

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

**City Commission Meeting
December 10, 2019
Agenda**

Honorable Mayor, City Commissioners and Residents: This shall serve as your official notification of the Public Hearing and Regular Meeting of the Pleasant Ridge City Commission to be held Tuesday, December 10, 2019, 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. Centennial Homes Presentation.**
- 6. Receiving and filing the audit of the City's Financial Statements for the fiscal year ended June 30, 2019.**
- 7. Governmental Reports.**
- 8. Ordinance to amend the Pleasant Ridge City Code by the addition of a new Section 34-52(14) establishing a maximum sound level for mechanical equipment in residential areas and by the addition of a new Section 82-193(9) regarding the location of air conditioners and generators in the side yard.**
 - a. PUBLIC HEARING - Ordinance to amend the Pleasant Ridge City Code by the addition of a new Section 34-52(14) establishing a maximum sound level for mechanical equipment in residential areas and by the addition of a new Section 82-193(9) regarding the location of air conditioners and generators in the side yard.**
 - b. Ordinance to amend the Pleasant Ridge City Code by the addition of a new Section 34-52(14) establishing a maximum sound level for mechanical equipment in residential areas and by the addition of a new Section 82-193(9) regarding the location of air conditioners and generators in the side yard.**

9. 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 12, 2019.
- b. Monthly Disbursement Report.
- c. Resolution regarding 2020 Federal Poverty Guidelines.
- d. Resolution regarding PA 152.

10. Annual Meeting Schedule for the following Commissions:

- a. City Commission.
- b. Historical Commission.
- c. Planning Commission/Downtown Development Authority.
- d. Recreation Commission.

11. Organizational Items.

- a. Establishment of the second Tuesday of each month at 7:30 p.m. as the Regular City Commission Meeting day.
- b. Adoption of Roberts' Rule of Order for the City Commission and other City appointed bodies.
- c. Appointment of Commissioner Bret Scott as Deputy Mayor, term to expire November 9, 2021.
- d. Appointment of Commissioner Bret Scott as liaison to the Pleasant Ridge Police Board, term to expire November 9, 2021.
- e. Appointment of Commissioner Amanda Wahl as liaison to the Pleasant Ridge Recreation Commission, term to expire November 9, 2021.
- f. Appointment of Commissioner Ann Perry as liaison to the Pleasant Ridge Planning Commission and Downtown Development Authority, the Woodward Avenue Action Association Executive Board (WA3), and the Woodward Avenue Transit Committee, term to expire November 9, 2021.
- g. Appointment of Commissioner Bret Scott as liaison to the Pleasant Ridge Historical Commission, term to expire November 9, 2021.
- h. Appointment of Commissioner Chris Budnik as representative to the Ferndale Public Schools Superintendent's Advisory Committee, term to expire November 9, 2021.
- i. Appointment of Mayor Kurt Metzger, as the Legislative Coordinator to the Michigan Municipal League.
- j. Appointment of Mr. Charles Digby as the Pleasant Ridge Police Commissioner, term to expire November 9, 2021.

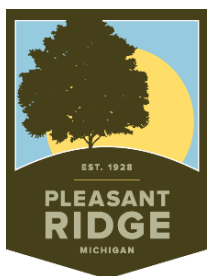
- k. Appointment of City Manager James Breuckman as the City representative and City Clerk Amy Allison, as alternate to the Intergovernmental Cable Communications Authority, term to expire November 9, 2021.
- l. Appointment of Mayor Kurt Metzger, Commissioner Bret Scott, City Manager James Breuckman, and City Clerk Amy Allison, as the City's representatives to the Fire Protection Agreement Committee, term to expire November 9, 2021.
- m. Appointment of City Manager James Breuckman, as delegate and City Clerk Amy Allison as alternate to the Woodward Dream Cruise Board of Directors, term to expire November 9, 2021.
- n. Appointment of City Manager James Breuckman as delegate and DPW Supervisor Timothy Schultz, as alternate to the Southeastern Oakland County Resource Recovery Authority (SOCRRA) Board of Trustees.
- o. Appointment of City Manager James Breuckman as delegate and DPW Supervisor Timothy Schultz as alternate to the Southeastern Oakland County Water Authority (SOCWA) Board of Trustees.
- p. Appointment of Mayor Kurt Metzger, as the City's delegate representative and City Manager James Breuckman, as the City's alternate representative to the General Assembly Board of the Southeast Michigan Council of Governments (SEMCOG).
- q. Appointment of City Manager James Breuckman as Act 51 Administrator for the City of Pleasant Ridge.
- r. Appointment of Mayor Kurt Metzger, as delegate and City Manager James Breuckman as alternate to the Annual Meeting of the Michigan Municipal League to be held annually.
- s. Appointment of Amy M. Allison, as officer delegate to the Municipal Employee's Retirement Systems (MERS) Annual Meeting to be held annually.
- t. Appointment of City Manager James Breuckman as the City's delegate representative to the Woodward Avenue Action Association (WA3) Board of Directors.

12. City Manager's Report.

13. Other Business.

14. 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.



City of Pleasant Ridge

Amy M. Allison, City Clerk

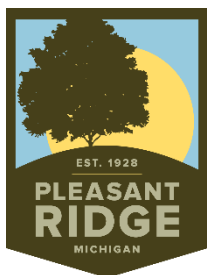
From: Amy M. Allison, City Clerk
To: Mayor and City Commission
Date: December 10, 2019
Re: Historical Commission Centennial Homes Presentation

Members of the Historical Commission will present the 2019 City of Pleasant Ridge Centennial Home Recognition.

The 2019 homes to be recognized are:

- 32 Ridge Road
- 54 Ridge Road
- 50 Oakdale
- 32 Elm Park
- 26 Elm Park
- 32 Elm Park
- 17 Oakland Park
- 20 Oakland Park
- 26 Oakland Park
- 36 Oakland Park
- 132 Cambridge
- 15 Kenberton
- 7 Poplar Park
- 14 Poplar Park
- 19 Poplar Park
- 24 Poplar 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: FY18-19 Year End Financial Statements

Overview

Attached are the year-end FY18-19 financial statements for the City.

Background

The attached audited financial statements have been prepared by Maner Costerisan, the City's auditors.

The most notable item is that we were able to increase our general fund fund balance by \$211,292, well above our budgeted amount. Our general fund ended with a fund balance of \$987,474, which is 35.5% 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 exceed our target range over the past 5 years, strengthening the City's financial position. The financial statements report our unassigned fund balance at \$964,199 due to \$23,275 of prepaid expenditures.

The City's overall financial results for FY18-19 were stable with small fund balance builds across the organization. An exception is the infrastructure improvement fund which had a fund balance decrease. We continue to spend down the revenue from the bond sale two years ago on infrastructure projects.

The financial statements also highlight our underfunded pension and OPEB¹ 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 FY18-19 City of Pleasant Ridge financial statements.

¹ Other Post Employment Benefits, i.e. retirement health care

November 25, 2019

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, 2019. 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 August 30, 2019. 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 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year ended June 30, 2019. 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, business-type activities, and Water and Sewer Fund financial statements were:

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.

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.

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 November 25, 2019.

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.

Very truly yours,

Maney Costeiran PC

November 25, 2019

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, 2019, 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 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.

Very truly yours,

Manes Costeiran PC

**CITY OF PLEASANT RIDGE
OAKLAND COUNTY, MICHIGAN**

**REPORT ON FINANCIAL STATEMENTS
(with required and additional
supplementary information)**

YEAR ENDED JUNE 30, 2019

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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, 2019, 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, 2019, 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.

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 schedule, 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.

Maney Costeiran PC

November 25, 2019

**CITY OF PLEASANT RIDGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**

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, 2019. 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, 2019:

- Property tax revenues are the City's largest revenue source. Property tax revenue for the year ended June 30, 2019 was approximately \$3.2 million, which is a 4.67% increase from the year before. This resulted from a 5% increase in taxable value and 0.1289 less mills being levied.
- The City ended the year with total net position of \$8,204,166. This is an increase of \$1,386,972 from the prior year.

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:

	<u>June 30, 2018</u>	<u>June 30, 2019</u>	<u>Change from Prior Year</u> <u>In Dollars</u>	<u>As a Percent</u>
Assets				
Current and other assets	\$ 6,244,111	\$ 5,937,050	\$ (307,061)	-4.92%
Capital assets	<u>10,254,018</u>	<u>10,583,097</u>	<u>329,079</u>	3.21%
Total Assets	<u>16,498,129</u>	<u>16,520,147</u>	<u>22,018</u>	0.13%
Deferred Outflows of Resources	<u>123,631</u>	<u>390,243</u>	<u>266,612</u>	215.65%
Liabilities				
Current liabilities	841,727	626,690	(215,037)	-25.55%
Noncurrent liabilities	<u>10,420,956</u>	<u>9,060,629</u>	<u>(1,360,327)</u>	-13.05%
Total Liabilities	<u>11,262,683</u>	<u>9,687,319</u>	<u>(1,575,364)</u>	-13.99%
Deferred Inflows of Resources	<u>597,074</u>	<u>1,306,874</u>	<u>709,800</u>	118.88%

**CITY OF PLEASANT RIDGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**

Governmental Activities - continued

	<u>June 30, 2018</u>	<u>June 30, 2019</u>	<u>Change from Prior Year In Dollars</u>	<u>As a Percent</u>
Net Position				
Net investment in capital assets	\$ 6,327,727	\$ 6,154,139	\$ (173,588)	-2.74%
Restricted	1,981,417	1,459,152	(522,265)	-26.36%
Unrestricted	<u>(3,547,141)</u>	<u>(1,697,094)</u>	<u>1,850,047</u>	-52.16%
	<u>\$ 4,762,003</u>	<u>\$ 5,916,197</u>	<u>\$ 1,154,194</u>	24.24%
	<u>June 30, 2018</u>	<u>June 30, 2019</u>	<u>Change from Prior Year In Dollars</u>	<u>As a Percent</u>
Revenues				
Program Revenues				
Charges for services	\$ 774,483	\$ 852,575	\$ 78,092	10.08%
Operating grants and contributions	357,724	373,947	16,223	4.54%
Capital grants and contributions	147,337	45,000	(102,337)	-69.46%
General revenues				
Property taxes	3,066,545	3,209,607	143,062	4.67%
State shared revenues	258,266	266,525	8,259	3.20%
PPT reimbursement	80,201	50,393	(29,808)	100.00%
Investment and other	<u>225,459</u>	<u>240,750</u>	<u>15,291</u>	6.78%
Total revenue	<u>4,910,015</u>	<u>5,038,797</u>	<u>128,782</u>	2.62%
Expenses				
General government	686,694	681,532	(5,162)	-0.75%
Public safety	1,129,759	866,268	(263,491)	-23.32%
Public works	1,393,579	1,369,097	(24,482)	-1.76%
Recreation and culture	830,742	819,564	(11,178)	-1.35%
Interest on long-term debt	<u>158,170</u>	<u>148,142</u>	<u>(10,028)</u>	-6.34%
Total expenses	<u>4,198,944</u>	<u>3,884,603</u>	<u>(314,341)</u>	-7.49%
Change in Net Position	<u>\$ 711,071</u>	<u>\$ 1,154,194</u>	<u>\$ 443,123</u>	62.32%

The City's governmental net position increased 24.24% percent from a year ago, increasing from \$4,762,003 to \$5,916,197. Total governmental revenues were \$5,038,797 while total governmental expenses were \$3,884,603, resulting in an overall increase in net position of \$1,154,194.

Total governmental revenues increased \$128,782 or 2.62%. Property taxes increased \$143,062 and charges for services increased \$78,092.

The City's total governmental expenses decreased \$314,341 or 7.49% from the prior year. Decreased costs were associated with changes in the City's net OPEB liability.

**CITY OF PLEASANT RIDGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**

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:

	June 30, 2018	June 30, 2019	Change from Prior Year In Dollars	As a Percent
Assets				
Current and other assets	\$ 1,118,863	\$ 1,304,479	\$ 185,616	16.59%
Capital assets	<u>1,811,524</u>	<u>1,716,488</u>	<u>(95,036)</u>	-5.25%
Total Assets	<u>2,930,387</u>	<u>3,020,967</u>	<u>90,580</u>	3.09%
Deferred Outflows of Resources	<u>5,151</u>	<u>6,177</u>	<u>1,026</u>	100.00%
Liabilities				
Current liabilities	201,536	235,629	34,093	16.92%
Noncurrent liabilities	<u>665,827</u>	<u>481,685</u>	<u>(184,142)</u>	-27.66%
Total Liabilities	<u>867,363</u>	<u>717,314</u>	<u>(150,049)</u>	-17.30%
Deferred Inflows of Resources	<u>12,984</u>	<u>21,861</u>	<u>8,877</u>	100.00%
Net Position				
Net investment in capital assets	1,217,467	1,217,276	(191)	-0.02%
Unrestricted	<u>837,724</u>	<u>1,070,693</u>	<u>232,969</u>	27.81%
	<u>\$ 2,055,191</u>	<u>\$ 2,287,969</u>	<u>\$ 232,778</u>	11.33%
Revenues				
Program Revenues				
Charges for services	\$ 1,338,562	\$ 1,288,953	\$ (49,609)	-3.71%
General revenues				
Investment earnings	<u>9,189</u>	<u>15,407</u>	<u>6,218</u>	67.67%
Total revenue	<u>1,347,751</u>	<u>1,304,360</u>	<u>(43,391)</u>	-3.22%
Expenses				
Water and sewer systems	<u>1,364,687</u>	<u>1,071,582</u>	<u>(293,105)</u>	-21.48%
Change in net position	<u>\$ (16,936)</u>	<u>\$ 232,778</u>	<u>\$ 249,714</u>	-1474.46%

The City's business-type activities consist of the water and sewer systems. The City provides water and sewer services to residents through contacts or consortiums with the Great Lakes Water Authority. Total net position of the business-type activities increased approximately \$232,778 from a year ago. The current year resulted in operating income of \$231,177 compared to prior year loss from operations of \$10,330.

**CITY OF PLEASANT RIDGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**

The City's Funds

Our analysis of the City's major funds begins on page 11, 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.

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 \$1.39 million in 2019, which was an increase of \$104,000, or 8.06 percent, from 2018.

Total General Fund revenues increased from a year ago by \$224,981 due primarily to increased taxable values charges for services. Total General Fund revenues for 2019 were more than expenditures resulting in an increase in fund balance of \$211,292. Ending fund balance was \$987,474 all of which was unassigned except for the \$23,275 which related to prepaids and, therefore, was classified as nonspendable. Fund balance represents 36 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, 2019, the I-696 Segregated Capital Asset Fund reported a fund balance of \$2,991,817 an increase of \$216,669 from the prior year due to investment earnings. Of the total fund balance, \$2,991,817 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 \$251,055.

The Infrastructure Improvement Fund finances new infrastructure projects within the City. As of June 30, 2019, the Infrastructure Improvement Fund reported a fund balance of \$1,174,671, a decrease of \$602,099 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, 2019, the Water and Sewer Fund reported a net position of \$2,287,969, an increase of \$232,778 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 \$66,159 and expenditures were less than amended budget by \$33,850. Budget amendments were made as a result of changes in estimates for municipal fines, charges for services, licenses and permits, police and building department expenditures and transfers out.

**CITY OF PLEASANT RIDGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**

Capital Asset and Debt Administration

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2019, amounted to \$12,299,585, 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 \$447,484, infrastructure improvements of \$803,702 and a combination of vehicles and equipment making up the remaining.

As of June 30, 2019, the City's primary government had total debt outstanding of \$5,060,702. 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 \$1,805,670 and a net pension liability of \$3,145,929.

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

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 2019-2020 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 continues to increase its contributions towards our underfunded pension plan with revenues generated by the police pension millage as it phases in. We are not in the second year of this millage, originally approved by the voters in 2017 as a 15 year millage. Property values continue to increase in the City, providing a stable revenue base to support operations.

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, 2019**

	Primary Government			Component Unit (DDA)
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current assets				
Cash and cash equivalents	\$ 888,784	\$ 329,477	\$ 1,218,261	\$ 144,692
Investments	2,383,036	-	2,383,036	-
Receivables	67,292	290,976	358,268	-
Due from other governmental units	88,065	-	88,065	-
Prepays	24,628	1,103	25,731	-
Total current assets	3,451,805	621,556	4,073,361	144,692
Noncurrent assets				
Investments	2,471,499	682,923	3,154,422	-
Investments - restricted	13,746	-	13,746	-
Capital assets not being depreciated	1,746,700	-	1,746,700	72,500
Capital assets being depreciated, net	8,836,397	1,716,488	10,552,885	95,431
Total noncurrent assets	13,068,342	2,399,411	15,467,753	167,931
TOTAL ASSETS	16,520,147	3,020,967	19,541,114	312,623
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources related to pensions	389,639	6,167	395,806	-
Deferred outflows of resources related to OPEB	604	10	614	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	390,243	6,177	396,420	-
LIABILITIES				
Current liabilities				
Accounts payable	202,445	125,550	327,995	2,400
Accrued liabilities	9,394	10,000	19,394	-
Accrued interest payable	37,084	3,023	40,107	-
Unearned revenue	4,836	-	4,836	-
Current portion of compensated absences	74,436	-	74,436	-
Current portion of long-term debt	298,495	97,056	395,551	-
Total current liabilities	626,690	235,629	862,319	2,400
Noncurrent liabilities				
Net other post-employment benefits liability	1,775,956	29,714	1,805,670	-
Noncurrent portion of compensated absences	44,350	-	44,350	-
Noncurrent portion of long-term debt	4,144,209	402,156	4,546,365	-
Net pension liability	3,096,114	49,815	3,145,929	-
Total noncurrent liabilities	9,060,629	481,685	9,542,314	-
TOTAL LIABILITIES	9,687,319	717,314	10,404,633	2,400
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources related to pensions	11,009	177	11,186	-
Deferred inflows of resources related to OPEB	1,295,865	21,684	1,317,549	-
TOTAL DEFERRED INFLOWS OF RESOURCES	1,306,874	21,861	1,328,735	-
NET POSITION				
Net investment in capital assets	6,154,139	1,217,276	7,371,415	167,931
Restricted for				
Streets	217,663	-	217,663	-
Infrastructure improvements	1,174,671	-	1,174,671	-
Other purposes	66,818	-	66,818	-
Unrestricted	(1,697,094)	1,070,693	(626,401)	142,292
TOTAL NET POSITION	\$ 5,916,197	\$ 2,287,969	\$ 8,204,166	\$ 310,223

See notes to financial statements.

**CITY OF PLEASANT RIDGE
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Unit (DDA)
					Governmental Activities	Business-type Activities	Total	
Primary government								
Governmental activities								
General government	\$ 681,532	\$ 324,718	\$ 40,000	\$ -	\$ (316,814)	\$ -	\$ (316,814)	\$ -
Public safety	866,268	213,347	-	-	(652,921)	-	(652,921)	-
Public works	1,369,097	162,387	286,661	45,000	(875,049)	-	(875,049)	-
Recreation and culture	819,564	152,123	47,286	-	(620,155)	-	(620,155)	-
Interest on long-term debt	148,142	-	-	-	(148,142)	-	(148,142)	-
Total governmental activities	3,884,603	852,575	373,947	45,000	(2,613,081)	-	(2,613,081)	-
Business-type activities								
Water and sewer	1,071,582	1,288,953	-	-	-	217,371	217,371	-
Total primary government	\$ 4,956,185	\$ 2,141,528	\$ 373,947	\$ 45,000	(2,613,081)	217,371	(2,395,710)	-
Component unit								
Downtown Development Authority	\$ 37,384	\$ -	\$ -	\$ -	-	-	-	(37,384)
		General revenues						
		Property taxes			3,209,607	-	3,209,607	93,450
		State shared revenue			266,525	-	266,525	-
		Local community stabilization			50,393	-	50,393	2,453
		Interest earnings			186,246	15,407	201,653	557
		Miscellaneous			54,504	-	54,504	120
		Total general revenues			3,767,275	15,407	3,782,682	96,580
		Change in net position			1,154,194	232,778	1,386,972	59,196
		Net position, beginning of the year			4,762,003	2,055,191	6,817,194	251,027
		Net position, end of the year			\$ 5,916,197	\$ 2,287,969	\$ 8,204,166	\$ 310,223

See notes to financial statements.

**CITY OF PLEASANT RIDGE
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2019**

	General	I-696 Segregated Capital Asset	Infrastructure Improvements	Nonmajor Governmental Funds	Total
ASSETS					
Cash and cash equivalents	\$ 257,593	\$ 45,901	\$ 146,177	\$ 439,113	\$ 888,784
Investments	792,915	2,945,916	1,013,430	102,274	4,854,535
Investments - restricted	-	-	13,746	-	13,746
Accounts receivable	31,269	-	-	36,023	67,292
Due from other funds	-	-	30,000	-	30,000
Due from other governmental units	45,993	-	-	42,072	88,065
Prepays	23,275	-	500	853	24,628
TOTAL ASSETS	\$ 1,151,045	\$ 2,991,817	\$ 1,203,853	\$ 620,335	\$ 5,967,050
LIABILITIES					
Accounts payable	\$ 120,781	\$ -	\$ 29,182	\$ 52,482	\$ 202,445
Accrued liabilities	8,889	-	-	505	9,394
Due to other funds	30,000	-	-	-	30,000
Unearned revenue	3,901	-	-	935	4,836
TOTAL LIABILITIES	163,571	-	29,182	53,922	246,675
FUND BALANCES					
Nonspendable					
Prepays	23,275	-	500	853	24,628
Restricted					
Solid waste	-	-	-	37,187	37,187
Streets and highways	-	-	-	217,663	217,663
Infrastructure improvements	-	-	1,174,171	-	1,174,171
Public safety	-	-	-	1,558	1,558
Library	-	-	-	10,576	10,576
Recreation	-	-	-	3,228	3,228
Debt service	-	-	-	13,416	13,416
Committed					
Segregated capital asset	-	2,991,817	-	-	2,991,817
Infrastructure improvements	-	-	-	281,932	281,932
Unassigned	964,199	-	-	-	964,199
TOTAL FUND BALANCES	987,474	2,991,817	1,174,671	566,413	5,720,375
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,151,045	\$ 2,991,817	\$ 1,203,853	\$ 620,335	\$ 5,967,050

See notes to financial statements.

**CITY OF PLEASANT RIDGE
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2019**

Total fund balances - governmental funds \$ 5,720,375

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	\$ 20,076,314	
Accumulated depreciation	<u>(9,493,217)</u>	
Capital assets, net		10,583,097

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	389,639	
Deferred outflows of resources related to OPEB	604	
Deferred inflows of resources related to pensions	(11,009)	
Deferred inflows of resources related to OPEB	<u>(1,295,865)</u>	
		(916,631)

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	4,308,941	
Unamortized bond premium	133,763	
Accrued interest payable	37,084	
Compensated absences	118,786	
Net OPEB liability	1,775,956	
Net pension liability	<u>3,096,114</u>	
		<u>(9,470,644)</u>

Net position of governmental activities \$ 5,916,197

**CITY OF PLEASANT RIDGE
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2019**

	General	I-696 Segregated Capital Asset	Infrastructure Improvements	Nonmajor Governmental Funds	Total
REVENUES					
Taxes	\$ 2,137,853	\$ 102,810	\$ 407,131	\$ 651,249	\$ 3,299,043
Licenses and permits	133,086	-	-	-	133,086
Intergovernmental	313,944	910	12,168	283,128	610,150
Charges for services	289,415	-	-	202,382	491,797
Fines and forfeits	107,920	-	-	-	107,920
Interest and rents	27,202	136,649	23,492	4,313	191,656
Other	160,145	-	-	45,000	205,145
TOTAL REVENUES	3,169,565	240,369	442,791	1,186,072	5,038,797
EXPENDITURES					
Current					
General government	693,169	-	-	-	693,169
Public safety	1,394,300	-	-	-	1,394,300
Public works	299,489	51	539	565,604	865,683
Recreation and culture	386,315	-	-	269,891	656,206
Other	5,000	-	-	-	5,000
Capital outlay	-	23,649	806,601	234,505	1,064,755
Debt service	-	-	237,750	217,118	454,868
TOTAL EXPENDITURES	2,778,273	23,700	1,044,890	1,287,118	5,133,981
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	391,292	216,669	(602,099)	(101,046)	(95,184)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	225,000	225,000
Transfers out	(180,000)	-	-	(45,000)	(225,000)
TOTAL OTHER FINANCING SOURCES (USES)	(180,000)	-	-	180,000	-
NET CHANGE IN FUND BALANCES	211,292	216,669	(602,099)	78,954	(95,184)
Fund balances, beginning of year	776,182	2,775,148	1,776,770	487,459	5,815,559
Fund balances, end of year	\$ 987,474	\$ 2,991,817	\$ 1,174,671	\$ 566,413	\$ 5,720,375

See notes to financial statements.

**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, 2019**

Net change in fund balances - total governmental funds **\$ (95,184)**

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	\$ 1,121,324	
Depreciation expense	<u>(792,245)</u>	
Excess of capital outlay over depreciation expense		329,079

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:

Amortization of bond premium	9,554	
Bond and installment loan principal retirements	<u>294,380</u>	
		303,934

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:

Decrease in accrued interest payable	2,792	
Decrease in compensated absences	22,611	
Decrease in net OPEB liability	1,498,187	
Increase in deferred outflows of resources related to pensions	266,008	
Increase in deferred outflows of resources related to OPEB	604	
Decrease in deferred inflows of resources related to pensions	96,064	
(Increase) in deferred inflows of resources related to OPEB	(805,864)	
(Increase) in net pension liability	<u>(464,037)</u>	
		<u>616,365</u>

Change in net position of governmental activities **\$ 1,154,194**

**CITY OF PLEASANT RIDGE
PROPRIETARY FUND
STATEMENT OF NET POSITION
JUNE 30, 2019**

	Business-type Activities <u>Water and Sewer</u>
ASSETS	
Current assets	
Cash and cash equivalents	\$ 329,477
Accounts receivable	290,976
Prepaid expenses	<u>1,103</u>
Total current assets	<u>621,556</u>
Noncurrent assets	
Investments	682,923
Capital assets being depreciated, net	<u>1,716,488</u>
Total noncurrent assets	<u>2,399,411</u>
TOTAL ASSETS	<u>3,020,967</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources related to pensions	6,167
Deferred outflows of resources related to OPEB	<u>10</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>6,177</u>
LIABILITIES	
Current liabilities	
Accounts payable	125,550
Other accrued liabilities	10,000
Accrued interest payable	3,023
Current portion of long-term debt	<u>97,056</u>
Total current liabilities	<u>235,629</u>
Noncurrent liabilities	
Net other post-employment benefits liability	29,714
Noncurrent portion of long-term debt	402,156
Net pension liability	<u>49,815</u>
Total noncurrent liabilities	<u>481,685</u>
TOTAL LIABILITIES	<u>717,314</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources related to pensions	177
Deferred inflows of resources related to OPEB	<u>21,684</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>21,861</u>
NET POSITION	
Net investment in capital assets	1,217,276
Unrestricted	<u>1,070,693</u>
TOTAL NET POSITION	<u><u>\$ 2,287,969</u></u>

See notes to financial statements.

**CITY OF PLEASANT RIDGE
PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
YEAR ENDED JUNE 30, 2019**

	Business-type Activities
	<u>Water and Sewer</u>
OPERATING REVENUES	
Charges for services	\$ 1,269,308
Penalties and fines	<u>19,645</u>
TOTAL OPERATING REVENUES	<u>1,288,953</u>
OPERATING EXPENSES	
Salaries, wages, and fringe benefits	58,831
Contractual services	24,548
Water purchases	189,259
Sewage treatment	585,296
Administrative charges	30,913
Operating supplies	4,211
Other	21,939
Depreciation	<u>142,779</u>
TOTAL OPERATING EXPENSES	<u>1,057,776</u>
OPERATING INCOME	<u>231,177</u>
NONOPERATING REVENUES (EXPENSES)	
Interest income	15,407
Interest expense and fees	<u>(13,806)</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>1,601</u>
CHANGE IN NET POSITION	232,778
Net position, beginning of year	<u>2,055,191</u>
Net position, end of year	<u><u>\$ 2,287,969</u></u>

**CITY OF PLEASANT RIDGE
PROPRIETARY FUND
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2019**

	Business-type Activities
	<u>Water and Sewer</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash receipts from customers	\$ 1,314,518
Cash paid to suppliers	(907,802)
Cash paid to employees	<u>(53,831)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>352,885</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital asset acquisitions	(47,743)
Payments on borrowing	(94,845)
Interest and fees paid	<u>(14,377)</u>
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(156,965)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	15,407
Purchase of investments	<u>(14,184)</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>1,223</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	197,143
Cash and cash equivalents, beginning of year	<u>132,334</u>
Cash and cash equivalents, end of year	<u><u>\$ 329,477</u></u>
Reconciliation of operating income to net cash provided by operating activities	
Operating income	\$ 231,177
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation	142,779
(Increase) decrease in	
Accounts receivable	25,565
Prepaid expenses	146
Deferred outflows of resources	(1,026)
Increase (decrease) in	
Accounts payable	27,453
Net other post-employment benefits liability	(27,231)
Net pension liability	(59,855)
Other accrued liabilities	5,000
Deferred inflows of resources	<u>8,877</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u><u>\$ 352,885</u></u>

See notes to financial statements.

**CITY OF PLEASANT RIDGE
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - DESCRIPTION OF CITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Pleasant Ridge (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.

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 (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 contain all the funds controlled by the City Commission.

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.

**CITY OF PLEASANT RIDGE
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - DESCRIPTION OF CITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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, 2019, the City of Pleasant Ridge expended \$209,220 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, 2018, are available at SOCRRA's administrative offices. As of June 30, 2018, SOCRRA had net position of \$4,149,868.

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, 2019, the City of Pleasant Ridge expended \$189,259 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, 2018, are available at SOCWA's administrative offices. As of June 30, 2018, SOCWA had net position of \$20,393,165.

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.

**CITY OF PLEASANT RIDGE
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - DESCRIPTION OF CITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation (continued)

GOVERNMENT-WIDE FINANCIAL STATEMENTS (continued)

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.

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.

**CITY OF PLEASANT RIDGE
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - DESCRIPTION OF CITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus (continued)

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.

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.

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.

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.

**CITY OF PLEASANT RIDGE
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - DESCRIPTION OF CITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Budgets and Budgetary Accounting (continued)

- 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.
- 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.

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.

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.

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.

CITY OF PLEASANT RIDGE
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - DESCRIPTION OF CITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Unearned Revenue

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

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, 2019, were vested and the total due to them, along with related payroll taxes, is recorded entirely in the government-wide financial statements.

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.

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

**CITY OF PLEASANT RIDGE
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - DESCRIPTION OF CITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Accrued Interest Payable

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

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.

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.

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.

**CITY OF PLEASANT RIDGE
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - DESCRIPTION OF CITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property Tax (continued)

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, 2019, the City levied 13.0307 mills per \$1,000 of taxable valuation for general governmental services, 1.5551 mills for refuse services, 0.3200 mills for community promotion, 2.7232 mills for infrastructure improvements, 0.3675 mills for library services, 1.1546 mills for pool operations, 0.6877 mills for park improvements, 1.2500 mills for pool debt, and 0.3500 for police pension stabilization. The total taxable value for the 2018 levy for property within the City was \$152,966,300.

Net Pension Liability

The net pension liability is deemed to be a noncurrent liability and is recognized in the government-wide and proprietary fund financial statements.

Net OPEB Liability

The net OPEB liability is deemed to be a noncurrent liability and is recognized in the government-wide and proprietary fund financial statements.

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.

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 2 - 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.
- 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.

**CITY OF PLEASANT RIDGE
NOTES TO FINANCIAL STATEMENTS**

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

- 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, 2019, 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	\$ 1,217,201	\$ 1,335,754
COMPONENT UNIT		
Checking and savings	<u>144,692</u>	<u>144,692</u>
TOTAL REPORTING ENTITY	<u><u>\$ 1,361,893</u></u>	<u><u>\$ 1,480,446</u></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, 2019, the City accounts were insured by the Federal Deposit Insurance Corporation (FDIC) for \$500,000 and the amount of \$980,446 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, 2019, were not subject to rating.

**CITY OF PLEASANT RIDGE
NOTES TO FINANCIAL STATEMENTS**

NOTE 2 - 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 advisers 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.

**CITY OF PLEASANT RIDGE
NOTES TO FINANCIAL STATEMENTS**

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

The City had the following recurring fair value measurements as of June 30, 2019:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Fair Value Measurement</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual Funds	\$ 966,369	\$ 966,369	\$ -	\$ -
Equity Securities	1,416,667	1,416,667	-	-
	<u>\$ 2,383,036</u>	<u>\$ 2,383,036</u>	<u>\$ -</u>	<u>\$ -</u>

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, 2019, 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>\$ 3,168,168</u>	<u>\$ -</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 1. The following summarizes the categorization of these amounts as of June 30, 2019:

	<u>Primary Government</u>	<u>Component Unit</u>	<u>Reporting Entity</u>
Cash and cash equivalents	\$ 1,218,261	\$ 144,692	\$ 1,362,953
Investments - current	2,383,036	-	2,383,036
Investments - noncurrent	3,154,422	-	3,154,422
Investments - noncurrent - restricted	13,746	-	13,746
	<u>\$ 6,769,465</u>	<u>\$ 144,692</u>	<u>\$ 6,914,157</u>

**CITY OF PLEASANT RIDGE
NOTES TO FINANCIAL STATEMENTS**

NOTE 3 - 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.

Funds Transferred In	Funds Transferred Out	Amount
Capital Projects Fund (nonmajor)	General Fund	\$ 175,000
Pool/Fitness Facility Fund (Operating) (nonmajor)	General Fund	5,000
Local Street Fund (nonmajor)	Major Street Fund (nonmajor)	45,000

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 other nonmajor governmental funds were related to infrastructure and other capital improvements.

NOTE 4 - INTERFUND RECEIVABLES AND PAYABLES

Funds Due To	Funds Due From	Amount
Infrastructure Improvements Fund	General Fund	\$ 30,000

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.

**CITY OF PLEASANT RIDGE
NOTES TO FINANCIAL STATEMENTS**

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019, was as follows:

Primary Government

	Balance July 1, 2018	Additions	Deletions	Reclassifications	Balance June 30, 2019
Governmental activities					
Capital assets not being depreciated					
Land	\$ 1,746,700	\$ -	\$ -	\$ -	\$ 1,746,700
Construction in progress	200,214	500,022	-	(700,236)	-
Subtotal	1,946,914	500,022	-	(700,236)	1,746,700
Capital assets being depreciated					
Land improvements	2,069,489	23,649	-	-	2,093,138
Buildings and improvements	4,058,393	423,835	-	-	4,482,228
Vehicles	186,626	58,447	-	-	245,073
Equipment	630,669	11,905	-	-	642,574
Software	19,430	-	-	-	19,430
Infrastructure - streets and alleys	10,043,469	103,466	-	700,236	10,847,171
Subtotal	17,008,076	621,302	-	700,236	18,329,614
Less accumulated depreciation for					
Land improvements	(936,322)	(111,918)	-	-	(1,048,240)
Buildings and improvements	(1,927,804)	(151,855)	-	-	(2,079,659)
Vehicles	(140,893)	(30,205)	-	-	(171,098)
Equipment	(376,880)	(36,338)	-	-	(413,218)
Software	(19,430)	-	-	-	(19,430)
Infrastructure - streets and alleys	(5,299,643)	(461,929)	-	-	(5,761,572)
Subtotal	(8,700,972)	(792,245)	-	-	(9,493,217)
Net capital assets being depreciated	8,307,104	(170,943)	-	700,236	8,836,397
Capital assets, net	\$ 10,254,018	\$ 329,079	\$ -	\$ -	\$ 10,583,097

Depreciation expense was charged to the following governmental activities:

General government	\$ 24,528
Public safety	31,175
Public works	539,878
Recreation and culture	196,664
	<u>\$ 792,245</u>

**CITY OF PLEASANT RIDGE
NOTES TO FINANCIAL STATEMENTS**

NOTE 5 - CAPITAL ASSETS (continued)

Primary Government (continued)

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Business-type activities				
Capital assets being depreciated				
Water and sewer transmission and distribution system	\$ 3,633,989	\$ 47,743	\$ -	\$ 3,681,732
Water meters	168,343	-	-	168,343
Vehicles and miscellaneous equipment	56,910	-	-	56,910
Subtotal	3,859,242	47,743	-	3,906,985
Less accumulated depreciation for				
Water and sewer transmission and distribution system	(1,890,803)	(124,034)	-	(2,014,837)
Water meters	(130,231)	(12,704)	-	(142,935)
Vehicles and miscellaneous equipment	(26,684)	(6,041)	-	(32,725)
Subtotal	(2,047,718)	(142,779)	-	(2,190,497)
Capital assets, net	<u>\$ 1,811,524</u>	<u>\$ (95,036)</u>	<u>\$ -</u>	<u>\$ 1,716,488</u>

Component Unit

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Downtown Development Authority (DDA)				
Capital assets not being depreciated				
Land	\$ 72,500	\$ -	\$ -	\$ 72,500
Capital assets being depreciated				
Land improvements	158,371	-	-	158,371
Less accumulated depreciation for				
Land improvements	(54,416)	(8,524)	-	(62,940)
Net capital assets being depreciated	103,955	(8,524)	-	95,431
Capital assets, net	<u>\$ 176,455</u>	<u>\$ (8,524)</u>	<u>\$ -</u>	<u>\$ 167,931</u>

**CITY OF PLEASANT RIDGE
NOTES TO FINANCIAL STATEMENTS**

NOTE 6 - LONG-TERM DEBT

The City issues general obligation bonds to provide funds for the acquisition, construction, and improvement of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the City. County contractual agreements and installment purchase agreements are also general obligations of the government.

The following is a summary of changes in long-term debt (including current portion) of the City for the year ended June 30, 2019.

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019	Amounts Due Within One Year
Primary Government					
Governmental activities					
Direct borrowings and direct placements					
Installment Loan Agreement	\$ 28,321	\$ -	\$ (19,380)	\$ 8,941	\$ 8,941
Other debt					
General Obligation Bonds	4,575,000	-	(275,000)	4,300,000	280,000
Unamortized bond premium	143,317	-	(9,554)	133,763	9,554
Other long-term obligations					
Compensated Absences	141,397	88,605	(111,216)	118,786	74,436
	4,888,035	88,605	(415,150)	4,561,490	372,931
Business-type activities					
Direct borrowings and direct placements					
Water and Sewer System George W. Kuhn Drain Bonds	594,057	-	(94,845)	499,212	97,056
	<u>\$ 5,482,092</u>	<u>\$ 88,605</u>	<u>\$ (509,995)</u>	<u>\$ 5,060,702</u>	<u>\$ 469,987</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% payable semiannually.

\$ 1,450,000

\$3,000,000 2017 Limited Tax General Obligation Bonds dated May 2, 2017, due in annual installments ranging from \$155,000 to \$260,000 through October 1, 2032, with interest of 3.000%, payable semiannually.

2,850,000

\$ 4,300,000

Installment Loan Agreement

\$67,957 National Equipment Leasing Loan dated March 7, 2017, due in a final installment of \$9,691 on April 1, 2020, with interest of 8.39%. This loan is secured with collateral of equipment acquired under the loan.

\$ 8,941

**CITY OF PLEASANT RIDGE
NOTES TO FINANCIAL STATEMENTS**

NOTE 6 - LONG-TERM DEBT (continued)

Primary Government (continued)

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.

\$ 499,212

Other Long-Term Obligations

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 \$118,786 at June 30, 2019.

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	
	Direct Borrowings and Direct Placements		Other Debt		Direct Borrowings and Direct Placements	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 8,941	\$ 750	\$ 280,000	\$ 145,387	\$ 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	-	-	335,000	101,762	83,522	2,911
2025-2029	-	-	1,775,000	310,009	35,372	2,576
2030-2033	-	-	980,000	60,300	-	-
	<u>\$ 8,941</u>	<u>\$ 750</u>	<u>\$ 4,300,000</u>	<u>\$ 991,431</u>	<u>\$ 499,212</u>	<u>\$ 39,607</u>

NOTE 7 - 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.

**CITY OF PLEASANT RIDGE
NOTES TO FINANCIAL STATEMENTS**

NOTE 7 - DEFINED BENEFIT PENSION PLAN (continued)

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.

Retirement benefits for employees are calculated as 1.70, 2.25, or 2.50% 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% multiplier and a maximum of 80 percent of final average compensation for the 2.25 and 2.50% multipliers. Normal retirement age is 60. Reduced early retirement is available at age 55 with 15 years of service or at age 50 with 25 years of service, depending on division. Unreduced early retirement is available at age 50 or 55 with 15 or 25 years of service, depending on division. 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, 2018 valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries receiving benefits	17
Inactive employees entitled to but not yet receiving benefits	9
Active employees	<u>10</u>
	<u><u>36</u></u>

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.

**CITY OF PLEASANT RIDGE
NOTES TO FINANCIAL STATEMENTS**

NOTE 7 - DEFINED BENEFIT PENSION PLAN (continued)

Contributions (continued)

Employer contributions range from 4.26 to 4.34% based on annual payroll for open divisions. For the year ended June 30, 2019, the active employee contribution rate was 2.50% of annual pay for the police division and 3.00% of annual pay for the non-union employees hired after July 1, 2011.

Net Pension Liability

The net pension liability reported at June 30, 2019 was determined using a measure of the total pension liability and the pension net position as of December 31, 2018. The December 31, 2018 total pension liability was determined by an actuarial valuation performed as of that date.

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

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
<u>Changes in Net Pension Liability</u>	<u>(a)</u>	<u>(b)</u>	<u>(a)-(b)</u>
Balances at December 31, 2017	\$ 6,041,344	\$ 3,299,597	\$ 2,741,747
Changes for the Year			
Service cost	63,336	-	63,336
Interest on total pension liability	469,388	-	469,388
Difference between expected and actual experience	30,352	-	30,352
Employer contributions	-	280,238	(280,238)
Employee contributions	-	10,786	(10,786)
Net investment income	-	(125,829)	125,829
Benefit payments, including employee refunds	(411,327)	(411,327)	-
Administrative expense	-	(6,303)	6,303
Other changes	(2)	-	(2)
Net changes	151,747	(252,435)	404,182
Balances at December 31, 2018	\$ 6,193,091	\$ 3,047,162	\$ 3,145,929

**CITY OF PLEASANT RIDGE
NOTES TO FINANCIAL STATEMENTS**

NOTE 7 - DEFINED BENEFIT PENSION PLAN (continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2019, the employer recognized pension expense of \$340,633. 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	\$ 15,176	\$ 11,186
Net difference between projected and actual earnings on pension plan investments	228,266	-
Contributions subsequent to the measurement date*	152,364	-
Total	<u>\$ 395,806</u>	<u>\$ 11,186</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, 2020.

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

Year Ending June 30,	Pension Expense
2020	\$ 85,872
2021	25,330
2022	44,107
2023	76,947

Actuarial Assumptions

The total pension liability in the December 31, 2018 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.

**CITY OF PLEASANT RIDGE
NOTES TO FINANCIAL STATEMENTS**

NOTE 7 - DEFINED BENEFIT PENSION PLAN (continued)

Actuarial Assumptions (continued)

The mortality table used to project the mortality experience of non-disabled plan members is a 50% Male - 50% Female blend of the following tables: 1. the RP-2014 Healthy Annuitant Mortality Tables, with rates multiplied by 105%, 2. the RP-2014 Employee Mortality Tables, and 3. the RP-2014 Juvenile Mortality Tables. The mortality table used to project the mortality experience of disabled plan members is a 50% Male - 50% Female blend of the RP-2014 Disabled Retiree Mortality Tables.

The actuarial assumptions used in the December 31, 2018 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.

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**

NOTE 7 - DEFINED BENEFIT PENSION PLAN (continued)

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>\$ 3,820,423</u>	<u>\$ 3,145,929</u>	<u>\$ 2,574,154</u>

NOTE 8 - 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

Union employees hired before July 1, 2017 and non-union employees hired before January 1, 2011, and their surviving spouses, are eligible for continuation of certain medical, prescription drug, dental, and vision coverage upon reaching the earlier of age 60 with 8 years of service or age 50 with 25 years of service. The City covers the cost of coverage for these benefits less the balance of premiums required to be contributed by retirees 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, 2019 valuation date, the following employees were being covered by the benefit terms.

Inactive employees or beneficiaries receiving benefits	11
Active employees	<u>3</u>
	<u>14</u>

Contributions

For the year ended June 30, 2019, the City contributed \$5,000 in addition to its portion of premium payments.

**CITY OF PLEASANT RIDGE
NOTES TO FINANCIAL STATEMENTS**

NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS (continued)

Net OPEB Liability

The net OPEB liability of the City was measured as of June 30, 2019, 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, 2019, 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	3.75%
Healthcare cost trend rate(s)	Medical - 8.00% graded down 0.50% per year for 7 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	2.79%
Probability of accepting benefits	100.00%

Mortality rates were based on regulations as set forth by the IRS for 2017, based on RPH-2018 Tables with scale MP-2018.

The assumptions used in the June 30, 2019 valuation were determined by the City's management as of June 30, 2019.

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**

NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS (continued)

Discount Rate

The discount rate used to measure the total OPEB liability was 6.80%. 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, 2018, the discount rate used to value OPEB liabilities was 5.80%.

Change in Net OPEB Liability

The change in the net OPEB liability for the year ended June 30, 2019, 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, 2018	\$ 3,348,380	\$ 17,292	\$ 3,331,088
Changes for the year			
Service cost	34,150	-	34,150
Interest	192,083	-	192,083
Experience losses	(1,362,444)	-	(1,362,444)
Change in actuarial assumptions	(240,088)	-	(240,088)
Contributions - employer	-	148,529	(148,529)
Net investment income	-	636	(636)
Benefit payments	(143,529)	(143,529)	-
Administrative expense	-	(46)	46
Net changes	(1,519,828)	5,590	(1,525,418)
Balances at June 30, 2019	\$ 1,828,552	\$ 22,882	\$ 1,805,670

**CITY OF PLEASANT RIDGE
NOTES TO FINANCIAL STATEMENTS**

NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS (continued)

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 (5.80%) or 1% higher (7.80%) than the current discount rate:

	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
Net OPEB liability	<u>\$ 2,035,539</u>	<u>\$ 1,805,670</u>	<u>\$ 1,615,807</u>

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>\$ 1,611,578</u>	<u>\$ 1,805,670</u>	<u>\$ 2,041,355</u>

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

For the year ended June 30, 2019, the City recognized OPEB expense of \$558,478. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ 1,025,836
Changes of assumptions	-	291,713
Net investment earnings (gains)/losses	<u>614</u>	<u>-</u>
	<u>\$ 614</u>	<u>\$ 1,317,549</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>
2020	\$ (783,226)
2021	(534,033)
2022	147
2023	177

**CITY OF PLEASANT RIDGE
NOTES TO FINANCIAL STATEMENTS**

NOTE 9 - 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, 2019:

REVENUES	
Licenses and permits	
Electrical permits	\$ 11,305
Building permits	97,359
Plumbing/heating permits	20,628
Administrative fee	<u>11,080</u>
 TOTAL REVENUES	 <u>140,372</u>
EXPENDITURES	
Salaries and wages	84,871
Operating supplies and other	<u>50,111</u>
 TOTAL EXPENDITURES	 <u>134,982</u>
 EXCESS OF REVENUES OVER EXPENDITURES	 5,390
 PRIOR CUMULATIVE EXCESS OF REVENUES (UNDER) EXPENDITURES	 <u>(27,772)</u>
 CUMULATIVE EXCESS OF REVENUES (UNDER) EXPENDITURES	 <u><u>\$ (22,382)</u></u>

NOTE 10 - 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 \$75,000 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 \$5,200,000 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**

NOTE 11 - 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 12 - 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, 2019:

PRIMARY GOVERNMENT	
Governmental activities	
Restricted for streets	\$ 217,663
Restricted for infrastructure improvements	1,174,671
Restricted for other purposes	
Solid waste	37,811
Public safety	1,558
Library	10,576
Recreation	3,457
Debt service	13,416
	66,818
	<u>\$ 1,459,152</u>

**CITY OF PLEASANT RIDGE
NOTES TO FINANCIAL STATEMENTS**

NOTE 13 - 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 absence 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 14 - CHANGE IN ACCOUNTING PRINCIPLES

GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This Statement improves 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 in 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.

**CITY OF PLEASANT RIDGE
NOTES TO FINANCIAL STATEMENTS**

NOTE 15 - 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.

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF PLEASANT RIDGE
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE (NON-GAAP BUDGETARY BASIS)
YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property taxes	\$ 2,126,314	\$ 2,137,614	\$ 2,137,853	\$ 239
Licenses and permits	56,080	118,730	133,086	14,356
Intergovernmental	272,250	291,650	313,944	22,294
Charges for services	211,140	274,940	286,425	11,485
Fines and forfeits	62,500	94,300	107,920	13,620
Interest and rents	8,500	22,800	27,168	4,368
Other	99,200	160,200	159,997	(203)
TOTAL REVENUES	2,835,984	3,100,234	3,166,393	66,159
EXPENDITURES				
Current				
General government				
Commission	22,300	22,300	15,490	6,810
Manager	172,286	172,286	167,267	5,019
Treasurer	113,920	113,920	113,776	144
Clerk	102,975	102,975	103,617	(642)
Assessor	21,845	21,845	21,347	498
Elections	8,910	8,910	7,442	1,468
General government	155,500	155,500	152,120	3,380
Attorney services	40,300	40,300	17,083	23,217
Information technology	76,600	76,600	92,627	(16,027)
Cable television	5,110	5,110	2,400	2,710
Total general government	719,746	719,746	693,169	26,577
Public safety				
Police department	1,054,687	1,064,687	1,061,768	2,919
Fire services	256,581	256,581	256,581	-
Building department	65,059	83,559	75,951	7,608
Total public safety	1,376,327	1,404,827	1,394,300	10,527
Public works				
Public works services	220,875	240,875	262,262	(21,387)
Street lighting	36,500	36,500	37,227	(727)
Total public works	257,375	277,375	299,489	(22,114)

**CITY OF PLEASANT RIDGE
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE (NON-GAAP BUDGETARY BASIS) (continued)
YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
EXPENDITURES (continued)				
Current (continued)				
Recreation and culture				
Parks and recreation department	\$ 396,730	\$ 401,730	\$ 382,870	\$ 18,860
Other				
Retirement benefits	5,000	5,000	5,000	-
TOTAL EXPENDITURES	2,755,178	2,808,678	2,774,828	33,850
EXCESS OF REVENUES OVER EXPENDITURES	80,806	291,556	391,565	100,009
OTHER FINANCING (USES)				
Transfers out	(60,000)	(180,000)	(180,000)	-
Net change in fund balance (prior to adjustments for GASB Statement No. 54)	\$ 20,806	\$ 111,556	\$ 211,565	\$ 100,009

CITY OF PLEASANT RIDGE
SCHEDULE OF CHANGES IN EMPLOYER'S NET PENSION LIABILITY AND RELATED RATIOS
LAST FIVE MEASUREMENT DATES (ULTIMATELY TEN YEARS WILL BE DISPLAYED)
(AMOUNTS WERE DETERMINED AS OF 12/31 OF EACH FISCAL YEAR)

	2018	2017	2016	2015	2014
Total Pension Liability					
Service cost	\$ 63,336	\$ 64,548	\$ 75,507	\$ 71,305	\$ 67,290
Interest	469,388	461,959	455,540	433,753	422,582
Difference between expected and actual experience	30,352	(33,559)	(75,651)	40,456	-
Changes of assumptions	-	-	-	248,716	-
Benefit payments, including employee refunds	(411,327)	(387,647)	(351,726)	(367,542)	(345,474)
Other	(2)	-	-	(4)	(2)
Net change in total pension liability	151,747	105,301	103,670	426,684	144,396
Total Pension Liability, beginning	6,041,344	5,936,043	5,832,373	5,405,689	5,261,293
Total Pension Liability, ending	<u>\$ 6,193,091</u>	<u>\$ 6,041,344</u>	<u>\$ 5,936,043</u>	<u>\$ 5,832,373</u>	<u>\$ 5,405,689</u>
Plan Fiduciary Net Position					
Contributions - employer	\$ 280,238	\$ 290,004	\$ 244,324	\$ 211,243	\$ 200,664
Contributions - employee	10,786	11,713	11,785	10,639	10,149
Net investment income (loss)	(125,829)	393,028	312,825	(42,958)	183,562
Benefit payments, including employee refunds	(411,327)	(387,647)	(351,726)	(367,542)	(345,474)
Administrative expenses	(6,303)	(6,224)	(6,175)	(6,399)	(6,715)
Net change in plan fiduciary net position	(252,435)	300,874	211,033	(195,017)	42,186
Plan Fiduciary Net Position, beginning	3,299,597	2,998,723	2,787,690	2,982,707	2,940,521
Plan Fiduciary Net Position, ending	<u>\$ 3,047,162</u>	<u>\$ 3,299,597</u>	<u>\$ 2,998,723</u>	<u>\$ 2,787,690</u>	<u>\$ 2,982,707</u>
City's Net Pension Liability	<u>\$ 3,145,929</u>	<u>\$ 2,741,747</u>	<u>\$ 2,937,320</u>	<u>\$ 3,044,683</u>	<u>\$ 2,422,982</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	49%	55%	51%	48%	55%
Covered Employee Payroll	\$ 632,814	\$ 528,668	\$ 618,585	\$ 568,862	\$ 550,037
City's Net Pension Liability as a percentage of Covered Employee Payroll	497%	519%	475%	535%	441%

**CITY OF PLEASANT RIDGE
SCHEDULE OF PENSION CONTRIBUTIONS
LAST FIVE FISCAL YEARS (ULTIMATELY TEN FISCAL YEARS WILL BE DISPLAYED)
(AMOUNTS WERE DETERMINED AS OF 6/30 EACH FISCAL YEAR)**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarial determined contributions	\$ 303,820	\$ 287,985	\$ 255,997	\$ 242,271	\$ 189,972
Contributions in relation to the actuarially determined contribution	<u>303,820</u>	<u>287,985</u>	<u>255,997</u>	<u>242,271</u>	<u>196,956</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6,984)</u>
Covered Employee Payroll	\$ 636,667	\$ 583,206	\$ 625,950	\$ 854,741	\$ 821,298
Contributions as a percentage of covered employee payroll	48%	49%	41%	28%	24%

CITY OF PLEASANT RIDGE
SCHEDULE OF CHANGES IN EMPLOYER'S NET OPEB LIABILITY AND RELATED RATIOS
LAST TWO MEASUREMENT DATES (ULTIMATELY TEN YEARS WILL BE DISPLAYED)
(AMOUNTS WERE DETERMINED AS OF 6/30 OF EACH FISCAL YEAR)

	2019	2018
Total OPEB Liability		
Service cost	\$ 34,150	\$ 34,998
Interest	192,083	210,015
Difference between expected and actual experience	(1,362,444)	(352,622)
Change of assumptions	(240,088)	(394,964)
Benefit payments	(143,529)	(151,237)
	<u>(1,519,828)</u>	<u>(653,810)</u>
Net change in total OPEB liability	(1,519,828)	(653,810)
Total OPEB Liability, beginning	<u>3,348,380</u>	<u>4,002,190</u>
Total OPEB Liability, ending	<u><u>\$ 1,828,552</u></u>	<u><u>\$ 3,348,380</u></u>
Plan Fiduciary Net Position		
Contributions - employer	\$ 148,529	\$ 156,237
Net investment income	636	1,218
Benefit payments	(143,529)	(151,237)
Administrative expense	(46)	(39)
	<u>5,590</u>	<u>6,179</u>
Net change in plan fiduciary net position	5,590	6,179
Plan Fiduciary Net Position, beginning	<u>17,292</u>	<u>11,113</u>
Plan Fiduciary Net Position, ending	<u><u>\$ 22,882</u></u>	<u><u>\$ 17,292</u></u>
City's net OPEB liability	<u><u>\$ 1,805,670</u></u>	<u><u>\$ 3,331,088</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	1.25%	0.52%
Covered employee payroll	N/A	N/A
City's net OPEB liability as a percentage of covered employee payroll	N/A	N/A

**CITY OF PLEASANT RIDGE
SCHEDULE OF OPEB CONTRIBUTIONS
LAST TWO FISCAL YEARS (ULTIMATELY TEN YEARS WILL BE DISPLAYED)
(AMOUNTS WERE DETERMINED AS OF 6/30 OF EACH FISCAL YEAR)**

	<u>2019</u>	<u>2018</u>
Actuarially determined employer contribution	\$ 249,765	\$ 241,246
Employer contribution	<u>148,529</u>	<u>156,237</u>
Contribution deficiency (excess)	<u>\$ 101,236</u>	<u>\$ 85,009</u>
Covered employee payroll	\$ 214,120	N/A
Contribution as a percentage of covered employee payroll	69.4%	N/A

CITY OF PLEASANT RIDGE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

NOTE 1 - 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, 2019, the City incurred expenditures in the General Fund and one (1) Special Revenue 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			
Clerk	\$ 102,975	\$ 103,617	\$ 642
Information technology	76,600	92,627	16,027
Public works			
Public works services	240,875	262,262	21,387
Street lighting	36,500	37,227	727
Pool/Fitness Facility (Operating)	216,205	237,152	20,947

NOTE 2 - 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 Balance (budgetary basis)	\$ 211,565
Net change in fund balance related to Historical Fund	
Revenue related to additional sales, interest, and other	3,172
Expenditures related to administration and capital outlay	<u>(3,445)</u>
Net change in General Fund Fund Balance (GAAP basis)	<u><u>\$ 211,292</u></u>

NOTE 3 - EMPLOYEE RETIREMENT PLAN

Changes of benefit terms: There were no changes of benefit terms for the plan year 2019.

Changes in assumptions: There were no changes in assumptions during plan year 2019.

**CITY OF PLEASANT RIDGE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

NOTE 4 - OTHER POST-EMPLOYMENT BENEFITS PLAN

Changes of benefit terms: There were no changes of benefit terms during plan year 2019.

Changes in assumptions: The following changes in assumptions were made during plan year 2019:

The prior valuation used a discount rate of 5.80% for accounting disclosure purposes as of July 1, 2018. The current valuation uses a discount rate of 6.80% as of June 30, 2019 for accounting disclosure purposes.

Mortality table has been updated from RPH-2017 Total Dataset Mortality Table fully generational using Scale MP-2017 to SOA RPH 2018 Total Dataset Mortality Table fully generational using Scale MP-2018.

OTHER SUPPLEMENTARY INFORMATION

**CITY OF PLEASANT RIDGE
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2019**

	Special			Pool/Fitness Facility (Operating)
	Major Streets	Local Streets	Solid Waste	
ASSETS				
Cash and cash equivalents	\$ 90,072	\$ 96,044	\$ 22,730	\$ 17,603
Investments	-	-	-	-
Accounts receivable	-	-	36,023	-
Due from other governmental units	31,378	10,694	-	-
Prepays	-	-	624	229
TOTAL ASSETS	\$ 121,450	\$ 106,738	\$ 59,377	\$ 17,832
LIABILITIES				
Accounts payable	\$ 7,698	\$ 1,892	\$ 21,566	\$ 13,870
Accrued wages	-	-	-	505
Unearned revenue	697	238	-	-
TOTAL LIABILITIES	8,395	2,130	21,566	14,375
FUND BALANCES				
Nonspendable				
Prepays	-	-	624	229
Restricted				
Solid waste	-	-	37,187	-
Streets and highways	113,055	104,608	-	-
Public safety	-	-	-	-
Library	-	-	-	-
Recreation	-	-	-	3,228
Debt service	-	-	-	-
Committed				
Infrastructure improvements	-	-	-	-
TOTAL FUND BALANCES	113,055	104,608	37,811	3,457
TOTAL LIABILITIES AND FUND BALANCES	\$ 121,450	\$ 106,738	\$ 59,377	\$ 17,832

Revenue		Capital Projects	Debt Service Pool/Fitness Center Debt Service	Total
Drug Forfeiture	Library	Capital Projects		
\$ 1,558	\$ 10,576	\$ 187,114	\$ 13,416	\$ 439,113
-	-	102,274	-	102,274
-	-	-	-	36,023
-	-	-	-	42,072
-	-	-	-	853
<u>\$ 1,558</u>	<u>\$ 10,576</u>	<u>\$ 289,388</u>	<u>\$ 13,416</u>	<u>\$ 620,335</u>
\$ -	\$ -	\$ 7,456	\$ -	\$ 52,482
-	-	-	-	505
-	-	-	-	935
<u>-</u>	<u>-</u>	<u>7,456</u>	<u>-</u>	<u>53,922</u>
-	-	-	-	853
-	-	-	-	37,187
-	-	-	-	217,663
1,558	-	-	-	1,558
-	10,576	-	-	10,576
-	-	-	-	3,228
-	-	-	13,416	13,416
<u>-</u>	<u>-</u>	<u>281,932</u>	<u>-</u>	<u>281,932</u>
<u>1,558</u>	<u>10,576</u>	<u>281,932</u>	<u>13,416</u>	<u>566,413</u>
<u>\$ 1,558</u>	<u>\$ 10,576</u>	<u>\$ 289,388</u>	<u>\$ 13,416</u>	<u>\$ 620,335</u>

**CITY OF PLEASANT RIDGE
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2019**

	Special			Pool/Fitness Facility (Operating)
	Major Streets	Local Streets	Solid Waste	
REVENUES				
Taxes	\$ -	\$ -	\$ 232,492	\$ 172,614
Intergovernmental	179,594	98,202	1,886	1,401
Charges for services	-	-	162,387	39,995
Interest and rents	253	499	251	257
Other	-	-	-	-
TOTAL REVENUES	179,847	98,701	397,016	214,267
EXPENDITURES				
Current				
Public works	84,877	104,758	375,893	-
Recreation and culture	-	-	-	214,309
Capital outlay	10,761	-	-	-
Debt service	-	-	-	22,843
TOTAL EXPENDITURES	95,638	104,758	375,893	237,152
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	84,209	(6,057)	21,123	(22,885)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	45,000	-	5,000
Transfers out	(45,000)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(45,000)	45,000	-	5,000
NET CHANGE IN FUND BALANCES	39,209	38,943	21,123	(17,885)
Fund balances, beginning of year	73,846	65,665	16,688	21,342
Fund balances, end of year	<u>\$ 113,055</u>	<u>\$ 104,608</u>	<u>\$ 37,811</u>	<u>\$ 3,457</u>

Revenue		Capital Projects	Debt Service	
Drug Forfeiture	Library	Capital Projects	Pool/Fitness Center Debt Service	Total
\$ -	\$ 54,938	\$ -	\$ 191,205	\$ 651,249
-	437	-	1,608	283,128
-	-	-	-	202,382
7	106	2,940	-	4,313
-	-	45,000	-	45,000
7	55,481	47,940	192,813	1,186,072
-	-	76	-	565,604
-	55,582	-	-	269,891
-	-	223,744	-	234,505
-	-	-	194,275	217,118
-	55,582	223,820	194,275	1,287,118
7	(101)	(175,880)	(1,462)	(101,046)
-	-	175,000	-	225,000
-	-	-	-	(45,000)
-	-	175,000	-	180,000
7	(101)	(880)	(1,462)	78,954
1,551	10,677	282,812	14,878	487,459
\$ 1,558	\$ 10,576	\$ 281,932	\$ 13,416	\$ 566,413

**CITY OF PLEASANT RIDGE
COMPONENT UNIT FUND
BALANCE SHEET - DOWNTOWN DEVELOPMENT AUTHORITY (DDA)
JUNE 30, 2019**

ASSETS	
Cash and cash equivalents	<u><u>\$ 144,692</u></u>
LIABILITIES	
Accounts payable	\$ 2,400
FUND BALANCE	
Unassigned	<u>142,292</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 144,692</u></u>

**CITY OF PLEASANT RIDGE
 COMPONENT UNIT FUND
 RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION -
 DOWNTOWN DEVELOPMENT AUTHORITY (DDA)
 JUNE 30, 2019**

Total fund balance - governmental fund **\$ 142,292**

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>(62,940)</u>	
Capital assets, net			<u>167,931</u>
Net position of governmental activities			<u><u>\$ 310,223</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, 2019**

REVENUES	
Taxes	\$ 93,450
Intergovernmental	2,453
Interest	557
Other	<u>120</u>
TOTAL REVENUES	<u>96,580</u>
EXPENDITURES	
Current	
Community and economic development	27,181
Capital outlay	<u>1,679</u>
TOTAL EXPENDITURES	<u>28,860</u>
EXCECSS OF REVENUES OVER EXPENDITURES	67,720
Fund balance, beginning of year	<u>74,572</u>
Fund balance, end of year	<u><u>\$ 142,292</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, 2019**

Net change in fund balance - governmental fund	\$ 67,720
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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:

Depreciation expense	(8,524)
Change in net position of governmental activities	<u><u>\$ 59,196</u></u>



City of Pleasant Ridge

James Breuckman, City Manager

From: Jim Breuckman, City Manager
 To: City Commission
 Date: December 4, 2019
 Re: Zoning and City Code of Ordinances Amendment:
 Air Conditioner Compressor and Outdoor Generator Location and Noise Standards

Overview

A recurring issue that staff has dealt with is the lack of detailed standards for air conditioner compressor units and permanent generators in the Zoning Ordinance. This lack of standards leads to occasional neighbor disputes over location and noise. The attached ordinance would establish clear and administratively enforceable location and noise level limits and would build in a neighbor consultation process.

Background

Currently the City considers air conditioner compressors and permanent generators (hereafter referred to as “units”) to be accessory structures for the purposes of ordinance compliance. This is not explicitly specified in the ordinance, but rather has been an administrative determination. The ordinance also does not have specific noise standards for such units, only general nuisance standards. This results in the City having to determine what is an appropriate noise level on a case by case basis, which is not an easy administrative task.

The proposed ordinance includes two components:

1. An amendment that requires all air conditioner compressor units and outdoor generators to be in the rear yard unless approval is granted by the adjacent neighbor for the unit to be in a side yard. This will require a notarized letter signed by the neighbor. The amendment also includes requirements for screening and establishes that units may not be located closer than 2 feet to a side property line if permission is granted.
2. The addition of specific noise standards to Section 34-52, Nuisances of the City Code of Ordinances. The amendment establishes 60 dBA as the sound limit for air conditioner compressors as measured 6 feet above grade at a property line. Power generators are not subject to the noise standards due to their different operating characteristics.

The ordinance is modeled after similar ordinances in Huntington Woods and Farmington which require neighbor permission to locate units in a side yard. The noise standards were based on a survey of other

community's noise standards. Most cities have a noise limit of 55 or 60 dBA at a property line in residential districts.

Process

This is a Zoning Ordinance amendment which requires a public hearing before the Planning Commission, which was held on October 28. The Planning Commission then recommended that the City Commission approve the ordinance. The City Commission holds a public hearing and then makes the final decision on the proposed amendment.

Requested Action

City Commission consideration of the proposed ordinance amendment after the public hearing.

CITY OF PLEASANT RIDGE
Ordinance No 438

AN ORDINANCE TO AMEND THE CITY OF PLEASANT RIDGE CODE
OF ORDINANCES, CHAPTER 82 – ZONING and CHAPTER 34 - ENVIRONMENT.

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 82-193 of the Pleasant Ridge Zoning Ordinance is amended to add a new subsection (9) as follows:

- (9) Air Conditioners and Power Generators. Refrigeration or cooling equipment (used for central air conditioning purposes) or power generators (used as a source of interim power) installed outside of a dwelling or main building shall be:
- a. Screened from view from a public right of way with approved fencing or landscaping.
 - b. Located in the rear yard of the dwelling or main building, and no closer to the side property line than the principal structure. The City Manager may authorize installation in a side yard behind the front building line if site conditions make it impossible to install in a rear yard, or upon the receipt of notarized written approval of such installation from the owner of the adjacent neighboring property. If a side yard installation is allowed under this section, air conditioner compressors or generator units shall be set back at least two (2) feet from any property line.
 - c. In compliance with sound emission standards as set forth in Section 34-52(14).
 - d. In the case of corner lots, the City Manager may authorize installation toward the side lot line adjacent to the street in instances where site conditions make it impossible to install in a rear yard.

Section 2.

Section 34-52 of the Pleasant Ridge City Code is amended to add a new subsection (14) as follows:

- (14) The operation of mechanical equipment, including but not limited to air conditioning, air handling devices, refrigeration devices or other condensers causing a continuous sound level more than 60 dBA measured 6 feet above grade at any property line in residential areas. This subsection shall not apply if the sound from the equipment creates less than a three dBA increase in the sound level that exists in the absence of such sound.

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 Commission of the City of Pleasant Ridge at a meeting duly called and held on the ____ day of _____, 2019, and ordered to be given publication in the manner prescribed by law.

Amy M. Allison, City Clerk

Planning Commission Public Hearing:October 28, 2019
Planning Commission Recommendation:October 28, 2019
City Commission Introduction:November 12, 2019
City Commission Public Hearing:December 10, 2019
City Commission Adoption:
Published:
Effective:

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

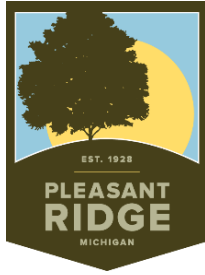
NOTICE IS HEREBY GIVEN in accordance with Section 4.03 (B) of the Pleasant Ridge City Code that a Public Hearing will be held on Tuesday, December 10, 2019, 7:30 p.m., in the City Commission Chambers, 23925 Woodward Avenue, Pleasant Ridge, Michigan 48069, to solicit comments on the following item:

An ordinance to amend the Pleasant Ridge City Code by the addition of a new Section 34-52(14) establishing a maximum sound level for mechanical equipment in residential areas and by the addition of a new Section 82-193(9) regarding the location of air conditioners and generators in the side yard.

All interested citizens are requested to attend the public hearing. Comments will also be received in writing and in person at the Pleasant Ridge City Hall until Monday, December 9, 2019. Arrangements to reasonably accommodate special needs, including handicap accessibility or interpreter, will be made upon receiving 72-hour advance notice. Contact the City Offices at (248)541-2901 for special services.

Amy M. Drealan
City Clerk

Published: The Daily Tribune
Wednesday, November 27, 2019
AFFIDAVIT REQUESTED



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

**Public Hearings and Regular City Commission Meeting
 November 12, 2019**

Having been duly publicized, Mayor Metzger called the meeting to order at 7:30 p.m.

Present: Commissioners Krzysiak, Perry, Scott, Wahl, Mayor Metzger
 Also Present: City Manager Breuckman, City Clerk Allison, City Attorney Need
 Absent: None

Public Discussion

(None)

Ferndale Public Schools

Ms. Dania Bazzi, Ferndale Public Schools Superintendent, introduced Jamie Stottlemeyer, Director of Operations. They presented information regarding two ballot proposals that will be on the March 2020, ballot. The district has adopted a new five-year strategic plan. They were recognized as a 2019 Equity Innovator and at the Model Schools Conference in Washington D.C. for its social/emotional curriculum. Stottlemeyer presented a summary of the 2020 bond proposal. He noted that there would be no new taxes and the bond would generate \$53 million in 2020, \$35.5 million in 2023 and \$36 million in 2026. The three series approach allows the district to fund a long-range plan. Projects would include building a new elementary school, renovating all existing classrooms, converting one pool at the high school into a fitness room, new tennis courts, rebuilding the stadium, new theater addition, and new music room. There will also be a Headlee Override on the ballot. This will not change the current millage rate. They recommend voting yes on both proposals. More information can be found at FerndaleForward.com. CASA will be moved to Roosevelt.

Public Hearing Regarding Request by Whistle Stop I, LLC, to amend the Class C Liquor License and Operating Agreement

Breuckman gave an overview of the process. The restaurant has been expanded which requires increasing the seating capacity allowed by the liquor license.

Metzger opened the public hearing at 7:51 p.m.

Allison indicated that five comments had been received; four were in favor and one was opposed.

Tom Greenwood, 29 Sylvan, spoke in favor of the amendment.

With no further comments or discussion, Metzger closed the public hearing at 7:52 p.m.

Krzysiak and Metzger commented that the restaurant has been a good partner with the city and that the expansion will improve the parking situation at that location.

19-3443

Motion by Commissioner Perry, second by Commissioner Wahl, to approve the amendment to the liquor license operating agreement as presented.

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

Public Hearing Regarding Condemnation of the Property Commonly Known as 71 Devonshire, Pleasant Ridge, Michigan

Breuckman noted that the condemnation process is primarily used to enforce action from the homeowner to bring their property up to code. There have been problems at this house for many years and several citations have been issued. On October 14th, 2019, complaints of noxious odors were filed and the police, city manager and city clerk inspected the property. No improvements had been made in response to previous citations and, in fact, the property had continued to deteriorate. No major progress has been made as of the time of this meeting. There have been four additional complaints filed since the October meeting. The motion to condemn contains a timeline: a report from a structural engineer regarding the outside of the property is due by December 12, 2019; all exterior renovations must be complete by January 13, 2020; all interior renovations must be complete by February 10, 2020. Bi-weekly progress inspections will be conducted. If the homeowner does not comply, the city will take steps to abate the issue up to and including demolition. Sale of the home to a non-related buyer will reset the timeline for compliance. Allison noted that the homeowner did obtain a permit in August, 2019 for a kitchen and bathroom remodel. No trade permits were pulled although the homeowner was instructed to obtain them. There has been no inspection and that permit is due to expire. Two additional comments from the public have been received requesting that the condemnation move forward.

Metzger opened the public hearing at 8:02 p.m.

Brittany Flowers, owner of 71 Devonshire, indicated that she has entered into a contract to repair the stairs. No timeline has been given due to weather, but the project should be completed in the next couple of weeks. The trees should also be removed in that time and they are shopping for new windows and doors. The drywall is installed but needs to be taped and mudded. The kitchen and bathroom projects will then be completed. The interior of the house was unlivable and large amounts of trash have been removed. The new owners plan to live in the home once it is habitable. They are willing to make cleaning the outside a priority. They informed the building inspector of their plans regarding renovation of the kitchen and bath. They were not aware that inspections were necessary throughout the project. There was discussion regarding the need for trade permits for electrical, HVAC and plumbing. They would all need to have been inspected prior to the installation of any drywall. Krzysiak commented that pulling down the drywall would be burdensome to the homeowners. Allison indicated that the building official could determine what level of inspections were necessary at this point in the project. The homeowners would have 90 days to remedy the issues raised by the condemnation motion. Attorney Need confirmed that condemnation would not result in the city owning the property. The ultimate remedy, if the property is not brought to code within the time allowed, would be demolition. Any costs incurred by the city will be a lien on the property.

The homeowners indicated that they think they can meet the timeline but are not sure. There was discussion regarding the possibility of brief extensions to the timeline if significant progress has been made. There was discussion regarding how best to communicate throughout the process.

Kristopher Kopchick, 15 Maplefield, inquired whether weather conditions were factored into the timeline. Brueckman noted that accommodations can be made if some steps cannot be completed due to weather.

With no further comments or discussion, Metzger closed the public hearing at 8:17 p.m.

There was discussion that any work on carpentry, drywall, electrical, HVAC or plumbing would have to be done by a licensed contractor. Those contractors would have to pull permits for their work. Krzysiak expressed concern regarding the cost to the homeowner of not being able to do the work themselves. Brueckman discussed the fact that any demolition requires that work be done up to code. He further encouraged strong communication throughout the process to make sure completed work does not have to be removed to accommodate the necessary inspections. The homeowners indicated that they had relied on information from the building official as to how to proceed.

19-3444

Motion by Commissioner Perry, second by Commissioner Scott, to proceed with condemnation of the property commonly known as 71 Devonshire as presented.

Adopted: Yeas: Commissioners Perry, Scott, Wahl, Mayor Metzger
Nays: Krzysiak

Public Hearing Regarding 2020 Community Development Block Grant

Allison explained that funds from the grant are used for senior services. Between 80 and 100 seniors benefit from the programs.

Metzger opened the public hearing at 8:29 p.m.

With no comments or discussion, Metzger closed the public hearing at 8:30 p.m.

19-3445

Motion by Commissioner Wahl, second by Commissioner Scott, to approve the application and subrecipient agreement and to authorize the Mayor to sign the agreement.

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

Ordinance to Amend Chapter 78 to add Section 78-74 Regarding Trimming or Cutting Trees Susceptible to Oak Wilt

Brueckman explained the need for the ordinance. Oak wilt transfers through the roots and so can affect large numbers of trees, particularly red oaks, very quickly. It is best treated by maintaining trees while the disease is dormant which is between November 1 and March 31. The ordinance would prohibit working on oak trees between April 1 and November 1. Krzysiak inquired regarding cleaning up trees damaged by storm. Brueckman explained that trimming and wound sealing needs to be done to any damaged trees within 48 hours. There was discussion regarding what would cause a tree to

need to be completely removed and the cost involved to remove an entire tree. Breuckman noted that the ordinance does not call for ordering tree removal, only wound repair.

Metzger opened the public hearing at 8:38 p.m.

Jamie Leyerle, 33 Norwich, inquired regarding disposal of wood from these trees. Breuckman responded that the ordinance requires chipping to less than three inches or removal to an appropriate disposal site. There was discussion as to whether limbs from infected trees can be placed at the curb for trash pickup.

Rob Sakat, 8 Fairwood, discussed DTE's tree trimming program which included trimming the oaks in October. He supports the ordinance so that oak trees are trimmed at the appropriate time.

With no further comments or discussion, Metzger closed the public hearing at 8:41 p.m.

19-3446

Motion by Commissioner Perry, second by Commissioner Wahl, to adopt the ordinance as presented.

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

City Commission Liaison Reports

Commissioner Scott reported on the Historical Commission. The tree lighting ceremony will be December 2nd. The Historical Museum will be open during the ceremony. The 2020 Home and Garden Tour will be September 12th. He displayed the Pewabic tile commemorating the city's 100-year anniversary. There are four or five left for sale for \$50 each. Allison noted that some pre-ordered tiles have not been picked up.

Commissioner Wahl reported on the Recreation Commission. Approximately 200 people participated in the hayride and haunted house. She emphasized the importance of registering for events so that they do not get cancelled for lack of participation. Breakfast with Santa is December 14th. Letters to Santa are due by 11:00 a.m. on December 14th as well. Gingerbread house making is December 23rd. Meadowbrook Hall Tour and Lunch is December 18th. Over 500 pounds of candy was collected to send to troops overseas.

Commissioner Krzysiak reported on Ferndale Public Schools. The Superintendent's Excellence Awards went to Kyra Newman and Morgan Carnick. Districtwide enrollment is 3,084. FHS Golden Eagle marching band placed second at the state championships.

Commissioner Perry reported on the Planning Commission/DDA. There was a public hearing regarding a zoning ordinance amendment to address air condition compressor and generator placement and noise control. It was unanimously agreed to recommend the amendment to the city commission. The next meeting will be January 27, 2020.

Certification of Election Report for the November 5, 2019, General Election

Allison indicated that 697 votes were cast; 348 in Precinct 1 and 349 in Precinct 2. Christopher Budnik received 510 votes for the open commissioner seat and Commissioner Perry received 611. The library

millage renewal passed overwhelmingly; 630 yes to 65 no votes. Oakland Community College renewal passed 589 yes to 106 no votes. Positive comments were received regarding the electronic poll books. There will only be one precinct for the March, 2020, election.

19-3447

Motion by Commissioner Perry, second by Commissioner Scott, to receive and file the certification of the election report.

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

The oath of office was administered to Commissioners Anne Perry and Christopher Budnik.

Governmental Reports

Sergeant Ried, Pleasant Ridge Police Department, reported that officers attended active shooter training. Body cams are operating and in-car cameras will be installed in December and synced with the body cams. Some noise complaints have been received regarding snow removal in the early morning hours.

Consent Agenda

19-3448

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

Adopted: Yeas: Commissioners Perry, Wahl, Budnik, Scott, Mayor Metzger
Nays: None

Schedule Public Hearing Tuesday, December 10, 2019, to Solicit Public Comment on an Ordinance to Establish a Maximum Sound Level for Mechanical Equipment in Residential Areas and Regarding Location of Air Conditioners and Generators in the Side Yard

Breuckman noted that the Planning Commission voted to recommend this proposal to the full city commission. He indicated that staff needed more clarification and specificity in order to resolve neighbor disputes regarding issues arising from this type of equipment. The proposed ordinance would require that air conditioner compressor units and generators be located in a rear yard unless approval is granted by the adjacent neighbor. Specific noise standards would also be added to the current nuisance noise ordinance. The sound limit would be set at 60 decibels for air conditioner compressors. The ordinance is modeled after similar ordinances in Huntington Woods and Farmington. There are separate provisions for locations that may have ambient noise above 60 decibels due to noise from the freeway.

19-3449

Motion by Commissioner Perry, second by Commissioner Scott, to schedule a public hearing Tuesday, December 10, 2019, at 7:30 p.m. to solicit public comment regarding maximum sound levels for

mechanical equipment in residential areas and regarding location of air conditioners and generators in the side yard.

Adopted: Yeas: Commissioners Perry, Scott, Budnik, Wahl, Mayor Metzger
Nays: None

City Manager's Report

Breuckman commented regarding the City Commission Chambers renovations. He discussed the problems with leaf collection due to the snow and cold weather. It is possible that leaves will not be collected this year. Residents can bag the leaves and put them out for curb pick up through December 15. Construction has begun on Woodward Avenue which may also be delayed due to weather. Traffic calming measures on Woodward Heights will begin in the spring.

Other Business

Perry noted that salt delivery is the third Tuesday of every month. Five-gallon buckets can be put at the curb to be filled with salt. The buckets should be kept covered. Unbundled brush pick up is every third Tuesday year round.

Wahl reported that Ferncare, which provides free health care for the uninsured, is having a fundraiser at Leon's and Lulu's.

Krzysiak noted that this month's Book Club book is *Beneath the Tamarind Tree*. The book club meets the third Wednesday of every month. He expressed his pride and pleasure in having served on the Commission the last eight years.

Allison reported that there will be a presidential primary on March 10, 2020. Voters have to declare their party for this election. There are collection boxes at the Community Center and City Hall for Coats for the Cold. There are two openings on the Recreation Commission. Applications are available online and at City Hall.

Mayor Metzger stated that Ameriprize Financial boxes for Toys for Tots will be out after Thanksgiving.

With no further business or discussion, Mayor Metzger adjourned the meeting at 9:20 p.m.

Mayor Kurt Metzger

Amy M. Allison, City Clerk

/dleg

November 2019

ACCOUNTS PAYABLE

PAYROLL LIABILITIES	\$	8,502.43
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ACCOUNTS PAYABLE	\$	262,028.66
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TAX LIABILITIES	\$	160,772.65
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TOTAL	\$	270,531.09
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PAYROLL

November 6, 2019	\$	39,587.65
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November 20, 2019	\$	41,460.54
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TOTAL	\$	81,048.19
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CHECK REGISTER FOR CITY OF PLEASANT RIDGE
PAYROLL LIABILITIES
November 2019

PG 1

Check Date	Check	Vendor Name	Description	Amount
11/6/2019	2438	ALERUS FINANCIAL	RETIRMENT CONTRIBUTIONS	\$ 300.00
11/6/2019	2439	ALERUS FINANCIAL	RETIRMENT CONTRIBUTIONS	\$ 1,659.80
11/6/2019	2440	ALERUS FINANCIAL	RETIRMENT CONTRIBUTIONS	\$ 1,260.28
11/6/2019	2441	MIFOP	UNION DUES	\$ 188.00
11/6/2019	2442	MISDU	FOC DEDUCTIONS	\$ 224.60
11/6/2019	2443	ALERUS FINANCIAL	RHSP CONTRIBUTIONS	\$ 567.51
11/6/2019	2444	ICMA - VANTANGEPOINT	RETIRMENT CONTRIBUTIONS	\$ 80.00
11/20/2019	2465	ALERUS FINANCIAL	RETIRMENT CONTRIBUTIONS	\$ 300.00
11/20/2019	2466	ALERUS FINANCIAL	RETIRMENT CONTRIBUTIONS	\$ 1,839.70
11/20/2019	2467	ALERUS FINANCIAL	RETIRMENT CONTRIBUTIONS	\$ 1,222.82
11/20/2019	2468	MISDU	FOC DEDUCTIONS	\$ 224.60
11/20/2019	2469	ALERUS FINANCIAL	RHSP CONTRIBUTIONS	\$ 555.12
11/20/2019	2470	ICMA - VANTANGEPOINT	RETIRMENT CONTRIBUTIONS	\$ 80.00
TOTAL PAYROLL LIABILITIES				<u>\$ 8,502.43</u>

CHECK REGISTER FOR CITY OF PLEASANT RIDGE
TAX LIABILITIES
November 2019

PG 2

Check Date	Check	Vendor Name	Description	Amount
11/14/2019	2691	CITY OF PLEASANT RIDGE-DDA	2019 TAX COLLECTIONS	1,336.19
11/14/2019	2692	CITY OF PLEASANT RIDGE-GENERAL	2019 TAX COLLECTIONS	156.22
11/14/2019	2693	CITY OF PLEASANT RIDGE-TAXES	2019 TAX COLLECTIONS	53,024.11
11/14/2019	2694	FERNDALE SCHOOL DISTRICT	2019 TAX COLLECTIONS	25,681.28
11/14/2019	2695	OAKLAND COUNTY TREASURER	2019 TAX COLLECTIONS	36,040.53
11/25/2019	2696	CITY OF PLEASANT RIDGE-TAXES	2019 TAX COLLECTIONS	21,245.38
11/25/2019	2697	FERNDALE SCHOOL DISTRICT	2019 TAX COLLECTIONS	8,970.17
11/25/2019	2698	OAKLAND COUNTY TREASURER	2019 TAX COLLECTIONS	14,291.77
11/25/2019	2699	THOMAS HANAWALT	2019 SUMMER TAX OVERPAYMENT	27.00
TOTAL TAX LIABILITIES				\$ 160,772.65

CITY OF PLEASANT RIDGE CHECK REGISTER
ACCOUNTS PAYABLE
November 13, 2019

PG 3

Check Date	Check	Vendor Name	Description	Amount
11/13/2019	23377	21ST CENTURY MEDIA-MICHIGAN	LEGAL NOTICE PUBLICATION	\$ 5,576.58
11/13/2019	23378	ADKISON, NEED & ALLEN P.L.L.C.	ATTORNEY SERVICES	\$ 377.00
11/13/2019	23379	ALEX TICHY	RECREATION PROGRAM REFUND	\$ 9.00
11/13/2019	23380	AMERICAN PLANNING ASSOCIATION	MEMBERSHIP DUES-BREUCKMAN	\$ 603.00
11/13/2019	23381	AMY ALLISON	MILEAGE & SUPPLY REIMBURSEMENT	\$ 426.27
11/13/2019	23382	BADGER METER, INC.	WATER METER READER MAINTENANCE	\$ 94.22
11/13/2019	23383	BRYAN BUSH	RECREATION PROGRAM REFUND	\$ 9.00
11/13/2019	23384	BS&A SOFTWARE	ANNUAL SOFTWARE MAINTENANCE	\$ 3,221.00
11/13/2019	23385	CITY OF FERNDALE	FIRE SERVICES AGREEMENT	\$ 21,381.72
11/13/2019	23386	CITY OF FERNDALE	DISPATCH SERVICES AGREEMENT	\$ 3,250.00
11/13/2019	23387	COMMUNITY MEDIA NETWORK	MEETING RECORDING	\$ 425.00
11/13/2019	23388	COURSAL ACRE FARM	2019 TREE LIGHTING CEREMONY	\$ 350.00
11/13/2019	23389	DAVEY TREE EXPERT COMPANY	TREE MAINTENANCE SERVICES	\$ 400.00
11/13/2019	23390	DEBORAH GREEN	MEETING TRANSCRIPTION	\$ 100.00
11/13/2019	23391	DETROIT EDISON COMPANY	STREET LIGHT REMOVAL	\$ 191.26
11/13/2019	23392	DETROIT EDISON COMPANY	STREETLIGHTING-OCTOBER 2019	\$ 3,549.75
11/13/2019	23393	DETROIT SALT COMPANY LLC	BULK ROAD SALT PURCHASES	\$ 10,027.40
11/13/2019	23394	ELECTION SOURCE	ELECTION EQUIPMENT TESTING	\$ 750.00
11/13/2019	23395	ERIC NIEMISTO	RECREATION PROGRAM REFUND	\$ 9.00
11/13/2019	23396	EUGENE LUMBERG	PROSECUTION SERVICES	\$ 405.00
11/13/2019	23397	FERNDALE RECREATION	RECREATION PROGRAM	\$ 410.06
11/13/2019	23398	FLAME FURNACE	COMMUNITY CENTER REPAIRS	\$ 99.00
11/13/2019	23399	HURON VALLEY GUNS	UNIFORM PURCHASES-NOWAK	\$ 349.95
11/13/2019	23400	HYDROCORP	CROSS CONNECTION CONTROL PROGRAM	\$ 125.00
11/13/2019	23401	JANI-KING OF MICHIGAN, INC	JANITORIAL SERVICES	\$ 2,161.00
11/13/2019	23402	JESSICA HERZIG	RECREATION PROGRAM REFUND	\$ 9.00
11/13/2019	23403	JON WOJTAŁA	RECREATION PROGRAM REFUND	\$ 3.00
11/13/2019	23404	KENNETH BORYCZ	INSPECTION SERVICES	\$ 1,646.25
11/13/2019	23405	LISA WETZEN	HOME AND GARDEN TOUR EXPENSE	\$ 46.47
11/13/2019	23406	MAMC	MEMBERSHIP DUES - ALLISON	\$ 60.00
11/13/2019	23407	MARVELOUS PROMOTIONS	UNIFORM PURCHASES-NOWAK	\$ 95.00
11/13/2019	23408	MICH.MUNICIPAL WORKER'S COMP.	WORKER COMPENATION PREMIUM INSTALLMENT	\$ 2,540.00
11/13/2019	23409	MICHIGAN ASSOC. OF MAYORS	MEMBERSHIP DUES-METZGER	\$ 85.00
11/13/2019	23410	MIKE GJONAJ	REFUND RECREATION PROGRAM	\$ 3.00
11/13/2019	23411	OAKLAND COUNTY TREASURER	SEWERAGE TREATMENT - OCTOBER 2019	\$ 49,825.91
11/13/2019	23412	OAKLAND SCHOOLS	WATER BILL AND NOTICE PRINTING AND MAIL	\$ 1,432.72
11/13/2019	23413	PAM PATTERSON	CODE ENFORCEMENT SERVICES	\$ 299.00
11/13/2019	23414	PATRICK THOMPSON DESIGNS, INC	COMMISSION CHAMBERS RENOVATIONS	\$ 525.00
11/13/2019	23415	PK CONTRACTING	PAVEMENT MARKING PROGRAM	\$ 22,554.25
11/13/2019	23416	PLANTE & MORAN PLLC	ACCOUNTING SERVICES	\$ 11,300.00
11/13/2019	23417	RAY KEE	INSPECTION SERVICES-OCTOBER	\$ 1,350.00
11/13/2019	23418	SCHER'S ACE HARDWARE	DPW MAINTENANCE SUPPLIES	\$ 173.65
11/13/2019	23419	SNR ENTERTAINMENT	RECREATION PROGRAM ENTERTAINMENT	\$ 300.00
11/13/2019	23420	SOCRRA	REFUSE COLLECTION AGREEMENT	\$ 9,424.00
11/13/2019	23421	SOCWA	WATER PURCHASES	\$ 12,225.23
11/13/2019	23422	STATE OF MICHIGAN	COMMUNITY POOL LICENSE RENEWAL	\$ 70.00
11/13/2019	23423	STATE OF MICHIGAN	ANNUAL FEE PUBLIC WATER SUPPLY	\$ 1,339.40
11/13/2019	23424	SUFI AHMAD	RECREATION PROGRAM REFUND	\$ 9.00
11/13/2019	23425	TEEK ELECTRIC	ELECTRICAL REPAIRS-TREE LIGHTING	\$ 675.00
11/13/2019	23426	THE ORIGINAL HUNTER HOUSE HAMBURGERS	HALLOWEEN HAYRIDE SUPPLIES	\$ 731.80
11/13/2019	23427	TOSHIBA FINANCIAL SERVICES	COPIER LEASE SERVICES	\$ 901.33
11/13/2019	23428	UNIFIRST CORPORATION	MAT RENTAL AND JANITORIAL SUPPLIES	\$ 167.95
11/13/2019	23429	VARSITY SHOP	SWIM TEAM SUPPLIES	\$ 496.10

Total for 11-13-2019

\$ 172,588.27

CITY OF PLEASANT RIDGE CHECK REGISTER
ACCOUNTS PAYABLE
November 25, 2019

PG 4

Check Date	Check	Vendor Name	Description	Amount
11/25/2019	23430	ADVANCED MARKETING PARTNERS, I	WINTER TAX BILLS AND 1099	\$ 275.69
11/25/2019	23431	AQUATIC SOURCE	POOL MAINTENANCE	\$ 101.50
11/25/2019	23432	ASTI ENVIROMENTAL SERVICES	ENGINEERING SERVICES	\$ 3,500.00
11/25/2019	23433	BIRMINGHAM PUBLIC SCHOOLS	HOME AND GARDEN TOUR BOOKLET PRINTING	\$ 544.60
11/25/2019	23434	BUMPIN BUBBLES	CENTENNIAL CELEBRATION VENDOR	\$ 428.35
11/25/2019	23435	CITY OF FERNDALE	INSPECTION SERVICES	\$ 422.50
11/25/2019	23436	FERNDALE RECREATION	RECREATION PROGRAM	\$ 445.00
11/25/2019	23437	J & J AUTO TRUCK CENTER	POLICE VEHICLE MAINTENANCE	\$ 156.91
11/25/2019	23438	LAURAN HOWARD	HOME AND GARDEN TOUR SUPPLIES	\$ 643.70
11/25/2019	23439	LEGAL SHIELD	PREPAID LEGAL SERVICES	\$ 25.90
11/25/2019	23440	MELANIE SEVALD	RECREATION PROGRAM	\$ 768.00
11/25/2019	23441	PAM KAMPF	RECREATION PROGRAM	\$ 416.00
11/25/2019	23442	PAM PATTERSON	CODE ENFORCMENT SERVICES	\$ 312.00
11/25/2019	23443	PATRICK THOMPSON DESIGNS, INC	COMMUNITY CENTER RENOVATIONS	\$ 4,000.00
11/25/2019	23444	PENCHURA, LLC FKA SUPERIOR PLAY LLC	GAINSBORO PARK RENOVATIONS	\$ 894.00
11/25/2019	23445	RAY KEE	INSPECTION SERVICES - NOVEMBER 2019	\$ 1,350.00
11/25/2019	23446	SOCRRA	REFUSE COLLECTION AGREEMENT	\$ 8,489.89
11/25/2019	23447	STATE OF MICHIGAN	3 NEW MUNICIPAL PLATES	\$ 39.00
11/25/2019	23448	UNIFIRST CORPORATION	MAT RENTAL & JANITORIAL SUPPLIES	\$ 230.93
11/25/2019	23449	UNUM LIFE INSURANCE COMPANY	LIFE INSURANCE BENEFIT	\$ 525.11
11/25/2019	23450	VICTORIA DICKINSON	RECREATION PROGRAM INSTRUCTOR	\$ 80.00
11/25/2019	23451	VINCE RIZZO	RECREATION PROGRAM SUPPLIES	\$ 801.00
11/25/2019	23452	WOLVERINE POWER SYSTEMS	GENERATOR SERVICE	\$ 164.44

Total for 11-25-2019

\$ 24,614.52

CITY OF PLEASANT RIDGE CHECK REGISTER
ACCOUNTS PAYABLE
Electronic Payments

PG 5

Check Date	Check	Vendor Name	Description	Amount
11/11/2019	1846	BLUE CROSS BLUE SHIELD OF MICHIGAN	HOSPITALIZATION BENEFITS	\$ 13,951.39
11/11/2019	1847	POSTMASTER	NEWSLETTER DELIVERY	\$ 271.08
11/12/2019	1849	5TH 3RD	RECREATION PURCHASES	\$ 1,137.50
11/12/2019	1850	ADOBE SYSTEMS INC	SOFTWARE MAINTENANCE	\$ 87.95
11/12/2019	1851	AMAZON.COM	RECREATION PROGRAM SUPPLIES	\$ 397.85
11/12/2019	1852	AMAZON.COM	POLICE DEPARTMENT SUPPLIES	\$ 36.99
11/12/2019	1853	AMAZON.COM	POLICE OPERATING SUPPLIES	\$ 265.00
11/12/2019	1854	AMAZON.COM	FITNESS CENTER SUPPLIED	\$ 98.50
11/12/2019	1855	AMAZON.COM	PARK MAINTENANCE SUPPLIES	\$ 239.94
11/12/2019	1856	AMAZON.COM	JANITORIAL SUPPLIES	\$ 90.54
11/12/2019	1857	AMAZON.COM	JANITORIAL SUPPLIES	\$ 26.49
11/12/2019	1858	AMAZON.COM	JANITORIAL SUPPLIES	\$ 51.22
11/12/2019	1859	AMAZON.COM	JANITORIAL SUPPLIES	\$ 26.49
11/12/2019	1860	AMAZON.COM	RECREATION OPERATING SUPPLIES	\$ 74.99
11/12/2019	1861	AT&T MOBILITY	WIRELESS SERVICES	\$ 394.39
11/12/2019	1862	COMCAST	TELECOMMUNICATION SERVICES	\$ 636.59
11/12/2019	1863	COSTCO WHOLESALE MEMBERSHIP	MEMBERSHIP RENEWAL	\$ 360.00
11/12/2019	1864	CROWN AWARDS	RECREATION SPORTS SUPPLIES	\$ 111.49
11/12/2019	1865	DTE ENERGY	UTILITIES SERVICES	\$ 3,331.47
11/12/2019	1866	ERADICO SERVICES INC	EXTERMINATION SERVICES	\$ 111.00
11/12/2019	1867	INTERMEDIA.NET INC.	TELEPHONE LEASE SERVICES	\$ 117.40
11/12/2019	1868	JAX KAR WASH	POLICE VEHICLE MAINTENANCE	\$ 455.88
11/12/2019	1869	LEXISNEXIS	POLICE DEPARTMENT SUPPLIES	\$ 150.00
11/12/2019	1870	MICHAEL'	PARK MAINTENANCE	\$ 81.41
11/12/2019	1871	MICRO CENTER	POLICE OPERATING SUPPLIES	\$ 16.99
11/12/2019	1872	MSFT	SOFTWARE MAINTENANCE	\$ 420.45
11/12/2019	1873	OFFICE DEPOT	HOME AND GARDEN TOUR SUPPLIES	\$ 169.98
11/12/2019	1874	PAYPRO	WEBSITE MAINTENANCE	\$ 119.00
11/12/2019	1875	PLANETZEN.COM	WORKSHOP REGISTRATION	\$ 24.95
11/12/2019	1876	PRINTING SYSTEMS, INC.	PRINTING SERVICES	\$ 724.32
11/12/2019	1877	QUILL CORPORATION	OFFICE SUPPLIES	\$ 434.24
11/12/2019	1878	ROCKET ENTERPRISE, INC	CUSTOM FLAG PURCHASES	\$ 821.50
11/12/2019	1879	SAMS CLUB	OFFICE, OPERATING AND JANITORIAL SUPPLIE	\$ 598.82
11/12/2019	1880	SAMS CLUB	POLICE DEPARTMENT SUPPLIES	\$ 401.74
11/12/2019	1881	STAMPS.COM	MONTHLY SERVICE CHARGE & POSTAGE	\$ 417.99
11/12/2019	1882	STATE BARRICADES, INC	TRAFFIC CONTROL DEVICES	\$ 1,889.40
11/12/2019	1883	TERMINAL SUPPLY	DPW VEHICLE MAINTENANCE	\$ 26.65
11/12/2019	1884	TIM HORTONS	MEETING SUPPLIES	\$ 41.32
11/12/2019	1885	TRAFFIC SIGNS	TRAFFIC CONTROL SUPPLIES	\$ 199.00
11/12/2019	1886	TRESHNA ENTERPRISES/GYMMASTER	SOFTWARE MAINTENANCE	\$ 185.00
11/12/2019	1887	TWO DETROIT PARKING GARAGE	MEETING EXPENSE	\$ 16.00
11/12/2019	1888	WOW! BUSINESS	TELECOMMUNICATION SERVICES	\$ 303.90
11/12/2019	1889	XFER COMMUNICATIONS	COMPUTER HARDWARE MAINTENANCE	\$ 4,252.66
11/30/2019	1848	MUNICIPAL EMP.RETIREMENT SYST.	RETIREMENT CONTRIBUTIONS	\$ 31,256.40

Total Electronic Payments

\$ 64,825.87



City of Pleasant Ridge

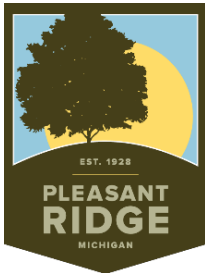
Amy M. Allison, City Clerk

From: Amy M. Allison, City Clerk
To: Mayor and City Commission
Date: December 10, 2019
Re: 2020 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 2020 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 2020 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	\$12,490
2	\$16,910
3	\$21,330
4	\$25,750
5	\$30,170
6	\$34,590
7	\$39,010
8	\$43,430
For each additional person, add	\$4,420

This table shall be revised annually 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 1st, 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. Allison, 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 10, 2019.

Amy M. Allison, City Clerk



City of Pleasant Ridge

James Breuckman, City Manager

From: James Breuckman, City Manager
 To: Mayor and City Commission
 Date: December 10, 2019
 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:

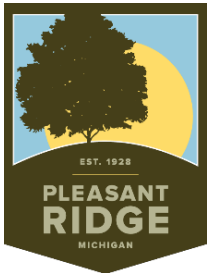
- The Bill allows public employers to use an 80/20 cost share arrangement and limits the employer contribution to no more than 80% of the total plan cost.
- The Bill limits the amount a public employer can pay for the annual cost or illustrative rate of benefits to an amount equal to \$6,818.87 for individuals, \$14,260.37 for individual and spouse coverage and \$18,596.96 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, 2020, 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 2020. 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. 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. Allison, 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 10, 2019.

Amy M. Allison
City Clerk



City of Pleasant Ridge

Amy M. Allison, City Clerk

From: Amy M. Allison, City Clerk
 To: Mayor and City Commission
 Date: December 10, 2019
 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 2020:

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 14, 2020
 February 11, 2020
 March 17, 2020 * date change due to Presidential Primary Election
 April 14, 2020
 May 12, 2020
 June 9, 2020
 July 14, 2020
 August 11, 2020
 September 8, 2020
 October 13, 2020
 November 10, 2020
 December 8, 2020

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 8, 2020
 March 4, 2020
 April 1, 2020
 May 6, 2020
 June 3, 2020
 September 2, 2020

October 7, 2020
November 4, 2020
January 6, 2021

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 27, 2020
April 27, 2020
July 27, 2020
October 26, 2020

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 29, 2020
April 29, 2020
July 29, 2020
October 28, 2020

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.