



CITY COUNCIL

November 4, 2019

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. Consent Agenda – Adoption of a proposed resolution that would confirm approval of the following:
 - (a) October 21, 2019 regular session City Council meeting minutes
 - (b) Acknowledge receipt of a report concerning certain administrative transactions since October 21, 2019
5. Miscellaneous Public Comments
6. City Manager Updates
7. New Business
 - (a) Adoption of a proposed resolution that would confirm acceptance of a recommended special-assessment roll that would spread costs of programs and services as requested by the City's Downtown Management Board and that would schedule a November 18 public hearing to receive comments concerning these proposed special assessments
 - (b) Consideration to approve a Schematic Shoreline Design Assessment from W.F. Baird Associates, Madison, Wisconsin, to develop a more comprehensive approach to shoreline erosion
 - (c) Presentation of the City's recommended 2020 Annual Budget and adoption of a resolution that would schedule a November 18 public hearing to receive comments concerning the proposed budget and property-tax-millage rates that have been recommended for fiscal year 2020
8. Closed Session – Adoption of a proposed resolution that would authorize to recess to a closed session, pursuant to Section 8(a) of the Michigan Open Meetings Act, to consider a periodic personnel evaluation of the City Manager
9. City Council Comments
10. Adjournment



City of Petoskey

Agenda Memo

BOARD: City Council

MEETING DATE: November 4, 2019

PREPARED: October 31, 2019

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 October 21, 2019 regular session City Council meetings; and
- (2) Acknowledge receipt of a report from the City Manager concerning all checks that have been issued since October 21, 2019 for contract and vendor claims at \$524,811.33, intergovernmental claims at \$16,305.60, and the October 31 payroll at \$203,851.54 for a total of \$744,968.47.

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Enclosures



CITY COUNCIL

October 21, 2019

A regular meeting of the City of Petoskey City Council was held in the City Hall Council Chambers, Petoskey, Michigan, on Monday, October 21, 2019. 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
Suzanne Shumway, City Councilmember
Lindsey Walker, City Councilmember

Absent: Grant Dittmar, City Councilmember

Also in attendance were Clerk-Treasurer Alan Terry, Executive Assistant Sarah Bek and Downtown Director Becky Goodman.

Hear Pregnancy and Infant Loss Awareness Proclamation

Mayor Murphy read the following proclamation:

WHEREAS, many Petoskey parents and families have suffered a miscarriage, a stillbirth or the death of an infant during delivery or shortly after birth; and

WHEREAS, the City of Petoskey wishes to acknowledge the profound grief experienced by families who suffer the loss of their child; and

WHEREAS, the existence of all of our children deserves to be acknowledged, recognized and valued always; and

WHEREAS, the City of Petoskey would like to encourage support and understanding in our community by honoring these children, acknowledging their families, and the community surrounding them:

NOW, THEREFORE BE IT RESOLVED, that I, John Murphy, Mayor of the City of Petoskey, do hereby approve this proclamation to bring awareness to the issue of Pregnancy and Infant Loss in the City of Petoskey.

Conduct Public Hearing and Approve Special-Assessment Downtown Programs & Services – Resolution No. 19334

A public hearing was held to receive comments on the proposed programs and services. The Downtown Director gave a brief presentation on the background and history of the program; how it is used as a tool; that assessments are used instead of a TIF or in association with TIF; reviewed purposes of assessments and what they are used for; reviewed goals of the DMB which is to increase number of events and quality, enhance image marketing campaign and expand beautification projects; that there have been very few increases and the cost of doing business continues to increase; that the DMB calculated the Consumer Price Index (CPI) to arrive at the 2020 increase request; reviewed basic functions for merchants; and that staff will explore a 3-year plan for future review.

City Councilmembers inquired if the increase in parking rates have helped revenue; inquired on business retention programs; and commented that budgeted revenue is always higher than actually raised and if the DMB could get closer to actual amount. The Downtown Director responded that it is too early to tell and increase in parking rates is not affecting programs and services since revenue remains in the Parking Fund; the Director arrived in 2005 when the assessment was \$0.10/square foot; that retention programs include Wakeup Downtown, various speakers on topics such as social media and storefront interiors/decorating; and that sponsorships aren't received as much as anticipated causing the budget revenues to not align with actual revenues.

The Mayor opened the public hearing at 7:15 P.M.

Cynthia Linn Robson, 606 Grove Street, inquired on the downtown lighting project and commented that snow removal and facades should not be taken out of the Parking Fund and that parking revenues should go towards more parking and not other services.

The Downtown Director responded that comments have been made that downtown is too dark and exploration might include extending holiday lighting, lighting alleys, parks and street trees with a nice ambiance and that the dark sky park will be considered; and that in 2015 the DMB decided to take snow removal and facades out of the Parking Fund and that clearing of parking lots have never been funded by the Programs and Services Fund.

The public hearing was closed at 7:18 P.M.

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

WHEREAS, at its meeting of October 7, 2019, the City Council reviewed a report by the City Manager dated September 23, 2019, as required of City Code provisions, that listed proposed programs and services to be provided to property owners and tenants within the Downtown Management Board's territory during 2020 and a proposed roll of special assessments to be spread against properties within the Management Board's district at an increased rate compared to the 2019 formula, as a means of financing such proposed programs and services; and

WHEREAS, following its review of that September 23 report, the City Council scheduled a public hearing for 7:00 P.M., Monday, October 21, 2019, as required of City Code provisions, to receive comments concerning proposed Downtown Management Board programs and services; and

WHEREAS, the City Council now has conducted this October 21 public hearing to receive comments concerning proposed programs and services as recommended by the Downtown Management Board:

NOW, THEREFORE, BE IT RESOLVED that the City Council does and hereby approves proposed programs and services as recommended by the Downtown Management Board and costs as estimated by the Management Board to be assessed eligible property owners within the boundaries of the proposed assessment district at an increased rate compared to the 2019 formula that are coterminous to those of the Management Board's territory; and

BE IT FURTHER RESOLVED that the City staff be and is hereby directed to prepare a special-assessment roll in accordance with the City Council's determination and to provide such a roll with the recommended formula rate for the City Council's review at its regular meeting of November 4, 2019.

Said resolution was adopted by the following vote:

AYES: Marshall, Shumway, Walker, Murphy (4)

NAYS: None (0)

Consent Agenda - Resolution No. 19335

Following introduction of the consent agenda for this meeting of October 21, 2019, City Councilmember Marshall moved that, seconded by City Councilmember Shumway adoption of the following resolution:

BE IT RESOLVED that the City Council does and hereby confirms that the draft minutes of the October 7, 2019 regular session and October 14, 2019 special session City Council meetings 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 October 7, for contract and vendor claims at \$2,169,959.62, intergovernmental claims at \$870,569.10, and the October 17 payroll at \$210,581.44, for a total of \$3,251,110.16 be and is hereby acknowledged.

Said resolution was adopted by the following vote:

AYES: Marshall, Shumway, Walker, Murphy (4)

NAYS: None (0)

Hear Public Comment

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

Hear City Manager Updates

The Clerk-Treasurer reported that the downtown street paving as part of the highway project detour was complete and striping would be completed dependent on weather conditions; that West Lake Street will be milled and repaved beginning Wednesday and completed by the end of the week weather permitting; and that the Planning Commission reviewed the proposed Kalamazoo Street project last week and set up an ad hoc committee to review further.

City Councilmembers inquired if MDOT was paying for the downtown street paving project and that no City funds were being used and if the bike path near waterfront was replaced for safety or cosmetic reasons.

The Clerk-Treasurer responded that the downtown paving project was due to the detour as part of the highway project and MDOT is fixing and that the bike path was reconstructed due to erosion and for safety reasons.

Building Authority Board of Commissioners Appointments – Resolution No. 19336

Mayor Murphy reviewed that City Council consider possible reappointments to the Building Authority Board of Commissioners.

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

BE IT RESOLVED that the City Council does and hereby approves the reappointment of Robert Englebrecht, City Assessor, and Alan Terry, Clerk-Treasurer, to the Building Authority Board of Commissioners, both for three-year terms ending July 2022.

Said resolution was adopted by the following vote:

AYES: Marshall, Shumway, Walker, Murphy (4)

NAYS: None (0)

Hear Video Highlighting the City's Efforts to Transition to Clean Energy Sources

Mayor Murphy reviewed that the video highlights the City's efforts to transition to clean energy sources as part of the CS Mott Foundation grant in collaboration with the Petoskey Harbor Springs Area Community Foundation.

Council Comments

Mayor Murphy asked for Council comments and Councilmember Marshall reported that she received a letter from a downstate attorney stating she defamed Mr. Bob Berg's character, owner of 200 East Lake Street. Councilmember Marshall shared her statement with the audience regarding the defamation claim citing items stated in the letter. City Councilmember Shumway and Walker and Mayor Murphy offered their support to Councilmember Marshall.

There being no further business to come before the City Council, this October 21, 2019, meeting of the City Council adjourned at 7:35 P.M.

John Murphy, Mayor

Sarah Bek, Recording Clerk

GL Period	Check Issue Date	Check Number	Payee	Invoice GL Account	Check Amount
10/19	10/28/2019	82717	Oelke, Linda	271-790-802.000	120.00- V
10/19	10/25/2019	86729	Denny Green's Tennis Shop	101-770-985.000	216.00- V
10/19	10/23/2019	86795	Airgas USA LLC	661-598-785.000	26.35
10/19	10/23/2019	86795	Airgas USA LLC	661-598-785.000	53.40
10/19	10/23/2019	86796	Alliance Beverage Distributing	248-540-882.160	232.05
10/19	10/23/2019	86797	Alro Steel Corporation	202-475-775.000	268.63
10/19	10/23/2019	86797	Alro Steel Corporation	203-475-775.000	268.63
10/19	10/23/2019	86798	Amazon Credit Plan	101-228-775.000	30.46
10/19	10/23/2019	86799	AT&T	592-538-850.000	212.45
10/19	10/23/2019	86800	AT&T LONG DISTANCE	101-345-850.000	32.04
10/19	10/23/2019	86801	Bell Equipment Company	661-598-931.000	106.09
10/19	10/23/2019	86802	Benchmark Engineering Inc.	582-593-802.000	1,906.50
10/19	10/23/2019	86802	Benchmark Engineering Inc.	592-549-802.000	1,906.50
10/19	10/23/2019	86802	Benchmark Engineering Inc.	592-560-802.000	1,906.50
10/19	10/23/2019	86802	Benchmark Engineering Inc.	204-481-802.000	1,906.50
10/19	10/23/2019	86803	Blue Care Network	101-172-724.000	1,171.68
10/19	10/23/2019	86803	Blue Care Network	101-201-724.000	1,033.84
10/19	10/23/2019	86803	Blue Care Network	101-208-724.000	516.92
10/19	10/23/2019	86803	Blue Care Network	101-215-724.000	344.61
10/19	10/23/2019	86803	Blue Care Network	101-265-724.000	310.15
10/19	10/23/2019	86803	Blue Care Network	101-268-724.000	361.84
10/19	10/23/2019	86803	Blue Care Network	101-345-724.000	11,854.69
10/19	10/23/2019	86803	Blue Care Network	101-400-724.000	551.38
10/19	10/23/2019	86803	Blue Care Network	101-441-724.000	1,447.38
10/19	10/23/2019	86803	Blue Care Network	101-754-724.000	465.23
10/19	10/23/2019	86803	Blue Care Network	101-756-724.000	1,275.07
10/19	10/23/2019	86803	Blue Care Network	101-770-724.000	2,239.98
10/19	10/23/2019	86803	Blue Care Network	101-773-724.000	351.50
10/19	10/23/2019	86803	Blue Care Network	101-789-724.000	716.79
10/19	10/23/2019	86803	Blue Care Network	271-790-724.000	2,205.52
10/19	10/23/2019	86803	Blue Care Network	514-587-724.000	344.61
10/19	10/23/2019	86803	Blue Care Network	582-588-724.000	3,583.97
10/19	10/23/2019	86803	Blue Care Network	592-549-724.000	2,929.21
10/19	10/23/2019	86803	Blue Care Network	592-560-724.000	1,033.84
10/19	10/23/2019	86804	BLUE CROSS\BLUE SHIELD - MICH.	101-201-724.000	2,906.30
10/19	10/23/2019	86804	BLUE CROSS\BLUE SHIELD - MICH.	101-208-724.000	181.64
10/19	10/23/2019	86804	BLUE CROSS\BLUE SHIELD - MICH.	101-265-724.000	155.21
10/19	10/23/2019	86804	BLUE CROSS\BLUE SHIELD - MICH.	101-268-724.000	620.85
10/19	10/23/2019	86804	BLUE CROSS\BLUE SHIELD - MICH.	101-345-724.000	3,073.20
10/19	10/23/2019	86804	BLUE CROSS\BLUE SHIELD - MICH.	101-441-724.000	1,453.15
10/19	10/23/2019	86804	BLUE CROSS\BLUE SHIELD - MICH.	204-481-724.000	2,688.33
10/19	10/23/2019	86804	BLUE CROSS\BLUE SHIELD - MICH.	271-790-724.000	1,980.09
10/19	10/23/2019	86804	BLUE CROSS\BLUE SHIELD - MICH.	592-549-724.000	1,271.51
10/19	10/23/2019	86804	BLUE CROSS\BLUE SHIELD - MICH.	592-560-724.000	363.29
10/19	10/23/2019	86805	Bobcat of Lansing	661-598-931.000	64.34
10/19	10/23/2019	86806	Border States Industries Inc.	582-010-111.000	1,083.09
10/19	10/23/2019	86807	Bowen, William	101-345-915.000	40.00
10/19	10/23/2019	86808	Brakes By The Bay	514-587-802.200	95.60
10/19	10/23/2019	86809	Colors By Sherri	101-345-775.000	466.31
10/19	10/23/2019	86810	Consumers Energy	592-558-920.000	278.82
10/19	10/23/2019	86810	Consumers Energy	592-558-920.000	106.46
10/19	10/23/2019	86810	Consumers Energy	592-558-920.000	39.27
10/19	10/23/2019	86810	Consumers Energy	592-558-920.000	70.46
10/19	10/23/2019	86810	Consumers Energy	592-558-920.000	81.35
10/19	10/23/2019	86810	Consumers Energy	592-558-920.000	74.06
10/19	10/23/2019	86810	Consumers Energy	592-558-920.000	54.19

GL Period	Check Issue Date	Check Number	Payee	Invoice GL Account	Check Amount
10/19	10/23/2019	86810	Consumers Energy	592-558-920.000	36.72
10/19	10/23/2019	86810	Consumers Energy	202-475-920.000	87.12
10/19	10/23/2019	86810	Consumers Energy	592-558-920.000	358.01
10/19	10/23/2019	86810	Consumers Energy	592-538-920.000	8,032.31
10/19	10/23/2019	86811	David L Hoffman Landscaping & Nursery	204-470-802.000	2,000.00
10/19	10/23/2019	86811	David L Hoffman Landscaping & Nursery	202-451-802.000	1,704.00
10/19	10/23/2019	86811	David L Hoffman Landscaping & Nursery	582-586-802.000	209.00
10/19	10/23/2019	86812	Dearborn Life Insurance Co	701-000-230.190	1,850.82
10/19	10/23/2019	86812	Dearborn Life Insurance Co	101-172-724.000	19.16
10/19	10/23/2019	86812	Dearborn Life Insurance Co	101-201-724.000	44.89
10/19	10/23/2019	86812	Dearborn Life Insurance Co	101-208-724.000	19.16
10/19	10/23/2019	86812	Dearborn Life Insurance Co	101-215-724.000	21.35
10/19	10/23/2019	86812	Dearborn Life Insurance Co	101-265-724.000	4.79
10/19	10/23/2019	86812	Dearborn Life Insurance Co	101-268-724.000	11.98
10/19	10/23/2019	86812	Dearborn Life Insurance Co	101-345-724.000	430.87
10/19	10/23/2019	86812	Dearborn Life Insurance Co	101-400-724.000	11.50
10/19	10/23/2019	86812	Dearborn Life Insurance Co	101-441-724.000	32.57
10/19	10/23/2019	86812	Dearborn Life Insurance Co	101-754-724.000	5.27
10/19	10/23/2019	86812	Dearborn Life Insurance Co	101-756-724.000	16.29
10/19	10/23/2019	86812	Dearborn Life Insurance Co	101-770-724.000	35.45
10/19	10/23/2019	86812	Dearborn Life Insurance Co	101-773-724.000	5.75
10/19	10/23/2019	86812	Dearborn Life Insurance Co	101-789-724.000	10.54
10/19	10/23/2019	86812	Dearborn Life Insurance Co	204-481-724.000	66.24
10/19	10/23/2019	86812	Dearborn Life Insurance Co	271-790-724.000	69.25
10/19	10/23/2019	86812	Dearborn Life Insurance Co	514-587-724.000	13.61
10/19	10/23/2019	86812	Dearborn Life Insurance Co	582-588-724.000	54.13
10/19	10/23/2019	86812	Dearborn Life Insurance Co	592-549-724.000	59.67
10/19	10/23/2019	86812	Dearborn Life Insurance Co	592-560-724.000	19.16
10/19	10/23/2019	86813	Dell Marketing L.P.	101-345-775.000	2,371.05
10/19	10/23/2019	86814	Derrer Oil Co.	661-598-759.000	1,756.13
10/19	10/23/2019	86815	Dinges Fire Company	661-020-142.000	10,365.23
10/19	10/23/2019	86815	Dinges Fire Company	101-345-775.000	83.26
10/19	10/23/2019	86816	Dunn's Business Solutions	101-268-775.000	85.54
10/19	10/23/2019	86817	Emmet County Treasurer	703-040-222.219	5,188.15
10/19	10/23/2019	86817	Emmet County Treasurer	703-040-228.219	6,035.24
10/19	10/23/2019	86817	Emmet County Treasurer	703-040-233.000	50.63
10/19	10/23/2019	86817	Emmet County Treasurer	703-040-233.000	58.89
10/19	10/23/2019	86818	Fastenal Company	101-770-775.000	97.50-
10/19	10/23/2019	86818	Fastenal Company	582-590-775.000	50.64
10/19	10/23/2019	86818	Fastenal Company	202-475-775.000	54.02
10/19	10/23/2019	86818	Fastenal Company	203-475-775.000	54.02
10/19	10/23/2019	86818	Fastenal Company	661-598-785.000	14.11
10/19	10/23/2019	86818	Fastenal Company	661-598-931.000	180.50
10/19	10/23/2019	86819	Ferguson Enterprises LLC #2000	592-554-775.000	1.00
10/19	10/23/2019	86820	Fettig's Landscaping Inc.	101-770-802.000	2,590.30
10/19	10/23/2019	86821	Gempler's	101-754-775.000	189.67-
10/19	10/23/2019	86821	Gempler's	202-475-775.000	30.65
10/19	10/23/2019	86821	Gempler's	203-475-775.000	30.65
10/19	10/23/2019	86821	Gempler's	592-545-775.000	30.66
10/19	10/23/2019	86821	Gempler's	202-475-775.000	32.57
10/19	10/23/2019	86821	Gempler's	203-475-775.000	32.57
10/19	10/23/2019	86821	Gempler's	592-545-775.000	32.57
10/19	10/23/2019	86822	Grand Traverse Mobile Communications	101-345-775.000	734.44
10/19	10/23/2019	86822	Grand Traverse Mobile Communications	101-345-985.000	3,158.72
10/19	10/23/2019	86822	Grand Traverse Mobile Communications	101-345-775.000	1,836.60
10/19	10/23/2019	86823	Great Lakes Energy	592-538-920.000	50.63

GL Period	Check Issue Date	Check Number	Payee	Invoice GL Account	Check Amount
10/19	10/23/2019	86823	Great Lakes Energy	592-558-920.000	60.45
10/19	10/23/2019	86823	Great Lakes Energy	101-345-920.100	361.89
10/19	10/23/2019	86823	Great Lakes Energy	592-538-920.000	76.23
10/19	10/23/2019	86823	Great Lakes Energy	592-558-920.000	88.94
10/19	10/23/2019	86824	GRP Engineering Inc.	582-588-802.000	1,155.00
10/19	10/23/2019	86824	GRP Engineering Inc.	582-588-802.000	1,002.00
10/19	10/23/2019	86825	Harbor Springs Excavating	204-010-111.000	1,419.00
10/19	10/23/2019	86826	Haviland Products Company	592-551-783.000	4,704.00
10/19	10/23/2019	86826	Haviland Products Company	592-551-783.000	2,352.00
10/19	10/23/2019	86827	Hyde Services LLC	661-598-931.000	51.72
10/19	10/23/2019	86827	Hyde Services LLC	661-020-140.000	5,339.00
10/19	10/23/2019	86828	ICMA	101-172-915.000	1,064.76
10/19	10/23/2019	86829	Infogeographics	592-549-802.000	2,550.00
10/19	10/23/2019	86830	K & J Septic Service LLC	101-770-802.000	320.00
10/19	10/23/2019	86830	K & J Septic Service LLC	101-770-802.000	130.00
10/19	10/23/2019	86830	K & J Septic Service LLC	101-770-802.000	145.00
10/19	10/23/2019	86831	LexisNexis Risk Data Management Inc.	101-208-802.000	150.00
10/19	10/23/2019	86832	Mackinac Environmental Technology Inc	582-588-802.000	2,625.00
10/19	10/23/2019	86833	Mid Michigan Body Parts Inc.	661-598-932.000	251.00
10/19	10/23/2019	86834	mParks	101-756-912.000	20.00
10/19	10/23/2019	86835	OHM Advisors	202-473-802.000	822.50
10/19	10/23/2019	86836	On-Site Testing Specialists Inc.	101-345-751.000	154.20
10/19	10/23/2019	86837	Personal Graphics Inc.	514-587-767.000	725.45
10/19	10/23/2019	86838	PETOSKEY CRANE SERVICE INC.	582-586-802.000	1,320.00
10/19	10/23/2019	86839	Petoskey Public Schools	703-040-236.219	10,567.69
10/19	10/23/2019	86839	Petoskey Public Schools	703-040-237.219	935.42
10/19	10/23/2019	86839	Petoskey Public Schools	703-040-237.219	1,495.31
10/19	10/23/2019	86839	Petoskey Public Schools	703-040-237.219	673.89
10/19	10/23/2019	86839	Petoskey Public Schools	703-040-233.000	105.34
10/19	10/23/2019	86839	Petoskey Public Schools	703-040-233.000	9.13
10/19	10/23/2019	86839	Petoskey Public Schools	703-040-233.000	14.59
10/19	10/23/2019	86839	Petoskey Public Schools	703-040-233.000	6.56
10/19	10/23/2019	86840	Petoskey Rotary Club	101-345-915.000	185.50
10/19	10/23/2019	86840	Petoskey Rotary Club	101-756-880.000	329.00
10/19	10/23/2019	86841	Plunkett Cooney	101-266-802.000	103.64
10/19	10/23/2019	86841	Plunkett Cooney	204-481-802.000	103.64
10/19	10/23/2019	86841	Plunkett Cooney	582-588-802.000	103.64
10/19	10/23/2019	86841	Plunkett Cooney	592-549-802.000	103.64
10/19	10/23/2019	86841	Plunkett Cooney	592-560-802.000	103.64
10/19	10/23/2019	86841	Plunkett Cooney	101-266-802.000	1,126.80
10/19	10/23/2019	86842	Royal Tire	661-598-932.000	25.00
10/19	10/23/2019	86842	Royal Tire	661-598-932.000	602.20
10/19	10/23/2019	86842	Royal Tire	661-598-931.000	40.00
10/19	10/23/2019	86843	Safety-Kleen Systems Inc.	661-598-785.000	658.70
10/19	10/23/2019	86844	SPARTAN DISTRIBUTORS INC.	661-598-931.000	150.29
10/19	10/23/2019	86845	Spectrum Business	101-172-850.000	125.82
10/19	10/23/2019	86845	Spectrum Business	101-201-850.000	67.12
10/19	10/23/2019	86845	Spectrum Business	101-208-850.000	41.95
10/19	10/23/2019	86845	Spectrum Business	101-257-850.000	41.95
10/19	10/23/2019	86845	Spectrum Business	101-215-850.000	33.56
10/19	10/23/2019	86845	Spectrum Business	101-345-850.000	92.29
10/19	10/23/2019	86845	Spectrum Business	101-400-850.000	41.95
10/19	10/23/2019	86845	Spectrum Business	101-441-850.000	75.51
10/19	10/23/2019	86845	Spectrum Business	101-756-850.000	50.34
10/19	10/23/2019	86845	Spectrum Business	204-481-850.000	25.17
10/19	10/23/2019	86845	Spectrum Business	204-481-850.000	25.17

GL Period	Check Issue Date	Check Number	Payee	Invoice GL Account	Check Amount
10/19	10/23/2019	86845	Spectrum Business	582-588-850.000	83.90
10/19	10/23/2019	86845	Spectrum Business	582-593-850.000	33.56
10/19	10/23/2019	86845	Spectrum Business	592-549-850.000	50.34
10/19	10/23/2019	86845	Spectrum Business	592-560-850.000	50.34
10/19	10/23/2019	86845	Spectrum Business	101-770-850.000	124.98
10/19	10/23/2019	86845	Spectrum Business	101-345-850.100	173.60
10/19	10/23/2019	86845	Spectrum Business	101-345-850.000	60.99
10/19	10/23/2019	86845	Spectrum Business	514-587-802.100	120.80
10/19	10/23/2019	86845	Spectrum Business	101-789-850.000	85.01
10/19	10/23/2019	86846	Stuart C Irby Co	582-010-111.000	1,810.00
10/19	10/23/2019	86847	Swank Movie Licensing USA	248-739-880.200	395.00
10/19	10/23/2019	86848	Thru Glass Window Cleaning	514-587-802.100	25.00
10/19	10/23/2019	86849	USA Blue Book	592-560-915.000	278.04
10/19	10/23/2019	86850	Van's Business Machines	101-345-751.000	102.38
10/19	10/24/2019	86851	Green, Dennis	101-770-985.000	216.00
10/19	10/30/2019	86857	5H Irrigation & Maintenance	592-537-802.000	85.00
10/19	10/30/2019	86857	5H Irrigation & Maintenance	203-467-802.000	77.00
10/19	10/30/2019	86857	5H Irrigation & Maintenance	202-467-802.000	70.00
10/19	10/30/2019	86858	Access Locksmithing Inc.	592-554-802.000	444.00
10/19	10/30/2019	86859	Alliance Entertainment	271-790-761.100	62.48
10/19	10/30/2019	86859	Alliance Entertainment	271-790-761.000	149.70
10/19	10/30/2019	86859	Alliance Entertainment	271-790-761.100	71.22
10/19	10/30/2019	86859	Alliance Entertainment	271-790-761.000	234.40
10/19	10/30/2019	86860	All-Phase Electric Supply	101-265-775.000	15.62
10/19	10/30/2019	86860	All-Phase Electric Supply	582-010-111.000	34.99
10/19	10/30/2019	86860	All-Phase Electric Supply	101-770-775.000	42.96
10/19	10/30/2019	86860	All-Phase Electric Supply	101-770-775.000	14.42
10/19	10/30/2019	86860	All-Phase Electric Supply	101-770-775.000	169.20
10/19	10/30/2019	86860	All-Phase Electric Supply	101-770-775.000	3.52
10/19	10/30/2019	86861	Amazon Credit Plan	271-790-761.200	99.88
10/19	10/30/2019	86861	Amazon Credit Plan	271-790-760.000	21.94
10/19	10/30/2019	86862	Ballard's Plumbing & Heating	592-537-802.000	26,606.00
10/19	10/30/2019	86863	Bay County Library System	271-790-955.000	16.99
10/19	10/30/2019	86864	Bek, Sarah	661-598-912.000	282.72
10/19	10/30/2019	86865	BERGER, MATT	101-756-808.040	75.00
10/19	10/30/2019	86866	Bill's Farm Market	248-540-882.600	668.00
10/19	10/30/2019	86867	Bowen, William	101-345-912.000	64.41
10/19	10/30/2019	86868	Braddock, James W.	101-756-808.040	50.00
10/19	10/30/2019	86869	Center Point Large Print	271-790-760.000	133.55
10/19	10/30/2019	86870	Complete Paint & Supplies	101-773-775.000	38.99
10/19	10/30/2019	86871	Costume Specialists	271-790-958.100	280.00
10/19	10/30/2019	86872	Delta Dental	101-172-724.000	49.38
10/19	10/30/2019	86872	Delta Dental	101-201-724.000	237.08
10/19	10/30/2019	86872	Delta Dental	101-208-724.000	40.29
10/19	10/30/2019	86872	Delta Dental	101-215-724.000	1.02
10/19	10/30/2019	86872	Delta Dental	101-265-724.000	23.52
10/19	10/30/2019	86872	Delta Dental	101-268-724.000	47.29
10/19	10/30/2019	86872	Delta Dental	101-345-724.000	751.19
10/19	10/30/2019	86872	Delta Dental	101-400-724.000	31.47
10/19	10/30/2019	86872	Delta Dental	101-441-724.000	181.06
10/19	10/30/2019	86872	Delta Dental	101-754-724.000	24.59
10/19	10/30/2019	86872	Delta Dental	101-756-724.000	73.49
10/19	10/30/2019	86872	Delta Dental	101-770-724.000	121.45
10/19	10/30/2019	86872	Delta Dental	101-773-724.000	15.81
10/19	10/30/2019	86872	Delta Dental	101-789-724.000	31.65
10/19	10/30/2019	86872	Delta Dental	204-481-724.000	129.95

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10/19	10/30/2019	86872	Delta Dental	271-790-724.000	215.07
10/19	10/30/2019	86872	Delta Dental	514-587-724.000	17.45
10/19	10/30/2019	86872	Delta Dental	582-588-724.000	179.61
10/19	10/30/2019	86872	Delta Dental	592-549-724.000	230.70
10/19	10/30/2019	86872	Delta Dental	592-560-724.000	74.12
10/19	10/30/2019	86872	Delta Dental	701-000-230.110	1,404.32
10/19	10/30/2019	86873	Derrer Oil Co.	661-598-759.000	2,669.79
10/19	10/30/2019	86874	Drost Landscape	204-470-802.000	790.00
10/19	10/30/2019	86875	DTE Energy	592-538-920.000	34.41
10/19	10/30/2019	86875	DTE Energy	101-265-924.000	119.97
10/19	10/30/2019	86875	DTE Energy	582-593-924.000	210.79
10/19	10/30/2019	86875	DTE Energy	101-773-924.000	74.25
10/19	10/30/2019	86875	DTE Energy	101-265-924.000	48.77
10/19	10/30/2019	86875	DTE Energy	592-538-920.000	37.66
10/19	10/30/2019	86875	DTE Energy	271-790-924.000	131.09
10/19	10/30/2019	86875	DTE Energy	101-345-920.100	84.06
10/19	10/30/2019	86875	DTE Energy	101-268-924.000	51.39
10/19	10/30/2019	86875	DTE Energy	101-770-924.000	55.95
10/19	10/30/2019	86875	DTE Energy	514-587-802.100	40.27
10/19	10/30/2019	86875	DTE Energy	592-538-920.000	44.20
10/19	10/30/2019	86875	DTE Energy	101-345-920.000	118.02
10/19	10/30/2019	86875	DTE Energy	592-551-920.000	386.50
10/19	10/30/2019	86875	DTE Energy	592-551-920.000	1,194.58
10/19	10/30/2019	86875	DTE Energy	271-790-924.000	123.89
10/19	10/30/2019	86875	DTE Energy	592-538-920.000	31.79
10/19	10/30/2019	86875	DTE Energy	592-555-920.000	32.79
10/19	10/30/2019	86876	Dunn's Business Solutions	101-268-775.000	52.55
10/19	10/30/2019	86877	Fishbeck Thompson Carr & Huber	592-560-802.000	3,000.00
10/19	10/30/2019	86878	Gale/Cengage Learning	271-790-760.000	108.76
10/19	10/30/2019	86878	Gale/Cengage Learning	271-790-760.000	58.38
10/19	10/30/2019	86879	Ginop Sales Inc.	514-587-931.000	292.21
10/19	10/30/2019	86880	Goodman, Becky	514-587-802.100	30.00
10/19	10/30/2019	86880	Goodman, Becky	514-587-802.100	208.80
10/19	10/30/2019	86880	Goodman, Becky	248-540-882.160	103.41
10/19	10/30/2019	86880	Goodman, Becky	514-587-920.000	241.20
10/19	10/30/2019	86880	Goodman, Becky	514-587-955.000	34.25
10/19	10/30/2019	86880	Goodman, Becky	514-587-912.000	313.20
10/19	10/30/2019	86881	Grand Traverse Mobile Communications	101-345-775.000	750.00
10/19	10/30/2019	86882	Haley's Plumbing & Heating	101-770-802.000	240.00
10/19	10/30/2019	86883	Haviland Products Company	592-551-783.000	1,043.99
10/19	10/30/2019	86884	Hoffman Roto-Rooter	101-773-802.000	610.00
10/19	10/30/2019	86885	Integrity Business Solutions	514-587-802.100	46.79
10/19	10/30/2019	86885	Integrity Business Solutions	514-587-775.000	54.26
10/19	10/30/2019	86885	Integrity Business Solutions	514-587-802.100	34.58
10/19	10/30/2019	86886	KARR, ADRIAN	101-345-912.000	95.13
10/19	10/30/2019	86887	L & S Tree Service and Nursery LLC	101-770-912.000	140.00
10/19	10/30/2019	86888	Land Information Access Association	101-400-802.000	6,241.90
10/19	10/30/2019	86889	Library Network, The	271-790-802.000	192.00
10/19	10/30/2019	86890	Lowery Underground Service	582-020-360.000	4,098.75
10/19	10/30/2019	86890	Lowery Underground Service	582-598-802.000	2,923.75
10/19	10/30/2019	86890	Lowery Underground Service	582-598-802.000	1,220.00
10/19	10/30/2019	86890	Lowery Underground Service	582-020-360.000	8,190.00
10/19	10/30/2019	86890	Lowery Underground Service	582-590-802.000	617.50
10/19	10/30/2019	86890	Lowery Underground Service	582-586-802.000	1,560.00
10/19	10/30/2019	86890	Lowery Underground Service	582-020-360.000	525.00
10/19	10/30/2019	86891	Malec, Joe	101-756-808.040	25.00

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10/19	10/30/2019	86892	McLaren Northern Mich Hospital	101-345-802.000	18.39
10/19	10/30/2019	86893	Mead & Hunt	592-556-802.000	600.00
10/19	10/30/2019	86894	Metal Head Welding LLC	582-586-802.000	101.90
10/19	10/30/2019	86895	Michigan Association of Chiefs of Police	101-345-912.000	230.00
10/19	10/30/2019	86896	Midwest Tape	271-790-761.000	44.99
10/19	10/30/2019	86896	Midwest Tape	271-790-761.000	109.97
10/19	10/30/2019	86896	Midwest Tape	271-790-761.000	39.99
10/19	10/30/2019	86896	Midwest Tape	271-790-761.100	49.99
10/19	10/30/2019	86896	Midwest Tape	271-790-761.000	129.97
10/19	10/30/2019	86896	Midwest Tape	271-790-762.000	3,000.00
10/19	10/30/2019	86896	Midwest Tape	271-790-761.000	164.96
10/19	10/30/2019	86896	Midwest Tape	271-790-761.000	39.99
10/19	10/30/2019	86897	Miller, Greg	101-756-808.040	75.00
10/19	10/30/2019	86898	Minnesota Historical Society	271-790-955.000	8.50
10/19	10/30/2019	86899	Mitchell Graphics Inc.	271-790-905.000	150.00
10/19	10/30/2019	86900	North Central Laboratories	592-553-775.000	3,421.88
10/19	10/30/2019	86901	North Country IT	271-790-802.000	386.00
10/19	10/30/2019	86902	Northern Michigan MedCenter	592-549-802.000	72.50
10/19	10/30/2019	86902	Northern Michigan MedCenter	592-560-802.000	72.50
10/19	10/30/2019	86903	Oelke, Linda	271-790-802.000	120.00
10/19	10/30/2019	86904	P.C. LAWN CARE	582-586-802.000	45.00
10/19	10/30/2019	86905	PAC2	271-790-802.000	6,947.00
10/19	10/30/2019	86906	Pendo	271-790-752.000	104.85
10/19	10/30/2019	86907	Potter, Pam	248-540-882.600	70.06
10/19	10/30/2019	86908	Power Line Supply	204-481-767.000	222.00
10/19	10/30/2019	86908	Power Line Supply	592-560-767.000	131.50
10/19	10/30/2019	86908	Power Line Supply	592-549-767.000	131.50
10/19	10/30/2019	86908	Power Line Supply	582-586-775.000	640.05
10/19	10/30/2019	86909	Proclean North	592-554-802.000	726.00
10/19	10/30/2019	86910	R.W. MERCER CO INC.	101-789-802.000	772.25
10/19	10/30/2019	86911	Rasmussen, Derek	101-756-808.040	175.00
10/19	10/30/2019	86912	Renkes, Tom	248-739-880.200	150.00
10/19	10/30/2019	86913	Roloff, William	248-540-882.160	650.00
10/19	10/30/2019	86914	Rothfuss, Matthew D	101-756-808.040	150.00
10/19	10/30/2019	86915	Royal Tire	661-598-932.000	88.00
10/19	10/30/2019	86916	Ryan Brothers Inc.	204-444-802.000	78,603.70
10/19	10/30/2019	86916	Ryan Brothers Inc.	582-020-360.000	16,016.15
10/19	10/30/2019	86916	Ryan Brothers Inc.	101-770-802.000	900.00
10/19	10/30/2019	86916	Ryan Brothers Inc.	247-751-802.000	15,424.00
10/19	10/30/2019	86917	Smith, Edward J	101-756-808.040	175.00
10/19	10/30/2019	86918	Spectrum Business	582-588-850.000	94.99
10/19	10/30/2019	86918	Spectrum Business	582-588-850.000	94.99
10/19	10/30/2019	86918	Spectrum Business	101-770-850.000	99.98
10/19	10/30/2019	86919	Standard Electric Company	101-770-775.000	321.75
10/19	10/30/2019	86919	Standard Electric Company	582-010-111.000	904.98
10/19	10/30/2019	86919	Standard Electric Company	582-010-111.000	66.56
10/19	10/30/2019	86919	Standard Electric Company	582-586-775.000	26.80
10/19	10/30/2019	86919	Standard Electric Company	582-586-775.000	26.80
10/19	10/30/2019	86919	Standard Electric Company	101-770-775.000	107.57
10/19	10/30/2019	86919	Standard Electric Company	582-010-111.000	177.68
10/19	10/30/2019	86920	Staples Advantage	101-268-775.000	243.46
10/19	10/30/2019	86920	Staples Advantage	101-262-751.000	7.18
10/19	10/30/2019	86920	Staples Advantage	101-172-751.000	105.99
10/19	10/30/2019	86920	Staples Advantage	101-345-751.000	67.46
10/19	10/30/2019	86920	Staples Advantage	101-345-751.000	24.39
10/19	10/30/2019	86920	Staples Advantage	592-560-751.000	36.66

GL Period	Check Issue Date	Check Number	Payee	Invoice GL Account	Check Amount
10/19	10/30/2019	86920	Staples Advantage	101-345-751.000	76.04
10/19	10/30/2019	86920	Staples Advantage	101-268-775.000	77.77
10/19	10/30/2019	86921	STATE OF MICHIGAN - MICHIGAN STATE	101-345-912.000	300.00
10/19	10/30/2019	86922	STATE OF MICHIGAN DEPT OF TRANSP	592-020-342.000	24,008.57
10/19	10/30/2019	86922	STATE OF MICHIGAN DEPT OF TRANSP	592-025-343.000	35,395.50
10/19	10/30/2019	86922	STATE OF MICHIGAN DEPT OF TRANSP	582-020-360.000	6,452.07
10/19	10/30/2019	86922	STATE OF MICHIGAN DEPT OF TRANSP	202-451-802.000	398.58-
10/19	10/30/2019	86923	Summit Companies	271-790-930.000	330.00
10/19	10/30/2019	86924	UPS Store, The	592-553-801.000	118.51
10/19	10/30/2019	86925	USA Blue Book	592-542-775.000	552.65
10/19	10/30/2019	86926	USI	271-790-751.000	73.48
10/19	10/30/2019	86927	Vesele Studio	271-790-930.000	275.00
10/19	10/30/2019	86928	VSP	101-172-724.000	27.11
10/19	10/30/2019	86928	VSP	101-201-724.000	109.54
10/19	10/30/2019	86928	VSP	101-208-724.000	20.05
10/19	10/30/2019	86928	VSP	101-215-724.000	40.09
10/19	10/30/2019	86928	VSP	101-265-724.000	12.08
10/19	10/30/2019	86928	VSP	101-268-724.000	23.52
10/19	10/30/2019	86928	VSP	101-345-724.000	452.28
10/19	10/30/2019	86928	VSP	101-400-724.000	16.60
10/19	10/30/2019	86928	VSP	101-441-724.000	81.19
10/19	10/30/2019	86928	VSP	101-754-724.000	13.35
10/19	10/30/2019	86928	VSP	101-756-724.000	36.87
10/19	10/30/2019	86928	VSP	101-770-724.000	65.78
10/19	10/30/2019	86928	VSP	101-773-724.000	8.13
10/19	10/30/2019	86928	VSP	101-789-724.000	15.76
10/19	10/30/2019	86928	VSP	204-481-724.000	67.20
10/19	10/30/2019	86928	VSP	271-790-724.000	118.02
10/19	10/30/2019	86928	VSP	514-587-724.000	10.73
10/19	10/30/2019	86928	VSP	582-588-724.000	107.29
10/19	10/30/2019	86928	VSP	592-549-724.000	118.86
10/19	10/30/2019	86928	VSP	592-560-724.000	40.09
10/19	10/30/2019	86929	W.W. Fairbairn & Sons	101-773-775.000	18.57
10/19	10/30/2019	86930	Walters Sharpening Service Inc.	101-770-985.000	24.00
10/19	10/30/2019	86931	ACH-CHILD SUPPORT	701-000-230.160	160.23
10/19	10/30/2019	86932	ACH-EFTPS	701-000-230.100	19,908.51
10/19	10/30/2019	86932	ACH-EFTPS	701-000-230.200	12,379.18
10/19	10/30/2019	86932	ACH-EFTPS	701-000-230.200	12,379.18
10/19	10/30/2019	86932	ACH-EFTPS	701-000-230.200	2,895.12
10/19	10/30/2019	86932	ACH-EFTPS	701-000-230.200	2,895.12
10/19	10/30/2019	86933	ACH-ICMA 457	701-000-230.700	2,060.25
10/19	10/30/2019	86933	ACH-ICMA 457	701-000-230.700	5,674.23
10/19	10/30/2019	86934	Beckett & Raeder Inc.	101-770-802.000	675.00
10/19	10/30/2019	86934	Beckett & Raeder Inc.	101-770-802.000	1,900.00
10/19	10/30/2019	86934	Beckett & Raeder Inc.	204-481-802.000	580.00
10/19	10/30/2019	86934	Beckett & Raeder Inc.	101-265-970.000	600.00
10/19	10/30/2019	86934	Beckett & Raeder Inc.	247-751-802.000	3,928.00
10/19	10/30/2019	86935	Char-Em United Way	701-000-230.800	81.75
10/19	10/30/2019	86936	Dunkel Excavating Services Inc.	582-020-360.000	1,918.31
10/19	10/30/2019	86936	Dunkel Excavating Services Inc.	247-751-802.000	1,040.00
10/19	10/30/2019	86936	Dunkel Excavating Services Inc.	247-751-802.000	350.00
10/19	10/30/2019	86937	ICMA-ROTH	701-000-230.900	560.00
10/19	10/30/2019	86938	NEOPOST USA INC.	101-268-775.000	2,834.10
Grand Totals:					504,716.58

Report Criteria:

Check.Date = 10/17/2019-10/30/2019

Check Number	Date	Name	GL Account	Amount
80622	10/28/2019	LaBlance, Beth	101087654000	50.00-
81343	10/28/2019	Chapman, Ashley	101087654000	50.00-
81358	10/28/2019	Thuma, Eric	582040285000	56.34-
81778	10/28/2019	Dean, Sara	101087654000	100.00-
81783	10/28/2019	HILLS, TYLER	582081642300	55.14-
86791	10/23/2019	Heige, Charles	582040285000	54.81
86792	10/23/2019	Rubingh, Joseph	582040285000	87.07
86793	10/23/2019	Smith, Richard	701040274000	25.13
86794	10/23/2019	Vaughan, Paula	582588803000	150.00
86852	10/30/2019	Bye, Amy	582040285000	26.09
86853	10/30/2019	Hills, Tyler	582081642300	55.14
86854	10/30/2019	Lablance, Beth	101087654000	50.00
86855	10/30/2019	Rite Aid Corporation	703040222219	2,199.55
86855	10/30/2019	Rite Aid Corporation	703040228219	2,558.67
86855	10/30/2019	Rite Aid Corporation	703040229219	1,654.18
86855	10/30/2019	Rite Aid Corporation	703040230219	3,737.48
86855	10/30/2019	Rite Aid Corporation	703040231219	759.50
86855	10/30/2019	Rite Aid Corporation	703040236219	7,676.00
86855	10/30/2019	Rite Aid Corporation	703040237219	1,316.27
86856	10/30/2019	Thuma, Eric	582040285000	56.34
Grand Totals:				20,094.75



City of Petoskey

Agenda Memo

BOARD: City Council

MEETING DATE: November 4, 2019

DATE PREPARED: October 31, 2019

AGENDA SUBJECT: Downtown-Area Special-Assessment Resolution

RECOMMENDATION: That the City Council adopt this proposed resolution

Background Following City Code provisions that regulate the City's special-assessment procedure, the City Council on October 21 conducted a public hearing and received comments concerning the September 23 report by the City Manager that recommended the levy of special assessments against eligible, non-residential properties within the Downtown Management Board's territory to offset costs of programs and services that would be provided by the Downtown Management Board during 2020. Such revenues and expenditures have been included within the City's proposed 2020 Annual Budget. Following the October 21 public hearing, the City Council, again in accordance with City Code special-assessment procedures, conditionally approved the proposed programs and services and their costs as they had been presented, established boundaries of the special-assessment district, and requested that an assessment roll be prepared by the City staff and presented to the City Council for its review at the November 4 City Council meeting.

Procedure Enclosed is a proposed special-assessment roll that is based upon the Downtown Management Board's September 17 recommendation that an increase special-assessment formula be used for financing downtown-area programs and services, with \$0.18 being the amount that would be assessed per square foot of useable, first-floor, non-residential building area; \$0.045 being charged useable, non-residential area on floors other than the first floor; and vacant, unimproved lots being charged \$0.055 per square foot for lot area. To meet City Code requirements, the City Council will be asked on November 4 to adopt the enclosed proposed resolution that would confirm the City Council's acceptance of the roll, order that the roll be placed on file at the City Hall for inspection, and schedule a public hearing for 7:00 P.M., Monday, November 18, to receive comments concerning this proposed special assessment.

sb
Enclosures



WHEREAS, at its regular meeting of October 7, 2019, the City Council reviewed a report by the City Manager dated September 23, 2019, as required of City Code provisions, that listed programs and services that had been proposed to be provided to property owners and tenants within the Downtown Management Board's territory along with a proposed assessment formula that could be implemented to finance such programs and services during 2020; and

WHEREAS, following that review, the City Council on October 7, 2019, scheduled a public hearing for October 21, 2019, to receive comments concerning proposed programs and services as intended 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, City Council, on October 21, 2019, approved proposed programs and services as recommended by the Downtown Management Board at their September 17, 2019 meeting and costs as estimated by the Management Board to be assessed eligible property owners within the boundaries of the proposed assessment district at an increased rate compared to last year that are coterminous to those of the Management Board's territory; and

WHEREAS, in addition to approving proposed downtown-area programs and services and costs of such programs and services, the City Council directed the 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 at its meeting of November 4, 2019; and

WHEREAS, in response to the City Council's direction, and in accordance with City Code provisions that regulate special-assessment procedures, the City staff has provided a proposed special-assessment roll:

NOW, THEREFORE, BE IT RESOLVED that the City of Petoskey City Council does and hereby accepts the assessment roll as prepared by the City staff and as presented to the City Council; and

BE IT FURTHER RESOLVED that the City Council does and hereby orders that said special-assessment roll be placed on file with the City staff and made available for inspection by the public; and

BE IT FURTHER RESOLVED that the City Council does and hereby schedules a public hearing for 7:00 P.M., Monday, November 18, 2019, to receive comments concerning this proposed special-assessment roll; and

BE IT FURTHER RESOLVED that the City Council does and hereby directs the City staff to publish a notice of the November 18, 2019, public hearing and notify potentially-affected property owners of said public hearing as required by City Code provisions that regulate the City's special-assessment procedures.



City of Petoskey

Memo

TO: City Clerk-Treasurer

FROM: City Assessor

DATE: October 31, 2019

**RE: TRANSMITTAL AND CERTIFICATION OF PROPOSED DOWNTOWN
MANAGEMENT BOARD 2020 PROGRAMS AND SERVICES SPECIAL-
ASSESSMENT ROLL**

I hereby certify that the attached special assessment roll has been made by me pursuant to a resolution of the City Council of October 21, 2019, and that, in making the assessments herein, I have, as near as may be, according to my best judgment, conformed in all respects to the directions contained in said resolution and to Chapter 17 of the Petoskey Code, and to the State law and to the provisions of Section 17-8 of the Petoskey Code.

A handwritten signature in blue ink, appearing to read "Robert Englebrecht", written over a horizontal line.

Robert Englebrecht, City Assessor

sb
Enclosure

**CITY OF PETOSKEY DOWNTOWN MANAGEMENT BOARD
2019 DOWNTOWN PROGRAMS AND SERVICES ASSESSMENT**

STREET	AREA AND COST PER FLOOR												TOTAL COST
	FIRST FLOOR		SECOND FLOOR		THIRD FLOOR		FOURTH FLOOR		BASEMENT		VACANT LAND		
	AREA	COST	AREA	COST	AREA	COST	AREA	COST	AREA	COST	AREA	COST	
Bay Street	26,305	\$ 4,734.90	12,774	\$ 574.83	5,417	\$ 243.77	-	\$ -	3,240	\$ 145.80	-	\$ -	\$ 5,699.30
Division Street	-	-	-	-	-	-	-	-	-	-	-	-	-
Howard Street	70,662	12,719.16	20,309	913.91	-	-	-	-	20,554	924.93	-	-	14,558.00
Lake Street	93,147	16,766.46	51,771	2,329.70	8,273	372.29	-	-	45,481	2,046.65	-	-	21,515.09
Lewis Street	15,360	2,764.80	12,590	566.55	12,590	566.55	3,922	176.49	8,711	392.00	-	-	4,466.39
Michigan Street	21,766	3,917.88	300	13.50	-	-	-	-	-	-	6,324	347.82	4,279.20
Mitchell Street	173,384	31,209.12	55,064	2,477.88	14,375	646.88	-	-	88,526	3,983.67	87,528	4,814.04	43,131.59
Park Avenue	5,756	1,036.08	860	38.70	-	-	-	-	4,939	222.26	-	-	1,297.04
Petoskey Street	22,309	4,015.62	4,692	211.14	3,672	165.24	-	-	3,314	149.13	-	-	4,541.13
Rose Street	4,428	797.04	3,608	162.36	-	-	-	-	-	-	-	-	959.40
Waukazoo Street	5,028	905.04	-	-	-	-	-	-	-	-	-	-	905.04
TOTALS	438,145	\$ 78,866.10	161,968	\$ 7,288.56	44,327	\$ 1,994.72	3,922	\$ 176.49	174,765	\$ 7,864.43	93,852	\$ 5,161.86	\$ 101,352.15

Description	Rate
First Floor	\$0.180
Non-First floor	\$0.045
Unimproved	\$0.055

9/18/2019

**CITY OF PETOSKEY DOWNTOWN MANAGEMENT BOARD
2019 DOWNTOWN PROGRAMS AND SERVICES ASSESSMENT
BAY STREET**

PROPERTY NUMBER PROPERTY OWNER		PROPERTY ADDRESS (ADDITIONAL FRONTAGE)	AREA AND COST PER FLOOR										TOTAL COST
			FIRST FLOOR		SECOND FLOOR		THIRD FLOOR		FOURTH FLOOR		BASEMENT		
			AREA	COST	AREA	COST	AREA	COST	AREA	COST	AREA	COST	
06-226-001	CITY OF PETOSKEY	BAY STREET		\$ -		\$ -		\$ -		\$ -		\$ -	\$ -
06-226-002	CITY OF PETOSKEY	BAY STREET											-
06-226-003	PETOSKEY LAND & CATTLE	322 BAY STREET	5,893	1,060.74	3,086	138.87							1,199.61
06-200-011	MCGRAW, VAUGHN TRUST	319 BAY STREET	1,476	265.68									265.68
06-200-006	WINE GUYS HOLDINGS, LLC	321 BAY STREET	1,763	317.34	1,433	64.49							381.83
06-200-007	KONDZIELA, PAUL TRUST	327 BAY STREET	821	147.78									147.78
06-200-008	LANDIS CONNIE - residential	329 BAY STREET	0	-	-	-							-
06-200-009	BAY STREET REAL ESTATE HOLDI	331 BAY STREET (HOWARD STREET)	1,228	221.04	888	39.96							261.00
05-101-017	NATIONAL CITY BANK MI/ IL	401 BAY STREET (HOWARD STREET)	3,436	618.48	930	41.85					1,209	54.41	714.74
05-101-062	TIP OF MIT WATERSHED	426 BAY STREET (PARK AVENUE)	2,590	466.20	1,020	45.90							512.10
05-104-101	BANK OF NORTHERN MICHIGAN	406 BAY STREET	5,190	934.20	5,417	243.77	5,417	243.77					1,421.73
05-105-101	HOWARD PROPERTY PARTNERS	400 BAY STREET, UNIT 1	802	144.36									144.36
05-105-102	HOWARD PROPERTY PARTNERS	400 BAY STREET, UNIT 2	1,354	243.72							744	33.48	277.20
05-105-103	HOWARD PROPERTY PARTNERS	400 BAY STREET, UNIT 3	1,752	315.36							1,287	57.92	373.28
TOTALS			26,305	\$ 4,734.90	12,774	\$ 574.83	5,417	\$ 243.77	-	\$ -	3,240	\$ 145.80	\$ 5,699.30

**CITY OF PETOSKEY DOWNTOWN MANAGEMENT BOARD
2019 DOWNTOWN PROGRAMS AND SERVICES ASSESSMENT
DIVISION STREET**

PROPERTY NUMBER		PROPERTY OWNER	PROPERTY ADDRESS (ADDITIONAL FRONTAGE)	AREA AND COST PER FLOOR										TOTAL COST			
				FIRST FLOOR		SECOND FLOOR		THIRD FLOOR		FOURTH FLOOR		BASEMENT					
				AREA	COST	AREA	COST	AREA	COST	AREA	COST	AREA	COST				
05-101-021	EMMET COUNTY	200 DIVISION STREET		\$	-		\$	-		\$	-		\$	-	\$	-	
05-101-046	EMMET COUNTY	DIVISION STREET														-	
05-101-048	EMMET COUNTY	DIVISION STREET														-	
			TOTALS	-	\$	-	-	\$	-	-	\$	-	-	\$	-	\$	-

CITY OF PETOSKEY DOWNTOWN MANAGEMENT BOARD
2019 DOWNTOWN PROGRAMS AND SERVICES ASSESSMENT
HOWARD STREET

PROPERTY NUMBER	PROPERTY OWNER	PROPERTY ADDRESS (ADDITIONAL FRONTAGE)	AREA AND COST PER FLOOR										TOTAL COST	
			FIRST FLOOR		SECOND FLOOR		THIRD FLOOR		FOURTH FLOOR		BASEMENT			
			AREA	COST	AREA	COST	AREA	COST	AREA	COST	AREA	COST		
05-101-067	CRC HOLDINGS LLC	107 HOWARD STREET	3,780	\$ 680.40		\$ -		\$ -		\$ -		\$ -		\$ 680.40
05-101-011	SELDEN CARS, LLC	113 HOWARD STREET	1,306	235.08	852	38.34								273.42
05-101-015	117 HOWARD STREET, LLC	117 HOWARD STREET	2,280	410.40	788	35.46								445.86
05-101-022	ORAHAM, WALT/GENEVA TRUST	203 HOWARD STREET	4,786	861.48										861.48
05-101-024	HOWARD PROPERTY PARTNERS	209 HOWARD STREET	1,630	293.40	756	34.02								327.42
05-101-025	PHILLIPS, JUDY L. TRUST	215 HOWARD STREET	1,500	270.00	1,500	67.50								337.50
05-101-059	SYMONS, CHANDLER/LYNN TRUS	217 HOWARD STREET	900	162.00										162.00
05-101-036	SECOND EDITION INVEST. CO.	303 HOWARD STREET (EAST LAKE STREET)	1,425	256.50	1,425	64.13								320.63
05-101-047	SUMMIT POINT II LLC	307 HOWARD STREET	2,057	370.26										370.26
05-101-049	LAKE HOWARD LLC	309 HOWARD STREET (PARK AVENUE)	1,114	200.52	1,114	50.13								250.65
05-101-050	VIGNEAU, PAUL	311 HOWARD STREET (PARK AVENUE)	1,857	334.26	897	40.37								374.63
05-151-001	SEL WAYS, LLC	411 HOWARD STREET	2,886	519.48										519.48
05-151-008	MUNSON, THOMAS	415 HOWARD STREET	1,560	280.80										280.80
05-151-010	BOWE, JOHN	417 HOWARD STREET	3,666	659.88										659.88
05-151-012	421 HOWARD ST LLC	421 HOWARD STREET	1,881	338.58										338.58
06-226-041	PETOSKEY LAND & CATTLE	200 HOWARD STREET	5,247	944.46										944.46
06-226-042	SECOND-HALF PRODUCTIONS	206 HOWARD STREET	1,903	342.54							1,903	85.64		428.18

**CITY OF PETOSKEY DOWNTOWN MANAGEMENT BOARD
2019 DOWNTOWN PROGRAMS AND SERVICES ASSESSMENT
HOWARD STREET**

PROPERTY NUMBER		PROPERTY OWNER	PROPERTY ADDRESS (ADDITIONAL FRONTAGE)	AREA AND COST PER FLOOR										TOTAL COST	
				FIRST FLOOR		SECOND FLOOR		THIRD FLOOR		FOURTH FLOOR		BASEMENT			
				AREA	COST	AREA	COST	AREA	COST	AREA	COST	AREA	COST		
06-226-006	T.J.B. PROPERTY HOLDINGS LLC	208 HOWARD STREET		1,755	\$ 315.90		\$ -		\$ -		\$ -		\$ -	\$ 315.90	
06-226-007	HOWARD PROPERTY PARTNERS	210 HOWARD STREET		2,888	519.84							2,888	129.96	649.80	
06-226-019	WJ & C, LLC	216 HOWARD STREET		2,400	432.00									432.00	
06-226-027	HOWARD & LAKE LLC	300 HOWARD STREET (LAKE STREET)		1,975	355.50							1,964	88.38	443.88	
06-226-028	ANDREWS PROPERTIES LLC	306 HOWARD STREET		1,250	225.00	877	\$ 39.47							264.47	
06-226-030	HOWARD PROPERTY PARTNERS	308 HOWARD STREET		1,165	209.70	-	-							209.70	
06-226-031	HOWARD PROPERTY PARTNERS	310 HOWARD STREET		2,500	450.00	-	-							450.00	
06-226-037	MANTHEI, CORA TRUST	314 HOWARD STREET		5,000	900.00	5,000	225.00					4,832	217.44	1,342.44	
06-226-040	BANK ONE	324 HOWARD STREET (MITCHELL STREET)		7,100	1,278.00	7,100	319.50					7,100	319.50	1,917.00	
06-277-054	PROSPECT GROUP PROPERTIES	410 HOWARD STREET		1,867	336.06							1,867	84.02	420.08	
06-277-021	MSKS LLC	418 HOWARD STREET (MICHIGAN STREET)		2,984	537.12									537.12	
PROPERTY NUMBER		PROPERTY OWNER	PROPERTY ADDRESS (ADDITIONAL FRONTAGE)	VACANT LAND											
				AREA	COST										
05-151-015	EV INVESTMENTS LLC	425 HOWARD STREET		PARKING LOT											-
TOTALS				70,662	\$ 12,719.16	20,309	\$ 913.91	-	\$ -	-	\$ -	20,554	\$ 924.93	\$ 14,558.00	

**CITY OF PETOSKEY DOWNTOWN MANAGEMENT BOARD
2019 DOWNTOWN PROGRAMS AND SERVICES ASSESSMENT
LAKE STREET**

PROPERTY NUMBER	PROPERTY OWNER	PROPERTY ADDRESS (ADDITIONAL FRONTAGE)	AREA AND COST PER FLOOR										TOTAL COST
			FIRST FLOOR		SECOND FLOOR		THIRD FLOOR		FOURTH FLOOR		BASEMENT		
			AREA	COST	AREA	COST	AREA	COST	AREA	COST	AREA	COST	
06-227-015	MDC JACKSON LLC	215 EAST LAKE STREET	5,212	\$ 938.16	686	\$ 30.87		\$ -		\$ -	4,176	\$ 187.92	\$ 1,156.95
06-226-008	SHORTER, MARIETTA TRUST	301 EAST LAKE STREET (PETOSKEY STREET)	3,325	598.50	3,325	149.63					1,325	59.63	807.75
06-226-009	M.E.M. PROPERTIES	305 EAST LAKE STREET	1,750	315.00							1,750	78.75	393.75
06-225-101	LONGFIELD FARM LTD PARTNERS	307 EAST LAKE ST, UNIT 1	2,030	365.40							2,346	105.57	470.97
06-225-102	MAGER PETOSKEY LTD PARTNER	307 EAST LAKE ST, UNIT 2	2,084	375.12							1,681	75.65	450.77
06-226-012	SHORTER PROPERTIES, LLC	311 EAST LAKE STREET	1,238	222.84	1,238	55.71					1,238	55.71	334.26
06-226-013	TESKA, MICHAEL & LINDA	313 EAST LAKE STREET	675	121.50									121.50
06-226-014	WARD, DONALD & JENNIFER TRU	315 EAST LAKE STREET	1,225	220.50									220.50
06-226-015	SUMMERHILL ESTATES, LLC	317 EAST LAKE STREET	2,075	373.50	1,775	79.88					2,045	92.03	545.40
06-226-016	NORWOOD GROUP, LLC	319 EAST LAKE STREET	2,000	360.00							1,976	88.92	448.92
06-226-017	WOF INVESTMENT OF MICHIGAN	321 EAST LAKE STREET	4,050	729.00	4,050	182.25							911.25
06-226-018	SPLASH PROPERTIES, LLC	325 EAST LAKE STREET	4,000	720.00	4,000	180.00					4,000	180.00	1,080.00
06-226-020	WJ & C, LLC	329-331 EAST LAKE ST. (HOWARD STREET)	4,065	731.70	4,065	182.93	4,065	182.93			3,911	176.00	1,273.55
06-226-021	SCOTT FAMILY TRUST	306 EAST LAKE STREET (PETOSKEY STREET)	5,323	958.14	625	28.13							986.27
06-226-022	HAAS, THERESA	312 EAST LAKE STREET	2,295	413.10	1,275	57.38							470.48
06-226-023	ROBINSON, GEORGE & BARBARA	314 EAST LAKE STREET	2,015	362.70									362.70
06-226-024	HOWARD PROPERTY PARTNERS	316 EAST LAKE ST.	4,603	828.54	-	-							828.54
06-226-025	HOWARD PROPERTY PARTNERS	320 EAST LAKE STREET	3,344	601.92	1,500	67.50							669.42

CITY OF PETOSKEY DOWNTOWN MANAGEMENT BOARD
2019 DOWNTOWN PROGRAMS AND SERVICES ASSESSMENT
LAKE STREET

PROPERTY NUMBER		PROPERTY OWNER	PROPERTY ADDRESS (ADDITIONAL FRONTAGE)	AREA AND COST PER FLOOR										TOTAL COST
				FIRST FLOOR		SECOND FLOOR		THIRD FLOOR		FOURTH FLOOR		BASEMENT		
				AREA	COST	AREA	COST	AREA	COST	AREA	COST	AREA	COST	
06-226-026	PHILLIPS, JUDY L. TRUST	322-340 EAST LAKE ST.		12,002	\$ 2,160.36	10,355	\$ 465.98		\$ -		\$ -	2,550	\$ 114.75	\$ 2,741.09
05-101-035	SYMONS, CHANDLER T JR TRUST	401 EAST LAKE STREET (HOWARD STREET)		1,590	286.20	1,590	71.55					1,590	71.55	429.30
05-101-058	CIPIO LLC	403 EAST LAKE STREET		1,500	270.00	1,500	67.50					1,500	67.50	405.00
05-101-027	MASONIC ASSOCIATION	405 EAST LAKE STREET		4,208	757.44	4,208	189.36	4,208	189.36			2,800	126.00	1,262.16
05-101-028	NORTH HARBOR GROUP, LLC	409 EAST LAKE STREET		1,945	350.10	975	43.88					1,945	87.53	481.50
05-101-070	AMERICAN SPOON FOODS INC	411 EAST LAKE ST. (PARK AVENUE)		3,568	642.24									642.24
05-101-031	EMMET COUNTY	321 ELK AVENUE												-
05-101-037	SECOND EDITION INVEST. CO.	406 EAST LAKE STREET		3,611	649.98	3,611	162.50							812.48
05-101-040	WINE GUYS HOLDINGS LLC	432 EAST LAKE STREET		7,434	1,338.12	3,175	142.88					7,411	333.50	1,814.49
05-101-041	SASS INVESTMENT CO	434 EAST LAKE STREET		1,475	265.50									265.50
05-101-042	PETOSKEY LAND & CATTLE	438 EAST LAKE STREET		3,237	582.66	2,550	114.75					3,237	145.67	843.08
05-101-043	CITY OF PETOSKEY	EAST LAKE STREET												-
05-101-044	CITY OF PETOSKEY	EAST LAKE STREET												-
05-101-045	EMMET COUNTY	454-456 EAST LAKE ST.												-
05-101-038	APPLE PIE PROPERTIES, LLC	410 E. LAKE ST. (formerly 300 Park Ave.)		1,268	228.24	1,268	57.06							285.30
PROPERTY NUMBER	PROPERTY OWNER	PROPERTY ADDRESS (ADDITIONAL FRONTAGE)	VACANT LAND											
			AREA	COST										
06-223-001	PETOSKEY GRAND LLC	200 EAST LAKE STREET	-	\$ -										
TOTALS			93,147	\$ 16,766.46	51,771	\$ 2,329.70	8,273	\$ 372.29	-	\$ -	45,481	\$ 2,046.65	\$ 21,515.09	

**CITY OF PETOSKEY DOWNTOWN MANAGEMENT BOARD
2019 DOWNTOWN PROGRAMS AND SERVICES ASSESSMENT
LEWIS STREET**

PROPERTY NUMBER		PROPERTY OWNER	PROPERTY ADDRESS (ADDITIONAL FRONTAGE)	AREA AND COST PER FLOOR										TOTAL COST
				FIRST FLOOR		SECOND FLOOR		THIRD FLOOR		FOURTH FLOOR		BASEMENT		
				AREA	COST	AREA	COST	AREA	COST	AREA	COST	AREA	COST	
05-101-060	MS LODGING LLC	100 LEWIS STREET (ROSE & BAY STREETS)	15,360	\$ 2,764.80	12,590	\$ 566.55	12,590	\$ 566.55	3,922	\$ 176.49	8,711	\$ 392.00	\$ 4,466.39	

**CITY OF PETOSKEY DOWNTOWN MANAGEMENT BOARD
2019 DOWNTOWN PROGRAMS AND SERVICES ASSESSMENT
MICHIGAN STREET**

PROPERTY NUMBER PROPERTY OWNER		PROPERTY ADDRESS (ADDITIONAL FRONTAGE)	AREA AND COST PER FLOOR										TOTAL COST	
			FIRST FLOOR		SECOND FLOOR		THIRD FLOOR		FOURTH FLOOR		BASEMENT			
			AREA	COST	AREA	COST	AREA	COST	AREA	COST	AREA	COST		
06-277-022	CITY OF PETOSKEY	MICHIGAN STREET (PETOSKEY STREET)		\$ -		\$ -		\$ -		\$ -		\$ -	\$ -	
06-277-019	CITY OF PETOSKEY	MICHIGAN STREET											-	
06-277-020	CITY OF PETOSKEY	MICHIGAN STREET											-	
05-151-011	CLARK, DENNIS & ANGELA	411 MICHIGAN STREET	2,400	\$ 432.00									432.00	
05-151-002	EV INVESTMENT	407 MICHIGAN STREET	10,428	1,877.04									1,877.04	
05-151-003	BURRELL, JACKLYN	413 MICHIGAN STREET	4,318	777.24									777.24	
05-151-004	BLDG AUTH CITY OF PETOSKEY	417 MICHIGAN STREET											-	
05-151-006	CITY OF PETOSKEY	MICHIGAN STREET											-	
05-151-013	BLUEWATER INVESTMENT GROUF	445 MICHIGAN	1,531	275.58	300	13.50						-	289.08	
05-156-001	425 MITCHELL ST CONDO ASSOC	406 PENNY'S ALLEY	-	-	Condo property assessed to units - Penny's Alley								-	
05-156-101	484 BENNAVILLE LLC	406 PENNY'S ALLEY #1	-	-	Residential garage								-	
05-156-102	484 BENNAVILLE LLC	406 PENNY'S ALLEY #2	-	-	Residential garage								-	
05-156-103	484 BENNAVILLE LLC	406 PENNY'S ALLEY #3	175	31.50									31.50	
05-156-104	484 BENNAVILLE LLC	406 PENNY'S ALLEY #4	682	122.76			restaurant storage?						122.76	
05-156-105	484 BENNAVILLE LLC - restaurant food court portion below	406 PENNY'S ALLEY #5	2,232	401.76									401.76	
PROPERTY NUMBER PROPERTY OWNER		PROPERTY ADDRESS (ADDITIONAL FRONTAGE)	LAND											TOTAL COST
			AREA	COST										
05-156-105	484 BENNAVILLE LLC - food court Restaurant portion above	406 PENNY'S ALLEY #5	6,324	\$ 347.82										347.82
TOTALS			21,766	\$ 3,917.88	300	\$ 13.50	-	\$ -	-	\$ -	-	\$ -	\$ 4,279.20	

**CITY OF PETOSKEY DOWNTOWN MANAGEMENT BOARD
2019 DOWNTOWN PROGRAMS AND SERVICES ASSESSMENT
MITCHELL STREET**

PROPERTY NUMBER PROPERTY OWNER		PROPERTY ADDRESS (ADDITIONAL FRONTAGE)	AREA AND COST PER FLOOR										TOTAL COST	
			FIRST FLOOR		SECOND FLOOR		THIRD FLOOR		FOURTH FLOOR		BASEMENT			
			AREA	COST	AREA	COST	AREA	COST	AREA	COST	AREA	COST		
06-226-038	FRANKHOUSER JOHN & MARY LOI	301 EAST MITCHELL ST. (PETOSKEY STREET)	3,120	\$ 561.60		\$ -		\$ -		\$ -		\$ -		\$ 561.60
06-226-039	REID, JAMES III	307 EAST MITCHELL	6,141	1,105.38	5,808	261.36						5,696	256.32	1,623.06
06-226-033	HOWARD PROPERTIES PARTNER	311 EAST MITCHELL	6,308	1,135.44	5,390	242.55						5,390	242.55	1,620.54
06-226-034	PAUL KRECKE	317 EAST MITCHELL ST.	5,050	909.00	-	-								909.00
06-226-043	HOWARD PROPERTIES PARTNER	319 EAST MITCHELL ST.	5,050	909.00										909.00
06-226-044	DUSE, MARNIE	323 EAST MITCHELL ST.	1,700	306.00								1,625	73.13	379.13
06-277-001	BETTY SMITH FARLEY	202 EAST MITCHELL ST. (EMMET STREET)	2,640	475.20										475.20
06-277-003	GRAIN TRAIN NATURAL FOOD CO	220 EAST MITCHELL ST.	6,571	1,182.78										1,182.78
06-277-050	MIGHTY FINE PIZZA & DELI	222 EAST MITCHELL ST.	480	86.40										86.40
06-277-004	C4 HOLDINGS, LLC	224 EAST MITCHELL (PETOSKEY STREET)	3,388	609.84	3,482	156.69								766.53
06-277-052	HOWARD PROPERTIES PARTNER	300 EAST MITCHELL ST. (PETOSKEY STREET)	10,181	1,832.58	5,529	248.81						10,181	458.15	2,539.53
06-277-007	HOWARD PROPERTIES PARTNER	316 EAST MITCHELL ST.	6,640	1,195.20	4,410	198.45	4,410	198.45				4,410	198.45	1,790.55
06-277-008	PHILLIPS, JUDY L TRUST	320 EAST MITCHELL ST.	1,750	315.00										315.00
06-277-009	PETOSKEY LAND & CATTLE CO	322 EAST MITCHELL ST.	3,375	607.50	1,890	85.05								692.55
06-277-010	SIMPLY SWEET BY JESSICA LLC	324 EAST MITCHELL ST.	1,684	303.12										303.12
06-277-053	JORGENSEN FAMILY TRUST	326 EAST MITCHELL ST.	2,935	528.30								2,625	118.13	646.43
06-277-013	PETOSKEY COMMUNITY CORP.	330 EAST MITCHELL ST. (HOWARD STREET)	2,734	492.12	2,734	123.03								615.15

**CITY OF PETOSKEY DOWNTOWN MANAGEMENT BOARD
2019 DOWNTOWN PROGRAMS AND SERVICES ASSESSMENT
MITCHELL STREET**

PROPERTY NUMBER PROPERTY OWNER		PROPERTY ADDRESS (ADDITIONAL FRONTAGE)	AREA AND COST PER FLOOR										TOTAL COST
			FIRST FLOOR		SECOND FLOOR		THIRD FLOOR		FOURTH FLOOR		BASEMENT		
			AREA	COST	AREA	COST	AREA	COST	AREA	COST	AREA	COST	
05-101-039	GEMINI LAND CO.	421 EAST MITCHELL ST. (EAST LAKE STREET)	8,250	\$ 1,485.00		\$ -		\$ -		\$ -	8,250	\$ 371.25	\$ 1,856.25
05-101-051	NORCOR LLC	427 EAST MITCHELL	2,839	511.02									511.02
05-101-057	PETOSKEY LAND & CATTLE CO LLC	435 EAST MITCHELL ST.	6,495	1,169.10	4,623	208.04							1,377.14
05-101-052	PETOSKEY LAND & CATTLE CO	441 EAST MITCHELL ST.	6,892	1,240.56									1,240.56
05-101-053	PETOSKEY LAND & CATTLE CO	443 EAST MITCHELL	13,800	2,484.00							9,660	434.70	2,918.70
05-101-054	CITY OF PETOSKEY	451 EAST MITCHELL ST.											-
05-101-055	CROOKED TREE ART COUNCIL	461 EAST MITCHELL ST. (DIVISION STREET)	9,432	1,697.76	700	31.50	-	-	-		9,952	447.84	2,177.10
05-100-001	HOWARD PROPERTY PARTNERS	408 EAST MITCHELL ST. (HOWARD STREET)	10,108	1,819.44	10,108	454.86					10,108	454.86	2,729.16
05-100-151	SKOP, DAVID & RUTH	416-A EAST MITCHELL ST.	1,656	298.08							1,632	73.44	371.52
05-100-152	HOWARD PROPERTY PARTNERS	416-B EAST MITCHELL ST.	5,610	1,009.80							5,556	250.02	1,259.82
05-100-004	PETOSKEY LAND & CATTLE CO	418 EAST MITCHELL ST.	5,390	970.20	5,390	242.55	5,390	242.55			5,390	242.55	1,697.85
05-100-006	SYMON CHANDLER JT TRUST	426 EAST MITCHELL ST.	2,500	450.00							2,350	105.75	555.75
05-100-007	ROCHON ELAINE TRUST	430 EAST MITCHELL ST.	2,500	450.00							2,500	112.50	562.50
05-100-008	SMITH, RICHARD	434 EAST MITCHELL ST.	5,000	900.00	5,000	225.00							1,125.00
05-100-009	PETOSKEY LAND & CATTLE CO	436 EAST MITCHELL ST.	2,500	450.00									450.00
05-100-010	PETOSKEY LAND & CATTLE CO	438 EAST MITCHELL ST.	2,375	427.50									427.50

**CITY OF PETOSKEY DOWNTOWN MANAGEMENT BOARD
2019 DOWNTOWN PROGRAMS AND SERVICES ASSESSMENT
MITCHELL STREET**

PROPERTY NUMBER PROPERTY OWNER		PROPERTY ADDRESS (ADDITIONAL FRONTAGE)	AREA AND COST PER FLOOR										TOTAL COST	
			FIRST FLOOR		SECOND FLOOR		THIRD FLOOR		FOURTH FLOOR		BASEMENT			
			AREA	COST	AREA	COST	AREA	COST	AREA	COST	AREA	COST		
05-100-011	PETOSKEY LAND & CATTLE CO	440 EAST MITCHELL ST.	2,825	\$ 508.50		\$ -		\$ -		\$ -		\$ -	\$ 508.50	
05-100-012	ERIC & LORRAINE KASPER	442 EAST MITCHELL ST.	2,650	477.00									477.00	
05-100-013	AMBITIOUS BEE PROPERTIES LLC	444 EAST MITCHELL ST.	1,625	292.50									292.50	
05-100-014	PETOSKEY LAND & CATTLE CO	446 EAST MITCHELL ST. (WAUKAZOO AVENUE)	4,380	788.40									788.40	
05-154-101	DAVID & MELISSA MEIKLE	422 EAST MITCHELL ST #1	Third floor unit - residential										-	
05-154-102	SUSAN OFFIELD TRUST	422 EAST MITCHELL ST #2	Third floor unit - residential										-	
05-154-103	484 BENNAVILLE LLC	422 EAST MITCHELL ST #3	Second floor unit - commercial				2,279	102.56					102.56	
05-154-104	484 BENNAVILLE LLC	422 EAST MITCHELL ST #4	Second floor unit - commercial				2,296	103.32					103.32	
05-154-105	484 BENNAVILLE LLC	422 EAST MITCHELL ST #5	1,875	337.50	First floor unit - commercial - includes basement						697	31.37	368.87	
05-154-106	484 BENNAVILLE LLC	422 EAST MITCHELL ST #6	2,318	417.24	First floor unit - commercial - includes basement						2,108	94.86	512.10	
05-101-064	CHAMBER OF COMMERCE	401 EAST MITCHELL ST.	2,617	471.06							396	17.82	488.88	
PROPERTY NUMBER PROPERTY OWNER		PROPERTY ADDRESS (ADDITIONAL FRONTAGE)	VACANT LAND											
			AREA	COST										
06-227-016	PETOSKEY GRAND LLC	MITCH/ PETOSKEY/ LAKE	87,528	\$ 4,814.04	Replaces 8 previous parcels @ 10,941 sq ft									4,814.04
06-223-003	PETOSKEY GRAND LLC	207 EAST MITCHELL ST.	-	-										-
06-223-004	PETOSKEY GRAND LLC	211 EAST MITCHELL ST.	-	-										-
06-277-002	BLDG AUTH CITY OF PETOSKEY	212 EAST MITCHELL ST.	-	-										
06-223-002	PETOSKEY GRAND LLC	221 EAST MITCHELL ST.	-	-										-
			87,528	\$ 4,814.04										
TOTALS			173,384	\$ 31,209.51	51,064	\$ 2,477.88	14,375	\$ 646.88	-	\$ -	88,526	\$ 3,983.67	\$ 43,131.59	

**CITY OF PETOSKEY DOWNTOWN MANAGEMENT BOARD
2019 DOWNTOWN PROGRAMS AND SERVICES ASSESSMENT
PARK AVENUE**

PROPERTY NUMBER		PROPERTY OWNER	PROPERTY ADDRESS (ADDITIONAL FRONTAGE)	AREA AND COST PER FLOOR										TOTAL COST
				FIRST FLOOR		SECOND FLOOR		THIRD FLOOR		FOURTH FLOOR		BASEMENT		
				AREA	COST	AREA	COST	AREA	COST	AREA	COST	AREA	COST	
05-101-030	WILLIAM & TAMMY THOMPSON	216 PARK AVENUE		2,901	\$ 522.18		\$ -		\$ -		\$ -	2,861	\$ 128.75	\$ 650.93
05-101-033	PETOSKEY LAND & CATTLE LLC.	222 PARK AVENUE		1,188	213.84							1,188	53.46	267.30
05-101-034	PETOSKEY LAND & CATTLE, LLC	224 PARK AVENUE		807	145.26							890	40.05	185.31
05-101-038	APPLE PIE PROPERTIES, LLC	300 PARK AVENUE moved to 410 E Lake St												-
05-101-063	CIPIO LLC	214 PARK AVE		860	154.80	860	38.70							193.50
TOTALS				5,756	\$ 1,036.08	860	\$ 38.70	-	\$ -	-	\$ -	4,939	\$ 222.26	\$ 1,297.04

**CITY OF PETOSKEY DOWNTOWN MANAGEMENT BOARD
2019 DOWNTOWN PROGRAMS AND SERVICES ASSESSMENT
PETOSKEY STREET**

PROPERTY NUMBER PROPERTY OWNER		PROPERTY ADDRESS (ADDITIONAL FRONTAGE)	AREA AND COST PER FLOOR										TOTAL COST
			FIRST FLOOR		SECOND FLOOR		THIRD FLOOR		FOURTH FLOOR		BASEMENT		
			AREA	COST	AREA	COST	AREA	COST	AREA	COST	AREA	COST	
06-226-032	REID, JAMES III	313 PETOSKEY STREET	676	\$ 121.68		\$ -		\$ -		\$ -		\$ -	\$ 121.68
06-277-018	CITY OF PETOSKEY	PETOSKEY STREET											-
06-277-022	CITY OF PETOSKEY	PETOSKEY STREET (MICHIGAN STREET)											-
06-226-045	BEAR RIVER REALTY LLC	1 PETOSKEY STREET	3,672	660.96	3,672	165.24	3,672	165.24					991.44
06-277-015	HARRIS, DANIEL & AMY	410 PETOSKEY STREET	2,262	407.16									407.16
06-227-001	LAMBERT, MICHAEL T & HELEN T	202 PETOSKEY STREET	4,024	724.32									724.32
06-227-004	MOLCOR LLC	214 PETOSKEY STREET (EAST LAKE STREET)	3,285	591.30							3,314	149.13	740.43
06-277-017	REED, PAUL W & KATHLEEN A	414 PETOSKEY STREET	2,010	361.80									361.80
06-278-005	ALM, MARIE C TRUST	418 PETOSKEY STREET	1,128	203.04									203.04
06-278-008	HARRIS PROFESSIONAL PROPER	1424 PETOSKEY STREET (MICHIGAN STREET)	1,820	327.60	1,020	45.90							373.50
06-226-029	BEIER FAMILY REAL ESTATE CO.,	309 PETOSKEY STREET	3,432	617.76									617.76
PROPERTY NUMBER PROPERTY OWNER		PROPERTY ADDRESS (ADDITIONAL FRONTAGE)	VACANT LAND										
			AREA	COST									
06-223-005	PETOSKEY GRAND LLC	302 PETOSKEY STREET (EAST LAKE STREET)	-	\$ -									-
06-223-006	PETOSKEY GRAND LLC	312 PETOSKEY STREET	-	-									-
06-223-007	PETOSKEY GRAND LLC	314 PETOSKEY STREET	-	-									-
06-223-008	PETOSKEY GRAND LLC	316 PETOSKEY STREET	-	-									-
			-	\$ -									
TOTALS			22,309	\$ 4,015.62	4,692	\$ 211.14	3,672	\$ 165.24	-	\$ -	3,314	\$ 149.13	\$ 4,541.13

**CITY OF PETOSKEY DOWNTOWN MANAGEMENT BOARD
2019 DOWNTOWN PROGRAMS AND SERVICES ASSESSMENT
ROSE STREET**

PROPERTY NUMBER		PROPERTY OWNER	PROPERTY ADDRESS (ADDITIONAL FRONTAGE)	AREA AND COST PER FLOOR										TOTAL COST
				FIRST FLOOR		SECOND FLOOR		THIRD FLOOR		FOURTH FLOOR		BASEMENT		
				AREA	COST	AREA	COST	AREA	COST	AREA	COST	AREA	COST	
05-101-002	MS LODGING LLC	410 ROSE STREET	4,428	\$ 797.04	3,608	\$ 162.36	-	\$ -	-	\$ -	-	\$ -	\$ 959.40	

**CITY OF PETOSKEY DOWNTOWN MANAGEMENT BOARD
2019 DOWNTOWN PROGRAMS AND SERVICES ASSESSMENT
WAUKAZOO STREET**

PROPERTY NUMBER		PROPERTY OWNER	PROPERTY ADDRESS (ADDITIONAL FRONTAGE)	AREA AND COST PER FLOOR										TOTAL COST
				FIRST FLOOR		SECOND FLOOR		THIRD FLOOR		FOURTH FLOOR		BASEMENT		
				AREA	COST	AREA	COST	AREA	COST	AREA	COST	AREA	COST	
05-151-007	CRESS ENTERPRISES INC.	414 WAUKAZOO STREET	0	\$ -	-	\$ -	Residential begin Dec 2016		\$ -		\$ -		\$ -	
05-151-009	CRESS ENTERPRISES INC.	418 WAUKAZOO STREET	1,932	\$ 347.76	-	-						-	347.76	
05-151-014	1ST CHURCH CHRIST SCIENTIST	420 WAUKAZOO STREET	3,096	\$ 557.28	-	-						-	557.28	
TOTALS			5,028	\$ 905.04	-	\$ -	-	\$ -	-	\$ -	-	\$ -	\$ 905.04	



City of Petoskey

Agenda Memo

BOARD: City Council

MEETING DATE: November 4, 2019

DATE PREPARED: October 31, 2019

AGENDA SUBJECT: Consideration to Approve a Schematic Shoreline Design Assessment from W.F. Baird and Associates, Madison, Wisconsin

RECOMMENDATION: That City Council discuss with a possible motion to approve the Schematic Shoreline Design Assessment and costs for engineered drawings.

Summary The City continues to experience substantial erosion along the 1.5 miles of shoreline in our community. Of critical concern is the "Bayfront East" property which has eroded very quickly over the past several weeks with a major 12" clay sewer main line (estimated 60-70 years old) in close proximity to the shoreline erosion areas. There is concern that additional shoreline erosion could undermine soils underneath the sewer line causing a sewer line break. It is an emergency situation that is being addressed immediately. See enclosed photos.

In regards to the sewer line, the City is currently working with a contractor who has been doing the stone revetment work along the coastline to relocate approximately 1,000 linear feet of sewer line 40-50 feet away from the shoreline areas. The City is purchasing all manholes and sewer pipe directly from the suppliers and will only be using the contractor for their excavator and manpower. City crews will also be directly involved in this project to offset some of the costs. With any luck the project should be completed within 2-3 weeks. In the interim, the City has rented two large capacity pumps and is laying temporary sewer pipe along the ground to divert sewage flows in case of a sewer pipe failure.

The sewer line relocation is of critical importance but does not address the "Bayfront East" erosion issues which will only worsen with strong northwesterly winds in November and through the winter that could possibly compromise the Little Traverse Wheelway through this section. To develop a more comprehensive approach to shoreline erosion, City staff would like to hire W.F. Baird and Associates, Madison, Wisconsin, to complete a comprehensive Schematic Shoreline Design Assessment for the entirety of the City's coastline. We believe in the long-run this will ultimately save the City tax dollars by taking a more comprehensive and less reactive approach to mitigating the coastline erosion issues. Once the initial study is completed, staff will work with Baird to develop a bid proposal for engineered drawings for Bayfront East in the coming weeks.

Action Motion to approve the W.F Baird Schematic Shoreline Design proposal dated October 29, 2019 for \$54,580.

rs
Enclosures

Mr. Kendall Klingelsmith, MPA, CPRP
Director | City of Petoskey Parks & Recreation
101 E. Lake St
Petoskey, Michigan 49770

Status: Draft
29 October 2019

Dear Mr. Klingelsmith,

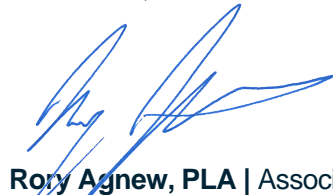
Reference # P13269.300.P1.Rev0

RE: SCHEMATIC SHORELINE DESIGN - PETOSKEY, MICHIGAN

We are pleased to provide a proposal to the City of Petoskey to assist with several ongoing shoreline issues. On October 15, 2019, Baird & Associates (Baird) conducted a visual assessment of several areas of concern (AOC) along Petoskey's Lake Michigan shoreline. Within this proposal, the AOC have been ranked (based on our understanding of the issues and associated risks) and individually addressed so that the City has the option to attack the sites by order of importance. Our scope of services, budget, and schedule are detailed within this proposal. We have included our Standard Fee Schedule as an attachment to this proposal.

Please do not hesitate to contact us if you have any questions or comments. We look forward to the possibility of working with the City of Petoskey to solve these ongoing shoreline challenges.

With thanks,



Rory Agnew, PLA | Associate
Baird & Associates
E: ragnew@baird.com

PROJECT UNDERSTANDING

Due to the combination of aging shoreline protection infrastructure (i.e. 30-year-old revetments) and the high-water levels Lake Michigan is currently experiencing, several locations throughout the City of Petoskey waterfront are known areas of concern (AOC) that need rehabilitation. In general, at these areas failing shoreline protection is allowing for increased wave overtopping and flooding, exacerbating revetment damage, nearshore erosion, and embankment slope failure, which will ultimately allow for damage to nearshore infrastructure (i.e. trail way, buried utilities, park hardscape, softscape features, etc.).

On October 15, 2019, representatives from Beckett & Raeder, Inc. (John Beckett & Tim Knutsen) and Baird & Associates (Rory Agnew) met with City of Petoskey staff to perform a visual assessment of four locations that are experiencing ongoing shoreline protection issues, including:

1. Bayfront Park (East)
2. Solanus Mission Beach
3. Magnus Park Area
4. Bayfront Park (Central)

Baird developed a letter report to document the ongoing issues that were observed at each of these locations (letter report reference # 13269.101.L1.Rev0). Based on our understanding of the site (through observations and conversations with the City) we have ranked the locations by order of importance/ urgency. The map in Figure 1 depicts the location and rank of the individual shoreline AOC.

Within this proposal we have provided a detailed scope of service, professional fee, and schedule to assist the City with developing effective shoreline protection solutions (for each AOC) that are both practical and aesthetic, while aligning with the City's vision for the Petoskey waterfront.

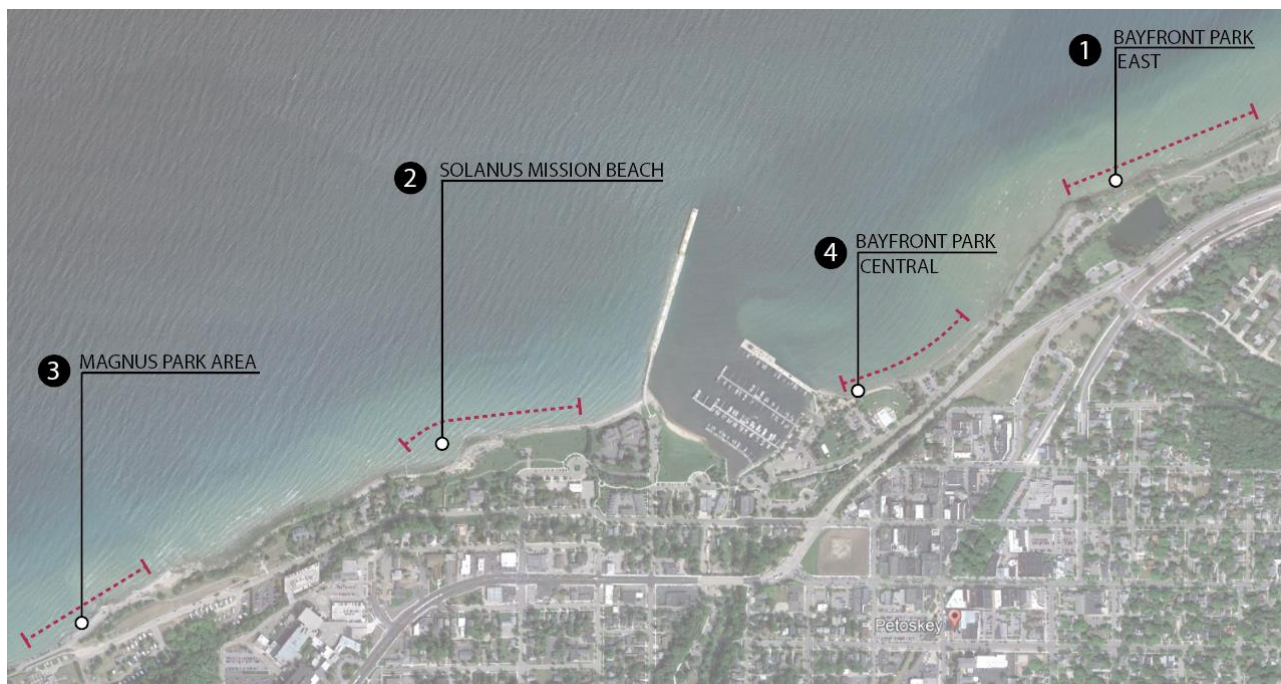


Figure 1: Petoskey Shoreline AOC Location & Rank¹

¹ AOC rank (1-4) is listed with (1) most and (4) least urgent

Over Baird's nearly 40-year history of developing shoreline solutions for similar Great Lakes communities, we have found that effective communication of the complex issues that influence the selection of shoreline alternatives is absolutely critical with respect to the success of projects. As a result of the significant expense associated with shoreline infrastructure, communities are usually faced with the realities of having to balance their desired goals with the available funds to achieve them. The facts and decisions leading to the final trade-off between the initial goals and the effectiveness of the implemented improvements is often not properly documented/communicated, which can lead to confusion and dissatisfaction by users.

In order to facilitate a better experience, Baird has developed a process whereby the facts and decisions are documented transparently in a Basis of Design (BOD). The BOD is a living document that contains the goals of the community, results of any research and analysis, field investigations, design criteria, developed concepts/schematics, opinions of probable construction costs, and community decisions. The remainder of this document describes the tasks that will be undertaken to develop the BOD for the City of Petoskey shoreline improvements.

SCOPE OF SERVICES

Task 1 – Project Kick-off Meeting

A project kick-off meeting (via teleconference) will be held to establish the project objectives, overall design process, deliverables, and schedule. Each AOC will be discussed in detail to ensure the shoreline needs are addressed in order of importance.

Deliverable: Baird will develop and distribute meeting minutes.

Task 2 - Field Data Collection

Verifying the existing nearshore physical conditions for each site is crucial for developing design solutions that are appropriately engineered to withstand the storm-induced wave conditions and natural coastal processes experienced along this stretch of shoreline. Physical data our field team will collect includes:

- Nearshore survey data;
- Lakebed sediment and subsurface conditions; and
- Existing revetment stone size and quantity (for re-use).

A description of the field data collection effort for each of these items is provided below.

Survey Data Collection

Nearshore bathymetry and topography lidar survey data (USACE LiDAR, 2015) are available for each AOC. This information will be leveraged to the extent possible; however, documenting the current condition of the nearshore lakebed, shoreline revetment, and adjacent upland area is required (especially in areas with ongoing shoreline protection failure, erosion, sedimentation, etc.). Our team will utilize an unmanned aerial vehicle (UAV) to collect detailed aerial imagery and utilize photogrammetry to extract detailed survey data for the above water areas. This process produces accurate survey information as well as high resolution georeferenced aerial imagery. Survey profiles (spaced at approximately 25-foot increments) will be collected using traditional survey methodology (i.e. total station, rod and prism) for the in-water areas. Survey profiles, aligned perpendicular to the shoreline, will extend from the crest of the revetment to a depth of approximately 4-5 feet offshore. This information will be compiled within a GIS database and utilized for subsequent analysis and design tasks. Conducting a detailed bathymetric survey is not included in this scope of work; however, we recommend that detailed bathymetric data is collected prior to completing final shoreline design and engineering solutions (i.e. construction documents).

Lakebed Sediment and Subsurface Assessment

Baird's field crew will document the existing lakebed sediment characteristics (i.e. sand, cobble, and stone) and collect jet probes along the shoreline for each AOC. Jet probing is conducted to determine the depth of existing erodible sediment along the shoreline by driving a jet probe into the lakebed to the depth of refusal. The probe consists of a steel pipe attached to a water pump. This information is vital for understanding sediment transport patterns and determining the required depth for proposed shoreline protection structures (i.e. revetment toe).

Existing Revetment Assessment

The existing armor stone will be measured to determine the range size, and the quality of the stone will be assessed to determine the general size and approximate amount of stone available for reuse. The UAV aerial imagery is extremely valuable for thoroughly assessing existing structures and accurately approximating stone volumes available for reuse. Figure 2 is an example of the UAV photography clarity and an engineering assessment that was able to be easily communicated to a client/contractor for an ongoing breakwater repair project.

Deliverable: Baird will document field data collection results within the existing conditions section of the BOD.

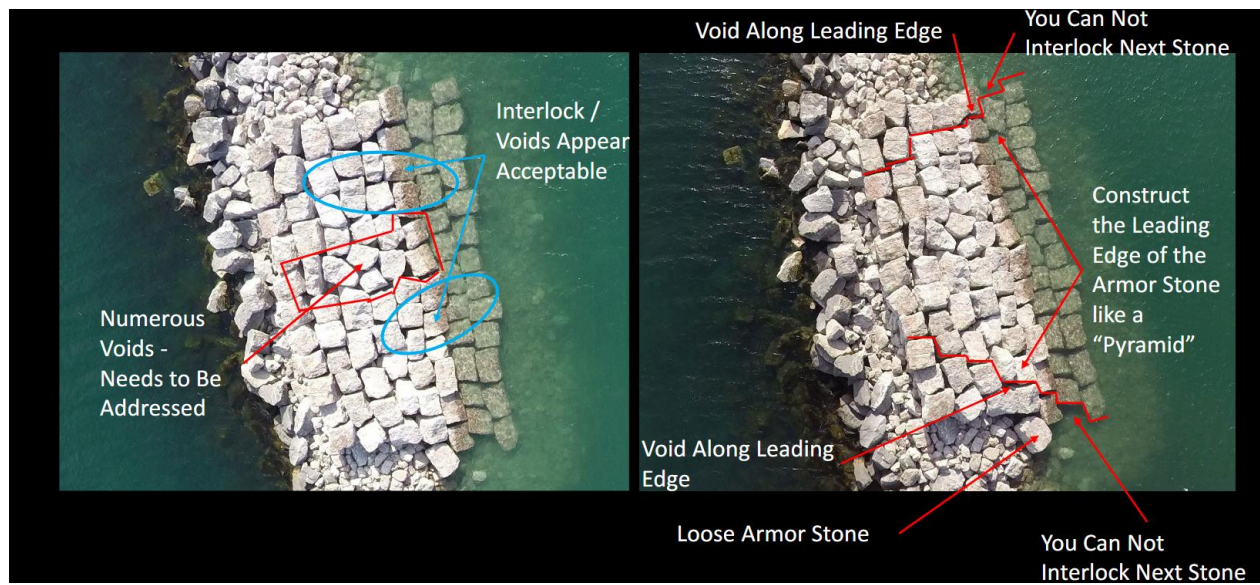


Figure 2: Example of UAV Aerial Imagery Capabilities

Task 3 –Coastal Analysis

Baird recently completed a detailed coastal analysis of the Little Traverse Bay (for others) and can draw upon this information to efficiently summarize the general offshore coastal conditions for the site (i.e. wind, waves, water levels, ice, etc.). Additional analysis of the coastal conditions will be conducted for each AOC, which will utilize the field data results and empirical calculations to further study nearshore coastal conditions, including wave heights and overtopping rates (for the range of water levels), sedimentation patterns, etc. Baird has not included any detailed numerical modeling to assess waves, currents, or sedimentation.

Deliverable: Coastal analysis results will be summarized within the BOD.

Task 4 –Schematic Design

Following the completion of the field data collection and coastal analysis task, Baird will begin developing schematic design solutions for each AOC. The design solutions will be tailored to respond to the City's goals and specific shoreline protection requirements for each AOC (i.e. revetment crest, toe depth, stone size, etc.). A plan view, representative design sections, and details (i.e. Solanus Mission Beach boardwalk, shoreline access stairs, path relocation, seating, etc.) will be provided. The level of detail will generally be representative of the final solution for shoreline protection but will not include a complete set of drawing with all the information and details required for permitting or construction (i.e. existing conditions, demolition plan, stationing, detailed design drawings, etc.).

Baird will continuously coordinate with the City throughout the design process to ensure the solutions are in line with the City's goals for the waterfront. Upon completing the initial design solutions, Baird will develop an opinion of probable construction cost for each AOC. The designs and costs will be presented to the City for comment and consensus. If required, designs (and estimates) will be updated to address any comments. Solutions for AOC will be discussed in detail within the BOD.

Deliverable: Schematic design (plan, section, and details) and opinion of probable construction costs for each AOC. This information (and the City's comments and consensus) will documented within the BOD.

SCHEDULE

Baird understands that the City may address the various shoreline improvements in order of importance. The schedule and fee were developed to study all the areas currently experiencing shoreline protection issues. If the City wishes to only focus on the most pertinent sites, the schedule (and fee) can be modified accordingly.

Table 1: Project Schedule

Task	Nov	Dec	Jan	Feb	Mar
Notice to Proceed					
Task 1 – Project Kick-off Meeting	★				
Task 2 – Field Data Collection ²	■				
Task 3 – Coastal Analysis		■			
Task 4 – Schematic Design			■	★	●

Key

- ★ Meeting with City
- Issue Final BOD

² This schedule assumes Field Data Collection effort will be conducted in December and no boat will be required; however, this task is weather dependent.

PROFESSIONAL FEE

Table 2 presents our professional fees and expenses for the tasks noted above. Our proposed scope of services and professional fee assumes all project tasks will be completed by Baird. Any additional services provided by Baird shall be invoiced per our attached Standard Fee Schedule. Baird will not be complete any additional services without prior authorization from the City. We have not included any regulatory coordination (i.e. permitting) within this scope of work; however, the BOD will summarize the current City permits and provide guidance and recommendations regarding regulatory approvals for the selected design solutions.

If required, Baird will collaborate with Beckett & Raeder, Inc. for any additional improvements to nearshore landscape area. Baird will coordinate with Beckett & Raeder, Inc. and the City for appropriate authorization prior to commencing said services.

Table 2: Professional Fees per Task

Task	Baird Labor (\$)	Expenses (\$)	Total Cost (\$)
1 - Project Kick-off	\$730		\$730
2 - Field Data Collection ³	\$12,300	\$3,000 (equip./travel)	\$15,300
3 - Coastal Analysis	\$7,800		\$7,800
4 - Schematic Design	\$30,200	\$550 (travel)	\$30,750
Total Fee			\$54,580

We greatly appreciate the opportunity to assist the City of Petoskey with this project. Please do not hesitate to contact us if you have any question or comments regarding our proposal.

³ **Field Data Collection Fee Breakdown:**

Survey Profiles: \$6,850

Jet Probes: \$3,700

Drone: \$1,750

Travel Expense (Travel, Lodging, Per Diem, etc.): \$3,000

Attachment 1 Fee Schedule

2019 US Fee Schedule

Office | 2924 Marketplace Drive, Suite 200, Madison, WI 53719, USA

Phone | +1 608 273 0592 Email | madison@baird.com

The fee for our services will be based on the charges listed below. All fee quotations are estimates, and actual fees are based on actual time and expenses incurred by W.F. Baird & Associates Ltd. (Baird) unless otherwise stated in the proposal. All rates are listed in US dollars.

Personnel

Staff Category	Hourly Rate
Senior Consultant	\$295.00
Principal	\$250.00
Senior Professional III	\$231.00
Senior Professional II	\$217.00
Senior Professional I	\$188.00
Staff Professional III	\$166.00
Staff Professional II	\$146.00
Staff Professional I	\$126.00
Senior Technician	\$116.00
Technical Staff	\$108.00
Support	\$90.00

Expert witness services including: trial, mediation and arbitration preparation, depositions, court appearances and attendance at related proceedings, will be charged at 2.0 times the above rates.

Expenses

Direct expenses incurred on the client's behalf are charged at our cost plus 10%. Such items include, but are not limited to, equipment rental, subsistence, printing and reproduction, transportation and travel charges and any special equipment or fees unique to the project. Professional sub-consultant fees are charged at our cost plus 10%. Automobile mileage will be charged at \$0.58/mile.

Rates for hydraulic laboratory, field equipment, specialized numerical models and associated computer time are available on request depending on facilities and equipment used. Deposits for hydraulic basin rental are applied to total rental costs, but are not refundable.

Invoices

Progress invoices shall be issued monthly and shall be paid within thirty days of date of invoice. Balances remaining unpaid at due date are subject to a monthly finance charge of 1.0% (which is an annual rate of 12% per year) until paid. Baird reserves the right to stop work on any project that has past due invoices until all outstanding balances are paid.

Advance payment is required on all non-public work.















City of Petoskey

Agenda Memo

BOARD: City Council

MEETING DATE: November 4, 2019 **DATE PREPARED:** October 31, 2019

AGENDA SUBJECT: Proposed 2020 Annual Budget Presentation and Scheduling of a Budget and Property-Tax-Rate Public Hearing

RECOMMENDATION: That City Council receive the City Manager's recommended 2020 Annual Budget and adopt a proposed resolution that would schedule a November 18 public hearing

Presentation As required by City Charter provisions, and as part of the City's routine, yearly process, enclosed with City Council meeting agenda materials is the City's recommended 2020 Annual Budget that totals \$32,788,300 in proposed operating and capital expenditures. No action concerning the proposed budget is required of the City Council on November 4; however, in addition to the City Manager's summary of the proposal, the City Council could begin discussions on the proposed budget. Specific and constructive feedback is appreciated and will assist in the timely adoption of the 2020 Budget.

Hearing As the first step in the budget-preparation process, the City Council will be asked at its November 4 meeting to adopt the enclosed proposed resolution that would schedule a November 18 public hearing, as required by City Charter provisions and State law, to receive comments concerning the proposed budget and property-tax-millage rates that will be recommended as part of the proposed budget. The City Council may schedule the public hearing for any date that it chooses, but November 18 has been suggested.

rs
Enclosure



City of Petoskey

Resolution

WHEREAS, as required by City Charter provisions, the City Manager has presented for the City Council's consideration the City's recommended budget for fiscal 2020; and

WHEREAS, City Charter provisions also require that a public hearing be conducted to receive comments concerning the proposed annual budget; and

WHEREAS, this proposed budget includes certain recommendations by the City Manager concerning the amounts of property-tax millage to be levied to partially finance City operations, programs, services, and projects during 2020; and

WHEREAS, the Michigan Truth-in-Taxation Act requires that public hearings be conducted to receive comments concerning proposed property-tax-millage rates, if such rates result in increased tax revenues, when compared with those of the previous year:

NOW, THEREFORE, BE IT RESOLVED that the City of Petoskey City Council does and hereby schedules a public hearing for 7:00 P.M., Monday, November 18, 2019, at the City Hall, to receive comments concerning the City's proposed 2020 Annual Budget and property-tax-millage rates that will be recommended to be levied during 2020 as part of the proposed budget.



2020 ANNUAL BUDGET



City of Petoskey

Office of City Manager

101 East Lake Street, Petoskey, Michigan 49770 • 231 347-2500 • Fax 231 348-0350

October 31, 2019

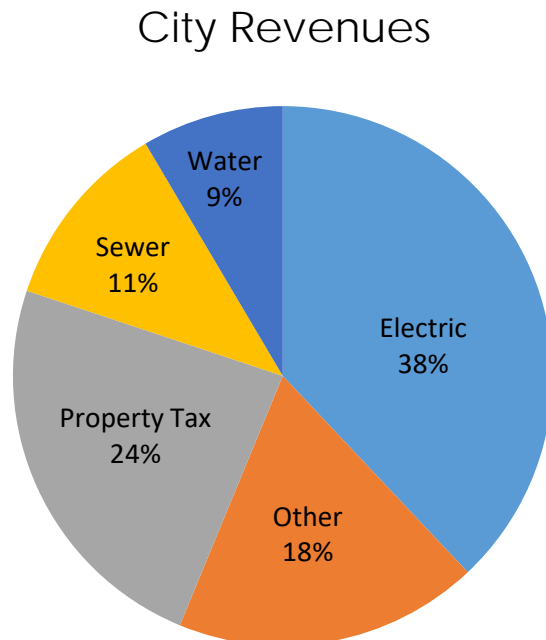
The Honorable John Murphy, Mayor,
Members of the City Council and Citizens of Petoskey
City of Petoskey
Petoskey, Michigan 49770

Proposed 2020 Annual Budget

Mayor Murphy, Members of Petoskey City Council, and Citizens of Petoskey:

I am pleased to present to you for your consideration the 2020 Annual Budget for the City of Petoskey. The 2020 Annual Budget has been prepared in accordance with the City Charter, and adheres to stated financial management policies and guidelines of maintenance of adequate reserves, and conservative revenue and expenditure forecasting. Each of the funds within this proposed budget are balanced, and none are in a deficit position, although reserves might supplement revenues.

Totaling \$32,788,300 the proposed 2020 Operating and Capital Budget is \$2,983,200 more than the 2019 Budget. This increase in expenditures is mostly attributed to a reduction in capital infrastructure projects for 2019 focusing mainly on the \$10 million US-31 Highway Realignment Project. Additionally, there are many capital improvement projects slated for 2020 including a full reconstruction and utility upgrades of Kalamazoo Avenue and a portion of Jackson Street, resurfacing of one-mile of the Little Traverse Wheelway, pedestrian bridge installation over the Bear River connecting the River Road Sports Complex with the nature trail at North Central Michigan College, system-wide electrical upgrades, purchase of two rescue pumpers, installation of a solar demonstration project at City Hall and a feasibility study for a future solar array project at the City-owned Howard Road landfill.



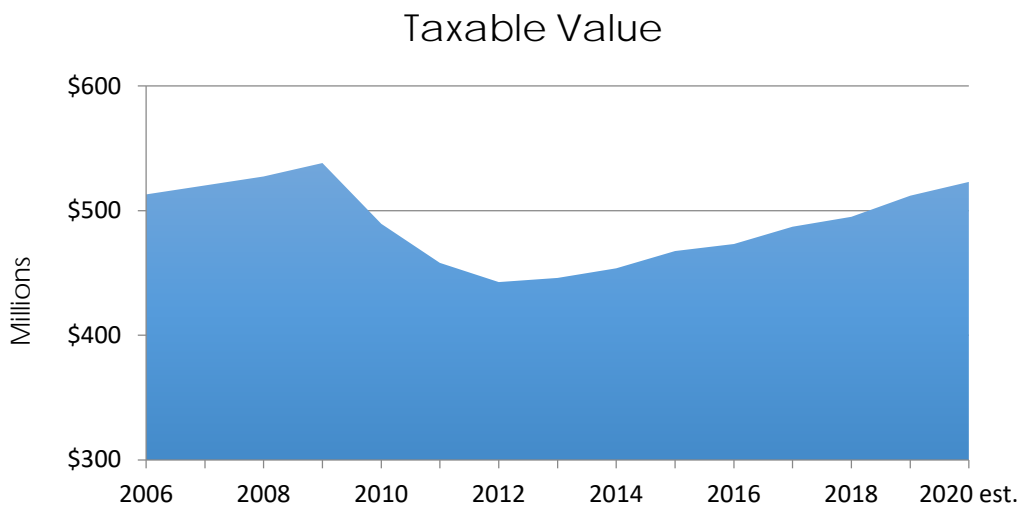
2020 Operating Expenditures, not including capital costs, are forecasted at \$28,269,800 or \$1,403,600 more than 2019 budgeted numbers.

Operating Expenditures include such costs as salaries, fringe benefits, insurance, utility costs, contracted service, office expense and education and training.

The City's taxable values are slowly increasing after several years of significant decreases; although, financial challenges for the City will continue to be prevalent for many years to come. The changes in State law exempting personal property parcels under \$40,000 continues to affect the City. The exemption requires property owners to file one time with the local assessor certifying the value of their personal property, otherwise they will receive a tax bill that currently under State law, cannot be appealed.

Another State law that continues to negatively impact the City's finances is the Headlee Amendment. Headlee allows property valuations to drop precipitously as witnessed in past years when taxable value dropped almost 20% because of the 2008 recession. Conversely, property valuations may only increase by the rate of inflation or 5%, whichever is less.

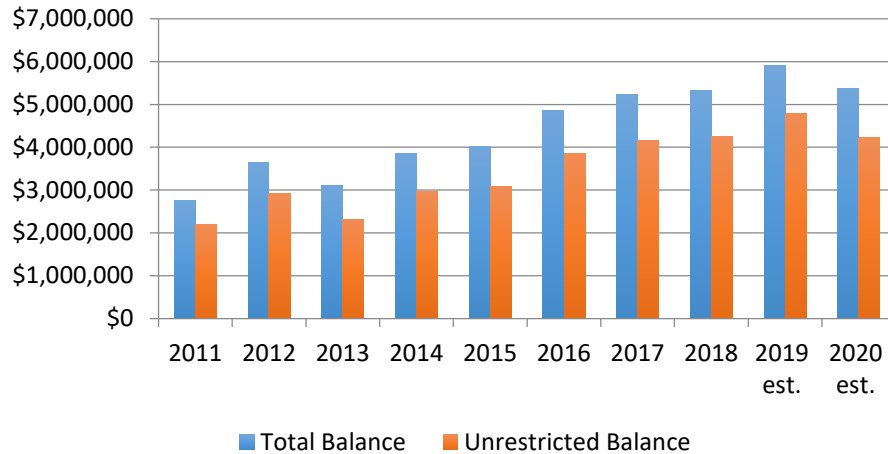
Following a sharp decline in taxable value from 2010-2012, the City has experienced only nominal increases in taxable values. For instance, taxable values increased 1.8% in 2017, 2.8% in 2018, and 3% in 2019. We estimate a 2.1% increase in 2020 that will be formally determined later next year. Overall, the City's taxable value is trending in the right direction and is estimated to be \$523,385,510 in 2020.



The proposed General Fund Budget shows a deficit of \$537,600, decreasing the General Fund Unrestricted Reserve Balance to an estimated \$4,363,004 by end of 2020. Even with this decrease in the reserves, the General Fund Reserve is 49% of General Fund expenditures, a very healthy percentage of reserve funds. Generally, deficit spending over multiple years is emblematic of a municipality's inability to operate within its revenue constraints, there are unique circumstances in 2020 for the City of Petoskey. The lion's share of the deficit is attributed to the City earmarking fire equipment property tax revenues for the last 2-3 years in the General Fund Reserves in anticipation of purchasing the proposed two fire rescue vehicles in 2020 at a cost of \$845,000. This one-time capital expenditure is skewing the overall financial picture in the General Fund but is consistent with the mill levy proposal approved by voters in November of 2016.

Despite the long-term fiscal challenges, the City's General Fund Unrestricted Balance, a key indicator of the City's current financial health, has increased substantially over the past several years. City officials have been very prudent in balancing the General Fund showing a judicious and responsible approach to the City's finances.

General Fund - Fund Balance Per Annual Audits

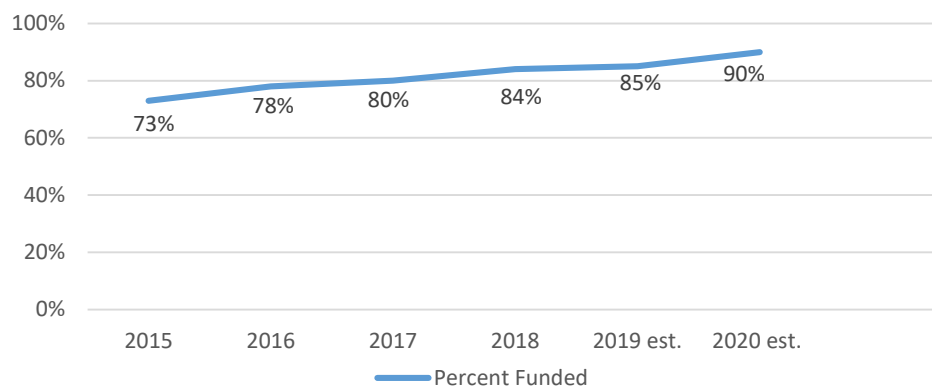


In 2020, no increases will be recommended in property tax millages, which currently total 14.4243 mills that includes the Fire Equipment Millage approved by City voters.

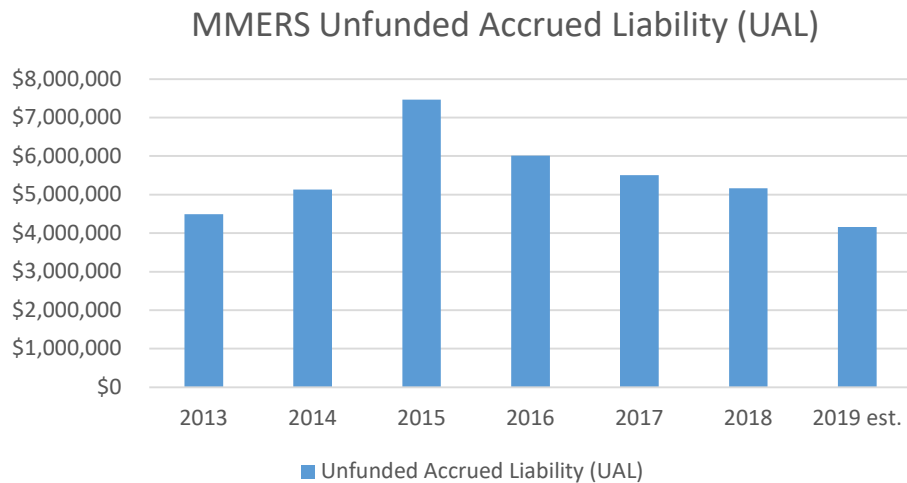
Starting in 2015, the City along with other municipalities enrolled in MMERS, experienced a 10% increase in annual contributions due to changes in actuarial assumptions. These assumptions included lowering the assumed rate of return on investments from 8% to 7.75%, adjusting mortality tables to reflect longer lifetimes and reducing the time period to meet funding requirements. This year the assumed rate of return was once again lowered from 7.75% to 7.35%.

Even with the new MMERS assumptions requiring increased annual payments, the City has been very successful in decreasing the overall UAL while increasing our funding rate from 73% in 2015 to an estimated 90% at the end of 2020.

MMERS Percent Funded



The reduction in the UAL has been accomplished through a threefold approach: reducing the pension benefits for three of the four employee divisions; requiring all new hires be enrolled in a defined contribution plan; and increasing the City's annual contribution to MMERS. Over the past three years (2017, 2018 and 2019) the City has allocated \$3 million towards the UAL and has earmarked another \$1 million in 2020 to pay down the UAL. Monies for this MMERS contribution will be taken from the City's General Fund, the utility enterprise funds as well as the street funds. The overall goal as established in the City's 2018 Action Plan is to achieve 90% funding in all employee divisions, which dependent upon market conditions, could occur in 2020.



2020 Projects

Based upon City Council's strong leadership on sustainability and resiliency measures, as well as the elected official's commitment to aggressively invest in an extensive and aging infrastructure, 2020 is slated to be a very busy year in the City of Petoskey. To this end, the City will pursue measures to reduce the community's carbon footprint to combat climate change through two solar projects and through energy conservation measures. Additionally, many of the City's vast park and recreation amenities and City buildings are experiencing extensive maintenance issues that will need to be addressed in the coming years.

Streets/Utilities/Sidewalks

On the infrastructure front, 2020 includes a major road reconstruction project on the well-travelled Kalamazoo Avenue from Jennings Avenue to Mitchell Street. The street improvement project includes a narrowing of Kalamazoo Avenue to reduce travel speeds in an area in close proximity to nearby schools, upgrading of water and sewer lines, undergrounding of electric lines and additional sidewalks on both sides of the street. Street improvement costs are estimated at \$950,000 with utility upgrades including the undergrounding of electric lines estimated at \$1.4 million.

In coordination with the McLaren Northern Michigan Hospital's Expansion Project, Jackson Street from West Mitchell Street to the Hospital Ring Road will be fully reconstructed. The project creates a much safer pedestrian environment while better delineating ingress and egress points for employees and visitors to the hospital. Total road reconstruction costs and storm sewer replacements are estimated at \$160,000 with water and sewer replacement estimated at \$165,000. Lastly, the City has also budgeted \$150,000 for miscellaneous sidewalk construction that includes the Kalamazoo Avenue and Jackson Street rebuilds.

Electrical System

Each year the City makes substantial investments into the municipal electric distribution system enhancing reliability through system upgrades and the undergrounding of overhead electric lines. In 2020, the City will continue its strong investments in the electric distribution system by earmarking \$711,000 for system-wide upgrades.

Specifically, \$518,000 has been earmarked for the installation of three-phase underground to provide a critical loop between the Mitchell Road Substation and the Petoskey Substation. This work will be completed as part of the Kalamazoo Avenue Reconstruction Project and includes portions of Michigan, Hoffman and Lindell Streets. The Petoskey Substation Capacitor Bank will also be upgraded at a cost of \$133,000. Furthermore, battery systems for both the Petoskey Substation and Mitchell Street Substation will be upgraded at combined costs of \$60,000.

Lastly, as part of the 2018 Action plan adopted by City Council, the City will be commencing initial engineer work on a potential solar array project at the City landfill on Howard Road. The City has identified various sustainability measures to pursue with reducing the City's carbon footprint a high priority for City Council. To this end, we will work with project consultants to study initial "constructability" issues and any "fatal flaws" that may preclude the City from pursuing a large solar array project at the landfill site.

Motor Pool

Motor Pool purchases planned for 2020 include the following:

- Two patrol vehicles and a detective vehicle;
- Two pick-up trucks: one for the Water Department and one for the Parks and Recreation Department;
- A Bobcat Toolcat with attachments, outfront mower, two Toro Workman Utility Cart and a 35,000 GVW plow truck;
- Two rescue pumper trucks; and
- Hot patch unit.

Downtown Area

Three projects have been scheduled for the downtown area. The Saville Lot will be designed and engineered to maximize parking spaces in 2020 with repaving the parking lot to occur in 2021. Costs for this project are estimated at \$30,000 and will include designing stormwater management improvements at the site. There will be a downtown streetscape redesign study that also includes looking into the feasibility of incorporating a sidewalk snowmelt system. \$30,000 total has been earmarked for both of these studies. There will also be engineering of a parking deck at the intersection of East Lake Street and Division Street. Costs for this project are estimated at \$300,000 with \$150,000 coming from grants or other funding. These costs are contingent upon Emmet County's participation.

Buildings and Grounds

Based upon an energy audit completed this year, staff is not recommending a full replacement of City Hall windows at this time. With mortar work completed on City Hall last year, there has been no evidence of water intrusion issues. Consequently, there is no need to replace the windows. In 2020, staff is proposing the installation of storm windows at City Hall while also completing various weatherization projects on the windows. \$50,000 is budgeted for this project which is substantially less than window replacement. Interior improvements on the Lake Street Fire Station include new carpeting on the upper level at a cost of \$13,000.

Furthering the City's sustainability efforts, the City will issue a Request for Proposals (RFP) in early 2020 soliciting bids for rooftop solar units on City Hall. The overall project will not only reduce the City's carbon footprint, but also highlight the overall affordability of solar technology and long-range return on investments that can be realized by incorporating renewable energy into government buildings. A cost estimate for the solar project on City Hall is \$150,000 with \$75,000 coming from the Electric Fund and \$75,000 earmarked from the General Fund.

Parks and Special Facilities/Trails/City Marina

The City will continue to build upon our high walkability score by investing in trails and pedestrian infrastructure in 2020. Specifically, the City will repave a one-mile section of the Little Traverse Wheelway after 20+ years of usage. Repair work on the trail is needed to address cracking of the Wheelway's asphalt that allows water intrusion further exacerbating the freeze/thaw damage that is common in northern Michigan. The City is submitting a State grant for 50%, or \$127,500 of the estimated \$255,000 total project costs. According to a 2014 Michigan State University study, there is an estimated 100,000 "uses" annually on the Little Traverse Wheelway in Emmet County highlighting not only the popularity of this regional recreational trail, but also the economic boon the trail brings to Petoskey and the region. Particular attention must be given in future years to maintaining the highest quality standards on the eight miles that the City is required to maintain. There is also \$13,200 budgeted for engineering another mile of the Little Traverse Wheelway in future years.

Further enhancing our trail system, the City will be utilizing a \$166,000 in grants and donations to install a bridge over the Bear River connecting the River Road Sports Complex with the North Central Michigan College nature trail. The trail improvement will not only benefit local users, but will allow hikers on the regional Iron Belle/North Country Trail a safer access route to the City.

The City will also be exploring purchase of railroad right-of-way from MDOT to continue the Greenway Corridor southward from Emmet Street to possibly Sheridan Street. The two to three block extension will not only enhance walking and biking opportunities on the Greenway Corridor, but could also serve as an economic catalyst for a mixed-use development in the Old Town Emmet Neighborhood. To date, survey work has been completed and an appraisal of the railroad right-of-way is forthcoming in 2019. There is \$10,000 budgeted in 2020 to cover additional engineering and design costs.

With completion of the MDOT Highway Realignment Project including new sidewalks on the north side of the highway, the City is proposing a new sidewalk design within Sunset Park. The sidewalk plan in Sunset Park will create critical links to the newly installed MDOT sidewalks as well as enhancing access to panoramic views of the Little Traverse Bay. Tax Increment Funds are to be used for these improvements.

Over the last two years, lake levels on Lake Michigan and all of the Great Lakes are at nearly historically high levels that are creating shoreline erosion issues. To date, the City has spent over \$120,000 on unanticipated shoreline restoration work and have budgeted \$50,000 in 2020 to mitigate high water levels on the City's extensive shoreline. Additionally, because of high water levels City officials are concerned about impacts to the City Marina with the current design of the four piers and multiple finger docks. Because the docks are at a fixed height, if water levels continue to rise, there will be electrical and operational issues that will negatively affect marina operations.

To address this critical issue, the City has plans to submit a DNR Waterways grant to look into the feasibility of designing and constructing a more flexible docking system allowing docking facilities to fluctuate with lake levels. The City will also pursue an engineering study to replace the 25+ year old fueling system.

Lastly, the City will share costs of tennis court resurfacing with the School District with each entity allocating \$15,000 towards the \$30,000 resurfacing project.

Special thanks to Al Terry, Director of Finance and all the Department Heads and support staff who participated in the preparation of the 2020 budget. Special thanks also to Executive Assistant to the City Manager Sarah Bek for the work she does in proofing, assembling and keeping this process on schedule. They should be commended for their tireless efforts in bringing this document to fruition.

There will be many budgetary policy choices and administrative procedure related questions that arise throughout the year and in future years. The challenge we face today is making tough and prudent decisions to better-position the City for any additional budgetary shortfalls in the future. We stand ready to assist elected officials with recommendations on how to improve serving our community and create more efficient ways to deliver high quality municipal services. With ingenuity, creativity and tireless efforts from staff to search out more efficient methods of delivering high quality municipal services, I am confident that our goals will be achieved. I am proud of the efforts that have gone into the development of this budget and look forward to partnering together to make the City a community of continuing success!

Sincerely,



Rob Straebel
City Manager

Budget Overview

	Revenues	Operating Expenditures	Capital Expenditures	Total Expenditures
GOVERNMENTAL FUNDS				
General	\$ 9,451,200	\$ 9,026,900	\$ 961,900	\$ 9,988,800
Major street	901,600	602,100	950,000	1,552,100
Local Street	444,000	355,700	160,000	515,700
General Street	1,462,600	1,361,100	206,500	1,567,600
Tax Increment Finance Authority	375,000	232,000	160,000	392,000
Library	1,536,200	1,485,100	49,100	1,534,200
Downtown Management	193,200	192,800	-	192,800
Downtown Parking	906,500	516,400	195,000	711,400
Right-of-Way	1,798,000	1,607,000	-	1,607,000
	17,068,300	15,379,100	2,682,500	18,061,600
ENTERPRISE FUNDS				
Electric	11,322,800	11,684,300	786,000	12,470,300
Water	2,538,500	2,510,200	650,000	3,160,200
Sewer	3,409,800	3,246,800	400,000	3,646,800
	17,271,100	17,441,300	1,836,000	19,277,300
LESS DUPLICATIONS	34,339,400	32,820,400	4,518,500	37,338,900
Fund Transfers:				
Right-of-Way	1,605,000	1,605,000	-	1,605,000
Electric	460,000	460,000	-	460,000
Water & Sewer	389,600	389,600	-	389,600
Building Rents	168,300	168,300	-	168,300
Administrative Fees	1,927,700	1,927,700	-	1,927,700
	4,550,600	4,550,600	-	4,550,600
TOTAL	\$ 29,788,800	\$ 28,269,800	\$ 4,518,500	\$ 32,788,300
INTERNAL SERVICE FUND				
Motor Pool	\$ 1,995,800	\$ 1,005,200	\$ 1,389,200	\$ 2,394,400

Long-Term Debt Amortization

Schedule of Long Term Debt

General Obligations	January 1. 2020 Principal Balance
City of Petoskey Building Authority - 2003 Library	\$ 2,170,000
City of Petoskey Building Authority - 2010 Bear River Valley	1,947,935
City of Petoskey Building Authority - Bayfront Park Marina	542,065
Total General Obligations	<u>\$ 4,660,000</u>

Revenue Obligation	
Water and Sewer Fund - 2018 WWTP/Lift Station Improvements	\$ 4,820,000
Water and Sewer Fund - 2011 Refunding of 2001 WWTP Improvements	3,645,000
Water and Sewer Fund - 2011 WWTP/Lift Station Improvements	1,890,000
Total Revenue Obligations	<u>\$ 10,355,000</u>

Annual Principal and Interest Requirements

Fiscal Year Ending December 31	General Obligation Bonds	Revenue Bonds	Total Annual Debt Service
2020	611,619	1,084,613	1,696,232
2021	613,644	1,161,214	1,774,858
2022	643,569	1,144,713	1,788,282
2023	667,892	1,215,112	1,883,004
2024	650,120	1,187,537	1,837,657
2025	498,243	1,162,607	1,660,850
2026	478,800	1,134,075	1,612,875
2027	509,200	546,662	1,055,862
2028	532,350	551,514	1,083,864
2029	229,500	550,500	780,000
2030	-	558,537	558,537
2031	-	560,725	560,725
2032	-	357,125	357,125
2033	-	362,900	362,900
2034	-	363,300	363,300
2035	-	368,113	368,113
2036	-	367,331	367,331
2037	-	370,931	370,931
Totals	<u>\$ 5,434,937</u>	<u>\$ 13,047,509</u>	<u>\$ 18,482,446</u>

City of Petoskey
Projected Ending Cash Balances

	<u>Estimated Cash Balance at December 31, 2019</u>			<u>Estimated Cash Balance at December 31, 2020</u>				<u>2020</u>
	<u>Total</u>	<u>Reserved Or Restricted</u>	<u>Available</u>	<u>Total</u>	<u>Reserved Or Restricted</u>	<u>Available</u>	<u>% of Expend</u>	<u>Budgeted Expenditures</u>
Operating Funds								
General		\$ 1,083,100	\$ (1,083,100)			\$ -	0%	9,988,800
Major Street			-			-	0%	1,552,100
Local Street			-			-	0%	515,700
General Street			-			-	0%	1,567,600
Tax Increment Finance Authority			-			-	0%	392,000
Library		173,000	(173,000)			-	0%	1,534,200
Downtown Management			-			-	0%	192,800
Downtown Parking			-			-	0%	711,400
Right-of-Way			-			-	0%	1,607,000
Electric		105,000	(105,000)			-	0%	11,360,100
Water & Sewer		2,300,000	(2,300,000)			-	0%	5,482,000
Motor Pool			-			-	0%	1,005,200
Building Authority Bayfront Park			-					
Marina Bond Debt Fund			-			-	0%	114,200
Building Authority Bear River						-		
Valley Bond Debt Fund			-			-	0%	224,500
TOTAL	<u>\$ -</u>	<u>\$ 3,661,100</u>	<u>\$ (3,661,100)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		<u>36,247,600</u>

**City of Petoskey
Personnel**

November 2020

City-Wide

75 Full-Time Employees

64 Part-Time / Seasonal Employees

City Administration & Finance

12 Full-Time Employees

Library

7 Full-Time Employees

16 Part-Time Employees

Parks & Recreation

9 Full-Time Employees

34 Part-Time / Seasonal Employees

Public Safety

20 Full Time Employees:

- 2 Administrative
- 4 Lieutenants
- 14 PSOs

6 Part-Time PSOs

3 Volunteer Fire Division

1 Part-Time Crossing Guard

Public Works

23 Full-Time Employees

- 5 Administrative
- 5 Electric Division
- 7 Water & Sewer
- 6 Streets

2 Part-Time Street Employees

Downtown Management

4 Full-Time Employees

5 Part-Time Employees

General Fund

The General Fund finances most of the City's general purpose governmental operations. Separate funds cover more specific operations as with streets, utilities, debt service, and various other limited activity special revenue funds. Activities financed through the General Fund involve a broad range of municipal services that include categories of legislation and citizen participation, general government administration, finance, parks and recreation, public safety and limited public works functions.

These programs within the General Fund, under the six major functional categories are financed by property taxes which are authorized by City Charter and State statute provisions, license fees, permits, court costs, charges for services, State-shared revenues, transfers and grants. Revenue sources are classified within four major categories that include: operating, non-operating, receipts from activities and transfers from other City funds.

REVENUES

Summary. Anticipated General Fund revenues for 2020 total \$9,451,200. This is a projected increase of \$439,900 more than what is expected to be received by this year's end, of \$9,011,300. The 2019 year end revenue estimate is \$564,800 more than originally budgeted, with some of the difference coming from State shared revenues \$32,800, Grants \$154,100, Marina sales \$97,300, Interest income \$45,000 and administrative fees \$110,500.

Based on proposed 2020 budgeted revenues of \$9,451,200 and proposed budgeted expenditures of \$9,988,800, expenditures will exceed revenues by \$537,600 in the General Fund. This activity will result in an estimated ending fund balance of \$5,366,442 or 54% of 2020 budgeted fund expenditures. Restricted Fund Balance amounts estimated at \$727,112 for the Marina and \$276,326 for Refuse Collection account for \$1,003,438 of the total fund balance and would leave an estimated \$4,363,004 or 49% in unrestricted General Fund Balance at the end of 2020.

Operating Income. Operating income, which is subdivided into categories of revenue sources that include property taxes, license and permits, State-shared revenues, and charges for services - year after year, remains the General Fund's greatest source of revenue. In past years, primarily due to increased tax revenue from new construction, totals for operating income increased annually. However, with the past downturn in the real estate market, property tax revenues began declining in 2010 significantly reducing the largest source of operating revenue to the General Fund.

For 2019, operating revenues are expected to total \$4,708,200, a net increase of \$111,556 when compared to 2018, which shows a better increase than realized in past years. This occurred due to an increase in licenses for recreational marijuana of \$50,000 and state shared revenues increased 6%. Total operating income is proposed to total \$4,772,900, a 1.4% increase, or \$64,700 above this year's estimated actual revenues. The difference is the result of an expected increase in property tax revenue.

Property Tax Levies. Due to the decline in the local real estate market beginning in 2010, including a large volume of foreclosures within the City, the City's total taxable values decreased by 10% in 2010 and 6.4% in 2011, and 3.4% in 2012. After three straight years of declining property tax values, the City's taxable value began to slowly increase. Due to the State's inflation rate multiplier continuing to be very low, millage rates for the last several years, were rolled back as required by the Headlee limitation, so the City did not realize the entire increase. This occurred in 2017 when the City's taxable value increased by 2.4% and the State's inflation rate was only 0.9%, resulting in millage rates being reduced. In 2019, the State's inflation rate multiplier rose to 2.4% and the computation required the City's millage rate to be slightly rolled back.

The total taxable value for next year is expected to increase by approximately 2.1%, the State's inflation rate multiplier is expected to require a small millage rollback. Some increase in taxable values will come from new construction, which is not affected by the State rollback. This would allow the City to realize an increase in tax revenue based on the entire increase in taxable values.

The total General Fund tax levy is projected to increase from \$4,008,500 estimated for this year to \$4,108,200 or \$99,700 more than 2019. Property sales studies are performed by the Emmet County Department of Equalization each year, which the City Assessor utilizes in determining property values for the following year. This work is completed after the City's budgeting process ends, therefore final determinations of taxable value are not completed until early next year.

Significantly greater than any other categorical source of General Fund income, revenues that are derived from annual levies of real and personal property taxes will continue to be the General Fund's most substantial income source. Except for years 2010 - 2013, tax-millage rates in the City decreased annually as a result of a provision of the Michigan Constitution, commonly referred to as the "Headlee" amendment, that has, through its "rollback" mechanism, reduced the City Charter's 10-mill limitation on property-tax levies that may be imposed annually by the City Council, the proceeds from which are used to finance governmental programs, services, and projects, to 7.5327 mills in 2019 and is expected to be rolled back in 2020.

In addition to the 1978 Headlee amendment to the Constitution, which restricts growth on local governmental units' existing tax bases to inflation and requires local units to rollback their property-tax rates to equal rates of inflation during years when values of existing properties exceed inflation, voter approval in 1994 of "Proposal A" amended the State's Constitution to distinguish between State-equalized values and taxable values of properties. Immediately following this amendment's passage, initial taxable values of eligible properties were established as the equalized assessment for that year and growth was limited to the lesser of inflation or 5%.

Only in the event that ownership of a property is transferred can the cap that is imposed by this 1994 Constitutional amendment be lifted so that the property's taxable value is returned to the rate of its State-equalized value. However, under Headlee this uncapping of taxable value on an existing property is effectively offset by a rollback in tax millages. As a result, increases in the tax base of local units of government, since voter approval of Proposal A, now can occur annually in only two ways - that is, based upon rates of inflation, or 5%, whichever is less, and with additions of values through new construction. The uncapping of taxable-value property assessments when properties are sold, which increases the taxable value of individual properties, does not necessarily increase tax revenues to local units.

In the same year that Proposal A passed, an intergovernmental agreement between the City and Township of Resort, as permitted by a 1984 State statute, transferred the governmental jurisdiction of the Bay Harbor development and its related properties to the City. In exchange for the City's ability to expand its tax base into the Township's territory, provisions of the agreement required the City to return annual revenues to the Township in an amount now equivalent to 2.5 mills applied against the development's taxable value, which is spread across the City's three taxing funds and will total about \$602,300 for 2019 and is estimated at \$613,800 for 2020.

In addition to the City's general-purpose tax levy, certain General Fund costs are offset by annual levies of a special millage for solid waste programs that is permitted by State law. Since 1997, such special levy revenues have covered expenditures associated with solid-waste programs that had historically been financed by the General Fund. Since 2006, this special-purpose levy has been set at 0.4890 mills and for 2020 will be recommended at that same rate to cover costs of collecting rubbish, leaves, and brush and to finance a recycling program.

The City's four other property-tax levies, a City Charter permitted tax, approved by voters in 1988, used to offset costs of maintenance, operations and public improvements within street rights-of-way; a State-authorized levy that City Council first implemented in 1996 to offset costs of the City's library program; a State-authorized, voter-approved levy used to operate and maintain library facilities; and a recent voter approved levy to provide for fire equipment have combined maximum limits that total 7.75 mills. The adjusted maximum allowable limits for 2019 are at 3.8790 mills for street rights-of-way, 1.7810 mills for combined library purposes and .7426 for Public Safety fire equipment for a total of 6.4026 mills.

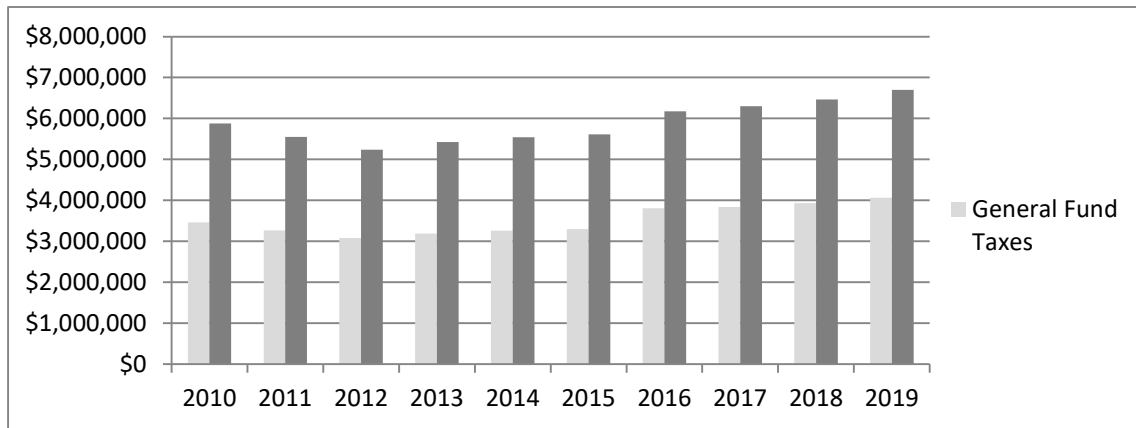
Although the City Council will formally establish, by June, actual rates at which the City's property taxes would be levied in 2020, several months after the budget is approved, it will be recommended to City Council that tax millages remain the same as in 2019, when most were reduced by the Headlee Amendment. The proposed tax rates are for general purposes estimated at 7.5327 mills, a tax rate to offset costs for solid-waste programs set at 0.4890 mills and a fire equipment millage set at 0.7426 mills, with all three millages included in the General Fund. With a Citywide taxable value that has been estimated to be \$523,385,510 in 2020, \$3,449,500 would be received for general purposes, \$226,000 would be received for solid-waste programs and \$387,700 for fire equipment.

For 2020, the City's General Fund, Right-of-Way Fund and Library Fund, based upon a total millage rate of 14.4243 mills, would provide net property tax revenues to these funds at an estimated total of \$6,695,700. Limits that are established by provisions of the City Charter and applicable State statutes that grant the City Council the authority to impose these various property-tax levies set the initial total of these rates at 19.75 mills, or 5.3257 mills more than are being recommended to offset expenditures for all next year.

<u>Tax Increment Financing</u>								
Fund	Rate	Value	Tax	Waterfront	Pet Pte	GLCFA	Act 425	Tax
General	7.5327	\$523,385,510	\$3,942,500	\$132,600	\$ 0	\$8,500	\$351,900	\$3,449,500
Cleanup	0.4890	523,385,510	255,900	8,600	0	500	20,800	226,000
Fire Equip	0.7426	523,385,510	388,700	0	0	800	200	387,700
R.O.W.	3.8790	523,385,510	2,030,200	68,400	0	4,600	165,200	1,792,000
Library	1.7810	523,385,510	932,200	14,900	0	1,000	75,800	840,500
<u>14.4243</u>			<u>\$7,549,500</u>	<u>\$224,500</u>	<u>\$ 0</u>	<u>\$15,400</u>	<u>\$613,900</u>	<u>\$6,695,700</u>

In 2020 the City's taxable value is projected to increase 2.1%, or \$10,801,677 from the \$512,583,833 established for 2019. An increase for new construction is included, along with an increase in the taxable value of real property, setting the City's estimated taxable value at \$523,385,510 for next year. Deducted from tax levies would be captured tax revenues from three tax-increment districts and a 2.5-mill equivalent as revenue sharing to Resort Township as part of the Act 425 Agreement. Beginning in 2018 was the TIF deduction from the tax levies for the Great Lakes Center for the Arts. No longer included is the TIF for the former Petoskey Manufacturing site which ended in 2017.

Property Tax Revenues



Other Revenues. Included within the General Fund income category associated with fees that are charged for issuance of licenses and permits, are revenues from fees for business; fees that are charged for review of plans that are brought before the Planning Commission; sign-installation applications that are reviewed by a Planning Commission standing committee; requests to the Zoning Board of Appeals for grants of variances from City Code provisions; permits that allow for excavations within street rights-of-way; and reviews for zoning compliance.

State-shared revenues, which normally comprise the second-greatest outside source of operating income for the General Fund, are expected to provide a total of \$588,500 in 2020, or \$32,500 more than the total included in the 2019 annual budget. By the end of this year, receipts of State-shared revenues are expected to provide the General Fund with about \$32,800 more than had been estimated when the City's 2019 annual budget had been prepared at \$556,000. As has been the experience of other communities, these State-shared revenues have declined since 2003, when the City received \$602,000. Beginning in 2017 the City has seen annual increases in state shared revenues.

A portion of the State-imposed sales tax now is the only source of revenue-sharing disbursements the State makes to local units of government. Part of these disbursements are guaranteed to local units by provisions of the Michigan Constitution, with the remaining amount provided at the Legislature's discretion through its appropriation process. Prior to the restructuring of this revenue-sharing system, proceeds from the State's single-business tax, which had been levied upon inventories as well as proceeds from personal and corporate income taxes, also had contributed to such disbursements of State-shared revenues.

Adding to the problem of declining amounts of State-shared revenues, as a result of Michigan's poor economic conditions, is the factor of "double-roll-declines" of assistance to local governmental units. With a poor economy, the State's income declines because its receipt of sales-tax revenues drop, and local units then experience a corresponding decrease in revenue-sharing disbursements from the State. In addition, the Legislature's frequent action in reducing statutory appropriations of shared revenues compounds decreases in State-shared revenues seen by local units of government.

General Fund income that is received from non-operating sources always includes interest that is earned off investments, with sources and amounts of revenues that are recorded through the "other" non-operating income varying from one year to the next, based upon non-routine circumstances. In recent years, interest rates have been near historic lows, but are beginning to increase. In 2019, the \$35,000 budgeted interest income is now expected to be \$80,000, with \$80,000 budgeted for 2020, as investment rates are expected to continue to increase slowly.

Included within the "activity" category of General Fund revenues is income received through grants, public-safety reimbursements, recreation fees, park fees and Bayfront Park Marina operations, all of which are expected to total \$2,032,300 in 2020. For 2019, \$1,697,800 is anticipated to be received, which is \$300,400 more than budgeted, primarily due to additional receipt of grant and Marina revenue. Often as a result of grant assistance receipts, year-to-year differences in activities income create substantial annual fluctuations in this line item.

Grant revenue for 2020 is expected to be \$362,900 more than actual this year and includes: Public Safety training (\$3,500), State grants/donations for pickle ball courts (\$190,000), Bear River pedestrian bridge (\$166,000), Bayfront Park Marina pier design (\$15,000) and Little Traverse Wheelway resurfacing (\$127,500), from the Emmet County Local Revenue Sharing Board (\$19,600) for public-safety operations, Petoskey Schools for tennis court resurfacing (\$15,000) and \$55,000 in grant revenue from Townships participating in the City's recreation programs.

Totaling \$26,300 for next year, anticipated income through the public-safety-activity revenue category includes: fines collected for certain types of City Code civil-infractions, parking violations; vacation rental inspection fees and monies received from sales of personal property that is seized, recovered, or unclaimed.

Proposed to provide the General Fund with \$150,300 for 2020, which is nearly the same as now expected to be received by the end of 2019, recreation fees, as the third type of General Fund activity revenues, are derived from participants in City-sponsored and/or supervised recreation and sports program offerings. The Department of Parks and Recreation provides 30 such programs, which includes various categories of basketball, football, skating, hockey, skiing, soccer, softball, tennis, bowling, lacrosse, sailing and volleyball. Also provided as part of these recreation-program offerings is a summer-season day camp. Program fees are reviewed annually and adjustments made to more adequately cover program costs.

About 80% of participants in City-sponsored and/or City-supervised recreation and sports programs are non-City residents, and 40% of those non-resident participants live in Bear Creek and Resort Townships. Both Townships contract with the City for leisure services and pay the City based upon the previous year percentage of participation and the previous year's actual program expenditures less revenues collected from program registrations (i.e.: Township participation % x [expenditures - revenues] = Township fee). The Department of Parks and Recreation staff also provides various types of support and assistance to several private, not-for-profit sports associations and leagues.

2018 Recreation Program Participation

- 30 recreation programs
- 3,275 participants
- 58,400 recreation days or 17.8 days per participant
- 71% of total costs of recreation programs are covered by user fees and recreation agreement fees with Resort and Bear Creek Townships

General Fund activity income that is derived through park user fees is expected to decrease by \$8,500 in 2020 to \$365,100 from 2019 actuals. Other items included within this income category are revenues associated with food sales and skate rentals at the Winter Sports Park, charges to softball leagues for use of City facilities and maintenance of City-owned fields by Department of Parks and Recreation personnel.

Magnus Park is a campground operation that provides monthly rentals of full-service campsites, with water, sanitary-sewer and electric services; monthly rentals of campsites where only electric service is provided; and daily rates for campsites that provide all utility services, water and electric services only. Magnus Park fees for 2019 are anticipated to total \$275,000 with \$275,000 again proposed for 2020. This represents a \$20,000 increase over 2018 based on an increase to camp site rental rates of \$8.00 for full service and \$5.00 for limited service per night during the

2019 Park Rentals

- 95 paid shelter and facility rental reservations
- Campers at Magnus Park stayed 9,298 "nights"
- 1,197 transient boaters stayed 4,720 nights at the marina

prime summer months of July and August.

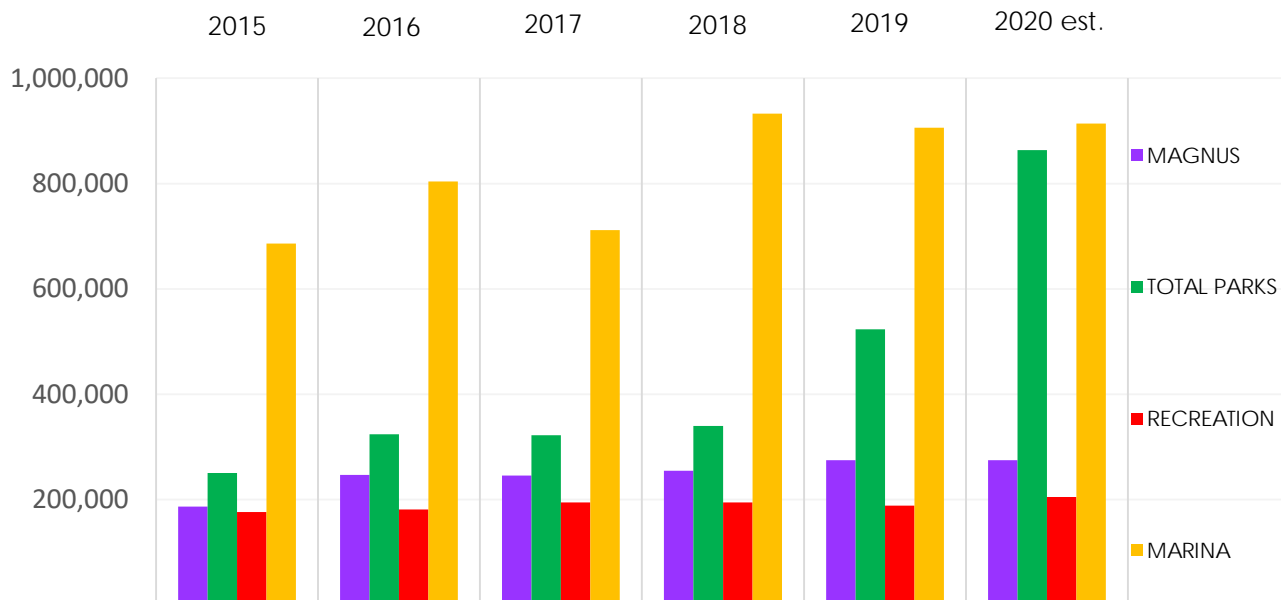
Beginning in 2010, the City initiated a fee for private use of park facilities to help defray costs for Department of Parks and Recreation staff to setup, take down and cleanup following each event. The City receives requests to use facilities such as Bayfront Park for weddings, reunions and other such gatherings, which the City staff accommodates by reserving the site for private use. The City staff had, in the past, provided this service at no cost, but now imposes a fee for such service since it prevents the general public from using the site and additional costs are incurred by the City. Fees totaled \$12,000 for 2019 and are expected to increase to \$15,000 in 2020 after the Bayfront Park waterfall area was closed for most of 2019 due to MDOT's US-31 highway construction project.

Income that is produced by operations of the Bayfront Park Marina is also accounted for within the General Fund's park fees revenue category. For 2019, \$905,800 is anticipated for receipt, or \$97,300 more than the \$808,500 budgeted for this year. Fuel sales of gasoline and diesel peaked in 2005 at 142,805 gallons and dropped to as low as 94,694 gallons in 2014, but for 2019 again increased to 137,850 gallons, the highest level since 2005. For 2020, fuel sales are budgeted at \$465,000. The volume of fuel sales have increased as the price per gallon has leveled off and remained consistent.

Daily rentals at Bayfront Park Marina mooring wells during 2019 provided \$190,000, with \$185,000 budgeted for 2020. Seasonal rentals of mooring wells, provided \$240,000 this year, which has grown since the increase in slips, with \$240,000 proposed again for next year.

When the State Waterways Commission provided grant funding to the City in 1991 that was used to offset costs for installing the diversion-wall pier at the mouth of the Bear River, the grant was conditioned upon the City's agreement to assure that one-half of the boat slips at the Marina be designated as transient wells, which the City then was required to make available to the boating public on a first-come, first-served basis. The agreement permits the City to seasonally lease remaining slips. With the City's pledge to serve transient boaters, the State Waterways Commission agreed to consider providing up to 50% of costs for Marina capital projects.

Parks and Recreation Revenues



To fulfill its goal of providing "harbors of refuge" at strategic locations along the Great Lakes shorelines, the State Waterways Commission contracts with municipal-marina operators to make mooring wells available for use by transient boaters. Other wells at such marina facilities may be leased to boaters who wish to use them on a seasonal basis. As part of these combined daily and seasonally rented moorings, the State Waterways Commission provides capital and repair funding grants-in-aid to the Commission's municipal partners. The Commission also assumes responsibility for establishing Statewide, user fee rates.

Because the State Waterways Commission provides capital funding and also has, on occasion, shared costs of facility repairs, the City's transient and seasonal rental rates have been based upon rate schedules that are established by the Waterways Commission. Special rates have been set for the City's Bayfront Park Marina and those that are operated by the City of Harbor Springs, the Village of Mackinaw City, and several other communities including the Commission's marina at Mackinac Island.

As the last category of General Fund revenues, income that is derived from transfers has been proposed to total \$2,565,000 for 2020 up by \$40,200 from the \$2,524,800 that has been actually transferred. This includes \$22,300 from the Downtown Management Board after agreeing to have the City provide additional accounting and technology services for the downtown operations, along with \$6,000 from the Library for the same services.

Payments in lieu of taxes from the Electric Fund and the Water and Sewer Fund are based upon the value of the utilities' net assets, multiplied by the City's property-tax-levy rates. Payments in lieu of taxes from the Electric Fund for 2020 have been computed at \$209,800 and from the Water and Sewer Fund at \$389,500.

In addition to these payments in lieu of taxes, both the Electric Fund and the Water and Sewer Fund again would pay rental fees for use of certain City Hall facilities, with \$27,000 from the Electric Fund and \$11,000 from the Water and Sewer Fund. Contributions of administrative fees have been proposed at \$458,600 from the General Street Fund; \$579,800 from the Electric Fund; \$704,400 from the Water and Sewer Fund; \$22,300 from the Downtown Parking Fund; \$131,600 from the Motor Pool Fund; \$6,000 from the Library Fund and \$25,000 from the Marina Restricted Account within the General Fund.

EXPENSES

Summary. Total General Fund expenditures for 2020 are proposed at \$9,988,800 or \$1,558,600 more than the \$8,430,200 that had been approved in 2019. The main difference between the two years is due to an \$845,000 transfer to the Motor Pool Fund for the purchase of two new fire trucks and \$714,200 in Parks capital outlay that are funded in part by \$508,500 in grant revenue. Total estimated actual expenditures for 2019 of \$8,624,200 are 2.3% more than budgeted or \$194,000. The difference is due to additional costs for electrical upgrades and fuel purchases at the marina.

Included within the General Fund are six major program expenditure divisions that coincide with the City's organizational structure - they are legislative and citizen participation, five offices of general administration, and Departments of Finance, Public Safety, Parks and Recreation, and Public Works. Other funds that comprise the City's annual budget are related to these departmental operations - such as tax-increment financing associated with parks; streets, water and sewer and electric utilities, and motor pool funds associated with public works; and downtown-related funds associated with all City departments.

Retirement Benefits. The City participates in a retirement plan administered through the Michigan Municipal Employee Retirement System of Michigan (MERS) located in Lansing. In December 2015 the City was informed by MERS that three changes were being made to the plan valuation methods governing the defined benefit retirement plans. These changes would result in a significant increase to the annual required contributions. The cost increase is to be phased in over five years and would result in approximately a 10% increase in contributions each year for the next five years.

To mitigate the cost increase, the City negotiated a change to the retirement plans for the Department of Public Works employees to a B-3 Plan and this change was extended to the City's nonunionized work force. All new employees now receive a defined contribution plan that caps the City's maximum liability at 5% of wages. New Public Safety Officers receive a B-2 defined benefit plan.

As part of the approved unionized agreements with the Department of Public Safety and Department of Public Works bargaining units, their members, along with Nonunion staff contribute between 3% & 4.5% of their earned wages towards the City's required monthly retirement contribution. These changes have helped to eliminate the effects of the changes made by MERS.

The City, also in 2017, 2018 and 2019 made an additional \$1,000,000 payment to MERS to go towards the unfunded accrued liability. The Unfunded Accrued Liabilities (UAL) were reduced for the Teamsters Division within MERS in 2017, in 2018 the \$1,000,000 payment went towards Nonunion members and in 2019 the payment was applied against the Public Safety divisions. The UAL makes up a large portion of the required annual contribution and paying it down greatly reduces future required annual contributions. The City is again proposing a substantial payment towards the UAL for 2020.

Administrative. Proposed at \$38,300 for 2020, costs for legislative and citizen-participation activities have increased by \$18,000 mainly due to three elections next year including: March Presidential Primary, August Primary and November General elections, as \$28,900 is now anticipated to be spent on elections in 2020. Costs include the purchase of an additional ballot optical scanner for use by a separate Absent Voter Counting Board to handle the expected increase in AV ballots due to the passage of new election laws approved by voters last November.

With the State's consolidated election law, the City is responsible for conducting elections of all governmental units located within the City limits, with the City being partially reimbursed for costs incurred. In 2012 additional legislation was passed that now requires school board positions to be included on the November ballot, which eliminates the need for an annual May board member election. A separate election can always be called, by any of the governmental entities within the City's jurisdiction, which may place a ballot question before the voters at a special election that the City is required to conduct.

As it stands now, there will be three elections next year including the General Election in November, at which names of Mayoral and Second and Fourth Ward City Councilmember candidates will appear on the ballot. Costs of full-time City personnel are not reimbursable election expenditures, but other City costs are covered if local government items do not appear on ballots. In 2017 the City began using new optical scan machines replacing the 10-year-old machines, with funding for the project again provided through the Help America Vote Act (HAVA).

Total General Administration costs for 2020 have been proposed at \$724,600, for a budget decrease of \$800, with most categories remaining near their 2019 budget levels. Total General Administrative costs for 2019 are estimated at \$767,500 or \$42,100 more than the budgeted amount of \$725,400.

The number of tax appeals continue to decline based on the additional attention paid to these matters over the last couple of years by the City. The City has worked with outside appraisers, along with the City Assessor and City Attorney to reach a more favorable outcome of these tax appeals, which in part are being made by larger commercial businesses. The laws governing appeals are still very much in favor of these property owners, so the City will continue to receive appeals. Costs for appraisers have resulted in additional costs to defend these cases at the Michigan Tax Tribunal.

Offices of "general administration" include those of the City Manager, City Assessor, City Attorney and City Planner. Also within this General Fund expenditure activity are costs associated with economic-development activities, which includes the following programs and services: Sister City and the Harbor-Petoskey Area Airport Authority.

Normally included within each of the offices of general administration as expenditure line items are costs for salaries and wages of personnel assigned to those offices and their associated fringe benefits, office and miscellaneous supplies, communications, contractual services, equipment rental payments assigned to the offices from the motor pool, and membership fees and dues for associations. Budgets in 2020 for the Office of City Attorney will be the same as 2019 budget amounts, with the City Manager activity increased for education and training, the City Assessor increased for appraisal costs, and City Planner and Economic Development decreased for contracted services.

Expenditures within the Office of City Assessor include costs for outside appraisals and legal defense against property-assessment appeals brought before the Michigan Tax Tribunal. Expenditures to cover fees that are charged for preparing reports by appraisers are proposed along with legal fees for defense of such property-assessment appeals at \$25,000. Assessment appeals, after dropping significantly since the City-wide reappraisal performed in 2006, increased due to the unstable real estate market and adverse legal decisions.

The Office of City Attorney includes expenditures primarily for work performed contractually by Plunkett & Cooney, Petoskey, as the City's lead attorney, but will also include other outside legal counsel as may be necessary. Originally approved at \$145,000 for 2019, actual costs are now expected to total \$182,000 for this year and based on this experience \$145,000 has been budgeted for 2020. Cost increase this year was due to union negotiations and arbitration hearings and zoning and licensing ordinances for medical marijuana. Potential expenses related to the litigation between the State of Michigan and the Little Traverse Bay Band of Odawa Indians that the City is a participant in, will be addressed if that need occurs.

The Office of City Planner is responsible for community planning and the administration and enforcement of land-use regulations including zoning, signage and land divisions. Staffing includes the City Planner and an Administrative Assistant who is shared with the Department of Public Works and Department of Parks and Recreation. The office staffs the Planning Commission, Zoning Board of Appeals and Planning Commission Sign Committee, and works with the Downtown Development Authority on special projects.

Operations of the Office of City Planner have been proposed to cost \$161,200 in 2020, or \$10,600 less than budgeted for in 2019. Proposed projects in 2020 include \$15,000 in contracted services for consultant assistance with the update of the Master Plan. The Master Plan is required to be reviewed for possible updates every five years, which last occurred in 2014.

General Fund expenditures associated with operations of the Department of Finance, which include functional activities of Clerk-Treasurer, Accounting, Utility-Billing and Information Technology, have been proposed to total \$1,040,500 in 2020 or \$47,400 more than budgeted in 2019. Accounts receivable, accounts payable and payroll are functions of the Accounting operations. Utility billing functions include costs for utility meter-reading services, billing services and one City staff position. The City uses a third party for utility bill printing, mailing and online customer services and staff continues to realize savings in billing costs and staff time.

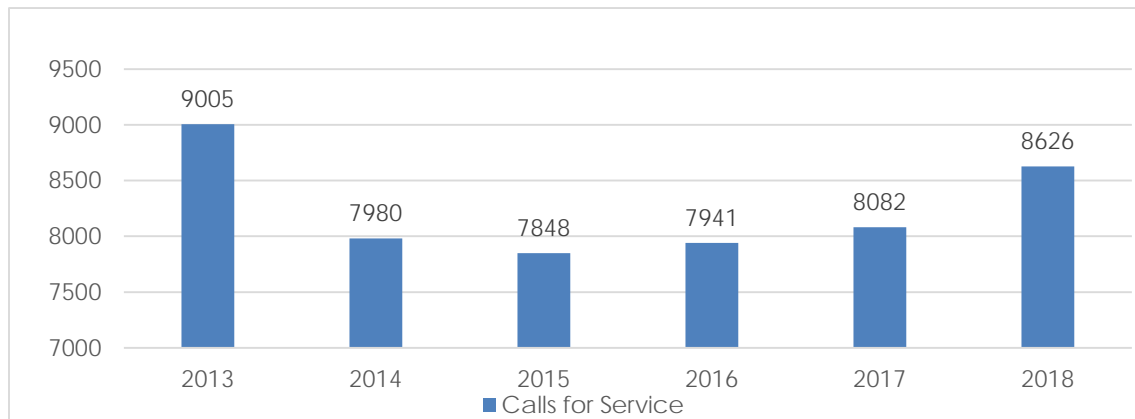
Information technology has a budgeted increase of \$20,600 next year due to upgrades to computer systems and server upgrades. In 2018, the City began utilizing an outside contractor for information technology services, who has several members on staff that specialize in different areas and have been working with the City to upgrade the City's systems. Outside IT services have reduced costs from prior years, although the City's demand for IT services continues to increase, which in-turn increases contracted service costs. In 2017, the Library was established as a backup to the City's main computer server in case it goes down for any reason. The host server will also be used to provide the District Library with additional computer operations.

Public Safety. As the second departmental division of General Fund expenditures, the Department of Public Safety differs from its fellow operating departments that provide parks and recreation and public works services, in that all expenditure activity of the Department of Public Safety is contained within the General Fund.

For 2020, expenditures that are believed necessary to provide combined police, fire and emergency-medical services have been proposed to total \$4,086,200, an increase of \$640,200 more than the 2019 budgeted amount of \$3,446,000. The increase is due to an \$845,000 transfer to the Motor pool Fund for the purchase of two new fire rescue pumpers.

The 2020 budget includes the ninth payment of the \$1,600,000 loan back to the Electric Fund over a 20-year period at 2% interest for the acquisition of property and construction of Public Safety Station West. The current annual repayment amount over the life of the loan is \$100,000 from the Department of Public Safety.

Public Safety Law Enforcement Calls for Service



The City purchased a new Sutphen 100' Aerial Ladder firetruck in 2016 for the amount of \$1,086,289. The purchase was financed by a transfer from the Electric Fund to the Motor Pool Fund. The Electric Fund was reimbursed by the General Fund with proceeds from a voter approved 0.7500 mill property tax levy passed at the August 2016 Primary Election. The millage is for a period of five years and is dedicated to the purchase of fire equipment.

The tax levy was included on the December 2016 property tax bill and was then placed on the summer tax bill, thereafter. This is the same process that occurred when the Library millage was first adopted in November of 2000. Payments received from the property tax levy were paid to the Electric Fund annually to reimburse the original payment, which was to be paid off from 2018 tax revenues with a surplus of \$82,100. In 2019, the fire millage is expected to provide an additional \$380,100 for a balance \$462,200 at year end. The 2020 budget proposes tax revenue of \$387,700, which will provide a total of nearly \$850,000 for the purchase of two Sutphen fire rescue pumpers by the Motorpool Fund in 2020.

Costs for personnel services are by far the greatest expense associated with Department of Public Safety operations. After continued monitoring of personnel needs over the years, primarily following elimination of certain former police and fire only staff positions through attrition and replacing such positions with cross-trained personnel, expansion of jurisdictional territory with addition of the Bay Harbor development to the City's corporate limits and steadily increasing workloads, the public safety staff was established at 19 full-time, sworn personnel, supplemented by one full-time support staff position. Beginning in 2012 were provisions to hire three part-time Public Safety Officers to help man the new Public Safety Station West facility, which has increased to six officers to cover the same number of hours.

Public Safety handles requests for criminal investigations, civil disputes, traffic enforcement, traffic accident investigation, health and safety issues, ordinance violations and general assistance to the public. The Department also provides programs involving inspections, fire prevention programs in area schools, tours of City facilities, a Citizens Academy and participates in community events to promote public relations.

Public Safety

- *20 Full-Time Personnel*
 - *14 PSOs*
 - *4 Lieutenants*
 - *1 Director*
 - *1 Administrative*
 - *6 Part-Time PSOs*
- *8,626 law-enforcement calls for service in 2018*
- *806 fire and medical calls in 2018*

In 2010, a Detective position was established and has worked well to help reduce overtime created by individual officers conducting follow-up investigations on complaints. Even more importantly, it allows for more time to be devoted to investigating criminal complaints and providing more continuity in investigations. The change also allows officers on day-time shift to concentrate more on patrolling and less time handling cases with the prosecutor's office and the courts. During 2018, the Detective investigated 242 cases resulting in 83 felony arrest warrants, 41 misdemeanor arrest warrants and the execution of

37 search warrants. The Detective also assisted the schools on 125 complaints.

The establishment of a Detective position, along with other administrative changes has reduced the amount spent on overtime significantly from 2010 when overtime for the Department of Public Safety cost the City \$196,805 and has now been reduced down to \$90,400 in 2016, with \$110,000 anticipated in 2019 and \$100,000 budgeted for 2020.

Proposed to originally total \$2,431,500 for 2019, personnel service costs within the Department of Public Safety are expected to now total \$9,400 more at \$2,440,900, with \$2,464,200 budgeted for 2020. The increase is largely due to an increase in retirement contributions to the Municipal Employees Retirement System. The City has addressed this increase for nonunion and Department of Public Works employees through contract negotiations. The Public Safety unionized agreements expired at the end of 2017 and the City did not prevail in proposed changes to their collective bargaining agreement in arbitration hearings.

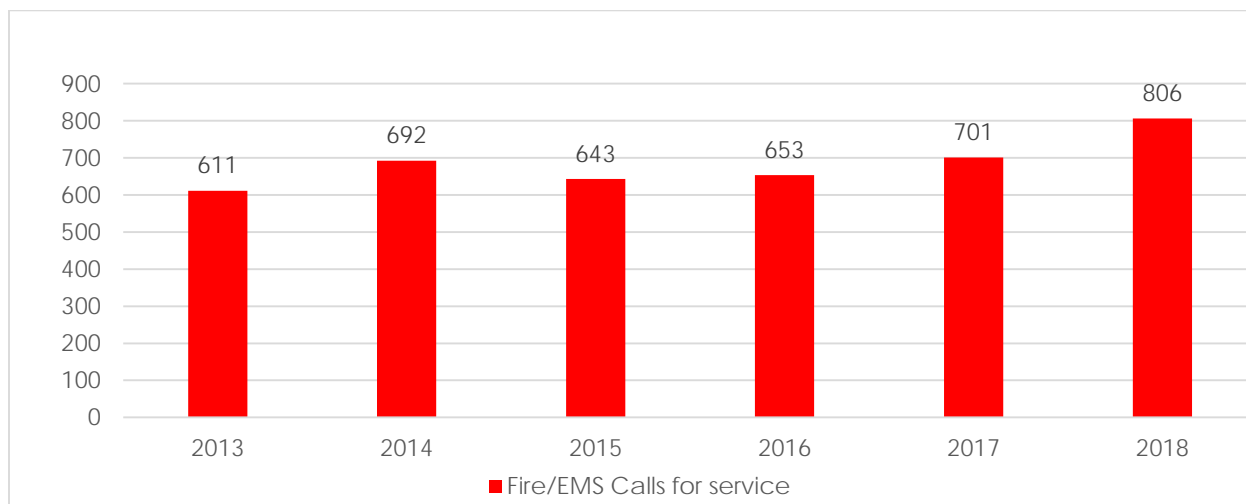
Training and vehicle rental payments made to the Motor Pool Fund for use of equipment have been proposed at \$413,500 next year, up \$23,000 from the \$390,500 budgeted for in 2019 with \$386,000 expected to actually be spent by the end of the year. There are three replacement patrol vehicle and two firetrucks proposed for purchase next year through the Motor Pool Fund. In the existing fleet are seven patrol vehicles, two unmarked vehicles, seven pieces of firefighting equipment and two rescue boats.

Set at \$65,000 are proposed expenditures for "utilities" within the Department of Public Safety, of which \$46,500 is proposed to be transferred from the General Fund to the Water and Sewer Fund for "readiness-to-serve" availability of hydrants as part of the City's fire-protection system. Department of Public Works personnel install, maintain and repair approximately 800 fire hydrants within the City.

Proposed costs for contractual services of \$29,600 would include the City's participation in the Straits Area Narcotics Enforcement (SANE) inter-agency cooperative program and maintenance of two-way radio and mobile-computer equipment, along with \$8,000 for costs at the Public Safety West Station for snow plowing, cleaning and maintenance services.

Community education activities, proposed to cost \$2,700 next year, would include for the school program called "TEAM" (Teaching, Educating and Mentoring) provided to students in elementary, middle and high school grades, as well as various fire-prevention activities, along with the Department's annual open house.

Fire/EMS Calls for Service 2013-2019



Parks & Recreation. The Department of Parks and Recreation with nine full-time employees, one shared Administrative Assistant and 29 seasonal employees, operates and maintains 24 park sites on over 1,260 acres of land and provides approximately 30 organized recreational programs for youth and adults of the community. In 2018, 3,275 individuals utilized recreation programs for an estimated 58,400 recreation participant days of activity.

Included within the General Fund's Department of Parks and Recreation expenditures are functional activities which include: Buildings and Grounds, Downtown Maintenance, Parks and Special Facilities, Magnus Park, Recreation Programs and Bayfront Park Marina. Department of Parks and Recreation expenditures for 2020 are proposed to total \$3,441,400, which is \$828,600 more than budgeted for in 2019, actual costs for this year are now expected to total \$2,892,000 or \$279,200 more than budgeted due to work extending into 2019 for the downtown restroom construction project (\$270,000) that was originally budgeted for in 2018.

Costs for operating, maintaining and improving City-owned buildings, as well as their surrounding grounds, with the exception of the Sheridan Street and Curtis Avenue Public Works facilities, which are owned by the Electric Fund; well houses, pumping stations and wastewater treatment plant that are owned by the Water and Sewer Fund; and buildings owned by the Library Fund, are covered by accounts that are included within the buildings-and-grounds expenditure category. Responsibilities for maintaining City-owned buildings and grounds, including those that are owned by other funds, have been assigned to the Department of Parks and Recreation.

In addition, the Department of Parks and Recreation maintains the downtown streetscape, provides logistical and maintenance support for numerous City and community events and festivals, maintains over 15 miles of non-motorized multi-purpose and rustic hiking trails, mows non-residential roadsides and maintains certain buildings and grounds at various locations.

Major park facilities operated by the Department include a 144-slip Marina at Bayfront Park, a skate park at Riverbend Park, a 78-site campground at Magnus Park, an ice-skating, sledding and warming facility at the Winter Sports Park and several large sports field complexes that include: Bates Park, Petoskey High School/Middle School Recreation Complex, River Road Sports Complex and the Bear River Valley Recreation Area.

Proposed at \$522,000 for 2020, expenditures for various buildings-and-grounds activities which includes personnel services, administrative services, insurance and bonds, supplies, utilities and fuel, maintenance and repairs and vehicle rent, is 23% less than 2019 estimated actual costs of \$676,000, due to the downtown restroom facility reconstruction project. Different from standard maintenance costs, capital-outlay expenditures within the buildings-and-grounds category vary from one year to another, based upon project needs, which unless an outside source of funding is available, has dropped dramatically in recent years, due to budget constraints. 2020 projects include: City Hall energy upgrades (\$50,000), fire hall upstairs carpeting (\$13,000), City Hall solar panels (\$75,000).

The parks-and-special facilities category is proposed at \$1,472,100 for 2020, an increase of \$772,800 over the \$699,300 expected to actually be spent this year. The difference being the number of capital outlay projects schedule for 2020. Projects include: Pickleball courts (\$225,000), Little Traverse Wheelway resurfacing – one mile (\$255,000), Bear River Pedestrian Bridge (\$191,000), Tennis Court resurfacing (\$30,000), Little Traverse Wheelway resurfacing engineering (\$13,200) for a total of \$714,200 for which there are \$508,500 in grants to offset these costs for a net expense to the City of \$205,700.

Accounted for separately within the General Fund's Department of Parks and Recreation are costs to operate Magnus Park, which for next year have been proposed at \$144,100, or \$9,900 more than the \$134,200 that is now expected to be spent this year. Activities include: new toilets, fire rings, computer, cabin renovation to allow rentals, siding on bath house (\$18,500). Magnus Park fees increased by \$8.00 for full service and \$5.00 for limited service per night during the peak months of July and August increasing revenues in 2019. Magnus Park continues to more than cover all costs to operate and maintain the facility, thereby providing additional revenues to fund other park operations.

Magnus Park

- *Campers at Magnus Park stayed 9,298 “nights”*
- *Average occupancy 74% from May 1 – October 31 and 98% from July 1 – August 31.*

2019 Operations

- *\$275,000 in revenues*
- *\$134,200 in expenses*
- *Net income of \$140,800 remains in the General Fund to offset other parks expenses*

Bayfront Park Marina is estimated to actually cost \$979,200 in 2019 or \$194,300 more than budgeted. The difference in cost is due to the additional electrical upgrades (\$155,000) performed in 2019 that were originally budgeted for in 2018 along with fuel costs due to increased sales. The state reimbursement for the electrical upgrades is \$132,765, which will more than offset the difference in net loss.

Other than capital outlay, expenditures within the marina costs are consistent with previous years. The one fluctuating item is fuel cost, which is subject to changes in the market place

Bayfront Park Marina

- *144 Total boat slips*
- *72 Seasonal slips*
- *72 Transient slips*

2019 Operations

- *\$905,800 operating revenues*
- *\$979,200 operating expenses*
- *Net loss of \$73,400*

on the purchase side and weather conditions on the sales side, which affects sales at the pump. The City participates in the Statewide facility-reservation system which not only takes marina reservation requests, it also accounts for all noncash transactions at the marina made by credit card and remits a weekly wire transfer to the City along with an accounting of each month's activities. Included within the Marina budget is funding for upgrades to the fuel pumps, and funding to make necessary dock repairs due to ice damage and weed control.

Included within the Marina budget is an annual payment to the Building Authority Marina Improvements Bond Debt Fund as the Marina's share of principal, interest and paying-agent fees associated with the 2010 borrowing that financed the Marina improvements. The City refinanced these bonds in 2017 which will mature in April of 2024 and requires annual bond-debt payments that will vary from a low of \$113,758 in 2020 to a high of \$123,945 in 2022. Fund transfers to cover debt service requirements for 2020 will increase to \$120,000.

With budgeted revenues for 2020 proposed at \$914,000 (incl. \$15,000 grant) and proposed expenditures at \$901,400, revenues will exceed expenditures by \$12,600, which will be added to the marina fund balance reserve in the General Fund of nearly \$714,512. The reserve may only be used for marina purposes and helps to ensure sufficient funds are available to meet annual bond-debt obligations.

Recreation programs within the Department of Parks and Recreation expenditure category are expected to cost \$299,400 in 2020, a decrease of .5% over 2019 estimated actual costs of \$300,900. In 2018, seventy percent (70%) of recreation program expenses were offset by \$194,800 in revenues that were derived from program fees, grants and reimbursements for services that are provided by the City to other governmental units. Program revenues for 2020 are now conservatively budgeted to cover 68% of costs. Nonresident recreation fees will increase an additional \$5.00 per program beginning in 2020, this excludes Bear Creek and Resort Township residents due to their Townships participation in funding a percentage of the City's recreation programs total costs.

Portions of salaries and wages of five full-time Department of Parks and Recreation staff members and wages of several part-time, seasonal employees make up expenditures for personnel services associated with recreation programs and City-sponsored and/or supervised sports and athletic activities.

Proposed at \$180,000 next year, personnel-services costs would decrease by \$6,800 over estimated actual costs for 2019. Revenues and expenses include amounts for fast pitch softball, which continues to be organized by City staff instead of an outside organization, which was the case for many years.

Within the last expenditure category of the Department of Parks and Recreation are costs for downtown-maintenance activities that have been proposed for 2020 at \$102,400, which is \$17,700 less than budgeted for 2019. Downtown-maintenance functions performed by the Department of Parks and Recreation are based on the premise that City staff views the downtown area as a "special site," with its levels of maintenance set at standards that are similar to those associated with parks.

Also included as part of proposed downtown-maintenance expenditures of \$4,000 are insect and disease control treatments for trees within our downtown. Many of the downtown trees are vulnerable to infestation and/or disease or are overgrown. The city consults with a forester to assist in treatment and trimming of the trees. The honey locust trees have tolerated the difficult downtown streetscape conditions; however, periodic treatments are needed to protect trees from defoliation by insects. Similar expenditures have also been included within the General Fund's parks-and-special facilities section to cover estimated costs for treatment of trees in other park areas.

Public Works. The Department of Public Works division of the General Fund is expected to end the year \$6,600 under budget at \$626,000 when \$632,600 was approved for 2019, with the difference due to a reduction in overall personnel costs. With two expenditure categories of administration and solid waste, \$657,800 has been proposed as costs for 2020.

Included within the Department of Public Works administration activity are personnel service line items associated with four full-time staff positions, with such costs proposed at \$417,200 for 2020, an \$18,000 increase from the \$399,200 budgeted for in 2019. Other activity costs include communication, office supplies, vehicle rental and education and are again budgeted nearly the same as 2019 budgeted costs at \$36,300, resulting in total proposed costs of \$453,500.

Solid-waste programs are expected to cost a total of \$204,300 in 2020, \$9,000 more than actual program totals for 2019 which are anticipated at \$195,300. For 2020, activities again would include monitoring of the City's former River Road landfill for \$8,000, collection of residential rubbish and the chipping and hauling of brush utilizing long-term contractors and Department of Public Works personnel for a total of \$96,000, the collection of leaves by contractors and City crews, and curbside recycling for City residents provided by the Emmet County Department of Public Works for \$100,300.

As part of this 2020 Annual Budget proposal, the City Manager will recommend that the City Council authorize the levy of property taxes as permitted by State statute, the proceeds from which would be used to offset costs of solid-waste programs that are included within the Department of Public Works expenditure activity of the General Fund.

Proposed at the rate of 0.4890 mills, the same amount as had been levied since 2010, resulting revenues have been estimated at \$226,000, which is an anticipated slight increase in property taxes from the 2019 amount, due to a forecasted increase in taxable values. Based on these budgeted amounts, program revenues will exceed expenditures by \$21,700 which will be added to prior year estimated reserves of \$254,626.

General Fund Balance

The following is a history of the City's General Fund, audited fund balance for the last ten years showing the restricted and unrestricted amounts. The majority of the restricted amount belongs to the Marina with a smaller amount apportioned to Refuse Collection.

General Fund
Fund Balance
December 31, 2020 through 2009

Year	Total	Unrestricted	Restricted
2020 est.	\$5,366,442	\$4,363,004	\$1,003,438
2019 est.	5,904,042	4,934,904	969,138
2018	5,516,942	4,469,131	1,047,811
2017	5,228,949	4,150,292	1,078,657
2016	4,855,308	3,862,588	992,720
2015	4,015,864	3,087,098	928,766
2014	3,842,946	2,987,803	855,143
2013	3,114,395	2,324,175	790,220
2012	3,633,058	2,926,886	706,172
2011	2,750,090	2,194,720	555,370
2010	1,867,599	1,078,035	789,564
2009	1,893,637	1,148,443	745,194

The fund balance amount declined dramatically in 2008 mainly with the purchase of property for the new public safety station at a little over one million dollars. The Marina reserves portion of the restricted fund balance has tended to increase with the construction of new piers, which provided additional well rentals and fuel sales, but has declined in recent years due to upgrade of docks.

The \$882,968 increase in fund balance in 2012 is due to the sale of Turcott Field that year in the amount of \$711,348, which was used to fund the cost of constructing the new baseball field in 2013. When the sales proceeds are removed from the fund balance amount the net increase actually realized is \$171,620.

The increase in 2014 is due to the elimination of one position in the Department of Public Works through attrition, deferment of the tennis court reconstruction project and a reduction in the Department of Public Safety overtime, among numerous other small reductions in cost.

Beginning in 2010 the City realized its first year of declining property values significantly reducing property tax revenues and adversely affecting the City's General Fund. With the continued decline in property tax revenues, City staff began postponing or eliminating capital outlay projects, along with various smaller purchases and maintenance items. Three full time personnel positions were either left unfilled or consolidated into other positions as a means of reducing costs. The addition of the property tax administration fee in 2014 allowed some of those projects to be financed.

The General Fund receives over half (60%) of its outside revenue from property tax revenue with the second largest source being state revenue sharing at 8.5%. Services that are provided, along with the percentage reimbursed, are included within the following General Fund activities: City Manager (81%), Accounting (80%), Utility Billing (100%), City Clerk (75%), Information Technology (72%), Buildings and Grounds (45%), Department of Public Works (100%), City Assessor (28%), City Planner (26%) and City Attorney (57%).

These activities within the General Fund's budget for 2020 are proposed to be reimbursed a total of \$1,927,700 for services provided to other funds. This does not include the payment-in-lieu-of-taxes made by the Electric Fund and Water and Sewer Fund of \$599,300, which is in addition to the administrative fees. The administrative fees of \$1,927,700 go to offset the \$2,661,000 in total expenditures for these activities leaving the remaining \$733,300 to be funded by other General Fund revenue items, such as property tax revenue.

The Department of Parks and Recreation receives revenues through user fees from the recreation programs offered, Magnus park campsite fees and Bayfront Park Marina sales and services. For 2020, these along with other smaller revenue sources would provide \$1,982,900 in revenues to offset \$3,441,400 in expenditures for 2020 leaving \$1,458,500 to be funded through other General Fund operations. Magnus Park covers all of their expenses and provides an additional \$132,400 to go towards other park expenses and the Marina covers all of its expenses with the remaining unfunded portion, as one would expect, is from parks, which are available free to the general public.

The largest remaining General Fund activity is the Department of Public Safety, which receives various revenue items for fees and fines that are expected to produce \$49,400, along with the fire equipment millage of \$387,700 in 2020. Public Safety is generally provided without any direct fee for the services provided, which requires the majority of the annual costs, which for next year total \$3,241,200 (firetruck purchase excluded) to be funded through other General Fund revenue.

General Fund

	2018 Actual	2019 Budget	2019 Estimate	2020 Budget
FUND BALANCE - January 1	\$ 5,228,949	\$ 4,980,571	\$ 5,516,942	\$ 5,904,042
REVENUES				
Operating :				
Property Tax	3,981,099	3,984,300	4,008,500	4,108,200
Licenses and Permits	17,974	17,900	69,500	34,700
State Shared Revenues	556,754	556,000	588,800	588,500
Charges for Services	40,817	39,600	41,400	41,500
	4,596,644	4,597,800	4,708,200	4,772,900
Nonoperating:				
Interest Income	78,073	35,000	80,000	80,000
Other	1,838	2,000	500	1,000
	79,911	37,000	80,500	81,000
Activities:				
Grants	105,033	74,600	228,700	591,600
Public Safety	28,858	23,100	49,300	26,300
Recreation	140,503	150,000	140,400	150,300
Parks	325,467	341,200	373,600	365,100
Bayfront Park Marina	932,614	808,500	905,800	899,000
	1,532,475	1,397,400	1,697,800	2,032,300
Transfers:				
City Hall Building Rent	34,700	38,000	38,000	38,000
Electric Fund	224,500	218,000	218,000	209,800
Water and Sewer Fund	341,800	368,800	368,800	389,500
Administration Fees	1,692,900	1,789,500	1,900,000	1,927,700
	2,293,900	2,414,300	2,524,800	2,565,000
TOTAL REVENUES	8,502,929	8,446,500	9,011,300	9,451,200
EXPENDITURES				
Legislation and Citizen Participation:				
City Council	8,277	9,100	8,900	9,400
Elections	25,128	11,200	11,400	28,900
	33,405	20,300	20,300	38,300
General Administration:				
City Manager	255,270	266,500	264,200	275,900
City Assessor	112,066	122,600	141,800	127,400
City Attorney	190,376	145,000	182,000	145,000
City Planner	137,064	171,800	164,600	161,200
Economic Development	19,304	19,500	14,900	15,100
	714,080	725,400	767,500	724,600

	2018 Actual	2019 Budget	2019 Estimate	2020 Budget
Department of Finance:				
Clerk-Treasurer	257,900	270,600	256,900	289,200
Accounting	286,837	304,800	302,200	313,800
Utility Billing	176,323	232,200	200,200	231,400
Information Technology	82,102	185,500	126,100	206,100
	<u>803,162</u>	<u>993,100</u>	<u>885,400</u>	<u>1,040,500</u>
Department of Public Safety:				
Law Enforcement, Fire Protection, Emergency Medical Services	<u>3,447,832</u>	<u>3,446,000</u>	<u>3,433,000</u>	<u>4,086,200</u>
Department of Parks and Recreation:				
Building and Grounds	469,488	503,700	676,000	522,000
Downtown Maintenance	84,912	120,100	102,400	102,400
Parks and Special Facilities	683,744	756,500	699,300	1,472,100
Magnus Park	114,364	128,400	134,200	144,100
Recreation Programs	276,797	319,200	300,900	299,400
Bayfront Park Marina	996,620	784,900	979,200	901,400
	<u>2,625,925</u>	<u>2,612,800</u>	<u>2,892,000</u>	<u>3,441,400</u>
Department of Public Works:				
Administration	409,167	433,300	430,700	453,500
Solid Waste	181,366	199,300	195,300	204,300
	<u>590,532</u>	<u>632,600</u>	<u>626,000</u>	<u>657,800</u>
TOTAL EXPENDITURES	<u>8,214,936</u>	<u>8,430,200</u>	<u>8,624,200</u>	<u>9,988,800</u>
Excess of Revenues Over Expenditures	<u>287,993</u>	<u>16,300</u>	<u>387,100</u>	<u>(537,600)</u>
FUND BALANCE - DECEMBER 31	<u>\$ 5,516,942</u>	<u>\$ 4,996,871</u>	<u>\$ 5,904,042</u>	<u>\$ 5,366,442</u>

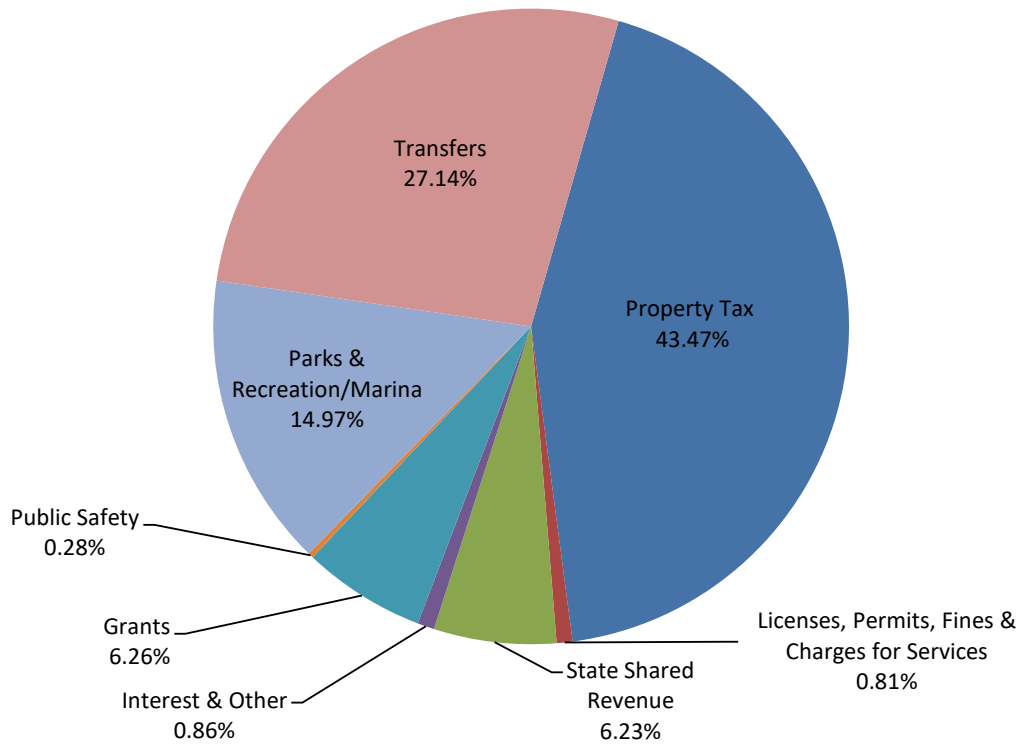
General Fund

	2018 Actual	2019 Budget	2019 Estimate	2020 Budget
EXPENDITURES - Detailed				
Legislation and Citizen Participation				
City Council:				
Personnel	\$ 1,985	\$ 2,500	\$ 2,300	\$ 2,500
Office Expense	657	500	400	700
Training & Transportation	5,635	6,100	6,200	6,200
	<u>8,277</u>	<u>9,100</u>	<u>8,900</u>	<u>9,400</u>
Elections:				
Personnel	10,356	3,200	3,200	13,900
Office Expense	4,789	5,000	7,200	7,000
Contracted Services	9,983	3,000	1,000	8,000
	<u>25,128</u>	<u>11,200</u>	<u>11,400</u>	<u>28,900</u>
General Administration				
City Manager:				
Personnel	241,646	249,500	250,000	257,500
Office Expense	9,604	9,800	10,000	10,500
Contracted Services	15	1,500	-	1,500
Training & Transportation	4,005	5,700	4,200	6,400
	<u>255,270</u>	<u>266,500</u>	<u>264,200</u>	<u>275,900</u>
City Assessor:				
Office Expense	3,072	3,800	3,100	3,600
Contracted Services	108,993	118,800	138,700	123,800
	<u>112,066</u>	<u>122,600</u>	<u>141,800</u>	<u>127,400</u>
City Attorney:				
Contracted Services	<u>190,376</u>	<u>145,000</u>	<u>182,000</u>	<u>145,000</u>
City Planner:				
Personnel	125,915	141,000	134,000	136,600
Office Expense	4,049	6,000	4,200	4,700
Contracted Services	2,702	20,000	22,000	15,000
Training & Transportation	4,398	4,800	4,400	4,900
	<u>137,064</u>	<u>171,800</u>	<u>164,600</u>	<u>161,200</u>
Economic Development:				
Contracted Services	<u>19,304</u>	<u>19,500</u>	<u>14,900</u>	<u>15,100</u>
Department of Finance				
Clerk-Treasurer:				
Personnel	223,870	235,200	226,000	253,400
Office Expense	5,682	6,200	5,900	6,500
Contracted Services	20,113	17,200	16,400	17,200
Training & Transportation	8,235	12,000	8,600	12,100
	<u>257,900</u>	<u>270,600</u>	<u>256,900</u>	<u>289,200</u>

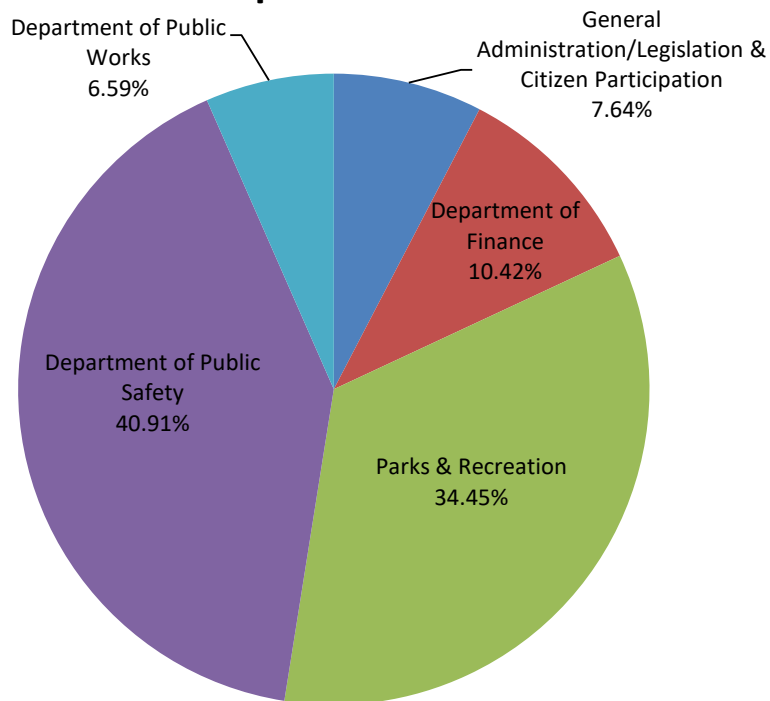
	2018 Actual	2019 Budget	2019 Estimate	2020 Budget
Accounting:				
Personnel	265,601	274,000	280,000	285,000
Office Expense	7,417	9,300	7,200	8,300
Contracted Services	13,779	21,000	15,000	20,000
Training & Transportation	40	500	-	500
	286,837	304,800	302,200	313,800
Utility Billing:				
Personnel	118,852	145,000	140,000	146,000
Office Expense	5,518	6,700	5,700	15,400
Contracted Services	51,821	77,000	52,000	67,000
Training & Transportation	132	3,500	2,500	3,000
	176,323	232,200	200,200	231,400
Information Technology:				
Personnel	-	-	-	-
Office Expense	23,021	51,500	16,100	51,100
Contracted Services	59,082	134,000	110,000	155,000
Training & Transportation	-	-	-	-
	82,102	185,500	126,100	206,100
Department of Public Safety				
Law Enforcement, Fire Protection, Emergency Medical Services:				
Personnel	2,405,156	2,431,500	2,440,900	2,464,200
Office Expense	152,644	164,400	150,500	164,200
Contracted Services	21,299	27,300	24,000	29,600
Training & Transportation	375,659	390,500	386,000	413,500
Debt requirements	459,328	387,600	387,600	945,000
Capital Outlay/Equipment	33,746	44,700	44,000	69,700
	3,447,832	3,446,000	3,433,000	4,086,200
Department of Parks and Recreation				
Building and Grounds:				
Personnel	123,645	258,200	256,700	271,000
Materials & Supplies	72,122	88,000	72,300	86,000
Contracted Services	25,219	24,000	27,000	27,000
Training & Transportation	-	-	-	-
Capital Outlay/Equipment	248,502	133,500	320,000	138,000
	469,488	503,700	676,000	522,000
Downtown Maintenance:				
Personnel	56,053	81,400	66,700	62,000
Office Expense	12,116	20,800	18,300	21,900
Contracted Services	9,543	10,500	10,000	11,000
Training & Transportation	7,200	7,400	7,400	7,500
	84,912	120,100	102,400	102,400
Parks and Special Facilities:				
Personnel	330,653	341,000	341,500	348,500
Office Expense	118,421	141,800	122,800	111,700
Contracted Services	115,405	101,500	96,500	149,500
Training & Transportation	113,763	118,000	116,500	118,200
Capital Outlay/Equipment	5,502	54,200	22,000	744,200
	683,744	756,500	699,300	1,472,100

	2018 Actual	2019 Budget	2019 Estimate	2020 Budget
Magnus Park:				
Personnel	55,349	54,200	61,300	58,200
Office Expense	51,715	66,800	51,000	56,800
Contracted Services	-	-	14,500	21,500
Training & Transportation	7,300	7,400	7,400	7,600
	<u>114,364</u>	<u>128,400</u>	<u>134,200</u>	<u>144,100</u>
Recreation Programs:				
Personnel	172,173	205,800	186,800	180,000
Office Expense	24,374	32,700	28,100	30,100
Contracted Services	69,190	67,400	71,200	70,700
Training & Transportation	9,457	10,800	10,600	14,600
Capital Outlay/Equipment	1,603	2,500	4,200	4,000
	<u>276,797</u>	<u>319,200</u>	<u>300,900</u>	<u>299,400</u>
Bayfront Park Marina:				
Personnel	116,653	109,000	121,000	131,400
Office Expense	94,211	96,500	102,000	99,400
Contracted Services	86,302	77,000	85,000	99,000
Gas & Oil	426,094	360,000	375,000	387,000
Training & Transportation	16,944	17,100	17,400	17,600
Debt requirements	107,100	117,300	117,300	120,000
Capital Outlay/Equipment	149,316	8,000	161,500	47,000
	<u>996,620</u>	<u>784,900</u>	<u>979,200</u>	<u>901,400</u>
Department of Public Works				
Administration:				
Personnel	376,559	399,200	399,900	417,200
Office Expense	9,508	10,500	7,700	9,800
Training & Transportation	23,100	23,600	23,100	26,500
	<u>409,167</u>	<u>433,300</u>	<u>430,700</u>	<u>453,500</u>
Solid Waste:				
Personnel	19,149	24,900	22,100	22,100
Office Expense	109	900	200	200
Contracted Services	154,935	154,000	161,000	170,000
Training & Transportation	7,174	19,500	12,000	12,000
	<u>181,366</u>	<u>199,300</u>	<u>195,300</u>	<u>204,300</u>
TOTAL EXPENDITURES	<u>\$ 8,214,936</u>	<u>\$ 8,430,200</u>	<u>\$ 8,624,200</u>	<u>\$ 9,988,800</u>

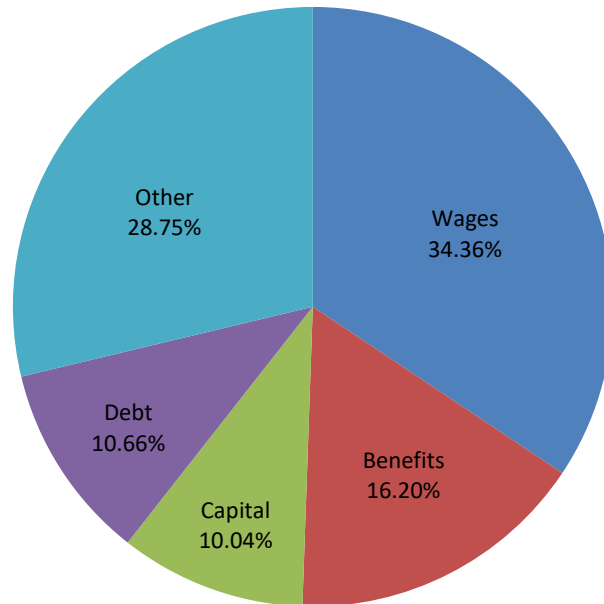
Revenues



Expenditures



Expenditures



Major Street Fund

The Major Street Fund provides for the construction, maintenance and operations of the approximate eleven miles of City streets classified as major streets by the Michigan Department of Transportation. Public Act 51 of 1951 requires a separate fund to account for State-shared revenues received from gasoline taxes designated for major and local street purposes. Monies from other City funds, primarily the Right-of-Way Fund, are transferred to the Major Street Fund for construction and operating costs as State-shared revenues fall far short of the monies necessary to fully fund the operations.

Summary. Operations within the Major Street Fund will remain consistent with activity from the previous year, the only difference being in capital projects between the two years. Proposed budgeted revenues for 2020 total \$901,600, with total budgeted expenditures proposed at \$1,552,100, resulting in an excess of expenditures over revenues of \$650,500 that will be subtracted from the \$1,374,728 estimated beginning fund balance, leaving an estimated ending fund balance of \$724,228.

Revenues. Income to the Major Street Fund originates from two sources, operating revenues and fund transfers. Operating revenues consist of: 1) The City's share of State imposed, motor fuel tax reimbursements, which are nearly three times the amount received per mile than from reimbursements received for streets classified as local streets; 2) Trunkline payments for work the City performs contractually for the Michigan Department of Transportation for maintenance of State-controlled trunklines within the City's corporate limits; and 3) Interest income.

Fund transfers are received from other City funds, and although amounts for such transfers differ from year to year, contributions to the Major Street Fund are primarily received from the Right-of-Way Fund. Current year improvements included the Lewis Street realignment project performed in conjunction with the State of Michigan's US-31 improvement project. In 2020, the reconstruction of Kalamazoo Street from Jennings to East Mitchell is the only scheduled street project within this fund.

Operating revenues for 2020 are expected to increase by \$29,300 over 2019 actual amounts due to an estimated increase in state motor fuel tax. State-shared revenues are based on two components: one is the City's population from the 2010 census of 5,670; and the other being the 11 major street miles. A dollar amount is established for each component through the State's annual budgeting process and is applied against the total population and local miles.

The State-established amounts estimated to increase by 5% in 2020 are distributed over the State's fiscal year that ends in September, requiring 2020 fourth-quarter City revenues to be estimated. Amounts established by the State are always subject to revision based on further changes in economic conditions. In addition, the City also receives an annual one-time payment for snow removal that is based on actual snowfall amounts and is estimated at \$50,000 for next year, after receiving \$69,300 in 2019.

Expenditures. Major Street system actual expenditures for 2019 are estimated at \$657,600, which is nearly \$156,100 less than in 2018 due to a decrease in construction projects. For 2020 budgeted costs total \$1,552,100 or \$894,500 more than will be spent in 2019, due to the reconstruction of Kalamazoo Street.

Work next year to be performed by the City under provisions of the trunkline agreement with the Michigan Department of Transportation for maintaining portions of US-31 and US-131 within the City's corporate limits have been set at \$110,100. Costs for some of the items included within the State contract may exceed the State budget amount, which the State will not reimburse except for winter-maintenance expenditures.

The street funds provide the following routine maintenance activities: pavements; sweeping-flushing; drainage; cleanup-mowing; bridge-crossings; signs-signals-barriers; and winter maintenance. Several street operations are handled by contractors, such as within the pavements category where street markings are provided by outside vendors, along with the drainage category where catch-basin cleanings are also performed by outside contractors. The City continues to own and staff sweeping, flushing and jet-spray equipment.

Winter maintenance is the largest of the routine maintenance activities with estimated actual costs over budgeted amounts in 2019 by \$19,000. These costs are higher than in 2018, which was a warmer winter that followed two harsh winters. Total winter maintenance costs are estimated at \$261,600. Budgeted costs for 2020 will remain the same at \$242,600 based on past experience.

Longer winters tend to increase snow-hauling efforts, especially if there are fewer mid-winter thaws to reduce the height of snow banks. Snow is hauled to various sites depending on the amount of storage required and may include Riverbend Park on Standish Avenue, City landfill property off River Road and City owned Howard Road property adjacent to the old landfill.

The Major Street Fund cash reserves were able to absorb the added expense of previous year's winters. The 2016 budget included a surplus that along with the reduction in budgeted street work, helped begin replenish the cash reserves. Reserves have now been replenished enough to only require a \$200,000 contribution from the Right of Way Fund in 2020, which is due to construction.

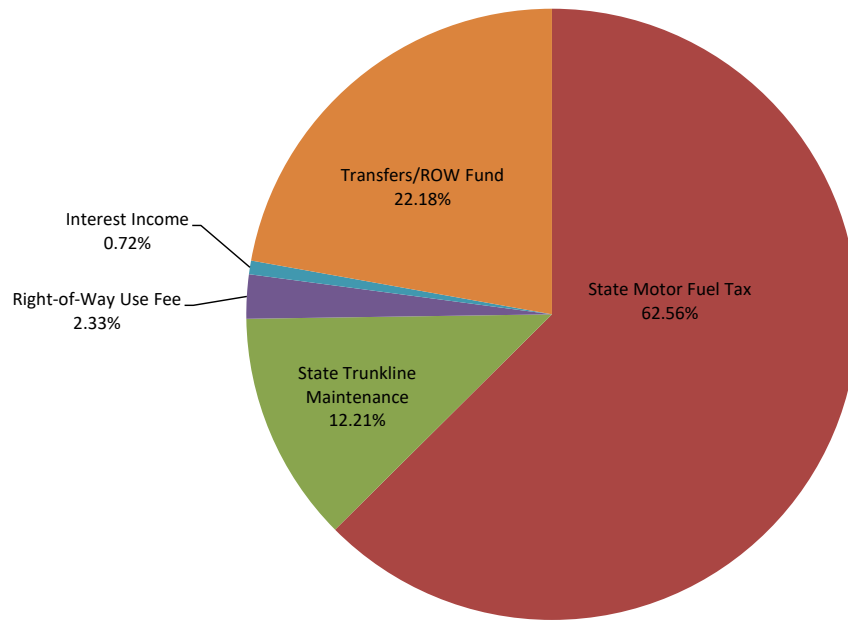
The administration and engineering activity, which was typically the largest budget activity within the street funds, accounts for such activities as contracted engineering services, fringe benefit costs for one-half of Department of Public Works operations employees, and administrative fees paid to the General Fund for services provided by City Hall staff, and continue to be allocated to the General Street Fund for both the Major Street and Local Street Funds.

The change in accounting for these street-related costs helps to simplify annual street reports provided to the State of Michigan required under Public Act 51 of 1951 for State-shared revenue received by the City. This re-classification assists in aggregating cost for services that benefit all three funds overall, but have been divided among the funds. This single activity provides a better overview of administrative costs, which, regardless of where expenses are accounted for, the revenues are provided from the Right-of-Way Fund.

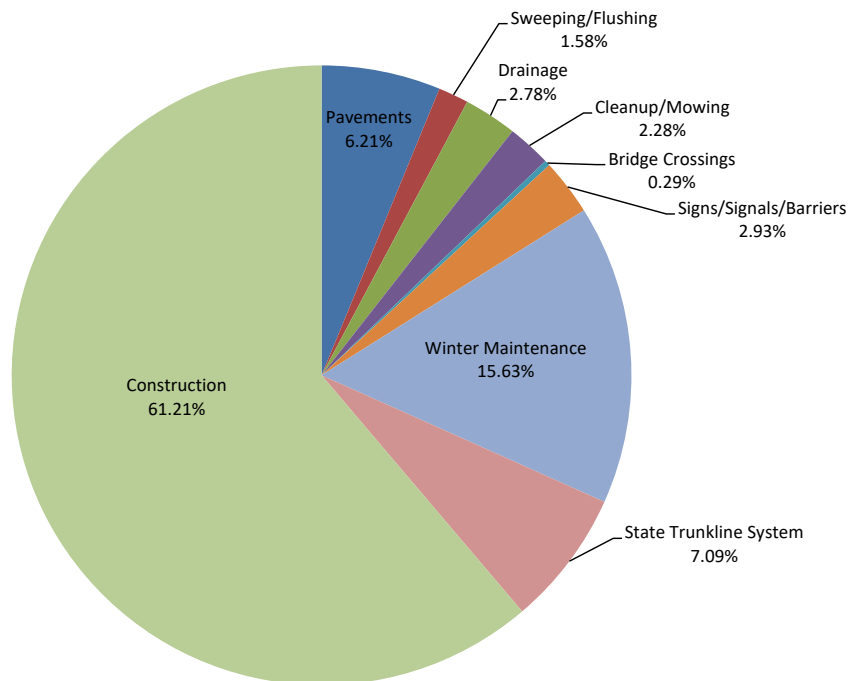
Major Street Fund

	2018 Actual	2019 Budget	2019 Estimate	2020 Budget
FUND BALANCE - January 1	\$ 902,411	\$ 827,396	\$ 1,323,728	\$ 1,374,728
REVENUES				
Operating :				
Grants	-	-	-	-
State Motor Fuel Tax	555,523	485,200	538,000	564,000
State Trunkline Maintenance	113,093	110,000	106,800	110,100
Right-of Way Use Fee	20,921	20,900	21,000	21,000
	689,537	616,100	665,800	695,100
Nonoperating:				
Interest Income	45,520	1,100	42,800	6,500
Transfers:				
Right of Way Fund	500,000	-	-	200,000
TOTAL REVENUES	1,235,057	617,200	708,600	901,600
EXPENDITURES				
State Trunkline:				
Pavements	5,927	11,600	7,300	8,800
Drainage	219	2,200	2,500	2,200
Cleanup and Mowing	4,129	6,300	5,500	6,300
Signs-Signals and Barriers	441	1,100	7,400	5,600
Sweeping and Flushing	7,032	9,600	6,600	9,600
Winter Maintenance	62,994	77,600	77,500	77,600
	80,742	108,400	106,800	110,100
Major Street System:				
Construction	382,384	200,000	105,600	950,000
Pavements	45,650	96,200	56,100	96,400
Drainage	32,565	43,100	37,300	43,100
Cleanup and Mowing	28,860	35,400	29,100	35,400
Bridge Crossings	1,330	4,000	2,500	4,500
Signs-Signals and Barriers	34,649	44,500	39,900	45,500
Sweeping and Flushing	17,390	24,500	18,700	24,500
Winter Maintenance	190,171	242,600	261,600	242,600
Administration				
	732,999	690,300	550,800	1,442,000
TOTAL EXPENDITURES	813,740	798,700	657,600	1,552,100
Excess of Revenues Over Expenditures	421,317	(181,500)	51,000	(650,500)
FUND BALANCE - DECEMBER 31	\$ 1,323,728	\$ 645,896	\$ 1,374,728	\$ 724,228

Revenues



Expenditures



Local Street Fund

The Local Street Fund provides for the construction, maintenance and operations of the approximate 22 miles of City streets classified as local streets by the Michigan Department of Transportation. Streets not classified as major streets fall into the local street category and Public Act 51 of 1951 requires a separate fund to account for State-shared revenues received from gasoline taxes designated for major and local street purposes. Monies from other City funds, primarily the Right-of-Way Fund, are transferred to the Local Street Fund for construction and operating costs as State-shared revenues fall far short of the monies necessary to fully fund the operations.

Summary. In 2020 budgeted revenues for the Local Street Fund total \$444,000, with total budgeted expenditures proposed at \$515,700, with \$160,000 in construction activity scheduled for the Local Street Fund. In past years, the City was performing resurfacing projects that include various streets based on their conditions determined by the PASER rating method. An estimated beginning fund balance of \$792,316 would be decreased by \$71,700 resulting in an ending fund balance of \$720,616.

Operational costs within the Local Street Fund will remain consistent with budgeted expenditures of previous years including estimated costs. Since 2017 the budget included \$50,000 to go towards spot repairs on streets that are in need of resurfacing for only a short distance. This amount is again included within both the Major and Local Street Funds.

In 2019 there was very little street work due to the State's US-31 reconstruction project and related detours through the City that were expected to cause significant congestion as motorists sought out various ways to navigate the City streets. The realignment of Lewis Street was budgeted in the Major Street Fund as part of the State's project with nothing scheduled in the Local Street Fund.

Revenues. Income to the Local Street Fund originates from two sources, operating revenues and fund transfers. Operating revenues consist of the City's share of State-imposed, motor fuel tax reimbursements and interest earned off investments. Fund transfers are derived from other City funds and although amounts for such transfers differ from year to year, contributions to the Local Street Fund are typically received from the Right-of-Way Fund. State-shared revenues have remained fairly consistent in recent years, although a 23% increase was received in 2016, with much smaller increases up to 5% since then. State-shared revenues are based on two components; one is the City's population from the 2010 census of 5,670, with the other being the Petoskey's 22.31 local street miles.

A dollar amount is established for each component through the State's annual budgeting process and is applied against the total population and local miles. The City will continue to experience a reduction in revenue due to the loss of population in the 2010 census of 379 people. The U.S. Bureau of the Census will be performing their census next year which will effect state shared revenues for the next ten years.

The State-established amounts are forecasted to increase slightly in 2019 and cover the State's fiscal year that ends in September, requiring the City's fourth-quarter revenues to be estimated. Amounts established by the State are always subject to change based on fluctuations in economic conditions. In addition, the City also receives an annual one-time payment for snow removal that is based on actual past snowfall amounts and is estimated at \$40,000 for next year after receiving \$59,443 this year.

For 2020, there are \$200,000 in transfers being proposed from the Right-of-Way Fund to help cover operating as well as capital costs as compared to \$550,000 in transfers received during 2016, no transfers in 2017 and \$300,000 in 2018.

Expenditures. Total actual expenditures for 2019 are estimated at \$292,300, which is \$47,500 less than the \$339,800 budgeted. The primary difference being the decrease in pavement expenditures. Proposed expenditures for 2020 total \$515,700, which is \$223,400 more than 2019 actual costs.

Construction costs for 2020 includes only the reconstruction of Jackson Street between West Mitchell Street and Ring Road at McLaren Hospital (\$160,000). The project will also include sidewalks and storm sewer replacement, which will be accounted for in other funds.

Winter maintenance, which includes snow removal and ice control, is always one of the larger activities within the Local Street Fund. These costs are always weather dependent, and may exceed budgeted amounts like the longer winters in 2013 and again in 2014 resulting in total costs exceeding budget amounts, with 2019 expected to be \$4,500 over budget.

Budget estimates for 2020 will slightly increase based on recent cost experience, but actual winter conditions will dictate final costs. Cash reserves maintained from previous years allowed the City to cover the harsh or longer than normal 2014 winter season. The City's budgets provided a surplus in succeeding years to replenish these cash reserves, which again have a healthy balance.

Pavements budget increased by \$50,000 in 2017 and will continue for 2020. As mentioned earlier, this amount will be used for spot repairs on short sections of City streets. These short sections can be more efficiently replaced as part of repairs instead of including within the formal bid process.

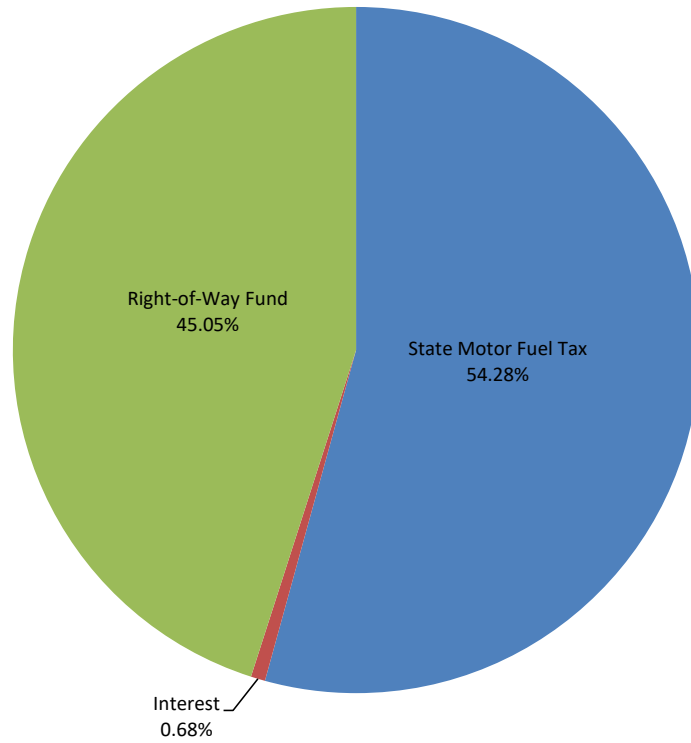
The administration and engineering activity, typically the largest budget activity within the street funds - accounts for such activities as contracted engineering services, fringe benefit costs for one-half of the Department of Public Works operations employees, and administrative fees paid to the General Fund for services provided by staff at City Hall continue to be re-allocated to the General Street Fund for both the Major Street and Local Street funds.

The change in accounting for these street-related costs help to simplify annual street reports provided to the State of Michigan required under Public Act 51 of 1951 for State-shared revenue received by the City. The re-classification also assists in aggregating cost of services that benefit all three funds overall, but have been divided among the funds. This single activity provides a better overview of administrative costs which, regardless of where expenses are accounted for, the revenues are provided by the Right-of-Way Fund.

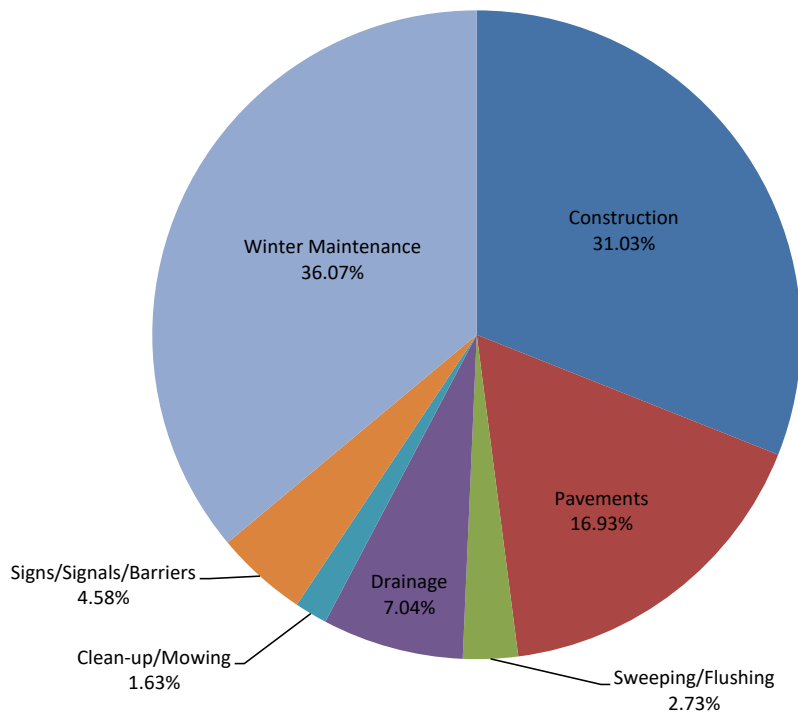
Local Street Fund

	2018 Actual	2019 Budget	2019 Estimate	2020 Budget
FUND BALANCE - January 1	\$ 462,026	\$ 459,939	\$ 637,416	\$ 792,316
REVENUES				
Operating :				
State Motor Fuel Tax	233,229	204,100	242,000	241,000
Nonoperating:				
Interest Income	4,132	2,100	5,200	3,000
Transfers:				
Right of Way Fund	300,000	200,000	200,000	200,000
TOTAL REVENUES	537,361	406,200	447,200	444,000
EXPENDITURES				
Local Street System:				
Construction	105,181	-	-	160,000
Pavements	42,570	84,400	47,700	87,300
Drainage	21,698	36,300	25,300	36,300
Cleanup and Mowing	10,347	8,400	7,400	8,400
Signs-Signals and Barriers	16,102	22,600	23,300	23,600
Sweeping and Flushing	7,841	14,100	10,100	14,100
Winter Maintenance	158,232	174,000	178,500	186,000
Administration				
TOTAL EXPENDITURES	361,971	339,800	292,300	515,700
Excess of Revenues Over Expenditures	175,390	66,400	154,900	(71,700)
FUND BALANCE - DECEMBER 31	\$ 637,416	\$ 526,339	\$ 792,316	\$ 720,616

Revenues



Expenditures



General Street Fund

The General Street Fund maintains accessory structures and supports operations associated with both the Major Street and Local Street Funds and includes such activities as street lighting, forestry-trimming, removal and replacement of trees, sidewalk repair, replacement and construction, sidewalk snow removal, and street-related jobbing activities. Street inventory such as salt, sand and signs is also held by the General Street Fund and billed to the appropriate fund when used.

Administration activities for the Major Street and Local Street Funds are accounted for in the General Street Fund and include fringe benefits for the Street Operations staff and contracted services, which would include engineering for future street projects. The General Street Fund is classified as a Special Revenue Fund since the primary source of revenue is restricted as to its use.

Summary. General Street Fund normal activities remain consistent with activities from the previous year. Revenues for 2020 have been budgeted at \$1,462,600, with expenditures budgeted at \$1,567,600, for a difference of (\$105,000), which will be subtracted from the existing fund balance estimated at \$1,189,083 and resulting in an estimated ending fund balance of \$1,084,083.

The General Street Fund's fund balance includes salt/sand and other inventory held until used by the Major Street and Local Street Funds when the appropriate fund is billed for such usage. The process requires additional cash reserves to be on hand in order to allow for the purchase of items necessary to be maintained within inventory.

Revenues. Income for the General Street Fund is primarily received through transfers from the Right-of-Way Fund and the Electric Fund. While Electric Fund transfers are not restricted as to use, Right-of-Way Fund transfers, whose revenue is derived from a specific property tax millage, is restricted to uses within City street rights-of-way. Other sources of revenue would include grants, interest income and revenue received from project jobbing.

Estimated actual revenues for 2019 of \$1,724,200 are more than the budgeted amount of \$1,653,600, with the difference attributed to SAW grant reimbursement revenues that were not received until 2019. For 2020, budgeted revenues are proposed to decrease by \$191,000 to \$1,462,600, with the difference being a decrease in transfers from the Right of Way Fund.

The City received an \$854,116 Stormwater, Asset Management and Wastewater Grant (SAW) from the State of Michigan to map the City's storm water system. The grant required a 10% match from the City of \$85,412, with the State providing \$768,704 and took three years to complete. The project provided an inventory of the City's storm sewer assets and developed a method of determining repair and replacement of the system over time.

Beginning in 2010, both revenues and expenses increased in the General Street Fund to cover the costs of administrative activities of all three street funds which allows for simpler reporting to the State of Michigan of monies received from the gas tax under P.A. 51.

Expenditures. Approved 2019 budgeted expenditures totaled \$1,544,100 for the General Street Fund, but actual expenditures are now anticipated to be \$1,330,000 at year end, \$214,100 less than budgeted. The difference occurred due to a reduction in engineering costs related to street design.

General Street Fund expenditure line-items include: project jobbing, sidewalk replacements and installations, sidewalk snow removal, forestry, street lighting and administration. Sidewalk improvements are consistently budgeted at about \$200,000 each year, although, in some years costs have been higher due to larger projects, including last year at \$272,200. For 2020 the sidewalk costs are budgeted at \$206,500.

For 2018, sidewalk work included various sidewalk spot repairs, replacements and installations throughout the City with emphasis on the continuation of the Greenway Corridor to Emmet Street and sidewalk improvements along West Lake Street in conjunction with the water main replacement project. 2019 work included sidewalk work on Washington Street from Petoskey to Howard Street and a portion of the Little Traverse Wheelway along Bayfront Drive. The 2020 Budget includes sidewalk monies that will be focused towards the Kalamazoo Avenue reconstruct project along with miscellaneous as-needed spot repairs city-wide.

The sidewalk snowplowing contract expired in 2017 and due to higher than expected bid pricing for 2018, the City began performing this work in house. Four sidewalk snow blowing units were purchased in 2017 and contracted labor was sought to provide the service as needed. Actual costs for 2019 are estimated at \$63,100, which is more than budgeted costs of \$58,100. Costs are budgeted at \$63,100 for 2019 or the same as estimated actual costs for 2019.

The trimming, maintenance and removal of City-owned trees are forestry tasks that are handled through a three-year-long service contract. Planting of replacement and new trees are tasks that are handled by separate contractors, with planting contracts awarded annually. Such operations occur along local and major streets and along State trunklines with recent activities concentrated on aging maples and other trees in severe decline. Contracted services within this activity tend to be budgeted around \$150,000 each year, with \$300,000 budgeted for 2020 due to participation in MDOT's US-31 improvement project (\$150,000) and the Kalamazoo street reconstruction project (\$60,000).

The administration activity within the General Street Fund accounts for the administration of all three street funds (Major Street Fund, Local Street Fund, and General Street Fund). This activity includes such items as contracted engineering services, fringe benefit costs for all Department of Public Works - Operations employees; and administrative fees remitted to the General Fund for services provided by staff at City Hall for the three street funds. For 2020 this activity also includes engineering for future street reconstructions of \$120,000.

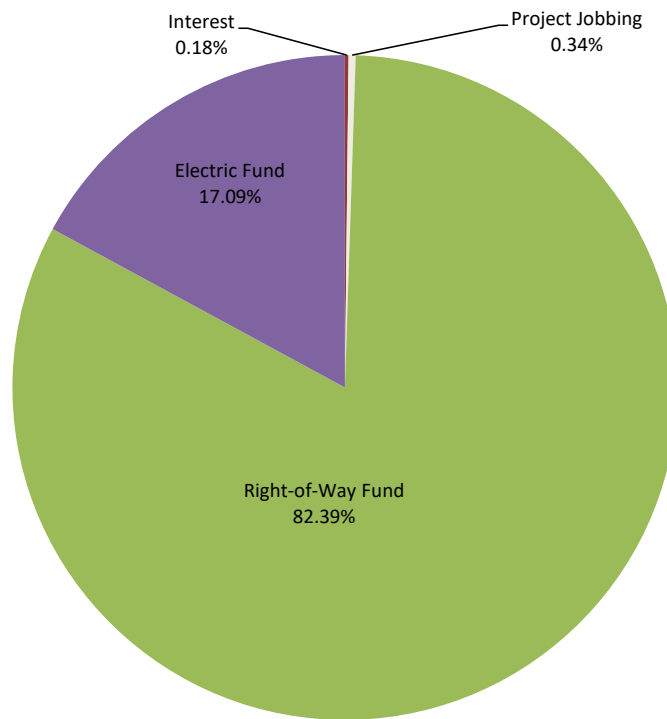
Accounting changes were made in 2010 for these street-related costs that helped to simplify required annual reports provided to the State of Michigan under Public Act 51 of 1951 for State-shared revenue received by the City. The re-classification assists in aggregating cost of services that benefit all three funds overall, but have been divided among the funds. This single activity will provide a better overview of administrative costs, which regardless of where expenses are accounted for, the revenues are provided by the Right-of-Way Fund.

The 2020 proposed budget for administration is \$923,100, which is \$82,800 less than 2019 budgeted costs, with such costs covered by grant amounts and transfers received from the Right of Way Fund and the Electric Fund. Transfers previously made to the Major Street Fund and Local Street Fund individually for Administration costs, beginning in 2010, are being combined and remitted to the General Street Fund resulting in total budgeted expenditures of \$1,567,600.

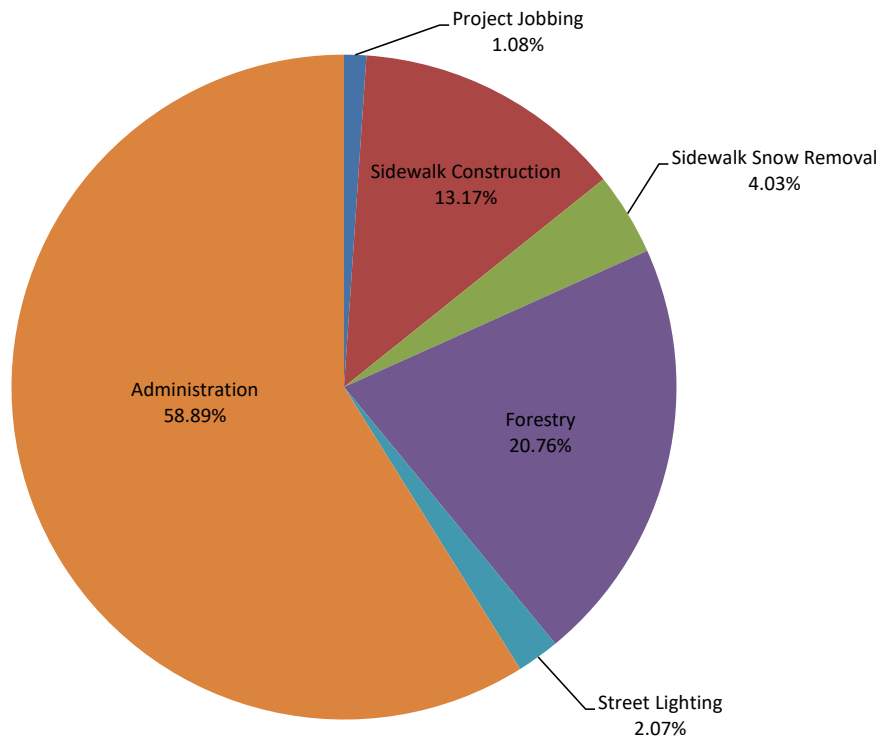
General Street Fund

	2018 Actual	2019 Budget	2019 Estimate	2020 Budget
FUND BALANCE - January 1	\$ 867,335	\$ 973,101	\$ 794,883	\$ 1,189,083
REVENUES				
Operating :				
Project Jobbing/Other	16,515	1,000	-	5,000
Nonoperating:				
Grants	506,624	-	71,600	-
Interest Income	2,712	2,600	2,600	2,600
	509,336	2,600	74,200	2,600
Transfers:				
Right of Way Fund	1,150,000	1,400,000	1,400,000	1,205,000
Electric Fund	346,400	250,000	250,000	250,000
	1,496,400	1,650,000	1,650,000	1,455,000
TOTAL REVENUES	2,022,251	1,653,600	1,724,200	1,462,600
EXPENDITURES				
General Street Operations:				
Project Jobbing	7,590	16,900	11,000	16,900
Sidewalk Construction	572,652	206,500	272,200	206,500
Sidewalk Snow Removal	17,810	58,100	63,100	63,100
Street Lighting	31,200	31,200	32,300	32,500
Forestry	235,949	225,500	90,700	325,500
Administration	1,229,503	1,005,900	860,700	923,100
TOTAL EXPENDITURES	2,094,703	1,544,100	1,330,000	1,567,600
Excess of Revenues Over Expenditures	(72,452)	109,500	394,200	(105,000)
FUND BALANCE - DECEMBER 31	\$ 794,883	\$ 1,082,601	\$ 1,189,083	\$ 1,084,083

Revenues



Expenditures



Tax Increment Finance Authority Fund

The City's Tax Increment Finance Authority Fund (TIFA) was established through City Council action in 1985 under authority of the State's 1980 enabling legislation. The Fund accounts for the costs of development improvements within the Tax Increment Finance Authority Development District, which includes the following City facilities: Bayfront Park, Sunset Park, Bear River Valley Recreation Area, Mineral Well Park, Magnus Park and Solanus Mission Beach.

Revenues. The TIFA Fund was originally funded by tax levies of the six local governmental jurisdictions with taxing authority in the City of Petoskey - Charlevoix-Emmet Intermediate School District, County of Emmet, Greenwood Cemetery, North Central Michigan College, City of Petoskey and Public Schools of Petoskey - and were applied to the increased portion of taxable values within the Tax Increment Finance Authority's Development District above the taxable values on December 31, 1983, the date the District was established.

The number of taxing units was reduced to four following voter approval of "Proposal A" in 1994, which amended the Michigan Constitution to alter the State's property-tax structure, which prohibited local governmental units from capturing tax revenues through TIFAs from public and intermediate school districts. This change in provisions reduced the amount of property tax revenue captured by the City's TIFA Fund by nearly one-half.

The captured taxable value is expected to increase by 1% over its current level in the TIFA District for 2020, after a 1% increase in 2019. Captured property tax revenue now estimated at \$363,000 for this year is projected to increase by \$7,000 in 2020. Interest income budgeted at \$5,000 for next year makes up the only other revenue item for a total budget amount of \$375,000 for 2020 or \$5,500 more than the amount now expected to be received in 2019.

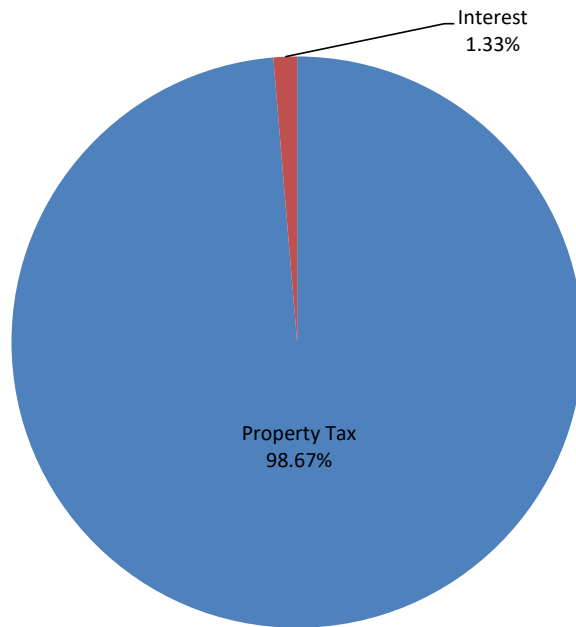
Expenditures. The Bear River Valley Recreation Area project was completed in the spring of 2011 and financed, as planned through bond proceeds and cash reserves. With the construction project complete, expenditures consist mainly of an annual lease rental payment to the Bear River Valley Improvements Bond Fund to finance yearly debt service requirements at \$225,000 next year \$6,400 less than this year. This amount varies each year until the bond matures in 2029, from a low of \$214,300 in 2026 to a high of \$263,300 in 2022. The bonds were refinanced in 2017, which altered the existing debt repayment schedule. The refinancing is expected to save the City approximately \$25,000 in interest costs each year.

In 2020 The TIFA Fund has budgeted for the Phase 1 of Sunset Park Improvements, which will include improvements to walkways, landscaping, and fencing following the completion of the new stair tower and MDOT improvements to US-31(\$100,000). Continued installation of shoreline protection (\$50,000) due to high water levels along Lake Michigan and landscaping improvements to Solanus Mission Beach (\$10,000). With total budgeted expenditures of \$392,000 and budgeted revenues of \$375,000, the 2020 budget calls for a loss of \$17,000 that when subtracted from an estimated beginning Fund Balance of \$719,975 would result in an ending Fund Balance of \$702,975.

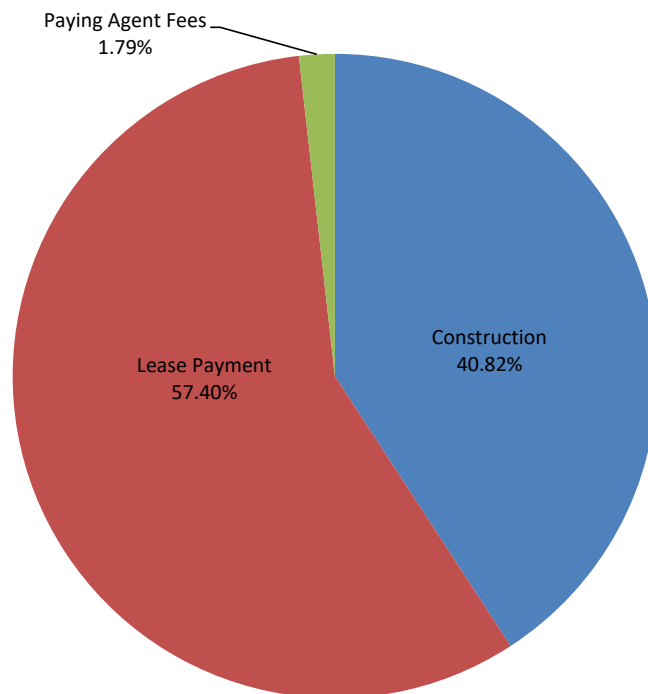
Tax Increment Finance Authority Fund

	2018 Actual	2019 Budget	2019 Estimate	2020 Budget
FUND BALANCE - January 1	\$ 1,064,031	\$ 1,223,851	\$ 1,157,875	\$ 719,975
REVENUES				
Operating :				
Property Tax	370,018	363,000	363,000	370,000
Nonoperating:				
Interest Income	6,865	6,500	6,500	5,000
	6,865	6,500	6,500	5,000
TOTAL REVENUES	376,883	369,500	369,500	375,000
EXPENDITURES				
Operations:				
Construction	12,666	325,000	569,000	160,000
Lease Payment	260,000	231,400	231,400	225,000
Paying Agent Fees	10,373	4,700	7,000	7,000
TOTAL EXPENDITURES	283,039	561,100	807,400	392,000
Excess of Revenues Over Expenditures	93,844	(191,600)	(437,900)	(17,000)
FUND BALANCE - DECEMBER 31	\$ 1,157,875	\$ 1,032,251	\$ 719,975	\$ 702,975

Revenues



Expenditures



Library Fund

The Library Fund is a special revenue fund because the majority of the supporting revenues are received from two property tax millages that are restricted for library purposes. The first one-mill tax levy was approved by City Council in 1996, with the second one-mill tax levy approved by voters in 2000. These two millages are allowed by provisions of State law which require annual authorization by the City Council and may only be used for development, operation and maintenance of library facilities.

Summary. For 2020, proposed budgeted expenditures of \$1,534,200 will be offset by \$1,536,200 in budgeted revenues, resulting in a difference of \$2,000, which will be added to the existing fund balance estimated to be \$960,576 and will result in an estimated ending fund balance of \$962,576.

Revenues. In addition to revenues provided through two City property tax millages, the Library Fund also receives an annual payment through the State of Michigan's State Aid to Public Libraries Act, with a payment rate of \$.42 per capita. The Library also receives Penal Fines which are collected at the county and are dispersed on a per capita basis to all the public libraries within the county. The Library's penal fine appropriation is based on the total population of City residents, and residents of Bear Creek, Resort, and Springvale Townships.

On August 2, 2016 as part of the State Primary election, voters in Bear Creek Township and Resort Township renewed a four year .4 of a mill property tax millage to provide library services to Township residents. The millage was initially levied by the Townships beginning with their December 2012 tax levy. Both Townships have an agreement with the Petoskey District Library for Library services with the costs for services to equal the property tax revenue derived from the Townships' millage. A separate .4 of a mill proposal was approved at the November 8, 2016 General Election for Little Traverse Township and Springvale Township to also contract with the District Library for services.

Total proposed 2020 revenues of \$1,536,200 are budgeted at \$87,500 more than the \$1,448,700 expected to actually be received this year, with the increase due to grant and intergovernmental revenues. City tax revenue, as discussed within the General Fund, is estimated to be slightly higher than 2019 levels. The 2019 taxable value is expected to increase by approximately 2% for 2020 which is expected to be partially offset due to the increase in taxable value exceeding the State's inflation factor requiring the millage rates to be rolled back per the Headlee amendment.

Both City millages, that is, the initial levy that had been approved by the City Council in 1996, and the second such levy that had been approved by City voters four years later, initially had each been set at one mill.

Constitutional "roll-back" provisions now have reduced these two levies from their original amounts to an estimated 0.8443 mills for 2019 from the one mill that initially had been levied in 1996, and the second, voter-authorized millage, from its initial one-mill levy in 2000 to an estimated 0.9367 mills for a total of 1.7810 in 2020.

The 2020 budget is based on the maximum allowable millage rate of 1.7810, the same rate as approved this year by the City Council. Penal-fine income, conservatively proposed at \$78,000, is a portion of fines that are collected by the District Court and distributed to local units to offset public-library costs and can vary significantly from year to year. Local units that do not provide library services may designate another local-governmental unit as a recipient. In Petoskey's case, the library receives state aid and penal fines from Bear Creek, Resort and Springvale Townships as well as the City of Petoskey.

Expenditures. Total expenditures for 2019 are now estimated at \$1,339,100 or \$89,700 less than the \$1,428,800 originally budgeted for this year. The 2020 proposed budget totals \$1,534,200, which beginning in 2013 included increases to expenses in various line item amounts, the result of providing additional services to Bear Creek and Resort Townships and again in 2017 with additional services provided through new revenues from Little Traverse and Springvale Township millages.

Compared to the 2019 original budget amounts, the 2020 proposed budget increased by \$105,400, with the increase in contracted services and building repair and maintenance. While 2019 estimated actual amounts of \$1,339,100 is \$195,100 less than next years proposed budget, with the decrease in personnel, contracted services and capital outlay.

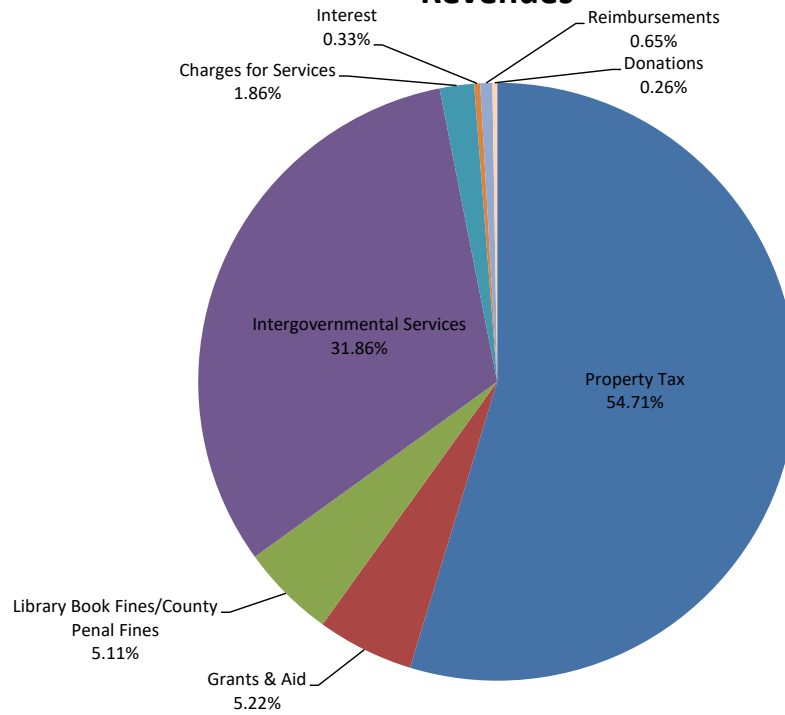
Included within the budget this year is a Library of Michigan Grant for the Growing Readers Together project in the amount of \$50,000, which requires a \$50,000 match from the Library for tutoring services. Funding is also included for new carpeting at the Carnegie building.

Debt-service costs to cover obligations associated with the refunding bond have been budgeted at \$274,000 for 2020 to cover payment of principal, interest, and paying-agent fees, according to a set bond-amortization schedule. The 17-year-long issue will mature in 2028 and calls for annual debt-service payments that will fluctuate between a low of \$256,319 in 2022, to a high of \$302,300 in 2027.

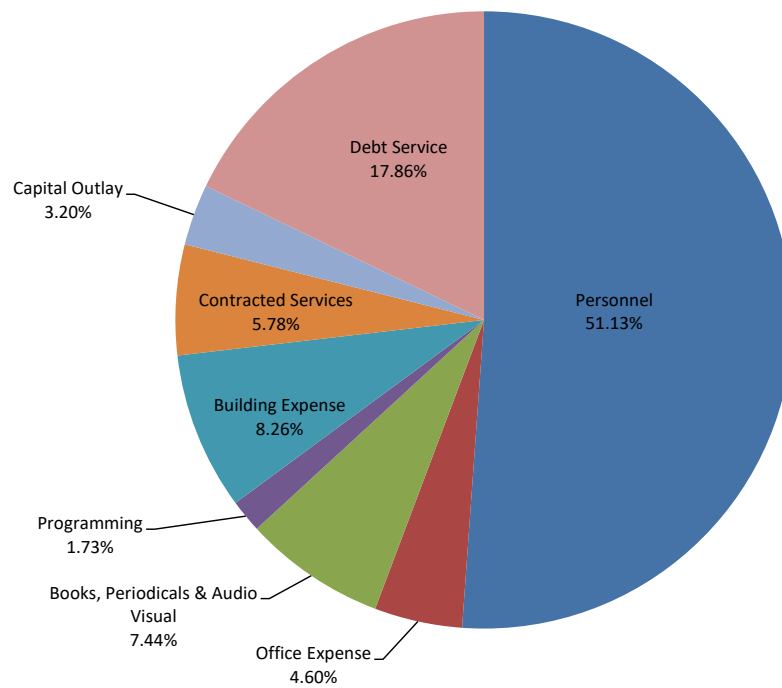
Library Fund

	2018 Actual	2019 Budget	2019 Estimate	2020 Budget
FUND BALANCE - January 1	\$ 911,060	\$ 747,922	\$ 850,976	\$ 960,576
REVENUES				
Operating :				
Property Tax	807,428	814,600	818,800	840,500
Grants	30,158	17,100	30,100	66,200
State Aid	12,253	12,100	13,400	14,000
Library Book Fines	2,831	2,500	1,700	500
County Penal Fines	80,489	78,000	79,900	78,000
Intergovernmental services	389,725	464,400	453,600	489,500
Charges for Services	35,639	28,700	23,700	28,500
	1,358,522	1,417,400	1,421,200	1,517,200
Nonoperating:				
Interest Income	10,680	2,500	10,000	5,000
Donations	21,201	4,000	6,400	4,000
Reimbursements	12,656	9,000	11,100	10,000
	44,537	15,500	27,500	19,000
TOTAL REVENUES	1,403,059	1,432,900	1,448,700	1,536,200
EXPENDITURES				
Library services:				
Personnel	729,861	768,900	735,100	784,500
Office Expense	59,464	65,700	53,000	70,600
Contracted Services	45,771	54,600	50,700	88,700
Book, Periodicals and audio-Visual	89,844	105,900	95,100	114,100
Programming	22,608	25,500	19,200	26,500
Building Expense	165,423	84,800	75,300	126,700
Debt Service	285,044	280,400	280,400	274,000
Capital Outlay	65,128	43,000	30,300	49,100
TOTAL EXPENDITURES	1,463,143	1,428,800	1,339,100	1,534,200
Excess of Revenues Over Expenditures	(60,084)	4,100	109,600	2,000
FUND BALANCE - DECEMBER 31	\$ 850,976	\$ 752,022	\$ 960,576	\$ 962,576

Revenues



Expenditures



Downtown Management Fund

The Downtown Management Fund was established in 1993 by the City Council to assist in providing services to the downtown area. A Downtown Development Authority and Downtown Management Board were established, which are governed by the same nine-member board, with the Downtown Management Board responsible for activities within the Downtown Development and Management Fund. The Board has annually special assessed commercial properties within the Downtown Development District - based on square footage - to offset costs of downtown programs and services.

Downtown Management operations are performed from their office at 216 Park Avenue, where they have been located since 2010 when they out grew the limited office space available within the Chamber of Commerce Building. These operations fall within the overall operations and responsibility of the City with staff being City employees and all formal accounting operations performed by the Department of Finance.

Revenues. At the request of the Downtown Management Board, the City Council has annually levied a special assessment against downtown commercial properties as its main source of revenue since 1994. The Downtown Management Board in 2003 and 2011 increased the assessment formula for each of its three rate categories by 10%. The Board recommended new rates to the City Council for 2012, which were approved for the December assessment that provides funding for 2013 Programs & Services. The Board has recommended new rates for 2019 square footage assessments that would add 2 cents to first floor assessments and one-half a cent for other floors and vacant land.

The proposed special assessment rates are as follows: eligible first-floor area rate \$0.180, eligible areas on floors other than first floors rate \$0.045, and eligible undeveloped vacant-lot areas rate \$0.055. If approved, assessment revenues are estimated to provide \$101,600, with program revenue at \$86,600, and interest income at \$5,000, for a total of \$193,200.

Revenue in recent years has increased due to additional program sponsorships including: the Holiday Parade, Petoskey Rocks, Winter Carnival, Sidewalk Sales, Holiday Catalog, Trolley ads, Downtown Trick or Treat and Ghost Walk.

Expenditures. Programs and services that are proposed by the Downtown Management Board have been estimated to cost \$110,700 for next year or \$9,800 more than the \$100,900 proposed by the Downtown Management Board and approved by the City Council for 2019. Marketing Promotions are budgeted at \$50,000 for 2020 or \$8,000 less than budgeted for 2019. By the end of this year, estimated actual expenditures will total \$141,300 or \$43,200 less than budgeted. For 2020 there is a little less emphasis being placed on the Petoskey Rocks event that will decrease revenue through sponsorships to fund the proposed expenditures.

The Management Board in 2012 began using assessments to fund the costs of expenses previously accounted for in the Parking Fund, which increased available revenue in the Parking Fund to be used to provide additional parking in the downtown. In 2016, trolley expenses were moved to the Parking Fund based on the trolley's purpose of bringing people to the Downtown who are not driving cars and requiring parking spaces. In 2013, the plan also moved expense items from Programs and Services to the Parking Fund which includes: sidewalk snow removal-labor, maintenance and supplies, along with administrative-education, memberships and subscription expenses.

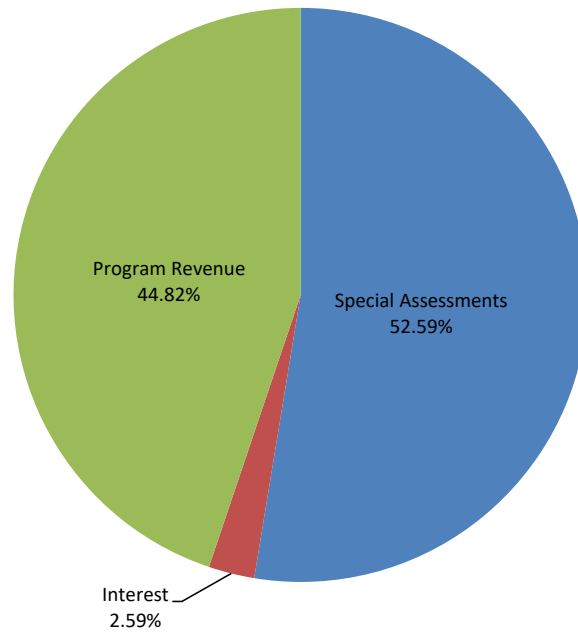
As is always the case, a variety of downtown-area programs, services, and projects are proposed for funding within other City funds. The Downtown Parking Fund, which is also overseen by the Downtown Management Board, and includes recommended expenditures of \$711,400 next year, as well as the General Fund which contains proposed expenditures for downtown services as part of the Department of Parks and Recreation operations totaling \$102,400 and the proposed Electric Fund budget includes \$25,600 in expenses for community services.

Proposed revenues for 2020 of \$193,200 are more than proposed expenditures of \$192,800, resulting in a \$400 increase to the fund balance. The proposed budget is prepared by the Downtown Director and is recommended for City Council approval by the Downtown Management Board. The Downtown Management Board consists of the following nine individuals: Robin Bennett, Doug Buck, Dan Harris, Brittany McNeil, S. Reginald Smith, Jessica Stubbs, Benjamin Slocum, Noah Marshall-Rashid and Mayor John Murphy.

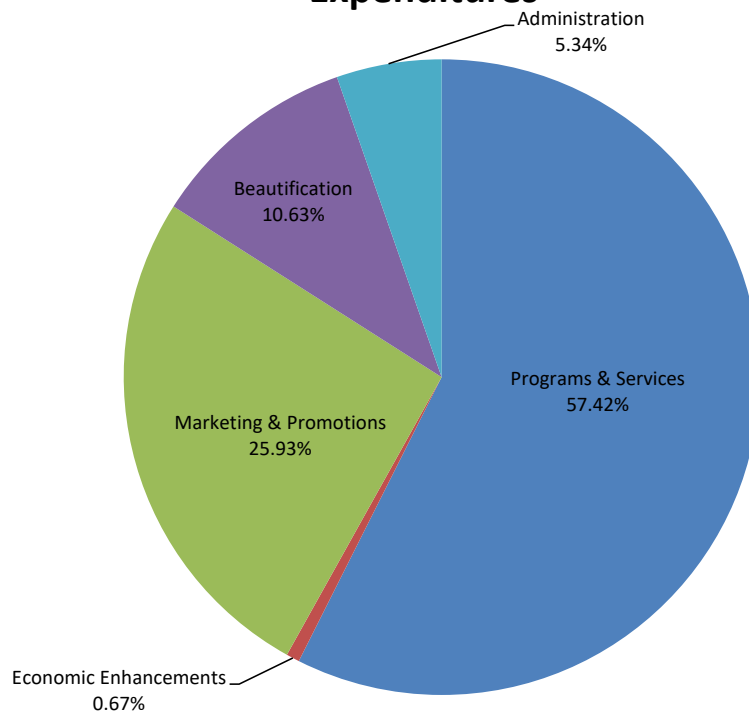
Downtown Management Fund

	2018 Actual	2019 Budget	2019 Estimate	2020 Budget
FUND BALANCE - January 1	\$ 122,632	\$ 137,064	\$ 102,510	\$ 105,610
REVENUES				
Operating :				
Special assessment	90,108	91,400	91,400	101,600
Program Revenue	28,135	76,200	48,400	86,600
	118,243	167,600	139,800	188,200
Nonoperating:				
Interest Income	2,860	2,100	4,600	5,000
TOTAL REVENUES	121,103	169,700	144,400	193,200
EXPENDITURES				
Downtown Management Operations:				
Programs & Services	80,225	100,900	72,100	110,700
Economic Enhancements	349	1,500	1,500	1,300
Marketing Promotions	34,923	58,000	47,500	50,000
Beautification	17,705	24,000	20,000	20,500
Administration	8,023	100	200	10,300
TOTAL EXPENDITURES	141,225	184,500	141,300	192,800
Excess of Revenues Over Expenditures	(20,122)	(14,800)	3,100	400
FUND BALANCE - DECEMBER 31	\$ 102,510	\$ 122,264	\$ 105,610	\$ 106,010

Revenues



Expenditures



Downtown Parking Fund

The Downtown Parking Fund was established in 1999 by City Council action delegating responsibility for operating the downtown-area parking system to the Downtown Management Board. The Fund receives revenues from the parking system, including fines, and makes necessary disbursements to cover parking-system expenses. The Downtown Management Board, as with the programs and services special assessment, falls under the general oversight and operational responsibility of the City.

The Downtown Parking Fund is an enterprise fund that is considered self-supporting with revenues received through user fees and charges imposed on parking-system users and are sufficient to cover all necessary expenses. The Fund provided payment to the Building Authority Downtown Parking Improvement Bond Fund for payment of annual bond-debt requirements whose proceeds were used to purchase and develop parking lots on East Mitchell Street and Michigan Street in 1999, which fully matured in 2014.

Revenues. The Downtown Parking Fund receives revenues from meter fees, parking fines, special permits, cell phone sales, meter bags, tokens and interest income. Estimated revenues for 2019 are now expected to reach \$693,600, which is nearly \$134,800 more than in 2018, with the difference due to an increase in parking fees. A local marketing campaign, the Pure Michigan Program and an increase in downtown events and marketing, are credited for maintaining the current level of parking revenues.

Meter fees are generated from ten downtown-area streets and seven parking lots with the majority of revenue from on-street parking. Revenues from meter fees are budgeted at \$609,500 with \$437,000 from on-street parking and \$172,500 from parking lots. Total budgeted revenues for next year are proposed at \$906,500, which is 31% more than expected to be received by the end of this year and 62% more than received in 2018.

Expenses. The proposed budget for the Downtown Parking Fund is prepared by the Downtown Director and approved by the Downtown Management Board for recommendation to the City Council for adoption. Estimated expenses for 2019 are expected to total \$771,700. Budgeted expenses for 2020 are proposed at \$711,400 or \$60,300 less than expected by the end of this year. The difference is due to a decrease in capital outlay expenses.

Capital costs include participating in engineering for a proposed parking deck at the corner of Division Street and Lake Street in the amount of \$150,000. The project would include two existing parking lots owned individually by Emmet County and the City of Petoskey.

The City has been discussing the proposed project with Emmet County officials for several years and has included this project in the event the project is acceptable to both parties and there is a desire to move forward in the coming year. Total engineering is proposed at \$300,000 and would include the participation by Emmet County for the remaining portion of the engineering costs of \$150,000.

Other capital outlay items include: irrigation improvements to streetscapes (\$10,000), parking lot signage (\$5,000) and Saville parking lot study (\$30,000), for a total capital outlay amount of \$195,000.

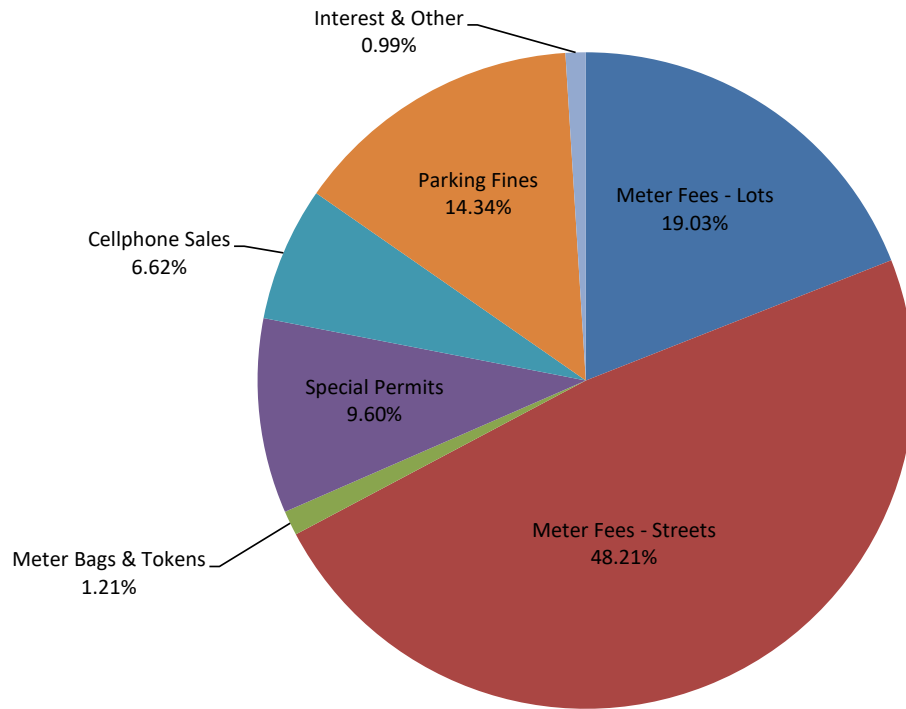
Along with six other City funds, the Downtown Parking Fund routinely pays the City's General Fund an administrative fee as reimbursement for "overhead-type" costs that regularly are covered by the General Fund for personnel and equipment associated with maintenance services that are provided by the City. In 2011, such fees increased as the City assumed additional responsibility when the office moved from the Chamber of Commerce building to Park Avenue and the Chamber's oversight ceased, along with an increase in oversight of technology.

Proposed budgeted revenues of \$906,500 and expenses of \$711,400 for 2020, will result in an excess of revenues over expenditures of \$195,100. The Parking Fund routinely has a surplus in revenue over expenditures each year, except in 2019 there's a net loss projected at \$78,100. Due to the increase in revenues proposed for 2020 the Parking Fund's estimated beginning retained earnings of \$745,596 will be offset by \$195,100 for an estimated ending retained earnings of \$940,696.

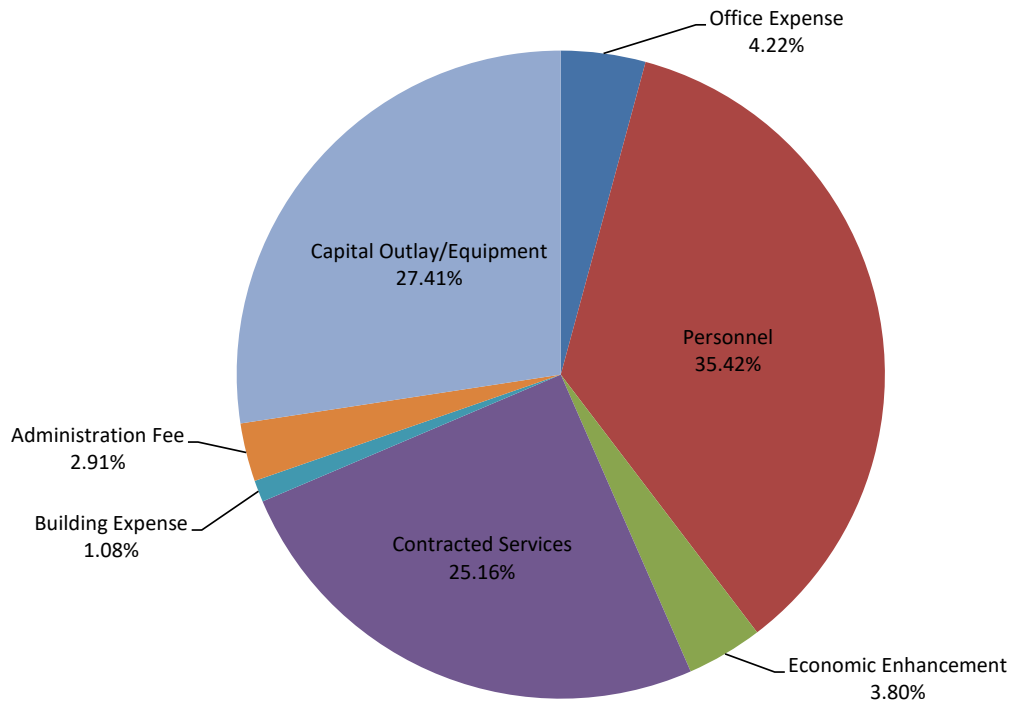
Downtown Parking Fund

	2018 Actual	2019 Budget	2019 Estimate	2020 Budget
RETAINED EARNINGS- January 1	\$ 679,540	\$ 690,987	\$ 823,696	\$ 745,596
REVENUES				
Operating :				
Meter Fees - Lots	94,343	99,900	154,000	172,500
Meter Fees- Streets	239,803	250,000	321,600	437,000
Meter Bags and Tokens	9,865	12,000	6,400	11,000
Special Permits	55,716	48,000	65,000	87,000
Cellphone Sales	30,865	24,000	38,000	60,000
Parking Fines	102,705	100,000	102,400	130,000
	533,295	533,900	687,400	897,500
Nonoperating:				
Interest income	2,254	800	3,500	4,000
Other	23,251	2,500	2,700	5,000
	25,505	3,300	6,200	9,000
TOTAL REVENUES	558,800	537,200	693,600	906,500
EXPENSES				
Parking Operations:				
Personnel	226,856	220,200	218,000	252,000
Office Expense	30,628	22,500	27,000	30,000
Economic Enhancement	23,771	28,000	25,000	27,000
Contracted Services	98,218	98,800	149,000	179,000
Building Expense	10,226	6,300	12,000	7,700
Administration Fee	20,700	20,700	20,700	20,700
Capital Outlay/Equipment	4,245	385,000	320,000	195,000
TOTAL EXPENSES	414,644	781,500	771,700	711,400
Excess of Revenues Over Expenses	144,156	(244,300)	(78,100)	195,100
RETAINED EARNINGS - DECEMBER 31	\$ 823,696	\$ 446,687	\$ 745,596	\$ 940,696

Revenues



Expenditures



Right-of-Way Fund

The Right-of-Way Fund, a special revenue fund, was established in 1988 following voter approval of an amendment to the City Charter that permits the City Council to annually levy up to five mills in property taxes to offset costs of maintenance operations and public improvements within street rights-of-way. Revenues received by the Right-of-Way Fund are disbursed to other City funds for uses as permitted by the City Charter. The Major Street Fund, Local Street Fund, and General Street Fund are primary recipients of these disbursements, but City utility funds are also eligible for transfers.

Summary. With total revenues budgeted at \$1,798,000 and total expenditures budgeted at \$1,607,000, revenues will exceed expenditures by \$191,000, which will be added to an estimated beginning fund balance of \$632,346 for an estimated ending fund balance of \$823,346. A fund balance is being maintained to help fund a number of anticipated future projects after MDOT's completion of the US-31 highway project in 2019.

Revenues. The initial 1988 five-mill tax levy has been reduced to 3.8790 mills in 2019 by the "Headlee Amendment", which the City Council approved after several years being set at 3.8962 mills. For 2020 a millage rate of 3.8790 is again being recommended. The millage reductions are the result of Michigan Constitutional provisions that restrict increases in tax-levy amounts from one year to the next, to the rate of inflation, subject to a 5% cap, and that also require that, if a local unit's taxable value for the new year exceeds the rate of inflation, tax levies must be rolled back to the rate of inflation, or 5%, whichever is less.

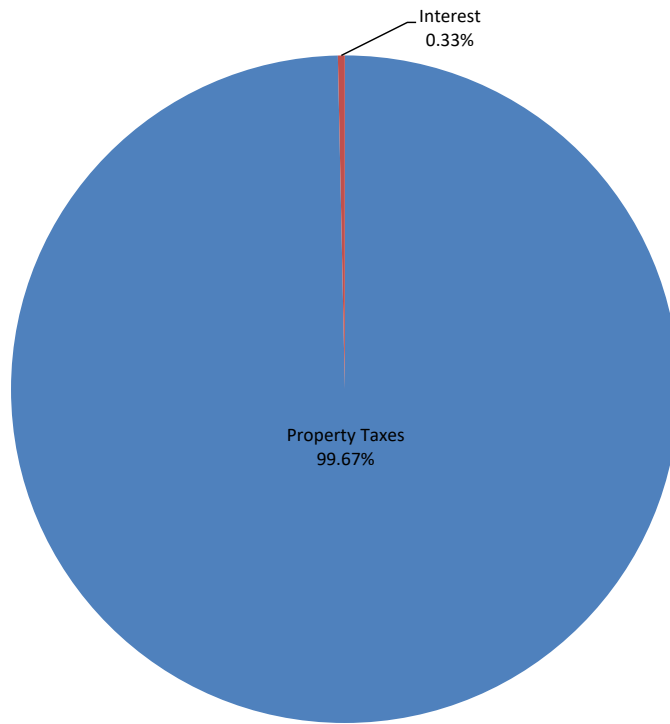
With taxable values estimated to increase slightly for next year partially due to the State's rate of inflation being more than the actual increase in market value, property tax revenues are budgeted at \$1,792,000, which is \$39,000 more than the \$1,753,000 estimated to be received in 2019, a 2.2% increase. Total proposed revenues for 2020 are budgeted at \$1,798,000 when interest and penalties are added of \$6,000.

Expenditures. Transfers to other City funds next year from the Right-of-Way Fund have been proposed to total \$1,605,000, with \$200,000 to the Major Street Fund, \$200,000 to the Local Street Fund and \$1,205,000 to the General Street Fund. In addition, \$2,000 has been budgeted for contracted services in 2020, an amount budgeted annually for engineering purposes. Right of Way Fund tax revenues are increasing slowly and will take several years to reach 2009 levels, which continues to affect future ROW projects.

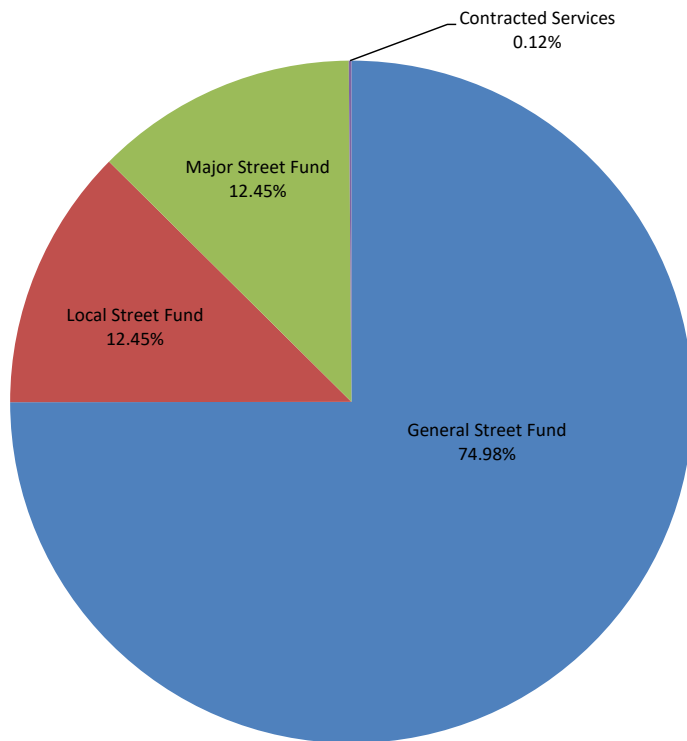
Right-Of-Way Fund

	2018 Actual	2019 Budget	2019 Estimate	2020 Budget
FUND BALANCE - January 1	\$ 698,816	\$ 662,968	\$ 474,846	\$ 632,346
REVENUES				
Operating :				
Property Tax	1,722,937	1,738,200	1,753,000	1,792,000
Interest income	4,831	5,000	6,500	6,000
TOTAL REVENUES	1,727,768	1,743,200	1,759,500	1,798,000
EXPENDITURES				
Construction:				
Contracted Services	1,738	2,000	2,000	2,000
Transfers:				
Major Street Fund	500,000	-	-	200,000
Local Street Fund	300,000	200,000	200,000	200,000
General Street Fund	1,150,000	1,400,000	1,400,000	1,205,000
Water & Sewer Fund	-	-	-	-
	1,950,000	1,600,000	1,600,000	1,605,000
TOTAL EXPENDITURES	1,951,738	1,602,000	1,602,000	1,607,000
Excess of Revenues Over Expenditures	(223,970)	141,200	157,500	191,000
FUND BALANCE - DECEMBER 31	\$ 474,846	\$ 804,168	\$ 632,346	\$ 823,346

Revenues



Expenditures



Electric Fund

The Electric Fund operates as an enterprise fund, financing electric distribution services through revenues collected from the sale of power at retail rates. Electricity is purchased at wholesale prices from a consortium of public suppliers, and is distributed to retail customers using the City's distribution system. In addition to retail sales revenues, the Electric Fund also derives income from the rental of facilities used by other City operations.

The City's nearly 82 miles of distribution system, approximately 30% of which is overhead and 70% underground, services the power needs of 5,526 customers.

<i>Customer Type</i>	<i>City of Petoskey</i>	<i>Bear Creek Township</i>	<i>Resort Township</i>	<i>Total</i>
<i>Residential</i>	<i>2,982</i>	<i>793</i>	<i>191</i>	<i>3,966</i>
<i>Commercial</i>	<i>613</i>	<i>172</i>	<i>39</i>	<i>824</i>
<i>Industrial</i>	<i>9</i>	<i>3</i>	<i>0</i>	<i>12</i>
<i>Non-Profit</i>	<i>164</i>	<i>27</i>	<i>6</i>	<i>197</i>
<i>Bay View Assoc.</i>	<i>0</i>	<i>482</i>	<i>0</i>	<i>482</i>
TOTAL CUSTOMERS				5,481

Revenues. Income to the Electric Fund is derived from both operating and non-operating revenues. Operating revenues consist of the retail sales of electricity to residential and commercial-industrial customers, funds collected to pay for energy optimization programs, MPSC charges, as well as customer penalties.

Non-operating revenues include interest income from investments, project jobs for electric users, repayment of Public Safety Station loan, and rent collected for the Department of Public Works building and other non-electric City operations. In late 2018 the City of Petoskey completed an electric rate study and, for the first time since 2010, implemented a series of annual rate adjustments through 2021. These annual rate adjustments average 1.0% to 3.0% depending on rate class, and includes a seasonal rate differential, reflecting the higher cost of wholesale electricity during periods of peak demand for electricity in the summer months.

Revenues from residential retail sales in 2020 are budgeted at \$2,776,000, or 2.9% higher than budgeted revenues in 2019. Revenues from commercial-industrial sales next year are budgeted at \$7,875,000, \$476,000 more than estimated actual revenues for 2019, and 3.6% higher than actual revenues collected from commercial-industrial customers in 2018. The revenues in 2019 decreased due to a cooler than usual spring and early summer, with 2020 revenues estimated with usage at a higher more average amount of usage.

Non-operating revenue for 2020 includes receipt of the ninth annual payment made by the General Fund towards repayment of a \$2,100,000 contribution to the General Fund for the acquisition of property and the construction of the Public Safety Station West facility at Bay Harbor. The Electric Fund retained ownership of a large portion of vacant land not required for the public safety station. The vacant property valued at \$500,000 was applied against the contribution amount reducing the repayment amount to \$1,600,000. The annual payment is \$100,000 and requires 20 years to repay at 2% interest.

Total Electric Fund revenues for 2020 are budgeted at \$11,322,800, which is \$266,300 more than anticipated to be received in 2019, but \$464,880 less than budgeted for 2019. With total expenses budgeted at \$11,684,300, a net loss of \$361,500 is anticipated for 2020. With depreciation expense of \$1,200,000, cash inflows will exceed expenses by \$838,500.

Expenditures. Proposed expenses for the Electric Fund in 2019 are now projected to be \$10,807,100 or \$877,200 less than now proposed to be spent in 2020. For 2020, wholesale purchased power is budgeted to cost \$6,790,000 or \$184,500 less than budgeted for 2019, and \$235,000 more than estimated actual costs. Purchases of wholesale power are always the Electric Fund's greatest annual cost, and wholesale costs have been decreasing due to a more stable wholesale market place.

All electricity that is purchased by the City for resale is provided at wholesale rates by the Michigan Public Power Agency, a “joint-action agency” that serves 22 municipal members, 21 of whom, including Petoskey, participate in the Agency’s Energy Services Project. Through this service project MPPA facilitates short and longer-term bilateral energy and capacity purchases, schedules transmission and provides required market participation services.

The City continues to own entitlements obtained through the Agency, in two commercially-operated base-load (coal fired) power generating plants, a combined cycle intermediate-load (natural gas) power generating plant, a power sharing and transmission grid dispatching operation, and is a partner in a peak-load, combustion turbine generator. Renewable energy sources are also provided through the Energy Services Project consisting primarily of electricity produced by the combustion of landfill gas in generating units, making up 10% of the City’s current energy needs.

The amount of renewable energy the City receives through MPPA is expected to increase in 2020 due to purchase agreements tied to a wind generation facility located in the thumb area of Michigan. Production from the wind facility is expected to occur the first or second quarter next year with projections, depending on the amount of output, nearly doubling the City’s source of renewable energy.

The City has also entered into two additional renewable energy purchase agreements through MPPA to participate in solar facilities that are expected to start construction in 2020 and be fully operational by the end of year 2022. Also, on behalf of the City, MPPA has enlisted a consultant to assess the feasibility of developing a solar array on the old landfill site located adjacent to Howard and River Roads. MPPA continues to evaluate power supply options on behalf of the City of Petoskey and balance those options with existing project commitments and agreements.

System maintenance activities are budgeted for 2020 at \$774,900, a \$147,300 increase over budgeted 2019 expenses of \$627,600. These expenses are related to the electric transmission and distribution system’s conductors and service lines, grid system transformers, street lighting and traffic signals and metering devices. This category also includes the majority of wages for Department of Public Works personnel.

System administration costs, always the second largest Electric Fund expense category, have been proposed at \$2,138,800 for 2020. Included in these expenses are functions such as engineering, insurance, supervisory wages, fringe benefits and training. Also included is rent for the Electric Fund’s use of City Hall facilities and administration fees, both of which are paid to the General Fund, and which are proposed to total \$606,800 in 2020, up from the \$556,100 budgeted in 2019.

In 2016 the City received notice from the Municipal Employees Retirement System of Michigan of a change in plan valuations that would significantly increase the City's contribution to the employee's retirement plans over the next five years. In response to the forecasted increase, the City negotiated changes to the existing retirement plans to reduce required contribution amounts.

The unfunded accrued liability (UAL) of the retirement plan represents a large portion of the annual required contribution. In 2017 the City paid off the UAL belonging to the majority of Department of Public Works Division employees in the amount of \$1,000,000. The expense was apportioned to the General Street, Electric and Water & Sewer Funds and was included within their respective fund budgets under Administration – fringe benefits. In 2018 and 2019 the City continued paying down the UAL in the amount of \$1,000,000 with \$700,000 financed through the Electric Fund, and \$600,000 included for 2020.

The Sheridan Street and Curtis Avenue garages, which are owned by the Electric Fund, are expected to cost \$209,900 to operate in 2020. These facilities are made available for use to several other City departments which are charged \$130,300 for their share of actual facility operating costs in 2018.

Non-operating expenses within the Electric Fund include \$1,200,000 in depreciation for 2020, nearly the same as the 2019 estimated amount. Depreciation costs for components that make up the City's electric distribution system normally increase from year to year as components that are routinely added and replaced tend to increase these costs.

On an annual basis, the Electric Fund transfers funds - a payment in lieu of taxes - to the General Fund and the General Street Fund. In 2020, the budget is proposing to transfer out \$460,000, \$8,000 less than in 2019. \$210,000 is proposed to be transferred to the General Fund, an \$8,000 decrease, and \$250,000, which has become the standard amount, would be transferred to the General Street Fund to help defray the cost of sidewalk repairs and forestry activity.

Capital Projects. The major investment placed into the electrical system over the last ten years has provided significant improvements in system capacity and reliability. The electric system projects have been completed in a logical order from initial upgrades to critical distribution circuits, through increasing substation capacity, and finally, through constructing redundant circuit ties. Project focus has shifted to upgrades on circuits serving core residential areas, removing “back-lot” overhead lines, and voltage conversions to the more reliable 12.5kV system. Following completion of the redundant circuit ties, which provides increased reliability, electric lines in the core residential areas began being upgraded.

2016 upgrades included: Krusel Street, Hazelton Street, Klondike Avenue and portions of Jennings Avenue and State Street. In 2017 work was performed in conjunction with the full reconstruction of Emmet Street from East Mitchell Street to Washington Street. During 2018 undergrounding was completed through the southern end of Emmet Street, Wesley Street, Ann Street, Cherry Street and Spencer Street. During 2019 the remaining section of 4.16kV overhead lines are being converted to underground along US-31 through Bay View, along with back-lot areas of Karamol Court, Valley View Avenue, Regent Drive and Highland Drive. Additionally, wildlife protection fencing has been installed in both substations to greatly reduce potential outages on critical substation equipment.

Several redundant circuit ties have been constructed through the system improvement projects over the past several years. These ties allow for shifting electrical load to complete maintenance on portions of the system along with providing the ability to serve load during unplanned outages.

2020 construction projects within the Electric Fund will focus on the continuation of system-wide voltage conversions and upgrades that include:

- Residential Underground Installation (\$518,000) – Conversion of existing overhead distribution circuit to underground. Majority of the work will be along Kalamazoo Avenue, and also include portions of Michigan, Hoffman and Lindell Streets.
- Petoskey Substation Capacitor Bank (\$133,000) – Installation of padmount capacitor bank at Petoskey substation to compensate for increased VAR flow on the 12.5kV distribution circuits.
- Petoskey Substation Battery System Replacement (\$50,000) – Replacement of 120v DC battery system installed in 2005 and has surpassed its useful life.
- Mitchell Road Substation Battery System Replacement (\$10,000) – Replacement of 48v DC battery system relocated from retired Bear River substation and has surpassed its useful life.
- City Hall Solar Array Project (\$75,000) – 50% of cost to install solar panels on the roof top at City Hall.

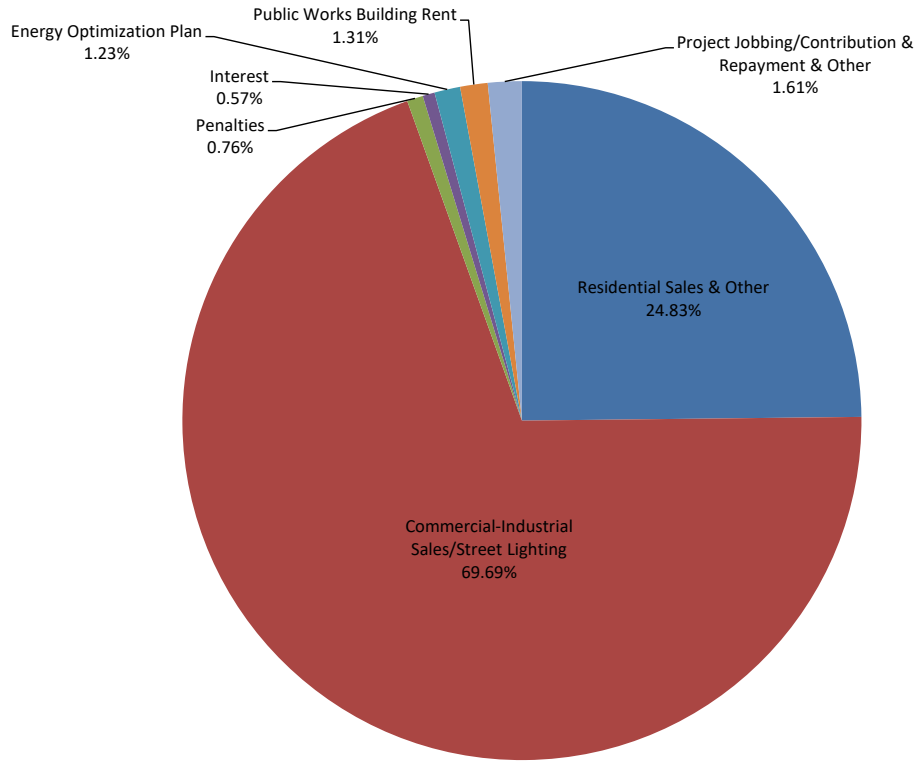
Total Capital Projects

\$ 786,000

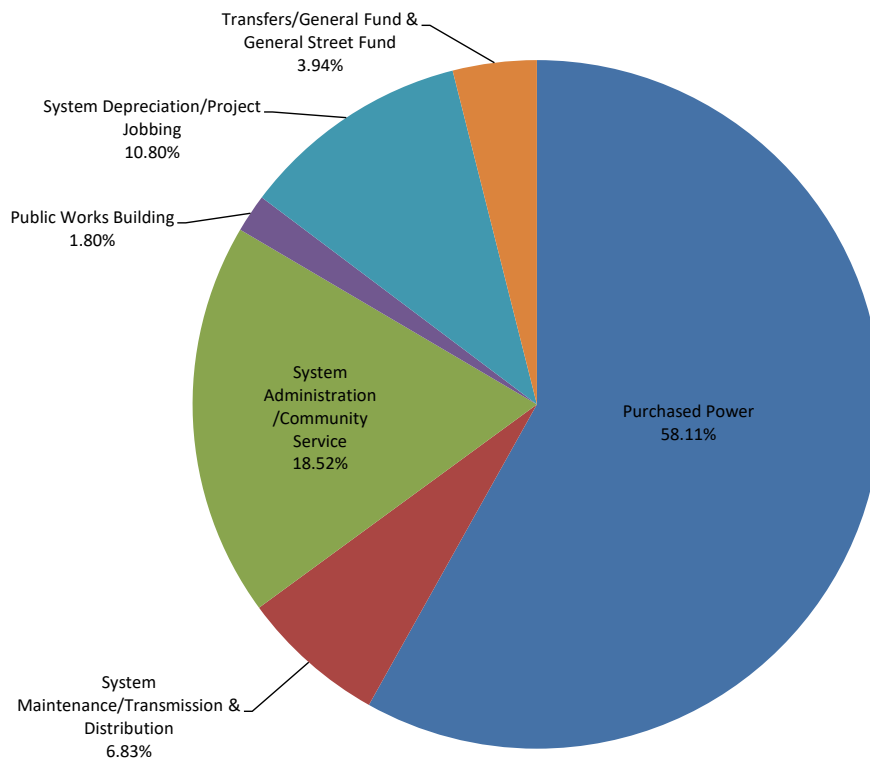
Electric Fund

	2018 Actual	2019 Budget	2019 Estimate	2020 Budget
RETAINED EARNINGS - January 1	\$ 22,559,923	\$ 25,150,629	\$ 23,089,524	\$ 23,338,924
REVENUES				
Operating :				
Residential Sales	2,739,857	2,697,000	2,705,000	2,776,000
Commercial and Industrial Sales	7,598,662	8,018,000	7,399,000	7,875,000
Street Lighting	16,869	15,000	16,000	16,000
Energy Optimization Plan	139,449	139,000	141,000	139,000
Penalties	103,323	160,000	82,000	86,500
Other	28,139	40,000	35,000	35,000
	10,626,299	11,069,000	10,378,000	10,927,500
Nonoperating:				
Project Jobbing	186,882	100,000	37,000	59,000
Interest Income	78,363	55,000	65,000	65,000
Rents and Royalties	1,656	9,180	18,000	18,000
Public Works Building Rent	119,100	145,900	145,900	130,300
Contribution repayment	459,328	387,600	387,600	100,000
Other	39,782	21,000	25,000	23,000
	885,111	718,680	678,500	395,300
TOTAL REVENUES	11,511,410	11,787,680	11,056,500	11,322,800
EXPENSES:				
Operating:				
Purchased Power	6,557,930	6,974,500	6,555,000	6,790,000
Transmission and Distribution	18,131	19,100	16,900	23,500
System Maintenance	648,228	627,600	636,200	774,900
Community Service	18,788	26,600	18,700	25,600
Administration	1,724,932	1,868,100	1,731,100	2,138,800
	8,968,009	9,515,900	8,957,900	9,752,800
Nonoperating:				
Public Works Building	162,792	222,400	182,700	209,900
Project Jobbing	163,291	65,500	98,500	61,600
System Depreciation	1,116,817	1,100,000	1,100,000	1,200,000
	1,442,900	1,387,900	1,381,200	1,471,500
Transfers:				
General Fund	224,500	218,000	218,000	210,000
Motorpool Fund	-	-	-	-
General Street Fund	346,400	250,000	250,000	250,000
	570,900	468,000	468,000	460,000
TOTAL EXPENSES	10,981,808	11,371,800	10,807,100	11,684,300
Excess of Revenues Over Expenses	529,601	415,880	249,400	(361,500)
RETAINED EARNINGS - DECEMBER 31	\$ 23,089,524	\$ 25,566,509	\$ 23,338,924	\$ 22,977,424

Revenues



Expenses



Water and Sewer Fund

The Water and Sewer Fund operates as an enterprise fund, meaning that revenues collected from the sales of water as well as sanitary-sewer user fees are used to pay for fund operating costs and capital expenditures. Capital projects located within the street rights-of-way that would benefit water distribution and wastewater collection systems can also be financed using transfers from the Right-of-Way Fund.

Petoskey Water System Overview		(in gallons)
Total Gallons Produced (Annual)		657,802,000
Daily Average		1,802,197
Number of Wells		7
Customers - Inside City		3,014
Customers - Outside City		391

Petoskey Wastewater System Overview		(in gallons)
WWTP Plant Capacity		2,500,000
WWTP Peak Plant Capacity		5,000,000
Average Daily Flow		1,186,512
Total Gallons Treated (Annual)		433,077,000
Customers - Inside City		2,941
Customers Outside City		210

Revenues. Income to the Water and Sewer Fund originates from two categorical sources - operating and non-operating sources. Operating revenues consist of water and sewer user fees collected from residential, commercial, industrial and non-profit customers as part of monthly utility bills.

City staff is projecting 2020 user-fee revenues for the Water and Sewer Fund to be \$5,600,500, which is \$58,200 more than 2019 estimated totals. Revenues for 2019 exceeded budgeted amounts due to an increase in water and sewer utility rates adopted in December 2019 after the budget had been prepared. Usage had declined annually since the long hot summer of 2012, with each succeeding year being a little cooler and wetter than the year before, but increased in 2016 due to warmer temperatures. For 2020, revenues are budgeted at historical usage and include the scheduled rate increase.

Non-operating revenues are estimated to be \$347,800 in 2020, and includes interest earned from investments, interest that is earned from two reserves of cash necessitated as part of two revenue bond issuances and debt payments that are received from the Springvale-Bear Creek Sewage Disposal Authority, which in 1977 purchased an entitlement to a portion of the capacity of the City's Wastewater Treatment Plant. The agreement requires the Authority to make payments towards their proportionate share of debt-service obligations.

Water and Sewer Rates. The last utility rate study was performed in 2010 which resulted in four years of rate adjustments that ended in 2014, so the City performed another water and sewer rate study in 2018. Based on that study, City Council approved recommended rate adjustments for the years 2019 through 2023.

With current year gross revenues expected to total \$5,902,300 and expenses \$5,536,700 net income for the Water & Sewer Fund will total \$365,600. This income combined with noncash expenses such as depreciation, goes towards funding capital outlay items and principle debt payments not included within expense items. For 2020, net income is budgeted at \$191,300.

Expenditures. For 2020, total expenses (operating & non-operating) for the Water and Sewer Fund have been proposed to reach \$5,757,000, an increase of \$252,300 compared to 2019 budget figures. The increase is due to additional expenses for administrative fees, sewer system operations that include increases in chemical and utility expenses.

Operating costs for the water division in 2020 include \$323,900 for water source and pump expenses, and \$48,500 for water purification expenses. \$499,700 is proposed for water distribution expenses, including maintenance of the distribution system, service connections, hydrants, metering devices and maintenance of the water storage tanks.

Maintenance of the distribution system will continue to include a valve turning program that was introduced in 2012 along with leak detection services that are performed on an as needed basis. These programs are performed by an outside contractor and provide insight to the system's strengths and weaknesses along with valuable mapping data that will be utilized with the development of the City's GIS program.

The Water Department will also continue replacing old outdated meters with more current meter types that also allow for automatic meter reading. The program is similar to the Electric Fund where meters are tested annually to ensure they are reading accurately; only in this case, these meters are old enough they warrant replacement. The increased accuracy of the new meters and ability to auto read helps pay for the program.

System administration costs, proposed at \$898,100, an increase of 6% compared to 2019 budget figures, due to an increase in administrative fees paid to the General Fund. Finally, administration costs include rental fees paid to the Electric Fund for the use of the Sheridan Street Public Works facilities, rental fees paid to the General Fund for the use of space in City Hall, and the Motor Pool Fund for vehicles, as well as contractual services.

The 2020 non-operating expenses within the water division are proposed to total \$740,000, up slightly from the 2019 budget, due to an increase in depreciation expense. Non-operating expenses consist of debt-service interest payments, payment in lieu of taxes, system depreciation and miscellaneous jobbing. System depreciation has been proposed at \$580,000 in 2020.

Operating expenses for the sewer division are proposed at \$1,926,300, a 7% increase from the 2019 budget, and 4.2% more than actual expenses in 2018. This total cost also includes the expenses associated with the operation of the Wastewater Treatment Plant, operation and maintenance costs for the sewer collection system, and system administration costs.

2020 non-operating expenses within the sewer division are proposed to total \$1,320,500 up 3.2% from the 2019 budget. Non-operating expenses consist of debt-service payments, payments in lieu of taxes, system depreciation, and miscellaneous jobbing. Interest and related debt expense for the 2011 and 2017 revenue-bond issues, would be \$405,900 and system depreciation has been proposed at \$685,000 in 2020.

It is projected that the Water and Sewer Fund will have net income in 2020 of \$191,300, which would increase Water and Sewer Fund estimated retained earnings to \$25,609,197. The retained earnings amount does include net asset costs of the water and wastewater utility system.

Capital Projects.

Water and sewer capital projects for 2020 are being performed in conjunction with the Kalamazoo Avenue and Jackson Street improvement projects and include:

Water System

- Kalamazoo Avenue Water Main Replacement and Service Upgrades (\$560,000)
Replace water main and components between Jennings Avenue and East Mitchell Street.
- Jackson Street Water Main Replacement (\$90,000) - Replace water main and components between West Mitchell Street and McLaren Hospital Ring Road.

Sewer System

- Kalamazoo Avenue Sewer Main Replacement and Service Upgrades (\$325,000)
Replace sewer main and components between Jennings Avenue and East Mitchell Street.
- Jackson Street Sewer Main Replacement (\$75,000)
Replace sewer main and components between West Mitchell Street and McLaren Hospital Ring Road.

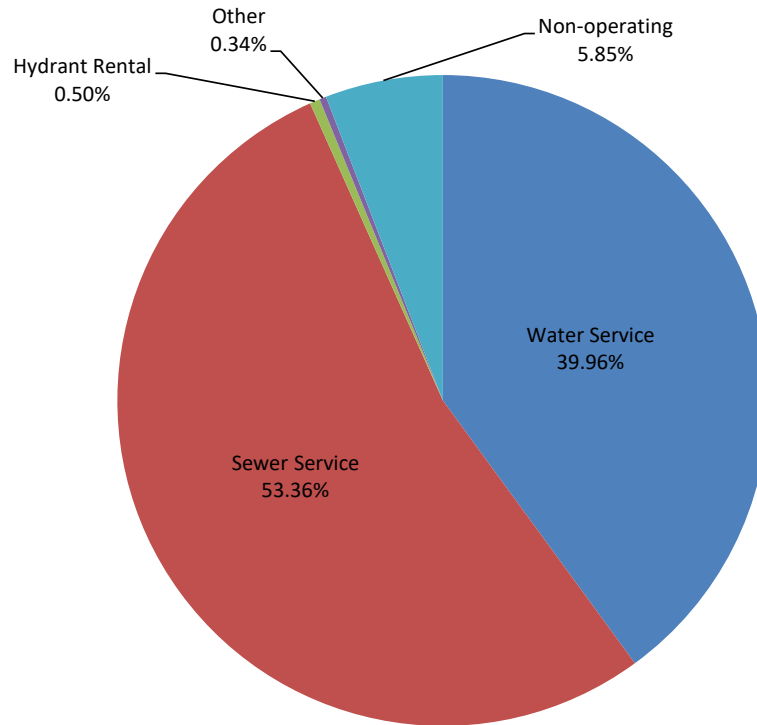
Total Capital Projects

\$1,050,000

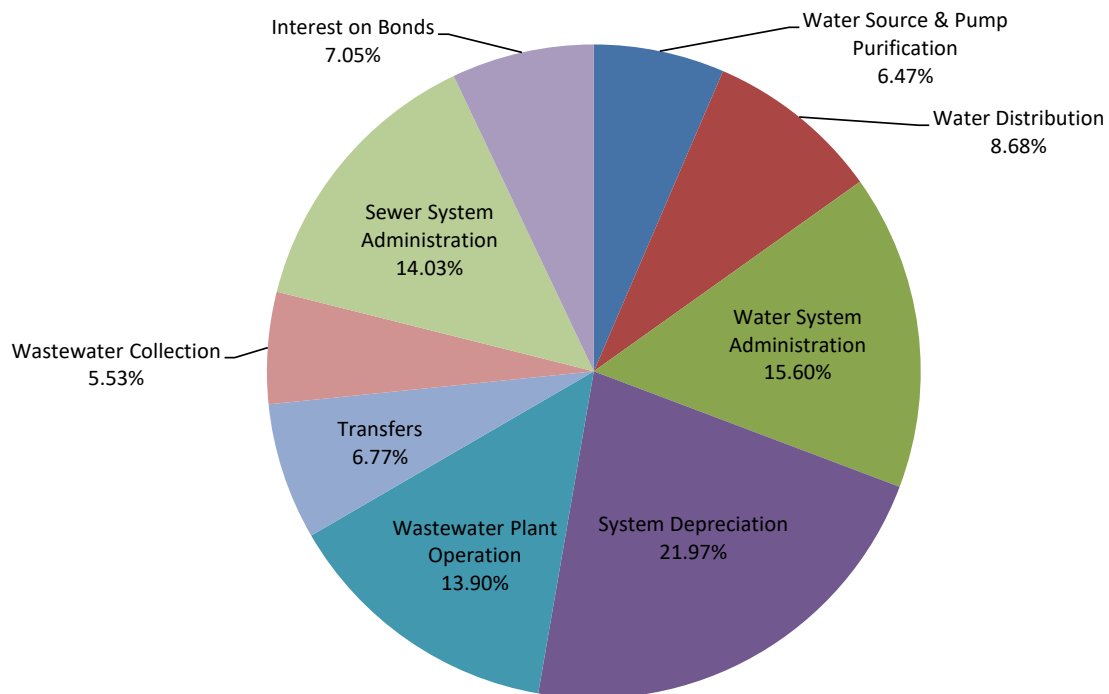
Water and Sewer Fund

	2018 Actual	2019 Budget	2019 Estimate	2020 Budget
RETAINED EARNINGS - January 1	\$ 24,849,976	\$ 24,724,730	\$ 25,052,297	\$ 25,417,897
REVENUES				
Operating :				
Water-Residential Sales	1,233,394	1,222,100	1,185,000	1,202,700
Water-Commercial & Industrial Sales	1,139,977	1,064,200	1,156,800	1,174,000
Sewer-Residential Sales	1,713,984	1,707,900	1,885,000	1,899,000
Sewer-Commercial & Industrial Sales	1,167,957	1,156,400	1,265,500	1,274,800
Hydrant Rental	30,000	30,000	30,000	30,000
Other	16,696	21,500	20,000	20,000
	5,302,008	5,202,100	5,542,300	5,600,500
Nonoperating:				
Tower Rental	55,401	54,400	58,000	62,800
Project Jobbing	5,780	10,000	12,200	10,000
Interest Income	100,408	95,000	105,000	100,000
Sewage Service Covenants	178,069	184,800	184,800	175,000
	339,658	344,200	360,000	347,800
Transfers: Right of Way	-	-	-	-
TOTAL REVENUES	5,641,666	5,546,300	5,902,300	5,948,300
EXPENSES				
Water Operating:				
Source and Pumping	311,773	312,600	339,900	323,900
Purification	39,112	50,500	49,100	48,500
Distribution	401,425	505,400	396,300	499,700
Administration	814,495	846,000	830,100	898,100
	1,566,805	1,714,500	1,615,400	1,770,200
Sewer Operating:				
Wastewater Plant Operation	791,187	712,100	799,300	800,200
Wastewater Collection	317,372	289,900	317,000	318,400
Administration	739,915	795,400	744,800	807,700
	1,848,474	1,797,400	1,861,100	1,926,300
Nonoperating:				
Project Jobbing	-	-	-	-
System Depreciation	1,250,741	1,255,000	1,255,000	1,265,000
Interest on Bonds	431,525	369,000	436,400	405,900
	1,682,266	1,624,000	1,691,400	1,670,900
Transfers:				
General Fund	341,800	368,800	368,800	389,600
TOTAL EXPENSES	5,439,345	5,504,700	5,536,700	5,757,000
Excess of Revenues Over Expenses	202,321	41,600	365,600	191,300
RETAINED EARNINGS - DECEMBER 31	\$ 25,052,297	\$ 24,766,330	\$ 25,417,897	\$ 25,609,197

Revenues



Expenses



Motor Pool Fund

The Motor Pool Fund exists to provide for the purchase, operation, and maintenance of all City-owned vehicles and equipment. The Motor Pool Fund is an internal service fund since its only purpose is to provide services to other City funds. Fund revenues are derived from rental fees charged to various City departments and their divisions, through other City funds and applicable accounts for equipment use, based on replacement and operating costs, and in some cases, frequency of use.

Summary. Expenses for the Motor Pool Fund are budgeted at \$1,005,200 a \$10,900 increase over estimated expenses for 2019, while revenues are budgeted at \$1,995,800 an increase of \$814,300 over this year's estimated actual amount. Retained earnings in the Motor Pool Fund, which consists of cash, inventory, vehicles and equipment, are estimated at \$5,076,346 in 2020. Cash is used for capital items, and in 2020 it is proposed that the Motor Pool Fund replace the following thirteen existing vehicles and equipment with a total cost of \$1,389,200:

Public Safety: Patrol Vehicle 4X4, Patrol Vehicle Sedan, Detective Vehicle, Rescue Pumpers (2)

Parks and Recreation: Pickup Truck, Utility Carts (2), Outfront Mower

Public Works: Snowplow Truck, Pickup One Ton, Bobcat Toolcat, Hot Patch Wagon

Council approved the ordering of the two Sutphen Fire Rescue Pumper Trucks in 2019 for delivery in 2020. The two trucks were built as demonstration vehicles, with the City purchasing in 2020 at a net amount of \$422,100 each. Funding is provided by the remaining fire millage estimated at \$850,000 transferred in from the General Fund.

To help provide funding for future purchases of fire equipment, beginning in 2019, a portion of the Motor Pool's Fund Balance is being set aside in a reserve account. An amount of not less than \$25,000 will be added to the reserve account on an annual basis.

Revenues. Revenues for the Motor Pool Fund are budgeted at \$1,995,800 for 2020, \$942,900 more than budgeted for 2019. Rents collected from other City funds for their use of vehicles and equipment are always the greatest source of Motor Pool Fund revenues. These rents are anticipated to provide \$1,127,300 for next year. Income from other sources include interest from investments and the sale of surplus assets and should provide \$18,500. For 2020 revenues include an \$850,000 contribution from the General Fund which represents tax revenue collected for fire equipment. The five-year voter approved 1 mill tax levy ends with the 2020 summer tax bills.

Many of the vehicles and other pieces of equipment that comprise the City's fleet are rented from the Motor Pool Fund based on an hourly-rate schedule of charges. In other cases, partially because some vehicles and equipment are needed in support of emergency-services and are not used on a regular or routine basis, hourly rental rates sufficient to cover operation, maintenance and replacement costs become unrealistic. As a result, certain pieces of equipment are charged annual flat rates, which recognize their necessity but lack of routine use.

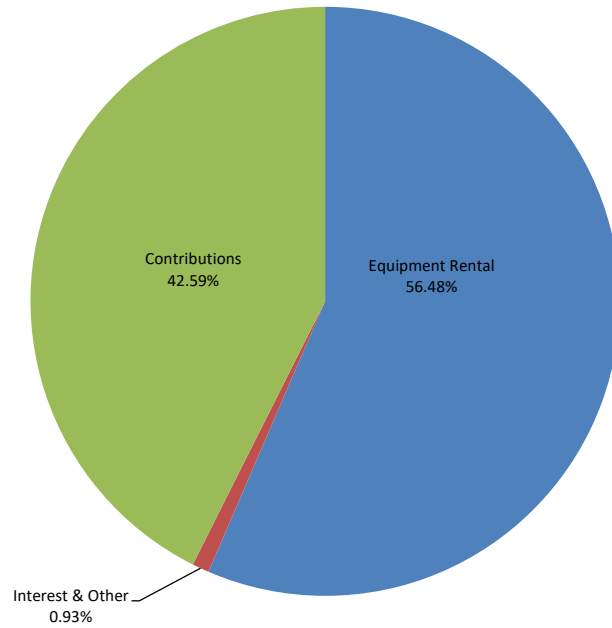
Since, in some cases, actual usage affects receipts from rental fees, such income varies annually. A breakdown of next year's income anticipated from vehicle rents that are charged to other City funds would consist of \$572,000 from the General Fund, which as a result of public-safety equipment and Parks Department, is charged many flat rates for vehicles and equipment, \$135,000 from the Major Street Fund, \$90,000 from the Local Street Fund, \$79,000 from the General Street Fund, \$140,000 from the Electric Fund, \$110,000 from the Water and Sewer Fund and \$1,200 from other sources.

Expenses. The Motor Pool Fund, which is fairly consistent in operations, is projected to spend \$1,005,200 in 2020, a 3.2% increase over budgeted expenditures in 2019. The increase is attributable to depreciation with stable expenses overall largely due to gas and oil expenses, which could vary based on the market. These 2020 budgeted expenses include; \$259,200 for maintenance of vehicles and equipment (including \$53,000 for insurance), \$17,000 for tools, \$125,000 for fuel, \$71,200 for building and vehicle rent, \$131,600 for administration fees, \$375,000 for depreciation and \$26,200 in other various expense items.

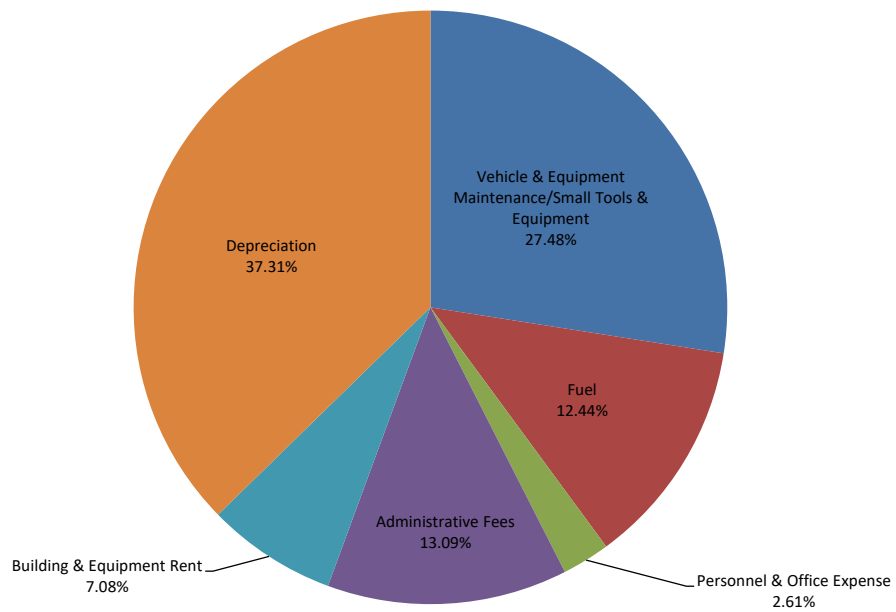
Motor Pool Fund

	2018 Actual	2019 Budget	2019 Estimate	2020 Budget
RETAINED EARNINGS - January 1	\$ 3,866,987	\$ 3,934,887	\$ 3,898,546	\$ 4,085,746
REVENUES				
Operating :				
Equipment Rental	1,037,745	1,024,400	1,108,300	1,127,300
Nonoperating:				
Interest Income	8,509	3,500	7,000	3,500
Transfer	-	-	-	-
Other	18,982	25,000	66,200	15,000
	27,491	28,500	73,200	18,500
Contributions:				
Electric Fund	-	-	-	-
Contributions	-	-	-	850,000
	-	-	-	850,000
TOTAL REVENUES	1,065,236	1,052,900	1,181,500	1,995,800
EXPENSES				
Operating:				
Personnel	15,989	22,000	19,900	22,000
Office Expense	2,587	4,200	3,800	4,200
Small Tools & Equipment	10,202	17,000	17,000	17,000
Vehicle & Equipment Maintenance	263,974	254,200	258,100	259,200
Fuel	119,503	130,000	119,000	125,000
Building & Equipment Rent	65,594	79,600	79,600	71,200
Depreciation	439,328	345,000	375,000	375,000
Administrative fees	116,500	121,900	121,900	131,600
TOTAL EXPENSES	1,033,677	973,900	994,300	1,005,200
Excess of Revenues Over Expenses	31,559	79,000	187,200	990,600
RETAINED EARNINGS - DECEMBER 31	\$ 3,898,546	\$ 4,013,887	\$ 4,085,746	\$ 5,076,346

Revenues



Expenditures



Marina Improvements Bond Fund

Established in 2010, the Building Authority Marina Improvements Bond Fund was established to account for bond-debt payments associated with sales by the City's Building Authority in 2010 of \$1,000,000 in general obligation bonds, the proceeds from which were used to finance improvements at the City's Bayfront Park Marina in constructing an additional pier, renovating the existing marina building, and improvements to other marina facilities. These facilities were owned by the Building Authority and "leased" to the City until debt obligations were to be satisfied in 2024 when ownership would be transferred to the City.

These bonds were refinanced in 2017 to receive a lower interest rate and are still scheduled to mature in 2024. The bonds were refinanced by the City of Petoskey and are no longer an obligation of the Building Authority and the assets are now owned by the City.

Revenues. Revenues include an annual lease payment received from the Marina activity included within the General Fund. The annual lease payment of \$114,200 will meet the required 2020 debt-service obligation, according to the pre-arranged debt-repayment schedule.

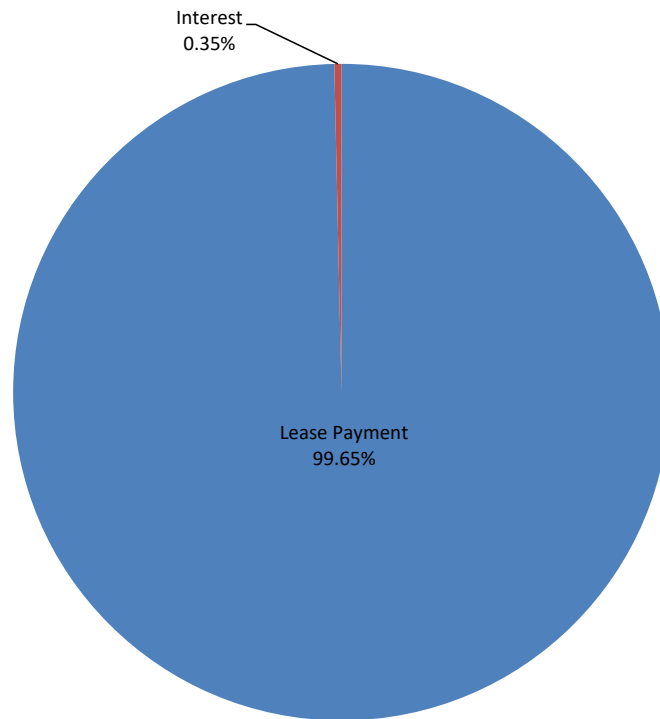
The City refinanced this bond issue in 2017, which established a new debt service schedule beginning in 2018. The bond refinancing is projected to save the City, on average, approximately \$25,000 in total interest expense costs each year, which mature in five years.

Expenditures. Total 2019 expenditures included: \$99,600 principle, \$17,400 interest for the year and \$300 in paying agent fees. Next year's budgeted costs for payment of principal on this bond decreases to \$98,400, with interest requirements of \$15,500, and paying-agent fees at the standard annual amount of \$300 for total debt requirements of \$114,200. Annual principle payments on bond debt will continue to increase for the next two years to a high of \$114,315 in 2022. Any surplus of revenues over expenses is added to the fund balance to help meet future debt obligations.

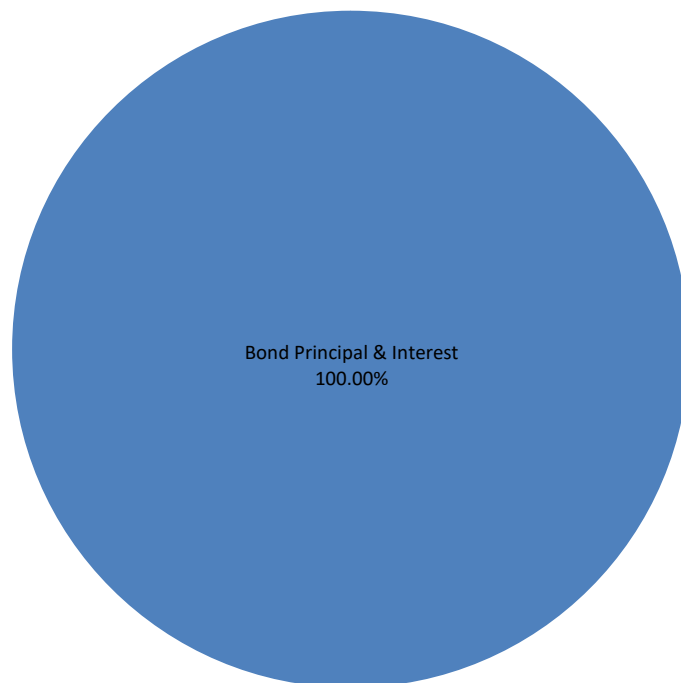
Bayfront Park Marina Bond Debt Fund

	2018 Actual	2019 Budget	2019 Estimate	2020 Budget
FUND BALANCE - January 1	\$ 12,982	\$ 15,382	\$ 14,087	\$ 14,487
REVENUES				
Operating :				
Interest Income	748	100	400	400
Lease Payment	107,100	117,300	117,300	114,200
TOTAL REVENUES	107,848	117,400	117,700	114,600
EXPENDITURES				
Bond Principal and Interest	106,743	117,300	117,300	114,200
Excess of Revenues Over Expenditures	1,105	100	400	400
FUND BALANCE - DECEMBER 31	\$ 14,087	\$ 15,482	\$ 14,487	\$ 14,887

Revenues



Expenditures



Bear River Valley Improvements Bond Fund

Established in 2010, the Building Authority Bear River Valley Improvements Bond Fund was established to account for bond-debt payments associated with sales by the City's Building Authority in 2010 of \$2,900,000 in general obligation bonds, the proceeds from which were used to finance improvements to the Bear River Valley Recreation Area. These facilities were owned by the Building Authority and "leased" to the City until debt obligations were to be satisfied in 2029 when ownership would be transferred to the City.

These bonds were refinanced in 2017 to receive a lower interest rate and are still scheduled to mature in 2029. The bonds were refinanced by the City of Petoskey and are no longer an obligation of the Building Authority and the assets are now owned by the City.

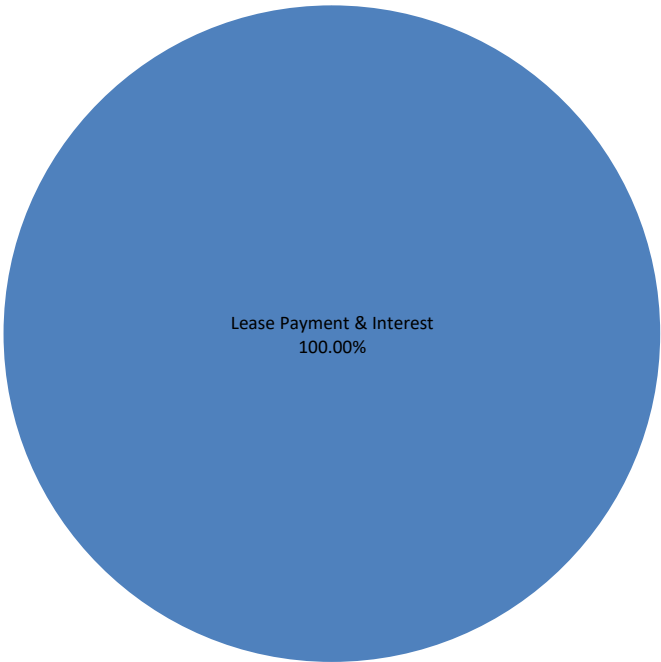
Revenues. Revenues include an annual lease payment received from the Tax Increment Finance Authority Fund. The City refinanced this bond issue during 2017, which established a new bond debt schedule. The annual lease payment is set at \$225,000 for 2020, with bond principle payments scheduled to rise to \$263,300 in 2022 and then begin to slowly decline. The bond debt schedule reduced the required annual amount due to interest savings resulting from a lower interest rate. The lease payment will fluctuate each year as scheduled future payments increase for the next two years and then begin to decrease over the remaining seven years of the bond debt payments.

Expenditures. Total 2019 expenditures included: \$160,500 principle, \$70,600 interest for twelve months and \$300 in paying agent fees. Next year's budgeted costs for payment of principal on this bond issue per the bond amortization schedule includes \$156,700, with interest requirements of \$67,500, and paying-agent fees at the standard annual amount of \$300 for total debt requirements of \$224,500. Any surplus of revenues over expenses is added to the fund balance to help meet future debt obligations based on a pre-arranged debt-repayment schedule, to satisfy lease-contract requirements associated with the original 2010 revenue-bond sale.

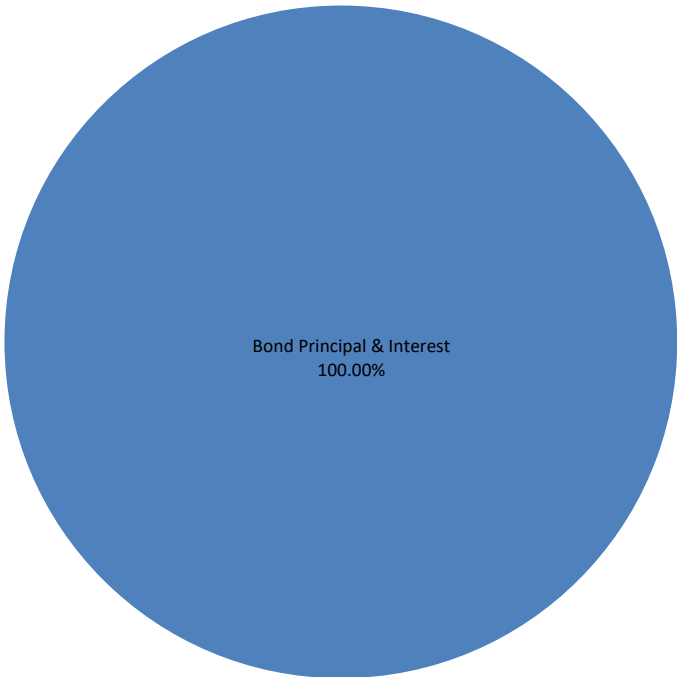
Bear River Valley Bond Debt Fund

	2018 Actual	2019 Budget	2019 Estimate	2020 Budget
FUND BALANCE - January 1	\$ 32,916	\$ 33,416	\$ 92,814	\$ 93,314
REVENUES				
Operating :				
Interest Income	905	100	500	500
Lease Payment	260,000	231,400	231,400	225,000
TOTAL REVENUES	260,905	231,500	231,900	225,500
EXPENDITURES				
Bond Principal and Interest	201,007	231,400	231,400	224,500
Excess of Revenues Over Expenditures	59,898	100	500	1,000
FUND BALANCE - DECEMBER 31	\$ 92,814	\$ 33,516	\$ 93,314	\$ 94,314

Revenues



Expenditures





City of Petoskey

Agenda Memo

BOARD: City Council

MEETING DATE: November 4, 2019

PREPARED: October 31, 2019

AGENDA SUBJECT: Consideration to Approve a Resolution Authorizing a Closed Session Pursuant to Section 8(a) of the Michigan Open Meetings Act

RECOMMENDATION: That the City Council adopt the proposed resolution

City Council will be asked to adopt the enclosed proposed resolution that would authorize to recess to a closed session pursuant to Section 8(a) of the Michigan Open Meetings Act, to consider a periodic personnel evaluation of the City Manager.

sb
Enclosure



City of Petoskey

Resolution

WHEREAS, the City Manager has requested that the City Council recess to a closed session, pursuant to Section 8(a) of the Michigan Open Meetings Act, to consider a periodic personnel evaluation of the City Manager, at the City Council's regular meeting of November 4, 2019:

NOW, THEREFORE, BE IT RESOLVED that the City Council does and hereby authorizes to recess to a closed session, to consider a periodic personnel evaluation of the City Manager.