus of this presentation will be on the Golf Course, Day Camp, Marina and Farmers Market. Interest, participation, and community involvement remain high for all the programming that we are offering.

Recommendation:

Attachments:
None

Charlevoix City Council
Consent Agenda

Title: City Council Meeting Minutes - October 20, 2025
Date: November 3, 2025

Presented By:

Background:

Recommendation:
Motion to approve the minutes as presented.
Attachments:
1. 2025.10.20 WS CC
2. 2025.10.20 CC REG MEETING DRAFT

City of Charlevoix
City Council Work Session Meeting Minutes
Monday, October 20, 2025 - 5:00 PM
Council Chambers, 210 State Street, Charlevoix, MI

1. Roll Call

The meeting was called to order at 5:00 p.m. by Mayor Gennett.

Mayor:	Lyle Gennett
Members Present:	Shane Cole, Aaron Hagen, Janet Kalbfell, Mark Knapp, Phil Parr (arrived at 5:03 p.m.), Richard Spring
Members Absent:	None
City Manager:	Mark L. Heydlauff
City Clerk:	Sarah J. Dvoracek

2. Discussion Items

A. Event Policy
Mark Heydlauff, City Manager
City Manager Heydlauff presented information on the Event Policy.

City Manager answered questions from Council.

Council Member Parr arrived at 5:03 p.m.

Mayor Gennett opened the item for public comment, two were heard.

3. Public Comment

4. Adjourn

Mayor Gennett adjourned the meeting at 6:00 p.m.

__________________________________ __________________________________

Sarah J. Dvoracek, City Clerk — Lyle Gennett, Mayor

City of Charlevoix
City Council Regular Meeting Minutes
Monday, October 20, 2025 - 6:00 PM

Council Chambers, 210 State Street, Charlevoix, MI

1. Pledge of Allegiance

The meeting was called to order at 6:03 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

Mayor Gennett opened the item for public comment. None were heard.

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

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

Nays: None

Motion carried.

A. City Council Meeting Minutes - October 7, 2025
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
10/10/2025	Payroll Remittance Checks	$7,580.50
10/10/2025	Payroll (net pay)	$136,149.25
10/21/2025	Regular Accounts Payable	$255,404.15
10/03/2025-10/14/2025	ACH/WIRE Payments	$154,109.62
10/14/2025	Special A/P Tax Disbursement	$61,387.93
Grand Total		**$614,631.45**
The entire accounts payable and payroll check registers can be viewed on the city's website.		

C. Grand Traverse Band of Ottawa & Chippewa Indians Grant Application
Motion to authorize the City Manager to sign the 2% allocation grant application for Joppa House and forward it to the Grand Traverse Band of Ottawa and Chippewa Indians Tribal

Council for their consideration.

6. Public Hearings and Actions Requiring Public Hearings

7. All Other Actions and Requests

A. Marina Fee Recommendations
Kent Knorr, Recreation Director
Recreation Director Kent Knorr presented information on the Marina Fee Recommendations.

Mr. Knorr answered questions from Council.

Mayor Gennett opened the item for public comment. None were heard.
Motion by Kalbfell, seconded by Hagen to approve the 2026 proposed fees for the City Marina and Burn Street Dock as presented.
Yeas: Parr, Spring, Knapp, Cole, Kalbfell, Hagen
Nays: None
Motion carried.

B. Water Treatment Plant- High Service Pressure Monitoring and Relief Improvements
Mark Heydlauff, City Manager
City Manager Heydlauff presented information on the Water Treatment Plant's High Service Pressure Monitoring and Relief Improvements.

City Manager Heydlauff answered questions from Council.

Mayor Gennett opened the item for public comment. None were heard.
Motion by Hagen, seconded by Cole to approve the High Service Pressure Monitoring Improvement Project at the Water Treatment Plant and award the project to Northwest Kent Mechanical for a cost not to exceed $47,632.00 and authorize the City Manager to sign all necessary documents.
Yeas: Parr, Spring, Knapp, Cole, Kalbfell, Hagen
Nays: None
Motion carried.

C. General Liability & Property Insurance 2025-26 Renewal
City Manager Heydlauff presented information on the General Liability & Property Insurance 2025-26 Renewal.

Motion by Parr, seconded by Kalbfell to authorize the City Manager and City Treasurer to select the insurance plan for a cost not to exceed $172,000.00.
Yeas: Parr, Spring, Knapp, Cole, Kalbfell, Hagen
Nays: None
Motion carried.

D. Mayoral Appointment
Mayor Lyle Gennett
Mayor Gennett presented information on his Mayoral Appointment.

Mayor Gennett opened the item for public comment. None were heard.

Motion by Kalbfell, seconded by Spring to confirm the Mayor's appointment of Maxwell Drenth to the Recreation Advisory Committee for a term to expire June 30, 2027.

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

Nays: None

Motion carried.

8. Reports and Communications

A. Public Comment

- Annemarie Conway provided Council with an update regarding the County Commission
- Tim Toohey, owner of the Thatch Mushroom House, stated his concerns about the tour commercial operations and the public invading his privacy and trespassing on his property and on other properties located near Park Avenue

B. City Manager's Comments

- Chief McDonnell and I met with Mr. Toohey a couple of weeks ago and there may be future opportunities to help solve the issue; a future work session could be a possibility
- Surf Internet, a fiber internet company, will be expanding in Charlevoix and Petoskey, more details will follow

C. Mayor and Council Comments

- Council Member Kalbfell stated if any seniors need assistance with snow removal, please contact the Commission On Aging

9. Other Council Business

10. Adjourn

Mayor Gennett adjourned the meeting at 6:39 p.m.

Sarah J. Dvoracek	City Clerk	Lyle Gennett	Mayor

Charlevoix City Council
Consent Agenda

Title: Accounts Payable and Payroll Check Registers
Date: November 3, 2025

Presented By:

Background:

Recommendation:
Motion to approve the accounts payable and payroll check registers as presented.
Attachments:
1. Accounts Payable and Payroll Check Registers

CHECK REGISTER FOR CITY OF CHARLEVOIX

CHECK DATE 10/22/2025 - 10/22/2025

BANK CODE: 1 - GENERAL CASH - HUNTINGTON BANK - CHECK TYPE: PAPER CHECK - CHECK SOURCE: COMPUTER GENERATED CHECKS

Check Date	Check	Vendor Name	Amount
Bank 1 GENERAL CASH - HUNTINGTON BANK			
10/22/2025	146109	AT&T	1,619.23
10/22/2025	146110	AT&T MOBILITY	851.07
10/22/2025	146111	CHARLEVOIX STATE BANK	9,891.19
10/22/2025	146112	CHARLEVOIX TOWNSHIP TREASURER	117.16
10/22/2025	146113	CHARTER COMMUNICATIONS	1,140.87
10/22/2025	146114	DELTA DENTAL	3,659.13
10/22/2025	146115	GREAT LAKES ENERGY COOPERATIV	224.49
10/22/2025	146116	VSP INSURANCE CO. (CT)	559.10
1 TOTALS:			
Total of 8 Checks:			18,062.24
Less 0 Void Checks:			0.00
Total of 8 Disbursements:			18,062.24

Summary of Check Registers & ACH Payments

HUNTINGTON NATIONAL BANK - CHECKS ISSUED

10/22/25	Special Accounts Payable Run	$	18,062.24
10/24/25	Payroll (net pay)	$	133,229.04
10/24/25	Payroll Remittance Checks	$	7,360.34
11/04/25	Regular Accounts Payable	$	293,431.16
	Checks Sub-Total:	$	452,082.78

HUNTINGTON NATIONAL BANK - EFT/WIRE PAYMENTS

10/20/25	Enterprise FM Trust (fleet lease)	$	8,672.83
10/20/25	MI Public Power Agency	$	13,424.41
10/24/25	IRS (Payroll Tax Deposit)	$	49,128.33
10/24/25	Alerus Financial (HCSP)	$	558.00
10/24/25	MERS (Defined Benefit Plan)	$	72,518.36
10/24/25	Vantagepoint (401 Plan)	$	1,276.39
10/24/25	Vantagepoint (457 Plan)	$	26,417.58
10/24/25	Vantagepoint (Roth IRA)	$	1,385.00
10/24/25	State of MI (Withholding Tax)	$	7,260.43
10/27/25	MI Public Power Agency	$	225,560.85
10/27/25	MI Public Power Agency	$	29,987.43
	ACH Sub-Total:	$	436,189.61
	Huntington National Bank Total:	$	888,272.39

CHARLEVOIX STATE BANK - CHECKS ISSUED
(PROPERTY TAX DISBURSEMENT TO VARIOUS TAXING AUTHORITIES)

10/28/25	Special A/P Tax Disbursement	$	37,447.57
	Charlevoix State Bank Total:	$	37,447.57
	Grand Total:	$	925,719.96

APPROVED: ______ CITY MANAGER ______ CITY TREASURER ______ CITY CLERK

Name	Check Date	Gross	Net
HEYDLAUFF, MARK L.	10/24/2025	6,009.38	4,048.80
DVORACEK, SARAH J.	10/24/2025	3,283.44	2,322.38
KLOOSTER, ALIDA K.	10/24/2025	3,016.01	2,061.69
BARNEVELD, RICHELLE L.	10/24/2025	2,138.65	1,510.37
SCHULZ, GINNY L.	10/24/2025	2,267.20	1,522.78
JENKINS, JESSICA-RAE A.	10/24/2025	2,240.00	1,714.90
MILLER, FAITH G.	10/24/2025	1,046.69	695.65
MCGINN, KELLY A.	10/24/2025	3,757.18	2,411.70
SCHEEL, JONATHAN D.	10/24/2025	3,182.40	2,231.35
MCDONNELL, JILL L.	10/24/2025	3,711.10	2,152.77
UMULIS, MATTHEW T.	10/24/2025	4,009.70	2,411.93
ORBAN, BARBARA K.	10/24/2025	3,515.49	1,890.13
RILEY, DENISE M.	10/24/2025	746.12	606.51
MUNK, CHRISTOPHER J.	10/24/2025	2,676.67	1,632.71
CHRISTIANSEN, BRIAN D.	10/24/2025	2,379.80	1,656.72
MARTIN, DONALD L.	10/24/2025	3,050.15	2,047.19
YOUNG, KRISTEN L.	10/24/2025	2,163.19	1,547.88
CONWAY, PATRICK G.	10/24/2025	851.00	690.23
DOTSON, WILLIAM R.	10/24/2025	576.00	507.46
WURST, RANDALL W.	10/24/2025	3,206.30	1,617.11
HILLING, NICHOLAS A.	10/24/2025	2,990.40	1,848.85
MEIER III, CHARLES A.	10/24/2025	3,057.66	1,860.74
ZACHARIAS, STEVEN B.	10/24/2025	3,362.18	2,046.40
NEWMAN, MARK J.	10/24/2025	3,088.70	2,023.82
LOUGHMILLER, JOHN A.	10/24/2025	2,505.60	1,810.80
GRIFFITH, JOHN J.	10/24/2025	5,111.51	2,790.06
EATON, BRAD A.	10/24/2025	4,567.57	2,777.72
WILSON, TIMOTHY J.	10/24/2025	4,275.78	3,051.31
LAVOIE, RICHARD L.	10/24/2025	4,010.90	2,515.50
STERRETT, PHILLIP R.	10/24/2025	3,460.69	2,264.26
STEVENS, BRANDON C.	10/24/2025	5,266.25	3,201.17
WHITLEY, ANDREW T.	10/24/2025	4,610.64	2,744.25
FARRELL, MITCHELL L.	10/24/2025	3,554.28	2,274.85
ANDERSON, ELIZABETH A.	10/24/2025	2,173.60	1,527.31
KENWABIKISE, DAVID L.	10/24/2025	1,990.09	1,359.43
ELLIOTT, PATRICK M.	10/24/2025	5,107.72	3,464.99
MORRISON, KEVIN P.	10/24/2025	3,235.45	1,972.89
FURGESON, JUSTIN L.	10/24/2025	2,920.31	2,065.08
BRADLEY, KELLY R.	10/24/2025	3,440.41	2,038.87
HART II, DELBERT W.	10/24/2025	2,637.68	1,665.94
JONES, ROBERT F.	10/24/2025	3,007.98	1,926.61
THORP, WILLIAM D.	10/24/2025	2,332.80	1,448.84
LEITNER, RYAN S.	10/24/2025	3,099.54	1,993.88
NOWKA, STEPHEN P.	10/24/2025	2,814.65	2,047.04
RILEY, DANIEL A.	10/24/2025	2,889.04	2,049.55
REID, ROB A.	10/24/2025	2,053.32	1,015.16
DORAN, JUSTIN J.	10/24/2025	3,447.12	2,611.64
NEDWICK, DAVID J.	10/24/2025	1,152.00	974.04
CONWAY, ANNEMARIE	10/24/2025	972.00	816.83
FINNERTY, HOLLY E.	10/24/2025	1,480.00	1,204.68
POIROT, KENNETH R.	10/24/2025	1,320.00	1,092.40
JOHNSON, RANDY J.	10/24/2025	1,156.25	1,018.41
SPEER, LIAM M.	10/24/2025	1,155.00	957.35
HOFFMAN, MICHAEL G.	10/24/2025	544.00	419.26
BURNS, ELIJAH M.	10/24/2025	140.00	123.34
WOOD, DIANA G.	10/24/2025	840.00	713.73
CRANDELL, ZACKARY R.	10/24/2025	1,225.00	1,000.27
RABIDEAU, JACOB L.	10/24/2025	1,400.00	1,143.80
BORTHS, MICHAEL J.	10/24/2025	1,037.00	867.56
KNORR, KENT J.	10/24/2025	3,751.91	2,622.37
ANZELL, BETH A.	10/24/2025	2,333.22	1,717.71
STEBE, LAURA A.	10/24/2025	15.50	14.31
MCDERMOTT, DENNIS J.	10/24/2025	2,999.20	2,305.01
BLECKE, SKYLAR T.	10/24/2025	828.28	711.21
LAVOIE, AUBREY J.	10/24/2025	812.78	692.47
SUSTIC, HANNAH L.	10/24/2025	704.28	607.73
LLEWELLYN, OLIVIA M.	10/24/2025	952.29	798.81
GALSTERER, CAROLINE R.	10/24/2025	952.29	798.81
LAWRENCE, JEFFREY A.	10/24/2025	204.00	179.72
BEECHERL, GRACE M.	10/24/2025	704.29	607.75
CUNNINGHAM, ABIGAIL A.	10/24/2025	1,945.00	1,548.19
PHILP, DAVAYAH A.	10/24/2025	1,680.29	1,363.48
ELGART, SARAH N.	10/24/2025	187.00	172.70

CHECK APPROVAL REPORT FOR CITY OF CHARLEVOIX
Payroll: 0000000032

Name	Check Date	Gross	Net
GILL, DAVID R.	10/24/2025	1,250.65	1,042.53
LIVINGSTON, BRIAN D.	10/24/2025	3,167.28	2,425.60
WHITLEY, BENJAMIN W.	10/24/2025	424.00	373.54
KLOOSTER, PATRICK H.	10/24/2025	354.75	212.52
COX, RONALD L.	10/24/2025	140.25	73.57
NISWANDER, WILLIAM M.	10/24/2025	955.50	788.42
DOAN, RALPH W.	10/24/2025	105.00	92.51
MOORE, GARY G.	10/24/2025	228.75	211.01
METZGER, CHARLES R.	10/24/2025	108.75	100.43
SCHOLEY, ROBERT W.	10/24/2025	3,544.23	2,349.61
MCCRANEY, RUSSELL R.	10/24/2025	3,003.20	2,215.33
POSTMUS, ANTHONY H.	10/24/2025	2,592.76	1,855.24
REECE, DANIEL A.	10/24/2025	2,782.84	2,009.78
TRAVERS, MANUEL J.	10/24/2025	1,549.36	1,329.79
Totals: 87		195,537.24	133,229.04

Approved By: [signature] Date: 10/20/25

CHECK REGISTER FOR CITY OF CHARLEVOIX
CHECK DATE 10/24/2025 - 10/24/2025

BANK CODE: 1 - GENERAL CASH - HUNTINGTON BANK - CHECK TYPE: PAPER CHECK - CHECK SOURCE: COMPUTER GENERATED CHECKS

Check Date	Check	Vendor Name	Amount
Bank 1 GENERAL CASH - HUNTINGTON BANK			
10/24/2025	146101	4FRONT CREDIT UNION	1,586.92
10/24/2025	146102	AMERICAN FAMILY LIFE	850.07
10/24/2025	146103	BLUE CROSS BLUE SHIELD OF MIC	1,606.52
10/24/2025	146104	CHARLEVOIX STATE BANK	1,695.00
10/24/2025	146105	COMMUNICATION WORKERS OF AMER	673.67
10/24/2025	146106	MI STATE DISBURSEMENT UNIT	116.55
10/24/2025	146107	THE HARTFORD	440.16
10/24/2025	146108	VELO LAW OFFICE	391.45
1 TOTALS:			
Total of 8 Checks:			7,360.34
Less 0 Void Checks:			0.00
Total of 8 Disbursements:			7,360.34

CHECK REGISTER FOR CITY OF CHARLEVOIX
CHECK DATE 11/04/2025 - 11/04/2025

BANK CODE: 1 - GENERAL CASH - HUNTINGTON BANK - CHECK TYPE: PAPER CHECK - CHECK SOURCE: COMPUTER GENERATED CHECKS

Check Date	Check	Vendor Name	Amount
Bank 1 GENERAL CASH - HUNTINGTON BANK			
11/04/2025	146117	ACLARA TECHNOLOGIES LLC	96,867.00
11/04/2025	146118	ACME SPORTS INC	77.45
11/04/2025	146119	ACME SPORTS INC	7,236.00
11/04/2025	146120	ALL-PHASE ELECTRIC SUPPLY CO	2,083.47
11/04/2025	146121	AMAZON CAPITAL SERVICES	2,821.76
11/04/2025	146122	AMERICAN WATER WORKS ASSN	276.00
11/04/2025	146123	APPRIVER LLC	3,385.73
11/04/2025	146124	AT YOUR SERVICE PLUS INC	140.00
11/04/2025	146125	AVFUEL CORPORATION	18,101.59
11/04/2025	146126	BERGMANN MARINE	799.21
11/04/2025	146127	BIRCH N LAVENDER APOTHECARY	28.00
11/04/2025	146128	BLARNEY CASTLE OIL CO	797.95
11/04/2025	146129	CDW GOVERNMENT	1,385.40
11/04/2025	146130	CHARLEVOIX SCREEN MASTERS INC	77.50
11/04/2025	146131	CHARLEVOIX TOWNSHIP TREASURER	38,875.00
11/04/2025	146132	CINTAS CORPORATION	148.90
11/04/2025	146133	CONWAY PROFESSIONAL SERVICES	8,324.00
11/04/2025	146134	DHASELEER EVENTS BARN	123.00
11/04/2025	146135	ECONO SIGNS LLC	884.40
11/04/2025	146136	ELLSWORTH FARMERS EXCHANGE	345.00
11/04/2025	146137	EVA SIEGRIST	78.00
11/04/2025	146138	FAITH G MILLER	39.20
11/04/2025	146139	FARMER WHITE'S	41.00
11/04/2025	146140	FREEDOM MAILING SERVICES INC	2,673.33
11/04/2025	146141	GERBER'S HOMEMADE SWEETS	219.00
11/04/2025	146142	GFL ENVIRONMENTAL	1,413.00
11/04/2025	146143	GINOP SALES INC	596.00
11/04/2025	146144	GRP ENGINEERING INC	212.50
11/04/2025	146145	HACH COMPANY	1,075.21
11/04/2025	146146	HARBOR FENCE COMPANY	749.64
11/04/2025	146147	HEIDI LYNN DIETRICH	600.00
11/04/2025	146148	HOTSY CENTRAL CLEANING	439.00
11/04/2025	146149	HYDE SERVICES LLC	226.87
11/04/2025	146150	INTEGRITY BUSINESS SOLUTIONS	369.08
11/04/2025	146151	INTERSTATE BILLING SERVICE IN	439.00
11/04/2025	146152	J.BIRD PROVISIONS LLC	41.00
11/04/2025	146153	JILL RUTHVIN	50.00
11/04/2025	146154	JOHN E GREEN COMPANY	255.50
11/04/2025	146155	JOHN H CROSS III	7,000.00
11/04/2025	146156	JOHN J GRIFFITH	301.00
11/04/2025	146157	JORDAN BLATT	50.00
11/04/2025	146158	JORDAN'S CRAFT TEAS	82.00
11/04/2025	146159	JUSTIN L FURGESON	330.80
11/04/2025	146160	KELLY A MCGINN	123.20
11/04/2025	146161	KK'S FARM	88.00
11/04/2025	146162	KRAFT BUSINESS SYSTEMS INC	9.93
11/04/2025	146163	LAKESHORE TIRE & AUTO SERVICE	220.00
11/04/2025	146164	LAURIE HUGHES	141.00
11/04/2025	146165	MACQUEEN EQUIPMENT LLC	783.77
11/04/2025	146166	MANTHEI CONSTRUCTION	16,437.74
11/04/2025	146167	MICHIGAN PIPE AND VALVE	360.00
11/04/2025	146168	MITCHELL L FARRELL	132.86
11/04/2025	146169	NATIONAL STORAGE 6600 MICHIGA	8,653.50
11/04/2025	146170	NCL OF WISCONSIN INC	2,140.12
11/04/2025	146171	NORTHERN PUMP SERVICE INC	1,594.45
11/04/2025	146172	NUCO2 LLC	346.02
11/04/2025	146173	OLSON & HOWARD PC	4,083.00
11/04/2025	146174	ON DUTY GEAR LLC	324.96
11/04/2025	146175	PENCHURA LLC	2,492.00
11/04/2025	146176	POWER LINE SUPPLY	2,560.52
11/04/2025	146177	PRESTON FEATHER	267.99
11/04/2025	146178	PRO-TECH SALES	5,705.00
11/04/2025	146179	PROVIDENCE FARM LLC	514.00
11/04/2025	146180	REVOLUTION BIKE LLC	283.50
11/04/2025	146181	ROTARY CLUB OF CHARLEVOIX	45.00
11/04/2025	146182	SCIENTIFIC BRAKE - GAYLORD	64.92
11/04/2025	146183	SNAP-ON CREDIT LLC	94.00
11/04/2025	146184	SNOW MACHINES INC	4,489.32
11/04/2025	146185	SOUND ENVIRONMENTS LLC	645.00
11/04/2025	146186	STUART C IRBY CO	6,128.64

CHECK REGISTER FOR CITY OF CHARLEVOIX
CHECK DATE 11/04/2025 - 11/04/2025

BANK CODE: 1 - GENERAL CASH - HUNTINGTON BANK - CHECK TYPE: PAPER CHECK - CHECK SOURCE: COMPUTER GENERATED CHECKS

Check Date	Check	Vendor Name	Amount
Bank 1 GENERAL CASH - HUNTINGTON BANK			
11/04/2025	146187	SUMMIT FIRE PROTECTION	451.00
11/04/2025	146188	SYSTEMS SPECIALISTS INC	540.00
11/04/2025	146189	THE ROSSOW GROUP	205.00
11/04/2025	146190	TRACE ANALYTICAL LABORATORIES	540.50
11/04/2025	146191	UNIFIRST CORPORATION	450.95
11/04/2025	146192	UP NORTH ASSESSING INC	5,500.00
11/04/2025	146193	UPPER CASE PRINTING INK	1,542.96
11/04/2025	146194	USABLUEBOOK	1,131.60
11/04/2025	146195	UTILITY FINANCIAL SOLUTIONS	12,218.75
11/04/2025	146196	VILLAGE GRAPHICS INC	327.75
11/04/2025	146197	WILMOT ELECTRIC INC	729.72
11/04/2025	146198	WITT FAMILY FARM	14.00
11/04/2025	146199	MANTHEI CONSTRUCTION	10,992.00
1 TOTALS:			
Total of 83 Checks:			293,431.16
Less 0 Void Checks:			0.00
Total of 83 Disbursements:			293,431.16

CHECK REGISTER FOR CITY OF CHARLEVOIX
CHECK DATE 10/20/2025 - 10/20/2025

BANK CODE: 1 - GENERAL CASH - HUNTINGTON BANK - CHECK TYPE: EFT - CHECK SOURCE: COMPUTER GENERATED CHECKS

Check Date	Check	Vendor Name	Amount
Bank 1 GENERAL CASH - HUNTINGTON BANK			
10/20/2025	333(E)	ENTERPRISE FM TRUST	8,672.83
10/20/2025	334(E)	MICHIGAN PUBLIC POWER AGENCY	13,424.41
1 TOTALS:			
Total of 2 Checks:			22,097.24
Less 0 Void Checks:			0.00
Total of 2 Disbursements:			22,097.24

CHECK REGISTER FOR CITY OF CHARLEVOIX
CHECK DATE 10/24/2025 - 10/24/2025

BANK CODE: 1 - GENERAL CASH - HUNTINGTON BANK - CHECK TYPE: EFT - CHECK SOURCE: COMPUTER GENERATED CHECKS

Check Date	Check	Vendor Name	Amount
Bank 1 GENERAL CASH - HUNTINGTON BANK			
10/24/2025	335(E)	**EFTPS* Payroll Taxes	49,128.33
10/24/2025	336(E)	Alerus Financial	558.00
10/24/2025	337(E)	MERS	72,518.36
10/24/2025	338(E)	MissionSquare - 401 Plan 1091	1,276.39
10/24/2025	339(E)	MissionSquare - 457 Plan 3009	26,417.58
10/24/2025	340(E)	MissionSquare - Roth IRA 7061	1,385.00
10/24/2025	341(E)	STATE OF MICHIGAN	7,260.43
1 TOTALS:			
Total of 7 Checks:			158,544.09
Less 0 Void Checks:			0.00
Total of 7 Disbursements:			158,544.09

CHECK REGISTER FOR CITY OF CHARLEVOIX
CHECK DATE 10/27/2025 - 10/27/2025

BANK CODE: 1 - GENERAL CASH - HUNTINGTON BANK - CHECK TYPE: EFT - CHECK SOURCE: COMPUTER GENERATED CHECKS

Check Date	Check	Vendor Name	Amount
Bank 1 GENERAL CASH - HUNTINGTON BANK			
10/27/2025	342(E)	MICHIGAN PUBLIC POWER AGENCY	225,560.85
10/27/2025	343(E)	MICHIGAN PUBLIC POWER AGENCY	29,987.43
1 TOTALS:			
Total of 2 Checks:			255,548.28
Less 0 Void Checks:			0.00
Total of 2 Disbursements:			255,548.28

CHECK REGISTER FOR CITY OF CHARLEVOIX

CHECK DATE 10/28/2025 - 10/28/2025

BANK CODE: 2 - TAX CASH - CSB - CHECK TYPE: PAPER CHECK - CHECK SOURCE: COMPUTER GENERATED CHECKS

Check Date	Check	Vendor Name	Amount
Bank 2 TAX CASH - CSB			
10/28/2025	4292	CHARLEVOIX COUNTY TREASURER	13,930.12
10/28/2025	4293	CHARLEVOIX PUBLIC SCHOOLS	8,447.04
10/28/2025	4294	CITY OF CHARLEVOIX - TAXES DU	15,070.41
2 TOTALS:			
Total of 3 Checks:			37,447.57
Less 0 Void Checks:			0.00
Total of 3 Disbursements:			37,447.57

Charlevoix City Council
Consent Agenda

Title: Accept 2024-2025 Audit Report
Date: November 3, 2025

Presented By:

Background:

Recommendation:
Motion to accept the 2024-2025 Audit as presented.
Attachments:
None

Charlevoix City Council

Consent Agenda

Title: Lease of 2025 Tahoe
Date: November 3, 2025

Presented By:

Background:
The Police Department currently leases a 2023 Chevrolet Tahoe through Enterprise Fleet Management. Since being placed into service, this vehicle has experienced recurring mechanical issues and has been out of service multiple times for repairs and diagnostic work. These repeated outages have left the department short one patrol vehicle at various times, impacting operational readiness. Due to these reliability concerns, the vehicle poses a potential health and safety risk to officers who depend on it for daily patrol duties.

Enterprise Fleet Management has made available a 2025 Chevrolet Tahoe, which the department has tagged for replacement under a new lease agreement. This would entail ending the lease of the 2023 Tahoe and initiating a new lease for the 2025 model. All existing police equipment and upfitting (e.g., emergency lighting, radio, computer mount, prisoner transport partition) from the current vehicle will be transferred to the new Tahoe, minimizing additional cost and downtime.

Recommendation:
Motion to approve the lease of a 2025 Chevrolet Tahoe police package vehicle and authorize the City Manager and Police Chief to sign all necessary documents.

Attachments:
1. 2025 Chevy Police Tahoe Q 9404716

enterprise | FLEET MANAGEMENT

Open-End (Equity) Lease Rate Quote

Quote No: 9404716

Prepared For: City of Charlevoix
Elliott, Pat
Unit # 29QLMR
Year 2025 **Make** Chevrolet **Model** Tahoe
Series Police Vehicle 4dr 4x4
Vehicle Order Type In-Stock **Term** 60 **State** MI **Customer#** 607192

Date 10/28/2025
AE/AM AB3/rbr

$ 54,948.42		Capitalized Price of Vehicle[1]
$0.00		Sales Tax 0.0000% **State** MI
$ 103.00		Initial License Fee
$ 0.00		Registration Fee
$ 500.00		Other: (See Page 2)
$ 0.00	*	Capitalized Price Reduction
$ 0.00		Gain Applied From Prior Unit
$ 0.00	*	Security Deposit
$0.00		Taxes
$ 55,551.42		Total Capitalized Amount (Delivered Price)
$ 833.27		Depreciation Reserve @ 1.5000%
$ 296.25		Monthly Lease Charge (Based on Interest Rate - Subject to a Floor)[2]
$ 1,129.52		**Total Monthly Rental Excluding Additional Services**

All language and acknowledgments contained in the signed quote apply to all vehicles that are ordered under this signed quote.

Order Information

Driver Name	Please Provide
Exterior Color	(0 P) Black
Interior Color	Jet Black w/Cloth Seat Trim
Lic. Plate Type	Title Only
GVWR	0

Additional Fleet Management

Master Policy Enrollment Fees

$ 0.00	Commercial Automobile Liability Enrollment		
	Liability Limit $0.00		
$ 0.00	Physical Damage Management	Comp/Coll Deductible	0 / 0
$ 0.00	Full Maintenance Program[3] Contract Miles 0	OverMileage Charge	$ 0.00 Per Mile
	Incl: # Brake Sets (1 set = 1 Axle) 0	# Tires 0	Loaner Vehicle Not Included
$ 0.00	**Additional Services SubTotal**		
$ 0.00	Tax 0.0000%	**State** MI	
$ 1,129.52	**Total Monthly Rental Including Additional Services**		
$ 5,555.22	Reduced Book Value at 60 Months		
$ 475.00	Service Charge Due at Lease Termination		

Quote based on estimated annual mileage of 9,100
(Current market and vehicle conditions may also affect value of vehicle)
(Quote is Subject to Customer's Credit Approval)
Notes

Enterprise FM Trust will be the owner of the vehicle covered by this Quote. Enterprise FM Trust (not Enterprise Fleet Management) will be the Lessor of such vehicle under the Master Open - End (Equity) Lease Agreement and shall have all rights and obligations of the Lessor under the Master Open - End (Equity) Lease Agreement with respect to such vehicle.
Lessee must maintain insurance coverage on the vehicle as set forth in Section 11 of the Master Open-End (Equity) Lease Agreement until the vehicle is sold.

ALL TAX AND LICENSE FEES TO BE BILLED TO LESSEE AS THEY OCCUR.

Lessee hereby authorizes this vehicle order, and agrees to lease the vehicle on the terms set forth herein and in the Master Equity Lease Agreement. In the event Lessee fails or refuses to accept delivery of the ordered vehicle, Lessee agrees that Lessor shall have the right to collect damages, including, but not limited to, a $500 disposal fee, interest incurred, and loss of value.

LESSEE City of Charlevoix

BY **TITLE** **DATE**

* INDICATES ITEMS TO BE BILLED ON DELIVERY.

[1] Capitalized price of vehicle may be adjusted to reflect final manufacturer's invoice, plus a pre delivery interest charge. Lessee hereby assigns to Lessor any manufacturer rebates and/or manufacturer incentives intended for the Lessee, which rebates and/or incentives have been used by Lessor to reduce the capitalized price of the vehicle.

[2] Monthly lease charge will be adjusted to reflect the interest rate on the delivery date (subject to a floor).

[3] The inclusion herein of references to maintenance fees/services are solely for the administrative convenience of Lessee. Notwithstanding the inclusion of such references in this [Invoice/Schedule/Quote], all such maintenance services are to be performed by Enterprise Fleet Management, Inc., and all such maintenance fees are payable by Lessee solely for the account of Enterprise Fleet Management, Inc., pursuant to that certain separate [Maintenance Agreement] entered into by and between Lessee and Enterprise Fleet Management, Inc.; provided that such maintenance fees are being billed by Enterprise FM Trust, and are payable at the direction of Enterprise FM Trust, solely as an authorized agent for collection on behalf of Enterprise Fleet Management, Inc.

Other Totals

Description	(B)illed or (C)apped	Price
Initial Administration Fee	C	$ 300.00
Transportation Estimate	C	$ 200.00
Courtesy Delivery Fee	B	$ 0.00
Total Other Charges Billed		$ 0.00
Total Other Charges Capitalized		$ 500.00
Other Charges Total		$ 500.00

Open-End (Equity) Lease Rate Quote

Quote No: 9404716

VEHICLE INFORMATION:

2025 Chevrolet Tahoe Police Vehicle 4dr 4x4 - US

Series ID: CK10706

Pricing Summary:

	INVOICE	MSRP
Base Vehicle	$53,449	$56,500.00
Total Options	$-4,309.72	$-1,144.00
Destination Charge	$2,595.00	$2,595.00
Total Price	**$51,734.28**	**$57,951.00**

SELECTED COLOR:

Exterior:	GBA-(0 P) Black
Interior:	H1T-Jet Black w/Cloth Seat Trim

SELECTED OPTIONS:

CODE	DESCRIPTION	INVOICE	MSRP
1FL	Preferred Equipment Group 1FL	NC	NC
5J3	Surveillance Mode Calibration Interior Lighting	Included	Included
6C7	SEO: Red & White Front Auxiliary Dome Lighting	$154.70	$170.00
6E2	SEO: Fleet Calibration (6E2)	$22.75	$25.00
6J3	SEO: Grille Lamps & Siren Speakers Wiring	$83.72	$92.00
6N5	SEO: Inoperative Rear Window Switches	$51.87	$57.00
6N6	SEO: Inoperative Inside Rear Door Locks & Handles	$56.42	$62.00
9C1	Identifier For Police Package Vehicle	STD	STD
9G8	SEO: Daytime Running Lamps Delete	$45.50	$50.00
A2X	8-Way Power Driver Seat Adjuster	Included	Included
A7J	6-Way Power Front Passenger Seat Adjuster	Included	Included
AL9	2-Way Power Driver Lumbar Seat Adjuster	Included	Included
AT9	2-Way Power Front Passenger Lumbar Seat Adjuster	Included	Included
ATD	3rd Row Passenger Seat Delete	Included	Included
AU7	Fleet Common Key	Included	Included
AZ3	Front 40/20/40 Split-Bench Seat	STD	STD
C6G	GVWR: 7,600 lbs (3,447 Kgs)	STD	STD
Deal Adj	Dealer Adjustment	$-4,770.18	$-1,650.00
FE9	Federal Emissions Requirements	NC	NC
GBA_01	(0 P) Black	NC	NC
GU5	3.23 Rear Axle Ratio	STD	STD
H1T_02	Jet Black w/Cloth Seat Trim	NC	NC
K47	Heavy-Duty Air Filter	Included	Included
K6K	760 Cold-Cranking Amps Auxiliary Battery	Included	Included
KX4	250 Amps Alternator	Included	Included
L84	Engine: 5.3L EcoTec3 V8	STD	STD
MHU	Transmission: Electronic 10-Speed Automatic w/OD	STD	STD
NP0	Single-Speed Elec Autotrac Active Transfer Case	Included	Included
PNTTBL01	Paint Table : Primary w/PPV/SSV	$0.00	$0.00
PXT	Wheels: 20" X 9" Steel	Included	Included
R6J	Ship-Thru Verification Code	NC	NC
RAV	Spare P275/55R20 as BW Tire	Included	Included
RC1	Front Skid Plate	Included	Included

CODE	DESCRIPTION	INVOICE	MSRP
STDTM	Cloth Seat Trim	STD	STD
UQF	6-Speaker Audio System Feature	Included	Included
URW	Radio: 17.7" Diagonal Advanced Color LCD Display	STD	STD
UTQ	SEO: Content Theft-Deterrent Disable System	$45.50	$50.00
V53	Luggage Rack Side Rails Delete	Included	Included
VPV	Ship-Thru: Kerr Industries	Included	Included
XCS	Tires: 275/55R20SL as BW	Included	Included
Z56	Heavy-Duty Police-Rated Suspension Package	Included	Included
ZY1	Solid Paint	STD	STD

CONFIGURED FEATURES:

Body Exterior Features:

- Number Of Doors 4
- Rear Cargo Door Type: liftgate
- Driver And Passenger Mirror: power remote heated manual folding side-view door mirrors
- Spoiler: rear lip spoiler
- Skid Plates: skid plates
- Side Steps: yes
- Door Handles: body-coloured
- Front And Rear Bumpers: body-coloured front and rear bumpers
- Rear Step Bumper: rear step bumper
- Body Material: galvanized steel/aluminum body material
- : class IV trailering with harness, hitch
- Body Side Cladding: black bodyside cladding
- Grille: grille with chrome bar

Convenience Features:

- Air Conditioning automatic dual-zone front air conditioning
- Air Filter: air filter
- Rear Air Conditioning: rear air conditioning with separate controls
- Cruise Control: cruise control with steering wheel controls, Adaptive Cruise Control adaptive
- Power Windows: power windows with front and rear 1-touch down
- 1/4 Vent Rear Windows: power rearmost windows
- Remote Keyless Entry: yes remote keyless entry
- Illuminated Entry: illuminated entry
- Integrated Key Remote: integrated key/remote
- Auto Locking: auto-locking doors
- Passive Entry: Keyless Open and Start proximity key
- Interior Lock Disable: interior lock disable
- Trunk FOB Controls: keyfob trunk/hatch/door release
- Remote Engine Start: keyfob remote start - yes
- Steering Wheel: steering wheel with manual tilting, manual telescoping
- Day-Night Rearview Mirror: day-night rearview mirror
- Driver and Passenger Vanity Mirror: illuminated auxiliary driver and passenger-side visor mirrors
- Emergency SOS: OnStar and Chevrolet connected services capable emergency communication system
- Navigation System: Google built-in compatibility (select service plan required, terms and limitations apply) navigation system with voice activation
- Front Cupholder: front and rear cupholders
- Overhead Console: mini overhead console with storage
- Glove Box: locking glove box
- Driver Door Bin: driver and passenger door bins
- Rear Door Bins: rear door bins
- Seatback Storage Pockets: 2 seatback storage pockets
- Driver Footrest: driver's footrest
- Retained Accessory Power: retained accessory power
- AC Power Outlet: 2 interior 120V AC power outlet

Entertainment Features:

- radio AM/FM stereo with seek-scan
- Radio Data System: radio data system
- Voice Activated Radio: voice activated radio
- Speed Sensitive Volume: speed-sensitive volume
- Steering Wheel Radio Controls: steering-wheel mounted audio controls
- Speakers: 6 speakers
- Internet Access: 5G Wi-Fi Hotspot capable internet access
- TV Tuner: OnStar Turn-by-Turn Navigation turn-by-turn navigation directions
- 1st Row LCD: 2 1st row LCD monitor
- Wireless Connectivity: wireless phone connectivity
- Antenna: window grid antenna

Lighting, Visibility and Instrumentation Features:

Headlamp Type projector beam LED low/high beam headlamps
Front Wipers: variable intermittent Rainsense rain detecting wipers wipers
Rear Window wiper: rear window wiper
Rear Window Defroster: rear window defroster
Tinted Windows: deep-tinted windows
Front Reading Lights: front and rear reading lights
Ignition Switch: ignition switch light
Variable IP Lighting: variable instrument panel lighting
Display Type: digital/analog appearance
Tachometer: tachometer
Voltometer: voltmeter
Low Tire Pressure Warning: tire specific low-tire-pressure warning
Trip Computer: trip computer
Trip Odometer: trip odometer
Following Distance Indicator: following distance alert
Oil Pressure Gauge: oil pressure gauge
Water Temp Gauge: water temp. gauge
Engine Hour Meter: engine hour meter
Clock: digital clock
Systems Monitor: driver information centre
Check Control: redundant digital speedometer
Rear Vision Camera: rear vision camera
Oil Pressure Warning: oil-pressure warning
Water Temp Warning: water-temp. warning
Battery Warning: battery warning
Low Oil Level Warning: low-oil-level warning
Low Coolant Warning: low-coolant warning
Lights On Warning: lights-on warning
Key in Ignition Warning: key-in-ignition warning
Low Fuel Warning: low-fuel warning
Low Washer Fluid Warning: low-washer-fluid warning
Door Ajar Warning: door-ajar warning
Trunk Ajar Warning: trunk-ajar warning
Brake Fluid Warning: brake-fluid warning
Turn Signal On Warning: turn-signal-on warning
Transmission Fluid Temperature Warning: transmission-fluid-temperature warning

Safety And Security:

ABS four-wheel ABS brakes
Number of ABS Channels: 4 ABS channels
Brake Assistance: brake assist
Brake Type: four-wheel disc brakes
Vented Disc Brakes: front and rear ventilated disc brakes
Spare Tire Type: full-size spare tire
Spare Tire Mount: underbody mounted spare tire w/crankdown
Driver Front Impact Airbag: driver and passenger front-impact airbags
Driver Side Airbag: seat-mounted driver and passenger side-impact airbags
Overhead Airbag: curtain 1st, 2nd and 3rd row overhead airbag
Occupancy Sensor: front passenger airbag occupancy sensor
Height Adjustable Seatbelts: height adjustable front seatbelts
Seatbelt Pretensioners: front seatbelt pre-tensioners
3Point Rear Centre Seatbelt: 3 point rear centre seatbelt
Side Impact Bars: side-impact bars
Perimeter Under Vehicle Lights: remote activated perimeter/approach lights
Tailgate/Rear Door Lock Type: tailgate/rear door lock included with power door locks
Rear Child Safety Locks: rear child safety locks
Ignition Disable: immobilizer
Panic Alarm: panic alarm
Tracker System: tracker system
Electronic Stability: StabiliTrak electronic stability stability control with anti-rollover

Traction Control: ABS and driveline traction control
Front and Rear Headrests: manual adjustable front head restraints
Rear Headrest Control: 2 rear head restraints
Break Resistant Glass: break resistant glass

Seats And Trim:

Seating Capacity max. seating capacity of 6
Front Bucket Seats: front split-bench 40-20-40 seats
Number of Driver Seat Adjustments: 8-way driver and passenger seat adjustments
Reclining Driver Seat: power reclining driver and passenger seats
Driver Lumbar: power 2-way driver and passenger lumbar support
Driver Height Adjustment: power height-adjustable driver and passenger seats
Driver Fore/Aft: power driver and passenger fore/aft adjustment
Driver Cushion Tilt: power driver and passenger cushion tilt
Front Centre Armrest Storage: front centre armrest
Rear Seat Type: rear manual reclining 60-40 split-bench seat
Rear Seat Fore/Aft: manual rear seat fore/aft adjustment
Rear Folding Position: rear seat tumble forward
Rear Seat Armrest: rear seat centre armrest
Leather Upholstery: cloth front and rear seat upholstery
Headliner Material: full cloth headliner
Floor Covering: full vinyl/rubber floor covering
Interior Accents: chrome/metal-look interior accents
Cargo Space Trim: vinyl/rubber cargo space
Trunk Lid: plastic trunk lid/rear cargo door
Cargo Light: cargo light
Concealed Cargo Storage: concealed cargo storage

Standard Engine:

Engine 355-hp, 5.3-liter V-8 (regular gas)

Standard Transmission:

Transmission 10-speed automatic w/ OD and auto-manual

Charlevoix City Council

All Other Actions and Requests

Title: Recreation Department Fee Updates
Date: November 3, 2025

Presented By: Kent Knorr, Recreation Director

Background:
We are recommending increased fees for Pavilion Reservations, Day Camp and the Ski Hill.

Pavilions continue to see an increase in demand during weekends and holidays. The fees for usage of the pavilions are set with the expectation of clean and well-maintained pavilions, which we deliver each time at amazing, beautiful and valued locations. The recommended increases continue to place our pricing at a competitive rate compared to surrounding communities.

As we continue to maximize attendance at our Day Camp, the opportunity and need to increase fees is necessary. Fortunately, we have a very talented and professional group of counselors that are either educators or students working towards future educational positions. We continue to offer competitive compensation for our staff and increases in the fees allow us to continue to do so. It should be noted that we do offer scholarships to families in need. In 2023, we offered 9 scholarships, in 2024 we offered 20, and in 2025 we offered 14. We always hold 5 spots each week for those that qualify and request scholarships (40 each season).

Finally, we are recommending marginal increases in the admission fees for the ski hill. Those fees are designed to offset the operational cost of the hill and the increases keep pace with increases we are seeing for equipment and staffing. We will note that residents are offered lower rates than non-residents.

Recommendation:
Motion to approve changes in Recreational Fees as presented.

Attachments:
1. Proposed Recreation Rate and Fee changes

Recreation Rates, Fees, and Charges Proposed Changes

PAVILION RESERVATION

	Current Resident	Proposed Resident	Current Non-Resident	Proposed Non-Resident
Picnic Pavilion Weekday	$50	No Change	$80	No Change
Picnic Pavilion Rental-Weekend Or Holiday	$70	$80	$100	$120
Performance Pavilion Rental (case by case)	$90	$120	$150	$200

DAY CAMP

	Current Resident	Proposed Resident	Current Non-Resident	Proposed Non-Resident
Mt McSauba Day Camp (per person)	$160	$170	$195	$205
Sibling Discount	$145	$150	$180	$190

MT. MCSAUBA SKI HILL

	Current Resident	Proposed Resident	Current Non-Resident	Proposed Non-Resident
Weeknight Daily	$20	$21	$25	$26
Weekend Daily	$22	$23	$27	$28
Season Pass	$205	$210	$285	$300
Equipment Rental				
Downhill Skis or Snowboard	$14	$15	$16	$17
Cross Country or snowshoes (8 hours)	$8	$10	$12	$14
Cross Country or snowshoes (24 hours)	$13	$15	$17	$19
Lodge Rental (case by case)				
Staff Supervisor fee per hour	$35	$45	$35	$45

Charlevoix City Council

All Other Actions and Requests

Title: Park Avenue Work Session Scheduling
Date: November 3, 2025

Presented By: Mark Heydlauff, City Manager

Background:
At your meeting on October 20, residents from the Park Avenue area addressed issues and concerns in their neighborhood with aggressive tourism, trespassing, and traffic. Council determined a work session to discuss these issues and potential solutions would be a good next step.

Here are some potential dates:

- December 1- 4 or 5pm (regular meeting date)
- December 2- between 1-4pm
- December 8- between 1-4pm (Planning Commission meets at 6pm)

Here is the video referenced at the meeting: YouTube Video from PORCH

Recommendation:
Council discussion and direction.

Attachments:
None

Charlevoix City Council
All Other Actions and Requests

Title: Election Security and Accessibility Update
Date: November 3, 2025

Presented By: Sarah Dvoracek, City Clerk

Background:
I will provide a brief update on the ongoing efforts to enhance election security and improve accessibility, ensuring that elections are both safer and more inclusive for all voters.

Recommendation:
Council information only.

Attachments:
None

Charlevoix City Council
Reports and Communications

Title: City Manager's Comments
Date: November 3, 2025

Presented By:

Background:
A. NYE Fireworks
Since your last discussion of this topic, I communicated Council's decision to Luther Kurtz regarding his potential request for approval to launch fireworks at Depot Beach. He has moved on from the request at Depot Beach as the location but is further and more seriously exploring options to seek approval from the DNR, the United States Coast Guard, and the City for permissions to launch from a barge in Round Lake akin to the Venetian Festival fireworks show. I suggested November 17 would be the appropriate time to seek Council approval and he is planning accordingly. As I understand it, he is hoping to see approval for one show on December 31 at 9pm.

B. Mass Casualty Response Planning
I reviewed the current draft of the Mass Casualty Response Plan with our department heads earlier this month. They had some helpful feedback and even suggestions we immediately implemented. Most notably, Chief McDonnell immediately called Water Treatment Plant Chief Operator Nick Hilling within moments of hearing of the fire at the Belvedere Casino to aid in better coordination for water demand in the case of an extensive fire. This feedback and more will be used to update the plan further. I also attended a session at the ICMA conference this week in Tampa that reviewed the same topic based on a mass shooting at an outlet mall in Allen, Texas. In many respects, I felt comfortable that we are including the practices they recommended in their after-action report but there are some items we can add to our plan and additional resources we can coordinate. I anticipate bringing another draft of the plan to you for potential adoption in December. As you have continued feedback, please let me know.

C. Belvedere Casino Fire
As you have heard by now, the Charlevoix Police Department was able to quickly investigate and detain a suspect in the arson at the Belvedere Casino fire. I appreciate their quick work and the dedication of our fire department in responding to the fire. Many of the firefighters stayed long into the daytime to ensure the wreckage did not rekindle. I know Chief Thorp received several calls of thanks from Belvedere Club leadership for their action even though the building is a total loss.

D. Fire Truck Purchase
With the state assistance for the purchase of our new joint fire truck purchase with Charlevoix Township, I'm working to finalize financing options with Charlevoix State Bank and Charlevoix Township to bring a final purchase proposal to Council. At present, I'm hopeful that this will be finalized for your November 17 meeting. There is a substantial discount for the pre-payment of the full cost and inclusive of a performance bond for this arrangement. We are in contact with Representative Fairbairn's office for details on how we actually obtain the state funding. I'll keep you informed as details are finalized.

Recommendation:

Attachments:

1. 2025.09.08 Planning Commission Meeting Minutes
2. 2025.08.27 Zoning Board of Appeals Meeting Minutes

City of Charlevoix
Planning Commission Regular Meeting Minutes
Monday, September 8, 2025 - 6:00 PM
Council Chambers, 210 State Street, Charlevoix, MI

A. Call to Order/Pledge of Allegiance

The meeting was called to order at 6:00 p.m. by Chair Muladore followed by the Pledge of Allegiance.

B. Roll Call

Chair:	Jennifer Muladore
Members Present:	Scott Beatty, Shelley Boehmer, Christine Galbreath, Toni Felter, Kristin Jones, Maureen Radke
Members Absent:	None
Staff Present:	Jonathan Scheel, Director of Planning and Zoning

C. Inquiry into Potential Conflicts of Interest

D. Approval of Agenda

Motion by Member Felter, seconded by Member Galbreath to approve the agenda as presented.
Motion carried by unanimous voice vote.

E. Approval of the Minutes

1. Planning Commission Minutes of August 11, 2025

   Member Radke stated the 5th line, 2nd paragraph of the Zoning Administrator Report needed a correction to read that the applicant has already been given a conditional rezone application to change to a central business district.

   Motion by Member Radke, seconded by Member Jones to approve the minutes of August 11, 2025, as amended.
   Motion carried by unanimous voice vote.

F. Call for Public Comment Not Related to Agenda Items

G. New Business

1. Level B Site Plan Review 2025-1 SPR: Hurlbut Ave

   Director Scheel stated 105 Hurlbut LLC is proposing a site condominium infill development on the vacant lot at the NW corner of Hurlbut Avenue and State Street. The proposed plan includes 14 site condominium units, consisting of two seven-unit buildings. This is an opportunity for the Planning Commission to ask questions, make comments and request more information for a final review at the October Planning Commission Meeting.

   Director Scheel stated the plan involves a large empty lot which has been vacant for many years. Previously, the lot housed a car wash and the former Road Commission building. The site plan shows seven larger units facing south on the hillside with small decks, and the other seven units are facing State Street well within the setback limits. The patio is on the setback line. Mr. Scheel stated the parking lot would be located off of Hurlbut St. alongside the existing building of the other parcel. Each building is two stories, below the maximum height limits. Mr. Scheel referenced the renderings of how the buildings would look, finishes list and landscaping plan.

Austen Lobenherz, Representative of 105 Hurlbut LLC, further described the Uptown Village Project, stating it would consist of two 4-bedroom units, five 3-bedroom units, and seven 2-bedroom units. Ryan Snyder, AJ Design Architects, explained the design elements and materials used to make the project fit in with Charlevoix's architectural style. The representatives responded to questions from the Commission Members and distributed additional visual aides and artistic renderings depicting the project. After discussion, the applicants agreed to come back in October with any changes discussed, including additional landscaping, stormwater plan, snow removal plan and a change from carports to garages.

Director Scheel stated he had a couple of minor concerns about landscaping in general and the doorway structure on the roof needs some type of crown feature at the top. Mr. Lobenherz stated that with regard to the landscaping on the eastern side, he hoped to meet with the adjacent property owner before they make a plan for that area. Mr. Lobenherz stated that when you look at the elevation of the building you would have to be to the far right to see any tops of the doorways. Director Scheel stated that he was not referencing the roofline, but rather the trim around the doors near the roofline.

Director Scheel stated the following items were missing from the applicant's proposal:
1. surface water drainage;
2. a plan to show all stormwater remaining on the property;
3. landscaping to include no more than 25% of one species on site;
4. fully shielded lighting;
5. trash receptacle screened with an enclosure and concrete apron;
6. 6" concrete curbs need to be shown on the plan;
7. the building needs to be broken into no wider than 50';
8. the doorways at the roofline.

Discussion followed regarding the bump-out of the wall's design and the different building materials being used to break up the look of the wall.

Chair Muladore questioned if any members of the public wanted to address the plan. Kirk Ikens, 108 W. Hurlbut St, stated the developer was doing a great job trying to incorporate everything and they are able to stay within the existing City rules. Mr. Ikens stated his only concern was that he and his neighbor at 106 W. Hurlbut would be looking at the dumpster at the end of the parking lot or just staring at a parking lot. Michael Hedges, 106 W. Hurlbut St., stated that his main concern was the dumpster.

This project will be scheduled for final review at the October Planning Commission Meeting.

2. Conditional Rezone 115 W. Hurlbut

Director Scheel stated this is a request for a conditional rezone for the parcel at 115 W. Hurlbut from Commercial Mixed Use to Central Business District. Mr. Scheel stated the Commission should not negotiate any changes to a conditional rezone per State law. The parcel has an existing legal, non-conforming single-story building that the owner would like to add two stories of residential apartments to and convert the first floor to apartments and a family fun center. The applicant had applied to rezone the parcel a few months back and the Planning Commission denied. A conditional rezone is project specific. This is a first review of the application. A public hearing is scheduled for the October 13, 2025 Planning Commission Meeting.

Director Scheel reviewed the attachments included in this staff report and described the existing building and parking lot. Paul Silva, Applicant, and Tom Johnson, Landmark Group, gave a brief presentation regarding their history of projects in the City including the Hotel Earl and The Irene Event Center. Mr. Silva stated he was not trying to change the footprint of the existing building, but he wanted to add two stories to the existing building to create 25 (year-round) apartments; and convert the gymnasium into a family fun center on the first floor.

Member ~~Boehmer~~ Radke questioned whether this proposed plan met the Master Plan and the Zoning Ordinance. Director Scheel stated the Master Plan does address housing in the Commercial Mixed Use Zone, but the project does not meet the Zoning Ordinance standards for Commercial Mixed Use. Mr. Scheel stated that the applicant went before the ZBA last month with seven variance requests and the variances were denied. Mr. Silva spoke regarding the need for workforce housing, particularly for the downtown area, and responded to questions from the Commission Members.

Chair Muladore asked Director Scheel at their next meeting to provide updates from Housing North on the number and types of housing units available and needed. Member Boehmer asked for information on traffic circulation and the amount of potential traffic that would be generated based on the uses proposed on these sites. Discussion followed regarding the need for workforce housing for hospital workers, service industry workers, etc.

This project will be scheduled for a public hearing at the October Planning Commission Meeting.

H. Old Business

1. Neighborhood Design Guidebook
   Director Scheel stated the review of the Guidebook would continue next month.

I. Staff Updates

1. Zoning Administrator Report
   Mr. Scheel stated that it was very enjoyable reviewing the projects before the Commission this evening under all the new standards that they worked on last year. Mr. Scheel reviewed his report and the results of the August Zoning Board of Appeals Meeting.

J. Requests For Next Months Agenda or Research Items

Director Scheel stated Member Beatty had asked for additional information on the maximum size of buildings, and he was still working on that item.

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

Chair Muladore adjourned the meeting at 8:00 p.m.

Sarah J. Dvoracek/fgm City Clerk

Jennifer Muladore Chair

City of Charlevoix
Zoning Board of Appeals Regular Meeting Minutes
Wednesday, August 27, 2025 - 6:00 PM
Council Chambers, 210 State Street, Charlevoix, MI

1. **Call to Order**
   Chair Hodgson called the meeting to order at 6:00 p.m.

2. **Roll Call/Pledge of Allegiance**

Chair:	Richard Hodgson
Members Present:	Shirley Gibson, Ann Gorney, Tim Kish (alternate), Dan Reed
Members Absent:	Patricia Miller
Staff Present:	Jonathan Scheel, Director of Planning & Zoning

3. **Inquiry Regarding Conflicts of Interest**
   None

4. **Approval of Agenda**
   Motion by Member Gibson, seconded by Member Gorney to approve the agenda as presented.
   Motion passed by unanimous voice vote.

5. **Approval of Minutes from**

   A. Minutes from August 21, 2024
   Chair Hodgson questioned Member Reed's comments as reflected on page 6 of the minutes under Substantial Justice, which read: "Member Reed stated there would not be the same utilization of the property in the sense that real estate is going to be reduced with a solution that reduces or eliminates the variance." Member Reed stated that his comment was regarding the use of the front portion of the property for parking with a support structure for the deck and that from his perspective it didn't appear to be viable, and his statement should be removed and the Board concurred.

   Motion by Member Reed, seconded by Member Gibson to approve the minutes of August 21, 2024, as amended.
   Motion passed by unanimous voice vote.

6. **Election of Officers**
   Member Gibson nominated Richard Hodgson as Chair.

   Motion by Member Gibson, seconded by Member Gorney to elect Richard Hodgson as Chair and Dan Reed as Vice Chair.
   Motion passed by unanimous voice vote.

7. **New Business**

   A. Public Hearing for Case 25-01 115 W Hurlbut
      i. Staff Presentation
         Exhibit 1. Variance Application
         Exhibit 2. Site pictures and map

Exhibit 3. Site Plan (proposed)

Exhibit 4. Misc documents

ii. Applicant presentation (if requested)

iii. Call for public comment

iv. ZBA determination of findings of fact

v. Motion

Staff presentation. Director Scheel stated the applicant is proposing constructing a two-story addition on an existing single-story legal, non-conforming structure. The structure has had many uses over the years, most recently as a school. The front of the building is not currently being used; the rear of the building is constructed differently and is being used as an indoor sports complex. The existing structure is built on two property lines, the front and the side, any additions, footprint or height changes would need a variance. The existing parking area is also legal non-conforming as it is in the setbacks, which is not allowed in the Commercial Mixed Use District.

Director Scheel stated the applicant is requesting seven (7) different variance requests for this property. The two-story addition is being proposed to be used as residential units. Mr. Scheel reviewed the seven (7) variances, which included:

1) a 10' interior west side setback variance
2) a 15' front yard setback variance
3) a 4'4" rear setback variance
4) an expansion of a non-conforming structure
5) a 4' maximum height variance
6) an off-street parking side yard variance
7) an off-street parking rear setback variance

Director Scheel stated the setbacks in that district are 15' front and 20' rear, an interior side yard setback of 10', and a maximum height of 35'. Mr. Scheel stated the parcel is 128' x 214.5', which is approximately 27,456 sq. ft.

Applicant presentation. Paul Silva, Property Owner, stated he has had a couple of other projects in Charlevoix and that he and his wife have approached their other projects ~~have been~~ recognizing where there is a need, they provide a solution. Mr. Silva stated when they built the Earl, ~~he stated that~~ it was a way to help the community and bring guests to town with a different level of hotel experience. ~~and~~ With the Irene space at the Methodist Church, there were a couple of needs identified when that building came up for sale — workforce housing (14 units) and an event space. Mr. Silva stated that the other need in town is housing and with this project he was proposing year-round, affordable housing with 25 units. The units would include 7 studios ($900 a month range), 8 one-bedrooms ($1~~.~~,200 a month range) and 10 two-bedroom units ($1,400 per month).

Mr. Silva stated that they were not looking to expand the footprint of the building, but they wanted to add two stories to the existing structure with a pitched roof vs. a flat roof. The other part of the project is the former gymnasium, which is part of the former school and the concept was to create a family fun center (arcade games, bowling, and golf simulators, etc.).

Member Gorney questioned if the footings of the existing structure would hold the addition of two stories to the building and Mr. Silva responded that his architect believes it can, but if needed, beams could be added to take care of the load. Member Gibson questioned the appearance of the outside of the building and Mr. Silva stated it would be re-sided and landscaped. Mr. Silva stated his goal was to turn an empty, under-utilized building into a beautiful property for people to live in. Mr. Silva responded to additional questions.

<u>Call for public comment.</u>
Kirk Ikens, 108 W. Hurlbut, stated he was very appreciative of what Mr. Silva was trying to do with his projects. Mr. Ikens stated that his concerns were with allowing the building to go straight up into a transition zone from the downtown and walling off the street. Mr. Ikens stated he was also concerned about parking issues on the public street with so many units.

Sherm Chamberlain, 210 E. Lincoln, stated he used to own a building at 103 W. Upright and that building was only a couple of feet from the lot line, and didn't meet other zoning requirements. Mr. Chamberlain stated the Planning Commission revised the lot size of the Commercial Mixed Use District because it was determined that 86% of the lots in the District did not comply with the 9,000 sq. ft. minimum requirement. Unfortunately, the Planning Commission did not look at building setback lines, and he believed that staff should take an inventory of the buildings that were constructed in the Commercial Mixed Use District and see how many actually comply with the Zoning Ordinance and see if any changes were warranted.

John Kurtz, 712 E. Dixon, referenced the need for housing in town and the need for housing for permanent residents and people who are employed in this area is extremely important, and he would ask the Board to please consider this application very seriously and approve it with adjustments as needed. Mr. Kurtz stated he would like to see some type of restriction to require year-round residency in at least some of the units.

Mr. Silva responded that it was his intention that the units be used by local residents. Mr. Silva stated he has another property with 24 units in East Jordan and not one of those units is rented to anyone downstate and that the lease agreements would be a minimum of 12 months.

<u>ZBA determination of findings of fact.</u> Director Scheel advised that he drafted findings of fact of approval and of denial as a starting point for the Board's discussion. Mr. Scheel stated the first four (4) variance requests potentially had similar findings. Chair Hodgson stated the first three (3) variance requests were the way the property exists today as legal non-conforming, so it's ok to keep it like it is; but any change is an expansion to the non-conforming structure.

4. <u>request, 153.293 A (1), expansion of a non-conforming structure.</u> Director Scheel stated that Section 153.293 A (1) of the Zoning Ordinance is in the non-conforming section states that you cannot expand a non-conforming structure and that ties into the first three (3) variance requests. The Board has denied requests based on that section of the Ordinance in the past.

Director Scheel referenced the General Findings of Fact included in the staff report for variances (1-4).

1. Extraordinary Circumstances. Director Scheel read the description of extraordinary circumstances and proposed language for a finding of approval or denial for the Board's consideration. Chair Hodgson stated that he was inclined to think that the property did have extraordinary circumstances. A brief discussion occurred regarding parking requirements. Chair Hodgson stated the Board should probably not yet have the discussion on parking as this is more about the practical difficulties that have been identified in expanding the building on the existing footprint. Member Gibson stated the applicant can and is using the property without a variance.

Chair Hodgson questioned if they had agreement on whether extraordinary circumstances existed; Member Gibson stated that she did not believe so. Member Gorney stated she did think the lot was a sufficient size, but asked, does that terminology include the existing structure?

Director Scheel stated that that was the argument and that the Board would have to review it as a whole. Member Kish asked for help understanding where this situation would meet #1 and #2 under extraordinary circumstances and Member Reed stated the only way he could look at that was if the Board considered a non-conforming structure extraordinary, and it depends on what extraordinary means in that context. Member Kish stated that the property itself was not a small, non-conforming property. Member Gibson stated in the 1950's the building was used as a Kroger store and then Bartlett Furniture was there for quite a few years. Member Kish stated that he did not see how it would meet this criteria. Chair Hodgson stated that they were spending more time on this finding when it appeared that they were going to fail the next criteria under Substantial Justice. Chair Hodgson stated that the way the building was on the property is kind of exceptional and hard to work with, and it's going to be a challenge to engineer and make what's proposed work. Member Gorney stated that she believed there was an extraordinary circumstance in where and when the building was placed on the property, Member Reed agreed.

Finding of Fact: The ZBA finds that the need for the requested variance is due to unique circumstances regarding the property. The structure is a legal non-conforming building built prior to the zoning ordinance. The ZBA finds that this standard is met as a result of the existing legal non-conforming structure with the remaining lot being needed for parking, which substantially reduces the property's buildable area. Consensus was 4 to 1 with Member Gibson disagreeing.

2. Substantial Justice. Director Scheel read the description of substantial justice and proposed language for a finding of approval or denial for the Board's consideration.

Finding of Fact: All members agreed with a Finding of Denial and that the property is currently being used for commercial purposes and can be used for residential purposes without the need for variances.

5. Request: 4' maximum height variance. Director Scheel read the description of extraordinary circumstances and proposed language for a finding of approval or denial for the Board's consideration.

a) Extraordinary Circumstances. Member Gorney stated that she did not see the exceptional circumstance related to the height of the building. Member Reed said that a second story could be added, but not a third floor, and be within the height variance.

Finding of Fact: Members agreed that there are not any exceptional conditions of the property to allow a height variance.

6. Request, off-street parking side yard variance.

7. Request, rear setback variance.

Director Scheel stated the existing parking is fully to the property line on the side, and well into the setback in the rear of the property by 8'-9'.

a) Extraordinary Circumstances.
Director Scheel read the description of extraordinary circumstances and proposed language for the finding of approval or denial for the Board's consideration. Chair Hodgson stated that the parking variances would not be needed if the applicant kept the same footprint. Director Scheel stated that the Commercial Mixed Use District allows for commercial, and it allows for residential and or both. This property has been used in some commercial context since the 1950's including public use as a school. He stated that if and when the applicant comes forward with a residential proposal, that will be a change of use so that will trigger a site plan approval process that has to meet today's standards.

Chair Hodgson stated he did not know why they would pass an extraordinary circumstance in this case either, the remaining Members concurred.

Finding of fact - Members agreed that there are not any exceptional circumstances to support granting variances for the parking lot side and rear yard setbacks.

Motion by Member Gibson, second by Member Reed to deny project ZBA-25-01 requesting expansion of a non-conforming lot variance based on specific findings of fact that prove the project does not meet the review standards in 153.038 (F)(2)(b) and 153.293(F)(A)(1) of the Zoning Ordinance.
Motion carried by unanimous voice vote.

After discussion, Member Gibson amended her motion to deny Project ZBA-25-01 based on specific findings of fact that prove the project does not meet the review standards in 153.03(F)(2)(a) and 153.038(F)(2)(b) of the Zoning Ordinance. Amended motion seconded by Member Reed.
Motion carried by unanimous voice vote.

B. Public Hearing for Case 25-02 403 Antrim Street
   i. Staff Presentation.
      Exhibit 1. Variance Application
      Exhibit 2. Site pictures and map
      Exhibit 3. Site Plan (proposed)
      Exhibit 4. Misc documents
   ii. Applicant presentation (if requested)
   iii. Call for public comment
   iv. ZBA determination of findings of fact
   v. Motion

Staff presentation. Director Scheel stated that this case involved two adjacent property owners at 403 and 405 Antrim Street with limited building area on each parcel who would like to build a "shared" garage on their mutual property line in their rear and side yards. There are other garages on the block and on the street that are similar in nature, with one shared garage at 604 Park and 419 Antrim Street, with their entrances on Antrim Street, and also numerous garages on side property lines at 316, 303, 217, and 213 Antrim Street. The rear yard of the applicant's property slopes upward, making it more difficult to construct the driveway and garage in their individual backyards. He further described the exhibits included with the variance application. He stated that the legal buildable area on the lot was 19' x 44', and the other lot is 26' x 44'. The applicant was requesting an 8' variance to the lot line for the shared garage.

Both applications, 25-02 for 403 Antrim and 25-03 for 405 Antrim St. were discussed as one case.

Applicant presentation. Ginny Schulz, 403 Antrim, stated that she was there on behalf of herself and her neighbor, the Hoffmans, because the driveways were so tight and they have both been wanting garages. She stated that they proposed a shared wall garage on the property line. The Hoffmans had enough space for one stall, and she would like to have 1.5 stalls on her side. They would also have a shared legal maintenance agreement for a shared wall/garage.

Discussion followed regarding the legalities of having a shared structure, maintenance needs, and what would happen if either property was sold and Chair Hodgson felt that they might want to get a legal opinion on this matter.

Member Kish questioned if there was something that pushed them away from a shared driveway with two garages vs. one shared structure. Ms. Schulz stated that Hoffman's driveway is on the property line already and part of their goal was not to lose 8' of property with two driveways. Director Scheel suggested that the Board go through the Findings of Fact and, if they get through those, and have that discussion about whether approval should be conditioned on the City Attorney's opinion.

Call for public comment. John Hughes, 404 Antrim, stated that he wrote a letter of support for the project, but based on what they were talking about and some other things that have come up, he applauded the Board for wanting to get legal counsel's opinion.Extraordinary circumstances. Director Scheel read the description of extraordinary circumstances and proposed language for the finding of approval or denial for the Board's consideration. He read the suggested Finding of Approval: T*he ZBA finds that the need for the requested variance is due to unique circumstances regarding the property. The depth of the lot is 98' while most lots to the north of Mason and south of Newman are 30' to 60' longer in length. The ZBA finds that this standard is met as a result of the existing modest legal conforming home, driveway and sidewalk substantially reduce the property's buildable area. The rear 20' of the property slopes uphill, making it much more difficult to have an individual side-facing garage with minimal area for a vehicle turn radius. Also, constructing in the side yard could limit access to the rear yard.* **The Board agreed that Extraordinary Circumstances were met.**

Substantial Justice. *The ZBA finds that this standard is met as a result as the buildable footprint is minimal as a result of the depth of the lot, the existing legal conforming home placement on the lot and the placement of the existing concrete driveway and sidewalk.* **After discussion regarding similar garages existing within the neighborhood, the Board agreed that Substantial Justice is met.**

Impact on the Surrounding Neighborhood.*The ZBA finds that the request meets this standard as the proposed garage will not have a negative impact on adjacent property owners or the neighborhood. There are other existing similar garages in the neighborhood that have not shown negative impacts.* **~~The Board agreed that the request meets this standard.~~**

Public Safety and Welfare.*The ZBA finds that the standard is met as the applicant's request will not negatively affect public safety and welfare.* **The Board agreed that the request meets this standard.**

Not Self-Created.*The ZBA finds that the standard is met as the applicant's request is not self-created due to the existing home and driveway being constructed long before current regulations were put in place.* **The Board agreed that the request meets this standard.**

Discussion followed regarding whether the project could be two separate garages with a minimum 5' separation between the two structures.

Alan Sibinic, 313 of Antrim, stated that what they were proposing is a condominium garage on the lot line and the ZBA's job is to approve the placement of this structure.~~and their condominium agreement and~~ How it's built depends on building codes, and they should have some kind of condominium agreement, but that was not part of the ZBA's responsibility.

Motion by Member Gorney, second by Member Gibson to table the discussion of Projects ZBA-25-02 and ZBA 25-03 upon hearing from the City Attorney specifically regarding the impact on the surrounding neighborhood as stated in 153.058~~(C).~~ (F)(2)(C).
Motion carried by unanimous voice vote.

C. Public Hearing for Case 25-03 405 Antrim Street
Case NO. ZBA 25-03 was tabled ~~as part of the previous agenda item~~ upon hearing from the City Attorney specifically regarding the impact on the surrounding neighborhood as stated in 153.058 (F)(2)(C).

8. Old Business

9. Meeting Dates 2025

A. Proposed meeting dates 2025

The next ZBA meeting will be September 17th and the Board concurred with the proposed meeting dates for 2025 as needed.

10. Public Comment on items not related to the Agenda

11. Adjourn

The meeting was adjourned at 8:36 p.m.

__________________________________ ____________________________

Sarah J. Dvoracek/fgm City Clerk Richard Hodgson Chair

Charlevoix City Council
Reports and Communications

Title: Mayor and Council Comments
Date: November 3, 2025

Presented By:

Background:

Recommendation:

Attachments:
None