



CITY COUNCIL

December 3, 2018

1. Call to Order - 7:00 P.M. - City Hall Council Chambers
2. Recitation - Pledge of Allegiance to the Flag of the United States of America
3. Roll Call
4. Presentation – Hear presentation by Dawn Lund of Utility Financial Solutions (UFS), Holland, Michigan, concerning the electric utility rate study
5. Consent Agenda – Adoption of a proposed resolution that would confirm approval of the following:
 - (a) November 19, 2018 regular session City Council meeting minutes
 - (b) Acknowledge receipt of a report concerning certain administrative transactions since November 19, 2018
6. Miscellaneous Public Comments
7. City Manager Updates
8. New Business
 - (a) Discussion regarding changes to Downtown parking fees, fines and enforcement hours as recommended by the Downtown Management Board
 - (b) Adoption of a proposed resolution approving the 2019 City Council meeting schedule
9. City Council Comments
10. Adjournment



City of Petoskey

Agenda Memo

BOARD: City Council

MEETING DATE: December 3, 2018

PREPARED: November 27, 2018

AGENDA SUBJECT: Electric Utility Rate Study Report Presentation

RECOMMENDATION: That the City Council hear this presentation by Dawn Lund of Utility Financial Solutions, LLC, Holland, MI

Background The City Council will be asked to hear a presentation regarding the enclosed "Electric Cost of Service Study and Financial Projection – November 2018" as prepared by Utility Financial Solutions (UFS), Holland, MI. This report has been prepared to provide the City with a long-term financial plan, electric cost of service and unbundling rate study that would determine the City's electric-utility revenue requirements for 2019 and beyond; identify cross-subsidies that may exist between rate classes; recommend rate adjustments needed to meet targeted revenue requirements; unbundled electric rates; and identify the appropriate monthly Ready-to-Service-Charge for each customer class.

The presentation by Dawn Lund of UFS, will focus on the methodology used in determining electric service rates based on annual revenue requirements and the costs involved in providing those services to the various customer classes. The study utilizes current industry standards to determine the optimal method recommended for use in designing rates. The Rate Design, which includes rate recommendations, will be presented to Council at the next regular Council meeting.

Action Review the enclosed "Electric Cost of Service Study and Financial Projection" and listen to the presentation.

at
Enclosure



Report

CITY OF PETOSKEY

Electric Cost of Service Study and Financial Projection

November 2018



**Specializing in Cost of Service,
Rate Design, and Financial Analysis**

Rate Design and Financial Analysis

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November 2018

Alan Terry
Director of Finance
City of Petoskey
101 East Lake Street
Petoskey, MI 49770

Dear Mr. Terry;

We are pleased to present the Report for the electric cost of service study and financial projection for the City of Petoskey (Petoskey). This report was prepared to provide the Petoskey with a comprehensive examination of its existing rate structure by an outside party.

The specific purposes of this rate study are:

- Determine electric utility's revenue requirements for fiscal year 2019
- Identify cross-subsidies that may exist between rate classes
- Recommend rate adjustments needed to meet targeted revenue requirements
- Identify the appropriate monthly customer charge for each customer class

This report includes results of the electric cost of service study and financial projection and recommendations on future rate designs.

This report is intended for information and use by the utility and management for the purposes stated above and is not intended to be used by anyone except the specified parties.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Beauchamp", is written over a horizontal line.

Utility Financial Solutions, LLC
Mark Beauchamp
CPA, MBA, CMA
185 Sun Meadow Ct
Holland, MI 49424

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1. Introduction

This report was prepared to provide the City of Petoskey (Petoskey) with an electric cost of service study and financial projection and a comprehensive examination of its existing rate structure by an outside party. The specific purposes of the study are identified below:

- 1) **Determine electric utility's revenue requirements for fiscal year 2019.** Petoskey's revenue requirements were projected for the period from 2019 – 2023 and included adjustments for the following:
 - a. Projected power costs
 - b. Projected changes in staffing levels
 - c. Capital improvement plan projected over next five years
- 2) **Identify cross-subsidies that may exist between rate classes.** Cross-subsidies exist when certain customer classes subsidize the electric costs of other customers. The rate study identifies if cross-subsidies exist and practical ways to reduce the subsidies. The cost of service study was completed using 2019 projected revenues and expenses. The financial projections are for the period from 2019 – 2023.
- 3) **Recommend rate adjustments needed to meet targeted revenue requirements.** The primary purpose of this study is to identify appropriate revenue requirements and the rate adjustments needed to meet targeted revenue requirements. The report includes a long-term rate track for Petoskey to help ensure the financial stability of the utility in future years.
- 4) **Unbundled electric rates.** The cost of providing electricity to customers consists of several components, including power generation, distribution, customer services, transmission, and transfers to the general fund. Electric unbundling identifies the cost of each component to assists the utility in preparing for electric restructuring and understanding its cost structure.
- 5) **Identify the appropriate monthly customer charge for each customer class.** The monthly customer charge consists of fixed costs to service customers that do not vary based on the amount of electricity used.

2. Cost of Service Summary

Utility Rate Process

Petoskey retained Utility Financial Solutions to review utility rates and cost of service and make recommendations on the appropriate course of action. This report includes results of the electric cost of service and unbundling study and recommendations on future rate designs.

Utility Revenue Requirements

To determine revenue requirements, the revenues and expenses for Fiscal Years 2016 and 2017, 2018/2019 budget were analyzed, with adjustments made to reflect projected operating characteristics.

The projected financial statements are for cost of service purposes only.

Table 1 is the projected financial statement for the Electric Department from 2019-2023. The 2019 rate of return calculation established an operating income target of \$890k (See Table 5).

Operating income for 2019 is projected at \$(178k) and decreases to \$(130k) in 2023. Operating income is one target that helps to determine if rate adjustments are needed. The following pages review cash flow and debt coverage ratio which are also important indicators.

Table 1 – Financial Statements (without rate adjustments)

Description	Projected 2019	Projected 2020	Projected 2021	Projected 2022	Projected 2023
Operating Revenues:					
Electric Sales					
Residential (RE)	\$ 2,690,312	\$ 2,712,530	\$ 2,732,519	\$ 2,750,231	\$ 2,763,982
Residential (REM)	894	902	908	914	919
Commercial (COM)	2,979,463	3,004,070	3,026,207	3,045,823	3,061,052
School (SCH)	473,634	477,546	481,065	484,183	486,604
Traffic Lights (606, 801)	7,309	7,369	7,424	7,472	7,509
Yard Lighting (YL/OYL)	12,291	12,393	12,484	12,565	12,628
Street Lighting	46,200	46,582	46,925	47,229	47,465
Medium Secondary Power (MSPR)	824,783	831,595	837,723	843,153	847,369
Large Secondary Power (LSPR)	853,915	860,968	867,312	872,934	877,299
Large Primary Power (LPPR)	2,236,486	2,254,956	2,271,573	2,286,297	2,297,729
Energy Optimization Plan	139,332	140,483	141,518	142,435	143,147
Penalties	61,480	61,987	62,444	62,849	63,163
Other Rev	22,212	22,396	22,561	22,707	22,821
Project Jobbing	131,775	132,863	133,842	134,710	135,383
Public Works Buidling Rent	128,725	129,788	130,745	131,592	132,250
Additional PCA Revenues	-	130,831	206,892	198,204	434,284
Operating Revenue	\$ 10,608,811	\$ 10,827,258	\$ 10,982,142	\$ 11,043,298	\$ 11,333,604
Total Operating Revenues	\$ 10,608,811	\$ 10,827,258	\$ 10,982,142	\$ 11,043,298	\$ 11,333,604
Operating Expenses:					
Purchases					
Purchased Power - MPPA	6,483,514	6,612,021	6,685,992	6,675,452	6,910,094
Total Power Supply Expense	\$ 6,483,514	\$ 6,612,021	\$ 6,685,992	\$ 6,675,452	\$ 6,910,094
Transmission and Distribution					
T&D	18,553	19,016	19,492	19,979	20,478
Sys Maint	575,435	589,821	604,566	619,681	635,173
Total Distribution Expense	\$ 593,988	\$ 608,837	\$ 624,058	\$ 639,660	\$ 655,651
Other Operating Expenses (Revenues)					
Depreciation Expense	1,190,289	1,212,289	1,307,109	1,461,809	1,561,369
Admin	1,613,520	1,653,858	1,695,204	1,137,585	1,166,024
Pub Works	235,853	241,749	247,793	253,987	260,337
Community	29,828	30,573	31,338	32,121	32,924
Jobbing Cost	67,138	68,816	70,536	72,300	74,107
Contribution to General Fund	226,667	232,334	238,142	244,095	250,198
Contrib. to General Streets	346,400	355,060	363,937	373,035	382,361
Total Other Operating Expenses	\$ 3,709,694	\$ 3,794,679	\$ 3,954,059	\$ 3,574,932	\$ 3,727,321
Total Operating Expenses	\$ 10,787,196	\$ 11,015,537	\$ 11,264,108	\$ 10,890,044	\$ 11,293,065
Operating Income	\$ (178,384)	\$ (188,279)	\$ (281,967)	\$ 153,254	\$ 40,538
(178,384.07)					
Nonoperating Revenues					
Interest Income	40,420	44,217	44,647	49,927	36,968
Other NOR	19,475	19,962	20,461	20,972	21,497
Interest on Debt	-	-	-	(175,440)	(170,134)
Contribution Repayment	387,568	97,851	97,851	97,851	97,851
Non Operating Income/Expense	\$ 447,463	\$ 162,030	\$ 162,959	\$ (6,690)	\$ (13,819)
Net Income	\$ 269,079	\$ (26,249)	\$ (119,008)	\$ 146,564	\$ 26,719
Adjusted Operating Income	\$ (178,384)	\$ (188,279)	\$ (281,967)	\$ (22,186)	\$ (129,596)

Projected Cash Flow

Table 2 is the projected cash flow for 2019-2023, including projections of capital improvements as provided by the Petoskey. Changes in the capital improvement plan can greatly affect the cash balance and recommended minimum cash reserve target. The cash balance for 2019 is projected at \$8.8M and \$8M in 2023. The recommended minimum cash reserve level for 2019 is \$6.5M and \$6.75M for 2023.

Table 2 – Projected Cash Flows (without rate adjustments)

Description	Projected 2019	Projected 2020	Projected 2021	Projected 2022	Projected 2023
Projected Cash Flows					
Net Income	\$ 269,079	\$ (26,249)	\$ (119,008)	\$ 146,564	\$ 26,719
Depreciation Expense/Amortization	1,190,289	1,212,289	1,307,109	1,461,809	1,561,369
Subtract Debt Principal	-	-	-	(106,115)	(111,421)
Add Bond Sale Proceeds	-	-	3,508,800	-	-
Cash Available from Operations	\$ 1,459,368	\$ 1,186,040	\$ 4,696,901	\$ 1,502,258	\$ 1,476,668
Estimated Annual Capital Additions	700,000	1,100,000	3,641,000	4,094,000	884,000
Net Cash From Operations	\$ 759,368	\$ 86,040	\$ 1,055,901	\$ (2,591,742)	\$ 592,668
Beginning Cash Balance	\$ 8,084,025	\$ 8,843,394	\$ 8,929,434	\$ 9,985,335	\$ 7,393,593
Ending Cash Balance	\$ 8,843,394	\$ 8,929,434	\$ 9,985,335	\$ 7,393,593	\$ 7,986,261
Total Cash Available	\$ 8,843,394	\$ 8,929,434	\$ 9,985,335	\$ 7,393,593	\$ 7,986,261
Recommended Minimum	\$ 6,456,574	\$ 6,820,963	\$ 7,145,912	\$ 6,894,206	\$ 6,743,906

Cash balances are strong. The infrastructure in total is approximately 50% depreciated compared with the national average of 50%.

Minimum Cash Reserve

Table 3 details the minimum level of cash reserves required to help ensure timely replacement of assets and to provide financial stability of the utility. The methodology used to establish this target is based on an assessment of working capital needs to fund operating expenses, capital improvements, annual debt service payments and utilities exposure to risks related to catastrophic events, exposure to market risks, changes in fuel costs, loss of major customers and utilities ability to timely recover changes in power supply expenses. Based on these assumptions, Petoskey should maintain a minimum of \$6.5M in cash reserves for 2019 and \$6.75M in 2023.

Table 3 – Minimum Cash Reserves (without rate adjustments)

Description	Projected 2019	Projected 2020	Projected 2021	Projected 2022	Projected 2023
Minimum Cash Reserve Allocation					
Operation & Maintenance Less Depreciation Expense	25.0%	25.0%	25.0%	25.0%	25.0%
Purchase Power Expense	25.0%	25.0%	25.0%	25.0%	25.0%
Historical Rate Base	1%	2%	2%	1%	2%
Current Portion of Debt Service Payment	83%	83%	83%	83%	83%
Rate Stabilization Power Supply Risk	15%	15%	15%	15%	15%
Five Year Capital Improvements - Net of bond proceeds	20%	20%	20%	20%	20%
% Plant Depreciated	50%	52%	50%	49%	52%
Calculated Minimum Cash Level					
Operation & Maintenance Less Depreciation Expense	\$ 778,348	\$ 797,807	\$ 817,752	\$ 688,196	\$ 705,401
Purchase Power Expense	1,620,879	1,653,005	1,671,498	1,668,863	1,727,523
Historical Rate Base	286,604	595,208	668,028	374,954	767,588
Current Portion of Debt Service Reserve	-	-	233,691	233,691	233,691
Rate Stabilization Power Supply Risk	2,388,703	2,388,703	2,388,703	2,388,703	2,388,703
Five Year Capital Improvements - Net of bond proceeds	1,382,040	1,386,240	1,366,240	1,539,800	921,000
Minimum Cash Reserve Levels	\$ 6,456,574	\$ 6,820,963	\$ 7,145,912	\$ 6,894,206	\$ 6,743,906
Projected Cash Reserves	\$ 8,843,394	\$ 8,929,434	\$ 9,985,335	\$ 7,393,593	\$ 7,986,261

Projected cash balances are above the recommended minimums for the projection period.

Debt Coverage Ratio

Table 4 is the projected debt coverage ratios with capital additions as provided by Petoskey. The coverage required in bond ordinances is typically 1.15 – 1.20, however the minimum recommended debt coverage ratio is established at 1.35 – 1.40 for projection purposes a 0.20 premium to ordinance. Maintaining a higher debt coverage ratio is good business practice and helps to achieve the following:

- Helps to ensure adequate funds are available to meet debt service payments in years when sales are low due to temperature fluctuations.
- Obtain higher bond rating, if revenue bonds are sold in the future, to lower interest cost.

Included in the debt coverage calculation is a Fixed Cost Coverage ratio (FCC). The FCC is an assessment recently used by bond rating agencies in determination of bond ratings. The FCC calculation varies by rating agency and considers “take or pay” provisions of power supply contracts as debt service. For purposes of our estimate we consider 26% of the power supply costs as “take or pay”, the percentage often used when direct “take or pay” is not clearly identified.

Table 4 – Projected Debt Coverage Ratios (without rate adjustments)

Description	Projected 2019	Projected 2020	Projected 2021	Projected 2022	Projected 2023
Debt Coverage Ratio					
Net Income	\$ 269,079	\$ (26,249)	\$ (119,008)	\$ 146,564	\$ 26,719
Add Depreciation/Amortization Expense	1,190,289	1,212,289	1,307,109	1,461,809	1,561,369
Add Interest Expense	-	-	-	175,440	170,134
Cash Generated from Operations	\$ 1,459,368	\$ 1,186,040	\$ 1,188,101	\$ 1,783,813	\$ 1,758,223
Debt Principal and Interest	\$ -	\$ -	\$ -	\$ 281,555	\$ 281,555
Projected Debt Coverage Ratio (Covenants)	-	-	-	6.34	6.24
Minimum Debt Coverage Ratio	0	0	0	1.4	1.4

Description	Projected 2019	Projected 2020	Projected 2021	Projected 2022	Projected 2023
Fixed Cost Coverage Ratio					
Cash Available for Debt Service	\$ 1,459,368	\$ 1,186,040	\$ 1,188,101	\$ 1,783,813	\$ 1,758,223
Off System Debt	1,685,714	1,719,125	1,738,358	1,735,617	1,796,624
Total Available	\$ 3,145,082	\$ 2,905,165	\$ 2,926,459	\$ 3,519,431	\$ 3,554,847
Debt Service Including Off System Debt	\$ 1,685,714	\$ 1,719,125	\$ 1,738,358	\$ 2,017,173	\$ 2,078,180
Fixed Costs Coverage Ratio	1.87	1.69	1.68	1.74	1.71
Minimum Fixed Costs Coverage Ratio	1.00	1.00	1.00	1.00	1.00

Debt coverage and fixed cost coverage are adequate for the projection period without changes in rates.

Rate of Return

The optimal target for setting rates is the establishment of a target operating income to help ensure the following:

- Funding of interest expense on the outstanding principal on debt. Interest expense is below the operating income line and needs to be recouped through the operating income balance.
- Funding of the inflationary increase on the assets invested in the system. The inflation on the replacement of assets invested in the utility should be recouped through the Operating Income.
- Funding of depreciation expense.
- Adequate rate of return on investment to help ensure current customers are paying their fair share of the use of the infrastructure and not deferring the charge to future generations.
- The rate of return identifies the target operating income and is used to identify the appropriate funding for replacement of existing infrastructure to recover in rates charged to customers.

As improvements are made to the system, the optimal operating income target will increase unless annual depreciation expense is greater than yearly capital improvements. The revenue requirements for the study are set on the utility basis. Table 5 identifies the utility basis target established for 2019 is \$890k and increases to \$1.15M in 2023.

Table 5 – Rate of Return Calculation

Description	Projected 2019	Projected 2020	Projected 2021	Projected 2022	Projected 2023
Target Operating Income Determinants					
Net Book Value/Working Capital	\$ 14,330,721	\$ 14,218,432	\$ 16,552,322	\$ 19,184,513	\$ 18,507,143
Outstanding Principal on Debt	-	-	3,508,800	3,402,685	3,291,264
System Equity	\$ 14,330,721	\$ 14,218,432	\$ 13,043,522	\$ 15,781,828	\$ 15,215,880
Debt:Equity Ratio	0%	0%	21%	18%	18%
Target Operating Income Allocation					
Interest on Debt	0.00%	0.00%	0.00%	5.16%	5.17%
System Equity	6.20%	6.49%	6.26%	6.06%	6.43%
Target Operating Income					
Interest on Debt	\$ -	\$ -	\$ -	\$ 175,440	\$ 170,134
System Equity	\$ 888,472	\$ 922,572	\$ 815,947	\$ 956,194	\$ 978,177
Target Operating Income	\$ 888,472	\$ 922,572	\$ 815,947	\$ 1,131,634	\$ 1,148,311
Projected Operating Income	\$ (178,384)	\$ (188,279)	\$ (281,967)	\$ (22,186)	\$ (129,596)
Rate of Return in %	6.2%	6.5%	4.9%	5.9%	6.2%

Current operating income is not projected to meet the target operating income for each year.

Recommended Rate Track

The study identifies increasing current revenues in 2019, and increase annually thereafter to maintain debt coverage ratios and minimum cash targets. Table 6 is a summary of the financial results detailing the recommended revenue adjustments required to meet target operating income.

Table 6 – Recommended Revenue Adjustments

Fiscal Year	Projected Rate Adjustments	Debt Coverage Ratio	Projected Expenses	Projected Revenues	Adjusted Operating Income	Target Operating Income	Projected Cash Balances	Recommended Minimum Cash
2019	2.3%	-	\$ 10,787,196	\$ 10,841,693	\$ 54,498	\$ 888,472	\$ 9,076,275	\$ 6,456,574
2020	1.0%	-	11,015,537	11,171,375	\$ 155,838	922,572	\$ 9,507,597	6,820,963
2021	1.0%	-	11,264,108	11,440,014	\$ 175,905	815,947	\$ 11,024,261	7,145,912
2022	1.0%	8.39	10,890,044	11,617,197	\$ 551,713	1,131,634	\$ 9,011,613	6,894,206
2023	1.0%	8.73	11,293,065	12,025,133	\$ 561,934	1,148,311	\$ 10,303,901	6,743,906

Debt to Equity Ratio

Debt to equity identifies the amount of existing infrastructure financed through debt and is used to determine the amount the system is leveraged in debt. For distribution system the debt to equity ratio is normally between 30% and 35% with an upper range of 50% and a lower range of 0%. Table 7 details the debt/equity ratio.

Table 7 – Debt/Equity Ration

Description	Projected 2019	Projected 2020	Projected 2021	Projected 2022	Projected 2023
Target Operating Income Determinants					
Net Book Value/Working Capital	\$ 14,330,721	\$ 14,218,432	\$ 16,552,322	\$ 19,184,513	\$ 18,507,143
Outstanding Principal on Debt	-	-	3,508,800	3,402,685	3,291,264
System Equity	\$ 14,330,721	\$ 14,218,432	\$ 13,043,522	\$ 15,781,828	\$ 15,215,880
Debt:Equity Ratio	0%	0%	21%	18%	18%

Petoskey debt to equity ratio is within normal ranges and is below the average for similar utilities.

Age of Infrastructure

Petoskey is currently 50% depreciated compared with similar utilities around the nation. An average distribution only infrastructure is approximately 50% to 55% depreciated, indicating Petoskey has consistently funded replacement of infrastructure. Replacement of infrastructure tends to indicate the utilities ability to consistently provide a reliable system to customers, its ability to withstand catastrophic weather events and unexpected replacement of system infrastructure. Petoskey system age indicates it will remain in the lower to average ranges of infrastructure age. Table 8 identifies the depreciated plant.

Table 8 – Age of Infrastructure

Description	Projected 2019	Projected 2020	Projected 2021	Projected 2022	Projected 2023
Asset Investments	37,605,052	39,405,032	40,113,064	40,806,662	43,254,370
NBV	\$ 19,947,376	\$ 20,503,708	\$ 19,917,931	\$ 19,289,688	\$ 20,352,729
% Depreciated	47%	48%	50%	53%	53%

Cost of Service Summary Results

A cost of service study was completed to determine the cost of providing service to each class of customers and to assist in design of electric rates for customers. A cost of service study consists of the following general steps:

- 1) Determine utility revenue requirement for test year 2019
- 2) Classify utility expenses into common cost pools
- 3) Allocate costs to customer classes based on the classes' contribution to utility expenses
- 4) Compare revenues received from each class to the cost of service

The cost of service summary is included as Table 9 which compares the projected cost to serve each class with the revenue received from each class. The “% change” column is the revenue adjustment necessary to meet projected cost of service requirements. The cost of service summary uses the current rates including any adjustment factors.

No utility charges 100% cost of service-based rates because retail rates are based on customers usage patterns that are largely driven by variations in weather. Due to these variations it is recommended that rates move toward cost of service slowly with a general tolerance of a 10% variation between projected revenue and cost of service. The cost of service summary “% change” column indicates all major customer classes fall within this variation, except residential.

Table 9 – Cost of Service Summary

Customer Class	Cost of Service	Projected Revenues	% Change
Residential (RE)	\$ 3,253,622	\$ 2,690,312	20.9%
Residential (REM)	1,275	894	42.6%
Commercial (COM)	3,320,224	2,979,463	11.4%
School (SCH)	552,839	473,634	16.7%
Traffic Lights (606, 801)	6,542	7,309	-10.5%
Yard Lighting (YL/OYL)	13,749	12,291	11.9%
Street Lighting	71,903	46,200	55.6%
Medium Secondary Power (MSPR)	929,468	824,783	12.7%
Large Secondary Power (LSPR)	887,503	853,915	3.9%
Large Primary Power (LPPR)	2,145,018	2,236,486	-4.1%
Total	\$ 11,182,144	\$ 10,125,288	10.4%

Cost of Service Results

Table 10 shows the average cost of service per kWh and compares the cost to the average revenue per kWh for each customer class. This table is for information purposes only and is not used in the setting of rates. Average cost per kWh varies due to fixed costs recoveries such as meter costs and infrastructure needs of the customer. In general customer classes that use energy consistently have a lower average kWh cost to serve compared with customer classes that use energy only part of the day or year.

Table 10 – Average Cost per kWh vs. Average Revenue per kWh

Customer Class	Cost of Service \$/kWh	Projected Revenues \$/kWh
Residential (RE)	\$ 0.1305	\$ 0.1079
Residential (REM)	0.1958	0.1373
Commercial (COM)	0.1258	0.1129
School (SCH)	0.1221	0.1046
Traffic Lights (606, 801)	0.1303	0.1455
Yard Lighting (YL/OYL)	0.0888	0.0794
Street Lighting	0.2141	0.1375
Medium Secondary Power (MSPR)	0.0891	0.0791
Large Secondary Power (LSPR)	0.0856	0.0824
Large Primary Power (LPPR)	0.0806	0.0841

Cost differences result from usage patterns of customers and how efficiently each class of customer use facilities based on load data provided by Petoskey.

Distribution Costs

Separation of distribution cost helps identify distribution charges for each customer class and the fixed monthly customer charge. Distribution rates include separation of the following costs:

- Operation and maintenance of distribution & transmission system
- Contributions to general fund
- Customer service
- Customer accounting
- Meter reading
- Billing
- Meter operation & maintenance
- Administrative expenses

The distribution rates consist of two components:

- Monthly customer charge to recover the costs of meter reading, billing, customer service, and a portion of maintenance and operations of the distribution system.

- Distribution rate based on billing parameter, (kW or kWh) to recover the cost to operate and maintain the distribution system. Table 11 identifies the cost-based distribution rates for customer classes.

Table 11 – Distribution Costs by Customer Class (COS)

Customer Class	Monthly Customer		Distribution	
	Charge		Rate	Billing Basis
Residential (RE)	\$ 17.04	\$	0.0333	kWh
Residential (REM)	17.04		0.0412	kWh
Commercial (COM)	31.64		0.0428	kWh
School (SCH)	31.64		0.0424	kWh
Traffic Lights (606, 801)	17.04		0.0223	kWh
Yard Lighting (YL/OYL)	1.46		0.0363	kWh
Street Lighting	-		0.1694	kWh
Medium Secondary Power (MSPR)	85.21		10.38	kW
Large Secondary Power (LSPR)	187.40		11.38	kW
Large Primary Power (LPPR)	187.40		10.36	kW

The cost of service based monthly customer charge for residential customers recovers 52% of the fixed cost of delivery of electricity. This is consistent with UFS averages around the United States.

Power Supply Costs

Table 12 identifies the average cost of providing power supply to customers of Petoskey.

Table 12 – Power Supply Costs by Customer Class

Customer Class	Demand		Billing Basis	Energy	
					Billing Basis
Residential (RE)	\$ 0.0160	kWh	\$	0.0444	kWh
Residential (REM)	0.0160	kWh		0.0444	kWh
Commercial (COM)	0.0254	kWh		0.0445	kWh
School (SCH)	0.0270	kWh		0.0445	kWh
Traffic Lights (606, 801)	0.0187	kWh		0.0445	kWh
Yard Lighting (YL/OYL)	-	kWh		0.0446	kWh
Street Lighting	-	kWh		0.0446	kWh
Medium Secondary Power (MSPR)	6.67	KW		0.0444	kWh
Large Secondary Power (LSPR)	7.04	KW		0.0445	kWh
Large Primary Power (LPPR)	6.72	KW		0.0430	kWh

Demand recovers costs for power supply and transmission fixed demand related costs. Energy is cost recovery for variable power supply costs.

Combined Cost Summary

Table 13 identifies the cost of service rates for each customer class. Charging these rates would directly match the cost of providing service to customers identified in this study.

Table 13 – Total Costs by Customer Class

Customer Class	Current Average	COS Customer		Demand	Energy
	Customer Charge	Charge			
Residential (RE)	\$ 7.95	\$ 17.04	\$ -	\$ 0.0937	
Residential (REM)	7.95	17.04	-	0.1016	
Commercial (COM)	17.00	31.64	-	0.1127	
School (SCH)	15.50	31.64	-	0.1139	
Traffic Lights (606, 801)	15.50	17.04	-	0.0855	
Yard Lighting (YL/OYL)	-	1.46	-	0.0809	
Street Lighting	3,850.00	-	-	0.2141	
Medium Secondary Power (MSPR)	65.00	85.21	17.05	0.0444	
Large Secondary Power (LSPR)	160.00	187.40	18.42	0.0445	
Large Primary Power (LPPR)	120.00	187.40	17.07	0.0430	

Residential Customer Charge

The customer charge consists of expenses related to, 1) providing a minimum amount of electricity to the residential customer, and 2) expenses related to servicing a meter on the customer's premise; together they reflect the cost to deliver a single kWh of electricity to the customer. The methodology used in this study is consistent with methodologies and practices used in the electric industry.

The customer charge includes two types of charges called minimum system charges and direct charges.

Minimum System Charges:

The cost to provide the minimum level of service. Petoskey provides wires to connect the transmission system to the customers' homes and businesses. This wire is required to provide even the minimal amount of service to a customer. For cost of service purposes, the total cost of the distribution infrastructure is broken into two components: 1) the minimum system costs, in effect to provide a customer with a single kWh of electricity which should be recovered through the customer charge, and 2) demand related costs to recover the additional infrastructure costs for when a customer uses more than a single kWh, which should be recovered through the usage component. The distribution system is sized to handle the customers' peak demands and the cost above the minimum system is recovered through the usage component (for residential customers this is included in the kWh charge).

The first step in identifying the cost related to the minimum system is obtaining information on the number and current replacement costs of Petoskey distribution system. For example: UFS used information on the number and size of all the poles and the cost to replace the poles. The minimum size pole was identified and the cost to construct Petoskey's system at the minimum sizing was determined. This process was completed for all Petoskey's distribution system including overhead and underground

conductors and devices, line transformers, etc. Based on this methodology 71% of Petoskey's total distribution costs should be recovered by the usage component and 29% recovered in the fixed customer charge component.

Direct Charges

Costs related to maintaining a customer's account. These costs include the cost to operate and maintain the meter, including meter installation, meter repair and replacement costs, the cost to read the meter, billings and collections, customer service personnel to assist with questions and maintain the account and the cost of the "service drop" to connect the home to the distribution line. These costs are direct costs of serving a residential account.

3. Functionalization of Costs

Delivery of electricity consists of many components that bring electricity from the power supply facilities to the communities and eventually into customer facilities. The facilities consist of four major components: transmission, distribution, customer-related services, and administration. Following are general descriptions of each of these facilities and the sub-breakdowns within each category.

Transmission

The transmission system is comprised of four types of subsystems that operate together:

- 1) Backbone and inter-tie transmission facilities are the network of high voltage facilities through which a utility's major production sources are integrated.
- 2) Generation set-up facilities are the substations through which power is transformed from a utility's generation voltages to its various transmission voltages.
- 3) Sub-transmission plant consists of lower voltage facilities to transfer electric energy from convenient points on a utility's backbone system to its distribution system.
- 4) Radial transmission facilities are those that are not networked with other transmission lines but are used to serve specific loads directly.

Operation of the transmission system also consists of providing certain services that ensure a stable supply of power. These services are typically referred to as ancillary services. The Federal Energy Regulatory Commission (FERC) has defined six ancillary service charges for the use of transmission facilities. For Petoskey, these charges will be passed-through charges by the control area operator. Ancillary services consist of the following:

- **Mandatory Ancillary Service Charges:**
 - Reactive Supply and Voltage Control
 - Regulation and Frequency Response Service
 - Energy Imbalance Charges
 - Operating Reserves Spinning
 - Operating Reserves Supplemental
 - Reactive Power Supply

Terminology of Cost of Service

FUNCTIONALIZATION – Cost data arranged by functional category (e.g. power supply, transmission, distribution)

CLASSIFICATION – Assignment of functionalized costs to cost components (e.g. demand, energy and customer related).

ALLOCATION – Allocating classified costs to each class of service based on each class's contribution to that specific cost component.

DEMAND COSTS – Costs that vary with the maximum or peak usage. Measured in kilowatts (kW)

ENERGY COSTS – Costs that vary over an extended period of time. Measured in kilowatt-hours (kWh)

CUSTOMER COSTS – Costs that vary with the number of customers on the system, e.g. metering costs.

DIRECT ASSIGNMENT – Costs identified as belonging to a specific customer or group of customers.

Power losses from use of transmission system

Distribution

The distribution facilities connect the customer with the transmission grid to provide the customer with access to the electrical power that has been generated and transmitted. The distribution plant includes substations, primary and secondary conductors, poles, and line transformers that are jointly used and in the public right-of-way.

Substations typically separate the distribution plant from the transmission system. The substation power transformer “steps down” the voltage to a level that is more practical to install on and under city streets.

Distribution circuits are divided into primary and secondary voltages with the primary voltages usually ranging between 35 kV and 4 kV and the secondary below 4 kV.

Distribution Customer Types

Sub-transmission customers are served directly from the substation feeder and bypass both the secondary and primary distribution lines. The charges for this type of customer should reflect the cost of the substation and not include the cost of primary or secondary line charges.

Primary customers are typically referred to as customers who have purchased, owned, and maintained their own transformers that convert the voltage to the secondary voltage level. The rates for these customers should reflect the cost of substations and the cost of primary distribution lines and not include the cost of secondary line extensions.

Secondary customers have the services provided by the utilities directly into their facilities. The utility provides the customer with the transformer and the connection on the customers’ facilities.

Customer-Related Services

Certain administrative-type services are necessary to ensure customers are provided service connections and disconnections in a timely manner and the facilities are in place to read meters and bill for customer usages. These services typically consist of the following components:

- Customer Services – The cost of providing personnel to assist customers with questions and dispatch personnel to connect and disconnect meters.
- Billing and Collections – The cost of billing and collections personnel, postage, and supplies.
- Meter Reading – The cost of reading customers’ meters.
- Meter Operation and Maintenance – The cost of installing and maintaining customer meters.

Administrative Services

These costs are sometimes referred to as overhead costs and relate to functions that cannot be directly-attributed to any service. These costs are spread to the other services through an allocator such as labor, expenses, or total rate base. These costs may consist of City Commission expenses, property insurance, and wages for higher level management of the utility.

System Losses

As energy moves through each component of the transmission and distribution system, some of the power is lost and cannot be sold to customers. Losses vary based on time of day and season. Typically, as system usage increases or ambient temperature increases, the percentages of losses that occur also increase. These losses are recovered from distribution customers through an analysis of the peak losses that occur in the system. The average system losses and unaccounted for energy for Petoskey are approximately 5.2%. (Typical municipal system losses are approximately 5.4%)

Low average system losses are an indication of Petoskey's continual reinvestment in the electric system and results in lower power supply costs for customers of approximately 0.2%.

4. Unbundling Process

The cost of power supply, distribution, and customer services are identified as part of the unbundling process and are the first step in determining unbundled charges to customers. The total revenue requirements of \$11.3M are separated into three categories identified in Table 14.

Table 14 – Breakdown of Petoskey Cost Structure

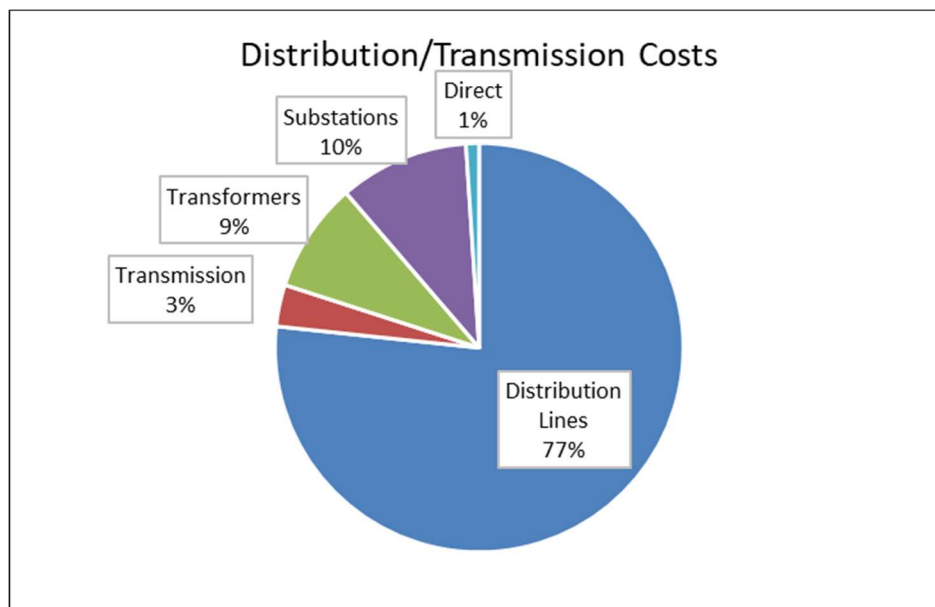
Utility Costs	
Power Supply	\$ 6,483,514
Distribution/Transmiss	\$ 4,335,456
Customer	\$ 502,506
	\$ 11,321,476

Petoskey is projected to expend 57% of its total costs toward power supply. Distribution/transmission-related costs are 38%; and customer service 5%. These components are broken down into each of the subcomponents and are identified in the following sections.

Distribution Breakdown

Distribution rates consist of a number of different components. Total distribution-related costs of \$4.3M for 2019 are broken down into the main components including substations, transformers, transmission, and distribution lines. Figure 1 shows the breakdown of distribution components identified in the study.

Figure 1 – Breakdown of Distribution Costs



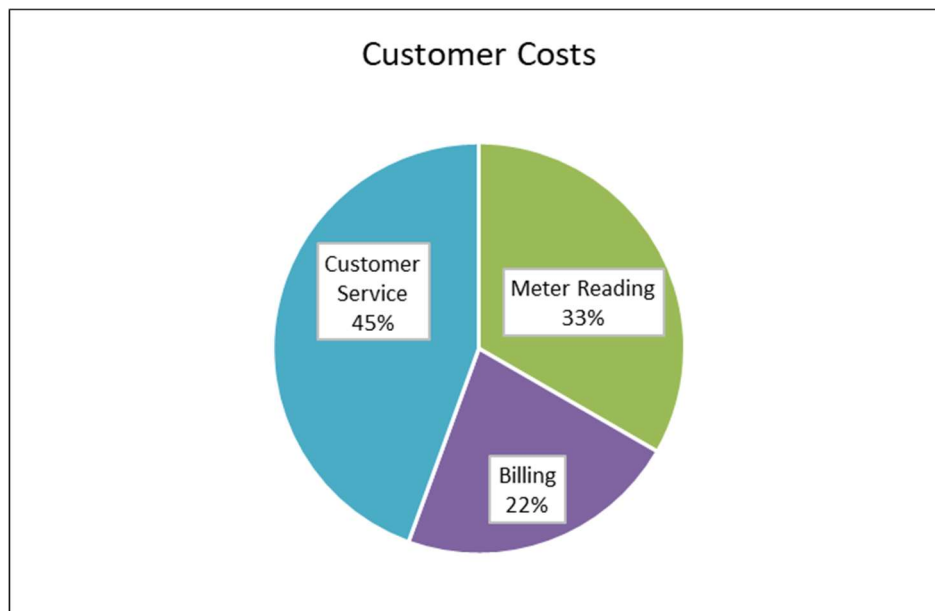
Each of these components is allocated to customer groups based on certain factors established in the study. These factors are based on the efficiency of each customer class and the time of day or the season

the electricity is used. Other factors are also considered, such as the length of line extensions to reach certain customer classes.

Customer-Related Cost Breakdown

Petoskey total expenses for customer-related costs are \$0.5M for 2019. The cost is broken down into the components identified in Figure 2.

Figure 2 – Breakdown of Customer Costs



Power Supply Cost Breakdown

Power supply costs for 2019 were made up of purchased power expenses.

5. Significant Assumptions

This section outlines the procedures used to develop the cost of service and unbundling study for Petoskey and the related significant assumptions.

Forecasted Operating Expenses

Forecasted expenses were based on 2016 and 2017, 2018/2019 budget adjusted for power supply costs and inflation. The table below is a summary of the expenses used in the analysis; the projected operating expenses include an adjustment for any city contributions.

Table 15 – Projected Operating Expenses for 2019– 2023

Description	Projected 2019	Projected 2020	Projected 2021	Projected 2022	Projected 2023
Operating Expenses:					
Purchases					
Purchased Power - MPPA	6,483,514	6,612,021	6,685,992	6,675,452	6,910,094
Total Power Supply Expense	\$ 6,483,514	\$ 6,612,021	\$ 6,685,992	\$ 6,675,452	\$ 6,910,094
Transmission and Distribution					
T&D	18,553	\$ 19,016	\$ 19,492	\$ 19,979	\$ 20,478
Sys Maint	575,435	\$ 589,821	\$ 604,566	\$ 619,681	\$ 635,173
Total Distribution Expense	\$ 593,988	\$ 608,837	\$ 624,058	\$ 639,660	\$ 655,651
Other Operating Expenses (Revenues)					
Depreciation Expense	1,190,289	1,212,289	1,307,109	1,461,809	1,561,369
Admin	1,613,520	\$ 1,653,858	\$ 1,695,204	\$ 1,137,585	\$ 1,166,024
Pub Works	235,853	241,749	247,793	253,987	260,337
Community	29,828	30,573	31,338	32,121	32,924
Jobbing Cost	67,138	68,816	70,536	72,300	74,107
Contribution to General Fund	226,667	232,334	238,142	244,095	250,198
Contrib. to General Streets	346,400	355,060	363,937	373,035	382,361
Total Other Operating Expenses	\$ 3,709,694	\$ 3,794,679	\$ 3,954,059	\$ 3,574,932	\$ 3,727,321
Total Operating Expenses	\$ 10,787,196	\$ 11,015,537	\$ 11,264,108	\$ 10,890,044	\$ 11,293,065

Power supply costs from 2019 – 2023 are based on Petoskey's current charges adjusted for system growth factors and inflation.

Load Data

Load data is one of the most critical components of a cost of service study. Information from the billing statistics were used to determine the usage patterns of each customer class after reconciling revenues with financial statements to ensure a good basis for development of the study.

Annual Projection Assumptions

The kWh sales forecast is based on FY2017 actual adjusted for growth. Table 16 details growth, inflation of expenses, changes in purchase power costs and interest earned on investments.

Table 16 – Projection Annual Escalation Factors 2019– 2023

Fiscal Year	Inflation	Growth	Purchase	
			Power Change	Investment Income
2019	2.5%	1.0%	1.5%	0.5%
2020	2.5%	0.8%	1.1%	0.5%
2021	2.5%	0.7%	0.4%	0.5%
2022	2.5%	0.6%	-0.8%	0.5%
2023	2.5%	0.5%	3.0%	0.5%

System Loss Factors

Losses occurring from the transmission and distribution of electricity can vary from year to year depending upon weather and system loading.

Revenue Forecast

The revenue forecast was based on FY2017 usages adjusted for growth rate assumptions.

Debt Issuance

The forecast includes debt issuance of 40% of \$8.6M in 2021 payable over 20 years at a 5% interest rate..

6. Recommendations and Additional Information

Petoskey Financial Considerations

Petoskey is exceptionally financially stable as shown by the following:

1. Cash balances are strong and increasing due to lower than average capital improvement program. Projected cash balances are above the recommended minimums during the projection period
2. Debt Coverage Ratio and Fixed Cost Coverage Ratio are above recommended minimum levels throughout the projection period without changes in rates.
3. Petoskey system losses are below Michigan averages resulting in lower power supply cost for customers. The average system losses and unaccounted for energy for Petoskey are approximately 5.2% compared to typical municipal system losses of approximately 5.4%
4. Petoskey uses a power cost adjustment mechanism to ensure changes in power costs are recovered from customers. This is a major consideration in an electric utilities current and future financial stability
5. Petoskey serves several large customers at various voltage levels such as transmission service or primary service. Petoskey has minimal exposure to lost fixed cost recovery from loss of a single major customer.

Rate-Related Considerations

1. The cost-based residential customer charge represents 52% of the fixed cost of delivery of electricity. This is consistent with UFS averages around the United States
2. Customer charges are under-recovering and energy rates are over-recovering for most customer classes. The table below compares the current customer charges with the cost-based customer charge. It is recommended that movements toward the cost-based customer charge occur with the additional revenue used to lower the energy rates for customers in the class.

Customer Class	COS Customer Charge	Current Average Customer Charge	Cost Based Difference
Residential (RE)	\$ 17.04	\$ 7.95	\$ 9.09
Residential (REM)	17.04	7.95	9.09
Commercial (COM)	31.64	17.00	14.64
School (SCH)	31.64	15.50	16.14
Medium Secondary Power (MSPR)	85.21	65.00	20.21
Large Secondary Power (LSPR)	187.40	160.00	27.40
Large Primary Power (LPPR)	187.40	120.00	67.40

3. Demand Charges for demand metered accounts are below cost of service. These costs are currently recovered in the energy rates charged to customers. Shifting costs recovery from demand charges to energy charges tends to result in high load factor (24 hour per day operations) paying above cost of service and less efficient operations not fully recovering costs. Petoskey may consider rate designs to move demand charges upwards and using the additional revenue to lower energy rates. Current demand charges average \$13.50/kW and cost-based demand charges are between \$17 and \$18.50/kW.
4. Petoskey may consider movements toward cost of service. The cost of service study indicates a variance exists between revenues and costs for certain rate classes. The study results are listed below:

Customer Class	Cost of Service	Projected	
		Revenues	% Change
Residential (RE)	\$ 3,253,622	\$ 2,690,312	20.9%
Residential (REM)	1,275	894	42.6%
Commercial (COM)	3,320,224	2,979,463	11.4%
School (SCH)	552,839	473,634	16.7%
Traffic Lights (606, 801)	6,542	7,309	-10.5%
Yard Lighting (YL/OYL)	13,749	12,291	11.9%
Street Lighting	71,903	46,200	55.6%
Medium Secondary Power (MSPR)	929,468	824,783	12.7%
Large Secondary Power (LSPR)	887,503	853,915	3.9%
Large Primary Power (LPPR)	2,145,018	2,236,486	-4.1%
Total	\$ 11,182,144	\$ 10,125,288	10.4%

Utility Financial Solutions
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Holland, MI 49424
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Fax: 616-393-9721

Accountant's Compilation Report

Governing Body
City of Petoskey

The accompanying forecasted statements of revenues and expenses of the City of Petoskey (utility) were compiled for the year ending December 31, 2019 in accordance with guidelines established by the American Institute of Certified Public Accountants.

The purpose of this report is to assist management in forecasting revenue requirements and determining the cost to service each customer class. This report should not be used for any other purpose.

A compilation is limited to presenting, in the form of a forecast; information represented by management and does not include evaluation of support for any assumptions used in projecting revenue requirements. We have not audited the forecast and, accordingly, do not express an opinion or any other form of assurance on the statements or assumptions accompanying this report.

Differences between forecasted and actual results will occur since some assumptions may not materialize and events and circumstances may occur that were not anticipated. Some of these variations may be material. Utility Financial Solutions has no responsibility to update this report after the date of this report.

This report is intended for information and use by the governing body and management for the purposes stated above. This report is not intended to be used by anyone except the specified parties.

UTILITY FINANCIAL SOLUTIONS

Mark Beauchamp, CPA, CMA, MBA
Holland, MI
November 2018



City of Petoskey

Agenda Memo

BOARD: City Council

MEETING DATE: December 3, 2018

PREPARED: November 29, 2018

AGENDA SUBJECT: Consent Agenda Resolution

RECOMMENDATION: That the City Council approve this proposed resolution

The City Council will be asked to adopt a resolution that would approve the following consent agenda items:

- (1) Draft minutes of the November 19, 2018 regular session City Council meetings; and
- (2) Acknowledge receipt of a report from the City Manager concerning all checks that have been issued since November 19, 2018 for contract and vendor claims at \$735,952.51, intergovernmental claims at \$29,698.32, and the November 29 payroll at \$202,106.01 for a total of \$967,756.84.

sb
Enclosures



CITY COUNCIL

November 19, 2018

A regular meeting of the City of Petoskey City Council was held in the City Hall Council Chambers, Petoskey, Michigan, on Monday, November 19, 2018. This meeting was called to order at 7:00 P.M.; then, after a recitation of the Pledge of Allegiance to the Flag of the United States of America, a roll call then determined that the following were

Present: John Murphy, Mayor
Kate Marshall, City Councilmember
Izzy Lyman, City Councilmember
Grant Dittmar, City Councilmember
Jeremy Wills, City Councilmember

Absent: None

Also in attendance were City Manager Robert Straebel, Clerk-Treasurer Alan Terry and Downtown Director Becky Goodman.

Special Assessment Roll Public Hearing

A public hearing was held to receive comments on the proposed special assessment roll that would spread costs of downtown area programs and services during 2019, as requested by the Downtown Management Board. The DMB's recommended assessment formula is the same rate as last year of \$0.16 per square foot of usable, first-floor space within eligible, non-residential buildings located in the Management Board's territory as the assessment district; \$0.04 per square foot of usable space on floors other than the first floor; and \$0.05 per square foot of area on vacant, buildable lots.

Mayor Murphy opened the public hearing at 7:02 P.M. and there were no public comments and the hearing closed.

Budget and Tax-Levy Public Hearing

A public hearing was held to receive comments concerning the City's proposed 2019 Annual Budget and recommended property tax millage rates for 2019. The City's proposed 2019 Annual Budget was initially presented and discussed at the November 5 City Council meeting. At the November 5 meeting, a public hearing was scheduled for November 19, as required by City Charter and State statute provisions, to receive comments about the recommended budget and property tax millage rates that have been proposed as part of the budget recommendation. (Actual millage rates would be set in 2019.) City Charter provisions require the City Council to conduct public hearings each year to receive comments concerning annual budget proposals and provisions of the Michigan Truth-in-Taxation Act require governing boards of local units of government to conduct annual public hearings prior to establishing property tax millage rates, if estimated amounts of revenues that would be produced by property tax levies are anticipated to exceed amounts in the new year that had been received from levies during the previous year. The November 19 public hearing would satisfy City Charter requirements and meet provisions of the Michigan Truth-in-Taxation Act that require opportunities for comments concerning proposed estimated amounts of property tax millage rates for the General, Rights-of-Way and Library Funds, though actual millage rates would be established by the City Council in May or June, following the State's equalization of values.

Mayor Murphy opened the public hearing at 7:04 P.M. and there were no public comments and the hearing closed.

Consent Agenda - Resolution No. 19237

Following introduction of the consent agenda for this meeting of November 19, 2018, City Councilmember Dittmar moved that, seconded by City Councilmember Marshall adoption of the following resolution:

BE IT RESOLVED that the City Council does and hereby confirms that the draft minutes of the November 5, 2018 regular session City Council meeting be and are hereby approved; and

BE IT RESOLVED that receipt by the City Council of a report concerning all checks that had been issued since November 5, for contract and vendor claims at \$484,033.33 intergovernmental claims at \$0, and the November 15 payroll at \$188,693.92, for a total of \$672,727.25 be and is hereby acknowledged.

Said resolution was adopted by the following vote:

AYES: Marshall, Lyman, Dittmar, Wills, Murphy (5)

NAYS: None (0)

Public Comment

Mayor Murphy asked for public comments and there were no comments.

City Manager Updates

The City Manager reviewed nonconforming use ordinance, specifically Section 1702(4)b pertaining to nonconforming structures to address an inquiry from the last Council meeting; reported that Amanda Rentjes from the Michigan Historic Preservation Network (MHPN) will give a brief presentation at the January 21, 2019 Council meeting about the creation of a local historic district and that DMB was invited to attend; reviewed Carnegie Building and Petoskey District Library building ownership and that the City transferred title of the Carnegie Building and all its assets to the District Library; that there is a deed restriction for the Carnegie Building stating the building shall forever be used as a free public library and for no other purpose; and that the title to the current Petoskey Library Building will be transferred to the District Library upon retirement of the bonds (2028) that were used to construct the building; reviewed that the Rotary Club recently awarded the City two grants one for \$20,000 to go toward purchase and installation of a bridge over the Bear River for the Iron Belle/North Country Trail and a \$15,000 grant towards the construction of pickle ball courts at Riverbend Park; that final leaf pickup is scheduled for the week of November 26 dependent upon the weather; that the City recently received copies of a Resiliency Plan for governments in the Little Traverse Bay Watershed which was developed by the Tip of the Mitt Watershed Council with funding for the project from the Petoskey-Harbor Springs Area Community Foundation; reviewed that Proposal 18-1 concerning recreational marijuana was approved at the November 6 election and that the City Attorney stated there is no rush to consider opting out at this point as the State has 12 months to promulgate new regulations before any applications for marijuana businesses are accepted; reviewed that the DMB will meet tomorrow to consider recommendations from the Parking Committee to change parking meter rates/tiered parking fees, fines and late fees which will be discussed at a future Council meeting in December; and reviewed the status of the downtown bathroom renovation project.

Mayor Murphy asked for public comments and heard from Diana Lake, 1400 N. Division Road, who opposes Senate Bill 1197 and is part of the Mackinaw Straits Alliance and that the Mackinac Bridge Authority would run the tunnel. Nathan Bedler, Marion, Michigan, commented on medical marijuana and urged the City to opt into medical marijuana along with recreational marijuana.

Confirm Special Assessment Roll – Resolution No. 19238

The City Manager reviewed the proposed special assessment roll, programs and services and rates for 2019. No comments were received during the public hearing earlier in the meeting.

City Councilmember Dittmar moved that, seconded by City Councilmember Marshall adoption of the following resolution:

WHEREAS, the City Council on October 1, 2018, reviewed a report of September 21, 2018, that had been prepared by the City Manager that listed programs and services that had been proposed to be provided property owners and tenants within the Downtown Management Board's territory along with the proposed special-assessment roll that could be implemented to finance such programs and services; and

WHEREAS, following that review, the City Council conducted a public hearing on October 15, 2018, to receive comments concerning recommended programs and services as proposed to be provided by the Downtown Management Board as well as costs that had been estimated by the Downtown Management Board for providing such programs and services; and

WHEREAS, after having received no comments at its October 15 public hearing, the City Council then approved the programs and services as had been recommended by the Downtown Management Board, as well as approved the costs for such programs and services that had been estimated by the Downtown Management Board; and

WHEREAS, in addition to approving proposed downtown programs and services and costs of such programs and services, City Council directed City staff to prepare a special-assessment roll in accordance with the City Council's approval of recommended programs and services and costs of such programs and services for presentation to the City Council on November 5, 2018; and

WHEREAS, after receiving a proposed special-assessment roll, City Council accepted the assessment roll, ordered that it be placed on file with City staff and made available for inspection by the public, scheduled a public hearing for November 19, 2018, to receive comments concerning the proposed special-assessment roll, and directed City staff to publish a notice of the November 19, 2018 public hearing and to notify potentially affected property owners of said hearing; and

WHEREAS, the City Council conducted its November 19 public hearing and is satisfied with the assessment roll as prepared by the City staff and believes that assessments are in proportion to the benefits to be received:

NOW, THEREFORE, BE IT RESOLVED that the City of Petoskey City Council does and hereby accepts the special-assessment roll as prepared by City staff and as presented to the City Council and is satisfied with the roll and believes that assessments are in proportion to the benefits to be received; and

BE IT FURTHER RESOLVED that City Council does and hereby confirms the special-assessment roll as prepared by City staff and as presented to City Council; and

BE IF FURTHER RESOLVED that the City Council does and hereby orders that a certified copy of said special-assessment roll be placed on file at the City Hall and that the staff be and is hereby directed to spread the assessments and collect the various sums and amounts that appear on said special-assessment roll.

Said resolution was adopted by the following vote:

AYES: Marshall, Lyman, Dittmar, Wills, Murphy (5)

NAYS: None (0)

Approve 2019 Budget – Resolution No. 19239

The City Manager reviewed that following a lengthy presentation at the November 5 City Council meeting concerning the City's proposed 2019 Annual Budget, City Council scheduled a public hearing for November 19 to receive comments concerning both the budget recommendation and property tax millage rates, which was conducted earlier in the meeting.

The City Manager further reviewed that there was one small revision to the Library Budget in which expenditures were increased to account for a planned software update purchase; that the new business registration fee was reduced from \$100 to \$50; and that Magnus Park fees were increased during peak summer months. City staff also reviewed personnel and fringe benefit costs and that the trend over the last five years is decreasing.

City Councilmember Lyman moved that, seconded by City Councilmember Wills adoption of the following resolution:

WHEREAS, as required of City Charter provisions, the City Manager has presented to the City of Petoskey City Council the City's proposed annual budget for 2019; and

WHEREAS, as also is required of City Charter provisions, the City Council on November 19, 2018, conducted a public hearing to receive comments concerning these proposed budgets for the City's various funds:

General Fund

January 1, 2019 Fund Balance	\$ 5,511,046
Revenues	<u>8,446,500</u>
Expenditures:	
General Governmental Services	1,738,800
Public Safety	3,446,000
Public Works	632,600
Recreation and Cultural	<u>2,612,800</u>
Total Expenditures	<u>8,430,200</u>
December 31, 2019 Fund Balance	\$ <u>5,527,346</u>

Major Street Fund

January 1, 2019 Fund Balance	\$ 1,036,953
Revenues	617,200
Expenditures	<u>798,700</u>
December 31, 2019 Fund Balance	\$ <u>855,453</u>

Local Street Fund

January 1, 2019 Fund Balance	\$ 563,462
Revenues	406,200
Expenditures	<u>339,800</u>
December 31, 2019 Fund Balance	\$ <u>629,862</u>

General Street Fund

January 1, 2019 Fund Balance	\$ 686,924
Revenues	1,653,600
Expenditures	<u>1,544,100</u>
December 31, 2019 Fund Balance	\$ <u>796,424</u>

Tax Increment Finance Authority Fund

January 1, 2019 Fund Balance	\$ 1,114,764
Revenues	369,500
Expenditures	<u>561,100</u>
December 31, 2019 Fund Balance	\$ <u>923,164</u>

Library Fund

January 1, 2019 Fund Balance	\$ 812,281
Revenues	1,432,900
Expenditures	<u>1,428,800</u>
December 31, 2019 Fund Balance	\$ <u>816,381</u>

Downtown Management Fund

January 1, 2019 Fund Balance	\$ 129,459
Revenues	169,700
Expenditures	<u>184,500</u>
December 31, 2019 Fund Balance	\$ <u>114,659</u>

Downtown Parking Fund

January 1, 2019 Retained Earnings	\$ 737,305
Revenues	537,200
Expenses	<u>781,500</u>
December 31, 2019 Retained Earnings	\$ <u>493,005</u>

Right-of-Way Fund

January 1, 2019 Fund Balance	\$ 484,317
Revenues	1,743,200
Expenditures	<u>1,602,000</u>
December 31, 2019 Fund Balance	\$ <u>625,517</u>

Electric Fund

January 1, 2019 Retained Earnings	\$25,102,042
Revenues	11,779,500
Expenses	<u>11,471,800</u>
December 31, 2019 Retained Earnings	\$ <u>25,409,742</u>

Water and Sewer Fund

January 1, 2019 Retained Earnings	\$ 24,921,324
Revenues	5,546,300
Expenses	<u>5,504,700</u>
December 31, 2019 Retained Earnings	\$ <u>24,962,924</u>

Motor Pool Fund

January 1, 2019 Retained Earnings	\$ 4,214,025
Revenues	1,052,900
Expenses	<u>973,900</u>
December 31, 2019 Retained Earnings	\$ <u>4,293,025</u>

Building Authority Marina Improvements Bond Fund

January 1, 2019 Fund Balance	\$ 25,261
Revenues	117,400
Expenditures	<u>117,300</u>
December 31, 2019 Fund Balance	\$ <u>25,361</u>

Building Authority Bear River Valley Improvements Bond Fund

January 1, 2019 Fund Balance	\$ 117,072
Revenues	231,500
Expenditures	<u>231,400</u>
December 31, 2019 Fund Balance	\$ <u>117,172</u>

WHEREAS, following the public hearing to receive comments concerning the proposed 2019 Annual Budget and its consideration of the proposed budget, the City Council wishes to approve the proposed budgets of these various City funds:

NOW, THEREFORE, BE IT RESOLVED that the City of Petoskey City Council does and hereby approves the 2019 Annual Budget as presented by the City Manager and as summarized in this resolution; and

BE IT FURTHER RESOLVED that the City Manager be and is hereby authorized to declare certain obsolete City owned personal property as surplus and to arrange for its sale or disposal; and

BE IT FURTHER RESOLVED that the City Manager be and is hereby authorized to make adjustments among line item appropriations so long as the total expenditure budget for the assigned fund is not exceeded; and

BE IT FURTHER RESOLVED that the City Manager be and is hereby authorized to negotiate with and establish certain rates for electric-utility customers as might be deemed appropriate in response to on-going utility-industry restructuring efforts; and

BE IT FURTHER RESOLVED that the City Manager be and is hereby authorized to continue the City's participation in the various feasibility studies that are conducted by the Michigan Public Power Agency or to join in with other studies, service committees, or projects that would be established by the Agency, such as those related to power-supply issues, or those that would meet municipal electric-system needs; and

BE IT FURTHER RESOLVED that the City Manager be and is hereby authorized to work with other municipally-owned electric utilities to study the feasibilities of satisfying short and long-term power-supply needs; and

BE IT FURTHER RESOLVED that the City Manager be and is hereby authorized to work through Michigan Public Power Agency to identify and enter into power purchase agreements or transactions to satisfy power supply needs, consistent with the Energy Services Risk Management Policy as adopted by the City of Petoskey; and

BE IT FURTHER RESOLVED the rates and charges for services, fees, permits, licenses and the like and as listed in the City's Schedule of Rates and Charges and as attached to this resolution are approved and authorized to be charged and collected as applicable; and

BE IT FURTHER RESOLVED that the City Manager receives a 2% increase to his wage rate; and

BE IT FURTHER RESOLVED that the various parts, sections, and clauses of this resolution are hereby declared to be severable. If any part, sentence, paragraph, section, or clause is adjudged unconstitutional or invalid by a court of competent jurisdiction, the remainder of the resolution shall not be affected thereby.

Said resolution was adopted by the following vote:

AYES: Marshall, Lyman, Dittmar, Wills, Murphy (5)

NAYS: None (0)

Review MML Predevelopment Technical Assistance Work for the Darling Lot

The City Manager reviewed that the City was recently certified as a Redevelopment Ready Community (RRC) through the Michigan Economic Development Corporation (MEDC) qualifying the City for free predevelopment technical assistance on one of three sites the City identified as a top redevelopment priority. Staff, MEDC and MML identified the Darling Lot as a prime location for redevelopment assistance.

The City Manager further reviewed the proposed scope of services including site visioning, potential market study, estimated costs and request for qualifications; that staff reiterated to MML consultants that any future development on the Darling Lot must comply with height limitations of no more than 40', a requirement in the Central Business District; that the overall approach directly addresses Goal Three of the City's adopted Action Plan, Diversify and Strengthen the City's Economic Base; that the predevelopment assistance will take place concurrent with the City's Master Plan revision process in 2019; that staff suggested postponing the study until late 2019 to see what develops at 200 East Lake Street property and parking proposal; and that the delay will not affect the study.

City Council discussed concerns about marketing throughout the State for a developer that may not understand or care about the community values.

Council Comments

Mayor Murphy asked for Council comments and City Councilmember Wills inquired if the letter opposing Senate Bill regarding short-term rentals would be mailed out to legislatures this week. City Councilmember Lyman commented that there is a citizen concerned with street conditions at the Jennings and Kalamazoo intersection. City Councilmember Marshall inquired if there are any new resources to use to make sidewalk plowing better in the winter.

There being no further business to come before the City Council, this November 19, 2018, meeting of the City Council adjourned at 8:05 P.M.

John Murphy, Mayor

Alan Terry, Clerk-Treasurer

DRAFT

GL Period	Check Issue Date	Check Number	Payee	Invoice GL Account	Check Amount
11/18	11/20/2018	82593	STATE OF MICHIGAN	582-040-228.000	39,437.26
11/18	11/21/2018	82601	24/7 Sewer & Drain Cleaning	592-558-802.000	205.00
11/18	11/21/2018	82601	24/7 Sewer & Drain Cleaning	101-770-802.000	155.00
11/18	11/21/2018	82602	Aflac	701-000-230.180	588.53
11/18	11/21/2018	82603	AIRGAS USA LLC	582-584-775.000	33.15
11/18	11/21/2018	82603	AIRGAS USA LLC	661-598-785.000	27.05
11/18	11/21/2018	82603	AIRGAS USA LLC	661-598-785.000	52.36
11/18	11/21/2018	82604	AMERICAN WASTE	101-770-802.000	90.00
11/18	11/21/2018	82605	AT & T MOBILITY	514-587-920.000	346.98
11/18	11/21/2018	82606	AT&T	101-770-850.000	156.79
11/18	11/21/2018	82607	AT&T LONG DISTANCE	582-588-850.000	43.09
11/18	11/21/2018	82608	ATCHISON PAPER AND SUPPLY	271-790-751.000	54.20
11/18	11/21/2018	82609	Audio Visual Innovations, Inc.	271-790-985.000	6,102.90
11/18	11/21/2018	82610	Axon Enterprises Inc.	101-345-985.000	150.00
11/18	11/21/2018	82611	Ballard's Plumbing & Heating	101-268-802.000	2,169.40
11/18	11/21/2018	82611	Ballard's Plumbing & Heating	101-268-802.000	112.50
11/18	11/21/2018	82612	Bobcat of Lansing	661-598-931.000	238.22
11/18	11/21/2018	82613	BOUNCE ATHLETICS INC.	101-756-808.110	1,045.00
11/18	11/21/2018	82614	C & S Ice Resurfacing Services Inc.	661-598-931.000	122.45
11/18	11/21/2018	82615	CCP INDUSTRIES INC.	204-481-767.000	55.00
11/18	11/21/2018	82615	CCP INDUSTRIES INC.	661-598-767.000	27.50
11/18	11/21/2018	82615	CCP INDUSTRIES INC.	592-560-767.000	27.43
11/18	11/21/2018	82616	Consumers Energy	592-558-920.000	100.68
11/18	11/21/2018	82616	Consumers Energy	592-538-920.000	3,479.35
11/18	11/21/2018	82616	Consumers Energy	592-558-920.000	89.20
11/18	11/21/2018	82616	Consumers Energy	592-558-920.000	72.84
11/18	11/21/2018	82616	Consumers Energy	592-558-920.000	183.00
11/18	11/21/2018	82616	Consumers Energy	592-558-920.000	188.50
11/18	11/21/2018	82616	Consumers Energy	592-558-920.000	107.69
11/18	11/21/2018	82616	Consumers Energy	592-558-920.000	38.26
11/18	11/21/2018	82616	Consumers Energy	592-558-920.000	708.43
11/18	11/21/2018	82616	Consumers Energy	202-475-920.000	88.43
11/18	11/21/2018	82616	Consumers Energy	592-558-920.000	380.04
11/18	11/21/2018	82617	Cusack's Masonry Restoration Inc.	101-268-970.000	52,669.90
11/18	11/21/2018	82618	DELL MARKETING L.P.	101-345-985.000	2,019.24
11/18	11/21/2018	82619	DERRER OIL CO.	661-598-759.000	1,996.15
11/18	11/21/2018	82619	DERRER OIL CO.	661-598-759.000	2,266.17
11/18	11/21/2018	82620	Electroswitch	582-584-775.000	1,743.43
11/18	11/21/2018	82621	EMMET COUNTY TREASURER	703-040-222.218	8,761.60
11/18	11/21/2018	82621	EMMET COUNTY TREASURER	703-040-228.218	10,839.11
11/18	11/21/2018	82621	EMMET COUNTY TREASURER	703-040-233.000	186.63
11/18	11/21/2018	82621	EMMET COUNTY TREASURER	703-040-233.000	230.89
11/18	11/21/2018	82622	Energis High Voltage Resources Inc.	582-584-802.000	19,595.50
11/18	11/21/2018	82623	ENGLEBRECHT, ROBERT	101-257-802.100	3,750.00
11/18	11/21/2018	82624	FACTOR SYSTEMS INC.	101-208-803.000	3,526.53
11/18	11/21/2018	82625	FETTIG'S	101-770-802.000	235.00
11/18	11/21/2018	82625	FETTIG'S	202-467-802.000	410.00
11/18	11/21/2018	82626	GRANDPA SHORTER'S	248-739-880.200	188.18
11/18	11/21/2018	82627	GREAT LAKES ENERGY	592-538-920.000	71.27
11/18	11/21/2018	82627	GREAT LAKES ENERGY	592-558-920.000	111.40
11/18	11/21/2018	82627	GREAT LAKES ENERGY	101-345-920.100	400.78
11/18	11/21/2018	82627	GREAT LAKES ENERGY	592-538-920.000	219.34

GL Period	Check Issue Date	Check Number	Payee	Invoice GL Account	Check Amount
11/18	11/21/2018	82627	GREAT LAKES ENERGY	592-558-920.000	118.55
11/18	11/21/2018	82628	GREAT LAKES SYSTEMS INC.	101-268-930.000	885.46
11/18	11/21/2018	82629	Greenwell Machine Shop	101-268-930.000	2,996.18
11/18	11/21/2018	82630	HARBOR FENCE COMPANY	101-770-802.000	2,427.00
11/18	11/21/2018	82631	HUBBELL ROTH & CLARK INC.	592-025-343.000	3,295.68
11/18	11/21/2018	82631	HUBBELL ROTH & CLARK INC.	592-025-343.000	660.00
11/18	11/21/2018	82631	HUBBELL ROTH & CLARK INC.	592-560-802.000	2,378.99
11/18	11/21/2018	82631	HUBBELL ROTH & CLARK INC.	592-549-802.000	2,214.16
11/18	11/21/2018	82631	HUBBELL ROTH & CLARK INC.	592-560-802.000	1,335.88
11/18	11/21/2018	82632	Inclusion Solutions LLC	101-262-802.000	3,082.16
11/18	11/21/2018	82633	INTEGRITY BUSINESS SOLUTIONS	101-201-751.000	33.25
11/18	11/21/2018	82633	INTEGRITY BUSINESS SOLUTIONS	101-208-751.000	24.16
11/18	11/21/2018	82633	INTEGRITY BUSINESS SOLUTIONS	101-215-751.000	16.29
11/18	11/21/2018	82633	INTEGRITY BUSINESS SOLUTIONS	101-172-751.000	38.18
11/18	11/21/2018	82633	INTEGRITY BUSINESS SOLUTIONS	592-560-751.000	223.86
11/18	11/21/2018	82633	INTEGRITY BUSINESS SOLUTIONS	592-549-751.000	223.87
11/18	11/21/2018	82633	INTEGRITY BUSINESS SOLUTIONS	101-441-751.000	34.65
11/18	11/21/2018	82633	INTEGRITY BUSINESS SOLUTIONS	101-345-751.000	66.88
11/18	11/21/2018	82633	INTEGRITY BUSINESS SOLUTIONS	204-481-751.000	34.93
11/18	11/21/2018	82633	INTEGRITY BUSINESS SOLUTIONS	101-756-751.000	41.93
11/18	11/21/2018	82633	INTEGRITY BUSINESS SOLUTIONS	101-268-775.000	10.27
11/18	11/21/2018	82633	INTEGRITY BUSINESS SOLUTIONS	101-201-751.000	12.69
11/18	11/21/2018	82634	J & J GARAGE DOOR SERVICE INC	582-593-930.000	558.00
11/18	11/21/2018	82635	Lee Roofing Inc.	271-790-930.000	388.19
11/18	11/21/2018	82635	Lee Roofing Inc.	101-268-930.000	3,219.14
11/18	11/21/2018	82636	MEYER ACE HARDWARE	271-790-751.000	20.85
11/18	11/21/2018	82636	MEYER ACE HARDWARE	101-770-771.000	16.35
11/18	11/21/2018	82636	MEYER ACE HARDWARE	101-345-775.000	3.14
11/18	11/21/2018	82636	MEYER ACE HARDWARE	101-268-775.000	14.39
11/18	11/21/2018	82636	MEYER ACE HARDWARE	271-790-958.100	12.58
11/18	11/21/2018	82636	MEYER ACE HARDWARE	271-790-752.000	11.86
11/18	11/21/2018	82636	MEYER ACE HARDWARE	101-345-775.000	14.38
11/18	11/21/2018	82636	MEYER ACE HARDWARE	101-770-775.000	98.93
11/18	11/21/2018	82636	MEYER ACE HARDWARE	101-268-775.000	6.83
11/18	11/21/2018	82636	MEYER ACE HARDWARE	101-773-775.000	7.31
11/18	11/21/2018	82636	MEYER ACE HARDWARE	592-554-775.000	8.56
11/18	11/21/2018	82636	MEYER ACE HARDWARE	101-754-775.000	15.29
11/18	11/21/2018	82636	MEYER ACE HARDWARE	101-268-775.000	11.33
11/18	11/21/2018	82636	MEYER ACE HARDWARE	101-770-775.000	10.79
11/18	11/21/2018	82636	MEYER ACE HARDWARE	271-790-751.000	33.06
11/18	11/21/2018	82636	MEYER ACE HARDWARE	101-268-775.000	14.37
11/18	11/21/2018	82636	MEYER ACE HARDWARE	101-770-775.000	20.67
11/18	11/21/2018	82636	MEYER ACE HARDWARE	101-268-775.000	13.49
11/18	11/21/2018	82636	MEYER ACE HARDWARE	592-546-775.000	13.49
11/18	11/21/2018	82636	MEYER ACE HARDWARE	582-586-775.000	11.69
11/18	11/21/2018	82636	MEYER ACE HARDWARE	592-554-775.000	12.37
11/18	11/21/2018	82636	MEYER ACE HARDWARE	592-551-775.000	62.99
11/18	11/21/2018	82636	MEYER ACE HARDWARE	592-544-775.000	17.99
11/18	11/21/2018	82636	MEYER ACE HARDWARE	592-542-775.000	16.15
11/18	11/21/2018	82636	MEYER ACE HARDWARE	101-754-775.000	89.94
11/18	11/21/2018	82636	MEYER ACE HARDWARE	592-544-775.000	4.13
11/18	11/21/2018	82636	MEYER ACE HARDWARE	271-790-958.100	3.86

GL Period	Check Issue Date	Check Number	Payee	Invoice GL Account	Check Amount
11/18	11/21/2018	82636	MEYER ACE HARDWARE	271-790-752.000	3.86
11/18	11/21/2018	82636	MEYER ACE HARDWARE	101-770-775.000	28.97
11/18	11/21/2018	82636	MEYER ACE HARDWARE	101-268-930.000	65.68
11/18	11/21/2018	82636	MEYER ACE HARDWARE	204-470-775.000	61.54
11/18	11/21/2018	82636	MEYER ACE HARDWARE	582-593-785.000	68.90
11/18	11/21/2018	82636	MEYER ACE HARDWARE	204-470-775.000	26.98
11/18	11/21/2018	82636	MEYER ACE HARDWARE	592-542-775.000	25.19
11/18	11/21/2018	82636	MEYER ACE HARDWARE	661-598-931.000	10.34
11/18	11/21/2018	82636	MEYER ACE HARDWARE	592-544-775.000	44.80
11/18	11/21/2018	82636	MEYER ACE HARDWARE	592-544-775.000	57.80
11/18	11/21/2018	82637	MICHIGAN MUNICIPAL LEAGUE	204-481-912.000	238.00
11/18	11/21/2018	82637	MICHIGAN MUNICIPAL LEAGUE	592-560-915.000	238.00
11/18	11/21/2018	82637	MICHIGAN MUNICIPAL LEAGUE	592-549-915.000	238.00
11/18	11/21/2018	82637	MICHIGAN MUNICIPAL LEAGUE	582-588-912.000	238.00
11/18	11/21/2018	82637	MICHIGAN MUNICIPAL LEAGUE	661-598-912.000	238.00
11/18	11/21/2018	82638	MICHIGAN PUBLIC POWER AGENCY	582-576-920.000	289,009.51
11/18	11/21/2018	82639	OHM Advisors	204-481-802.000	5,502.75
11/18	11/21/2018	82639	OHM Advisors	202-451-802.000	1,954.50
11/18	11/21/2018	82640	ON DUTY GEAR LLC	101-345-775.000	334.96
11/18	11/21/2018	82641	ON-SITE TESTING SPECIALISTS INC.	101-345-775.000	153.00
11/18	11/21/2018	82642	OTEC Radio Comm. Equipment	661-598-932.000	97.50
11/18	11/21/2018	82643	PENDO	271-790-752.000	42.59
11/18	11/21/2018	82643	PENDO	271-790-752.000	180.76
11/18	11/21/2018	82644	Penguin Random House	271-790-761.000	78.75
11/18	11/21/2018	82644	Penguin Random House	271-790-761.000	33.75
11/18	11/21/2018	82644	Penguin Random House	271-790-761.000	78.75
11/18	11/21/2018	82644	Penguin Random House	271-790-761.000	45.00
11/18	11/21/2018	82645	PETOSKEY PUBLIC SCHOOLS	703-040-236.218	22,831.88
11/18	11/21/2018	82645	PETOSKEY PUBLIC SCHOOLS	703-040-237.218	3,342.00
11/18	11/21/2018	82645	PETOSKEY PUBLIC SCHOOLS	703-040-237.218	2,343.87
11/18	11/21/2018	82645	PETOSKEY PUBLIC SCHOOLS	703-040-237.218	993.50
11/18	11/21/2018	82645	PETOSKEY PUBLIC SCHOOLS	703-040-233.000	541.09
11/18	11/21/2018	82645	PETOSKEY PUBLIC SCHOOLS	703-040-233.000	71.17
11/18	11/21/2018	82645	PETOSKEY PUBLIC SCHOOLS	703-040-233.000	49.93
11/18	11/21/2018	82645	PETOSKEY PUBLIC SCHOOLS	703-040-233.000	21.16
11/18	11/21/2018	82646	PIGEON DISTRICT LIBRARY	271-790-760.000	21.00
11/18	11/21/2018	82647	Plunkett Cooney	101-266-802.000	376.74
11/18	11/21/2018	82647	Plunkett Cooney	204-481-802.000	376.74
11/18	11/21/2018	82647	Plunkett Cooney	582-588-802.000	376.74
11/18	11/21/2018	82647	Plunkett Cooney	592-549-802.000	376.74
11/18	11/21/2018	82647	Plunkett Cooney	592-560-802.000	376.74
11/18	11/21/2018	82647	Plunkett Cooney	101-266-802.000	4,096.30
11/18	11/21/2018	82648	POWER LINE SUPPLY	582-010-111.000	13,094.37
11/18	11/21/2018	82648	POWER LINE SUPPLY	582-010-111.000	1,023.60
11/18	11/21/2018	82648	POWER LINE SUPPLY	582-010-111.000	950.00
11/18	11/21/2018	82648	POWER LINE SUPPLY	582-010-111.000	1,119.36-
11/18	11/21/2018	82649	Printing Systems Inc.	101-268-775.000	403.85
11/18	11/21/2018	82650	Richard Neumann Architect	101-268-970.000	1,500.00
11/18	11/21/2018	82650	Richard Neumann Architect	101-265-970.000	6,200.00
11/18	11/21/2018	82651	RIETH-RILEY CONSTRUCTION CO	592-545-775.000	313.76
11/18	11/21/2018	82651	RIETH-RILEY CONSTRUCTION CO	592-556-775.000	297.48
11/18	11/21/2018	82652	SCHOLASTIC INC.	271-790-958.100	282.70

GL Period	Check Issue Date	Check Number	Payee	Invoice GL Account	Check Amount
11/18	11/21/2018	82653	SIGN & DESIGN	514-587-884.000	954.00
11/18	11/21/2018	82654	Spectrum Business	101-345-920.100	153.46
11/18	11/21/2018	82654	Spectrum Business	582-588-850.000	79.99
11/18	11/21/2018	82654	Spectrum Business	582-588-850.000	79.99
11/18	11/21/2018	82655	STANDARD ELECTRIC COMPANY	582-586-775.000	33.76
11/18	11/21/2018	82656	STAPLES ADVANTAGE	592-549-751.000	94.46
11/18	11/21/2018	82656	STAPLES ADVANTAGE	101-268-775.000	196.99
11/18	11/21/2018	82656	STAPLES ADVANTAGE	101-201-751.000	4.98
11/18	11/21/2018	82656	STAPLES ADVANTAGE	101-770-751.000	56.19
11/18	11/21/2018	82656	STAPLES ADVANTAGE	101-756-751.000	56.20
11/18	11/21/2018	82656	STAPLES ADVANTAGE	101-101-751.000	41.88
11/18	11/21/2018	82656	STAPLES ADVANTAGE	101-345-751.000	12.99
11/18	11/21/2018	82656	STAPLES ADVANTAGE	592-560-751.000	94.47
11/18	11/21/2018	82656	STAPLES ADVANTAGE	101-201-751.000	44.73
11/18	11/21/2018	82656	STAPLES ADVANTAGE	101-770-751.000	112.39-
11/18	11/21/2018	82656	STAPLES ADVANTAGE	101-268-775.000	42.90
11/18	11/21/2018	82656	STAPLES ADVANTAGE	592-560-751.000	2.48
11/18	11/21/2018	82657	SWEETWATER CATERING COMPANY	101-262-802.000	861.00
11/18	11/21/2018	82658	THOMPSON, WILLIAM S.	514-587-802.100	743.13
11/18	11/21/2018	82659	THRU GLASS WINDOW CLEANING	514-587-802.100	25.00
11/18	11/21/2018	82660	Top of Michigan Trails Council	101-770-802.000	800.00
11/18	11/21/2018	82661	TROPHY CASE, THE	271-790-751.000	8.00
11/18	11/21/2018	82661	TROPHY CASE, THE	271-790-751.000	48.00
11/18	11/21/2018	82662	Up North Services	514-587-802.000	1,701.60
11/18	11/21/2018	82663	VAN'S BUSINESS MACHINES	514-587-802.000	218.73
11/18	11/21/2018	82664	Zonta Club of Petoskey	271-790-880.000	405.00
11/18	11/21/2018	82665	MEYER ACE HARDWARE	514-587-802.100	13.49
11/18	11/21/2018	82665	MEYER ACE HARDWARE	514-587-802.100	2.33
11/18	11/21/2018	82665	MEYER ACE HARDWARE	514-587-775.000	7,047.18
11/18	11/21/2018	82666	VERIZON WIRELESS	101-345-850.000	103.42
11/18	11/21/2018	82666	VERIZON WIRELESS	101-441-850.000	53.89
11/18	11/21/2018	82666	VERIZON WIRELESS	592-538-850.000	80.04
11/18	11/21/2018	82666	VERIZON WIRELESS	592-538-920.000	280.07
11/18	11/28/2018	82679	24/7 Sewer & Drain Cleaning	101-265-802.000	285.00
11/18	11/28/2018	82680	ACCESS LOCKSMITHING INC.	271-790-752.000	35.00
11/18	11/28/2018	82681	ACH-CHILD SUPPORT	701-000-230.160	160.23
11/18	11/28/2018	82682	ACH-EFTPS	701-000-230.100	20,163.51
11/18	11/28/2018	82682	ACH-EFTPS	701-000-230.200	12,200.62
11/18	11/28/2018	82682	ACH-EFTPS	701-000-230.200	12,200.62
11/18	11/28/2018	82682	ACH-EFTPS	701-000-230.200	2,853.38
11/18	11/28/2018	82682	ACH-EFTPS	701-000-230.200	2,853.38
11/18	11/28/2018	82683	ACH-ICMA 457	701-000-230.700	1,872.07
11/18	11/28/2018	82683	ACH-ICMA 457	701-000-230.700	5,667.00
11/18	11/28/2018	82684	Adams, Mary	271-790-958.100	150.00
11/18	11/28/2018	82685	Alliance Entertainment	271-790-761.100	43.73
11/18	11/28/2018	82685	Alliance Entertainment	271-790-761.000	246.35
11/18	11/28/2018	82686	AMAZON CREDIT PLAN	271-790-761.100	38.21
11/18	11/28/2018	82686	AMAZON CREDIT PLAN	271-790-761.200	192.85
11/18	11/28/2018	82686	AMAZON CREDIT PLAN	271-790-986.000	297.30
11/18	11/28/2018	82686	AMAZON CREDIT PLAN	271-790-760.000	46.53
11/18	11/28/2018	82686	AMAZON CREDIT PLAN	271-790-761.000	11.21
11/18	11/28/2018	82686	AMAZON CREDIT PLAN	271-790-751.000	12.14

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11/18	11/28/2018	82687	AMERICAN WASTE	582-593-802.000	150.00
11/18	11/28/2018	82687	AMERICAN WASTE	592-554-802.000	125.00
11/18	11/28/2018	82687	AMERICAN WASTE	582-586-802.000	125.00
11/18	11/28/2018	82687	AMERICAN WASTE	582-594-775.000	125.00
11/18	11/28/2018	82687	AMERICAN WASTE	582-593-802.000	128.50
11/18	11/28/2018	82688	AT&T	592-538-850.000	162.29
11/18	11/28/2018	82689	BEAR RIVER ELECTRIC	271-790-930.000	308.33
11/18	11/28/2018	82690	BILL'S FARM MARKET	248-540-792.000	1,911.00
11/18	11/28/2018	82691	Central Lake Armor Express Inc.	101-345-782.000	1,680.00
11/18	11/28/2018	82692	CHAR-EM UNITED WAY	701-000-230.800	77.00
11/18	11/28/2018	82693	Chrissy Lewis	101-756-808.010	21.20
11/18	11/28/2018	82694	DECKA DIGITAL LLC	592-551-775.000	459.77
11/18	11/28/2018	82694	DECKA DIGITAL LLC	101-441-751.000	204.99
11/18	11/28/2018	82695	DELTA DENTAL	101-172-724.000	43.05
11/18	11/28/2018	82695	DELTA DENTAL	101-201-724.000	209.69
11/18	11/28/2018	82695	DELTA DENTAL	101-208-724.000	33.89
11/18	11/28/2018	82695	DELTA DENTAL	101-215-724.000	45.75-
11/18	11/28/2018	82695	DELTA DENTAL	101-265-724.000	21.00
11/18	11/28/2018	82695	DELTA DENTAL	101-268-724.000	39.34
11/18	11/28/2018	82695	DELTA DENTAL	101-345-724.000	743.17
11/18	11/28/2018	82695	DELTA DENTAL	101-400-724.000	14.06
11/18	11/28/2018	82695	DELTA DENTAL	101-441-724.000	97.94
11/18	11/28/2018	82695	DELTA DENTAL	101-754-724.000	23.47
11/18	11/28/2018	82695	DELTA DENTAL	101-756-724.000	69.15
11/18	11/28/2018	82695	DELTA DENTAL	101-770-724.000	92.08
11/18	11/28/2018	82695	DELTA DENTAL	101-773-724.000	7.92
11/18	11/28/2018	82695	DELTA DENTAL	101-789-724.000	18.47
11/18	11/28/2018	82695	DELTA DENTAL	204-481-724.000	150.70
11/18	11/28/2018	82695	DELTA DENTAL	271-790-724.000	202.58
11/18	11/28/2018	82695	DELTA DENTAL	514-587-724.000	16.66
11/18	11/28/2018	82695	DELTA DENTAL	582-588-724.000	222.74
11/18	11/28/2018	82695	DELTA DENTAL	592-549-724.000	202.59
11/18	11/28/2018	82695	DELTA DENTAL	592-560-724.000	66.48
11/18	11/28/2018	82695	DELTA DENTAL	701-000-230.110	1,835.76
11/18	11/28/2018	82696	DERRER OIL CO.	661-598-759.000	2,139.36
11/18	11/28/2018	82697	DTE ENERGY	592-538-920.000	56.61
11/18	11/28/2018	82697	DTE ENERGY	101-265-924.000	611.47
11/18	11/28/2018	82697	DTE ENERGY	582-593-924.000	1,453.28
11/18	11/28/2018	82697	DTE ENERGY	101-773-924.000	50.70
11/18	11/28/2018	82697	DTE ENERGY	101-265-924.000	212.24
11/18	11/28/2018	82697	DTE ENERGY	592-538-920.000	134.10
11/18	11/28/2018	82697	DTE ENERGY	271-790-924.000	164.31
11/18	11/28/2018	82697	DTE ENERGY	101-268-924.000	1,185.37
11/18	11/28/2018	82697	DTE ENERGY	101-770-924.000	193.84
11/18	11/28/2018	82697	DTE ENERGY	514-587-802.100	113.09
11/18	11/28/2018	82697	DTE ENERGY	592-538-920.000	162.99
11/18	11/28/2018	82697	DTE ENERGY	592-551-920.000	103.23
11/18	11/28/2018	82697	DTE ENERGY	592-551-920.000	3,173.68
11/18	11/28/2018	82697	DTE ENERGY	271-790-924.000	389.53
11/18	11/28/2018	82697	DTE ENERGY	592-555-920.000	50.92
11/18	11/28/2018	82697	DTE ENERGY	101-345-920.000	671.23
11/18	11/28/2018	82697	DTE ENERGY	592-558-920.000	31.00

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11/18	11/28/2018	82697	DTE ENERGY	592-538-920.000	46.10
11/18	11/28/2018	82697	DTE ENERGY	101-345-920.100	431.55
11/18	11/28/2018	82698	DUNN'S BUSINESS SOLUTIONS	204-481-751.000	19.08
11/18	11/28/2018	82698	DUNN'S BUSINESS SOLUTIONS	582-593-751.000	19.08
11/18	11/28/2018	82698	DUNN'S BUSINESS SOLUTIONS	582-588-751.000	19.08
11/18	11/28/2018	82698	DUNN'S BUSINESS SOLUTIONS	592-549-751.000	19.08
11/18	11/28/2018	82698	DUNN'S BUSINESS SOLUTIONS	592-560-751.000	19.09
11/18	11/28/2018	82698	DUNN'S BUSINESS SOLUTIONS	661-598-751.000	19.09
11/18	11/28/2018	82698	DUNN'S BUSINESS SOLUTIONS	204-481-751.000	20.37
11/18	11/28/2018	82698	DUNN'S BUSINESS SOLUTIONS	582-593-751.000	20.37
11/18	11/28/2018	82698	DUNN'S BUSINESS SOLUTIONS	582-588-751.000	20.38
11/18	11/28/2018	82698	DUNN'S BUSINESS SOLUTIONS	592-549-751.000	20.38
11/18	11/28/2018	82698	DUNN'S BUSINESS SOLUTIONS	592-560-751.000	20.38
11/18	11/28/2018	82698	DUNN'S BUSINESS SOLUTIONS	661-598-751.000	20.38
11/18	11/28/2018	82699	FASTENAL COMPANY	592-549-767.000	44.97
11/18	11/28/2018	82700	GALE/CENGAGE LEARNING	271-790-761.000	52.98
11/18	11/28/2018	82700	GALE/CENGAGE LEARNING	271-790-761.000	20.99
11/18	11/28/2018	82701	Goodman, Becky	514-587-912.000	469.11
11/18	11/28/2018	82701	Goodman, Becky	248-739-886.000	25.44
11/18	11/28/2018	82702	Great Lakes Pipe & Supply	592-551-775.000	59.46
11/18	11/28/2018	82703	GRP ENGINEERING INC.	582-588-802.000	1,280.79
11/18	11/28/2018	82703	GRP ENGINEERING INC.	582-588-802.000	410.42
11/18	11/28/2018	82704	Himebauch, Kelly L	271-790-802.000	360.00
11/18	11/28/2018	82705	ICMA-ROTH	701-000-230.900	350.00
11/18	11/28/2018	82706	Jakeway, Patricia	271-790-802.000	330.00
11/18	11/28/2018	82707	K & J SEPTIC SERVICE LLC	101-265-970.000	435.00
11/18	11/28/2018	82708	Klingelsmith, Kendall	101-756-880.000	8.00
11/18	11/28/2018	82709	KRING CHEVROLET CADILLAC, DAVE	661-598-932.000	49.35
11/18	11/28/2018	82709	KRING CHEVROLET CADILLAC, DAVE	661-598-932.000	49.35
11/18	11/28/2018	82709	KRING CHEVROLET CADILLAC, DAVE	661-598-932.000	36.75
11/18	11/28/2018	82709	KRING CHEVROLET CADILLAC, DAVE	661-598-932.000	49.35
11/18	11/28/2018	82709	KRING CHEVROLET CADILLAC, DAVE	661-598-932.000	204.48
11/18	11/28/2018	82709	KRING CHEVROLET CADILLAC, DAVE	661-598-932.000	623.01
11/18	11/28/2018	82710	KSS Enterprises	101-268-775.000	120.99
11/18	11/28/2018	82711	LEXISNEXIS RISK DATA MGT	101-208-802.000	50.00
11/18	11/28/2018	82712	MANAGEMENT & BEHAVIOR	101-345-784.000	1,100.00
11/18	11/28/2018	82713	MICHIGAN OFFICEWAYS INC.	271-790-751.000	19.15
11/18	11/28/2018	82714	MIKULSKI, MATTHEW	101-345-912.000	33.28
11/18	11/28/2018	82715	National Association of	101-345-915.000	155.00
11/18	11/28/2018	82716	NORTHERN A-1 SERVICES KALKASKA	592-556-802.000	1,039.50
11/18	11/28/2018	82716	NORTHERN A-1 SERVICES KALKASKA	592-556-802.000	891.00
11/18	11/28/2018	82717	Oelke, Linda	271-790-802.000	120.00
11/18	11/28/2018	82718	Oil Paintings	248-739-880.900	400.00
11/18	11/28/2018	82719	PAC2	271-790-802.000	7,001.00
11/18	11/28/2018	82720	PARKER, MICHAEL	101-345-912.000	474.60
11/18	11/28/2018	82721	Penguin Random House	271-790-761.100	22.50
11/18	11/28/2018	82721	Penguin Random House	271-790-761.100	37.50
11/18	11/28/2018	82721	Penguin Random House	271-790-761.100	33.75
11/18	11/28/2018	82721	Penguin Random House	271-790-761.100	45.00
11/18	11/28/2018	82721	Penguin Random House	271-790-761.100	24.00
11/18	11/28/2018	82721	Penguin Random House	271-790-761.100	15.00
11/18	11/28/2018	82722	Petoskey Machining & Hydraulic	592-545-775.000	105.00

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11/18	11/28/2018	82723	PETOSKEY REGIONAL CHAMBER	101-172-860.000	30.00
11/18	11/28/2018	82723	PETOSKEY REGIONAL CHAMBER	101-770-912.000	30.00
11/18	11/28/2018	82723	PETOSKEY REGIONAL CHAMBER	248-739-774.000	30.00
11/18	11/28/2018	82723	PETOSKEY REGIONAL CHAMBER	101-101-860.000	30.00
11/18	11/28/2018	82723	PETOSKEY REGIONAL CHAMBER	271-790-880.000	240.00
11/18	11/28/2018	82724	POWER LINE SUPPLY	582-586-775.000	1,264.00
11/18	11/28/2018	82724	POWER LINE SUPPLY	582-586-775.000	53.00
11/18	11/28/2018	82724	POWER LINE SUPPLY	582-592-775.000	109.60
11/18	11/28/2018	82724	POWER LINE SUPPLY	582-593-785.000	17.28
11/18	11/28/2018	82724	POWER LINE SUPPLY	582-586-775.000	43.00
11/18	11/28/2018	82724	POWER LINE SUPPLY	582-593-785.000	13.81
11/18	11/28/2018	82725	PRANTERA, MARY SUE	271-790-912.000	132.44
11/18	11/28/2018	82726	Priority Health	101-172-724.000	1,312.09
11/18	11/28/2018	82726	Priority Health	101-201-724.000	4,197.99
11/18	11/28/2018	82726	Priority Health	101-208-724.000	770.45
11/18	11/28/2018	82726	Priority Health	101-215-724.000	385.23
11/18	11/28/2018	82726	Priority Health	101-265-724.000	531.62
11/18	11/28/2018	82726	Priority Health	101-268-724.000	1,144.14
11/18	11/28/2018	82726	Priority Health	101-345-724.000	17,225.49
11/18	11/28/2018	82726	Priority Health	101-400-724.000	385.23
11/18	11/28/2018	82726	Priority Health	101-441-724.000	2,544.83
11/18	11/28/2018	82726	Priority Health	101-754-724.000	520.06
11/18	11/28/2018	82726	Priority Health	101-756-724.000	1,752.78
11/18	11/28/2018	82726	Priority Health	101-770-724.000	1,906.89
11/18	11/28/2018	82726	Priority Health	101-773-724.000	277.36
11/18	11/28/2018	82726	Priority Health	101-789-724.000	647.19
11/18	11/28/2018	82726	Priority Health	204-481-724.000	3,279.34
11/18	11/28/2018	82726	Priority Health	271-790-724.000	5,040.35
11/18	11/28/2018	82726	Priority Health	514-587-724.000	385.23
11/18	11/28/2018	82726	Priority Health	582-588-724.000	4,776.85
11/18	11/28/2018	82726	Priority Health	592-549-724.000	4,625.65
11/18	11/28/2018	82726	Priority Health	592-560-724.000	1,541.88
11/18	11/28/2018	82727	PROCLEAN NORTH	592-554-802.000	786.50
11/18	11/28/2018	82727	PROCLEAN NORTH	582-593-930.000	1,463.00
11/18	11/28/2018	82728	SMITH, EDWARD J	101-756-767.000	27.82
11/18	11/28/2018	82729	SOLUTIONS ELECTRIC INC.	204-481-802.000	947.12
11/18	11/28/2018	82729	SOLUTIONS ELECTRIC INC.	101-345-802.000	208.20
11/18	11/28/2018	82730	Spok	204-481-850.000	2.78
11/18	11/28/2018	82730	Spok	582-588-850.000	2.78
11/18	11/28/2018	82730	Spok	592-549-850.000	2.78
11/18	11/28/2018	82730	Spok	592-560-850.000	2.78
11/18	11/28/2018	82730	Spok	661-598-850.000	2.78
11/18	11/28/2018	82731	STANDARD ELECTRIC COMPANY	582-586-775.000	313.85
11/18	11/28/2018	82731	STANDARD ELECTRIC COMPANY	582-010-111.000	1,226.92
11/18	11/28/2018	82731	STANDARD ELECTRIC COMPANY	582-592-775.000	34.56
11/18	11/28/2018	82732	Starr Garter dba Techplex	271-790-802.000	116.66
11/18	11/28/2018	82733	State Industrial Products	592-551-775.000	223.42
11/18	11/28/2018	82734	SYSCO GRAND RAPIDS	101-268-775.000	784.80
11/18	11/28/2018	82734	SYSCO GRAND RAPIDS	101-345-751.000	1,029.00
11/18	11/28/2018	82734	SYSCO GRAND RAPIDS	101-268-775.000	205.80
11/18	11/28/2018	82735	Trace Analytical Laboratories LLC	592-553-802.000	280.00
11/18	11/28/2018	82736	TRUCK & TRAILER SPECIALTIES	661-598-931.000	7,083.80

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11/18	11/28/2018	82737	Valley City Linen	271-790-752.000	25.00
11/18	11/28/2018	82737	Valley City Linen	271-790-752.000	25.00
11/18	11/28/2018	82737	Valley City Linen	271-790-752.000	25.00
11/18	11/28/2018	82737	Valley City Linen	271-790-752.000	25.00
11/18	11/28/2018	82737	Valley City Linen	271-790-752.000	25.00
11/18	11/28/2018	82738	VSP	101-172-724.000	27.11
11/18	11/28/2018	82738	VSP	101-201-724.000	109.54
11/18	11/28/2018	82738	VSP	101-208-724.000	20.05
11/18	11/28/2018	82738	VSP	101-215-724.000	40.09
11/18	11/28/2018	82738	VSP	101-265-724.000	12.09
11/18	11/28/2018	82738	VSP	101-268-724.000	26.45
11/18	11/28/2018	82738	VSP	101-345-724.000	422.92
11/18	11/28/2018	82738	VSP	101-400-724.000	10.73
11/18	11/28/2018	82738	VSP	101-441-724.000	57.49
11/18	11/28/2018	82738	VSP	101-754-724.000	10.42
11/18	11/28/2018	82738	VSP	101-756-724.000	44.98
11/18	11/28/2018	82738	VSP	101-770-724.000	49.59
11/18	11/28/2018	82738	VSP	101-773-724.000	4.92
11/18	11/28/2018	82738	VSP	101-789-724.000	11.46
11/18	11/28/2018	82738	VSP	204-481-724.000	67.20
11/18	11/28/2018	82738	VSP	271-790-724.000	123.67
11/18	11/28/2018	82738	VSP	514-587-724.000	10.73
11/18	11/28/2018	82738	VSP	582-588-724.000	115.19
11/18	11/28/2018	82738	VSP	592-549-724.000	118.85
11/18	11/28/2018	82738	VSP	592-560-724.000	40.09
11/18	11/28/2018	82739	WINDEMULLER	592-558-802.000	218.18
11/18	11/28/2018	82740	Dearborn National Life Insurance Co	701-000-230.190	1,899.56
11/18	11/28/2018	82740	Dearborn National Life Insurance Co	101-172-724.000	19.16
11/18	11/28/2018	82740	Dearborn National Life Insurance Co	101-201-724.000	44.89
11/18	11/28/2018	82740	Dearborn National Life Insurance Co	101-208-724.000	21.35
11/18	11/28/2018	82740	Dearborn National Life Insurance Co	101-215-724.000	21.35
11/18	11/28/2018	82740	Dearborn National Life Insurance Co	101-265-724.000	4.79
11/18	11/28/2018	82740	Dearborn National Life Insurance Co	101-268-724.000	11.98
11/18	11/28/2018	82740	Dearborn National Life Insurance Co	101-345-724.000	504.19
11/18	11/28/2018	82740	Dearborn National Life Insurance Co	101-400-724.000	9.58
11/18	11/28/2018	82740	Dearborn National Life Insurance Co	101-441-724.000	29.22
11/18	11/28/2018	82740	Dearborn National Life Insurance Co	101-754-724.000	5.27
11/18	11/28/2018	82740	Dearborn National Life Insurance Co	101-756-724.000	18.20
11/18	11/28/2018	82740	Dearborn National Life Insurance Co	101-770-724.000	32.57
11/18	11/28/2018	82740	Dearborn National Life Insurance Co	101-773-724.000	2.87
11/18	11/28/2018	82740	Dearborn National Life Insurance Co	101-789-724.000	6.71
11/18	11/28/2018	82740	Dearborn National Life Insurance Co	204-481-724.000	68.43
11/18	11/28/2018	82740	Dearborn National Life Insurance Co	271-790-724.000	69.25
11/18	11/28/2018	82740	Dearborn National Life Insurance Co	514-587-724.000	15.81
11/18	11/28/2018	82740	Dearborn National Life Insurance Co	582-588-724.000	73.29
11/18	11/28/2018	82740	Dearborn National Life Insurance Co	592-549-724.000	59.67
11/18	11/28/2018	82740	Dearborn National Life Insurance Co	592-560-724.000	19.16
Grand Totals:					734,873.79

Report Criteria:

Check.Date = 11/15/2018-11/28/2018

Check Number	Date	Name	GL Account	Amount
82594	11/21/2018	Barb, John	582040285000	50.81
82595	11/21/2018	Emergency Care Specialist	582040285000	47.97
82596	11/21/2018	Germain, Dennie	101087654000	50.00
82597	11/21/2018	Hinkle, Kaitlyn	582081642300	29.07
82598	11/21/2018	McDowell, Julie & Herb	582081642300	210.19
82599	11/21/2018	Shananaquet, Samantha	582040285000	50.69
82600	11/21/2018	Zednicek, Judy	582040285000	17.61
82667	11/28/2018	Diermier, Walt	582588803000	50.00
82668	11/28/2018	Eby, Tracy	582588803000	50.00
82669	11/28/2018	Fettig, David	582588803000	50.00
82670	11/28/2018	Fisher, Ray	582588803000	50.00
82671	11/28/2018	Foster, Allen	582588803000	50.00
82672	11/28/2018	Galassini, Steve	582588803000	7.41
82673	11/28/2018	Kaufman, Issac	582588803000	50.00
82674	11/28/2018	McCarron, Joseph	582588803000	50.00
82675	11/28/2018	Retherford, Paul	582588803000	30.76
82676	11/28/2018	Sprague, Sharon	582588803000	50.00
82677	11/28/2018	Vargo, Jim	582588803000	100.00
82678	11/28/2018	Vargo, Michael	582588803000	84.21
Grand Totals:				1,078.72



City of Petoskey

Agenda Memo

BOARD: City Council

MEETING DATE: December 3, 2018

PREPARED: November 29, 2018

AGENDA SUBJECT: First Discussion Regarding the DMB's Recommendations for Changes to Downtown Parking Fees, Fines and Enforcement Schedule

RECOMMENDATION: That the City Council discuss with input to staff

Background Over the past several months, the DMB Parking Committee has discussed several recommendations to revise certain downtown parking fees, fines and enforcement hours. At the November 27, 2018 DMB meeting, board members voted 6-2 to support the Parking Committee's recommendations to the City Council and City Manager. The DMB recommends revising parking fees, fines and hours of enforcement as follows:

1. Raise meter fees on Lake Street, Mitchell Street and Howard Street and in the Elk's Lot, Clifton Lot, and Saville Lot to \$1.00 an hour; on all other three hour meters to \$.50 an hour; and on all ten hour meters to \$.25 an hour. Proposed rates by DMB would double the current hourly rate charges.
2. Raise \$5 ticket fine to \$10.
3. Increase hours of enforcement by one hour from 5:00 P.M. to 6:00 P.M., Monday through Saturday.
4. Raise meter bag fees from \$5 to \$10 per day.
5. Increase monthly tiered permit fees (see enclosed map):

	Current	Proposed
Blue Permit (valid in blue permit areas only)	\$20	\$ 30
Green Permit (valid in green and blue areas only)	\$30	\$ 60
Yellow Permit (valid in all permit areas)	\$40	\$120

6. De-escalate late fees accordingly:

	Current	Proposed
8 days	add \$20	add \$10
14 days	add \$50	add \$30
30 days	add \$80	add \$40
60 days	add \$120	add \$60
90 days	add \$220	add \$90

(All additional fees are added to the original ticket amount. Proposed maximum charge for a \$10 ticket after 90 days of non-payment would be \$100 verses \$225 in the current system.)

City Council and City Manager Authority per City Code According to the enclosed City Code Chapter 21 Motor and Traffic Vehicles, Code Provision 21-32 and 21-33 gives broad authority to the City Manager to regulate and manage parking throughout the downtown area. Specifically, Section 21-33 Designation of Parking Zones and Controls (a) states the following:

“The city manager may designate the areas where parking is permitted, may set time limits within such areas, and rates to be charged in any metered parking zones or lots, metered or unmetered, within the maximum limits set by the city council. The city manager may also determine in what areas meters are to be used or removed.”

It is notable that the City Manager can only set rates that are within *“the maximum limits set by city council.”* At this point, City Council has not set the maximum limits for parking rates.

Additionally, enclosed Section 21-37, Establishment of Fines states the following:

“The city council may, from time to time, by resolution, set fines for violating any provisions contained in this article.”

Taking these two code provisions into account, City Council will need to set maximum rate limits for downtown parking as well as set parking fines as addressed in #2 of the DMB's recommendations.

Past/Current Use of Parking Revenues Over the years, parking revenues have assisted in paying for a wide variety of downtown improvements and enhancements such as:

- Purchase of land for Phase II Greenway Corridor that was recently completed;
- Partnering with the City, the DMB earmarked funds to pay for half the costs of the downtown bathroom improvement project;
- Wayfinding signs;
- Street and landscape improvements;
- Parking lot improvements and maintenance on parking meters; and
- Sidewalk snow removal.

In 2019, the DMB budgeted for new street parking meters that will accept credit cards or coinage, parking lot landscaping and irrigation and a new snow blower for downtown sidewalks. All these improvements will be paid for using parking revenues.

Additional Parking Revenues Used to Expand Parking Inventory If the City Council and City Manager were to raise parking fees and fines, there is the question as to what the additional revenues will be earmarked for. The DMB continues to be interested in building a parking structure in the downtown area and state the lion's share of additional revenues will go towards funding a parking structure.

The proposed increase in parking meter fees and other rate hikes, although difficult to quantify, would substantially increase parking revenues for the DMB. The DMB believes that there is a critical need to increase parking inventory in the downtown area to better serve residents and visitors in the summer months. To this end, the DMB would like to pursue some sort of covered parking structure and in 2019 has budgeted \$150,000 for design and engineering costs for a parking structure at Lake and Division Streets. Additional parking revenues could be used to pay for debt service on a parking deck or could minimize the amount of debt service required. Although Emmet County has not formally committed to building a structure at this location, there appears to be some interest in pursuing the project in the near future. There is also potential for increasing the parking inventory at the Darling Lot or 200 East Lake Street.

Need for Additional Parking According to past parking studies there is a need to increase parking spaces in the downtown area. A Walker Parking Study and the Downtown Strategic Plan highlighted the need for additional parking spaces in the downtown area. According to national parking standards for downtown areas, an ideal parking ratio is between 2.75 and 3 parking spaces per 1,000 s.f. of commercial space. The current ratio in the downtown area is 1.8 spaces per 1,000 s.f. of commercial space. Overall, Walker Parking Consultants concluded there is a need for an additional 187 parking spaces in the downtown area.

A covered parking structure could also spur additional investment in developing more residential units on second and third floors of downtown structures. Anecdotally, developers have stated that a lack of covered parking is one of the biggest impediments to increasing residential units in our downtown area.

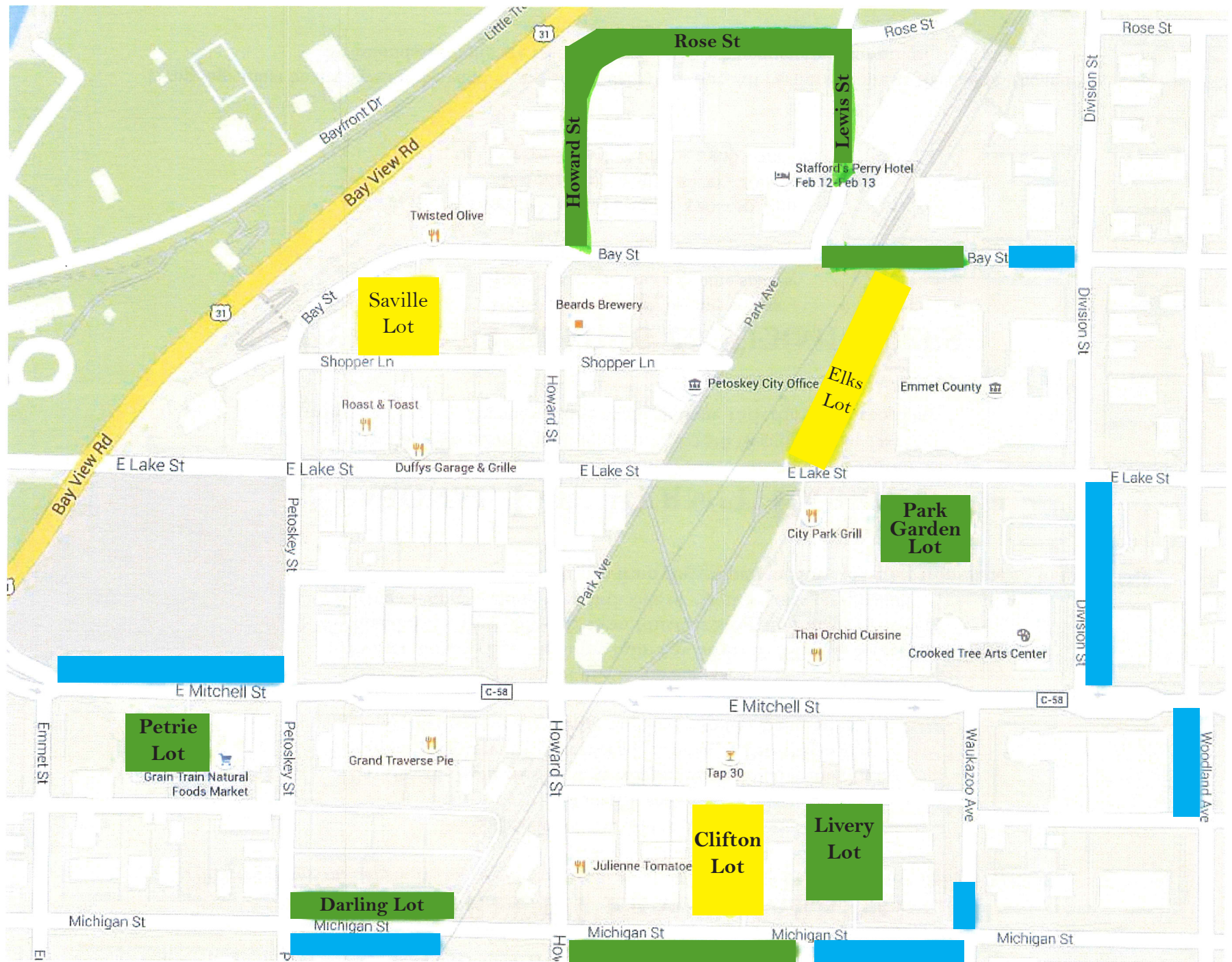
Included in the agenda item is a two-page summary written by Board Chair Reg Smith titled "Managing Parking Benefits for All."

Action Staff is looking for input from City Council on the six aforementioned revisions to parking fees, fines and enforcement hours being recommended by the DMB.

As this is the first discussion on possibly increasing downtown parking fees, staff recommends no official action at this point. To allow for further public input and feedback on the fees, City staff would like to use our website to solicit further comments on the proposed changes. Further discussions will continue with possible approval by City Council/City Manager at the December 17 City Council meeting.

rs

Enclosures



Yellow Permit - Valid in all permit areas
PROPOSED - \$120

Green Permit - Valid in green & blue permit areas
PROPOSED - \$60

Blue Permit - Valid in blue permit areas only
PROPOSED - \$30

attended or not, otherwise than when obeying traffic signals or regulations, or temporarily for the purpose of, and while actually engaged in, loading or unloading passengers, or making necessary repairs.

Parking lot. Parking lot shall mean any space, not a street or a highway, designated for parking vehicles. It includes publicly or privately owned, leased or operated spaces.

Parking meter. Parking meter shall mean a mechanical device activated by U.S. government-issued coins or city-issued tokens that indicates the length of time during which a vehicle may be parked in a particular space and displays a violation signal, which shall constitute prima facie evidence that a violation occurred.

Parking meter feeding. Meter feeding shall mean depositing, or causing to be deposited, in a parking meter a coin or token or numbers of coins or tokens with the effect of causing the parking meter to indicate a permitted parking time beyond the parking meter's posted time limit.

Residential property. Residential property shall mean any real property within a residential district, as such districts are defined in the zoning ordinance for the city, including any lot, parcel or part of a lot on which there is actually existing a structure used primarily as a residence by one or more families or living units. It includes property used primarily as a residence, even though a home occupation exists on the premises. It does not include property in a residential district used primarily for commercial or other purposes such as a grocery store or church.

Sign message. Sign message shall mean the text displayed or a symbol depicted on any posted notice that designates or restricts the use of parking spaces, parking lots and rights-of-way.

Vehicle. Vehicle shall mean that which is defined in the Uniform Traffic Code for Cities, Townships and Villages of Michigan, as pub-

lished and amended from time to time by authority of the Michigan Department of State Police. (Ord. No. 677, § 1(21-31), 6-5-2000)

Sec. 21-32. General supervision.

All provisions contained in this article shall be under the general supervision and control of the city manager, or the city manager's designee. (Ord. No. 677, § 1(21-32), 6-5-2000)

Sec. 21-33. Designation of parking zones and controls.

(a) The city manager may designate the areas where parking is permitted, may set time limits within such areas, and rates to be charged in any metered parking zones or lots, metered or unmetered, within the maximum limits set by the city council. The city manager may also determine in what areas meters are to be used or removed.

(b) When the city manager designates parking areas, the city manager shall consider the general public health, welfare, and safety; the need for safely expediting through-traffic; the maximum use of available on-street and off-street parking areas; and the need to place parking meters in appropriate areas where the meters will serve to regulate and control the parking and also provide revenue for the operation and improvement of the parking system.

(c) The city manager is to recommend meter rates so as to encourage turnover of parking in those areas where rapid turnover is desired and likewise to encourage long-term parking, possibly at a lower rate, in those areas where long-term parking is desired and is to set rates for permits in city-owned lots, when such permits are deemed desirable to provide parking controls in such lots, and to help defray the cost of policing and maintaining such lots.

(d) The city manager may designate the areas where permit only parking is allowed. Areas designated as permit only parking shall be available to only those vehicles displaying a city-approved form of "permit parking only" display. (Ord. No. 677, § 1(21-33), 6-5-2000; Ord. No. 731, § 1, 10-15-2012)

Sec. 21-34. Civil infraction violations.

It shall be unlawful for any owner or operator of any vehicle to violate the following, which shall be, and hereby are, designated as civil infractions:

- (1) Disobeying any sign message;
- (2) Parking in any designated fire lane;
- (3) Obstructing any fire station entrance;
- (4) Blocking any building exit;
- (5) Blocking any fire escape;
- (6) Parking within 15 feet of any fire hydrant;
- (7) Failing to park within individually marked parking spaces;
- (8) Parking too far from any curb;
- (9) Obstructing traffic;
- (10) Parking in any designated loading zone;
- (11) Parking in an area designated as a bus stop or taxi stand;
- (12) Parking in, over or upon any sidewalk, curb lawn or parkway, unless otherwise permitted by the city;
- (13) Obstructing pedestrian traffic on sidewalk;
- (14) ~~Blocking any sidewalk;~~
- (15) Blocking any driveway;
- (16) Blocking any alley;
- (17) Blocking any crosswalk;
- (18) Parking within any intersection;
- (19) Parking within 15 feet of any intersection that is not exclusively controlled by electronic signals;
- (20) Parking within 30 feet of any intersection that is controlled by electronic signals;
- (21) Obstructing any railroad track;
- (22) Double parking;
- (23) Parking with left-side wheels to curb on any two-way street;
- (24) Parking on, driving over, or straddling any curb;
- (25) Parking or placing a vehicle in designated handicap spaces without displaying proper authorization to do so;
- (26) Parking in any space not designated for parking;
- (27) Parking in excess of three hours in residential district in front of, beside, or behind residential property, upon respective residential property owner's complaint, unless such time limit is modified by the city;
- (28) Parking on private property without respective private property owner's consent;
- (29) Parking or displaying a vehicle for the principal purpose of advertising it for sale within any street, alley or right-of-way, including sidewalks, and curb lawns and parkways;
- (30) Repairing any vehicle upon any street, alley or right-of-way, including sidewalks, curb lawns and parkways;
- (31) Selling merchandise from any vehicle upon a street, alley or right-of-way, including sidewalks, curb lawns and parkways;

- (32) Storing, parking or placing any vehicle in excess of 48 consecutive hours, subject to, however, the prohibition of parking or placement of certain vehicles and devices in excess of three hours;
 - (33) Connecting, or permitting the connection of, any motor vehicle, vehicle or device to water, sewer or electric utilities, on-going habitation in any motor vehicle, vehicle or device in any alley, street or right-of-way, including sidewalks, curb lawns and parkways;
 - (34) Parking in any nonmetered, city-owned or city-operated parking lot without a required permit;
 - (35) Parking in any metered space without depositing required coins or tokens in the parking meter;
 - (36) Parking in excess of the maximum time limit in metered spaces;
 - (37) Meter feeding;
 - (38) Parking in excess of any posted time limit in nonmetered spaces;
 - (39) Failing to pay a civil fine for any parking meter violation up to 48 hours;
 - (40) Failing to pay a civil fine for any parking meter violation up to 72 hours;
 - (41) Upon a person's failure to pay a civil fine for any civil infraction violation committed as proscribed herein, within 72 hours, and having received notice of such violation, said person shall be responsible for:
 - (a) An additional civil fine upon receipt of a second notice of such violation.
 - (b) An additional civil fine upon receipt of a third notice of such violation.
 - (c) An additional civil fine upon receipt of a fourth notice of such violation.
- (Ord. No. 677, § 1(21-34), 6-5-2000)

Sec. 21-35. Notice of violation.

The issuance of a traffic ticket or notice of violation shall be deemed an allegation of a parking violation. Such traffic ticket or notice of violation shall indicate the time limit in which the person to whom the same was issued must respond. It shall also indicate the address of where the person shall respond, the hours during which the person shall respond, the amount of the penalty scheduled for the offense for which the ticket was issued and advise that a warrant for the arrest of the person to whom the ticket was issued will be sought if such person fails to respond within the time limit.
(Ord. No. 677, § 1(21-35), 6-5-2000)

Sec. 21-36. Evidentiary presumption.

In any proceeding for a violation of this division relating to the standing or parking of a vehicle, proof that the particular vehicle described in the traffic ticket or notice of violation was parked in violation of said division, together with proof that the person, corporation, partnership or company named in the traffic ticket or notice of violation was, at the time of such parking, the registered owner of such vehicle, shall constitute in evidence a presumption that the registered owner of such vehicle was the person, corporation, partnership or company who parked or placed such vehicle at the point where, and for the time during which, such violation occurred.
(Ord. No. 677, § 1(21-36), 6-5-2000)

Sec. 21-37. Establishment of fines.

The city council may, from time to time, by resolution, set fines for violating any provision contained in this article.
(Ord. No. 677, § 1(21-37), 6-5-2000)

Sec. 21-38. Parking, etc., in excess of three hours.

(1) *Prohibited vehicles and devices.* It shall be unlawful for any person to park or otherwise place the following vehicles and devices in or

Managed Parking Benefits all

The Downtown Management Board is working to update our plan for managing public parking in the central business district in Petoskey. We welcome the opportunity to communicate our purpose, vision and goals for this effort.

Our mission is to provide convenient, affordable, parking for customers in the core of the central business district; and parking for employees, owners and residents in the periphery of the central business district. Our job is challenging due to the deficit of 100 to 200 parking spaces available to meet current demand at various times of the year. Petoskey is thriving and, thus, the demand for public parking is growing.

Our vision has been consistent for decades and that vision is to grow the inventory of available parking in the Central Business District. The DMB realizes that this growth will only happen through collaboration with public and private entities. Development at 200 E. Lake Street that includes a public parking component is a critical piece of this vision.

Managed parking provides more than simply a place to park one's car in front of a favorite store in the middle of a summer afternoon. Over the years parking revenues have helped pay for downtown enhancements such as the Greenway rail corridor right of way purchase, way finding signage, streetscape and landscaping improvements, and most recently proposed restroom facility upgrades in Pennsylvania Park. Parking revenues also cover ongoing costs for sidewalk snow removal in downtown, parking lot snow removal, maintenance and landscaping, and of course repairs and maintenance of parking meters

So what may seem to some like a yearly windfall in revenue, is also money used to make a positive impact on the downtown experience for all. Because meter rates and fines have not changed in at least 15 years, the revenue collected, although it covers current expenses, is not accumulating at a rate fast enough to grow a reserve toward the funding of future parking inventory. The costs of repairs, maintenance and new construction have simply outpaced any growth in revenue.

The reality of managing our parking inventory, where supply is short is not a perfect science. In fact "success", in many respects will be that nobody is completely satisfied with our policies and practices because everybody must, at times, yield to another interest. With our mission in mind the board sets the highest rates for the most convenient parking areas on downtown streets and parking lots surrounded by retail establishments. This practice is to facilitate "turnover" of the most convenient parking spaces. Establishing this three hour maximum is critical for maintaining a viable downtown shopping destination.

Compliance is encouraged by setting meter rates that consumers will pay as part of their downtown experience, while avoiding a more costly violation for not paying a meter or occupying a space for more than three hours. Success has been described by many experts as an 85% occupied inventory during business hours, or one or two open spaces in a block. The Downtown Management Board has long favored a visitor friendly approach which is to issue a no charge courtesy reminder to vehicles upon the first violation. In fact over one half of our citations are courtesy notices. Conversely, vehicles that receive frequent violations are classified as "chronic" and are subject to greater fines and penalties. Available parking further from the core of downtown is metered at lower rates and allows for "all day"

parking for employees and owners of downtown businesses. It is noteworthy that parking meter rates and fines in Petoskey have not changed in over 15 years. Late fees and collection penalties have increased as a means of discouraging chronic violations.

The growing trend for downtown apartments and condominiums in Petoskey has created even more demand for parking. City of Petoskey officials have embraced a **Redevelopment Ready** approach for 200 East Lake and the large Michigan Street Darling lot. We believe that some form of covered and/or decked parking will happen at either of these locations or in cooperation with Emmet County at the corner of Division and Lake Streets in the next few years. This could provide a number of sheltered spaces to best meet this demand for downtown residents.

With all of the above factors taken into account, the DMB is initializing an increase in meter rates that would take effect in the spring of 2019. The Board will also expand meter enforcement hours to 8:00 PM in the Central Business District so that parking will turnover for businesses open at night. Finally, updated meters and parking stations that accept credit cards will be purchased providing a more convenient form for all users to pay for managed parking.

The Downtown Management Board is made up of individuals who earn their living in *retail, restaurant, hospitality and professional offices* in Downtown Petoskey. The DMB realizes that increasing fees and fines is not a popular decision, but this strategy is required in order to fund the collective interest in maintaining our downtown as one of the most vibrant “up north” destinations in our state.

Sincerely,

S. Reginald Smith, DMB Chairmen



City of Petoskey

Agenda Memo

BOARD: City Council

MEETING DATE: December 3, 2018

PREPARED: November 29, 2018

AGENDA SUBJECT: City Council 2019 Meeting Schedule Resolution

RECOMMENDATION: That the City Council adopt this proposed resolution

Requirement Several times each year, the City Council has cancelled and/or rescheduled routine first and third meetings of the month to avoid conflicts with various holidays. Enclosed is a proposed resolution that would set the 2019 regular meeting schedule of the City Council that would avoid the necessity for cancellations or rescheduled meetings and that would also serve to make the public aware well in advance of meeting dates.

Action In years past, conflicted meeting dates have been canceled completely or have been rescheduled as is proposed in the enclosed resolution that lists specific meeting dates for 2019 City Council meetings. The City Council will be asked to adopt this proposed resolution, although the City Council might wish to schedule its meetings differently than the resolution has provided (the City staff has no preference).

sb
Enclosure



City of Petoskey

Resolution

WHEREAS, Section 4.4 of the City Charter governing City Council meetings requires the City Council to meet regularly, preferably in the City Council Chambers in the City Hall, on the first and third Mondays of each month; and

WHEREAS, due to the holidays certain scheduling conflicts preclude the City Council from holding meetings on the first and third Mondays of each month; and

WHEREAS, the City Council desires to establish a regular meeting schedule in accordance with the requirements of Section 4.4 of the City Charter for the 2019 calendar year:

NOW, THEREFORE, BE IT RESOLVED that the City Council shall hold its regular meetings in the City Council Chambers in the City Hall on the following dates in 2019:

Monday, January 7
Monday, January 21
Monday, February 4
Monday, February 18
Monday, March 4
Monday, March 18
Monday, April 1 (No Meeting)
Monday, April 15
Monday, May 6
Monday, May 20
Monday, June 3
Monday, June 17
Monday, July 1
Monday, July 15
Monday, August 5
Monday, August 19
Monday, September 2 (No Meeting)
Monday, September 16
Monday, October 7
Monday, October 21
Monday, November 4
Monday, November 18
Monday, December 2
Monday, December 16