

**City of Pleasant Ridge**  
23925 Woodward Avenue  
Pleasant Ridge, Michigan 48069

**City Commission Meeting  
December 11, 2018  
Agenda**

Honorable Mayor, City Commissioners and Residents: This shall serve as your official notification of the Regular Meeting of the Pleasant Ridge City Commission to be held Tuesday, December 11, 2018, 7:30 P.M., in the City Commission Chambers, 23925 Woodward Avenue, Pleasant Ridge, Michigan 48069. The following items are on the Agenda for your consideration:

**REGULAR CITY COMMISSION MEETING–7:30 P.M.**

- 1. Meeting Called to Order.**
- 2. Pledge of Allegiance.**
- 3. Roll Call.**
- 4. PUBLIC DISCUSSION – items not on the Agenda.**
- 5. Pleasant Ridge Panthers Soccer Team Recognition.**
- 6. Centennial Homes Presentation.**
- 7. Receiving and filing the audit of the City’s Financial Statements for the fiscal year ended June 30, 2018.**
- 8. Governmental Reports.**
- 9. City Commission Liaison Reports.**
  - **Commissioner Scott – Historical Commission**
  - **Commissioner Wahl – Recreation Commission**
  - **Commissioner Krzysiak – Ferndale Public Schools**
  - **Commissioner Perry – Planning/DDA**
- 10. Consent Agenda.**

*All items listed on the Consent Agenda are considered to be routine by the City Commission, will be enacted by one motion and approved by a roll call vote. There will be no separate discussion of these items unless a City Commissioner or visitor so requests, in which event, the item will be removed from the consent agenda and considered as the last item of business.*

  - a. Minutes of the Regular City Commission Meeting held Tuesday, November 13, 2018
  - b. Monthly Disbursement Report.
  - c. Resolution regarding 2019 Federal Poverty Guidelines.
  - d. Resolution regarding PA 152.
  - e. Establishing a public hearing for Tuesday, January 15, 2019, at 7:30pm to solicit public comments on an Ordinance to amend Chapter 82, Zoning, of the Pleasant

Ridge City Code, Section 82-197(b)(9)(c) Automobile Service Stations and Oil Change Establishments – Hours of Operation.

11. **Annual Meeting Schedule for the following Commissions:**
  - a. City Commission.
  - b. Historical Commission.
  - c. Planning Commission/Downtown Development Authority.
  - d. Recreation Commission.
12. **Junior Commission Appointments.**
  - a. Historical Commission.
  - b. Planning Commission/Downtown Development Authority.
  - c. Recreation Commission.
13. **Resolution regarding Proposal 18-1, the Michigan Regulation and Taxation of Marihuana Act.**
14. **City Manager's Report.**
15. **Other Business.**
16. **Adjournment.**

In the spirit of compliance with the Americans with Disabilities Act, individuals with a disability should feel free to contact the City at least seventy-two (72) hours in advance of the meeting, if requesting accommodations.

**Quad City Soccer League  
U8 Soccer  
Pleasant Ridge Panthers**

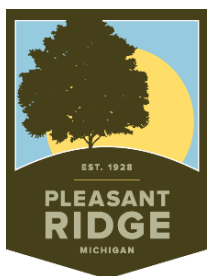
**Coaches: John Blasé**

The PR Panthers had a wonderful 2018 season. They finished undefeated, with a record of 9-0-1, and were winners of the U8 end of season tournament. The team practiced hard together and really got behind each other during games. The one item the coach was most proud of was that players were at every practice and they all made improvements as individual soccer players.

Additionally, this team seemed to really get along well together, and I know they will be good friends off the field for years to come.

Go PR!





## City of Pleasant Ridge

Amy M. Drealan, City Clerk

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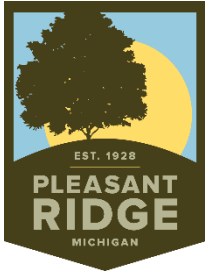
From: Amy M. Drealan, City Clerk  
To: Mayor and City Commission  
Date: December 11, 2018  
Re: Historical Commission Centennial Homes Presentation

Members of the Historical Commission will present the 2018 City of Pleasant Ridge Centennial Home Recognition.

The 2018 homes to be recognized are:

- 79 Kensington
- 81 Kensington
- 19 Norwich
- 13 Oakland Park
- 15 Oakland Park
- 35 Oakland Park
- 14 Ridge Road
- 8 Woodside Park

Please feel free to contact me should you wish to discuss this matter further.



# City of Pleasant Ridge

James Breuckman, City Manager

From: Jim Breuckman, City Manager  
To: City Commission  
Date: December 6, 2018  
Re: FY17-18 Year End Financial Statements

## Overview

Attached are the year-end FY17-18 financial statements for the City.

## Background

The attached audited financial statements have been prepared by SK&T, the City's auditors.

The most notable item is that we were able to increase our general fund fund balance by \$104,630, well above our budgeted amount. Our general fund ended with a fund balance of \$776,182, which is 28.9% of total general fund expenditures. As you know, our goal is to maintain a general fund fund balance of 25-30% of expenditures. We were at 16% in 2014, so we are happy to report that we have successfully built our fund balance to within our target range over the past 4 years. The financial statements report our unassigned fund balance at \$724,814 due to \$51,368 of prepaid expenditures.

The City's overall financial results for FY17-18 were stable with small fund balance builds across the organization. An exception is the infrastructure improvement fund which had a fund balance decrease. This is a result of our having sold bonds 18 months ago, and we have been spending down the money on infrastructure improvements since.

The financial statements also highlight our underfunded pension and OPEB<sup>1</sup> status. We have stabilized and begun to increase funding levels for our retirement benefits programs over the past few years. Passage of the police pension millage in November of 2017 was a major step towards achieving long-term stability in our retirement benefits offerings for current and future employees.

## Requested Action

City Commission action to receive and file the FY17-18 City of Pleasant Ridge financial statements.

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<sup>1</sup> Other Post Employment Benefits, i.e. retirement health care



To the Honorable Mayor and  
Members of the City Commission  
City of Pleasant Ridge, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Pleasant Ridge, Michigan (the City), for the year ended June 30, 2018. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 27, 2018. Professional standards also require that we communicate to you the following information related to our audit.

#### Significant Audit Findings

##### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note A to the financial statements. As described in Note N to the financial statements, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, and Statement No. 82, *Pension Issues - An Amendment of GASB Statements No. 67, No. 68, and No. 73*, during the year ended June 30, 2018. Accordingly, the cumulative effects of the accounting changes are reported in the applicable financial statements. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the governmental activities, business-type activities, Water and Sewer Fund, and the discretely presented component unit financial statements was:

- Management's calculation of depreciation expense for the current period is based on an estimate of the useful lives of the capital assets.

The most sensitive estimates affecting the governmental activities financial statements were:

- Management's calculation of the percentages for current and noncurrent compensated absence payments is based on an estimate of the percentage of employees' use of compensated absences.
- The calculation of the net OPEB liability and the related deferred inflows and outflows of resources are based on an actuarial study which utilized certain actuarial assumptions.
- The calculation of the net pension liability and the related deferred inflows and outflows of resources are based on an actuarial study which utilized certain actuarial assumptions.

We evaluated the key factors and assumptions used to develop these accounting estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

#### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated December 6, 2018.

#### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

#### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

#### Other Matters

We applied certain limited procedures to the management's discussion and analysis, budgetary comparison schedules, and pension and other post-employment benefit schedules, which are required supplementary information (RSI) that supplement the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining and individual nonmajor fund financial statements, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the City Commission and management of the City of Pleasant Ridge, Michigan, and is not intended to be, and should not be, used by anyone other than these specified parties.

*Stevens Kirinovic & Tucker, P.C.*

STEVENS, KIRINOVIC & TUCKER, P.C.  
Certified Public Accountants

December 6, 2018





## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS

To the Honorable Mayor and  
Members of the City Commission  
City of Pleasant Ridge, Michigan

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Pleasant Ridge, Michigan (the City), as of and for the year ended June 30, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control that we consider to be significant deficiencies.

### BANK RECONCILIATIONS

The bank reconciliation process is an important part of the City's internal control and accounting procedures. The purpose of reconciliations is to ensure that general ledger account balances are supported by underlying transaction detail or third-party information. They also provide an important internal control, in that any differences identified between the underlying detail and an account balance through the reconciliation process may be indicative of an erroneous entry having been posted.

We noted that while bank reconciliations are performed on a regular and timely basis, the reconciliations contain adjustments for items that have cleared the bank account but have not been posted to the general ledger. Specifically, we noted community center credit card transactions are often posted to the general ledger several months after the transaction takes place. These transactions are reflected as reconciling items on the bank reconciliation until they are posted to the City's general ledger.

## BANK RECONCILIATIONS - CONTINUED

We recommend all financial transactions be posted to the general ledger on a timely basis and all bank accounts be reconciled to the computerized accounting records on a monthly basis.

## CREDIT CARD PURCHASES

We noted that the City does not always obtain receipts to support credit card purchases. During our review of forty (40) credit card purchases, we noted ten (10) instances in which supporting documentation was not obtained to support the credit card purchase.

We recommend that City review its procedures related to credit card purchase and assure that documentation is obtained and retained for audit purposes to support all credit card charges.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws and regulations, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed the following instance of noncompliance:

## UNFAVORABLE BUDGET VARIANCES

As noted in the notes to the required supplementary information, certain activities of the General Fund and one (1) Special Revenue Fund exceeded the amounts appropriated. A similar issue was noted and reported in our audit comments last year.

Michigan Public Act 621 of 1978, as amended, provides that the City adopt formal budgets for all applicable General and Special Revenue Funds, and shall not incur expenditures in excess of the amounts appropriated. Also, the Public Act requires amendments to be performed prior to incurring additional expenditures.

We recommend the City monitor expenditures against adopted budgets in all applicable funds and make appropriate budget amendments as needed.

This communication is intended solely for the information and use of management, the members of the City Commission, others within the City, and applicable departments of the State of Michigan and is not intended to be, and should not be, used by anyone other than these specified parties.

*Stevens Kirinovic & Tucker, P.C.*

STEVENS, KIRINOVIC & TUCKER, P.C.  
Certified Public Accountants

December 6, 2018

**City of Pleasant Ridge  
Oakland County, Michigan**

**FINANCIAL STATEMENTS**

**June 30, 2018**

City of Pleasant Ridge

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June 30, 2018

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## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and  
Members of the City Commission  
City of Pleasant Ridge, Michigan

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Pleasant Ridge, Michigan (the City), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Pleasant Ridge, Michigan, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Emphasis of Matter - Changes in Accounting Principles***

As discussed in Note N to the financial statements, the City implemented Governmental Accounting Standards Board Statements No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, and No. 82, *Pension Issues - An Amendment of GASB Statements No. 67, No. 68, and No. 73*. Our opinions are not modified with respect to these matters.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules, and pension and other post-employment benefit schedules, as identified in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Pleasant Ridge's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Stevens Kirinovic & Tucker, P.C.*

STEVENS, KIRINOVIC & TUCKER, P.C.  
Certified Public Accountants

December 6, 2018

City of Pleasant Ridge

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2018

Our discussion and analysis of the City of Pleasant Ridge's (the "City") financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2018. Please read it in conjunction with the City's financial statements.

**Financial Highlights**

As discussed in further detail in this discussion and analysis, the following represents the most significant financial highlights for the year ended June 30, 2018:

- Property tax revenues are the City's largest revenue source. Property tax revenue for the year ended June 30, 2018 was approximately \$3.1 million, which is a 1.41% increase from the year before. This resulted from a 4% increase in taxable value and 0.3922 less mills being levied.
- The City implemented GASB Statement No. 75 during the year which requires the recognition of the City's net OPEB liability of \$3,331,088. This Statement has been implemented retroactively to June 30, 2017.

**Using this Annual Report**

This annual report consists of a series of financial statements. The statement of net position and the statement of activities provide information about the activities of the City as a whole and present a longer-term view of the City's finances. This longer-term view uses the accrual basis of accounting so that it can measure the cost of providing services during the current year, and whether the taxpayers have funded the full cost of providing government services.

The fund financial statements present a short-term view; they tell us how the taxpayers' resources were spent during the year, as well as how much is available for future spending. Fund financial statements also report the City's operations in more detail than the government-wide financial statements by providing information about the City's most significant funds.

**Governmental Activities**

The following table shows, in a condensed format, the current year's net position and changes in net position compared to the prior year:

	June 30, 2017	June 30, 2018	Change from Prior Year In Dollars	As a Percent
<b>Assets</b>				
Current and other assets	\$ 5,916,151	\$ 6,244,111	\$ 327,960	5.54%
Capital assets	10,088,730	10,254,018	165,288	1.64%
Total Assets	16,004,881	16,498,129	493,248	3.08%
Deferred Outflows of Resources	343,020	123,631	(219,389)	-63.96%
<b>Liabilities</b>				
Current liabilities	547,506	841,727	294,221	53.74%
Noncurrent liabilities	11,699,029	10,420,956	(1,278,073)	-10.92%
Total Liabilities	12,246,535	11,262,683	(983,852)	-8.03%
Deferred Inflows of Resources	50,434	597,074	546,640	1083.87%

City of Pleasant Ridge  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2018

**Governmental Activities - continued**

	<u>June 30, 2017</u>	<u>June 30, 2018</u>	<u>Change from Prior Year In Dollars</u>	<u>As a Percent</u>
<b>Net Position</b>				
Net investment in capital assets	\$ 6,702,379	\$ 6,327,727	\$ (374,652)	-5.59%
Restricted	2,142,386	1,981,417	(160,969)	-7.51%
Unrestricted	<u>(4,793,833)</u>	<u>(3,547,141)</u>	<u>1,246,692</u>	<u>-26.01%</u>
	<u>\$ 4,050,932</u>	<u>\$ 4,762,003</u>	<u>\$ 711,071</u>	<u>17.55%</u>
	<u>June 30, 2017</u>	<u>June 30, 2018</u>	<u>Change from Prior Year In Dollars</u>	<u>As a Percent</u>
<b>Revenues</b>				
Program Revenues				
Charges for services	\$ 767,493	\$ 774,483	\$ 6,990	0.91%
Operating grants and contributions	255,393	357,724	102,331	40.07%
Capital grants and contributions	3,250	147,337	144,087	4433.45%
General revenues				
Property taxes	3,023,978	3,066,545	42,567	1.41%
State shared revenues	249,415	258,266	8,851	3.55%
PPT reimbursement	-	80,201	80,201	100.00%
Investment and other	<u>304,874</u>	<u>225,459</u>	<u>(79,415)</u>	<u>-26.05%</u>
Total revenue	4,604,403	4,910,015	305,612	6.64%
<b>Expenses</b>				
General government	799,379	686,694	(112,685)	-14.10%
Public safety	1,487,173	1,129,759	(357,414)	-24.03%
Public works	1,317,242	1,393,579	76,337	5.80%
Recreation and culture	793,947	830,742	36,795	4.63%
Interest on long-term debt	<u>139,146</u>	<u>158,170</u>	<u>19,024</u>	<u>13.67%</u>
Total expenses	<u>4,536,887</u>	<u>4,198,944</u>	<u>(337,943)</u>	<u>-7.45%</u>
Change in Net Position	<u>\$ 67,516</u>	<u>\$ 711,071</u>	<u>\$ 643,555</u>	<u>953.19%</u>

The City's governmental net position increased 17.55% percent from a year ago, increasing from \$4,050,932 to \$4,762,003. Total governmental revenues were \$4,910,015 while total governmental expenses were \$4,198,944, resulting in an overall increase in net position of \$711,071.

Total governmental revenues increased \$305,612 or 6.64% percent. Property taxes increased \$42,567 and grants and contributions increased \$246,418. These grants also resulted in larger public works expenses.

The City's total governmental expenses decreased \$337,943 or 7.45 percent from the prior year. Decreased costs were associated with reduced personnel costs and building expenses.



City of Pleasant Ridge  
MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2018

**Business-type Activities**

The following table shows, in a condensed format, the current year's net position and changes in net position compared to the prior year:

	<u>June 30, 2017</u>	<u>June 30, 2018</u>	<u>Change from Prior Year</u> <u>In Dollars</u>	<u>As a Percent</u>
<b>Assets</b>				
Current and other assets	\$ 1,140,596	\$ 1,118,863	\$ (21,733)	-1.91%
Capital assets	<u>1,752,552</u>	<u>1,811,524</u>	<u>58,972</u>	3.36%
Total Assets	2,893,148	2,930,387	37,239	1.29%
Deferred Outflows of Resources	-0-	5,151	5,151	100.00%
<b>Liabilities</b>				
Current liabilities	179,139	201,536	22,397	12.50%
Noncurrent liabilities	<u>641,882</u>	<u>665,827</u>	<u>23,945</u>	3.73%
Total Liabilities	821,021	867,363	46,342	5.64%
Deferred Inflows of Resources	-0-	12,984	12,984	100.00%
<b>Net Position</b>				
Net investment in capital assets	1,065,536	1,217,467	151,931	14.26%
Unrestricted	<u>1,006,591</u>	<u>837,724</u>	<u>(168,867)</u>	-16.78%
	<u>\$ 2,072,127</u>	<u>\$ 2,055,191</u>	<u>\$ (16,936)</u>	-0.82%
<b>Revenues</b>				
Program Revenues				
Charges for services	\$ 1,266,740	\$ 1,338,562	\$ 71,822	5.67%
General revenues				
Investment earnings	<u>6,046</u>	<u>9,189</u>	<u>3,143</u>	51.98%
Total revenue	1,272,786	1,347,751	74,965	5.89%
<b>Expenses</b>				
Water and sewer systems	<u>1,144,781</u>	<u>1,364,687</u>	<u>219,906</u>	19.21%
Change in net position	<u>\$ 128,005</u>	<u>\$ (16,936)</u>	<u>\$ (144,941)</u>	-113.23%

The City's business-type activities consist of the water and sewer systems. The City provides water and sewer services to residents through contracts or consortiums with the Great Lakes Water Authority. Total net position of the business-type activities decreased approximately \$16,936 from a year ago. The current year resulted in operating loss of \$26,125 compared to prior year income from operations of \$121,959.

**The City's Funds**

Our analysis of the City's major funds begins on page 3, following the government-wide financial statements. The fund financial statements provide detail information about the most significant funds, not the City as a whole. The City Commission creates funds to help manage money for specific purposes as well as to show accountability for certain activities, such as special property tax millages. The City's major funds for the current year include the General Fund, the I-696 Segregated Capital Asset Fund, and the Infrastructure Improvements Fund.

City of Pleasant Ridge

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2018

**The City's Funds - continued**

The General Fund pays for most of the City's governmental services. However, the most significant governmental service is public safety, including police and fire protection, which incurred expenditures of approximately \$1.30 million in 2018, which was a decrease of \$64,000, or 4.73 percent, from 2017.

Total General Fund revenues increased from a year ago by \$104,577 due primarily to increased taxable values, intergovernmental revenues, and fines and forfeitures. Total General Fund revenues for 2018 were more than expenditures resulting in an increase in fund balance of \$104,630. Ending fund balance was \$776,182 all of which was unassigned except for the \$51,368 which related to prepaids and, therefore, was classified as nonspendable. Fund balance represents 27 percent of total General Fund expenditures.

The I-696 Segregated Capital Asset Fund was established to account for the funds received from the State of Michigan in connection with condemnation proceedings instituted by the State to acquire City-owned property for the construction of interstate highway 696. As of June 30, 2018, the I-696 Segregated Capital Asset Fund reported a fund balance of \$2,775,148 an increase of \$106,760 from the prior year due to investment earnings. Of the total fund balance, \$2,775,148 is considered committed for a specific purpose. Recently, the City has been using this fund to provide temporary financing for capital improvement, infrastructure, and park improvement projects instead of issuing bonds or spreading projects over multiple years. The fund will be reimbursed over the next several years with the proceeds from the infrastructure improvement and park improvement millages. The net amount to be reimbursed in future years is \$433,224.

The Infrastructure Improvement Fund finances new infrastructure projects within the City. As of June 30, 2018, the Infrastructure Improvement Fund reported a fund balance of \$1,776,770, a decrease of \$254,978 from the prior year.

The Water and Sewer Fund is used to account for the operations required to provide water distribution, water treatment, sewage disposal, and sewage treatment systems for the general public, the costs (expenses, including depreciation) are financed or recovered primarily through user charges. As of June 30, 2018, the Water and Sewer Fund reported a net position of \$2,229,639, an increase of \$109,688 from the prior year.

**General Fund Budgetary Highlights**

Over the course of the year, the City amended the budget to take into account events during the year. Overall, revenues exceeded the amended budget by \$208,596 and expenditures were less than amended budget by \$25,956. Transfers out of the General Fund exceeded the budget by \$110,000. Budget amendments were made as a result of changes in estimates for municipal fines, administrative fee revenues and recreation expenditures.

**Capital Asset and Debt Administration**

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2018, amounted to \$12,065,542, net of accumulated depreciation. This investment in capital assets includes land, buildings, police equipment, roads and the water and sewer system. Current year additions to capital assets included building and land improvements totaling approximately \$414,202, infrastructure improvements of \$226,632 and a combination of vehicles and equipment making up the remaining.

As of June 30, 2018, the City's primary government had total debt outstanding of \$5,482,092. The outstanding debt consists of general obligation bonds, installment purchase agreements, accrued compensated absences, and contractual obligations to the County for the City's share of drain bonds. In addition, the City has accrued a net other post-employment benefit (OPEB) liability of \$3,331,088 and a net pension liability of \$2,741,747.

More detailed information concerning capital assets and long-term debt can be found within the notes to the basic financial statements.

City of Pleasant Ridge

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2018

**Economic Factors and Next Year's Budgets and Rates**

Economic factors and constraints on local government revenue imposed by the State challenge the City's budgets each fiscal year and the City continues to budget conservatively. The 2018-2019 budget included a small increase in property tax revenues of about 2.5%, no increase in revenue sharing contributions from the State, and moderate but continued increases in both healthcare and pension costs.

The City's retirement health care and underfunded pension fund are two challenges that management continues to work on. As these costs continue to see large increases year over year, management is working to limit future exposure to these costs while managing current expenses to be able to provide the same high level of service as has been done in the past. Passage of the police pension millage by the voters in November of 2017 will provide the City with funds to address and eliminate the underfunded status of the City's police pension group, which represents about 2/3 of the City's total pension obligation.

As a result of the above factors, the City is again projected to run a very small budget surplus in FY 18-19.

**Contacting the City's Management**

The financial report is intended to provide our citizens, taxpayers, customers, and investors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the clerk's office.

## **BASIC FINANCIAL STATEMENTS**

City of Pleasant Ridge  
STATEMENT OF NET POSITION  
June 30, 2018

	Primary Government			Component Unit (DDA)
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
Current assets				
Cash and cash equivalents	\$ 1,858,706	\$ 132,334	\$ 1,991,040	\$ 74,572
Investments	2,249,015	-	2,249,015	-
Receivables	66,272	316,541	382,813	-
Due from other governmental units	83,485	-	83,485	-
Prepays	52,999	1,249	54,248	-
Total current assets	4,310,477	450,124	4,760,601	74,572
Noncurrent assets				
Investments	1,113,287	668,739	1,782,026	-
Investments - restricted	820,347	-	820,347	-
Capital assets not being depreciated	1,946,914	-	1,946,914	72,500
Capital assets being depreciated, net	8,307,104	1,811,524	10,118,628	103,955
Total noncurrent assets	12,187,652	2,480,263	14,667,915	176,455
TOTAL ASSETS	16,498,129	2,930,387	19,428,516	251,027
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows of resources related to pensions	123,631	5,151	128,782	-0-
<b>LIABILITIES</b>				
Current liabilities				
Accounts payable	360,572	98,097	458,669	-
Accrued liabilities	64,522	5,000	69,522	-
Accrued interest payable	39,876	3,594	43,470	-
Unearned revenue	3,458	-	3,458	-
Current portion of compensated absences	69,365	-	69,365	-
Current portion of long-term debt	303,934	94,845	398,779	-
Total current liabilities	841,727	201,536	1,043,263	-0-
Noncurrent liabilities				
Net other post-employment benefits liability	3,274,143	56,945	3,331,088	-
Noncurrent portion of compensated absences	72,032	-	72,032	-
Noncurrent portion of long-term debt	4,442,704	499,212	4,941,916	-
Net pension liability	2,632,077	109,670	2,741,747	-
Total noncurrent liabilities	10,420,956	665,827	11,086,783	-0-
TOTAL LIABILITIES	11,262,683	867,363	12,130,046	-0-
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows of resources related to pensions	107,073	4,461	111,534	-
Deferred inflows of resources related to OPEB	490,001	8,523	498,524	-
TOTAL DEFERRED INFLOWS OF RESOURCES	597,074	12,984	610,058	-0-
<b>NET POSITION</b>				
Net investment in capital assets	6,327,727	1,217,467	7,545,194	176,455
Restricted for:				
Streets	139,511	-	139,511	-
Infrastructure improvements	1,776,770	-	1,776,770	-
Other purposes	65,136	-	65,136	-
Unrestricted	(3,547,141)	837,724	(2,709,417)	74,572
TOTAL NET POSITION	\$ 4,762,003	\$ 2,055,191	\$ 6,817,194	\$ 251,027

See accompanying notes to financial statements.

City of Pleasant Ridge  
STATEMENT OF ACTIVITIES  
Year Ended June 30, 2018

					Net (Expense) Revenue and Changes in Net Position			
Program Revenues					Primary Government			Component Unit (DDA)
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
Primary government								
Governmental activities								
General government	\$ 686,694	\$ 318,936	\$ 15,345	\$ -	\$ (352,413)	\$ -	\$ (352,413)	\$ -
Public safety	1,129,759	189,451	-	-	(940,308)	-	(940,308)	-
Public works	1,393,579	154,756	297,395	147,337	(794,091)	-	(794,091)	-
Community and economic development	-	1,575	-	-	1,575	-	1,575	-
Recreation and culture	830,742	109,765	44,984	-	(675,993)	-	(675,993)	-
Interest on long-term debt	158,170	-	-	-	(158,170)	-	(158,170)	-
Total governmental activities	4,198,944	774,483	357,724	147,337	(2,919,400)	-0-	(2,919,400)	-0-
Business-type activities								
Water and sewer	1,364,687	1,338,562	-	-	-	(26,125)	(26,125)	-
Total primary government	\$ 5,563,631	\$ 2,113,045	\$ 357,724	\$ 147,337	(2,919,400)	(26,125)	(2,945,525)	-0-
Component unit								
Downtown Development Authority	\$ 74,546	\$ -0-	\$ -0-	\$ -0-	-0-	-0-	-0-	(74,546)
General revenues								
Property taxes					3,066,545	-	3,066,545	93,566
State shared revenue					258,266	-	258,266	-
Local community stabilization					80,201	-	80,201	1,233
Interest earnings					176,819	9,189	186,008	150
Miscellaneous					48,640	-	48,640	500
Total general revenues					3,630,471	9,189	3,639,660	95,449
Change in net position					711,071	(16,936)	694,135	20,903
Restated net position, beginning of the year					4,050,932	2,072,127	6,123,059	230,124
Net position, end of the year					\$ 4,762,003	\$ 2,055,191	\$ 6,817,194	\$ 251,027

See accompanying notes to financial statements.

City of Pleasant Ridge

Governmental Funds

BALANCE SHEET

June 30, 2018

	General	I-696 Segregated Capital Asset	Infrastructure Improvements
<b>ASSETS</b>			
Cash and cash equivalents	\$ 204,405	\$ 509,438	\$ 794,291
Investments	776,447	2,300,210	185,495
Investments - restricted	-	-	820,347
Accounts receivable	31,033	-	-
Due from other funds	-	-	263,200
Due from other governmental units	44,718	-	-
Prepays	51,368	-	-
<b>TOTAL ASSETS</b>	<b>\$ 1,107,971</b>	<b>\$ 2,809,648</b>	<b>\$ 2,063,333</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 58,612	\$ -	\$ 286,563
Accrued liabilities	48,219	-	-
Due to other funds	221,500	34,500	-
Unearned revenue	3,458	-	-
<b>TOTAL LIABILITIES</b>	<b>331,789</b>	<b>34,500</b>	<b>286,563</b>
<b>FUND BALANCES</b>			
Nonspendable			
Prepays	51,368	-	-
Restricted			
Solid waste	-	-	-
Streets and highways	-	-	-
Infrastructure improvements	-	-	1,776,770
Public safety	-	-	-
Library	-	-	-
Recreation	-	-	-
Debt service	-	-	-
Committed			
Segregated capital asset	-	2,775,148	-
Infrastructure improvements	-	-	-
Unassigned	724,814	-	-
<b>TOTAL FUND BALANCES</b>	<b>776,182</b>	<b>2,775,148</b>	<b>1,776,770</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 1,107,971</b>	<b>\$ 2,809,648</b>	<b>\$ 2,063,333</b>

See accompanying notes to financial statements.

Nonmajor Governmental Funds	Total
\$ 350,572	\$ 1,858,706
100,150	3,362,302
-	820,347
35,239	66,272
-	263,200
38,767	83,485
1,631	52,999
<u>\$ 526,359</u>	<u>\$ 6,507,311</u>
\$ 15,397	\$ 360,572
16,303	64,522
7,200	263,200
-	3,458
<u>38,900</u>	<u>691,752</u>
1,631	52,999
15,942	15,942
139,511	139,511
-	1,776,770
1,551	1,551
10,677	10,677
20,457	20,457
14,878	14,878
-	2,775,148
282,812	282,812
-	724,814
<u>487,459</u>	<u>5,815,559</u>
<u>\$ 526,359</u>	<u>\$ 6,507,311</u>



City of Pleasant Ridge

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION

June 30, 2018

**Total fund balances - governmental funds** **\$ 5,815,559**

Amounts reported for the governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.

Cost of capital assets	\$ 18,954,990	
Accumulated depreciation	<u>(8,700,972)</u>	
Capital assets, net		10,254,018

Governmental funds report actual pension/OPEB expenditures for the fiscal year, whereas the governmental activities will recognize the net pension/OPEB liability as of the measurement date. Contributions subsequent to the measurement date will be deferred in the statement of net position. In addition, resources related to changes of assumptions, differences between expected and actual experience, net differences between projected and actual plan investment earnings, and changes in proportion and differences between employer contributions and proportionate share of contributions will be deferred over time in the government-wide financial statements. These amounts consist of:

Deferred outflows of resources related to pensions	123,631	
Deferred inflows of resources related to pensions	(107,073)	
Deferred inflows of resources related to OPEB	<u>(490,001)</u>	
		(473,443)

Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds balance sheet. Long-term liabilities at year-end consist of:

Direct obligations	4,603,321	
Unamortized bond premium	143,317	
Accrued interest payable	39,876	
Compensated absences	141,397	
Net OPEB liability	3,274,143	
Net pension liability	<u>2,632,077</u>	
		<u>(10,834,131)</u>

**Net position of governmental activities** **\$ 4,762,003**

City of Pleasant Ridge

Governmental Funds

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Year Ended June 30, 2018

	General	I-696 Segregated Capital Asset	Infrastructure Improvements
REVENUES			
Taxes	\$ 2,030,066	\$ 100,275	\$ 397,104
Licenses and permits	117,153	-	-
Intergovernmental	315,084	25,000	58,142
Charges for services	239,781	-	-
Fines and forfeits	95,648	-	-
Interest and rents	16,735	157,191	7,907
Other	130,117	-	33,700
TOTAL REVENUES	2,944,584	282,466	496,853
EXPENDITURES			
Current			
General government	682,001	-	-
Public safety	1,290,307	-	-
Public works	279,732	17	172
Recreation and culture	409,064	-	-
Other	5,000	-	-
Capital outlay	11,850	75,689	667,374
Debt service	-	-	84,285
TOTAL EXPENDITURES	2,677,954	75,706	751,831
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	266,630	206,760	(254,978)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	(162,000)	(100,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	(162,000)	(100,000)	-0-
NET CHANGE IN FUND BALANCES	104,630	106,760	(254,978)
Fund balances, beginning of year	671,552	2,668,388	2,031,748
Fund balances, end of year	\$ 776,182	\$ 2,775,148	\$ 1,776,770

See accompanying notes to financial statements.

Nonmajor Governmental Funds	Total
\$ 624,853	\$ 3,152,298
-	117,153
274,054	672,280
197,893	437,674
-	95,648
675	182,508
88,637	252,454
1,186,112	4,910,015
-	682,001
-	1,290,307
571,569	851,490
249,238	658,302
-	5,000
172,159	927,072
195,031	279,316
1,187,997	4,693,488
(1,885)	216,527
307,000	307,000
(45,000)	(307,000)
262,000	-0-
260,115	216,527
227,344	5,599,032
\$ 487,459	\$ 5,815,559

City of Pleasant Ridge

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES

Year Ended June 30, 2018

**Net change in fund balances - total governmental funds** **\$ 216,527**

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital outlay	\$ 893,807	
Depreciation expense	<u>(728,519)</u>	
Excess of capital outlay over depreciation expense		165,288

Repayment of long-term debt and borrowing of long-term debt is reported as expenditures and other financing sources in governmental funds, but the repayment reduces long-term liabilities and the borrowing increases long-term liabilities in the statement of net position. In the current period, these amounts consist of:

Bond premium	9,554	
Bond and installment loan principal retirements	<u>117,880</u>	
		127,434

Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:

(Increase) in accrued interest payable	(6,288)	
(Increase) in compensated absences	(214)	
Decrease in net OPEB liability	669,110	
(Decrease) in deferred outflows of resources related to pensions	(219,389)	
(Increase) in deferred inflows of resources related to pensions	(56,639)	
(Increase) in deferred inflows of resources related to OPEB	(490,001)	
Decrease in net pension liability	<u>305,243</u>	
		<u>201,822</u>

**Change in net position of governmental activities** **\$ 711,071**

City of Pleasant Ridge  
Proprietary Fund  
STATEMENT OF NET POSITION  
June 30, 2018

	Business-type Activities <u>Water and Sewer</u>
<b>ASSETS</b>	
Current assets	
Cash and cash equivalents	\$ 132,334
Accounts receivable	316,541
Prepaid expenses	<u>1,249</u>
Total current assets	450,124
Noncurrent assets	
Investments	668,739
Capital assets being depreciated, net	<u>1,811,524</u>
Total noncurrent assets	<u>2,480,263</u>
<b>TOTAL ASSETS</b>	2,930,387
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows of resources related to pensions	5,151
<b>LIABILITIES</b>	
Current liabilities	
Accounts payable	98,097
Other accrued liabilities	5,000
Accrued interest payable	3,594
Current portion of long-term debt	<u>94,845</u>
Total current liabilities	201,536
Noncurrent liabilities	
Net other post-employment benefits liability	56,945
Noncurrent portion of long-term debt	499,212
Net pension liability	<u>109,670</u>
Total noncurrent liabilities	<u>665,827</u>
<b>TOTAL LIABILITIES</b>	<u>867,363</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred inflows of resources related to pensions	4,461
Deferred inflows of resources related to OPEB	<u>8,523</u>
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>12,984</u>
<b>NET POSITION</b>	
Net investment in capital assets	1,217,467
Unrestricted	<u>837,724</u>
<b>TOTAL NET POSITION</b>	<u><u>\$ 2,055,191</u></u>

See accompanying notes to financial statements.

City of Pleasant Ridge

Proprietary Fund

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION

Year Ended June 30, 2018

	Business-type Activities
	<u>Water and Sewer</u>
OPERATING REVENUES	
Charges for services	\$ 1,319,888
Penalties and fines	<u>18,674</u>
TOTAL OPERATING REVENUES	1,338,562
OPERATING EXPENSES	
Salaries, wages, and fringe benefits	204,732
Contractual services	174,425
Water purchases	204,982
Sewage treatment	575,979
Administrative charges	30,607
Operating supplies	5,766
Other	11,014
Depreciation	<u>141,387</u>
TOTAL OPERATING EXPENSES	<u>1,348,892</u>
OPERATING (LOSS)	(10,330)
NONOPERATING REVENUES (EXPENSES)	
Interest income	9,189
Interest expense and fees	<u>(15,795)</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(6,606)</u>
CHANGE IN NET POSITION	(16,936)
Restated net position, beginning of year	<u>2,072,127</u>
Net position, end of year	<u><u>\$ 2,055,191</u></u>

See accompanying notes to financial statements.

City of Pleasant Ridge  
Proprietary Fund  
STATEMENT OF CASH FLOWS  
Year Ended June 30, 2018

	Business-type Activities <u>Water and Sewer</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash receipts from customers	\$ 1,322,459
Cash paid to suppliers	(858,089)
Cash paid to employees	<u>(201,922)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	262,448
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital asset acquisitions	(200,359)
Payments on borrowing	(92,959)
Interest and fees paid	<u>(16,354)</u>
NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(309,672)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	9,189
Purchase of investments	<u>(8,688)</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>501</u>
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	(46,723)
Cash and cash equivalents, beginning of year	<u>179,057</u>
Cash and cash equivalents, end of year	<u><u>\$ 132,334</u></u>
Reconciliation of operating (loss) to net cash provided by operating activities	
Operating (loss)	\$ (10,330)
Adjustments to reconcile operating (loss) to net cash provided by operating activities	
Depreciation	141,387
(Increase) in:	
Accounts receivable	(16,103)
Prepaid expenses	(199)
Deferred outflows of resources	(5,151)
Increase in:	
Accounts payable	18,259
Net other post-employment benefits liability	9,121
Net other pension liability	109,670
Other accrued liabilities	2,810
Deferred inflows of resources	<u>12,984</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u><u>\$ 262,448</u></u>

See accompanying notes to financial statements.

City of Pleasant Ridge

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

**NOTE A: DESCRIPTION OF CITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Pleasant Ridge, Michigan (the City) is located in Oakland County, Michigan and has a population of approximately 2,500. The City operates with a City Manager/Commission form of government and provides services to its residents in many areas including general government, law enforcement, highways and streets, human services, and utilities services.

The City has five (5) City Commissioners, including the Mayor, who are elected at-large every two (2) years for overlapping four (4) year terms. The Commissioner with the most votes in the prior election is the Mayor Pro-Tem. A full-time City Manager is appointed by the City Commission to carry out the policies that are established.

The financial statements of the City have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to city governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City's more significant accounting policies are described below.

1. Reporting Entity

As required by accounting principles generally accepted in the United States of America these financial statements present the financial activities of the City of Pleasant Ridge (primary government) and its component unit. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City.

The inclusion of the activities of various agencies is based on the manifestation of oversight criteria, relying on such guidelines as the selection of the governing authority, the designation of management, the ability to exert significant influence on operations, and the accountability for fiscal matters. The accountability for fiscal matters considers the possession of the budgetary authority, the responsibility for surplus or deficit, the controlling of fiscal management, and the revenue characteristics, whether a levy or a charge. Consideration is also given to the scope of public service. The scope of public service considers whether the activity is for the benefit of the reporting entity and/or its residents and is within the geographic boundaries of the reporting entity and generally available to its citizens.

Based upon the application of these criteria, the financial statements of the City of Pleasant Ridge contain all the funds controlled by the City Commission.

2. Discretely Presented Component Unit

The component unit is reported in a separate column to emphasize that, while legally separate, the City remains financially accountable for this entity or the nature and significance of the relationship between the entity and the City is such that exclusion of the entity would render the financial statements misleading. The financial statements contain the following discretely presented component unit:

Downtown Development Authority - The members of the governing board of the Downtown Development Authority (DDA) are appointed by the City Commission. The City Commission approves the DDA's annual budget and any required budget amendments. The City Commission also has the ability to significantly influence operations of the DDA. The DDA is included in the City's audited financial statements and is not audited separately.

3. Joint Ventures

The City participates in the following activities which are considered to be joint ventures in relation to the City, due to the formation of an organization by contractual agreement between two (2) or more participants that maintain joint control, financial interest, and financial responsibility.



NOTES TO FINANCIAL STATEMENTS

June 30, 2018

**NOTE A: DESCRIPTION OF CITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

3. Joint Ventures - continued

Southeastern Oakland County Resource Recovery Authority - The City is a member of the Southeastern Oakland County Resource Recovery Authority (SOCRRA), which is a joint venture among twelve (12) municipalities in Oakland County, including the City of Pleasant Ridge. The City appoints one (1) member of the governing board, which approves the annual budget. SOCRRA provides waste disposal and recycling services to its municipal communities. Principal funding for the Authority is derived from waste disposal charges to the member municipalities. For the year ended June 30, 2018, the City of Pleasant Ridge expended \$202,818 in payments to SOCRRA.

The City has no explicit and measurable equity interest in the joint venture. The City is also unaware of any circumstances that would cause any significant additional financial benefit or burden to the participating governments in the near future.

The financial activities of SOCRRA are accounted for and reported separately from the participating units. Separate audited financial statements for the year ended June 30, 2017, are available at SOCRRA's administrative offices. As of June 30, 2017, SOCRRA had net position of \$5,067,287.

Southeastern Oakland County Water Authority - The City is a member of the Southeastern Oakland County Water Authority (SOCWA), which is a joint venture among eleven (11) municipalities in Oakland County, including the City of Pleasant Ridge. The City appoints one (1) member of the governing board, which approves the annual budget. SOCWA provides a water supply system for use by the participating municipalities. Principal funding for the Authority is derived from water charges to the member municipalities. For the year ended June 30, 2018, the City of Pleasant Ridge expended \$204,982 in payments to SOCWA.

The City has no explicit and measurable equity interest in the joint venture. The City is also unaware of any circumstances that would cause any significant additional financial benefit or burden to the participating governments in the near future.

The financial activities of SOCWA are accounted for and reported separately from the participating units. Separate audited financial statements for the year ended June 30, 2017, are available at SOCWA's administrative offices. As of June 30, 2017, SOCWA had net position of \$19,112,023.

4. Basis of Presentation

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The statement of net position and the statement of activities (the government-wide financial statements) present information for the primary government and its component unit as a whole. For the most part, interfund activity has been eliminated in the preparation of these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities presents the direct functional expenses of the primary government and its component unit and the program revenues that support them. Direct expenses are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. Program revenues are associated with specific functions and include charges to recipients of goods or services and grants and contributions that are restricted to meeting the operational or capital requirements of that function. Revenues that are not required to be presented as program revenues are general revenues. This includes all taxes, interest, and unrestricted State revenue sharing payments and other general revenues and shows how governmental functions are either self-financing or supported by general revenues.

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

**NOTE A: DESCRIPTION OF CITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

4. Basis of Presentation - continued

FUND FINANCIAL STATEMENTS

The fund financial statements present the City's individual major funds and aggregated nonmajor funds. Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and the major individual enterprise fund are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

- a. The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government except for those that are required to be accounted for in another fund.
- b. The I-696 Segregated Capital Asset Fund was established to account for the funds received from the State of Michigan in connection with condemnation proceedings instituted by the State to acquire City-owned property for the construction of interstate highway 696. The City is now using the balance of the fund to provide temporary financing for various capital projects throughout the City, including roads and park improvements. The fund will be reimbursed over the next several years from the revenue generated by the separate infrastructure improvement and park improvement millages.
- c. The Infrastructure Improvement Fund was established to account for funds received from the City's infrastructure improvement millage and bond proceeds for various infrastructure capital projects throughout the City.

The City reports the following major enterprise fund:

- a. The Water and Sewer Fund is used to account for the operations required to provide water distribution, water treatment, sewage disposal, and sewage treatment systems for the general public, the costs (expenses, including depreciation) are financed or recovered primarily through user charges.

5. Measurement Focus

The government-wide and proprietary fund financial statements are presented using the economic resources measurement focus, similar to that used by business enterprises or not-for-profit organizations. Because another measurement focus is used in the governmental fund financial statements, reconciliations to the government-wide financial statements are provided that explain the differences in detail.

All governmental funds are presented using the current financial resources measurement focus. With this measurement focus, only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in fund balance.

6. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

**NOTE A: DESCRIPTION OF CITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**6. Basis of Accounting - continued**

All governmental funds are accounted for using the modified accrual basis of accounting. Under this method, revenues are recognized when they become susceptible to accrual (when they become both “measurable” and “available to finance expenditures of the current period”). The length of time used for “available” for purposes of revenue recognition in the governmental fund financial statements is sixty (60) days. Revenues that are considered measurable but not available are recorded as a receivable and unavailable revenue. Significant revenues susceptible to accrual are special assessments and certain intergovernmental revenues. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for interest on long-term debt which is recorded when due.

All proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the costs of sales and services, administrative expenses, and other costs of running the activity. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

If/when both restricted and unrestricted resources are available for use, it is the City’s policy to use restricted resources first, then unrestricted resources as they are needed.

**7. Budgets and Budgetary Accounting**

The General and Special Revenue Fund budgets shown as required supplementary information were prepared on the same modified accrual basis used to reflect actual results. This basis is consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for all required governmental fund types. The City employs the following procedures in establishing the budgetary data reflected in the financial statements.

- a. The City requires the City Manager to submit an estimate of revenues and anticipated expenditures for the succeeding fiscal year on or before April 10 of each year. The City Manager is then authorized to assign and transfer budget amounts within each fund to the extent that the net total fund appropriation (which the City defines as gross authorized expenditures less related revenues that are specifically designated to fund those activities) is not exceeded. City Commission approval is required for any budgetary changes that result in an increase to net appropriations.
- b. A budget workshop is held between the time of the City Manager’s submission of the budget and the second meeting held in May.
- c. A Public Hearing is conducted to obtain taxpayers’ comments in May.
- d. Prior to the second regular Commission meeting in May, the budget is legally enacted through passage of a resolution.
- e. The budget is legally adopted at the activity level for the General Fund and total expenditure level for the Special Revenue Funds; however, they are maintained at the account level for control purposes.
- f. The City does not employ encumbrance accounting as an extension of formal budgetary integration in the governmental funds. Appropriations unused at June 30 are not carried forward to the following fiscal year.

City of Pleasant Ridge  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2018

**NOTE A: DESCRIPTION OF CITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

7. Budgets and Budgetary Accounting - continued

- g. Budgeted amounts are reported as originally adopted or amended by the City Commission during the year. Individual amendments were appropriately approved by the City Commission as required.

8. Cash, Cash Equivalents, and Investments

The City pools cash resources of various funds in order to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balances in the pooled cash accounts are available to meet current operating requirements. Cash in excess of current requirements is invested in various interest bearing securities and disclosed as part of the City's investments. Cash consists of checking, savings, and money market accounts. Cash equivalents consist of temporary investments in mutual funds.

Investments include mutual funds, equity securities, and participation in a governmental investment pool. Investments are recorded at fair value. Restricted investments in the governmental activities related to bond proceeds which have not yet been spent.

9. Due from Other Governmental Units

Due from other governmental units consists of amounts due from the State of Michigan or other governments for various payments and grants.

10. Receivables

Receivables consist of amounts due from individuals and businesses related to charges for services, interest receivable, taxes levied that have not been collected, and other amounts owed to the City at year-end.

11. Prepays

Prepaid expenditures in the governmental funds, such as insurance premiums, which are expected to be written off within the next fiscal year, are included in net current assets. Reported prepaid expenditures are equally offset by nonspendable fund balance which indicates they do not constitute "available spendable resources" even though they are a component of net current assets.

12. Unearned Revenue

The City defers revenue recognition in connection with resources that have been received but not yet earned.

13. Compensated Absences

City employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is paid for accumulated vacation and sick time. All employees with accumulated unused vacation and sick time pay at June 30, 2018, were vested and the total due to them, along with related payroll taxes, is recorded entirely in the government-wide financial statements.

14. Interfund Transactions

During the course of normal operations, the City has numerous transactions between funds, including expenditures and transfers of resources to provide services, construct assets, and service debt. The accompanying financial statements generally reflect such transactions as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

## NOTES TO FINANCIAL STATEMENTS

June 30, 2018

**NOTE A: DESCRIPTION OF CITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED****15. Capital Assets**

Capital assets are recorded (net of accumulated depreciation, if applicable) in the government-wide financial statements under the governmental activities, business-type activities, and component unit columns. Capital assets are those with an initial individual cost of \$5,000 or more and an estimated useful life of more than one year. Capital assets are not recorded in the governmental funds. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the government-wide financial statements. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at acquisition cost on the date received. Infrastructure assets reported by governmental activities include all roads and streets regardless of their acquisition date or amount.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Depreciation is computed using the straight-line method over the following useful lives:

Land improvements	15 years
Buildings and improvements	10 - 50 years
Vehicles	3 years
Equipment	5 - 15 years
Software	3 years
Infrastructure - streets and alleys	12 - 20 years
Water and sewer transmission and distribution	25 years
Water meters	15 years

**16. Long-term Liabilities**

Long-term debt and other long-term obligations are recognized as a liability in the government-wide financial statements and proprietary fund types when incurred. The portion of those liabilities expected to be paid within the next year is a current liability with the remaining amounts shown as noncurrent.

Long-term debt is recognized as a liability of a governmental fund when due or when resources have been accumulated in a Debt Service Fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund.

**17. Accrued Interest Payable**

Accrued interest is presented for long-term obligations in the government-wide financial statements.

**18. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position and balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position/fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position and balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position/fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then.

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

**NOTE A: DESCRIPTION OF CITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

18. Deferred Outflows/Inflows of Resources - continued

The City reports deferred outflows of resources and deferred inflows of resources related to the net pension liability and net OPEB liability for differences between expected and actual experience, changes in assumptions, differences between projected and actual pension plan investment earnings, and contributions made subsequent to the measurement date. These amounts are deferred and recognized as an outflow or inflow of resources in the period to which they apply.

19. Property Tax

The City of Pleasant Ridge bills and collects its own property taxes and also taxes for other governmental units. The City's property tax revenue recognition policy and related tax calendar disclosures are highlighted in the following paragraph:

Property taxes are levied and become a lien on July 1 on the taxable valuation of property located in the City as of the preceding December 31 and are payable without penalty through July 31, or if elected by the taxpayer, paid in eight monthly installments from July through February. The July 1 levy is composed of the City's millage, County's millage assessments, and school taxes. All real property taxes not paid to the City by March 1 are turned over to the Oakland County Treasurer for collection. The Oakland County Treasurer purchases the receivables of all taxing districts on any delinquent real property taxes. Delinquent personal property taxes receivable are retained by the City for subsequent collection. City property tax revenues are recognized as revenues in the fiscal year levied.

The City is permitted by charter to levy taxes up to 20 mills (\$20 per \$1,000 of taxable valuation) for general governmental services. They are also permitted to levy additional mills specifically designated for refuse services, community promotion, infrastructure improvements, library services, pool operations, and pool debt. For the year ended June 30, 2018, the City levied 13.3471 mills per \$1,000 of taxable valuation for general governmental services, 1.5929 mills for refuse services, 0.3375 mills for community promotion, 2.7894 mills for infrastructure improvements, 0.3687 mills for library services, 1.1827 mills for pool operations, 0.7044 mills for park improvements, and 1.2450 mills for pool debt. The total taxable value for the 2017 levy for property within the City was \$145,772,450.

20. Restricted Net Position

Restrictions of net position shown in the government-wide financial statements indicate that restrictions imposed by the funding source or some other outside source which preclude their use for unrestricted purposes.

21. Comparative Data

Comparative data for the prior year has not been presented in the accompanying financial statements since their inclusion would make the statements unduly complex and difficult to read.

**NOTE B: DEPOSITS AND INVESTMENTS**

In accordance with Michigan Compiled Laws, the City is authorized to invest in the following investment vehicles:

- a. Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.

City of Pleasant Ridge  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2018

**NOTE B: DEPOSITS AND INVESTMENTS - CONTINUED**

- b. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a State or nationally chartered bank or a State or Federally chartered savings and loan association, savings bank, or credit union whose deposits are insured by an agency of the United States government and which maintains a principal office or branch office located in this State under the laws of this State or the United States, but only if the bank, savings and loan association, savings bank or credit union is eligible to be a depository of surplus funds belonging to the State under Section 6 of 1855 PA 105, MCL 21.146.
- c. Commercial paper rated at the time of purchase within the three (3) highest classifications established by not less than two (2) standard rating services and which matures not more than 270 days after the date of purchase.
- d. The United States government or federal agency obligations repurchase agreements.
- e. Bankers' acceptances of United States banks.
- f. Mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

**Deposits**

As of June 30, 2018, the carrying amounts and bank balances for each type of bank account are as follows:

<u>Account Type</u>	<u>Carrying Amount</u>	<u>Bank Balance</u>
PRIMARY GOVERNMENT		
Checking and savings	\$ 1,989,980	\$ 2,110,450
COMPONENT UNIT		
Checking and savings	<u>74,572</u>	<u>74,572</u>
TOTAL REPORTING ENTITY	<u>\$ 2,064,552</u>	<u>\$ 2,185,022</u>

The primary government cash and cash equivalents caption on the basic financial statements included \$1,060 of imprest cash.

Deposits of the City are at federally insured banks located in the State of Michigan with all accounts maintained in the name of the City. As of June 30, 2018, the City accounts were insured by the Federal Deposit Insurance Corporation (FDIC) for \$750,000 and the amount of \$1,435,022 was uninsured and uncollateralized.

Due to significantly higher cash flow at certain periods during the year, the amount the City held as cash and cash equivalents increased significantly. As a result, the amount of uninsured and uncollateralized cash and cash equivalents were substantially higher at these peak periods than at year-end.

**Credit Risk**

State law limits investments in certain types of investments to a prime or better rating issued by nationally recognized statistical rating organizations (NRSRO's). The City's investments as of June 30, 2018, were not subject to rating.

City of Pleasant Ridge  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2018

**NOTE B: DEPOSITS AND INVESTMENTS - CONTINUED**

Interest Rate Risk

The City will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by:

Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools and limiting the average maturity of the portfolio.

Custodial Credit Risk

The City will minimize custodial credit risk, which is the risk of loss due to the failure of the security issuer or backer, by:

Limiting investments to the types of securities authorized by the Commission and pre-qualifying the financial institutions, broker/dealers, intermediaries and advisors with which the City will do business in accordance with Commission approved policy.

Concentration of Credit Risk

The City will minimize credit risk, which is the risk of loss due to the failure of the security issuer or backer, by:

Limiting investments to the types of securities listed in the "Authorized Investments" section; pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisors with which the City will do business in accordance with the "Authorized Institutions" section; and diversifying the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized.

Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The City's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

The City had the following recurring fair value measurements as of June 30, 2018:

<u>Investment Type</u>	<u>Fair Value Measurement</u>			
	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual Funds	\$ 908,448	\$ 908,448	\$ -	\$ -
Equity Securities	1,340,567	1,340,567	-	-
	<u>\$ 2,249,015</u>	<u>\$ 2,249,015</u>	<u>\$ -0-</u>	<u>\$ -0-</u>



City of Pleasant Ridge

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

**NOTE B: DEPOSITS AND INVESTMENTS - CONTINUED**

Investments in Entities that Calculate Net Asset Value per Share

The City holds shares or interests in an investment pool where the fair value of the investments is measured on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient.

At the year ended June 30, 2018, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency, if Eligible</u>	<u>Redemption Notice Period</u>
Oakland County Government Investment Pool	<u>\$ 2,602,373</u>	<u>\$ -0-</u>	No restrictions	None

The cash and cash equivalents and investments referred to above have been reported in the cash and cash equivalents or investments captions on the basic financial statements, based upon criteria disclosed in Note A. The following summarizes the categorization of these amounts as of June 30, 2018:

	<u>Primary Government</u>	<u>Component Unit</u>	<u>Reporting Entity</u>
Cash and cash equivalents	\$ 1,991,040	\$ 74,572	\$ 2,065,612
Investments - current	2,249,015	-	2,249,015
Investments - noncurrent	1,782,026	-	1,782,026
Investments - noncurrent - restricted	820,347	-	820,347
	<u>\$ 6,842,428</u>	<u>\$ 74,572</u>	<u>\$ 6,917,000</u>

**NOTE C: INTERFUND TRANSFERS**

Permanent reallocation of resources between funds of the reporting entity is classified as interfund transfers. For the purpose of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

Transfers to nonmajor governmental funds from:	
General Fund	\$ 162,000
I-696 Segregated Capital Asset Fund	100,000
Nonmajor governmental funds	<u>45,000</u>
	<u>\$ 307,000</u>

Transfers made to nonmajor governmental funds from the General Fund were related to capital improvements and pool operations. Transfers made to the nonmajor governmental funds from the I-696 Segregated Capital Asset Fund other nonmajor governmental funds were related to infrastructure and other capital improvements.

City of Pleasant Ridge  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2018

**NOTE D: INTERFUND RECEIVABLES AND PAYABLES**

Due to Infrastructure Improvements Fund from:	
General Fund	\$ 221,500
I-696 Segregated Capital Assets Fund	34,500
Nonmajor governmental funds	<u>7,200</u>
	<u>\$ 263,200</u>

Amounts appearing as interfund payables and receivables arise from two types of transactions. One type of transaction is where a fund will pay for a good or service that at least a portion of the benefit belongs to another fund. The second type of transaction is where one fund provides a good or service to another fund. Balances at the end of the year are for transfers that have not cleared as of the balance sheet date.

**NOTE E: CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2018, was as follows:

**Primary Government**

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
<b>Governmental activities</b>				
Capital assets not being depreciated				
Land	\$ 1,746,700	\$ -	\$ -	\$ 1,746,700
Construction in progress	<u>-</u>	<u>200,214</u>	<u>-</u>	<u>200,214</u>
Subtotal	1,746,700	200,214	-0-	1,946,914
Capital assets being depreciated				
Land improvements	1,764,836	304,653	-	2,069,489
Buildings and improvements	3,948,844	109,549	-	4,058,393
Vehicles	176,866	9,760	-	186,626
Equipment	587,670	42,999	-	630,669
Software	19,430	-	-	19,430
Infrastructure - streets and alleys	<u>9,816,837</u>	<u>226,632</u>	<u>-</u>	<u>10,043,469</u>
Subtotal	16,314,483	693,593	-0-	17,008,076
Less accumulated depreciation for:				
Land improvements	(825,982)	(110,340)	-	(936,322)
Buildings and improvements	(1,804,206)	(123,598)	-	(1,927,804)
Vehicles	(122,377)	(18,516)	-	(140,893)
Equipment	(340,347)	(36,533)	-	(376,880)
Software	(19,430)	-	-	(19,430)
Infrastructure - streets and alleys	<u>(4,860,111)</u>	<u>(439,532)</u>	<u>-</u>	<u>(5,299,643)</u>
Subtotal	<u>(7,972,453)</u>	<u>(728,519)</u>	<u>-0-</u>	<u>(8,700,972)</u>
Net capital assets being depreciated	<u>8,342,030</u>	<u>(34,926)</u>	<u>-0-</u>	<u>8,307,104</u>
Capital assets, net	<u>\$ 10,088,730</u>	<u>\$ 165,288</u>	<u>\$ -0-</u>	<u>\$ 10,254,018</u>

City of Pleasant Ridge

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

**NOTE E: CAPITAL ASSETS - CONTINUED**

**Primary Government - Continued**

Depreciation expense was charged to the following governmental activities:

General government	\$ 19,292
Public safety	19,489
Public works	515,776
Recreation and culture	173,962
	<u>\$ 728,519</u>

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
<b>Business-type activities</b>				
Capital assets being depreciated				
Water and sewer transmission and distribution system	\$ 3,433,630	\$ 200,359	\$ -	\$ 3,633,989
Water meters	168,343	-	-	168,343
Vehicles and miscellaneous equipment	56,910	-	-	56,910
Subtotal	3,658,883	200,359	-0-	3,859,242
Less accumulated depreciation for:				
Water and sewer transmission and distribution system	(1,768,162)	(122,642)	-	(1,890,804)
Water meters	(117,526)	(12,704)	-	(130,230)
Vehicles and miscellaneous equipment	(20,643)	(6,041)	-	(26,684)
Subtotal	(1,906,331)	(141,387)	-0-	(2,047,718)
Capital assets, net	<u>\$ 1,752,552</u>	<u>\$ 58,972</u>	<u>\$ -0-</u>	<u>\$ 1,811,524</u>

**Component Unit**

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
<b>Downtown Development Authority (DDA)</b>				
Capital assets not being depreciated				
Land	\$ 72,500	\$ -	\$ -	\$ 72,500
Capital assets being depreciated				
Land improvements	138,371	20,000	-	158,371
Less accumulated depreciation for:				
Land improvements	(45,892)	(8,524)	-	(54,416)
Net capital assets being depreciated	92,479	11,476	-0-	103,955
Capital assets, net	<u>\$ 164,979</u>	<u>\$ 11,476</u>	<u>\$ -0-</u>	<u>\$ 176,455</u>

City of Pleasant Ridge

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

**NOTE F: LONG-TERM DEBT**

The following is a summary of changes in long-term debt (including current portion) of the City for the year ended June 30, 2018.

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018	Amounts Due Within One Year
<b>Primary Government</b>					
Governmental activities					
General Obligation Bonds	\$ 4,675,000	\$ -	\$ (100,000)	\$ 4,575,000	\$ 275,000
Installment Loan Agreement	46,201	-	(17,880)	28,321	19,380
Unamortized bond premium	152,871	-	(9,554)	143,317	9,554
Compensated Absences	141,183	77,610	(77,396)	141,397	69,365
	5,015,255	77,610	(204,830)	4,888,035	373,299
Business-type activities					
Water and Sewer System					
George W. Kuhn Drain Bonds	687,016	-	(92,959)	594,057	94,845
	<u>\$ 5,702,271</u>	<u>\$ 77,610</u>	<u>\$ (297,789)</u>	<u>\$ 5,482,092</u>	<u>\$ 468,144</u>

Significant details regarding outstanding long-term debt (including current portion) are presented below:

**Primary Government**

General Obligation Bonds

\$2,550,000 2003 General Obligation Unlimited Tax Bonds dated June 1, 2003, due in annual installments ranging from \$125,000 to \$200,000 through April 1, 2028, with interest ranging from 4.250 to 4.375 percent, payable semiannually. \$ 1,575,000

\$3,000,000 2017 Limited Tax General Obligation Bonds dated May 2, 2017, due in annual installments ranging from \$150,000 to \$260,000 through October 1, 2032, with interest of 3.000 percent, payable semiannually. 3,000,000

\$ 4,575,000

Installment Loan Agreement

\$67,957 National Equipment Leasing Loan dated March 7, 2017, due in annual installments of \$21,756 through April 1, 2019, and a final installment of \$9,691 on April 1, 2020, with interest of 8.39 percent. \$ 28,321

Water and Sewer System George W. Kuhn Drain Bonds

The City is a participating community in the George W. Kuhn drain project. The project is administered by the Oakland County Drain Commission, and financed through the sale of drain bonds, drawdowns from the State of Michigan revolving fund, Federal and State of Michigan grants, and contributions from Oakland County, Michigan. The City, along with thirteen other local communities, is obligated for the payment of principal and interest of the outstanding debt. The City is obligated for varying percentages of each of the county bond issuances.

\$ 594,057

City of Pleasant Ridge

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

**NOTE F: LONG-TERM DEBT - CONTINUED**

Compensated Absences

Individual employees have vested rights upon termination of employment to receive payments for unused sick/vacation time. The dollar amounts of these vested rights including related payroll taxes, which have been recorded in the government-wide financial statements, amounted to \$141,397 at June 30, 2018.

The annual requirements to pay the debt principal and interest outstanding for the bonds and the installment loan agreement are as follows:

**Primary Government**

Year Ending June 30,	Governmental Activities				Business-type Activities	
	General Obligation Bonds		Installment Loan Agreement		Drain Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 275,000	\$ 155,274	\$ 19,380	\$ 2,376	\$ 94,845	\$ 14,377
2020	280,000	145,387	8,941	750	97,056	12,093
2021	285,000	135,349	-	-	99,269	9,754
2022	320,000	125,087	-	-	101,677	7,362
2023	325,000	113,537	-	-	82,316	4,911
2024-2028	1,890,000	379,071	-	-	114,995	5,329
2029-2033	1,200,000	93,000	-	-	3,899	158
	<u>\$ 4,575,000</u>	<u>\$ 1,146,705</u>	<u>\$ 28,321</u>	<u>\$ 3,126</u>	<u>\$ 594,057</u>	<u>\$ 53,984</u>

**NOTE G: DEFINED BENEFIT PENSION PLAN**

Plan Description

The City participates in the Municipal Employees Retirement System (MERS) of Michigan. MERS is an agent multiple-employer, statewide public employee pension plan established by the Michigan's Legislature under Public Act 135 of 1945 and administered by a nine (9) member Retirement Board. MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained accessing MERS website at [www.mersofmich.com](http://www.mersofmich.com).

Summary of Significant Accounting Policies

For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Municipal Employees Retirement System (MERS) of Michigan and additions to/deductions from MERS' fiduciary net position have been determined on the same basis as they are reported by MERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Benefits Provided

The plan provides certain retirement, disability, and death benefits to plan members and beneficiaries. Public Act 427 of 1984, as amended, established and amends the benefit provisions of the participants in MERS. The MERS plan covers full-time employees at the City including general employees, police, and non-union employees.

City of Pleasant Ridge  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2018

**NOTE G: DEFINED BENEFIT PENSION PLAN - CONTINUED**

Benefits Provided - continued

Retirement benefits for employees are calculated as 1.70 or 2.50 percent of the employee's five-year final average compensation (depending on the division) times the employee's years of service with no maximum for the 1.70 percent multiplier and a maximum of 80 percent of final average compensation for the 2.50 percent multiplier. Normal retirement age is 60 with a reduced benefit at age 55 with 15 years of service or an unreduced benefit at age 50 with 25 years of service. Deferred retirement benefits vest after 6 or 8 years of credited service, but are not paid until the date retirement would have occurred had the member remained an employee. Employees are eligible for non-duty disability benefits after 6 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately and if duty-related without an actuarial reduction for retirement before age 60 is not applied. An employee who leaves service may withdraw his or her contributions, plus any accumulated interest.

Benefit terms, within the parameters established by MERS, are generally established and amended by authority of the City Commission, generally after negotiations of these terms with the affected unions. Benefit terms may be subject to binding arbitration in certain circumstances.

At the December 31, 2017 valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries receiving benefits	18
Inactive employees entitled to but not yet receiving benefits	6
Active employees	9
	<hr/>
	33
	<hr/> <hr/>

Contributions

Article 9, Section 24 of the State of Michigan constitution requires that financial benefits arising on account of employee service rendered in each year be funded during that year. Accordingly, MERS retains an independent actuary to determine the annual contribution. The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS retirement board. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The employer may establish contribution rates to be paid by its covered employees.

Employer contributions range from 3.58 to 8.85 percent based on annual payroll for open divisions. For the year ended June 30, 2018, the active employee contribution rate was 2.50 percent of annual pay for the police division and 3.00 percent of annual pay for the non-union employees hired after July 1, 2011.

Net Pension Liability

The net pension liability reported at June 30, 2018 was determined using a measure of the total pension liability and the pension net position as of December 31, 2017. The December 31, 2017 total pension liability was determined by an actuarial valuation performed as of that date.

City of Pleasant Ridge  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2018

**NOTE G: DEFINED BENEFIT PENSION PLAN - CONTINUED**

Changes in the net pension liability during the measurement year were as follows:

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at December 31, 2016	\$ 5,936,043	\$ 2,998,723	\$ 2,937,320
Changes for the Year			
Service cost	64,548	-	64,548
Interest on total pension liability	461,959	-	461,959
Difference between expected and actual experience	(33,559)	-	(33,559)
Employer contributions	-	290,004	(290,004)
Employee contributions	-	11,713	(11,713)
Net investment income	-	393,028	(393,028)
Benefit payments, including employee refunds	(387,647)	(387,647)	-0-
Administrative expense	-	(6,224)	6,224
Net changes	105,301	300,874	(195,573)
Balances at December 31, 2017	<u>\$ 6,041,344</u>	<u>\$ 3,299,597</u>	<u>\$ 2,741,747</u>

**Pension Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended June 30, 2018, the employer recognized pension expense of \$367,751. The City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 47,590
Net difference between projected and actual earnings on pension plan investments	-	63,944
Contributions subsequent to the measurement date*	128,782	-
Total	<u>\$ 128,782</u>	<u>\$ 111,534</u>

\* The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the year ending June 30, 2019.

City of Pleasant Ridge  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2018

**NOTE G: DEFINED BENEFIT PENSION PLAN - CONTINUED**

Pension Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - continued

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Pension Expense</u>
2019	\$ (20,824)
2020	(6,252)
2021	(51,617)
2022	(32,841)

Actuarial Assumptions

The total pension liability in the December 31, 2017 annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation: 2.5%

Salary increases: 3.75% in the long-term plus a percentage based on an age related scale to reflect merit, longevity, and promotional pay increases.

Investment rate of return: 7.75%, net of investment expenses, including inflation.

Mortality rates used were based on a blend of the RP-2014 Healthy Annuitant Mortality Tables, with rates multiplied by 105%; RP-2014 Employee Mortality Tables; RP-2014 Juvenile Mortality Tables all with a 50% Male and 50% Female blend. For disabled retirees, the RP-2014 Disabled Retiree Mortality Table with a 50% Male and 50% Female blend is used to reflect the higher expected mortality rates of disabled members.

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of the most recent actuarial experience study covering the period from January 1, 2009 through December 31, 2013.

Discount Rate

The discount rate used to measure the total pension liability is 8.00%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers.

Projected Cash Flows

Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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



City of Pleasant Ridge

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

**NOTE G: DEFINED BENEFIT PENSION PLAN - CONTINUED**

Projected Cash Flows - continued

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Equity	55.50%	8.65%
Global Fixed Income	18.50%	3.76%
Real Assets	13.50%	9.72%
Diversifying Strategies	12.50%	7.50%

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the employer, calculated using the discount rates of 8.00%, as well as what the City's net pension liability would be using a discount rate that is 1% lower (7.00%) or 1% higher (9.00%) than the current rate.

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Net pension liability	<u>\$ 3,412,933</u>	<u>\$ 2,741,747</u>	<u>\$ 2,174,637</u>

**NOTE H: OTHER POST-EMPLOYMENT BENEFITS**

Plan Description

The City of Pleasant Ridge Other Post-Employment Benefits Plan (the "Plan") is a single-employer defined benefit healthcare plan administered by the City of Pleasant Ridge using MERS' retiree health funding vehicle (RHFV). The Plan provides certain retiree medical benefits as other post-employment benefits (OPEB) to all applicable employees, in accordance with union agreements and/or personnel policies. Benefit provisions are established and amended by the City Commission. The plan does not issue a separate stand-alone financial statement.

Benefits Provided

In accordance with union agreement and personnel policy, upon retirement each employee will be eligible for continuation of certain medical, prescription drug, dental, and vision coverage. Employees become eligible for the minimum coverage after the age of 55 with 15 years of service. Additional coverage is provided as the age of retirement increases and more years of service are attained. The City contributes 90 percent of the monthly premiums and the retirees must contribute the balance of premiums not paid by the employer in accordance with plan provisions. The City has no obligation to make contributions in advance of when the premiums are due for payment (i.e., may be financed on a "pay-as-you-go" basis). Administrative costs of the plan are paid for by the City.

Summary of Plan Participants

At the June 30, 2018 valuation date, the following employees were being covered by the benefit terms.

City of Pleasant Ridge  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2018

**NOTE H: OTHER POST-EMPLOYMENT BENEFITS - CONTINUED**

Summary of Plan Participants - continued

Inactive employees or beneficiaries receiving benefits	12
Active employees	<u>4</u>
	<u><u>16</u></u>

Contributions

For the year ended June 30, 2018, the City contributed \$5,000 in addition to its portion of premium payments.

Net OPEB Liability

The net OPEB liability of the City was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total OPEB liability in the June 30, 2018, valuation was determined using the following assumptions applied to all periods included in the measurement.

Discount Rate	5.80%
Long-term rate of return	7.75%
Inflation rate	2.50%
Healthcare cost trend rate(s)	Medical - 8.50% graded down 0.50% per year for 9 years; 4.50% in all years post 2027; 4.00% per year for Dental and 3.00% per year for Vision
AA 20-year municipal bond rate	4.40%
Probability of accepting benefits	100.00%

Mortality rates were based on regulations as set forth by the IRS for 2017, based on RPH-2007 Tables with scale MP-2017.

The assumptions used in the June 30, 2018 valuation were determined by the City's management as of June 30, 2018.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global equity	55.50%	6.15%
Global fixed income	18.50%	1.26%
Real assets	13.50%	7.22%
Diversifying strategies	12.50%	5.00%

City of Pleasant Ridge  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2018

**NOTE H: OTHER POST-EMPLOYMENT BENEFITS - CONTINUED**

Discount Rate

The discount rate used to measure the total OPEB liability was 5.80%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at rates equal to the most recent recommended contribution expressed as a percentage of covered payroll. Based on those assumptions, the retirement plan's fiduciary net position was not projected to be sufficient to make all projected future benefit payments of current plan members. For projected benefits that are covered by projected assets, the long-term expected rate was used to discount the projected benefits. From the year that benefit payments were not projected to be covered by the projected assets (the "depletion date"), projected benefits were discounted at a discount rate reflecting a 20-year AA/Aa tax-exempt municipal bond yield. A single equivalent discount rate that yields the same present value of benefits is calculated. This discount rate is used to determine the total OPEB liability. As of June 30, 2017, the discount rate used to value OPEB liabilities was 5.30%.

Change in Net OPEB Liability

The change in the net OPEB liability for the year ended June 30, 2018, is as follows:

Calculating the Net OPEB Liability			
	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balances at June 30, 2017	\$ 4,002,190	\$ 11,113	\$ 3,991,077
Changes for the year			
Service cost	34,998	-	34,998
Interest	210,015	-	210,015
Experience losses	(352,622)	-	(352,622)
Change in actuarial assumptions	(394,964)	-	(394,964)
Contributions - employer	-	156,237	(156,237)
Net investment income	-	1,218	(1,218)
Benefit payments	(151,237)	(151,237)	-0-
Administrative expense	-	(39)	39
Net changes	(653,810)	6,179	(659,989)
Balances at June 30, 2018	<u>\$ 3,348,380</u>	<u>\$ 17,292</u>	<u>\$ 3,331,088</u>

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1% lower (4.80%) or 1% higher (6.80%) than the current discount rate:

	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
Net OPEB liability	<u>\$ 3,843,579</u>	<u>\$ 3,331,088</u>	<u>\$ 2,918,515</u>

City of Pleasant Ridge  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2018

**NOTE H: OTHER POST-EMPLOYMENT BENEFITS - CONTINUED**

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trends rates that are 1% lower or 1% higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
Net OPEB liability	<u>\$ 2,875,276</u>	<u>\$ 3,331,088</u>	<u>\$ 3,903,377</u>

OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the City recognized OPEB expense of \$5,228. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 235,081
Changes of assumptions	263,309
Investment earnings (gains)/losses	<u>134</u>
	<u>\$ 498,524</u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30,</u>	<u>OPEB Expense</u>
2019	\$ (249,230)
2020	(249,228)
2021	(34)
2022	(32)

City of Pleasant Ridge

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

**NOTE I: CODE ENFORCEMENT FINANCIAL INFORMATION**

The City has elected to report the financial activities of the code enforcement department in the General Fund. The following is the required information as it relates to this department for the year ended June 30, 2018:

REVENUES	
Licenses and permits	
Electrical permits	\$ 11,450
Building permits	87,539
Plumbing/heating permits	16,665
Administrative fee	<u>10,390</u>
 TOTAL REVENUES	 126,044
EXPENDITURES	
Salaries and wages	79,374
Operating supplies and other	<u>31,503</u>
 TOTAL EXPENDITURES	 <u>110,877</u>
 EXCESS OF REVENUES OVER EXPENDITURES	 15,167
 PRIOR CUMULATIVE EXCESS OF REVENUES (UNDER) EXPENDITURES	 <u>(42,939)</u>
 CUMULATIVE EXCESS OF REVENUES (UNDER) EXPENDITURES	 <u><u>\$ (27,772)</u></u>

**NOTE J: RISK MANAGEMENT**

The City participates in a State pool, the Michigan Municipal Risk Management Authority, with other municipalities for property and casualty losses. The pool is organized under Public Act 138 of 1982, as amended. The City has individual self-insured retention amounts of \$10,000 for Sewage System Overflows (per occurrence) and a \$250 deductible per occurrence of property and crime coverage. State pool members' limits of coverage (per occurrence) are \$15,000,000 for liability and approximately \$5,100,000 for property. In the event the pool's claims and expenses for a policy year exceed the total normal annual premiums for said years, all members of the specific pool's policy year may be subject to special assessment to make up the deficiency. The City has not been informed of any special assessments being required.

The City also participates in a pool, the Michigan Municipal League Workers' Compensation Fund, with other municipalities for workers' compensation losses. The pool is organized under Public Act 317 of 1969, as amended. In the event the pool's claims and expenses for a policy year exceed the total normal annual premiums for said years, all members of the specific pool's policy year may be subject to special assessment to make up the deficiency. The City has not been informed of any special assessments being required.

City of Pleasant Ridge

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

**NOTE K: SEGREGATED CAPITAL ASSET CAPITAL PROJECTS FUNDS**

The I-696 Segregated Capital Asset Fund ("SCAF") was established in 1986 to account for the funds received from the State of Michigan in connection with condemnation proceedings instituted by the State to acquire City-owned property. The property is located along the City's northern boundary and was acquired by the State for right-of-way for the I-696 highway. The property consisted of unimproved land used by the City for recreation purposes.

The State had remitted in prior years, its "good faith offer" of \$1,022,000 to the City together with related interest. During fiscal year 1995, the City of Pleasant Ridge and the State signed a settlement agreement ending the condemnation proceedings. The City received \$4,250,000 as final compensation covering unpaid principal and interest and any other costs or claims which the City had against the Department of Transportation arising out of the condemnation proceedings. Out of the proceeds, \$700,000 was earmarked under the settlement agreement for the repair and improvement of local roads that the City claimed were damaged by the I-696 project. In addition, the City was obligated, under a binding agreement, to pay one-third of the amount received, or \$1,416,667, to attorneys representing the City in the matter. The attorneys accepted \$1,250,000 in full settlement for their services.

The funds that were received, after the above deductions are defined as the fund's principal by the City's code of ordinances (Chapter Two, Article II, Division 9, Sections 2-131 through 2-139). The ordinance stipulates that the principal, \$3,242,872, is to remain intact with the investment income derived from the principal to be spent on various capital related purposes at the direction of the City Commission. The principal can be spent upon a vote of at least four (4) of the five (5) city commissioners. Recently, the City has begun using a portion of the principal to provide temporary financing for various capital projects throughout the City, including roads and park improvements. The SCAF is being reimbursed over the next several years from the revenue generated by the separate infrastructure improvement and park improvement millages.

**NOTE L: RESTRICTED NET POSITION**

Restrictions of net position shown in the government-wide financial statements indicate that restrictions imposed by the funding source or some other outside source which precludes their use for unrestricted purposes. The following are the various net position restrictions as of June 30, 2018:

PRIMARY GOVERNMENT	
Governmental activities	
Restricted for streets	\$ 139,511
Restricted for infrastructure improvements	1,776,770
Restricted for other purposes	
Solid waste	16,688
Public safety	1,551
Library	10,677
Recreation	21,342
Debt service	14,878
	<hr/>
	65,136
	<hr/>
	\$ 204,647
	<hr/>

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

**NOTE M: DETAILS OF FUND BALANCE CLASSIFICATIONS**

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The following are the five classifications of fund balance under this standard:

*Nonspendable* - assets that are not available in a spendable form such as inventory, prepaid expenditures, and long-term receivables not expected to be converted to cash in the near term. It also includes funds that are legally or contractually required to be maintained intact such as the corpus of a permanent fund or foundation.

*Restricted* - amounts that are required by external parties to be used for a specific purpose. Constraints are externally imposed by creditors, grantors, contributors or laws, regulations or enabling legislation.

*Committed* - amounts constrained on use imposed by formal action of the government's highest level of decision making authority (i.e., Board, Council, etc.).

*Assigned* - amounts intended to be used for specific purposes. This is determined by the governing body, the budget or finance committee or a delegated municipality official.

*Unassigned* - all other resources; the remaining fund balance after nonspendable, restrictions, commitments, and assignments. This class only occurs in the General Fund, except for cases of negative fund balances. Negative fund balances are always reported as unassigned, no matter which fund the deficit occurs in.

**Fund Balance Classification Policies and Procedures**

The formal action that is required to be taken to establish a fund balance commitment is a resolution by the City Commission, the highest level of decision making authority, of the City of Pleasant Ridge.

For assigned fund balance, the City of Pleasant Ridge has not approved a policy indicating who is authorized to assign amounts to a specific purpose. In the absences of such a policy, this authority is retained by the governing body.

The City of Pleasant Ridge has not formally adopted a policy that determines when both restricted and unrestricted fund balances are available should be used first. In the absence of such a policy, resources with the highest level of restriction will be used first.

**NOTE N: CHANGES IN ACCOUNTING PRINCIPLES**

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, was implemented during the year. This statement replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, and requires governments providing other postemployment benefits (OPEB) to recognize their unfunded OPEB obligations as a liability for the first time, and to more comprehensibly and comparably measure the annual costs of OPEB benefits. The statement also enhances accountability and transparency through revised note disclosures and required supplementary information (RSI).

City of Pleasant Ridge  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2018

**NOTE N: CHANGES IN ACCOUNTING PRINCIPLES - CONTINUED**

The restatement of the beginning of the year net position is as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Water and Sewer Fund</u>
Beginning net position	\$ 6,863,328	\$ 2,119,951	\$ 2,119,951
Net OPEB obligation (GASB 45)	1,130,857	-	-
Net OPEB liability (GASB 75)	<u>(3,991,077)</u>	<u>(47,824)</u>	<u>(47,824)</u>
Restated beginning net position	<u>\$ 4,003,108</u>	<u>\$ 2,072,127</u>	<u>\$ 2,072,127</u>

GASB Statement No. 82, Pension Issues - *An Amendment of GASB Statements No. 67, No. 68, and No. 73*, was also implemented during the year. The statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practices for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

**NOTE O: UPCOMING ACCOUNTING PRONOUNCEMENTS**

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. This statement improves financial reporting by establishing specific criteria for identifying activities that should be reported as fiduciary activities and will clarify whether and how business-type activities should report their fiduciary activities. The City is currently evaluating the impact this standard will have on the financial statements when adopted during the 2019-2020 fiscal year.

In June 2017, the GASB issued Statement No. 87, *Leases*. This statement will increase the usefulness of government's financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The City is currently evaluating the impact this standard will have on the financial statements when adopted during the 2020-2021 fiscal year.

In April 2018, the GASB issued Statements No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This statement will improve financial reporting by providing users of financial statements with essential information that currently is not consistently provided. In addition, information about resources to liquidate debt and the risks associated with changes and terms associated with debt will be disclosed. As a result, users will have better information to understand the effects of debt on a government's future resource flows. The City is currently evaluating the impact this standard will have on the financial statements when adopted during the 2018-2019 fiscal year.



## **REQUIRED SUPPLEMENTARY INFORMATION**

City of Pleasant Ridge

General Fund

BUDGETARY COMPARISON SCHEDULE (NON-GAAP BUDGETARY BASIS)

Year Ended June 30, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>REVENUES</b>				
Property taxes	\$ 2,021,616	\$ 2,028,116	\$ 2,030,066	\$ 1,950
Licenses and permits	56,150	56,150	117,153	61,003
Intergovernmental	271,152	271,152	315,084	43,932
Charges for services	206,515	206,515	232,708	26,193
Fines and forfeits	45,000	56,500	95,648	39,148
Interest and rents	8,500	8,500	16,720	8,220
Other	99,900	99,900	128,050	28,150
<b>TOTAL REVENUES</b>	<b>2,708,833</b>	<b>2,726,833</b>	<b>2,935,429</b>	<b>208,596</b>
<b>EXPENDITURES</b>				
Current				
General government				
Commission	19,050	28,050	29,313	(1,263)
Manager	163,492	163,492	157,712	5,780
Treasurer	115,105	120,305	117,249	3,056
Clerk	100,740	100,740	100,231	509
Assessor	21,645	21,645	21,494	151
Elections	10,410	10,410	5,446	4,964
General government	155,500	155,500	144,308	11,192
Attorney services	44,000	44,000	33,794	10,206
Information technology	76,100	76,100	68,653	7,447
Cable television	4,110	4,110	3,801	309
<b>Total general government</b>	<b>710,152</b>	<b>724,352</b>	<b>682,001</b>	<b>42,351</b>
Public safety				
Police department	1,003,005	1,003,005	978,004	25,001
Fire services	256,581	256,581	256,581	-0-
Building department	65,150	65,150	55,722	9,428
<b>Total public safety</b>	<b>1,324,736</b>	<b>1,324,736</b>	<b>1,290,307</b>	<b>34,429</b>
Public works				
Public works services	202,530	202,530	245,127	(42,597)
Street lighting	36,500	36,500	34,605	1,895
<b>Total public works</b>	<b>239,030</b>	<b>239,030</b>	<b>279,732</b>	<b>(40,702)</b>

City of Pleasant Ridge

General Fund

BUDGETARY COMPARISON SCHEDULE (NON-GAAP BUDGETARY BASIS) - CONTINUED

Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES - CONTINUED				
Current - continued				
Recreation and culture				
Parks and recreation department	\$ 380,486	\$ 392,036	\$ 402,155	\$ (10,119)
Other				
Retirement benefits	5,000	5,000	5,000	-0-
TOTAL EXPENDITURES	2,659,404	2,685,154	2,659,195	25,959
EXCESS OF REVENUES OVER EXPENDITURES	49,429	41,679	276,234	234,555
OTHER FINANCING (USES)				
Transfers out	(37,000)	(52,000)	(162,000)	(110,000)
Net change in fund balance (prior to adjustments for GASB Statement No. 54)	\$ 12,429	\$ (10,321)	\$ 114,234	\$ 124,555

City of Pleasant Ridge

SCHEDULE OF CHANGES IN EMPLOYER'S NET PENSION LIABILITY AND RELATED RATIOS

Last Four Measurement Dates (Ultimately ten years will be displayed)  
(Amounts were determined as of 12/31 of each fiscal year)

	2014	2015	2016	2017
Total Pension Liability				
Service cost	\$ 67,290	\$ 71,305	\$ 75,507	\$ 64,548
Interest	422,582	433,753	455,540	461,959
Difference between expected and actual experience	-	40,456	(75,651)	(33,559)
Changes of assumptions	-	248,716	-	-
Benefit payments, including employee refunds	(345,474)	(367,542)	(351,726)	(387,647)
Other	(2)	(4)	-	-
Net change in total pension liability	144,396	426,684	103,670	105,301
Total Pension Liability, beginning	5,261,293	5,405,689	5,832,373	5,936,043
Total Pension Liability, ending	<u>\$ 5,405,689</u>	<u>\$ 5,832,373</u>	<u>\$ 5,936,043</u>	<u>\$ 6,041,344</u>
Plan Fiduciary Net Position				
Contributions - employer	\$ 200,664	\$ 211,243	\$ 244,324	\$ 290,004
Contributions - employee	10,149	10,639	11,785	11,713
Net investment income (loss)	183,562	(42,958)	312,825	393,028
Benefit payments, including employee refunds	(345,474)	(367,542)	(351,726)	(387,647)
Administrative expenses	(6,715)	(6,399)	(6,175)	(6,224)
Net change in plan fiduciary net position	42,186	(195,017)	211,033	300,874
Plan Fiduciary Net Position, beginning	2,940,521	2,982,707	2,787,690	2,998,723
Plan Fiduciary Net Position, ending	<u>\$ 2,982,707</u>	<u>\$ 2,787,690</u>	<u>\$ 2,998,723</u>	<u>\$ 3,299,597</u>
City's Net Pension Liability	<u>\$ 2,422,982</u>	<u>\$ 3,044,683</u>	<u>\$ 2,937,320</u>	<u>\$ 2,741,747</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	55%	48%	51%	55%
Covered Employee Payroll	\$ 550,037	\$ 568,862	\$ 618,585	\$ 528,668
City's Net Pension Liability as a percentage of Covered Employee Payroll	441%	535%	475%	519%

City of Pleasant Ridge

SCHEDULE OF PENSION CONTRIBUTIONS

Last Four Fiscal Years (Ultimately ten fiscal years will be displayed)  
(Amounts were determined as of 6/30 each fiscal year)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Actuarial determined contributions	\$ 189,972	\$ 242,271	\$ 255,997	\$ 287,985
Contributions in relation to the actuarially determined contribution	<u>196,956</u>	<u>242,271</u>	<u>255,997</u>	<u>287,985</u>
Contribution deficiency (excess)	<u>\$ (6,984)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
Covered Employee Payroll	\$ 821,298	\$ 854,741	\$ 625,950	\$ 583,206
Contributions as a percentage of covered employee payroll	24%	28%	41%	49%

City of Pleasant Ridge

SCHEDULE OF CHANGES IN EMPLOYER'S NET OPEB LIABILITY AND RELATED RATIOS

Last Measurement Date (Ultimately ten years will be displayed)  
(Amounts were determined as of 6/30 of each fiscal year)

	<u>2018</u>
Total OPEB Liability	
Service cost	\$ 34,998
Interest	210,015
Difference between expected and actual experience	(352,622)
Change of assumptions	(394,964)
Benefit payments	<u>(151,237)</u>
Net change in total OPEB liability	(653,810)
Total OPEB Liability, beginning	<u>4,002,190</u>
Total OPEB Liability, ending	<u><u>\$ 3,348,380</u></u>
Plan Fiduciary Net Position	
Contributions - employer	\$ 156,237
Net investment income	1,218
Benefit payments	(151,237)
Administrative expense	<u>(39)</u>
Net change in plan fiduciary net position	6,179
Plan Fiduciary Net Position, beginning	<u>11,113</u>
Plan Fiduciary Net Position, ending	<u><u>\$ 17,292</u></u>
City's net OPEB liability	<u><u>\$ 3,331,088</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.52%
Covered employee payroll	N/A
City's net OPEB liability as a percentage of covered employee payroll	N/A

City of Pleasant Ridge

SCHEDULE OF OPEB CONTRIBUTIONS

Last Fiscal Year (Ultimately ten years will be displayed)  
(Amounts were determined as of 6/30 of each fiscal year)

	<u>2018</u>
Actuarially determined employer contribution	\$ 241,246
Employer contribution	<u>156,237</u>
Contribution deficiency (excess)	<u>\$ 85,009</u>
Covered employee payroll	N/A
Contribution as a percentage of covered employee payroll	N/A

City of Pleasant Ridge

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2018

**NOTE A: EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

The City's budgeted expenditures for the General Fund have been shown at the functional classification level. The approved budgets of the City have been adopted at the activity level for the General Fund and total expenditure level for the Special Revenue Funds.

During the year ended June 30, 2018, the City incurred expenditures in the General Fund and the Solid Waste Fund in excess of the amounts appropriated as follows:

	<u>Amounts Appropriated</u>	<u>Amounts Expended</u>	<u>Variance</u>
General Fund			
Current			
General government			
Commission	\$ 28,050	\$ 29,313	\$ 1,263
Public works			
Public works services	202,530	245,127	42,597
Recreation and culture			
Parks and recreation department	392,036	402,155	10,119
Transfers out	52,000	162,000	110,000
Solid Waste Fund	372,881	393,043	20,162

**NOTE B: RECONCILIATION FROM BUDGETARY BASIS TO GAAP BASIS**

The amounts presented in the General Fund budgetary comparison schedule were adopted by the City Commission on a basis utilized prior to the implementation of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The reconciliations on the General Fund budgetary comparison schedules reconcile the differences between the budgets legally adopted by the City Commission to the actual amounts presented in the basic financial statements for the implementation of GASB Statement No. 54.

Net change in General Fund Fund Balance (budgetary basis)	\$ 114,234
Net change in fund balance related to Historical Fund:	
Revenue related to additional sales, interest, and other	9,155
Expenditures related to administration and capital outlay	<u>(18,759)</u>
Net change in General Fund Fund Balance (GAAP basis)	<u><u>\$ 104,630</u></u>

**NOTE C: EMPLOYEE RETIREMENT PLAN**

Changes of benefit terms: All new police employees hired after July 1, 2017, shall be provided a MERS Hybrid Plan.

Changes in assumptions: There were no changes in assumptions during plan year 2017.



NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2018

**NOTE D: OTHER POST-EMPLOYMENT BENEFITS PLAN**

Changes of benefit terms: There were no changes of benefit terms during plan year 2018.

Changes in assumptions: The following changes in assumptions were made during plan year 2018:

The prior full valuation used a discount rate of 3.00%. The current interim valuation uses a discount rate of 5.30% as of July 1, 2017 and 5.80% as of June 30, 2018 for accounting disclosure purposes.

Mortality table has been updated from RPH-2016 Total Dataset Mortality Table fully generational using Scale MP-2016 to SOA RPH 2017 Total Dataset Mortality Table fully generational using Scale MP-2017.

The assumed rates of salary increases used in calculating the City's liabilities were changed from a flat 2.50% to rates that vary by age and are the same as those used to in the MERS actuarial valuation as of December 31, 2016.

Interim year valuation results have been projected from the prior year's valuation with adjustments for actual premium changes from 2017 to 2018. These premiums vary by age, but increases were consistent among ages and were as follows:

- 1.20% for the HSA Plan
- 0.00% for the Medicare Advantage Plan
- 10.60% for the Dental Plan
- 4.75% for the Vision Plan

## **OTHER SUPPLEMENTARY INFORMATION**

City of Pleasant Ridge  
Nonmajor Governmental Funds  
COMBINING BALANCE SHEET  
June 30, 2018

	Special			
	Major Streets	Local Streets	Solid Waste	Pool/Fitness Facility (Operating)
<b>ASSETS</b>				
Cash and cash equivalents	\$ 44,937	\$ 55,807	\$ 1,271	\$ 38,789
Investments	-	-	-	-
Accounts receivable	-	-	35,239	-
Due from other governmental units	28,909	9,858	-	-
Prepays	-	-	746	885
<b>TOTAL ASSETS</b>	<b>\$ 73,846</b>	<b>\$ 65,665</b>	<b>\$ 37,256</b>	<b>\$ 39,674</b>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ 14,502	\$ 895
Accrued wages	-	-	1,366	14,937
Due to other funds	-	-	4,700	2,500
<b>TOTAL LIABILITIES</b>	<b>-0-</b>	<b>-0-</b>	<b>20,568</b>	<b>18,332</b>
<b>FUND BALANCES</b>				
Nonspendable				
Prepays	-	-	746	885
Restricted				
Solid waste	-	-	15,942	-
Streets and highways	73,846	65,665	-	-
Public safety	-	-	-	-
Library	-	-	-	-
Recreation	-	-	-	20,457
Debt service	-	-	-	-
Committed				
Infrastructure improvements	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>73,846</b>	<b>65,665</b>	<b>16,688</b>	<b>21,342</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 73,846</b>	<b>\$ 65,665</b>	<b>\$ 37,256</b>	<b>\$ 39,674</b>

Revenue		Capital Projects	Debt Service Pool/Fitness Center Debt Service	Total
Drug Forfeiture	Library	Capital Projects		
\$ 1,551	\$ 10,677	\$ 182,662	\$ 14,878	\$ 350,572
-	-	100,150	-	100,150
-	-	-	-	35,239
-	-	-	-	38,767
-	-	-	-	1,631
<u>\$ 1,551</u>	<u>\$ 10,677</u>	<u>\$ 282,812</u>	<u>\$ 14,878</u>	<u>\$ 526,359</u>
\$ -	\$ -	\$ -	\$ -	\$ 15,397
-	-	-	-	16,303
-	-	-	-	7,200
-0-	-0-	-0-	-0-	38,900
-	-	-	-	1,631
-	-	-	-	15,942
-	-	-	-	139,511
1,551	-	-	-	1,551
-	10,677	-	-	10,677
-	-	-	-	20,457
-	-	-	14,878	14,878
-	-	282,812	-	282,812
<u>1,551</u>	<u>10,677</u>	<u>282,812</u>	<u>14,878</u>	<u>487,459</u>
<u>\$ 1,551</u>	<u>\$ 10,677</u>	<u>\$ 282,812</u>	<u>\$ 14,878</u>	<u>\$ 526,359</u>

City of Pleasant Ridge

Nonmajor Governmental Funds

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES

Year Ended June 30, 2018

	Special			Pool/Fitness Facility (Operating)
	Major Streets	Local Streets	Solid Waste	
REVENUES				
Taxes	\$ -	\$ -	\$ 226,765	\$ 168,368
Intergovernmental	168,997	82,771	8,591	6,379
Charges for services	-	-	154,756	43,137
Interest and rents	69	86	61	56
Other	-	-	-	-
TOTAL REVENUES	169,066	82,857	390,173	217,940
EXPENDITURES				
Current				
Public works	90,205	88,317	393,043	-
Recreation and culture	-	-	-	194,681
Capital outlay	4,681	3,121	-	-
Debt service	-	-	-	21,757
TOTAL EXPENDITURES	94,886	91,438	393,043	216,438
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	74,180	(8,581)	(2,870)	1,502
OTHER FINANCING SOURCES (USES)				
Transfers in	-	45,000	-	15,000
Transfers out	(45,000)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(45,000)	45,000	-0-	15,000
NET CHANGE IN FUND BALANCES	29,180	36,419	(2,870)	16,502
Fund balances, beginning of year	44,666	29,246	19,558	4,840
Fund balances, end of year	<u>\$ 73,846</u>	<u>\$ 65,665</u>	<u>\$ 16,688</u>	<u>\$ 21,342</u>

Revenue		Capital Projects	Debt Service	
Drug Forfeiture	Library	Capital Projects	Pool/Fitness Center Debt Service	Total
\$ -	\$ 52,483	\$ -	\$ 177,237	\$ 624,853
-	1,939	-	5,377	274,054
-	-	-	-	197,893
2	33	368	-	675
-	-	88,637	-	88,637
2	54,455	89,005	182,614	1,186,112
-	-	4	-	571,569
-	54,557	-	-	249,238
-	-	164,357	-	172,159
-	-	-	173,274	195,031
-0-	54,557	164,361	173,274	1,187,997
2	(102)	(75,356)	9,340	(1,885)
-	-	247,000	-	307,000
-	-	-	-	(45,000)
-0-	-0-	247,000	-0-	262,000
2	(102)	171,644	9,340	260,115
1,549	10,779	111,168	5,538	227,344
<u>\$ 1,551</u>	<u>\$ 10,677</u>	<u>\$ 282,812</u>	<u>\$ 14,878</u>	<u>\$ 487,459</u>

City of Pleasant Ridge

Component Unit Fund

BALANCE SHEET - DOWNTOWN DEVELOPMENT AUTHORITY (DDA)

June 30, 2018

ASSETS

Cash and cash equivalents

\$ 74,572

LIABILITIES

\$ -

FUND BALANCE

Unassigned

74,572

TOTAL LIABILITIES AND FUND BALANCE

\$ 74,572

City of Pleasant Ridge

Component Unit Fund

RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION -  
DOWNTOWN DEVELOPMENT AUTHORITY (DDA)

June 30, 2018

**Total fund balance - governmental fund** \$ 74,572

Amounts reported for the governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental fund.

Cost of capital assets	\$ 230,871	
Accumulated depreciation	<u>(54,416)</u>	
Capital assets, net		<u>176,455</u>
<b>Net position of governmental activities</b>		<u><u>\$ 251,027</u></u>



City of Pleasant Ridge

Component Unit Fund

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
DOWNTOWN DEVELOPMENT AUTHORITY (DDA)

Year Ended June 30, 2018

REVENUES	
Taxes	\$ 93,566
Intergovernmental	1,233
Interest	150
Other	<u>500</u>
TOTAL REVENUES	95,449
EXPENDITURES	
Current	
Community and economic development	66,022
Capital outlay	<u>20,000</u>
TOTAL EXPENDITURES	<u>86,022</u>
EXCECSS OF REVENUES OVER EXPENDITURES	9,427
Fund balance, beginning of year	<u>65,145</u>
Fund balance, end of year	<u><u>\$ 74,572</u></u>

City of Pleasant Ridge

Component Unit Fund

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES -  
DOWNTOWN DEVELOPMENT AUTHORITY (DDA)

Year Ended June 30, 2018

**Net change in fund balance - governmental fund** \$ 9,427

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported as expenditures in the governmental fund. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital outlay	\$ 20,000	
Depreciation expense	<u>(8,524)</u>	
Excess of capital outlay over depreciation expense		<u>11,476</u>
<b>Change in net position of governmental activities</b>		<u><u>\$ 20,903</u></u>



**City of Pleasant Ridge**  
 23925 Woodward Avenue  
 Pleasant Ridge, Michigan 48069

## Regular City Commission Meeting November 13, 2018

Having been duly publicized, Deputy Mayor Perry called the meeting to order at 7:31 p.m.

Present: Commissioners Krzysiak, Perry, Scott, Wahl  
 Also Present: City Manager Breuckman, City Clerk Drealan, City Attorney Need  
 Absent: Mayor Metzger

### **Introduction of Officer Jeremy Watters**

Sgt. Robert Ried introduced new officer Jeremy Watters. He has 20 years of experience in Detroit and his father works for the Ferndale Police Department.

### **Public Discussion**

(None)

### **Governmental Reports**

Sergeant Robert Ried, Pleasant Ridge Police Department, noted that during a traffic stop Officers Champine and Hatfield arrested an individual who was wanted for murder in Georgia. He recommended that citizens lock down their identity. He indicated that identity thefts are happening weekly at this time of year. He also recommended that residents be aware of package deliveries for both themselves and their neighbors.

### **City Commission Liaison Reports**

Commissioner Perry reported on the Planning Commission/DDA. At its last meeting the Commission discussed a request made by the owner of the Sunoco station to extend the hours to sell packaged beer and wine from 8:00 a.m. until midnight. Current hours are from 9:00 a.m. to 10:00 p.m. There have been no incidents reported since the sale of packaged liquor began at the station. There will be a public hearing on December 10th to further discuss the issue. The Chariot program continues to show great success. The Hessel Park stop has the most users. Riders can use the Chariot Thursday through Sunday from 4:00 p.m. until midnight. It stops every fifteen minutes during the peak times of 5:00 p.m. until 10:00 p.m. At other times it stops every half hour. The next meeting will be Monday, January 21st.

Commissioner Scott reported on the Historical Commission. The next meeting will be rescheduled for late November. There are three open positions for next year. Residents can apply at city hall. The 100-year anniversary is being planned as well as a new "Then and Now" book. The inventory in the museum will be cataloged through the upcoming year.

Commissioner Wahl reported on the Recreation Commission. There are two open positions available. Breakfast with Santa is December 1st at 10:00 a.m. Tree lighting is December 3rd at Memorial Park. Letters to Santa begins November 19th. The deadline to submit letters is December 13th. Holiday shopping in Birmingham is December 19th. Deputy City Manager Pietrzak summarized the Halloween events which included taking a group of teenagers to Cedar Point, a toddler Boo Bash and Halloween Hayride. Candy is being collected at the Community Center for Operation Gratitude which sends care packages to troops overseas. The pounds of candy sent continues to increase. Last year 136 pounds of candy was donated to the program. This year 304 pounds of candy was collected. There is a coat drive being conducted with the Oakland County Sheriff Department through the end of November. There is a donation box for the coats at city hall. The next meeting is being rescheduled.

Commissioner Krzysiak reported on Ferndale Public Schools. Zoe Butters reported regarding Ferndale High School's senior parent college application event. Sydney Embry reported on University High School's offsite Homecoming event which was very successful. The Superintendent's Excellence Award was presented to Nia Jenkins at Ferndale High School. The entire Enrollment Staff received the Eagle of the Month Award to acknowledge the 1500 new applications that were processed for this school year. Malania Stanley and Lyandria Williams received special recognition for their quick response to a medical emergency involving a fellow student. Lower Elementary Principal Keefe presented regarding the Jump Start program which allows kindergarteners to start school a week before the regular schedule to better prepare them for the upcoming year. This year 110 students participates. In response to a survey, 97% of parents felt the program was a great success. The marching band took 2nd place at the state finals for general effect.

### **Consent Agenda**

**18-3389**

Motion by Commissioner Krzysiak, second by Commissioner Wahl, to approve the consent agenda as presented.

Adopted: Yeas: Commissioners Krzysiak, Wahl, Scott, Deputy Mayor Perry  
Nays: None

### **2019-2023 Parks and Recreation Master Plan**

Breuckman noted that the plan has been available on the website since September. Lea Groya from LivingLab gave a presentation regarding the Master Plan. The plan will provide guidance for future budgets and project priorities. It will also allow the City to apply for certain grants. It can be amended during the five-year timeframe. Over the summer there were many opportunities throughout the city for residents to submit their input regarding the plan. If adopted the Plan is filed with MDNR, SEMCOG and Oakland County.

Deputy Mayor Perry opened the public hearing at 8:00 p.m. With no comments or discussion, the public hearing was closed at 8:01 p.m.

Krzysiak and Perry thanked all those involved for their work in implementing the previous plan and creating the proposed new plan.

**18-3390**

Motion by Commissioner Wahl, second by Commissioner Scott, to approve the 2019-2023 Parks and Recreation Master Plan as presented.

Adopted:                      Yeas: Commissioners Wahl, Scott, Krzysiak, Deputy Mayor Perry  
                                     Nays: None

**Oakland County Community Development Block Grant Program 2019 Application and Subrecipient Agreement**

Breuckman discussed the basics of the CDBG program. The City receives the minimum level of \$7000 which can be used for projects based on the parameters of the program which focus in low income areas. Since Pleasant Ridge no longer has a qualifying low income area, the funds are primarily used for services for senior citizens. Individuals who are 62 years or older are presumed to qualify for the services. The city can contract with a third party such as Haven to expand the low income services but no third party was present to make such a request. The city has not utilized a third party in the past.

Deputy Mayor Perry opened the public hearing at 8:10 p.m.

Mr. Jamie Leyerly, 33 Norwich, inquired regarding SMART whether funding is earmarked in the CDBG program. Breuckman responded that it is not earmarked, it is just included in the overall fund for community transportation. Other senior transportation services are also utilized through Royal Oak.

With no further comments or discussion, the public hearing was closed at 8:11 p.m.

Krzysiak inquired regarding the deadline for application. The deadline is December 14th and the next Commission meeting is December 11th. There was discussion regarding delaying voting on the application until the next meeting but that would leave very little time to submit the application before the deadline. Oakland County needs as much time as possible to then submit its application for the federal funding that supports the program. Krzysiak noted that Haven could be utilized to provide a broader range of services including to victims of domestic and sexual violence. He expressed support for splitting the CDBG money between Haven and the existing senior programs. He would like to consider that option for the 2010 application.

Scott inquired whether Haven requested a specific amount or just to be included in the program. City Clerk Drealan indicated that, if the fund is going to be split, it can only be divided into two projects with \$3500 allocated for each. Perry expressed her support for the senior programs and how much they have expanded in recent years. She noted that the city can be more flexible with general fund dollars.

**18-3391**

Motion by Commissioner Wahl, second by Commissioner Scott, to approve the Oakland County Community Development Block Grant 2019 Application and Subrecipient Agreement.

Adopted: Yeas: Commissioners Wahl, Scott, Krzysiak, Deputy Mayor Perry  
Nays: None

**Request for Lot Split and Combination - 15, 17 and 19 Norwich**

Breuckman gave an overview of the request. The new owners of the three lots have proposed combining them and re-dividing them into two lots. There is a house on lot 19. All three lots are platted and buildable. The proposal would result in one 51 foot lot with the existing house and a 70 foot wide buildable lot. The proposal would result in a reduction of development potential and would create one of the largest lots on Norwich. There are a variety of lot widths on the street. The proposal meets all zoning standards as well as the criteria set forth in the ordinance for approving lot splits. The staff recommendation is to approve the proposal.

Scott inquired whether there were any zoning issues regarding the existing house. There are not. The driveway may have to be relocated.

Mr. Armando Cavazos, 18 Norwich, expressed support for creating two lots.

Mr. Dave Miller, managing member of DM Homes, owns the property and indicated that the purchasers of the newly created vacant lot have requested that the address of the lot be 17 Norwich. Breuckman indicated that that address was available.

**18-3392**

Motion by Commissioner Scott, second by Commissioner Wahl, to approve the combination and lot split as presented.

Adopted: Yeas: Commissioners Scott, Wahl, Krzysiak, Deputy Mayor Perry  
Nays: None

**City Manager's Report**

Breuckman discussed the issue of leaf removal with early snowfall. December 3rd is the last day to get leaves to the curb. December 17th is the last day for bag pickup.

**Other Business**

Scott thanked those who supported the recent election. Turnout was very high and the process went very smoothly. Drealan acknowledge the inspectors and other members of the election team.

Krzysiak indicated that the last book for 2018 will be "A Pig in Provence" by Georgeann Brennan. The meeting is November 14th. There is not a book in December.

Wahl noted that there is a fundraiser for Ferncare on November 18th. The organization provides free healthcare to the uninsured.

Perry noted that the Chariot program helps avoid the parking problems that currently exist in Ferndale.

With no further business or discussion, Deputy Mayor Perry adjourned the meeting at 8:34 p.m.

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Deputy Mayor Perry

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Amy M. Drealan, City Clerk

/dleg

November 2018

ACCOUNTS PAYABLE

PAYROLL LIABILITIES	\$	7,431.89
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ACCOUNTS PAYABLE	\$	255,474.51
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TAX LIABILITIES	\$	212,601.00
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<b>TOTAL</b>	<b>\$</b>	<b>262,906.40</b>
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PAYROLL

November 7, 2018	\$	37,767.29
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November 21, 2018	\$	38,179.85
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<b>TOTAL</b>	<b>\$</b>	<b>75,947.14</b>
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**CHECK REGISTER FOR CITY OF PLEASANT RIDGE**  
**PAYROLL LIABILITIES**  
November 2018

PG 1

Check Date	Check	Vendor Name	Description	Amount
11/7/2018	2248	ALERUS FINANCIAL	RETIRMENT CONTRIBUTIONS	\$ 336.40
11/7/2018	2249	ALERUS FINANCIAL	RETIRMENT CONTRIBUTIONS	\$ 1,595.34
11/7/2018	2250	ALERUS FINANCIAL	RETIRMENT CONTRIBUTIONS	\$ 1,038.49
11/7/2018	2251	MIFOP	UNION DUES	\$ 188.00
11/7/2018	2252	MISDU	FOC DEDUCTIONS	\$ 224.60
11/7/2018	2253	ALERUS FINANCIAL	RHSP CONTRIBUTIONS	\$ 434.87
11/21/2018	2272	ALERUS FINANCIAL	RETIRMENT CONTRIBUTIONS	\$ 336.40
11/21/2018	2273	ALERUS FINANCIAL	RETIRMENT CONTRIBUTIONS	\$ 1,489.85
11/21/2018	2274	ALERUS FINANCIAL	RETIRMENT CONTRIBUTIONS	\$ 1,120.87
11/21/2018	2275	MISDU	FOC DEDUCTIONS	\$ 224.60
11/21/2018	2276	ALERUS FINANCIAL	RHSP CONTRIBUTIONS	\$ 442.47
TOTAL PAYROLL LIABILITIES				<u>\$ 7,431.89</u>

**CHECK REGISTER FOR CITY OF PLEASANT RIDGE**  
**TAX LIABILITIES**  
**November 2018**

PG 2

Check Date	Check	Vendor Name	Description	Amount
11/13/2018	2595	CITY OF PLEASANT RIDGE-DDA	2018 TAX COLLECTIONS	\$ 1,807.46
11/13/2018	2596	CITY OF PLEASANT RIDGE-GENERAL	2018 TAX COLLECTIONS	\$ 81.49
11/13/2018	2597	CITY OF PLEASANT RIDGE-TAXES	2018 TAX COLLECTIONS	\$ 56,530.38
11/13/2018	2598	FERNDALE SCHOOL DISTRICT	2018 TAX COLLECTIONS	\$ 25,123.99
11/13/2018	2599	JOANNE OSMER	2018 SUMMER TAX OVERPAYMENT	\$ 492.64
11/13/2018	2600	KEVIN AND SHELLY SULLIVAN	2018 SUMMER TAX OVERPAYMENT	\$ 68.72
11/13/2018	2601	OAKLAND COUNTY TREASURER	2018 TAX COLLECTIONS	\$ 38,909.25
11/27/2018	2602	CITY OF PLEASANT RIDGE-DDA	2018 TAX COLLECTIONS	\$ 1,496.15
11/27/2018	2603	CITY OF PLEASANT RIDGE-TAXES	2018 TAX COLLECTIONS	\$ 40,782.79
11/27/2018	2604	DON KANTZ	2018 SUMMER TAX OVERPAYMENT	\$ 576.19
11/27/2018	2605	FERNDALE SCHOOL DISTRICT	2018 TAX COLLECTIONS	\$ 18,497.39
11/27/2018	2606	OAKLAND COUNTY TREASURER	2018 TAX COLLECTIONS	\$ 28,234.55
TOTAL TAX LIABILITIES				<u>\$ 212,601.00</u>

**CITY OF PLEASANT RIDGE CHECK REGISTER**  
**ACCOUNTS PAYABLE**  
November 13, 2018

Check Date	Check	Vendor Name	Description	Amount
11/13/2018	22522	21ST CENTURY MEDIA-MICHIGAN	LEGAL NOTICE PUBLICATIONS	\$ 2,817.77
11/13/2018	22523	AMERICAN SOCCER COMPANY, INC	SOCCER UNIFORMS	\$ 20.05
11/13/2018	22524	BADGER METER, INC.	WATER METER SUPPORT SERVICES	\$ 69.66
11/13/2018	22525	BS&A SOFTWARE	ANNUAL MAINTENANCE AGREEMENT	\$ 3,146.00
11/13/2018	22526	CANFIELD EQUIPMENT SERVICES	POLICE VEHICLE MAINTENANCE	\$ 155.50
11/13/2018	22527	COURSAL ACRE FARM	2018 TREE LIGHTING CEREMONY SERVICES	\$ 350.00
11/13/2018	22528	DAVEY TREE EXPERT COMPANY	TREE MAINTENANCE SERVICES	\$ 270.00
11/13/2018	22529	DEBORAH GREEN	MEETING TRANSCRIPTION	\$ 75.00
11/13/2018	22530	DETROIT EDISON COMPANY	STREETLIGHTING	\$ 3,127.03
11/13/2018	22531	GREAT AMERICAN FINANCIAL SRVS	TELEPHONE EQUIPMENT	\$ 433.00
11/13/2018	22532	GREAT LAKES WATER AUTHORITY	IWC CHARGES	\$ 273.77
11/13/2018	22533	JANI-KING OF MICHIGAN, INC	JANITORIAL SERVICES	\$ 2,161.00
11/13/2018	22534	KENNETH BORYCZ	INSPECTION SERVICES	\$ 1,012.50
11/13/2018	22535	MAGDY KODSY	PARTIAL CONSTRUCTION BOND RETURN	\$ 2,000.00
11/13/2018	22536	MELANIE SEVALD	RECREATION PROGRAM INSTRUCTOR	\$ 560.00
11/13/2018	22537	MPARKS	2019 MEMBERSHIP FEE	\$ 440.00
11/13/2018	22538	O'REILY AUTO PARTS	VEHICLE MAINTENANCE SUPPLIES	\$ 17.98
11/13/2018	22539	OAKLAND COUNTY TREASURER	SEWERAGE TREATMENT - OCTOBER 2018	\$ 48,774.68
11/13/2018	22540	OAKLAND COUNTY TREASURER	ELECTION CODING AND PROGRAMMING	\$ 300.00
11/13/2018	22541	OAKLAND COUNTY TREASURER	DELINQUENT TAX COLLECTIONS	\$ 243.77
11/13/2018	22542	OAKLAND SCHOOLS	PRINTING AND MAILING UTILITY BILLS	\$ 605.92
11/13/2018	22543	PATRICK THOMPSON DESIGNS, INC	COMMUNITY CENTER REMODELING PROJECT	\$ 2,617.50
11/13/2018	22544	ROCKET ENTERPRISE, INC	ANNUAL FLAG SERVICES (MIA/POW)	\$ 72.50
11/13/2018	22545	SAFEBUILT	CODE ENFORCEMENT SERVICES	\$ 495.00
11/13/2018	22546	SCHEER'S ACE HARDWARE	BUILDING MAINTENANCE SUPPLIES	\$ 104.71
11/13/2018	22547	SHERMAN NURSERY FARMS	TREE PURCHASES AND PLANTINGS	\$ 17,145.52
11/13/2018	22548	SOCRRA	REFUSE COLLECTION AGREEMENT	\$ 9,184.00
11/13/2018	22549	SOCWA	WATER PURCHASES-OCT 2018	\$ 13,582.16
11/13/2018	22550	TEEK ELECTRIC	BUILDING MAINTENANCE	\$ 150.00
11/13/2018	22551	UNIFIRST CORPORATION	MAT RENTAL AND JANITORIAL SUPPLIES	\$ 164.05
11/13/2018	22552	USZTAN CONSTRUCTION	BUILDING RENOVATION	\$ 51,568.87
11/13/2018	22553	VICTORIA DICKINSON	RECREATION PROGRAM INSTRUCTOR	\$ 64.00
11/13/2018	22554	VINCE RIZZO	RECREATION PROGRAM SUPPLIES	\$ 450.00

Total for 11-13-2018

\$ 162,451.94

**CITY OF PLEASANT RIDGE CHECK REGISTER**  
**ACCOUNTS PAYABLE**  
**November 28, 2018**

Check Date	Check	Vendor Name	Description	Amount
11/28/2018	22555	ACCUSHRED, LLC	SHREDDING SERVICES	\$ 55.00
11/28/2018	22556	ADVANCED MARKETING PARTNERS, I	WINTER TAX BILLS & 1099'S	\$ 271.74
11/28/2018	22557	APPLIED CONCEPTS, INC.	RADAR SUPPLIES	\$ 355.00
11/28/2018	22558	BRILAR	DPW SERVICES	\$ 17,127.40
11/28/2018	22559	CANFIELD EQUIPMENT SERVICES	POLICE VEHICLE REPAIRS	\$ 190.00
11/28/2018	22560	CITY OF FERNDALE	FIRE SERVICES AGREEMENT	\$ 21,381.72
11/28/2018	22561	CITY OF FERNDALE	DISPATCH SERVICES AGREEMENT	\$ 3,250.00
11/28/2018	22562	CITY OF PLEASANT RIDGE-PETTY C	PETTY CASH REPLENISHMENT	\$ 348.97
11/28/2018	22563	CITY OF ROYAL OAK	DPW SERVICES	\$ 155.46
11/28/2018	22564	COMMUNITY MEDIA NETWORK	COMMISSION MEETING TAPING	\$ 200.00
11/28/2018	22565	DEBORAH GREEN	COMMISSION MEETING TRANSCRIPTION	\$ 50.00
11/28/2018	22566	DELL MARKETING LP	COMPUTER EQUIPMENT	\$ 1,095.12
11/28/2018	22567	FERNDALE PIZZA CO., INC.	MEETING SUPPLIES	\$ 22.09
11/28/2018	22568	JWHITEPHOTO	PHOTOGRAPHY SERVICES	\$ 3,850.00
11/28/2018	22569	LEGAL SHIELD	PREPAID LEGAL BENEFIT	\$ 25.90
11/28/2018	22570	MAMC	MEMBERSHIP DUES	\$ 120.00
11/28/2018	22571	MICHIGAN ASSOC. OF MAYORS	MEMBERSHIP DUES-METZGER	\$ 85.00
11/28/2018	22572	OAKLAND COUNTY ROAD COMMISSION	TRAFFIC SIGNAL MAINTENANCE	\$ 337.69
11/28/2018	22573	OAKLAND COUNTY TREASURER	CLEMIS WORKSTATION PRINTER	\$ 417.03
11/28/2018	22574	PLANTE & MORAN PLLC	ACCOUNTING SERVICES	\$ 5,517.00
11/28/2018	22575	RAY KEE	INSPECTION SERVICES	\$ 1,350.00
11/28/2018	22576	SHIFTYS BALLOON SHENANIGANS	BREAKFAST WITH SANTA EVENT	\$ 112.50
11/28/2018	22577	SNR ENTERTAINMENT	RECREATION PROGRAM ENTERTAINMENT	\$ 300.00
11/28/2018	22578	SOCRRA	REFUSE COLLECTION AGREEMENT	\$ 8,246.87
11/28/2018	22579	SOUTHEASTERN OAKLAND COUNTY	MEMBERSHIP DUES-SCHULTZ	\$ 20.00
11/28/2018	22580	STATE OF MICHIGAN	COMMUNITY POOL REGISTRATION	\$ 67.00
11/28/2018	22581	TOSHIBA FINANCIAL SERVICES	COPIER LEASE SERVICES	\$ 1,143.66
11/28/2018	22582	UNIFIRST CORPORATION	JANITORIAL SUPPLIES AND MAT RENTAL	\$ 228.03
11/28/2018	22583	UNUM LIFE INSURANCE COMPANY	LIFE INSURANCE BENEFIT	\$ 577.84
11/28/2018	22584	VINCE RIZZO	MEETING SUPPLIES	\$ 225.00

Total for 11-28-2018

\$ 67,126.02

CHECK REGISTER FOR CITY OF PLEASANT RIDGE  
ELECTRONIC PAYMENTS  
November 2018

PG 5

Check Date	Check	Vendor Name	Description	Amount
11/1/2018	1285	BLUE CROSS BLUE SHIELD OF MICHIGAN	HEALTHCARE BENEFITS	\$ 13,659.79
11/12/2018	1284	MUNICIPAL EMP.RETIREMENT SYST.	RETIREMENT CONTRIBUTIONS	\$ 25,896.55
TOTAL ELECTRONIC PAYMENTS				<u>\$ 25,896.55</u>



## City of Pleasant Ridge

Amy M. Drealan, City Clerk

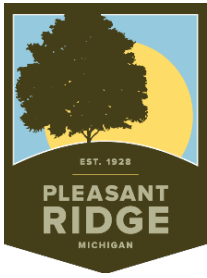
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From: Amy M. Drealan, City Clerk  
To: Mayor and City Commission  
Date: December 11, 2018  
Re: 2019 Poverty Guidelines

The City Commission is required to annually adopt guidelines which set income levels in order for the Board of Review to consider poverty exemption applications. The income levels for a poverty exemption shall not be set lower by a city than the Federal Poverty Guidelines updated annually by the United States Department of Health and Human Services.

I have attached a copy of the Resolution which includes current Federal Poverty Guidelines for your review. The resolution applies to any and all Poverty Exemption Requests at the City's 2019 Board of Review Hearings.

Please contact me should you require any additional information.



## City of Pleasant Ridge

23925 Woodward Avenue  
Pleasant Ridge, Michigan 48069

### A RESOLUTION TO ESTABLISH POLICY AND GUIDELINES FOR USE BY THE BOARD OF REVIEW FOR GRANTING POVERTY EXEMPTIONS

**WHEREAS,** Section 7(u) of Act 206 Michigan Public Acts of 1893, as amended by Act 390 of Michigan Public Acts of 1994 (“Section 7(u) of the General Property Tax Act”), requires the governing body of the local assessment unit to determine the policy and guidelines for granting exemptions from property taxes for principal residences of persons in poverty (“poverty exemptions”), and

**WHEREAS,** the State Tax Commission has interpreted Section 7(u) of the General Property Tax and provided guidance as to the contents of the policy and guidelines applicable to a poverty exemption, and

**WHEREAS,** the City desires to comply with Section 7(u) of the General Property Tax Act and the guidance of the State Tax Commission,

**NOW, THEREFORE BE IT RESOLVED** THAT the following policy and guidelines are hereby adopted and shall be followed by the City’s Board of Review in granting poverty exemptions:

1. The total annual income for all members of the taxpayer’s family unit shall not exceed the federal poverty income standards established annually by the U.S. Department of Health and Human Services. For determinations regarding the 2019 property tax assessments, total annual income of the taxpayer seeking a poverty exemption shall not exceed the following:

Size of Family Unit	Poverty Guidelines
1	\$16,753
2	\$22,715
3	\$28,676
4	\$34,638
5	\$40,600
6	\$46,561
7	\$52,523
8	\$58,484
For each additional person, add	\$4,320

This table shall be revised annual in accordance with federal poverty income standards.

2. The maximum total value of assets of a taxpayer seeking a poverty exemption, other than a motor vehicle, personal property and the homestead being claimed, shall not exceed:

- \$5,000 for the taxpayer individually; and
- \$50,000 for the taxpayer’s entire household.

These asset value limitations shall be revised annually in accordance with the applicable Cost of Living Adjustments including the Consumers Price Index of the U.S. Department of Labor.

3. The Board of Review shall follow the policy and guidelines set forth above when granting and denying poverty exemptions. The same standards shall apply to each taxpayer within the City claiming the poverty exemption for the assessment year. However, if the Board of Review determines that there are substantial and compelling reasons that impose serious hardship imposed by serious medical conditions, which warrant a deviation from the policy and guidelines, and these reasons are communicated in writing to the taxpayer claiming the exemption, such reasons constitute sufficient grounds upon which to grant a poverty exemption

to a taxpayer even when the taxpayer does not satisfy the federal poverty income standards and/or the asset level established by the City in accordance with Section 7u(5) of the General Property Tax Act.

4. In addition to the requirements set forth above, to be eligible for a whole or partial exemption for the poverty exemption, a person shall do all the following on annual bases:

(a) Own and occupy a principal residence the property, for which the exemption is requested;

(b) File a claim with the Board of Review after January 1<sup>st</sup>, but before the day prior to the last day of the Board of Review on an application form provided by the Assessor, accompanied by federal and state income tax returns for all persons residing in the homestead, including any property tax credit returns, filed in the immediately preceding year or the current year;

(c) Produce a valid driver's license or other form of identification, if required by the Board of Review; and

(d) Produce a deed, land contract or other evidence of ownership of the property for which an exemption is requested, if required by the Board of Review.

5. For the purposes of determining eligibility for a poverty exemption, the term "principal residence" of the taxpayer shall mean the principal residence as the term is defined in Section 7(d) of the General Property Tax Act.

6. The policy and guidelines for granting poverty exemptions and the application form to apply for such exemptions shall be made available to the public by the Assessor.

7. Except as otherwise provided above, taxpayers applying for a poverty exemption shall satisfy all requirements of Section 8(u) of the General Property Tax Act and State Tax Commission Bulletin No. 5 of 1995.

BE IT FURTHER RESOLVED that the State Equalized Value (SEV) on the property for which consideration is requested will not be reduced to an amount which is less than the amount which will generate property taxes equal to 3½% of the applicants' total household income plus the amount of the anticipated Michigan Income Tax household property tax credit.

Adopted:        Yeas:  
                     Nays:  
                     Absent:

**IN WITNESS WHEREOF**, I, Amy M. Drealan, duly certified Clerk of the City of Pleasant Ridge, do hereby attest that the Foregoing is a true and accurate copy of a Resolution adopted By the Pleasant Ridge City Commission at its Regular Meeting held Tuesday, December 11, 2018.

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Amy M. Drealan, City Clerk





## City of Pleasant Ridge

James Breuckman, City Manager

From: James Breuckman, City Manager  
 To: Mayor and City Commission  
 Date: December 11, 2018  
 Re: PA 152 – Health Care Insurance

### Overview

Attached is resolution opting out of the requirements of Michigan PA 152 of 2011 regarding limits on employer costs for employee health care.

### Background

Effective January 1, 2012, Public Act 152 of 2011, requires public employers and elected officials to contribute toward their health care benefit costs. Key items included in this bill are:

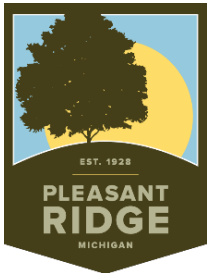
- The Bill allows public employers to use an 80/20 cost share arrangement and limits the employer contribution to no more than 80% of the total plan cost.
- The Bill limits the amount a public employer can pay for the annual cost or illustrative rate of benefits to an amount equal to \$6,685.17 for individuals, \$13,980.75 for individual and spouse coverage and \$18,232.31 for full family coverage, multiplied by the number of employees receiving benefits. The public employer can allocate its payments for medical benefits plan costs among its employees and elected officials as it sees fit. The limits will be adjusted for medical inflation annually.
- A local unit of government may exempt itself from the requirements of this act by a 2/3rds vote of the governing body.

Local governments have three options; the 80/20 provision, the “hard-cap” or the opt-out. Whatever is decided, formal action is required before January 1, 2019, and considered on an annual basis. If no action is taken, communities will be in violation of the Public Act and would lose 10% of their CVTRS monies in 2019. As you may recall, the City adopted a resolution to opt-out of this provision in years prior.

The City currently requires a 10% employee contribution for health care. During our recent health care renewal, the City was able to achieve savings again this year by making some plan adjustments including benefit changes to the dental and vision portions. Over the next year, the City will continue to explore medical coverage options in an attempt to further reduce costs, as it has over the past several years.

### Requested Action

City Commission consideration of the attached resolution opting out of the requirements of PA 152.



## City of Pleasant Ridge

23925 Woodward Avenue  
Pleasant Ridge, Michigan 48069

### RESOLUTION

#### **A RESOLUTION ELECTING TO COMPLY WITH THE PROVISIONS OF PUBLIC ACT 152 OF 2011 EXERCISING THE CITY'S RIGHT TO EXEMPT ITSELF FROM THE REQUIREMENTS OF THE ACT FOR THE NEXT SUCCEEDING YEAR**

- WHEREAS,** On September 27, 2011, the Publicly Funded Health Insurance Contribution Act, Act No. 152 of the Public Acts of Michigan of 2011 ("Act 152"), became effective on the State of Michigan; and
- WHEREAS,** Act 152 establishes standards and process with respect to medical benefit plans offered by public employers; and
- WHEREAS,** the City of Pleasant Ridge has historically recognized, in its role as steward for the public funds entrusted to it, that it must effectively manage those limited resources; and
- WHEREAS,** the City of Pleasant Ridge constantly engages in a review of expenditures in order to maximize the value it receives for goods and services; and
- WHEREAS,** the City Commission of the City of Pleasant Ridge believes that, as elected representatives for the City and answerable directly to the City's voters, it is best positioned to determine what benefits (including medical benefits) ought to be offered in order to attract and retain the best qualified City employees at the lowest overall costs; and
- WHEREAS,** the City Commission of the City of Pleasant Ridge further believes that compensation determinations for City employees are most properly the responsibility of the City's elected representatives, and not the State of Michigan or its officials; and
- WHEREAS,** to express its support for home rule government and to recognize that it is the City Commission's duty to manage City affairs in order to be most responsive to City voters, taxpayers and residents.

#### **NOW, THEREFORE, BE IT RESOLVED, that:**

1. Pursuant to Section 8 of Act 152, the City of Pleasant Ridge hereby exempts itself from requirements of Act 152 for the next succeeding year.
2. All resolutions and parts of resolutions in conflict herewith are, to the extent of such conflict, repealed.

*I Amy M. Drealan, duly certified Clerk of the City of Pleasant Ridge do hereby certify that the foregoing Resolution was adopted by the Pleasant Ridge City Commission at its Regular Meeting held Tuesday, December 11, 2018.*

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Amy M. Drealan  
City Clerk



STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
LANSING

RICK SNYDER  
GOVERNOR

NICK A. KHOURI  
STATE TREASURER

**September 17, 2018**

**PUBLIC EMPLOYER CONTRIBUTIONS TO MEDICAL BENEFIT PLANS  
ANNUAL COST LIMITATIONS – CALENDAR YEAR 2019**

For a medical benefit plan coverage year beginning on or after January 1, 2012, MCL 15.563, as amended by 2013 Public Act 270, sets a limit on the amount that a public employer may contribute to a medical benefit plan.

For medical benefit plan coverage years beginning on or after January 1, 2013, MCL 15.563 provides that the dollar amounts that are multiplied by the number of employees with each coverage type be adjusted annually. Specifically, the dollar amounts shall be adjusted, by October 1 of each year, by the change in the medical care component of the United States consumer price index for the most recent 12-month period for which data are available. For calendar year 2018, the limit on the amount that a public employer may contribute to a medical benefit plan was set to the sum of the following:

- \$ 6,560.52 times the number of employees and elected public officials with single-person coverage
- \$13,720.07 times the number of employees and elected public officials with individual-and-spouse coverage or individual-plus-1-nonspouse-dependent coverage
- \$17,892.36 times the number of employees and elected public officials with family coverage.

The limits for 2019 equal the 2018 limits increased by **1.9 percent**. The 1.9 percent is the percentage change in the medical care component from the period September 2016-August 2017 to the period September 2017-August 2018.

Thus, for medical benefit plan coverage years beginning on or after January 1, 2019, the limit on the amount that a public employer may contribute to a medical benefit plan equals the sum of the following:

- **\$ 6,685.17** times the number of employees and elected public officials with single-person coverage
- **\$13,980.75** times the number of employees and elected public officials with individual-and-spouse coverage or individual-plus-1-nonspouse-dependent coverage
- **\$18,232.31** times the number of employees and elected public officials with family coverage.

  
\_\_\_\_\_  
Nick A. Khouri  
State Treasurer

September 17, 2018



## City of Pleasant Ridge

James Breuckman, City Manager

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From: Jim Breuckman, City Manager  
To: City Commission  
Date: December 6, 2018  
Re: Zoning Ordinance Amendment Request - SDM Sales Hours

### Overview

Mr. Sunny Singh, the owner of the Sunoco Station at 23701 Woodward is requesting that the City amend the Zoning Ordinance to allow the sales of SDM packaged liquor (beer and wine only) from 8 am until midnight. Currently, SDM sales are limited to the hours of 9 am until 10 pm.

### Background

Section 82-197(b)(9) establishes sales hours for alcoholic beverages at businesses with a SDM package liquor license. The proposed amendment would change the sales hours to 8 am to midnight.

Mr. Singh had mentioned his desire to expand the permitted sales hours during the initial approval process. City staff advised that we retain the 9 am to 10 pm hours and monitor if there were any impacts from the sale of beer and wine at the Sunoco station for a period before considering expanding the hours.

With about half a year of experience behind us, we have not experienced any issues with beer and wine sales at the Sunoco station. The police have not experienced any significant increase in calls for service to the Sunoco station compared to prior periods of time, and we have not had any calls for service specifically related to the sale of beer and wine at the station.

### Process

The Planning Commission will hold a public hearing on December 10, and then make a recommendation to the City Commission. The City Commission will also hold a public hearing and will then make a final decision on the proposed ordinance.

### Requested Action

City Commission establish a public hearing for January 15, 2019, in anticipation of the planning commission moving this amendment forward at their December 10th meeting. Should the PC table this ordinance at their meeting, this can be removed from the agenda.

## Sunny's Food Mart, Inc.

23701 Woodward Avenue  
Pleasant Ridge, Michigan 48069

Phone: (248) 207-3933

Facsimile: (248) 398-4595

Email: sunny007@me.com

August 23, 2018

Jim Breuckman  
City of Pleasant Ridge  
23925 Woodward Avenue  
Pleasant Ridge, Michigan 48069

**RE: Change of alcohol sale times.**

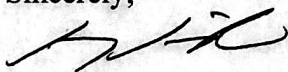
Dear Jim,

It has been several months since I acquired my liquor license to sell packaged beer and wine at my location. Although it has had a great response with the community, the permitted sale times have been questioned by a lot of customers. We get a lot of requests to sell after 10pm and unfortunately, I am currently unable to do so.

As you know, we have had zero issues since acquiring the liquor license and have strictly enforced the time restrictions as stated in the ordinance. I am respectfully requesting that the time frame to sell alcohol be changed to 8am to 12am daily. I am asking for additional 3 hours daily. I do not see any potential problems that could arise from increasing the time slot and hope that you agree with me.

Please let me know what steps need to be taken to apply for the change of alcohol sale times. I look forward to hearing from you soon.

Sincerely,



Sunny Singh  
Sunny's Food Mart, Inc.

**CITY OF PLEASANT RIDGE**  
**Ordinance No \_\_\_\_**

AN ORDINANCE TO AMEND THE CITY OF PLEASANT RIDGE CODE OF ORDINANCES, CHAPTER 82 – ZONING.

THE CITY OF PLEASANT RIDGE ORDAINS:

**Section 1.**

The following sections of Chapter 82, Zoning, of the Pleasant Ridge City Code are amended as follows:

Section 82-197(b)(9), Neighborhood Specialty Food Store, is amended to read as follows:

- c. Hours of operation shall be between 8:00 am and midnight.~~9:00 a.m. and 10:00 p.m.~~

**Section 2. Severability**

Should any provision or part of this Article be declared by any court of competent jurisdiction to be invalid or unenforceable, the same shall not affect the validity or enforceability of the balance of this Article, which shall remain in full force and effect.

**Section 3. Repealer**

All other ordinances or parts of ordinances in conflict with this ordinance are hereby repealed only to the extent necessary to give this Ordinance full force and effect.

**Section 4. Savings clause**

Nothing in this Article shall be construed to affect any suit or proceeding pending in any court or any rights acquired or any liability incurred, or any cause or causes of action acquired or existing, under any act or ordinance hereby repealed as cited in Section 8 of this Ordinance; nor shall any just or legal right or remedy of any character be lost, impaired, or affected by this Ordinance.

**Section 5. Effective Date**

This Ordinance shall become effective seven days after publication of a notice of adoption, as provided by law.

**Section 6. Adoption**

This Ordinance is hereby declared to have been adopted by the Pleasant Ridge City Commission at a meeting duly called and held on the \_\_\_\_ day of \_\_\_\_, 20\_\_, and ordered to be given publication in the manner prescribed by law.

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Amy M. Drealan, City Clerk

Planning Commission Public Hearing: .....  
Planning Commission Recommendation: ...  
City Commission Introduction: .....  
City Commission Public Hearing: .....  
City Commission Adoption: .....  
Published: .....  
Effective: .....





# City of Pleasant Ridge

Amy M. Drealan, City Clerk

From: Amy M. Drealan, City Clerk  
 To: Mayor and City Commission  
 Date: December 11, 2018  
 Re: Annual Meeting Schedule

Each year, the meeting schedules for the City Commission, Historical Commission, Planning Commission/Downtown Development Authority and Recreation Commission are placed on the City Commission Agenda for approval. The following list is the proposed schedules for 2019:

## City Commission

The Regular Meetings of the City Commission are held the second Tuesday of the month. The meetings are held at 7:30 p.m., in the City Commission Chambers. The meetings are proposed for the following dates:

January 15, 2019  
 February 12, 2019  
 March 12, 2019  
 April 9, 2019  
 May 14, 2019  
 June 11, 2019  
 July 9, 2019  
 August 13, 2019  
 September 10, 2019  
 October 8, 2019  
 November 12, 2019  
 December 10, 2019

Also, for ease of scheduling, the fourth Tuesday of every month be set aside for Zoning Board of Appeals Meeting, Coffee with Commissioners or Work/Study sessions for the City Commission.

## Historical Commission

The Regular Meetings of the Historical Commission are held the first Wednesday of specific months. The meetings are held at 7:00 p.m., at the Pleasant Ridge Community Center. The meetings are proposed for the following dates:

January 9, 2019  
 March 6, 2019  
 April 3, 2019  
 May 1, 2019  
 June 5, 2019  
 September 4, 2019



October 2, 2019  
November 6, 2019  
January 8, 2020

**Planning Commission/Downtown Development Authority**

The Regular Meetings of the Planning Commission/DDA are held the fourth Monday of specific months. The meetings are held at 7:00 p.m., in the City Commission Chambers. The meetings are proposed for the following dates:

January 28, 2019  
April 22, 2019  
July 22, 2019  
October 28, 2019

The fourth Monday of the non-meeting months will be set aside in case the Planning Commission/DDA has business which needs to be addressed prior to the regularly scheduled meeting.

**Recreation Commission**

The Regular Meetings of the Recreation Commission are held the last Wednesday of specific months. The meetings are held at 7:00 p.m., at the Pleasant Ridge Community Center. The meetings are proposed for the following dates:

January 30, 2019  
April 24, 2019  
July 31, 2019  
October 30, 2019

The last Wednesday of the non-meeting months will be set aside in case Recreation Commission has business which needs to be addressed prior to the regularly scheduled meeting.

Of course, special meetings and workshops are called when needed. Please feel free to contact me should you require any additional information.



## City of Pleasant Ridge

Amy M. Drealan, City Clerk

From: Amy M. Drealan, City Clerk  
 To: Mayor and City Commission  
 Date: December 3, 2018  
 Re: Junior Commission Appointments

### Historical Commission – 3 Vacancies

There is one member on the Pleasant Ridge Historical Commission, whose term expires on December 31, 2018, that would like to be reappointed to serve another term. The member eligible for reappointment Mr. Nick Kokotovich. I have spoken to Mr. Kokotovich and he wishes to be reappointed. He is eligible for his first full term, which expires December 31, 2021.

On January 1, 2019, there will be three vacancies on the Historical Commission. Two vacancies are for first full terms, expiring in 2021, and one is for a partial term, expiring in 2019. The following individuals have applied for the vacancies:

Christopher Johnson  
 Karin Jahn  
 Marie Haener-Patti  
 Lisa Wetzen  
 Alex Bellak  
 Jaclyn Huffman  
 Samantha Chapman

### Planning Commission/Downtown Development Authority – 1 Vacancy

There are three members on the Pleasant Ridge Planning Commission/Downtown Development Authority whose terms expire on December 31, 2018, and two members are eligible to be reappointed to serve another term. The members eligible for reappointment are Ms. Patricia Corrigan and Mr. Tom Treuter. Both members wish to be reappointed to another term. Mr. Treuter will begin his second full term, and Ms. Corrigan will begin her first full term. Both terms expire on December 31, 2021.

On January 1, 2019, there will be one vacancy for a first full term on the Planning Commission/DDA. This term will expire December 31, 2021. The following individuals have applied for the vacancy:

Marie Haener-Patti  
 Al Kaczowski  
 Jaclyn Huffman  
 Alex Bellak  
 Jason Carroll  
 Samantha Chapman  
 Barbara Rozman-Stokes

### Recreation Commission – 3 Vacancies

There are three members on the Pleasant Ridge Recreation Commission whose terms expire on December 31, 2018, one member is eligible to be reappointed to serve another term. The member eligible for reappointment is Ms. Esther Winer. Mr. Pietrzak has spoken with Ms. Winer and she is excited to be reappointed. This will be her second full term, which expires December 31, 2021.

On January 1, 2019, there will be three vacancies. Two vacancies are for first full terms, expiring in 2021, and one is for a partial term, expiring in 2020. The following individuals have applied for the vacancies:

Al Kaczkowski  
Karin Jahn  
Jaclyn Huffman  
Sufi (Jay) Ahmad  
Samantha Chapman  
Barbara Rozman-Stokes

Please feel free to contact me should you wish to discuss this matter further

**HISTORICAL**



# City of Pleasant Ridge

## Candidate Questionnaire

Name: CHRISTOPHER JOHNSON	
Date: Dec. 1, 2015	Pleasant Ridge Resident For (years): 29 yrs.
Occupation: PROFESSOR Emeritus, WSU (History Dept)	

Commissions On Which You Want to Serve (please check all applicable boxes):

- |   |   |
|---|---|
| <input type="checkbox"/> Board of Review                  | <input type="checkbox"/> Recreation Commission          |
| <input checked="" type="checkbox"/> Historical Commission | <input type="checkbox"/> Zoning Advisory Committee      |
| <input type="checkbox"/> Planning Commission              | <input type="checkbox"/> Huntington Woods Library Board |

### Interests/Reasons/Qualifications

I am a professional ~~history~~ historian with a substantial publication record in European and American history (including Detroit). I would like to work on an updated version of P.R. Past and Present.

### Boards/Commissions/Committees on Which You Have Served (list municipalities and dates)

P.R. Planning Commission 2004-08 (I think)  
P.R. Historical Commission 2010-14 (I was bumped because I missed three winter meetings while in Florida for my wife's health last year) (I believed that rule has changed)

### Other Organizations

- Board Member, Ferndale Education Foundation, chair of annual fundraiser two years. (2004-10, 2013-14)  
- Volunteer, DIA.

### Education

B.A. Wabash College  
M.S., Ph.D. University of Wisconsin (Madison)

### Additional Information

I have a strong interest in historical preservation and architectural history.



# City of Pleasant Ridge

## Candidate Questionnaire

Name: <b>karin harabedian jahn</b>	
Date: <b>8/10/17</b>	Pleasant Ridge Resident For (years): <b>30 years</b>
Occupation: <b>currently: technical trainer and programmer</b>	

Commissions On Which You Want to Serve (please check all applicable boxes):

- |   |   |
|---|---|
| <input type="checkbox"/> Board of Review                  | <input checked="" type="checkbox"/> Recreation Commission |
| <input checked="" type="checkbox"/> Historical Commission | <input type="checkbox"/> Zoning Advisory Committee        |
| <input type="checkbox"/> Planning Commission              | <input type="checkbox"/> Huntington Woods Library Board   |

### Interests/Reasons/Qualifications

Long term resident that has volunteered in many capacities. Organized, effective and interested in getting things done and be involved in the community that I love.

### Boards/Commissions/Committees on Which You Have Served (list municipalities and dates)

Past Rec Commission- 2 + terms, Past PR Gardend Club, VP-Pres-Director, PR Club Past Board, Current Woman's Club Member, Past Pool Board President, Participated in 1.5 yr study group for new pool, co-chair for pool vote, City Diamond Jubilee Board, PR Auction co-chair for Friday Night Auction

### Other Organizations

FAB (Ferndale Art Boosters)Board, Created OrchSupport for FAB to support Orchestra program, Marching Band Parent/Volunteer, YPAC Swim Team President (YMCA) PR Swim Team Parent Board

### Education

BS - Sociology and Social Work  
Some Graduate Work - Business

### Additional Information

My work required me to travel extensively and now I am local and am able to become involved again in the community. I miss it! We live in a very unique community and I believe it is important for all of us to give back.



# City of Pleasant Ridge

## Candidate Questionnaire

Name: <b>Marie Haener-Patti</b>	
Date: <b>11/24/2015</b>	Pleasant Ridge Resident For (years): <b>26</b>
Occupation: <b>Construction Project Manager/ Architect</b>	

Commissions On Which You Want to Serve (please check all applicable boxes):

- |   |   |
|---|---|
| <input type="checkbox"/> Board of Review                  | <input type="checkbox"/> Recreation Commission          |
| <input checked="" type="checkbox"/> Historical Commission | <input type="checkbox"/> Zoning Advisory Committee      |
| <input checked="" type="checkbox"/> Planning Commission   | <input type="checkbox"/> Huntington Woods Library Board |

### Interests/Reasons/Qualifications

Designed several home renovations in Pleasant Ridge and served on the DDA board in Ferndale when I had my architectural practice there. I bring a design and construction sensitivity to the planning function as well as the understanding of how a well functioning DDA can enhance a community to this commission.

### Boards/Commissions/Committees on Which You Have Served (list municipalities and dates)

Ferndale Public Schools: past bond committee member and chair, past school board member,  
Ferndale DDA: past DDA board member 1998-2006, vice chair, design committee chair  
Pleasant Ridge Citizens advisory committee

### Other Organizations

Girl Scout: life member, past troop leader, neighborhood service unit director, Properties assessment committee, Adult and girl trainer for outdoor skills,  
Metro Detroit YWCA: past board member, properties committee, finance committee  
University of Detroit Mercy: past adjunct professor for building codes, Architectural Engineering Degree curriculum committee

### Education

B. Architecture, University of Detroit Mercy  
Certificate in Project Management, Oakland University

### Additional Information

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# City of Pleasant Ridge

## Candidate Questionnaire

Name: <b>Lisa Wetzen</b>	
Date: <b>10/29/18</b>	Pleasant Ridge Resident For (years): <b>29</b>
Occupation: <b>Senior IT Manager, retired</b>	

**Commissions On Which You Want to Serve** (please check all applicable boxes):

- |   |   |
|---|---|
| <input type="checkbox"/> Board of Review                  | <input type="checkbox"/> Recreation Commission          |
| <input checked="" type="checkbox"/> Historical Commission | <input type="checkbox"/> Zoning Advisory Committee      |
| <input type="checkbox"/> Planning Commission              | <input type="checkbox"/> Huntington Woods Library Board |

### Interests/Reasons/Qualifications

As a long time resident and multiple home (4) owner in PR, we have strong ties to the community. I am intersted in maintaining a vibrant, sustainable community by looking toward the future while highlighting and respecting PR's rich history. I'm espically excited for the upcoming 100 year anniversary.

### Boards/Commissions/Committees on Which You Have Served (list municipalities and dates)

Previously served on the PR Historic Commission in the early 1990's

### Other Organizations

Former Director on Detroit Artists Market BoD  
Former Director on the DIA FJC BoD  
Presently on Michigan Council for Women in Technology (MCWT) Board of Directors  
PR Culinary Club, Social Club, Garden Club, Women's Club and multiple PR bookclub member

### Education

BBA-Management WMU

### Additional Information

Now that I'm retired I look forward to being more involved in the community.





# City of Pleasant Ridge

## Candidate Questionnaire

Name: <b>Alex Bellak</b>	
Date: <b>11/9/2018</b>	Pleasant Ridge Resident For (years): <b>2 Years</b>
Occupation: <b>Geographical Information Systems Administrator</b>	

### Commissions On Which You Want to Serve (please check all applicable boxes):

- |   |   |
|---|---|
| <input type="checkbox"/> Board of Review                  | <input type="checkbox"/> Recreation Commission          |
| <input checked="" type="checkbox"/> Historical Commission | <input type="checkbox"/> Zoning Advisory Committee      |
| <input checked="" type="checkbox"/> Planning Commission   | <input type="checkbox"/> Huntington Woods Library Board |

### Interests/Reasons/Qualifications

While I am not a professional planner by trade, I have a master's degree in Urban Planning with classwork in historical preservation, and have been involved in planning activities in both my professional and private life. Including being the former chair of the Ferndale Brownfield authority from 2006 to 2016 and regularly attend planning related seminars and meetings including the national APA conference. In my professional life, I have worked for both SEMCOG and municipal governments including my current position of GIS Administrator for the past 18 years for a Oakland County municipality. I feel my experience would be an asset for the City of Pleasant Ridge and look forward to being involved in the continuing success of our community.

### Boards/Commissions/Committees on Which You Have Served (list municipalities and dates)

City of Ferndale Brownfield Authority - 2006 to 2016

### Other Organizations

IMAGIN - Improving Michigan's Access to Geographic Information Networks  
URISA - Urban and Regional Information Systems Association

### Education

Masters of Urban Planning - Wayne State University  
Bachelor's of Science - Eastern Michigan University

### Additional Information

Throughout my career I have been an active member of various SEMCOG committees and a former board member of Cityscape Detroit an advocacy group for historical preservation and quality urban design in the City of Detroit. In my professional career I have over 20 years of municipal experience and have participated in many planning activities including charrette's, public engagement events and the Oakland County planning One Stop Ready workshops. In addition to working in local government, I am also a part-time instructor in the Urban Planning Department at Wayne State University teaching the Intro to Geographical Information Systems class.



# City of Pleasant Ridge

## Candidate Questionnaire

Name: <u>Jaclyn Huffman</u>	
Date: <u>1/9/17</u>	Pleasant Ridge Resident For (years): <u>3</u>
Occupation: <u>Advertising - Digital Media Supervisor</u>	

Commissions On Which You Want to Serve (please check all applicable boxes):

- |   |   |
|---|---|
| <input type="checkbox"/> Board of Review                  | <input checked="" type="checkbox"/> Recreation Commission |
| <input checked="" type="checkbox"/> Historical Commission | <input type="checkbox"/> Zoning Advisory Committee        |
| <input checked="" type="checkbox"/> Planning Commission   | <input type="checkbox"/> Huntington Woods Library Board   |

### Interests/Reasons/Qualifications

Pleasant Ridge is such a wonderful community & I'd love a way to get more involved/give back. I am skilled in planning events & writing/implementing process. I am also a well-organized individual & ready to face any new responsibilities/challenges!

### Boards/Commissions/Committees on Which You Have Served (list municipalities and dates)

Wellesley Block Club Member - 2014 - present

### Other Organizations

313 Digital - Advertising Club: 2007 - present  
Adcraft - Ad Club: 2013 - present  
Alumna member of Alpha Sigma Tau National Sorority

### Education

B.S. Business Administration - Michigan Technological University

### Additional Information

I'd be interested in joining one of my choices above, not both at the same time :)



# City of Pleasant Ridge

## Candidate Questionnaire

Name: <b>Samantha V. Chapman</b>	
Date: <b>11/07/2018</b>	Pleasant Ridge Resident For (years): <b>1.5</b>
Occupation: <b>Legal Consultant</b>	

### Commissions On Which You Want to Serve (please check all applicable boxes):

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> Board of Review       | <input checked="" type="checkbox"/> Recreation Commission |
| <input checked="" type="checkbox"/> Historical Commission | <input type="checkbox"/> Zoning Advisory Committee        |
| <input checked="" type="checkbox"/> Planning Commission   | <input type="checkbox"/> Huntington Woods Library Board   |

### Interests/Reasons/Qualifications

I enjoy traveling, visiting new places and experiencing new cultures. I like to plan trips around events, such as Oktoberfest or a concert, and extend the trip to experience the areas surrounding the event. I grew up golfing (even at one point playing competitively) and still enjoy playing as a hobby. I am also an avid sports fan, from season tickets for the Detroit Lions to catching games at Comerica or LCA. I like to experience the game live and close to the action. Lastly, I am very excited to witness and participate in the revitalization of Detroit. I lived in New York City from 2011-2014 and throughout that time people would ask questions about Detroit, always from a negative perspective. In response I would passionately defend Detroit and the improvements that were being made. It makes me proud to see Detroit continuing this level of growth and to see a much more positive description associated to the city and its surrounding areas.

Over the past few years I began to feel unfulfilled with my professional accomplishments and knew that I wanted to contribute to my community in some way but didn't know how or where to begin. Once I had my daughter I recognized I needed to put my thoughts in to action. If I want my daughter to grow up in a world of optimism and possibility, with the opportunity to pursue any profession or goal, then I need to lead by example and demonstrate the importance of community service. I also am continually impressed with the level of effort that goes in to maintaining our community and the genuine kindness of our residents. On our very first day in Pleasant Ridge our neighbors not only introduced themselves but joyfully welcomed us to the area. We had not previously encountered such warmth from prior neighbors and recognized in that moment that we found our community.

While I have never worked on a commission before, I believe the skills required for my profession would align with those skills required to be a successful committee member. As a consultant in the eDiscovery industry, I specialize in building more efficient and cost-effective solutions for law firms and corporations. In order to be successful when managing these complex projects, I must maintain a detailed level of organization as well as being an effective communicator. I also believe that success is achieved through collaboration and that working with people who have different viewpoints results in the best solutions.

### Boards/Commissions/Committees on Which You Have Served (list municipalities and dates)

I have not served on any previous boards, commissions or committees.

### Other Organizations

While I am not currently involved in any other organizations, I am a passionate and motivated individual who is prepared to put forth the effort to make a positive impact for our community. I have previously worked with Meals on Wheels and I currently donate to the American Red Cross and the ASPCA monthly.

### Education

I graduated from Michigan State University with a B.A. in General Business Administration Pre-Law.

In my current field I possess a 'Relativity Expert' designation; a status which indicates I have obtained multiple certifications across the primary technical platform.

### Additional Information

**PLANNING/  
DDA**



# City of Pleasant Ridge

## Candidate Questionnaire

Name:

Marie Haener-Patti

Date:

11/24/2015

Pleasant Ridge Resident For (years):

26

Occupation:

Construction Project Manager/ Architect

Commissions On Which You Want to Serve (please check all applicable boxes):

☐ Board of Review

☒ Historical Commission

☒ Planning Commission

☐ Recreation Commission

☐ Zoning Advisory Committee

☐ Huntington Woods Library Board

### Interests/Reasons/Qualifications

Designed several home renovations in Pleasant Ridge and served on the DDA board in Ferndale when I had my architectural practice there. I bring a design and construction sensitivity to the planning function as well as the understanding of how a well functioning DDA can enhance a community to this commission.

### Boards/Commissions/Committees on Which You Have Served (list municipalities and dates)

Ferndale Public Schools: past bond committee member and chair, past school board member,  
Ferndale DDA: past DDA board member 1998-2006, vice chair, design committee chair  
Pleasant Ridge Citizens advisory committee

### Other Organizations

Girl Scout: life member, past troop leader, neighborhood service unit director, Properties assessment committee, Adult and girl trainer for outdoor skills,  
Metro Detroit YWCA: past board member, properties committee, finance committee  
University of Detroit Mercy: past adjunct professor for building codes, Architectural Engineering Degree curriculum committee

### Education

B. Architecture, University of Detroit Mercy  
Certificate in Project Management, Oakland University

### Additional Information



# City of Pleasant Ridge

## Candidate Questionnaire

Name: <b>Al Kaczowski</b>	
Date: <b>12/26/17</b>	Pleasant Ridge Resident For (years): <b>11 years</b>
Occupation: <b>Retired ( Executive Director, Non Profit Management)</b>	

**Commissions On Which You Want to Serve (please check all applicable boxes):**

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> Board of Review     | <input checked="" type="checkbox"/> Recreation Commission     |
| <input type="checkbox"/> Historical Commission          | <input checked="" type="checkbox"/> Zoning Advisory Committee |
| <input checked="" type="checkbox"/> Planning Commission | <input type="checkbox"/> Huntington Woods Library Board       |

### Interests/Reasons/Qualifications

To take part in my community and help in anyway I can.
--

### Boards/Commissions/Committees on Which You Have Served (list municipalities and dates)

Parks and Recreation - Village of Wolverine Lake MI 85-90 Planning Commissioner -Village of Wolverine Lake MI 80-85 Council Member - Village of Wolverine Lake MI 91-94 Walled Lake Schools Strategic Planning Committee Memeber 90-94
---

### Other Organizations

Lakes Area Optimist Club - President Volunteers in Prevention, Parole and Prison - Board Secretary (Non-profit Mentoring) Youth Mentor (VIP Detroit) Volunteer Program Manager - Life Remodled Non-profit consultant - Rebuilding Together Oakland County
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### Education

BS Human Resources Development / Management Oakland University Grad Studies Central Michigan University - MSA Grad Studies Oakland University - Counseling
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### Additional Information

I enjoy helping others and being part of a committed group.
---



# City of Pleasant Ridge

## Candidate Questionnaire

Name: <u>Jaclyn Huffman</u>	
Date: <u>1/9/17</u>	Pleasant Ridge Resident For (years): <u>3</u>
Occupation: <u>Advertising - Digital Media Supervisor</u>	

Commissions On Which You Want to Serve (please check all applicable boxes):

- |   |   |
|---|---|
| <input type="checkbox"/> Board of Review                  | <input checked="" type="checkbox"/> Recreation Commission |
| <input checked="" type="checkbox"/> Historical Commission | <input type="checkbox"/> Zoning Advisory Committee        |
| <input checked="" type="checkbox"/> Planning Commission   | <input type="checkbox"/> Huntington Woods Library Board   |

### Interests/Reasons/Qualifications

Pleasant Ridge is such a wonderful community & I'd love a way to get more involved/give back. I am skilled in planning events & writing/implementing process. I am also a well-organized individual & ready to face any new responsibilities/challenges!

### Boards/Commissions/Committees on Which You Have Served (list municipalities and dates)

Wellesley Block Club Member - 2014 - present

### Other Organizations

313 Digital - Advertising Club: 2007 - present  
Adcraft - Ad Club: 2013 - present  
Alumna member of Alpha Sigma Tau National Sorority

### Education

B.S. Business Administration - Michigan Technological University

### Additional Information

I'd be interested in joining one of my choices above, not both at the same time :)



# City of Pleasant Ridge

## Candidate Questionnaire

Name: <b>Alex Bellak</b>	
Date: <b>11/9/2018</b>	Pleasant Ridge Resident For (years): <b>2 Years</b>
Occupation: <b>Geographical Information Systems Administrator</b>	

### Commissions On Which You Want to Serve (please check all applicable boxes):

- |   |   |
|---|---|
| <input type="checkbox"/> Board of Review                  | <input type="checkbox"/> Recreation Commission          |
| <input checked="" type="checkbox"/> Historical Commission | <input type="checkbox"/> Zoning Advisory Committee      |
| <input checked="" type="checkbox"/> Planning Commission   | <input type="checkbox"/> Huntington Woods Library Board |

### Interests/Reasons/Qualifications

While I am not a professional planner by trade, I have a master's degree in Urban Planning with classwork in historical preservation, and have been involved in planning activities in both my professional and private life. Including being the former chair of the Ferndale Brownfield authority from 2006 to 2016 and regularly attend planning related seminars and meetings including the national APA conference. In my professional life, I have worked for both SEMCOG and municipal governments including my current position of GIS Administrator for the past 18 years for a Oakland County municipality. I feel my experience would be an asset for the City of Pleasant Ridge and look forward to being involved in the continuing success of our community.

### Boards/Commissions/Committees on Which You Have Served (list municipalities and dates)

City of Ferndale Brownfield Authority - 2006 to 2016

### Other Organizations

IMAGIN - Improving Michigan's Access to Geographic Information Networks  
URISA – Urban and Regional Information Systems Association

### Education

Masters of Urban Planning - Wayne State University  
Bachelor's of Science - Eastern Michigan University

### Additional Information

Throughout my career I have been an active member of various SEMCOG committees and a former board member of Cityscape Detroit an advocacy group for historical preservation and quality urban design in the City of Detroit. In my professional career I have over 20 years of municipal experience and have participated in many planning activities including charrette's, public engagement events and the Oakland County planning One Stop Ready workshops. In addition to working in local government, I am also a part-time instructor in the Urban Planning Department at Wayne State University teaching the Intro to Geographical Information Systems class.





# City of Pleasant Ridge

## Candidate Questionnaire

Name: <b>Jay Carroll</b>	
Date: <b>11/28/2018</b>	Pleasant Ridge Resident For (years): <b>1.5</b>
Occupation: <b>Video Director/Producer</b>	

### Commissions On Which You Want to Serve (please check all applicable boxes):

- |   |   |
|---|---|
| <input type="checkbox"/> Board of Review                | <input type="checkbox"/> Recreation Commission          |
| <input type="checkbox"/> Historical Commission          | <input type="checkbox"/> Zoning Advisory Committee      |
| <input checked="" type="checkbox"/> Planning Commission | <input type="checkbox"/> Huntington Woods Library Board |

### Interests/Reasons/Qualifications

My wife and I moved here from Downtown Detroit after we were married in June of 2017 and have since welcomed a baby boy. Before that we lived in Washington DC for 6 years. I can offer the Commission the perspective of an under 40 transplant who has fallen in love with PR and plans on being a part of the city for many years. From a professional perspective, I started my own video production company in 2004 and have been successfully producing and directing video content for advertising and corporate communications ever since. As such, I have developed a skill set that would benefit the Planning Commission, DDA, and the citizens of Pleasant Ridge including vetting/workshopping the viability of a proposed idea or project, developing an idea from conceptualization through completion of a tangible end-product, successfully navigating projects with many clients and collaborators, and directing/hiring/managing staff and subcontractors for small and large scale projects (up to six-figure budgets per day). I am very much invested in the continued success of our community and am looking forward to getting more involved.

### Boards/Commissions/Committees on Which You Have Served (list municipalities and dates)

None

### Other Organizations

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### Education

B.S. Electronic Media and Film Towson University, Maryland

### Additional Information

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# City of Pleasant Ridge

## Candidate Questionnaire

Name: <b>Samantha V. Chapman</b>	
Date: <b>11/07/2018</b>	Pleasant Ridge Resident For (years): <b>1.5</b>
Occupation: <b>Legal Consultant</b>	

### Commissions On Which You Want to Serve (please check all applicable boxes):

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> Board of Review       | <input checked="" type="checkbox"/> Recreation Commission |
| <input checked="" type="checkbox"/> Historical Commission | <input type="checkbox"/> Zoning Advisory Committee        |
| <input checked="" type="checkbox"/> Planning Commission   | <input type="checkbox"/> Huntington Woods Library Board   |

### Interests/Reasons/Qualifications

I enjoy traveling, visiting new places and experiencing new cultures. I like to plan trips around events, such as Oktoberfest or a concert, and extend the trip to experience the areas surrounding the event. I grew up golfing (even at one point playing competitively) and still enjoy playing as a hobby. I am also an avid sports fan, from season tickets for the Detroit Lions to catching games at Comerica or LCA, I like to experience the game live and close to the action. Lastly, I am very excited to witness and participate in the revitalization of Detroit. I lived in New York City from 2011-2014 and throughout that time people would ask questions about Detroit, always from a negative perspective. In response I would passionately defend Detroit and the improvements that were being made. It makes me proud to see Detroit continuing this level of growth and to see a much more positive description associated to the city and its surrounding areas.

Over the past few years I began to feel unfulfilled with my professional accomplishments and knew that I wanted to contribute to my community in some way but didn't know how or where to begin. Once I had my daughter I recognized I needed to put my thoughts in to actions. If I want my daughter to grow up in a world of optimism and possibility, with the opportunity to pursue any profession or goal, then I need to lead by example and demonstrate the importance of community service. I also am continually impressed with the level of effort that goes in to maintaining our community and the genuine kindness of our residents. On our very first day in Pleasant Ridge our neighbors not only introduced themselves but joyfully welcomed us to the area. We had not previously encountered such warmth from prior neighbors and recognized in that moment that we found our community.

While I have never worked on a commission before, I believe the skills required for my profession would align with those skills required to be a successful committee member. As a consultant in the eDiscovery industry, I specialize in building more efficient and cost-effective solutions for law firms and corporations. In order to be successful when managing these complex projects, I must maintain a detailed level of organization as well as being an effective communicator. I also believe that success is achieved through collaboration and that working with those who have different solutions results in the best solutions.

### Boards/Commissions/Committees on Which You Have Served (list municipalities and dates)

I have not served on any previous boards, commissions or committees.

### Other Organizations

While I am not currently involved in any other organizations, I am a passionate and motivated individual who is prepared to put forth the effort to make a positive impact for our community. I have previously worked with Meals on Wheels and I currently donate to the American Red Cross and the ASPCA monthly.

### Education

I graduated from Michigan State University with a B.A. in General Business Administration Pre-Law.

In my current field I possess a 'Relativity Expert' designation; a status which indicates I have obtained multiple certifications across the primary technical platform.

### Additional Information

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CITY OF PLEASANT RIDGE

## City of Pleasant Ridge

### Candidate Questionnaire

Name: <b>Barb Rozman-Stokes</b>	
Date: <b>11/1/18</b>	Pleasant Ridge Resident For (years): <b>14 years</b>
Occupation: <b>Human Resources Director</b>	

Commissions On Which You Want to Serve (please check all applicable boxes):

- |   |   |
|---|---|
| <input type="checkbox"/> Board of Review                | <input checked="" type="checkbox"/> Recreation Commission |
| <input type="checkbox"/> Historical Commission          | <input type="checkbox"/> Zoning Advisory Committee        |
| <input checked="" type="checkbox"/> Planning Commission | <input type="checkbox"/> Huntington Woods Library Board   |

#### Interests/Reasons/Qualifications

I love Pleasant Ridge. For years, I have wanted to get more involved in a formal way so that I can give of my time, talents and ideas to continue helping this city be great.

#### Boards/Commissions/Committees on Which You Have Served (list municipalities and dates)

I have not served on any municipal committees in the past. However I have been very involved in my children's schools, university life and industry organizations. I have served in many leadership roles over the last 10 years in those organizations.

#### Other Organizations

University of Detroit Jesuit Mothers Club, Shrine Catholic Grade School Mothers Club, Adcraft Club of Detroit, American Association of Advertising Agencies, etc.

#### Education

Bachelors of Business in Human Resource Managment, Michigan State University

#### Additional Information

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**RECREATION**



# City of Pleasant Ridge

## Candidate Questionnaire

Name: <b>Al Kaczkowski</b>	
Date: <b>12/26/17</b>	Pleasant Ridge Resident For (years): <b>11 years</b>
Occupation: <b>Retired ( Executive Director, Non Profit Management)</b>	

### Commissions On Which You Want to Serve (please check all applicable boxes):

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> Board of Review     | <input checked="" type="checkbox"/> Recreation Commission     |
| <input type="checkbox"/> Historical Commission          | <input checked="" type="checkbox"/> Zoning Advisory Committee |
| <input checked="" type="checkbox"/> Planning Commission | <input type="checkbox"/> Huntington Woods Library Board       |

### Interests/Reasons/Qualifications

To take part in my community and help in anyway I can.
--

### Boards/Commissions/Committees on Which You Have Served (list municipalities and dates)

Parks and Recreation - Village of Wolverine Lake MI 85-90 Planning Commissioner -Village of Wolverine Lake MI 80-85 Council Member - Village of Wolverine Lake MI 91-94 Walled Lake Schools Strategic Planning Committee Memeber 90-94
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### Other Organizations

Lakes Area Optimist Club - President Volunteers in Prevention, Parole and Prison - Board Secretary (Non-profit Mentoring) Youth Mentor (VIP Detroit) Volunteer Program Manager - Life Remodled Non-profit consultant - Rebuilding Together Oakland County
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### Education

BS Human Resources Development / Management Oakland University Grad Studies Central Michigan University - MSA Grad Studies Oakland University - Counseling
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### Additional Information

I enjoy helping others and being part of a committed group.
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# City of Pleasant Ridge

## Candidate Questionnaire

Name: <b>karin harabedian jahn</b>	
Date: <b>8/10/17</b>	Pleasant Ridge Resident For (years): <b>30 years</b>
Occupation: <b>currently: technical trainer and programmer</b>	

Commissions On Which You Want to Serve (please check all applicable boxes):

- |   |   |
|---|---|
| <input type="checkbox"/> Board of Review                  | <input checked="" type="checkbox"/> Recreation Commission |
| <input checked="" type="checkbox"/> Historical Commission | <input type="checkbox"/> Zoning Advisory Committee        |
| <input type="checkbox"/> Planning Commission              | <input type="checkbox"/> Huntington Woods Library Board   |

### Interests/Reasons/Qualifications

Long term resident that has volunteered in many capacities. Organized, effective and interested in getting things done and be involved in the community that I love.

### Boards/Commissions/Committees on Which You Have Served (list municipalities and dates)

Past Rec Commission- 2 + terms, Past PR Gardend Club, VP-Pres-Director, PR Club Past Board, Current Woman's Club Member, Past Pool Board President, Participated in 1.5 yr study group for new pool, co-chair for pool vote, City Diamond Jubilee Board, PR Auction co-chair for Friday Night Auction

### Other Organizations

FAB (Ferndale Art Boosters)Board, Created OrchSupport for FAB to support Orchestra program, Marching Band Parent/Volunteer, YPAC Swim Team President (YMCA) PR Swim Team Parent Board

### Education

BS - Sociology and Social Work  
Some Graduate Work - Business

### Additional Information

My work required me to travel extensively and now I am local and am able to become involved again in the community. I miss it! We live in a very unique community and I believe it is important for all of us to give back.



# City of Pleasant Ridge

## Candidate Questionnaire

Name: <u>Jaclyn Huffman</u>	
Date: <u>1/9/17</u>	Pleasant Ridge Resident For (years): <u>3</u>
Occupation: <u>Advertising - Digital Media Supervisor</u>	

Commissions On Which You Want to Serve (please check all applicable boxes):

- |   |   |
|---|---|
| <input type="checkbox"/> Board of Review                  | <input checked="" type="checkbox"/> Recreation Commission |
| <input checked="" type="checkbox"/> Historical Commission | <input type="checkbox"/> Zoning Advisory Committee        |
| <input checked="" type="checkbox"/> Planning Commission   | <input type="checkbox"/> Huntington Woods Library Board   |

### Interests/Reasons/Qualifications

Pleasant Ridge is such a wonderful community & I'd love a way to get more involved/give back. I am skilled in planning events & writing/implementing process. I am also a well-organized individual & ready to face any new responsibilities/challenges!

### Boards/Commissions/Committees on Which You Have Served (list municipalities and dates)

Wellesley Block Club Member - 2014 - present

### Other Organizations

313 Digital - Advertising Club: 2007 - present  
Adcraft - Ad Club: 2013 - present  
Alumna member of Alpha Sigma Tau National Sorority

### Education

B.S. Business Administration - Michigan Technological University

### Additional Information

I'd be interested in joining one of my choices above, not both at the same time :)



# City of Pleasant Ridge

## Candidate Questionnaire

Name: <b>Jay Ahmad</b>	
Date: <b>11/28/18</b>	Pleasant Ridge Resident For (years): <b>1 year and 10 months</b>
Occupation: <b>attorney</b>	

### Commissions On Which You Want to Serve (please check all applicable boxes):

- |  |   |
|--|---|
| <input type="checkbox"/> Board of Review       | <input checked="" type="checkbox"/> Recreation Commission |
| <input type="checkbox"/> Historical Commission | <input type="checkbox"/> Zoning Advisory Committee        |
| <input type="checkbox"/> Planning Commission   | <input type="checkbox"/> Huntington Woods Library Board   |

### Interests/Reasons/Qualifications

I was involved in the Community Theatre of Howell for many years while my children were growing up. Now that I have a granddaughter, I would like to be involved with her and the recreational program for the kids in the city I live in.

### Boards/Commissions/Committees on Which You Have Served (list municipalities and dates)

Board of Directors Community Theatre of Howell 2000 to 2006

### Other Organizations

Private arbitrator for personal injury cases  
Michigan Association of Justice  
American Association of Justice  
American Bar Association

### Education

Vanderbilt Law School, Juris Doctor May 1989  
Albion College, Bachelor of Arts

### Additional Information

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# City of Pleasant Ridge

## Candidate Questionnaire

Name: <b>Samantha V. Chapman</b>	
Date: <b>11/07/2018</b>	Pleasant Ridge Resident For (years): <b>1.5</b>
Occupation: <b>Legal Consultant</b>	

### Commissions On Which You Want to Serve (please check all applicable boxes):

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> Board of Review       | <input type="checkbox"/> Recreation Commission          |
| <input checked="" type="checkbox"/> Historical Commission | <input type="checkbox"/> Zoning Advisory Committee      |
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### Interests/Reasons/Qualifications

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### Education

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In my current field I possess a 'Relativity Expert' designation; a status which indicates I have obtained multiple certifications across the primary technical platform.

### Additional Information



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CITY OF PLEASANT RIDGE

## City of Pleasant Ridge

### Candidate Questionnaire

Name: <b>Barb Rozman-Stokes</b>	
Date: <b>11/1/18</b>	Pleasant Ridge Resident For (years): <b>14 years</b>
Occupation: <b>Human Resources Director</b>	

Commissions On Which You Want to Serve (please check all applicable boxes):

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|---|---|
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| <input type="checkbox"/> Historical Commission          | <input type="checkbox"/> Zoning Advisory Committee        |
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Bachelors of Business in Human Resource Managment, Michigan State University

#### Additional Information

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LAW OFFICES

**ADKISON, NEED, ALLEN, & RENTROP**

PROFESSIONAL LIMITED LIABILITY COMPANY

PHILLIP G. ADKISON  
 KELLY A. ALLEN  
 ROBERT M. GOLDMAN  
 JESSICA A. HALLMARK  
 GREGORY K. NEED  
 G. HANS RENTROP

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 Bloomfield Hills, Michigan 48304  
 Telephone (248) 540-7400  
 Facsimile (248) 540-7401  
[www.ANAfirm.com](http://www.ANAfirm.com)

OF COUNSEL:  
 KEVIN M. CHUDLER  
 SARAH J. GABIS  
 LINDA S. MAYER

December 5, 2018

VIA ELECTRONIC MAIL

James Breuckman, City Manager  
 City of Pleasant Ridge  
 23925 Woodward Avenue  
 Pleasant Ridge, MI 48069

**Re: Regulation and Taxation of Marihuana Act  
 Marijuana Facilities**

Dear Jim:

As requested, enclosed is a draft Resolution for consideration by the City Commission regarding marijuana facilities.

As you know, on November 6<sup>th</sup> Michigan voters approved Initiative Proposal 18-1, the Michigan Regulation and Taxation of Marihuana Act ("Act"), which allowed possession, use, and cultivation of marijuana by individuals and set forth a procedure for state licensing of marijuana facilities. A copy of the Act is attached. The Act takes effect on December 6<sup>th</sup>, but no state licenses will be issued until applicable regulations are adopted, to be done within one year.

This new law is different than the 2008 Michigan Medical Marihuana Act. Under the 2008 Act, a community needed to take affirmative action to allow medicinal marijuana facilities within its boundaries. Under the new Act, a community cannot pick and choose, it can prohibit marijuana facilities altogether but, if it allows them, any kind of marijuana facility could be located within the community provided it secured the required state license and any optional local license.

Although the City may in effect "opt out" of the new Act, that action is subject to override through referendum vote.

Attached is a draft Resolution if the City Commission wishes to go forward and direct us to prepare an ordinance prohibiting marijuana facilities within the City.

Please call with any questions.

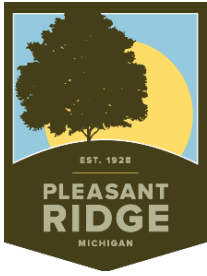
Very truly yours,

**ADKISON, NEED, ALLEN, & RENTROP, PLLC**

A handwritten signature in dark ink, appearing to read "Gregory K. Need", is positioned above the printed name.

Gregory K. Need.

/mms  
Enc.



## City of Pleasant Ridge

23925 Woodward Avenue  
Pleasant Ridge, Michigan 48069

### RESOLUTION OPPOSING MARIHUANA FACILITIES

**WHEREAS**, on November 6, 2018, Michigan voters approved initiative Proposal 18-1, the Michigan Regulation and Taxation of Marihuana Act (the “Act”); and

**WHEREAS**, the Act is scheduled to take effect on December 6, 2018; and

**WHEREAS**, under the Act communities may authorize and license marihuana facilities within their boundaries; adopt regulations for marihuana facilities not inconsistent with the Act; or prohibit them entirely;

**NOW THEREFORE BE IT RESOLVED**, that the City Commission for the City of Pleasant Ridge directs the City Attorney and City Administration to prepare the appropriate ordinance to completely prohibit all marihuana establishments defined within the Act within the boundaries of the City, and provide a draft ordinance for introduction at the City Commission’s January meeting.

Yeas:

Nays:

Absent:

**IN WITNESS WHEREOF**, I, Amy M. Drealan, duly certified Clerk of the City of Pleasant Ridge, do hereby attest that the foregoing is a true and accurate copy of a Resolution adopted by the Pleasant Ridge City Commission at its Regular Meeting held Tuesday, December 11 2018.

---

Amy M. Drealan, City Clerk

## INITIATION OF LEGISLATION

An initiation of legislation to allow under state law the personal possession and use of marihuana by persons 21 years of age or older; to provide for the lawful cultivation and sale of marihuana and industrial hemp by persons 21 years of age or older; to permit the taxation of revenue derived from commercial marihuana facilities; to permit the promulgation of administrative rules; and to prescribe certain penalties for violations of this act. If not enacted by the Michigan State Legislature in accordance with the Michigan Constitution of 1963, the proposed legislation is to be voted on at the General Election, November 6, 2018.

### THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

Sec. 1. This act shall be known and may be cited as the Michigan Regulation and Taxation of Marihuana Act.

Sec. 2. The purpose of this act is to make marihuana legal under state and local law for adults 21 years of age or older, to make industrial hemp legal under state and local law, and to control the commercial production and distribution of marihuana under a system that licenses, regulates, and taxes the businesses involved. The intent is to prevent arrest and penalty for personal possession and cultivation of marihuana by adults 21 years of age or older; remove the commercial production and distribution of marihuana from the illicit market; prevent revenue generated from commerce in marihuana from going to criminal enterprises or gangs; prevent the distribution of marihuana to persons under 21 years of age; prevent the diversion of marihuana to illicit markets; ensure the safety of marihuana and marihuana-infused products; and ensure security of marihuana establishments. To the fullest extent possible, this act shall be interpreted in accordance with the purpose and intent set forth in this section.

Sec. 3. As used in this act:

- (a) "Cultivate" means to propagate, breed, grow, harvest, dry, cure, or separate parts of the marihuana plant by manual or mechanical means.
- (b) "Department" means the department of licensing and regulatory affairs.
- (c) "Industrial hemp" means a plant of the genus *cannabis* and any part of that plant, whether growing or not, with a delta-9 tetrahydrocannabinol concentration that does not exceed 0.3% on a dry-weight basis, or per volume or weight of marihuana-infused product, or the combined percent of delta-9-tetrahydrocannabinol and tetrahydrocannabinolic acid in any part of the plant of the genus *cannabis* regardless of moisture content.
- (d) "Licensee" means a person holding a state license.
- (e) "Marihuana" means all parts of the plant of the genus *cannabis*, growing or not; the seeds of the plant; the resin extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant or its seeds or resin, including marihuana concentrate and marihuana-infused products. For purposes of this act, marihuana does not include:
  - (1) the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks, except the resin extracted from those stalks, fiber, oil, or cake, or any sterilized seed of the plant that is incapable of germination;
  - (2) industrial hemp; or
  - (3) any other ingredient combined with marihuana to prepare topical or oral administrations, food, drink, or other products.
- (f) "Marihuana accessories" means any equipment, product, material, or combination of equipment, products, or materials, which is specifically designed for use in planting, propagating, cultivating, growing, harvesting, manufacturing, compounding, converting, producing, processing, preparing, testing, analyzing, packaging, repackaging, storing, containing, ingesting, inhaling, or otherwise introducing marihuana into the human body.
- (g) "Marihuana concentrate" means the resin extracted from any part of the plant of the genus *cannabis*.
- (h) "Marihuana establishment" means a marihuana grower, marihuana safety compliance facility, marihuana processor, marihuana microbusiness, marihuana retailer, marihuana secure transporter, or any other type of marihuana-related business licensed by the department.
- (i) "Marihuana grower" means a person licensed to cultivate marihuana and sell or otherwise transfer marihuana to marihuana establishments.
- (j) "Marihuana-infused product" means a topical formulation, tincture, beverage, edible substance, or similar product containing marihuana and other ingredients and that is intended for human consumption.
- (k) "Marihuana microbusiness" means a person licensed to cultivate not more than 150 marihuana plants; process and package marihuana; and sell or otherwise transfer marihuana to individuals who are 21 years of

age or older or to a marihuana safety compliance facility, but not to other marihuana establishments.

(l) "Marihuana processor" means a person licensed to obtain marihuana from marihuana establishments; process and package marihuana; and sell or otherwise transfer marihuana to marihuana establishments.

(m) "Marihuana retailer" means a person licensed to obtain marihuana from marihuana establishments and to sell or otherwise transfer marihuana to marihuana establishments and to individuals who are 21 years of age or older.

(n) "Marihuana secure transporter" means a person licensed to obtain marihuana from marihuana establishments in order to transport marihuana to marihuana establishments.

(o) "Marihuana safety compliance facility" means a person licensed to test marihuana, including certification for potency and the presence of contaminants.

(p) "Municipal license" means a license issued by a municipality pursuant to section 16 of this act that allows a person to operate a marihuana establishment in that municipality.

(q) "Municipality" means a city, village, or township.

(r) "Person" means an individual, corporation, limited liability company, partnership of any type, trust, or other legal entity.

(s) "Process" or "Processing" means to separate or otherwise prepare parts of the marihuana plant and to compound, blend, extract, infuse, or otherwise make or prepare marihuana concentrate or marihuana-infused products.

(t) "State license" means a license issued by the department that allows a person to operate a marihuana establishment.

(u) "Unreasonably impracticable" means that the measures necessary to comply with the rules or ordinances adopted pursuant to this act subject licensees to unreasonable risk or require such a high investment of money, time, or any other resource or asset that a reasonably prudent businessperson would not operate the marihuana establishment.

Sec. 4. 1. This act does not authorize:

(a) operating, navigating, or being in physical control of any motor vehicle, aircraft, snowmobile, off-road recreational vehicle, or motorboat while under the influence of marihuana;

(b) transfer of marihuana or marihuana accessories to a person under the age of 21;

(c) any person under the age of 21 to possess, consume, purchase or otherwise obtain, cultivate, process, transport, or sell marihuana;

(d) separation of plant resin by butane extraction or another method that utilizes a substance with a flashpoint below 100 degrees Fahrenheit in any public place, motor vehicle, or within the curtilage of any residential structure;

(e) consuming marihuana in a public place or smoking marihuana where prohibited by the person who owns, occupies, or manages the property, except for purposes of this subdivision a public place does not include an area designated for consumption within a municipality that has authorized consumption in designated areas that are not accessible to persons under 21 years of age;

(f) cultivating marihuana plants if the plants are visible from a public place without the use of binoculars, aircraft, or other optical aids or outside of an enclosed area equipped with locks or other functioning security devices that restrict access to the area;

(g) consuming marihuana while operating, navigating, or being in physical control of any motor vehicle, aircraft, snowmobile, off-road recreational vehicle, or motorboat, or smoking marihuana within the passenger area of a vehicle upon a public way;

(h) possessing marihuana accessories or possessing or consuming marihuana on the grounds of a public or private school where children attend classes in preschool programs, kindergarten programs, or grades 1 through 12, in a school bus, or on the grounds of any correctional facility; or

(i) Possessing more than 2.5 ounces of marihuana within a person's place of residence unless the excess marihuana is stored in a container or area equipped with locks or other functioning security devices that restrict access to the contents of the container or area.

2. This act does not limit any privileges, rights, immunities, or defenses of a person as provided in the Michigan medical marihuana act, 2008 IL 1, MCL 333.26421 to 333.26430, the medical marihuana facilities licensing act, 2016 PA 281, MCL 333.27101 to 333.27801, or any other law of this state allowing for or regulating marihuana for medical use.

3. This act does not require an employer to permit or accommodate conduct otherwise allowed by this act in any workplace or on the employer's property. This act does not prohibit an employer from disciplining an employee for violation of a workplace drug policy or for working while under the influence of marihuana. This act does not

prevent an employer from refusing to hire, discharging, disciplining, or otherwise taking an adverse employment action against a person with respect to hire, tenure, terms, conditions, or privileges of employment because of that person's violation of a workplace drug policy or because that person was working while under the influence of marihuana.

4. This act allows a person to prohibit or otherwise regulate the consumption, cultivation, distribution, processing, sale, or display of marihuana and marihuana accessories on property the person owns, occupies, or manages, except that a lease agreement may not prohibit a tenant from lawfully possessing and consuming marihuana by means other than smoking.

5. All other laws inconsistent with this act do not apply to conduct that is permitted by this act.

Sec. 5. 1. Notwithstanding any other law or provision of this act, and except as otherwise provided in section 4 of this act, the following acts by a person 21 years of age or older are not unlawful, are not an offense, are not grounds for seizing or forfeiting property, are not grounds for arrest, prosecution, or penalty in any manner, are not grounds for search or inspection, and are not grounds to deny any other right or privilege:

(a) except as permitted by subdivision (b), possessing, using or consuming, internally possessing, purchasing, transporting, or processing 2.5 ounces or less of marihuana, except that not more than 15 grams of marihuana may be in the form of marihuana concentrate;

(b) within the person's residence, possessing, storing, and processing not more than 10 ounces of marihuana and any marihuana produced by marihuana plants cultivated on the premises and cultivating not more than 12 marihuana plants for personal use, provided that no more than 12 marihuana plants are possessed, cultivated, or processed on the premises at once;

(c) assisting another person who is 21 years of age or older in any of the acts described in this section; and

(d) giving away or otherwise transferring without remuneration up to 2.5 ounces of marihuana, except that not more than 15 grams of marihuana may be in the form of marihuana concentrate, to a person 21 years of age or older, as long as the transfer is not advertised or promoted to the public.

2. Notwithstanding any other law or provision of this act, except as otherwise provided in section 4 of this act, the use, manufacture, possession, and purchase of marihuana accessories by a person 21 years of age or older and the distribution or sale of marihuana accessories to a person 21 years of age or older is authorized, is not unlawful, is not an offense, is not grounds for seizing or forfeiting property, is not grounds for arrest, prosecution, or penalty in any manner, and is not grounds to deny any other right or privilege.

3. A person shall not be denied custody of or visitation with a minor for conduct that is permitted by this act, unless the person's behavior is such that it creates an unreasonable danger to the minor that can be clearly articulated and substantiated.

Sec. 6. 1. Except as provided in section 4, a municipality may completely prohibit or limit the number of marihuana establishments within its boundaries. Individuals may petition to initiate an ordinance to provide for the number of marihuana establishments allowed within a municipality or to completely prohibit marihuana establishments within a municipality, and such ordinance shall be submitted to the electors of the municipality at the next regular election when a petition is signed by qualified electors in the municipality in a number greater than 5% of the votes cast for governor by qualified electors in the municipality at the last gubernatorial election. A petition under this subsection is subject to section 488 of the Michigan election law, 1954 PA 116, MCL 168.488.

2. A municipality may adopt other ordinances that are not unreasonably impracticable and do not conflict with this act or with any rule promulgated pursuant to this act and that:

(a) establish reasonable restrictions on public signs related to marihuana establishments;

(b) regulate the time, place, and manner of operation of marihuana establishments and of the production, manufacture, sale, or display of marihuana accessories;

(c) authorize the sale of marihuana for consumption in designated areas that are not accessible to persons under 21 years of age, or at special events in limited areas and for a limited time; and

(d) designate a violation of the ordinance and provide for a penalty for that violation by a marihuana establishment, provided that such violation is a civil infraction and such penalty is a civil fine of not more than \$500.

3. A municipality may adopt an ordinance requiring a marihuana establishment with a physical location within the municipality to obtain a municipal license, but may not impose qualifications for licensure that conflict with this act or rules promulgated by the department.

4. A municipality may charge an annual fee of not more than \$5,000 to defray application, administrative, and enforcement costs associated with the operation of the marihuana establishment in the municipality.

5. A municipality may not adopt an ordinance that restricts the transportation of marihuana through the municipality or prohibits a marihuana grower, a marihuana processor, and a marihuana retailer from operating



within a single facility or from operating at a location shared with a marihuana facility operating pursuant to the medical marihuana facilities licensing act, 2016 PA 281, MCL 333.27101 to 333.27801.

Sec. 7. 1. The department is responsible for implementing this act and has the powers and duties necessary to control the commercial production and distribution of marihuana. The department shall employ personnel and may contract with advisors and consultants as necessary to adequately perform its duties. No person who is pecuniarily interested, directly or indirectly, in any marihuana establishment may be an employee, advisor, or consultant involved in the implementation, administration, or enforcement of this act. An employee, advisor, or consultant of the department may not be personally liable for any action at law for damages sustained by a person because of an action performed or done in the performance of their duties in the implementation, administration, or enforcement of this act. The department of state police shall cooperate and assist the department in conducting background investigations of applicants. Responsibilities of the department include:

- (a) promulgating rules pursuant to section 8 of this act that are necessary to implement, administer, and enforce this act;
- (b) granting or denying each application for licensure and investigating each applicant to determine eligibility for licensure, including conducting a background investigation on each person holding an ownership interest in the applicant;
- (c) ensuring compliance with this act and the rules promulgated thereunder by marihuana establishments by performing investigations of compliance and regular inspections of marihuana establishments and by taking appropriate disciplinary action against a licensee, including prescribing civil fines for violations of this act or rules and suspending, restricting, or revoking a state license;
- (d) holding at least 4 public meetings each calendar year for the purpose of hearing complaints and receiving the views of the public with respect to administration of this act;
- (e) collecting fees for licensure and fines for violations of this act or rules promulgated thereunder, depositing all fees collected in the marihuana regulation fund established by section 14 of this act, and remitting all fines collected to be deposited in the general fund; and
- (f) submitting an annual report to the governor covering the previous year, which report shall include the number of state licenses of each class issued, demographic information on licensees, a description of enforcement and disciplinary actions taken against licensees, and a statement of revenues and expenses of the department related to the implementation, administration, and enforcement of this act.

Sec. 8. 1. The department shall promulgate rules to implement and administer this act pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to MCL 24.328, including:

- (a) procedures for issuing a state license pursuant to section 9 of this act and for renewing, suspending, and revoking a state license;
- (b) a schedule of fees in amounts not more than necessary to pay for implementation, administration, and enforcement costs of this act and that relate to the size of each licensee or the volume of business conducted by the licensee;
- (c) qualifications for licensure that are directly and demonstrably related to the operation of a marihuana establishment, provided that a prior conviction solely for a marihuana-related offense does not disqualify an individual or otherwise affect eligibility for licensure, unless the offense involved distribution of a controlled substance to a minor;
- (d) requirements and standards for safe cultivation, processing, and distribution of marihuana by marihuana establishments, including health standards to ensure the safe preparation of marihuana-infused products and prohibitions on pesticides that are not safe for use on marihuana;
- (e) testing, packaging, and labeling standards, procedures, and requirements for marihuana, including a maximum tetrahydrocannabinol level for marihuana-infused products, a requirement that a representative sample of marihuana be tested by a marihuana safety compliance facility, and a requirement that the amount of marihuana or marihuana concentrate contained within a marihuana-infused product be specified on the product label;
- (f) security requirements, including lighting, physical security, and alarm requirements, and requirements for securely transporting marihuana between marihuana establishments, provided that such requirements do not prohibit cultivation of marihuana outdoors or in greenhouses;
- (g) record keeping requirements for marihuana establishments and monitoring requirements to track the transfer of marihuana by licensees;
- (h) requirements for the operation of marihuana secure transporters to ensure that all marihuana establishments are properly serviced;
- (i) reasonable restrictions on advertising, marketing, and display of marihuana and marihuana establishments;

- (j) a plan to promote and encourage participation in the marihuana industry by people from communities that have been disproportionately impacted by marihuana prohibition and enforcement and to positively impact those communities; and
  - (k) penalties for failure to comply with any rule promulgated pursuant to this section or for any violation of this act by a licensee, including civil fines and suspension, revocation, or restriction of a state license.
2. In furtherance of the intent of this act, the department may promulgate rules to:
- (a) provide for the issuance of additional types or classes of state licenses to operate marihuana-related businesses, including licenses that authorize only limited cultivation, processing, transportation, delivery, storage, sale, or purchase of marihuana, licenses that authorize the consumption of marihuana within designated areas, licenses that authorize the consumption of marihuana at special events in limited areas and for a limited time, licenses that authorize cultivation for purposes of propagation, and licenses intended to facilitate scientific research or education; or
  - (b) regulate the cultivation, processing, distribution, and sale of industrial hemp.
3. The department may not promulgate a rule that:
- (a) establishes a limit on the number of any type of state licenses that may be granted;
  - (b) requires a customer to provide a marihuana retailer with identifying information other than identification to determine the customer's age or requires the marihuana retailer to acquire or record personal information about customers other than information typically required in a retail transaction;
  - (c) prohibits a marihuana establishment from operating at a shared location of a marihuana facility operating pursuant to the medical marihuana facilities licensing act, 2016 PA 281, MCL 333.27101 to 333.27801, or prohibits a marihuana grower, marihuana processor, or marihuana retailer from operating within a single facility; or
  - (d) is unreasonably impracticable.

Sec. 9. 1. Each application for a state license must be submitted to the department. Upon receipt of a complete application and application fee, the department shall forward a copy of the application to the municipality in which the marihuana establishment is to be located, determine whether the applicant and the premises qualify for the state license and comply with this act, and issue the appropriate state license or send the applicant a notice of rejection setting forth specific reasons why the department did not approve the state license application within 90 days.

2. The department shall issue the following state license types: marihuana retailer; marihuana safety compliance facility; marihuana secure transporter; marihuana processor; marihuana microbusiness; class A marihuana grower authorizing cultivation of not more than 100 marihuana plants; class B marihuana grower authorizing cultivation of not more than 500 marihuana plants; and class C marihuana grower authorizing cultivation of not more than 2,000 marihuana plants.

3. Except as otherwise provided in this section, the department shall approve a state license application and issue a state license if:

- (a) the applicant has submitted an application in compliance with the rules promulgated by the department, is in compliance with this act and the rules, and has paid the required fee;
- (b) the municipality in which the proposed marihuana establishment will be located does not notify the department that the proposed marihuana establishment is not in compliance with an ordinance consistent with section 6 of this act and in effect at the time of application;
- (c) the property where the proposed marihuana establishment is to be located is not within an area zoned exclusively for residential use and is not within 1,000 feet of a pre-existing public or private school providing education in kindergarten or any of grades 1 through 12, unless a municipality adopts an ordinance that reduces this distance requirement;
- (d) no person who holds an ownership interest in the marihuana establishment applicant:
  - (1) will hold an ownership interest in both a marihuana safety compliance facility or in a marihuana secure transporter and in a marihuana grower, a marihuana processor, a marihuana retailer, or a marihuana microbusiness;
  - (2) will hold an ownership interest in both a marihuana microbusiness and in a marihuana grower, a marihuana processor, a marihuana retailer, a marihuana safety compliance facility, or a marihuana secure transporter; and
  - (3) will hold an ownership interest in more than 5 marihuana growers or in more than 1 marihuana microbusiness, except that the department may approve a license application from a person who holds an ownership interest in more than 5 marihuana growers or more than 1 marihuana microbusiness if, after January 1, 2023, the department promulgates a rule authorizing an individual to hold an ownership interest in more than 5 marihuana growers or in more than 1 marihuana microbusiness.

4. If a municipality limits the number of marihuana establishments that may be licensed in the municipality pursuant to section 6 of this act and that limit prevents the department from issuing a state license to all applicants who meet the requirements of subsection 3 of this section, the municipality shall decide among competing applications by a competitive process intended to select applicants who are best suited to operate in compliance with this act within the municipality.

5. All state licenses are effective for 1 year, unless the department issues the state license for a longer term. A state license is renewed upon receipt of a complete renewal application and a renewal fee from any marihuana establishment in good standing.

6. The department shall begin accepting applications for marihuana establishments within 12 months after the effective date of this act. Except as otherwise provided in this section, for 24 months after the department begins to receive applications for marihuana establishments, the department may only accept applications for licensure: for a class A marihuana grower or for a marihuana microbusiness, from persons who are residents of Michigan; for a marihuana retailer, marihuana processor, class B marihuana grower, class C marihuana grower, or a marihuana secure transporter, from persons holding a state operating license pursuant to the medical marihuana facilities licensing act, 2016 PA 281, MCL 333.27101 to 333.27801; and for a marihuana safety compliance facility, from any applicant. One year after the department begins to accept applications pursuant to this section, the department shall begin accepting applications from any applicant if the department determines that additional state licenses are necessary to minimize the illegal market for marihuana in this state, to efficiently meet the demand for marihuana, or to provide for reasonable access to marihuana in rural areas.

7. Information obtained from an applicant related to licensure under this act is exempt from disclosure under the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

Sec. 10. 1. Notwithstanding any other law or provision of this act, and except as otherwise provided in section 4 of this act or the rules promulgated thereunder, the following acts are not unlawful, are not an offense, are not grounds for seizing or forfeiting property, are not grounds for arrest, prosecution, or penalty in any manner, are not grounds for search or inspection except as authorized by this act, and are not grounds to deny any other right or privilege:

(a) a marihuana grower or an agent acting on behalf of a marihuana grower who is 21 years of age or older, cultivating not more than the number of marihuana plants authorized by the state license class; possessing, packaging, storing, or testing marihuana; acquiring marihuana seeds or seedlings from a person who is 21 years of age or older; selling or otherwise transferring, purchasing or otherwise obtaining, or transporting marihuana to or from a marihuana establishment; or receiving compensation for goods or services;

(b) a marihuana processor or agent acting on behalf of a marihuana processor who is 21 years of age or older, possessing, processing, packaging, storing, or testing marihuana; selling or otherwise transferring, purchasing or otherwise obtaining, or transporting marihuana to or from a marihuana establishment; or receiving compensation for goods or services;

(c) a marihuana secure transporter or an agent acting on behalf of a marihuana secure transporter who is 21 years of age or older, possessing or storing marihuana; transporting marihuana to or from a marihuana establishment; or receiving compensation for services;

(d) a marihuana safety compliance facility or an agent acting on behalf of a marihuana safety compliance facility who is 21 years of age or older, testing, possessing, repackaging, or storing marihuana; transferring, obtaining, or transporting marihuana to or from a marihuana establishment; or receiving compensation for services;

(e) a marihuana retailer or an agent acting on behalf of a marihuana retailer who is 21 years of age or older, possessing, storing, or testing marihuana; selling or otherwise transferring, purchasing or otherwise obtaining, or transporting marihuana to or from a marihuana establishment; selling or otherwise transferring marihuana to a person 21 years of age or older; or receiving compensation for goods or services; or

(f) a marihuana microbusiness or an agent acting on behalf of a marihuana microbusiness who is 21 years of age or older, cultivating not more than 150 marihuana plants; possessing, processing, packaging, storing, or testing marihuana from marihuana plants cultivated on the premises; selling or otherwise transferring marihuana cultivated or processed on the premises to a person 21 years of age or older; or receiving compensation for goods or services.

(g) leasing or otherwise allowing the use of property owned, occupied, or managed for activities allowed under this act;

(h) enrolling or employing a person who engages in marihuana-related activities allowed under this act;

(i) possessing, cultivating, processing, obtaining, transferring, or transporting industrial hemp; or

(j) providing professional services to prospective or licensed marihuana establishments related to activity under

this act.

2. A person acting as an agent of a marihuana retailer who sells or otherwise transfers marihuana or marihuana accessories to a person under 21 years of age is not subject to arrest, prosecution, forfeiture of property, disciplinary action by a professional licensing board, denial of any right or privilege, or penalty in any manner, if the person reasonably verified that the recipient appeared to be 21 years of age or older by means of government-issued photographic identification containing a date of birth, and the person complied with any rules promulgated pursuant to this act.

3. It is the public policy of this state that contracts related to the operation of marihuana establishments be enforceable.

Sec. 11. (a) A marihuana establishment may not allow cultivation, processing, sale, or display of marihuana or marihuana accessories to be visible from a public place outside of the marihuana establishment without the use of binoculars, aircraft, or other optical aids.

(b) A marihuana establishment may not cultivate, process, test, or store marihuana at any location other than a physical address approved by the department and within an enclosed area that is secured in a manner that prevents access by persons not permitted by the marihuana establishment to access the area.

(c) A marihuana establishment shall secure every entrance to the establishment so that access to areas containing marihuana is restricted to employees and other persons permitted by the marihuana establishment to access the area and to agents of the department or state and local law enforcement officers and emergency personnel and shall secure its inventory and equipment during and after operating hours to deter and prevent theft of marihuana and marihuana accessories.

(d) No marihuana establishment may refuse representatives of the department the right during the hours of operation to inspect the licensed premises or to audit the books and records of the marihuana establishment.

(e) No marihuana establishment may allow a person under 21 years of age to volunteer or work for the marihuana establishment.

(f) No marihuana establishment may sell or otherwise transfer marihuana that was not produced, distributed, and taxed in compliance with this act.

(g) A marihuana grower, marihuana retailer, marihuana processor, marihuana microbusiness, or marihuana testing facility or agents acting on their behalf may not transport more than 15 ounces of marihuana or more than 60 grams of marihuana concentrate at one time.

(h) A marihuana secure transporter may not hold title to marihuana.

(i) No marihuana processor may process and no marihuana retailer may sell edible marihuana-infused candy in shapes or packages that are attractive to children or that are easily confused with commercially sold candy that does not contain marihuana.

(j) No marihuana retailer may sell or otherwise transfer marihuana that is not contained in an opaque, resealable, child-resistant package designed to be significantly difficult for children under 5 years of age to open and not difficult for normal adults to use properly as defined by 16 C.F.R. 1700.20 (1995), unless the marihuana is transferred for consumption on the premises where sold.

(k) No marihuana establishment may sell or otherwise transfer tobacco.

Sec. 12. In computing net income for marihuana establishments, deductions from state taxes are allowed for all the ordinary and necessary expenses paid or incurred during the taxable year in carrying out a trade or business.

Sec. 13. 1. In addition to all other taxes, an excise tax is imposed on each marihuana retailer and on each marihuana microbusiness at the rate of 10% of the sales price for marihuana sold or otherwise transferred to anyone other than a marihuana establishment.

2. Except as otherwise provided by a rule promulgated by the department of treasury, a product subject to the tax imposed by this section may not be bundled in a single transaction with a product or service that is not subject to the tax imposed by this section.

3. The department of treasury shall administer the taxes imposed under this act and may promulgate rules pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to MCL 24.328 that prescribe a method and manner for payment of the tax to ensure proper tax collection under this act.

Sec. 14. 1. The marihuana regulation fund is created in the state treasury. The department of treasury shall deposit all money collected under section 13 of this act and the department shall deposit all fees collected in the fund. The state treasurer shall direct the investment of the fund and shall credit the fund interest and earnings from fund investments. The department shall administer the fund for auditing purposes. Money in the fund shall not lapse to the general fund.

2. Funds for the initial activities of the department to implement this act shall be appropriated from the general fund. The department shall repay any amount appropriated under this subsection from proceeds in the fund.

3. The department shall expend money in the fund first for the implementation, administration, and enforcement of this act, and second, until 2022 or for at least two years, to provide \$20 million annually to one or more clinical trials that are approved by the United States food and drug administration and sponsored by a non-profit organization or researcher within an academic institution researching the efficacy of marihuana in treating the medical conditions of United States armed services veterans and preventing veteran suicide. Upon appropriation, unexpended balances must be allocated as follows:

- (a) 15% to municipalities in which a marihuana retail store or a marihuana microbusiness is located, allocated in proportion to the number of marihuana retail stores and marihuana microbusinesses within the municipality;
- (b) 15% to counties in which a marihuana retail store or a marihuana microbusiness is located, allocated in proportion to the number of marihuana retail stores and marihuana microbusinesses within the county;
- (c) 35% to the school aid fund to be used for K-12 education; and
- (d) 35% to the Michigan transportation fund to be used for the repair and maintenance of roads and bridges.

Sec. 15. A person who commits any of the following acts, and is not otherwise authorized by this act to conduct such activities, may be punished only as provided in this section and is not subject to any other form of punishment or disqualification, unless the person consents to another disposition authorized by law:

1. Except for a person who engaged in conduct described in sections 4(1)(a), 4(1)(b), 4(1)(c), 4(1)(d), 4(1)(g), or 4(1)(h), a person who possesses not more than the amount of marihuana allowed by section 5, cultivates not more than the amount of marihuana allowed by section 5, delivers without receiving any remuneration to a person who is at least 21 years of age not more than the amount of marihuana allowed by section 5, or possesses with intent to deliver not more than the amount of marihuana allowed by section 5, is responsible for a civil infraction and may be punished by a fine of not more than \$100 and forfeiture of the marihuana.

2. Except for a person who engaged in conduct described in section 4, a person who possesses not more than twice the amount of marihuana allowed by section 5, cultivates not more than twice the amount of marihuana allowed by section 5, delivers without receiving any remuneration to a person who is at least 21 years of age not more than twice the amount of marihuana allowed by section 5, or possesses with intent to deliver not more than twice the amount of marihuana allowed by section 5:

- (a) for a first violation, is responsible for a civil infraction and may be punished by a fine of not more than \$500 and forfeiture of the marihuana;
- (b) for a second violation, is responsible for a civil infraction and may be punished by a fine of not more than \$1,000 and forfeiture of the marihuana;
- (c) for a third or subsequent violation, is guilty of a misdemeanor and may be punished by a fine of not more than \$2,000 and forfeiture of the marihuana.

3. Except for a person who engaged in conduct described by section 4(1)(a), 4(1)(d), or 4(1)(g), a person under 21 years of age who possesses not more than 2.5 ounces of marihuana or who cultivates not more than 12 marihuana plants:

- (a) for a first violation, is responsible for a civil infraction and may be punished as follows:
  - (1) if the person is less than 18 years of age, by a fine of not more than \$100 or community service, forfeiture of the marihuana, and completion of 4 hours of drug education or counseling; or
  - (2) if the person is at least 18 years of age, by a fine of not more than \$100 and forfeiture of the marihuana.
- (b) for a second violation, is responsible for a civil infraction and may be punished as follows:
  - (1) if the person is less than 18 years of age, by a fine of not more than \$500 or community service, forfeiture of the marihuana, and completion of 8 hours of drug education or counseling; or
  - (2) if the person is at least 18 years of age, by a fine of not more than \$500 and forfeiture of the marihuana.

4. Except for a person who engaged in conduct described in section 4, a person who possesses more than twice the amount of marihuana allowed by section 5, cultivates more than twice the amount of marihuana allowed by section 5, or delivers without receiving any remuneration to a person who is at least 21 years of age more than twice the amount of marihuana allowed by section 5, shall be responsible for a misdemeanor, but shall not be subject to imprisonment unless the violation was habitual, willful, and for a commercial purpose or the violation involved violence.

Sec. 16. 1. If the department does not timely promulgate rules as required by section 8 of this act or accept or process applications in accordance with section 9 of this act, beginning one year after the effective date of this act, an applicant may submit an application for a marihuana establishment directly to the municipality where the marihuana establishment will be located.

2. If a marihuana establishment submits an application to a municipality under this section, the municipality shall issue a municipal license to the applicant within 90 days after receipt of the application unless the municipality finds and notifies the applicant that the applicant is not in compliance with an ordinance or rule adopted pursuant to this

act.

3. If a municipality issues a municipal license pursuant to this section:

- (a) the municipality shall notify the department that the municipal license has been issued;
- (b) the municipal license has the same force and effect as a state license; and
- (c) the holder of the municipal license is not subject to regulation or enforcement by the department during the municipal license term.

Sec. 17. This act shall be broadly construed to accomplish its intent as stated in section 2 of this act. Nothing in this act purports to supersede any applicable federal law, except where allowed by federal law. All provisions of this act are self-executing. Any section of this act that is found invalid as to any person or circumstances shall not affect the application of any other section of this act that can be given full effect without the invalid section or application.