



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

**City Commission Meeting  
December 14, 2021  
Agenda**

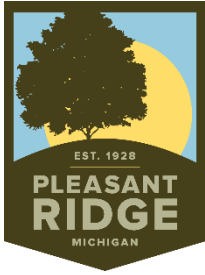
Honorable Mayor, City Commissioners and Residents: This shall serve as your official notification of the Public Hearing and Regular City Commission Meeting to be held Tuesday, December 14, 2021, at 7:30pm, in the City Commission Chambers, Pleasant Ridge City Hall, 23925 Woodward Avenue, Pleasant Ridge, MI 48069. The following items are on the Agenda for your consideration:

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

1. Meeting Called to Order.
2. Pledge of Allegiance.
3. Roll Call.
4. School Crossing Guard Nathan Rizzo recognition.
5. Receiving and filing the audit of the City's Financial Statements for the fiscal year ended June 30, 2021.
6. PUBLIC DISCUSSION – items not on the Agenda.
7. Governmental Reports.
8. Consideration of the following 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 9, 2021 and Tuesday, November 30, 2021.
  - b. Monthly Disbursement Report.
  - c. Resolution regarding 2022 Federal Poverty Guidelines.
  - d. Resolution regarding PA 152.
  - e. Resolution regarding the remainder of the Maplefield alleys.
  - f. Tentative Annual Meeting Schedule for the following Commissions:
    - a. City Commission.
    - b. Historical Commission.
    - c. Planning Commission/Downtown Development Authority.
    - d. Recreation Commission.

9. **Oakland County Community Development Block Grant Program Year 2022 Community Application and Subrecipient Agreement.**
  - a. **PUBLIC HEARING** – Oakland County Community Development Block Grant Program Year 2022 Community Application and Subrecipient Agreement.
  - b. Oakland County Community Development Block Grant Program Year 2022 Community Application and Subrecipient Agreement.
10. **SOZO Marijuana License Application.**
11. **Citizens Advisory Committee Facilitator selection.**
12. **Infrastructure Bill Communication.**
13. **City Manager's Report**
14. **Other Business.**
15. **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. If you have any ADA questions, please call the Clerk's Office (248) 541-2901.



# City of Pleasant Ridge

James Breuckman, City Manager

From: Jim Breuckman, City Manager  
 To: City Commission  
 Date: December 9, 2021  
 Re: FY21 Year End Financial Statements

## Overview

Attached are the year-end FY21 financial statements for the City.

## Background

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

### ***Fund Balance***

The most notable item is that we were able to increase our general fund fund balance by \$477,323, well above our budgeted amount. Refer to page 13 of the audit document. This was a large fund balance increase which had two primary causes: 1) conservative budgeting decisions due to the uncertainty of how COVID-19 would impact the economy and City finances in April-May of 2020, and 2) increased Federal and State funding for COVID-19 relief. We do not anticipate seeing similar fund balance increases in future years.

Our general fund ended with a fund balance of \$1,724,444, which is 60% of total general fund expenditures. The City Commission's stated goal is to maintain a minimum general fund fund balance of 75% of expenditures. We were at 16% in 2014, so we are happy to report that we have successfully built our fund balance to over the past 7 years, strengthening the City's financial position. We are close to achieving our fund balance goal.

### ***Pension and OPEB***

The financial statements also highlight our underfunded pension and Other Post-Employment Benefits (OPEB, i.e. retirement health care) status. We have stabilized and begun to increase funding levels for our retirement benefits programs over the past few years. Specifically:

- Our net pension liability was reduced (improved) by \$270,065 and stood at \$2,665,205 on 12/31/20 (page 37 of the audit document). This improvement was due to strong investment returns, and the additional pension funding provided by the Police Pension millage.
- Our OPEB liability was reduced (improved) by \$448,529 and stood at \$1,233,067 on 6/30/21.

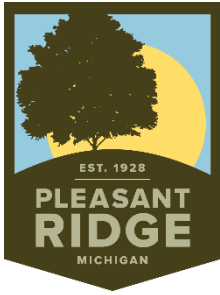
Passage of the police pension millage in November of 2017 was a major step towards achieving long-term stability in our retirement benefits offerings for current and future employees. We reduced our pension and

OPEB liabilities by 15.6% in FY21, and by 21.3% over the past two years. There are many factors which influence how our liabilities improve each year, including market performance, but our efforts to eliminate our unfunded liabilities over the past 5 years are bearing fruit.

### **Requested Action**

City Commission action to receive and file the FY21 City of Pleasant Ridge financial statements.





# City of Pleasant Ridge

23925 Woodward Avenue, Pleasant Ridge, Michigan 48069  
Phone: 248-541-2901 • Web: [www.cityofpleasantridge.org](http://www.cityofpleasantridge.org)

## City Commission

Bret Scott, Mayor  
Chris Budnik  
Alex Lenko  
Ann Perry  
Katy Schmier

## City Manager

James Breuckman

November 10, 2021

Maner Costerisan, PC  
2425 E. Grand River Avenue, Suite 1  
Lansing, MI 48912

This representation letter is provided in connection with your audit of the financial statements of the City of Pleasant Ridge, which comprise 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 as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, considering surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of November 10, 2021, the following representations made to you during your audit.

## **Financial Statements**

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated June 18, 2020, including our responsibility for the preparation and fair presentation of the financial statements and for preparation of the supplementary information in accordance with the applicable criteria.
2. The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
3. We acknowledge our responsibility for 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.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

5. Significant assumptions we used in making accounting estimates are reasonable.
6. Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
7. Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
8. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
9. Guarantees, whether written or oral, under which the City is contingently liable, if any, have been properly recorded or disclosed.

### **Information Provided**

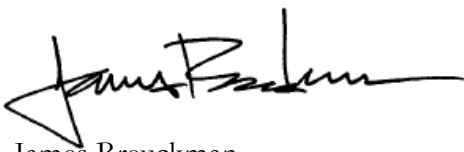
10. We have provided you with:
  - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
  - b. Additional information that you have requested from us for the purpose of the audit.
  - c. Unrestricted access to persons within the City from whom you determined it necessary to obtain audit evidence.
  - d. Minutes of the meetings of the City of Pleasant Ridge or summaries of actions of recent meetings for which minutes have not yet been prepared.
11. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
12. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
13. We have no knowledge of any fraud or suspected fraud that affects the City and involves:
  - a. Management,
  - b. Employees who have significant roles in internal control, or
  - c. Others where the fraud could have a material effect on the financial statements.
14. We have no knowledge of any allegations of fraud or suspected fraud affecting the City's financial statements communicated by employees, former employees, regulators, or others.
15. We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.

16. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
17. We have disclosed to you the identity of the City's related parties and all the related party relationships and transactions of which we are aware.

### **Government - Specific**

18. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
19. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
20. The City has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
21. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
22. As part of your audit, you assisted with preparation of the financial statements and related notes. We have designated an individual with suitable skill, knowledge, or experience to oversee your services and have assumed all management responsibilities. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.
23. The City has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
24. The City has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
25. The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
26. The financial statements properly classify all funds and activities, in accordance with GASB Statement No. 34.
27. All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
28. Components of net position (net investment in capital assets; restricted; and unrestricted) and equity amounts are properly classified and, if applicable, approved.
29. Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
30. Provisions for uncollectible receivables have been properly identified and recorded.

31. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
32. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
33. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
34. Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
35. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
36. We have appropriately disclosed the City's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
37. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
38. With respect to the other supplementary information:
  - a. We acknowledge our responsibility for presenting the other supplementary information in accordance with accounting principles generally accepted in the United States of America, and we believe the other supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the other supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
39. Expenditures of federal awards were below the \$750,000 threshold in the year ended June 30, 2021, and we were not required to have an audit in accordance with OMB's *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).



James Breuckman  
City Manager

## **ADDENDUM TO REPRESENTATION LETTER**

As part of the audit engagement, you have provided these services as “non-attest” or “non-audit” services.

Preparation of the financial statements, including the related notes, required and additional supplementary information.

Assistance with the preparation and submission of audit financial information required by law or regulations.

November 10, 2021

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, 2021. 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 11, 2021. 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 year ended June 30, 2021. 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 10, 2021.

#### *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,

*Manes Costeiran PC*



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

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

**YEAR ENDED JUNE 30, 2021**

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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, 2021, 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, 2021, 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 accompanying other supplementary information, as identified in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The other supplementary information is the responsibility of management and was derived from and relates 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 other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Maney Costeiran PC*

November 10, 2021

## CITY OF PLEASANT RIDGE MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2021. 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, 2021:

- Property tax revenues are the City's largest revenue source. Property tax revenue for the year ended June 30, 2021 was approximately \$3.5 million, which is a 4.88% increase from the year before. This resulted from a 4.2% increase in taxable value and 0.0394 more mills being levied.
- The City ended the year with total net position of \$12,308,844. This is an increase of \$2,469,248 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, 2020</u>	<u>June 30, 2021</u>	<u>Change from Prior Year</u> <u>In Dollars</u>	<u>As a Percent</u>
Assets				
Current and other assets	\$ 5,891,658	\$ 7,144,900	\$ 1,253,242	21.27%
Capital assets	<u>10,868,348</u>	<u>10,549,072</u>	<u>(319,276)</u>	-2.94%
Total assets	<u>16,760,006</u>	<u>17,693,972</u>	<u>933,966</u>	5.57%
Deferred Outflows of Resources	<u>334,024</u>	<u>291,671</u>	<u>(42,353)</u>	-12.68%
Liabilities				
Current liabilities	657,727	685,088	27,361	4.16%
Noncurrent liabilities	<u>8,448,391</u>	<u>7,418,975</u>	<u>(1,029,416)</u>	-12.18%
Total liabilities	<u>9,106,118</u>	<u>8,104,063</u>	<u>(1,002,055)</u>	-11.00%
Deferred Inflows of Resources	<u>736,914</u>	<u>381,615</u>	<u>(355,299)</u>	-48.21%

**CITY OF PLEASANT RIDGE  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Governmental Activities (continued)**

	<u>June 30, 2020</u>	<u>June 30, 2021</u>	<u>Change from Prior Year</u> <u>In Dollars</u>	<u>As a Percent</u>
Net Position				
Net investment in capital assets	\$ 6,724,139	\$ 6,699,417	\$ (24,722)	-0.37%
Restricted	1,024,904	1,222,295	197,391	19.26%
Unrestricted	<u>(498,045)</u>	<u>1,578,253</u>	<u>2,076,298</u>	<u>416.89%</u>
	<u>\$ 7,250,998</u>	<u>\$ 9,499,965</u>	<u>\$ 2,248,967</u>	<u>31.02%</u>
Revenues				
Program Revenues				
Charges for services	\$ 735,140	\$ 755,884	\$ 20,744	2.82%
Operating grants and contributions	357,390	481,547	124,157	34.74%
Capital grants and contributions	35,000	-	(35,000)	-100.00%
General revenues				
Property taxes	3,354,221	3,518,013	163,792	4.88%
State shared revenues	259,190	296,617	37,427	14.44%
Investment earnings and other	<u>235,602</u>	<u>647,932</u>	<u>412,330</u>	<u>175.01%</u>
Total revenue	<u>4,976,543</u>	<u>5,699,993</u>	<u>723,450</u>	<u>14.54%</u>
Expenses				
General government	671,276	649,105	(22,171)	-3.30%
Public safety	684,780	778,369	93,589	13.67%
Public works	1,412,606	1,285,146	(127,460)	-9.02%
Recreation and culture	737,641	613,637	(124,004)	-16.81%
Interest on long-term debt	<u>135,439</u>	<u>124,769</u>	<u>(10,670)</u>	<u>-7.88%</u>
Total expenses	<u>3,641,742</u>	<u>3,451,026</u>	<u>(190,716)</u>	<u>-5.24%</u>
Change in net position	<u>\$ 1,334,801</u>	<u>\$ 2,248,967</u>	<u>\$ 914,166</u>	<u>68.49%</u>

The City's governmental net position increased 31.02% from a year ago, increasing from \$7,250,998 to \$9,499,965. Total governmental revenues were \$5,699,993 while total governmental expenses were \$3,451,026, resulting in an overall increase in net position of \$2,248,967.

Total governmental revenues increased \$723,450 or 14.54%. Investment and other revenue increased \$412,330, primarily due to favorable market performance and operating grants and contributions increased \$124,157, primarily due to an increase in local and federal funding.

The City's total governmental expenses decreased \$190,716 or 5.24% 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**

**Business-type Activities**

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

	<u>June 30, 2020</u>	<u>June 30, 2021</u>	<u>Change from Prior Year</u> <u>In Dollars</u>	<u>As a Percent</u>
Assets				
Current and other assets	\$ 1,539,335	\$ 1,248,445	\$ (290,890)	-18.90%
Capital assets	<u>1,614,125</u>	<u>2,013,702</u>	<u>399,577</u>	24.76%
Total assets	<u>3,153,460</u>	<u>3,262,147</u>	<u>108,687</u>	3.45%
Deferred Outflows of Resources	<u>4,237</u>	<u>5,803</u>	<u>1,566</u>	36.96%
Liabilities				
Current liabilities	191,365	192,832	1,467	0.77%
Noncurrent liabilities	<u>366,205</u>	<u>257,909</u>	<u>(108,296)</u>	-29.57%
Total liabilities	<u>557,570</u>	<u>450,741</u>	<u>(106,829)</u>	-19.16%
Deferred Inflows of Resources	<u>11,529</u>	<u>8,330</u>	<u>(3,199)</u>	-27.75%
Net Position				
Net investment in capital assets	1,211,968	1,710,814	498,846	41.16%
Unrestricted	<u>1,376,630</u>	<u>1,098,065</u>	<u>(278,565)</u>	-20.24%
	<u>\$ 2,588,598</u>	<u>\$ 2,808,879</u>	<u>\$ 220,281</u>	8.51%
Revenues				
Program Revenues				
Charges for services	\$ 1,393,596	\$ 1,497,652	\$ 104,056	7.47%
General revenues				
Investment earnings	<u>16,280</u>	<u>9,609</u>	<u>(6,671)</u>	-40.98%
Total revenue	<u>1,409,876</u>	<u>1,507,261</u>	<u>97,385</u>	6.91%
Expenses				
Water and sewer systems	<u>1,109,247</u>	<u>1,286,980</u>	<u>177,733</u>	16.02%
Change in net position	<u>\$ 300,629</u>	<u>\$ 220,281</u>	<u>\$ (80,348)</u>	-26.73%

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 \$220,280 from a year ago.



## **CITY OF PLEASANT RIDGE MANAGEMENT'S DISCUSSION AND ANALYSIS**

### **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 \$1.46 million in 2021, which was an increase of \$8,587, or 0.58 percent, from 2020.

Total General Fund revenues increased from a year ago by \$206,776. Total General Fund revenues for 2021 were more than expenditures resulting in an increase in fund balance of \$477,323. Ending fund balance was \$1,724,444 all of which was unassigned except for the \$28,586 which related to prepaids and, therefore, was classified as nonspendable. Unassigned fund balance represents 60 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, 2021, the I-696 Segregated Capital Asset Fund reported a fund balance of \$3,736,188 an increase of \$606,243 from the prior year due to investment earnings. The total fund balance 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 with the proceeds from the park improvement millage until Fiscal Year 2025. The net amount to be reimbursed in future years is \$453,825.

The Infrastructure Improvement Fund finances new infrastructure projects within the City. As of June 30, 2021, the Infrastructure Improvement Fund reported a fund balance of \$803,221, an increase of \$87,253 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, 2021, the Water and Sewer Fund reported a net position of \$2,808,879, an increase of \$220,281 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 \$130,730 and expenditures were less than amended budget by \$207,026. Budget amendments were made as a result of changes in estimates for property taxes, charges for services, licenses and permits, police and parks and recreation department expenditures.

## **CITY OF PLEASANT RIDGE MANAGEMENT'S DISCUSSION AND ANALYSIS**

### **Capital Asset and Debt Administration**

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2021, amounted to \$12,562,774, 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 \$313,363, infrastructure improvements of \$145,485 and a combination of vehicles and equipment making up the remaining. Additional information on capital assets can be found in Note 4 of the Notes to Financial Statements section.

As of June 30, 2021, the City's primary government had total debt outstanding of \$4,305,343. The outstanding debt consists of general obligation bonds, 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 \$1,233,067 and a net pension liability of \$2,665,205. Additional information on long-term obligations can be found in Notes 5, 6, and 7 of the Notes to Financial Statements section.

### **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 uncertainty created by the COVID-19 pandemic was a significant factor in the development of the 2020-2021 budget. As a result, the FY21 budget included a small increase in property tax revenues of about 2.5%, a presumed decrease in revenue sharing contributions from the State, and moderate but continued increases in both healthcare and pension costs. Fortunately, COVID-19 did not impact the City's operations or property values during FY21, instead, the City saw strong growth in home sales prices, and we do not forecast a reduction in property tax revenues in the foreseeable future.

The City continues to increase its contributions towards our underfunded pension plan with revenues generated by the police pension millage. We are now in the fourth year of this millage, originally approved by the voters in 2017 as a 15-year millage. The millage is now fully phased in, and we are at our maximum levy.

The largest issue facing the City currently is water infrastructure. The City's water distribution system is 100 years old and at the end of its useful life. The State of Michigan's mandate that local water suppliers replace all lead service lines, public and private, at public cost has compelled the City to take on the replacement of nearly all water mains and lead service lines over the coming 20-30 years. The total project cost is estimated at \$25 million in 2021 dollars. The City was forced to raise water rates for FY22 and has proposed a 3.5 mill property tax millage on the November 2021 election ballot to fund the water infrastructure project.

### **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, 2021**

	Primary Government			Component
	Governmental	Business-type	Total	Unit
	Activities	Activities		(DDA)
<b>ASSETS</b>				
Cash and investments	\$ 6,957,910	\$ 919,280	\$ 7,877,190	\$ 235,252
Receivables	56,652	327,692	384,344	-
Due from other governmental units	99,977	-	99,977	-
Prepays	30,361	1,473	31,834	-
Capital assets not being depreciated	1,746,700	-	1,746,700	72,500
Capital assets being depreciated, net	8,802,372	2,013,702	10,816,074	129,633
<b>TOTAL ASSETS</b>	<b>17,693,972</b>	<b>3,262,147</b>	<b>20,956,119</b>	<b>437,385</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows of resources related to pensions	291,671	5,803	297,474	-
<b>LIABILITIES</b>				
Accounts payable	161,925	83,812	245,737	-
Accrued liabilities	61,124	5,502	66,626	-
Accrued interest payable	31,910	1,841	33,751	-
Unearned revenue	5,075	-	5,075	-
Noncurrent liabilities				
Due within one year				
Compensated absences	95,500	-	95,500	-
Current portion of long-term debt	329,554	101,677	431,231	-
Due in more than one year				
Compensated absences	57,300	-	57,300	-
Net pension liability	2,631,597	33,608	2,665,205	-
Net other post-employment benefits liability	1,209,977	23,090	1,233,067	-
Long-term debt	3,520,101	201,211	3,721,312	-
<b>TOTAL LIABILITIES</b>	<b>8,104,063</b>	<b>450,741</b>	<b>8,554,804</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows of resources related to pensions	161,404	4,242	165,646	-
Deferred inflows of resources related to OPEB	220,211	4,088	224,299	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>381,615</b>	<b>8,330</b>	<b>389,945</b>	<b>-</b>
<b>NET POSITION</b>				
Net investment in capital assets	6,699,417	1,710,814	8,410,231	202,133
Restricted for				
Streets	204,400	-	204,400	-
Infrastructure improvements	803,221	-	803,221	-
Other purposes	214,674	-	214,674	-
Unrestricted	1,578,253	1,098,065	2,676,318	235,252
<b>TOTAL NET POSITION</b>	<b>\$ 9,499,965</b>	<b>\$ 2,808,879</b>	<b>\$ 12,308,844</b>	<b>\$ 437,385</b>

See notes to financial statements.

**CITY OF PLEASANT RIDGE  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2021**

				Net (Expense) Revenue and Changes in Net Position			
Functions/Programs	Expenses	Program Revenues		Primary Government			Component Unit (DDA)
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total	
Primary government							
Governmental activities							
General government	\$ 649,105	\$ 333,455	\$ 39,333	\$ (276,317)	\$ -	\$ (276,317)	\$ -
Public safety	778,369	161,378	94,904	(522,087)	-	(522,087)	-
Public works	1,285,146	168,006	300,321	(816,819)	-	(816,819)	-
Recreation and culture	613,637	93,045	45,887	(474,705)	-	(474,705)	-
Interest on long-term debt	124,769	-	1,102	(123,667)	-	(123,667)	-
Total governmental activities	3,451,026	755,884	481,547	(2,213,595)	-	(2,213,595)	-
Business-type activities							
Water and sewer	1,286,980	1,497,652	-	-	210,672	210,672	-
Total primary government	<u>\$ 4,738,006</u>	<u>\$ 2,253,536</u>	<u>\$ 481,547</u>	<u>(2,213,595)</u>	<u>210,672</u>	<u>(2,002,923)</u>	<u>-</u>
Component unit							
Downtown Development Authority	<u>\$ 97,698</u>	<u>\$ -</u>	<u>\$ 31,955</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(65,743)</u>
		General revenues					
		Property taxes		3,518,013	-	3,518,013	101,567
		State shared revenue		296,617	-	296,617	-
		Investment earnings		614,230	9,609	623,839	113
		Miscellaneous		33,702	-	33,702	-
		Total general revenues		<u>4,462,562</u>	<u>9,609</u>	<u>4,472,171</u>	<u>101,680</u>
		Change in net position		2,248,967	220,281	2,469,248	35,937
		Net position, beginning of the year		<u>7,250,998</u>	<u>2,588,598</u>	<u>9,839,596</u>	<u>401,448</u>
		Net position, end of the year		<u>\$ 9,499,965</u>	<u>\$ 2,808,879</u>	<u>\$ 12,308,844</u>	<u>\$ 437,385</u>

See notes to financial statements.

**CITY OF PLEASANT RIDGE  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2021**

	General	I-696 Segregated Capital Asset	Infrastructure Improvements	Nonmajor Governmental Funds	Total
<b>ASSETS</b>					
Cash and investments	\$ 1,786,427	\$ 3,736,188	\$ 802,721	\$ 632,574	\$ 6,957,910
Accounts receivable	20,363	-	-	36,289	56,652
Due from other governmental units	54,486	-	-	45,491	99,977
Prepays	28,586	-	500	1,275	30,361
<b>TOTAL ASSETS</b>	<b>\$ 1,889,862</b>	<b>\$ 3,736,188</b>	<b>\$ 803,221</b>	<b>\$ 715,629</b>	<b>\$ 7,144,900</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 103,032	\$ -	\$ -	\$ 58,893	\$ 161,925
Accrued liabilities	57,311	-	-	3,813	61,124
Unearned revenue	5,075	-	-	-	5,075
<b>TOTAL LIABILITIES</b>	<b>165,418</b>	<b>-</b>	<b>-</b>	<b>62,706</b>	<b>228,124</b>
<b>FUND BALANCES</b>					
Nonspendable					
Prepays	28,586	-	500	1,275	30,361
Restricted					
Solid waste	-	-	-	45,585	45,585
Streets and highways	-	-	-	204,400	204,400
Infrastructure improvements	-	-	802,721	-	802,721
Public safety	-	-	-	1,547	1,547
Library	-	-	-	11,424	11,424
Recreation	-	-	-	154,843	154,843
Debt service	-	-	-	30,545	30,545
Committed					
Segregated capital asset	-	3,736,188	-	-	3,736,188
Infrastructure improvements	-	-	-	203,304	203,304
Unassigned	1,695,858	-	-	-	1,695,858
<b>TOTAL FUND BALANCES</b>	<b>1,724,444</b>	<b>3,736,188</b>	<b>803,221</b>	<b>652,923</b>	<b>6,916,776</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 1,889,862</b>	<b>\$ 3,736,188</b>	<b>\$ 803,221</b>	<b>\$ 715,629</b>	<b>\$ 7,144,900</b>

See notes to financial statements.

**CITY OF PLEASANT RIDGE  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2021**

**Total fund balances - governmental funds** **\$ 6,916,776**

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	\$ 21,707,061	
Accumulated depreciation	<u>(11,157,989)</u>	
Capital assets, net		10,549,072

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

Deferred outflows of resources related to pensions	291,671	
Deferred inflows of resources related to pensions	(161,404)	
Deferred inflows of resources related to OPEB	<u>(220,211)</u>	
		(89,944)

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:

Bonds payable	3,735,000	
Unamortized bond premium	114,655	
Accrued interest payable	31,910	
Compensated absences	152,800	
Net OPEB liability	1,209,977	
Net pension liability	<u>2,631,597</u>	
		<u>(7,875,939)</u>

**Net position of governmental activities** **\$ 9,499,965**

**CITY OF PLEASANT RIDGE  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
YEAR ENDED JUNE 30, 2021**

	General	I-696 Segregated Capital Asset	Infrastructure Improvements	Nonmajor Governmental Funds	Total
<b>REVENUES</b>					
Taxes	\$ 2,401,614	\$ 108,532	\$ 429,833	\$ 680,738	\$ 3,620,717
Licenses and permits	110,379	-	-	-	110,379
Intergovernmental	436,418	541	11,437	290,643	739,039
Charges for services	239,076	-	-	209,127	448,203
Fines and forfeits	76,187	-	-	-	76,187
Interest and rents	8,748	597,397	7,360	1,049	614,554
Other	88,326	-	2,398	190	90,914
<b>TOTAL REVENUES</b>	<b>3,360,748</b>	<b>706,470</b>	<b>451,028</b>	<b>1,181,747</b>	<b>5,699,993</b>
<b>EXPENDITURES</b>					
Current					
General government	701,747	-	-	-	701,747
Public safety	1,455,931	-	-	12	1,455,943
Public works	351,550	227	1,014	586,644	939,435
Recreation and culture	319,197	-	-	172,602	491,799
Other	5,000	-	-	-	5,000
Capital outlay	-	-	123,811	281,865	405,676
Debt service	-	-	238,950	182,901	421,851
<b>TOTAL EXPENDITURES</b>	<b>2,833,425</b>	<b>227</b>	<b>363,775</b>	<b>1,224,024</b>	<b>4,421,451</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>527,323</b>	<b>706,243</b>	<b>87,253</b>	<b>(42,277)</b>	<b>1,278,542</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	195,000	195,000
Transfers out	(50,000)	(100,000)	-	(45,000)	(195,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(50,000)</b>	<b>(100,000)</b>	<b>-</b>	<b>150,000</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>477,323</b>	<b>606,243</b>	<b>87,253</b>	<b>107,723</b>	<b>1,278,542</b>
Fund balances, beginning of year	1,247,121	3,129,945	715,968	545,200	5,638,234
Fund balances, end of year	<u>\$ 1,724,444</u>	<u>\$ 3,736,188</u>	<u>\$ 803,221</u>	<u>\$ 652,923</u>	<u>\$ 6,916,776</u>

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, 2021**

**Net change in fund balances - total governmental funds** **\$ 1,278,542**

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	\$	518,553	
Depreciation expense		<u>(837,829)</u>	
Excess of depreciation expense over capital outlay			(319,276)

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>285,000</u>	
			294,554

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	2,528		
(Increase) in compensated absences		(32,302)	
Decrease in net OPEB liability		444,639	
(Decrease) in deferred outflows of resources related to pensions		(3,592)	
(Decrease) in deferred outflows of resources related to OPEB		(38,761)	
(Increase) in deferred inflows of resources related to pensions		(51,330)	
Decrease in deferred inflows of resources related to OPEB		406,629	
Decrease in net pension liability		<u>267,336</u>	
			<u>995,147</u>

**Change in net position of governmental activities** **\$ 2,248,967**

**CITY OF PLEASANT RIDGE  
PROPRIETARY FUND  
STATEMENT OF NET POSITION  
JUNE 30, 2021**

	Business-type Activities <u>Water and Sewer</u>
<b>ASSETS</b>	
Current assets	
Cash and investments	\$ 211,925
Accounts receivable	327,692
Prepaid expenses	<u>1,473</u>
Total current assets	<u>541,090</u>
Noncurrent assets	
Investments	707,355
Capital assets being depreciated, net	<u>2,013,702</u>
Total noncurrent assets	<u>2,721,057</u>
TOTAL ASSETS	<u>3,262,147</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows of resources related to pensions	<u>5,803</u>
<b>LIABILITIES</b>	
Current liabilities	
Accounts payable	83,812
Other accrued liabilities	5,502
Accrued interest payable	1,841
Current portion of long-term debt	<u>101,677</u>
Total current liabilities	<u>192,832</u>
Noncurrent liabilities	
Net other post-employment benefits liability	23,090
Noncurrent portion of long-term debt	201,211
Net pension liability	<u>33,608</u>
Total noncurrent liabilities	<u>257,909</u>
TOTAL LIABILITIES	<u>450,741</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows of resources related to pensions	4,242
Deferred inflows of resources related to OPEB	<u>4,088</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>8,330</u>
<b>NET POSITION</b>	
Net investment in capital assets	1,710,814
Unrestricted	<u>1,098,065</u>
TOTAL NET POSITION	<u>\$ 2,808,879</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, 2021**

	Business-type Activities
	<u>Water and Sewer</u>
OPERATING REVENUES	
Charges for services	\$ 1,497,436
Penalties and fines	<u>216</u>
TOTAL OPERATING REVENUES	<u>1,497,652</u>
OPERATING EXPENSES	
Salaries, wages, and fringe benefits	58,224
Contractual services	130,764
Water purchases	198,061
Sewage treatment	654,490
Administrative charges	31,534
Operating supplies	3,826
Other	24,672
Depreciation	<u>176,250</u>
TOTAL OPERATING EXPENSES	<u>1,277,821</u>
OPERATING INCOME	<u>219,831</u>
NONOPERATING REVENUES (EXPENSES)	
Interest income	9,609
Interest expense and fees	<u>(9,159)</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>450</u>
CHANGE IN NET POSITION	220,281
Net position, beginning of year	<u>2,588,598</u>
Net position, end of year	<u><u>\$ 2,808,879</u></u>

See notes to financial statements.

**CITY OF PLEASANT RIDGE  
PROPRIETARY FUND  
STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2021**

	<u>Business-type Activities Water and Sewer</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash receipts from customers	\$ 1,508,320
Cash paid to suppliers	(1,024,556)
Cash paid to employees	<u>(69,443)</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u><b>414,321</b></u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Capital asset acquisitions	(575,827)
Payments on borrowing	(99,269)
Interest and fees paid	<u>(9,757)</u>
<b>NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<u><b>(684,853)</b></u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest received	<u>9,609</u>
<b>NET (DECREASE) IN CASH AND EQUIVALENTS</b>	<b>(260,923)</b>
Cash and equivalents, beginning of year	<u>1,180,203</u>
Cash and equivalents, end of year	<u><u>\$ 919,280</u></u>
<b>Reconciliation of operating income to net cash provided by operating activities</b>	
Operating income	\$ 219,831
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation	176,250
(Increase) decrease in:	
Accounts receivable	10,668
Prepaid expenses	19,299
Deferred outflows of resources	(1,566)
Increase (decrease) in:	
Accounts payable	(508)
Net other post-employment benefits liability	(3,890)
Net pension liability	(2,729)
Other accrued liabilities	165
Deferred inflows of resources	<u>(3,199)</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u><u><b>\$ 414,321</b></u></u>

See notes to financial statements.

**CITY OF PLEASANT RIDGE  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2021**

	Other Employee Benefit Trust Fund	Custodial Fund
	Retiree Health Insurance Plan Trust	Tax Collections
ASSETS		
Cash and investments	\$ 50,371	\$ -
LIABILITIES	-	-
NET POSITION		
Restricted for other post-employment benefits (health insurance)	\$ 50,371	\$ -

See notes to financial statements.

**CITY OF PLEASANT RIDGE  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
YEAR ENDED JUNE 30, 2021**

	Other Employee Benefit Trust Fund Retiree Health Insurance Plan Trust	Custodial Fund Tax Collections
ADDITIONS		
Contributions		
Employer	\$ 114,494	\$ -
Investment earnings	10,690	-
Property tax collections for other governmental units	-	4,167,643
	<hr/>	<hr/>
TOTAL ADDITIONS	125,184	4,167,643
DEDUCTIONS		
Administrative expenses	79	-
Benefit payments	105,152	-
Property tax distributions to other governmental units	-	4,167,643
	<hr/>	<hr/>
TOTAL DEDUCTIONS	105,231	4,167,643
NET INCREASE IN FIDUCIARY NET POSITION	19,953	-
Net position, beginning of year	<hr/> 30,418	<hr/> -
Net position, end of year	<hr/> <hr/> \$ 50,371	<hr/> <hr/> \$ -

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 2,600. 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 City Commissioners, including the Mayor, who are elected at-large every two years for overlapping four 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 units. 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

This 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 or incomplete.

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)**

Fiduciary Component Unit

The Retiree Health Insurance Plan Trust Fund was established to account for the assets set aside to fund the City of Pleasant Ridge Retiree Health Insurance Plan. The primary purpose of the Trust is to provide the necessary funding for the retiree health insurance premiums provided to eligible City employees during retirement. The Trust was established through MERS Retiree Health Funding Vehicle, with the City Commission serving as the trustees. The assets of the Trust are for the exclusive benefit of the participants and their beneficiaries, and the assets shall not be diverted to any other purpose prior to the satisfaction of all liabilities. The assets are protected from any of the City's creditors. The City Commission has the ability to exercise responsibility, specifically in the area of designation of management.

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 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 12 municipalities in Oakland County, including the City of Pleasant Ridge. The City appoints one 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, 2021, the City of Pleasant Ridge expended \$222,471 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, 2020, are available at SOCRRA's administrative offices. As of June 30, 2020, SOCRRA had net position of \$3,732,135.

Southeastern Oakland County Water Authority - The City is a member of the Southeastern Oakland County Water Authority (SOCWA), which is a joint venture among 12 municipalities in Oakland County, including the City of Pleasant Ridge. The City appoints one 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, 2021, the City of Pleasant Ridge expended \$198,061 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, 2020, are available at SOCWA's administrative offices. As of June 30, 2020, SOCWA had net position of \$21,111,251.



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

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

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. All non-fiduciary activities of the primary government are included (i.e. fiduciary fund activities are not included in the government-wide financial statements). For the most part, interfund activity has been eliminated in the preparation of these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

**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, proprietary funds, and fiduciary funds, even though the later are excluded from the government-wide financial statements. 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.

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

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

Basis of Presentation (continued)

FUND FINANCIAL STATEMENTS (continued)

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.

The City also reports the Retiree Health Insurance Plan Trust (pension and other employee benefit trust fund) and the Tax Collections Fund (custodial fund) as fiduciary funds.

Measurement Focus

The government-wide, proprietary, and fiduciary 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 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 and fiduciary 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.

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

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

Basis of Accounting (continued)

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.

- 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.

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

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

Cash 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.

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.
- c. Commercial paper rated at the time of purchase within the three highest classifications established by not less than two 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.

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, 2021, 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 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 that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) 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, 2021, the City levied 12.6399 mills per \$1,000 of taxable valuation for general governmental services, 1.5084 mills for refuse services, 0.2994 mills for community promotion, 2.6415 mills for infrastructure improvements, 0.3564 mills for library services, 1.1199 mills for pool operations, 0.6670 mills for park improvements, 1.1700 mills for pool debt, and 1.0500 mills for police pension stabilization. The total taxable value for the 2020 levy for property within the City was \$166,963,640.

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.

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 municipal 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.

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

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

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 which should be used first when both restricted and unrestricted fund balances are available. In the absence of such a policy, resources with the highest level of restriction will be used first.

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**

As of June 30, 2021, the City had deposits and investments subject to the following risk.

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. As of June 30, 2021, \$1,478,924 of the City's bank balance of \$1,978,924 was exposed to custodial credit risk because it was uninsured and uncollateralized. The carrying value on the books for deposits at the end of the year was \$1,948,465. The financial statements report \$1,060 of imprest cash on hand.

Custodial Credit Risk - Investments

For an investment, this is the risk that, in the event of a failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

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.



**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.

The City's investments in Oakland County Government Investment Pool and MERS total market portfolio are reported at their individual Net Asset Values. The weighted average maturity for the underlying investments held by each portfolio is not calculated or provided.

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). Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality. The City's investments as of June 30, 2021, were not subject to rating.

Concentration of Credit Risk

The City will minimize concentration of credit risk, which is the risk of loss attributed to the magnitude of the City's investment in a single issuer, 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.

Foreign Currency Risk

The City is not authorized to invest in investments which have this type of risk.

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)**

Fair Value Measurements (continued)

As of June 30, 2021, the carrying amounts and fair values for each investment type are as follows:

<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	\$ 811,896	\$ 811,896	\$ -	\$ -
Equity Securities	2,081,561	2,081,561	-	-
	<u>\$ 2,893,457</u>	<u>\$ 2,893,457</u>	<u>\$ -</u>	<u>\$ -</u>

Investments in Entities that Calculate Net Asset Value per Share

The City holds shares or interests in MERS and Oakland County Government 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. MERS invests assets in a manner which will seek the highest investment return consistent with the preservation of principal and meet the daily liquidity needs of participants.

At the year ended June 30, 2021, 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>
PRIMARY GOVERNMENT				
Oakland County Government Investment Pool	\$ 3,269,460	\$ -	No restrictions	None
FIDUCIARY FUNDS				
MERS total market portfolio	<u>50,371</u>	<u>-</u>	No restrictions	None
	<u>\$ 3,319,831</u>	<u>\$ -</u>		

The cash and cash equivalents and investments referred to above have been reported in the cash and 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, 2021:

	<u>Primary Government</u>	<u>Component Unit</u>	<u>Fiduciary Funds</u>	<u>Reporting Entity</u>
Cash and investments	<u>\$ 7,877,190</u>	<u>\$ 235,252</u>	<u>\$ 50,371</u>	<u>\$ 8,162,813</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.

<u>Funds Transferred In</u>	<u>Funds Transferred Out</u>	<u>Amount</u>
Capital Projects Fund (nonmajor)	General Fund	\$ 50,000
Capital Projects Fund (nonmajor)	I-696 Segregated Capital Asset Fund	100,000
Local Street Fund (nonmajor)	Major Street Fund (nonmajor)	45,000

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

**NOTE 4 - CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2021, was as follows:

**Primary Government**

	<u>Balance July 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2021</u>
<b>Governmental activities</b>				
Capital assets not being depreciated				
Land	\$ 1,746,700	\$ -	\$ -	\$ 1,746,700
Capital assets being depreciated				
Land improvements	2,278,241	281,449	-	2,559,690
Buildings and improvements	4,734,128	31,914	-	4,766,042
Vehicles	285,393	-	-	285,393
Equipment	675,985	51,311	-	727,296
Software	19,430	8,394	-	27,824
Infrastructure - streets and alleys	11,448,631	145,485	-	11,594,116
Subtotal	19,441,808	518,553	-	19,960,361
Less accumulated depreciation for				
Land improvements	(1,170,325)	(121,316)	-	(1,291,641)
Buildings and improvements	(2,248,303)	(168,498)	-	(2,416,801)
Vehicles	(203,484)	(32,386)	-	(235,870)
Equipment	(425,049)	(40,709)	-	(465,758)
Software	(19,430)	(2,798)	-	(22,228)
Infrastructure - streets and alleys	(6,253,569)	(472,122)	-	(6,725,691)
Subtotal	(10,320,160)	(837,829)	-	(11,157,989)
Net capital assets being depreciated	9,121,648	(319,276)	-	8,802,372
Capital assets, net	<u>\$ 10,868,348</u>	<u>\$ (319,276)</u>	<u>\$ -</u>	<u>\$ 10,549,072</u>

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

**NOTE 4 - CAPITAL ASSETS (continued)**

**Primary Government (continued)**

Depreciation expense was charged to the following governmental activities:

General government	\$ 34,785
Public safety	43,449
Public works	551,829
Recreation and culture	<u>207,766</u>
	<u><u>\$ 837,829</u></u>

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
<b>Business-type activities</b>				
Capital assets being depreciated				
Water and sewer transmission and distribution system	\$ 3,723,832	\$ 110,040	\$ -	\$ 3,833,872
Water meters	168,343	465,787	-	634,130
Vehicles and miscellaneous equipment	<u>56,910</u>	<u>-</u>	<u>-</u>	<u>56,910</u>
Subtotal	<u>3,949,085</u>	<u>575,827</u>	<u>-</u>	<u>4,524,912</u>
Less accumulated depreciation for				
Water and sewer transmission and distribution system	(2,140,555)	(130,039)	-	(2,270,594)
Water meters	(155,639)	(40,170)	-	(195,809)
Vehicles and miscellaneous equipment	<u>(38,766)</u>	<u>(6,041)</u>	<u>-</u>	<u>(44,807)</u>
Subtotal	<u>(2,334,960)</u>	<u>(176,250)</u>	<u>-</u>	<u>(2,511,210)</u>
Capital assets, net	<u><u>\$ 1,614,125</u></u>	<u><u>\$ 399,577</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,013,702</u></u>

**Component Unit**

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
<b>Downtown Development Authority (DDA)</b>				
Capital assets not being depreciated				
Land	<u>\$ 72,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 72,500</u>
Capital assets being depreciated				
Land improvements	214,471	-	-	214,471
Less accumulated depreciation for				
Land improvements	<u>(73,889)</u>	<u>(10,949)</u>	<u>-</u>	<u>(84,838)</u>
Net capital assets being depreciated	<u>140,582</u>	<u>(10,949)</u>	<u>-</u>	<u>129,633</u>
Capital assets, net	<u><u>\$ 213,082</u></u>	<u><u>\$ (10,949)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 202,133</u></u>

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

**NOTE 5 - LONG-TERM OBLIGATIONS**

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, 2021.

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021	Amounts Due Within One Year
<b>Primary Government</b>					
Governmental activities					
Other debt					
General Obligation Bonds	\$ 4,020,000	\$ -	\$ (285,000)	\$ 3,735,000	\$ 320,000
Unamortized bond premium	124,209	-	(9,554)	114,655	9,554
Other long-term obligations					
Compensated Absences	120,498	108,168	(75,866)	152,800	95,500
	4,264,707	108,168	(370,420)	4,002,455	425,054
Business-type activities					
Direct borrowings and direct placements					
Water and Sewer System					
George W. Kuhn Drain Bonds	402,157	-	(99,269)	302,888	101,677
	<u>\$ 4,666,864</u>	<u>\$ 108,168</u>	<u>\$ (469,689)</u>	<u>\$ 4,305,343</u>	<u>\$ 526,731</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 \$150,000 to \$200,000 through April 1, 2028, with interest ranging from 4.250 to 4.375% payable semiannually.

\$ 1,200,000

\$3,000,000 2017 Limited Tax General Obligation Bonds dated May 2, 2017, due in annual installments ranging from \$170,000 to \$260,000 through October 1, 2032, with interest of 3.000%, payable semiannually.

2,535,000

\$ 3,735,000

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

**NOTE 5 - LONG-TERM OBLIGATIONS (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.

\$ 302,888

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 \$152,800 at June 30, 2021.

The annual requirements to pay the principal and interest outstanding for the bonds payable are as follows:

**Primary Government**

Year Ending June 30,	Governmental Activities		Business-type Activities	
	Other Debt		Direct Borrowings and Direct Placements	
	Principal	Interest	Principal	Interest
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	365,000	89,762	8,185	879
2026	370,000	76,549	8,371	696
2027-2031	1,510,000	188,548	18,817	1,002
2032-2033	510,000	15,450	-	-
	<u>\$ 3,735,000</u>	<u>\$ 710,695</u>	<u>\$ 302,888</u>	<u>\$ 17,761</u>

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

**NOTE 6 - 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-member Retirement Board. MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained accessing MERS website at [www.mersofmich.com](http://www.mersofmich.com).

Summary of Significant Accounting Policies

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

Benefits Provided

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

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% 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, 2020, valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries receiving benefits	19
Inactive employees entitled to but not yet receiving benefits	10
Active employees	9
	<hr/>
	38
	<hr/>

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

**NOTE 6 - DEFINED BENEFIT PENSION PLAN (continued)**

Contributions

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

Employer contributions ranged from 2.42to 5.11% based on annual payroll for open divisions. For the year ended June 30, 2021, 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.

Payable to the Pension Plan

At June 30, 2021, there were no amounts outstanding by the City for contributions to the pension plan required for the year ended June 30, 2021.

Net Pension Liability

The net pension liability reported at June 30, 2021 was determined using a measure of the total pension liability and the pension net position as of December 31, 2020. The December 31, 2020 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:

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances at December 31, 2019	\$ 6,318,983	\$ 3,383,713	\$ 2,935,270
Changes for the Year			
Service cost	66,803	-	66,803
Interest on total pension liability	466,911	-	466,911
Difference between expected and actual experience	(78,070)	-	(78,070)
Changes in assumptions	187,411	-	187,411
Employer contributions	-	384,992	(384,992)
Employee contributions	-	93,708	(93,708)
Net investment income	-	441,251	(441,251)
Benefit payments, including employee refunds	(417,657)	(417,657)	-
Administrative expense	-	(6,831)	6,831
Net changes	225,398	495,463	(270,065)
Balances at December 31, 2020	\$ 6,544,381	\$ 3,879,176	\$ 2,665,205



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

**NOTE 6 - 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, 2021, the employer recognized pension expense of \$189,897. 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	\$ -	\$ 39,035
Differences in assumptions	93,706	-
Net difference between projected and actual earnings on pension plan investments	-	126,611
Contributions subsequent to the measurement date*	<u>203,768</u>	<u>-</u>
Total	<u><u>\$ 297,474</u></u>	<u><u>\$ 165,646</u></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, 2022.

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
2022	\$ 28,358
2023	6,527
2024	(70,420)
2025	(36,405)

Actuarial Assumptions

The total pension liability in the December 31, 2020 annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation: 2.5%

Salary increases: 3.00% 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: 7.35%, net of investment expenses, including inflation.

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

**NOTE 6 - DEFINED BENEFIT PENSION PLAN (continued)**

Actuarial Assumptions (continued)

The valuation incorporates fully generational mortality. The base mortality tables used are constructed as noted and are based on amount weighted sex distinct rates. Pre-retirement mortality - 1. the Pub-2010 Juvenile Mortality Tables, 2. the Pub-2010 Employee Mortality Tables, and 3. the Pub-2010 Healthy Retiree Tables. Non-disabled retired plan members and beneficiaries - 1. 106% of the Pub-2010 Juvenile Mortality Tables, 2. 106% of the Pub-2010 Employee Mortality Tables, and 3. 106% of the Pub-2010 Healthy Retiree Tables. Disabled retired plan members - 1. The Pub-2010 Juvenile Mortality Tables, 2 - PubNS-2010 Disabled Retiree Tables.

The actuarial assumptions used in the valuation were based on the results of the 2014-2018 Five-Year Experience Study.

Discount Rate

The discount rate used to measure the total pension liability is 7.60%. 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.

Changes in Assumptions

The actuarial assumptions were changed during the year as follows:

Increase in merit and longevity pay assumption.  
Changes in mortality tables.

Projected Cash Flows

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

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

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

**NOTE 6 - DEFINED BENEFIT PENSION PLAN (continued)**

Projected Cash Flows (continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Expected Money-Weighted Rate of Return</u>
Global Equity	60.00%	5.25%	3.15%
Global Fixed Income	20.00%	1.25%	0.25%
Private Investments	20.00%	7.25%	1.45%
	<u>100.00%</u>		
Inflation			2.50%
Administrative expenses netted above			<u>0.25%</u>
Investment rate of return			<u>7.60%</u>

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 7.60%, as well as what the City's net pension liability would be using a discount rate that is 1% lower (6.60%) or 1% higher (8.60%) than the current rate.

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Net pension liability	<u>\$ 3,402,496</u>	<u>\$ 2,665,205</u>	<u>\$ 2,047,221</u>

**NOTE 7 - 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.

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

**NOTE 7 - OTHER POST-EMPLOYMENT BENEFITS (continued)**

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, 2021 valuation date, the following employees were being covered by the benefit terms.

Inactive employees or beneficiaries receiving benefits	10
Active employees	<u>3</u>
	<u><u>13</u></u>

Contributions

For the year ended June 30, 2021, the City contributed \$9,342 in addition to its portion of premium payments.

Net OPEB Liability

The net OPEB liability of the City was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021.

Actuarial Assumptions

The total OPEB liability in the June 30, 2021 was determined using the following assumptions applied to all periods included in the measurement.

Discount rate	7.04%
Long-term rate of return	7.35%
Inflation rate	2.50%
Healthcare cost trend rate(s)	Medical - 8.00% graded down 0.50% per year for 7 years; 4.50% in all years post 2028; 4.00% per year for Dental and 3.00% per year for Vision
AA 20-year municipal bond rate	2.19%

Mortality rates were based on regulations as set forth by the IRS, based on SOA Pub-2010 Tables with scale MP-2020.

The assumptions used in the June 30, 2021 valuation were determined by the City’s management as of June 30, 2021.

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

**NOTE 7 - OTHER POST-EMPLOYMENT BENEFITS (continued)**

Actuarial Assumptions (continued)

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	60.00%	5.25%
Global fixed income	20.00%	1.25%
Private investments	20.00%	7.25%

Discount Rate

The discount rate used to measure the total OPEB liability was 7.04%. 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.

Changes in Assumptions

The actuarial assumptions were changed during the year as follows:

- Increase in the discount rate from 6.40% to 7.04%.
- Reduction in the AA 20-year municipal bond rate from 2.66% to 2.19%.

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

**NOTE 7 - OTHER POST-EMPLOYMENT BENEFITS (continued)**

Change in Net OPEB Liability

The change in the net OPEB liability for the year ended June 30, 2021, 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, 2020	\$ 1,712,014	\$ 30,418	\$ 1,681,596
Changes for the year			
Service cost	8,030	-	8,030
Interest	106,770	-	106,770
Experience losses	(412,272)	-	(412,272)
Change in actuarial assumptions	(25,952)	-	(25,952)
Contributions - employer	-	114,494	(114,494)
Net investment income	-	10,690	(10,690)
Benefit payments	(105,152)	(105,152)	-
Administrative expense	-	(79)	79
Net changes	(428,576)	19,953	(448,529)
Balances at June 30, 2021	\$ 1,283,438	\$ 50,371	\$ 1,233,067

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 (6.04%) or 1% higher (8.04%) than the current discount rate:

	1% Decrease	Current Rate	1% Increase
Net OPEB liability	\$ 1,385,509	\$ 1,233,067	\$ 1,106,055

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:

	1% Decrease	Current Rate	1% Increase
Net OPEB liability	\$ 1,102,273	\$ 1,233,067	\$ 1,390,750

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

**NOTE 7 - OTHER POST-EMPLOYMENT BENEFITS (continued)**

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

For the year ended June 30, 2021, the City recognized an OPEB benefit of \$707,209. At June 30, 2021, 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	\$ -	\$ 206,136
Changes of assumptions	-	12,976
Net investment earnings (gains)/losses	<u>-</u>	<u>5,187</u>
	<u>\$ -</u>	<u>\$ 224,299</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>
2022	\$ (220,268)
2023	(1,123)
2024	(1,302)
2025	(1,606)

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

**NOTE 8 - 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, 2021:

REVENUES	
Licenses and permits	
Electrical permits	\$ 10,020
Building permits	78,303
Plumbing/heating permits	20,740
Landlord licenses	1,200
Registration fees	3,165
Administrative fee	<u>11,505</u>
 TOTAL REVENUES	 <u>124,933</u>
EXPENDITURES	
Salaries and wages	91,959
Other	<u>41,874</u>
 TOTAL EXPENDITURES	 <u>133,833</u>
 EXCESS OF REVENUES (UNDER) EXPENDITURES	  (8,900)
 PRIOR CUMULATIVE EXCESS OF REVENUES (UNDER) EXPENDITURES	  <u>(27,899)</u>
 CUMULATIVE EXCESS OF REVENUES (UNDER) EXPENDITURES	  <u>\$ (36,799)</u>

**NOTE 9 - 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 \$1,000 deductible per occurrence of property and crime coverage. State pool members' limits of coverage (per occurrence) are \$15,000,000 for liability and approximately \$5,300,000 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 in any of the past three fiscal years.

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 in any of the past three fiscal years.



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

**NOTE 10 - 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 11 - 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, 2021:

PRIMARY GOVERNMENT	
Governmental activities	
Restricted for streets	\$ 204,400
Restricted for infrastructure improvements	803,221
Restricted for other purposes	
Solid waste	46,498
Public safety	1,547
Library	11,424
Recreation	155,205
	<hr/>
	214,674
	<hr/>
	<u>\$ 1,222,295</u>

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

**NOTE 12 - UPCOMING ACCOUNTING PRONOUNCEMENTS**

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 2021-2022 fiscal year.

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangement*. The statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The City is currently evaluating the impact this standard will have on the financial statements when adopted during the 2022-2023 fiscal year.

**NOTE 13 - UNCERTAINTIES**

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of many businesses. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. Therefore, the City expects this matter to potentially negatively impact its operating results. However, the related financial impact and duration cannot be reasonably estimated at this time.

**NOTE 14 - SUBSEQUENT EVENT**

The American Rescue Plan (ARP) Act was signed into law on March 11, 2021, and it guaranteed direct relief to local municipalities. The City is estimated to receive approximately \$254,000 in ARP funding. Funding will be released by the U.S. Department of Treasury in two tranches. Half of the funding the City is entitled to was released in September 2021, and the second half of the funding will be released under the second tranche approximately one year after the disbursement of the first tranche. The City will have until 2024 to obligate the federal funds and until 2026 to spend the funds on allowable expenditures.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF PLEASANT RIDGE  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE (NON-GAAP BUDGETARY BASIS)  
YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<b>REVENUES</b>				
Property taxes	\$ 2,371,569	\$ 2,377,059	\$ 2,401,614	\$ 24,555
Licenses and permits	53,780	99,975	110,379	10,404
Intergovernmental	258,500	357,010	436,418	79,408
Charges for services	205,689	222,869	238,196	15,327
Fines and forfeits	50,000	50,000	76,187	26,187
Interest and rents	9,000	7,925	8,748	823
Other	99,200	114,150	88,176	(25,974)
<b>TOTAL REVENUES</b>	<b>3,047,738</b>	<b>3,228,988</b>	<b>3,359,718</b>	<b>130,730</b>
<b>EXPENDITURES</b>				
Current				
General government				
Commission	27,550	27,550	13,769	13,781
Manager	182,276	187,891	182,942	4,949
Treasurer	117,050	127,355	125,667	1,688
Clerk	115,073	116,723	114,130	2,593
Assessor	22,155	22,735	21,212	1,523
Elections	9,510	24,050	21,747	2,303
General government	145,400	149,000	117,621	31,379
Attorney services	26,500	26,500	26,633	(133)
Information technology	58,500	75,290	74,763	527
Cable television	3,410	3,410	3,263	147
<b>Total general government</b>	<b>707,424</b>	<b>760,504</b>	<b>701,747</b>	<b>58,757</b>
Public safety				
Police department	1,219,015	1,219,015	1,129,464	89,551
Fire services	256,581	256,581	256,581	-
Building department	66,767	78,072	69,886	8,186
<b>Total public safety</b>	<b>1,542,363</b>	<b>1,553,668</b>	<b>1,455,931</b>	<b>97,737</b>
Public works				
Public works services	261,086	287,186	305,544	(18,358)
Street lighting	38,000	46,000	46,006	(6)
<b>Total public works</b>	<b>299,086</b>	<b>333,186</b>	<b>351,550</b>	<b>(18,364)</b>

**CITY OF PLEASANT RIDGE  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE (NON-GAAP BUDGETARY BASIS) (continued)  
YEAR ENDED JUNE 30, 2021**

	<u>Budgeted Amounts</u>			<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
EXPENDITURES (continued)				
Current (continued)				
Recreation and culture				
Parks and recreation department	<u>\$ 387,773</u>	<u>\$ 387,773</u>	<u>\$ 318,877</u>	<u>\$ 68,896</u>
Other				
Retirement benefits	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
TOTAL EXPENDITURES	<u>2,941,646</u>	<u>3,040,131</u>	<u>2,833,105</u>	<u>207,026</u>
EXCESS OF REVENUES OVER EXPENDITURES	106,092	188,857	526,613	337,756
OTHER FINANCING (USES)				
Transfers out	<u>(50,000)</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>
Net change in fund balance (Budgetary basis)	<u>\$ 56,092</u>	<u>\$ 138,857</u>	476,613	<u>\$ 337,756</u>
Budgetary perspective difference			<u>710</u>	
Net change in fund balance (GAAP basis)			<u>\$ 477,323</u>	

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

	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability							
Service cost	\$ 66,803	\$ 67,264	\$ 63,336	\$ 64,548	\$ 75,507	\$ 71,305	\$ 67,290
Interest	466,911	481,608	469,388	461,959	455,540	433,753	422,582
Difference between expected and actual experience	(78,070)	(222,908)	30,352	(33,559)	(75,651)	40,456	-
Changes of assumptions	187,411	213,162	-	-	-	248,716	-
Benefit payments, including employee refunds	(417,657)	(413,234)	(411,327)	(387,647)	(351,726)	(367,542)	(345,474)
Other	-	-	(2)	-	-	(4)	(2)
Net change in total pension liability	225,398	125,892	151,747	105,301	103,670	426,684	144,396
Total Pension Liability, beginning	6,318,983	6,193,091	6,041,344	5,936,043	5,832,373	5,405,689	5,261,293
Total Pension Liability, ending	<u>\$ 6,544,381</u>	<u>\$ 6,318,983</u>	<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	\$ 384,992	\$ 334,687	\$ 280,238	\$ 290,004	\$ 244,324	\$ 211,243	\$ 200,664
Contributions - employee	93,708	11,300	10,786	11,713	11,785	10,639	10,149
Net investment income (loss)	441,251	410,872	(125,829)	393,028	312,825	(42,958)	183,562
Benefit payments, including employee refunds	(417,657)	(413,234)	(411,327)	(387,647)	(351,726)	(367,542)	(345,474)
Administrative expenses	(6,831)	(7,074)	(6,303)	(6,224)	(6,175)	(6,399)	(6,715)
Net change in plan fiduciary net position	495,463	336,551	(252,435)	300,874	211,033	(195,017)	42,186
Plan Fiduciary Net Position, beginning	3,383,713	3,047,162	3,299,597	2,998,723	2,787,690	2,982,707	2,940,521
Plan Fiduciary Net Position, ending	<u>\$ 3,879,176</u>	<u>\$ 3,383,713</u>	<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>\$ 2,665,205</u>	<u>\$ 2,935,270</u>	<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	59%	54%	49%	55%	51%	48%	55%
Covered Payroll	\$ 606,376	\$ 651,713	\$ 632,814	\$ 528,668	\$ 618,585	\$ 568,862	\$ 550,037
City's Net Pension Liability as a percentage of Covered Payroll	440%	450%	497%	519%	475%	535%	441%

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarial determined contributions	\$ 406,807	\$ 364,278	\$ 303,820	\$ 287,985	\$ 255,997	\$ 242,271	\$ 189,972
Contributions in relation to the actuarially determined contribution	<u>406,807</u>	<u>364,278</u>	<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>\$ -</u>	<u>\$ -</u>	<u>\$ (6,984)</u>
Covered Payroll	\$ 699,627	\$ 651,671	\$ 636,667	\$ 583,206	\$ 625,950	\$ 854,741	\$ 821,298
Contributions as a percentage of covered payroll	58%	56%	48%	49%	41%	28%	24%

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

	2021	2020	2019	2018
Total OPEB Liability				
Service cost	\$ 8,030	\$ 7,809	\$ 34,150	\$ 34,998
Interest	106,770	121,017	192,083	210,015
Difference between expected and actual experience	(412,272)	(205,623)	(1,362,444)	(352,622)
Change of assumptions	(25,952)	75,547	(240,088)	(394,964)
Benefit payments	(105,152)	(115,288)	(143,529)	(151,237)
Net change in total OPEB liability	(428,576)	(116,538)	(1,519,828)	(653,810)
Total OPEB Liability, beginning	1,712,014	1,828,552	3,348,380	4,002,190
Total OPEB Liability, ending	<u>\$ 1,283,438</u>	<u>\$ 1,712,014</u>	<u>\$ 1,828,552</u>	<u>\$ 3,348,380</u>
Plan Fiduciary Net Position				
Contributions - employer	\$ 114,494	\$ 122,285	\$ 148,529	\$ 156,237
Net investment income	10,690	591	636	1,218
Benefit payments	(105,152)	(115,288)	(143,529)	(151,237)
Administrative expense	(79)	(52)	(46)	(39)
Net change in plan fiduciary net position	19,953	7,536	5,590	6,179
Plan Fiduciary Net Position, beginning	30,418	22,882	17,292	11,113
Plan Fiduciary Net Position, ending	<u>\$ 50,371</u>	<u>\$ 30,418</u>	<u>\$ 22,882</u>	<u>\$ 17,292</u>
City's net OPEB liability	<u>\$ 1,233,067</u>	<u>\$ 1,681,596</u>	<u>\$ 1,805,670</u>	<u>\$ 3,331,088</u>
Plan fiduciary net position as a percentage of the total OPEB liability	3.92%	1.78%	1.25%	0.52%
Covered payroll	\$ 230,814	\$ 221,909	\$ 214,120	N/A
City's net OPEB liability as a percentage of covered payroll	534.2%	757.8%	843.3%	N/A



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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined employer contribution	\$ 136,655	\$ 149,919	\$ 249,765	\$ 241,246
Employer contribution	<u>114,494</u>	<u>122,285</u>	<u>148,529</u>	<u>156,237</u>
Contribution deficiency (excess)	<u>\$ 22,161</u>	<u>\$ 27,634</u>	<u>\$ 101,236</u>	<u>\$ 85,009</u>
Covered payroll	\$ 230,814	\$ 221,909	\$ 214,120	N/A
Contribution as a percentage of covered payroll	49.6%	55.1%	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, 2021, the City incurred expenditures in the General 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			
Attorney services	\$ 26,500	\$ 26,633	\$ 133
Public works			
Public works services	287,186	305,544	18,358
Street lighting	46,000	46,006	6

**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 budgetary perspective difference shown on the Budgetary Comparison Schedule (Non-GAAP Basis) reconciles the change in fund balance to the GAAP-basis basic financial statements and the details related to these amounts are as follows:

Net change in General Fund Balance (budgetary basis)	\$ 476,613
Net change in fund balance related to Historical Fund	
Revenue related to additional sales, interest, and other	1,030
Expenditures related to administration and capital outlay	<u>(320)</u>
Net change in General Fund Fund Balance (GAAP basis)	<u><u>\$ 477,323</u></u>

**NOTE 3 - EMPLOYEE RETIREMENT PLAN**

Changes of Benefit Terms: There were no changes of benefit terms for the plan year 2020.

Changes in Assumptions: Increases in merit and longevity pay assumptions.  
Changes in mortality tables.

**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 2021.

Changes in Assumptions: Increase in the discount rate from 6.40% to 7.04%.  
Reduction in the AA 20-year municipal bond rate from 2.66% to 2.19%.

## **OTHER SUPPLEMENTARY INFORMATION**

**CITY OF PLEASANT RIDGE  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2021**

	Special			
	Major Streets	Local Streets	Solid Waste	Pool/Fitness Facility (Operating)
<b>ASSETS</b>				
Cash and cash equivalents	\$ 122,155	\$ 77,216	\$ 15,366	\$ 170,569
Accounts receivable	-	-	36,289	-
Due from other governmental units	33,928	11,563	-	-
Prepays	-	-	913	362
<b>TOTAL ASSETS</b>	<b>\$ 156,083</b>	<b>\$ 88,779</b>	<b>\$ 52,568</b>	<b>\$ 170,931</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 16,001	\$ 24,461	\$ 5,679	\$ 12,304
Accrued wages	-	-	391	3,422
<b>TOTAL LIABILITIES</b>	<b>16,001</b>	<b>24,461</b>	<b>6,070</b>	<b>15,726</b>
<b>FUND BALANCES</b>				
Nonspendable				
Prepays	-	-	913	362
Restricted				
Solid waste	-	-	45,585	-
Streets and highways	140,082	64,318	-	-
Public safety	-	-	-	-
Library	-	-	-	-
Recreation	-	-	-	154,843
Debt service	-	-	-	-
Committed				
Infrastructure improvements	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>140,082</b>	<b>64,318</b>	<b>46,498</b>	<b>155,205</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 156,083</b>	<b>\$ 88,779</b>	<b>\$ 52,568</b>	<b>\$ 170,931</b>

Revenue		Capital Projects	Debt Service	
Drug Forfeiture	Library	Capital Projects	Pool/Fitness Center Debt Service	Total
\$ 1,547	\$ 11,424	\$ 203,752	\$ 30,545	\$ 632,574
-	-	-	-	36,289
-	-	-	-	45,491
-	-	-	-	1,275
<u>\$ 1,547</u>	<u>\$ 11,424</u>	<u>\$ 203,752</u>	<u>\$ 30,545</u>	<u>\$ 715,629</u>
\$ -	\$ -	\$ 448	\$ -	\$ 58,893
-	-	-	-	3,813
-	-	448	-	62,706
-	-	-	-	1,275
-	-	-	-	45,585
-	-	-	-	204,400
1,547	-	-	-	1,547
-	11,424	-	-	11,424
-	-	-	-	154,843
-	-	-	30,545	30,545
-	-	203,304	-	203,304
<u>1,547</u>	<u>11,424</u>	<u>203,304</u>	<u>30,545</u>	<u>652,923</u>
<u>\$ 1,547</u>	<u>\$ 11,424</u>	<u>\$ 203,752</u>	<u>\$ 30,545</u>	<u>\$ 715,629</u>

**CITY OF PLEASANT RIDGE  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
YEAR ENDED JUNE 30, 2021**

	Special			Pool/Fitness Facility (Operating)
	Major Streets	Local Streets	Solid Waste	
REVENUES				
Taxes	\$ -	\$ -	\$ 245,449	\$ 182,230
Intergovernmental	207,209	79,910	1,224	909
Charges for services	-	-	168,006	41,121
Interest and rents	44	4	4	6
Other	-	-	-	190
TOTAL REVENUES	207,253	79,914	414,683	224,456
EXPENDITURES				
Current				
Public safety	-	-	-	-
Public works	82,572	98,122	405,186	-
Recreation and culture	-	-	-	114,839
Capital outlay	58,820	57,133	-	-
Debt service	-	-	-	-
TOTAL EXPENDITURES	141,392	155,255	405,186	114,839
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	65,861	(75,341)	9,497	109,617
OTHER FINANCING SOURCES (USES)				
Transfers in	-	45,000	-	-
Transfers out	(45,000)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(45,000)	45,000	-	-
NET CHANGE IN FUND BALANCES	20,861	(30,341)	9,497	109,617
Fund balances, beginning of year	119,221	94,659	37,001	45,588
Fund balances, end of year	\$ 140,082	\$ 64,318	\$ 46,498	\$ 155,205

Revenue		Capital Projects	Debt Service Pool/Fitness Center Debt Service	Total
Drug Forfeiture	Library	Capital Projects		
\$ -	\$ 57,989	\$ -	\$ 195,070	\$ 680,738
-	289	-	1,102	290,643
-	-	-	-	209,127
-	1	990	-	1,049
-	-	-	-	190
-	58,279	990	196,172	1,181,747
12	-	-	-	12
-	-	764	-	586,644
-	57,763	-	-	172,602
-	-	165,912	-	281,865
-	-	-	182,901	182,901
12	57,763	166,676	182,901	1,224,024
(12)	516	(165,686)	13,271	(42,277)
-	-	150,000	-	195,000
-	-	-	-	(45,000)
-	-	150,000	-	150,000
(12)	516	(15,686)	13,271	107,723
1,559	10,908	218,990	17,274	545,200
\$ 1,547	\$ 11,424	\$ 203,304	\$ 30,545	\$ 652,923



**CITY OF PLEASANT RIDGE  
 COMPONENT UNIT FUND  
 BALANCE SHEET - DOWNTOWN DEVELOPMENT AUTHORITY (DDA)  
 JUNE 30, 2021**

ASSETS	
Cash and investments	<u>\$    235,252</u>
LIABILITIES	
	\$          -
FUND BALANCE	
Unassigned	<u>235,252</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$    235,252</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, 2021**

<b>Total fund balance - governmental fund</b>	<b>\$ 235,252</b>
---	-------------------

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	\$ 286,971	
Accumulated depreciation	<u>(84,838)</u>	
Capital assets, net		<u>202,133</u>
<b>Net position of governmental activities</b>		<b><u><u>\$ 437,385</u></u></b>

**CITY OF PLEASANT RIDGE  
 COMPONENT UNIT FUND  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 DOWNTOWN DEVELOPMENT AUTHORITY (DDA)  
 YEAR ENDED JUNE 30, 2021**

REVENUES	
Taxes	\$ 101,567
Intergovernmental	3,474
Interest	113
Other	<u>28,481</u>
TOTAL REVENUES	<u>133,635</u>
EXPENDITURES	
Current	
Community and economic development	<u>86,749</u>
EXCECSS OF REVENUES OVER EXPENDITURES	46,886
Fund balance, beginning of year	<u>188,366</u>
Fund balance, end of year	<u><u>\$ 235,252</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, 2021**

<b>Net change in fund balance - governmental fund</b>	\$ 46,886
---	-----------

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	<u>(10,949)</u>
<b>Change in net position of governmental activities</b>	<u><u>\$ 35,937</u></u>



**City of Pleasant Ridge**

23925 Woodward Avenue  
Pleasant Ridge, Michigan 48069

**City Commission Meeting  
November 9, 2021**

Having been duly publicized, Mayor Metzger called the meeting to order at 7:31pm.

Present: Commissioners Budnik, Perry, Scott, Wahl, Mayor Metzger.

Also Present: City Manager Breuckman, City Clerk Allison.

Absent: None.

**Proclamation recognizing Meghan Perrault for her recycling efforts in Pleasant Ridge**  
**21-3529**

Motion by Commissioner Perry, second by Commissioner Wahl, that the proclamation recognizing Meghan Perrault for her recycling efforts in the City of Pleasant Ridge, be approved.

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

**Public Discussion**

Ted Zachary, 68 Devonshire, Environmental Committee member, discussed recycling and compost tips.

Jay Foreman, 60 Oakdale, Halloween candy collection for Operation Gratitude, over 500 pounds collected. Thanked all who participated.

**City Commission Liaison Reports**

Commissioner Scott gave an update on events related to the Historical Commission. The museum will be open November 20<sup>th</sup> from 10am-12pm and is regularly open the third Saturday monthly. There will be a holiday village display in the museum for the holiday season. The museum will be open during the City's annual Christmas Tree Lighting ceremony on December 6<sup>th</sup>.

Commissioner Wahl gave an update on events related to the Recreation Commission. Upcoming events include 50+ club Thanksgiving Bingo, 50+ Club trips resuming, American Red Cross blood drive, holiday lighting contest, letters to Santa mailboxes at the Community Center and City Hall, holiday arrangement workshop only has a few spaces available, Annual Christmas Tree Lighting Ceremony – December 6<sup>th</sup>, Memorial Park, kids gingerbread house making workshop, Dinner with Santa event. Check the City's website for more details.

Commissioner Budnik gave an update for the Ferndale Public Schools and the Huntington Woods Library Board. Ferndale High School is looking for tutors, refreshed nest meeting space available for gatherings, various school sponsored clubs are beginning to reorganize as COVID cases in the district are low. SAT and PSAT testing coming up. FPS superintendent Sania Bazzi named Superintendent of the Year. School district celebrating is 100<sup>th</sup> year. North Pool at the high school being converted to a fitness center. FHS Marching Band won state competition over the weekend.

Huntington Woods Library, detailed upcoming events and class offerings. Check the Huntington Woods Library website for further information.

Commissioner Perry gave an update regarding the Planning Commission/DDA. There has been no meeting. The next meeting will be held in January 2022.

### **Official Certification and Election Report of the General Election November 2, 2021**

**21-3530**

Motion by Commissioner Wahl, second by Commissioner Perry, that the Official Certification and Election Report of the November 2, 2021, City General Election be received and filed.

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

After the certification report was received. City Clerk Allison administered the Oath of Office to Mayor Bret Scott, City Commissioner Alex P. Lenko, and City Commissioner Katy Schmier. After a brief recess the new City Commission was seated and the meeting continued.

### **Governmental Reports**

Chief Teresa Robinson, Ferndale Fire Department, gave an update regarding events related to the Ferndale Fire Department.

Sergeant Robert Ried, Pleasant Ridge Police Department, gave an update regarding events related to the Pleasant Ridge Police Department in the absence of Chief Nowak.

### **Consent Agenda**

**21-3531**

Motion by Commissioner Perry, second by Commissioner Budnik, that the Consent Agenda be approved.

Adopted:                      Yeas: Commissioner Perry Budnik, Lenko, Schmier, Mayor Scott.  
Nays: None.

### **2021-2023 City Commission Organizational Items**

**21-3532**

Motion by Commissioner Budnik, second by Commissioner Perry, that items 11a through 11n regarding the organization of the 2021-2023 Pleasant Ridge City Commission be approved.

Adopted:                      Yeas: Commissioner Budnik, Perry, Lenko, Schmier, Mayor Scott.  
Nays: None.

### **City Commission Liaison appointments**

**21-3533**

Motion by Commissioner Perry, second by Commissioner Lenko, the appointment of Commissioner Budnik as liaison to the Pleasant Ridge Recreation Commission, the appointment of Commissioner Perry as liaison to the Pleasant Ridge Planning Commission/Downtown Development Authority, the appointment of Commissioner Schmier as liaison to the Pleasant Ridge Historical Commission and the appointment of Commissioner Lenko as liaison to the Ferndale Public Schools Superintendent's Advisory Committee, terms to expire November 14, 2023, be approved..

Adopted:                      Yeas: Commissioner Perry, Lenko, Budnik, Schmier, Mayor Scott.  
Nays: None.

**City Commission appointment to the Woodward Heights Traffic Calming Consultant Selection Committee**

**21-3534**

Motion by Commissioner Budnik, second by Commissioner Perry, the appointment of Commissioner Lenko and Commissioner Schmier to the Woodward Heights Traffic Calming Consultant Selection Committee, be approved.

Adopted: Yeas: Commissioner Budnik, Perry, Lenko, Schmier, Mayor Scott.  
Nays: None.

**Water Infrastructure Funding discussion**

Motion by Commissioner Lenko, second by Commissioner Schmier that a citizen's advisory commission be established to recommend what portion, if any, of newly approved millage and other sources be applied to the water infrastructure project. Further, that said advisory commission be comprised of 9 citizens, appropriately balanced by geography within the City, by taxable values, and if allowable by voting stance on our recent millage. And lastly, that the City Manager research and report back to the City Commission in one month concerning the features of the Federal Infrastructure bill relating to water supply and how they might apply to the City's own water infrastructure project.

Comments were made by the public and City Commissioners. Public comments made by Ralph Castelli, George Lenko, Jay Ahmad, a written statement was provided by Perry Shah and read by Jay Ahmad, and Christine Matyas.

No vote was taken on this motion, discussion was held and a special meeting was scheduled for November 30<sup>th</sup> to discuss this item. This motion was tabled until the November 30, 2021.

**City Manager's Report**

Federal Infrastructure bill, what the funding looks like and application process. State of Michigan decides the distribution of the federal funding. Pleasant Ridge may have a uphill fight for funding. Funding rollout will be over five years. Will have more information soon.

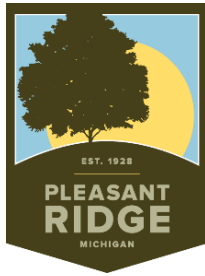
With no further business or discussion, Mayor Scott adjourned the meeting at 8:53pm.

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Mayor Bret Scott

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Amy M. Allison, City Clerk



## **City of Pleasant Ridge**

23925 Woodward Avenue  
Pleasant Ridge, Michigan 48069

### **City Commission Meeting November 30, 2021**

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

Present: Commissioners Budnik, Lenko, Perry, Schmier, Mayor Scott.

Also Present: City Manager Breuckman, City Clerk Allison.

Absent: None.

#### **Remove Item from the table to establish a Citizens Advisory Committee**

Commissioner Lenko offered a motion to remove the item and motion discussed at the November 9, 2021 City Commission Regular and Organization meeting regarding the establishment of a citizens advisory committee from the table for further consideration. This motion died due to lack of a second.

#### **Pleasant Ridge Citizen Advisory Committee Organization**

**21-3535**

Motion by Commissioner Lenko, second by Commissioner Perry, that we form a Citizens Advisory Committee to explore all possible funding options for the water infrastructure project to include the lead service lines and water main replacement and create a recommendation for the City Commission to make an informed decision, limited to 2022.

Adopted: Yeas: Commissioner Lenko, Perry, Budnik, Schmier, Mayor Scott.  
Nays: None.

Comments were made on this item from the public and Commissioners. Public comments were offered by Perry Shah, George Lenko, Ralph Castelli, Dan Riley, Barry Knister, Doug McElroy, Jeff Hand, Jay Ahmad, Susan Burt, Lynn Nilson, Charlie Kughn and Jason Krzysiak.

#### **City Manager's Report**

Commissioner Perry commented on the passing of long-time Pleasant Ridge resident Jane Makulski. The Mayor and Commissioners offered sympathy and thoughtful words.

With no further business or discussion, Mayor Scott adjourned the meeting at 9:35pm.

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Mayor Bret Scott

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Amy M. Allison, City Clerk



November 2021

ACCOUNTS PAYABLE

PAYROLL LIABILITIES	\$	10,223.91
ACCOUNTS PAYABLE	\$	453,962.32
TAX LIABILITIES	\$	453,633.70

<b>TOTAL</b>	<b>\$</b>	<b>917,819.93</b>
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PAYROLL

November 3, 2021	\$	39,711.41
November 17, 2021	\$	38,964.47

<b>TOTAL</b>	<b>\$</b>	<b>78,675.88</b>
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CHECK REGISTER FOR CITY OF PLEASANT RIDGE  
PAYROLL LIABILITIES  
November 2021

PG 1

Check Date	Check	Vendor Name	Description	Amount
11/3/2021	6410500318	ALERUS FINANCIAL	RETIREMENT CONTRIBUTIONS	\$ 2,234.38
11/3/2021	6410500320	ICMA - VANTAGEPOINT	RETIREMENT CONTRIBUTIONS	\$ 80.00
11/3/2021	6410500321	ALERUS FINANCIAL	HCSP CONTRIBUTIONS	\$ 740.59
11/3/2021	6410500322	FOPLC	UNION DUES	\$ 188.00
11/3/2021	6410500323	ALERUS FINANCIAL	RETIREMENT CONTRIBUTIONS	\$ 32.09
11/3/2021	6410500324	ALERUS FINANCIAL	RETIREMENT CONTRIBUTIONS	\$ 2,001.30
11/17/2021	6410500330	ALERUS FINANCIAL	RETIREMENT CONTRIBUTIONS	\$ 2,134.48
11/17/2021	6410500331	ALERUS FINANCIAL	RETIREMENT CONTRIBUTIONS	\$ 32.09
11/17/2021	6410500332	ALERUS FINANCIAL	HCSP CONTRIBUTIONS	\$ 756.51
11/17/2021	6410500333	ALERUS FINANCIAL	RETIREMENT CONTRIBUTIONS	\$ 1,924.47
11/17/2021	6410500334	ICMA - VANTAGEPOINT	RETIREMENT CONTRIBUTIONS	\$ 100.00
TOTAL PAYROLL LIABILITIES				\$ 10,223.91

CHECK REGISTER FOR CITY OF PLEASANT RIDGE  
TAX LIABILITIES  
November 2021

PG 2

Check Date	Check	Vendor Name	Description	Amount
11/09/2021	2856	CITY OF PLEASANT RIDGE-DDA	2021 TAX COLLECTIONS	\$ 4,101.29
11/09/2021	2857	CITY OF PLEASANT RIDGE-GENERAL	2021 TAX COLLECTIONS	\$ 1,654.69
11/09/2021	2858	CITY OF PLEASANT RIDGE-TAXES	2021 TAX COLLECTIONS	\$ 135,006.53
11/09/2021	2859	DEVON TITLE COMPANY	2021 SUMMER TAX OVERPAYMENT	\$ 21.73
11/09/2021	2860	FERNDALE SCHOOL DISTRICT	2021 TAX COLLECTIONS	\$ 65,315.53
11/09/2021	2861	JEFF ZOOK OR DAVID ASSEMAN	2021 SUMMER TAX OVERPAYMENT	\$ 1,139.40
11/09/2021	2862	OAKLAND COUNTY TREASURER	2021 TAX COLLECTIONS	\$ 91,966.63
11/30/2021	2863	CITY OF PLEASANT RIDGE-DDA	2021 TAX COLLECTIONS	\$ 3,108.01
11/30/2021	2864	CITY OF PLEASANT RIDGE-GENERAL	2021 TAX COLLECTIONS	\$ 166.85
11/30/2021	2865	CITY OF PLEASANT RIDGE-TAXES	2021 TAX COLLECTIONS	\$ 70,011.41
11/30/2021	2866	FERNDALE SCHOOL DISTRICT	2021 TAX COLLECTIONS	\$ 33,268.35
11/30/2021	2867	OAKLAND COUNTY TREASURER	2021 TAX COLLECTIONS	\$ 47,873.28
TOTAL TAX LIABILITIES				\$ 453,633.70

CHECK REGISTER FOR CITY OF PLEASANT RIDGE  
ACCOUNTS PAYABLE  
November 9, 2021

PG 3

Check Date	Check	Vendor Name	Description	Amount
11/09/2021	24946	45TH DISTRICT COURT	TICKET EXPENSE - 21PR02559-TRAXLER-MANN	\$ 175.00
11/09/2021	24947	ADKISON, NEED & ALLEN P.L.L.C.	CITY ATTORNEY SERVICES	\$ 1,116.50
11/09/2021	24948	AMERICAN SOCCER COMPANY, INC	SOCCER UNIFORM EXPENSES	\$ 260.04
11/09/2021	24949	BADGER METER, INC.	WATER METER REPLACEMENT PROJECT	\$ 3,107.05
11/09/2021	24950	BLUE CROSS BLUE SHIELD OF MICHIGAN	HEALTH BENEFITS	\$ 8,386.09
11/09/2021	24951	BRILAR	DPW SERVICES	\$ 39,245.58
11/09/2021	24952	BS&A SOFTWARE	ANNUAL SOFTWARE MAINTENANCE	\$ 3,329.00
11/09/2021	24953	CANFIELD EQUIPMENT SERVICES	PD VEHICLE MAINTENANCE	\$ 105.00
11/09/2021	24954	CITI CARDS	ANNUAL MEMBERSHIP DUES	\$ 310.00
11/09/2021	24955	CITY OF FERNDALE	INSPECTION SERVICES-OCTOBER 2021	\$ 3,581.25
11/09/2021	24956	CITY OF FERNDALE	FIRE SERVICES AGREEMENT	\$ 21,381.72
11/09/2021	24957	COMMUNITY MEDIA NETWORK	MEETING BROADCASTING	\$ 250.00
11/09/2021	24958	CREGGER COMPANY	PARTIAL BOND RETURN - 47 AMHERST	\$ 2,500.00
11/09/2021	24959	DAVEY TREE EXPERT COMPANY	TREE MAINTENANCE SERVICES	\$ 180.00
11/09/2021	24960	DETROIT EDISON COMPANY	STREETLIGHTING EXPENSES-OCTOBER 2021	\$ 3,943.96
11/09/2021	24961	EUGENE LUMBERG	PROSECUTION SERVICES	\$ 540.00
11/09/2021	24962	GREAT AMERICA FINANCIAL SRV	TELEPHONE LEASE SERVICES	\$ 433.00
11/09/2021	24963	GREAT LAKES WATER AUTHORITY	IWC CHARGES	\$ 545.16
11/09/2021	24964	HUNT SIGN COMPANY, LTD	TRAFFIC CONTROL DEVICES	\$ 876.00
11/09/2021	24965	HUSCH ELECTRIC LLC	CHRISTMAS TREE LIGHTING REPAIRS	\$ 425.00
11/09/2021	24966	HYDROCORP	CROSS CONNECTION PROGRAM	\$ 125.00
11/09/2021	24967	HYDROCORP	WATER METER REPLACEMENT PROGRAM	\$ 3,075.00
11/09/2021	24968	J & J AUTO TRUCK CENTER	PD VEHICLE MAINTENANCE	\$ 622.98
11/09/2021	24969	JAY OR MARY FOREMAN	AWARD REIMBURSEMENT	\$ 58.30
11/09/2021	24970	LEGAL SHIELD	PRE PAID LEGAL BENEFITS	\$ 51.80
11/09/2021	24971	MANER COSTERISAN	AUDIT SERVICES	\$ 6,500.00
11/09/2021	24972	MELISSA BIEIELSKI	RECREATION PROGRAM INSTRUCTOR	\$ 125.00
11/09/2021	24973	MICH.MUNICIPAL WORKER'S COMP	WORKERS COMPENSATION PREMIUM INSTALLMENT	\$ 4,018.00
11/09/2021	24974	MICHIGAN FRATERNAL ORDER OF POLICE	UNION DUES-SEPTEMBER 2021-REPLACE 641050	\$ 235.00
11/09/2021	24975	NYE UNIFORM	RANGE OFFICER SUPPLIES	\$ 214.00
11/09/2021	24976	OAKLAND COUNTY TREASURER	INVESTMENT CONTRIBUTION	\$ 50,000.00
11/09/2021	24977	OAKLAND COUNTY TREASURER	POLICE DEPARTMENT RADIO REPAIRS	\$ 2,535.10
11/09/2021	24978	OAKLAND COUNTY TREASURER	SEWERAGE TREATMENT-OCTOBER 2021	\$ 50,902.58
11/09/2021	24979	PLANTE & MORAN PLLC	ACCOUNTING SERVICES	\$ 11,676.00
11/09/2021	24980	POSTMASTER	RENEWAL OF PERMIT 156	\$ 265.00
11/09/2021	24981	ROSEMARY OR DENNIS SPATAFORA	GARDEN TOUR SUPPLY REIMBURSEMENT	\$ 20.45
11/09/2021	24982	SCHIEER'S ACE HARDWARE	BUILDING MAINTENANCE SUPPLIES	\$ 83.23
11/09/2021	24983	SERVICE GIANT LLC	REFUND OF PERMIT FEES-87 KENSINGTON	\$ 50.00
11/09/2021	24984	S.L.C. METER LLC	WATER METER REPLACEMENT PROJECT	\$ 8,718.70
11/09/2021	24985	SMITHSHOP	GAINSBORO PAVILION PROJECT DRAW	\$ 6,927.60
11/09/2021	24986	SOCRRA	REFUSE COLLECTION AGREEMENT	\$ 18,925.76
11/09/2021	24987	SOCWA	WATER PURCHASES-OCTOBER 2021	\$ 13,200.93
11/09/2021	24988	SOLTMAN HEATING & COOLING	BUILDING MAINTENANCE-WATER HEATER	\$ 1,400.00
11/09/2021	24989	STATE OF MICHIGAN	PUBLIC WATER SUPPLY ANNUAL FEE	\$ 1,340.28
11/09/2021	24990	TIMOTHY SCHULTZ	CLASS, SUPPLY AND REPAIR REIMBURSEMENT	\$ 1,122.38
11/09/2021	24991	TOSHIBA BUSINESS SOLUTIONS	RECREATION SUPPLIES	\$ 299.00
11/09/2021	24992	TOSHIBA FINANCIAL SERVICES	COPIER LEASE AGREEMENT	\$ 953.09
11/09/2021	24993	UNIFIRST CORPORATION	MAT RENTAL AND JANITORIAL SUPPLIES	\$ 442.48
11/09/2021	24994	UNUM LIFE INSURANCE COMPANY	LIFE INSURANCE BENEFITS	\$ 539.41
11/09/2021	24995	WETMORE TIRE AND AUTO	PD VEHICLE MAINTENANCE	\$ 506.05
11/09/2021	24996	WEX BANK	FUEL PURCHASES	\$ 1,915.53

TOTAL ACCOUNTS PAYABLE

\$ 277,539.00

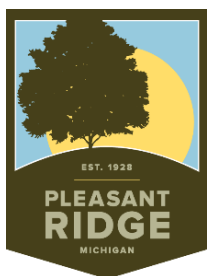
CHECK REGISTER FOR CITY OF PLEASANT RIDGE  
ACCOUNTS PAYABLE  
November 30, 2021

PG 4

Check Date	Check	Vendor Name	Description	Amount
11/30/2021	24997	21ST CENTURY MEDIA-MICHIGAN	LEGAL NOTICE PUBLICATIONS	924.03
11/30/2021	24998	ACCUSHRED, LLC	SHREDDING SERVICES	58.00
11/30/2021	24999	AMY ALLISON	SUPPLY REIMBURSEMENT	87.99
11/30/2021	25000	ANDERSON, ECKSTEIN & WESTRICK	ENGINEERING SERVICES	19,523.06
11/30/2021	25001	BEST CHOICE HOME SERVICES	JANITORIAL SERVICES	3,455.25
11/30/2021	25002	BLUE CROSS BLUE SHIELD OF MICHIGAN	HOSPITALIZATION BENEFITS	3,843.61
11/30/2021	25003	CITY OF FERNDALE	FIRE SERVICES AGREEMENT	21,381.72
11/30/2021	25004	CITY OF ROYAL OAK	DPW SERVICES	2,325.95
11/30/2021	25005	CLINTON RIVER WATERSHED COUNCIL	ANNUAL MEMBERSHIP DUES	500.00
11/30/2021	25006	ELECTION SOURCE	ELECTION SUPPLIES	475.00
11/30/2021	25007	GREAT LAKES WATER AUTHORITY	IWC CHARGES-OCTOBER 2021	272.58
11/30/2021	25008	J & J AUTO TRUCK CENTER	VEHICLE MAINTENANCE	353.76
11/30/2021	25009	LAURA BOLTON	RECREATION PROGRAM REFUND	60.00
11/30/2021	25010	LEGAL SHIELD	PRE PAID LEGAL BENEFITS	51.80
11/30/2021	25011	MAJIK GRAPHICS INC	POLICE VEHICLE MAINTENANCE	205.00
11/30/2021	25012	MICH MUN ASSOC OF UTILITY ISSUES	ANNUAL MEMBERSHIP DUES	1,300.00
11/30/2021	25013	MICHIGAN GRAPHICS & AWARDS INC	CITY COMMISSION NAMEPLATES	273.00
11/30/2021	25014	MISSIONSQUARE RETIREMENT	QUARTERLY PLAN FEE	250.00
11/30/2021	25015	MISSIONSQUARE RETIREMENT	RETIREMENT CONTRIBUTIONS - NOWAK	500.00
11/30/2021	25016	OPTUM BANK	HSA CONTRIBUTIONS-GUZI	1,450.00
11/30/2021	25017	PITCH BLACK MEDIA LLC	OAKLAND TOGETHER RESTAURANT RELIEF PRG A	20,000.00
11/30/2021	25018	ROCKET ENTERPRISE, INC	ANNUAL FLAG MAINTENANCE COMM CENTER	377.25
11/30/2021	25019	SIR SPEEDY	ENVELOPE ORDERS	502.50
11/30/2021	25020	SLC METER SERVICE INC	METER TRANSPONDER ORDER	6,507.59
11/30/2021	25021	SOCARRA	REFUSE COLLECTION AGREEMENT	8,998.76
11/30/2021	25022	SOLTMAN HEATING & COOLING	BUILDING MAINTENANCE CITY HALL	79.00
11/30/2021	25023	SOUTHEASTERN OAKLAND COUNTY	MEMBERSHIP DUES-SCHULTZ	20.00
11/30/2021	25024	THOMAS THOMSON	COMMUNITY CENTER BUILDING MAINTENANCE	695.00
11/30/2021	25025	UNIFIRST CORPORATION	MAT RENTAL AND JANITORIAL SUPPLIES	217.40
11/30/2021	25026	UNUM LIFE INSURANCE COMPANY	LIFE INSURANCE BENEFITS	\$ 1,128.80
11/30/2021	25027	VINCE RIZZO	RECREATION PROGRAM SUPPLIES	\$ 450.00
11/30/2021	25028	WETMORE TIRE AND AUTO	VEHICLE MAINTENANCE	\$ 43.00
11/30/2021	25029	WEX BANK	FUEL PURCHASES	\$ 1,990.86
TOTAL ACCOUNTS PAYABLE				\$ 98,300.91

CHECK REGISTER FOR CITY OF PLEASANT RIDGE  
ELECTRONIC PAYMENTS  
November 2021

Check Date	Check	Vendor Name	Description	Amount
11/09/2021	2798	BLUE CROSS BLUE SHIELD OF MICHIGAN	HOSPITALIZATION BENEFITS	15,823.78
11/11/2021	2795	MUNICIPAL EMP.RETIREMENT SYST.	RETIREMENT CONTRIBUTIONS	40,082.26
11/23/2021	2796	BLUE CROSS BLUE SHIELD OF MICHIGAN	HOSPITALIZATION BENEFITS	14,966.37
11/23/2021	2797	HEALTH EQUITY	HSA CONTRIBUTIONS	7,250.00
TOTAL ACCOUNTS PAYABLE				\$ 78,122.41



## City of Pleasant Ridge

Amy M. Allison, City Clerk/Asst City Manager

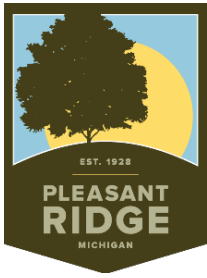
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From: Amy M. Allison, City Clerk/Asst City Manager  
To: Mayor and City Commission  
Date: December 14, 2021  
Re: 2022 Poverty Guidelines

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 2022 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**, Public Act 390 of 1994, which amended Section 7u of Act No. 206 of the Public Acts of 1893, as amended by Act No. 313 of the Public Acts of 1993, being sections 211.7u of the Michigan Compiled Laws, requires that the governing body of the local assessing unit determine and make available to the public the policy and guidelines used by the Board of Review in granting reductions in property assessments due to limited income and assets, referred to as “Poverty Exemptions.”

**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.

In order to be eligible for poverty exemption in the City of Pleasant Ridge, a person shall satisfy all requirements of Section 8(u) of the General Property Tax Act.

1. Be an owner of and occupy as a principal residence the property for which an exemption is requested. The term “principal residence” is defined in Section 7(d) of the General Property Tax Act.
2. File a claim with the Board of Review on a form provided by the local municipal office.
3. Submit the most recent year’s copies of the following income documentation:
  - a. Federal & State of Michigan Income Tax Returns.
  - b. Either Senior Citizens Homestead Property Tax Form MI-1040CR-1 or a General Homestead Property Tax Claim MI-1040CR-4.
  - c. Statement of Benefits from Social Security Administration and/or the Michigan Social Services as to monies paid to applicants(s) during the previous year along with Form 4988– Poverty Exemption Affidavit.
4. Produce a valid driver’s license or other form of identification.
5. Produce a deed, land contract, or other evidence of ownership of the property for which the exemption is requested.

**BE IT FURTHER RESOLVED** that the applicant’s total household income cannot exceed the most current Federal Poverty Guidelines set forth by the U.S. Department of Health and Human Services as established by the State Tax Commission-to be updated annually in accordance with federal poverty income standards.

**BE IT FURTHER RESOLVED** that a poverty exemption shall not be granted to any applicant whose assets exceed \$5,000 for the taxpayer individually and \$50,000 for the entire household.

An applicant’s homestead and principal vehicle shall be excluded from consideration as an asset. All other property, including from all other persons residing in the household, shall be included as an asset. Property shall include, but is not limited to: cash, savings, stocks, mutual funds, insurance commodities, coin



collections, art, motor vehicles, recreation vehicles, etc.

**BE IT FURTHER RESOLVED** that in reviewing the application and all supporting documentation, 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. The board will consider income, assets, potential earning capacity, medical conditions, and any other unique circumstances of the applicant. The Board may deviate from the established policy and guidelines only if they determine that there are “substantial and compelling reasons” for deviation. Said reasons must be stated in writing and provided to the applicant.

**BE IT FURTHER RESOLVED** that meeting the income level guidelines does not guarantee 100% exemption, at their discretion, the Board may approve full or partial exemption if deemed appropriate. Those applicants granted partial exemptions will be required to pay a property tax equal to 3.5% (three and one-half percent) of their annual gross income plus the amount of the anticipated Michigan Income Tax household property tax credit.

**BE IT FURTHER RESOLVED** that a poverty exemption shall not be granted to any applicant who owns real property, whether singly or jointly, regardless of location, other than his or her homestead.

**BE IT FURTHER RESOLVED** that to conform with the provisions of P.A. 390 of 1994, this resolution is hereby given immediate effect and will stay in effect for subsequent years until amended or voided.

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 14, 2021.

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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 14, 2021  
 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:

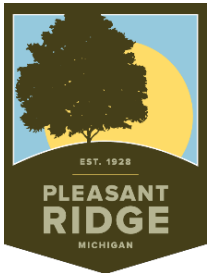
- The Bill allows public employers to use an 80/20 cost share arrangement and limits the employer contribution to no more than 80% of the total plan cost.
- The Bill limits the amount a public employer can pay for the annual cost or illustrative rate of benefits to an amount equal to \$7,304.51 for individuals, \$15,276.01 for individual and spouse coverage and \$19,921.45 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, 2022, 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 2022. 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 14, 2021.*

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Amy M. Allison  
City Clerk

## MEMORANDUM

**TO:** Pleasant Ridge City Commission  
**FROM:** Gregory K. Need, City Attorney  
**RE:** Vacation of Maplefield Alleys  
**DATE:** December 8, 2021

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Included in your meeting packet is a draft Resolution to vacate several alleyways which abut properties on the east side of Maplefield, and a map showing the exact location of those alleyways.

These alleys are located in the Assessor's Replat of Woodward Park Subdivision, which was approved by the City in 1938. A review of historical records shows that the Commission, at one time, considered abandoning and vacating all of the alleyways abutting the properties on the east side of Maplefield in 1938 but, for whatever reason, declined to do so. Since then, several of these alleys have been vacated by the City. The draft resolution will vacate the remainder.

Under Michigan law, the City has jurisdiction of all of the streets and alleys within its jurisdiction (with the exception of Woodward, I-696, and 10 Mile Road). When a city decides it no longer has need to maintain a street or alley as public, it can abandon the public interest by adopting the appropriate resolution.

Once the alley is vacated, title to the alley property is transferred to the owner of abutting property in the subdivision. Because the vacated alleys are all within the Woodward Park subdivision, the land will be added to the properties on the east side of Maplefield. If the Commission adopts the resolution, it becomes effective upon recording with the Oakland County Register of Deeds and sending a copy of the State Treasurer.

Should you have any questions on this, please feel free to contact the City Manager. Otherwise, I look forward to reviewing this with you at the December 14<sup>th</sup> Commission meeting.

## **RESOLUTION**

### **CITY OF PLEASANT RIDGE**

#### **Vacating Portions of Alleys in the Assessor's Replat of Woodward Park Subdivision**

##### **RECITALS:**

- A.** The City has received a request by a resident to vacate a certain alley within the Assessor's Replat of Woodward Park Subdivision ("Subdivision"); and
- B.** The City has reviewed the request and has determined that the remaining alleys within the Subdivision, abutting various lots described below fronting on Maplefield Road, be vacated, discontinued, or abolished; and
- C.** The alleys are shown on Exhibit 1 and described as follows:

All that part of the alleys, 10 feet wide, being adjacent to the east of the following lots in the Assessor's Plat of Woodward Park Subdivision, City of Pleasant Ridge, Oakland County, Michigan: lots 63 through 66, inclusive; 71 and 72; 74 through 80, inclusive; 89 through 92, inclusive; and 96 through 98, inclusive; and

- D.** According to Michigan law, MCL 560.256, a resolution vacating alleyways is effective upon recording at the Oakland County Register of Deeds within 30 days; and
- E.** By operation of Michigan law, title for the vacated portion of the road vests in the owners of the abutting lots in the subdivision plat and become part of those abutting lots.

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

1. The alleys described as follows are declared to be vacated, discontinued, and abolished: All that part of the alleys, 10 feet wide, being adjacent to the east of the following lots in the Assessor's Plat of Woodward Park Subdivision, City of Pleasant Ridge, Oakland County, Michigan: lots 63 through 66, inclusive; 71 and 72; 74 through 80, inclusive; 89 through 92, inclusive; and 96 through 98, inclusive.

2. The City Clerk is directed to, within 30 days, record a certified copy of this Resolution with the Oakland County Register of Deeds and send a copy to the State Treasurer as required by statute.

3. Upon recording, this Resolution shall have the force and effect of vacating, discontinuing, and abolishing the alleys described above.

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 \_\_\_\_\_, 2021

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Amy M. Allison, City Clerk



# Maplefield alleys N



Disclaimer: The information provided herewith has been compiled from recorded deeds, plats, tax maps, surveys and other public records. It is not a legally recorded map or survey and is not intended to be used as one. Users should consult the information sources mentioned above when questions arise. FEMA Floodplain data may not always be present on the map.



David Coulter  
Oakland County Executive

Date Created: 11/11/2021





# Maplefield alleys S



Disclaimer: The information provided herewith has been compiled from recorded deeds, plats, tax maps, surveys and other public records. It is not a legally recorded map or survey and is not intended to be used as one. Users should consult the information sources mentioned above when questions arise. FEMA Floodplain data may not always be present on the map.



David Coulter  
Oakland County Executive

Date Created: 11/11/2021







# City of Pleasant Ridge

23925 Woodward Avenue, Pleasant Ridge, Michigan 48069  
Phone: 248-541-2901 • Web: [www.cityofpleasantridge.org](http://www.cityofpleasantridge.org)

## City Commission

Bret Scott, Mayor  
Chris Budnik  
Alex Lenko  
Ann Perry  
Katy Schmier

## City Manager

James Breuckman

November 17, 2021

Maplefield/Oakdale Property Owner  
Pleasant Ridge, Michigan 48069

## RE **Vacation of Maplefield Alleys**

To Whom It May Concern:

On December 14, 2021, at the Regular City Commission meeting, the Pleasant Ridge City Commission will consider vacating several alleyways in the rear of properties fronting Maplefield Road. The City is providing this notice so you are aware of this procedure. Vacation is a process by which the City discontinues any public interest in the property. If the City Commission agrees to vacate the alleys, the land will be attached to those properties within the subdivision which front Maplefield

A map showing the properties is attached, and is doubled sided, with the alleys proposed to be vacated highlighted in yellow. These alleys are all ten feet wide and were created when the Assessor's Plat of Woodward Park Subdivision was approved by the City in 1938. The City has inspected these properties and all these alleys appear to be enclosed by fences. Although many years ago, the alleys provided some access to the rear of the properties, they practically no longer do so and appear to serve no public purpose.

The December 14<sup>th</sup> City Commission meeting will begin at 7:30pm and will be held in the City Commission Chambers, Pleasant Ridge City Hall, 23925 Woodward Avenue, Pleasant Ridge. If you have any questions about this or would like to comment, please feel free to contact Jim Breuckman, City Manager, at (248) 541-2901 or [citymanager@cityofpleasantridge.org](mailto:citymanager@cityofpleasantridge.org).

Sincerely,

Amy M. Allison  
City Clerk/Asst City Manager



# City of Pleasant Ridge

Amy M. Allison, City Clerk/Asst City Manager

From: Amy M. Allison, City Clerk/Assistant City Manager  
 To: Mayor and City Commission  
 Date: December 14, 2021  
 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 2022:

## 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, Pleasant Ridge City Hall, 23925 Woodward Avenue. The meetings are proposed for the following dates:

January 11, 2022  
 February 8, 2022  
 March 8, 2022  
 April 12, 2022  
 May 10, 2022  
 June 14, 2022  
 July 12, 2022  
 August 9, 2022  
 September 13, 2022  
 October 11, 2022  
 November 8, 2022  
 December 13, 2022

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, 4 Ridge Road. The meetings are proposed for the following dates:

January 8, 2022  
 March 2, 2022  
 April 6, 2022  
 May 4, 2022  
 June 1, 2022  
 September 7, 2022

October 5, 2022  
November 2, 2022  
January 11, 2023

**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, Pleasant Ridge City Hall. The meetings are proposed for the following dates:

January 24, 2022  
April 25, 2022  
July 25, 2022  
October 24, 2022

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 26, 2022  
April 27, 2022  
July 27, 2022  
October 26, 2022

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

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



# City of Pleasant Ridge

Amy M. Allison, Asst. City Manager/City Clerk

From: Amy M. Allison, Asst. City Manager/City Clerk  
 To: Mayor and City Commission  
 Date: December 6, 2021  
 Re: 2022 Community Development Block Grant (CDBG)

## Overview

In order to qualify for Federal funding through the Community Development Block Grant (CDBG) Program, a Public Hearing must be held, and a resolution adopted by the governing body to approve the application and Subrecipient agreement. Pleasant Ridge qualifies for the minimum funding level, which has been \$7,000. Since the City receives funding at the minimum level, all the funds can be programed into one designated category.

## Background

The City programs its CDBG funding into the Senior Center line item. It has been several years since the City's low/moderate income area was eliminated and the city lost its ability to designate funds for programs such as sidewalk repairs, tree planting, and street improvements, which require at least a portion of the project be in the low/mod area. Listed below is the program category and recommended funding for the 2022 Program year. This is the same program the City funded for the last several years.

Public Services/ - \$7,000  
 Senior Services

Public Service funds are designated to provide seniors, age 62 and above, transportation services for the Senior Travel Club, meals at the 50+ club events and other related workshops geared towards residents 62 and above. This program also may be used for the reasonable costs of overall program management, coordination, monitoring and for the program evaluation.

## Requested Action

After the public hearing, City Commission determination for funding appropriation and approval of the 2022 Community Development Block Grant (CDBG) Community Application and Subrecipient Agreement.

## **PY 2022 CDBG APPLICATION PART 1 - CHECKLIST**

**Place this checklist on top of the application. Submit the following pages in the order outlined below plus required attachments.**

### **PART 2 - COMPLETE ONCE PER APPLICATION**

- ☐ A - Applicant Contact
- ☐ B - Proposed Projects
- ☐ C - Affidavit of Compliance with Federal, State, Local Regulations
- ☐ D - Conflict of Interest Certification

### **PART 3 - COMPLETE PER PROJECT**

- ☐ A- Project Type

### **PART 4 - COMPLETE PER PROJECT**

- ☐ A - CDBG National Objective
- ☐ B - Project Description
- ☐ C - Code Enforcement
- ☐ D - Project Location
- ☐ E - Project Purpose
- ☐ F - Project Duration
- ☐ G - Project Administration
- ☐ H - Additional Resources
- ☐ I - Environmental Review Record

### **PART 5 - COMPLETE ONCE PER APPLICATION**

- ☐ A - Public Hearing Notice
- ☐ Option #1 Affidavit of Publication
- ☐ Option #2 Web Posting and Certification
  
- ☐ B - Public Hearing Minutes
- ☐ Option #1 True Copy
- ☐ Option #2 Governing Body Resolution

## PY 2022 CDBG APPLICATION PART 2 - APPLICANT INFORMATION

### A - APPLICANT CONTACT

Community:	City of Pleasant Ridge
PY 2021 CDBG Planning Allocation:	\$7,000
Contact Person:	Amy Allison
Telephone:	248-541-2901
Best time to contact:	Monday – Thursday 9am-4pm
DUNS #:	083942623
Copy of current SAMS attached:	Yes <input checked="" type="checkbox"/> If No, Explain: _____
Is community subject to Single Audit?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> _____

### B - PROPOSED PROJECTS

Example	Project # <u>1</u>	Name: <u>Code Enforcement</u>	Allocation: <u>\$80,834</u>
	Project # <u>1</u>	Name: <u>Senior Services</u>	Allocation: \$ <u>7,000</u>
	Project # _____	Name: _____	Allocation: \$ _____
	Project # _____	Name: _____	Allocation: \$ _____
	Project # _____	Name: _____	Allocation: \$ _____
Total # of Projects:		1	
# of Public Service Projects:		1	
Public Service %:		100%	

### C - AFFIDAVIT OF COMPLIANCE

<p>The undersigned certifies that the information in this application is true and correct. In applying for CDBG funds, the applicant has read, understands and agrees to comply with all the provisions of all federal regulations issued thereto by the U.S. Department of Housing and Urban Development (HUD), state and local regulations and laws.</p>	
Name of Highest Elected Official or Designee:	Bret Scott
Title of Highest Elected or Designee:	Mayor
Signature:	

# PY 2022 CDBG APPLICATION PART 2 - CONTINUED

## D - CONFLICT OF INTEREST CERTIFICATION

Code of Federal Regulations Title 24, Volume 3 Revised as of April 1, 2004 CITE: 24CFR570.611

### TITLE 24--HOUSING AND URBAN DEVELOPMENT CHAPTER V--OFFICE OF ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, DEPARTMENT OF HUD

#### Part 570 Community Development Block Grants

#### Subpart K Other Program Requirements

#### Sec. 570.611 Conflict of interest

**(a) Applicability.** (1) In the procurement of supplies, equipment, construction, and services by recipients and by subrecipients, the conflict of interest provisions in 24 CFR 85.36 and 24 CFR 84.42, respectively, shall apply. (2) In all cases not governed by 24 CFR 85.36 and 84.42, the provisions of this section shall apply. Such cases include the acquisition and disposition of real property and the provision of assistance by the recipient or by its subrecipients to individuals, businesses, and other private entities under eligible activities that authorize such assistance (e.g., rehabilitation, preservation, and other improvements of private properties or facilities pursuant to Sec. 570.202; or grants, loans, and other assistance to businesses, individuals, and other private entities pursuant to Sec. 570.203, 570.204, 570.455, or 570.703(i)).

**(b) Conflicts prohibited.** The general rule is that no persons described in paragraph (c) of this section who exercise or have exercised any functions or responsibilities with respect to CDBG activities assisted under this part, or who are in a position to participate in a decision making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from a CDBG-assisted activity, or have a financial interest in any contract, subcontract, or agreement with respect to a CDBG-assisted activity, or with respect to the proceeds of the CDBG-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter.

**(c) Persons covered.** The conflict of interest provisions of paragraph (b) of this section apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the recipient, or of any designated public agencies, or of subrecipients that are receiving funds under this part.

**(d) Exceptions.** Upon the written request of the recipient, HUD may grant an exception to the provisions of paragraph (b) of this section on a case-by-case basis when it has satisfactorily met the threshold requirements of (d)(1) of this section, taking into account the cumulative effects of paragraph (d)(2) of this section.

**(1) Threshold requirements.** HUD will consider an exception only after the recipient has provided the following documentation: (i) A disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made; and (ii) An opinion of the recipient's attorney that the interest for which the exception is sought would not violate State or local law.

**(2) Factors to be considered for exceptions.** In determining whether to grant a requested exception after the recipient has satisfactorily met the requirements of paragraph (d)(1) of this section, HUD shall conclude that such an exception will serve to further the purposes of the Act and the effective and efficient administration of the recipient's program or project, taking into account the cumulative effect of the following factors, as applicable: (i) Whether the exception would provide a significant cost benefit or an essential degree of expertise to the program or project that would otherwise not be available; (ii) Whether an opportunity was provided for open competitive bidding or negotiation; (iii) Whether the person affected is a member of a group or class of low-income persons intended to be the beneficiaries of the assisted activity, and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class; (iv) Whether the affected person has withdrawn from his or her functions or responsibilities, or the decision making process with respect to the specific assisted activity in question; (v) Whether the interest or benefit was present before the affected person was in a position as described in paragraph (b) of this section; (vi) Whether undue hardship will result either to the recipient or the person affected when weighed against the public interest served by avoiding the prohibited conflict; and (vii) Any other relevant considerations. By applying for CDBG funds, the Participating Community certifies that they have read the above:

<b>Community Name:</b>	City of Pleasant Ridge
<b>Name of Highest Elected Official or Designee:</b>	Bret Scott
<b>Title of Highest Elected or Designee:</b>	Mayor
<b>Signature:</b>	

(Please ✓ one box per project)

Project #1 Allocation: \$7,000

Account		Account #	Objective	Goal	Indicator	Outcome
ACQUISITION AND DISPOSITION						
✓	Acquisition of Real Property	172170-730003	Suitable Living Environment	Strengthen Communities	# of LMI HH with new/improved access	Sustainability
	Disposition of Real Property	172170-730536	Suitable Living Environment	Strengthen Communities	# of LMI HH with new/improved access	Sustainability
	Clearance and Demolition	172170-30345	Suitable Living Environment	Strengthen Communities	Slum Blight	Sustainability
	Cleanup of Contaminated Sites		Suitable Living Environment	Strengthen Communities	# of LMI HH with new/improved access	Sustainability
	Relocation		Suitable Living Environment	Strengthen Communities	# of LMI HH with new/improved access	Sustainability
✓	PUBLIC FACILITIES AND IMPROVEMENTS					
X	Senior Center	172170-731696	Suitable Living Environment	Strengthen Communities	# of LMI HH with new/improved access	Sustainability
	Facilities for Persons with Disabilities		Suitable Living Environment	Strengthen Communities	# of LMI HH with new/improved access	Sustainability
	Homeless Facilities (not operating costs)		Suitable Living Environment	Strengthen Communities	# of LMI HH with new/improved access	Sustainability
	Youth Centers		Suitable Living Environment	Strengthen Communities	# of LMI HH with new/improved access	Sustainability
	Neighborhood Facilities		Suitable Living Environment	Strengthen Communities	# of LMI HH with new/improved access	Sustainability
	Parks, Recreational Facilities	172170-731332	Suitable Living Environment	Strengthen Communities	# of LMI HH with new/improved access	Sustainability
	Parking Facilities		Suitable Living Environment	Strengthen Communities	# of LMI HH with new/improved access	Sustainability
	Solid Waste Disposal Improvements	172170-730744	Suitable Living Environment	Strengthen Communities	# of LMI HH with new/improved access	Sustainability
	Flood Drainage Improvements	172170-730744	Suitable Living Environment	Strengthen Communities	# of LMI HH with new/improved access	Sustainability
	Water/Sewer Improvements	172170-732114	Suitable Living Environment	Strengthen Communities	# of LMI HH with new/improved access	Sustainability
	Street Improvements	172170-731864	Suitable Living Environment	Strengthen Communities	# of LMI HH with new/improved access	Sustainability
	Sidewalks	172170-731745	Suitable Living Environment	Strengthen Communities	# of LMI HH with new/improved access	Sustainability
	Child Care Centers		Suitable Living Environment	Strengthen Communities	# of LMI HH with new/improved access	Sustainability
	Tree Planting	172170-732021	Suitable Living Environment	Strengthen Communities	# of LMI HH with new/improved access	Sustainability
	Fire Stations/Equipment	172170-730733	Suitable Living Environment	Strengthen Communities	# of LMI HH with new/improved access	Sustainability
	Health Facilities		Suitable Living Environment	Strengthen Communities	# of LMI HH with new/improved access	Sustainability
	Facilities for Abused and Neglected Children		Suitable Living Environment	Strengthen Communities	# of LMI HH with new/improved access	Sustainability
	Asbestos Removal		Suitable Living Environment	Strengthen Communities	# of LMI HH with new/improved access	Sustainability
	Facilities for AIDS Patients (not operating costs)		Suitable Living Environment	Strengthen Communities	# of LMI HH with new/improved access	Sustainability
	Other Public Improvements Not Listed in 03A-03T	172170-731498	Suitable Living Environment	Strengthen Communities	# of LMI HH with new/improved access	Sustainability
	Remove Architectural Barriers	172170-731619				
	Special Assessments	172170-731815				



(Please check one box per project)

Project #1

Allocation: \$7,000

PROJECT TYPE CONTINUED						
Account	Account #	Objective	Goal	Indicator	Outcome	
<b>PUBLIC FACILITIES AND IMPROVEMENTS CONTINUED</b>						
Interim Assistance		Suitable Living Environment	Strengthen Communities	# of LMI HH with new/improved access	Sustainability	
Privately Owned Utilities		Suitable Living Environment	Strengthen Communities	# of LMI HH with new/improved access	Sustainability	
Non-Residential Historic Preservation	172170-31280	Suitable Living Environment	Strengthen Communities	Slum Blight	Sustainability	
Tornado Shelters Serving Private Mobile Home Parks		Suitable Living Environment	Strengthen Communities	# of LMI HH with new/improved access	Sustainability	
<b>PUBLIC SERVICES</b>						
Homeless/AIDS Patients Programs		Suitable Living Environment	Improve Quality of Life	# of LMI persons with new access	Availability/Accessibility	
Senior Services	172160-731712					
Services for Persons with Disabilities	172160-730535	Suitable Living Environment	Improve Quality of Life	# of LMI persons with new access	Availability/Accessibility	
Legal Services	172160-731073	Suitable Living Environment	Improve Quality of Life	# of LMI persons with new access	Availability/Accessibility	
Youth Services	172160-732185	Suitable Living Environment	Improve Quality of Life	# of LMI persons with new access	Availability/Accessibility	
Transportation Services	172160-732011	Suitable Living Environment	Improve Quality of Life	# of LMI persons with new access	Availability/Accessibility	
Substance Abuse Services		Suitable Living Environment	Improve Quality of Life	# of LMI persons with new access	Availability/Accessibility	
Services for victims of domestic violence/ dating violence/sexual assault/stalking	172160-730137	Suitable Living Environment	Improve Quality of Life	# of LMI persons with new access	Availability/Accessibility	
Employment Training	172160-731941	Suitable Living Environment	Improve Quality of Life	# of LMI persons with new access	Availability/Accessibility	
Crime Awareness/Prevention		Suitable Living Environment	Improve Quality of Life	# of LMI persons with new access	Availability/Accessibility	
Fair Housing Activities (subject to PS cap)	132210-702010	Suitable Living Environment	Improve Quality of Life	# of LMI persons with new access	Availability/Accessibility	
Tenant/Landlord Counseling		Suitable Living Environment	Improve Quality of Life	# of LMI persons with new access	Availability/Accessibility	
Child Care Services		Suitable Living Environment	Improve Quality of Life	# of LMI persons with new access	Availability/Accessibility	
Health Services		Suitable Living Environment	Improve Quality of Life	# of LMI persons with new access	Availability/Accessibility	
Services for Abused and Neglected Children		Suitable Living Environment	Improve Quality of Life	# of LMI persons with new access	Availability/Accessibility	
Mental Health Services		Suitable Living Environment	Improve Quality of Life	# of LMI persons with new access	Availability/Accessibility	
Screening for Lead Poisoning		Suitable Living Environment	Improve Quality of Life	# of LMI persons with new access	Availability/Accessibility	
Subsistence Payments	172160-730571	Suitable Living Environment	Improve Quality of Life	# of LMI persons with new access	Availability/Accessibility	
Homebuyer Downpayment Assistance - Excluding Housing Counseling under 24 CFR 5.100		Suitable Living Environment	Improve Quality of Life	# of LMI persons with new access	Availability/Accessibility	
Rental Housing Subsidies		Suitable Living Environment	Improve Quality of Life	# of LMI persons with new access	Availability/Accessibility	
Security Deposits		Suitable Living Environment	Improve Quality of Life	# of LMI persons with new access	Availability/Accessibility	

(Please check one box per project)

Project #1 Allocation: \$7,000

Account		Account #	Objective	Goal	Indicator	Outcome
<b>PUBLIC SERVICES CONTINUED</b>						
✓	Housing Counseling only, under 24 CFR 5.100	132210-702010	Suitable Living Environment	Improve Quality of Life	# of LMI persons with new access	Availability/Accessibility
	Neighborhood Cleanups		Suitable Living Environment	Improve Quality of Life	# of LMI persons with new access	Availability/Accessibility
	Food Banks		Suitable Living Environment	Improve Quality of Life	# of LMI persons with new access	Availability/Accessibility
	Housing Information and Referral Services		Suitable Living Environment	Improve Quality of Life	# of LMI persons with new access	Availability/Accessibility
	Housing Counseling Supporting Homebuyer Downpayment Assist (05R)		Suitable Living Environment	Improve Quality of Life	# of LMI persons with new access	Availability/Accessibility
	Other Public Services Not Listed in 03T and 05A-05Y (Housekeeping/Safety & Repair/Yard)	172160-730880 172160-731665 172160-732170	Suitable Living Environment	Improve Quality of Life	# of LMI persons with new access	Availability/Accessibility
<b>HOUSING</b>						
✓	Loss of Rental Income		Decent Affordable Housing			Affordability
	Construction of Housing		Decent Affordable Housing			Affordability
	Housing Counseling for Homeownership Assist (13B)		Decent Affordable Housing			Affordability
	Homeownership Assistance – ex Housing Counseling		Decent Affordable Housing			Affordability
	Rehabilitation: Single-Unit Residential	132290-30998	Decent Affordable Housing	# of units brought to code		Affordability
	Emergency Rehab	172170-30569	Decent Affordable Housing	# of units brought to code		Affordability
	Minor Home Repair	172170-31227	Decent Affordable Housing	# of units brought to code		Affordability
	Mobile Home Repair		Decent Affordable Housing	# of units brought to code		Affordability
	Rehabilitation: Multi-Unit Residential		Decent Affordable Housing	# of units brought to code		Affordability
	Rehabilitation: Public Housing Modernization		Decent Affordable Housing	# of units brought to code		Affordability
	Rehabilitation: Other Publicly Owned Res Buildings	172160-31602	Decent Affordable Housing	# of units brought to code		Affordability
	Rehabilitation: Energy Efficiency Improvements		Decent Affordable Housing	# of units brought to code		Affordability
	Rehabilitation: Acquisition		Decent Affordable Housing	# of units brought to code		Affordability
	Rehabilitation: Administration	132280-31605	N/A	N/A	N/A	N/A
	Lead-Based Paint/Lead Hazards Testing/Abatement		Decent Affordable Housing			Affordability
	Housing Services, Excluding Housing Counseling		Decent Affordable Housing			Affordability
	Housing Counseling Support HOME Hsg Activities		Decent Affordable Housing			Affordability
	Housing Counseling in Conjunction with CDBG Assisted Housing Rehab		Decent Affordable Housing			Affordability
	Code Enforcement (See Part 4 C)	172170-30310	Suitable Living Environment	Strengthen Communities	# of LMI persons served	Sustainability

(Please check one box per project)

Project #1 Allocation: \$7,000

PROJECT TYPE CONTINUED						
Account	Account #	Objective	Goal	Indicator	Outcome	
<b>HOUSING CONTINUED</b>						
Residential Historic Preservation		Decent Affordable Housing				Affordability
Operation and Repair of Foreclosed Property ("In-Rem Housing")		Decent Affordable Housing				Affordability
<b>ECONOMIC DEVELOPMENT</b>						
Rehabilitation: Publicly or Privately Owned Commercial/Industrial						
Commercial/Industrial: Acquisition/Disposition						
Commercial/Industrial: Infrastructure Development						
Commercial/Industrial: Building Acquisition, Construction, Rehabilitation						
Commercial/Industrial: Other Improvements						
Economic Development: Direct Financial Assistance to For-Profit Business						
Economic Development: Technical Assistance						
Economic Development: Microenterprise Assistance						
<b>GENERAL ADMINISTRATION</b>						
General Program Administration						
Fair Housing Activities (subject to Admin cap)						
CDBG Funding of HOME Admin						
CDBG Funding of HOME CHDO Operating Expenses						
<b>OTHER</b>						
CDBG Non-Profit Capacity Building						

# **PY 2022 CDBG APPLICATION - PART 4**

**Project #1**

**Allocation: \$7,000**

<b>A - CDBG NATIONAL OBJECTIVE</b>		
<b>Which one of the National Objectives will this project target?</b>		
<input checked="" type="checkbox"/>	<b>Code/Description</b>	<b>24 CFR</b>
<b>Benefits low- and moderate-income persons</b>		
For the National Objective that principally benefits low- and moderate-income persons is selected, describe how the activity will address ONE of the subcategories listed below:		
	<b>1) Area Benefit Activity</b> - Those projects carried out in a neighborhood consisting predominantly of LMI persons and providing services for such persons yet could be available to other non-income eligible persons in the area. This information can be documented by documenting that the area is primarily residential (e.g., zoning map); and that the income characteristics of households in the service area (i.e., Census data)	<b>570.208(a)</b>
<b>X</b>	<b>2) Limited Clientele Activity</b> - Those that benefit a specific group of people (rather than all the residents in a particular area) who are, or presumed to be, income eligible. In order to meet the LMI Limited Clientele criteria, the activity must: serve at least 51% LMI, as evidenced by documentation and data concerning beneficiary family size and income; have income eligibility requirements which limit the service to persons meeting the LMI income requirements, as evidenced by procedures, intake/application forms, income limits and other sources of documentation; serve a specific group presumed by HUD to be income-eligible include: abused children, battered persons, elderly persons, handicapped adults, homeless persons, illiterate persons, migrant farm workers and persons living with AIDS; and be of such a nature and in a location that it may be concluded that the activity's clientele are LMI.	
	<b>3) Income Eligible Housing Activity</b> - These projects add or improve a permanent residential structure wherein, upon completion, income eligible persons will occupy 51% or more of the housing units.	
	<b>4) Job Creation or Retention Activity</b> - A project which creates or retains permanent jobs, of which at least 51% are either taken by or available to income eligible persons.	
<b>JUSTIFICATION:</b> The allocation of funds through the Senior Services line item benefits senior citizens within the City of Pleasant Ridge age 62 and older. The funds allow greater access to programs the City can offer to this age demographic that would otherwise not be offered.		
<b>Aids in the prevention or elimination of slums or blight</b>		
For the National Objective that principally aids in the prevention of elimination of slums or blight is selected, describe how the activity will address ONE of the subcategories listed below:		
	<b>1) At least 25% of the properties throughout the area exhibit the following:</b> a. Physical deterioration of buildings/improvements; b. Abandonment of properties; c. Chronic high occupancy turnover rates or chronic high vacancy rates in commercial or industrial buildings; d. Significant declines in property values or abnormally low property values relative to other areas in the community; or e. Known or suspected environmental contamination	<b>570.208(b))</b>
	<b>2) Public improvements throughout the area are in a general state of deterioration.</b>	
	Documentation must be maintained by the grantee on the boundaries of the area and the conditions that qualified the area at the time of its designation. The designation of an area as slum or blighted must be re-determined every 10 years for continued qualifications.	
<b>JUSTIFICATION:</b>		

## PY 2022 CDBG APPLICATION - PART 4 CONTINUED

**Project #1**      **Allocation: \$7,000**

### B - PROJECT DESCRIPTION

Provide a detailed description of the proposed activity including how the activity will address the needs of the community: Funding under this category will offset a portion of the cost of payroll for the Senior Activity Director/Assistant Recreation Director and the Recreation Director for hours spent related to planning and implementing activities through the City of Pleasant Ridge Recreation Department/Pleasant Ridge Community Center focusing on the senior citizen population of the City of Pleasant Ridge. These services would otherwise likely not be offered at the level provided with the current CDBG funding. Payroll related to this activity will be tracked and submitted for reimbursement.

Identify who will benefit from the proposed activity (ex: homeless, abused children, seniors, etc). If your program was designed to benefit persons on L/M income, describe the process you will use to identify these persons (process for income verification if persons are not members of HUD's presumed L/M clientele): The benefits will be received by senior citizens 62 years of age or older. Participants must register through the City's Community Center where age and race are tracked, as well as number of participants served.

## PY 2022 CDBG APPLICATION - PART 4 CONTINUED

**Project #1**      **Allocation: \$7,000**

### C - CODE ENFORCEMENT PROJECT ONLY

Will any of the supportive activities offered in conjunction with the Code Enforcement Program possibly trigger displacement of any "persons"?	Yes	No
--	-----	----

**If "Yes" Explain:**

The grantee will be required as a special condition of the CDBG grant contract to submit a formal relocation or displacement plan for the program prior to release of grant funds.

**If "No" Explain how that determination was made?**

**Service Area Where the Code Enforcement Program Will Be Carried Out:** Provide a brief narrative of the proposed activity and service area where the Code Enforcement activity will be carried out.

### Severity of Problem

What level of service is needed?

☐ A new code enforcement program

☐ An existing code enforcement program to be increased currently funded by:

☐ An existing code enforcement program previously funded with CDBG funds

How was need determined?				
<b>Service Area Identified</b>				
Census Tract/Block Groups				
Census Tract	Census Tract	Census Tract	Census Tract	Census Tract
Block Group (s)	Block Group (s)	Block Group (s)	Block Group (s)	Block Group (s)
Specific streets within a service area				
Maps attached showing the area is primarily residential				
<b>Beneficiaries (People)</b>				
Specify the type of beneficiaries who will benefit from this program. Supporting documentation is required.				
Primarily Low/Mod (Include % of total population that is Low/Mod)				
Jurisdiction's definition of <i>deteriorated or deteriorating</i> (HCDA, Section 105(a)(3)) Define:				

PY 2022 CDBG APPLICATION - PART 4 CONTINUED

**Project #** \_\_\_\_\_ **Allocation: \$** \_\_\_\_\_

<b>C - CODE ENFORCEMENT PROJECT ONLY CONTINUED</b>
<b>Conditions within the Service Area</b>
Describe, in enough detail, the existing conditions in the service area that qualifies the area, as defined above by the jurisdiction, as deteriorating or deteriorated.
Photos attached with any applicable reports or information
<b>Identify problems resulting if the code enforcement program is not provided, continued or expanded:</b>
<b>Extent of the Solution</b>
Explain how and to what extent the proposed activity will solve the problem:
Provide a summary of the proposed strategy for using code enforcement together with public or private improvements or services (e.g., a homeowner rehabilitation program) that can be expected to arrest the decline of the service area.
Describe the methodology and metrics to be used to assess whether the code enforcement program and other activities will mitigate the deterioration of the service area during the time CDBG funds are expended to implement the code enforcement program.
<b>Activity Implementation Plan</b>
Provide a detailed plan of how the code enforcement program, together with "supportive activities" (i.e. public or private improvements, rehabilitation, or services) will mitigate deterioration and is expected to arrest the decline of the area. Also, identify any current or potential funding sources available to assist with proposed supportive activities.

# **PY 2022 CDBG APPLICATION - PART 4 CONTINUED**

**Project #1 Allocation: \$7,000**

<b>D - PROJECT LOCATION</b>		
Please <input checked="" type="checkbox"/> one box	<input checked="" type="checkbox"/>	
Describe Project Location	<input checked="" type="checkbox"/>	City/Township/Village Wide
	<input type="checkbox"/>	Area Wide Benefit Only
	<input type="checkbox"/>	Specific
Parcel ID#	N/A	
Address	4 Ridge Road	
City	Pleasant Ridge	
Zip Code	48069	
<b>Areawide Benefit (AWB) Projects Only</b>	<b>List Census Tract</b>	
	<b>List Block Group</b>	
Attach AWB Map with project location indicated		
<b>Describe service area for:</b>		
Fire Stations/ Equipment		
Parks, Recreational Facilities		
Special Assessments		

<b>E - PROJECT PURPOSE</b>			
<b>ALL PROJECTS</b>			
<b># of clients to be served in PY 2020</b>		<b>Type of clients to be served</b>	
120		People	
		Households	
		Housing Units	
		Public Facilities	
<b>PUBLIC SERVICES PROJECTS ONLY</b>			
Help Prevent Homelessness?		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Help the Homeless?		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Help those with HIV/AIDS?		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Help Persons with Disabilities?		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
<b>PUBLIC FACILITIES &amp; IMPROVEMENTS PROJECTS ONLY</b>			
Will the project meet ADA standards for access?		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<b>SENIOR CENTER PROJECT DEMOGRAPHICS</b>			
<b>Estimated Number of Current Members 120</b>			
White alone	118	Asian Alone	
Black or African American alone	2	Some other race alone	
American Indian and Alaska Native alone		Two or more races	
Native Hawaiian & Other Pacific Islander alone			

## PY 2022 CDBG APPLICATION - PART 4 CONTINUED

**Project #1 Allocation: \$7,000**

F - PROJECT DURATION	
This is a new project for PY 2021	Yes _____ No <u>x</u>
This is an ongoing project	Yes <u>x</u> No _____
This is an expanded project from previous years	Yes <u>x</u> No _____

G - PROJECT ADMINISTRATION	
Community will manage project	Yes <u>x</u> No _____
Community will hire a vendor to manage project	Yes _____ No <u>x</u>
County will administer contract	Yes _____ No <u>x</u>

H - ADDITIONAL RESOURCES					
Other Federal Funds	\$0	State/Local Funds	\$0	Other	\$0

I - ENVIRONMENTAL REVIEW RECORD	
Environmental Reviews are required for each project	
Please <input checked="" type="checkbox"/> each box as it applies and attach all required documents	

<input checked="" type="checkbox"/>	Exempt Project		
x	Project is Exempt per 24 CFR 58.34		
x	Exempt Form Attached	x	Project Location Map Attached

OR

<input checked="" type="checkbox"/>	Categorically Excluded Project		
	Project is Categorically Excluded		
	Statutory Checklist Attached		Project Location Map Attached
	Project is in Flood Plain		8 Step Attached
	Flood Plain Map <a href="https://gis.oakgov.com/PropertyGateway/Home.mvc">https://gis.oakgov.com/PropertyGateway/Home.mvc</a>		

OR

<input checked="" type="checkbox"/>	Environmentally Assessed Project		
	Project is Environmentally Assessed		
	Environmental Assessment Attached		Project Location Map Attached
	Project is in Flood Plain		8 Step Attached
	Flood Plain Map <a href="https://gis.oakgov.com/PropertyGateway/Home.mvc">https://gis.oakgov.com/PropertyGateway/Home.mvc</a>		

<input checked="" type="checkbox"/>	Other Projects		
	Historic Preservation Profile (HPP) Attached		Demolition Checklist Attached





**U.S. Department of Housing and Urban Development**

451 Seventh Street, SW

Washington, DC 20410

[www.hud.gov](http://www.hud.gov)

[espanol.hud.gov](http://espanol.hud.gov)

**Environmental Review  
for Activity/Project that is Exempt or  
Categorically Excluded Not Subject to Section 58.5  
Pursuant to 24 CFR Part 58.34(a) and 58.35(b)**

**Project Information**

**Project Name:** Senior Services Project

**Responsible Entity:** OAKLAND COUNTY

**Grant Recipient** (if different than Responsible Entity): City of Pleasant Ridge

**State/Local Identifier:** City of Pleasant Ridge DUNS 083942623 EIN 38-6004725

**Preparer:** Amy Allison, Assistant City Manager/City Clerk

**Certifying Officer Name and Title:** Bret Scott, Mayor

**Consultant** (if applicable): N/A

**Project Location:** Pleasant Ridge Community Center, 4 Ridge Road, Pleasant Ridge, Michigan  
– OAKLAND COUNTY

**Description of the Proposed Project [24 CFR 58.32; 40 CFR 1508.25]:**

Funding under this category will offset a portion of the cost of payroll for the Senior Activity Coordinator/ Assistant Recreation Director and the Recreation Director for hours spent dedicated to planning and implementing activities through the Pleasant Ridge Recreation Department/Pleasant Ridge Community Center focusing on the senior population of the City.

**Level of Environmental Review Determination:**

☒ **Activity/Project is Exempt per 24 CFR 58.34(a): Public Service project that will not have a physical impact or result in any changes.**

☐ **Activity/Project is Categorically Excluded Not Subject To §58.5 per 24 CFR 58.35(b): N/A**

**Funding Information**

Grant Number	HUD Program	Funding Amount
OAKLAND	COUNTY	USE ONLY

**Estimated Total HUD Funded Amount = PLANNING ALLOCATION \$7,000**

**Estimated Total Project Cost (HUD and non-HUD funds) [24 CFR 58.32(d)]: \$7,000**

**Compliance with 24 CFR §50.4 and §58.6 Laws and Authorities**

Record below the compliance or conformance determinations for each statute, executive order, or regulation. Provide credible, traceable, and supportive source documentation for each authority. Where applicable, complete the necessary reviews or consultations and obtain or note applicable permits of approvals. Clearly note citations, dates/names/titles of contacts, and page references. Attach additional documentation as appropriate.

Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR 50.4 and 58.6	Are formal compliance steps or mitigation required?	Compliance determinations
<b>STATUTES, EXECUTIVE ORDERS, AND REGULATIONS LISTED AT 24 CFR §58.6</b>		
<b>Airport Runway Clear Zones and Accident Potential Zones</b>  24 CFR Part 51 Subpart D	Yes    No <input type="checkbox"/> <input checked="" type="checkbox"/>	The public service project will have no impact on closest airport – Troy Municipal Airport approx. 7 miles away
<b>Coastal Barrier Resources</b>  Coastal Barrier Resources Act, as amended by the Coastal Barrier Improvement Act of 1990 [16 USC 3501]	Yes    No <input type="checkbox"/> <input checked="" type="checkbox"/>	None in Oakland County
<b>Flood Insurance</b>  Flood Disaster Protection Act of 1973 and National Flood Insurance Reform Act of 1994 [42 USC 4001-4128 and 42 USC 5154a]	Yes    No <input type="checkbox"/> <input checked="" type="checkbox"/>	Flood insurance not required in the City of Pleasant Ridge.

**Mitigation Measures and Conditions [40 CFR 1505.2(c)]**

Summarize below all mitigation measures adopted by the Responsible Entity to reduce, avoid, or eliminate adverse environmental impacts and to avoid non-compliance or non-conformance with the above-listed authorities and factors. These measures/conditions must be incorporated into project contracts, development agreements, and other relevant documents. The staff responsible for implementing and monitoring mitigation measures should be clearly identified in the mitigation plan.

<b>Law, Authority, or Factor</b>	<b>Mitigation Measure</b>
Public Services Project	No mitigation measure required. This public service project does not impact a facility at all.

Preparer Signature:

Date:

Name/Title/Organization: Amy Allison, Assistant City Manager/City Clerk, City of Pleasant Ridge

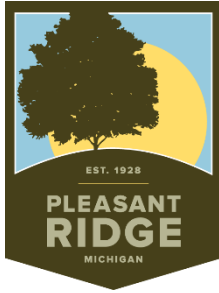
**Responsible Entity (Oakland County) Official Signature:**

Name/Title: Bret Scott, Mayor

Date:

This original, signed document and related supporting material must be retained on file by the Responsible Entity in an Environmental Review Record (ERR) for the activity/project (ref: 24 CFR Part 58.38) and in accordance with recordkeeping requirements for the HUD program(s).

01/20/21



# City of Pleasant Ridge

23925 Woodward Avenue, Pleasant Ridge, Michigan 48069  
Phone: 248-541-2901 • Web: [www.cityofpleasantridge.org](http://www.cityofpleasantridge.org)

## City Commission

Bret Scott, Mayor  
Chris Budnik  
Alex Lenko  
Ann Perry  
Katy Schmier

## City Manager

James Breuckman

## City of Pleasant Ridge

23925 Woodward Avenue  
Pleasant Ridge, Michigan 48069

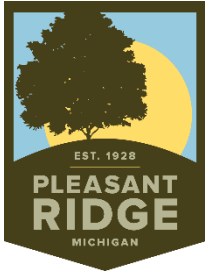
**NOTICE IS HEREBY GIVEN** in accordance with Section 4.03 (B) of the Pleasant Ridge City Code that a Public Hearing will be held on Tuesday, December 14, 2021, 7:30 p.m., in the City Commission Chambers, 23925 Woodward Avenue, Pleasant Ridge, Michigan 48069, to solicit comments on the following item:

**Oakland County Community Development Block Grant (CDBG) Program Year  
2022 Community Application in the approximate amount of \$7,000.00 to fund  
eligible projects  
and the  
2022 CDBG Subrecipient Agreement**

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 13, 2021. 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. Allison  
City Clerk

Published: The Daily Tribune  
Sunday, November 28, 2021  
AFFIDAVIT REQUESTED



# City of Pleasant Ridge

James Breuckman, City Manager

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From: Jim Breuckman, City Manager  
To: City Commission  
Date: December 9, 2021  
Re: Marijuana License Award

## Overview

The City has received an application for a marijuana facility to be located at 404 E. 10 Mile Road in the Iron Ridge development submitted by Sozo Health, Inc. The application is for an adult-use retailer licensed under the Michigan Regulation and Taxation of Marijuana Act of 2018 (MRTMA), and a provisioning center licensed under the Michigan Medical Marijuana Act of 2008 (MMMA). Sozo currently operates a large facility in Warren and retail locations in Cheboygan and Muskegon.

The City has two retailer/provisioning center licenses available, meaning that one additional license of each type could be awarded in the future to a qualifying applicant if the license for Sozo Health, Inc. is approved.

## Background

The applicant provided a full and complete application package including all information and documents required by the City's marijuana licensing ordinance. The application meets, and in many cases, exceeds, all requirements of the City's Commercial Marijuana Facilities ordinance, Chapter 18, Article VIII of the City Code.

An executive summary version of the application is attached to this agenda summary. The executive summary omits any personal information included in the application package and omits protected or sensitive information such as operating plans and proprietary business information. The City Commission has had the opportunity to review the full application in paper format.

I have evaluated the application against the criteria in Section 18-295 of the City Code and found that the application has demonstrated compliance and/or compatibility with all criteria. The application checklist is attached.

If approved the applicant can begin work on obtaining building permits and finalizing the licensing process through the State of Michigan. By ordinance, facilities must be operational no later than 6 months from the date the City operating license is granted.

## Requested Action

City Commission award of a marijuana retailer and provisioning center license to Sozo Health, Inc.

**Sozo Health, Inc. Application Forms and Documents Review**

Sozo Health, Inc.		Provided	Comments
<b>Application Forms</b>			
	Marijuana Facility License Application pp 1-3	X	
	Marijuana Facility License Attachment Checklist	X	
	Marijuana Facility License Attestations	X	
<b>Required Attachments</b>			
<b>Attachment A: Entity Documents</b>			
	Operating, Shareholder, Partnership Agreement/Bylaws	X	
	Articles of Organization/Incorporation	X	
	Organizational Chart/Additional Support	X	
	Certificate of Good Standing	X	
	Assumed Name Registration	X	
<b>Attachment B: State Application Status</b>			
	Pre-Qualification under MMFLA/MRTMA	X	
	Licensure under MMFLA/MRTMA	X	
	*Retail Delivery authorization to deliver as applicable	X	
<b>Attachment C: Distance to Nearest Redimensionally Zoned/Used Structure</b>			
	Aerial map/measurement	X	
<b>Attachment D: Property Ownership</b>			
	Deed/Lease/Real Estate Interest	X	
	Owner authorization (if not owner)	X	
<b>Attachment E: Owner/Applicant Information</b>			
	Copies Owners/Applicants Driver's Licenses	X	
	List of Parties having Ownership in Entity	X	
<b>Attachment F: Marijuana Operations</b>			
	Marijuana Operations Info or Attestation of No Operations	X	
	Profit & Loss Summary	X	
<b>Attachment G: Regulatory History</b>			
	Regulatory History Suspensions or Revocations	X	
<b>Attachment H: Tax Delinquency</b>			
	Tax Delinquency Complaints/Notices re: Payment or Tax Dispute	X	
<b>Attachment I: Other Pleasant Ridge Properties (as applicable)</b>			
	Owned/Leased Property Info - commercial	X	
	Owned/Leased Property Info - residential	n/a	
<b>Attachment J: Insurance &amp; Security</b>			
	Insurance Quote	X	
	Security Quote	X	
	Knox Box Quote	X	
<b>Attachment K: Bankruptcy (as applicable)</b>			
	Bankruptcy Explanation/Accompanying documents	X	
<b>Attachment L: Capitalization</b>			
	Explanation/Documentation to Operate Establishment	X	
<b>Attachment M: Criminal History (as applicable)</b>			
	Entity/Applicant Disclosures	X	
	Personal Disclosures	X	
<b>Attachment N: Regulatory Compliance (as applicable)</b>			
	History of Noncompliance w/ Regulatory Requirements	X	

Sozo Health, Inc.		<b>Provided</b>	<b>Comments</b>
Attachment O: Litigation (as applicable)			
	Explanation/Documentation as Defendant in Business Litigation	X	
Attachment P: Chemical Storage (as applicable)			
	Cultivation/Processing Plan for Processor Applicants	X	
Attachment Q: Site Plan/Neighborhood Compatibility Plan			
	Anticipated Daily Patrons		
	Site Plans	X	
	Lighting Plan	X	
	Landscape/Other Aesthetic Improvements	X	
	Total Capital Investment	X	
	Environmentally Friendly Design Elements	X	
	Other Non-MJ Businesses in Pleasant Ridge	X	
	If Vacant, Length of Building Vacancy	X	
Attachment R: Community Involvement			
	Past, Present and Proposed Community Involvement	X	
Attachment S: Establishment Business Plan			
	Waste Disposal Plan	X	
	Security Plan	X	
	Sanitation Plan	X	
	Odor Mitigation Plan	X	
	Succession Plan	X	

**Sozo Health, Inc. Marijuana Application Review**

Sozo Health, Inc.		Complies?	Comments
<b>Section 18-292 - Location, Number, and Types of Licenses</b>			
a.	Zoning - located in C or W district	yes	W zoning district
b.	Separated 200 feet from zoned or used residential structure	yes	At least 208 feet of separation
d.	Meets all zoning district requirements	yes	
e.	Dual licensure	yes	Applying for retailer and provisioning center license
g.	City license available	yes	
<b>Section 18-293 Facility Requirements</b>			
a.	Licensing and Insurance	yes	All required information provided
b.	Operating Standards	yes	Application compiles. Facility must operate in compliance.
c.	Parking requirements	yes	The Iron Ridge district contains a large parking field
d.	Security	yes	Application complies
<b>Section 18-294 Application and Fee Requirements</b>			
a.	Application complies with City requirements	yes	
b.	Site plans provided	yes	Site plans comply with ordinance requirements
d.	Fees provided	yes	
<b>Section 18-295 - Application Review</b>			
a.1	Compliance with application requirements	yes	
a.2	Compliance with ordinance requirements	yes	
a.3	Qualifications of the applicant	yes	Application demonstrates financial and operational capacity
a.4	Capitalization and means to operate the facility	yes	Documentation provided
a.5	Business history and experience	yes	Three existing facilities, no concerns identified by other communities
a.6	Business history with Pleasant Ridge	n/a	
a.7	Prior or current licensure	yes	Three existing facilities, no license issues
a.8	Non-marijuana business interests	yes	No concerns
a.9	Regulatory compliance/legal history	yes	No violations or concerns identified
a.10	Strengeh of business plan	yes	Credible business plan provided
a.11	Integrity, moral charager, and cooperation with City	yes	No concerns identified, applicant has been professional in dealings w/City
a.12	Financial benefit to the city	yes	
a.13	Neighborhood compatibility	yes	Iron Ridge location alleviates neighborhood compatibility concerns
a.14	Community involvement	yes	Thoughtful community involvement plan provided
a.15	Proposing to replace existing business?	yes	Occupying a vacant space, no existing business will be replaced
a.16	Capital Investment	yes	Over \$2.6 million of capital investment planned
a.17	Status of Michigan licensure	yes	In good standing
a.18	Security plan	yes	Extensive security plan provided
a.19	Any other considerations	yes	No other considerations identified





City of Pleasant Ridge  
Marijuana Facility License Application  
Retailer/Provisioning Center



**This is an executive summary provided to satisfy public disclosure requirements. Portions of this submission have been removed to protect confidential, proprietary or personal information. A complete document set is available for official review.**

October 14, 2021



# Marijuana Facility License Application

## General Information & Instructions

- Use blue ink ONLY
- Must submit as single sided pages
- The City of Pleasant Ridge will not provide substantive advice, legal or otherwise, on any of its ordinances or items required for this application or any other application or information required by this form
- Applications must be submitted to the City Clerk's office
- Annual fees to apply shall be paid to the City treasurer, and made out to the City of Pleasant Ridge:
  - Non-refundable application fee of \$5,000 per license, and annually for each renewal application
  - Applicants who are licensed to operate a marijuana establishment shall pay a non-refundable annual inspection fee of \$4,000 upon approval by the City and annually at the time of each renewal.

Applicant: initial here to indicate your understanding of the general instructions and annual fee requirements:

Initial: AR

## Proposed Entity Information

- |  |                                      |   |
|--|--------------------------------------|---|
| <input type="checkbox"/> Individual                | <input type="checkbox"/> Partnership | <input checked="" type="checkbox"/> Corporation |
| <input type="checkbox"/> Limited Liability Company | <input type="checkbox"/> Trust       | <input type="checkbox"/> Sole Proprietorship    |

Sozo Health, Inc	n/a
Entity Name (as it appears on official entity documents)	D/B/A (as used in conducting business of the entity)
23751 Hoover Road, Warren, MI 48089	83-1796411
Entity physical location	FEIN/SSN
23751 Hoover Road, Warren, MI 48089	(231) 751-7696
Entity mailing address	Entity telephone

## Applicant Information/Contact Person for Application

Aaron Rasty	[redacted]	
Full Name	Mailing Address	
[redacted]	[redacted]	[redacted]
City	State	Zip
[redacted]		arasty@sozocompanies.com
Cell Phone Number	Telephone Number	Email Address
n/a	n/a	n/a
Affiliation with Applicant	Attorney license number (if applicable)	CPA license number (if applicable)

**23925 Woodward Ave, Pleasant Ridge, MI 48069**  
**Phone: 248-541-2901 Fax: 248-541-2504**

## Proposed Location

404 E. 10 Mile, Pleasant Ridge, MI 48069

Address of Proposed Location

W

Zoning Classification

5,346 sq ft

Total square footage of building

4,800 sq ft

Square footage to be used for marijuana operation(s)

Renovate existing building.

Describe your proposed work to the building (use as-is, renovate existing building, build new construction)

208 ft

Distance between the proposed building and the closest residentially used building in the City of Pleasant Ridge? Measure in a straight line between the closest point on the exterior of each building. Garages or accessory buildings do not count as residentially used buildings.

## License Information

Check all licenses you are applying for:

☐ Microbusiness

☒ Retailer

☒ Provisioning Center

☐ Processor

☐ Safety Compliance Facility

☐ Secure Transporter

Does the applicant have a pre-qualification from the Marijuana Regulatory Agency for all license types being applied for at the City of Pleasant Ridge?

☒ Yes

☐ No

Does this application also include the equivalent license type?

☒ Yes

☐ No

Does this application include stacked Class C licenses?

☐ Yes

☒ No

Does this application include co-located licenses?

☐ Yes

☒ No

Proposed hours of operation:

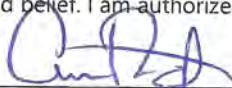
	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Open:	11 am	10 am	10 am	10 am	10 am	10 am	10 am
Close:	6 pm	8pm	8 pm	8 pm	8 pm	8 pm	8 pm

## Attachments

Provide all required supplemental material as attachments to this application, as directed on the following pages.

## Signature

I affirm that the information on this application form and all attachments are true to the best of my knowledge, information, and belief. I am authorized to execute this application on behalf of the entity listed above.

  
Signature of Applicant

Aaron Rasty

Printed Name

October 13, 2021

Date





## Applicant Acknowledgements for a Marijuana City Operating License

All applicants identified and disclosed within this application for a city operating license and/or for a renewal application are required to initial and/or sign all acknowledgments and attestations as provided by the City of Pleasant Ridge, unaltered.

I, the applicant, Aaron Rasty, declare that this application and all attachments are true, correct, and complete to the best of my knowledge. I also acknowledge familiarity with the City of Pleasant Ridge's Municipal Ordinances and hereby represent that I have knowledge of the contents in relation to the conduct of said business. Further, I acknowledge and agree to the following:

Applications submitted with altered acknowledgments and/or attestations shall not be reviewed. Should any applicant refuse to sign or initial the document(s) as provided by the City it will result in a denial for a city operating license.

Initial: AR

An applicant shall not utilize a City of Pleasant Ridge employee for notary services related to this application.

Initial: AR

I make no reliance on anything stated by City of Pleasant Ridge employees regarding the completeness of this application or any other communications not provided in writing.

Initial: AR

Amendments or supplementary information shall not be accepted after the applicant has submitted their application for a city operating license unless requested by the City of Pleasant Ridge.

Initial: AR

Failure to provide a complete application including its attachments, attestations, signatures, notarizations, initials, and/or the required fees may result in a denial of the application and/or renewal application.

Initial: AR

Compliance with the application requirements and/or zoning approval does not guarantee a city operating license for any proposed establishment.

Initial: AR

No refund of any sums of money paid to the City of Pleasant Ridge related to this application will be refunded to the applicant.

Initial: AR

Applicant acknowledges and understands that they will be held to all the property maintenance standards and requirements contained within the City of Pleasant Ridge Municipal Code.

Initial: AR

Applicant acknowledges that failure to provide the information and documentation required by this application may result in the denial of this application.

Initial: AR

Applicant understands that a city operating license may be revoked if the application for a marijuana establishment's certificate of compliance is denied or revoked by the Building Official.

Initial: AR

### FOR RENEWALS:

All licensees applying for a renewal of their city operating license must supplement this application with updated information, if applicable, and/or upon request, at any time, by the City of Pleasant Ridge.

Initial: AR

  
Signature of Applicant

Aaron Rasty  
Printed Name

October 13, 2021  
Date

This is an executive summary provided to satisfy public disclosure requirements. Portions of this submission have been removed to protect confidential, proprietary or personal information. A complete document set is available for official review.

# LARA Corporations Online Filing System

Department of Licensing and Regulatory Affairs

Form Revision Date 07/2016

## ARTICLES OF INCORPORATION

For use by DOMESTIC PROFIT CORPORATION

Pursuant to the provisions of Act 284, Public Acts of 1972, the undersigned executes the following Articles:

### ARTICLE I

The name of the corporation is:

SOZO HEALTH INC.

### ARTICLE II

Unless the articles of incorporation otherwise provide, all corporations formed pursuant to 1972 PA 284 have the purpose of engaging in any activity within the purposes for which corporations may be formed under the Business Corporation Act. You may provide a more specific purpose:

### ARTICLE III

1. State the total authorized shares of each class of stock that the corporation is authorized to issue. All corporations must authorize stock.\* If there is more than one class or series of shares, state the relative rights, preferences and limitations of the shares of each class in Article III(2).

Class of Stock	Total authorized number of shares
COMMON	1,000,000

### ARTICLE IV

The street address of the registered office of the corporation and the name of the resident agent at the registered office (P.O. Boxes are not acceptable):

- Agent Name: REGISTERED AGENTS, INC.
- Street Address: 2222 W. GRAND RIVER AVENUE  
Apt/Suite/Other: SUITE A  
City: OKEMOS  
State: MI Zip Code: 48864
- Registered Office Mailing Address:  
P.O. Box or Street Address: 3200 GREENFIELD ROAD  
Apt/Suite/Other: SUITE 300  
City: DEARBORN  
State: MI Zip Code: 48120

### ARTICLE V

The name(s) and address(es) of the incorporator(s) is (are) as follows:

Name	Residence or Business Address
------	-------------------------------

AARON RASTY

[redacted]

ARTICLE VI

Any action required or permitted under the Act to be taken at an annual or special meeting of shareholders may be taken without a meeting, without prior notice, and without a vote, if consents in writing, setting forth the action so taken, are signed by the holders of outstanding shares that have at least the minimum number of votes that would be necessary to authorize or take the action at a meeting at which all shares entitled to vote on the action were present and voted. A written consent shall bear the date of signature of the shareholder that signs the consent. Written consents are not effective to take corporate action unless within 60 days after the record date for determining shareholders entitled to express consent to or to dissent from a proposal without a meeting, written consents dated not more than 10 days before the record date and signed by a sufficient number of shareholders to take the action are delivered to the corporation. Delivery shall be to the corporation's registered office, its principal place of business, or an officer or agent of the corporation that has custody of the minutes of the proceedings of its shareholders. Delivery made to a corporation's registered office shall be by hand or by certified or registered mail, return receipt requested.

Prompt notice of taking of the corporate action without a meeting by less than unanimous written consent shall be given to shareholders that would have been entitled to notice of the shareholder meeting if the action had been taken at a meeting and that have not consented to the action in writing. An electronic transmission consenting to an action must comply with Section 407(3).

Article VII

Effective Date: 09/04/2018

Signed this 4th Day of September, 2018 by the incorporator(s).

Signature	Title	Title if "Other" was selected
Aaron Rasty	Incorporator	

By selecting ACCEPT, I hereby acknowledge that this electronic document is being signed in accordance with the Act. I further certify that to the best of my knowledge the information provided is true, accurate, and in compliance with the Act.

 Decline  Accept

***MICHIGAN DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS***  
***FILING ENDORSEMENT***

***This is to Certify that the*** ARTICLES OF INCORPORATION

***for***

SOZO HEALTH INC.

***ID Number:*** 802232129

***received by electronic transmission on*** September 04, 2018 , ***is hereby endorsed.***

***Filed on*** September 04, 2018 , ***by the Administrator.***

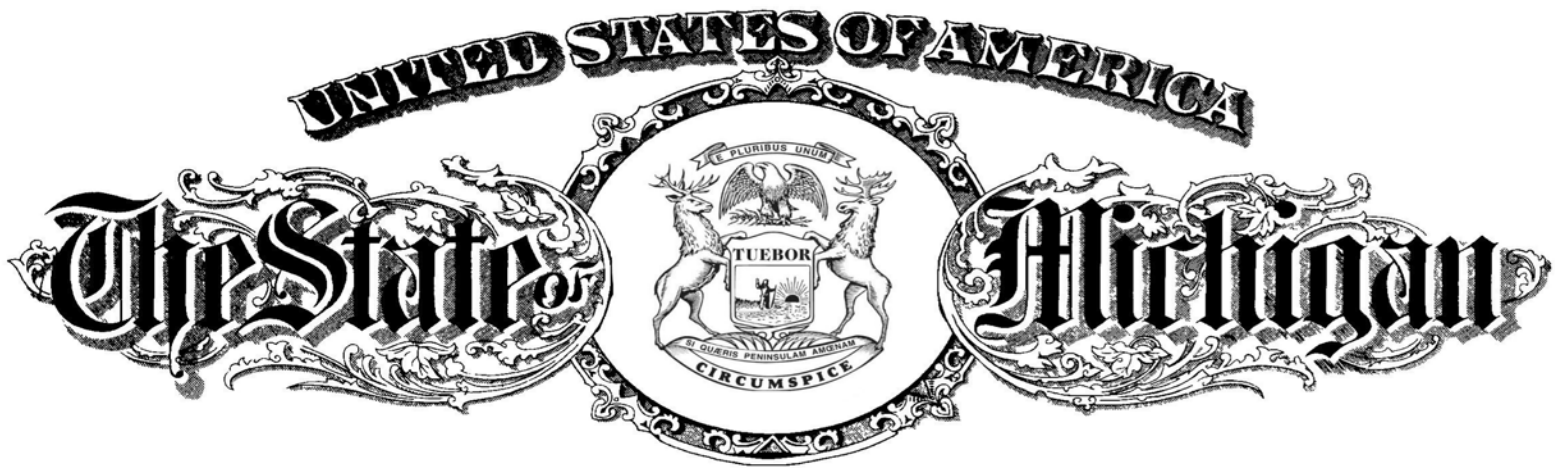
***The document is effective on the date filed, unless a subsequent effective date within 90 days after received date is stated in the document.***



***In testimony whereof, I have hereunto set my hand and affixed the Seal of the Department, in the City of Lansing, this 4th day of September, 2018.***

***Julia Dale, Director***

***Corporations, Securities & Commercial Licensing Bureau***



Department of Licensing and Regulatory Affairs

Lansing, Michigan

This is to Certify That

**SOZO HEALTH INC.**

was validly incorporated on September 4 , 2018 as a Michigan DOMESTIC PROFIT CORPORATION,  
and said corporation is validly in existence under the laws of this state.

*This certificate is issued pursuant to the provisions of 1972 PA 284 to attest to the fact that the corporation is in good standing in Michigan as of this date and is duly authorized to transact business and for no other purpose.*

*This certificate is in due form, made by me as the proper officer, and is entitled to have full faith and credit given it in every court and office within the United States.*



Sent by electronic transmission

Certificate Number: 21100272005

*In testimony whereof, I have hereunto set my hand,  
in the City of Lansing, this 13th day of October , 2021.*

*Linda Clegg*

Linda Clegg, Director

Corporations, Securities & Commercial Licensing Bureau



## Attachment C

### Sozo Health Inc. – Pleasant Ridge

#### Distance to Nearest Residentially Zoned or Used Structure

The City of Pleasant Ridge has a residential setback of at least 200 feet from any residentially used or zoned structure. The measurement is defined by a straight line from the closest point on the exterior wall of the proposed building to the closest point on the exterior wall of the closest residentially zoned or used principal structure. The proposed building's distance to nearest residential structure is 208.48 ft.



Property Owner Consent to Use/Proof of Ownership

I, Craig Singer, am an authorized representative of Iron Ridge Office LLC, a Michigan limited liability company and the owner of the property commonly known as Iron Ridge District, located at 404 East Ten Mile Road, Pleasant Ridge, MI. A portion of that property is being leased to the applicant Sozo Health, Inc. for its use as a marihuana establishment. Iron Ridge Office LLC affirmatively authorizes this use by Sozo Health, Inc., consistent with all applicable local and state laws.

Iron Ridge Office LLC attaches the following evidence of its ownership of 404 East Ten Mile Road: [See evidence of title attached hereto]

**IRON RIDGE OFFICE LLC,**  
a Michigan limited liability company


By:   
Craig Singer  
Authorized Representative

STATE OF MICHIGAN

County of Oakland

The foregoing instrument was acknowledged before me on October 14, 2021, by Craig Singer, authorized representative of Iron Ridge Office LLC, a Michigan limited liability company on behalf of said limited liability company.



  
Notary Public  
My commission expires 9-27-2023

American Land Title Association

Commitment for Title Insurance  
Adopted 08-01-2016  
Technical Corrections 04-02-2018**AMROCK | COMMERCIAL**

Order Number: 65192838

Production Date: December 6, 2018

**3. The estate or interest in the Land described or referred to in this Commitment is:** Fee Simple**4. The Title is, at the Commitment Date, vested in:**Iron Ridge Holdings LLC, a Michigan limited liability company, as to Parcels 1 through 5 and Parcel 7  
Iron Ridge 404 LLC, a Michigan limited liability company, as to Parcel 8**5. The Land is described as follows:**Land situated in the Cities of Pleasant Ridge and Ferndale in the County of Oakland in the State of Michigan  
(See Attached Exhibit A - Legal Description)**Client Reference:** 660 & 410 E 10 Mile Rd & 3155-3351 & 3342-3350 Bermuda St Ferndale, MI 48220-1036

This commitment is valid and binding for a period of 180 days from the date hereof. Thereafter it is void and of no effect.

Issued By: Amrock Inc.

662 Woodward Ave.

Detroit, MI 48226

3138771297, ext. 71297

Fax: (800) 652-7033

Questions? Contact: Debbie Roberts

Email: DebbieRoberts@Amrock.com

Website: www.amrock.com

Agent for: FIRST AMERICAN TITLE INSURANCE COMPANY

Countersigned By: Amrock Inc.



Brian D. Hughes, Agent

**ALTA COMMITMENT - Schedule A**

This page is only a part of a 2016 ALTA® Commitment for Title Insurance issued by FIRST AMERICAN TITLE INSURANCE COMPANY. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I—Requirements and Schedule B, Part II—Exceptions; and a counter-signature by the Company or its issuing agent that may be in electronic form.

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**Attachment E**  
**Sozo Health Inc. - Pleasant Ridge**

**Owner/Applicant Information**

Requirement: Owners/applicants must provide a copy of the front and back of their state-issued driver's license or state identification. Include a list of all parties having ownership interest in the entity.

This is an executive summary provided to satisfy public disclosure requirements. Portions of this submission have been removed to protect confidential, proprietary or personal information. A complete document set is available for official review.

<b>Owner/Applicant Full Legal Name:</b>	Aaron David Rasty
<b>Aliases:</b>	N/A
<b>Address:</b>	[redacted personal information]
<b>Cell Phone (Direct):</b>	[redacted personal information]
<b>Email:</b>	<a href="mailto:arasty@sozocompanies.com">arasty@sozocompanies.com</a>
<b>Title:</b>	Chief Executive Officer
<b>Percentage of Ownership in the Entity:</b>	100%
<b>Most recent 3 years Employment (preceding the date of this application)</b>	Sozo Health Inc. Chief Executive Officer Sept. 4 ,2018 - Present

[copies of driver's license front and back redacted]

Attachment Q  
Sozo Health Inc. – Pleasant Ridge

Site Plan & Neighborhood Compatibility Plan

This is an executive summary provided to satisfy public disclosure requirements. Portions of this submission have been removed to protect confidential, proprietary or personal information. A complete document set is available for official review.

Overview

Site compatibility has been discussed extensively with the property owners at Iron Ridge. From neighboring uses, to an activated façade and community spaces, Sozo appreciates how to create a beautiful retail experience that conforms with and enhances the needs of the surrounding area. Please refer to Attachment Q - Site Plan/Neighborhood Compatibility Plan for more information. All plans are provided at the end of this document.

Site Plans

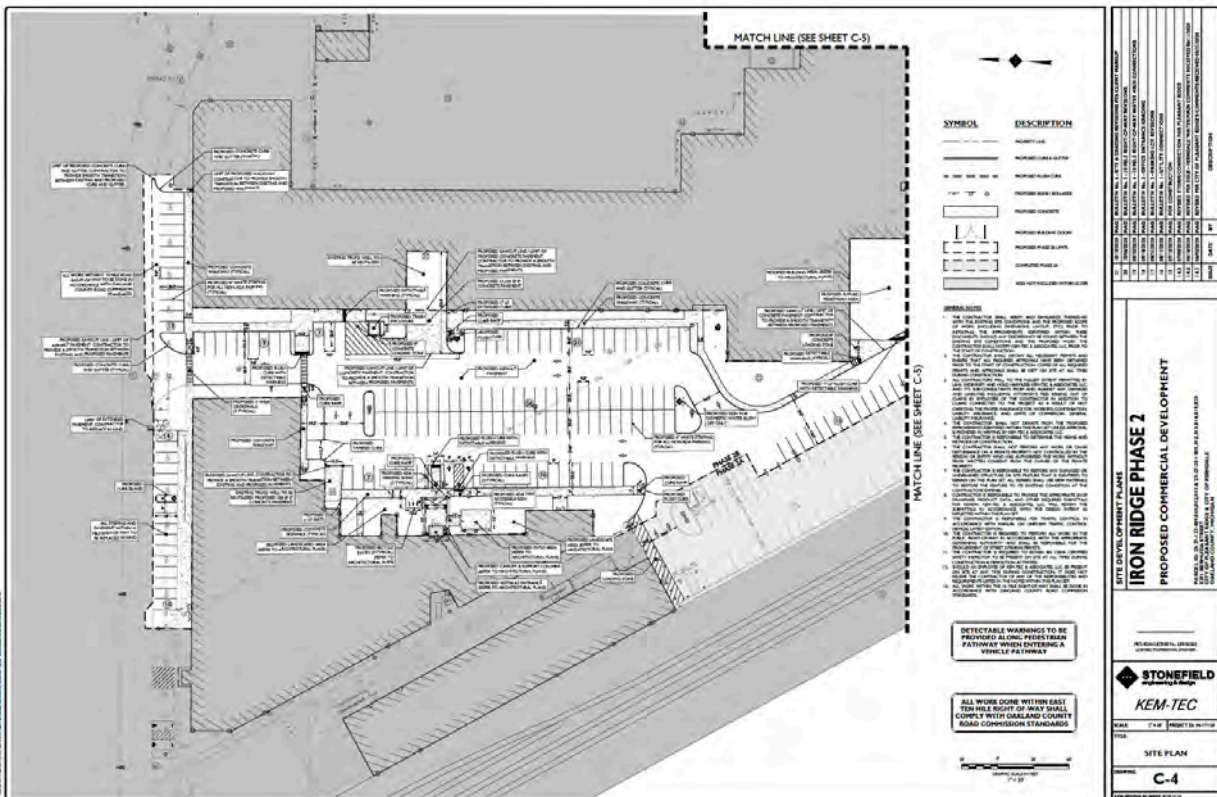
In order to conform with the developer's overall vision, Sozo does not plan to modify the approved site plan, landscaping plan or exterior lighting. Site plans for the proposed location that meet all of the requirements of §82-198(2)(b) of the Pleasant Ridge Zoning Ordinance.





**ALTA/ACSM LAND TITLE SURVEY**

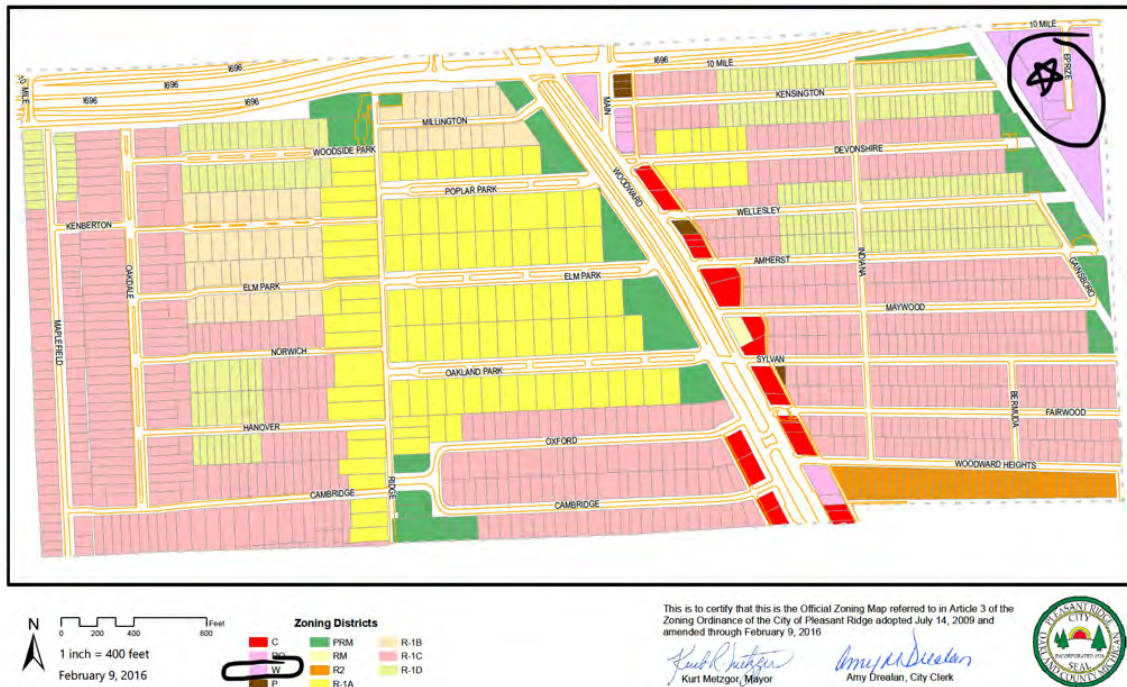
**PROPERTY DESCRIPTION**  
 LOT 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892,



## Compliance with Local Zoning Requirements

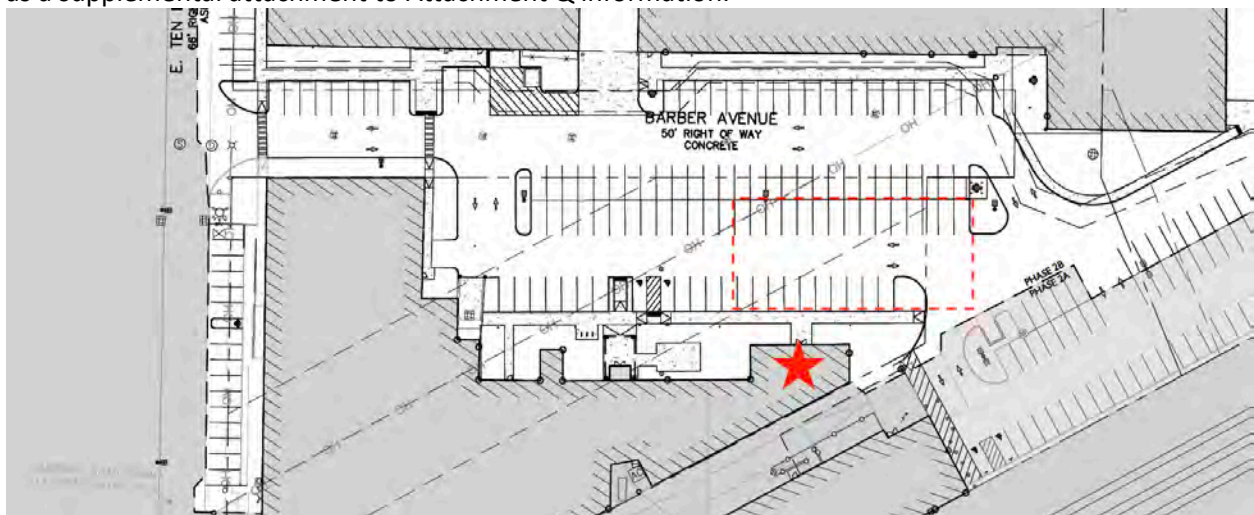
Sozo has leased a 4,800 (usable) sf retail building at 404 East 10 Mile Road in Pleasant Ridge for a future medical marijuana provisioning center co-located with a marijuana retail store, together referred to as a “marijuana sales location”. The City of Pleasant Ridge allows marijuana facilities in the W and C zoning districts. This prospective site is Zoned W. This site demonstrates zoning conformance as stipulated in *City of Pleasant Ridge Ordinance No. 445, Chapter 18, Article VIII - Commercial Marijuana Facilities §18-292(a)*. Please refer to the starred area identified in purple in the below zoning map.

### **Zoning**



## Compliance with Local Parking Requirements

*City of Pleasant Ridge Ordinance No. 445. §18-293(c)(2), and Section 82-195* of the city’s *Zoning Ordinance* requires a 4,800 usable sf marijuana sales location to have 24 off-street parking spaces. The Iron Ridge development meets, and exceeds parking requirements. The full site plan has been provided as a supplemental attachment to Attachment Q information.



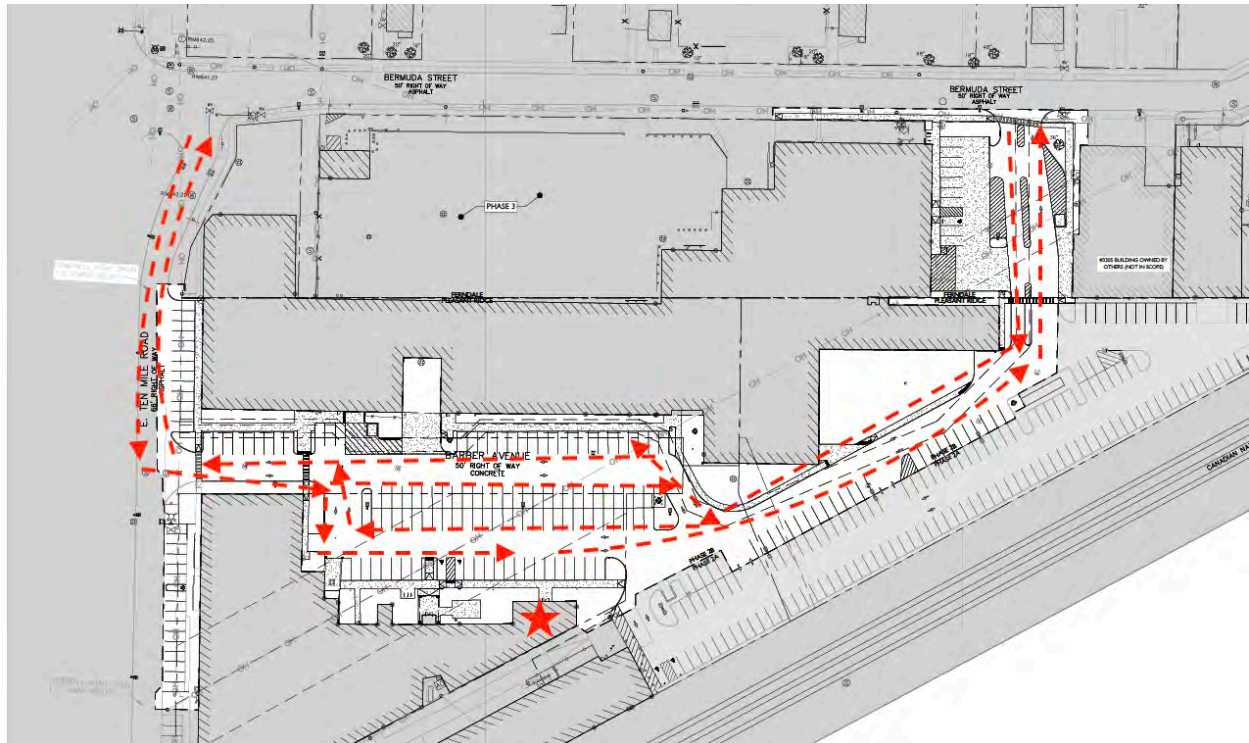


### **Additional Parking Considerations: Sustainable Measures**

This section is provided in the complete document set.

### **Site Plan Detail: Proposed Traffic Flow**

Please refer to the diagram, where the star indicates the front entrance of the location, and the dotted directional arrows illustrate the flow of traffic into and out of the site. The full site plan has been provided as a supplemental attachment to the Attachment Q information.



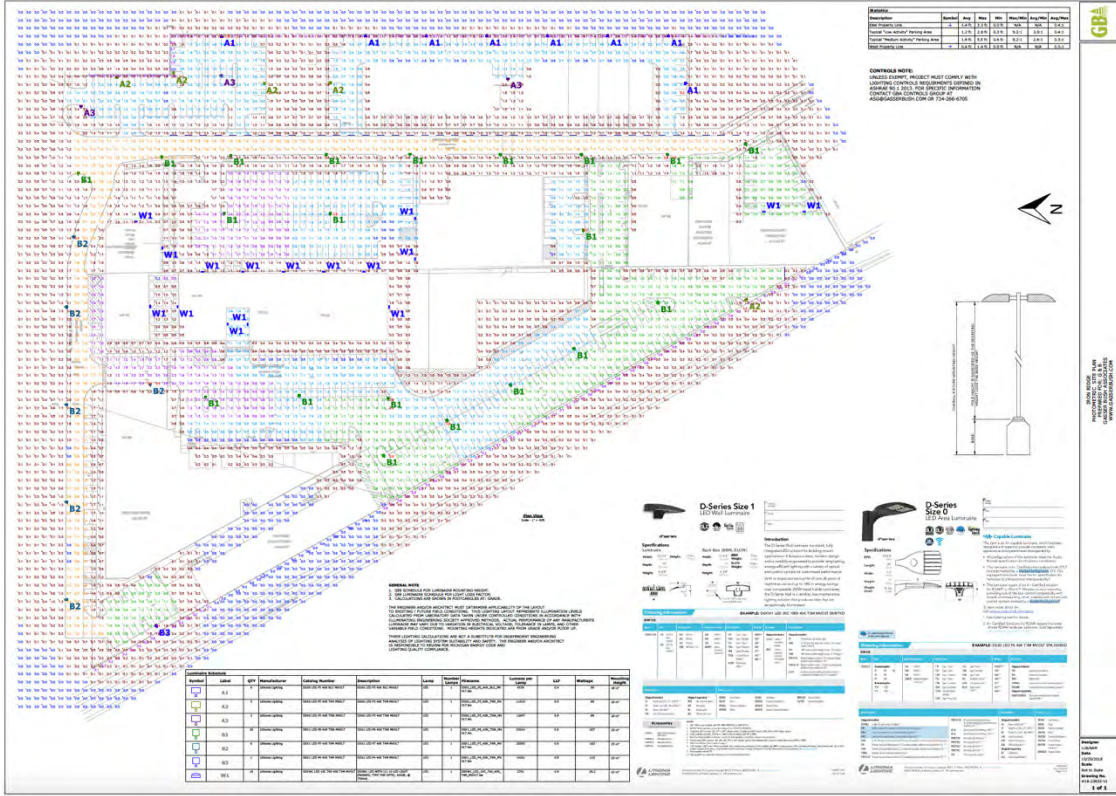
### **Lighting Plan (Exterior)**

The lighting plan has been provided by the owner of the Iron Ridge property. In order to conform with the developer's overall vision, Sozo does not plan to modify the exterior lighting as proposed, but will incorporate decorative lighting on the façade of the building, subject to any required reviews before the city manager or planning commission.

### **Exterior Lighting Cut Sheets (Prospective Decorative Options)**

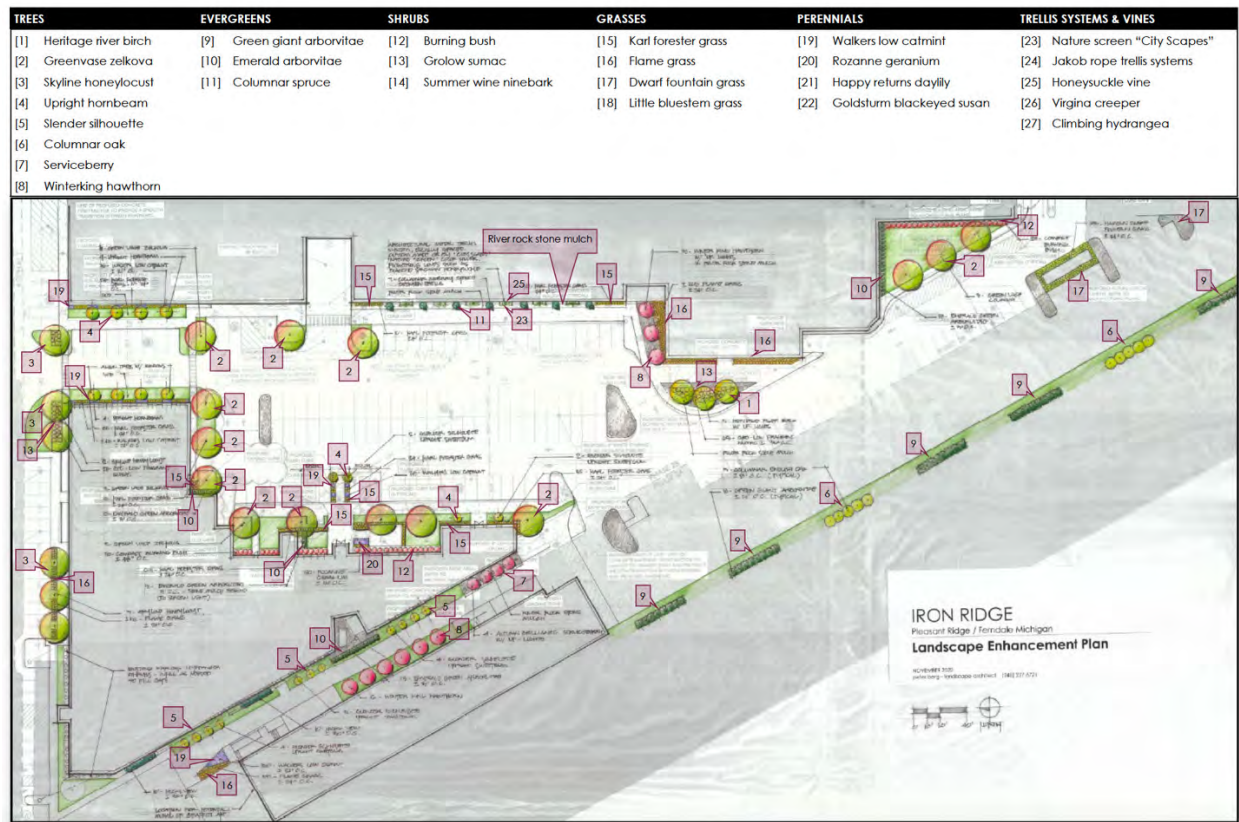
Cut sheets are provided in the complete document set.





## Landscape or Other Aesthetic Improvements

The landscaping has been determined by the property owner of the Iron Ridge development. In order to conform with the developer's overall vision, Sozo does not plan to modify the exterior landscaping, which is being installed in October 2021.



## Scheduled Tangible Investment

Real estate and construction investment will exceed \$1M in capital expenditures at over \$150 per square foot.

Taxes, labor, rent, licenses, utilities, insurance, marketing, and community giving adds another \$1.67M of investment.

**Combined tangible investment exceeds \$2.67M.**

## Environmentally-Friendly Design Elements

Sozo's licensed cannabis facilities in other markets are designed with attention to intelligent and sustainable design, and the construction of the Pleasant Ridge facility would follow suit. Sozo has retrofitted every marijuana retail store in its current portfolio, which reduces overall energy and construction resources. Environmentally-friendly design can include decisions in the construction process as well as the ongoing operations of the business.

Additional details are available for official review in the full document set.

### **Non-Marijuana Business Interests**

Sozo is a vertically-integrated cannabis company and only has business interests surrounding and related to legal, regulated and licensed marijuana activities. At present, Sozo does not have interests outside of marijuana business interests.

Member's of Sozo's leadership have interests in real estate development and other real estate investment, hemp, manufacturing, and other emerging natural health and healthcare opportunities. These interests are extracurricular to the team's primary focus on legal cannabis business operations.

Sozo and member's of Sozo's leadership team have extensive philanthropic interests and sit on boards and charities that support local and global educational access, support families with children with debilitating medical conditions helped by cannabis, serve boards supporting financial and mission-based organizations supporting cannabis, and provide support to local food banks, homeless shelters including those supporting domestic violence victims, preservation and expansion of parks, and youth mentorship.

### **Building Vacancy**

The building is currently vacant, and has been vacant since the property was acquired by the property owners in October 2016. It is unknown how long the building was vacant prior to the purchase, but the property owners estimate it was vacant for 18 months prior.

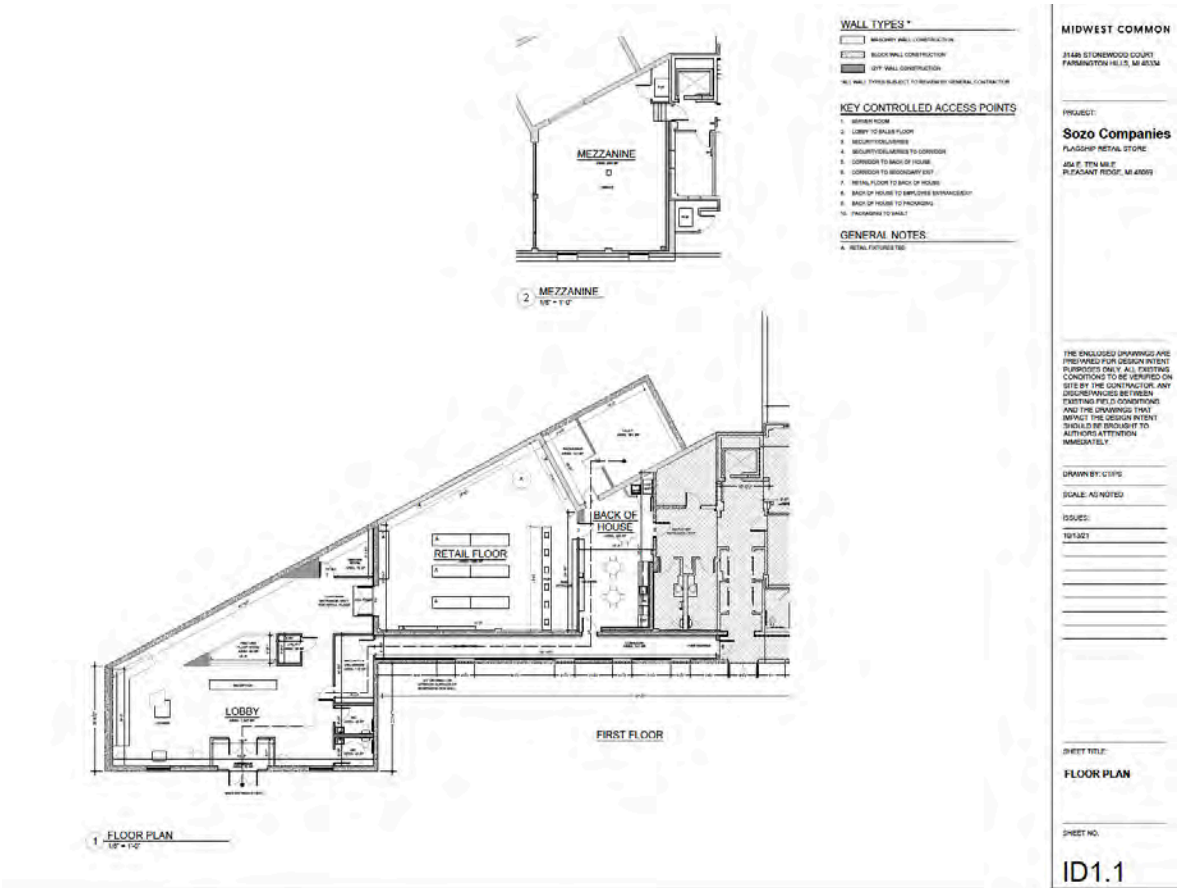
### **Floor Plan**

Pursuant to *Pleasant Ridge Ordinance No. 445, §18-294(b)(1)* each application shall include floor plan and layout, maximum storage capabilities, number of rooms, dividing structures, fire walls, entrances and exits.

Please refer to the enclosed floor plan and layout including dimensions.

Maximum Storage Capabilities:	366 sf (excluding displays and custom cabinetry)
Number of Rooms:	14
Dividing Structures:	Masonry (Brick) Concrete Block Gypsum Wall (Drywall)
Fire Walls:	As provided in the floor plan
Entrances & Exits:	As provided in the floor plan
Parking Lot Plan & Layout	As provided in the floor plan

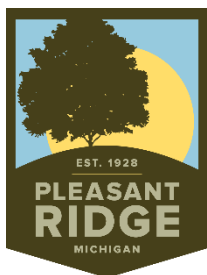




CONCEPTUAL RENDERING - 404 E. TEN MILE PLEASANT RIDGE, MI



A complete application is available for official review, including the community involvement plan, business plan, waste plan, security plan, sanitation plan, odor plan and succession plan.



## City of Pleasant Ridge

James Breuckman, City Manager

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From: Jim Breuckman, City Manager  
To: City Commission  
Date: December 9, 2021  
Re: Citizens Advisory Committee Facilitator

### Overview

The City Commission was presented with three options to facilitate the Citizens Advisory Committee (CAC). Two resumes are attached, with the third option being Roy Public Affairs: [www.royfam.com](http://www.royfam.com)

The expected cost of CAC facilitation will be \$5,000 to \$8,000, with the final cost being dependent on the number of CAC meetings that are held.

### Background

The City Commission has reviewed the facilitator options and will be interviewing Nate Geinzer and Jaymes Vettraino. The City Commission may select a facilitator if ready, choose to wait, or seek other options.

### Requested Action

City Commission selection of a facilitator for the CAC, or other direction to staff towards selecting a facilitator.

# NATE GEINZER

*contact information redacted*

## **PROFESSIONAL PROFILE**

Driven, effective, and creative professional with experience in the cultivation and implementation of ideas, strategic thinking, team leadership, and project and change management. Demonstrated oral, written, and public communication abilities with an aptitude for creating relationships with organizational and community stakeholders. Enthusiasm for developing and implementing creative solutions to complicated problems. Effective builder of open, collaborative, and values based organizational culture across diverse functional areas. Principled and passionate leader with high standards for professional conduct and a commitment to excellence in the delivery and continuous improvement of customer and community service.

## **PROFESSIONAL HIGHLIGHTS**

- Able to diagnose complex structural budgetary and organizational challenges leading to the effective development and implementation of sound solutions created from the thoughtful consideration of inputs from diverse sources and stakeholders.
- Builder of strong management and staff teams through talent attraction, recognizing and developing internal staff assets, and reinforcing a positive organizational culture facilitating staff buy in through engagement, accountability, and actively seeking to understand staff perspectives.
- Relationship builder both professionally and personally throughout organizations and the community by being accessible, approachable, and genuine.
- Empathetic, collaborative, and yet decisive leader with the ability to implement and manage change under difficult internal and external pressures.
- Broad economic and community development experience with strength in developing stakeholder relationships and a "facilitation first, regulation second" customer service approach. Values collaborative and creative development strategies with the City at the table early and often throughout projects of all scopes and sizes, i.e. a part of the development team where possible and when it is in the community's best interest.

## **PROFESSIONAL EXPERIENCE**

CITY OF BRIGHTON, BRIGHTON, MICHIGAN  
**City Manager**

FEBRUARY 2016 - PRESENT

Serve as the Chief Administrative Officer of a full-service and growing community of 8,000 people within a surrounding population of over 100,000. Judiciously administer a budget of  $\approx$  \$20.0 million (FY 20/21 - \$9.4 million General Fund, \$7.2 million Utilities Fund, and \$3.4 million other funds). Work collaboratively with a seven-member City Council to develop and implement policies, service priorities, and capital investments. Lead 56 employees, including a core management team of seven, in the efficient and effective delivery of exemplary services. Serve as defacto Director of the City's Downtown Development Authority. Support and collaborate with the community by serving on the Economic Development Council of Livingston County and Executive Committee, as well as, participating in Rotary and other volunteer activities.

### **Selected Achievements**

- Successfully maneuvered an organization-wide transition following the departure of the 26-year manager incumbent and long tenured management staff by rebuilding the organization and management team resulting in noticeable improvements in organizational culture and service delivery.
- Effectively implementing continuous improvements to customer service with clear results, particularly in Community Development, by enhancing relationships with the community and developers resulting in a pipeline of over \$150 million in private investments and growing.
- Worked with Staff and Planning Consultant to initiate the development of a truly Comprehensive Master Plan, winning an American Planning Association 2019 Vernon Deines Merit Award by integrating and aligning the priorities of a master land use plan, downtown plan, complete streets plan, and parks and recreation plan.

- Implemented a decisive action plan to begin the turnaround of an impaired Public Works Department including the hiring of new leadership. Working with the new director, informed City Council about stalled state and federally mandated programs, a deplorable equipment fleet that threatened uninterrupted service delivery, and other operational challenges. Additionally, worked with new director and the Human Resources Manager to address considerable departmental personnel issues.
- Continue to assist City Council in facing and addressing hard truths surrounding the City's "fiscal realities" and significant capital investment needs. Examples include failing streets and related infrastructure, crippled capital equipment, aging utility systems, and unfunded pension and OPEB liabilities with substantial progress made to date.
  - Implemented, and continue to implement, organizational and operational strategies to improve City services and financial stability through cost reductions of nearly \$1 million annually via staff restructuring, investigating existing and alternative financial procedures and implementing modifications, bidding services that had not been bid previously, and developing a fiscally conscious team always looking for opportunities to reduce costs and improve operations/services.
  - Developed a robust strategy to understand the full extent of street infrastructure investment needs, clearly communicating these needs to City Council and the community. Used data and open communications to pursue a full Headlee Override of 4.3466 mills to generate \$2 million in new revenues that could be committed to streets, which unfortunately came up short. Upon an honest assessment of the outcomes and community input, worked with the City Council's "Fiscal Realities Task Force" to develop a multi-faceted plan to generate \$2 million in new capital investment. This plan included seeking a reduced 2.5 mill Headlee Override, which was successful, resulting in \$1.2 million of new revenues, the generation of additional revenues through increased fees, DDA revenue sharing to support General Fund costs associated with the downtown, economic development, and approximately \$500,000 in additional operational cost savings.
  - Worked with City Council, employees, retirees, and unions to convey the circumstances surrounding the City's unsustainable pension and OPEB liabilities and the impacts of changing assumptions. Developed contract negotiation strategies, working with the Human Resources Manager and Labor Counsel, that exceeded City Council expectations for controlling benefit costs, while avoiding arbitration. Estimated reductions in unfunded liabilities, per most recent actuarial reports and the Comprehensive Annual Financial Report, of approximately \$1.1 million in pension liabilities and approximately \$4.4 million in other post-employment benefit liabilities.
  - Developed new budget policies to ensure revenues were directed to funding the City's Capital Improvement Plan by designating the "first mill" to capital improvements and funding 10% of annual depreciation with efforts to work towards 50% of annual depreciation.
  - Maximized the City's new and more stable financial position, in conjunction with record low municipal bond interest rates, to launch a \$17.5 million Capital Improvement Bond Program to bolster capital investments across the City's portfolio of needs.
- Worked with the Downtown Development Authority Board to build a stronger and more collaborative relationship with the City creating synergy to move stalled City and DDA priority projects forward. Investments included matching road funds bringing \$2.6 million in federal aid to the City, approximately \$1 million to fund street improvements needed for a utility replacement project that will facilitate an estimated \$50 million in short-term private investment, and the completion of a new bandshell and amphitheater.
- Collaborated with the DDA Board to develop a new organizational framework to support a more robust economic development apparatus built on the principles of the National Main Street Program, yet tailored to meet the needs, priorities, and atypical relationship between the City and its DDA, strengthened by a staff team versus individual director approach.
- Created a new contracted relationship with Ann Arbor SPARK to enhance business relationships and commercial services, particularly focused on small and locally owned businesses, to improve overall economic prosperity throughout the City via business retention, recruitment, and entrepreneurial services, among others.
- Significantly expanded community engagement through increased accessibility to the City Manager and department managers, expanding social media engagement exponentially, added a new e-newsletter with over 1,300 subscribers, and reimplemented a biannual direct mail newsletter to support an informed citizenry.



- Redesigned the City budget document to provide an engaging and user-friendly document that effectually communicates relationships between revenues/expenditures and city goals, priorities, and functions. Further enhancements are expected as the City transitions to the ClearGov platform.
- Secured \$2.0 million in federal aid to support the rehabilitation of Grand River Phases II and III. Total Federal/State transportation funds committed over a five-year period equaling approximately \$5 million.
- Worked with the City's management staff to maintain service delivery throughout the COVID-19 pandemic, while implementing strategies to contain expenses, buffering the City from unknown financial impacts.

CITY OF FARMINGTON HILLS, FARMINGTON HILLS, MICHIGAN  
**Assistant to the City Manager (2012 – 2016)**  
**Management Assistant (2007 – 2012)**

OCTOBER 2007 – FEBRUARY 2016

Assist in general operations of city government, serving a diverse citizenry of 80,000 and over 6,000 businesses. Responsible for the management of special projects, many cross-departmental and multi-jurisdictional, ombudsman to constituents, corridor redevelopment, energy and environmental sustainability, and other duties as assigned by the City Manager. Interacted closely with elected and appointed officials, staff, and constituents to study, develop, and implement City priorities.

### **Selected Achievements**

- Served as a front-line liaison to city residents and businesses, particularly working with local utilities to resolve issues of power reliability and coordinating utility related projects within the community. Worked collaboratively and empathetically to address "resolvable" issues that were escalated to the City Manager's Office.
- Efficiently coordinated over \$12 million in capital investments including the 52,000 ft<sup>2</sup> LEED Gold certified City Hall Revitalization Project without interrupting public service and remaining open during construction.
- Cooperatively facilitated multiple cross-jurisdictional and cross-departmental projects including the Grand River Corridor Improvement Authority, 10 Mile and Orchard Lake Road PlacePlans Project, and the Georgetown University Energy Prize effort in collaboration with the neighboring City of Farmington.
- Authored the Grand River Corridor Improvement Authority Development and Tax Increment Financing Plan integrating all statutory and County requirements.
- Worked collaboratively with Botsford Hospital (Now Beaumont Farmington Hills) on various initiatives including the Grand River Corridor Improvement initiative and a local food planning grant through USDA.
- Effectively administered the City's sustainability initiatives including the Commission for Energy and Environmental Sustainability, Georgetown University Energy Prize effort, annual Earth Day event, [www.sustainablefh.com](http://www.sustainablefh.com), and energy efficiency projects contributing to over \$200,000 in annual savings that established Farmington Hills as a statewide leader in sustainability.
- Worked productively across all departments and with the City Attorney to develop and implement city policies, projects, and procedures.
- Effectively developed and presented policy reports and recommendations to City Council in informal and formal settings.
- Developed and administered the City Manager, City Council, and Public Information budgets of \$1.14 million.
- Successfully applied for and administered over \$1 million in Federal, State, and nonprofit grants, as well as over \$100,000 in project sponsorships.
- Supervised three Video Division staff and the City Management Intern.
- Authored many written communications including reports, request for proposals, press releases, and plan documents.
- Represented the City at numerous local, regional, and statewide conferences, events, and speaking engagements.

Provided administrative support to Downtown Development Authority Board including project management.

**Selected Achievements**

- Authored the updated Berkley DDA Development and Tax Increment Financing Plan
- Participated in Main Street Oakland County Mentoring Program

CITY OF BRIGHTON, BRIGHTON, MICHIGAN

SEPTEMBER 2005 – OCTOBER 2007

**Principal Shopping District Consultant (April 2007 – October 2007)**  
**Planning/Community Development Tech (January 2006 – April 2007)**  
**Student Intern (September 2005 – January 2006)**

Supported the Planning and Community Development Director and Downtown businesses with marketing and promotional efforts including advertising, business recruitment, and special events. Provided research into Downtown best practices as seen in other model communities. Assisted the City Manager with policy and procedural research including technical reports and budget analysis.

**Selected Achievements**

- Successfully built productive relationships with Downtown business and property owners, Downtown Merchants Association, Chamber of Commerce, and City Council.
- As an intern, researched Principal Shopping Districts (PSD) and worked with a local business champion on the development and implementation of a PSD including \$100,000 general fund “seed” money and three-year special assessment generating over \$70,000 in annual revenue.

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**EDUCATION AND CREDENTIALS**

**MASTER OF PUBLIC ADMINISTRATION DEGREE IN PUBLIC MANAGEMENT**  
Eastern Michigan University, Ypsilanti, MI

**BACHELOR OF SCIENCE DEGREE IN SOCIAL SCIENCE AND HISTORY**  
Eastern Michigan University, Ypsilanti, MI

**Michigan Economic Development Association**  
Economic Development Basic Course

**International Economic Development Council**  
Real Estate Development and Reuse

**FEMA NATIONAL INCIDENT MANAGEMENT SYSTEM**  
IS-700, ICS-100, ICS-200, ICS-300, & ICS-400

**INTERNATIONAL CITY/COUNTY MANAGEMENT ASSOCIATION**  
Emerging Leaders Development Program

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**PROFESSIONAL AFFILIATIONS, SERVICE ORGANIZATIONS, & VOLUNTEER ACTIVITIES**

**International City/County Management Association**  
**Member Since 2008**  
Breaking into the Profession Task Force (2012)

**Michigan Municipal Executives**

**Member Since 2008**

Board of Directors (2014 – 2016)

Professional Development Committee 2010 – 2016 & 2019 – Current (Chair 2012 – 2016)

Nextgen Committee 2011 - 2014 (Vice Chair 2011 - 2012)

**Michigan Municipal League**

Energy, Environment, and Technology Policy Committee 2012 – 2018 (Chair 2015 – 2018)

**Brighton Rotary Club**

**Member Since 2016**

Foundation Board Member (2017 – 2020)

Top of the Mountain Dash or Crash Volunteer

# Jaymes A. Vettrai

*contact information redacted*

## EDUCATION

### Lehigh University

Bethlehem, PA  
Masters of Business Administration  
Graduate with Honors  
Focus of Study: Management and  
Entrepreneurial Ventures  
Executive Study Topic: Agile Virtual  
Enterprise Business Model

### Michigan State University

East Lansing, MI  
Bachelor of Arts, Political Science  
Graduate with Honors

## RECOGNITIONS

Distinguished Faculty Award  
Rochester University (2019)

Community Advocacy Award  
Rochester Regional Chamber (2018)

Elite 40 Under 40  
Oakland County (2015)

Outstanding Service Award  
Michigan Municipal League (2013)

College Commencement Speaker  
Michigan State University

## CURRENT BOARD SERVICE

Community Foundation of Greater  
Rochester

Chief Financial Credit Union

Leadership Oakland County  
Non-Profit Committee

Dutton Farm

## HIGHER EDUCATION

Rochester University (Rochester Hills, MI) 8/2015 – Present  
Director of the Center for Social Engagement and Assistant Professor

- Responsible for the creation of a new School of Business Social Enterprise Major
- Responsible for the creation and administration of a Center for Social Engagement
- Design and teach courses in the School of Business
- Manage University Capital Construction Projects

Oakland University (Rochester, MI) Fall 2017  
Adjunct Faculty, Masters in Public Administration

Alvernia College (Reading, PA) Spring 2003  
Adjunct Faculty, Graduate and Continuing Studies

## CONSULTING

Vettrai Consulting, LLC (Rochester, MI) 8/2015 – Present  
Owner

Consultant contracts with more than three dozen local government agencies in Michigan on a variety of engagements including:

- Executive Recruitment
- Five-Year Financial Plan Development
- Organizational Assessment
- Classification and Compensation Studies
- Employee Development/Evaluation
- Strategic Planning

Vettrai Consulting also serves private sector clients:

- Land Development Planning and Approval
- Leadership Team Facilitation

## MUNICIPAL MANAGEMENT

City of Rochester (Rochester, MI) 5/2008 – 8/2015  
City Manager

Kutztown Borough (Kutztown, PA) 1/2003 – 5/2008  
Municipal Manager/Treasurer

Pen Argyl Borough (Pen Argyl, PA) 6/1998 – 1/2003  
Municipal Manager/Treasurer

# Jaymes A. Vettraino

1891 Beaver Creek ~ Rochester, MI 48307 ~ 248-379-8923 ~ vettrainoconsulting@gmail.com

## **PRESENTATIONS AT PROFESSIONAL CONFERENCES AND TO GOVERNMENTAL AGENCIES**

National League of Cities  
American Public Power Association  
Federal Communication Commission  
Michigan House of Representatives and Michigan Senate (testimony)  
Michigan Local Government Management Association  
Pennsylvania House of Representatives and Pennsylvania Utility Commission (testimony)  
National Association of Telecommunications Officers and Officials  
National Fiber to the Home Council  
National Exchange Carrier Association  
Pennsylvania Municipal Electric Association  
Michigan Downtown Association  
National Main Street America

## **PAST PROFESSIONAL ASSOCIATIONS AND BOARD MEMBERSHIPS**

International City Managers Association  
Michigan Local Government Management Association  
Oakland County Local Government Management Association  
Leadership Oakland County  
Rochester College Masters Business Administration Advisory Board  
American Public Power Association  
Pennsylvania Association of Municipal Managers  
Pennsylvania Municipal Electric Association, President  
Berks County Municipal Manager's Association  
Berks County Keystone Innovation Zone Board Member  
Kutztown Area Chamber of Commerce Board Member  
Leadership Lehigh Valley  
Communities that Care of the Slate Belt Board Member and Treasurer  
Lehigh Valley Cooperative Purchasing Council, President  
Lehigh Valley Municipal Manager's Association  
Comprehensive Plan Urban Committee, Lehigh Valley Planning Commission  
Slate Belt Summit Steering Committee  
Slate Belt Chamber of Commerce Community & Economic Development Committee

## Client List

### Executive Recruitment & Human Resources

Bloomfield Township Library\*  
City of Ann Arbor DDA\*  
City of Albion\*  
City of Charlotte\*  
City of Clawson\*  
City of Eastpointe\*  
City of Ferndale DDA\*  
City of Ferndale\*  
City of Hamtramck\*  
City of Huntington Woods  
City of Jackson \*  
City of Lincoln Park\*  
City of Melvindale\*  
City of Rochester  
City of Rochester Hills\*  
City of Royal Oak\*  
City of South Lyon\*  
City of St. Clair Shores\*  
City of Troy\*  
County of Barry\*  
County of Grand Traverse\*  
County of Kent\*  
County of Oakland\*  
County of Ottawa\*  
Midland-Saginaw Water Authority\*  
Older Persons Commission, Rochester  
Township of Oakland\*  
Tri-County Planning Commission\*  
Village of Oxford

### Operational & Financial Consulting

City of Charlotte^  
City of Dearborn  
City of Huntington Woods  
City of Northville^  
City of Rochester DDA  
City of Rochester Hills\*  
County of Benzie^  
County of Muskegon^  
County of Saginaw^  
Township of Oscoda  
Village of Romeo

\* in partnership with GovHR USA

^ in partnership with Municipal Analytics

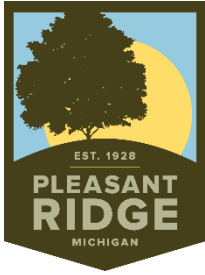
## Project List:

### Positions - Executive Search & Recruitment

Assistant City Attorney  
Assistant City Manager  
Chief Diversity, Equity and Inclusion Officer  
Chief Executive Officer  
Chief of Staff  
City Attorney  
City Clerk  
City Manager  
County Administrator  
Corporation Counsel  
Deputy Corporation Counsel  
Director of Community & Econ Development  
Director of Dept of Public Communications  
Director of Equalization  
Director of Finance  
Director of Human Resources  
Director of Management Information Systems  
Director of Public Services  
Director of Public Works  
Environmental Sustainability Officer  
Executive Director  
Field Service Manager  
Fire Chief  
General Manager  
Health Officer  
Township Manager

### General Consulting

Board Goals and Objectives Meeting Facilitation  
Classification and Compensation  
Community Visioning  
Confidential file review and analysis  
Construction Management  
Department Needs Assessment  
Employee Coaching  
Employee Personnel Manual  
Employee Policy Review  
Farmers Market Study  
Financial analysis and recommendations  
Human Resources Assistance  
Interim City Manager  
Management Employee Development  
Operational & Financial Analysis & Recommendations  
Org Study of Department of Public Services  
Org Study of Mayor's Office  
Org Study of Dept of Management Information Systems  
Org Study of Police Department  
Positional Responsibility Review  
Street Improvement Plan  
Village-to-City Study  
Water and Sewer Rate Study



## City of Pleasant Ridge

James Breuckman, City Manager

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From: Jim Breuckman, City Manager  
To: City Commission  
Date: December 9, 2021  
Re: Water Infrastructure Project Update Communication

### Overview

Attached is a statement for public communication regarding the status of the water infrastructure project, and in particular, funding opportunities from the Federal Infrastructure Bill that may impact Pleasant Ridge.

### Background

The attached communication would be pushed to the City website and social media channels. A shorter, one-page summary version will be published in the Ridger newsletter in early January.

Please refer to the update for details about the Infrastructure Bill, how it may impact funding for our project, and details about what the City is currently working on related to our infrastructure project.

### Requested Action

City Commission approval to distribute the attached Water Infrastructure Project Update.





# Water Infrastructure Project Update

December 14, 2021

The Federal Infrastructure Bill has been signed into law and we are starting to learn what it means for Pleasant Ridge. It is still early, and this is a preliminary analysis. The following is subject to change and update as we learn more about how the infrastructure funding will roll out.

Many kinds of infrastructure are included in the bill: \$284 billion for transportation, \$73 billion for energy, \$65 billion for broadband, \$55 billion for water and so on. Of particular importance to Pleasant Ridge is the \$55 billion for water. The key points are:

- There is no direct funding to local governments, and we are not guaranteed a known amount of funding. Water infrastructure money either flows to the State of Michigan, which will determine how it is spent, or it will be in the form of Federal grants that communities can apply for.
- The State of Michigan expects to receive \$1.3 billion for water infrastructure over the course of 5 budget years (until 2026). That is roughly \$260 million per budget year. The Governor [recently directed State agencies to expedite planning](#) for how this money will be spent. This is the primary pool of money we will be competing for.
- Federal and State law prioritize funding to disadvantaged communities, or communities that have been disproportionately impacted. The cutoff for disadvantaged community status is a median household income of about \$68,400. Pleasant Ridge has a median annual household income of about \$122,000, so this places us at a lower priority for funding. “Disproportionately Impacted” communities are typically poor and minority communities as used in State and Federal law.
- The final decision on funding will rest largely with the State. We hope that the substantial amount of Federal funding will improve our chances of accessing funds, but it is unknown how much money the State will direct to disadvantaged communities, how much it will direct to communities like Pleasant Ridge, and if the State will award that money in the form of loans, grants, or some combination of the two.

## Early Conclusions

It is too soon to say anything definitive about how this may benefit Pleasant Ridge. The final decision on funding will rest largely with the State. We hope that the amount of Federal funding will substantially improve our chances of receiving funding from the State, but it is unknown how much money the State will direct to disadvantaged communities, how much it will direct to communities like Pleasant Ridge, and if the State awards that money either in the form of loans, grants, or some combination of the two.

If the State makes only loan funding available to Pleasant Ridge it will increase our short-term ability to complete more work more quickly, but it will not reduce our overall cost for our water infrastructure project and will add financing costs.

## What are We Doing Now?

- We will aggressively pursue the infrastructure funding through the State of Michigan Drinking Water Revolving Loan Fund (DWRLF). We will apply for funding sufficient to complete the entire water infrastructure project to ensure that we have the greatest possible chance of receiving the largest amount possible of Infrastructure Bill funding for our project. After the State makes its funding decisions, including any grants or loan principal forgiveness amounts, we will determine how to proceed to complete the project for the lowest cost in the shortest amount of time.
- We are and will continue to aggressively pursue all other available outside funding, including Federal grants when they become available. For example, we have been working with Congressman Levin's office on securing \$650,000 of Federal [Community Project Funding](#) for the Kensington water main project. The appropriation request has passed the House and has been waiting for action in the Senate for months now. We remain hopeful that this funding will be approved by Congress. The Community Project Funding is unrelated to the Infrastructure Bill funding. Our project was one of 10 projects that Congressman Levin's office chose to forward to Congress from over three dozen projects that were submitted for consideration.
- We are proceeding with our plan to replace water mains and lead service lines as mandated by the State, which was developed under the assumption that we would receive no outside Federal or State funding. Kensington will be replaced during local FY23 (July 1, 2022 through June 30, 2023). If we receive outside funding, we will adjust our plans accordingly.
- We will continue to update residents as water infrastructure funding discussions proceed at the Federal or State level. As always, please contact City Hall if you have specific questions.

## What Does This Mean for Pleasant Ridge?

We have conferred with our State and Federal lawmakers and their staffs, and the State, and they do not yet know exactly how this water infrastructure funding will roll out. The Infrastructure Bill allocates drinking water funding largely to the State Drinking Water Revolving Loan Fund meaning that the State of Michigan will decide how the money is distributed, but EGLE (the department that administers the DWRLF) does not yet know how they will award funding.

Here is what we do know:

1. A total of \$55 billion is appropriated for water, energy, and environment, with \$44.3 billion dedicated to water infrastructure and lead service line replacement nationwide. Michigan is expected to receive \$1.3 billion of this over the course of five fiscal years (FY22 through FY26).

- a. \$29.3 billion will be distributed to State Drinking Water Revolving Loan Funds. Of important note is that this money will be made available both in the form of loans which must be repaid, and grants. This could be a source of funding for Pleasant Ridge to accelerate projects via financing, but it may or may not be free money to offset local expense. This is an important point that requires clarification by the State.
  - b. \$15 billion is allocated for Capitalization grants nationwide, with 49% of that funding being made available to local governments for various purposes which are not all related to lead service line replacement. It is unclear what the process for applying for the \$7.5 billion local government pool of money will be, what exactly the grants will fund, or how competitive it will be to win that money against a nationwide pool of applicants. These will be Federal grants.
2. The Federal infrastructure bill and the DWRF funding process require that “disadvantaged communities” take preference in funding decisions. The State of Michigan’s definition of a disadvantaged community is established in [State Law, MCL 324.5402](#). There are several poverty and income levels and limits included in the definition.

The income components to the State’s disadvantaged community determination will preclude Pleasant Ridge from disadvantaged community status. A community must have a median income lower than 120% of the statewide median annual household income (MAHI) to be eligible. Michigan’s MAHI is around \$57,000, so the cutoff for disadvantaged community status is about \$68,400. Pleasant Ridge has a median annual household income of about \$122,000. We do not qualify for disadvantaged community status and will not receive priority status for funding decisions.

3. For further reference, the [State of Michigan DWSRF FY22 intended use plan](#) identifies the communities and projects that won revolving loan fund awards. 53 projects were awarded funding, with 38 awards going to disadvantaged communities. Also of note is that no awards were made to Oakland or Macomb County communities.
4. We have applied for grant funding from the State of Michigan for water infrastructure as it has become available. For an example, [refer to this grant summary](#) for a drinking water asset management grant we applied for. The summary highlights the level of competitiveness for such grants given the number of applications the State received, where we ranked, and how many communities received funding vs. those that did not.

## Infrastructure Bill Summary and Full Text

[Here is a link to an overview of the full infrastructure bill prepared for SEMCOG.](#)

[The full text of the Infrastructure Bill is available online at this link.](#) Refer to Division E – Drinking Water and Wastewater Infrastructure starting on page 707 of the .pdf file.

## How Will Pleasant Ridge Fund this Project?

The water infrastructure millage was approved by the voters at the November 2021 election. The City Commission can choose to levy all, some, or none of the millage during FY23 starting July 1, 2022. The City Commission is in the process of convening a Citizens Advisory Committee (CAC) to study the funding options for this project and to recommend a funding mix sufficient to raise the annual revenue needed to complete the work for the lowest total cost in the shortest amount of time.

Residents should expect to hear regular reports and updates from the CAC in the months leading up to the City's FY23 budget being adopted in June, 2022.