

ALPENA CITY COUNCIL MEETING

June 18, 2018 – 6:00 p.m.

AGENDA

1. Call to Order.
2. Pledge of Allegiance.
3. Modifications to the Agenda.
4. Approve Minutes – Special Session of May 24, 2018, Open & Closed Sessions of June 4, 2018, and Special Session of June 7, 2018.
5. Citizens Appearing Before Council on Agenda and Non-Agenda Items (Citizens Shall be Allowed a Maximum of Five (5) Minutes Each to Address Their Concerns. This is the Only Time During a Council Meeting that Citizens are Allowed to Address the Council).
6. Consent Agenda.
 - A. Bills to be Allowed, in the Amount of \$580,502.85.
 - B. Budget Amendment Request – Police Dept., \$911 From Assigned Fund Balance for DARE Vehicle Equipment.
 - C. Budget Amendment Request – Fire & Ambulance Depts., \$3,000 to Cover Emergency Repairs of Catch Basins at the Public Safety Facility.
 - D. Budget Amendment Request – \$3,425 Transfer from Lights Department to Cover Maintenance Expenses in the Parks Department.
 - E. Budget Amendment Request - \$68,715 from General Fund Balance and \$2,216 from Water Fund Balance for Retiree Healthcare Funding.
7. Presentations.
8. Announcements.
9. Mayoral Proclamation.
 - A. Association of Lifelong Learners Week, June 24-30, 2018.
10. Public Hearing.
11. Report of Officers.
 - A. Adoption of Uniform Guidance Policies and Procedures for Federal Awards Administration.
12. Communications and Petitions.
13. Unfinished Business.
14. New Business.
 - A. Michigan Department of Transportation (MDOT) Contract 18-5289 for Reconstruction of Miller Street.
 - B. Miller Street Construction Engineering Services.

15. Adjourn to Closed Session to Discuss Water/Sewer Litigation.
16. Return to Open Session.
17. Adjourn.

Greg E. Sundin
City Manager

COUNCIL PROCEEDINGS**May 24, 2018**

The Municipal Council of the City of Alpena met in special session at City Hall on the above date and was called to order at 5:15 p.m. by the Mayor.

Present: Mayor Waligora, Councilmembers Johnson, Nielsen, Hess, and Nowak.

Absent: None.

CLOSED SESSION

Moved by Councilmember Nowak, seconded by Councilmember Johnson that the Municipal Council adjourn to a closed session.

Carried by unanimous vote.

OPEN SESSION

On motion of Councilmember Nowak, seconded by Councilmember Johnson, the Municipal Council reconvened in open session at 6:42 p.m.

Carried by unanimous vote.

On motion of Councilmember Nowak, seconded by Councilmember Johnson, the Municipal Council adjourned at 6:43 p.m.

MATTHEW J. WALIGORA
MAYOR

ATTEST:

Leilan Bruning
Deputy City Clerk

COUNCIL PROCEEDINGS

JUNE 4, 2018

The Municipal Council of the City of Alpena met in regular session at City Hall on the above date and was called to order at 6:01 p.m. by the Mayor.

Present: Mayor Waligora, Councilmembers Nowak, Johnson, Hess, and Nielsen.

Absent: None.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

MODIFICATIONS TO THE AGENDA

Moved by Councilmember Nowak, seconded by Councilmember Johnson, to add to the Consent Agenda a Noise Ordinance Variance for the Alpena Blues Coalition on June 16, 2018 from 10:00 p.m. to 12:00 a.m.

Carried by unanimous vote.

MINUTES

The minutes of the regular session of May 21, 2018 and of the closed session of May 24, 2018 were approved as printed.

CONSENT AGENDA

Moved by Councilmember Nowak, seconded by Councilmember Nielsen, that the following Consent Agenda items be approved:

1. Bills Allowed – in the Amount of \$492,342.31 be Allowed and the Mayor and City Clerk Authorized to Sign Warrant in Payment of Same.
2. Budget Amendment Request – Sewer Fund.
3. Approval of Noise Variance Ordinance from 10:00 p.m. to 12:00 a.m. on June 16, 2018 for the Alpena Blues Coalition.

Carried by unanimous vote.

THUNDER BAY ARTS COUNCIL

Moved by Councilmember Johnson, seconded by Councilmember Nowak, to allow the Thunder Bay Arts Council to place a sculpture at Washington Avenue Park.

Carried by unanimous vote.

THUNDER BAY ARTS COUNCIL

Moved by Councilmember Nielsen, seconded by Councilmember Nowak, to allow the City to work with Tim Kuehnlein for the location of three more sculptures.

Carried by unanimous vote.

RESOLUTION 2018-03

Moved by Councilmember Nowak, seconded by Councilmember Johnson, to approve

resolution No. 2018-03, a resolution that will permit the use of alternative dates for July and December Board of Review dates.

Carried by unanimous vote.

PICKLEBALL AT BAY VIEW PARK

Moved by Councilmember Nowak, seconded by Councilmember Nielsen, to allow pickleball lines to be painted on one of the tennis courts at Bay View Park.

Carried by unanimous vote.

ABSTAINING FROM DISCUSSION AND VOTING ON THE TRUCK ROUTE MODIFICATION

Moved by Councilmember Johnson, seconded Councilmember Nielsen to allow Councilmember Nowak to abstain from discussion and voting on the truck route modification on Long Lake Avenue.

Carried by votes as follows:

Ayes: Hess, Johnson, Nielsen, Waligora.

Nays: None.

Abstain: Nowak.

TRUCK ROUTE MODIFICATION

Moved by Councilmember Johnson, seconded by Mayor Waligora, to modify the truck route from June 4, 2018 through December 1, 2018 from 7:00 a.m. to 7:00 p.m. for single unit trucks, concrete trucks, dump trucks with no trailers, and flatbed trucks to travel Long Lake Avenue, from Elm Street, south to Walnut Street, and Walnut Street from Long Lake Avenue to Miller Street to access the existing truck route system within the City. Staff will report after December 1, 2018 with any comments or complaints and to consider further extension.

Failed by vote as follows:

Ayes: Waligora.

Nays: Hess, Johnson, Nielsen.

Abstain: Nowak.

ALPENA ADVENTURES KAYAK RENTAL

Moved by Councilmember Nowak, seconded by Councilmember Nielsen to allow Paul LaBrecque of Alpena Adventures Kayak Rental to operate six non-motorized watercraft as presented.

Carried by unanimous vote.

RENTAL FEE WAIVER FOR ALPENA ADVENTURES KAYAK RENTAL

Moved by Councilmember Nowak, seconded by Councilmember Nielsen, to waive the \$100.00 rental fee for Paul LaBrecque’s non-motorized watercraft business.

Carried by unanimous vote.

ORDINANCE NO. 18-440

Moved by Councilmember Johnson, seconded by Councilmember Nowak, to rezone property located at 212 S. Eighth Avenue from R-2 to R-T.

Carried by unanimous vote.

US-23 NORTH PROPERTY ACCESS ROAD AND UTILITIES BID

The following sealed bid was received on May 29, 2018 for US-23 North Property Access Road and Utilities Project.

Base Bid:

MacArthur Construction, Hillman, MI	\$395,770.10	As Read
MacArthur Construction, Hillman, MI	\$398,122.10	As Tabulated

Moved by Councilmember Nowak, seconded by Councilmember Nielsen, that the as tabulated bid, by MacArthur Construction, in the amount of \$398,122.10 be accepted.

Carried by unanimous vote.

PROPERTY INSURANCE APPRAISAL BID

The following sealed bids were received on May 29, 2018 for the Property Insurance Appraisal.

Base Bid:

HCA Asset Management, Milwaukee, WI	\$16,500
Annual Update Service	\$1,500/yr
AssetWorks, LLC, Pittsburgh, PA	\$11,795
Annual Update Service	\$650/yr
Duff & Phelps, LLC, Lisle, IL	\$21,500
Annual Update Service	\$1,350/yr

Moved by Councilmember Johnson, seconded by Councilmember Nielsen, that the bid by AssetWorks, LLC, in the amount of \$11,795 with an Annual Update Service in the amount of \$650/year be accepted.

Carried by unanimous vote.

RECESS

The Municipal Council recessed at 7:44 p.m.

RECONVENE - CLOSED SESSION

Moved by Councilmember Nowak, seconded by Councilmember Johnson that the Municipal Council adjourn to closed session at 7:51 p.m. to discuss the City Manager's Evaluation and Water and Sewer Litigation.

Carried by unanimous vote.

RECONVENE – OPEN SESSION

On motion of Councilmember Nowak, seconded by Councilmember Johnson, the Municipal Council reconvened in open session at 8:08 p.m.

Carried by unanimous vote.

On motion of Councilmember Nowak, seconded by Councilmember Johnson, the Municipal Council adjourned at 8:08 p.m.

MATTHEW J. WALIGORA
MAYOR

ATTEST:

Anna Soik
City Clerk

COUNCIL PROCEEDINGS

June 7, 2018

The Municipal Council of the City of Alpena met in special session upon the call of the City Clerk, at the Ossineke Township Hall on the above date and was called to order at 7:00 p.m. by the Mayor Pro Tem.

Present: Mayor Pro Tem Johnson, Councilmembers Hess, Nielsen, and Nowak.

Absent: Mayor Waligora.

The Municipal Council met in a special workshop session with the Alpena County Board of Commissioners and Alpena County Township Supervisors to present updates and exchange information on current activities in the community. The facilitators for the meeting were Carlene Przykucki and Tim Kuehnlein.

MINUTES

Minutes were reviewed of the February 1, 2018, Intergovernmental Council Meeting. Mayor Pro Tem Johnson stated that the City has an addition to the minutes. The motion to pass the requirement for the hosting governmental agency to record the minutes was left out of the minutes.

Moved by Mayor Pro Tem Johnson, seconded by Sanborn Township Representative Ken Gauthier to approve the minutes as amended. Ayes: all. Nays: none.

GOVERNMENTAL ENTITY REPORTS

Mayor Pro Tem Johnson reported on many happenings in the City of Alpena which include: adopted the budget for 2018/19, new signage ordinance adopted for compliance with a Supreme Court ruling that we cannot regulate content, the Farmer's Market moved to Mich-e-kewis Park for a trial year, the Kiwanis Club and Boosters Club have expanded the Flags of

Honor on to Chisholm Street, Splash Park is under construction, North Riverfront walkway has been repaired and the dog park will likely be ready later in the season for use, Culligan Plaza has been planted and cleaned up, and the fish mural in the Chisolm Street Pocket Park has been taken down so that it can be repaired. There will be installation of sculptures by Thunder Bay Arts Council in Washington Avenue Park, Avery Park, Bay View Park and Sytek Park. A group called Art Vision Alpena will determine which artwork is displayed in the Bi-Path. Other happenings include: "Movies By the Bay" during the summer, local festivals, and the 4th of July parade. The City Assessor, Jeff Shea, retired at the beginning of June and the intent was to hire a replacement. Due to a lack of qualified applicants, the City contracted Berg Assessing from Rogers City to fill that need. The City has been working for the past few years with the Michigan Economic Development Corporation (MEDC) to become a redevelopment-ready community, and have been awarded that distinction. Councilmember Hess added that she is planning to get the Air and Water Quality Committee up and running again.

**PRESENTATION GIVEN BY REPRESENTATIVES OF THE
ALPENA COUNTY RECYCLING BOARD**

Representatives of the Alpena County Recycling Board presented on how they got started in recycling, what's been happening over the years, where they are now, and where they want to be in the future. Recycling has been increasing 20% per year. The surcharge, which includes costs for Clean-up Day, for recycling was increased because it didn't cover expenses as the program grew. Permits from residents outside of Alpena County are being purchased which indicates a need for a regional facility. The contamination rate is high which results in increased cost to dispose of waste that is not able to be recycled. Continued training and education is necessary along with additional equipment to sort. The current facility does not

meet the needs for efficient handling, processing or storing of materials and is not conducive to recycling operations. The volume of materials is at capacity at the current location. A new or different facility is critically needed to address these issues and the unfavorable working conditions. Some grants were received which funded educational pamphlets, videos, bin labels, the Recycle Genie, baler, Bobcat and magnet. Action tasks include: determine the organizational structure, finalize plans for a new Resource Recovery Facility, explore public/private partnerships, determine financing plan for new facility, and secure financing.

The meeting was in recess from 8:06 p.m. to 8:20 p.m.

PRESENTATION GIVEN BY STATE DEPARTMENT OF ENVIRONMENTAL QUALITY (DEQ)

Brian Burke of the State of Michigan DEQ gave a presentation on recycling. Mr. Burke stated that only 15.3% of the State of Michigan residents currently recycle. In 2017, 50,604,692 cubic yards of waste were disposed of in Michigan landfills. He also discussed benchmark recycling standards which include working toward a day when all Michigan residents can recycle as easily as they can send waste to landfills; and increase recycling education, awareness, and options. The department is working on planning and local recycling grants. He stated that recycling is not free as it is a service just like collecting and disposing of garbage.

PLANNING SESSION

The Alpena Intergovernmental Council will meet again on October 4, 2018, at 7:00 p.m., hosted by Sanborn Township.

The topic for the next Intergovernmental Meeting will be a discussion of the new jail.

On motion of Councilmember Nowak, seconded by Mayor Pro Tem Johnson, the Council

adjourned at 8:59 p.m. Ayes: all. Nays: none.

Cindy Johnson
MAYOR PRO TEM

ATTEST:

Anna Soik
City Clerk

INVOICE REGISTER

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EXP CHECK RUN DATES 06/19/2018 - 06/19/2018

UNJOURNALIZED

OPEN - CHECK TYPE: PAPER CHECK

6.A.

VENDOR	INVOICE #	DESCRIPTION	AMOUNT
ALPENA AGENCY INC	37354	INSURANCE - EQUIP	74.00
ALPENA AUTO ELECTRIC	56677	VEH MAINT - DPW	175.00
ALPENA COUNTY TREASURER	061118	IT CONTRACTED SVCS 06/18	7,650.00
ALPENA POWER COMPANY	060718	ELECTRIC - DDA	67.77
ALPENA POWER COMPANY	061918	ELECTRIC	29,317.26
ALPENA STREET PERFORMERS	104	STREET PERFORMERS - DDA	1,000.00
ALPENA SUPPLY CO	S100075999.001	BRIDGE MAINT - MAJ ST	120.53
ALPENA SUPPLY CO	S100076048.001	BRIDGE MAINT - MAJ ST	28.92
ALPENA SUPPLY CO	S100076155.001	BRIDGE MAINT - MAJ ST	7.38
ALPENA SUPPLY CO	S100076372.001	MAINT - BOAT HARBOR	75.51
ALPENA SUPPLY CO	S100078423.001	MAINT - CEMETERY	2.05
ALPENA SUPPLY CO	S100078812.001	MAINT - CEMETERY	20.07
ALPENA SUPPLY CO	S10079212.001	MAINT - BOAT HARBOR	84.04
ALPENA SUPPLY CO	S100079179.001	CHEMICALS - SEWAGE	949.76
ALPENA SUPPLY CO	S100079493.001	CHEMICALS - SEWAGE	(132.00)
ALPENA SUPPLY CO	S100080666.001	MAINT - BOAT HARBOR	30.28
ALPENA TOWNSHIP	060418	REIMB GARAGE NATURAL GAS - AMB	32.10
AMERICAN CONTINENTAL INSURANCE	AP18-0297C	AMBULANCE REFUND	128.17
ANNA SOIK	060818	MILEAGE 06/18	19.62
BALL TIRE & GAS INC	148444	VEH MAINT #66	25.59
BALL TIRE & GAS INC	148448	VEH MAINT #94	45.00
BALL TIRE & GAS INC	148515	VEH MAINT - FIRE EQ	15.00
BALL TIRE & GAS INC	148839	VEH MAINT - DPW	90.00
BALL TIRE & GAS INC	149266	VEH MAINT - POLICE	453.68
BALL TIRE & GAS INC	149328	VEH MAINT - CAR 1	15.00
BALL TIRE & GAS INC	149536	VEH MAINT - DPW	714.12
BALL TIRE & GAS INC	149541	VEH MAINT - DPW	141.25
BALL TIRE & GAS INC	149618	VEH MAINT #65	90.58
BALL TIRE & GAS INC	149711	VEH MAINT - AMB	815.34
BALL TIRE & GAS INC	149821	VEH MAINT - DPW	15.00
BALL TIRE & GAS INC	150144	VEH MAINT #94	317.39
BP	53476952	GAS/FUEL - FIRE/AMB/EQ/MICU	9,394.25
BRIAN BEATTY	061918	SAFETY SHOE/WORK APPAREL ALLOW - PW	332.87
BRUCE TILLINGER	053118	PLUMB/MECH INSP SVCS 05/18	2,687.00
BS&A	118360	TRAINING REG - CLERK/TREAS	205.00
BUILDING EXPRESS	35295	MAINT - SANCTUARY	262.50
CARQUEST AUTO PARTS	348883	VEH MAINT - DPW	(32.74)
CARQUEST AUTO PARTS	348859	VEH MAINT - DPW	5.53
CARQUEST AUTO PARTS	348879	BRIDGE MAINT - MAJ ST	59.76
CARQUEST AUTO PARTS	348967	VEH MAINT #89	4.16
CARQUEST AUTO PARTS	348974	BRIDGE MAINT - MAJ ST	10.26
CARQUEST AUTO PARTS	348993	BRIDGE MAINT - MAJ ST	18.78
CARQUEST AUTO PARTS	349053	BRIDGE MAINT - MAJ ST	30.09
CARQUEST AUTO PARTS	349539	VEH MAINT - DPW	202.72
CARQUEST AUTO PARTS	349636	VEH MAINT - POLICE	4.97
CARQUEST AUTO PARTS	349749	VEH MAINT - DPW	7.62
CARQUEST AUTO PARTS	350046	VEH MAINT - AMB	73.28
CARQUEST AUTO PARTS	350047	VEH MAINT - DPW	27.26
CARQUEST AUTO PARTS	350053	VEH MAINT - DARE	196.21
CARQUEST AUTO PARTS	350059	VEH MAINT - AMB	1.80
CARQUEST AUTO PARTS	350157	VEH MAINT - AMB	96.23
CARQUEST AUTO PARTS	350176	VEH MAINT #17	32.07
CARQUEST AUTO PARTS	350182	VEH MAINT - DARE	188.67
CARQUEST AUTO PARTS	350294	VEH MAINT - DARE	(108.90)
CARQUEST AUTO PARTS	350410	VEH MAINT - AMB	(13.26)
CARQUEST AUTO PARTS	350718	VEH MAINT - DPW	9.79
CARQUEST AUTO PARTS	350719	VEH MAINT #48	16.38
CARQUEST AUTO PARTS	350955	VEH MAINT - AMB	26.89
CARQUEST AUTO PARTS	351136	VEH MAINT - POLICE	11.78
CARQUEST AUTO PARTS	351239	SUPPLIES - PARKS	35.54
CARQUEST AUTO PARTS	351615	VEH MAINT - DPW	88.16
CHARTER COMMUNICATIONS	2978 06/18	WATER TWR INTERNET SIGNALS	504.88
CHERRY HILL GREENHOUSE	482689	FLOWER BASKETS - DDA	2,022.00
CLEAR WATER LAKE MANAGEMENT INC	1057	MAINT - BOAT HARBOR	1,120.00
CLIFF ANSCHUETZ CHEVROLET	CVW220278	VEH MAINT - AMB	53.48
CONTROL SOLUTIONS INC	6520	MAINT - CITY HALL	331.90
DE LAGE LANDEN FINANCIAL SERVICES	59385346	COPIER LEASE 06/18 - DDA	56.55
DEAN ARBOUR FORD LINCOLN MERCURY	24744	VEH MAINT - POLICE	131.10
DEAN ARBOUR FORD LINCOLN MERCURY	24937	VEH MAINT - DPW	31.02
DONS TRACTOR & EQUIPMENT SALES	43007	VEH MAINT - DPW	317.79
DTE ENERGY	061918	GAS	259.95
EAGLE SUPPLY CO	106684	SUPPLIES - FIRE/AMB	242.74

INVOICE REGISTER

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EXP CHECK RUN DATES 06/19/2018 - 06/19/2018

UNJOURNALIZED

OPEN - CHECK TYPE: PAPER CHECK

VENDOR	INVOICE #	DESCRIPTION	AMOUNT
EAGLE SUPPLY CO	106844	SUPPLIES - POLICE	121.84
EVERETT GOODRICH TRUCKING & ASPHALT	2018-02	2018 RESURFACING	64,745.28
EVERETT GOODRICH TRUCKING & ASPHALT	2017-07A	2017 RESURFACING	17,512.64
EVERETT GOODRICH TRUCKING & ASPHALT	2017-05B	HMA PATCHING 2017	4,203.33
EVERETT GOODRICH TRUCKING & ASPHALT	2018 HMA-01	HMA PATCHING 2018	16,623.11
FAMILY ENTERPRISE EMBROIDERY	60668	UNIFORMS - FIRE/AMB	20.50
FEDERAL EXPRESS	6-200-71004	SHIPPING FEES	36.69
FRANCIS ROSINSKI	053118	ELECTRICAL INSP SVCS 05/18	1,748.00
FRONTIER	2793 06/18	TELEPHONE - POL/FIRE/AMB	102.73
FRONTIER	4175 06/18	TELEPHONE - FIRE/AMB	38.83
FRONTIER	5445 06/18	TELEPHONE - FIRE/AMB	74.66
FRONTIER	7204 06/18	ELEVATOR TELEPHONE - CITY HALL	58.93
FRONTIER	7430 06/18	ELEVATOR TELEPHONE - PUBLIC SAFETY	58.93
FRONTIER	9535 06/18	TELEPHONE - SEWER	515.64
GBS GOVERNMENTAL BUSINESS SYSTEMS	18-32089	SUPPLIES - POLICE	761.78
GBS GOVERNMENTAL BUSINESS SYSTEMS	18-32149	SUPPLIES - ELECTION	412.09
GIAMARCO MULLINS & HORTON PC	13	ATTY FEES - GEN/POL	432.00
GREAT LAKES FIRE & SAFETY EQUIPMENT	6023	TURNOUT GEAR - FIRE	2,365.00
GREENWAY FUELS LLC	053118	RECYCLING 05/18	165.00
GREENWAY/L & N DISPOSAL	053118	DUMPSTER CHARGES 05/18	1,609.00
HAGLUNDS	2420	SUPPLIES - FIRE/AMB	43.25
HALLS SERV-ALL	T060418	RENTAL FEE - PARKS	182.45
HURON ENGINEERING AND SURVEYING INC	2522	DENSITY TESTING - SEW/WATER	455.00
INK AND TONER ALTERNATIVE	18-2224	SUPPLIES - IT	865.84
INSTITUTE FOR SERVICE RESEARCH LLC	18194-085	MICHIGAN PORTS ECONOMIC IMPACT STUD	8,700.00
JEFF TINGLER	060718	SAFETY SHOE/WORK APPAREL ALLOW - EQ	349.79
KARA LAMARRE	060118	STARLITE RENT REFUND	50.00
KENDALL ELECTRIC INC	S106926241.002	MAINT - LIGHTS	235.99
LINCOLN OUTDOOR CENTER INC	30435	SUPPLIES - PARKS	121.97
LIQUID CALCIUM CHLORIDE INC	057288	DUST CONTROL - MAJ/LOC ST	5,562.59
LIQUID CALCIUM CHLORIDE INC	057289	DUST CONTROL - PW/PKS	2,236.47
MACARTHUR CONSTRUCTION INC	2017-12	SEW/WATER MAINS - TAWAS/SABLE	28,461.17
MARK HALL	061918	TRAINING - FIRE	700.00
MASTERS & LALONDE SHOES	42786	UNIFORMS - POLICE	188.00
MCDONALD AUTO SUPPLY INC	878194	VEH MAINT - FIRE EQ	21.00
MERIDIAN CONTRACTING SERVICES LLC	2018-04	STARLITE WALKWAY IMP/SPLASH PK	89,591.60
MERIDIAN CONTRACTING SERVICES LLC	1815	CANOPY SNOW MGMT SYSTEM - POLICE	6,320.00
MICHIGAN STATE INDUSTRIES	49398	SUPPLIES - PUBLIC WORKS	113.00
MICHIGAN STATE POLICE	551-518017	SOR REGISTRATION - POLICE	120.00
MILLER OFFICE MACHINES	AR3214	COPIER MAINT 05/18 - CH/PSF	426.96
MILLER OFFICE MACHINES	AR3266	SUPPLIES - DDA	43.38
NEMROC INC	25673	MAINT - PARKS	200.00
NORTHERN CLEANING & MAINTENANCE	060118	MAINT - DDA	140.00
NORTHERN TOOL SALES & RENTALS	70978	SUPPLIES - FIRE	4.49
PLS PRINTING SERVICES LLC	060418	SUPPLIES - ASSESSOR	71.00
PRATTScape LLC	2018-1	TREE PLANTING - MAJ/LOC ST/PKS	11,018.75
PRESQUE ISLE ELECTRIC & GAS CO	81166373 0518	ELECTRIC - AIR BASE	33.53
R A TOWNSEND CO	S1472550.001	MAINT - STARLITE	290.85
R W MERCER COMPANY INC	114771	PIPING REPAIRS - BOAT HARBOR	3,985.00
R W MERCER COMPANY INC	114859	MAINT - BOAT HARBOR	3,946.15
ROBERT WHELOCK	061118	WORK APPAREL ALLOW - PW	33.37
SEVAN K INC	303 05/18	VEH MAINT - CITY HALL	11.00
SEVAN K INC	313 05/18	VEH MAINT - POLICE	179.99
SHELL	6133806	UNLEADED GAS/FUEL-POL/F/A/GEN/DPW	2,930.04
SOLUCIENT SECURITY SYSTEMS	413746	MAINT - PUBLIC WORKS	95.46
SPARTAN DISTRIBUTORS INC	11766011	VEH MAINT - DPW	572.75
SPARTAN DISTRIBUTORS INC	11766290	VEH MAINT - DPW	172.97
STANDARD ELECTRIC CO	479643-00	MAINT - LIGHTS	24.97
STANDARD ELECTRIC CO	480381-01	MAINT - TRAILHEAD	34.57
STANDARD ELECTRIC CO	480715-00	MAINT - PARKS	20.13
STANDARD ELECTRIC CO	480717-00	MAINT - PARKS	7.35
STRALEY LAMP & KRAENZLEIN PC	28049	MONTHLY FEE 04/18	3,125.00
SUEZ WATER ENVIRONMENTAL SERVICES	201834009	CONT OPERATIONS 05/18	135,231.60
SUEZ WATER ENVIRONMENTAL SERVICES	201834120	CONT OPERATIONS 05/18	24,602.53
SUPERIOR IMAGE CLEANING	060118	CLEANING-CH/PSF/PW/PKS/TRLHD/BH/BRIDC	2,939.02
THE ALPENA NEWS	DA1481 05/18	PUBLISHING/ADV - POLICE	80.00
THE ALPENA NEWS	DC1107 05/18	PUBLISHING/ADVERTISING	819.39
THE ALPENA NEWS	LC1107 05/18	PUBLISHING/ADVERTISING	141.50
THE GRIND-DING SHOP	128332	SUPPLIES - FIRE/AMB	66.88
THE UPS STORE 5054	060618	SHIPPING FEES	68.99
THOMPSONS LINEN SERVICE	70483 05/18	UNIFORMS-PW/CEM/PKS/EQ	346.50
THUNDER BAY ELECTRIC INC	226387	CONTRACTUAL SERVICES	3,967.50

INVOICE REGISTER

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EXP CHECK RUN DATES 06/19/2018 - 06/19/2018

UNJOURNALIZED

OPEN - CHECK TYPE: PAPER CHECK

VENDOR	INVOICE #	DESCRIPTION	AMOUNT
THUNDER BAY ELECTRIC INC	226402	MAINT - LIGHTS	1,894.74
THUNDER BAY ELECTRIC INC	226403	MAINT - CITY HALL/PKS	414.00
TIMOTHY MARQUARDT	060418	DRY CLEANING EXPENSE - POLICE	3.75
TRACTOR SUPPLY CREDIT PLAN	200643043	BEAUTIFICATION - BOAT HARBOR	98.92
UNIFIRST CORPORATION	1394893 05/18	SUPP/MAINT - CH/PSF/PW/EQUIP	459.50
VERIZON WIRELESS	9808196464	IPADS - GEN/FIRE/AMB	840.21
VISA/ELAN FINANCIAL SERVICES	1790 06/18	UNIF/SUPP/TR EXP/VEH MAINT/RECERT - PO	769.99
VISA/ELAN FINANCIAL SERVICES	3610 06/18	SUPP/TR EXP/MAINT - DDA	270.94
VISA/ELAN FINANCIAL SERVICES	3660 06/18	TR EXP/MAINT/HOIST REPR - BH/BLDG	2,435.19
VISA/ELAN FINANCIAL SERVICES	6116 06/18	HELMETS/SUPP/FOOD/SERV/FUEL - F/A	512.75
VISA/ELAN FINANCIAL SERVICES	6134 06/18	SUPPLIES - IT	131.35
VISA/ELAN FINANCIAL SERVICES	7337 06/18	FOOD/SERVICES - PLANNER	11.01
VISA/ELAN FINANCIAL SERVICES	7653 06/18	TRAVEL EXPENSE - MGR/C/T	128.25
VOSS LIGHTING	20167848-00	SUPPLIES - PARKS	56.25
WEINKAUF PLUMBING & HEATING INC	84946	MAINT - PUBLIC SAFETY BLDG	164.03
WEINKAUF PLUMBING & HEATING INC	85171	MAINT - CITY HALL	174.41
WEINKAUF PLUMBING & HEATING INC	85172	MAINT - CITY HALL	176.95
WEINKAUF PLUMBING & HEATING INC	85173	MAINT - CITY HALL	723.72
WEINKAUF PLUMBING & HEATING INC	85182	MAINT - BOAT HARBOR	1,038.46
WEINKAUF PLUMBING & HEATING INC	85336	BLDG MAINT - POLICE	170.22
WEINKAUF PLUMBING & HEATING INC	061118	HVAC - CITY HALL	56,268.00
WILLIAM BOIK	053118	WATERWAYS GRANT SUBMISSION	870.00

Total: 580,502.85

BUDGET AMENDMENT REQUEST

FUND: General
 DEPARTMENT: Police
 PROJECT: Transfer to cover Repairs & Maintenance line items

RECEIVED
 JUN 07 2018
 CITY OF ALPENA
 CLERK / TREAS / FIN DIRECTOR

Account No.	Account Description	Current Budget	Proposed Increase or (Decrease)	Proposed Budget
101-301 931-000	Repairs & Maintenance	\$26,000	\$911	\$26,911
<i>This will pull from Fund Balance.</i>				

Justification for Budget Amendment

Utilizing assigned fund balance for DARE vehicle donations to cover costs of equipment purchased for the DARE vehicle.

Michigan Uniform Accounting and Budget Act:

** Requires budget amendments before any expenditures exceed the budget.

** The City Manager and City Clerk/Treasurer/Finance Director are authorized by the Municipal Council to make budgetary transfers within the departments established through this budget. All transfers between departments or funds or from fund balance may be made only by further action of the Municipal Council.

E. Hamp 6/7/18
 Department Head Date

Anna Soik 6/7/18
 Clerk/Treasurer Date

Greg E. Sundin 6-7-18
 City Manager Date

City Council Date

BUDGET AMENDMENT REQUEST

Fund: General

Department: General, Fire, Ambulance

Account No.	Account Description	Current Budget	Proposed Increase or (Decrease)	Proposed Budget
101-170-970.050	Cap - Building Maint (General)	\$170,000	(\$3,000)	\$167,000
101-336-931.200	Building Maintenance (Fire)	\$8,300	\$1,500	\$9,500
101-344-931.200	Building Maintenance (Amb.)	\$9,300	\$1,500	\$10,800


Justification for Budget Amendment


Emergent repairs needed of the catch basins at the Public Safety Facility. Work will be performed by the DPW.


Michigan Uniform Accounting and Budget Act:

** Requires budget amendments before any expenditures exceed the budget.

** The City Manager and City Clerk/Treasurer/Finance Director are authorized by the Municipal Council to make budgetary transfers within the departments established through this budget. All transfers between departments or funds or from fund balance may be made only by further action of the Municipal Council.

 6-13-18
Department Head Date

 6/13/18
Clerk/Treasurer Date

 6-13-18
City Manager Date

City Council Date

RECEIVED
JUN 07 2018

CITY OF ALPENA
CLERK / TREAS / FIN DIRECTOR

BUDGET AMENDMENT REQUEST

FUND: _____ General


DEPARTMENT: _____ Light

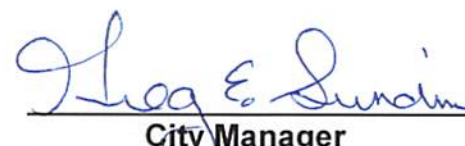
Account No.	Account Description	Current Budget	Proposed Increase or (Decrease)	Proposed Budget
101-750-931-000	Repairs & maintenance	\$105,000.00	\$3,425.00	\$108,425.00
				\$0.00
101-448-726-000	Supplies	\$5,000.00	(\$1,425.00)	\$3,575.00 ✓
101-448-921-000	Street Light Power	\$105,000.00	(\$500.00)	\$104,500.00 ✓
101-448-943-000	Equipment rent	\$8,400.00	(\$1,500.00)	\$6,900.00 ✓
				\$0.00
				\$0.00
				\$0.00
				\$0.00
				\$0.00

Justification for Budget Amendment

Transfer funds to cover maintenance expenses

 6-11-18
Department Head Date

 6/11/18
Clerk-Treasurer Date

 6-13-18
City Manager Date

City Council Date

Memorandum



To: Mayor Waligora and Municipal Council
Copy: Greg Sundin, City Manager
From: Anna Soik, City Clerk/Treasurer/Finance Director AS
Date: June 13, 2018
Re: FY18-19 Budget Amendment Request

In preparing the payment request for retiree healthcare, I noticed some errors in the budget for FY18-19. The City has budgeted 6% of salaries and wages for retiree healthcare for next fiscal year. When the salaries and wages were being adjusted, I failed to update some of the amounts for retiree healthcare. Also, I did not catch that there was nothing budgeted for retiree healthcare in the Fire Department even though I reviewed the budget several times. To correct these errors, I generated the attached budget amendment. The IT expense will increase \$51, Police will decrease by \$120, Fire will increase \$59,315, Ambulance will increase \$9,469, and the Water Fund expense will increase \$2,216. The total effect of this amendment will reduce the General Fund balance by \$68,715 and the Water Fund balance by \$2,216. Please accept my apology for the oversight.

FY 18-19 BUDGET AMENDMENT REQUEST

Fund: General & Water

Department: Multiple

Account No.	Account Description	Current Budget	Proposed Increase or (Decrease)	Proposed Budget
101-228-705.050	Health Actuary	\$1,298	\$51	\$1,349
101-301-705.050	Health Actuary	\$75,300	(\$120)	\$75,180
101-336-705.050	Health Actuary		\$59,315	\$59,315
101-344-705.050	Health Actuary	\$48,902	\$9,469	\$58,371
591-543-705.050	Health Actuary	\$110	\$2,216	\$2,326

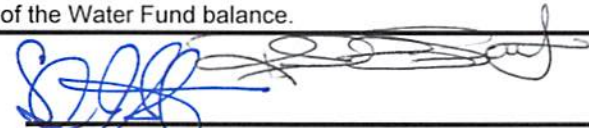
Justification for Budget Amendment

In the budget process, some of the health actuary amounts were incorrectly budgeted and one was missed entirely. This amendment will correct these accounts and will reflect a 6% contribution to the employee retiree healthcare for FY18-19. The effect of the adjustments above will result in a reduction of \$68,715 of the General Fund balance, and a \$2,216 reduction of the Water Fund balance.

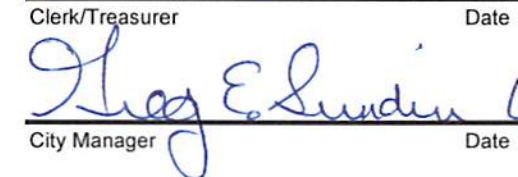
Michigan Uniform Accounting and Budget Act:

** Requires budget amendments before any expenditures exceed the budget.

** The City Manager and City Clerk/Treasurer/Finance Director are authorized by the Municipal Council to make budgetary transfers within the departments established through this budget. All transfers between departments or funds or from fund balance may be made only by further action of the Municipal Council.


 Department Head _____ Date _____

 6/8/18
 Clerk/Treasurer _____ Date _____

 6-8-18
 City Manager _____ Date _____

 City Council _____ Date _____

Soik, Anna

From: Forbush, Bill
Sent: Monday, June 11, 2018 5:11 PM
To: Soik, Anna
Subject: RE: budget amendment

Anna –

Thank you for finding this error. I approve the fire and ambulance portion of the BA.

Bill Forbush, EFO
Fire Chief
City of Alpena Fire Department / Alpena County EMS
501 W. Chisholm Street, Alpena, MI 49707
Ofc 989-354-1840 – Fax 989-354-1805

President – Northern Michigan Fire Chiefs Assn.
Alpena County is a Michigan Rural EMS Network MiResCu Community
Volunteer Advocate – Everyone Goes Home ®

From: Soik, Anna
Sent: Monday, June 11, 2018 5:06 PM
To: Forbush, Bill <billf@ALPENA.MI.US>; Hamp, Eric <Erich@ALPENA.MI.US>
Cc: Jett, Joel <JoelJ@ALPENA.MI.US>
Subject: budget amendment

Good afternoon gentlemen,

During the budget process, some of the amounts that were budgeted for the health actuary (retiree healthcare) were incorrect and have already been approved by Council. We budgeted 6% of estimated salaries for the purposes of funding retiree healthcare. The police calculation actually went down \$120, but the budgeted amounts for fire and ambulance did not fair as well. Somehow the amount for fire did not even get budgeted it at all. Somehow during the process, it was overlooked even though I went through the budget numerous times! It is currently at \$0 and should be \$59,315. Also the amount for ambulance was budgeted at \$48,902 and should be \$58,371. Please approve the attached budget amendment request via email. The changes will not appear until after July 1st since these numbers are for next fiscal year.

Anna Soik

City Clerk/Treasurer/Finance Director
Phone: (989) 354-1721
Fax: (989) 354-1709
Email: annas@alpena.mi.us

Soik, Anna

From: Hamp, Eric
Sent: Tuesday, June 12, 2018 8:37 AM
To: Soik, Anna
Subject: RE: budget amendment

Hi Anna,

This email is approval for the attached police budget amendment you sent. Have a good day!

Eric Hamp
Lieutenant
Alpena Police Department
(989) 354-1800
(989) 354-1805 (fax)
erich@alpena.mi.us



From: Soik, Anna
Sent: Monday, June 11, 2018 5:06 PM
To: Forbush, Bill <billf@ALPENA.MI.US>; Hamp, Eric <Erich@ALPENA.MI.US>
Cc: Jett, Joel <JoelJ@ALPENA.MI.US>
Subject: budget amendment

Good afternoon gentlemen,

During the budget process, some of the amounts that were budgeted for the health actuary (retiree healthcare) were incorrect and have already been approved by Council. We budgeted 6% of estimated salaries for the purposes of funding retiree healthcare. The police calculation actually went down \$120, but the budgeted amounts for fire and ambulance did not fair as well. Somehow the amount for fire did not even get budgeted it at all. Somehow during the process, it was overlooked even though I went through the budget numerous times! It is currently at \$0 and should be \$59,315. Also the amount for ambulance was budgeted at \$48,902 and should be \$58,371. Please approve the attached budget amendment request via email. The changes will not appear until after July 1st since these numbers are for next fiscal year.

Anna Soik

City Clerk/Treasurer/Finance Director
Phone: (989) 354-1721
Fax: (989) 354-1709
Email: annas@alpena.mi.us



City Hall
208 North First Avenue
Alpena, Michigan 49707
www.alpena.mi.us

A PROCLAMATION CELEBRATING THE ASSOCIATION OF LIFELONG LEARNERS

WHEREAS, Learning is an inherent human attribute; and

WHEREAS, Learning is a lifelong endeavor; and

WHEREAS, Learning improves the health and well-being of individuals of all age groups; and

WHEREAS, Learning has been shown to extend the cognitive skills of people for a lifetime; and

WHEREAS, Social interactions and intergenerational activities are a part of lifelong learning; and

WHEREAS, The Association of Lifelong Learners at Alpena Community College supports and provides numerous opportunities for people of all ages to learn; and

WHEREAS, The Association of Lifelong Learners at Alpena Community College was formed in 1998; and

WHEREAS, The Association of Lifelong Learners at Alpena Community College has been in continuous operation for twenty years.


NOW, THEREFORE, I, Matthew J. Waligora, by virtue of the authority vested in me as Mayor of the City of Alpena, **DO HEREBY PROCLAIM**, June 24th-30th 2018, as:

ASSOCIATION OF LIFELONG LEARNERS WEEK

in the City of Alpena.

Signed at Alpena, Michigan this 18th day of June 2018.




Matthew J. Waligora
Mayor

Memorandum



To: Mayor Waligora and Municipal Council
Copy: Greg Sundin, City Manager
From: Anna Soik, City Clerk/Treasurer/Finance Director *AS*
Date: June 14, 2018
Re: Adoption of Uniform Guidance Policies and Procedures

The U.S. Office of Management and Budget (OMB) issued grant reform rules titled "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" which require all subrecipients of federal funds to establish and maintain internal controls designed to reasonably ensure compliance with Federal laws, regulations and program compliance requirements. One area that had significant changes is procurement. Some of the procurement general standards include:

- Every non-federal entity receiving federal awards must have documented procurement procedures that reflect federal law, Uniform Guidance standards, and any state regulations.
- Entities must avoid using federal funds for the acquisition of unnecessary items.
- Written conflict of interest policies are required.
- Entities must document the procurement steps and activities required to be completed.
- The recipient of federal awards must maintain an appropriate level of oversight to ensure that contractors perform in accordance with the terms of their contract.

These policies and procedures must be adopted by June 30, 2018, or we could risk being ineligible to receive Federal grants.

CITY OF ALPENA
CLERK/TREASURER/FINANCE DIRECTOR
PROCEDURES AND FEDERAL AWARDS
ADMINISTRATION

June 2018

City of Alpena
Clerk/Treasurer/Finance Director Procedures and Federal Awards
Administration
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City of Alpena
Clerk/Treasurer/Finance Director Procedures and Federal Awards
Administration
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City of Alpena

Clerk/Treasurer/Finance Director Procedures and Federal Awards Administration

Overview

Purpose - This manual has been prepared to document the City of Alpena's general business procedures and administration of federal awards. Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance, 2 CFR 200) requires all subrecipients of federal funds to establish and maintain internal controls designed to reasonably ensure compliance with Federal laws, regulations and program compliance requirements. Written policies and procedures are part of the necessary internal controls and are required as a precondition to receiving federal funds. These policies and procedures are intended to be sufficiently comprehensive to adequately meet such requirements. However, in no case are these policies and procedures intended to supersede or limit federal or state laws or regulations, or the provisions of individual grant agreements.

Hierarchy of Authority - In the event that conflicting guidance on the administration of Federal awards is available, the City has deemed Federal guidance to be most authoritative, followed by guidance from the Michigan Department of Treasury, and finally other State or local agencies.

Revisions - Guidance provided by the Federal government through the OMB Compliance Supplement and guidance provided by the Michigan Department of Treasury are expected to be updated each year. Such updates are considered by the City as they become available and policies and procedures will be revised accordingly.

The City Manager is authorized and required to establish and document operating procedures to ensure compliance with the provisions of federal and state regulations and the provisions of grant agreements. Such procedures are documented herein, and will be reviewed and updated as necessary, but not less than once every three years.

Training - City accounting and finance personnel, and program administrators of Federal awards may be provided the necessary training through various mechanisms, such as: (1) consulting with the City's auditors as needed for clarification, (2) participating in various training opportunities, such as those offered by appropriate professional organizations, (3) reviewing daily legislative updates from multiple sources, (4) certification of the Clerk/Treasurer/Finance Director and Deputy Clerk/Treasurer/Finance Director by the Michigan Association of Municipal Clerks and Michigan Municipal Treasurer's Association, (5) coordination and collaboration with individuals performing similar job functions at similar cities.

Compliance Failures - Compliance failures, whether noted internally by management or through the external audit process, will be addressed immediately by reviewing the reason for the failure with responsible personnel and devising an improved process to encourage compliance in the future. Refer to additional information in the "Training and Sanctions" section of this manual.

City of Alpena
Clerk/Treasurer/Finance Director Procedures and Federal Awards
Administration
Financial Management Systems
General Accounting and Financial Management

It is the policy of the City of Alpena (the "City") to comply with all statutory, regulatory, and contractual requirements in the conduct of and accounting for its financial operations. The official books of record for the City will be maintained subject to the following procedures:

1. The City will account for its operations in accordance with the Generally Accepted Accounting Principles (GAAP) applicable to local units of government.
2. The City will comply with all applicable circulars issued by the Office of Management and Budget (OMB), including, but not limited to Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance, 2 CFR 200).
3. The City will comply with all contractual requirements detailed in its duly executed grant agreements with awarding agencies.
4. The City of Alpena will contract annually with an independent CPA firm for the purposes of conducting the City's external financial audit. To the extent that the City has expended federal awards in excess of \$750,000, the City will have a single audit performed in accordance with the Uniform Guidance, 2 CFR 200.
5. To ensure continuing compliance with all applicable accounting requirements, the City of Alpena may, at its discretion, contract with a CPA firm to provide internal auditing and/or consulting services.
6. The City Clerk/Treasurer/Finance Director shall be responsible for the maintenance of all accounting and financial records (including journals, timesheets, bank statements, audit reports, and similar documents). Such records shall be retained as required by contractual or regulatory requirements as described in the section of this manual titled "Records Retention".

City of Alpena
Clerk/Treasurer/Finance Director Procedures and Federal Awards
Administration
Financial Management Systems
Purchasing and Procurement

It is the policy of the City of Alpena (the "City") to ensure that all disbursements of City funds are properly reviewed and authorized, and consistent with sound financial management principles. In order to meet these objectives, all disbursements of City funds shall be subject to the following provisions:

City Council Policies. The following policies have been separately reviewed and approved by the City Council, and are incorporated here by reference:

- City Council Policy Statement: Purchases and Sales/No.18

Clerk/Treasurer/Finance Director Procedures. The following procedures will be applied, to the extent that they do not conflict with or contradict the City Council policies listed above:

1. All purchases exceeding \$500 must solicit three quotes, written or documented oral quotes (per City Charter).
2. To the extent practicable, the Clerk/Treasurer/Finance Director shall distribute micro-purchases (not to exceed \$3,500) equitably among qualified suppliers.
3. For small purchases of supplies and services charged to federal grants (purchases over \$3,500 and under the competitive bid threshold), the Clerk/Treasurer/Finance Director shall obtain an adequate number of qualified sources for rate quotations, and no cost or price analysis.
4. If the competitive bid threshold issued by the State of Michigan differs with City Council policy, the lower threshold will be utilized. The Clerk/Treasurer/Finance Director will be responsible for obtaining information on the annual adjustments to these amounts corresponding to changes in the Consumer Price Index (CPI) as published by the State of Michigan.
 - a. Contracts will be awarded to the responsible firm whose proposal is most advantageous to the program.
 - b. The organization may only use qualification-based methods, whereby competitor's qualifications are evaluated and the most qualified competitor is selected, in the procurement of the architectural/engineering professional services.
5. Purchases made with federal funds in excess of \$150,000 will require cost or price analysis, including independent estimates.
6. Disbursements will be supported by approved vendor invoices. The approved invoice will be attached behind the check stub and filed in the Clerk/Treasurer/Finance Director. A copy of the check will be stapled to the original invoice in order to prevent duplicate payment.
7. The Clerk/Treasurer/Finance Director is authorized to make purchases for allowable and necessary items within the City Council-approved budget allocation.
8. All approved check requests will be processed by the Account Clerk. Disbursements will be made by check apart from debt service payments and payroll-related expenses.

City of Alpena
Clerk/Treasurer/Finance Director Procedures and Federal Awards
Administration
Financial Management Systems
Purchasing and Procurement (Continued)

9. Prior to processing the check run, Department Heads will approve each invoice for payment for accuracy.
10. Claims and invoices will be paid timely based on the conditions of the vendor invoice. It will not be considered acceptable to incur late and/or finance charges on invoice payment.
11. Checks will only be made payable to a specific payee. It is prohibited to issue a check to "cash" or "bearer". Similarly, it is prohibited to sign a blank check.
12. The City may account for the activities of certain groups and organizations. Since these activities represent outside parties and are not subject to the oversight of the City Council and/or City management, they will be accounted for in a trust and agency fund. Such disbursements will be subject to the same policies and procedures as other City disbursements.
13. When an employee incurs work-related expenses to be reimbursed by the City, the following requirements apply:
 - a. The Clerk/Treasurer/Finance Director's office has a standard employee expense report reimbursement form which is available to all City employees. All employee expense reimbursements are required to be made using this standard form.
 - b. The employee expense report will be signed by both the employee and the employee's direct supervisor (or other administrator knowledgeable of the employee's work activities).
 - c. Receipts will be attached to the expense report for all expenses (excluding mileage). If a receipt is not available, the employee will attach other acceptable documentation (such as a receipt exception form). This form will certify that the reimbursement is for costs incurred on behalf of the City and is not for illegal or unauthorized costs.
 - d. An employee will not be reimbursed for any expense that is disallowed by Federal cost principles.
 - e. Expense reports of Department Heads will be submitted to the City Manager for review and approval. Expense reports of employees will be submitted to their respective Department Heads for review and approval. It will not be acceptable for any employee to approve his/her own expense report.
 - f. Approved expense reports will be submitted to the Clerk/Treasurer/Finance Director who will verify that expenses are appropriate and supporting documentation is attached.
 - g. The Clerk/Treasurer/Finance Director will not process any expense reimbursements for payment until all necessary signatures have been obtained.

City of Alpena
Clerk/Treasurer/Finance Director Procedures and Federal Awards
Administration
Financial Management Systems
Purchasing and Procurement (Concluded)

- h. An employee making a disbursement using personal funds on behalf of the City may be subject to State sales tax, while payments made by the City directly are exempt from such tax due to its status as a local unit of government. As such, an employee will only incur a work-related expense with personal funds to the extent that it is not practical or reasonable for the purchase to be made directly by the City.
- 14. Voided checks will be stamped "VOID" and retained.
- 15. The Clerk/Treasurer/Finance Director will be responsible for compiling information on disbursements and presenting this information to the City Council at its bimonthly meetings. This information will include:
 - a. Detail listing of payments made by check, including: check number, invoice number, vendor name, payment description and amount.
- 16. Specific policies related to credit cards are addressed separately in the section of this manual titled "Credit Card Purchases"

City of Alpena
Clerk/Treasurer/Finance Director Procedures and Federal Awards
Administration
Financial Management Systems
Cash Receipts

In order to safeguard the funds of the City, cash receipts will be deposited promptly and in-tact according to the following procedures:

1. Cash/check will be initially received by the Administrative Assistant. He/she will process each cash/check into the register by date received, amount, issuer, check number, and date. Check stubs and any supporting documents are retained.
2. The Administrative Assistant will post the batch to the general ledger.
3. Deposits will be made to the bank on a daily basis by the Alpena Police Command or other designated individual.
4. The bank deposit receipt and a copy of the deposit slip will then be provided to the Administrative Assistant who will compare the items and initial the deposit slip.
5. Deposits slips will be filed internally along with the deposit receipt from the bank and any check stubs/supporting documentation.
6. Receipts of currency by individual departments after reconciling to cash register receipts are brought up to the Clerk/Treasurer/Finance Director's office for depositing to the bank. Cashing of checks out of the cash register is prohibited. Cash register receipts are pre-numbered and issued in sequential order.
7. Wire transfers and ACH payments will be recorded through general journal entries or processed through Cash Receipting.

City of Alpena
Clerk/Treasurer/Finance Director Procedures and Federal Awards
Administration
Financial Management Systems
Payroll and Timekeeping

The following procedures apply to the payment of employees and recording of time and effort (as required) in accordance with Federal Cost Principles.

1. Hourly employees shall submit a timecard/timesheet for each pay period, with the following information:
 - a. The total number of hours actually worked each day
 - b. The use of any holiday, personal, vacation, sick, or other approved time off with pay
 - c. The total number of hours to be paid
 - d. An allocation of those hours to each program or department for which work was performed, when necessary
 - e. The dated signature of the employee's supervisor

The allocation of hours between programs or departments should be based exclusively on the actual hours worked, and not be based on available budgets, or predetermined allocation schedules.

In the event that an after-the-fact correction is necessary to an employee's timesheet due to errors in the allocation of time worked, such corrections must be submitted to the Clerk/Treasurer/Finance Director, and approved in writing by both the employee and his/her supervisor.

2. Salaried employees charged to a Federal grant will document time and effort according to one of the following methods. The method used by employee shall be pre-approved by the Clerk/Treasurer/Finance Director. If the employee's time is expensed based on budgetary data, an adjustment shall be made at least quarterly to agree the general ledger to the documentation.
 - a. The employee may document time and effort using a timesheet as described above. Timesheets must account for the total activity for which the employee is compensated, and be signed by the employee. It will not be acceptable for timesheets to include the hours worked on Federal grants only.
 - b. Or, the employee may complete personnel activity reports. Such reports will be prepared at least monthly to coincide with specific pay periods, reflect an after-the-fact distribution of the actual activity of the employee, account for the total activity for which the employee is compensated, and be signed by the employee.
 - c. It is the responsibility of the employee being charged to a Federal award(s) to clarify documentation requirements with the Clerk/Treasurer/Finance Director and provide appropriate documentation to the Clerk/Treasurer/Finance Director as it becomes available. The employee should retain a copy of the documentation for his/her personal records.
3. Salaried employees who work 100 percent of their time on a single Federal award or cost objective (regardless of the availability of Federal funding) shall have the option to complete semi-annual time certifications or personnel activity reports (described above). The certifications will be prepared at least semi-annually and signed by either the employee and/or a supervisory official having first-hand knowledge of the work performed by the employee.

City of Alpena
Clerk/Treasurer/Finance Director Procedures and Federal Awards
Administration
Financial Management Systems
Payroll and Timekeeping (Concluded)

Certifications should never be signed prior to the end date of the period being certified. Each certification should be provided to the Clerk/Treasurer/Finance Director when available. Employees should retain a copy of the certifications for his/her personal records.

4. Prior to payment, a Payroll Register Report of the pay run will be provided to the City Manager or designee for review and approval.
5. Refer to the Appendix for a sample semi-annual certification.

City of Alpena
Clerk/Treasurer/Finance Director Procedures and Federal Awards
Administration
Financial Management Systems
Bank Reconciliations

The following procedures will apply to the reconciliation of bank accounts:

1. Bank reconciliations will be performed monthly for each bank account by the Administrative Assistant/Payroll Clerk.
2. Bank reconciliations will be completed within 6 weeks of month-end.
3. If not independently reviewed and approved already, interbank transfers, ACH receipts, and EFT payments recorded through general journal entry will be verified as part of the bank reconciliation process.
4. Bank reconciliations will be subject to review and approval by the City Clerk/Treasurer/Finance Director. The reviewer will sign and date the reconciliation as evidence of the control.

City of Alpena
Clerk/Treasurer/Finance Director Procedures and Federal Awards
Administration
Financial Management Systems
Journal Entries and Non-Routine Transactions

The City will occasionally need to record a general journal entry or other non-routine transaction. Such transactions may relate to Federal awards. The following procedures apply to all general journal entries:

1. General journal entries will be an allowable transaction type for recording: corrections and adjustments, accruals and reversing entries, interfund activity, interbank activity, EFT payments, ACH transfers, etc., to the extent that the entries can be reasonably supported.
2. All general journal entries will be filed with adequate supporting documentation.
3. The ability to post general journal entries in the accounting system will be limited to specific employees. Refer to the section of this manual titled "Information Technology" for additional information.

City of Alpena
Clerk/Treasurer/Finance Director Procedures and Federal Awards
Administration
Financial Management Systems
Investments

The following policies and procedures will apply to the purchase, safekeeping and recordkeeping of the City's investments.

City Council Policies. The following policies have been separately reviewed and approved by the City Council, and are incorporated here by reference:

- City Council Policy Statement: Investment Policy/No. 10

Clerk/Treasurer/Finance Director Procedures. The following procedures will be applied, to the extent that they do not conflict with or contradict the City Council policies listed above:

Purchasing

1. Authorization for acquisition and disposition of investments is vested with the City Council.
2. The Clerk/Treasurer/Finance Director is charged with the responsibility of determining that investments are of the character and type permitted by legal requirements and that the income earned is dispersed for authorized purposes.
3. City Council approval is required before money is deposited into any investment accounts.

Safekeeping

4. All persons having access to securities are authorized by the City Council.
5. All securities will be held in the name of the City.

Recordkeeping

6. Detailed records will be maintained for all investments including:
 - a. Date of acquisition, identification, purchase amount/cost
 - b. Physical location
 - c. Interest/dividend/income rates and accrual/receipt dates
 - d. Ownership by fund
7. Detailed records will be periodically reconciled to the general ledger control accounts and to safekeeping statements by the Deputy Clerk/Treasurer/Finance Director.
8. Investment income is recorded on a timely basis. Investment earnings are credited to the fund "owning" the investment. Any adjustments of investment accounts are approved by the Clerk/Treasurer/Finance Director.
9. Calculations of fair value and investment income will be periodically reviewed for accuracy by an independent auditing firm.

City of Alpena
Clerk/Treasurer/Finance Director Procedures and Federal Awards
Administration
Financial Management Systems
Investments (Concluded)

10. Access to computerized investment records is limited to those with a logical need for access. Refer to additional information on computer security controls in the section of this manual titled "Information Technology".

City of Alpena
Clerk/Treasurer/Finance Director Procedures and Federal Awards
Administration
Financial Management Systems
Capital Assets

The following provisions will govern the purchasing, accounting, and inventory of capital assets:

1. *Capital assets* means tangible or intangible assets used in operations having a useful life of more than one year which are capitalized in accordance with GAAP.
2. Procurement of capital assets will be governed by the City Council's procurement and purchasing policies.
3. Donated capital assets will be recorded at estimated acquisition cost at the date of donation.
4. Purchases of capital assets will be recorded as capital outlay expenditures in the governmental fund financial statements, and capitalized as noncurrent assets in the government-wide statements. Donated capital assets will be recorded as a government-wide adjustment only. All capital assets will be depreciated using the straight-line method over estimated useful lives.
5. Capital asset purchases financed through bonds payable will be made in compliance with the Michigan Municipal Finance Act issued by the State of Michigan Department of Treasury.
6. Capital assets with useful lives (i.e., excluding land and construction in progress) will be depreciated using a consistent and systematic approach allowable under GAAP or as specified by City Council policy.
7. Construction or other capital projects in progress at year-end will be reported as "construction in progress" until the related asset is placed into service. No depreciation expense will be incurred on such assets. Outstanding construction commitments at year-end will be disclosed in the audited financial statements.
8. If the City determines that depreciation expense cannot be reasonably allocated by function, it will be deemed allowable to report all or a portion of depreciation expense as "Depreciation - unallocated" in the government-wide statement of activities, to the extent that this approach remains allowable under GAAP.
9. The City may outsource the maintenance of depreciation schedules to a third-party consultant or its external auditors. In those instances, additions (along with the estimated useful lives) and disposals will be identified by the Account Clerk.
10. To the extent that capital assets are purchased with Federal funds, such items will be flagged as "Federally-funded" in the financial accounting records in order to ensure the appropriate use of proceeds on sale (if applicable) in accordance with Federal guidelines.
11. To the extent that the City has purchased capital assets with Federal funds, a complete inventory will be completed not less than once every two years. Assets purchased with federal funds will be tagged accordingly (grant name, etc.) As part of this process:

City of Alpena
Clerk/Treasurer/Finance Director Procedures and Federal Awards
Administration
Financial Management Systems
Capital Assets (Concluded)

- a. A detailed listing of capital assets from the financial accounting records will be provided to building principals and other department heads for input on accuracy, completeness, and existence of assets. Inconsistencies will be investigated and resolved and the financial accounting records will be adjusted accordingly.
 - b. Remaining useful lives of capital assets will be reviewed for reasonableness and adjusted when considered necessary and appropriate.
 - c. A description of what the asset will be used for and where it will be located will be included in the inventory.
12. Other policies and procedures related to compliance with the provisions of the OMB compliance supplement are included within this manual in the section titled "Equipment and Real Property Management".

City of Alpena
Clerk/Treasurer/Finance Director Procedures and Federal Awards
Administration
Financial Management Systems
Long-term Debt

The following provisions will govern the issuance of long-term debt (including, but not limited to: bonds and notes payable, capital assets, installment purchase agreements, compensated absences, and severance agreements/early retirement incentives):

1. The issuance of long-term debt will be subject to approval by the City Council and the Michigan Department of Treasury.
2. The issuance of long-term debt will be recorded as an "other financial source" in the governmental fund financial statements, along with any premium or discount thereon. Costs of issuance will be reported in the governmental fund financial statements as a component of debt service expenditures.

In the full-accrual government-wide statements, long-term debt and any related discounts, premiums will be reported as a liability. Deferred charges related to bond refunding's will be reported as deferred outflows of resources or deferred inflows of resources, as applicable. Bond issuance costs will be expensed when incurred and reported as a component of interest expense in the government-wide statement of activities.

3. Short-term debt with an initial maturity of less than one-year will be recorded as a liability in the governmental fund financial statements, along with accrued interest payable thereon.
4. Compensated absences payable will be recorded in the government-wide statements for earned but unused sick and vacation time, as provided for in bargaining agreements and/or personnel policies. Such accruals will be limited to the maximum payout based on these policies.
5. Severance agreements/early retirement incentives will also be recorded liabilities in the government-wide statements. Multi-year agreements will be reported at the net present value using a discount rate equal to the rate management expects to earn on the assets used to liquidate such liabilities. A current portion will be recorded each year, based on the payment schedule in the severance agreement.

City of Alpena
Clerk/Treasurer/Finance Director Procedures and Federal Awards
Administration
Financial Management Systems
Grant Administration

The City of Alpena does not have a centralized grants department; therefore, it is the responsibility of each department obtaining a grant to care for and be familiar with all grant documents and requirements.

The following procedures will be applied in administering grant programs:

1. Grant Development, Application, and Approval -

- a. Legislative Approval - The point at which legislative approval is required is determined by the requirements of the grant program. If the grant must be submitted by "an individual authorized by the legislative body", then City Council approval is required prior to submitting the application. If such legislative approval is not specifically required by the written terms of the grant, then the City Manager may, at his or her discretion, approve grant applications.
- b. Matching Funds - Grants that require cash local matches must be coordinated through the Clerk/Treasurer/Finance Director. At a minimum, funds must be identified within the existing budget to provide the match, or a budget amendment will be required. Depending on the nature of the grant, there may also be some policy implications that will bear discussion. (For example, will the grant establish a level of service that cannot be sustained once the grant funds are depleted?)

In all cases involving matching funds, the grant applicant should contact the Clerk/Treasurer/Finance Director to determine the strategy for securing matching funds.

Refer to the section within this manual titled "Matching, Level of Effort, and Earmarking" for additional information on compliance with the provisions of the OMB Compliance Supplement.

- c. Grant Budgets - Most grants require the submission of an expenditure budget. The appropriate Department Head should review this portion of the grant request prior to submission. Frequently, a technical review will discover inconsistencies in the calculations, cost centers that might have been overlooked, or identify reimbursable expenses of which program staff may not be aware—particularly in the indirect cost area.

2. Grant Program Implementation -

- a. Notification and Acceptance of an Award - Official notification of a grant award is typically sent by a funding agency to the Department Head and/or other official designated in the original grant proposal. However, the authorization to actually spend grant funds is derived from the City Council through the approval of a grant budget.

Adoption of the grant budget as a component of the City-wide operating budget is deemed to be sufficient approval.

- b. Establishment of Accounts - The department that obtained the grant will provide the Clerk/Treasurer/Finance Director with information needed to establish revenue and expense accounts for the project. Ordinarily, this information will include a copy of a summary of the project and a copy of the full project budget.

City of Alpena
Clerk/Treasurer/Finance Director Procedures and Federal Awards
Administration
Financial Management Systems
Grant Administration (Continued)

- c. Purchasing Guidelines - All other City purchasing guidelines apply to the expenditure of grant funds. The use of grant funds does not exempt any purchase from normal purchasing requirements. All typical paperwork and bidding requirements apply. All normal staff approvals apply. When in doubt, the Department Head should contact the City Manager for further assistance.

3. Financial and Budgetary Compliance -

- a. Monitoring Grant Funds - Departments may use some internal mechanism (such as a spreadsheet) to monitor grant revenues, expenditures and budgetary compliance. The Clerk/Treasurer/Finance Director maintains all this information in the City's accounting system as well, and this is considered to be the City's "official" accounting system by the granting agencies. Department Heads are strongly encouraged to use general ledger reports provided by the Clerk/Treasurer/Finance Director for their grant tracking.

If any "off-system" accounting records are maintained, it is the responsibility of the Department Head to ensure that the program's internal records agree to the City's accounting system.

- b. Fiscal Years - Occasionally, the fiscal year for the granting agency will not coincide with the City's fiscal year. This may require adjustments to the City's internal budget accounts and interim financial reports as well as special handling during fiscal year-end close. It is the responsibility of the Department Head to bring such discrepancies to the attention of the Clerk/Treasurer/Finance Director at the time the grant accounts are established.
- c. Grant Budgets - When the general ledger accounting structure for a grant is designed, it will include the budget that was prepared when the grant application was submitted. The terms of each specific grant will dictate whether any budget transfers between budgeted line items will be permitted. In no case will the Department Head be authorized to exceed the total budget authority provided by the grant.

If grant funds have not been totally expended by fiscal year-end, it is the responsibility of the Department Head to notify the Clerk/Treasurer/Finance Director that budget funds need to be carried forward to the new fiscal year, and to confirm the amounts of such carry-forwards. Carry-forwards of grant funds will be subjected to maximum allowable amounts/percentages based on the grant award agreement and/or the OMB Compliance Supplement. The difference in carryover timelines between state and federal funds will be reviewed. Some state programs have defined carryover periods that are found in state legislation rather than the Uniform Guidance, 2 CFR 200 or other federal compliance documents.

- 4. Capital Assets - The City is responsible for maintaining an inventory of assets purchased with grant monies. The City is accountable for them and must make them physically available for inspection during any audit. The Clerk/Treasurer/Finance Director must be notified immediately of any sale of these assets. Customarily, the proceeds of the sale can only be used on the grant program that purchased them. (Refer to the specific regulations and CFR 200.443 for more information on assets purchased with federal funds).

City of Alpena
Clerk/Treasurer/Finance Director Procedures and Federal Awards
Administration
Financial Management Systems
Grant Administration (Concluded)

The Clerk/Treasurer/Finance Director will coordinate this grant requirement. All transactions that involve the acquisition or disposal of grant funded fixed assets must be immediately brought to the attention of the Account Clerk. Refer to the sections of this manual titled "Capital Assets" and "Equipment and Real Property Management" for additional information.

5. Record Keeping -

- a. Audit Workpapers - The City's external auditors audit all grants at the end of each fiscal year. The Account Clerk will prepare the required audit workpapers. Department Heads may be asked to assist in this process, if necessary.
- b. Record Keeping Requirements - Grant record keeping requirements may vary substantially from one granting agency to another. Consequently, a clear understanding of these grant requirements at the beginning of the grant process is vital. The Clerk/Treasurer/Finance Director will maintain copies of all grant draw requests, and approved grant agreements (including budgets). The Department Head should maintain all other records.

At the end of every fiscal year (June 30), all City Department heads must submit a report that indicates any grant funding expended as well as any open grants that have no or partial expended payments. The report must indicate the source of the funding and must include the total amount of Federal grant funds expended during the previous fiscal year. This report must be submitted to the City Clerk/Treasurer/Finance Director.

Refer to this section of this manual titled "Records Retention" for additional information.

6. Other Guidelines - Specific information on policies and procedures related to compliance with the provisions of the OMB Compliance Supplement have been addressed later in this manual and should be considered along with the information in this section.

City of Alpena
Clerk/Treasurer/Finance Director Procedures and Federal Awards
Administration
Financial Management Systems
Year-end Closing and Reporting

The following provisions will govern the year-end close-out process of the City for purposes of external financial reporting:

1. In accordance with the Charter of the City of Alpena, the City's fiscal year end for external reporting purposes will be June 30.
2. Accruals will be recorded as needed to ensure that revenues and expenditures are reported in the appropriate accounting period:
 - a. Accounts Payable Disbursements - Invoices for goods or services received during the previous fiscal year will be recorded as expense/accounts payable as of June 30. Such determinations will be made by the Department Heads and reviewed for accuracy and completeness by the Deputy Clerk/Treasurer/Finance Director.
 - b. Payroll-related Accruals - Costs of hourly personnel paid after June 30 for services performed during the previous year will be recorded as expenditures/salaries payable at June 30. The amount will be based on hours worked during the fiscal year multiplied by the employee's hourly rate. Additional consideration will be made for FICA taxes, retirement benefits, health insurance, and related employee benefits.

Payroll accruals will be prepared and documented by the Deputy Clerk/Treasurer/Finance Director and reviewed by the Clerk/Treasurer/Finance Director.
 - c. Prepays - Payments made prior to year-end that cover goods or services to be received in a future period will be recorded as prepaid items as of June 30. The City may elect to not record prepaid items in governmental funds in accordance with GASB Codification 1600.127 *Other Expenditure Recognition Alternatives*.
 - d. Inventory - If deemed material, a physical inventory of building supplies and materials will be performed after the completion of the fiscal year. Amounts will be valued at current cost and provided to the Clerk/Treasurer/Finance Director for review and adjustment in the general ledger. Certain inventories may be stored at third-party locations. In order to appropriately account for these items, the City will contact the third-party at year-end for verification of the quantity of product on hand.
 - e. Receivables - General - Cash received after year-end for which a good or service was provided during the previous fiscal year will be recorded as revenue/accounts receivable. All such adjustments will be supported by appropriate documentation, such as remittance advices or dated subledgers.
 - f. Receivables - Grant - After all year-end expense accruals have been recorded, an entry will be recorded for the difference between grant expenditures and related grant receipts as of June 30 as revenue/grants receivable. Grant receivables will only be recorded to the extent that sufficient amounts remain in the grant award. Expenditures that will not be reimbursed through grant awards due to lack of available funding will be transferred to a non-grant cost center.

City of Alpena
Clerk/Treasurer/Finance Director Procedures and Federal Awards
Administration
Financial Management Systems
Year-end Closing and Reporting (Continued)

3. The preparation of the year-end financial statements in accordance with GAAP will be outsourced to the independent external auditors, based on the City's trial balance. The draft financial statements provided by the auditors will be reviewed in detail by the Deputy Clerk/Treasurer/Finance Director along with any audit-proposed journal entries, to ensure that the audited financial statements agree to the City's books and records.

Refer to the policy on "audits" within this manual for further information on audit requirements and related City policies.

4. To the extent that the City is required to have a single audit completed in accordance with the Uniform Guidance, 2 CFR 200, the City will accumulate the information necessary to prepare a schedule of expenditures of federal awards (SEFA or the "schedule") in accordance with Federal and State requirements. This schedule will be characterized as follows:
 - a. Non-cash assistance will be described as such in the schedule or in the notes to the schedule.
 - b. The schedule will be prepared on the same basis of accounting as the related financial statements.
 - c. Federal grants received through the State of Michigan will agree to, or reconcile with, the Grant Auditor Report, as applicable.
 - d. Federal awards will be grouped based on Federal awarding agency. Each Federal award with current expenditures will be listed along with its CFDA number, pass-through grantor name (if applicable) and award/pass-through grantor number (if applicable). Such information will agree to the award documentation.
 - e. If the CFDA number of a Federal award cannot be reasonably determined, it shall be reported in the schedule using the two-digit prefix for the related Federal agency, followed by "UNKNOWN".
 - f. To the extent that amounts are passed-through to subrecipients, a schedule of federal awards provided to subrecipients, including all necessary information to meet the requirements of the State of Michigan, will be prepared.
 - g. In addition to current year expenditures, the schedule will list approved award/grant amount, accrued/unearned revenue at the beginning of the year, current year cash received, current year actual expenditures, accrued/unearned revenue at the end of the year, and the dollar amount provided to subrecipients. If expenditures were incurred relative to this award in the prior year(s), this amount should be disclosed as memorandum-only.
 - h. Any adjustments to prior year awards, expenditures, and balances (including transfers between grants) will be disclosed in the footnotes to the schedule.
 - i. Accrued/unearned revenue in the schedule shall agree to the amounts recorded in the related financial statements.

City of Alpena
Clerk/Treasurer/Finance Director Procedures and Federal Awards
Administration
Financial Management Systems
Year-end Closing and Reporting (Concluded)

- j. To the extent that a separate line item is included in the financial statements for Federal revenue, this amount shall agree to expenditures in the schedule. Any reconciling items will be disclosed in the footnotes to the schedule.

City of Alpena
Clerk/Treasurer/Finance Director Procedures and Federal Awards
Administration
Michigan Department of Treasury
Chart of Accounts

The City will maintain its chart of accounts in accordance with the requirements of the Michigan Department of Treasury Uniform Chart of Accounts for local units of government.

The following procedures will be applied:

1. Each account will be assigned a 12-digit number, as follows:

Fund	Activities	Account Numbers
XXX	XXX	XXX-XXX

Numbers assigned to each category above will be based on the specific requirements of Michigan's Uniform Chart of Accounts.

2. The chart of accounts will facilitate the preparation of the Comprehensive Financial Annual Report (CAFR).
3. A complete chart of accounts for GASB 34 adjustments will not be maintained formally within the City's accounting system. Such adjustments are made once per year, for external financial reporting only, and therefore will be determined through use of separate spreadsheets, and integrated into the audit by the City's independent auditors. The independent auditors will review all such adjustments for accuracy prior to the issuance of the audited financial statements.

City of Alpena
Clerk/Treasurer/Finance Director Procedures and Federal Awards
Administration
Michigan Department of Treasury
Annual Audit

Every Michigan municipality must have a financial statement audit completed each year by a certified public accounting firm.

The following procedures will be applied:

1. The City will have a financial statement audit completed annually as of its fiscal year ended June 30.
2. The audit will be completed in accordance with *Government Auditing Standards* (the "Yellow Book").
3. An adequate written agreement (the "engagement letter") will be signed by the City and its independent auditors. It will contain information on: period to be audited, support to be provided, reporting requirements, fees, time requirements, contractual information, and a statement that the engagement is intended to meet governmental oversight agencies' requirements (Michigan Municipal Finance Act, OMB, GAAS and GAS). A copy of the engagement letter will be provided each year to the City Council.
4. The Clerk/Treasurer/Finance Director shall be responsible for overseeing the process of preparing for the annual audit. In order to minimize errors in this process, all audit schedules and workpapers should be reviewed by an individual other than the preparer.
5. To the extent that expenditures of federal awards equal or exceed \$750,000, the City will also have a single audit completed in accordance with CFR 200.501. Refer to the section of this manual titled "Year-end Closing and Reporting" for information on the schedule of expenditures of federal awards.
6. The audit will be submitted electronically to the Government Finance Officers Association (GFOA) on or before December 31 of each year. The electronic submission will be performed by the City's independent auditors.
7. If a single audit is conducted, the data collection form and reporting package will be submitted electronically to the Federal Audit Clearinghouse as a joint effort between the City and its independent auditors.
8. The City will prepare a written corrective action plan for any findings identified in the audit process.
9. If the City issues general obligation bonds to finance capital projects, a bond audit will be performed by the City's independent auditors within 120 days of substantial completion of the project. The bond audit will be submitted to the Michigan Department of Treasury.

City of Alpena
Clerk/Treasurer/Finance Director Procedures and Federal Awards
Administration
Michigan Department of Treasury
Budgets and Budgetary Compliance

The City of Alpena (the “City”) uses budgets and budgetary accounting in order to fulfill its requirements from the Michigan Department of Treasury and as an internal management tool for monitoring expenditures and identifying abnormalities. Policies and procedures regarding the budgetary process are as follows:

City Council Policies. The following policies have been separately reviewed and approved by the City Council, and are incorporated here by reference:

- City Council Policy Statement: Fund Balance Policy/No. 55

Clerk/Treasurer/Finance Director Procedures. The following procedures will be applied, to the extent that they do not conflict with or contradict the City Council policies listed above:

1. An operating budget will be prepared for the general fund and each special revenue fund consistent with GAAP and the uniform chart of accounts (see previous section titled “Chart of Accounts”).
2. The minimum level of legal control will be determined based on the specification of the Michigan Uniform Budget Manual.
3. In accordance with MCL 141.411-415 and MCL 15.261-275, a public hearing on the budget will be held prior to formal adoption by the City Council.
4. The budget will be formally adopted by the City Council prior to the commencement of the fiscal year.
5. The adopted budget will include:
 - a. Revenue and expenditure data for the most recently completed fiscal year and estimated revenue and expenditures for the ensuing fiscal year.
 - b. The amount of surplus or deficit that has accumulated from prior fiscal year, along with an estimate of the amount of surplus or deficit expected in the current fiscal year.
 - c. An estimate of the amounts needed for deficiency, contingent, or emergency purposes. If possible, a short contingency plan will accompany this piece.
 - d. Other data relating to fiscal conditions that the Clerk deems to be useful.
6. The budget will be amended by the City Council, as necessary, throughout the fiscal year. No budget amendments will be allowable after year-end.
7. In no instance will the total estimated expenditures, including an accrued deficit, exceed the total revenues, including available unappropriated surplus.

City of Alpena
Clerk/Treasurer/Finance Director Procedures and Federal Awards
Administration
Michigan Department of Treasury
Budgets and Budgetary Compliance (Concluded)

8. The budgets will be posted to the City's website within 15 days of formal adoption.
9. Expenditures in excess of budget at the legal level of compliance will be disclosed in the annual audit.
10. The original budget, final amended budget, actual expenditures, and excess of expenditures over budget will be included for the general fund and each major special revenue fund in the annual audit.
11. Each Federal grant will have an award budget, which will be incorporated into the City-wide operating budget.
12. Management will review budget vs. actual reports on a periodic basis with the City Council in order to identify inconsistencies. Such reports will be prepared the same as the adopted budget and include both revenues and expenditures.

City of Alpena
Clerk/Treasurer/Finance Director Procedures and Federal Awards
Administration
Michigan Department of Treasury
Additional Federal Awards Compliance Requirements

A substantial amount of the Federal awards received by the City are passed-through the State of Michigan. In addition to the requirements of the OMB compliance supplement, which are applicable to all Federal grants (refer to next section of this manual for specific information on each compliance requirement), the State of Michigan has issued its own set of guidance on compliance with Federal awards. Management will consider both the OMB Compliance Supplement and the Michigan Department of Treasury Audit Manual in identifying applicable compliance requirements.

City of Alpena
Clerk/Treasurer/Finance Director Procedures and Federal Awards
Administration
OMB Compliance Supplement
General Information

Source of Information - Each year the Federal government (Office of Management and Budget) issues a comprehensive document on the compliance requirements each grant recipient is obligated to follow in general terms, along with program-specific guidance on various grant awards. There are 12 compliance requirements identified, each of which is considered individually in this manual.

The following pages document the policies and procedures of the City related to compliance with such procedures, as applicable. In each year that the City is subject to a single audit, applicable compliance requirements are expected to be tested in detail by the City's independent auditors.

Objectives - The objectives of most compliance requirements are generic in nature. While the criteria for each program may vary, the main objective of the compliance requirement is relatively consistent across all programs. As such, the policies and procedures of the City have been based on the generic sense of the compliance requirement. For selected compliance requirements, this manual addresses the specific regulations applicable to individual grants. This is not intended to imply that a program is not subject to such policies if it is not specifically mentioned here. It is the intention of the City that all Federal awards are subject to the following procedures.

Controls over Compliance - In addition to creating policies and procedures over compliance with provisions of Federal awards, the City has implemented internal controls over such compliance, generally in the form of administrative oversight and/or independent review and approval. In order to document these control activities, all independent reviews are signed/initialed and dated.

Documentation - The City will maintain adequate documentation to support both the compliance with applicable requirements as well as internal controls over such compliance. This documentation will be provided to the City's independent auditors and/or pass-through grantor agencies, as requested, during the single audit and program audits.

City of Alpena
Clerk/Treasurer/Finance Director Procedures and Federal Awards
Administration
OMB Compliance Supplement
Activities Allowed/Unallowed and Allowable Costs/Cost Principles

Source of Governing Requirements - The requirements for activities allowed or unallowed are contained in program legislation, Federal awarding agency regulations, and the terms and conditions of the award.

The requirements for allowable costs/cost principles are contained in Uniform Guidance 2 CFR 200, program legislation, Federal awarding agency regulations, and the terms and conditions of the award.

The following procedures will be applied:

1. All grant expenditures will be in compliance with the Uniform Guidance, 2 CFR 200, State law, City policy, and the provisions of the grant award agreement will also be considered in determining allowability. Grant funds will only be used for allowable costs and costs must meet the following general criteria to be allowable under Federal awards:
 - a. Be reasonable and necessary for the performance of the program and allocable thereto (see detail below);
 - b. Conform to any limitations or exclusions set forth in applicable regulations or in the award itself;
 - c. Be consistent with policies and procedures that apply uniformly to federally-financed activities and other activities of the non-Federal entity; and
 - d. Be accorded consistent treatment. A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost.
 - e. Not be included as a cost or used to meet cost sharing or matching requirements of any other federally-financed program in either the current or a prior period.
 - f. Be adequately documented.
2. A cost is reasonable if it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. In determining reasonableness of a given cost, consideration must be given to:
 - a. Whether the cost is ordinary and necessary for the proper and efficient performance of the Federal award;
 - b. The requirements imposed by such factors as: sound business practices; arms-length bargaining; Federal, state, local, tribal and other laws and regulations; and
 - c. Market prices for comparable goods or services.

City of Alpena
Clerk/Treasurer/Finance Director Procedures and Federal Awards
Administration
OMB Compliance Supplement
Activities Allowed/Unallowed and Allowable Costs/Cost Principles (Concluded)

3. A cost is allocable to a particular Federal award if the goods or services involved are chargeable or assignable to that Federal award in accordance with the relative benefits received. This standard is met if the cost:
 - a. Is incurred specifically for the Federal award;
 - b. Benefits both the Federal award and other work of the non-Federal entity and can be distributed in proportions that may be approximated using reasonable methods; and
 - c. Is necessary to the overall operation of the non-Federal entity and is assignable in part to the Federal award.
4. Applicable credits refer to those receipts or reduction of expenditure type transactions that offset or reduce expense items allocable to the Federal award. To the extent that such credits relate to allowable costs, they must be credited to the Federal award either as a cost reduction or cash refund, as appropriate.

The Federal award may be subject to statutory requirements that limit the allowability of costs. Payments made for costs determined to be unallowable must be refunded (including interest) to the Federal Government unless Federal statute or regulation directs otherwise.

5. Grant expenditures will be approved by department heads initially through the purchase order process, and again when with the bill or invoice is received. This will be evidenced by signature or initials and date on the invoice. Accounts payable disbursements will not be processed for payment by the Clerk/Treasurer/Finance Director until necessary approval has been obtained.
6. Payroll costs will be documented in accordance with the Uniform Guidance, 2 CFR 200 as described in the section of this manual titled "Payroll and Timekeeping".
7. Indirect costs will be charged to federal grants at the federally negotiated indirect cost rate (if available) or the de minimis rate of 10% permitted by the Uniform Guidance, 2 CFR 200. The selected rate will be applied to Modified Total Direct Costs (MTDC). The City may, at its discretion, choose to use all available grant funds for program purposes and not charge an indirect cost rate to a federal award.
8. To the extent that the City passes through federal awards to subrecipients, the City will review the subrecipient's grant budgets for compliance with allowable/unallowable costs.

City of Alpena
Clerk/Treasurer/Finance Director Procedures and Federal Awards
Administration
OMB Compliance Supplement
Cash Management

Source of Governing Requirements - The requirements for cash management are contained in the Uniform Guidance 2 CFR 200, program legislation, Federal awarding agency regulations, and the terms and conditions of the award.

The following procedures will be applied:

1. Substantially all of the City's grants are awarded on a reimbursement basis. As such, program costs will be expended and disbursed prior to requesting reimbursement from the grantor agency.
2. Cash draws will be initiated by the Department Heads who will determine the appropriate draw amount. Documentation of how this amount was determined will be retained and signed/dated. An individual independent of this determination will review the draw amount and sign/initial the paperwork as evidence of the control.
3. The physical draw of cash will be processed through the means prescribed by the grant agreement for other awards by the Department Heads.
4. Supporting documentation or a copy of the cash draw paperwork will be filed along with the approved paperwork described above and retained for audit purposes.
5. To the extent that the City passes through federal awards to subrecipients, the City will make payments to subrecipients within 30 calendar days after receipt of billing unless the City reasonably believes the request to be improper.

City of Alpena
Clerk/Treasurer/Finance Director Procedures and Federal Awards
Administration
OMB Compliance Supplement
Equipment and Real Property Management

Source of Governing Requirements - The requirements for equipment are contained in the Uniform Guidance 2 CFR 200, program legislation, Federal awarding agency regulations, and the terms and conditions of the award.

City Council Policies. The following policies have been separately reviewed and approved by the City Council, and are incorporated here by reference:

- City Council Policy Statement: Policy for Purchases and Sales/No. 18

Clerk/Treasurer/Finance Director Procedures. The following procedures will be applied, to the extent that they do not conflict with or contradict the City Council policies listed above:

1. All equipment will be used in the program for which it was acquired or, when appropriate, other Federal programs.
2. When required, purchases of equipment will be pre-approved by the grantor or pass-through agency. The Department Heads will be responsible for ensuring that equipment purchases have been previously approved, if required, and will retain evidence of this approval.
3. Equipment records will be maintained and an appropriate system shall be used to safeguard equipment, as described in the section of this manual titled "Capital Assets".
4. When equipment with a current per unit fair market value of \$5,000 or more is no longer needed for a Federal program, it may be retained or sold according to the City's policy.

City of Alpena
Clerk/Treasurer/Finance Director Procedures and Federal Awards
Administration
OMB Compliance Supplement
Matching, Level of Effort and Earmarking

Source of Governing Requirements - The requirements for matching are contained in Uniform Guidance, 2 CFR 200, program legislation, Federal awarding agency regulations, and the terms and conditions of the award. The requirements for level of effort and earmarking are contained in program legislation, Federal awarding agency regulations, and the terms and conditions of the award.

The City of Alpena defines “matching”, “level of effort”, and “earmarking” consistent with the definitions of the OMB Compliance Supplement:

Matching or cost sharing includes requirements to provide contributions (usually non-Federal) or a specified amount or percentage of match of Federal awards. Matching may be in the form of allowable costs incurred or in-kind contributions (including third-party in-kind contributions).

Level of effort includes requirements for (a) a specified level of service to be provided from period to period, (b) a specified level of expenditures from non-Federal or Federal sources for specified activities to be maintained from period to period, and (c) Federal funds to supplement and not supplant non-Federal funding of services.

Earmarking includes requirements that specify the minimum and/or maximum amount of percentage of the program’s funding that must/may be used for specified activities, including funds provided to subrecipients. Earmarking may also be specified in relation to the types of participants covered.

The following procedures will be applied:

1. Compliance with matching, level of effort, and earmarking requirements will be the responsibility of the City Manager.
2. Adequate documentation will be maintained to support compliance with matching, level of effort, and earmarking requirements. Such information will be made available to City administration, auditors, and pass-through or grantor agencies, as requested.
3. Maintenance of effort for grants through the Michigan Department of Treasury will be determined at the State level.

City of Alpena
Clerk/Treasurer/Finance Director Procedures and Federal Awards
Administration
OMB Compliance Supplement
Period of Performance

Source of Governing Requirements - The requirements for period of performance of Federal funds are contained in Uniform Guidance, 2 CFR 200, program legislation, Federal awarding agency regulations, and the terms and conditions of the award.

The following procedures will be applied:

1. Costs will be charged to an award only if the obligation was incurred during the funding period (unless pre-approved by the Federal awarding agency or pass-through grantor agency).
2. All obligations will be liquidated not later than 90 days after the end of the funding period (or as specified by program legislation).
3. Compliance with period of performance requirements will initially be assigned to the individual approving the allowability of the expense/payment. This will be subject to review and approval by the Clerk/Treasurer/Finance Director as part of the payment processing.
4. Any grant projects, Federal or non-Federal, that are not completed in the current fiscal year will be automatically carried over to the subsequent fiscal year for completion.

City of Alpena
Clerk/Treasurer/Finance Director Procedures and Federal Awards
Administration
OMB Compliance Supplement
Procurement, Suspension and Debarment

Source of Governing Requirements - The requirements for procurement are contained in Uniform Guidance, 2 CFR 200, program legislation, Federal awarding agency regulations, and the terms and conditions of the award.

The requirements for suspension and debarment are contained OMB guidance in 2 CFR part 180, which implements Executive Orders 12549 and 12689, Debarment and Suspension; Federal agency regulations Uniform Guidance, 2 CFR 200, program legislation; Federal awarding agency regulations; and the terms and conditions of the award.

The following procedures will be applied:

1. Purchasing and procurement related to Federal grants will be subject to the general policies and procedures of the City (described in the section of this manual titled "Purchasing and Procurement").
2. Contract files will document the significant history of the procurement, including the rationale for the method of procurement, selection of the contract type, contractor selection or rejection, and the basis of contract price.
3. Procurement will provide for full and open competition in accordance with 2 CFR 200.318 and 200.319.
4. The City is prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred.

"Covered transactions" include those procurement contracts for goods and services awarded under a non-procurement transaction (i.e., grant or cooperative agreement) that are expected to equal or exceed \$25,000 or meet certain other specified criteria. All non-procurement transactions (i.e., subawards to subrecipients), irrespective of award amount, are considered covered transactions.

5. The City will ensure that compliance with suspension/debarment requirements through one of the following controls:
 - a. Including a suspension/debarment clause in all written contracts in which the vendor/contractor will certify that it is not suspended or debarred. The contract will also contain language requiring the vendor/contractor to notify the City immediately upon becoming suspended or debarred. This will serve as adequate documentation as long as the contract remains in effect.
 - b. Requiring vendors and contractors to sign a statement certifying that they are not suspended or debarred and agreeing to notify the City immediately upon being suspended or debarred. This would also serve as adequate documentation as long as the contract/vendor relationship remains in effect.

City of Alpena
Clerk/Treasurer/Finance Director Procedures and Federal Awards
Administration
OMB Compliance Supplement
Procurement, Suspension and Debarment (Concluded)

- c. Periodically searching the federal excluded parties database at www.sam.gov and the State of Michigan debarred vendor list at <http://www.michigan.gov/micontractconnect/0,4541,7-225-48677-354349--,00.html> for the vendor name. Any potential match would be followed-up on immediately. A listing of the vendors search and the date of the procedures would be retained.
6. If a vendor is found to be suspended or debarred, the City will immediately cease to do business with this vendor.

City of Alpena
Clerk/Treasurer/Finance Director Procedures and Federal Awards
Administration
OMB Compliance Supplement
Program Income

Source of Governing Requirements - The requirements for program income are found in Uniform Guidance, 2 CFR 200, program legislation, Federal awarding agency regulations, and the terms and conditions of the award.

The following procedures will be applied:

1. Program income will include (but will not be limited to): income from fees for services performed, the use or rental of real or personal property acquired with grant funds, the sale of commodities or items fabricated under a grant agreement, and payments of principal and interest on loans made with grant funds. It will not include interest on grant funds unless otherwise provided in the Federal awarding agency regulations or terms and conditions of the award.
2. The City will allow program income to be used in one of three methods:
 - a. Deducted from outlays
 - b. Added to the project budget
 - c. Used to meet matching requirements

Absent specific guidance in the Federal awarding agency regulations or the terms and conditions of the award, program income shall be deducted from program outlays.

3. Program income, when applicable, will be accounted for as a revenue source in the same program code as the Federal grant. See additional information on the uniform chart of accounts in the section of this manual titled "Chart of Accounts".

City of Alpena
Clerk/Treasurer/Finance Director Procedures and Federal Awards
Administration
OMB Compliance Supplement
Reporting

Source of Governing Requirements - Reporting requirements are contained in the following documents:

Uniform Guidance, 2 CFR 200, program legislation, Federal awarding agency regulations, and the terms and conditions of the award.

The following procedures will be applied:

1. Reports will be submitted in the required frequency and within the required deadlines. For grants through the State of Michigan, a final expenditure report will be filed within 60 days of the expenditure of all funds or within 60 days of the grant ending date, whichever comes first.
2. Reports will be completed using the standard forms (as applicable) and method of delivery (i.e., e-mail, grantor website, postal service, etc.).
3. Regardless of the method of report delivery, a copy of the submitted report will be retained along with any documentation necessary to support the data in the report. The report will evidence the date of submission in order to document compliance with timeliness requirements.
4. Financial reports will always be prepared based on the general ledger using the required basis of accounting (i.e., cash or accrual). In cases where financial data is tracked outside of the general accounting system (such as in spreadsheets or paper ledgers), this information will be reconciled to the general ledger prior to report submission.
5. Any report with financial-related data will either be prepared or reviewed by the appropriate Department Head administering the grant and maybe by the City Clerk/Treasurer/Finance Director.
6. Preparation of reports will be the responsibility of the appropriate Department Head administering the grant. All reports (whether financial, performance, or special) must be reviewed and approved by a knowledgeable administrator prior to submission.
7. Copies of submitted reports with preparer and reviewer signatures and dates will be filed with supporting documentation and any follow-up correspondence from the grantor or pass-through agency. Copies of all such reports will be made available to administration, auditors, and pass-through or grantor agencies, as requested.

City of Alpena
Clerk/Treasurer/Finance Director Procedures and Federal Awards
Administration
OMB Compliance Supplement
Subrecipient Monitoring

Source of Governing Requirements - The requirements for subrecipient monitoring are contained in 31 USC 7502(f)(2)(B) (Single Audit Act Amendments of 1996 (Pub. L. No. 104-156)), OMB regulations, Uniform Guidance, 2 CFR 200, Federal awarding agency regulations, and the terms and conditions of the award.

The City will monitor subrecipient according to the applicable grant agreement.

**City of Alpena
Clerk/Treasurer/Finance Director Procedures and Federal Awards
Administration
Conflict of Interest**

Transactions involving Federal awards are subject to all conflict of interest policies, as applicable:

City Council Policies. The following policies have been separately reviewed and approved by the City Council, and are incorporated here by reference:

- City Council Policy Statement: Conflict of Interest Disclosure/No. 49

Clerk/Treasurer/Finance Director Procedures. The following procedures will be applied, to the extent that they do not conflict with or contradict the City Council policies listed above:

1. City Council members will disclose any conflict of interest (whether in fact or in appearance). When a member of the City Council determines that the possibility of a personal interest conflict exists, he/she should, prior to the matter being considered, disclose his/her interest in a public meeting (which will be noted in the official meeting minutes). The individual shall abstain from discussing or voting on this matter.
2. Any related party transactions will be disclosed as part of the annual audit.
3. City Council members and employees will not accept money or gifts from current or potential vendors of the City if such items are valued in excess of the threshold published annually by the State of Michigan.
4. City employees are prohibited from using City equipment, materials, and supplies for personal benefit.
5. A sample conflict of interest disclosure form is included in the Appendix.

City of Alpena
Clerk/Treasurer/Finance Director Procedures and Federal Awards
Administration
Records Retention

Record retention policies will follow those suggested or required by the State of Michigan. Periodically, the Clerk/Treasurer/Finance Director will review the most recent information released by the State and determine if the City's practices continue to meet these standards.

All grants whether Federal or non-Federal will be retained according to grant agreements.

City of Alpena
Clerk/Treasurer/Finance Director Procedures and Federal Awards
Administration
Information Technology

The City of Alpena identifies the efficiencies and risks that come with the increased reliance on information technology. As such, policies have been adopted to govern the use of information technology:

City Council Policies. The following policies have been separately reviewed and approved by the City Council, and are incorporated here by reference:

- City Council Policy Statement: Computer, Email, and Internet Usage/No. 56

Clerk/Treasurer/Finance Director Procedures. The following procedures will be applied, to the extent that they do not conflict with or contradict the City Council policies listed above:

1. Staff passwords must be changed periodically, or as otherwise specified by City Council policy.
2. The responsibility of assigning user access rights to financial-related applications will be assigned to the Information Technician (IT). User rights will be reviewed annually to accurately reflect current employees and job responsibilities.
3. Back-ups of the financial accounting system and the City's network will be taken daily and stored at an off-site location. Not less than 2 times per year, the City's IT will test the integrity and usability of this data.

City of Alpena
Clerk/Treasurer/Finance Director Procedures and Federal Awards
Administration
Supplies

The City of Alpena utilizes various supplies in its operations. The following procedures will govern the purchase, use, and recording of such items:

City Council Policies. The following policies have been separately reviewed and approved by the City Council, and are incorporated here by reference:

- City Council Policy Statement: Policy for Purchases and Sales/No. 18

Clerk/Treasurer/Finance Director Procedures. The following procedures will be applied, to the extent that they do not conflict with or contradict the City Council policies listed above:

1. Purchase - The purchase of supplies will be subject to the same purchasing and procurement requirements as general City expenditures. Refer to the "Purchasing and Procurement" section of this manual.
2. Accounting - Supplies will be recorded as expenditures when purchased. Once per year, in conjunction with the annual audit, department heads will inventory unused supplies. Refer to the section of this manual titled "Year-end Closing and Reporting" for additional information.

Certain supplies on-hand at year-end (such as office supplies) will be deemed immaterial and not inventoried or recorded in the year-end financial statements.

3. Controls - It will be the responsibility of the department heads to determine the appropriate access to supplies, based on cost v. benefit considerations.

City of Alpena
Clerk/Treasurer/Finance Director Procedures and Federal Awards
Administration
Copyrights

All employees and administrators of the City are subject to the provisions of the Copyright Act of 1976. As such, the City has adopted the following guidelines. These procedures are deemed to be applicable to printed materials, internet materials, computer software, audio visual materials, and sheet music.

1. Unlawful copies of copyrighted materials will not be produced using City-owned equipment, nor will such materials be distributed.
2. The Department Heads are responsible for the determination of whether photocopies are legal. The City will not be responsible for any fees imposed on its employees or administrators for misuse of copyrighted materials, nor will legal representation be provided in the event of wrongdoing.
3. The City Clerk/Treasurer/Finance Director will be responsible for communicating copyright guidelines to City employees and monitoring compliance with these guidelines.

The above procedures are deemed applicable to all transactions, including those with Federal funds.

City of Alpena
Clerk/Treasurer/Finance Director Procedures and Federal Awards
Administration
Credit Card Purchases

The City may choose to use credit cards. Gift cards will not be issued, as it is difficult to monitor proper usage.

City Council Policies. The following policies have been separately reviewed and approved by the City Council, and are incorporated here by reference:

- City Council Policy Statement: Credit Card Policy/No. 23

Clerk/Treasurer/Finance Director Procedures. The following procedures will be applied, to the extent that they do not conflict with or contradict the City Council policies listed above:

1. The Clerk/Treasurer/Finance Director shall be responsible for the issuance, accounting, monitoring, retrieval, internal controls and generally overseeing the use of City credit cards for City employees.
2. Credit cards may be used only for the purchase of the following:
 - a. Conference or workshop registrations
 - b. Lodging for authorized trips or meetings, or
 - c. Supplies and equipment when prior approval of the Clerk/Treasurer/Finance Director has been given.
 - d. Other expenses as deemed necessary and approved by the City Clerk/Treasurer/Finance Director.
3. A credit card dedicated to fuel purchases is available and should be used for fuel purchases in City vehicles only. This card cannot be used to purchase fuel for personal vehicles used for City business.
4. Credit cards may not be used to circumvent the normal purchasing and/or requisitioning process.
5. The staff member to whom a credit card is issued shall be responsible for its use. Any charges made on the card during the time that the card is in the possession of the employee are the responsibility of that employee. Unauthorized charges must be paid by the person to whom the card is assigned, and such unauthorized use shall subject the card holder to disciplinary action in accordance with law, City policy, and/or the terms of a negotiated agreement.
6. The person to whom a credit card is issued is responsible for the protection and custody of the card. If a City card is lost or stolen, the person to whom the card was issued shall immediately notify the City Clerk/Treasurer/Finance Director. The Clerk/Treasurer/Finance Director will notify the issuing company to cancel the card if necessary.
7. The Account Clerk shall reconcile the credit card statements to the invoices relating to credit card transactions. Any charges appearing on statement that are missing invoices or other documentation will be investigated by the Account Clerk. The Account Clerk must notify the City Clerk/Treasurer/Finance Director and/or the credit card issuing company of any suspected fraudulent transactions appearing on the statement. Credit card balances must be paid within sixty (60) days of the initial statement date.

City of Alpena
Clerk/Treasurer/Finance Director Procedures and Federal Awards
Administration
Training and Sanctions

The following procedures are applied:

Training

1. The City may provide opportunities for training as necessary to appropriate staff involved in federal grant administration through the following activities, such as:
 - a. Orientation of new staff
 - b. Distribution of federal laws, regulations and guidance
 - c. Distribution of City policies and procedures
 - d. Developing templates, checklists and other guidance documents as appropriate
 - e. Internal training sessions
 - f. Routine staff meetings
 - g. Informal technical assistance
2. The Clerk/Treasurer/Finance Director staff will meet with City staff as necessary to ensure that these procedures are followed. These meetings may occur either on an individual basis or in a group setting.

Employee Accountability and Sanctions

3. Failure to follow the provisions of these procedures will subject the individuals responsible for the violation(s) to administrative and/or disciplinary actions in accordance with City disciplinary procedures and the judgment of management. Sanctions may include comments on employee evaluations, suspension and/ or dismissal.

City of Alpena
Clerk/Treasurer/Finance Director Procedures and Federal Awards
Administration
Travel

Source of Governing Requirements. Lodging and subsistence costs incurred by employees for travel will comply with the non-Federal entities written travel policies (§ 200.474(b0)),

City Policies. The following policies have been separately reviewed and approved by the City Manager, and are incorporated here by reference:

- Standard Operating Policy: Travel Policy-Fair Labor Standards Act (FLSA)/No. 20

Clerk/Treasurer/Finance Director Procedures. The following procedures will be applied, to the extent that they do not conflict with or contradict the City Council policies listed above:

1. Travel must receive pre-approval for conferences and meetings outside of the county.
2. The City Manager or Designee must sign off on conference forms.
3. Reimbursements will follow City guidelines.

City of Alpena
Clerk/Treasurer/Finance Director Procedures and Federal Awards
Administration
Appendix
Certification Regarding Suspension and Debarment

*Also search vendor on SAM.GOV

By signing below, I agree that my company/organization or any of its principals, personnel, division or affiliates presently or in the past have not been debarred or suspended from entering into contracts with any federal, state or local governmental entity.

The company/organization has not been convicted or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under public transaction; violation of Federal or State anti-trust statutes, or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property.

The company/organization is not presently indicted or otherwise criminally or civilly charged by a government entity (Federal, State or local).

The company/organization has not had one or more public transactions (Federal, State or local) terminated for cause or default.

The certifications made in this statement are deemed to be valid as long as the company/organization continues to conduct business transactions with the City of Alpena unless notification is made in writing to the City. The company/organization will notify the City immediately if any of the certifications made in this statement become invalid.

Company/Organization Name: _____

Certification Made by (Name and Title): _____

Date: _____

City of Alpena
Clerk/Treasurer/Finance Director Procedures and Federal Awards
Administration
Appendix
Conflict of Interest Disclosure Form

Conflicts of interest occur when a public servant "as defined in Michigan Public Act 317 of 1968 as amended", and immediate family member, (spouse, children-married or single, parents) receives personal financial benefit from the public servant's City position in a manner which may inappropriately influence the public servant's judgment or compromise the public servant's ability to carry out City responsibilities or which could be a detriment to the City's integrity.

A Public Servant with an apparent or real conflict of interest must complete this form and deliver it to the City Clerk/Treasurer/Finance Director's office.

Questions about an external activity representing a conflict of interest should be referred to the City Manager or City Clerk/Treasurer/Finance Director in consultation with the City Attorney if necessary.

EMPLOYEE INFORMATION

Name: _____ Position Title: _____

☐ Check this box if no changes are made from previous year. Then sign and date on the bottom of page 2.

CONFLICTS OF INTEREST DISCLOSURE

1. Relationship with any vendor, contractor, or business entity with which the City does business or is likely to do business, for which you have an opportunity to influence a related City decision; include the relationship of any immediate family member (spouse, children - married or single, parents) - indicate business entity's name, name of owner or manager, and relationship to the public servant or the public servant's immediate family:

2. Economic interest (if greater than 1% owner's interest) in any vendor, contractor, or business entity with which the City does business or is likely to do business. Specify the economic interest of any immediate family member (spouse, children - married or single, parents) - indicate the business entity's name and relationship to the public servant or the public servant's immediate family:

City of Alpena
Clerk/Treasurer/Finance Director Procedures and Federal Awards
Administration
Appendix
Conflict of Interest Disclosure Form

3. If this disclosure is for a single transaction, indicate the specific vendor, contractor or business entity, relationship to the public servant or public servant's immediate family, and City purchase or contract:

4. Any other apparent or real financial conflict that could result in a personal financial benefit for you or a member of your immediate family. Please note that if the status changes, you must re-file this form.

5. Any other apparent or real conflict, financial or otherwise, that may compromise the public servant's decisions or judgment in carrying out City responsibilities:

6. If there is a financial benefit, please list the approximate dollar value:

In the event that insufficient space is provided on this form for any disclosure, the public servant should attach additional pages with reference to the above sections; also indicate in the associate section that additional material is attached.

EMPLOYEE'S SIGNATURE (full legal name):

DATE: _____

A person willfully violating the disclosure of potential conflicts may be subject to penalties under Michigan Act 317 of 1968 as amended, Contracts of Public Servants with Public Entities.

City of Alpena
Clerk/Treasurer/Finance Director Procedures and Federal Awards
Administration
Appendix
Receipt Exception Form

It is the policy of the City of Alpena (the "City") to require employees to submit receipts for all expenses (excluding mileage) being claimed for reimbursement. If an employee is unable to provide a receipt for a claimed reimbursement, the following form should be attached to the expense report in lieu of the receipt.

Employee Name: _____

Amount Claimed for Reimbursement
Without Receipt: _____

Reason for not Providing Receipt: _____

My signature certifies that I have incurred the expense reported above using personal funds as part of my job duties at the City.

Employee Signature: _____

Date: _____

Supervisory Approval: _____

Date: _____

City of Alpena
Clerk/Treasurer/Finance Director Procedures and Federal Awards
Administration
Appendix
2 CFR 200 Subpart E: Cost Principles - Selected Items of Cost

This table is for reference purposes only and is not exhaustive of all changes or requirements; therefore, grantees are encouraged to consult the full text of the regulations in 2 CFR 200.

Reference	Title	Noteworthy Additions, Changes, or Clarifications
200.425	Audit services.	Costs associated with audits not conducted in accordance with Single Audit requirements and audits that fall below the Single Audit threshold are unallowable. Under the cost principles, those costs were allowable if included in the indirect cost rate or approved by awarding agency as a direct cost. Financial statement audit and agreed upon procedures
200.428	Collections of improper payments.	New - The costs incurred by a non-Federal entity to recover improper payments are allowable as either direct or indirect costs, as appropriate.
200.430	Compensation - personal services.	Charges for employee compensation must be based on records accurately reflecting work performed; however, no specific types of documentation (e.g., personnel activity reports) are required. Documentation standards that grantees must meet are listed. Substitute systems, if approved by cognizant Federal agency, are allowed State, local, and tribal government.
200.432	Conferences.	Requires conference hosts/sponsors to ensure that conference costs are appropriate, necessary and managed in a manner that minimizes costs to the Federal award. The costs of identifying, but not providing, locally available dependent-care resources are allowable.
200.433	Contingency provisions.	Allowable in limited circumstances, with appropriate methodology used to create estimates, and must be consistent with the cost principles and other requirements in this Part (see also Standards for Financial and Program Management of Subpart D and section 200.403 Factors Affecting Allowability of Costs); be necessary and reasonable for proper and efficient accomplishment of project or program objectives, and be verifiable from the non-Federal entity's records.
200.435	Defense and prosecution of criminal and civil proceedings, claims, appeals and patent infringements.	Language streamlined for consistency and now specifically references Whistleblower Protection Act.
200.436	Depreciation.	Change to GAAP standards. Donated assets valued at time of donation and may be depreciated or claimed as matching but not both. Eliminates the use allowance method of recovering costs associated with recovering building costs.

City of Alpena
Clerk/Treasurer/Finance Director Procedures and Federal Awards
Administration
Appendix
2 CFR 200 Subpart E: Cost Principles - Selected Items of Cost (Continued)


Reference	Title	Noteworthy Additions, Changes, or Clarifications
200.437	Employee health and welfare costs.	Employee morale costs are unallowable. Costs incurred in accordance with the non-Federal entity's documented policies for the improvement of working conditions, employer-employee relations, employee health, and employee performance are allowable, but must be equitably distributed to all activities of the non-Federal entity.
200.438	Entertainment costs.	Unallowable unless costs have a programmatic purpose and are authorized in the approved budget for the Federal award or costs have prior written approval from the Federal awarding agency.
200.441	Fines, penalties, damages, and other settlements.	Added Tribal law violations. Now states that "alleged violations" and not just "violations" are unallowable except when they result directly from complying with the terms of a Federal award or are approved in advance by the Federal awarding agency.
200.449	Interest.	Establishes the date of January 1, 2016, as the date that non-Federal entities whose fiscal year starts on or thereafter may be reimbursed for financing costs associated with patents and computer software.
200.453	Materials and supplies costs, including costs of computing devices.	Changes/additions to definitions
200.455	Organization costs.	Unallowable to all organizations unless specific approval by the awarding Federal agency.
200.456	Participant support costs.	Defined and allowable with prior approval. The treatment of participant support costs is in the definition of modified total direct costs and in the appendices on indirect costs rates, Appendix IV to Part 200.
200.460	Proposal costs.	Changed the language that allowed for other than indirect treatment of these costs, though rule remains that these costs should normally be treated as indirect. Proposal costs of past accounting periods will be allocable to the current period.
200.461	Publication and printing costs.	Resolves a long-standing issue with charges necessary to publish research results, which typically occur after expiration, but are otherwise allowable costs of an award.
200.463	Recruiting costs.	Clarifies that special emoluments, fringe benefits, and salary allowances that do not meet the test of reasonableness or do not conform to the established practices of the entity are unallowable. Specifically addresses allowability of short-term travel visa costs.

City of Alpena
Clerk/Treasurer/Finance Director Procedures and Federal Awards
Administration
Appendix
2 CFR 200 Subpart E: Cost Principles - Selected Items of Cost (Concluded)

Reference	Title	Noteworthy Additions, Changes, or Clarifications
200.464	Relocation costs of employees.	Repayment of funds is required if employee resigns for reasons within the employee's control within 12 months after hire date.
200.465	Rental costs of real property and equipment.	Includes "sale and lease back" and "less-than-arm's-length" restrictions and home office space.
200.474	Travel costs.	Provides that temporary dependent care costs that result directly from travel to conferences and meet specified standards are allowable.



Memorandum

Date: June 12, 2018
To: Anna Soik, City Clerk/Treasurer/Finance Director
Copy: Greg Sundin, City Manager
From: Rich Sullenger, City Engineer 
Subject: MDOT Contract 18-5289 Miller Street

The City has received the MDOT contracts for the reconstruction of Miller Street, from Second Avenue to Walnut Street. This contract provides \$325,000 in federal funding through the small urban program. The City of Alpena will provide \$1,132,600 in matching funds from the Water, Sewer, and Major Street funds.

The project is currently being bid through MDOT with the bid opening slated for July 13, 2018. Construction is slated to be completed this fall.

It is my recommendation, as City Engineer, that the City Council approve MDOT contract 18-5289 by resolution committing the local match funds and authorizing the Mayor and City Clerk to execute the agreement on behalf of the City.

Attachments



STP

DA

Control Section	STUL 04000
Job Number	132252A
Project	1800(785)
CFDA No.	20.205 (Highway Research Planning & Construction)
Contract No.	18-5289

PART I

THIS CONTRACT, consisting of PART I and PART II (Standard Agreement Provisions), is made and entered into this date of _____, by and between the MICHIGAN DEPARTMENT OF TRANSPORTATION, hereinafter referred to as the "DEPARTMENT"; and the CITY OF ALPENA, a Michigan municipal corporation, hereinafter referred to as the "REQUESTING PARTY"; for the purpose of fixing the rights and obligations of the parties in the City of Alpena, Michigan, hereinafter referred to as the "PROJECT" and estimated in detail on EXHIBIT "I", dated May 11, 2018, attached hereto and made a part hereof:

PART A - FEDERAL PARTICIPATION

Hot mix asphalt surfacing work along Miller Street from Walnut Avenue to Second Avenue; including earth excavation, subgrade undercutting, subbase, storm sewer, concrete curb and gutter, and slope restoration work; and all together with necessary related work.

PART B - NO FEDERAL PARTICIPATION

Sanitary sewer and water main installation work within the limits as described in PART A; and all together with necessary related work.

WITNESSETH:

WHEREAS, pursuant to Federal law, monies have been provided for the performance of certain improvements on public roads; and

WHEREAS, the reference "FHWA" in PART I and PART II refers to the United States Department of Transportation, Federal Highway Administration; and

WHEREAS, the PROJECT, or portions of the PROJECT, at the request of the REQUESTING PARTY, are being programmed with the FHWA, for implementation with the use of Federal Funds under the following Federal program(s) or funding:

SURFACE TRANSPORTATION PROGRAM

WHEREAS, the parties hereto have reached an understanding with each other regarding the performance of the PROJECT work and desire to set forth this understanding in the form of a written contract.

NOW, THEREFORE, in consideration of the premises and of the mutual undertakings of the parties and in conformity with applicable law, it is agreed:

1. The parties hereto shall undertake and complete the PROJECT in accordance with the terms of this contract.

2. The term "PROJECT COST", as herein used, is hereby defined as the cost of the physical construction necessary for the completion of the PROJECT, including any other costs incurred by the DEPARTMENT as a result of this contract, except for construction engineering and inspection.

No charges will be made by the DEPARTMENT to the PROJECT for any inspection work or construction engineering

The costs incurred by the REQUESTING PARTY for preliminary engineering, construction engineering, construction materials testing, inspection, and right-of-way are excluded from the PROJECT COST as defined by this contract.

3. The DEPARTMENT is authorized by the REQUESTING PARTY to administer on behalf of the REQUESTING PARTY all phases of the PROJECT including advertising and awarding the construction contract for the PROJECT or portions of the PROJECT. Such administration shall be in accordance with PART II, Section II of this contract.

Any items of the PROJECT COST incurred by the DEPARTMENT may be charged to the PROJECT.

4. The REQUESTING PARTY, at no cost to the PROJECT or to the DEPARTMENT, shall:

A. Design or cause to be designed the plans for the PROJECT.

B. Appoint a project engineer who shall be in responsible charge of the PROJECT and ensure that the plans and specifications are followed.

- C. Perform or cause to be performed the construction engineering, construction materials testing, and inspection services necessary for the completion of the PROJECT.

The REQUESTING PARTY will furnish the DEPARTMENT proposed timing sequences for trunkline signals that, if any, are being made part of the improvement. No timing adjustments shall be made by the REQUESTING PARTY at any trunkline intersection, without prior issuances by the DEPARTMENT of Standard Traffic Signal Timing Permits.

5. The PROJECT COST shall be met in accordance with the following:

PART A

Federal Surface Transportation Funds shall be applied to the eligible items of the PART A portion of the PROJECT COST up to the lesser of: (1) \$325,000 or (2) an amount such that 81.85 percent, the normal Federal participation ratio for such funds, for the PART A portion of the PROJECT is not exceeded at the time of the award of the construction contract. The balance of the PART A portion of the PROJECT COST, after deduction of Federal Funds, shall be charged to and paid by the REQUESTING PARTY in the manner and at the times hereinafter set forth.

PART B

The PART B portion of the PROJECT COST is not eligible for Federal participation and shall be charged to and paid 100 percent by the REQUESTING PARTY in the manner and at the times hereinafter set forth.

Any items of PROJECT COST not reimbursed by Federal Funds will be the sole responsibility of the REQUESTING PARTY.

6. No working capital deposit will be required for this PROJECT.

In order to fulfill the obligations assumed by the REQUESTING PARTY under the provisions of this contract, the REQUESTING PARTY shall make prompt payments of its share of the PROJECT COST upon receipt of progress billings from the DEPARTMENT as herein provided. All payments will be made within 30 days of receipt of billings from the DEPARTMENT. Billings to the REQUESTING PARTY will be based upon the REQUESTING PARTY'S share of the actual costs incurred less Federal Funds earned as the PROJECT progresses

7. At such time as traffic volumes and safety requirements warrant, the REQUESTING PARTY will cause to be enacted and enforced such ordinances as may be necessary to prohibit parking in the traveled roadway throughout the limits of the PROJECT.

8. The performance of the entire PROJECT under this contract, whether Federally funded or not, will be subject to the provisions and requirements of PART II that are applicable to a Federally funded project.

In the event of any discrepancies between PART I and PART II of this contract, the provisions of PART I shall prevail

Buy America Requirements (23 CFR 635.410) shall apply to the PROJECT and will be adhere to, as applicable, by the parties hereto.

9. The REQUESTING PARTY certifies that a) it is a person under the Natural Resources and Environmental Protection Act, MCL 324.20101 et seq., as amended, (NREPA) and is not aware of and has no reason to believe that the property is a facility as defined in the NREPA; b) the REQUESTING PARTY further certifies that it has completed the tasks required by MCL 324.20126 (3)(h); c) it conducted a visual inspection of property within the existing right of way on which construction is to be performed to determine if any hazardous substances were present; and at sites on which historically were located businesses that involved hazardous substances, it performed a reasonable investigation to determine whether hazardous substances exist. This reasonable investigation should include, at a minimum, contact with local, state and federal environmental agencies to determine if the site has been identified as, or potentially as, a site containing hazardous substances; d) it did not cause or contribute to the release or threat of release of any hazardous substance found within the PROJECT limits.

The REQUESTING PARTY also certifies that, in addition to reporting the presence of any hazardous substances to the Department of Environmental Quality, it has advised the DEPARTMENT of the presence of any and all hazardous substances which the REQUESTING PARTY found within the PROJECT limits, as a result of performing the investigation and visual inspection required herein. The REQUESTING PARTY also certifies that it has been unable to identify any entity who may be liable for the cost of remediation. As a result, the REQUESTING PARTY has included all estimated costs of remediation of such hazardous substances in its estimated cost of construction of the PROJECT.

10. If, subsequent to execution of this contract, previously unknown hazardous substances are discovered within the PROJECT limits, which require environmental remediation pursuant to either state or federal law, the REQUESTING PARTY, in addition to reporting that fact to the Department of Environmental Quality, shall immediately notify the DEPARTMENT, both orally and in writing of such discovery. The DEPARTMENT shall consult with the REQUESTING PARTY to determine if it is willing to pay for the cost of remediation and, with the FHWA, to determine the eligibility, for reimbursement, of the remediation costs. The REQUESTING PARTY shall be charged for and shall pay all costs associated with such remediation, including all delay costs of the contractor for the PROJECT, in the event that remediation and delay costs are not deemed eligible by the FHWA. If the REQUESTING PARTY refuses to participate in the cost of remediation, the DEPARTMENT shall terminate the

PROJECT. The parties agree that any costs or damages that the DEPARTMENT incurs as a result of such termination shall be considered a PROJECT COST.

11. If federal and/or state funds administered by the DEPARTMENT are used to pay the cost of remediating any hazardous substances discovered after the execution of this contract and if there is a reasonable likelihood of recovery, the REQUESTING PARTY, in cooperation with the Department of Environmental Quality and the DEPARTMENT, shall make a diligent effort to recover such costs from all other possible entities. If recovery is made, the DEPARTMENT shall be reimbursed from such recovery for the proportionate share of the amount paid by the FHWA and/or the DEPARTMENT and the DEPARTMENT shall credit such sums to the appropriate funding source.

12. The DEPARTMENT'S sole reason for entering into this contract is to enable the REQUESTING PARTY to obtain and use funds provided by the Federal Highway Administration pursuant to Title 23 of the United States Code.

Any and all approvals of, reviews of, and recommendations regarding contracts, agreements, permits, plans, specifications, or documents, of any nature, or any inspections of work by the DEPARTMENT or its agents pursuant to the terms of this contract are done to assist the REQUESTING PARTY in meeting program guidelines in order to qualify for available funds. Such approvals, reviews, inspections and recommendations by the DEPARTMENT or its agents shall not relieve the REQUESTING PARTY and the local agencies, as applicable, of their ultimate control and shall not be construed as a warranty of their propriety or that the DEPARTMENT or its agents is assuming any liability, control or jurisdiction.

The providing of recommendations or advice by the DEPARTMENT or its agents does not relieve the REQUESTING PARTY and the local agencies, as applicable of their exclusive jurisdiction of the highway and responsibility under MCL 691.1402 et seq., as amended.

When providing approvals, reviews and recommendations under this contract, the DEPARTMENT or its agents is performing a governmental function, as that term is defined in MCL 691.1401 et seq., as amended, which is incidental to the completion of the PROJECT.

13. The DEPARTMENT, by executing this contract, and rendering services pursuant to this contract, has not and does not assume jurisdiction of the highway, described as the PROJECT for purposes of MCL 691.1402 et seq., as amended. Exclusive jurisdiction of such highway for the purposes of MCL 691.1402 et seq., as amended, rests with the REQUESTING PARTY and other local agencies having respective jurisdiction.

14. The REQUESTING PARTY shall approve all of the plans and specifications to be used on the PROJECT and shall be deemed to have approved all changes to the plans and specifications when put into effect. It is agreed that ultimate responsibility and control over the PROJECT rests with the REQUESTING PARTY and local agencies, as applicable.

15. The REQUESTING PARTY agrees that the costs reported to the DEPARTMENT for this contract will represent only those items that are properly chargeable in accordance with this contract. The REQUESTING PARTY also certifies that it has read the contract terms and has made itself aware of the applicable laws, regulations, and terms of this contract that apply to the reporting of costs incurred under the terms of this contract.

16. Each party to this contract will remain responsible for any and all claims arising out of its own acts and/or omissions during the performance of the contract, as provided by this contract or by law. In addition, this is not intended to increase or decrease either party's liability for or immunity from tort claims. This contract is also not intended to nor will it be interpreted as giving either party a right of indemnification, either by contract or by law, for claims arising out of the performance of this contract.

17. The parties shall promptly provide comprehensive assistance and cooperation in defending and resolving any claims brought against the DEPARTMENT by the contractor, vendors or suppliers as a result of the DEPARTMENT'S award of the construction contract for the PROJECT. Costs incurred by the DEPARTMENT in defending or resolving such claims shall be considered PROJECT COSTS.

18. The DEPARTMENT shall require the contractor who is awarded the contract for the construction of the PROJECT to provide insurance in the amounts specified and in accordance with the DEPARTMENT'S current Standard Specifications for Construction and to:

- A. Maintain bodily injury and property damage insurance for the duration of the PROJECT.
- B. Provide owner's protective liability insurance naming as insureds the State of Michigan, the Michigan State Transportation Commission, the DEPARTMENT and its officials, agents and employees, the REQUESTING PARTY and any other county, county road commission, or municipality in whose jurisdiction the PROJECT is located, and their employees, for the duration of the PROJECT and to provide, upon request, copies of certificates of insurance to the insureds. It is understood that the DEPARTMENT does not assume jurisdiction of the highway described as the PROJECT as a result of being named as an insured on the owner's protective liability insurance policy.
- C. Comply with the requirements of notice of cancellation and reduction of insurance set forth in the current standard specifications for construction and to provide, upon request, copies of notices and reports prepared to those insured.

19. This contract shall become binding on the parties hereto and of full force and effect upon the signing thereof by the duly authorized officials for the parties hereto and upon the adoption of the necessary resolutions approving said contract and authorizing the signatures thereto of the respective officials of the REQUESTING PARTY, a certified copy of which resolution shall be attached to this contract.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed the day and year first above written.

CITY OF ALPENA

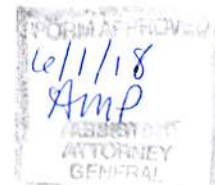
MICHIGAN DEPARTMENT
OF TRANSPORTATION

By _____
Title:

By _____
Department Director MDOT

By _____
Title:

RDB
5/30/18



APPROVED BY:

 6/4/2018

Administrator
Real Estate

May 11, 2018

EXHIBIT I

CONTROL SECTION	STUL 04000
JOB NUMBER	132252A
PROJECT	1800(785)

ESTIMATED COST

CONTRACTED WORK

	<u>PART A</u>	<u>PART B</u>	<u>TOTAL</u>
Estimated Cost	\$789,600	\$668,000	\$1,457,600

COST PARTICIPATION

GRAND TOTAL ESTIMATED COST	\$789,600	\$668,000	\$1,457,600
Less Federal Funds*	<u>\$325,000</u>	<u>\$ -0-</u>	<u>\$ 325,000</u>
BALANCE (REQUESTING PARTY'S SHARE)	\$464,600	\$668,000	\$1,132,600

*Federal Funds for the PART A portion of the PROJECT are limited to an amount as described in Section 5.

NO DEPOSIT




Memorandum

Date: June 12, 2018

To: Anna Soik, City Clerk/Treasurer/Finance Director

Copy: Greg Sundin, City Manager

From: Rich Sullenger, City Engineer 

Subject: Miller Street Construction Engineering Services

The City of Alpena will, through a contract with the Michigan Department of Transportation, be reconstructing Miller Street from Walnut Street to Second Avenue this fall. To comply with MDOT requirements, having certified inspectors on the job with the contractor and in the office filing the paperwork, the City must use the services of an outside consultant certified by MDOT to complete this work. To that end, the City solicited proposals from local engineering companies certified to perform this work and published it on our website. Three proposals were received.

Consultant	Total Estimated Cost	Percent of Estimated Construction Cost
	Based on Hourly rate and estimated hours	
Huron Engineering & Surveying, Inc.	\$52,770.00	3.62%
gfa (Gourdie-Fraiser, Inc.)	\$74,905.00	5.14%
R.S. Scott Associates, Inc.	\$79,500.00	5.45%

Estimated Construction Cost: \$1,457,577.50

While the hourly rates and estimated hours to complete the project vary between the consultants, Huron has considerable experience, both overall with MDOT Local Agency Projects, as well as specifically with City of Alpena projects funded through MDOT (Grant St, Second Av Bridge). We believe their hourly estimates are reasonable and the hourly rates are comparable to the other bidders.

It is my recommendation, as City Engineer, that City Council authorize using the services of Huron Engineering & Surveying per their proposal dated June 12, 2018 for a time and materials not to exceed cost of \$52,770. This cost is based on a project schedule of 10 weeks or less. If the project extends beyond 10 weeks, the contract price may need to be adjusted via Contract Modification presented to Council. However, we do not anticipate the project taking longer than 10 weeks to complete. Funding to facilitate these services has been included in the budgeted line items for the Miller Street Construction project.

Attachment

City of Alpena

Bid Name: Miller Street Construction Engineering Services

Bid Open Date: 06/12/18 @ 2:00 p.m.

Bidder	Addendum	Bid Security	Base Bid	Remarks
Gordie -Fraiser, Inc. (GFA) Traverse City	#1 Y		\$ 74,905.00	
Huron Engineering Alpena	#1 Y		\$ 52,770.00	
R.S. Scott Alpena	#1		\$ 79,500.00	
	#1		\$	
	#1		\$	
	#1		\$	

Unofficial – "As-Read" Results – Subject to Verification

Bids Due: June 12, 2018
Time: 2:00 p.m.

BID LIST
Miller Street Construction Engineering Services

1. Fleis & Vandenbrink
2960 Lucerne Dr SE
Grand Rapids, MI 49546
Ph: 800-494-5202
info@fveng.com
2. Gosling Czubak Engineering Sciences
1280 Business Park Drive
Traverse City, MI 49686
Ph: 800-968-1062
info@goslingczubak.com
3. RS Scott and Associates
405 River Street
Alpena, MI 49707
Ph: 989-354-3178
gerowp@rsscott.com
straleym@rsscott.com
4. Huron Engineering and Surveying
3205 US 23 South
Alpena, MI 49707
Ph: 989-356-6375
Info@huronsi.com
5. Materials Testing Consultants
693 Plymouth Ave NE
Grand Rapids, MI 49505
Ph: 800-968-8378
tlautenbach@mtc-test.com
6. Tetra Tech
123 Brighton Lake Road
Brighton, MI 48116
Ph: 810-220-2112
Bob.daavettila@tetrattech.com
Scott.buchholz@tetrattech.com
7. Wade Trim
1403 S. Valley Center Drive
Bay City, MI 48707
Ph: 800-322-4500
tnoble@wadetrim.com