



**PROPOSED AGENDA
REGULAR MEETING OF THE PORTLAND CITY COUNCIL**

7:00 P.M. Monday, December 6, 2021

City Council Chambers

City Hall, 259 Kent St, Portland, MI 48875

<u>Estimated Time</u>		<u>Desired Outcome</u>
7:00 PM	I. <u>Call to Order</u>	
7:01 PM	II. <u>Pledge of Allegiance</u>	
7:02 PM	III. <u>Oath of Office</u> – City Clerk Swear in Council Members Johnston and Fitzsimmons	
7:08 PM	IV. <u>Acceptance of Agenda</u>	Decision
7:10 PM	V. <u>Public Comment</u> (5-minute time limit per speaker)	
7:15 PM	VI. <u>City Manager Report</u>	
7:25 PM	VII. <u>Presentations</u>	
7:35 PM	A. Bill Tucker, CPA with Maner Costerisan – 2020/2021 FY Audit	
7:50 PM	B. Jon Moxey and Joe Benjamin of Fleis & VandenBrink – Wastewater Treatment Plant Improvements	
7:50 PM	C. DDA Director ConnerWellman – Downtown Report	
7:55 PM	VIII. <u>Public Hearing(s)</u> - None	
7:55 PM	IX. <u>Old Business</u> - None	
7:55 PM	X. <u>New Business</u>	
7:55 PM	A. Motion to Accept the FY 2020/2021 Audit as Presented by the Auditing Firm of Maner Costerisan	Decision
7:58 PM	B. Proposed Resolution 21-63 Approving a Professional Services and Design Build Agreement between the City of Portland and F&V Construction for the Wastewater Treatment Plant Project	Decision
8:00 PM	C. Proposed Resolution 21-64 Approving a Proposal from NTH Consultants, Ltd. to Provide Occupational Health & Safety Compliance Services to the Electric Department	Decision
8:02 PM	D. Proposed Resolution 21-65 Approving the Board of Light and Power’s Recommendation to Continue Participation in the 2022 Clean Energy Program through the Michigan Public Power Agency	Decision
8:04 PM	E. Proposed Resolution 21-66 Approving, Authorizing, and Directing the Mayor to Sign the Joint Funding Agreement for the Operation of a Streamgaging Station	Decision
8:06 PM	XI. <u>Consent Agenda</u>	Decision
8:06 PM	A. Minutes & Synopsis from the Regular City Council Meeting hold on November 15, 2021	

<u>Estimated Time</u>		<u>Desired Outcome</u>
	<p>B. Payment of Invoices in the Amount of \$120,116.21 and Payroll in the Amount of \$112,302.99 for a Total of \$232,419.20</p> <p>C. Purchase Orders over \$5,000.00</p> <ol style="list-style-type: none"> 1. NutriGro Environmental Solutions, Inc. in the Amount of \$12,240.00 for BioSolids Land Application 2. State of Michigan in the Amount of \$43,037.92 for the Safe Routes to School Project 	
	<p>XII. <u>Communications</u></p> <ol style="list-style-type: none"> A. MDOT – Divine Hwy. Bridge Letter of Selection for Replacement B. Boards & Commission Application – Denise Barnes C. Boards & Commission Application – Herb Mosser D. DDA Minutes for October 25, 2021 E. DDA Treasurer’s Report for October 25, 2021 F. Utility Billing Report for October 2021 G. Water Department Report for November 2021 H. WWTP Report for September 2021 I. WWTP Report for October 2021 J. Ionia County Board of Commissioners Agenda for November 16, 2021 K. Ionia County Board of Commissioners Agenda for December 7, 2021 L. MPSC Notice of Hearing – Consumers Energy M. MPSC Notice of Hearing – Consumers Energy 	
8:10 PM	<p>XIII. <u>Other Business</u> – None</p>	
8:15 PM	<p>XIV. <u>City Manager Comments</u></p>	
8:20 PM	<p>XV. <u>Council Comments</u></p>	
8:25 PM	<p>XVI. <u>Adjournment</u></p>	Decision

**CITY OF PORTLAND
IONIA COUNTY, MICHIGAN**

REPORT ON FINANCIAL STATEMENTS
(with required and other supplementary information)

YEAR ENDED JUNE 30, 2021

**CITY OF PORTLAND
IONIA COUNTY, MICHIGAN
JUNE 30, 2021**

CITY COUNCIL AND ADMINISTRATION

James E. Barnes	Mayor
Joel VanSlambrouck	Mayor Pro-Tem
Erica Sheehan	Council member
Patrick Fitzsimmons	Council member
Amanda L. Johnston	Council member
S. Tutt Gorman	City Manager
Nikki Miller	City Clerk
Melinda Tolan	Finance Director/Treasurer

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT.....	1-3
MANAGEMENT'S DISCUSSION AND ANALYSIS	4-14
BASIC FINANCIAL STATEMENTS	15
Government-wide Financial Statements	
Statement of Net Position.....	16
Statement of Activities.....	17
Fund Financial Statements	
Governmental Funds	
Balance Sheet.....	18-19
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	20
Statement of Revenues, Expenditures, and Changes in Fund Balances	21-22
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of the Governmental Funds to the Statement of Activities	23
Proprietary Funds	
Statement of Net Position	24
Statement of Revenues, Expenses, and Changes in Net Position	25
Statement of Cash Flows.....	26
Fiduciary Funds	
Statement of Fiduciary Net Position.....	27
Statement of Changes in Fiduciary Net Position	28
Notes to Financial Statements	29-59
REQUIRED SUPPLEMENTARY INFORMATION	60
Budgetary Comparison Schedules	
General Fund.....	61-63
City Income Tax Fund	64
Major Street Fund	65
Local Street Fund	66
Ambulance Fund	67
Schedule of Changes in the City's Net Pension Liability and Related Ratios	68
Schedule of Employer Pension Contributions.....	69
Schedule of Changes in the City's Net OPEB Liability and Related Ratios	70
Schedule of Employer OPEB Contributions.....	71
Notes to Required Supplementary Information	72-73
OTHER SUPPLEMENTARY INFORMATION.....	74
Combining Balance Sheet - Nonmajor Governmental Funds	75
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	76

TABLE OF CONTENTS

	<u>Page</u>
COMPONENT UNIT FUND	
Downtown Development Authority	
Balance Sheet.....	77
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position.....	78
Statement of Revenues, Expenditures, and Changes in Fund Balance.....	79
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of the Governmental Fund to the Statement of Activities	80
Miscellaneous Statistical Data (Unaudited)	81-88
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	89-90

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of the City Council
City of Portland, 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 Portland, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Portland, 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.

Emphasis of Matter - Change in Accounting Principle

As discussed in Note 13 to the financial statements, the City implemented GASB Statement No. 84, *Fiduciary Activities*, during the year. Our opinions are not modified with respect to this matter.

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 information, schedules of changes in employer's net pension liability and contributions, and schedules of changes in the City's net OPEB liability and contributions, 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 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 Portland's basic financial statements. The other supplementary information, including nonmajor fund and component unit financial information, and miscellaneous statistical data as noted in the table of contents is presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The miscellaneous statistical data has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Maney Costeiran PC

November 15, 2021

CITY OF PORTLAND MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Portland (City), we offer readers of the City of Portland's financial statements this narrative overview and analysis of the financial activities of the City of Portland for the fiscal year ended June 30, 2021.

The following is a discussion and analysis of City of Portland's (the City's) financial performance and position, providing an overview of the activities for the year ended June 30, 2021. This analysis should be read in conjunction with the *Independent Auditor's Report* and with the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

Government-wide

- Total net position was \$27,627,062 (excluding component units).
- Governmental activities net position was \$13,997,698.
- Business-type activity net position was \$13,629,364.
- Component Unit net position was \$1266,718.

Fund Level

- At the close of the fiscal year, the City's governmental funds reported a combined ending fund balance of \$3,623,699 with \$2,756,353 being nonspendable, restricted, committed or assigned for specific purposes and \$867,346 being unassigned.
- The General Fund realized \$53,945 more in revenues and other financing sources than anticipated for the fiscal year. The General Fund operations also expended \$267,835 less than appropriated when including other financing uses.
- Overall, the General Fund balance increased by \$201,446.

Capital and Long-term Debt Activities

- The total additions to the capital asset schedules for the primary government were \$1,272,831, excluding reclassifications. Significant capital purchases during the year included Grand River Small Urban Project, Grand River Bridge Project, Safe Routes to School, and several Mill & Fills.
- The total long-term debt for the primary government was \$5,022,527, a net decrease of \$474,912 from the prior year. This decrease was largely due to the natural reduction of debt and offset with the new leases payable for a street sweeper, heart monitors, and mailer.
- The City remains well below its authorized legal debt limit. The City debt limit, as defined by statute, is 10% of the state equalized property values, which currently equals \$11,415,039.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's annual financial report. The annual financial report of the City consists of the following components: 1) *Independent Auditor's Report*; 2) *Management's Discussion and Analysis* and 3) the *Basic Financial Statements* (government-wide financial statements, fund financial statements, notes to the financial statements), 4) *Required Supplementary Information* such as budget to actual comparisons for the General Fund and major Special Revenue Funds, and 5) *Other Supplementary Information* including combining financial statements for all nonmajor governmental funds and other funds and other financial data.

CITY OF PORTLAND MANAGEMENT'S DISCUSSION AND ANALYSIS

Government-wide Financial Statements (Reporting the City as a Whole)

The set of government-wide financial statements are made up of the Statement of Net Position and the Statement of Activities, which report information about the City as a whole, and about its activities. Their purpose is to assist in answering the question, is the City, in its entirety, better or worse off as a result of this fiscal year's activities? These statements, which include all nonfiduciary assets and liabilities, are reported on the *accrual basis of accounting*, similar to a private business. This means revenues are accounted for when they are *earned*, and expenses are accounted for when *incurred*, regardless of when the actual cash is received or disbursed.

The Statement of Net Position (page 15) presents all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, recording the difference between them as "net position". Over time, increases or decreases in net position measure whether the City's financial position is improving or deteriorating.

The Statement of Activities (page 16) presents information showing how the City's net position changed during 2020/2021. All changes in net position are reported based on the period for which the underlying events giving rise to the change occurs, regardless of the timing of related cash flows. Therefore, revenue and expenses are reported in these statements for some items that will only result in cash flows in future financial periods, such as uncollected taxes and earned but unused employee vacation leave.

Both statements report the following activities:

- ***Governmental Activities*** - Most of the City's basic services are reported under this category. Taxes, charges for services and intergovernmental revenue primarily fund these services. Most of the City's general government departments, public safety, public works, health and welfare (ambulance), economic development, city improvements, street improvements, recreation activities, and other City wide elected official operations are reported under these activities.
- ***Business-type Activities*** - These activities operate like private businesses. The City charges fees to recover the cost of the services provided. The Electric Light and Power System, the Sewage Disposal System and Water System Fund and are examples of these activities.
- ***Discretely Presented Component Units*** - Discretely Presented Component units are legally separate organizations for which the City Council and Administration appoints a majority of the organization's policy board and there is a degree of financial accountability to the City. One organization is included as a discretely presented component unit: the Downtown Development Authority.

As stated previously, the government-wide statements report on an *accrual* basis of accounting. However, the governmental funds report on a *modified accrual* basis. Under modified accrual accounting, revenues are recognized when they are measurable and available to pay obligations of the fiscal period; expenditures are recognized when they are due to be paid from available resources.

Because of the different basis of accounting between the fund statements (described below) and the government-wide statements, pages 18 and 20 present reconciliations between the two statement types.

CITY OF PORTLAND MANAGEMENT'S DISCUSSION AND ANALYSIS

The following summarizes the impact of transitioning from modified accrual to full accrual accounting:

- Capital assets used in governmental activities (depreciation) are not reported on the fund financial statements of the governmental fund. Capital assets and depreciation expense are reported on the government-wide statements.
- Capital outlay spending results in capital assets on the government-wide statements but is reported as expenditures on the fund financial statements of the governmental funds.
- Internal service funds are reported as governmental activities on the government-wide statements but are reported as proprietary funds on the fund financial statements.
- Long-term liabilities, such as amounts accrued for sick and annual leave (compensated absences), etc. appear as liabilities on the government-wide statements; however, they will not appear on the fund financial statements unless current resources are used to pay a specific obligation.
- Long-term debt proceeds are reported as liabilities on the government-wide statements but are recorded as other financing sources on the fund financial statements.

Fund Financial Statements (Reporting the City's Major Funds)

The fund financial statements, which begin on page 17, provide information on the City's significant (major) funds, and aggregated nonmajor funds. A fund is a fiscal and accounting entity with a self-balancing set of accounts that the City uses to keep track of specific sources of funding and spending for a particular purpose. Traditional users of governmental financial statements will find the Fund Financial Statements presentation more familiar. The *basic financial statements* report major funds as defined by the Government Accounting Standards Board (GASB) in separate columns. Statement 34 defines a "major fund" as the General Fund, and any governmental or enterprise fund which has either total assets and deferred outflows of resources, total liabilities and deferred inflows of resources, total revenues or total expenditures/expenses that equal at least 10% of those categories for either the governmental funds or the enterprise funds *and* where the individual fund total also exceeds 5% of those categories for governmental and enterprise funds combined. The major funds for City of Portland include the General Fund, the City Income Tax Fund, the Major Street Fund, the Local Street Fund, the Ambulance Fund, the Electric Light and Power System Fund, the Sewage Disposal System Fund and the Water System Fund. All other funds are classified as nonmajor funds and are reported in aggregate by the applicable fund type.

CITY OF PORTLAND MANAGEMENT'S DISCUSSION AND ANALYSIS

The City's funds are divided into three categories - governmental, proprietary, and fiduciary - and use different accounting approaches:

- **Governmental Funds** - Most of the City's basic services are reported in the governmental funds. The focus of these funds is how cash and other financial assets that can be readily converted to cash, flow in and out during the course of the fiscal year and how the balances left at year-end are available for spending on future services. Consequently, the governmental fund financial statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that may be expended in the near future to finance the City's programs. Governmental funds include the *General Fund*, as well as *Special Revenue Funds* (use of fund balance is restricted, e.g., income tax, major street, local street, ambulance and recreation funds), *Capital Projects Funds* (used to report major capital acquisitions and construction, e.g., the Capital Improvement Fund - Street Projects), and *Debt Service Funds* (accounts for resources used to pay long-term debt principal and interest, e.g. the special assessments fund).

- **Proprietary Funds** - Services for which the City charges customers (whether outside the City structure or a City department) a fee is generally reported in proprietary funds. Proprietary funds use the same accrual basis of accounting used in the government-wide statements and by private business. There are two types of proprietary funds. *Enterprise funds* report activities that provide supplies and/or services to the general public. An example is the Sewer Disposal System Fund. *Internal Service funds* report activities that provide supplies or service to the City's other operations, such as the Motor Pool Fund. Internal Service funds are reported as governmental activities on the government-wide statements.

Notes to the Financial Statements

The Notes to the Financial Statements provide additional information that is essential to a full understanding of the detail provided in the government-wide and fund financial statements. The Notes can be found beginning on page 26 of this report.

Required Supplementary Information

Following the Basic Financial Statements is additional Required Supplementary Information (RSI), which further explains and supports the information in the financial statements. RSI includes budgetary comparison schedules for the General Fund and the major special revenue funds.

Other Supplementary Information

Other Supplementary Information includes combining financial statements for nonmajor governmental funds. These funds are added together by fund type and are presented in aggregate single columns in the appropriate single columns in the appropriate basic financial statements.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

As previously stated, City of Portland's combined net position was \$27,627,062 at the end of this fiscal year's operations. The net position of the governmental activities was \$13,997,698; the business-type activities were \$13,629,364.

The City also reports its investment in capital assets (e.g. land, buildings, equipment, etc.) The City uses these capital assets to provide services to students and residents of the community; consequently, these assets are not available for future spending. Also, a certain amount of net position was restricted for specific purposes such as major streets, perpetual care, ambulance services, and debt service.

**CITY OF PORTLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Net Position as of June 30, 2020 and 2021

	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Current and Other Assets	\$ 4,252,837	\$ 3,866,534	\$ 5,657,711	\$ 5,076,094	\$ 9,910,548	\$ 8,942,628
Capital Assets	14,448,687	14,365,599	15,163,910	15,799,281	29,612,597	30,164,880
Total Assets	18,701,524	18,232,133	20,821,621	20,875,375	39,523,145	39,107,508
Deferred outflows of resources	809,757	537,705	528,303	284,934	1,338,060	822,639
Current Liabilities	638,462	818,810	625,849	612,588	1,264,311	1,431,398
Noncurrent Liabilities	4,381,768	4,403,862	6,827,366	7,252,653	11,209,134	11,656,515
Total Liabilities	5,020,230	5,222,672	7,453,215	7,865,241	12,473,445	13,087,913
Deferred inflows of resources	493,353	465,887	267,345	263,240	760,698	729,127
Net Investment in Capital Assets	14,032,589	13,695,910	10,660,038	11,074,409	24,692,627	24,770,319
Restricted	761,390	854,037	1,086,116	1,026,266	1,847,506	1,880,303
Unrestricted	(796,281)	(1,468,668)	1,883,210	931,153	1,086,929	(537,515)
Total Net Position	\$ 13,997,698	\$ 13,081,279	\$ 13,629,364	\$ 13,031,828	\$ 27,627,062	\$ 26,113,107

Changes in Net Position for the Fiscal Year Ending June 30, 2020 and 2021

The results of this year's operations for the City as a whole are reported in the condensed statement of activities, which shows the changes in net position for the fiscal years 2019/2020 and 2020/2021.

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues						
Program Revenues						
Charges for Services	\$ 1,271,359	\$ 1,074,876	\$ 6,307,291	\$ 5,745,396	\$ 7,578,650	\$ 6,820,272
Grants and Contributions	773,194	580,724	-	-	773,194	580,724
General Revenues						
Property Taxes	1,245,207	1,213,696	-	-	1,245,207	1,213,696
State Shared Revenue	451,292	455,931	-	-	451,292	455,931
City Income Taxes	987,360	914,955	-	-	987,360	914,955
Local Community Stabilization	3,082	1,932	-	-	3,082	1,932
Investment Earnings	2,314	13,518	5	25,089	2,319	38,607
Miscellaneous	50,991	75,684	195,410	680,145	246,401	755,829
Transfers	114,310	122,310	(114,310)	(122,310)	-	-
Total Revenues	4,899,109	4,453,626	6,388,396	6,328,320	11,287,505	10,781,946
Expenses						
General Government	998,671	1,100,057	-	-	998,671	1,100,057
Public Safety	738,765	904,423	-	-	738,765	904,423
Public Works	1,441,394	1,394,339	-	-	1,441,394	1,394,339
Health and Welfare	550,910	637,692	-	-	550,910	637,692
Community and Economic Develop.	14,825	22,078	-	-	14,825	22,078
Recreation and Culture	231,843	224,635	-	-	231,843	224,635
Other	6,282	1,307	5,790,860	6,239,326	5,797,142	6,240,633
Total Expenses	3,982,690	4,284,531	5,790,860	6,239,326	9,773,550	10,523,857
Increase in Net Position	916,419	169,095	597,536	88,994	1,513,955	258,089
Net Position - Beginning	13,081,279	12,912,184	13,031,828	12,942,834	26,113,107	25,855,018
Net Position - Ending	\$ 13,997,698	\$ 13,081,279	\$ 13,629,364	\$ 13,031,828	\$ 27,627,062	\$ 26,113,107

**CITY OF PORTLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Governmental Activities

The result of 2020/2021 governmental activity was an increase of \$916,419 in net position to \$13,997,698. Of the total governmental activities' net position, \$14,032,589 is invested in capital assets less related debt, \$761,390 is reported as restricted, meaning these assets are legally committed for a specific purpose through statute, or by another authority outside the City government. The balance of (\$1796,281) is listed as unrestricted, having no legal commitment.

Revenues

The three largest revenue categories were property taxes at 25.4%, charges for services at 26.0%, and city income taxes at 20.2%. Net revenues were approximately 10.0% more than the prior year mainly due to charges for services and grant revenues in the current year. The City levied a property tax millage for the year ended June 30, 2021, for general government operations at 12.5396 mills, with an additional 0.9907 mills for local streets. Charges for services, which reimburse the City for specific activities, examples include items such as ambulance fees, township fire fees, recreation fees and contributions, administrative charges, permits and motor pool equipment rental. The City income tax is set at 1% for residents and ½% for nonresidents that work in the City. It provided the third largest source of governmental activity revenue.

Expenses

Public works is the largest governmental activity, expending approximately 36.2% of the governmental activities total. General government is the second largest area, expending approximately 25.1% of the governmental activities total and includes general government departments (e.g., council, community promotions, city manager, elections, general administration, assessor, and city hall maintenance). Public safety is the third largest governmental activity and expended 18.5% of the governmental activities total of the governmental activities total on law enforcement, fire protection and code enforcement.

Business-type Activities

Net position in business-type activities was increased by a net of \$597,536 during fiscal year 2020/2021. Of the business-type activities' net position, \$10,660,038 is invested in capital assets net of related debt, \$1,086,116 is reported as restricted, meaning the net position is legally committed for a specific purpose through statute, or by another authority outside the City government. The balance of \$1,883,210 is listed as unrestricted, having no legal commitment.

**CITY OF PORTLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS**

FINANCIAL ANALYSIS OF THE CITY'S MAJOR AND NONMAJOR FUNDS

As the City completed 2020/2021, its governmental funds reported *combined* fund balances of \$3,349,366. The net changes are summarized in the following chart:

	General Fund	City Income Tax	Major Street Fund	Local Street Fund	Ambulance	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balance 6/30/2020	\$ 1,710,451	\$ 1,036,319	\$ 378,286	\$ 267,070	\$ 6,476	\$ 217,834	\$ 3,616,436
Fund Balance 6/30/2021	\$ 1,911,897	\$ 738,914	\$ 376,989	\$ 188,431	\$ 177,549	\$ 229,919	\$ 3,623,699
Net Change	\$ 201,446	\$ (297,405)	\$ (1,297)	\$ (78,639)	\$ 171,073	\$ 12,085	\$ 7,263

General Fund

The General Fund is the chief operating fund of the City. Unless otherwise required by statute, contractual agreement or Board policy, all City revenues and expenditures are recorded in the General Fund. As of June 30, 2021, the General Fund reported a fund balance of \$1,911,897. The 2020/2021 original budget did not call for a change in fund balance.

The General Fund 2020/2021 expenditures were more than 2020/2021 revenues by \$201,446 largely due to the reduced spending as compared to the final amended budget, so that expenditures and other financing uses were under budget by approximately \$267,835. Actual revenues and other financing sources were more than of budgeted by approximately \$53,945. The final amended budget planned for a \$120,334 reduction in fund balance.

General Fund Budgetary Highlights

The City of Portland's budget is a dynamic document. Although adopted in May (prior to the start of the year), the budget is routinely amended during the course of the year to reflect changing operational demands.

Actual General Fund revenues and other financing sources totaled \$2,386,221; \$53,945 more than the final amended budget.

The City's original General Fund expenditures and other financing uses budget was increased by \$210,511 during 2020/2021. The increase can be partly attributed to the Capital Outlay functions as expenditures exceeded initial projections.

Actual City expenditures and other financing uses for 2020/2021 were \$267,835 below the amended budget. The additions to the original budget were offset by reduced spending because of financial uncertainty associated with the national pandemic.

City Income Tax Fund

As of June 30, 2021, the City Income Tax Fund reported a fund balance of \$738,914, a decrease of \$297,405 from the prior year. The fund balance is committed for street improvements. The City has used the income tax funds exclusively for the improvement of streets, sidewalks, curb, gutter, street lighting, parking areas, associated utilities and their appurtenances.

**CITY OF PORTLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Major Street Fund

As of June 30, 2021, the Major Street Fund reported a fund balance of \$376,989, which is a decrease of \$1,297 from the prior year. The decrease is due to more activity than budgeted for improvements to major streets during the year.

Local Street Fund

As of June 30, 2021, the Major Street Fund reported a fund balance of \$188,431, which is a decrease of \$78,639 from the prior year. The decrease is due to more activity than budgeted for improvements to major streets during the year.

Ambulance Fund

As of June 30, 2021, the Ambulance Fund reported a fund balance of \$177,549, which is an increase of \$171,073 from the prior year fund balance due to an increase in charges for services and the planning for a vehicle purchase.

Enterprise Funds

As the City completed 2020/2021, its enterprise funds reported *combined* net position of \$13,629,364. This is a net increase of \$597,536 resulting from current year operations. The net changes are summarized in the following chart.

	Electric Light and Power System Fund	Sewage Disposal System Fund	Water System Fund	Nonmajor Enterprise Fund	Totals
Net Position 6/30/2020	\$ 7,720,570	\$ 1,495,714	\$ 3,795,089	\$ 20,455	\$ 13,031,828
Net Position 6/30/2021	\$ 8,253,927	\$ 1,529,828	\$ 3,824,280	\$ 21,329	\$ 13,629,364
Net Change	\$ 533,357	\$ 34,114	\$ 29,191	\$ 874	\$ 597,536

Electric Light and Power System Fund

As of June 30, 2021, the Electric Light and Power System Fund reported a net position of \$8,253,927, an increase of \$533,357 from the prior year. Of the entire net position amount, \$5,540,090 is invested in capital assets, net of related debt, \$453,086 is restricted for utility reserve, \$137,424 is restricted for debt service, and \$2,123,327 is unrestricted.

Sewage Disposal System Fund

As of June 30, 2021, the Sewer Fund reported a net position of \$1,529,828 an increase of \$34,114 from the prior year. Of the entire net position, \$1,785,420 is invested in capital assets, net of related debt, \$495,606 is restricted, and (\$751,198) is unrestricted.

**CITY OF PORTLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Water System Fund

As of June 30, 2021, the Water System Fund reported a net position of \$3,824,280, an increase of \$29,191 from the prior year. Of the entire net position, \$3,334,528 is invested in capital assets, net of related debt and \$489,752 is unrestricted.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets - At the end of Fiscal Year 2020/2021 the City had invested \$29,612,597, and \$517,771 for the component units, net of accumulated depreciation, in a broad range of capital assets (see table below). Additional information related to capital assets is detailed in Note 6 of the Financial Statements.

Net Book value of capital assets at June 30, 2021, was as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Totals</u>
Land	\$ 1,199,132	\$ -	\$ 1,199,132
Construction in Progress	911,012	-	911,012
Land Improvements, net	122,093	-	122,093
Buildings, net	170,710	-	170,710
Equipment and Furniture, net	973,201	-	973,201
Electric System, net	-	6,565,090	6,565,090
Sewer System, net	-	4,944,420	4,944,420
Water System, net	-	3,654,400	3,654,400
Infrastructure:			
Streets and Bridges, net	<u>11,072,539</u>	<u>-</u>	<u>11,072,539</u>
Capital Assets, net	<u>\$ 14,448,687</u>	<u>\$ 15,163,910</u>	<u>\$ 29,612,597</u>

**CITY OF PORTLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Outstanding Long-Term Obligations as of June 30, 2021:

Long-term Obligations - As of June 30, 2021, the City had \$5,022,527 in long-term obligations outstanding for the primary government. This level of net obligation is \$474,912 less than the obligation recorded as of June 30, 2020. A more detailed discussion of the City's long-term obligations is presented in Note 7 to the financial statements.

	Balance June 30, 2020	Change	Balance June 30, 2021
Primary Government			
Governmental Activities			
2016 Ambulance Installment Purchase Agreement (\$166,806)	\$ 99,218	\$ (23,794)	\$ 75,424
2016 Snow Plow Installment Purchase Agreement (\$147,582)	61,384	(30,286)	31,098
2016 Heart Monitors/Defibrillators Purchase Agreement (\$92,254)	19,087	(19,087)	-
2020 Street Sweeper contract payable	-	193,881	193,881
2020 Heart Monitors contract payable	-	99,468	99,468
2021 Mailer contract payable	-	16,227	16,227
2017 G.O. Limited Tax Bonds	490,000	(490,000)	-
Accumulated compensated absences	59,399	1,965	61,364
Business-type Activities			
2020 Refunding Bonds (\$1,105,000)	1,105,000	(80,000)	1,025,000
2004 Water System Bonds (\$1,344,872)	394,872	(75,000)	319,872
2010 Sanitary Sewer System (\$2,900,000) (Build America Bonds)	725,000	(15,000)	710,000
2011 Sanitary Sewer System (\$840,000)	2,500,000	(51,000)	2,449,000
Accumulated compensated absences	43,479	(2,286)	41,193
Total Reporting Entity	\$ 5,497,439	\$ (474,912)	\$ 5,022,527

CITY OF PORTLAND GOVERNMENT ECONOMIC OUTLOOK:

- State revenue sharing is expected to increase 2% for the City's fiscal year 2021-2022 based on State of Michigan revenue sharing estimates.
- The City has discontinued enrollment in its MERS B4 plan in an effort to contain future pension costs. All new hires will be enrolled in a MERS Hybrid pension plan in which the City's contribution is capped at 7% and employees must contribute 3%. Actual pension costs increased from \$526,780 to \$611,971 which reflects a 16% increase.
- The City is requiring all employees enrolled in the Defined Benefit plan to contribute to their own pension plan. All employees will contribute 3% for fiscal year 2021-2022.
- The City's income tax revenues in 2018 increased to \$978,744 (an increase of 7%). In 2019, City income tax revenues decreased to \$876,837 (a decrease of 10%). In 2020, revenues increased to \$922,888 (5% increase). In 2021, revenues increased to \$990,076 (7% increase).
- The City's SEV increased from 2018 to 2019 the SEV to \$101,055,572 (an increase of 3.81%). From 2019 to 2020 the SEV increased to \$105,179,976 (increase of 4%). From 2020 to 2021 the SEV increased to 114,150,391 (increase of 7%). The outlook for the 2022 SEV is expected to increase around 6% due to the market conditions.

The City has paid off higher interest debt and taken advantage of low interest rates to finance necessary improvements and place it in a better long-term position. The City expects modest increases in income tax revenues. The City's ability to continue to provide a full range of high-quality municipal services coupled with its location along I-96 between two larger metropolitan markets supports a positive outlook for stability.

**CITY OF PORTLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS**

CONTACTING THE CITY

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If there are questions about this report, or a need for additional information, contact the City of Portland's Treasurer's Office at (517) 647-2933.

BASIC FINANCIAL STATEMENTS

**CITY OF PORTLAND
STATEMENT OF NET POSITION
JUNE 30, 2021**

	Primary Government			Component Unit (DDA)
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current assets				
Cash and cash equivalents	\$ 2,850,708	\$ 3,019,201	\$ 5,869,909	\$ 779,971
Cash and cash equivalents - restricted	-	1,358,908	1,358,908	-
Investments	1,028,016	-	1,028,016	-
Receivables	276,407	809,605	1,086,012	90
Due from other governmental units	89,699	-	89,699	-
Internal balances	(14,930)	14,930	-	-
Prepays	22,937	14,617	37,554	-
Inventories	-	440,450	440,450	-
Total current assets	4,252,837	5,657,711	9,910,548	780,061
Noncurrent assets				
Capital assets not being depreciated	2,110,144	320,963	2,431,107	44,912
Capital assets being depreciated, net	12,338,543	14,842,947	27,181,490	472,859
Total noncurrent assets	14,448,687	15,163,910	29,612,597	517,771
TOTAL ASSETS	18,701,524	20,821,621	39,523,145	1,297,832
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pension	525,468	295,703	821,171	-
Deferred outflows related to OPEB	284,289	232,600	516,889	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	809,757	528,303	1,338,060	-
LIABILITIES				
Current liabilities				
Accounts payable	389,603	293,814	683,417	28,478
Accrued liabilities	71,604	31,949	103,553	2,636
Accrued interest payable	930	15,919	16,849	-
Unearned revenue	5,389	20,974	26,363	-
Current portion of compensated absences	61,364	41,193	102,557	-
Current portion of long-term debt	109,572	222,000	331,572	-
Total current liabilities	638,462	625,849	1,264,311	31,114
Noncurrent liabilities				
Customer deposits payable from restricted assets	-	272,792	272,792	-
Noncurrent portion of long-term debt	306,526	4,281,872	4,588,398	-
Net pension liability	3,458,150	1,875,799	5,333,949	-
Total OPEB Liability	617,092	396,903	1,013,995	-
Total noncurrent liabilities	4,381,768	6,827,366	11,209,134	-
TOTAL LIABILITIES	5,020,230	7,453,215	12,473,445	31,114
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pension	405,318	195,315	600,633	-
Deferred inflows related to OPEB	88,035	72,030	160,065	-
TOTAL DEFERRED INFLOWS OF RESOURCES	493,353	267,345	760,698	-
NET POSITION				
Net investment in capital assets	14,032,589	10,660,038	24,692,627	517,771
Restricted				
Utilities	-	595,354	595,354	-
Debt service	-	299,424	299,424	-
Equipment replacement	-	191,338	191,338	-
Other purposes	761,390	-	761,390	-
Unrestricted	(796,281)	1,883,210	1,086,929	748,947
TOTAL NET POSITION	\$ 13,997,698	\$ 13,629,364	\$ 27,627,062	\$ 1,266,718

See notes to financial statements.

**CITY OF PORTLAND
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit (DDA)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
Primary government								
Governmental activities								
General government	\$ 998,671	\$ 487,593	\$ 10,000	\$ -	\$ (501,078)	\$ -	\$ (501,078)	\$ -
Public safety	738,765	6,393	126,403	-	(605,969)	-	(605,969)	-
Public works	1,441,394	40,815	602,131	9,434	(789,014)	-	(789,014)	-
Health and welfare	550,910	711,868	20,143	-	181,101	-	181,101	-
Community and economic development	14,825	-	-	-	(14,825)	-	(14,825)	-
Recreation and culture	231,843	24,690	5,083	-	(202,070)	-	(202,070)	-
Interest on long-term debt	6,282	-	-	-	(6,282)	-	(6,282)	-
Total governmental activities	<u>3,982,690</u>	<u>1,271,359</u>	<u>763,760</u>	<u>9,434</u>	<u>(1,938,137)</u>	<u>-</u>	<u>(1,938,137)</u>	<u>-</u>
Business-type activities								
Electric Light and Power System	3,788,208	4,313,947	-	-	-	525,739	525,739	-
Sewage Disposal System	1,113,645	1,047,432	-	-	-	(66,213)	(66,213)	-
Water System	737,268	794,461	-	-	-	57,193	57,193	-
Refuse	151,739	151,451	-	-	-	(288)	(288)	-
Total business-type activities	<u>5,790,860</u>	<u>6,307,291</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>516,431</u>	<u>516,431</u>	<u>-</u>
Total primary government	<u>\$ 9,773,550</u>	<u>\$ 7,578,650</u>	<u>\$ 763,760</u>	<u>\$ 9,434</u>	<u>(1,938,137)</u>	<u>516,431</u>	<u>(1,421,706)</u>	<u>-</u>
Component unit								
Downtown Development Authority	<u>\$ 303,492</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 146,114</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(157,378)</u>
General revenues								
Property taxes					1,245,207	-	1,245,207	248,145
City income taxes					987,360	-	987,360	-
State shared revenue					451,292	-	451,292	-
Local community stabilization					3,082	-	3,082	46,793
Investment earnings					2,314	5	2,319	118
Miscellaneous					50,991	195,410	246,401	3,024
Transfers					114,310	(114,310)	-	-
Total general revenues and transfers					<u>2,854,556</u>	<u>81,105</u>	<u>2,935,661</u>	<u>298,080</u>
Change in net position					916,419	597,536	1,513,955	140,702
Net position, beginning of the year					<u>13,081,279</u>	<u>13,031,828</u>	<u>26,113,107</u>	<u>1,126,016</u>
Net position, end of the year					<u>\$ 13,997,698</u>	<u>\$ 13,629,364</u>	<u>\$ 27,627,062</u>	<u>\$ 1,266,718</u>

See notes to financial statements.

**CITY OF PORTLAND
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2021**

	General	City Income Tax	Major Street
ASSETS			
Cash and cash equivalents	\$ 915,896	\$ 763,659	\$ 389,141
Investments	1,028,016	-	-
Receivables			
Taxes	462	142,104	-
Accounts	439	-	226
Due from other governmental units	-	-	67,458
Due from other funds	87,070	-	52,209
Prepays	8,217	140	3,264
	<u>8,217</u>	<u>140</u>	<u>3,264</u>
TOTAL ASSETS	<u><u>\$ 2,040,100</u></u>	<u><u>\$ 905,903</u></u>	<u><u>\$ 512,298</u></u>
LIABILITIES			
Accounts payable	\$ 82,274	\$ 29	\$ 132,376
Accrued liabilities	45,929	2,888	2,933
Due to other funds	-	164,072	-
	<u>-</u>	<u>164,072</u>	<u>-</u>
TOTAL LIABILITIES	<u>128,203</u>	<u>166,989</u>	<u>135,309</u>
FUND BALANCES			
Nonspendable			
Prepays	8,217	140	3,264
Perpetual care	-	-	-
Land held for resale	1,028,016	-	-
Restricted			
Streets	-	-	373,725
Public works	8,318	-	-
Committed			
Street improvements	-	738,774	-
Ambulance	-	-	-
Assigned			
Recreation	-	-	-
Unassigned	867,346	-	-
	<u>867,346</u>	<u>-</u>	<u>-</u>
TOTAL FUND BALANCES	<u>1,911,897</u>	<u>738,914</u>	<u>376,989</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 2,040,100</u></u>	<u><u>\$ 905,903</u></u>	<u><u>\$ 512,298</u></u>

See notes to financial statements.

Local Street	Ambulance	Nonmajor Governmental Funds	Total
\$ 211,612	\$ 69,947	\$ 240,941	\$ 2,591,196
-	-	-	1,028,016
-	-	-	142,566
-	133,079	-	133,744
22,241	-	-	89,699
111,863	-	-	251,142
3,264	6,458	873	22,216
<u>\$ 348,980</u>	<u>\$ 209,484</u>	<u>\$ 241,814</u>	<u>\$ 4,258,579</u>
\$ 156,419	\$ 5,079	\$ 1,591	\$ 377,768
4,130	14,856	304	71,040
-	12,000	10,000	186,072
<u>160,549</u>	<u>31,935</u>	<u>11,895</u>	<u>634,880</u>
3,264	6,458	873	22,216
-	-	190,818	190,818
-	-	-	1,028,016
185,167	-	3,362	562,254
-	-	-	8,318
-	-	-	738,774
-	171,091	-	171,091
-	-	34,866	34,866
-	-	-	867,346
<u>188,431</u>	<u>177,549</u>	<u>229,919</u>	<u>3,623,699</u>
<u>\$ 348,980</u>	<u>\$ 209,484</u>	<u>\$ 241,814</u>	<u>\$ 4,258,579</u>

See notes to financial statements.

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

Total fund balances - governmental funds \$ 3,623,699

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.

The cost of capital assets is	\$ 27,244,048	
Accumulated depreciation is	<u>(13,484,479)</u>	
Capital assets, net		13,759,569

An Internal Service Fund is used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the Internal Service Fund are included in the governmental activities in the government-wide Statement of Net Position.

390,298

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, and differences between projected and actual plan investment earnings will be deferred over time in the government-wide financial statements. These amounts consist of:

Deferred outflows of resources related to pensions	509,538	
Deferred outflows of resources related to OPEB	271,367	
Deferred inflows of resources related to pensions	(399,055)	
Deferred inflows of resources related to OPEB	<u>(84,033)</u>	
		297,817

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:

Compensated absences	(61,264)	
Direct obligations	(115,695)	
Net pension liability	(3,304,985)	
Total OPEB Liability	<u>(591,741)</u>	
		<u>(4,073,685)</u>

Net position of governmental activities \$ 13,997,698

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

	General	City Income Tax	Major Street
REVENUES			
Taxes	\$ 1,140,427	\$ 959,847	\$ -
Licenses and permits	87,259	-	-
Intergovernmental	584,499	-	455,858
Charges for services	367,301	-	-
Fines and forfeits	14,617	27,669	-
Interest and rents	8,017	2,126	-
Other	51,520	434	2,288
TOTAL REVENUES	2,253,640	990,076	458,146
EXPENDITURES			
Current			
General government	841,218	245,833	-
Public safety	789,968	-	-
Public works	206,035	-	813,366
Health and welfare	50,478	-	-
Community and economic development	14,825	-	-
Recreation and culture	194,925	-	-
Capital outlay	20,928	-	-
Debt service	-	498,869	-
TOTAL EXPENDITURES	2,118,377	744,702	813,366
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	135,263	245,374	(355,220)
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of capital assets	2,000	-	-
Lease proceeds	16,750	-	-
Transfers in	113,831	-	353,923
Transfers out	(66,398)	(542,779)	-
TOTAL OTHER FINANCING SOURCES (USES)	66,183	(542,779)	353,923
NET CHANGE IN FUND BALANCES	201,446	(297,405)	(1,297)
Fund balances, beginning of year	1,710,451	1,036,319	378,286
Fund balances, end of year	<u>\$ 1,911,897</u>	<u>\$ 738,914</u>	<u>\$ 376,989</u>

See notes to financial statements.

Local Street	Ambulance	Nonmajor Governmental Funds	Total
\$ 155,650	\$ -	\$ -	\$ 2,255,924
-	-	-	87,259
146,273	10,600	14,000	1,211,230
-	719,816	27,860	1,114,977
-	-	-	42,286
-	-	17	10,160
1,031	5,687	3	60,963
<u>302,954</u>	<u>736,103</u>	<u>41,880</u>	<u>4,782,799</u>
-	-	-	1,087,051
-	-	-	789,968
570,449	-	-	1,589,850
-	660,344	-	710,822
-	-	-	14,825
-	-	44,774	239,699
-	-	9,500	30,428
-	-	-	498,869
<u>570,449</u>	<u>660,344</u>	<u>54,274</u>	<u>4,961,512</u>
<u>(267,495)</u>	<u>75,759</u>	<u>(12,394)</u>	<u>(178,713)</u>
-	-	-	2,000
-	99,468	-	116,218
188,856	22,398	24,500	703,508
-	(26,552)	(21)	(635,750)
<u>188,856</u>	<u>95,314</u>	<u>24,479</u>	<u>185,976</u>
(78,639)	171,073	12,085	7,263
<u>267,070</u>	<u>6,476</u>	<u>217,834</u>	<u>3,616,436</u>
<u>\$ 188,431</u>	<u>\$ 177,549</u>	<u>\$ 229,919</u>	<u>\$ 3,623,699</u>

See notes to financial statements.

CITY OF PORTLAND
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021

Net change in fund balances - total governmental funds \$ 7,263

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	\$ 805,472	
Depreciation expense	<u>(805,473)</u>	
Excess of depreciation expense over capital outlay		(1)

Internal service funds are used by management to charge the costs of certain activities to individual funds.

Change in net position of governmental activities accounted for in the Internal Service Fund		100,585
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Repayment of long-term debt and borrowings of long-term debt are reported as expenditures and other financing sources in governmental funds, but the repayment reduces long-term liabilities and the borrowings increase long-term liabilities in the statement of net position. In the current year, these amounts consist of:

Debt proceeds	(116,218)	
Long-term debt principal retirements	<u>509,610</u>	
		393,392

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:

Change in accrued interest payable	2,587	
Change in compensated absences	(11,659)	
Change in net pension liability	185,418	
Change in total OPEB liability	29,480	
Change in deferred outflows of resources related to pensions	(140,487)	
Change in deferred inflows of resources related to pensions	78,154	
Change in deferred outflows of resources related to OPEB	408,072	
Change in deferred inflows of resources related to OPEB	<u>(136,385)</u>	
		<u>415,180</u>

Change in net position of governmental activities \$ 916,419

**CITY OF PORTLAND
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2021**

	Business-type Activities				Total	Governmental Activities
	Electric Light and Power System	Sewage Disposal System	Water System	Nonmajor Enterprise Fund (Refuse)		Internal Service Fund
ASSETS						
Current assets						
Cash and cash equivalents	\$ 2,378,282	\$ 57,573	\$ 570,736	\$ 12,610	\$ 3,019,201	\$ 259,512
Cash and cash equivalents - restricted	798,818	526,628	33,462	-	1,358,908	-
Accounts receivable	558,212	123,976	106,044	21,373	809,605	97
Due from other funds	150,000	-	80,000	-	230,000	-
Inventories	400,876	-	39,574	-	440,450	-
Prepays	11,586	1,842	1,189	-	14,617	721
Total current assets	4,297,774	710,019	831,005	33,983	5,872,781	260,330
Noncurrent assets						
Capital assets not being depreciated	275,807	30,803	14,353	-	320,963	-
Capital assets being depreciated, net	6,289,283	4,913,617	3,640,047	-	14,842,947	689,118
Total noncurrent assets	6,565,090	4,944,420	3,654,400	-	15,163,910	689,118
TOTAL ASSETS	10,862,864	5,654,439	4,485,405	33,983	21,036,691	949,448
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows related to pension	181,068	61,998	52,637	-	295,703	15,930
Deferred outflows related to OPEB	139,250	53,136	40,214	-	232,600	12,922
TOTAL DEFERRED OUTFLOWS OF RESOURCES	320,318	115,134	92,851	-	528,303	28,852
LIABILITIES						
Current liabilities						
Accounts payable	217,174	46,126	17,860	12,654	293,814	11,835
Accrued liabilities	18,660	7,697	5,592	-	31,949	564
Accrued interest payable	6,022	7,898	1,999	-	15,919	930
Due to other funds	-	215,070	-	-	215,070	80,000
Unearned revenue	-	20,974	-	-	20,974	5,389
Current portion of compensated absences	21,602	11,626	7,965	-	41,193	100
Current portion of long-term debt	75,000	67,000	80,000	-	222,000	86,042
Total current liabilities	338,458	376,391	113,416	12,654	840,919	184,860
Noncurrent liabilities						
Customer deposits payable from restricted assets	208,308	31,022	33,462	-	272,792	-
Noncurrent portion of long-term debt	950,000	3,092,000	239,872	-	4,281,872	214,361
Net pension liability	1,043,150	595,266	237,383	-	1,875,799	153,165
Total OPEB Liability	213,777	104,237	78,889	-	396,903	25,351
Total noncurrent liabilities	2,415,235	3,822,525	589,606	-	6,827,366	392,877
TOTAL LIABILITIES	2,753,693	4,198,916	703,022	12,654	7,668,285	577,737
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows related to pension	132,440	24,374	38,501	-	195,315	6,263
Deferred inflows related to OPEB	43,122	16,455	12,453	-	72,030	4,002
TOTAL DEFERRED INFLOWS OF RESOURCES	175,562	40,829	50,954	-	267,345	10,265
NET POSITION						
Net investment in capital assets	5,540,090	1,785,420	3,334,528	-	10,660,038	388,715
Restricted for utility reserve	453,086	142,268	-	-	595,354	-
Restricted for debt service	137,424	162,000	-	-	299,424	-
Restricted for equipment replacement	-	191,338	-	-	191,338	-
Unrestricted	2,123,327	(751,198)	489,752	21,329	1,883,210	1,583
TOTAL NET POSITION	\$ 8,253,927	\$ 1,529,828	\$ 3,824,280	\$ 21,329	\$ 13,629,364	\$ 390,298

See notes to financial statements.

**CITY OF PORTLAND
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2021**

	Business-type Activities				Total	Governmental
	Electric Light and Power System	Sewage Disposal System	Water System	Nonmajor Enterprise Fund (Refuse)		Internal Service Fund
OPERATING REVENUES						
Charges for services						
User charges	\$ 4,313,947	\$ 1,025,232	\$ 794,461	\$ 151,451	\$ 6,285,091	\$ 294,092
Tap fees	-	22,200	-	-	22,200	-
Other	57,655	26,007	4,507	1,162	89,331	31,045
TOTAL OPERATING REVENUES	4,371,602	1,073,439	798,968	152,613	6,396,622	325,137
OPERATING EXPENSES						
Salaries and wages	516,168	187,006	163,353	-	866,527	18,541
Fringe benefits	37,494	51,263	10,130	-	98,887	(15,798)
Contractual services	139,200	294,087	32,125	151,731	617,143	869
Supplies	-	46,671	17,467	8	64,146	22,041
Heat, light, and power	2,125,888	60,032	37,614	-	2,223,534	5,757
Communications	3,718	1,408	1,639	-	6,765	1,501
Insurance and bonds	17,284	3,923	2,827	-	24,034	11,462
Repairs and maintenance	54,545	26,915	156,450	-	237,910	38,122
Administrative services	74,358	57,675	57,675	-	189,708	35,655
Building and equipment rental	83,174	38,540	40,803	-	162,517	-
Other	289,314	2,170	7,121	-	298,605	696
Depreciation	418,644	248,360	201,599	-	868,603	146,311
TOTAL OPERATING EXPENSES	3,759,787	1,018,050	728,803	151,739	5,658,379	265,157
OPERATING INCOME	611,815	55,389	70,165	874	738,243	59,980
NONOPERATING INCOME (EXPENSES)						
Interest earned	-	5	-	-	5	-
Intergovernmental grants	-	106,079	-	-	106,079	-
Loss on disposal of assets	(4,727)	-	-	-	(4,727)	-
Interest expense and fees	(23,694)	(95,595)	(8,465)	-	(127,754)	(5,947)
TOTAL NONOPERATING REVENUES (EXPENSES)	(28,421)	10,489	(8,465)	-	(26,397)	(5,947)
INCOME (LOSS) BEFORE TRANSFERS	583,394	65,878	61,700	874	711,846	54,033
TRANSFERS						
Transfers in	-	-	-	-	-	46,552
Transfers out	(50,037)	(31,764)	(32,509)	-	(114,310)	-
TOTAL TRANSFERS	(50,037)	(31,764)	(32,509)	-	(114,310)	46,552
CHANGE IN NET POSITION	533,357	34,114	29,191	874	597,536	100,585
Net position, beginning of year	7,720,570	1,495,714	3,795,089	20,455	13,031,828	289,713
Net position, end of year	<u>\$ 8,253,927</u>	<u>\$ 1,529,828</u>	<u>\$ 3,824,280</u>	<u>\$ 21,329</u>	<u>\$ 13,629,364</u>	<u>\$ 390,298</u>

See notes to financial statements.

**CITY OF PORTLAND
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2021**

	Business-type Activities				Total	Governmental
	Electric Light and Power System	Sewage Disposal System	Water System	Nonmajor Enterprise Fund (Refuse)		Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash receipts from customers	\$ 4,388,993	\$ 1,233,127	\$ 791,305	\$ 153,347	\$ 6,566,772	\$ 330,734
Cash paid to suppliers	(2,693,837)	(663,433)	(340,764)	(151,583)	(3,849,617)	(90,281)
Cash paid to employees	(789,475)	(312,304)	(229,887)	-	(1,331,666)	(61,472)
NET CASH PROVIDED BY OPERATING ACTIVITIES	905,681	257,390	220,654	1,764	1,385,489	178,981
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Proceeds from intergovernmental grants	-	106,079	-	-	106,079	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Transfers in	-	-	-	-	-	46,552
Transfers out	(50,037)	(31,764)	(32,509)	-	(114,310)	-
Debt proceeds	-	-	-	-	-	224,400
Payments of borrowing	(80,000)	(66,000)	(75,000)	-	(221,000)	(84,599)
Interest paid	(22,361)	(95,760)	(8,934)	-	(127,055)	(8,872)
Purchase of capital assets	(135,663)	(52,572)	(49,724)	-	(237,959)	(229,400)
NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(288,061)	(246,096)	(166,167)	-	(700,324)	(51,919)
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest received	-	5	-	-	5	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	617,620	117,378	54,487	1,764	791,249	127,062
Cash and cash equivalents, beginning of year	2,559,480	466,823	549,711	10,846	3,586,860	132,450
Cash and cash equivalents, end of year	<u>\$ 3,177,100</u>	<u>\$ 584,201</u>	<u>\$ 604,198</u>	<u>\$ 12,610</u>	<u>\$ 4,378,109</u>	<u>\$ 259,512</u>
Reconciliation of operating income to net cash provided by operating activities						
Operating income	\$ 611,815	\$ 55,389	\$ 70,165	\$ 874	\$ 738,243	\$ 59,980
Adjustments to reconcile operating income to net cash provided by operating activities						
Depreciation	418,644	248,360	201,599	-	868,603	146,311
(Increase) decrease in:						
Accounts receivable	(14,060)	(7,163)	(19,248)	734	(39,737)	208
Due from other governments	-	144,327	-	-	144,327	-
Due from other funds	25,000	-	10,000	-	35,000	-
Inventories	83,139	-	9,985	-	93,124	-
Prepays	785	866	267	-	1,918	26,992
Deferred outflows of resources	(173,691)	(23,490)	(46,188)	-	(243,369)	(4,467)
Increase (decrease) in:						
Accounts payable	9,720	(107,878)	2,705	156	(95,297)	8,830
Accrued liabilities	1,547	2,205	2,133	-	5,885	(16,297)
Due to other funds	-	(25,000)	-	-	(25,000)	(10,000)
Unearned revenue	-	20,974	-	-	20,974	5,389
Customer deposits	6,451	1,550	1,585	-	9,586	-
Net pension liability	(65,888)	(22,560)	(19,154)	-	(107,602)	(5,797)
Total OPEB liability	(15,128)	(5,774)	(4,369)	-	(25,271)	(1,403)
Deferred inflows of resources	17,347	(24,416)	11,174	-	4,105	(30,765)
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 905,681	\$ 257,390	\$ 220,654	\$ 1,764	\$ 1,385,489	\$ 178,981

See notes to financial statements.

**CITY OF PORTLAND
 FIDUCIARY FUND
 STATEMENT OF FIDUCIARY NET POSITION
 YEAR ENDED JUNE 30, 2021**

	Custodial Fund
	Tax Collection
ASSETS	
Cash	\$ -
LIABILITIES	
Due to other governmental units	-
NET POSITION	\$ -

See notes to financial statements.

**CITY OF PORTLAND
 FIDUCIARY FUND
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 YEAR ENDED JUNE 30, 2021**

	<u>Custodial Fund Tax Collection</u>
ADDITIONS	
Property tax collections for other governmental units	\$ 3,207,629
DEDUCTIONS	
Property tax distributions for other governmental units	<u>3,207,629</u>
Net change in fiduciary net position	-
NET POSITION	
Beginning of year	<u>-</u>
End of year	<u><u>\$ -</u></u>

**CITY OF PORTLAND
NOTES TO FINANCIAL STATEMENTS**

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

The City of Portland is located in Ionia County, Michigan and has a population of approximately 4,000. The City of Portland operates with a City Manager/Council 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 Council members who are elected at large for overlapping two- or four-year terms. The Council elects two of its members to serve as Mayor and Mayor Pro-Tem. The Council appoints the City Manager, City Clerk, Finance Director/Treasurer, and Assessor.

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 of Portland (primary government) and its component unit. Blended component units, although legally separate entities, are, in substance, part of the City's operations and so data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the City.

Joint Ventures

The City participates in the following activity which is considered to be a joint venture 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.

Portland Area Municipal Authority - The City is a member of the Portland Area Municipal Authority (PAMA), which is a joint venture between the City of Portland and the Townships of Portland and Danby. The City appoints two of the five members of the governing board. PAMA is charged with the responsibility of acquiring, financing, equipping, and improving an emergency services building for use by the participating municipalities.

The constituent municipalities are responsible for their share of the costs incurred by PAMA according to the following percentages:

City of Portland	40%
Portland Township	40%
Danby Township	20%

The financial activities of PAMA are accounted for and reported separately from the participating units. Separate audited financial statements for the year ended December 31, 2020, are available at PAMA's administrative offices. As of December 31, 2020, PAMA had a net position of \$90,776.

**CITY OF PORTLAND
NOTES TO FINANCIAL STATEMENTS**

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

Joint Ventures (continued)

Portland Area Fire Authority - The City is a member of the Portland Area Fire Authority (PAFA), which is a joint venture between the City of Portland and the Townships of Portland and Danby. The City appoints two of the six members of the governing board. PAFA is charged with the responsibility of providing fire protection services.

The constituent municipalities are responsible for their share of the costs incurred by PAFA according to a funding formula that considers population, state equalized value, and number of runs incurred in each municipal area over the previous three years.

The financial activities of PAFA are accounted for and reported separately from the participating units. Separate audited financial statements for the year ended June 30, 2020, are available at PAFA's administrative offices. As of June 30, 2020, the most recent financial statements available, PAFA had a net position of \$1,185,538.

Discretely Presented Component Unit

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

Downtown Development Authority - A majority of the members of the governing board of the Downtown Development Authority (DDA) are appointed by the City Council. The City also has the ability to significantly influence operations of the Downtown Development Authority. The DDA is included in the City's audited financial statements and is not audited separately.

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 for 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.

**CITY OF PORTLAND
NOTES TO FINANCIAL STATEMENTS**

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

Basis of Presentation (continued)

FUND FINANCIAL STATEMENTS

The fund financial statements present the City's individual major funds and aggregated nonmajor funds. Separate financial statements are provided for governmental funds and proprietary funds. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental funds and the major individual enterprise funds 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 City Income Tax Fund is used to account for the revenue from income tax collection. The City income tax was approved by voters for the purpose of funding street improvements.
- c. The Major Street Fund is used to account for restricted financial resources that are used for repairs and maintenance of the City's major streets.
- d. The Local Street Fund is used to account for restricted financial resources that are used for repairs and maintenance of the City's local streets.
- e. The Ambulance Fund is used to account for committed funds received and expended for health and welfare.

The City reports the following major enterprise funds:

- a. The Electric Light and Power System Fund is used to account for the operations required to provide electric services to the general public, the costs (expenses, including depreciation) are financed or recovered primarily through user charges.
- b. The Sewage Disposal System Fund is used to account for the operations required to provide sewer services to the general public, the costs (expenses, including depreciation) are financed or recovered primarily through user charges.
- c. The Water System Fund is used to account for the operations required to provide water services to the general public, the costs (expenses, including depreciation) are financed or recovered primarily through user charges.

Additionally, the City reports the following fund types:

- a. Internal service funds account for the management of motor vehicle pool provided to various departments of the City on cost reimbursement basis.
- b. Custodial funds account for assets held by the City as a custodian for other governments, private organizations, or individuals. The City's custodial fund is the Tax Collection Fund.

**CITY OF PORTLAND
NOTES TO FINANCIAL STATEMENTS**

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

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the 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.

The fiduciary funds financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, except for the recognition of certain liabilities to the beneficiaries of a fiduciary activity. Liabilities to beneficiaries are recognized when an event has occurred that compels the City to disburse fiduciary resources.

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.

**CITY OF PORTLAND
NOTES TO FINANCIAL STATEMENTS**

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

Budgets and Budgetary Accounting

The General and Special Revenue Funds 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. The City employs the following procedures in establishing the budgetary data reflected in the financial statements.

- a. On the City Council meeting date nearest to the third Monday in April, the City Manager submits to City Council the proposed operating budgets for the fiscal year commencing the following July 1. The operating budgets include proposed expenditures and resources to finance them.
- b. A Public Hearing is conducted to obtain taxpayers' comments.
- c. Prior to the second regular council meeting in May, the budget is legally enacted through passage of a resolution.
- d. 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.
- e. 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.
- f. Budgeted amounts are reported as originally adopted or amended by the City Council during the year. Individual amendments were appropriately approved by the City Council as required.

Cash and Cash Equivalents, and Investments

Cash and cash equivalents consist of checking, savings, and money market accounts.

Investments are stated at fair value in accordance with the applicable GASB Statement. In accordance with GASB Statement No. 72, the City has accounted for its land held for resale as investments of the City.

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 bank which is a member of the Federal Deposit Insurance Corporation (FDIC) or a savings and loan association which is a member of the Federal Savings and Loan Insurance Corporation (FSLIC) or a credit union which is insured by the National Credit Union Administration (NCUA), but only if the bank, savings and loan association, or credit union is eligible to be a depository of surplus funds belonging to the State under section 5 or 6 of Act No. 105 of the Public Acts of 1855, as amended, being Section 21.145 and 21.146 of the Michigan Compiled Laws.

CITY OF PORTLAND
NOTES TO FINANCIAL STATEMENTS

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

Cash and Cash Equivalents and Investments (continued)

- c. Commercial paper rated at the time of purchase within the three (3) highest classifications established by not less than two (2) standard rating services and which matures not more than 270 days after the date of purchase.
- d. The United States government or federal agency obligations repurchase agreements.
- e. Bankers acceptances of United States banks.
- f. Mutual funds composed of investment vehicles, which are legal for direct investment by local units of government in Michigan.
- g. Section 5 or 6 of Act No. 105 of the Public Acts of 1855, as amended, being Section 21.145 and 21.146 of the Michigan Compiled Laws.

Michigan Compiled Laws allow for collateralization of government deposits, if the assets for pledging are acceptable to the State Treasurer under Section 3 of 1855 PA 105, MCL 21.143, to secure deposits of State surplus funds, securities issued by the Federal Loan Mortgage Corporation, Federal National Mortgage Association, or Government National Mortgage Association.

Receivables

Receivables consist of amounts due related to charges for services, interest receivable, and other amounts owed to the City at year-end.

Due from Other Governmental Units

Due from other governmental units consists of amounts due from the State of Michigan for various payments and grants and accounts receivable for charges for services provided to local governmental units.

Inventories

Inventories in the Enterprise Funds consist of Electric Light and Power and Water System supplies which are stated at cost on a first-in/first-out basis.

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 their estimated acquisition cost on the date received.

CITY OF PORTLAND
NOTES TO FINANCIAL STATEMENTS

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

Capital Assets (continued)

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:

Buildings and additions	30 - 40 years
Electric, Water and Sewer systems	10 - 50 years
Machinery and equipment	5 - 40 years
Infrastructure - streets and bridges	30 years
Land improvements	20 years
Downtown improvements	20 years

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 long-term.

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.

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 days. Employees are not paid for accumulated sick leave.

For governmental funds, the cost of accumulated vacation along with the related payroll taxes expected to be paid in the next 60 days is recorded as a fund liability, and amounts expected to be paid after 60 days are recorded only in the government-wide financial statements. For proprietary funds, the cost is recorded as a fund liability when incurred.

Pension

The City offers a defined benefit pension plan to its employees. The City records a net pension liability for the difference between the total pension liability calculated by the actuary and the pension plan's fiduciary net position. For the purpose 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 pension plan and additions to/deductions from the pension plan's fiduciary net position have been determined on the same basis as they are reported by the pension plan. 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.

CITY OF PORTLAND
NOTES TO FINANCIAL STATEMENTS

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

Other Postemployment Benefits

The City offers a retiree healthcare benefits to its employees. The City records a net OPEB liability for the difference between the total OPEB liability calculated by the actuary and the OPEB plan's fiduciary net position. For the purpose of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB plan and additions to/deductions from the OPEB plan's fiduciary net position have been determined on the same basis as they are reported by the OPEB plan. 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.

Deferred Outflows/Inflows of Resources

In addition to assets and liabilities, the statement of financial position or balance sheet will, when applicable, report separate sections for deferred outflows of resources and deferred inflows of resources. *Deferred outflows of resources*, a separate financial statement element, represents a consumption of net position or fund balance, respectively, that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that time. *Deferred inflows of resources*, a separate financial statement element, represents an acquisition of net position or fund balance, respectively, that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The City has several items that qualify for reporting in these categories and are reported in the government-wide financial statement of net position, the governmental funds, or proprietary funds balance sheet/statement of net position.

The City reports deferred outflows of resources and deferred inflows of resources which correspond to the City's net pension liability and total OPEB liability and are related to differences between expected and actual experience, changes in assumptions, differences between projected and actual 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 Portland 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 by the City of Portland on July 1 and December 1 and are payable without penalty through September 30 and February 14, respectively. The July 1 levy is composed of the City's millage, the County's millage assessments, and school taxes. The December 1 levy is composed of school taxes. All real property taxes not paid to the City by March 1 are turned over to the Ionia County Treasurer for collection. The Ionia County Treasurer purchases the receivables of all taxing districts on any delinquent real property taxes. Delinquent personal property taxes receivable is retained by the City for subsequent collection. Collections and remittances of all taxes are accounted for in the Tax Collections Custodial Fund. City property tax revenues are recognized as revenues in the fiscal year levied.

The City is permitted by charter to levy taxes up to 15 mills (\$15 per \$1,000 of taxable valuation) for general governmental services other than the payment of Debt Service Fund expenditures. For the year ended June 30, 2021, the City levied 12.5396 mills per \$1,000 of taxable valuation for general governmental services, and 0.9907 mill for local streets. The total taxable value for the 2020 levy for property within the City was \$98,967,604.

CITY OF PORTLAND
NOTES TO FINANCIAL STATEMENTS

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

Income Tax Revenues

In accordance with GASB Statement No. 22, *Accounting for Taxpayer - Assessed Tax Revenues in Governmental Funds*, the City has recognized taxpayer-assessed taxes, net of estimated refunds, as revenue in the accounting period in which they become susceptible to accrual (i.e., measurable and available to finance expenditures of the fiscal period). The City has calculated this amount based on the income tax collections made within 60 days after year end that relate to the prior years. Estimated refunds of these amounts are considered to be immaterial.

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 or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

The Internal Service Fund (Motor Pool) records charges for services provided to various City departments and funds as operating revenue. All City funds record these payments as operating expenditures/expenses.

Details of Fund Balance Classifications

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:

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, laws, regulations, or enabling legislation.

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

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

Unassigned - all other resources; the remaining fund balance after non-spendable, 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 PORTLAND
NOTES TO FINANCIAL STATEMENTS**

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

Fund Balance Classification Policies and Procedures

For committed fund balance, the City of Portland's highest level of decision-making authority is the City Council. The formal action that is required to be taken to establish a fund balance commitment is through passage of a resolution.

For assigned fund balance, the City of Portland has not approved a policy indicating who is authorized to assign amounts to a specific purpose. As a result, this authority is retained by the City Council.

For the classification of fund balances, the City of Portland considers restricted amounts to have been spent when an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available. Also for the classification of fund balances, the City of Portland considers committed amounts to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Tax Abatements

The City's tax revenues have been reduced by tax abatements. Management has determined these amounts to be immaterial to the financial statements.

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.

Estimates

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**CITY OF PORTLAND
NOTES TO FINANCIAL STATEMENTS**

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, \$5,824,782 of the City’s bank balance of \$7,056,744 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 \$6,845,838. The primary government cash and cash equivalents caption on the basic financial statements included \$893 of imprest cash and \$171,147 on deposit with the Michigan Public Power Agency.

Custodial credit risk - investments. For an investment, this is the risk that, in the event of the 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 allowed by law; and pre-qualifying the financial institutions, broker/dealers, intermediaries and advisors with which the City will do business.

Interest rate risk. In accordance with its investment policy, 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 in the open market; and, investing operating funds primarily in shorter-term securities, liquid asset funds, money market mutual funds, or similar investment pools and limiting the average maturity in accordance with the City’s cash requirements.

Investment Type	Fair Value	Weighted Average Maturity (years)
U.S. Governmental Securities	\$ 990,910	3.46

One day maturity equals 0.0027, one year equals 1.00.

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 diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized. 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.

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

**CITY OF PORTLAND
NOTES TO FINANCIAL STATEMENTS**

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

Fair value measurement. The City is required to disclose amounts within a framework established for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

- Level 1: Quoted prices in active markets for identical securities.
- Level 2: Prices determined using other significant observable inputs. Observable inputs are inputs that other market participants may use in pricing a security. These may include prices for similar securities, interest rates, prepayment speeds, credit risk and others.
- Level 3: Prices determined using significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable or deemed less relevant, unobservable inputs may be used. Unobservable inputs reflect the City’s own assumptions about the factors market participants would use in pricing an investment and would be based on the best information available.

	Fair Value Measurements			Total
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
PRIMARY GOVERNMENT				
U.S. Governmental Securities	\$ 990,910	\$ -	\$ -	\$ 990,910
Land held for resale	-	-	1,028,016	1,028,016
	\$ 990,910	\$ -	\$ 1,028,016	\$ 2,018,926

The asset or liability’s fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The cash and cash equivalents and investments referred to above have been reported in either the cash and cash equivalents or investments captions on the financial statements, based upon criteria disclosed in Note 1.

**CITY OF PORTLAND
NOTES TO FINANCIAL STATEMENTS**

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

The following summarizes the categorization of these amounts as of June 30, 2021:

	Primary Government	Component Unit	Fiduciary Fund	Reporting Entity
Cash and cash equivalents	\$ 5,869,909	\$ 779,971	\$ -	\$ 6,649,880
Cash and cash equivalents - restricted	1,358,908	-	-	1,358,908
Investments	1,028,016	-	-	1,028,016
	<u>\$ 8,256,833</u>	<u>\$ 779,971</u>	<u>\$ -</u>	<u>\$ 9,036,804</u>

NOTE 3 - CASH AND CASH EQUIVALENTS - RESTRICTED

The following summarizes the restricted cash and cash equivalents as of June 30, 2021:

	Customer Deposits	Debt Retirement	Repairs and Improvements	Restricted Utility Reserve	Total
Enterprise Funds	<u>\$ 272,792</u>	<u>\$ 299,424</u>	<u>\$ 191,338</u>	<u>\$ 595,354</u>	<u>\$ 1,358,908</u>

NOTE 4 - INTERFUND RECEIVABLES AND PAYABLES

The amount of interfund receivables and payables at June 30, 2021, are as follows:

Due to General Fund from:	
Ambulance Fund	\$ 12,000
Nonmajor governmental funds	10,000
Sewage Disposal System Fund	<u>65,070</u>
	<u>\$ 87,070</u>
Due to Major Street Fund from:	
City Income Tax Fund	<u>\$ 52,209</u>
Due to Local Street Fund from:	
City Income Tax Fund	<u>\$ 111,863</u>
Due to Electric Light and Power System from:	
Sewage Disposal System Fund	<u>\$ 150,000</u>
Due to Water System Fund from:	
Internal Service Fund	<u>\$ 80,000</u>

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

**CITY OF PORTLAND
NOTES TO FINANCIAL STATEMENTS**

NOTE 5 - 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 and business-type funds have been eliminated.

Transfer to General Fund from:	
Electric Light and Power System Fund	\$ 50,037
Sewage Disposal System Fund	31,764
Water System Fund	32,009
Nonmajor governmental funds	<u>21</u>
	<u><u>\$ 113,831</u></u>
Transfer to Major Street Fund from:	
City Income Tax Fund	<u><u>\$ 353,923</u></u>
Transfer to Local Street Fund from:	
City Income Tax Fund	<u><u>\$ 188,856</u></u>
Transfer to Ambulance Fund from:	
General Fund	<u><u>\$ 22,398</u></u>
Transfer to Internal Service Fund from:	
General Fund	\$ 20,000
Ambulance Fund	<u>26,552</u>
	<u><u>\$ 46,552</u></u>
Transfers to nonmajor governmental funds from:	
General Fund	\$ 24,000
Water System Fund	<u>500</u>
	<u><u>\$ 24,500</u></u>

The transfers from the Electric Light and Power System Fund, Sewage Disposal System Fund, and Water System Fund to the General Fund were to fund current year operations. The transfers to the Major Street Fund, Ambulance Fund, and the nonmajor governmental funds were to fund current year projects. The transfers to the Internal Service Fund were to fund capital outlay.

**CITY OF PORTLAND
NOTES TO FINANCIAL STATEMENTS**

NOTE 6 - CAPITAL ASSETS

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

Primary Government

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 1,199,132	\$ -	\$ -	\$ 1,199,132
Construction in progress	354,232	556,780	-	911,012
Subtotal	<u>1,553,364</u>	<u>556,780</u>	<u>-</u>	<u>2,110,144</u>
Capital assets being depreciated				
Land improvements	128,162	52,945	-	181,107
Buildings and additions	400,769	7,712	-	408,481
Equipment and furniture	2,593,206	244,960	(92,254)	2,745,912
Infrastructure - streets and bridges	23,540,317	172,475	-	23,712,792
Subtotal	26,662,454	478,092	(92,254)	27,048,292
Less accumulated depreciation for:				
Land improvements	(50,686)	(8,328)	-	(59,014)
Buildings and additions	(226,337)	(11,434)	-	(237,771)
Equipment and furniture	(1,610,573)	(205,190)	43,052	(1,772,711)
Infrastructure - streets and bridges	(11,962,623)	(677,630)	-	(12,640,253)
Subtotal	<u>(13,850,219)</u>	<u>(902,582)</u>	<u>43,052</u>	<u>(14,709,749)</u>
Net capital assets being depreciated	<u>12,812,235</u>	<u>(424,490)</u>	<u>(49,202)</u>	<u>12,338,543</u>
Capital assets, net	<u>\$ 14,365,599</u>	<u>\$ 132,290</u>	<u>\$ (49,202)</u>	<u>\$ 14,448,687</u>

Depreciation expense was charged to the following governmental activities:

General government	\$ 209,227
Public safety	53,822
Public works	648,865
Health and welfare	27,909
Recreation and culture	<u>11,961</u>
Total depreciation expense	<u>\$ 951,784</u>

The current period depreciation expense of \$902,582 has been adjusted by \$49,202 for the loss on disposal of capital assets during the period, in accordance with GASB Statement No. 34 implementation guide which states that immaterial losses may be handled as an adjustment to the current period's depreciation expense.

**CITY OF PORTLAND
NOTES TO FINANCIAL STATEMENTS**

NOTE 6 - CAPITAL ASSETS (continued)

Primary Government (continued)

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
Business-type Activities (Electric Light and Power System)				
Capital assets not being depreciated				
Land	\$ 275,807	\$ -	\$ -	\$ 275,807
Capital assets being depreciated				
Buildings	4,926,244	24,999	-	4,951,243
Transmission and disbursement	6,905,139	36,010	-	6,941,149
Equipment	1,273,458	74,654	(6,100)	1,342,012
Subtotal	13,104,841	135,663	(6,100)	13,234,404
Less accumulated depreciation for:				
Buildings	(1,906,117)	(117,930)	-	(2,024,047)
Transmissions and disbursement	(3,925,756)	(189,182)	-	(4,114,938)
Equipment	(695,977)	(111,532)	1,373	(806,136)
Subtotal	(6,527,850)	(418,644)	1,373	(6,945,121)
Net capital assets being depreciated	6,576,991	(282,981)	(4,727)	6,289,283
Capital assets, net	<u>\$ 6,852,798</u>	<u>\$ (282,981)</u>	<u>\$ (4,727)</u>	<u>\$ 6,565,090</u>
Business-type Activities (Sewage Disposal System)				
Capital assets not being depreciated				
Land	\$ 11,003	\$ -	\$ -	\$ 11,003
Construction in progress	-	19,800	-	19,800
Subtotal	11,003	19,800	-	30,803
Capital assets being depreciated				
Buildings	4,455,040	-	-	4,455,040
Sewage Disposal System	3,920,478	-	-	3,920,478
Equipment	160,469	32,772	-	193,241
Subtotal	8,535,987	32,772	-	8,568,759
Less accumulated depreciation for:				
Building	(1,327,207)	(96,241)	-	(1,423,448)
Sewage Disposal System	(2,019,064)	(142,712)	-	(2,161,776)
Equipment	(60,511)	(9,407)	-	(69,918)
Subtotal	(3,406,782)	(248,360)	-	(3,655,142)
Net capital assets being depreciated	5,129,205	(215,588)	-	4,913,617
Capital assets, net	<u>\$ 5,140,208</u>	<u>\$ (195,788)</u>	<u>\$ -</u>	<u>\$ 4,944,420</u>

**CITY OF PORTLAND
NOTES TO FINANCIAL STATEMENTS**

NOTE 6 - CAPITAL ASSETS (continued)

Primary Government (continued)

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
Business-type Activities (Water System)				
Capital assets not being depreciated				
Land	\$ 14,353	\$ -	\$ -	\$ 14,353
Capital assets being depreciated				
Water System	6,718,463	40,274	-	6,758,737
Equipment	285,741	9,450	-	295,191
Subtotal	7,004,204	49,724	-	7,053,928
Less accumulated depreciation for:				
Water System	(3,075,744)	(187,356)	-	(3,263,100)
Equipment	(136,538)	(14,243)	-	(150,781)
Subtotal	(3,212,282)	(201,599)	-	(3,413,881)
Net capital assets being depreciated	3,791,922	(151,875)	-	3,640,047
Capital assets, net	<u>\$ 3,806,275</u>	<u>\$ (151,875)</u>	<u>\$ -</u>	<u>\$ 3,654,400</u>

Component Unit

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
Component Unit (DDA)				
Capital assets not being depreciated				
Construction in progress	\$ -	\$ 44,912	\$ -	\$ 44,912
Capital assets being depreciated				
Downtown improvements	703,381	-	-	703,381
City Hall building	2,601,000	-	-	2,601,000
Subtotal	3,304,381	-	-	3,304,381
Less accumulated depreciation for:				
Downtown improvements	(459,921)	(30,701)	-	(490,622)
City Hall building	(2,210,850)	(130,050)	-	(2,340,900)
Subtotal	(2,670,771)	(160,751)	-	(2,831,522)
Net capital assets being depreciated	633,610	(160,751)	-	472,859
Capital assets, net	<u>\$ 633,610</u>	<u>\$ (115,839)</u>	<u>\$ -</u>	<u>\$ 517,771</u>

**CITY OF PORTLAND
NOTES TO FINANCIAL STATEMENTS**

NOTE 7 - LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations (including current portion) of the City for the year ended June 30, 2021.

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021	Due Within One Year
Primary Government					
Governmental Activities					
Direct borrowings and direct placements					
2016 Ambulance contract payable	\$ 99,218	\$ -	\$ (23,794)	\$ 75,424	\$ 24,455
2016 Snow Plow contract payable	61,384	-	(30,286)	31,098	31,098
2016 Heart Monitors/Defibrillators contract payable	19,087	-	(19,087)	-	-
2020 Street Sweeper contract payable	-	224,400	(30,519)	193,881	30,489
2020 Heart Monitors contract payable	-	99,468	-	99,468	19,894
2021 Mailer contract payable	-	16,750	(523)	16,227	3,636
Other long-term obligations					
2017 G.O. Limited Tax Bonds	490,000	-	(490,000)	-	-
Compensated absences	59,399	101,278	(99,313)	61,364	61,364
Total governmental activities	729,088	441,896	(693,522)	477,462	170,936
Business-type Activities					
Other long-term obligations					
2020 Refunding Bonds - Electric	1,105,000	-	(80,000)	1,025,000	75,000
2004 Water System Bonds	394,872	-	(75,000)	319,872	80,000
2011 Sanitary Sewer System Bonds	725,000	-	(15,000)	710,000	15,000
2010 Sanitary Sewer System Bonds	2,500,000	-	(51,000)	2,449,000	52,000
Compensated absences	43,479	57,075	(59,361)	41,193	41,193
Total business-type activities	4,768,351	57,075	(280,361)	4,545,065	263,193
Total Long-term Obligations	\$ 5,497,439	\$ 498,971	\$ (973,883)	\$ 5,022,527	\$ 434,129

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

Primary Government - Direct Borrowings and Direct Placements

Installment Purchase Agreements

\$166,806 Installment Purchase Agreement dated July 1, 2016, due in annual installments ranging from \$23,794 to \$25,834 through July 1, 2023, with interest at 2.78%, payable annually. The purchase agreement is secured by the real property purchased.

\$ 75,424

\$147,582 Installment Purchase Agreement dated November 7, 2016, due in annual installments ranging from \$30,286 to \$31,098 through November 7, 2021, with interest at 2.68%, payable annually. The purchase agreement is secured by the real property purchased.

31,098

**CITY OF PORTLAND
NOTES TO FINANCIAL STATEMENTS**

NOTE 7 - LONG-TERM OBLIGATIONS (continued)

Primary Government - Other Long-term Obligations (continued)

Installment Purchase Agreements (continued)

\$224,400 Installment Purchase Agreement dated July 10, 2020, due in annual installments ranging from \$30,489 to \$34,194 through June 1, 2027, with interest at 2.32%, payable annually. The purchase agreement is secured by the real property purchased.	\$ 193,881
\$99,468 Installment Purchase Agreement dated August 6, 2020, due in annual installments of \$19,894 through October 9, 2025, with interest at 0.00%, payable annually. The purchase agreement is secured by the real property purchased.	99,468
\$16,750 Installment Purchase Agreement dated April 20, 2021, due in monthly installments of \$429 through April 30, 2025, with interest at 10.34%, payable monthly. The purchase agreement is secured by the real property purchased.	<u>16,227</u>
	<u>\$ 416,098</u>

2020 General Obligation Limited Tax Refunding Bonds

\$1,105,000 General Obligation Refunding Bonds dated May 4, 2020, due in annual installments ranging from \$75,000 to \$100,000 through April 1, 2033, with interest ranging of 2.35%, payable semi-annually.	<u>\$ 1,025,000</u>
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2004 Water System Bonds

\$1,344,872 Water System Bonds dated September 25, 2003, due in annual installments ranging from \$74,872 to \$85,000 through October 1, 2024, with interest of 2.50%, payable semi-annually.	<u>\$ 319,872</u>
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2010 Sanitary Sewer System Revenue Bonds

\$840,000 Sewer System Revenue Bonds dated March 9, 2011, due in annual installments ranging from \$15,000 to \$36,000 through December 1, 2050, with interest of 3.00%, payable semi-annually.	<u>\$ 710,000</u>
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2011 Sanitary Sewer System Revenue Bonds

\$2,900,000 Sewer System Revenue Bonds dated December 29, 2010, due in annual installments ranging from \$52,000 to \$121,000 through December 1, 2050, with interest of 3.00%, payable semi-annually.	<u>\$ 2,449,000</u>
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**CITY OF PORTLAND
NOTES TO FINANCIAL STATEMENTS**

NOTE 7 - LONG-TERM OBLIGATIONS (continued)

Advance Refunding - Prior

On May 4, 2020 the City defeased the 2008 Capital Improvement Bonds - Electric debt, which were due and payable April 1, 2021 through April 1, 2033. This was accomplished by establishing an irrevocable trust with an escrow agent composed of cash and U.S. government securities sufficient to meet the applicable principal and interest obligations. The City issued the 2020 Refunding Bonds in the amount of \$1,105,000. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the County's financial statements. At December 31, 2020, bonds due and payable April 1, 2022 through April 1, 2033, for the 2008 Capital Improvement Bonds - Electric debt in the amount of \$1,000,000 are considered defeased.

Compensated Absences

Individual employees have vested rights upon termination of employment to receive payments for unused vacation. The dollar amounts of these vested rights including related payroll taxes, which have been accrued on the government-wide financial statements. The total liability amounted to approximately \$102,557 at June 30, 2021. Of this amount, \$61,364 and \$41,193 are shown as compensated absences liabilities in the governmental and business-type activities financial statements, respectively, in accordance with criteria disclosed in Note 1.

The annual requirements to pay the debt principal and interest outstanding for the long-term debt are as follows:

Year Ending June 30,	Governmental Activities		Business-type Activities	
	Direct Borrowings and Direct Placements		Other Long-term Obligations	
	Equipment Purchase Agreements		Water System Bonds	
	Principal	Interest	Principal	Interest
2022	\$ 109,572	\$ 8,938	\$ 80,000	\$ 6,997
2023	80,257	6,323	80,000	4,997
2024	82,117	4,463	85,000	2,934
2025	56,647	2,522	74,872	936
2026	53,311	1,569	-	-
2027-2031	34,194	793	-	-
	<u>\$ 416,098</u>	<u>\$ 24,608</u>	<u>\$ 319,872</u>	<u>\$ 15,864</u>
Year Ending June 30,	Business-type Activities		Business-type Activities	
	Other Long-term Obligations		Other Long-term Obligations	
	2020 Refunding Bonds		Sanitary Sewer System Bonds	
	Principal	Interest	Principal	Interest
2022	\$ 75,000	\$ 24,088	\$ 67,000	\$ 93,765
2023	80,000	22,325	69,000	91,725
2024	75,000	20,445	71,000	89,625
2025	80,000	18,683	73,000	87,465
2026	85,000	16,803	75,000	85,245
2027-2031	435,000	53,933	410,000	390,630
2032-2036	195,000	3,466	477,000	324,135
2037-2041	-	-	548,000	247,470
2042-2046	-	-	637,000	158,625
2047-2051	-	-	732,000	56,250
	<u>\$ 1,025,000</u>	<u>\$ 159,743</u>	<u>\$ 3,159,000</u>	<u>\$ 1,624,935</u>

**CITY OF PORTLAND
NOTES TO FINANCIAL STATEMENTS**

NOTE 8 - RETIREMENT PLANS

Defined Benefit Plan

Plan Description

The employer's defined benefit pension plan provides certain retirement, disability, and death benefits to plan members and beneficiaries. The employer 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.

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 these purposes, 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

Benefits provided include plans with multipliers ranging from 1.00% to 2.50%.

Vesting periods range from 6 to 10 years.

Normal retirement age is 60. Reduced early retirement is available at 55 with 15 years of service, and unreduced early retirement is available at 50 with 25 years of service for applicable divisions.

Final average compensation is calculated based on three to five years. Member contributions are 3.00%.

At the December 31, 2020, valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries receiving benefits	41
Inactive employees or beneficiaries entitled to but not yet receiving benefits	16
Active employees	<u>27</u>
	<u><u>84</u></u>

Contributions

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 cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer may establish contribution rates to be paid by its covered employees.

Employer contributions range from 4.62% to 4.77% based on annual payroll for open divisions.

**CITY OF PORTLAND
NOTES TO FINANCIAL STATEMENTS**

NOTE 8 - RETIREMENT PLANS (continued)

Net Pension Liability

The employer's net pension liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an annual actuarial valuation as of that date.

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: 2.50%

Salary increases: 3.00% in the long-term plus a percentage based on age related scale to reflect merit, longevity, and promotional pay increases.

Investment rate of return: 7.35%, net of investment expenses, including inflation.

Although no specific price inflation assumptions are needed for the valuation, the 3.00% long-term wage inflation assumption would be consistent with a price inflation of 2.50%.

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

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

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Expected Money-Weighted Rate of Return
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			<u>2.50%</u>
Assumed investment rate of return			7.35%
Administrative expense netted above			<u>0.25%</u>
Investment rate of return			<u><u>7.60%</u></u>

**CITY OF PORTLAND
NOTES TO FINANCIAL STATEMENTS**

NOTE 8 - RETIREMENT PLANS (continued)

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. 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.

Changes in Net Pension Liability

Calculating the Net Pension Liability			
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at December 31, 2019	\$ 14,825,485	\$ 9,192,719	\$ 5,632,766
Changes for the year			
Service Cost	143,073	-	143,073
Interest on total pension liability	1,098,267	-	1,098,267
Changes in benefits	-	-	-
Difference between expected and actual experience	(216,932)	-	(216,932)
Changes in assumptions	422,387	-	422,387
Employer contributions	-	567,238	(567,238)
Employee contributions	-	36,451	(36,451)
Net investment income	-	1,160,296	(1,160,296)
Benefit payments, including employee refunds	(892,299)	(892,299)	-
Administrative expense	-	(18,373)	18,373
Other changes	-	-	-
Net changes	554,496	853,313	(298,817)
Balances at December 31, 2020	\$ 15,379,981	\$ 10,046,032	\$ 5,333,949

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 7.60%, as well as what the employer'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.

	1% Decrease	Current Discount Rate	1% Increase
Net pension liability	\$ 7,136,195	\$ 5,333,949	\$ 3,825,549

**CITY OF PORTLAND
NOTES TO FINANCIAL STATEMENTS**

NOTE 8 - RETIREMENT PLANS (continued)

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

For the year ended June 30, 2021, the employer recognized pension expenses of \$466,075. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 327	\$ 277,796
Changes in assumptions	513,423	-
Net difference between projected and actual earnings on pension plan investments	-	322,837
Contributions subsequent to the measurement date*	<u>307,421</u>	<u>-</u>
Total	<u>\$ 821,171</u>	<u>\$ 600,633</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.

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

<u>Year Ending June 30,</u>	<u>Pension Expense</u>
2022	\$ 54,907
2023	141,326
2024	(188,454)
2025	(94,662)

Defined Benefit/Defined Contribution (Hybrid) Plan Description

The City participates in the Michigan Municipal Employees Retirement System, an agent multiple-employer defined benefit/defined contribution (hybrid) pension plan that covers all eligible full-time employees of the City hired after July 1, 2010. This plan consists of a defined benefit and a defined contribution portion. In a defined benefit plan, an employer/sponsor promises a specified monthly benefit on retirement that is predetermined by a formula based on the employee's earnings history, tenure of service and age, rather than depending directly on individual investment returns. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings.

**CITY OF PORTLAND
NOTES TO FINANCIAL STATEMENTS**

NOTE 8 - RETIREMENT PLANS (continued)

Defined Benefit/Defined Contribution (Hybrid) Plan Description (continued)

As established by the City Council, the City contributes 7% of the eligible employee wages. Of this 7%, a range of 4.62%-4.77%% is allocated to the defined benefit portion and a range of 2.23%-2.38% is allocated to the defined contribution portion of the plan. Employees contribute 3% of their wages to the defined contribution portion of the plan.

For the year ended June 30, 2021, the City contributed \$47,131 for the defined benefit portion and \$23,001 for the defined contribution portion and the employees contributed \$30,173 to the defined contribution part of the plan.

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS PLANS

Defined Benefits Plan

Plan Description

The City of Portland Retiree Healthcare Plan (the "Plan") is a single-employer defined benefit healthcare plan administered by the City of Portland. The Plan was established and is being funded under the authority of the City and under agreements with the unions representing various classes of employees. The Plan can be amended at the discretion of the City. The Plan does not issue separate stand-alone financial statements.

Benefits Provided

The Plan provides retirees age 55 with 10 years of service hired prior to July 1, 2013 with medical and prescription drug coverage in accordance with union agreements and/or personnel policies. 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.

Summary of Plan Participants

At the June 30, 2021 valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries receiving benefits	3
Active employees	<u>13</u>
	<u><u>16</u></u>

Contributions

The City has no obligations to make contributions in advance of when the premiums are due for payments (i.e., may be financed on a "pay-as-you-go" basis). The City is currently only paying premiums of retirees from current, available financial resources. For the year ended June 30, 2021, the City's only contribution was 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.

**CITY OF PORTLAND
NOTES TO FINANCIAL STATEMENTS**

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS PLANS (continued)

Actuarial Assumptions

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

Discount Rate	2.18%
Healthcare Cost Trend Rates:	
Current Year Trend	7.50%
Ultimate Trend	4.50%
Year Ultimate Trend is Reached	2034
Salary Increases	3.00%

The discount rate was based on the S&P Municipal Bond 20-Year High Grade Rate Index as of the measurement date.

The mortality assumption is a 50% Male - 50% Female blend of the following tables:

1. RP-2014 Healthy Annuitant Mortality Tables, with rates multiplied by 105%
2. RP-2014 Employee Mortality Tables
3. RP-2014 Juvenile Mortality Tables

The mortality assumptions include a 10% margin for future mortality improvements, relative to the actual mortality experience seen in the 2014-2018 Experience Study.

Change in Total OPEB Liability

The change in the total 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	\$ 1,070,149	\$ -	\$ 1,070,149
Changes for the year			
Service cost	47,183	-	47,183
Interest on total OPEB liability	28,836	-	28,836
Difference between expected and actual experience	(89,930)	-	(89,930)
Changes in assumptions	(22,870)	-	(22,870)
Employer contributions	-	19,373	(19,373)
Benefit payments, including employee refunds	(19,373)	(19,373)	-
Net changes	(56,154)	-	(56,154)
Balances at June 30, 2021	\$ 1,013,995	\$ -	\$ 1,013,995

**CITY OF PORTLAND
NOTES TO FINANCIAL STATEMENTS**

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS PLANS (continued)

Summary of Significant Accounting Policies

For purposes of measuring the net other post-employment benefits (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expenses, information about the fiduciary net position of the Plan and additions to/deductions from the City's fiduciary net position have been determined on the same basis as they are reported for the City. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments, if there were any, would be reported at fair value. At June 30, 2021, the City had no fiduciary plan assets so net position at June 30, 2021, was \$0.

Sensitivity of the OPEB Liability to Changes in the Discount Rate

The following presents the OPEB liability of the City, as well as what the City's OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.18%) or 1-percentage-point higher (3.18%) than the current discount rate:

	1% Decrease	Current Discount Rate	1% Increase
Net OPEB liability	\$ 1,108,427	\$ 1,013,995	\$ 927,069

Sensitivity of the OPEB liability to Changes in Healthcare Cost Trend Rates

The following presents the OPEB liability of the City, as well as what the City's OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.50% trending to 3.50%) or 1-percentage-point higher (8.50% trending to 7.50%) than the current healthcare cost rates:

	1% Decrease	Current Discount Rate	1% Increase
Net OPEB liability	\$ 905,939	\$ 1,013,995	\$ 1,139,579

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 OPEB expense of \$40,093. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 490,125	\$ -
Changes in assumptions	26,764	160,065
Net difference between projected and actual earnings on pension plan investments	-	-
Total	\$ 516,889	\$ 160,065

**CITY OF PORTLAND
NOTES TO FINANCIAL STATEMENTS**

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS PLANS (continued)

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

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

Year Ended June 30,	OPEB Expense
2022	\$ (35,926)
2023	(35,926)
2024	(35,926)
2025	(35,926)
2026	(35,926)
Thereafter	(177,194)

Defined Contribution Plan Description

The City participates in the Michigan Municipal Employees Retirement System Health Care Savings Plan (HCSP), an agent multiple-employer defined contribution OPEB plan that covers all eligible full-time employees of the City hired after July 1, 2013. As established by City Council, the City contributes 1 percent of eligible employee wages for the police department. For the year ended June 30, 2021, the City contributed \$2,609. For all other employees, the City does not contribute. Participating employees contribute 3% of their wages to the plan. For the year ended June 30, 2021, employees contributed \$33,256.

In addition, police department employees hired prior to July 1, 2013 contribute 0.25% of wages to the HCSP. Employees in this group also are required to contribute up to 48 hours of wages per year if the individual employee's unused sick leave time exceeds the 320-hour maximum agreed upon.

NOTE 10 - DEFERRED COMPENSATION PLANS

The City of Portland offers its employees a deferred compensation plan sponsored by the ICMA Retirement Corporation or MERS, which are both compensation plans created in accordance with IRC Section #457. The plan, available to all City employees, permits them to defer a portion of their current salary until future years. The deferred compensation is not available to the employees until termination, retirement, death, or unforeseeable emergency. The City's deferred compensation programs are administered by the ICMA Retirement Corporation and MERS.

NOTE 11 - RISK MANAGEMENT

The City 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 PORTLAND
NOTES TO FINANCIAL STATEMENTS**

NOTE 11 - RISK MANAGEMENT (continued)

The City also participates in a State pool, the Michigan Municipal League Liability and Property Pool, with other municipalities for property, liability, auto, crime, bonding, and casualty losses. The pool is organized under Public Act 138 of 1982, as amended. State pool members' limits of coverage are detailed in their policy agreements with the authority. 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.

NOTE 12 - 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		
Permits	\$	<u>67,165</u>
 Expenditures		
Salaries and wages		6,519
Fringe benefits		6,612
Contractual services		11,211
Supplies		544
Vehicle rental		-
Other		<u>228</u>
 TOTAL EXPENDITURES		<u>25,114</u>
 EXCESS OF REVENUES OVER EXPENDITURES		42,051
 Code Enforcement (Deficit) at June 30, 2020		<u>(1,001,233)</u>
 Code Enforcement (Deficit) at June 30, 2021	\$	<u><u>(959,182)</u></u>

NOTE 13 - CHANGE IN ACCOUNTING PRINCIPLE

GASB Statement No. 84, *Fiduciary Activities*, establishes specific criteria for identifying activities that should be reported as fiduciary activities. The focus on the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. The City has one fund that meet the criteria, tax collection fund.

**CITY OF PORTLAND
NOTES TO FINANCIAL STATEMENTS**

NOTE 14 - 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	
Other Purposes	
Streets	\$ 562,254
Leik Grove property - Public Works	8,318
Cemetery Perpetual Care, nonexpendable	<u>190,818</u>
	<u>\$ 761,390</u>
Business-type Activities	
Restricted for utilities	
Electric Light and Power	\$ 453,086
Sewage Disposal System	<u>142,268</u>
	<u>\$ 595,354</u>
Restricted for debt service	
Electric Light and Power	\$ 137,424
Sewage Disposal System	<u>162,000</u>
	<u>\$ 299,424</u>
Restricted for equipment replacement	
Sewage Disposal System	<u>\$ 191,338</u>

Section 12.9 of the City Charter created an electric utility reserve fund for the purpose of accumulating and holding such money which, in addition to insurance carried by the City, may be deemed by the Board of Light and Power to be prudently necessary for the protection, improvement, replacement, and extension of the City electric public utility plants and facilities.

Monies expended from the utility reserve fund must be replaced from the revenues of the City electric utility, and the amount in the fund must total the sum required by the charter (i.e., 10% of the undepreciated original cost of the electric utility of the City) before any electric utility revenues can be appropriated for other capital expenditures of the City.

CITY OF PORTLAND
NOTES TO FINANCIAL STATEMENTS

NOTE 15 - UPCOMING ACCOUNTING PRONOUNCEMENTS

In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this Statement is to increase the usefulness of governments' 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 the underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The City is current evaluating the impact this standard will have on the financial statements when adopted during the 2021-2022 fiscal year.

In May 2020, GASB issued Statement No. 96, *Subscription-based Information Technology Arrangements*. This 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 current evaluating the impact this standard will have on the financial statements when adopted during the 2022-2023 fiscal year.

NOTE 16 - SUBSEQUENT EVENTS

The American Rescue Plan (ARP) Act was signed into law on March 11, 2021, and it guaranteed financial relief to local municipalities. The City is scheduled to receive ARP funding as a nonentitlement unit. Funding will be released by the U.S. Department of Treasury, and subsequently by the Michigan Department of Treasury, in two tranches. Half of the funding the City may apply to receive became available after July 2021, and the second half of the funding will be released under the second tranche one year after the disbursement of the first tranche. The City will have until 2024 to obligate the federal funds received and until 2026 to spend the funds on allowable expenditures.

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF PORTLAND
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes				
Property taxes	\$ 1,082,567	\$ 1,082,567	\$ 1,089,557	\$ 6,990
Penalties and interest	3,500	3,500	5,355	1,855
Tax collection	45,000	45,000	45,515	515
Total taxes	1,131,067	1,131,067	1,140,427	9,360
Licenses and permits				
Cable television license	24,000	21,500	19,564	(1,936)
City licenses and permits	55,600	75,600	67,695	(7,905)
Total licenses and permits	79,600	97,100	87,259	(9,841)
Intergovernmental				
State				
Grants	-	125,734	125,734	-
Sales tax	469,596	428,439	451,292	22,853
Local community stabilization	2,000	3,000	3,082	82
Act 302 training funds	600	600	669	69
State liquor license	3,800	3,800	3,722	(78)
Total intergovernmental	475,996	561,573	584,499	22,926
Charges for services				
Cemetery fees and lot sales	29,860	35,600	37,628	2,028
Administrative charges	329,026	329,026	329,026	-
Other fees	2,800	2,800	647	(2,153)
Total charges for services	361,686	367,426	367,301	(125)
Fines and forfeits				
Parking	2,800	4,000	4,360	360
District court	9,500	8,500	8,871	371
Other	2,000	1,000	1,386	386
Total fines and forfeits	14,300	13,500	14,617	1,117
Interest and rents				
Rent	6,220	7,050	8,017	967
Other				
Donations	-	-	10,083	10,083
Reimbursements	59,000	40,700	41,437	737
Total other	59,000	40,700	51,520	10,820
TOTAL REVENUES	2,127,869	2,218,416	2,253,640	35,224

**CITY OF PORTLAND
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
EXPENDITURES				
Current				
General government				
Council, boards, and commissions	\$ 5,510	\$ 5,510	\$ 4,019	\$ 1,491
Community promotions	98,179	132,529	128,494	4,035
City manager	174,021	175,830	173,560	2,270
Assessing services	57,097	59,097	48,887	10,210
Elections	7,360	7,520	5,954	1,566
City hall and grounds	68,399	81,099	70,603	10,496
General administrative	401,658	432,079	409,701	22,378
Total general government	<u>812,224</u>	<u>893,664</u>	<u>841,218</u>	<u>52,446</u>
Public safety				
Police department	751,602	766,986	642,075	124,911
Fire authority	121,019	121,019	122,779	(1,760)
Code enforcement	47,337	47,337	25,114	22,223
Total public safety	<u>919,958</u>	<u>935,342</u>	<u>789,968</u>	<u>145,374</u>
Public works				
Street lighting	61,200	61,200	51,239	9,961
Cemetery operations	164,135	164,385	154,796	9,589
Total public works	<u>225,335</u>	<u>225,585</u>	<u>206,035</u>	<u>19,550</u>
Health and welfare				
Ambulance service	50,479	50,479	50,478	1
Community and economic development				
Economic development	30,000	31,500	14,825	16,675
Recreation and culture				
Parks department	154,103	211,642	194,925	16,717
Capital outlay	30,000	30,000	20,928	9,072
TOTAL EXPENDITURES	<u>2,222,099</u>	<u>2,378,212</u>	<u>2,118,377</u>	<u>259,835</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(94,230)	(159,796)	135,263	295,059

**CITY OF PORTLAND
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	\$ -	\$ -	\$ 2,000	\$ 2,000
Lease proceeds	-	-	16,750	16,750
Transfers in	114,230	113,860	113,831	(29)
Transfers out	<u>(20,000)</u>	<u>(74,398)</u>	<u>(66,398)</u>	<u>8,000</u>
 TOTAL OTHER FINANCING SOURCES (USES)	 <u>94,230</u>	 <u>39,462</u>	 <u>66,183</u>	 <u>26,721</u>
 NET CHANGE IN FUND BALANCE	 -	 (120,334)	 201,446	 321,780
 Fund balance, beginning of year	 <u>1,710,451</u>	 <u>1,710,451</u>	 <u>1,710,451</u>	 <u>-</u>
Fund balance, end of year	<u>\$ 1,710,451</u>	<u>\$ 1,590,117</u>	<u>\$ 1,911,897</u>	<u>\$ 321,780</u>

**CITY OF PORTLAND
CITY INCOME TAX FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2021**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Taxes	\$ 707,600	\$ 740,300	\$ 959,847	\$ 219,547
Fines and forfeits	11,500	15,000	27,669	12,669
Interest	5,000	5,000	2,126	(2,874)
Other	-	-	434	434
TOTAL REVENUES	<u>724,100</u>	<u>760,300</u>	<u>990,076</u>	<u>229,776</u>
EXPENDITURES				
Current				
General government	225,823	255,019	245,833	9,186
Debt service	498,869	498,869	498,869	-
TOTAL EXPENDITURES	<u>724,692</u>	<u>753,888</u>	<u>744,702</u>	<u>9,186</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(592)	6,412	245,374	238,962
OTHER FINANCING (USES)				
Transfers out	(560,000)	(734,800)	(542,779)	192,021
NET CHANGE IN FUND BALANCE	(560,592)	(728,388)	(297,405)	430,983
Fund balance, beginning of year	<u>1,036,319</u>	<u>1,036,319</u>	<u>1,036,319</u>	<u>-</u>
Fund balance, end of year	<u>\$ 475,727</u>	<u>\$ 307,931</u>	<u>\$ 738,914</u>	<u>\$ 430,983</u>

**CITY OF PORTLAND
MAJOR STREET FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>Actual</u>
REVENUES				
Intergovernmental	\$ 421,323	\$ 421,323	\$ 455,858	\$ 34,535
Other	-	-	2,288	2,288
TOTAL REVENUES	<u>421,323</u>	<u>421,323</u>	<u>458,146</u>	<u>36,823</u>
EXPENDITURES				
Current				
Public works	<u>957,317</u>	<u>1,102,480</u>	<u>813,366</u>	<u>289,114</u>
EXCESS OF REVENUES (UNDER) EXPENDITURES	(535,994)	(681,157)	(355,220)	325,937
OTHER FINANCING SOURCES				
Transfers in	<u>455,000</u>	<u>557,800</u>	<u>353,923</u>	<u>(203,877)</u>
NET CHANGE IN FUND BALANCE	(80,994)	(123,357)	(1,297)	122,060
Fund balance, beginning of year	<u>378,286</u>	<u>378,286</u>	<u>378,286</u>	<u>-</u>
Fund balance, end of year	<u>\$ 297,292</u>	<u>\$ 254,929</u>	<u>\$ 376,989</u>	<u>\$ 122,060</u>

**CITY OF PORTLAND
LOCAL STREET FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2021**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Taxes	\$ 99,000	\$ 99,000	\$ 155,650	\$ 56,650
Intergovernmental	138,408	138,408	146,273	7,865
Other	-	-	1,031	1,031
TOTAL REVENUES	<u>237,408</u>	<u>237,408</u>	<u>302,954</u>	<u>65,546</u>
EXPENDITURES				
Current				
Public works	<u>459,871</u>	<u>619,715</u>	<u>570,449</u>	<u>49,266</u>
EXCESS OF REVENUES (UNDER) EXPENDITURES	(222,463)	(382,307)	(267,495)	114,812
OTHER FINANCING SOURCES				
Transfers in	<u>155,000</u>	<u>227,000</u>	<u>188,856</u>	<u>(38,144)</u>
NET CHANGE IN FUND BALANCE	(67,463)	(155,307)	(78,639)	76,668
Fund balance, beginning of year	<u>267,070</u>	<u>267,070</u>	<u>267,070</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 199,607</u></u>	<u><u>\$ 111,763</u></u>	<u><u>\$ 188,431</u></u>	<u><u>\$ 76,668</u></u>

**CITY OF PORTLAND
AMBULANCE FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2021**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Intergovernmental	\$ -	\$ 10,600	\$ 10,600	\$ -
Charges for services	626,866	626,866	719,816	92,950
Other	-	3,339	5,687	2,348
TOTAL REVENUES	<u>626,866</u>	<u>640,805</u>	<u>736,103</u>	<u>95,298</u>
EXPENDITURES				
Current				
Health and welfare	<u>599,992</u>	<u>613,816</u>	<u>660,344</u>	<u>(46,528)</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>26,874</u>	<u>26,989</u>	<u>75,759</u>	<u>48,770</u>
OTHER FINANCING SOURCES (USES)				
Lease proceeds	-	-	99,468	99,468
Transfers in	-	22,398	22,398	-
Transfers out	<u>(26,552)</u>	<u>(26,552)</u>	<u>(26,552)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(26,552)</u>	<u>(4,154)</u>	<u>95,314</u>	<u>99,468</u>
NET CHANGE IN FUND BALANCE	322	22,835	171,073	148,238
Fund balance, beginning of year	<u>6,476</u>	<u>6,476</u>	<u>6,476</u>	<u>-</u>
Fund balance, end of year	<u>\$ 6,798</u>	<u>\$ 29,311</u>	<u>\$ 177,549</u>	<u>\$ 148,238</u>

**CITY OF PORTLAND
DEFINED BENEFIT PENSION PLAN
SCHEDULE OF CHANGES IN THE CITY'S
NET PENSION LIABILITY AND RELATED RATIOS
LAST SEVEN MEASUREMENT DATES
(ULTIMATELY TEN MEASUREMENT DATES WILL BE DISPLAYED)
(AMOUNTS WERE DETERMINED AS OF 12/31 OF EACH FISCAL YEAR)**

	2014	2015	2016	2017	2018	2019	2020
Total Pension Liability							
Service cost	\$ 195,518	\$ 191,696	\$ 184,007	\$ 176,437	\$ 185,869	\$ 179,089	\$ 143,073
Interest	996,910	1,014,053	1,042,491	1,069,900	1,079,521	1,110,014	1,098,267
Changes of benefit terms	-	-	(5,276)	(6,729)	(5,079)	-	-
Difference between expected and actual experience	-	(412,990)	(107,437)	(292,292)	1,314	(266,349)	(216,932)
Changes of assumptions	-	650,689	-	-	-	463,664	422,387
Benefit payments including employee refunds	(668,323)	(667,741)	(732,278)	(802,498)	(861,043)	(893,118)	(892,299)
Administrative expense	(23,983)	(1)	-	-	-	-	-
Other changes	-	-	1	(2)	1	1	-
Net Change in Total Pension Liability	500,122	775,706	381,508	144,816	400,583	593,301	554,496
Total Pension Liability, beginning	12,029,449	12,529,571	13,305,277	13,686,785	13,831,601	14,232,184	14,825,485
Total Pension Liability, ending	<u>\$ 12,529,571</u>	<u>\$ 13,305,277</u>	<u>\$ 13,686,785</u>	<u>\$ 13,831,601</u>	<u>\$ 14,232,184</u>	<u>\$ 14,825,485</u>	<u>\$ 15,379,981</u>
Plan Fiduciary Net Position							
Contributions-employer	\$ 434,906	\$ 548,464	\$ 480,164	\$ 521,381	\$ 540,938	\$ 535,426	\$ 567,238
Contributions-employee	-	-	7,880	20,842	34,684	38,610	36,451
Net Investment income	481,656	(117,021)	861,635	1,082,559	(347,651)	1,127,693	1,160,296
Benefit payments including employee refunds	(668,323)	(667,741)	(732,278)	(802,498)	(861,043)	(893,118)	(892,299)
Administrative expense	(17,676)	(17,201)	(17,018)	(17,152)	(17,388)	(19,429)	(18,373)
Other changes	-	-	1	-	1	1	-
Net Change in Plan Fiduciary Net Position	230,563	(253,499)	600,384	805,132	(650,459)	789,183	853,313
Plan Fiduciary Net Position, beginning	7,671,415	7,901,978	7,648,479	8,248,863	9,053,995	8,403,536	9,192,719
Plan Fiduciary Net Position, ending	<u>\$ 7,901,978</u>	<u>\$ 7,648,479</u>	<u>\$ 8,248,863</u>	<u>\$ 9,053,995</u>	<u>\$ 8,403,536</u>	<u>\$ 9,192,719</u>	<u>\$ 10,046,032</u>
Employer Net Pension Liability	<u>\$ 4,627,593</u>	<u>\$ 5,656,798</u>	<u>\$ 5,437,922</u>	<u>\$ 4,777,606</u>	<u>\$ 5,828,648</u>	<u>\$ 5,632,766</u>	<u>\$ 5,333,949</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	63%	57%	60%	65%	59%	62%	65%
Covered Employee Payroll	\$ 2,011,873	\$ 2,002,154	\$ 1,964,499	\$ 1,968,154	\$ 2,119,458	\$ 2,090,582	\$ 1,799,468
Employer's Net Pension Liability as a percentage of covered employee payroll	230%	283%	277%	243%	275%	269%	296%

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Actuarial determined contributions	\$ 447,139	\$ 447,697	\$ 512,810	\$ 532,687	\$ 544,766	\$ 526,780	\$ 611,971
Contributions in relation to the actuarially determined contribution	<u>447,139</u>	<u>447,697</u>	<u>512,810</u>	<u>532,687</u>	<u>544,766</u>	<u>526,780</u>	<u>611,971</u>
Contribution deficiency (excess)	<u>\$ -</u>						
Covered employee payroll	\$ 2,132,656	\$ 2,171,832	\$ 2,218,598	\$ 2,058,415	\$ 2,136,352	\$ 2,388,980	\$ 2,073,423
Contributions as a percentage of covered employee payroll	21%	21%	23%	26%	25%	22%	30%

CITY OF PORTLAND
RETIRED EMPLOYEES' HEALTH CARE BENEFITS
SCHEDULE OF CHANGES IN THE CITY'S NET OPEB LIABILITY AND RELATED RATIOS
LAST FOUR MEASUREMENT DATES (ULTIMATELY TEN FISCAL YEARS WILL BE DISPLAYED)
(AMOUNTS WERE DETERMINED AS OF 6/30 OF EACH FISCAL YEAR)

	2018	2019	2020	2021
Total OPEB Liability				
Service cost	\$ 68,758	\$ 45,128	\$ 39,990	\$ 47,183
Interest	33,145	32,943	32,300	28,836
Difference between expected and actual experience	(381,164)	(180,034)	-	(89,930)
Changes in assumptions	143,037	(7,663)	70,510	(22,870)
Benefit payments including employee refunds	<u>(55,913)</u>	<u>(35,346)</u>	<u>(28,583)</u>	<u>(19,373)</u>
Net Change in Total OPEB Liability	(192,137)	(144,972)	114,217	(56,154)
Total OPEB Liability - beginning	<u>1,293,041</u>	<u>1,100,904</u>	<u>955,932</u>	<u>1,070,149</u>
Total OPEB Liability - ending	<u><u>\$ 1,100,904</u></u>	<u><u>\$ 955,932</u></u>	<u><u>\$ 1,070,149</u></u>	<u><u>\$ 1,013,995</u></u>
Plan Fiduciary Net Position				
Contributions-employer	\$ 55,913	\$ 35,346	\$ 28,583	\$ 19,373
Contributions-employee	-	-	6,258	-
Benefit payments including employee refunds	<u>(55,913)</u>	<u>(35,346)</u>	<u>(34,841)</u>	<u>(19,373)</u>
Net Change in Plan Fiduciary Net Position	-	-	-	-
Plan Fiduciary Net Position - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan Fiduciary Net Position - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Employer Net OPEB Liability	<u><u>\$ 1,100,904</u></u>	<u><u>\$ 955,932</u></u>	<u><u>\$ 1,070,149</u></u>	<u><u>\$ 1,013,995</u></u>
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	0%	0%	0%	0%
Covered Employee Payroll	\$ 1,120,572	\$ 916,624	\$ 1,157,807	\$ 854,037
Employer's Net OPEB Liability as a percentage of covered employee payroll	98%	104%	92%	119%

**CITY OF PORTLAND
 RETIRED EMPLOYEES' HEALTH CARE BENEFITS
 SCHEDULE OF EMPLOYER OPEB CONTRIBUTIONS
 LAST FOUR FISCAL YEARS (ULTIMATELY TEN FISCAL YEARS WILL BE DISPLAYED)
 (AMOUNTS WERE DETERMINED AS OF 6/30 OF EACH FISCAL YEAR)**

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Actuarially determined contributions	\$ 119,762	\$ 27,955	\$ 71,158	\$ 73,827
Contributions in relation to the actuarially determined contribution	<u>55,913</u>	<u>61,748</u>	<u>28,583</u>	<u>19,373</u>
Contribution deficiency (excess)	<u>\$ 63,849</u>	<u>\$ (33,793)</u>	<u>\$ 42,575</u>	<u>\$ 54,454</u>
Covered Employee Payroll	\$ 1,120,572	\$ 916,624	\$ 1,157,807	\$ 854,037
Contributions as a percentage of covered employee payroll	5%	7%	2%	2%

Beginning Fiscal Year Ending 2020, the ADC is calculated in accordance with the requirements of Public Act 202 of 2017, namely Numbered Letter 2018-3. For Fiscal Years Ended 2018 and 2019, the ADC is calculated in accordance with the Employer's funding policy, substantive or otherwise. Prior to Fiscal Year Ending 2018, the ADC is equal to the Annual Required Contribution (ARC) as calculated under GASB No. 45.

CITY OF PORTLAND
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2021

NOTE 1 - EMPLOYEE PENSION PLAN

Changes of Benefits Terms: There were no changes of benefit terms during plan year 2021.

Changes in Assumptions: A 5-year experience study analyzing historical experience from 2013 through 2018 was completed in February 2020. In addition to changes to the economic assumptions which took effect with the fiscal year 2021 contribution rates, the experience study recommended updated demographic assumptions, including adjustments to the following actuarial assumptions: mortality, retirement, disability, and termination rates. Changes to the demographic assumptions resulting from the experience study have been approved by the MERS Retirement Board and are effective beginning with the December 31, 2020 actuarial valuation, first impacting 2022 contributions. A complete description of the assumptions may be found in the Appendix to the valuation.

Reduction in discount rate from 8.00% to 7.60%.

Reduction in the investment rate of return assumption from 7.75% to 7.60%.

Reduction in the rate of wage inflation from 3.75% to 3.00%.

NOTE 2 - OTHER POST-EMPLOYMENT BENEFITS PLANS

Changes of Benefits Terms: There were no changes of benefit terms during plan year 2021.

Changes in Assumptions: The Municipal Bond Rate decreased from 2.66% to 2.18%.

The Minimum Rate in accordance with the Uniform Assumptions Memo decreased from 3.50% to 2.20%.

The Discount Rate decreased from 2.66% to 2.18% for GASB 75 purposes and from 3.50% to 2.20% for PA 202 of 2017 purposes.

The Annual Wage Increases, Withdrawal Rates, and Retirement Rates were updated to coincide with the MERS experience analysis using 2014 - 2018 Plan Year data.

Trend rates were updated in accordance with the Uniform Assumptions Memo.

Annual Per Capita Claims Costs were updated to reflect current premiums.

**CITY OF PORTLAND
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2021**

NOTE 3 - EXCESS OF EXPENDITURES OVER APPROPRIATIONS

Michigan Public Act 621 of 1978, Sections 18 and 19, as amended, provides that a local government unit not incur expenditures in excess of amounts appropriated.

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			
Public safety			
Fire authority	\$ 121,019	\$ 122,779	\$ 1,760
Ambulance Fund			
Health and welfare	613,816	660,344	46,528

OTHER SUPPLEMENTARY INFORMATION

**CITY OF PORTLAND
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
YEAR ENDED JUNE 30, 2021**

	Special Revenue	Capital	Projects	Permanent	
	Recreation	Capital Projects	Wellhead Improvement	Cemetery Perpetual Care	Total
ASSETS					
Cash and cash equivalents	\$ 46,761	\$ 3,362	\$ -	\$ 190,818	\$ 240,941
Prepays	873	-	-	-	873
TOTAL ASSETS	\$ 47,634	\$ 3,362	\$ -	\$ 190,818	\$ 241,814
LIABILITIES					
Accounts payable	\$ 1,591	\$ -	\$ -	\$ -	\$ 1,591
Accrued liabilities	304	-	-	-	304
Due to other funds	10,000	-	-	-	10,000
TOTAL LIABILITIES	11,895	-	-	-	11,895
FUND BALANCES					
Nonspendable					
Prepays	873	-	-	-	873
Perpetual care	-	-	-	190,818	190,818
Restricted					
Streets	-	3,362	-	-	3,362
Assigned					
Recreation	34,866	-	-	-	34,866
TOTAL FUND BALANCES	35,739	3,362	-	190,818	229,919
TOTAL LIABILITIES AND FUND BALANCES	\$ 47,634	\$ 3,362	\$ -	\$ 190,818	\$ 241,814

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

	Special Revenue	Capital	Projects	Permanent	
	Recreation	Capital Projects	Wellhead Improvement	Cemetery Perpetual Care	Total
REVENUES					
Intergovernmental	\$ 5,000	\$ -	\$ 9,000	\$ -	\$ 14,000
Charges for services	24,690	-	-	3,170	27,860
Interest and rents	-	-	-	17	17
Other	3	-	-	-	3
TOTAL REVENUES	29,693	-	9,000	3,187	41,880
EXPENDITURES					
Current					
Recreation and culture	44,774	-	-	-	44,774
Capital outlay	-	-	9,500	-	9,500
TOTAL EXPENDITURES	44,774	-	9,500	-	54,274
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(15,081)	-	(500)	3,187	(12,394)
OTHER FINANCING SOURCES (USES)					
Transfers in	24,000	-	500	-	24,500
Transfers out	-	-	-	(21)	(21)
TOTAL OTHER FINANCING SOURCES (USES)	24,000	-	500	(21)	24,479
NET CHANGE IN FUND BALANCES	8,919	-	-	3,166	12,085
Fund balances, beginning of year	26,820	3,362	-	187,652	217,834
Fund balances, end of year	<u>\$ 35,739</u>	<u>\$ 3,362</u>	<u>\$ -</u>	<u>\$ 190,818</u>	<u>\$ 229,919</u>

**CITY OF PORTLAND
COMPONENT UNIT FUND
BALANCE SHEET - DOWNTOWN DEVELOPMENT AUTHORITY
JUNE 30, 2021**

ASSETS	
Cash	\$ 779,971
Accounts receivable	<u>90</u>
TOTAL ASSETS	<u><u>\$ 780,061</u></u>
LIABILITIES	
Accounts payable	\$ 28,478
Accrued liabilities	<u>2,636</u>
TOTAL LIABILITIES	31,114
FUND BALANCE	
Unassigned	<u>748,947</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 780,061</u></u>

**CITY OF PORTLAND
 COMPONENT UNIT FUND
 RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE
 STATEMENT OF NET POSITION - DOWNTOWN DEVELOPMENT AUTHORITY
 JUNE 30, 2021**

Total fund balance - governmental fund \$ 748,947

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.

The cost of capital assets is	\$ 3,349,293	
Accumulated depreciation is	<u>(2,831,522)</u>	
Capital assets, net		<u>517,771</u>
Net position of governmental activities		<u><u>\$ 1,266,718</u></u>

**CITY OF PORTLAND
 COMPONENT UNIT FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 DOWNTOWN DEVELOPMENT AUTHORITY
 YEAR ENDED JUNE 30, 2021**

REVENUES	
Taxes	\$ 248,145
Intergovernmental	46,793
Interest	118
Other	<u>149,138</u>
TOTAL REVENUES	<u>444,194</u>
EXPENDITURES	
Current	
Community and economic development	<u>187,653</u>
NET CHANGE IN FUND BALANCE	256,541
Fund balance, beginning of year	<u>492,406</u>
Fund balance, end of year	<u><u>\$ 748,947</u></u>

CITY OF PORTLAND
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE OF THE GOVERNMENT FUND TO THE STATEMENT OF ACTIVITIES -
DOWNTOWN DEVELOPMENT AUTHORITY
YEAR ENDED JUNE 30, 2021

Net change in fund balance - governmental fund \$ 256,541

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

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

Capital outlay	\$ 44,912	
Depreciation expense	<u>(160,751)</u>	
Capital assets, net		<u>(115,839)</u>
Change in net position of governmental activities		<u><u>\$ 140,702</u></u>

**CITY OF PORTLAND
MISCELLANEOUS STATISTICAL DATA (UNAUDITED)
JUNE 30, 2021**

**Total Taxable Value
Fiscal Years Ended or Ending June 30, 2018 Through 2022**

Assessed Value as of December 31	Year of State Equalization and Tax Levy	City's Fiscal Year Ended or Ending June 30	Ad Valorem Taxable Value (2)	Equivalent Taxable Value of Property Granted Tax Abatement Under Act 198(1)	Total Taxable Value	Percent Increase Over Prior Year
2016	2017	2018	92,968,902	630,384	93,599,286	1.543
2017	2018	2019	94,601,116	616,272	95,217,388	1.729
2018	2019	2020	95,505,725	596,376	96,102,101	.929
2019	2020	2021	98,967,604	568,100	99,535,704	3.400
2020	2021	2022	102,500,014	310,200	102,810,214	3.180

Per Capita Total Taxable Value for the Fiscal Year Ending June 30, 2022 (3) \$26,477.00

- (1) At the full tax rate. See "CITY TAXATION AND LIMITATIONS – Tax Abatement" herein.
(2) Original warrant values prior to Board of Review and Tax Tribunal adjustments.
(3) Based on the City's 2010 Census of 3,883.
Source: City of Portland

**Total Taxable Value by Use and Class
Fiscal Years Ended or Ending June 30, 2018 Through 2022**

Use	Fiscal Year Ended or Ending June 30				
	2018	2019	2020	2021	2022
Residential.....	\$66,535,607	\$67,790,533	\$68,768,105	\$71,729,590	\$74,116,022
Commercial.....	23,127,074	23,765,400	23,827,614	24,496,262	25,716,291
Industrial.....	2,960,405	2,662,155	2,512,382	2,293,852	1,964,601
Utility.....	976,200	999,300	994,000	1,016,000	1,013,300
Development.....	0	0	0	0	0
	<u>\$ 93,599,286</u>	<u>\$ 95,217,388</u>	<u>\$96,102,101</u>	<u>\$ 99,535,704</u>	<u>\$102,810,214</u>

Class	Fiscal Year Ended or Ending June 30				
	2018	2019	2020	2021	2022
Real Property.....	\$ 89,462,886	\$ 91,188,988	\$ 92,144,501	\$95,720,304	\$99,260,314
Personal Property...	4,136,400	4,028,400	3,957,600	3,815,400	3,549,900
	<u>\$ 93,599,286</u>	<u>\$ 95,217,388</u>	<u>\$ 96,102,101</u>	<u>\$ 99,535,704</u>	<u>\$102,810,214</u>

Source: City of Portland

**CITY OF PORTLAND
MISCELLANEOUS STATISTICAL DATA (UNAUDITED)
JUNE 30, 2021**

**Total State Equalized Valuation
Fiscal Years Ended or Ending June 30, 2018 Through 2022**

Assessed Value as of December 31	Year of State Equalization and Tax Levy	City's Fiscal Year Ended or Ending June 30	Ad Valorem SEV (2)	SEV of Property Granted Tax Abatement Under Act 198 (1)	Total SEV	Percent Increase Over Prior Year
2016	2017	2018	97,200,956	630,384	97,831,340	1.7000
2017	2018	2019	100,439,300	616,272	101,055,572	3.2957
2018	2019	2020	104,583,600	596,376	105,179,976	4.100
2019	2020	2021	113,582,291	568,100	114,150,391	7.800
2020	2021	2022	121,394,000	310,200	121,704,200	6.200

Per Capita Total SEV for the Fiscal Year Ending June 30, 2022 (3) \$31,342.82

- (1) See "CITY TAXATION AND LIMITATIONS – Tax Abatement" herein.
(2) Original warrant values prior to Board of Review and Tax Tribunal adjustments.
(3) Based on the City's 2010 census of 3,883.
Source: City of Portland

**Total SEV by Use and Class
Fiscal Years Ended or Ending June 30, 2018 Through 2022**

Use	Fiscal Year Ended or Ending June 30				
	2018	2019	2020	2021	2022
Residential.....	\$ 69,499,600	\$ 71,409,100	\$ 75,948,300	\$ 84,359,091	\$ 91,642,800
Commercial.....	24,395,135	25,979,900	25,724,400	26,481,100	27,024,100
Industrial.....	2,960,405	2,667,272	2,513,276	2,294,200	2,024,000
Utility.....	976,200	999,300	994,000	1,016,000	1,013,300
Development.....	0	0	0	0	0
	<u>\$ 97,831,340</u>	<u>\$ 101,055,572</u>	<u>\$ 105,179,976</u>	<u>\$ 114,150,391</u>	<u>\$ 121,704,200</u>

Class	Fiscal Year Ended or Ending June 30				
	2018	2019	2020	2021	2022
Real Property.....	\$ 93,694,940	\$ 97,027,172	\$ 101,222,376	\$110,334,991	\$118,154,300
Personal Property.....	4,136,400	4,028,400	3,957,600	3,815,400	3,549,900
	<u>\$ 97,831,340</u>	<u>\$ 101,055,572</u>	<u>\$ 105,179,976</u>	<u>\$114,150,391</u>	<u>\$ 121,704,200</u>

Source: City of Portland

**CITY OF PORTLAND
MISCELLANEOUS STATISTICAL DATA (UNAUDITED)
JUNE 30, 2021**

**Maximum Property Tax Rates
Fiscal Year Ending June 30, 2022**

<u>Millage Classification</u>	<u>Millage Authorized</u>	<u>Millage Reduction Fraction (1)</u>	<u>Maximum Allowable Millage</u>
Operating (2)	15.0000	1.3426	13.6574

- (1) Cumulative.
(2) Includes 1.00 mill for local streets.
(3) Includes .9907 mill for local streets.
Source: City of Portland

**Property Tax Rates (1)
Fiscal Years Ended or Ending June 30, 2018 Through 2022**

<u>Levy July 1</u>	<u>Fiscal Year Ended or Ending June 30</u>	<u>Total Operating</u>
2017	2018	13.6574 (2)
2018	2019	13.6574 (2)
2019	2020	13.6574 (2)
2020	2021	13.5303 (3)
2021	2022	13.6574 (2)

- (1) See "CITY TAXATION AND LIMITATIONS – Property Taxes" and "CITY TAXATION AND LIMITATIONS – State Limitations on Property Taxes," herein.
(2) Includes 1.00 mill for local streets.
Source: City of Portland

**Homestead (1) Property Tax Rates by Governmental Unit
Fiscal Years Ended June 30, 2018 Through 2022**

<u>Governmental Unit</u>	<u>Fiscal Year Ended June 30</u>				
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
City of Portland.....	13.6574	13.6574	13.6574	13.5303	13.6574
County of Ionia	4.6326	4.6326	4.6265	4.6265	4.59410
State of Michigan	6.0000	6.0000	6.0000	6.0000	6.0000
Portland Public Schools	7.3500	7.3500	7.3500	7.3500	7.3500
Intermediate School District	4.8736	4.8736	4.8690	4.8690	4.8527
Intermediate School District-Tech	.9987	.9987	.9981	.9981	.9921
Ed....	1.7116	1.9525	1.9108	1.2308	1.2308
Library.....	.4988	.4988	.4981	.4981	.4981
Seniors.....		<u>1.0000</u>	<u>.9987</u>	<u>.9987</u>	<u>.9987</u>
Roads.....	<u>39.7227</u>	<u>40.9636</u>	<u>40.9086</u>	<u>40.1015</u>	<u>40.1739</u>
Total.....					

**CITY OF PORTLAND
MISCELLANEOUS STATISTICAL DATA (UNAUDITED)
JUNE 30, 2021**

**Non-Homestead (1) Property Tax Rates by Governmental Unit
Fiscal Years Ended June 30, 2018 Through 2022**

<u>Governmental Unit</u>	<u>Fiscal Year Ending June 30</u>				
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
City of Portland.....	13.6574	13.6574	13.6574	13.5303	13.6574
County of Ionia	4.6434	4.6326	4.6252	4.6265	4.59410
State of Michigan	6.0000	6.0000	6.0000	6.0000	6.0000
Portland Public Schools	25.3500	25.3500	25.3500	25.3500	25.3500
Intermediate School District	4.8736	4.8736	4.8690	4.869	4.8527
Intermediate School District-Tech.	.9987	.9987	.9981	.9981	.9921
Ed...	1.7116	1.9525	1.9108	1.2308	1.2308
Library.....	.4988	.4988	.4981	.4981	.4981
Seniors.....	<u>0.0000</u>	<u>1.0000</u>	<u>.9987</u>	<u>.9987</u>	<u>.9987</u>
Roads.....	<u>57.7335</u>	<u>58.9636</u>	<u>58.9086</u>	<u>58.1015</u>	<u>58.1739</u>
Total.....					

(1) *Homestead Property* means a dwelling or unit in a multiple-unit dwelling subject to ad valorem property taxes that is owned and occupied as a principal residence by the owner of the dwelling or unit. Homestead includes all unoccupied property classified as agricultural adjacent and contiguous to the home of the owner that is not leased or rented by the owner to another person if the gross receipts of the agricultural or horticultural operations, if any, exceed the household income of the owner. If the gross receipts of the agricultural or horticultural operations do not exceed the household income of the owner, the homestead includes only 5 acres adjacent and contiguous to the home of the owner. Homestead includes a life care facility registered under the Living Care Disclosure Act, Act 440, Public Acts of Michigan, 1976, as amended. Homestead also includes property owned by a cooperative housing corporation and occupied as a principal residence by tenant stockholders. *Non-homestead Property* is property not included in the above definition.

Source: City of Portland

**Property Tax Collections
Fiscal Years Ended or Ending June 30, 2018 Through 2022**

<u>July 1 Levy</u>	<u>Fiscal Year Ended or Ending June 30</u>	<u>City Tax Levy(1)</u>	<u>Collections to March 1 Following Levy</u>	<u>Percent Collected</u>
2017	2018	1,097,399	1,069,006	97.41
2018	2019	1,114,891	1,086,654	97.47
2019	2020	1,134,579	1,111,163	97.93
2020	2021	1,168,326	1,142,825	97.30
2021	2022	1,234,752	(In Process of Collection)	

(1) City taxes only. See "CITY TAXATION AND LIMITATIONS - Property Tax Rates" herein. Levy reported excludes Downtown Development Authority tax capture and certain taxes on properties granted tax abatement under Act 198. See "CITY TAXATION AND LIMITATIONS - Tax Abatement" herein.

Source: City of Portland

**CITY OF PORTLAND
MISCELLANEOUS STATISTICAL DATA (UNAUDITED)
JUNE 30, 2021**

**Ten Largest Taxpayers
Fiscal Year Ending June 30, 2021**

<u>Taxpayer</u>	<u>Principal Product or Service</u>	<u>Total Taxable Value (1)</u>	<u>Percent of Total (2)</u>
Tom's Food Center (Ellen's Prop) .	Grocery,Hardware	\$2,757,100	2.68
Parkers Landing (Portland Partners)	Apartments	2,269,034	2.21
DFC of Portland (The Brook)	Senior Living	1,973,005	1.92
Portland Apartments (LAWCO)	Apartments	1,002,300	.97
Consumers Energy	Utility	997,000	.97
THK	Tie Rods, Steering,Linkages.....	749,241	.73
Rindlehaven Land Co. LLC.....	Land.....	616,800	.60
Keusch's (Dick's Uptown)	Mechanic shop.....	611,752	.59
Speedway America LLC.	Gas Station.....	578,700	.56
Portland Products	Automotive Manufacturing.....	<u>524,500</u>	.51
		<u>\$ 12,079,432</u>	<u>11.74%</u>

(1) Includes the Taxable Value of property granted tax abatement under Act 198. See "CITY TAXATION AND LIMITATIONS - Tax Abatement" herein.

(2) Based on \$102,500,014, which is the City's Total Taxable Value for the fiscal year ending June 30, 2021. Includes the Taxable Value of property granted tax abatement under Act 198. See "Property Valuations" and "Tax Abatement" herein.

Source: City of Portland

**Income Tax Collections
Fiscal Years Ended June 30, 2018 Through 2021**

<u>Fiscal Year Ended June 30</u>	<u>Gross Tax Collections</u>	<u>Net Income Tax Collections</u>	<u>% Increase or (Decrease) over Prior Year</u>
2017	923,413	834,190	10.8648
2018	951,031	847,112	1.5490
2019	915,686	797,686	(5.835)
2020	845,111	777,780	(2.49)
2021	1,051,441	934,645	16.70

(1) Gross collections less tax refunds equal net tax.

Source: City of Portland

**CITY OF PORTLAND
MISCELLANEOUS STATISTICAL DATA (UNAUDITED)
JUNE 30, 2021**

**Revenues from the State of Michigan
Fiscal Years Ended or Ending June 30, 2017 through 2021**

	Fiscal Years Ended or Ending June 30				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
State Revenue Sharing.....	\$ 416,319	\$ 427,283	\$ 442,936	\$ 455,931	\$ 451,292
Other	<u>4,312</u>	<u>4,529</u>	<u>4,685</u>	<u>4,752</u>	<u>4,391</u>
Total Revenues from the State of Michigan.....	<u>\$ 420,631</u>	<u>\$ 431,812</u>	<u>\$ 447,621</u>	<u>\$ 460,683</u>	<u>\$ 455,683</u>

Source: City of Portland

CITY DEBT

Statutory and Constitutional Debt Provisions

Section 21 of Article VII of the State Constitution establishes the authority, subject to statutory and constitutional limitations, for municipalities to incur debt for public purposes:

“The legislature shall provide by general laws for the incorporation of cities and villages. Such laws shall limit their rate of ad valorem property taxation for municipal purposes, and restrict the powers of cities and villages to borrow money and contract debts. Each city and village is granted power to levy other taxes for public purposes, subject to limitations and prohibitions provided by this constitution or by law.”

In accordance with the foregoing authority granted to the State Legislature, the Home Rule Cities Act limits the amount of debt a city may have outstanding at any time. Section 4(a) of this Act provides:

“... the net indebtedness incurred for all public purpose may be as much as but shall not exceed the greater of the following:

- (a) Ten percent of the assessed value of all real and personal property in the city.
- (b) Fifteen percent of the assessed value of all the real and personal property in the city if that portion of the total amount of indebtedness incurred which exceeds 10% is or has been used solely for the construction or renovation of hospital facilities.”

Significant exceptions to the debt limitation are permitted by the Home Rule Cities Act for certain types of indebtedness which include: special assessment bonds and State transportation fund bonds (formerly, motor vehicle highway fund bonds), even though they are a general obligation of the City; revenue bonds payable from revenues only, whether secured by a mortgage or not; bonds issued or contract obligations or assessments incurred to comply with an order of the Water Resources Commission of the State or a court of competent jurisdiction, and obligations incurred for water supply, sewage, drainage or refuse disposal or resource recovery projects necessary to protect the public health by abating pollution.

**CITY OF PORTLAND
MISCELLANEOUS STATISTICAL DATA (UNAUDITED)
JUNE 30, 2021**

Legal Debt Margin

Pursuant to the statutory and constitutional debt provisions set forth herein, the following table reflects the amount of additional debt the City may legally incur as of June 30, 2021:

Debt Limit (1)		\$ 12,170,420
Debt Outstanding	\$ 4,503,872	
Less: Exempt Debt (2)	<u>(3,478,872)</u>	\$ 1,025,000
Legal Debt Margin		<u>\$11,145,420</u>

(1) 10% of \$121,704,200 which is the City’s Total SEV for the fiscal year ending June 30, 2022. Includes the SEV of property granted tax abatement under Act 198. See “CITY TAXATION AND LIMITATIONS – Property Valuations” and “CITY TAXATION AND LIMITATIONS – Tax Abatement” herein.

(2) See “CITY DEBT-Statutory and Constitutional Debt Provisions” herein.

Source: Municipal Advisory Council of Michigan and the City of Portland.

Debt Statement

The following table reflects a breakdown of the City’s direct and overlapping debt as of June 30, 2021, including the bonds described herein. Direct debt that is shown as self-supporting is paid from sources other than the City’s general fund.

The City’s ability to levy taxes to pay the debt service on the obligations that are designated as “Limited Tax” is subject to applicable charter, statutory and constitutional limitations. See “CITY TAXATION AND LIMITATIONS” herein.

<u>City Direct Debt</u>	<u>Gross</u>	<u>Self-Supporting</u>	<u>Net</u>
Water and Wastewater Revenue Bonds:			
Dated March 8, 2011 (6)	\$ 710,000	\$ 710,000	\$ -0-
Dated December 29, 2010 (6)	\$ 2,449,000	\$ 2,449,000	\$ -0-
Dated September 25, 2003 (5)	<u>\$ 319,872</u>	<u>\$ 319,872</u>	<u>\$ -0-</u>
Subtotal	<u>\$ 3,478,872</u>	<u>\$ 3,478,872</u>	<u>\$ -0-</u>
Capital Improvement Bonds:			
Dated May 2020 (Limited Tax) (1)	<u>\$ 1,025,000</u>	<u>\$ 1,025,000</u>	<u>\$ -0-</u>
Subtotal	<u>\$ 1,025,000</u>	<u>\$ 1,025,000</u>	<u>\$ -0-</u>
 Total City Direct Debt:	 <u>\$ 4,503,872</u>	 <u>4,503,872</u>	 <u>\$ -0-</u>

Per Capita Net Direct Debt (3)	\$0.00
Percent of Net Direct Debt to Total SEV (4)	0 %

**CITY OF PORTLAND
MISCELLANEOUS STATISTICAL DATA (UNAUDITED)
JUNE 30, 2021**

<u>Overlapping Debt (2)</u>	<u>Gross</u>	<u>City Share as a Percent of Gross</u>	<u>Net</u>
Ionia County	\$ 697,000	5.59%	\$ 38,962
Ionia County Intermediate School District	1,770,000	4.94	87,438
Portland District Library	425,000	29.84	126,820
Portland Public Schools.....	<u>33,796,057</u>	24.47	8,269,895
Total Overlapping Debt	<u>36,688,057</u>		<u>8,523,115</u>
Total City Direct and Overlapping Debt.....	<u>\$ 41,191,929</u>		<u>\$ 8,523,115</u>
Per Capita Net Overlapping Debt (3)			\$2,194.98
Percent of Net Overlapping Debt to Total SEV (4)			7.0%
Per Capita Net Direct and Overlapping Debt (3)			\$2,194.98
Percent of Net Direct and Overlapping Debt to Total SEV (4).....			7.00%

- (1) The Bonds described herein will be paid with electric system revenues.
- (2) Overlapping debt is the portion of another taxing unit's debt for which property taxpayers of the City are liable in addition to debt issued by the City.
- (3) Based on the City's 2010 Census of 3,883.
- (4) Based on \$121,704,200, which is the City's Total SEV for the fiscal year ending June 30, 2021. Includes the SEV of property granted tax abatement under Act 198. See "CITY TAX AND LIMITATIONS - Property Valuations" and "CITY TAX AND LIMITATIONS - Tax Abatement" herein.
- (5) The Bonds described herein will be paid with water system revenues.
- (6) The Bonds described herein will be paid with wastewater system revenues.
- (7) The Bonds described herein will be paid with income tax revenues.
- Source: Municipal Advisory Council of Michigan and the City of Portland

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Honorable Mayor and
Members of the City Council
City of Portland, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, 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 Portland, Michigan, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City of Portland's basic financial statements, and have issued our report thereon dated November 15, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Maney Costeiran PC

November 15, 2021

PORTLAND CITY COUNCIL
Ionia County, Michigan

Council Member _____, supported by Council Member _____, made a motion to adopt the following resolution:

RESOLUTION NO. 21-63

**A RESOLUTION APPROVING PROFESSIONAL SERVICES DESIGN BUILD
AGREEMENT BETWEEN THE CITY OF PORTLAND AND F&V
CONSTRUCTION FOR THE WASTEWATER TREATMENT PLANT PROJECT**

WHEREAS, the City is in the planning stages for substantial and necessary improvements and repairs to the Wastewater Treatment Plant with construction tentatively planned for the spring of 2023; and

WHEREAS, Fleis & VandenBrink, through F&V Construction, has submitted a proposed professional services agreement to serve as the “Design-Builder” for the Wastewater Treatment Plant Project wherein all capital improvements for the Project will be subject to competitive bidding in accordance to the City Charter and ordinances, a copy of the proposal is attached as Exhibit A.

NOW THEREFORE BE IT RESOLVED AS FOLLOWS:

1. The Portland City Council acting in the best interest of the City, hereby approves the professional services proposal and agreement from F&V Construction to serve as the Design-Builder for the Wastewater Treatment Plant Project with such changes not materially adverse to the City and approved as to form by the City Attorney (a copy of the proposal is attached as Exhibit A).
2. All resolutions and parts of resolutions are, to the extent of any conflict with this resolution, rescinded.

Ayes:

Nays:

Absent:

Abstain:

RESOLUTION DECLARED ADOPTED.

Dated: December 6, 2021

Monique I. Miller, City Clerk



October 22, 2021

Tutt Gorman, City Manager
City of Portland
259 Kent Street
Portland, MI 48875

**RE: City of Portland, Michigan
DBIA Agreement Between Owner and Design-Builder
Wastewater System Improvements, CWSRF No. 5758-01**

Dear Mr. Gorman:

Enclosed is the DBIA Agreement Between Owner and Design-Builder for the Wastewater System Improvements project for your review.

As presented at the City Council meeting on September 7, 2021, the City will need to select an Owner's representative for this project. The selected representative will be filled into Article 9 once you let us know who the City designates for this role.

Upon Agreement approval, design costs will be an SRF eligible expense. As such, the Design and Bid phase fees shown in Exhibit C- Step 1 will be approved upon agreement execution. Exhibit C- Step 2 Guaranteed Maximum Price for Construction values are completed after contractor trade bids are received and are accepted by the City Council.

Other items within the Agreement that will be updated after bids are received include:

- Article 5.2.1- Substantial Completion days.
- Article 6.6.1.2 Design-Builder Contingency Allowance and value released to the Owner for change order items after substantial completion.
- Article 11:
 - Exhibit D- Conformed to Contract Documents
 - Performance and Payment Bonds
 - Certificate of Insurance

Please call us if you have any questions or need further clarification.

Sincerely,

F&V CONSTRUCTION

A handwritten signature in blue ink, appearing to read "Joseph Benjamin", is written over the printed name.

Joseph Benjamin, PE
Project Manager, Associate

**2960 Lucerne Drive SE, Suite 100
Grand Rapids, MI 49546**

P: 616.977.4400

F: 616.977.4800

www.fv-construction.com



STANDARD FORM OF AGREEMENT BETWEEN OWNER AND DESIGN- BUILDER - COST PLUS FEE WITH AN OPTION FOR A GUARANTEED MAXIMUM PRICE

October 2021

Document No. 530

Second Edition 2010
© Design-Build Institute of America
Washington, DC

TABLE OF CONTENTS

Article	Name	Page
Article 1	Scope of Work	2
Article 2	Contract Documents.....	2
Article 3	Intepretation and Intent	2
Article 4	Ownership of Work Product.....	3
Article 5	Contract Time.....	4
Article 6	Contract Price.....	5
Article 7	Procedure for Payment.....	10
Article 8	Termination for Convenience	11
Article 9	Representatives of the Parties	13
Article 10	Bonds and Insurance	14
Article 11	Other Provisions.....	14



Standard Form of Agreement Between Owner and Design-Builder - Cost Plus Fee with an Option for a Guaranteed Maximum Price

*This document has important legal consequences. Consultation with
an attorney is recommended with respect to its completion or modification.*

This **AGREEMENT** is made as of the _____ day of _____ in
the year of 2021, by and between the following parties, for services in connection with the Project
identified below:

OWNER:

City of Portland
259 Kent Street
Portland, MI 48875

DESIGN-BUILDER:

F&V Construction
2960 Lucerne Drive SE
Grand Rapids, Michigan 49546

PROJECT:

Wastewater System Improvements, CWSRF No. 5758-01

The WWTP is located at 600 Morse Drive, Portland, MI 48875

In consideration of the mutual covenants and obligations contained herein, Owner and Design-Builder
agree as set forth herein.

Article 1

Scope of Work

1.1 Design-Builder shall perform all design and construction services, and provide all material, equipment, tools, and labor, necessary to complete the Work described in and reasonably inferable from the Contract Documents. Based on the GMP Program- Scope of Project document, provided in Exhibit B, the Design-Builder shall prepare design development drawings and specifications in consultation with Owner and solicit Trade Contractors and/or Suppliers so that Design-Builder is able to prepare drawings and specifications for the project which are not less than 90% completed. Owner shall compensate Design-Builder for all costs associated with the preparation of these drawings and specifications. The Owner and Design-Builder shall thereafter mutually set a Guaranteed Maximum Price utilizing Trade Contractor and/or Supplier pricing after the drawings and specifications are 90% complete, after the receipt of Trade Contractor and/or Supplier pricing and after the value engineering process.

Article 2

Contract Documents

2.1 The Contract Documents are comprised of the following:

2.1.1 All written modifications, amendments, minor changes, and Change Orders to this Agreement issued in accordance with DBIA Document No. 535, *Standard Form of General Conditions of Contract Between Owner and Design-Builder* (2010 Edition) ("General Conditions of Contract");

2.1.2 The GMP Exhibit referenced in Section 6.6.1.1 herein or, if applicable, the GMP Proposal accepted by Owner in accordance with Section 6.6.2 herein;

2.1.3 This Agreement, including all exhibits (List for example, performance standard requirements, performance incentive arrangements, markup exhibits, allowances, unit prices, or exhibit detailing offsite reimbursable personnel) but excluding, if applicable, the GMP Exhibit;

2.1.4 The General Conditions of Contract; and

2.1.5 Construction Documents prepared and approved in accordance with Section 2.4 of the General Conditions of Contract.

Article 3

Interpretation and Intent

3.1 Design-Builder and Owner, prior to execution of the Agreement (and again, if applicable, at the time of acceptance of the GMP Proposal by Owner in accordance with Section 6.6.2 hereof), shall carefully review all the Contract Documents, including the various documents comprising the Basis of Design Documents, for any conflicts or ambiguities. Design-Builder and Owner will discuss and resolve any identified conflicts or ambiguities prior to execution of the Agreement or, if applicable, prior to Owner's acceptance of the GMP Proposal.

3.2 The Contract Documents are intended to permit the parties to complete the Work and all obligations required by the Contract Documents within the Contract Time(s) for the Contract Price. The Contract Documents are intended to be complementary and interpreted in harmony so as to avoid conflict, with words and phrases interpreted in a manner consistent with construction and design industry standards. In the event inconsistencies, conflicts, or ambiguities between or among the Contract Documents are discovered after execution of the Agreement, or if applicable, after Owner's acceptance of the GMP Proposal, Design-Builder and Owner shall attempt to resolve any ambiguity, conflict or inconsistency informally, recognizing that the Contract Documents shall take precedence in the order in which they are listed in Section 2.1 hereof.

3.3 Terms, words and phrases used in the Contract Documents, including this Agreement, shall have the meanings given them in the General Conditions of Contract.

3.4 If Owner's Project Criteria contain design specifications: (a) Design-Builder shall be entitled to reasonably rely on the accuracy of the information represented in such design specifications and their compatibility with other information set forth in Owner's Project Criteria, including any performance specifications; and (b) Design-Builder shall be entitled to an adjustment in the Contract Price and/or Contract Time(s) to the extent Design-Builder's cost and/or time of performance have been adversely impacted by such inaccurate design specification.

3.5 The Contract Documents form the entire agreement between Owner and Design-Builder and by incorporation herein are as fully binding on the parties as if repeated herein. No oral representations or other agreements have been made by the parties except as specifically stated in the Contract Documents.

Article 4

Ownership of Work Product

4.1 Work Product. All drawings, specifications and other documents and electronic data, including such documents identified in the General Conditions of Contract, furnished by Design-Builder to Owner under this Agreement ("Work Product") are deemed to be instruments of service and Design-Builder shall retain the ownership and property interests therein, including but not limited to any intellectual property rights, copyrights and/or patents, subject to the provisions set forth in Sections 4.2 through 4.5 below.

4.2 Owner's Limited License upon Project Completion and Payment in Full to Design-Builder. Upon Owner's payment in full for all Work performed under the Contract Documents, Design-Builder shall grant Owner a limited license to use the Work Product in connection with Owner's occupancy of the Project, conditioned on Owner's express understanding that its alteration of the Work Product without the involvement of Design-Builder is at Owner's sole risk and without liability or legal exposure to Design-Builder or anyone working by or through Design-Builder, including Design Consultants of any tier (collectively the "Indemnified Parties"), and on the Owner's obligation to provide the indemnity set forth in Section 4.5 below.

4.3 Owner's Limited License upon Owner's Termination for Convenience or Design-Builder's Election to Terminate. If Owner terminates this Agreement for its convenience as set forth in Article 8 hereof, or if Design-Builder elects to terminate this Agreement in accordance with Section 11.4 of the General Conditions of Contract, Design-Builder shall, upon Owner's payment in full of the amounts due Design-Builder under the Contract Documents, grant Owner a limited license to use the Work Product to complete the Project and subsequently occupy the Project, and Owner shall thereafter have the same rights as set forth in Section 4.2 above, conditioned on the following:

4.3.1 Use of the Work Product is at Owner's sole risk without liability or legal exposure to any Indemnified Party, and on the Owner's obligation to provide the indemnity set forth in Section 4.5 below, and

4.3.2 Owner agrees to pay Design-Builder for all costs incurred to date plus a 4% mark-up as compensation for the right to use the Work Product to complete the Project and subsequently use the Work Product in accordance with Section 4.2 if Owner resumes the Project through its employees, agents, or third parties.

4.4 Not used.

4.5 Owner's Indemnification for Use of Work Product. Pursuant to Section 4.3 above, the Owner is required to indemnify any Indemnified Parties as set forth in Section 4.2 above based on the use or alteration of the Work Product under any of the circumstances identified in this Article 4, Owner shall defend, indemnify and hold harmless such Indemnified Parties from and against any and all claims, damages, liabilities, losses and expenses, including attorneys' fees, arising out of or resulting from the use or alteration of the Work Product.

Article 5

Contract Time

5.1 Date of Commencement. The Work shall commence within five (5) days of Design-Builder's receipt of Owner's Notice to Proceed ("Date of Commencement") unless the parties mutually agree otherwise in writing.

5.2 Substantial Completion and Final Completion.

5.2.1 Substantial Completion of the entire Work shall be achieved no later than _____ (_____) calendar days after the Date of Commencement ("Scheduled Substantial Completion Date").

The parties agree that the definition for Substantial Completion set forth in Section 1.2.18 of the General Conditions of Contract is hereby modified to read as follows:

"Substantial Completion is the date on which the Work, or an agreed upon portion of the Work, is sufficiently complete in accordance with the Contract Documents so that Owner can occupy and use the Project or a portion thereof for its intended purposes."

5.2.2 Not Used

5.2.3 Final Completion of the Work or identified portions of the Work shall be achieved as expeditiously as reasonably practicable. Final Completion is the date when all Work is complete pursuant to the definition of Final Completion set forth in Section 1.2.7 of the General Conditions of Contract.

5.2.4 All of the dates set forth in this Article 5 (collectively the "Contract Time(s)") shall be subject to adjustment in accordance with the General Conditions of Contract.

5.3 Time is of the Essence. Owner and Design-Builder mutually agree that time is of the essence with respect to the dates and times set forth in the Contract Documents.

5.4 Not used.

5.5 Not used.

5.6 Not used

5.7 Not used.

Article 6

Contract Price

6.1 Contract Price.

6.1.1 Owner shall pay Design-Builder in accordance with Article 6 of the General Conditions of Contract a contract price ("Contract Price") equal to Design-Builder's Fee (as defined in Section 6.2 hereof) plus the Cost of the Work (as defined in Section 6.3 hereof), and any adjustments made in accordance with the General Conditions of Contract.

6.1.2 For the specific Work set forth below, Owner agrees to pay Design-Builder, as part of the Contract Price, on the following basis:

Design-Builder shall invoice work progress monthly based on percent completed of the various tasks. See Exhibit C for design fees, value engineering, and development of a Guaranteed Maximum Price. The Owner shall not withhold retainage on design, value engineering and pre-construction services.

6.2 Design-Builder's Fee.

6.2.1 Design-Builder's Fee shall be:

Eight and one half percent (8.5 %) of the Cost of the Work, as adjusted in accordance with Section 6.2.2 below.

6.2.2 Design-Builder's Fee will be adjusted as follows for any changes in the Work:

6.2.2.1 For additive Change Orders, including additive Change Orders arising from both additive and deductive items, it is agreed that Design-Builder shall receive a Fee of Eight and one half percent (8.5 %) of the additional Costs of the Work incurred for that Change Order.

6.2.2.2 For deductive Change Orders, including deductive Change Orders arising from both additive and deductive items, the deductive amounts shall be in accordance with Section 6.6.3. – Savings.

6.3 Cost of the Work. The term Cost of the Work shall mean costs reasonably and actually incurred by Design-Builder in the proper performance of the Work. The Cost of the Work shall include only the following:

6.3.1 Wages of direct employees of Design-Builder performing the Work at the Site or, with Owner's agreement, at locations off the Site; provided, however, that the costs for those employees of Design-Builder performing design services shall be calculated on the basis of prevailing market rates for design professionals performing such services or, if applicable, those rates set forth in an exhibit to this Agreement.

6.3.2 Wages or salaries of Design-Builder's supervisory and administrative personnel engaged in the performance of the Work and who are located at the Site or working off-Site to assist in the production or transportation of material and equipment necessary for the Work.

6.3.3 Wages or salaries of Design-Builder's personnel stationed at Design-Builder's principal or branch offices, but only to the extent said personnel are engaged in the performance of the Work.

6.3.4 Costs incurred by Design-Builder for employee benefits, premiums, taxes, insurance, contributions and assessments required by law, collective bargaining agreements, or which are customarily paid by Design-Builder, to the extent such costs are based on wages and salaries paid to employees of Design-Builder covered under Sections 6.3.1 through 6.3.3 hereof.

6.3.5 The reasonable portion of the cost of travel, accommodations and meals for Design-Builder's personnel necessarily and directly incurred in connection with the performance of the Work.

6.3.6 Payments properly made by Design-Builder to Subcontractors and Design Consultants for performance of portions of the Work, including any insurance and bond premiums incurred by Subcontractors and Design Consultants.

6.3.7 Costs incurred by Design-Builder in repairing or correcting defective, damaged or nonconforming Work (including any warranty or corrective Work performed after Substantial Completion), provided that such Work was beyond the reasonable control of Design-Builder, or caused by the ordinary mistakes or inadvertence, and not the negligence, of Design-Builder or those working by or through Design-Builder. If the costs associated with such Work are recoverable from insurance, Subcontractors or Design Consultants, Design-Builder shall exercise its best efforts to obtain recovery from the appropriate source and provide a credit to Owner if recovery is obtained.

6.3.8 Costs, including transportation, inspection, testing, storage and handling, of materials, equipment and supplies incorporated or reasonably used in completing the Work.

6.3.9 Costs (less salvage value) of materials, supplies, temporary facilities, machinery, equipment and hand tools not customarily owned by the workers that are not fully consumed in the performance of the Work and which remain the property of Design-Builder, including the costs of transporting, inspecting, testing, handling, installing, maintaining, dismantling and removing such items.

6.3.10 Costs of removal of debris and waste from the Site.

6.3.11 The reasonable costs and expenses incurred in establishing, operating and demobilizing the Site office, including the cost of internet service, postage and express delivery charges, telephone service, photocopying and reasonable petty cash expenses.

6.3.12 Rental charges and the costs of transportation, installation, minor repairs and replacements, dismantling and removal of temporary facilities, machinery, equipment and hand tools not customarily owned by the workers, which are provided by Design-Builder at the Site, whether rented from Design-Builder or others, and incurred in the performance of the Work.

6.3.13 Premiums for insurance and bonds required by this Agreement or the performance of the Work.

6.3.14 All fuel and utility costs incurred in the performance of the Work.

6.3.15 Sales, use or similar taxes, tariffs or duties incurred in the performance of the Work.

6.3.16 Legal costs, court costs and costs of mediation and arbitration reasonably arising from Design-Builder's performance of the Work, provided such costs do not arise from disputes between Owner and Design-Builder.

6.3.17 Costs for permits, royalties, licenses, tests and inspections incurred by Design-Builder as a requirement of the Contract Documents.

6.3.18 The cost of defending suits or claims for infringement of patent rights arising from the use of a particular design, process, or product required by Owner, paying legal judgments against Design-Builder resulting from such suits or claims, and paying settlements made with Owner's consent.

6.3.19 Deposits which are lost, except to the extent caused by Design-Builder's negligence.

6.3.20 Costs incurred in preventing damage, injury or loss in case of an emergency affecting the safety of persons and property.

6.3.21 Accounting and data processing costs related to the Work.

6.3.22 Other costs reasonably and properly incurred in the performance of the Work to the extent approved in writing by Owner.

6.4 Allowance Items and Allowance Values.

6.4.1 Any and all Allowance Items, as well as their corresponding Allowance Values, are set forth in the GMP Exhibit or GMP Proposal and are included within the GMP.

6.4.2 Design-Builder and Owner have worked together to review the Allowance Items and Allowance Values based on design information then available to determine that the Allowance Values constitute reasonable estimates for the Allowance Items. Design-Builder and Owner will continue working closely together during the preparation of the design to develop Construction Documents consistent with the Allowance Values. Nothing herein is intended in any way to constitute a guarantee by Design-Builder that the Allowance Item in question can be performed for the Allowance Value.

6.4.3 Not Used

6.4.4 The Allowance Value for an Allowance Item includes the direct cost of labor, materials, equipment, transportation, taxes and insurance associated with the applicable Allowance Item. All other costs, including design fees, Design-Builder's overall project management and general conditions costs, overhead and fee, are deemed to be included in the original Contract Price, and are not subject to adjustment, regardless of the actual amount of the Allowance Item.

6.4.5 Whenever the actual costs for an Allowance Item is more than or less than the stated Allowance Value, the Contract Price shall be adjusted accordingly by Change Order, subject to Section 6.4.4. The amount of the Change Order shall reflect the difference between actual costs incurred by Design-Builder for the particular Allowance Item and the Allowance Value.

6.5 Non-Reimbursable Costs.

6.5.1 The following shall not be deemed as costs of the Work:

6.5.1.1 Compensation for Design-Builder's personnel stationed at Design-Builder's principal or branch offices, except as provided for in Sections 6.3.1, 6.3.2 and 6.3.3 hereof.

6.5.1.2 Overhead and general expenses, except as provided for in Section 6.3 hereof, or which may be recoverable for changes to the Work.

6.5.1.3 The cost of Design-Builder's capital used in the performance of the Work.

6.5.1.4 Not Used

6.6 The Guaranteed Maximum Price (“GMP”).

6.6.1 GMP Established Upon Execution of this Agreement.

6.6.1.1 Not Used.

6.6.1.2 The GMP includes a Design-Builder Contingency Allowance in the amount of _____ Dollars (\$_____) which is available for Design-Builder’s exclusive use for unanticipated costs it has incurred that are not the basis for a Change Order under the Contract Documents. Change Order eligible costs are to be allocated from the Owner allocated project Contingency.

By way of example, and not as a limitation, such costs that are not the basis for a Change Order may include:

(a) trade buy-out differentials; (b) overtime or acceleration; (c) escalation of materials; (d) correction of defective, damaged or nonconforming Work, design errors or omissions, however caused; (e) Subcontractor defaults; or (f) insurance deductibles, such as builder’s risk, and others; or (g) those Delays to the Work events that result in an extension of the Contract Time but do not result in an increase in the Contract Price such as delays in the performance of the Work due to acts, omissions, conditions, events, or circumstances beyond Design-Builder’s control, (h) those events under Section 8.2.2 of the General Conditions of Contract that result in an extension of the Contract Time but do not result in an increase in the Contract Price.

The Design-Builder Contingency Allowance is not available to Owner for any reason, including, but not limited to changes in scope or any other item which would enable Design-Builder to increase the GMP under the Contract Documents. Design-Builder shall provide Owner notice of all anticipated charges against the Contingency, and shall provide Owner as part of the monthly status report required by Section 2.1.2 of the General Conditions of Contract an accounting of the Contingency, including all reasonably foreseen uses or potential uses of the Contingency in the upcoming three (3) months. Design-Builder agrees that with respect to any expenditure from the Contingency relating to a Subcontractor default or an event for which insurance or bond may provide reimbursement, Design-Builder will in good faith exercise reasonable steps to obtain performance from the Subcontractor and/or recovery from any surety or insurance company. Design-Builder agrees that if Design-Builder is subsequently reimbursed for said costs, then said recovery will be credited back to the Contingency.

Upon reaching Substantial Completion, any excess greater than \$_____ of Design-Builder’s Contingency Allowance may be released to the Owner for change order items. Prior to the release of any available excess Contingency, the Shared Savings will be calculated in accordance with the provisions of Article 6.6.3.1 and shall be reserved. Final Savings amount shall be determined and paid at the time of Final Warranty Completion.

6.6.2 GMP Established after Execution of this Agreement.

6.6.2.1 GMP Proposal. Design-Builder shall submit a GMP Proposal to Owner which shall include the following, unless the parties mutually agree otherwise:

6.6.2.1.1 A proposed GMP, which shall be the sum of:

- i. Design-Builder’s Fee as defined in Section 6.2.1 hereof;
- ii. The estimated Cost of the Work as defined in Section 6.3 hereof, inclusive of any Design-Builder’s Contingency as defined in Section 6.6.1.2 hereof; and

iii. If applicable, any prices established under Section 6.1.2 hereof.

6.6.2.1.2 The Basis of Design Documents, which may include, by way of example, Owner's Project Criteria, which are set forth in detail and are attached to the GMP Proposal;

6.6.2.1.3 A list of the assumptions and clarifications made by Design-Builder in the preparation of the GMP Proposal, which list is intended to supplement the information contained in the drawings and specifications and is specifically included as part of the Basis of Design Documents;

6.6.2.1.4 The Scheduled Substantial Completion Date upon which the proposed GMP is based, to the extent said date has not already been established under Section 5.2.1 hereof, and a schedule upon which the Scheduled Substantial Completion Date is based;

6.6.2.1.5 If applicable, a list of Allowance Items, Allowance Values, and a statement of their basis;

6.6.2.1.6 If applicable, a schedule of alternate prices;

6.6.2.1.7 If applicable, a schedule of unit prices;

6.6.2.1.8 If applicable, a statement of Additional Services which may be performed but which are not included in the GMP and which, if performed, shall be the basis for an increase in the GMP and/or Contract Time(s); and

6.6.2.1.9 The time limit for acceptance of the GMP Proposal.

6.6.2.2 Review and Adjustment to GMP Proposal. After submission of the GMP Proposal, Design-Builder and Owner shall meet to discuss and review the GMP Proposal. If Owner has any comments regarding the GMP Proposal, or finds any inconsistencies or inaccuracies in the information presented, it shall promptly give written notice to Design-Builder of such comments or findings. If appropriate, Design-Builder shall, upon receipt of Owner's notice, make appropriate adjustments to the GMP Proposal.

6.6.2.3 Acceptance of GMP Proposal. If Owner accepts the GMP Proposal, as may be amended by Design-Builder, the GMP and its basis shall be set forth in an amendment to this Agreement.

6.6.2.4 Failure to Accept the GMP Proposal. If Owner rejects the GMP Proposal, or fails to notify Design-Builder in writing on or before the date specified in the GMP Proposal that it accepts the GMP Proposal, the GMP Proposal shall be deemed withdrawn and of no effect. In such event, Owner and Design-Builder shall meet and confer as to how the Project will proceed, with Owner having the following options:

6.6.2.4.1 Owner may suggest modifications to the GMP Proposal, whereupon, if such modifications are accepted in writing by Design-Builder, the GMP Proposal shall be deemed accepted and the parties shall proceed in accordance with Section 6.6.2.3 above;

6.6.2.4.2 Owner may authorize Design-Builder to continue to proceed with the Work on the basis of reimbursement as provided in Section 6.1 hereof without a GMP, in which case all references in this Agreement to the GMP shall not be applicable; or

6.6.2.4.3 Owner may terminate this Agreement for convenience in accordance with Article 8 hereof.

6.6.2.4.4 Owner may request Design-Builder to seek other Contractors to bid the project. Design-Builder shall provide budgets to the Owner to complete the design, obtain the bids and manage the construction.

If Owner fails to exercise any of the above options, Design-Builder shall have the right to (i) continue with the Work as if Owner had elected to proceed in accordance with Item 6.6.2.4.2 above, and be paid by Owner accordingly, unless and until Owner notifies it in writing to stop the Work, or (ii) suspend performance of Work in accordance with Section 11.3.1 of the General Conditions of Contract, provided, however, that in such event Design-Builder shall not be entitled to the payment provided for in Section 8.2 hereof.

6.6.3 Savings.

6.6.3.1 If the sum of the actual Cost of the Work and Design-Builder's Fee (and, if applicable, any prices established under Section 6.1.2 hereof) is less than the GMP, as such GMP may have been adjusted over the course of the Project, the difference ("Savings") shall be shared as follows: 80% to the Owner and 20% of savings to Design-Builder.

6.6.3.2 Savings shall be calculated and paid as part of Final Payment under Section 7.3 hereof, with the understanding that to the extent Design-Builder incurs costs after Final Completion which would have been payable to Design-Builder as a Cost of the Work, the parties shall recalculate the Savings in light of the costs so incurred, and Design-Builder shall be paid by Owner accordingly.

6.7 Performance Incentives

6.7.1 Not Used

Article 7

Procedure for Payment

7.1 Progress Payments.

7.1.1 Design-Builder shall submit to Owner by the second Tuesday of each month, beginning with the first month after the Date of Commencement, Design-Builder's Application for Payment in accordance with Article 6 of the General Conditions of Contract.

Design-Builder will prepare the Clean Water State Revolving Fund (CWSRF) Disbursement Request for Owner's submittal to the Michigan Department of Environment, Great Lakes and Energy, which Owner shall submit within two (2) working days of receipt.

7.1.2 Owner shall make payment within ten (10) days after Owner's receipt of each properly submitted and accurate Application for Payment in accordance with Article 6 of the General Conditions of Contract, but in each case less the total of payments previously made, and less amounts properly withheld under Section 6.3 of the General Conditions of Contract.

7.1.3 If Design-Builder's Fee under Section 6.2.1 hereof is a fixed amount, the amount of Design-Builder's Fee to be included in Design-Builder's monthly Application for Payment and paid

by Owner shall be proportional to the percentage of the Work completed, less payments previously made on account of Design-Builder's Fee.

7.2 Retainage on Progress Payments.

7.2.1 Owner will retain Ten percent (10%) of each Application for Payment provided for Step 2 work, however, that when fifty percent (50%) of the Work has been satisfactorily completed by Design-Builder and Design-Builder is otherwise in compliance with its contractual obligations, Owner will not retain any additional retention amounts from Design-Builder's subsequent Applications for Payment. Owner will also reasonably consider reducing retainage for Subcontractors completing their work early in the Project. Owner will not retain any amounts for work completed in Step 1 (design, value engineering, pre-construction services).

7.2.2 Within thirty (30) days after Substantial Completion of the entire Work or, if applicable, any portion of the Work, pursuant to Section 6.6 of the General Conditions of Contract, Owner shall release to Design-Builder all retained amounts relating, as applicable, to the entire Work or completed portion of the Work, less an amount equal to: (a) the reasonable value of all remaining or incomplete items of Work as noted in the Certificate of Substantial Completion; and (b) all other amounts Owner is entitled to withhold pursuant to Section 6.3 of the General Conditions of Contract.

7.3 Final Payment. Design-Builder shall submit its Final Application for Payment to Owner in accordance with Section 6.7 of the General Conditions of Contract. Owner shall make payment on Design-Builder's properly submitted and accurate Final Application for Payment (less any amount the parties may have agreed to set aside for warranty work) within ten (10) days after Owner's receipt of the Final Application for Payment, provided that Design-Builder has satisfied the requirements for final payment set forth in Section 6.7.2 of the General Conditions of Contract.

7.4 Interest. Payments due and unpaid by Owner to Design-Builder, whether progress payments or final payment, shall bear interest commencing five (5) days after payment is due at the rate of 0.583% per month until paid.

7.5 Record Keeping and Finance Controls. Design-Builder acknowledges that this Agreement is to be administered on an "open book" arrangement relative to individual trade contract Costs of the Work. Design-Builder shall keep full and detailed accounts and exercise such controls as may be necessary for proper financial management, using accounting and control systems in accordance with generally accepted accounting principles and as may be provided in the Contract Documents. During the performance of the Work and for a period of three (3) years after Final Payment, Owner and Owner's accountants shall be afforded access to, and the right to audit from time-to-time, upon reasonable notice, Design-Builder's records, books, correspondence, receipts, subcontracts, purchase orders, vouchers, memoranda and other data relating to the Work, all of which Design-Builder shall preserve for a period of three (3) years after Final Payment. Such inspection shall take place at Design-Builder's offices during normal business hours unless another location and time is agreed to by the parties. Any multipliers or markups agreed to by the Owner and Design-Builder as part of this Agreement are only subject to audit to confirm that such multiplier or markup has been charged in accordance with this Agreement, with the composition of such multiplier or markup not being subject to audit.

Article 8

Termination for Convenience

8.1 Upon ten (10) days' written notice to Design-Builder, Owner may, for its convenience and without cause, elect to terminate this Agreement. In such event, Owner shall pay Design-Builder for the following:

8.1.1 All Work executed and for proven loss, cost or expense in connection with the Work;

8.1.2 The reasonable costs and expenses attributable to such termination, including demobilization costs and amounts due in settlement of terminated contracts with Subcontractors and Design Consultants; and

8.1.3 Overhead and profit in the amount of eight and one half percent (8.5 %) on the sum of items 8.1.1 and 8.1.2 above.

8.2 In addition to the amounts set forth in Section 8.1 above, Design-Builder shall be entitled to receive one of the following as applicable:

8.2.1 If Owner terminates this Agreement prior to commencement of construction, Design-Builder shall be paid eight- and one-half percent (8.5 %) of the remaining balance of the Contract Price, provided, however, that if a GMP has not been established, the above percentage shall be applied to the remaining balance of the most recent estimated Contract Price.

8.2.2 If Owner terminates this Agreement after commencement of construction, Design-Builder shall be paid four percent (4.0 %) of the remaining balance of the Contract Price, provided, however, that if a GMP has not been established, the above percentage shall be applied to the remaining balance of the most recent estimated Contract Price.

8.3 If Owner terminates this Agreement pursuant to Section 8.1 above and proceeds to design and construct the Project through its employees, agents or third parties, Owner's rights to use the Work Product shall be as set forth in Section 4.3 hereof. Such rights may not be transferred or assigned to others without Design-Builder's express written consent and such third parties' agreement to the terms of Article 4.

Article 9

Representatives of the Parties

9.1 Owner's Representatives.

9.1.1 Owner designates the individual listed below as its Senior Representative ("Owner Senior Representative"), which individual has the authority and responsibility for avoiding and resolving disputes under Section 10.2.3 of the General Conditions of Contract:

**Tutt Gorman, City Manager
259 Kent Street
Portland, Michigan 48875
(517) 647-2931**

9.1.2 Owner designates the individual listed below as its Owner's Representative, which individual has the authority and responsibility set forth in Section 3.4 of the General Conditions of Contract:

9.2 Design-Builder's Representatives.

9.2.1 Design-Builder designates the individual listed below as its Senior Representative ("Design-Builder's Senior Representative"), which individual has the authority and responsibility for avoiding and resolving disputes under Section 10.2.3 of the General Conditions of Contract:

**John Devol, P.E., President, or his designate
2960 Lucerne Drive SE
Grand Rapids, Michigan 49546
(616) 977-1000**

9.2.2 Design-Builder designates the individual listed below as its Design-Builder's Representative, which individual has the authority and responsibility set forth in Section 2.1.1 of the General Conditions of Contract:

**Craig Shumaker, P.E., Senior Vice President, or his designate
2960 Lucerne Drive SE
Grand Rapids, Michigan 49546
(616) 977-1000**

Article 10

Bonds and Insurance

10.1 Insurance. Design-Builder and Owner shall procure the insurance coverages set forth in the Insurance Exhibit attached hereto and in accordance with Article 5 of the General Conditions of Contract.

10.2 Bonds and Other Performance Security. Design-Builder shall provide the following performance bond and labor and material payment bond or other performance security:

Performance Bond.

Required Not Required

Payment Bond.

Required Not Required

Article 11

Other Provisions

11.1 Other provisions, if any, are as follows:

1. CWSRF Debarment Certification
2. Exhibits
 - A. – CWSRF Project Plan
 - B. – GMP Program- Scope of Project
 - C. – Step 1 GMP for Design and Bidding
– Step 2 GMP for Construction
 - D. – CTC Documents, prepared by Fleis & VandenBrink Engineering
3. Performance & Payment Bonds
4. Certificate of Insurance
5. Typical CWSRF Disbursement Request Form
6. Typical Certificate of Substantial Completion

In executing this Agreement, Owner and Design-Builder each individually represents that it has the necessary financial resources to fulfill its obligations under this Agreement, and each has the necessary corporate approvals to execute this Agreement, and perform the services described herein.

OWNER:

City of Portland
(Name of Owner)

(Signature)

James E. Barnes
(Printed Name)

Mayor
(Title)

Date: _____

DESIGN-BUILDER:

F&V Construction
(Name of Design-Builder)

(Signature)

(Printed Name)

(Title)

Date: _____



STANDARD FORM OF GENERAL CONDITIONS OF CONTRACT BETWEEN OWNER AND DESIGN-BUILDER

Document No. 535

Second Edition, 2010

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Washington, DC



Design-Build Institute of America - Contract Documents

LICENSE AGREEMENT

By using the DBIA Contract Documents, you agree to and are bound by the terms of this License Agreement.

- 1. License.** The Design-Build Institute of America ("DBIA") provides DBIA Contract Documents and licenses their use worldwide. You acknowledge that DBIA Contract Documents are protected by the copyright laws of the United States. You have a limited nonexclusive license to: (a) Use DBIA Contract Documents on any number of machines owned, leased or rented by your company or organization; (b) Use DBIA Contract Documents in printed form for bona fide contract purposes; and (c) Copy DBIA Contract Documents into any machine-readable or printed form for backup or modification purposes in support of your permitted use.
- 2. User Responsibility.** You assume sole responsibility for the selection of specific documents or portions thereof to achieve your intended results, and for the installation, use, and results obtained from the DBIA Contract Documents. You acknowledge that you understand that the text of the DBIA Contract Documents has important legal consequences and that consultation with an attorney is recommended with respect to use or modification of the text. You will not represent that any of the contract documents you generate from DBIA Contract Documents are DBIA documents unless (a) the document text is used without alteration or (b) all additions and changes to, and deletions from, the text are clearly shown.
- 3. Copies.** You may not use, copy, modify, or transfer DBIA Contract Documents, or any copy, modification or merged portion, in whole or in part, except as expressly provided for in this license. Reproduction of DBIA Contract Documents in printed or machine-readable format for resale or educational purposes is expressly prohibited. You will reproduce and include DBIA's copyright notice on any printed or machine-readable copy, modification, or portion merged into another document or program.
- 4. Transfers.** You may not transfer possession of any copy, modification or merged portion of DBIA Contract Documents to another party, except that a party with whom you are contracting may receive and use such transferred material solely for purposes of its contract with you. You may not sublicense, assign, or transfer this license except as expressly provided in this Agreement, and any attempt to do so is void.
- 5. Term.** The license is effective for one year from the date of purchase. DBIA may elect to terminate it earlier, by written notice to you, if you fail to comply with any term or condition of this Agreement.
- 6. Limited Warranty.** DBIA warrants the electronic files or other media by which DBIA Contract Documents are furnished to be free from defects in materials and workmanship under normal use during the Term. There is no other warranty of any kind, expressed or implied, including, but not limited to the implied warranties of merchantability and fitness for a particular purpose. Some states do not allow the exclusion of implied warranties, so the above exclusion may not apply to you. This warranty gives you specific legal rights and you may also have other rights which vary from state to state. DBIA does not warrant that the DBIA Contract Documents will meet your requirements or that the operation of DBIA Contract Documents will be uninterrupted or error free.
- 7. Limitations of Remedies.** DBIA's entire liability and your exclusive remedy shall be: the replacement of any document not meeting DBIA's "Limited Warranty" which is returned to DBIA with a copy of your receipt, or at DBIA's election, your money will be refunded. In no event will DBIA be liable to you for any damages, including any lost profits, lost savings or other incidental or consequential damages arising out of the use or inability to use DBIA Contract Documents even if DBIA has been advised of the possibility of such damages, or for any claim by any other party. Some states do not allow the limitation or exclusion of liability for incidental or consequential damages, so the above limitation or exclusion may not apply to you.
- 8. Acknowledgement.** You acknowledge that you have read this agreement, understand it and agree to be bound by its terms and conditions and that it will be governed by the laws of the District of Columbia. You further agree that it is the complete and exclusive statement of your agreement with DBIA which supersedes any proposal or prior agreement, oral or written, and any other communications between the parties relating to the subject matter of this agreement.

INSTRUCTIONS

For DBIA Document No. 535 Standard Form of General Conditions of Contract Between Owner and Design-Builder (2010 Edition)

General Instructions

No.	Subject	Instruction
1.	Standard Forms	Standard form contracts have long served an important function in the United States and international construction markets. The common purpose of these forms is to provide an economical and convenient way for parties to contract for design and construction services. As standard forms gain acceptance and are used with increased frequency, parties are able to enter into contracts with greater certainty as to their rights and responsibilities.
2.	DBIA Standard Form Contract Documents	Since its formation in 1993, the Design-Build Institute of America (DBIA) has regularly evaluated the needs of owners, design-builders, and other parties to the design-build process in preparation for developing its own contract forms. Consistent with DBIA's mission of promulgating best design-build practices, DBIA believes that the design-build contract should reflect a balanced approach to risk that considers the legitimate interests of all parties to the design-build process. DBIA's Standard Form Contract Documents reflect a modern risk allocation approach, allocating each risk to the party best equipped to manage and minimize that risk, with the goal of promoting best design-build practices.
3.	Use of Non-DBIA Documents	To avoid inconsistencies among documents used for the same project, DBIA's Standard Form Contract Documents should not be used in conjunction with non-DBIA documents unless the non-DBIA documents are appropriately modified on the advice of legal counsel. Moreover, care should also be taken when using different editions of the DBIA Standard Form Document on the same project to ensure consistency.
4.	Legal Consequences	DBIA Standard Form Contract Documents are legally binding contracts with important legal consequences. Contracting parties are advised and encouraged to seek legal counsel in completing or modifying these Documents.
5.	Reproduction	DBIA hereby grants to purchasers a limited license to reproduce its Documents consistent with the License Agreement accompanying these Documents. At least two original versions of the Agreement should be signed by the parties. Any other reproduction of DBIA Documents is strictly prohibited.
6.	Modifications	<p>Effective contracting is accomplished when the parties give specific thought to their contracting goals and then tailor the contract to meet the unique needs of the project and the design-build team. For that reason, these Documents may require modification for various purposes including, for example, to comply with local codes and laws, or to add special terms. DBIA's latest revisions to its Documents provide the parties an opportunity to customize their contractual relationship by selecting various optional contract clauses that may better reflect the unique needs and risks associated with the project.</p> <p>Any modifications to these Documents should be initialed by the parties. At no time should a document be re-typed in its entirety. Re-creating the document violates copyright laws and destroys one of the advantages of standard forms-familiarity with the terms.</p>
7.	Execution	It is good practice to execute two original copies of the Agreement. Only persons authorized to sign for the contracting parties may execute the Agreement.

Specific Instructions

Section	Title	Instruction
General	Purpose of This Document	<p>The General Conditions of Contract provide the terms and conditions under which the Work of the Project will be performed.</p> <p>This document accompanies DBIA Document No. 525 and DBIA Document No. 530 (each referred to herein generally as “Agreement”). It may also be incorporated by reference into other related agreements, as between the Design-Builder and the Design Consultant, and the Design-Builder and the Subcontractor.</p>
General	Checklist	<p>The following Sections reference documents that are to be attached to the Agreement:</p> <p>Section 3.5.1 Owner’s Permit List Article 5 Insurance and Bonds Section 9.4.2 Unit Prices</p>
2.1.3	Schedule	<p>The parties are encouraged, if possible, to agree to a schedule for the execution of the Work upon execution of the Agreement or upon establishing the GMP.</p>
2.2.1	Design Professional Services	<p>The parties should be aware that in addition to requiring compliance with state licensing laws for design professionals, some states also require that the design professional have a corporate professional license.</p>
2.3.1	Standard of Care for Design Professional’s Services	<p>Design-Builder’s obligation is to deliver a design that meets prevailing industry standards. However, DBIA has provided the parties at Article 11 of the Agreement an optional provision whereby if Owner can identify specific performance standards that can be objectively measured, Design-Builder is obligated to design the Project to satisfy these standards if this optional provision is selected. To avoid any confusion and to ensure that the parties fully understand what their obligations are, the specific performance standards should be clearly identified and should be able to be objectively measured. The Design-Builder should recognize that this is a heightened standard of care that has insurance ramifications that should be discussed with the Design-Builder’s insurance advisor.</p>
3.5.1	Government Approvals and Permits	<p>Design-Builder is responsible for obtaining all necessary permits, approvals and licenses, except to the extent specific permits, approvals, and licenses are set forth in an Owner’s Permit List, which must be attached as an exhibit to the Agreement. The parties, prior to execution of the Agreement, should discuss which permits, approvals and licenses need to be obtained for the Project and which party is in the best position to do so.</p>
5.1.1	Design-Builder’s Insurance Requirements	<p>Design-Builder is obligated to provide insurance coverage from insurance carriers that meet the criteria set forth in the Insurance Exhibit attached to Section 10.1 of the Agreement.</p>
5.1.2	Exclusions to Design-Build	<p>Parties are advised that their standard insurance policies may contain exclusions for the design-build delivery method. This Section 5.1.2 requires that any such exclusions be deleted from the policy.</p>
5.2	Owner’s Insurance Requirements	<p>Owner, in addition to providing the insurance set forth in this Section and Section 5.3, is also obligated to procure the insurance coverages for the amounts and consistent with the terms set forth in the Insurance Exhibit made part of the Agreement.</p>
5.4	Bonds and Other Performance Security	<p>Design-Builder is only obligated to provide bonds or other forms of performance security to the extent called for in Section 10.2 of the Agreement.</p>

Section	Title	Instruction
8.2.2	Compensability for Force Majeure Events	The parties are provided the option in the Agreement of negotiating whether the Design-Builder is entitled to compensation for Force Majeure Events.
9.4.1	Contract Price Adjustments	Unit prices, if established, shall be attached pursuant to Article 2 of the Agreement.
9.4.3	Payment/ Performance of Disputed Services	When Owner disputes Design-Builder's entitlement to a change order or disagrees with Design-Builder regarding the scope of Work, and nevertheless expects Design-Builder to perform the services, Design-Builder's cash flow and ability to complete the Work will be hampered if Owner fails to pay Design-Builder for the disputed services. This Section provides a balanced approach whereby Design-Builder is required to perform the services, but Owner is required to pay fifty percent (50%) of Design-Builder's reasonable estimated direct costs of performing such services until the dispute is settled. By so doing, Owner does not forfeit its right to deny total responsibility for payment, and Design-Builder does not give up its right to demand full payment. The dispute shall be resolved according to Article 10.
Article 10	Contract Adjustments and Disputes	DBIA endorses the use of partnering, negotiation, mediation and arbitration for the prevention and resolution of disputes. The General Conditions of Contract provides for the parties' Representatives and Senior Representatives to attempt to negotiate the dispute or disagreement. If this attempt fails, the dispute shall be submitted to mandatory, non-binding mediation. Any dispute that cannot be resolved by mediation shall then be submitted to binding arbitration, unless the parties elect in the Agreement to submit their dispute to a court of competent jurisdiction.
10.3.4	Arbitration	The prevailing party in any arbitration shall receive reasonable attorneys' fees from the other party. DBIA supports this "loser pays" provision to encourage parties to negotiate or mediate their differences and to minimize the number of frivolous disputes.
10.4	Duty to Continue Performance	Pending the resolution of any dispute or disagreement, both Owner and Design-Builder shall continue to perform their respective duties under the Contract Documents, unless the parties provide otherwise in the Contract Documents.
10.5	Consequential Damages	DBIA believes that it is inappropriate for either Owner or Design-Builder to be responsible to the other for consequential damages arising from the Project. This limitation on consequential damages in no way restricts, however, the payment of liquidated damages, if any, under Article 5 of the Agreement.
11.4	Design-Builder's Right to Terminate for Cause	If Design-Builder properly terminates the Agreement for cause, it shall recover from Owner in the same way as if Owner had terminated the Agreement for convenience under Article 8 of the Agreement. Owner shall pay to Design-Builder its costs, reasonable overhead and profit on the costs, and an additional payment based on a percentage of the remaining balance of the Contract Price, all as more fully set forth in Article 8 of the Agreement.
Article 12	Electronic Data	Design-Builder and Owner shall agree on the software and format for the transmission of Electronic Data. Ownership of Work Product in electronic form is governed by Article 4 of the Agreement. The transmitting party disclaims all warranties with respect to the media transmitting the Electronic Data, but nothing in this Article is intended to negate duties with respect to the standard of care in creating the Electronic Data.

TABLE OF CONTENTS

Article	Name	Page
Article 1	General.....	1
Article 2	Design-Builder’s Services and Responsibilities.....	2
Article 3	Owner’s Services and Responsibilities.....	6
Article 4	Hazardous Conditions and Differing Site Conditions.....	8
Article 5	Insurance and Bonds	9
Article 6	Payment.....	11
Article 7	Indemnification	13
Article 8	Time	15
Article 9	Changes to the Contract Price and Time	15
Article 10	Contract Adjustments and Disputes	17
Article 11	Stop Work and Termination for Cause	19
Article 12	Electronic Data	21
Article 13	Miscellaneous.....	22

Article 1

General

1.1 Mutual Obligations

1.1.1 *Owner and Design-Builder* commit at all times to cooperate fully with each other, and proceed on the basis of trust and good faith, to permit each party to realize the benefits afforded under the Contract Documents.

1.2 Basic Definitions

1.2.1 *Agreement* refers to the executed contract between Owner and Design-Builder under either DBIA Document No. 525, *Standard Form of Agreement Between Owner and Design-Builder - Lump Sum* (2010 Edition) or DBIA Document No. 530, *Standard Form of Agreement Between Owner and Design-Builder - Cost Plus Fee with an Option for a Guaranteed Maximum Price* (2010 Edition).

1.2.2 *Basis of Design Documents* are as follows: For DBIA Document No. 530, *Standard Form of Agreement Between Owner and Design-Builder - Cost Plus Fee With an Option for a Guaranteed Maximum Price*, the Basis of Design Documents are those documents specifically listed in, as applicable, the GMP Exhibit or GMP Proposal as being the "Basis of Design Documents." For DBIA Document No. 525, *Standard Form of Agreement Between Owner and Design-Builder – Lump Sum*, the Basis of Design Documents are the Owner's Project Criteria, Design-Builder's Proposal and the Deviation List, if any.

1.2.3 *Construction Documents* are the documents, consisting of Drawings and Specifications, to be prepared or assembled by the Design-Builder consistent with the Basis of Design Documents unless a deviation from the Basis of Design Documents is specifically set forth in a Change Order executed by both the Owner and Design-Builder, as part of the design review process contemplated by Section 2.4 of these General Conditions of Contract.

1.2.4 *Day or Days* shall mean calendar days unless otherwise specifically noted in the Contract Documents.

1.2.5 *Design-Build Team* is comprised of the Design-Builder, the Design Consultant, and key Subcontractors identified by the Design-Builder.

1.2.6 *Design Consultant* is a qualified, licensed design professional who is not an employee of Design-Builder, but is retained by Design-Builder, or employed or retained by anyone under contract with Design-Builder, to furnish design services required under the Contract Documents. A Design Sub-Consultant is a qualified, licensed design professional who is not an employee of the Design Consultant, but is retained by the Design Consultant or employed or retained by anyone under contract to Design Consultant, to furnish design services required under the Contract Documents.

1.2.7 *Final Completion* is the date on which all Work is complete in accordance with the Contract Documents, including but not limited to, any items identified in the punch list prepared under Section 6.6.1 and the submission of all documents set forth in Section 6.7.2.

1.2.8 *Force Majeure Events* are those events that are beyond the control of both Design-Builder and Owner, including the events of war, floods, labor disputes, earthquakes, epidemics, adverse weather conditions not reasonably anticipated, and other acts of God.

1.2.9 *General Conditions of Contract* refer to this DBIA Document No. 535, *Standard Form of General Conditions of Contract Between Owner and Design-Builder* (2010 Edition).

1.2.10 *GMP Exhibit* means that exhibit attached to DBIA Document No. 530, *Standard Form of*

Agreement Between Owner and Design-Builder - Cost Plus Fee With an Option for a Guaranteed Maximum Price, which exhibit will have been agreed upon by Owner and Design-Builder prior to the execution of the Agreement.

1.2.11 *GMP Proposal* means that proposal developed by Design-Builder in accordance with Section 6.6 of DBIA Document No. 530, *Standard Form of Agreement Between Owner and Design-Builder - Cost Plus Fee With an Option for a Guaranteed Maximum Price*.

1.2.12 *Hazardous Conditions* are any materials, wastes, substances and chemicals deemed to be hazardous under applicable Legal Requirements, or the handling, storage, remediation, or disposal of which are regulated by applicable Legal Requirements.

1.2.13 *Legal Requirements* are all applicable federal, state and local laws, codes, ordinances, rules, regulations, orders and decrees of any government or quasi-government entity having jurisdiction over the Project or Site, the practices involved in the Project or Site, or any Work.

1.2.14 *Owner's Project Criteria* are developed by or for Owner to describe Owner's program requirements and objectives for the Project, including use, space, price, time, site and expandability requirements, as well as submittal requirements and other requirements governing Design-Builder's performance of the Work. Owner's Project Criteria may include conceptual documents, design criteria, design performance specifications, design specifications, and LEED® or other sustainable design criteria and other Project-specific technical materials and requirements.

1.2.15 *Site* is the land or premises on which the Project is located.

1.2.16 *Subcontractor* is any person or entity retained by Design-Builder as an independent contractor to perform a portion of the Work and shall include materialmen and suppliers.

1.2.17 *Sub-Subcontractor* is any person or entity retained by a Subcontractor as an independent contractor to perform any portion of a Subcontractor's Work and shall include materialmen and suppliers.

1.2.18 *Substantial Completion* or *Substantially Complete* means the date on which the Work, or an agreed upon portion of the Work, is sufficiently complete in accordance with the Contract Documents so that Owner can occupy and use the Project or a portion thereof for its intended purposes.

1.2.19 *Work* is comprised of all Design-Builder's design, construction and other services required by the Contract Documents, including procuring and furnishing all materials, equipment, services and labor reasonably inferable from the Contract Documents.

Article 2

Design-Builder's Services and Responsibilities

2.1 General Services.

2.1.1 Design-Builder's Representative shall be reasonably available to Owner and shall have the necessary expertise and experience required to supervise the Work. Design-Builder's Representative shall communicate regularly with Owner and shall be vested with the authority to act on behalf of Design-Builder. Design-Builder's Representative may be replaced only with the mutual agreement of Owner and Design-Builder.

2.1.2 Design-Builder shall provide Owner with a monthly status report detailing the progress of

the Work, including (i) whether the Work is proceeding according to schedule, (ii) whether discrepancies, conflicts, or ambiguities exist in the Contract Documents that require resolution, (iii) whether health and safety issues exist in connection with the Work; (iv) status of the contingency account to the extent provided for in the Standard Form of Agreement Between Owner and Design-Builder - Cost Plus Fee with an Option for a Guaranteed Maximum Price; and (v) other items that require resolution so as not to jeopardize Design-Builder's ability to complete the Work for the Contract Price and within the Contract Time(s).

2.1.3 Unless a schedule for the execution of the Work has been attached to the Agreement as an exhibit at the time the Agreement is executed, Design-Builder shall prepare and submit, at least three (3) days prior to the meeting contemplated by Section 2.1.4 hereof, a schedule for the execution of the Work for Owner's review and response. The schedule shall indicate the dates for the start and completion of the various stages of Work, including the dates when Owner information and approvals are required to enable Design-Builder to achieve the Contract Time(s). The schedule shall be revised as required by conditions and progress of the Work, but such revisions shall not relieve Design-Builder of its obligations to complete the Work within the Contract Time(s), as such dates may be adjusted in accordance with the Contract Documents. Owner's review of, and response to, the schedule shall not be construed as relieving Design-Builder of its complete and exclusive control over the means, methods, sequences and techniques for executing the Work.

2.1.4 The parties will meet within seven (7) days after execution of the Agreement to discuss issues affecting the administration of the Work and to implement the necessary procedures, including those relating to submittals and payment, to facilitate the ability of the parties to perform their obligations under the Contract Documents.

2.2 Design Professional Services.

2.2.1 Design-Builder shall, consistent with applicable state licensing laws, provide through qualified, licensed design professionals employed by Design-Builder, or procured from qualified, independent licensed Design Consultants, the necessary design services, including architectural, engineering and other design professional services, for the preparation of the required drawings, specifications and other design submittals to permit Design-Builder to complete the Work consistent with the Contract Documents. Nothing in the Contract Documents is intended or deemed to create any legal or contractual relationship between Owner and any Design Consultant.

2.3 Standard of Care for Design Professional Services.

2.3.1 The standard of care for all design professional services performed to execute the Work shall be the care and skill ordinarily used by members of the design profession practicing under similar conditions at the same time and locality of the Project.

2.4 Design Development Services.

2.4.1 Design-Builder and Owner shall, consistent with any applicable provision of the Contract Documents, agree upon any interim design submissions that Owner may wish to review, which interim design submissions may include design criteria, drawings, diagrams and specifications setting forth the Project requirements. Interim design submissions shall be consistent with the Basis of Design Documents, as the Basis of Design Documents may have been changed through the design process set forth in this Section 2.4.1. On or about the time of the scheduled submissions, Design-Builder and Owner shall meet and confer about the submissions, with Design-Builder identifying during such meetings, among other things, the evolution of the design and any changes to the Basis of Design Documents, or, if applicable, previously submitted design submissions. Changes to the Basis of Design Documents, including those that are deemed minor changes under Section 9.3.1, shall be processed in accordance with Article 9. Minutes of the meetings, including a full listing of all changes, will be maintained by Design-Builder and provided

to all attendees for review. Following the design review meeting, Owner shall review and approve the interim design submissions and meeting minutes in a time that is consistent with the turnaround times set forth in Design-Builder's schedule.

2.4.2 Design-Builder shall submit to Owner Construction Documents setting forth in detail drawings and specifications describing the requirements for construction of the Work. The Construction Documents shall be consistent with the latest set of interim design submissions, as such submissions may have been modified in a design review meeting and recorded in the meetings minutes. The parties shall have a design review meeting to discuss, and Owner shall review and approve, the Construction Documents in accordance with the procedures set forth in Section 2.4.1 above. Design-Builder shall proceed with construction in accordance with the approved Construction Documents and shall submit one set of approved Construction Documents to Owner prior to commencement of construction.

2.4.3 Owner's review and approval of interim design submissions, meeting minutes, and the Construction Documents is for the purpose of mutually establishing a conformed set of Contract Documents compatible with the requirements of the Work. Neither Owner's review nor approval of any interim design submissions, meeting minutes, and Construction Documents shall be deemed to transfer any design liability from Design-Builder to Owner.

2.4.4 To the extent not prohibited by the Contract Documents or Legal Requirements, Design-Builder may prepare interim design submissions and Construction Documents for a portion of the Work to permit construction to proceed on that portion of the Work prior to completion of the Construction Documents for the entire Work.

2.5 Legal Requirements.

2.5.1 Design-Builder shall perform the Work in accordance with all Legal Requirements and shall provide all notices applicable to the Work as required by the Legal Requirements.

2.5.2 The Contract Price and/or Contract Time(s) shall be adjusted to compensate Design-Builder for the effects of any changes in the Legal Requirements enacted after the date of the Agreement affecting the performance of the Work, or if a Guaranteed Maximum Price is established after the date of the Agreement, the date the parties agree upon the Guaranteed Maximum Price. Such effects may include, without limitation, revisions Design-Builder is required to make to the Construction Documents because of changes in Legal Requirements.

2.6 Government Approvals and Permits.

2.6.1 Except as identified in an Owner's Permit List attached as an exhibit to the Agreement, Design-Builder shall obtain and pay for all necessary permits, approvals, licenses, government charges and inspection fees required for the prosecution of the Work by any government or quasi-government entity having jurisdiction over the Project.

2.6.2 Design-Builder shall provide reasonable assistance to Owner in obtaining those permits, approvals and licenses that are Owner's responsibility.

2.7 Design-Builder's Construction Phase Services.

2.7.1 Unless otherwise provided in the Contract Documents to be the responsibility of Owner or a separate contractor, Design-Builder shall provide through itself or Subcontractors the necessary supervision, labor, inspection, testing, start-up, material, equipment, machinery, temporary utilities and other temporary facilities to permit Design-Builder to complete construction of the Project consistent with the Contract Documents.

2.7.2 Design-Builder shall perform all construction activities efficiently and with the requisite expertise, skill and competence to satisfy the requirements of the Contract Documents. Design-

Builder shall at all times exercise complete and exclusive control over the means, methods, sequences and techniques of construction.

2.7.3 Design-Builder shall employ only Subcontractors who are duly licensed and qualified to perform the Work consistent with the Contract Documents. Owner may reasonably object to Design-Builder's selection of any Subcontractor, provided that the Contract Price and/or Contract Time(s) shall be adjusted to the extent that Owner's decision impacts Design-Builder's cost and/or time of performance.

2.7.4 Design-Builder assumes responsibility to Owner for the proper performance of the Work of Subcontractors and any acts and omissions in connection with such performance. Nothing in the Contract Documents is intended or deemed to create any legal or contractual relationship between Owner and any Subcontractor or Sub-Subcontractor, including but not limited to any third-party beneficiary rights.

2.7.5 Design-Builder shall coordinate the activities of all Subcontractors. If Owner performs other work on the Project or at the Site with separate contractors under Owner's control, Design-Builder agrees to reasonably cooperate and coordinate its activities with those of such separate contractors so that the Project can be completed in an orderly and coordinated manner without unreasonable disruption.

2.7.6 Design-Builder shall keep the Site reasonably free from debris, trash and construction wastes to permit Design-Builder to perform its construction services efficiently, safely and without interfering with the use of adjacent land areas. Upon Substantial Completion of the Work, or a portion of the Work, Design-Builder shall remove all debris, trash, construction wastes, materials, equipment, machinery and tools arising from the Work or applicable portions thereof to permit Owner to occupy the Project or a portion of the Project for its intended use.

2.8 Design-Builder's Responsibility for Project Safety.

2.8.1 Design-Builder recognizes the importance of performing the Work in a safe manner so as to prevent damage, injury or loss to (i) all individuals at the Site, whether working or visiting, (ii) the Work, including materials and equipment incorporated into the Work or stored on-Site or off-Site, and (iii) all other property at the Site or adjacent thereto. Design-Builder assumes responsibility for implementing and monitoring all safety precautions and programs related to the performance of the Work. Design-Builder shall, prior to commencing construction, designate a Safety Representative with the necessary qualifications and experience to supervise the implementation and monitoring of all safety precautions and programs related to the Work. Unless otherwise required by the Contract Documents, Design-Builder's Safety Representative shall be an individual stationed at the Site who may have responsibilities on the Project in addition to safety. The Safety Representative shall make routine daily inspections of the Site and shall hold weekly safety meetings with Design-Builder's personnel, Subcontractors and others as applicable.

2.8.2 Design-Builder and Subcontractors shall comply with all Legal Requirements relating to safety, as well as any Owner-specific safety requirements set forth in the Contract Documents, provided that such Owner-specific requirements do not violate any applicable Legal Requirement. Design-Builder will immediately report in writing any safety-related injury, loss, damage or accident arising from the Work to Owner's Representative and, to the extent mandated by Legal Requirements, to all government or quasi-government authorities having jurisdiction over safety-related matters involving the Project or the Work.

2.8.3 Design-Builder's responsibility for safety under this Section 2.8 is not intended in any way to relieve Subcontractors and Sub-Subcontractors of their own contractual and legal obligations and responsibility for (i) complying with all Legal Requirements, including those related to health and safety matters, and (ii) taking all necessary measures to implement and monitor all safety precautions and programs to guard against injuries, losses, damages or accidents resulting from

their performance of the Work.

2.9 Design-Builder's Warranty.

2.9.1 Design-Builder warrants to Owner that the construction, including all materials and equipment furnished as part of the construction, shall be new unless otherwise specified in the Contract Documents, of good quality, in conformance with the Contract Documents and free of defects in materials and workmanship. Design-Builder's warranty obligation excludes defects caused by abuse, alterations, or failure to maintain the Work in a commercially reasonable manner. Nothing in this warranty is intended to limit any manufacturer's warranty which provides Owner with greater warranty rights than set forth in this Section 2.9 or the Contract Documents. Design-Builder will provide Owner with all manufacturers' warranties upon Substantial Completion.

2.10 Correction of Defective Work.

2.10.1 Design-Builder agrees to correct any Work that is found to not be in conformance with the Contract Documents, including that part of the Work subject to Section 2.9 hereof, within a period of one year from the date of Substantial Completion of the Work or any portion of the Work, or within such longer period to the extent required by any specific warranty included in the Contract Documents.

2.10.2 Design-Builder shall, within seven (7) days of receipt of written notice from Owner that the Work is not in conformance with the Contract Documents, take meaningful steps to commence correction of such nonconforming Work, including the correction, removal or replacement of the nonconforming Work and any damage caused to other parts of the Work affected by the nonconforming Work. If Design-Builder fails to commence the necessary steps within such seven (7) day period, Owner, in addition to any other remedies provided under the Contract Documents, may provide Design-Builder with written notice that Owner will commence correction of such nonconforming Work with its own forces. If Owner does perform such corrective Work, Design-Builder shall be responsible for all reasonable costs incurred by Owner in performing such correction. If the nonconforming Work creates an emergency requiring an immediate response, the seven (7) day period identified herein shall be deemed inapplicable.

2.10.3 The one-year period referenced in Section 2.10.1 above applies only to Design-Builder's obligation to correct nonconforming Work and is not intended to constitute a period of limitations for any other rights or remedies Owner may have regarding Design-Builder's other obligations under the Contract Documents.

Article 3

Owner's Services and Responsibilities

3.1 Duty to Cooperate.

3.1.1 Owner shall, throughout the performance of the Work, cooperate with Design-Builder and perform its responsibilities, obligations and services in a timely manner to facilitate Design-Builder's timely and efficient performance of the Work and so as not to delay or interfere with Design-Builder's performance of its obligations under the Contract Documents.

3.1.2 Owner shall provide timely reviews and approvals of interim design submissions and Construction Documents consistent with the turnaround times set forth in Design-Builder's schedule.

3.1.3 Owner shall give Design-Builder timely notice of any Work that Owner notices to be

defective or not in compliance with the Contract Documents.

3.2 Furnishing of Services and Information.

3.2.1 Unless expressly stated to the contrary in the Contract Documents, Owner shall provide, at its own cost and expense, for Design-Builder's information and use the following, all of which Design-Builder is entitled to rely upon in performing the Work:

3.2.1.1 Surveys describing the property, boundaries, topography and reference points for use during construction, including existing service and utility lines;

3.2.1.2 Geotechnical studies describing subsurface conditions, and other surveys describing other latent or concealed physical conditions at the Site;

3.2.1.3 Temporary and permanent easements, zoning and other requirements and encumbrances affecting land use, or necessary to permit the proper design and construction of the Project and enable Design-Builder to perform the Work;

3.2.1.4 A legal description of the Site;

3.2.1.5 To the extent available, record drawings of any existing structures at the Site; and

3.2.1.6 To the extent available, environmental studies, reports and impact statements describing the environmental conditions, including Hazardous Conditions, in existence at the Site.

3.2.2 Owner is responsible for securing and executing all necessary agreements with adjacent land or property owners that are necessary to enable Design-Builder to perform the Work. Owner is further responsible for all costs, including attorneys' fees, incurred in securing these necessary agreements.

3.3 Financial Information.

3.3.1 At Design-Builder's request, Owner shall promptly furnish reasonable evidence satisfactory to Design-Builder that Owner has adequate funds available and committed to fulfill all of Owner's contractual obligations under the Contract Documents. If Owner fails to furnish such financial information in a timely manner, Design-Builder may stop Work under Section 11.3 hereof or exercise any other right permitted under the Contract Documents.

3.3.2 Design-Builder shall cooperate with the reasonable requirements of Owner's lenders or other financial sources. Notwithstanding the preceding sentence, after execution of the Agreement Design-Builder shall have no obligation to execute for Owner or Owner's lenders or other financial sources any documents or agreements that require Design-Builder to assume obligations or responsibilities greater than those existing obligations Design-Builder has under the Contract Documents.

3.4 Owner's Representative.

3.4.1 Owner's Representative shall be responsible for providing Owner-supplied information and approvals in a timely manner to permit Design-Builder to fulfill its obligations under the Contract Documents. Owner's Representative shall also provide Design-Builder with prompt notice if it observes any failure on the part of Design-Builder to fulfill its contractual obligations, including any errors, omissions or defects in the performance of the Work. Owner's Representative shall communicate regularly with Design-Builder and shall be vested with the authority to act on behalf of Owner.

3.5 Government Approvals and Permits.

3.5.1 Owner shall obtain and pay for all necessary permits, approvals, licenses, government charges and inspection fees set forth in the Owner's Permit List attached as an exhibit to the Agreement.

3.5.2 Owner shall provide reasonable assistance to Design-Builder in obtaining those permits, approvals and licenses that are Design-Builder's responsibility.

3.6 Owner's Separate Contractors.

3.6.1 Owner is responsible for all work performed on the Project or at the Site by separate contractors under Owner's control. Owner shall contractually require its separate contractors to cooperate with, and coordinate their activities so as not to interfere with, Design-Builder in order to enable Design-Builder to timely complete the Work consistent with the Contract Documents.

Article 4

Hazardous Conditions and Differing Site Conditions

4.1 Hazardous Conditions.

4.1.1 Unless otherwise expressly provided in the Contract Documents to be part of the Work, Design-Builder is not responsible for any Hazardous Conditions encountered at the Site. Upon encountering any Hazardous Conditions, Design-Builder will stop Work immediately in the affected area and duly notify Owner and, if required by Legal Requirements, all government or quasi-government entities with jurisdiction over the Project or Site.

4.1.2 Upon receiving notice of the presence of suspected Hazardous Conditions, Owner shall take the necessary measures required to ensure that the Hazardous Conditions are remediated or rendered harmless. Such necessary measures shall include Owner retaining qualified independent experts to (i) ascertain whether Hazardous Conditions have actually been encountered, and, if they have been encountered, (ii) prescribe the remedial measures that Owner must take either to remove the Hazardous Conditions or render the Hazardous Conditions harmless.

4.1.3 Design-Builder shall be obligated to resume Work at the affected area of the Project only after Owner's expert provides it with written certification that (i) the Hazardous Conditions have been removed or rendered harmless and (ii) all necessary approvals have been obtained from all government and quasi-government entities having jurisdiction over the Project or Site.

4.1.4 Design-Builder will be entitled, in accordance with these General Conditions of Contract, to an adjustment in its Contract Price and/or Contract Time(s) to the extent Design-Builder's cost and/or time of performance have been adversely impacted by the presence of Hazardous Conditions.

4.1.5 To the fullest extent permitted by law, Owner shall indemnify, defend and hold harmless Design-Builder, Design Consultants, Subcontractors, anyone employed directly or indirectly by any of them, and their officers, directors, employees and agents, from and against any and all claims, losses, damages, liabilities and expenses, including attorneys' fees and expenses, arising out of or resulting from the presence, removal or remediation of Hazardous Conditions at the Site.

4.1.6 Notwithstanding the preceding provisions of this Section 4.1, Owner is not responsible for Hazardous Conditions introduced to the Site by Design-Builder, Subcontractors or anyone for

whose acts they may be liable. To the fullest extent permitted by law, Design-Builder shall indemnify, defend and hold harmless Owner and Owner's officers, directors, employees and agents from and against all claims, losses, damages, liabilities and expenses, including attorneys' fees and expenses, arising out of or resulting from those Hazardous Conditions introduced to the Site by Design-Builder, Subcontractors or anyone for whose acts they may be liable.

4.2 Differing Site Conditions.

4.2.1 Concealed or latent physical conditions or subsurface conditions at the Site that (i) materially differ from the conditions indicated in the Contract Documents or (ii) are of an unusual nature, differing materially from the conditions ordinarily encountered and generally recognized as inherent in the Work are collectively referred to herein as "Differing Site Conditions." If Design-Builder encounters a Differing Site Condition, Design-Builder will be entitled to an adjustment in the Contract Price and/or Contract Time(s) to the extent Design-Builder's cost and/or time of performance are adversely impacted by the Differing Site Condition.

4.2.2 Upon encountering a Differing Site Condition, Design-Builder shall provide prompt written notice to Owner of such condition, which notice shall not be later than fourteen (14) days after such condition has been encountered. Design-Builder shall, to the extent reasonably possible, provide such notice before the Differing Site Condition has been substantially disturbed or altered.

Article 5

Insurance and Bonds

5.1 Design-Builder's Insurance Requirements.

5.1.1 Design-Builder is responsible for procuring and maintaining the insurance for the coverage amounts all as set forth in the Insurance Exhibit to the Agreement. Coverage shall be secured from insurance companies authorized to do business in the state in which the Project is located, and with a minimum rating set forth in the Agreement.

5.1.2 Design-Builder's insurance shall specifically delete any design-build or similar exclusions that could compromise coverages because of the design-build delivery of the Project.

5.1.3 Prior to commencing any construction services hereunder, Design-Builder shall provide Owner with certificates evidencing that (i) all insurance obligations required by the Contract Documents are in full force and in effect and will remain in effect for the duration required by the Contract Documents and (ii) no insurance coverage will be canceled, renewal refused, or materially changed unless at least thirty (30) days prior written notice is given to Owner. If any of the foregoing insurance coverages are required to remain in force after final payment are reasonably available, an additional certificate evidencing continuation of such coverage shall be submitted with the Final Application for Payment. If any information concerning reduction of coverage is not furnished by the insurer, it shall be furnished by the Design-Builder with reasonable promptness according to the Design-Builder's information and belief.

5.2 Owner's Liability Insurance.

5.2.1 Owner shall procure and maintain from insurance companies authorized to do business in the state in which the Project is located such liability insurance as set forth in the Insurance Exhibit to the Agreement to protect Owner from claims which may arise from the performance of Owner's obligations under the Contract Documents or Owner's conduct during the course of the Project.

5.3 Owner's Property Insurance.

5.3.1 Unless otherwise provided in the Contract Documents, Owner shall procure and maintain from insurance companies authorized to do business in the state in which the Project is located property insurance upon the entire Project to the full insurable value of the Project, including professional fees, overtime premiums and all other expenses incurred to replace or repair the insured property. The property insurance obtained by Owner shall be the broadest coverage commercially available, and shall include as additional insureds the interests of Owner, Design-Builder, Design Consultants and Subcontractors of any tier. Such insurance shall include but not be limited to the perils of fire and extended coverage, theft, vandalism, malicious mischief, collapse, flood, earthquake, debris removal and other perils or causes of loss as called for in the Contract Documents. The property insurance shall include physical loss or damage to the Work, including materials and equipment in transit, at the Site or at another location as may be indicated in Design-Builder's Application for Payment and approved by Owner. The Owner is responsible for the payment of any deductibles under the insurance required by this Section 5.3.1.

5.3.2 Unless the Contract Documents provide otherwise, Owner shall procure and maintain boiler and machinery insurance that will include the interests of Owner, Design-Builder, Design Consultants, and Subcontractors of any tier. The Owner is responsible for the payment of any deductibles under the insurance required by this Section 5.3.2.

5.3.3 Prior to Design-Builder commencing any Work, Owner shall provide Design-Builder with certificates evidencing that (i) all Owner's insurance obligations required by the Contract Documents are in full force and in effect and will remain in effect until Design-Builder has completed all of the Work and has received final payment from Owner and (ii) no insurance coverage will be canceled, renewal refused, or materially changed unless at least thirty (30) days prior written notice is given to Design-Builder. Owner's property insurance shall not lapse or be canceled if Owner occupies a portion of the Work pursuant to Section 6.6.3 hereof. Owner shall provide Design-Builder with the necessary endorsements from the insurance company prior to occupying a portion of the Work.

5.3.4 Any loss covered under Owner's property insurance shall be adjusted with Owner and Design-Builder and made payable to both of them as trustees for the insureds as their interests may appear, subject to any applicable mortgage clause. All insurance proceeds received as a result of any loss will be placed in a separate account and distributed in accordance with such agreement as the interested parties may reach. Any disagreement concerning the distribution of any proceeds will be resolved in accordance with Article 10 hereof.

5.3.5 Owner and Design-Builder waive against each other and Owner's separate contractors, Design Consultants, Subcontractors, agents and employees of each and all of them, all damages covered by property insurance provided herein, except such rights as they may have to the proceeds of such insurance. Design-Builder and Owner shall, where appropriate, require similar waivers of subrogation from Owner's separate contractors, Design Consultants and Subcontractors and shall require each of them to include similar waivers in their contracts. These waivers of subrogation shall not contain any restriction or limitation that will impair the full and complete extent of its applicability to any person or entity unless agreed to in writing prior to the execution of this Agreement.

5.4 Bonds and Other Performance Security.

5.4.1 If Owner requires Design-Builder to obtain performance and labor and material payment bonds, or other forms of performance security, the amount, form and other conditions of such security shall be as set forth in the Agreement.

5.4.2 All bonds furnished by Design-Builder shall be in a form satisfactory to Owner. The surety shall be a company qualified and registered to conduct business in the state in which the Project is located.

Article 6

Payment

6.1 Schedule of Values.

6.1.1 Unless required by the Owner upon execution of this Agreement, within ten (10) days of execution of the Agreement, Design-Builder shall submit for Owner's review and approval a schedule of values for all of the Work. The Schedule of Values will (i) subdivide the Work into its respective parts, (ii) include values for all items comprising the Work and (iii) serve as the basis for monthly progress payments made to Design-Builder throughout the Work.

6.1.2 The Owner will timely review and approve the schedule of values so as not to delay the submission of the Design-Builder's first application for payment. The Owner and Design-Builder shall timely resolve any differences so as not to delay the Design-Builder's submission of its first application for payment.

6.2 Monthly Progress Payments.

6.2.1 On or before the date established in the Agreement, Design-Builder shall submit for Owner's review and approval its Application for Payment requesting payment for all Work performed as of the date of the Application for Payment. The Application for Payment shall be accompanied by all supporting documentation required by the Contract Documents and/or established at the meeting required by Section 2.1.4 hereof.

6.2.2 The Application for Payment may request payment for equipment and materials not yet incorporated into the Project, provided that (i) Owner is satisfied that the equipment and materials are suitably stored at either the Site or another acceptable location, (ii) the equipment and materials are protected by suitable insurance and (iii) upon payment, Owner will receive the equipment and materials free and clear of all liens and encumbrances.

6.2.3 All discounts offered by Subcontractor, Sub-Subcontractors and suppliers to Design-Builder for early payment shall accrue one hundred percent to Design-Builder to the extent Design-Builder advances payment. Unless Owner advances payment to Design-Builder specifically to receive the discount, Design-Builder may include in its Application for Payment the full undiscounted cost of the item for which payment is sought.

6.2.4 The Application for Payment shall constitute Design-Builder's representation that the Work described herein has been performed consistent with the Contract Documents, has progressed to the point indicated in the Application for Payment, and that title to all Work will pass to Owner free and clear of all claims, liens, encumbrances, and security interests upon the incorporation of the Work into the Project, or upon Design-Builder's receipt of payment, whichever occurs earlier.

6.3 Withholding of Payments.

6.3.1 On or before the date established in the Agreement, Owner shall pay Design-Builder all amounts properly due. If Owner determines that Design-Builder is not entitled to all or part of an Application for Payment as a result of Design-Builder's failure to meet its obligations hereunder, it will notify Design-Builder in writing at least five (5) days prior to the date payment is due. The notice shall indicate the specific amounts Owner intends to withhold, the reasons and contractual basis for the withholding, and the specific measures Design-Builder must take to rectify Owner's concerns. Design-Builder and Owner will attempt to resolve Owner's concerns prior to the date payment is due. If the parties cannot resolve such concerns, Design-Builder may pursue its rights under the Contract Documents, including those under Article 10 hereof.

6.3.2 Notwithstanding anything to the contrary in the Contract Documents, Owner shall pay

Design-Builder all undisputed amounts in an Application for Payment within the times required by the Agreement.

6.4 Right to Stop Work and Interest.

6.4.1 If Owner fails to pay timely Design-Builder any amount that becomes due, Design-Builder, in addition to all other remedies provided in the Contract Documents, may stop Work pursuant to Section 11.3 hereof. All payments due and unpaid shall bear interest at the rate set forth in the Agreement.

6.5 Design-Builder's Payment Obligations.

6.5.1 Design-Builder will pay Design Consultants and Subcontractors, in accordance with its contractual obligations to such parties, all the amounts Design-Builder has received from Owner on account of their work. Design-Builder will impose similar requirements on Design Consultants and Subcontractors to pay those parties with whom they have contracted. Design-Builder will indemnify and defend Owner against any claims for payment and mechanic's liens as set forth in Section 7.3 hereof.

6.6 Substantial Completion.

6.6.1 Design-Builder shall notify Owner when it believes the Work, or to the extent permitted in the Contract Documents, a portion of the Work, is Substantially Complete. Within five (5) days of Owner's receipt of Design-Builder's notice, Owner and Design-Builder will jointly inspect such Work to verify that it is Substantially Complete in accordance with the requirements of the Contract Documents. If such Work is Substantially Complete, Owner shall prepare and issue a Certificate of Substantial Completion that will set forth (i) the date of Substantial Completion of the Work or portion thereof, (ii) the remaining items of Work that have to be completed before final payment, (iii) provisions (to the extent not already provided in the Contract Documents) establishing Owner's and Design-Builder's responsibility for the Project's security, maintenance, utilities and insurance pending final payment, and (iv) an acknowledgment that warranties commence to run on the date of Substantial Completion, except as may otherwise be noted in the Certificate of Substantial Completion.

6.6.2 Upon Substantial Completion of the entire Work or, if applicable, any portion of the Work, Owner shall release to Design-Builder all retained amounts relating, as applicable, to the entire Work or completed portion of the Work, less an amount equal to the reasonable value of all remaining or incomplete items of Work as noted in the Certificate of Substantial Completion.

6.6.3 Owner, at its option, may use a portion of the Work which has been determined to be Substantially Complete, provided, however, that (i) a Certificate of Substantial Completion has been issued for the portion of Work addressing the items set forth in Section 6.6.1 above, (ii) Design-Builder and Owner have obtained the consent of their sureties and insurers, and to the extent applicable, the appropriate government authorities having jurisdiction over the Project, and (iii) Owner and Design-Builder agree that Owner's use or occupancy will not interfere with Design-Builder's completion of the remaining Work.

6.7 Final Payment.

6.7.1 After receipt of a Final Application for Payment from Design-Builder, Owner shall make final payment by the time required in the Agreement, provided that Design-Builder has achieved Final Completion.

6.7.2 At the time of submission of its Final Application for Payment, Design-Builder shall provide the following information:

6.7.2.1 An affidavit that there are no claims, obligations or liens outstanding or

unsatisfied for labor, services, material, equipment, taxes or other items performed, furnished or incurred for or in connection with the Work which will in any way affect Owner's interests;

6.7.2.2 A general release executed by Design-Builder waiving, upon receipt of final payment by Design-Builder, all claims, except those claims previously made in writing to Owner and remaining unsettled at the time of final payment;

6.7.2.3 Consent of Design-Builder's surety, if any, to final payment;

6.7.2.4 All operating manuals, warranties and other deliverables required by the Contract Documents; and

6.7.2.5 Certificates of insurance confirming that required coverages will remain in effect consistent with the requirements of the Contract Documents.

6.7.3 Upon making final payment, Owner waives all claims against Design-Builder except claims relating to (i) Design-Builder's failure to satisfy its payment obligations, if such failure affects Owner's interests, (ii) Design-Builder's failure to complete the Work consistent with the Contract Documents, including defects appearing after Substantial Completion and (iii) the terms of any special warranties required by the Contract Documents.

6.7.4 Deficiencies in the Work discovered after Substantial Completion, whether or not such deficiencies would have been included on the Punch List if discovered earlier, shall be deemed warranty Work. Such deficiencies shall be corrected by Design-Builder under Sections 2.9 and 2.10 herein, and shall not be a reason to withhold final payment from Design-Builder, provided, however, that Owner shall be entitled to withhold from the Final Payment the reasonable value of completion of such deficient work until such work is completed.

Article 7

Indemnification

7.1 Patent and Copyright Infringement.

7.1.1 Design-Builder shall defend any action or proceeding brought against Owner based on any claim that the Work, or any part thereof, or the operation or use of the Work or any part thereof, constitutes infringement of any United States patent or copyright, now or hereafter issued. Owner shall give prompt written notice to Design-Builder of any such action or proceeding and will reasonably provide authority, information and assistance in the defense of same. Design-Builder shall indemnify and hold harmless Owner from and against all damages and costs, including but not limited to attorneys' fees and expenses awarded against Owner or Design-Builder in any such action or proceeding. Design-Builder agrees to keep Owner informed of all developments in the defense of such actions.

7.1.2 If Owner is enjoined from the operation or use of the Work, or any part thereof, as the result of any patent or copyright suit, claim, or proceeding, Design-Builder shall at its sole expense take reasonable steps to procure the right to operate or use the Work. If Design-Builder cannot so procure such right within a reasonable time, Design-Builder shall promptly, at Design-Builder's option and at Design-Builder's expense, (i) modify the Work so as to avoid infringement of any such patent or copyright or (ii) replace said Work with Work that does not infringe or violate any such patent or copyright.

7.1.3 Sections 7.1.1 and 7.1.2 above shall not be applicable to any suit, claim or proceeding based on infringement or violation of a patent or copyright (i) relating solely to a particular process

or product of a particular manufacturer specified by Owner and not offered or recommended by Design-Builder to Owner or (ii) arising from modifications to the Work by Owner or its agents after acceptance of the Work. If the suit, claim or proceeding is based upon events set forth in the preceding sentence, Owner shall defend, indemnify and hold harmless Design-Builder to the same extent Design-Builder is obligated to defend, indemnify and hold harmless Owner in Section 7.1.1 above.

7.1.4 The obligations set forth in this Section 7.1 shall constitute the sole agreement between the parties relating to liability for infringement of violation of any patent or copyright.

7.2 Tax Claim Indemnification.

7.2.1 If, in accordance with Owner's direction, an exemption for all or part of the Work is claimed for taxes, Owner shall indemnify, defend and hold harmless Design-Builder from and against any liability, penalty, interest, fine, tax assessment, attorneys' fees or other expenses or costs incurred by Design-Builder as a result of any action taken by Design-Builder in accordance with Owner's directive. Owner shall furnish Design-Builder with any applicable tax exemption certificates necessary to obtain such exemption, upon which Design-Builder may rely.

7.3 Payment Claim Indemnification.

7.3.1 Provided that Owner is not in breach of its contractual obligation to make payments to Design-Builder for the Work, Design-Builder shall indemnify, defend and hold harmless Owner from any claims or mechanic's liens brought against Owner or against the Project as a result of the failure of Design-Builder, or those for whose acts it is responsible, to pay for any services, materials, labor, equipment, taxes or other items or obligations furnished or incurred for or in connection with the Work. Within three (3) days of receiving written notice from Owner that such a claim or mechanic's lien has been filed, Design-Builder shall commence to take the steps necessary to discharge said claim or lien, including, if necessary, the furnishing of a mechanic's lien bond. If Design-Builder fails to do so, Owner will have the right to discharge the claim or lien and hold Design-Builder liable for costs and expenses incurred, including attorneys' fees.

7.4 Design-Builder's General Indemnification.

7.4.1 Design-Builder, to the fullest extent permitted by law, shall indemnify, hold harmless and defend Owner, its officers, directors, and employees from and against claims, losses, damages, liabilities, including attorneys' fees and expenses, for bodily injury, sickness or death, and property damage or destruction (other than to the Work itself) to the extent resulting from the negligent acts or omissions of Design-Builder, Design Consultants, Subcontractors, anyone employed directly or indirectly by any of them or anyone for whose acts any of them may be liable.

7.4.2 If an employee of Design-Builder, Design Consultants, Subcontractors, anyone employed directly or indirectly by any of them or anyone for whose acts any of them may be liable has a claim against Owner, its officers, directors, employees, or agents, Design-Builder's indemnity obligation set forth in Section 7.4.1 above shall not be limited by any limitation on the amount of damages, compensation or benefits payable by or for Design-Builder, Design Consultants, Subcontractors, or other entity under any employee benefit acts, including workers' compensation or disability acts.

7.5 Owner's General Indemnification.

7.5.1 Owner, to the fullest extent permitted by law, shall indemnify, hold harmless and defend Design-Builder and any of Design-Builder's officers, directors, and employees, from and against claims, losses, damages, liabilities, including attorneys' fees and expenses, for bodily injury, sickness or death, and property damage or destruction (other than to the Work itself) to the extent resulting from the negligent acts or omissions of Owner's separate contractors or anyone for

whose acts any of them may be liable.

Article 8

Time

8.1 Obligation to Achieve the Contract Times.

8.1.1 Design-Builder agrees that it will commence performance of the Work and achieve the Contract Time(s) in accordance with Article 5 of the Agreement.

8.2 Delays to the Work.

8.2.1 If Design-Builder is delayed in the performance of the Work due to acts, omissions, conditions, events, or circumstances beyond its control and due to no fault of its own or those for whom Design-Builder is responsible, the Contract Time(s) for performance shall be reasonably extended by Change Order. By way of example, events that will entitle Design-Builder to an extension of the Contract Time(s) include acts or omissions of Owner or anyone under Owner's control (including separate contractors), changes in the Work, Differing Site Conditions, Hazardous Conditions, and Force Majeure Events.

8.2.2 In addition to Design-Builder's right to a time extension for those events set forth in Section 8.2.1 above, Design-Builder shall also be entitled to an appropriate adjustment of the Contract Price provided, however, that the Contract Price shall not be adjusted for Force Majeure Events unless otherwise provided in the Agreement.

Article 9

Changes to the Contract Price and Time

9.1 Change Orders.

9.1.1 A Change Order is a written instrument issued after execution of the Agreement signed by Owner and Design-Builder, stating their agreement upon all of the following:

9.1.1.1 The scope of the change in the Work;

9.1.1.2 The amount of the adjustment to the Contract Price; and

9.1.1.3 The extent of the adjustment to the Contract Time(s).

9.1.2 All changes in the Work authorized by applicable Change Order shall be performed under the applicable conditions of the Contract Documents. Owner and Design-Builder shall negotiate in good faith and as expeditiously as possible the appropriate adjustments for such changes.

9.1.3 If Owner requests a proposal for a change in the Work from Design-Builder and subsequently elects not to proceed with the change, a Change Order shall be issued to reimburse Design-Builder for reasonable costs incurred for estimating services, design services and services involved in the preparation of proposed revisions to the Contract Documents.

9.2 Work Change Directives.

9.2.1 A Work Change Directive is a written order prepared and signed by Owner directing a change in the Work prior to agreement on an adjustment in the Contract Price and/or the Contract Time(s).

9.2.2 Owner and Design-Builder shall negotiate in good faith and as expeditiously as possible the appropriate adjustments for the Work Change Directive. Upon reaching an agreement, the parties shall prepare and execute an appropriate Change Order reflecting the terms of the agreement.

9.3 Minor Changes in the Work.

9.3.1 Minor changes in the Work do not involve an adjustment in the Contract Price and/or Contract Time(s) and do not materially and adversely affect the Work, including the design, quality, performance and workmanship required by the Contract Documents. Design-Builder may make minor changes in the Work consistent with the intent of the Contract Documents, provided, however, that Design-Builder shall promptly inform Owner, in writing, of any such changes and record such changes on the documents maintained by Design-Builder.

9.4 Contract Price Adjustments.

9.4.1 The increase or decrease in Contract Price resulting from a change in the Work shall be determined by one or more of the following methods:

9.4.1.1 Unit prices set forth in the Agreement or as subsequently agreed to between the parties;

9.4.1.2 A mutually accepted lump sum, properly itemized and supported by sufficient substantiating data to permit evaluation by Owner;

9.4.1.3 Costs, fees and any other markups set forth in the Agreement; or

9.4.1.4 If an increase or decrease cannot be agreed to as set forth in items 9.4.1.1 through 9.4.1.3 above and Owner issues a Work Change Directive, the cost of the change of the Work shall be determined by the reasonable expense and savings in the performance of the Work resulting from the change, including a reasonable overhead and profit, as may be set forth in the Agreement.

9.4.2 If unit prices are set forth in the Contract Documents or are subsequently agreed to by the parties, but application of such unit prices will cause substantial inequity to Owner or Design-Builder because of differences in the character or quantity of such unit items as originally contemplated, such unit prices shall be equitably adjusted.

9.4.3 If Owner and Design-Builder disagree upon whether Design-Builder is entitled to be paid for any services required by Owner, or if there are any other disagreements over the scope of Work or proposed changes to the Work, Owner and Design-Builder shall resolve the disagreement pursuant to Article 10 hereof. As part of the negotiation process, Design-Builder shall furnish Owner with a good faith estimate of the costs to perform the disputed services in accordance with Owner's interpretations. If the parties are unable to agree and Owner expects Design-Builder to perform the services in accordance with Owner's interpretations, Design-Builder shall proceed to perform the disputed services, conditioned upon Owner issuing a written order to Design-Builder (i) directing Design-Builder to proceed and (ii) specifying Owner's interpretation of the services that are to be performed. If this occurs, Design-Builder shall be entitled to submit in its Applications for Payment an amount equal to fifty percent (50%) of its reasonable estimated direct cost to perform the services, and Owner agrees to pay such amounts, with the express understanding that (i) such payment by Owner does not prejudice

Owner's right to argue that it has no responsibility to pay for such services and (ii) receipt of such payment by Design-Builder does not prejudice Design-Builder's right to seek full payment of the disputed services if Owner's order is deemed to be a change to the Work.

9.5 Emergencies.

9.5.1 In any emergency affecting the safety of persons and/or property, Design-Builder shall act, at its discretion, to prevent threatened damage, injury or loss. Any change in the Contract Price and/or Contract Time(s) on account of emergency work shall be determined as provided in this Article 9.

Article 10

Contract Adjustments and Disputes

10.1 Requests for Contract Adjustments and Relief.

10.1.1 If either Design-Builder or Owner believes that it is entitled to relief against the other for any event arising out of or related to the Work or Project, such party shall provide written notice to the other party of the basis for its claim for relief. Such notice shall, if possible, be made prior to incurring any cost or expense and in accordance with any specific notice requirements contained in applicable sections of these General Conditions of Contract. In the absence of any specific notice requirement, written notice shall be given within a reasonable time, not to exceed twenty-one (21) days, after the occurrence giving rise to the claim for relief or after the claiming party reasonably should have recognized the event or condition giving rise to the request, whichever is later. Such notice shall include sufficient information to advise the other party of the circumstances giving rise to the claim for relief, the specific contractual adjustment or relief requested and the basis of such request.

10.2 Dispute Avoidance and Resolution.

10.2.1 The parties are fully committed to working with each other throughout the Project and agree to communicate regularly with each other at all times so as to avoid or minimize disputes or disagreements. If disputes or disagreements do arise, Design-Builder and Owner each commit to resolving such disputes or disagreements in an amicable, professional and expeditious manner so as to avoid unnecessary losses, delays and disruptions to the Work.

10.2.2 Design-Builder and Owner will first attempt to resolve disputes or disagreements at the field level through discussions between Design-Builder's Representative and Owner's Representative which shall conclude within fourteen (14) days of the written notice provided for in Section 10.1.1 unless the Owner and Design-Builder mutually agree otherwise.

10.2.3 If a dispute or disagreement cannot be resolved through Design-Builder's Representative and Owner's Representative, Design-Builder's Senior Representative and Owner's Senior Representative, upon the request of either party, shall meet as soon as conveniently possible, but in no case later than thirty (30) days after such a request is made, to attempt to resolve such dispute or disagreement. Five (5) days prior to any meetings between the Senior Representatives, the parties will exchange relevant information that will assist the parties in resolving their dispute or disagreement.

10.2.4 If after meeting the Senior Representatives determine that the dispute or disagreement cannot be resolved on terms satisfactory to both parties, the parties shall submit within thirty (30) days of the conclusion of the meeting of Senior Representatives the dispute or disagreement to non-binding mediation. The mediation shall be conducted by a mutually agreeable impartial mediator, or if the parties cannot so agree, a mediator designated by the American Arbitration

Association (“AAA”) pursuant to its Construction Industry Mediation Rules. The mediation will be governed by and conducted pursuant to a mediation agreement negotiated by the parties or, if the parties cannot so agree, by procedures established by the mediator. Unless otherwise mutually agreed by the Owner and Design-Builder and consistent with the mediator’s schedule, the mediation shall commence within ninety (90) days of the submission of the dispute to mediation.

10.3 Arbitration.

10.3.1 Any claims, disputes or controversies between the parties arising out of or relating to the Agreement, or the breach thereof, which have not been resolved in accordance with the procedures set forth in Section 10.2 above, shall be decided by arbitration in accordance with the Construction Industry Arbitration Rules of the AAA then in effect, unless the parties mutually agree otherwise.

10.3.2 The award of the arbitrator(s) shall be final and binding upon the parties without the right of appeal to the courts. Judgment may be entered upon it in accordance with applicable law by any court having jurisdiction thereof.

10.3.3 Design-Builder and Owner expressly agree that any arbitration pursuant to this Section 10.3 may be joined or consolidated with any arbitration involving any other person or entity (i) necessary to resolve the claim, dispute or controversy, or (ii) substantially involved in or affected by such claim, dispute or controversy. Both Design-Builder and Owner will include appropriate provisions in all contracts they execute with other parties in connection with the Project to require such joinder or consolidation.

10.3.4 The prevailing party in any arbitration, or any other final, binding dispute proceeding upon which the parties may agree, shall be entitled to recover from the other party reasonable attorneys’ fees and expenses incurred by the prevailing party.

10.4 Duty to Continue Performance.

10.4.1 Unless provided to the contrary in the Contract Documents, Design-Builder shall continue to perform the Work and Owner shall continue to satisfy its payment obligations to Design-Builder, pending the final resolution of any dispute or disagreement between Design-Builder and Owner.

10.5 CONSEQUENTIAL DAMAGES.

10.5.1 NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY (EXCEPT AS SET FORTH IN SECTION 10.5.2 BELOW), NEITHER DESIGN-BUILDER NOR OWNER SHALL BE LIABLE TO THE OTHER FOR ANY CONSEQUENTIAL LOSSES OR DAMAGES, WHETHER ARISING IN CONTRACT, WARRANTY, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY OR OTHERWISE, INCLUDING BUT NOT LIMITED TO LOSSES OF USE, PROFITS, BUSINESS, REPUTATION OR FINANCING.

10.5.2 The consequential damages limitation set forth in Section 10.5.1 above is not intended to affect the payment of liquidated damages or lost early completion bonus, if any, set forth in Article 5 of the Agreement, which both parties recognize has been established, in part, to reimburse Owner or reward Design-Builder for some damages that might otherwise be deemed to be consequential.

Article 11

Stop Work and Termination for Cause

11.1 Owner's Right to Stop Work.

11.1.1 Owner may, without cause and for its convenience, order Design-Builder in writing to stop and suspend the Work. Such suspension shall not exceed sixty (60) consecutive days or aggregate more than ninety (90) days during the duration of the Project.

11.1.2 Design-Builder is entitled to seek an adjustment of the Contract Price and/or Contract Time(s) if its cost or time to perform the Work has been adversely impacted by any suspension of stoppage of the Work by Owner.

11.2 Owner's Right to Perform and Terminate for Cause.

11.2.1 If Design-Builder persistently fails to (i) provide a sufficient number of skilled workers, (ii) supply the materials required by the Contract Documents, (iii) comply with applicable Legal Requirements, (iv) timely pay, without cause, Design Consultants or Subcontractors, (v) prosecute the Work with promptness and diligence to ensure that the Work is completed by the Contract Time(s), as such times may be adjusted, or (vi) perform material obligations under the Contract Documents, then Owner, in addition to any other rights and remedies provided in the Contract Documents or by law, shall have the rights set forth in Sections 11.2.2 and 11.2.3 below.

11.2.2 Upon the occurrence of an event set forth in Section 11.2.1 above, Owner may provide written notice to Design-Builder that it intends to terminate the Agreement unless the problem cited is cured, or commenced to be cured, within seven (7) days of Design-Builder's receipt of such notice. If Design-Builder fails to cure, or reasonably commence to cure, such problem, then Owner may give a second written notice to Design-Builder of its intent to terminate within an additional seven (7) day period. If Design-Builder, within such second seven (7) day period, fails to cure, or reasonably commence to cure, such problem, then Owner may declare the Agreement terminated for default by providing written notice to Design-Builder of such declaration.

11.2.3 Upon declaring the Agreement terminated pursuant to Section 11.2.2 above, Owner may enter upon the premises and take possession, for the purpose of completing the Work, of all materials, equipment, scaffolds, tools, appliances and other items thereon, which have been purchased or provided for the performance of the Work, all of which Design-Builder hereby transfers, assigns and sets over to Owner for such purpose, and to employ any person or persons to complete the Work and provide all of the required labor, services, materials, equipment and other items. In the event of such termination, Design-Builder shall not be entitled to receive any further payments under the Contract Documents until the Work shall be finally completed in accordance with the Contract Documents. At such time, if the unpaid balance of the Contract Price exceeds the cost and expense incurred by Owner in completing the Work, such excess shall be paid by Owner to Design-Builder. Notwithstanding the preceding sentence, if the Agreement establishes a Guaranteed Maximum Price, Design-Builder will only be entitled to be paid for Work performed prior to its default. If Owner's cost and expense of completing the Work exceeds the unpaid balance of the Contract Price, then Design-Builder shall be obligated to pay the difference to Owner. Such costs and expense shall include not only the cost of completing the Work, but also losses, damages, costs and expense, including attorneys' fees and expenses, incurred by Owner in connection with the procurement and defense of claims arising from Design-Builder's default, subject to the waiver of consequential damages set forth in Section 10.5 hereof.

11.2.4 If Owner improperly terminates the Agreement for cause, the termination for cause will be converted to a termination for convenience in accordance with the provisions of Article 8 of the Agreement.

11.3 Design-Builder's Right to Stop Work.

11.3.1 Design-Builder may, in addition to any other rights afforded under the Contract Documents or at law, stop the Work for the following reasons:

11.3.1.1 Owner's failure to provide financial assurances as required under Section 3.3 hereof; or

11.3.1.2 Owner's failure to pay amounts properly due under Design-Builder's Application for Payment.

11.3.2 Should any of the events set forth in Section 11.3.1 above occur, Design-Builder has the right to provide Owner with written notice that Design-Builder will stop the Work unless said event is cured within seven (7) days from Owner's receipt of Design-Builder's notice. If Owner does not cure the problem within such seven (7) day period, Design-Builder may stop the Work. In such case, Design-Builder shall be entitled to make a claim for adjustment to the Contract Price and Contract Time(s) to the extent it has been adversely impacted by such stoppage.

11.4 Design-Builder's Right to Terminate for Cause.

11.4.1 Design-Builder, in addition to any other rights and remedies provided in the Contract Documents or by law, may terminate the Agreement for cause for the following reasons:

11.4.1.1 The Work has been stopped for sixty (60) consecutive days, or more than ninety (90) days during the duration of the Project, because of court order, any government authority having jurisdiction over the Work, or orders by Owner under Section 11.1.1 hereof, provided that such stoppages are not due to the acts or omissions of Design-Builder or anyone for whose acts Design-Builder may be responsible.

11.4.1.2 Owner's failure to provide Design-Builder with any information, permits or approvals that are Owner's responsibility under the Contract Documents which result in the Work being stopped for sixty (60) consecutive days, or more than ninety (90) days during the duration of the Project, even though Owner has not ordered Design-Builder in writing to stop and suspend the Work pursuant to Section 11.1.1 hereof.

11.4.1.3 Owner's failure to cure the problems set forth in Section 11.3.1 above after Design-Builder has stopped the Work.

11.4.2 Upon the occurrence of an event set forth in Section 11.4.1 above, Design-Builder may provide written notice to Owner that it intends to terminate the Agreement unless the problem cited is cured, or commenced to be cured, within seven (7) days of Owner's receipt of such notice. If Owner fails to cure, or reasonably commence to cure, such problem, then Design-Builder may give a second written notice to Owner of its intent to terminate within an additional seven (7) day period. If Owner, within such second seven (7) day period, fails to cure, or reasonably commence to cure, such problem, then Design-Builder may declare the Agreement terminated for default by providing written notice to Owner of such declaration. In such case, Design-Builder shall be entitled to recover in the same manner as if Owner had terminated the Agreement for its convenience under Article 8 of the Agreement.

11.5 Bankruptcy of Owner or Design-Builder.

11.5.1 If either Owner or Design-Builder institutes or has instituted against it a case under the United States Bankruptcy Code (such party being referred to as the "Bankrupt Party"), such event may impair or frustrate the Bankrupt Party's ability to perform its obligations under the Contract Documents. Accordingly, should such event occur:

11.5.1.1 The Bankrupt Party, its trustee or other successor, shall furnish, upon request

of the non-Bankrupt Party, adequate assurance of the ability of the Bankrupt Party to perform all future material obligations under the Contract Documents, which assurances shall be provided within ten (10) days after receiving notice of the request; and

11.5.1.2 The Bankrupt Party shall file an appropriate action within the bankruptcy court to seek assumption or rejection of the Agreement within sixty (60) days of the institution of the bankruptcy filing and shall diligently prosecute such action.

If the Bankrupt Party fails to comply with its foregoing obligations, the non-Bankrupt Party shall be entitled to request the bankruptcy court to reject the Agreement, declare the Agreement terminated and pursue any other recourse available to the non-Bankrupt Party under this Article 11.

11.5.2 The rights and remedies under Section 11.5.1 above shall not be deemed to limit the ability of the non-Bankrupt Party to seek any other rights and remedies provided by the Contract Documents or by law, including its ability to seek relief from any automatic stays under the United States Bankruptcy Code or the right of Design-Builder to stop Work under any applicable provision of these General Conditions of Contract.

Article 12

Electronic Data

12.1 Electronic Data.

12.1.1 The parties recognize that Contract Documents, including drawings, specifications and three-dimensional modeling (such as Building Information Models) and other Work Product may be transmitted among Owner, Design-Builder and others in electronic media as an alternative to paper hard copies (collectively "Electronic Data").

12.2 Transmission of Electronic Data.

12.2.1 Owner and Design-Builder shall agree upon the software and the format for the transmission of Electronic Data. Each party shall be responsible for securing the legal rights to access the agreed-upon format, including, if necessary, obtaining appropriately licensed copies of the applicable software or electronic program to display, interpret and/or generate the Electronic Data.

12.2.2 Neither party makes any representations or warranties to the other with respect to the functionality of the software or computer program associated with the electronic transmission of Work Product. Unless specifically set forth in the Agreement, ownership of the Electronic Data does not include ownership of the software or computer program with which it is associated, transmitted, generated or interpreted.

12.2.3 By transmitting Work Product in electronic form, the transmitting party does not transfer or assign its rights in the Work Product. The rights in the Electronic Data shall be as set forth in Article 4 of the Agreement. Under no circumstances shall the transfer of ownership of Electronic Data be deemed to be a sale by the transmitting party of tangible goods.

12.3 Electronic Data Protocol.

12.3.1 The parties acknowledge that Electronic Data may be altered or corrupted, intentionally or otherwise, due to occurrences beyond their reasonable control or knowledge, including but not limited to compatibility issues with user software, manipulation by the recipient, errors in transcription or transmission, machine error, environmental factors, and operator error.

Consequently, the parties understand that there is some level of increased risk in the use of Electronic Data for the communication of design and construction information and, in consideration of this, agree, and shall require their independent contractors, Subcontractors and Design Consultants to agree, to the following protocols, terms and conditions set forth in this Section 12.3.

12.3.2 Electronic Data will be transmitted in the format agreed upon in Section 12.2.1 above, including file conventions and document properties, unless prior arrangements are made in advance in writing.

12.3.3 The Electronic Data represents the information at a particular point in time and is subject to change. Therefore, the parties shall agree upon protocols for notification by the author to the recipient of any changes which may thereafter be made to the Electronic Data, which protocol shall also address the duty, if any, to update such information, data or other information contained in the electronic media if such information changes prior to Final Completion of the Project.

12.3.4 The transmitting party specifically disclaims all warranties, expressed or implied, including, but not limited to, implied warranties of merchantability and fitness for a particular purpose, with respect to the media transmitting the Electronic Data. However, transmission of the Electronic Data via electronic means shall not invalidate or negate any duties pursuant to the applicable standard of care with respect to the creation of the Electronic Data, unless such data is materially changed or altered after it is transmitted to the receiving party, and the transmitting party did not participate in such change or alteration.

Article 13

Miscellaneous

13.1 Confidential Information.

13.1.1 Confidential Information is defined as information which is determined by the transmitting party to be of a confidential or proprietary nature and: (i) the transmitting party identifies as either confidential or proprietary; (ii) the transmitting party takes steps to maintain the confidential or proprietary nature of the information; and (iii) the document is not otherwise available in or considered to be in the public domain. The receiving party agrees to maintain the confidentiality of the Confidential Information and agrees to use the Confidential Information solely in connection with the Project.

13.2 Assignment.

13.2.1 Neither Design-Builder nor Owner shall, without the written consent of the other assign, transfer or sublet any portion or part of the Work or the obligations required by the Contract Documents.

13.3 Successorship.

13.3.1 Design-Builder and Owner intend that the provisions of the Contract Documents are binding upon the parties, their employees, agents, heirs, successors and assigns.

13.4 Governing Law.

13.4.1 The Agreement and all Contract Documents shall be governed by the laws of the place of the Project, without giving effect to its conflict of law principles.

13.5 Severability.

13.5.1 If any provision or any part of a provision of the Contract Documents shall be finally determined to be superseded, invalid, illegal, or otherwise unenforceable pursuant to any applicable Legal Requirements, such determination shall not impair or otherwise affect the validity, legality, or enforceability of the remaining provision or parts of the provision of the Contract Documents, which shall remain in full force and effect as if the unenforceable provision or part were deleted.

13.6 No Waiver.

13.6.1 The failure of either Design-Builder or Owner to insist, in any one or more instances, on the performance of any of the obligations required by the other under the Contract Documents shall not be construed as a waiver or relinquishment of such obligation or right with respect to future performance.

13.7 Headings.

13.7.1 The headings used in these General Conditions of Contract, or any other Contract Document, are for ease of reference only and shall not in any way be construed to limit or alter the meaning of any provision.

13.8 Notice.

13.8.1 Whenever the Contract Documents require that notice be provided to the other party, notice will be deemed to have been validly given (i) if delivered in person to the individual intended to receive such notice, (ii) four (4) days after being sent by registered or certified mail, postage prepaid to the address indicated in the Agreement, or (iii) if transmitted by facsimile, by the time stated in a machine generated confirmation that notice was received at the facsimile number of the intended recipient.

13.9 Amendments.

13.9.1 The Contract Documents may not be changed, altered, or amended in any way except in writing signed by a duly authorized representative of each party.

CWSRF Debarment Certification

**Certification Regarding
Debarment, Suspension, and Other Responsibility Matters**

The prospective participant certifies, to the best of its knowledge and belief, that it and its principals:

- (1) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in transactions under federal nonprocurement programs by any federal department or agency;
- (2) Have not, within the three year period preceding the proposal, had one or more public transactions (federal, state, or local) terminated for cause or default; and
- (3) Are not presently indicted or otherwise criminally or civilly charged by a government entity (federal, state, or local) and have not, within the three year period preceding the proposal, been convicted of or had a civil judgment rendered against it:
 - (a) For the commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public transaction (federal, state, or local) or a procurement contract under such a public transaction;
 - (b) For the violation of federal or state antitrust statutes, including those proscribing price fixing between competitors, the allocation of customers between competitors, or bid rigging; or
 - (c) For the commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property.

I understand that a false statement on this certification may be grounds for the rejection of this proposal or the termination of the award. In addition, under 18 U.S.C. §1001, a false statement may result in a fine of up to \$10,000 or imprisonment for up to five years, or both.

Craig L. Shumaker, P.E., Sr. Vice President
Name and Title of Authorized Representative

F&V Construction
Name of Participant Agency or Firm

Signature of Authorized Representative

Date

I am unable to certify to the above statement. Attached is my explanation.

EXHIBIT A

Project Plan for project CWSRF No. 5758-01 on file with EGLE

EXHIBIT B

GMP Proposal | Scope of Project

EXHIBIT B

GMP PROGRAM – SCOPE OF PROJECT

General scope of project improvements (Also see Exhibit A – SRF Project Plan)

Program for the Wastewater System Improvements Project, CWSRF No. 5758-01.

The proposed WWTP improvements include:

- Replace/upgrade the raw sewage pumps.
- Replace mechanical screen with a finer screen to mitigate rag and debris accumulation in downstream processes.
- Replace/upgrade the biological treatment process to increase capacity.
 - Repair existing concrete structures.
 - Upgrade diffused aeration system, blowers, related process equipment.
- Upsize Clarifier No. 1 effluent piping to improve hydraulics.
- Evaluate/Implement alternatives for mitigating algae accumulation on the clarifier effluent weirs.
- Improvements to the UV disinfection system.
 - Replace faulty electrical components.
 - Provide effluent bypass pump connection.
- Replace existing chemical feed systems.
- Building Improvements.
 - Air conditioning system in Lab Building.
 - New service garage.
 - Replace/upgrade non-potable and potable water systems.
 - Provide break room/changing room in the existing lab building.
- Anaerobic digestion Improvements
 - Replace primary digester cover and mixing system.
 - Replace/upgrade sludge transfer and recirculation systems.
- New 500,000-gallon biosolids storage tank.
- Related piping, electrical, instrumentation and controls modifications.

The proposed collection system improvements include:

- Upgrades at Rindلهaven, Canal Street, and Riverside Lift Stations.
 - Replace one pump at Rindلهaven and two pumps at Riverside.
 - New ATS and standby generator at Canal Street.
 - Hatch replacement at Canal Street and Riverside.
 - Related piping, electrical, instrumentation and controls modifications.
- Collection system lining/repairs in identified high-priority areas.

The scope of improvements is further described and outlined in the CWSRF No. 5758-01 Project Plan.

Our approach for the PDB process will allow the City to control costs and improve the project outcome by participating directly in both design and construction decisions. F&V Engineering and F&V Operations Services staff have been trusted partners, working together with City staff and collaborating on important decisions for the long-term reliability of the WWTP. With F&V Construction (FVC) as the Design-Builder, the City will have a single point of responsibility and a performance warranty while still maintaining direct involvement throughout the PDB process.

FVC will utilize the same engineers that work with you during the design to work with the project team during construction. We will engage trade contractors that are both efficient and effective in completing the type of work required. The current project includes elements that would be best developed through design innovation, as well as collaboration, amongst the team. FVOP and City staff are very knowledgeable of their facility and have been working with our engineers to develop many good ideas with regards to the needed improvements. By utilizing the PDB delivery method with FVC, the City will have access to actual cost data and be able to make informed decisions with support from the Design-Builder. We offer the following outline of our proposed approach:

Step 1 Preliminary Design and Preconstruction Phase

The **Step 1** activity includes adequate design development to assemble bid packages for selection of trade contractors, forming a team consisting of the Design-Builder, Owner and Trade Contractors and establishing refined pricing for all elements of the project. Tasks under **Step 1** include:

Task 1 – Basis of Design Preparation

Develop the **Basis of Design** defining the improvements and preliminary design concepts consistent with the SRF Project Plan. The work scope to complete this phase of the project includes:

- 1.1 Hold a pre-design kick-off meeting with City staff to review project requirements, work scope, and overall schedule.
- 1.2 Prepare a Basis of Design Report which will include descriptions of the improvements, hydraulic and biological calculations of the proposed WWTP. The report is updated as the design progresses.
- 1.3 Meeting with EGLE and CWSRF staff to discuss the PDB approach, update project status, and establish permitting schedule.

Task 2 - Preliminary Design and Pricing Phase (30% and 60% Submittals)

The Basis of Design Report will serve as the foundation for the **Preliminary Design Phase**. It will define all the components of the project to be built. The Preliminary Design Phase documents consist of preliminary drawings, outline specifications, and preliminary costs.

The engineering services to complete the preliminary design phase will include:

- 2.1 Review record drawings of the existing WWTP.
- 2.2 Obtain from the utility companies' information for electric, gas, telephone, and cable TV, as appropriate.
- 2.3 Conduct a site survey to prepare site plan drawings and required site improvements.
- 2.4 Prepare AutoCad drafting of the WWTP improvements.
- 2.5 The SRF project number will be shown on the cover sheets of the plans and specifications.
- 2.6 Assemble list of the various Trades for the project and begin to contact these subcontractors to determine their interest in the project. The various Trades will be informed of the "American Iron and Steel," Debarment Certification, Davis-Bacon Wage Rates requirements and the Disadvantaged Business Enterprises goals.
- 2.7 The anticipated regulatory permits required for construction of the wastewater system improvements include the following:
 - EGLE Part 41 Construction Permit (Wastewater)
 - Building Permit
- 2.8 Prepare and update draft permitting and construction schedule.
- 2.9 Update Design and Construction Costs. As the design details are developed, we will begin to prepare preliminary cost estimates for the various Trades. Monitor programmed in costs and to make scope adjustments where possible, if needed.

- 2.10 The 30% Design documents will be shared with the design-build team, City and Owner's Representative, EGLE and CWSRF for review. This submittal includes:
 - Basis of Design (Technical Memorandum)
 - Preliminary Drawing Set
 - Outline of Specifications
 - Updated Design and Construction Costs
- 2.11 A meeting will be conducted with the Design / Build Team, City staff, Owner's Representative and EGLE staff to review the 30% Design Submittal.
- 2.12 Meeting minutes will be prepared and distributed.
- 2.13 Update the Basis of Design based on review meeting comments. This should include near-final hydraulic calculations, pump selections, equipment preference documentation, and Instrumentation and Control design.
- 2.14 Develop concepts for sequencing operations of the WWTP when key processes are out of service during construction.
- 2.15 Prepare the 60% Design Drawings.
- 2.16 Prepare 60% technical specifications.
- 2.17 Prepare the 60% Design and Construction Costs. Preliminary costs will be updated by the design-build team to incorporate changes made from the 30% to 60% submittal.
- 2.18 Perform QC of the Preliminary Design.
- 2.19 The 60% Design documents will be shared with the design-build team, City and Owner's Representative. Our sister company FVOP and City staff will be involved in the design-build process and will participate in the 60% QC review. The 60% submittal includes:
 - Basis of Design (Technical Memorandum)
 - Preliminary Drawing Set
 - Outline of Specifications
- 2.20 Updated Design and Construction Costs
- 2.21 Meet with the design-build team, City staff, Owner's Representative, EGLE and CWSRF staff to review the 60% Design Submittal.
- 2.22 Meeting minutes will be prepared and distributed.

Task 3 - Final Design and Final Pricing Phase

The collaboration of the design-build team with the City staff, Owners Representative, and EGLE staff will continue as the design is finalized. The **Final Design Phase** will incorporate adjustments through the value engineering process completed through this collaboration process. This task includes final detailing of the design, development of a detailed construction schedule, and establishing a Guaranteed Maximum Price (GMP) for the project.

The decision as to whether some of the items can be made as a part of the project will be made during the final design and pricing phase. Other Task 3 items include:

- 3.1 Update the Basis of Design based on review meeting comments. This should include near-final hydraulic calculations, pump selections, equipment preference documentation and Instrumentation and Control design.
- 3.2 Refine concepts for operations and construction sequencing of the WWTP when key processes are out of service.
- 3.3 Prepare the 90% Design Drawings.
- 3.4 Prepare 90% technical specifications.
- 3.5 Prepare the 90% Design and Construction Costs. Preliminary costs will be sought from various Trades.
- 3.6 Perform QC of the Design.
- 3.7 Submit permit applications to various regulatory agencies.

- 3.8 The 90% Design Submittal documents will be shared with the design-build team, City, Owner's Representative and EGLE for review. This submittal includes:
 - Basis of Design (Technical Memorandum)
 - Pre-Final Drawing Set
 - Outline of Specifications
- 3.9 Pre-Final Design and Construction Costs
- 3.10 The plans and specifications will be released to the various trades for bidding. We will follow the City's local bidding requirements where applicable. The goal is to have multiple bids for each trade from acceptable contractors and follow the CWSRF requirements.
- 3.11 A meeting will be conducted with the design-build team, and City and Owner's Representative to review the pricing and 90% Design Submittal. Any adjustments to the design requested by the City in the 90% review may require some re-pricing by the trade contractors, if needed. Distribute meeting minutes.
- 3.12 Submit preliminary Guaranteed Maximum Price (GMP) to the City for review and approval.
- 3.13 Assemble CWSRF Part III application on behalf of City for submittal.
- 3.14 Submit Final GMP contract exhibit.
- 3.15 Prepare contract amendment reflecting GMP to the City for approval. Our subcontractors' bids and FVC's costs and overhead will be provided to the City on an open book basis. The City will be able to review each item of work and trade bids in the compilation of the GMP.
- 3.16 If the City accepts the GMP, the project proceeds to Task 4. If the City would find the GMP not acceptable, they could stop project at this time, cut out parts of the project to reduce cost, or ask our engineers to bid the project on the open market to various general contractors.

Step 2 Design Completion and Construction Phase

The **Step 2** activity includes obtaining permits, development of a detailed construction schedule, and completing construction of the improvements. Tasks under **Step 2** include:

Task 4 - Construction Phase

Commencement of mobilization and construction activities.

- 4.1 Issue Notices of Award to the various trades.
- 4.2 Schedule pre-construction meeting.
- 4.3 Execute contracts with various Trades and issue Notices to Proceed.
- 4.4 Secure construction permits, insurances and bonds.
- 4.5 Conduct Pre-Construction Meeting and mobilize to the job site.
- 4.6 Review of Trade shop drawings for materials and equipment required for the project to confirm compliance with the project specifications and intent.
- 4.7 Provide Site Superintendent to coordinate Trades.
- 4.8 Resolve contractor questions or construction issues.
- 4.9 Provide materials testing from an independent testing laboratory.
- 4.10 Conduct weekly progress and safety meetings with Trades.
- 4.11 Conduct monthly progress meetings with the design-build team, Owner and Owner's Representative.
- 4.12 Maintain and update construction progress schedule.
- 4.13 Prepare daily reports, recording hours on the Site, weather conditions, data relative to questions of Change Orders, Field Orders, Work Change Directives, or changed

- conditions, daily activities, decisions, observations in general and observing test procedures.
- 4.14 Prepare and submit payment applications to Owner. Assist with preparing the CWSRF Disbursement Request applications on behalf of the City. The City will need to submit to the CWSRF Project Manager.
 - 4.15 Oversee equipment and systems startup and prove-in.
 - 4.16 Advise Owner's Representative when Substantial Completion has been achieved on the overall project, which marks the beginning of the warranty period.
 - 4.17 Prepare and compile the equipment Operations & Maintenance Manuals. Provide Owner with one PDF version and one 3-ring binder.
 - 4.18 Maintain "red-line" drawings of improvements at the project site. Prepare Record Drawings showing appropriate record information based on project annotated record (red-line) documents received from the Trades. These record drawings will be provided to the City in electronic format at project closeout.
 - 4.19 Assist City in preparing CWSRF closeout documentation and final disbursement request.

EXHIBIT C

Step 1 | Guaranteed Maximum Price for Design and Bidding

Step 2 | Guaranteed Maximum Price for Construction



EXHIBIT C- Step 1 Guaranteed Maximum Price for Design and Bid Phases

Client Name: **City of Portland, Michigan** Estimator: **FVC** Date: **October 2021**
 Job Name: **Wastewater System Improvements, CWSRF No. 5758-01** Design By: **F&V** Bid Date: **TBD**
 Location: **WWTP: 600 Morse Drive, Portland, MI 48875** Check By: **FVC**
 Job Number: **TBD**
 Description: **WWTP and Collection System Improvements**
 Duration: **Construction lasting approximately ___ months to reach Substantial Completion**

<u>Trade Category</u>	<u>Subcontractor / Location</u>	<u>Accepted Bid</u>
Contract 1 Site Work & Excavation	***Name***	
Contract 2 Concrete	***Name***	
Contract 3 General Trades	***Name***	
Contract 4 Painting	***Name***	
Contract 5 Mechanical	***Name***	
Contract 6 Electrical, Instrumentation & Control	***Name***	
Contract 7 Owner's System Integrator	***Name***	
Total of Trades		TBD
General Conditions - Lump Sum		TBD
Sub Total		<u>TBD</u>
Construction Management Overhead & Profit Fee - Lump Sum		TBD
Sub Total		<u>TBD</u>
Basic Services - Pre-Construction, VE & Bid Phase (FVC) - Lump Sum, no markup		TBD
Basic Services - Project Mngt, Administration & Site Superintendent (FVC) - Lump Sum, no markup		TBD
Sub-Total Cost		<u>TBD</u>
Design-Builder's Contingency Allowance		TBD
Guaranteed Maximum Price for Construction		<u>TBD</u>
Design Phase Engineering (F&V)- Lump Sum		\$665,000.00
Bid Phase Engineering (F&V)- Lump Sum		\$30,000.00
Basic Services - Pre Construction and Value Engineering (F&V) - Lump Sum		\$45,000.00
Design, Bidding, Pre-Construction & VE Fees		<u>\$740,000.00</u>

Initial _____ Date _____
 OWNER: _____
 FVC: _____

EXHIBIT C- Step 2 Guaranteed Maximum Price for Construction

Client Name: **City of Portland, Michigan** Estimator: **FVC** Date: **TBD**
 Job Name: **Wastewater System Improvements, CWSRF No. 5758-01** Design By: **F&V** Bid Date: **TBD**
 Location: **WWTP: 600 Morse Drive, Portland, MI 48875** Check By:
 Job Number: **TBD**
 Description: **WWTP and Collection System Improvements**
 Duration: **Construction lasting approximately ___ months to reach Substantial Completion**

<u>Trade Category</u>	<u>Subcontractor / Location</u>	<u>Accepted Bid</u>
Contract 1 Site Work & Excavation	***Name***	
Contract 2 Concrete	***Name***	
Contract 3 General Trades	***Name***	
Contract 4 Painting	***Name***	
Contract 5 Mechanical	***Name***	
Contract 6 Electrical, Instrumentation & Control	***Name***	
Contract 7 Owner's System Integrator	***Name***	

Total of Trades	TBD
General Conditions - Lump Sum	TBD
Sub Total	TBD
Construction Management Overhead & Profit Fee - Lump Sum	TBD
Sub Total	TBD
Basic Services - Pre-Construction, VE & Bid Phase (FVC) - Lump Sum, no markup	TBD
Basic Services - Project Mngt, Administration & Site Superintendent (FVC) - Lump Sum, no markup	TBD
Sub-Total Cost	TBD
Design-Builder's Contingency Allowance	TBD
Total FVC Budget Authorization	TBD
Construction Phase Engineering (F&V)- Lump Sum	TBD
Guaranteed Maximum Price for Construction	TBD

NOTES:

1 Design and bidding fees previously authorized in agreement dated _____ **\$740,000.00**

Guaranteed Maximum Price **TBD**

	<u>Initial</u>	<u>Date</u>
OWNER:	_____	_____
FVC:	_____	_____

EXHIBIT D

Conformed To Contract Documents

Prepared by Fleis & VandenBrink Engineering, Inc.

Performance & Payment Bonds

Certificate of Insurance

Typical CWSRF Disbursement Form

MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY
 DRINKING WATER AND MUNICIPAL ASSISTANCE DIVISION - REVOLVING LOAN SECTION

**DRINKING WATER REVOLVING FUND (DWRF) AND CLEAN WATER STATE REVOLVING FUNDS (SRF/SWQIF)
 REQUEST FOR DISBURSEMENT OF FUNDS**

THIS INFORMATION IS REQUIRED UNDER AUTHORITY OF PARTS 52, 53, AND 54, 1994 PA 451.

PLEASE SEE OTHER SIDE FOR INSTRUCTIONS TO COMPLETE REQUEST

A. Project #	B. Request #	C. Period Covered by Request _____ to _____ (M/D/Y) (M/D/Y)	D. Request Type <input type="checkbox"/> partial <input type="checkbox"/> final	E. Recipient's EIN	F. Loan Amount
G. Recipient's Name:					Phone #
Address:					
H. Recipient's Bank Name:					Phone #
Address:					
Account Name:				ABA #	Account #
Special Instructions:					
I. Budget Items (round amounts to the nearest dollar)				Approved Amount Incurred this Period	Approved Amount Incurred to Date
1. ASSET MANAGEMENT PROGRAM/FISCAL SUSTAINABILITY COSTS					
2. PLANNING COSTS					
3. RATE METHODOLOGY DEVELOPMENT COSTS					
4. DESIGN ENGINEERING COSTS					
5. LEGAL/FINANCIAL SERVICE FEES					
6. ADMINISTRATIVE COSTS					
7. BOND COUNSEL FEES					
8. BOND ADVERTISEMENT COSTS					
9. BID ADVERTISEMENT COSTS					
10. CAPITALIZED INTEREST					
11. LAND ACQUISITION/RELOCATION COSTS					
12. LAND PURCHASE COSTS					
13. CONSTRUCTION ENGINEERING COSTS					
14. CONSTRUCTION COSTS (bid contracts)					
15. CONSTRUCTION COSTS (force account)					
16. EQUIPMENT COSTS					
17. OTHER PROJECT COSTS					
18. ADJUSTMENTS DUE TO OTHER FUNDING					
19. TOTAL AMOUNT INCURRED THIS PERIOD					
20. TOTAL CUMULATIVE AMOUNT INCURRED TO DATE					
21. AMOUNT PREVIOUSLY DISBURSED					
22. AMOUNT REQUESTED FOR DISBURSEMENT					
<p>I certify that I am an authorized representative of the recipient and am authorized to make the following certifications on behalf of the recipient: (i) there is no pending litigation or event which will materially and adversely affect the project, the prospects for its completion, or the recipient's ability to make timely repayments on the obligation issued in connection with this project; (ii) the representations, warranties and covenants contained in the supplemental agreement for the obligations pursuant to which this request for disbursement is submitted continue to be true and accurate in all material respects as of the date hereof; (iii) to the best of my knowledge and belief, the costs above were incurred in accordance with the terms of the supplemental agreement and the application for assistance for this project; and (iv) the amount requested for disbursement represents the loan amount due, which has not previously been requested.</p> <p>Authorized Representative Name (Print or Type): _____ Title: _____</p> <p>Authorized Representative Signature: _____ Date: _____</p> <p>PLEASE EMAIL THIS COMPLETED REQUEST TO YOUR DEQ PROJECT MANAGER OR MAIL TO THE ADDRESS SHOWN ON THE REVERSE SIDE</p>					

DRINKING WATER AND CLEAN WATER STATE REVOLVING FUNDS
Instructions for Completing a Request for Disbursement of Funds

- A. Fill in the respective program project number that was assigned by the Michigan Department of Environmental Quality (DEQ).
- B. Identify the number of this disbursement request.
- C. Indicate the calendar period covered by this disbursement request.
- D. Check whether this is a partial or the final disbursement request.
- E. Fill in the recipient's federal employer identification number (EIN).
- F. Fill in the loan amount as shown in the Order of Approval.
- G. Fill in the loan recipient's (bond issuer) name, address, and telephone number. This information must match data on file with the DEQ; if changes have occurred, please inform your DEQ project manager in a separate letter accompanying this request.
- H. Fill in your bank's name, address, telephone number, ABA identifying number, the account name and number, and any special instructions for the wire transfer to that account. This information must match data on file with the DEQ; if changes have occurred, please inform your DEQ project manager in a separate letter accompanying this request.
- I. Recap approved eligible costs incurred to date for each budget item. Show the amount requested for the period covered by this request, and then the cumulative amount to date from project inception. **Entries in this section must be rounded to the nearest dollar.** If costs have been incurred for a budget item that was not shown in the DEQ Order of Approval, please inform your project manager in a separate letter accompanying this request.
 - 1. Enter the costs invoiced and/or paid for services directly associated with municipality's Asset Management Program. Include salaries of municipal employees, if applicable.
 - 2. Enter the costs invoiced and/or paid for planning (do not include costs of tangible assets such as pilot facilities and test wells).
 - 3. Enter the costs invoiced and/or paid for services directly associated with the development and enactment of the municipality's rate methodology and any related ordinances.
 - 4. Enter the costs invoiced and/or paid for project design work required prior to actual construction.
 - 5. Enter the costs invoiced and/or paid for legal or financial services except costs associated with the issuance of bonds related to this project.
 - 6. Enter the costs incurred for salaries and indirect costs of the water supplier or municipal employees involved in the project administration.
 - 7. Enter the costs invoiced and/or paid for legal or financial services associated with the issuance of bonds related to this project.
 - 8. Enter the costs invoiced and/or paid to publish legal notices related to the sale of bonds related to this project.
 - 9. Enter the costs invoiced and/or paid to publish advertisements for bids for the project construction contracts.
 - 10. Enter only the amount of capitalized interest invoiced and/or paid for the period covered by this request.
 - 11. Enter the costs invoiced and/or paid for services related to compliance with the federal Uniform Relocation Assistance and Real Property Acquisition Policies Act (49 CFR Part 24).
 - 12. Enter the costs invoiced and/or paid for the purchase of property which was deemed eligible and included in the Supplemental Agreement.
 - 13. Enter the costs invoiced and/or paid for project construction engineering services.
 - 14. Enter the costs invoiced and/or paid under the project construction contracts.
 - 15. Enter the costs incurred for salaries and indirect costs of the water supplier or municipal employees involved in the project construction labor (\$50,000 limit).
 - 16. Enter the costs invoiced and/or paid for equipment purchased as part of this project.
 - 17. Enter other costs invoiced and/or paid for miscellaneous items that were approved by the DEQ for inclusion in this project. If new items have been procured, please inform your project manager in a separate letter accompanying this request.
 - 18. Enter adjustment which arises from reimbursements by other funding sources or the use of cash on hand.
 - 19. Enter the sum of the amounts shown in Column 1 (Amount Incurred this Period).
 - 20. Enter the sum of the amounts shown in Column 2 (Amount Incurred Cumulative to Date).
 - 21. Enter the total amount of funds previously paid (Line 20 on the previous disbursement request).
 - 22. Subtract Line 21 from line 20 to arrive at the Amount Requested for Disbursement.

NOTE: EXCEPT FOR REQUESTS #1 AND #2, YOU MAY SUBMIT NO MORE THAN ONE REQUEST FOR DISBURSEMENT DURING A CALENDAR MONTH.

Provide this *Request for Disbursement of Funds* and the required incurred cost documentation to your DEQ Project Manager via email or mail to:

**REVOLVING LOAN SECTION
DRINKING WATER AND MUNICIPAL ASSISTANCE DIVISION
MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY
PO BOX 30817
LANSING MI 48909-8311
Telephone: 517-284-5433**

Typical Certificate of Substantial Completion



CERTIFICATE OF SUBSTANTIAL COMPLETION

OWNER: **City of Portland, Michigan**

DESIGN BUILDER: **F&V Construction, Inc.**

Project: **Wastewater System Improvements, CWSRF No. 5758-01**

Project No.:

This **definitive** Certificate of Substantial Completion applies to:

- All Work under the Contract Documents:
- The following specified portions of the Work:

Date of Substantial Completion: _____

The Work to which this Certificate applies has been inspected by authorized representatives of OWNER AND DESIGN BUILDER and found to be substantially complete. The date of Substantial Completion of the Project or portion thereof designated above is hereby declared and is also the date of commencement of applicable warranties required by the Contract Documents, except as stated below.

This certificate does not constitute an acceptance of Work not in accordance with the Contract Documents nor is it a release of DESIGN BUILDER'S obligation to complete the Work in accordance with the Contract Documents.

Executed by DESIGN BUILDER _____

_____ Date

Accepted by OWNER _____

_____ Date

In executing this Agreement, Owner and Design-Builder each individually represents that it has the necessary financial resources to fulfill its obligations under this Agreement, and each has the necessary corporate approvals to execute this Agreement, and perform the services described herein.

OWNER:

City of Portland
(Name of Owner)

(Signature)

James E. Barnes
(Printed Name)

Mayor
(Title)

Date: _____

DESIGN-BUILDER:

F&V Construction
(Name of Design-Builder)

(Signature)

(Printed Name)

(Title)

Date: _____

PORTLAND CITY COUNCIL
Ionia County, Michigan

Council Member _____, supported by Council Member _____, made a motion to adopt the following resolution:

RESOLUTION NO. 21-64

**A RESOLUTION APPROVING A PROPOSAL FROM NTH CONSULTANTS,
LTD TO PROVIDE OCCUPATIONAL HEALTH & SAFETY COMPLIANCE
SERVICES TO THE ELECTRIC DEPARTMENT**

WHEREAS, the Electric Department and its employees engage in certain high-risk activities during the course of their employment; and

WHEREAS, the safety of our employees and the general public remains a priority for the city; and

WHEREAS, the Electric Superintendent and City Manager recommend approving the proposal from NTH Consultants, Ltd. to provide occupational, health and safety compliance services to the Electric Department in the amount of \$16,000.00, a copy of the proposal and memo from the Electric Superintendent, are attached as Exhibit A; and

WHEREAS, at its meeting on November 30, 2021, the Board of Light and Power voted to recommend that City Council approve same.

NOW THEREFORE BE IT RESOLVED AS FOLLOWS:

1. The City Council approves the Board of Light and Power's recommendation to approve the proposal from NTH Consultants, Ltd. to provide occupational, health and safety compliance services to the Electric Department in the amount of \$16,000.00, a copy of the proposal and memo from the Electric Superintendent, are attached as Exhibit A; and
2. All resolutions and parts of resolutions are, to the extent of any conflict with this resolution, rescinded.

Ayes:

Nays:

Absent:

Abstain:

RESOLUTION DECLARED ADOPTED.

Dated: December 6, 2021

Monique I. Miller, City Clerk

Memo



To: Board of Light & Power

From: Todd Davlin, Electric Superintendent

cc: Tutt Gorman, City Manager

Date: 11-30-2021

Re: NTH Occupational Health & Safety Compliance Services

In order to meet both compliance obligations and industrial best management practices for safety the PBLP requires updates to specific safety programs and procedures. The PBLP solicited proposals from NTH Consultants and Flies and Vander Brink. After telephone conversations, in person meetings and facility visits, we are recommending contracting with NTH to prepare specific safety plans and procedures as noted below for an estimated cost of \$16,000.

RECOMMENDATION: Authorize and recommend to City Council to approve contracting with NTH Consultants to create Confined Space Entry, Excavation Safety, Lockout Tagout and Energy Isolation, Working at Heights, and Emergency Response Plans for an estimated cost of \$16,000.



NTH Consultants, Ltd.

Infrastructure Engineering
and Environmental Services

3001 Coolidge Road, Suite 101
East Lansing, MI 48823
517.484.6900
517.484.2909 Fax

Mr. Todd Davlin
Superintendent
City of Portland Electric Department
259 Kent Street
Portland, MI 48875

November 5, 2021
NTH Proposal No. 73-210420-02

**RE: Proposal to Provide Professional Consulting Services
Occupational Health & Safety Compliance Services
City of Portland**

Dear Mr. Davlin:

NTH Consultants, Ltd. (NTH) is pleased to present this proposal to provide Occupational Health & Safety (H&S) consulting services for the City of Portland Electric Department at the above referenced property.

PROJECT UNDERSTANDING

The City of Portland Electric Department operates a diesel generator plant for peak power supply, a hydroelectric dam, and various substations and distribution power lines and owns several buildings including a Maintenance Shop, Warehouse, and Storage Barn.

Currently, the City of Portland Electric Department uses the American Public Power Association Safety Manual 16th Edition as a means of providing safety rules and work procedures for employees to perform their tasks in a safe manner. We understand that the City of Portland Electric Department would like several Occupational Health and Safety Programs developed to satisfy MIOSHA regulatory requirements as well as to establish documented safety practices for the subject facility.

SCOPE OF SERVICES

NTH will assist the City of Portland Electric Department with developing written formal programs and procedures for your facility and the tasks being performed. Specific programs that you have requested to be addressed include:

- Confined Space Entry Program,
- Excavation Safety,
- Lockout/Tagout and Energy Isolation (Control of Hazardous Energy),
- Working at Heights, and
- Emergency Response.

The format for each program will identify the scope, responsibilities, procedure, and related documents/forms/references.



Mr. Davlin
November 5, 2021

Task 6: Develop a Lockout/Tagout Program

Personnel from the City of Portland Electric Department perform lockout/tagout procedures depending on the anticipated task. NTH will draft a safety program for Lockout/Tagout providing necessary information in the procedures so that LOTO may be performed using safe working practices and in compliance with regulatory requirements. You indicated at the October 18th meeting that you and Mr. Teachout will develop the actual LOTO procedure for each piece of equipment.

To gather information for the above tasks, we have allocated time for one (1) site visit. For each safety program listed in Tasks 2-6 above, we have included up to 10 hours to develop the program manual and 2 additional hours to incorporate facility comments following your review.

ESTIMATED FEES AND GENERAL CONDITONS

The estimated fee to complete the safety program manuals based on the Scope of Services above is as follows:

Task 2: Develop an Emergency Response Plan	\$ 2,800
Task 3: Develop a Confined Space Entry Program	\$ 3,200
Task 4: Develop an Excavation Safety Program	\$ 3,200
Task 5: Develop a Working Heights Program	\$ 3,200
Task 6: Develop a Lockout/Tagout Program	\$ 3,600
Total Budget:	\$ 16,000

NTH will perform the services on a time and expense basis, according to our Fee Schedule (FS-ENG-2), dated 2021, and in accordance with our General Conditions (GC-01-2021), a copy of which is attached.

We appreciate the opportunity to work with you and the City of Portland. Please indicate your acceptance of this agreement by signing below and returning a copy for our file. Should you have questions or need additional information, please feel free to contact us at (248) 553-6300.

Sincerely,

NTH Consultants, Ltd.

DocuSigned by:

A913204186744A6...
 Rhiana C. Dornbos, P.E.
 Project Manager

DocuSigned by:

ED400AE6DF974CO...
 Jeffrey P. Jaros
 President

RCD/JPJ/clm

Attachments



// 2021 FEE AND RATE SCHEDULE PROFESSIONAL SERVICES

PERSONNEL

Fees for our services will be based upon the time worked on the project by professional, technical and clerical personnel according to the following schedule:

	PER HOUR
Technician I*	\$65
Word Processor*	\$75
Technician II*	\$75
Technician III*	\$85
Lab Technician*	\$80
Technician IV*	\$100
Senior Technician/Certified Welding Inspector*	\$100
CADD Operator	\$100
Staff Professional	\$115
Senior Staff Professional	\$130
Project Professional	\$150
Senior Project Professional	\$165
Principal Engineer	\$190
Senior Principal Engineer	\$215
Corporate Officer	\$245

**For these personnel, overtime work will be charged at a rate equal to 1.33 times the Standard Rate.*

A premium of 25 percent will be added to hourly rates for expert testimony and depositions, including preparation time.

NTH Consultants and Professionals include Engineers, Geologists, Environmental Specialists, Architects, Roofing Specialists, Industrial Hygienists, Environmental Health Specialists, Scientists, Asbestos Specialists, and Environmental Chemists. NTH Technicians include Engineering, Environmental, Construction Materials, and Environmental Health technical specialists.

NTH operates on a strong project management system, and a Project Manager is appointed for each project. Project Managers are selected from our staff of Senior Project Professionals, Principal Engineers and Senior Principal Engineers.

EXPENSES

The following expenses, when incurred in direct connection with the project, will be charged at the rate shown:

Transportation, Lodging and Subsistence for Travel	Cost + 10%
Printing, Reproduction, Photographs, Long Distance Telephone and Telecopier Charges, Shipping Charges and Material Purchases	Cost + 10%
Project Mileage for Company-Owned Vehicles	\$1.00 / Mile
Cellular Phone (Field Projects)	\$15 / Day
CADD Supply Charge	\$6 / Hour

Rental of Specialized Field, Laboratory or Monitoring Equipment will be billed as indicated on NTH Schedule of Equipment Usage Rates.

SUBCONTRACTORS / SUBCONSULTANTS

On projects requiring subcontractors or subconsultants, we will obtain the services of reputable contractors or consultants to perform such work. The fees of these contractors or consultants plus a 15% service charge will be added to our invoices.

INVOICES

Progress invoices will be submitted to the client monthly and a final bill will be submitted upon completion of our services. Invoices for cost plus and time and materials projects will show charges for different personnel and expense classifications. Each invoice is due on presentation and is past due thirty (30) days from invoice date. Client agrees to pay a finance charge of one percent (1%) per month on past due accounts. We reserve the right to suspend or terminate work under our agreement upon failure of the client to pay invoices when due.

INCREASES

Fee schedule increases made by our firm on an overall client basis will be applied to work on all projects as the increases become effective.



// General Conditions

PROJECT NO: 73-210420-02

DATE: 11/05/2021

of services or allowing NTH to terminate its services, at NTH's sole discretion. NTH and Client agree that hazardous materials may make it necessary for NTH to take immediate measures to protect health and safety. Client agrees to indemnify NTH fully (as set forth below) and compensate NTH for any liability of any nature, equipment decontamination and other costs incident to the discovery of hazardous materials.

NTH agrees to notify Client when hazardous materials or suspected hazardous materials are encountered. Client agrees to make any disclosures required by law to the appropriate government agencies. Client also agrees to hold NTH harmless for any and all consequences of any required disclosures made by NTH. If Client does not own the project site, it is Client's responsibility to inform the property owner of the discovery of hazardous materials or suspected hazardous materials.

Notwithstanding any other provisions of the agreement, Client waives any claim against NTH for losses, damages, liabilities, and costs (including, without limitation, court costs and attorneys' fees) arising out of, or in any way connected with, the presence, discharge, release, escape, or reporting of hazardous materials or suspected hazardous materials, including, but not limited to, any costs created by delay of the project and any cost associated with possible reduction of the property's value. Further, to the maximum extent permitted by law, Client agrees to defend, indemnify, and save NTH harmless from any claims, losses, damages, liabilities, and costs (including, without limitation, court costs and attorneys' fees) arising out of, or in any way connected with, the presence, discharge, release, escape, or reporting of hazardous materials or suspected hazardous materials, including, but not limited to, any costs created by delay of the project and any cost associated with possible reduction of the property's value. Client will be responsible for proper disposal of any samples secured by NTH which NTH deems to be contaminated.

BIOLOGICAL POLLUTANTS

Unless specifically stated in its proposal, NTH's scope of services does not include the investigation or detection of the presence of any Biological Pollutants in or around any structure. Client agrees that NTH shall have no liability for any claim regarding bodily injury or property damage alleged to arise from or be caused by the presence of or exposure to any Biological Pollutants in or around any structure. In addition, Client shall defend, indemnify, and hold harmless NTH from any third-party claim for damages alleged to arise from or be caused by the presence of or exposure to any Biological Pollutants in or around any structure, except for damages arising from or caused by NTH's sole negligence. The term "Biological Pollutants" includes, but is not limited to, molds, fungi, spores, bacteria, and viruses, and the byproducts of any such biological organisms.

UTILITIES

In the execution of its services, NTH will take reasonable precautions to avoid damage or injury to subterranean structures or utilities made known to NTH by Client or a public utility locating service. Client agrees to hold NTH harmless for any damages to subterranean structures that are not called to NTH's attention and correctly shown or described on the documents furnished.

NON-SOLICITATION

Client agrees that during the course of its engagement with NTH and for a period of one (1) year after that relationship ends, regardless of the reason for separation, Client will not, directly or indirectly, either as an owner, employee, salesperson, consultant, director, independent contractor or in any other capacity, solicit, entice, induce or encourage any employee to leave employment with NTH.

OWNERSHIP OF DOCUMENTS

All reports, drawings, plans, specifications, field data, field notes, calculations, estimates and other documents prepared by NTH, as instruments of service, shall be for the Client's use only on this project and shall remain NTH's property. Electronic data, including, but not limited to, CADD drawings, databases, word processor documents, and/or spreadsheets, are provided as an accommodation only. Paper documents are the contract deliverables.

Client assumes the risk that electronic data may differ from the paper deliverables, due to inaccurate translations or unreadable files. Further, Client agrees to hold harmless and indemnify NTH for any changes or modifications made by others to the electronic data. Client agrees that all reports and other work product furnished to the Client or its representatives, will be returned upon demand and will not be used by the Client for any purpose whatsoever, unless otherwise specifically agreed by NTH. NTH will retain records relating to the services performed that NTH decides to retain in its sole discretion for a period of five (5) years following submission of the report, during which period the records will be made available to the Client at reasonable times for a reasonable fee.

INVOICING

Invoices will be submitted to the Client monthly and a final invoice will be submitted upon completion of NTH's services. Each invoice is due upon presentation, and is past due thirty (30) days from invoice date. Client agrees to pay a finance charge of 1% per month on past due accounts. NTH reserves the right to suspend or terminate services under this agreement upon failure of Client to pay NTH's invoices when due.

PORTLAND CITY COUNCIL
Ionia County, Michigan

Council Member _____, supported by Council Member _____, made a motion to adopt the following resolution:

RESOLUTION NO. 21-65

**A RESOLUTION APPROVING THE BOARD OF LIGHT AND
POWER'S RECOMMENDATION TO CONTINUE
PARTICIPATION IN THE 2022 CLEAN ENERGY PROGRAM
THROUGH THE MICHIGAN PUBLIC POWER AGENCY (MPPA)**

WHEREAS, the Michigan Public Power Agency (MPPA) provides a means for Michigan municipalities which are members of MPPA to secure electric power and energy for their present and future needs; and

WHEREAS, at its regularly scheduled meeting on November 30, 2021, the Board of Light and Power passed a recommendation to City Council to participate in the 2022 Clean Energy Program, through the MPPA, a copy of a memo from the Electric Superintendent and Letter of Authorization, are attached as Exhibit A.

NOW THEREFORE BE IT RESOLVED AS FOLLOWS:

1. The City Council hereby approves the Board of Light and Power's recommendation to participate in the 2022 Clean Energy Program, through the MPPA and direct the City Manager to sign the Letter of Authorization, a copy of a memo from the Electric Superintendent and Letter of Authorization, are attached as Exhibit A.
2. All resolutions and parts of resolutions are, to the extent of any conflict with this resolution, rescinded.

Ayes:

Nays:

Absent:

Abstain:

RESOLUTION DECLARED ADOPTED.

Dated: December 6, 2021

Monique I. Miller, City Clerk

Memo



To: Board of Light & Power

From: Todd Davlin, Electric Superintendent

cc: Tutt Gorman, City Manager

Date: 11-30-2021

Re: MPPA Clean Energy Program

Over the course of 2021 the MPPA solicited proposals from multiple vendors for the continuation of a energy waste reduction and clean energy program in the absence of state regulation. Franklin Energy is the preferred vendor. MPPA is requesting that member City's execute a letter of authorization allowing MPPA to proceed with an agreement with Franklin Energy. This authorization is consistent with a motion approved by the Board of Light and Power at our August meeting.

RECOMMENDATION: Authorize and recommend City Council to approve execution of the MPPA Letter of Authorization – 2022 Clean Energy Program, consistent with the approved motion made at the August 31st board meeting, and at the same budgeted commitment level of approximately \$62,000 per year.

November 12, 2021



Subject: Letter of Authorization – 2022 Clean Energy Program

With the expiration of the Energy Waste Reduction (“EWR”) requirements under the State of Michigan’s Public Act (“PA”) 295 as amended by 2016 PA-342, MPPA is contracting with Franklin Energy in calendar year 2022 to offer implementation services of a Clean Energy Program (“CEP”). The CEP, administered within MPPA’s CEP Service Committee, will allow participating cities to continue offering EWR programs, as well as new and innovative offerings, to their end-use customers in a cost-effective, efficient manner.

The City of Portland (“Portland”), through its Member Authorized Representative, hereby authorizes participation in MPPA’s 2022 CEP at a commitment level of \$62,000.

Member Authorized Representative:

Signature

Printed

Date

PORTLAND CITY COUNCIL
Ionia County, Michigan

Council Member _____, supported by Council Member _____, made a motion to adopt the following resolution:

RESOLUTION NO. 21-66

**A RESOLUTION APPROVING, AUTHORIZING AND DIRECTING THE
MAYOR TO SIGN THE JOINT FUNDING AGREEMENT FOR THE
OPERATION OF A STREAMGAGING STATION**

WHEREAS, the City operates a hydroelectric plant which is licensed by the Federal Energy Regulatory Commission (FERC); and

WHEREAS, the City’s FERC license requires it to jointly fund the operation of a streamgaging station on the Grand River at Portland, Michigan with the U.S. Geological Survey, U.S. Department of the Interior; and

WHEREAS, the Center Director of the U.S. Geological Survey, U.S. Department of the Interior; has sent a new joint funding agreement for the period of October 1, 2021 through September 30, 2022, a copy which is attached as Exhibit A (the “Agreement”); and

WHEREAS, the new agreement provides that the City will be billed \$8,000.00 for the period of October 1, 2021 through September 30, 2022.

NOW THEREFORE BE IT RESOLVED AS FOLLOWS:

1. The City Council approves, authorizes and directs the Mayor to sign the joint funding agreement for the operation of the streamgaging station, a copy of which is attached as Exhibit A.
2. All resolutions and parts of resolutions are, to the extent of any conflict with this resolution, rescinded.

Ayes:

Nays:

Absent:

Abstain:

RESOLUTION DECLARED ADOPTED.

Dated: December 6, 2021

Monique I. Miller, City Clerk

Memo



To: Board of Light & Power

From: Todd Davlin, Electric Superintendent

cc: Tutt Gorman, City Manager

Date: 11-30-2021

Re: USGS Stream Gage Operations Funding

The USGS and City of Portland have a historical relationship for operation of a stream gaging station on the Grand River. The stream gage provides necessary information for daily operation of the dam. Our portion of the costs is \$8,000. In accordance with our agreement we must approve funding of the station from October 2021 through September 2022.

RECOMMENDATION: Authorize and recommend to City Council to approve execution of the Joint Funding Agreement (JFA) No. 22NKJFA102 between the City of Portland and the U.S. Geological Survey (USGS) for the shared operation of the stream gaging station on the Grand River at Portland, Michigan. The City of Portland will be contributing \$8,000 which covers the agreement period from October 1, 2021 to September 30, 2022.



United States Department of the Interior

U.S. GEOLOGICAL SURVEY
Upper Midwest Water Science Center

Minnesota Office
2280 Woodale Drive
Mounds View, MN 55112
763.783.3100

Wisconsin Office
8505 Research Way
Middleton, WI 53562
608.828.9901

Michigan Office
5840 Enterprise Drive
Lansing, MI 48911
517.887.8903

November 14, 2021

Mr. Todd Davlin
City of Portland
259 Kent Street
Portland, Michigan 48875

Dear Mr. Davlin:

Attached is an original of Joint Funding Agreement (JFA) No. 22NKJFA102 between the City of Portland and the U.S. Geological Survey (USGS) for the shared operation of the streamgaging station on the Grand River at Portland, Michigan. The total program cost of \$8,000, of which the City of Portland will be contributing \$8,000, covers the agreement period October 1, 2021 to September 30, 2022.

USGS has kept streamgage operation and maintenance costs flat since 2011. As a result of increasing expenses on several fronts, including hydrologic monitoring equipment, we need to increase the cost 2 percent for FY2022. With this increase, the cost of a continuous-record streamgage will increase from \$15,700 to \$16,000. We do not plan an increase in the cost of other types monitoring for FY2022 but will be examining them in coming months.

Work performed with funds from this agreement will be conducted on a fixed-cost basis. Your office will be billed annually in accordance with the JFA. The results of all work under this agreement will be available for publication by the U.S. Geological Survey.

Please sign an original and return to our office. Then retain another for your files. If you have any questions, please contact Ralph Haefner at 517-887-8927. We look forward to continuing our successful relationship.

Sincerely,

John F. Walker
Director, Upper Midwest Water Science Center

Fixed Cost Agreement YES[X] NO[]

THIS AGREEMENT is entered into as of the October 1, 2021, by the U.S. GEOLOGICAL SURVEY, Upper Midwest Water Science Center, UNITED STATES DEPARTMENT OF THE INTERIOR, party of the first part, and the City of Portland party of the second part.

1. The parties hereto agree that subject to the availability of appropriations and in accordance with their respective authorities there shall be maintained in cooperation the shared operation of the streamgaging station on the Grand River at Portland, Michigan (station number 04114000), herein called the program. The USGS legal authority is 43 USC 36C; 43 USC 50, and 43 USC 50b.

2. The following amounts shall be contributed to cover all of the cost of the necessary field and analytical work directly related to this program. 2(b) include In-Kind-Services in the amount of \$0.00

- (a) \$0 by the party of the first part during the period October 1, 2021 to September 30, 2022
- (b) \$8,000 by the party of the second part during the period October 1, 2021 to September 30, 2022
- (c) Contributions are provided by the party of the first part through other USGS regional or national programs, in the amount of: \$0

Description of the USGS regional/national program:

- (d) Additional or reduced amounts by each party during the above period or succeeding periods as may be determined by mutual agreement and set forth in an exchange of letters between the parties.
- (e) The performance period may be changed by mutual agreement and set forth in an exchange of letters between the parties.

3. The costs of this program may be paid by either party in conformity with the laws and regulations respectively governing each party.

4. The field and analytical work pertaining to this program shall be under the direction of or subject to periodic review by an authorized representative of the party of the first part.

5. The areas to be included in the program shall be determined by mutual agreement between the parties hereto or their authorized representatives. The methods employed in the field and office shall be those adopted by the party of the first part to insure the required standards of accuracy subject to modification by mutual agreement.

6. During the course of this program, all field and analytical work of either party pertaining to this program shall be open to the inspection of the other party, and if the work is not being carried on in a mutually satisfactory manner, either party may terminate this agreement upon 60 days written notice to the other party.

7. The original records resulting from this program will be deposited in the office of origin of those records. Upon request, copies of the original records will be provided to the office of the other party.

8. The maps, records or reports resulting from this program shall be made available to the public as promptly as possible. The maps, records or reports normally will be published by the party of the first part. However, the party of the second part reserves the right to publish the results of this program, and if already published by the party of the first part shall, upon request, be furnished by the party of the first part, at cost, impressions suitable for purposes of reproduction similar to that for which the original copy was prepared. The maps, records or reports published by either party shall contain a statement of the cooperative relations between the parties. The Parties acknowledge that scientific information and data developed as a result of the Scope of Work (SOW) are subject to applicable USGS review, approval, and release requirements, which are available on the USGS Fundamental Science Practices website (<https://www.usgs.gov/about/organization/science-support/science-quality-and-integrity/fundamental-science-practices>).

U.S. Department of the Interior
U.S. Geological Survey
Joint Funding Agreement
FOR

Customer #: 6000001519
Agreement #: 22NKJFA102
Project #: NK00LZR
TIN #: 38-6007243

Water Resource Investigations

9. Billing for this agreement will be rendered annually. Invoices not paid within 60 days from the billing date will bear Interest, Penalties, and Administrative cost at the annual rate pursuant the Debt Collection Act of 1982, (codified at 31 U.S.C. § 3717) established by the U.S. Treasury.

USGS Technical Point of Contact

Name: Ralph Haefner
Deputy Director
Address: 5840 Enterprise Drive
Lansing, MI 48911-4107
Telephone: (517) 887-8927
Fax: (517) 887-8937
Email: rhaefner@usgs.gov

Customer Technical Point of Contact

Name: Todd Davlin
Utilities Supervisor
Address: 259 Kent Street
Portland, Michigan 48875
Telephone: (517) 647-6912
Fax:
Email: electricssuper@portland-michigan.org

USGS Billing Point of Contact

Name: Eric Hanes
Budget Analyst
Address: 5840 Enterprise Drive
Lansing, MI 48911-4107
Telephone: (517) 887-8951
Fax: (517) 887-8937
Email: emhanes@usgs.gov

Customer Billing Point of Contact

Name: Todd Davlin
Utilities Supervisor
Address: 259 Kent Street
Portland, Michigan 48875
Telephone: (517) 647-6912
Fax:
Email: electricssuper@portland-michigan.org

U.S. Geological Survey
United States
Department of Interior

City of Portland

Signature

Signatures

By _____ Date: _____
Name: John F Walker
Title: Center Director

By _____ Date: _____
Name:
Title:

By _____ Date: _____
Name:
Title:

By _____ Date: _____
Name:
Title:

City of Portland

Portland, Michigan

Minutes of the City Council Meeting

Held on Monday, November 15, 2021

In the City Council Chambers at City Hall

259 Kent St., Portland, MI 48875

Present: Mayor Barnes, Mayor Pro-Tem VanSlambrouck, Council Member Sheehan; City Manager Gorman; City Clerk Miller; Police Chief Thomas

Absent: Council Members Fitzsimmons and Johnston

Guests: Kathy Parsons

The meeting was called to order at 7:00 P.M. by City Clerk Miller with the Pledge of Allegiance.

City Clerk Miller swore in Council Member Sheehan.

City Clerk Miller took nominations for the office of Mayor.

Council Member VanSlambrouck nominated Barnes for Mayor and stated that he looks forward to moving into the future with the current Council Members. There are a lot of exciting things to look forward to in the City of Portland.

Council Member Sheehan supported the nomination.

City Clerk held the vote for the nomination of Barnes for Mayor.

Yeas: VanSlambrouck, Sheehan, Barnes

Nays: None

Absent: Fitzsimmons, Johnston

Adopted

Mayor Barnes stated that he is honored to serve as Mayor and looks forward to the exciting future ahead.

Mayor Barnes nominated VanSlambrouck for Mayor Pro-Tem.

Council Member Sheehan supported the nomination.

Mayor Barnes held the vote for the nomination of VanSlambrouck for Mayor Pro-Tem.

Yeas: Barnes, Sheehan, VanSlambrouck

Nays: None

Absent: Fitzsimmons, Johnston

Adopted

Motion by VanSlambrouck, supported by Sheehan, to approve the agenda as presented.

Yeas: VanSlambrouck, Sheehan, Barnes

Nays: None

Absent: Fitzsimmons, Johnston

Adopted

Motion by Sheehan, supported by VanSlambrouck to excuse Council Members Fitzsimmons and Johnston.

Yeas: Sheehan, VanSlambrouck, Barnes

Nays: None

Absent: Fitzsimmons, Johnston

Adopted

There was no Public Comment.

Under City Manager Report, City Manager Gorman stated the Toan Park Improvement Project is nearly complete; waiting for some items that are on backorder.

The potential property donation of 103 W. Grand River Ave. to the DDA is still in the due diligence phase. The Phase I Environmental Study did not indicate any real concern with underground tanks on the property but an underground radar will be used to determine if there are tanks present.

City Manager Gorman noted that he has been working with the Michigan Municipal League and other communities on an amendment to the Home Rule Cities Act to prevent outside special interest groups from coming into communities and proposing Charter amendments as was done in Portland this summer regarding the marijuana issue.

Fleis & VandenBrink will present information on the upcoming Wastewater Treatment Plant project at the next Council meeting. This will be a substantial project requiring an investment from the City of Portland of approximately \$8 million. The city is currently working through the financials before the necessary rate increases are discussed. The Design Phase will follow.

City Manager Gorman noted that he and Finance Officer Tolan are reviewing the draft Fiscal Year 2020-2021 Audit. The auditors will present the audit to Council at the December 6, 2021 meeting.

City Manager Gorman presented photos of the updated DPW building that is in the process of being refaced with new steel.

The Planning Commission will hold two Public Hearings for the proposed development of a self-storage facility at 467 Charlotte Hwy. at its December 8, 2021 meeting. At its October 13, 2021 meeting the board tabled a decision on the request from Mayberry Homes to rezone the property that is the Rindlehaven Development. City Manager Gorman noted he hasn't had a response from Mayberry Homes since the meeting.

There were no presentations.

Under New Business, the Council considered Resolution 21-60 to approve a Resolution of Local Approval for a Liquor License Application for Rivers Edge LLC located at 160 Kent St.

City Manager Gorman noted the city has given consideration to the location of the business to the boardwalk and the limited space available. He further recommended approving the application with a memo attached. There will have to be enough space to allow for ADA compliance. Permission will also have to be given from the daycare facility that is located downtown.

There was discussion.

Mayor Barnes concurred that a memo outlining the requirement should be included and he further noted he is looking forward to people enjoying the boardwalk as was intended.

Mayor Pro-Tem VanSlambrouck also agreed that a memo outlining the requirements should be included and noted that strict management and customer understanding will be important to enforce the requirements.

Motion by VanSlambrouck, supported by Sheehan, to approve Resolution 21-60 approving, authorizing, and directing the City Clerk to sign a Resolution of Local Approval for a Liquor License Application for Rivers Edge LLC.

Yeas: VanSlambrouck, Sheehan, Barnes

Nays: None

Absent: Fitzsimmons, Johnston

Adopted

The Council considered Resolution 21-61 to approve a proposal from Town & Country Technologies to install security cameras at various City owned facilities.

City Manager Gorman noted that no subscription fee will be assessed for these services. The cameras installed at City Hall, the DPW, Electric Department, Hydro Dam, and Toan Park are important to protecting the City's critical infrastructure.

Mayor Barnes noted this is a small investment in protecting the City's assets.

Motion by Sheehan, supported by VanSlambrouck, to approve Resolution 21-61 approving a proposal from Town & Country Technologies to install security cameras at various City owned facilities.

Yeas: Sheehan, VanSlambrouck, Barnes

Nays: None

Absent: Fitzsimmons, Johnston

Adopted

The Council considered Resolution 21-62 to approve the purchase in the amount of \$33,874.00 of a 2021 Ford Police Interceptor for the Portland Police Department through the MiDeal

Program. The Portland Police Department maintains a fleet of three vehicles and in order to keep them in good working order, a new vehicle is typically purchased every two years.

Motion by VanSlambrouck, supported by Sheehan, to approve Resolution 21-62 approving and ratifying the purchase of a 2021 Ford Police Interceptor for the Portland Police Department.

Yeas: VanSlambrouck, Sheehan, Barnes

Nays: None

Absent: Fitzsimmons, Johnston

Adopted

Motion by VanSlambrouck, supported by Sheehan, to approve the Consent Agenda which includes the Minutes and Synopsis from the Regular City Council Meeting on November 1, 2021, payment of invoices in the amount of \$293,221.09 and payroll in the amount of \$154,255.51 for a total of \$447,476.60. Purchase orders to Newkirk Electric in the amount of \$5,699.46 for additional costs associated with the recloser installation, and Family Farm & Home in the amount of \$7,080.52 for an Energy Optimization Program Refund were also included.

Yeas: VanSlambrouck, Sheehan, Barnes

Nays: None

Absent: Fitzsimmons, Johnston

Adopted

Under City Manager Comments, City Manager Gorman noted that Halloween trick-or-treating was a great event.

City Manager Gorman reminded residents the No Parking ban on city streets between 2:00 A.M. and 6:00 A.M. began November 1, 2021.

He also reminded residents the last day of loose-leaf pickup is December 13, 2021. After that time leaves placed at the curb in bags will be picked up. This effort will allow the DPW to property winterize the equipment.

Under Council Comments, Council Member Sheehan noted the play 1776, hosted by the Portland Civic Players, will be playing this weekend.

Motion by VanSlambrouck, supported by Sheehan, to adjourn the regular meeting.

Yeas: VanSlambrouck, Sheehan, Barnes

Nays: None

Absent: Fitzsimmons, Johnston

Adopted

Meeting adjourned at 7:45 P.M.

Respectfully submitted,

James E. Barnes, Mayor

Monique I. Miller, City Clerk

City of Portland
Synopsis of the Minutes of the November 15, 2021 City Council Meeting
In the City Council Chambers at City Hall
259 Kent St., Portland, MI 48875

The City Council meeting was called to order by Mayor Barnes at 7:00 P.M.

Present – Mayor Barnes, Mayor Pro-Tem VanSlambrouck, Council Member Sheehan; City Manager Gorman; City Clerk Miller; Police Chief Thomas

Absent – Council Members Fitzsimmons and Johnston

The Election of the Mayor and Mayor Pro-Tem was held.

Approval of Resolution 21-60 approving, authorizing, and directing the City Clerk to sign a Resolution of Local Approval for a Liquor License Application for Rivers Edge LLC.

All in favor. Adopted.

Approval of Resolution 21-61 approving a proposal from Town & Country Technologies to install security cameras at various City owned facilities.

All in favor. Adopted.

Approval of Resolution 21-62 approving and ratifying the purchase of a 2021 Ford Police Interceptor for the Portland Police Department.

All in favor. Adopted.

Approval of the Consent Agenda.

All in favor. Adopted.

Adjournment at 7:45 P.M.

All in favor. Adopted.

A copy of the approved Minutes is available upon request at City Hall, 259 Kent Street.
Monique I. Miller, City Clerk

VENDOR NAME	VENDOR	DESCRIPTION	AMOUNT
GRANGER	00175	REFUSE - REFUSE	12,644.84
APPLIED IMAGING	02493	COPY MACHINE MAINT - POL, COMM PROMO, CODE, AMB	34.56
NYE UNIFORM CO.	00338	FATIGUE PANTS - POLICE	37.50
USA TODAY NETWORK	02501	COUNCIL MEETING SYNOPSIS - GEN	318.90
STAR THOMAS	01654	PHONE BILL REIM - POLICE	40.00
STAR THOMAS	01654	SUPPLIES REIM - POLICE, AMB	193.20
KEUSCH SUPER SERVICE	00228	TIRE REPAIR - POLICE	30.00
ELHORN ENGINEERING	00139	EL CHLOR CARBOY - WATER	558.00
FAMILY FARM & HOME	01972	GLOVES - WATER	13.99
MICHIGAN MUNICIPAL LEAGUE	00285	CDL CONSORTIUM DRIVERS FEE - VAR DEPTS	960.00
INDEPENDENT BANK	00197	BOND PAYMENT - ELECTRIC	8,258.00
FIRST ADVANTAGE OCCUPATIONAL HEALTH	02603	CLINIC COLLECTION R. SMITH - WATER	132.59
MANER COSTERISAN	02588	2021 ADD SVC ARPA LOST REV CALC - GEN	2,500.00
WINTER EQUIPMENT	02322	SNOW PLOW BLADE SYSTEMS-MAJ, LOC STS	3,524.01
KENDALL MARTIN	MISC	ENERGY OPTZ PROGRAM - ELECTRIC	110.00
PETERSEN OIL & PROPANE	02534	DIESEL FUEL - MTR POOL	575.07
APPLIED IMAGING	02493	COPY MACHINE MAINT - ELECTRIC	32.25
HOLLAND DEPT OF PUBLIC SAFETY	02663	FALL 2021 DISTRIBUTION - POLICE	145.78
CHROUCH COMMUNICATION, INC.	00082	REPAIR TO PAGER - AMB	189.00
GREAT LAKES JANITORIAL SERVICES	02654	TILE & GROUT CLEANING - CITY HALL	1,780.00
CONSUMERS ENERGY	00095	GAS SERVICE - CITY HALL	682.06
CONSUMERS ENERGY	00095	GAS SERVICE - WATER	47.24
CONSUMERS ENERGY	00095	GAS SERVICE - PARKS	30.12
CONSUMERS ENERGY	00095	GAS SERVICE - ELECTRIC	379.06
CONSUMERS ENERGY	00095	GAS SERVICE - WW	551.91
CONSUMERS ENERGY	00095	GAS SERVICE -WW	27.55
CONSUMERS ENERGY	00095	GAS SERVICE - PARKS	47.62
CONSUMERS ENERGY	00095	GAS SERVICE -MTR POOL	15.00
CONSUMERS ENERGY	00095	GAS SERVICE - WATER	44.28
GREATAMERICA FINANCIAL SVCS	02664	FOLDING MACHINE PYMT - GEN, RES 21-21	428.80
GALL'S LLC	00159	DOUBLE CUFF CASE - POLICE	56.95

VENDOR NAME	VENDOR	DESCRIPTION	AMOUNT
KEUSCH SUPER SERVICE	00228	OIL CHANGE/SERVICE - AMB	76.72
STAR THOMAS	01654	FACE SHIELDS, USPS REIM - POLICE, AMB	29.48
CHASE RAIRIGH	02706	TRAINING MEAL REIM - POLICE	27.63
GRANGER	00175	30 YD DUMPSTER - ELECTRIC	527.00
KEUSCH SUPER SERVICE	00228	TIRES/OIL CHANGE - ELECTRIC	1,018.87
I.T. RIGHT	02440	QRTLY MICRO OFFICE365 2 QRTS 6/30/22 - VAR DEPT	1,056.00
STRAIN ELECTRIC CO.	02379	TRAFFIC SIGNAL REPAIR - MAJ STS	379.81
NEWKIRK ELECTRIC ASSOCIATES	00331	ADD COSTS RECLOSER INSTAL - ELECTRIC, CONS AGEN	5,699.46
BUIST ELECTRIC INC.	02673	REPLACE & LOAD CRESTON PROCESSOR - COMM PROMO	414.00
MANER COSTERISAN	02588	FINANCIAL STMT AUDIT FOR FISCAL YR END JUNE 202	5,000.00
DICKINSON WRIGHT PLLC	02244	OCT 2021 LEGAL SVCS - GEN	1,292.00
APPLIED IMAGING	02493	PRINTER INVOICE - VARIOUS DEPTS	348.71
CORE TECHNOLOGY CORPORATION	02419	REC MGMT ANNUAL, MULTI JURIS SHARING - POLICE	2,983.00
F&V OPERATIONS & RESOURCE MANAGMNT	02564	PROFESSIONAL SERVICES - WW	596.37
FLEIS & VANDENBRINK	00153	PROFESSIONAL SVCS - ELECTRIC	3,120.15
PHP SERVICE CO	MISC	INS OVERPAYMENT J NURNENBERG - AMB	1,337.13
INSOURCE SOLUTIONS GROUP INC.	01813	E-FILING HOSTING ANNUAL FEE - INCOME TAX	1,650.00
DORNBOS SIGN, INC.	00067	SIGN 906 - MAJ STS	164.54
TROJAN TECHNOLOGIES	02175	6 HARNESS PLUGS, UV LAMPS - WW	481.92
BERTMAN TOOLS LLC	02430	NITRATE GLOVES - WATER	43.75
MUNICIPAL SUPPLY CO.	00324	FULL SEAL CLAMP - WATER	306.00
RSI/WAYNE DOOR CO.	00476	DOOR REPAIR LABOR - MTR POOL	95.00
STATE OF MICHIGAN	00428	SAFE ROUTES TO SCHOOL - MAJ, LOC STS	43,037.92
KYLE ENZ	02651	CDL REIMB - MTR POOL	78.00
FAMILY FARM & HOME	01972	HARDWARE - MTR POOL	3.64
JOHN DEERE FINANCIAL	01818	VAR PURCHASES - VAR DEPTS	635.93
STATE OF MICHIGAN	00428	BACTI SAMPLES - WATER	96.00
OTIS ELEVATOR	00970	ELEVATOR CONTRACT MAINT. - CITY HALL	632.64
CIVIC PLUS	02335	WEBSITE ANNUAL FEE HOST/SUPPORT - COMM PROMO	2,215.34
CULLIGAN	02130	WATER FOR CITY HALL - GEN	8.50
S&K PRINTING	00400	WINTER PROP TAX BILLS - GEN	225.00

VENDOR NAME	VENDOR	DESCRIPTION	AMOUNT
PETERSEN OIL & PROPANE	02534	DIESEL FUEL - MTR POOL	570.09
KEUSCH SUPER SERVICE	00228	TIRE REPLACEMENT/TURBINE BLOWER - PARKS, CEM	87.50
LITE'S PLUS INC	00243	REPLACEMENT CORN LAMP - ELECTRIC	389.70
LITE'S PLUS INC	00243	REPLACE ST LAMPS - ELECTRIC	129.90
POWER LINE SUPPLY COMPANY	00389	WAX HOT STICK - ELECTRIC	23.00
MENARDS	00260	TAP-MOUNT TRACKS - ELECTRIC	149.82
GREAT LAKES JANITORIAL SERVICES	02654	CLEANING SERVICES - CITY HALL	280.00
MISS DIG SYSTEM	00312	ANNUAL TRANSMISSION MEMBERSHIP FEE - ELECT, WW,	1,991.38
CULLIGAN	02130	4X WATER - POLICE	22.00
BOUND TREE MEDICAL LLC.	01543	MEDICAL SUPPLIES - AMBULANCE	59.50
STAR THOMAS	01654	CABLE CONCEALERS REIM - POLICE	30.72
PURITY CYLINDER GASES, INC.	00380	OXYGEN, GAS HAZ MAT FEE - AMB	66.20
POWER LINE SUPPLY COMPANY	00389	REPAIR CLEANING KIT - ELECTRIC	350.00
TIM KRIZOV	01897	CLOTHING ALLOWANCE - WW	153.14
GREAT LAKES JANITORIAL SERVICES	02654	CLEANING SERVICES - ELECTRIC	140.00
B&W AUTO SUPPLY, INC.	00030	VAR SUPPLIES - VAR DEPTS	2,745.93
KIMBERLY SHATTUCK	MISC	AMBULANCE INS OVERPAYMENT REIM - AMB	100.00
CITY OF PORTLAND- PETTY CASH	00701	VAR REIMB - VAR DEPTS	850.21
FAMILY FARM & HOME	01972	GORILLA TAPE - WATER	10.99
POWER LINE SUPPLY COMPANY	00389	DIST SYSTEM SAFETY SUPPLIES - ELECTRIC	3,770.00
CHRIS TEACHOUT	02604	LED LIGHT REIM - ELECTRIC	227.34
Total:			\$120,116.21

**BI-WEEKLY
WAGE REPORT
November 29, 2021**

DEPARTMENT	GROSS EARNINGS CURRENT PAY	GROSS EARNINGS YEAR-TO-DATE	SOCIAL SECURITY & FRINGE BENEFITS CURRENT PAY	SOCIAL SECURITY & FRINGE BENEFITS YEAR-TO-DATE	TOTAL CURRENT PAYROLL	GRAND TOTAL YEAR-TO-DATE
GENERAL ADMIN.	13,324.96	108,178.36	1,325.81	27,054.26	14,650.77	135,232.62
ASSESSOR	-	-	-	-	-	-
CEMETERY	2,609.70	45,363.17	202.36	12,812.84	2,812.06	58,176.01
POLICE	15,703.93	157,558.74	2,104.89	37,273.13	17,808.82	194,831.87
CODE ENFORCEMENT	-	1,210.65	-	139.58	-	1,350.23
PARKS	1,954.13	35,009.82	153.92	5,385.31	2,108.05	40,395.13
INCOME TAX	2,754.38	24,226.82	340.76	6,509.84	3,095.14	30,736.66
MAJOR STREETS	5,712.13	41,469.45	472.27	13,463.33	6,184.40	54,932.78
LOCAL STREETS	3,964.16	32,334.85	340.22	12,702.25	4,304.38	45,037.10
RECREATION	325.86	3,397.90	24.93	731.06	350.79	4,128.96
AMBULANCE	17,472.27	148,685.83	1,501.17	24,720.15	18,973.44	173,405.98
DDA	2,388.10	25,282.97	341.12	4,484.84	2,729.22	29,767.81
ELECTRIC	20,135.54	214,226.71	2,239.15	66,101.30	22,374.69	280,328.01
WASTEWATER	7,826.62	83,947.36	789.44	22,562.51	8,616.06	106,509.87
WATER	6,450.16	72,779.09	669.90	22,393.11	7,120.06	95,172.20
MOTOR POOL	1,055.78	8,229.79	119.33	2,148.02	1,175.11	10,377.81
TOTALS:	101,677.72	1,001,901.51	10,625.27	258,481.53	112,302.99	1,260,383.04

BI-WEEKLY CASH BALANCE ANALYSIS
AS OF 12/01/2021
MEETING DATE 12/06/2021

Fund	Description	Beginning Balance 11/11/2021	Total Cash in	Total Cash out	Cash Balance 12/01/2021	Time Certificates	Ending Balance 12/01/2021
101	GENERAL FUND	2,670,665.04	197,680.35	(291,205.16)	2,577,140.23	235,000.00	2,812,140.23
105	INCOME TAX FUND	139,852.78	17,301.39	(26,884.61)	130,269.56	10,000.00	140,269.56
150	CEMETERY PERPETUAL CARE FUND	61,307.51	185.00	-	61,492.51		61,492.51
202	MAJOR STREETS FUND	352,960.34	28,058.49	(63,330.23)	317,688.60		317,688.60
203	LOCAL STREETS FUND	225,608.49	16,384.21	(40,557.70)	201,435.00		201,435.00
208	RECREATION FUND	42,800.20	5,693.33	(3,698.67)	44,794.86		44,794.86
210	AMBULANCE FUND	132,964.18	50,510.85	(90,875.62)	92,599.41		92,599.41
245	MSHDA LOFT FUND	-	-	-	-		-
248	DDA FUND	690,688.39	5,704.71	(11,686.68)	684,706.42		684,706.42
404	CAPITAL IMPROVEMENT-RED MILL PAVILION	3,362.25	-	-	3,362.25		3,362.25
405	WELLHEAD IMPROVEMENT FUND	-	-	-	-		-
406	CAPITAL IMPROVEMENT FUND-STREET PROJECT	-	-	-	-		-
520	REFUSE SERVICE FUND	15,662.86	10,654.62	(67.25)	26,250.23		26,250.23
582	ELECTRIC FUND	2,152,982.13	388,846.45	(465,503.91)	2,076,324.67	530,000.00	2,606,324.67
590	WASTEWATER FUND	(69,017.24)	218,824.45	(204,692.02)	(54,884.81)		(54,884.81)
591	WATER FUND	163,268.73	86,105.72	(73,799.57)	175,574.88	420,000.00	573,163.69
661	MOTOR POOL FUND	169,938.68	42,031.09	(36,654.12)	175,315.65		175,315.65
703	CURRENT TAX FUND	9,431.00	6,700.80	(2,184.40)	13,947.40		13,947.40
	TOTAL - ALL FUNDS	6,762,475.34	1,074,681.46	(1,311,139.94)	6,526,016.86	1,195,000.00	7,698,605.67
					ELECTRIC-RESTRICTED CASH	453,086.00	453,086.00
					ELECTRIC - MPPA MUNICIPAL TRUST	170,376.44	170,376.44
					CUSTOMER DEPOSIT CD	170,000.00	170,000.00 *
					PERPETUAL CARE CD	130,000.00	130,000.00
					INCOME TAX SAVINGS	804,862.77	804,862.77
					ELECTRIC-PRIN & INT ESCROW	166,669.95	166,669.95
					WASTEWATER DEBT ESCROW	250,899.61	250,899.61
					WASTEWATER REPAIR ESCROW	216,923.31	216,923.31
					DDA-PRIN & INT ESCROW	501.78	501.78
					WATER BOND ESCROW	29,661.19	29,661.19
							10,091,586.72

*Customer Deposit Breakdown

Electric	128,000.00
Wastewater	21,000.00
Water	21,000.00
	<u>170,000.00</u>



PURCHASE ORDER

City of Portland

P.O. 8406

259 Kent Street
Portland, MI 48875
(517) 647-7531

VENDOR Nutrisgro Environmental

DATE: 11/29/21

DESCRIPTION	GL NUMBER	SPLIT	LINE TOTAL
Biosolids Land App	590.548.804		
55,000 gallons			\$4,400. ⁰⁰ / ₁₀₀
88,000 gallons			\$7,040. ⁰⁰ / ₁₀₀
1- Biosolids Testing			\$400. ⁰⁰ / ₁₀₀
1- Fecal Coliform test			\$400. ⁰⁰ / ₁₀₀

DEPARTMENT HEAD (UP TO \$500) [Signature]

TOTAL \$12,240.⁰⁰/₁₀₀

Treasurer Initials

Authorized by City Manager
(For Purchases over \$500 and less than \$5,000)

NutriGro Environmental Solutions Inc.

Invoice

P.O. Box 84
Charlotte, MI 48813

P. 517-204-4492 F. 517-541-9880
E. jg@nutrigroesi.com

Date	Invoice #
11/27/2021	NG-444

Bill To
CITY OF PORTLAND

P.O. No.	Terms	Due Date
	Net 30	12/27/2021

Quantity	Description	Rate	Amount
55,000	11/23/2021 HAULING AND LAND APPLICATION OF BIOSOLIDS FIELD # 05N05W24-DD01	0.08	4,400.00
88,000	11/24/2021 HAULING AND LAND APPLICATION OF BIOSOLIDS FIELD # 05N05W24-DD01	0.08	7,040.00
1	Biosolids testing	400.00	400.00
1	Fecal Coliform	400.00	400.00
Total			\$12,240.00
Payments/Credits			\$0.00
Balance Due			\$12,240.00

STATEMENT	Customer Name CITY OF PORTLAND	PAGE 1
Remit to: State of Michigan Attn: Finance Cashier P.O. Box 30648 Lansing MI 48909	Customer Account Number MDOT00282	Statement Closing Date 11-04-21
	AR Dept/BPRO 591:ACT51	Due Date 12-04-21
		Amount Enclosed

Bill to:
CITY OF PORTLAND
PORTLAND CITY TREASURER
259 KENT STREET
PORTLAND MI 48875

Payment Method: Check Money Order
Please write Customer Account No. on front of Check or Money Order.
DO NOT MAIL CASH

Please check if address has changed. Write correct address on back of stub and attach with payment.

Please detach the above stub and return with your remittance payable to Dept. of Transportation

Transportation



ORIGINAL

Customer Account Number MDOT00282	Statement Closing Date 11-04-21
Customer Name CITY OF PORTLAND	IF YOU HAVE ANY QUESTIONS, PLEASE CALL

Current Period Charges

Description	Date	Transaction ID	Charges
-	10-29-21	CARE1591REIM22000136	\$43,037.92

Important Customer Information

CONTACT :	591
-----------	-----

MDOT
Michigan Department of Transportation
Statement Date: 11/08/2021

MDOT00282 - CITY OF PORTLAND

Program: 205188CON

Federal Project: 20A0853

Description: Citywide - Cit Item 1: Intersection signal and crossing improvement on West St and W. Grand River Ave. Current traffic signal is outdated with current timing being a barrier to allow time to cross or reasonable wait times for pedestrians. New signal would have pedestrian

Phase: 01 Construction Contract

Safe Routes to School

Funding Profile	Fed Pro Rata	Jrnl Description
-----------------	--------------	------------------

A00102 #MULTIVALUE 2020-5360 PORTLAND

	Current Budget	Cash Expenditures	Collected	Balance Due
Federal	926,770.00	926,770.00		
Local	205,631.50	203,209.33	152,727.41	43,037.92

Vendor Code	Vendor Legal Name	Vendor Alias/DBA Name
MDOT00282	CITY OF PORTLAND	

Instruction: Instruction: Remit this listing of Balance Due by Program with the payment. Payments will be applied to all programs with a balance due, unless otherwise noted.

Statement Date: 11/08/2021

- Pay in Full (default if neither box is checked)
- Manual allocation specified by Program in Paid Amount below

Remittance information:
 State of Michigan
 Attention: Finance Cashier
 P.O. Box 30648
 Lansing, MI 48909

Program	Balance Due
205188CON -	43,037.92



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

GRETCHEN WHITMER
GOVERNOR

PAUL C. AJEGBA
DIRECTOR

November 9, 2021

Mr. Tutt Gorman, City Manager
City of Portland
259 Kent Street
Portland, Michigan 48875

Dear Mr. Gorman:

The Michigan Department of Transportation (MDOT) is pleased to inform you that the Local Bridge Advisory Board has approved the recommendation by your Region Bridge Council (RBC) to select the following bridge(s) for inclusion in the Local Bridge Program. Each Regional Bridge Council has created a 3-year bridge plan and the bridges selected from the 2021 call for applications are scheduled for funding during the 2024 fiscal year (except as noted below). Unless arrangements have been made with your RBC, a project will not be allowed to be let to contract before its scheduled funding year.

Structure: 4104 Divine Highway over Looking Glass River
Application Estimate: \$3,412,000.00 Selected for Replacement

The following conditions will apply to these projects:

- The federal and state share will be 95% of the eligible project costs.
- These funds are to be used for eligible bridge and approach construction costs only.
- State and federal participation in approach construction is limited to work within limits defined by "touchdown" points to the existing approach grade. Exact limits will be determined on a project-by-project basis.
- Costs for preliminary engineering, construction engineering, and right of way acquisition are not eligible for federal or state aid under the Local Bridge Program.

The plans and specifications for these projects must be developed using the most current edition of the MDOT Standard Specifications for Construction.

For replacement projects, a Type, Size, and Location (TS&L) study must be submitted to the Local Agency Programs Unit in the Design Services Division for review prior to the preliminary plan submittal. Please see the requirements for the TS&L submittal on MDOT's website at:

[Local Agency Bridge Type, Size & Location \(michigan.gov\)](http://michigan.gov)

Type, Size, and Location (TS&L) study plans should be submitted 9 to 12 months prior to anticipated letting date.

If at the time of the plan review (grade inspection), the construction estimate exceeds the application estimate by more than 20%, the RBC will need to decide if the project will be capped at the application estimate plus 20%, if it will be allowed to proceed as is, or if the project will be postponed. Please make every effort to limit construction work to stay reasonably close to the application estimate.

The project(s) selected for funding, listed on page 1 of this document, are based on the scope of work listed in the submitted application. The Local Bridge Advisory Board's policy is that a change in scope of a project will require the local agency to make a choice. First, they may proceed with the changed scope and have the funding amount capped at 20% over the application estimate, or, second, they may reapply for the project with the updated scope during a subsequent call of applications. Please be aware of this policy as the plans progress.

The National Environmental Policy Act (NEPA) requires impacts to threatened and endangered species be avoided and/or mitigated. One classification of species that may affect bridge projects is federal and/or state protected mussels. As part of your NEPA review, you will need to work with the United States Fish & Wildlife Service (US FWS), Michigan Department of Natural Resources (MDNR), and the Michigan Department of Environment, Great Lakes and Energy (MDEGLE) to determine if your bridge project could impact protected mussels. If protected mussels may be affected by your bridge project, a mussel survey may be required. There are time restrictions for when a survey can be performed and the time to avoid/mitigate impacts to mussels can be lengthy. It is highly recommended that you begin the NEPA review process early to avoid potential delays to your project.

The Local Agency Environmental NEPA Evaluation (Form 5323) is required to be submitted 2 to 6 months **prior** to the preliminary plan (grade inspection) package. It may not be possible to complete all sections of Form 5323 at the time of the initial submittal because the documentation needed is not available. These sections can be completed as the documentation is acquired. The Form 5323 must be completed and approved by MDOT's Local Agency Program before obligation can occur.

Mr. Gorman
November 9, 2021
Page 3

Please complete the Program Application for Bridge Projects (Form 0258), Local Agency Environmental Clearance (Form 5323), and submit with the preliminary plans to:

Keith Cooper
Michigan Department of Transportation, B215
Local Agency Program
425 W. Ottawa Street
Lansing, Michigan 48933

Email: CooperK@Michigan.gov

The forms can be found on MDOT's website at:

[0258 – Program Application for Bridge Projects](#)

[5323 – Local Agency Environmental Clearance Form](#)

Refer to Local Agency Programs Project Planning Guide for plan completion and bid letting timetable. The Planning Guide can be found on MDOT's website at:

[FY 2022 Planning Guide \(michigan.gov\)](#)

If you have any questions or, for any reason, you decide not to participate in this program, please contact me at 517-331-1395 or CooperK@Michigan.gov, as soon as possible.

Sincerely,

Keith Cooper, P.E.

Digitally signed by: Keith Cooper, P.E.
DN: CN = Keith Cooper, P.E., email = cooperk@michigan.gov C =
AD O = Michigan Department of Transportation OU = MDOT -
LAP
Date: 2021.11.09 11:41:54 -05'00'

Keith Cooper, P.E.
Bridge Program Manager
Local Agency Programs

Nikki Miller

From: noreply@civicplus.com
Sent: Thursday, December 2, 2021 8:02 PM
To: Nikki Miller
Subject: Online Form Submittal: Board & Commission Application

Follow Up Flag: Follow up
Flag Status: Flagged

Board & Commission Application

Name	Denise Keena Barnes
Date	<i>Field not completed.</i>
Address	763 Ionia Road Portland, MI 48875
Phone	15172561065
Email	barnesdk2@gmail.com
Employer	Retired
Employer Phone	<i>Field not completed.</i>
How long have you lived in the City of Portland?	34 yrs
Please mark your choice(s).	Portland Area Municipal Authority
If more than one please list them in order.	<i>Field not completed.</i>
Please tell us your qualifications.	Former city part-time police officer for 20 yrs with knowledge of facility uses.
Are you a high school graduate?	Yes
Are you a college graduate?	Yes
List name of the college or university you attended and the level of degree earned.	Ferris State University, Bachelor of Science Criminal Justice
List your professional and work experience.	42 yrs law enforcement and criminal justice

List your community activities, interests and service.	Portland DDA volunteer, past Portland Athletic Assoc, member of St Patrick's Parish
References (optional)	Chief Star Thomas, Portland PD City Mgr Tutt Gorman, Portland City Hall
File Attachment	<i>Field not completed.</i>

Email not displaying correctly? [View it in your browser.](#)

CITY OF PORTLAND
BOARD AND COMMISSION
APPLICATION

The Mayor and City Council appreciate your willingness to serve the City of Portland. The purpose of this application form is to provide the Mayor and City Council with information about residents who wish to be considered for appointment to a City Board or Commission. This information will be used by the Mayor and City Council to evaluate candidates. This information is also available for public review.

Please print your responses

Date: Feb 11, 2016

Name: Herbert Mosser

Address: 300 Donna Dr. Portland

Telephone No. 517-647-6458

E-mail address _____

Employer Retired

Telephone No. _____

How long have you lived in the City of Portland? 54 years

Please mark your choice(s). If you mark more than one, rank your choices by number, with 1 being your first choice, 2 being your second choice, etc.

- Board of Review
- Building Board of Appeals
- District Library Board
- Downtown Development Authority
- Economic Development Corporation Board
- Light and Power Board
- Parks & Recreation Board
- Planning Commission
- Portland Area Municipal Authority
- Tree Management Commission
- Zoning Board of Appeals
- Portland Area Fire Authority

Please tell us about your qualifications. You may respond on a separate sheet of paper. You may also include other information, such as a resume, if you wish.

Education

Are you a high school graduate? *Yes*

College, University, or other school. State name and degree, certificate, etc., earned.

Professional and work experience *T&W Portland 35 Years.*
Portland Fire Dept. 50 Years.

Community activities, interests, and service

References (optional) Please provide name, address, and telephone number.

Jim Barnes

**Minutes of the Downtown Development Authority
City of Portland**

Held on Monday October 25, 2021
In the Council Chambers at City Hall

Members Present: Grimminck, Gorman, Barnes, Williamson, Briggs, Hengesbach, Madarang, Antaya

Members Absent: None

Staff: DDA Director ConnerWellman, City Clerk Miller

Guests: None

Chair Grimminck called the meeting to order at 7:01 P.M.

Motion by Barnes, supported by Williamson, to approve the agenda as presented.
All in favor. Adopted.

There was no Public Comment.

Motion by Williamson, supported by Madarang, to approve the minutes of the September 27, 2021 meeting.
All in favor. Adopted.

Due to illness the Treasurer's Report was not available for the meeting.

Under Old Business, Director ConnerWellman stated that all teams met together on Thursday, October 14, 2021 for strategic planning. She presented the results of the planning session that prioritized projects for October 2021 through July 2023.

There was discussion; particularly regarding whether the DDA should sponsor the 4th of July fireworks.

The board discussed committing to a 4-year commitment to sponsoring the fireworks with the knowledge that everyone on the DDA will need to volunteer at some point. There will need to be additional recruitment of volunteers.

Under New Business, Director ConnerWellman proposed budget amendments for the Fiscal Year 2021-2022 Budget.

Motion by Gorman, supported by Madarang to approve the budget amendments as presented.
All in favor. Adopted.

Director ConnerWellman proposed the Team meetings be combined into one meeting per month as there are not new volunteers getting involved and there is quite a bit of overlap between the teams.

Motion by Hengesbach, supported by Williamson, to combine the teams and meet once a month.

There was discussion.

The vote was held.
All in favor. Adopted.

Director ConnerWellman presented a letter from William Fabiano regarding his proposed donation of the property at 103 E. Grand River Ave. to the DDA.

There was discussion.

The DDA concurred they are still in favor of accepting the property but can't enter into an agreement until the environmental testing is complete.

Director ConnerWellman shared information on Chamber Nation, a web provider, and proposed changing to this web service due to increased costs from the current provider. Chamber Nation offers many other services for a lower cost.

Motion by Barnes, supported by Williamson, to change the web database to Chamber Nation.

There was discussion.

The vote was held.
All in favor. Adopted.

Director ConnerWellman stated that River's Edge (160 Kent St.) is working with the City to convert a purchased Tavern Liquor License to Class C Liquor License.

There was discussion.

Under the Director Report, Director ConnerWellman presented the October 2021 Director's Report.

Under Board Member Comments, Member Williamson commented that the 7th Annual Pumpkin Carving Contest will be held at Portland Family Chiropractic on Wednesday, October 27, 2021.

Chair Grimminck noted the Portland District Library is hiring two new part-time positions.

Motion by Williamson, supported by Madarang, to adjourn the meeting at 8:05 P.M.
All in favor. Adopted

Respectfully submitted,

Margery Briggs, Secretary



Date: October 25, 2021

REPORT OF FUNDS IN DDA AS OF: October 16, 2021

PRINCIPAL & INTEREST ACCOUNT

PREVIOUS BALANCE:	<u>9/16/2021</u>	<u>\$ 501.78</u>
NEW BALANCE:	<u>9/30/2021</u>	<u>\$ 501.78</u>

PRIME ACCOUNT

PREVIOUS BALANCE:	<u>8/30/2021</u>	\$ 15,981.20
DEPOSITS:		\$ (1,602.25)
Due to customers:		\$ -
NEW BALANCE:	<u>9/30/2021</u>	<u>\$ 14,378.95</u>

REGULAR ACCOUNT

PREVIOUS BALANCE:	<u>9/16/2021</u>	\$ 412,713.76
INTEREST EARNED:		\$ 5.86
DEPOSITS:		
Summer Capture		\$ 218,716.54
Beerfest Receipts		\$ 12,190.00
Toan Park Donations		\$ 500.00

CHECKS WRITTEN:

Ck No.	Payee:	<u>AMOUNTS</u>
	Admin charge October 2021	\$ 300.00
	Bank fee - Fraud Protection	\$ 30.00
2223	City of Portland , credit card charges reimbursement, phone charges	\$ 851.02
2224	Confluxcity Brewing , Catering for Toan Park	\$ 182.51
2225	Country Cupboard Floral and Gift , Balloons	\$ 157.00
2226	Fabiano's , Catering for Toan Park	\$ 340.00
2229	Kurt Fedewa , Article for March 2021	\$ 25.00
2227	Hometown Decoration and Display LLC , Christmas Décor for Downtown	\$ 6,156.00
2228	Kaleidoscopeleasergifts.com , Engraved Plaques	\$ 1,778.70
2230	Lyla Normington , Corn Stalks	\$ 125.00
2231	Michigan Steel & Trim , Toan Park Pavilion Project 2nd pay	\$ 8,000.00
2232	PE Office Solutions , yard signs and booklets	\$ 395.40
2233	Sleepwalker Spirits and Ale, Inc. - Oktoberfest	\$ 185.00
2234	Tina Conner-Wellman , phone & mileage reimbursement	\$ 146.40
2235	WagonWheel , Catering for Toan Park	\$ 150.00
		\$ (18,672.03)

TRANSFER FOR DDA PAYROLL AND FRINGE BENEFITS FROM 09/17/2021 - 10/16/2021 \$ (5,645.97)

TOTAL EXPENSES: \$ (24,318.00)

NEW BALANCE: 10/16/2021 **\$ 619,808.16**

“The City of Portland is an equal opportunity provider and employer.”

CITY OF PORTLAND

REPORT DATE
PERIOD COVERED

November 22, 2021
October 1-31, 2021

Kwh Consumed	2,784,792
DIESEL PRODUCTION	2,944
HYDRO GENERATION	229,337

Total Kwh Purchased	2,552,511	Total Dollars Paid	\$ 190,519.06
----------------------------	------------------	---------------------------	----------------------

Kwh Billed

Residential	1,171,236
Commercial	656,873
Large General	672,840
City St. Lites Metered	27,420
St. Lites Unmetered	
Rental Lights	
Demand	2,089
Total Kwh Billed	2,530,458

Dollars Billed

PCA Billed	\$ 46,480.50
Residential	\$ 151,378.56
Residential EO Charge	\$ 2,179.08
Geothermal Discount	\$ -
Commercial	\$ 84,227.04
Commercial/LG EO Charge	\$ 2,424.80
Large General	\$ 58,099.16
Large EO Charge	\$ 18.40
City St. Lights Metered	\$ 2,424.48
St. Lights Unmetered	\$ 1,543.05
Rental Lights	\$ 227.84
Demand	\$ 16,647.94
Tax	\$ 13,600.78
Total Dollars Billed	\$ 379,251.63

Arrears after billing	\$ 13,506.03
Penalties Added	\$ 2,798.59
Arrears end of month	\$ 36,870.51
Fuel Cost Billed	\$ 36,423.07
Amount Collected	\$ 458,367.33
Total Adjustments	\$ (12,974.87)

Power Cost Adj. .01857

Residential Customers	2,240
Commercial Customers	330
Large General	15
Total Customers	2,585

11/03/21



**CITY OF PORTLAND
November-21**

WATER DEPARTMENT REPORT

MONTH	Oct-21	PERIOD COVERED	Oct 1-31, 2021
Customers Billed		Penalties Added	\$ 420.44
City	1,872	Dollars Collected	\$ 71,911.19
Rural	24	Arrears at end of Month	\$ 5,078.42
Total Customers	1,896	Adjustments	\$ (1,138.06)
		Gallons Pumped	9,095,000
		Hydrant Flusing/Rental (unmetered)	0 (hydrant flushing)
Gallons Billed		Dollars Billed	
City	9,193,702		\$ 62,627.75
Rural	170,558		\$ 2,061.70
Total	<u>9,364,260</u>		<u>\$ 64,689.45</u>

SEWER DEPARTMENT REPORT

Customers Billed	1,815	Dollars Billed	\$91,787.62
		Sewer Credit	\$ -
		Total Sewer Billed	\$ 91,787.62
Penalties Added	\$ 634.12		
Dollars Collected	\$ 91,881.90		
Arrears at end of Month	\$ 6,733.66		
Adjustments	\$ (2,579.28)		
Gallons Treated per Million	8.983		



City Of Portland
 Water Department
 Monthly Water Report
 November 2021

Monthly Water Production

Daily Water Production

Well #4 4,665,000 Gallons
 Well #5 0 Gallons
 Well #6 4,798,000 Gallons
 Well #7 6,000 Gallons

Well #4 155,500 Gallons
 Well #5 0 Gallons
 Well #6 159,933 Gallons
 Well #7 200 Gallons

Daily Average Water Production for All Wells 315,633 Gallons

Total Water Production for the Month 9,469,000 Gallons

Total Water Production for the Previous Month 9,095,000 Gallons

Total Production increased by 374,000 Gallons

Total Production for This Month from the Previous Year 7,829,000 Gallons

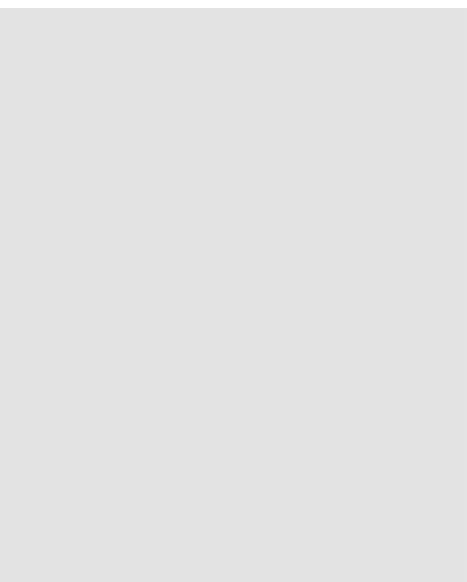
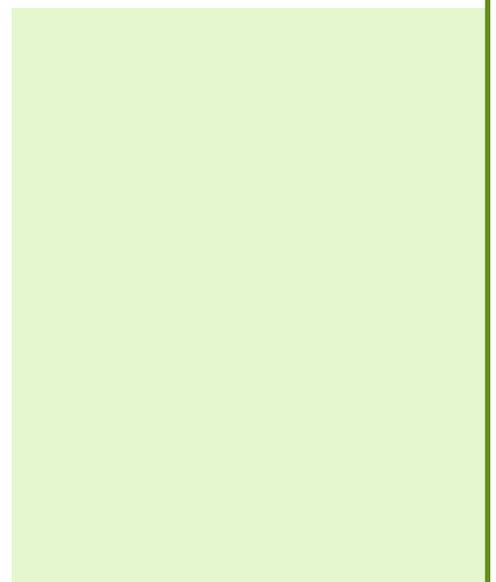
Total Production increased by 1,640,000 Gallons

Rodney D. Smith Jr.
Water Technician



The City of Portland Operations & Maintenance Report

September 2021





October 15, 2021

S. Tutt Gorman, City Manager
City of Portland
259 Kent Street
Portland, MI 48775

RE: September 2021 Monthly Operation Report

Dear Mr. Gorman:

Attached is our Monthly Operation Report for the operation of the Wastewater Treatment Plant for the month of September 2021. We will submit future progress reports monthly for your review.

All information and data used to compile this report is available for your review. If you have any questions, please contact us. My phone number is 989.860.2103.

Sincerely,

F&V OPERATIONS AND RESOURCE MANAGEMENT, INC.



Ken Dey
Sr. Project Manager

1.1 CONTENTS

APPENDIX “A” Monthly Operating Report1

ADMINISTRATIVE.....2

Action Items.....2

WASTEWATER MAINTENANCE2

Operations2

WORK PERFORMED ON THE COLLECTION SYSTEM2

Emergency Alarm Call- Outs.....2

Daily Flow Summary.....2

APPENDIX “A” MONTHLY OPERATING REPORT



ADMINISTRATIVE REPORT

ADMINISTRATIVE

The September 2021 Discharge Monitoring Report (DMR) was submitted to the Michigan Department of Environment, Great Lakes, and Energy (EGLE). The average influent flow was 322,000 gallons per day. The daily maximum influent flow was 368,000 gallons, which occurred on September 27, 2021. The Monthly Operating Report (MOR) is in **Appendix A**.

ACTION ITEMS

- **There is a copper issue** in the City's biosolids. The analytical results are consistently above table three (3) limits. Table three's (3) maximum concentration limit (MCL) for copper is 1,500 micro-grams per liter (ug/L.) FVOP recommends investigating the issue further by performing additional collection system sampling and the non-domestic users complete a non-domestic user survey.

WASTEWATER MAINTENANCE

Maintenance was completed during the month of September 2021 in accordance with the computerized maintenance management system (CMMS.)

- Staff de-ragged all three raw pumps.
- Excavated and repaired yard hydrant by headworks building.
- Staff completed 143 maintenance workorders
- Finished plumbing up Ferrous tanks.

OPERATIONS

- Camera down a pipe found during excavation at splash pad. Determined to an old well casing.
- Camera 240' of city main from Grape to back of W Grand River. Found blockage about half way through, and clay tile appears to have collapsed. Getting quotes for repair.
- PVS delivery of Ferrous.
- Oudbier Instrument Co calibrated all flow meters and gas monitoring system.

WORK PERFORMED ON THE COLLECTION SYSTEM

The following collection system tasks were completed during September 2021:

- Several Miss Digs were completed.
- Approximately 4000 feet of sanitary sewer main was cleaned during September 2021, all of which are considered problem areas.
- Inspected new sewer hookup at 220 Clark St.

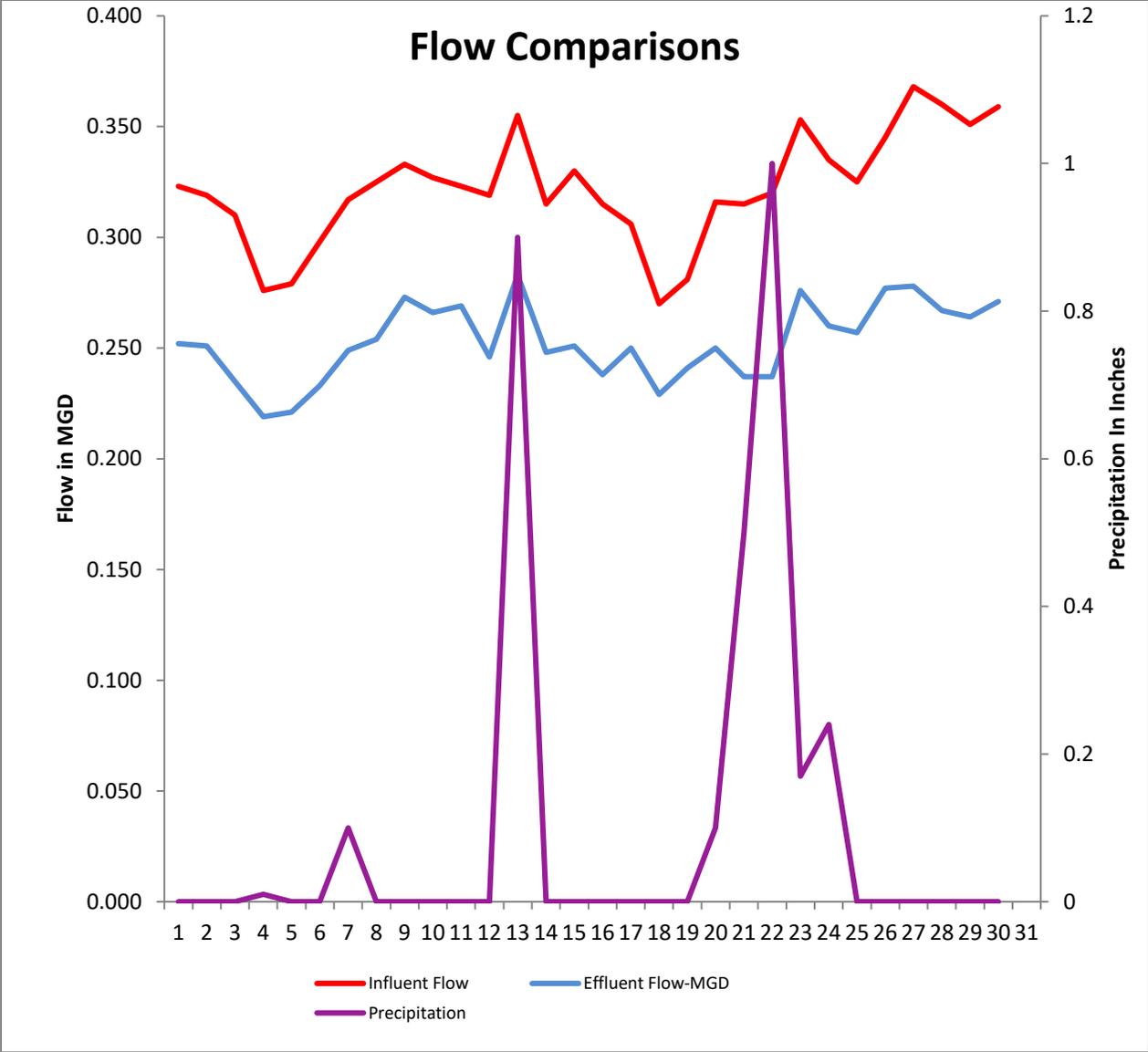
EMERGENCY ALARM CALL- OUTS

There was four (4) after- hours emergency call outs during September 2021.

- Staff received three calls from SCADA for lag pumps running at lift stations.
- Staff received a call for a sewer back up at the K of C hall during wedding reception. Found to be the roots in sewer lateral to sewer main.

DAILY FLOW SUMMARY

The wastewater flow was monitored using the facility's influent and effluent flow meters. The chart below shows the flow readings for the month of September 2021. The average influent flow during the period was 341,000 gallons per day and the average effluent flow during the period was 253,000 gallons per day. We had five (5) days of precipitation which totaled 5.54 inches. The influent flow is higher than the effluent flow due to recycle flows that are metered twice.



APPENDIX "A"



City of Portland, Michigan

September 2021

FINAL EFFLUENT

DAY	CBOD -5					T.S.S					V.S.S			TOTAL PHOSPHORUS			pH	DO	FECAL		AMMONIA	
	mg/l	mg/l	lbs/day	lbs	%	mg/l	mg/l	lbs/day	lbs	%	mg/l	mg/l	lbs/day	%	su	mg/l			COLIFORM	NITROGEN		
		7-day		7-day	Rem.		7-day		7-day	Rem.				Rem.			cts/100 ml	7-day	mg/l	lbs/day		
		Avg		Avg			Avg		Avg									GEO				
1	2.4		5.0		99	6.4		13.5		95	5	0.583	1.2	92	7	5.3	42		0.175	0.4		
2																						
3																						
4																						
5																						
6	3.5		6.8		99	4.8		9.3		98	2.4	0.750	1.5	90	7.1	4.8	38					
7	7.9	4.6	16.4	9.4	98	6.0	5.7	12.5	11.7	98	5.2	0.910	1.9	86	7.1	5	156	63				
8	2.7	4.7	5.7	9.6	99	5.6	5.5	11.9	11.2	97	3.6	1.720	3.6	39	7.1	5.1	176	101	0.20	0.5		
9		4.7		9.6			5.5		11.2									101				
10		4.7		9.6			5.5		11.2									101				
11		4.7		9.6			5.5		11.2									101				
12		4.7		9.6			5.5		11.2									101				
13	2.3	4.3	5.4	9.2	99	5.2	5.6	12.3	12.2	97	3.6	0.251	0.6	96	7.1	5.3	156	162	0.16	0.4		
14	2.3	2.4	4.8	5.3	99	1.6	4.1	3.3	9.1	99	0.4	0.431	0.9	93	6.9	5.3	176	169				
15	2.0	2.2	4.2	4.8	99	3.6	3.5	7.5	7.7	97	1.6	0.521	1.1	91	7.0	5.1	42	105				
16		2.2		4.8			3.5		7.7									105				
17		2.2		4.8			3.5		7.7									105				
18		2.2		4.8			3.5		7.7									105				
19		2.2		4.8			3.5		7.7									105				
20	2.8	2.4	5.8	4.9	99	3.6	2.9	7.5	6.1	98	2.4	0.234	0.5	96	7	4.6	196	113				
21	2.0	2.3	4.0	4.7	99	4.8	4.0	9.5	8.2	98	3.2	0.339	0.7	94	6.9	5.4	88	90				
22	2.2	2.3	4.3	4.7	99	2.8	3.7	5.5	7.5	99	1.6	0.538	1.1	90	6.5	5.9	44	91	0.14	0.3		
23		2.3		4.7			3.7		7.5									91				
24		2.3		4.7			3.7		7.5									91				
25		2.3		4.7			3.7		7.5									91				
26		2.3		4.7			3.7		7.5									91				
27	2.1	2.1	4.9	4.4	99	12.0	6.5	27.8	14.3	96	9.6	0.297	0.7	96	6.9	5.0	76	67	0.98	2.3		
28	2.3	2.2	5.1	4.8	99	2.4	5.7	5.3	12.9	99	0.8	0.603	1.3	89	7.0	5.4	116	73				
29	2.4	2.3	5.3	5.1	99	2.0	5.5	4.4	12.5	96	0.8	0.793	1.7	86	6.9	5.4	72	86				
30		2.3		5.1			5.5		12.5									86				
31		2.3		5.1			5.5		12.5									86				
M/M																						
TL																						
GA																						
ME	2.8		6.0		99	4.7		10.0		97	3.1	0.61	1.3	88		5.2	89.7		0.3	0.8		
WGA																						
WA																						
M/M = Maximum/Minium; TL = Total; GA = Geometric Average; ME = Mean Average; WGA = Weighted Geometric Average; WA = Weighed Avg.																						
REMARKS:																						

Total pounds are the multiplication of the monthly average by the number of days in the month.

City of Portland, MI

September 2021

ACTIVATED SLUDGE

DAY	Aeration Volume	Detent. Time	CRT Days	Organic Loading	MLSS	MLVSS	SETT.	SVI	DO	AIR SUPPLY	RASS	RASVS	WAS	WAS	Return Flow
	KCF	Hours		F/M	mg/l	mg/l	%		mg/l	CuFt./D	g/100 ml	g/100 ml	gal	lbs	(RAS)
1	24	7.5	9.9	0.26	2148	1677	27	126	2.5	1.44	0.3287	0.2602	11.78	323	0.249
2	24	7.6	10.5		2189		29	132	2.6	1.44	0.3760		9.94	312	0.248
3	24	7.8	6.1		2255		30	133	2.3	1.44	0.3703		17.95	554	0.243
4	24	8.5	13.3		2187		30	137	2.2	1.44	0.3658		8.03	245	0.227
5	24	8.5	11.7		2225		30	135	2.5	1.44	0.4052		8.40	284	0.228
6	24	7.9	11.0	0.44	2164	1668	31	143	2.0	1.44	0.4531	0.3699	7.80	295	0.245
7	24	7.6	8.0	0.32	2553	2007	35	137	1.8	1.44	0.3586	0.2808	15.90	475	0.250
8	24	7.4	6.9	0.24	2547	2035	33	129	2.3	1.44	0.4075	0.3241	16.16	549	0.255
9	24	7.2	7.0		2418		33	136	2.8	1.44	0.3827		16.15	516	0.262
10	24	7.3	7.3		2438		34	139	3.2	1.44	0.3670		16.30	499	0.259
11	24	7.4	12.3		2270		33	145	2.8	1.44	0.3855		8.59	276	0.256
12	24	7.5	14.8		2413		34	141	3.9	1.44	0.3466		8.43	244	0.252
13	24	6.9	6.9	0.23	2600	1994	39	150	1.9	1.44	0.4503	0.3411	14.99	563	0.269
14	24	7.6	6.4	0.26	2672	2064	37	138	1.7	1.44	0.4674	0.3611	16.00	624	0.253
15	24	7.3	6.7	0.24	2669	2055	35	131	2.0	1.44	0.4707	0.3617	15.18	596	0.256
16	24	7.6	7.7		2488		34	137	2.0	1.44	0.4012		14.50	485	0.253
17	24	7.8	7.8		2396		34	141	1.8	1.44	0.3933		14.05	461	0.248
18	24	8.6	12.0		2384		33	138	1.9	1.44	0.4233		8.40	297	0.227
19	24	8.3	11.8		2433		35	144	2.2	1.44	0.4401		8.40	308	0.236
20	24	7.6	6.9	0.27	2697	2070	39	145	2.2	1.44	0.4388	0.3461	16.00	586	0.248
21	24	7.6	5.5	0.20	2676	2120	38	142	2.1	1.44	0.5198	0.4073	16.65	722	0.251
22	24	7.4	4.1	0.27	2580	2486	35	136	2.6	1.44	0.6188	0.4782	18.07	932	0.258
23	24	6.9	5.1		2495		37	148	2.0	1.44	0.5652		15.50	731	0.272
24	24	7.2	6.5		2596		37	142	4.0	1.44	0.4791		15.01	600	0.262
25	24	7.3	11.3		2739		36	131	2.3	1.44	0.5148		8.40	361	0.262
26	24	7.0	11.4		2948		40	136	3.1	1.44	0.5521		8.40	387	0.273
27	24	6.7	5.3	0.14	3076	2475	40	130	2.2	1.44	0.4630	0.3693	22.56	871	0.276
28	24	6.8	5.9	0.20	3022	2348	39	129	3.3	1.44	0.4620	0.3576	19.96	769	0.273
29	24	6.9	5.0	0.20	2895	2213	39	135	3.6	1.44	0.5464	0.4284	18.92	862	0.273
30	24	6.8	6.0		2794		39	140	3.4	1.44	0.4221			0	0.272
TL													396.40	14724	7.636
ME	24	7.5	8.4	0.25	2532	2093	35	138	2.5	1.44	0.4392	0.3604	13.67	475	0.255
REMARKS:															

Total lbs are figured by multiplying the monthly average by the number of days in the month.

City of Portland, MI

September 2021

MISCELLANEOUS DATA

DAY	OUTFALL	GRIT	NAT.	ELECT.	ELECT.	ELECT.	ELECT	FERROUS	Polymer
	OBSERVATION		GAS	WWTP	Riverside	Canal	Cutler	CHLORIDE	Sludge
					Lift Stat.	Lift Stat.	Lift Stat.		Thickener
	yes/no	cf	cf	kwh	kwh	kwh	kwh	lbs	lbs
SF				1					
1	y		400	120				8	12.0
2	n		600	128		11	20	8	10.0
3	n		400	120	76			8	18.0
4	n		600	136				8	6.0
5	n		500	112				8	8.0
6	y		400	112		25	43	8	5.0
7	y		600	128	31			8	13.0
8	y		500	120				14	12.0
9	n		700	120		15	28	25	12.0
10	n		600	128	24			25	13.0
11	n		500	120		23	31	25	6.0
12	n		500	120	24			25	6.0
13	n		600	128		15		11	11.0
14	n		600	120	18	5	17	11	15.0
15	n		600	128				8	13.0
16	n		700	128	15	15	19	8	16.0
17	n		400	112				8	13.0
18	n		500	120				8	7.0
19	n		400	128	23	15	33	8	7.0
20	y		400	120				8	11.0
21	y		600	128				8	8.0
22	y		800	120				8	10.0
23	n		900	112	41	11		8	10.0
24	n		900	120				8	10.0
25	n		700	112				8	4.0
26	n		700	120	25	23		8	4.0
27	y		800	128				8	17.0
28	y		600	128	19	10	111	8	14.0
29	y		700	120				8	16.0
30	n		700	136				8	13.0
TL		0.0	17900.0	3672	296	168	302	320	320.0
ME		#DIV/0!	597	122	30	15	38	11	10.7
	REMARKS:								

Total lbs are figured by multiplying the monthly average by the number of days in the month.

City of Portland, MI

September 2021

MISCELLANEOUS DATA

DAY	OUTFALL	GRIT	NAT.	ELECT.	ELECT.	ELECT.	ELECT	FERROUS	Polymer
	OBSERVATION		GAS	WWTP	Riverside	Canal	Cutler	CHLORIDE	Sludge
					Lift Stat.	Lift Stat.	Lift Stat.		Thickener
	yes/no	cf	cf	kwh	kwh	kwh	kwh	lbs	lbs
SF				1					
1	y		400	120				8	12.0
2	n		600	128		11	20	8	10.0
3	n		400	120	76			8	18.0
4	n		600	136				8	6.0
5	n		500	112				8	8.0
6	y		400	112		25	43	8	5.0
7	y		600	128	31			8	13.0
8	y		500	120				14	12.0
9	n		700	120		15	28	25	12.0
10	n		600	128	24			25	13.0
11	n		500	120		23	31	25	6.0
12	n		500	120	24			25	6.0
13	n		600	128		15		11	11.0
14	n		600	120	18	5	17	11	15.0
15	n		600	128				8	13.0
16	n		700	128	15	15	19	8	16.0
17	n		400	112				8	13.0
18	n		500	120				8	7.0
19	n		400	128	23	15	33	8	7.0
20	y		400	120				8	11.0
21	y		600	128				8	8.0
22	y		800	120				8	10.0
23	n		900	112	41	11		8	10.0
24	n		900	120				8	10.0
25	n		700	112				8	4.0
26	n		700	120	25	23		8	4.0
27	y		800	128				8	17.0
28	y		600	128	19	10	111	8	14.0
29	y		700	120				8	16.0
30	n		700	136				8	13.0
31									
TL		0.0	17900.0	3672	296	168	302	320	320.0
ME		#DIV/0!	597	122	30	15	38	11	10.7
	REMARKS:								

Total lbs are figured by multiplying the monthly average by the number of days in the month.

City of Portland, MI

September 2021

SOLIDS DISPOSAL

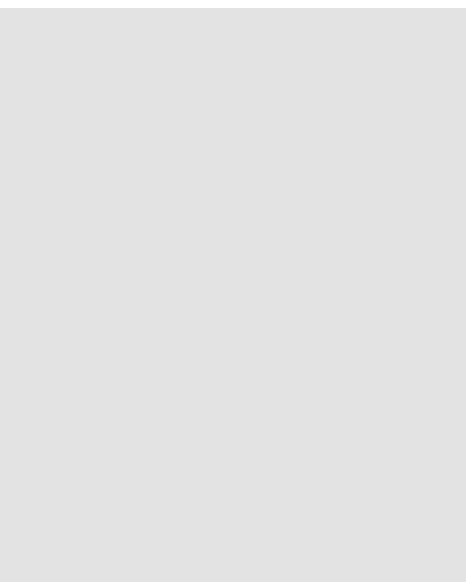
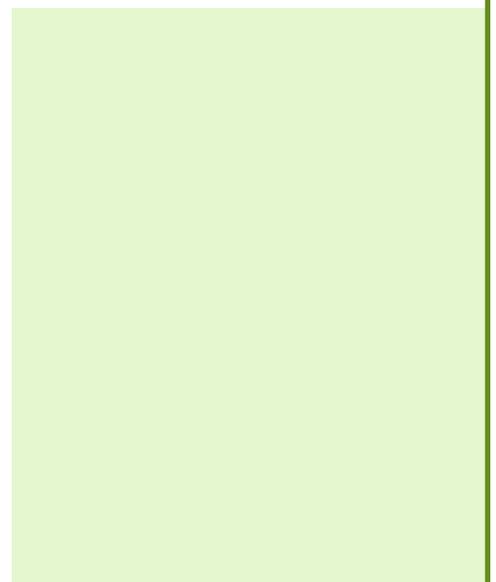
DAY	SUPERNATANT							BIOSOLIDS DISPOSAL				SITE #	DRY TONS APPLIED.
	AMT.	PH	TOTAL	VOL.	SUSP.	Phosp.	PHOSP.	SOLIDS	AMOUNT	TOTAL	VOL.		
			SOLIDS	SOLIDS	SOLIDS			TO BED	HAULED	SOLIDS	SOLIDS		
	gal.		%	%	mg/l	mg/l	lbs	lbs	gal	%	%		
1	0							0.0					
2	0							0.0					
3	0							0.0					
4	0							0.0					
5	0							0.0					
6	0							0.0					
7	0							0.0					
8	0							0.0					
9	0							0.0					
10	0							0.0					
11	0							0.0					
12	0							0.0					
13	0							0.0					
14	0							0.0					
15	0							0.0					
16	0							0.0					
17	0							0.0					
18	0							0.0					
19	0							0.0					
20	0							0.0					
21	0							0.0					
22	0							0.0					
23	0							0.0					
24	1599							0.0					
25	1333							0.0					
26	799.5							0.0					
27	0							0.0					
28	0							0.0					
29	3198							0.0					
30	2665							0.0					
31	0							0.0					
TL	9594							0.0	0				
ME													

Supernatant to drying beds or storage tank and cycled back to plant headworks.
 Biosolids to farm land and landfill.



The City of Portland Operations & Maintenance Report

October 2021





November 23, 2021

S. Tutt Gorman, City Manager
City of Portland
259 Kent Street
Portland, MI 48775

RE: October 2021 Monthly Operation Report

Dear Mr. Gorman:

Attached is our Monthly Operation Report for the operation of the Wastewater Treatment Plant for the month of October 2021. We will submit future progress reports monthly for your review.

All information and data used to compile this report is available for your review. If you have any questions, please contact us. My phone number is 989-860-2103.

Sincerely,

F&V OPERATIONS AND RESOURCE MANAGEMENT, INC.

A handwritten signature in blue ink, appearing to read "Ken Dey", is written over a horizontal line.

Ken Dey
Sr. Project Manager

2960 Lucerne Drive SE, Suite 100
Grand Rapids, MI 49546
P: 616.588.2900
F: 616.977.1005

1.1 CONTENTS

ADMINISTRATIVE.....2
 Action Items.....2
WASTEWATER MAINTENANCE2
 Operations2
WORK PERFORMED ON THE COLLECTION SYSTEM.....2
 Emergency Alarm Call- Outs.....2
 Daily Flow Summary.....2

APPENDIX “A” MONTHLY OPERATING REPORT

APPENDIX “B” WORK ORDER OVERVIEW

APPENDIX “C” SEWER MAIN REPAIR PICTURES



ADMINISTRATIVE REPORT

ADMINISTRATIVE

The October 2021 Discharge Monitoring Report (DMR) was submitted to the Michigan Department of Environment, Great Lakes, and Energy (EGLE). The average influent flow was 376,000 gallons per day. The daily maximum influent flow was 477,000 gallons, which occurred on October 25, 2021. The Monthly Operating Report (MOR) is in [Appendix A](#).

ACTION ITEMS

- **There is a copper issue** in the City's biosolids. The analytical results are consistently above table three (3) limits. Table three's (3) maximum concentration limit (MCL) for copper is 1,500 micro-grams per liter (ug/L.) FVOP recommends investigating the issue further by performing additional collection system sampling and the non-domestic users complete a non-domestic user survey.

WASTEWATER MAINTENANCE

Maintenance was completed during the month of October 2021 in accordance with the computerized maintenance management system (CMMS.) See [Appendix B](#) for an overview of the maintenance that was performed.

- Staff de-ragged all three raw pumps.
- Excavated and repaired yard hydrant by headworks building.
- Staff completed 156 maintenance workorders
- Staff finished plumbing up Ferrous tanks.

OPERATIONS

- City wide electrical shut down well. The only issue was a faulty wire on the anerobic mixer when the generator began to supply power. Staff repaired the issue the following Monday.
- New operator from F&V added on, Payton Shelafoe.
- Repaired Ferrous feed pumps.
- Oudbier Instrument Co repaired failed Emergency-Stop button for drum screen in headworks.

WORK PERFORMED ON THE COLLECTION SYSTEM

The following collection system tasks were completed during October 2021:

- Several Miss Digs were completed.
- Grape/ W. Grand River sewer was repaired by Cook Brothers. See [Appendix C](#) for pictures of the work performed.
- Approximately 2000 feet of sanitary sewer main was cleaned during October 2021, all of which are considered problem areas.

EMERGENCY ALARM CALL- OUTS

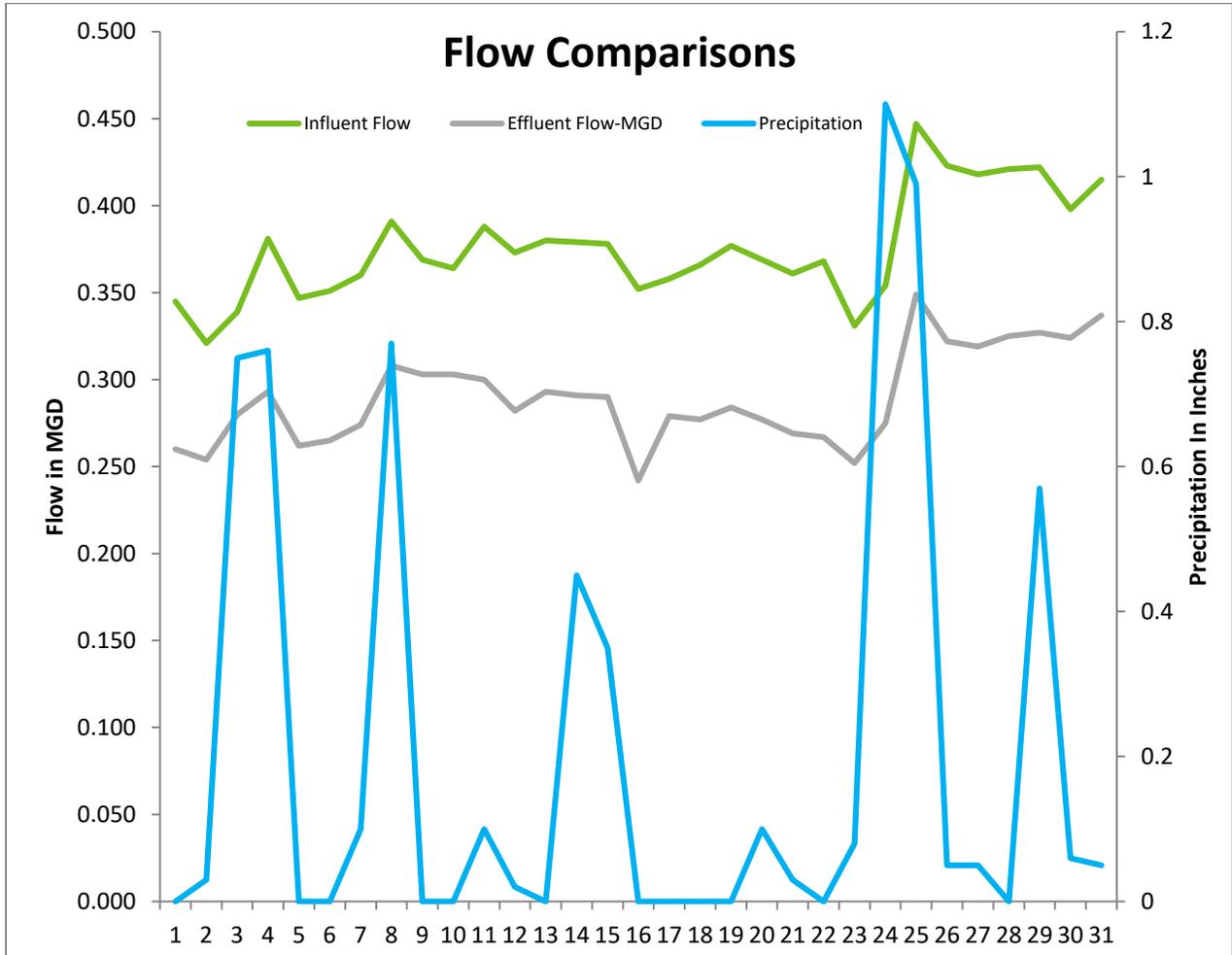
There was one (1) after- hours emergency call outs during October 2021.

- Staff received one call from SCADA for raw pump failure at the WWTP.

DAILY FLOW SUMMARY

The wastewater flow was monitored using the facility's influent and effluent flow meters. The chart below shows the flow readings for the month of October 2021. The average influent flow during the period was 376,000 gallons per day and the average effluent flow during the period was 290,000 gallons per day. We had

nineteen (19) days of measurable precipitation which totaled 6.41 inches. The influent flow is higher than the effluent flow due to recycle flows that are metered twice.



APPENDIX “A”



City of Portland, Michigan

October 2021

FINAL EFFLUENT

DAY	CBOD -5					T.S.S					V.S.S			TOTAL PHOSPHORUS			pH	DO	FECAL	
	mg/l	mg/l	lbs/day	lbs	%	mg/l	mg/l	lbs/day	lbs	%	mg/l	mg/l	lbs/day	%	su	mg/l			COLIFORM	
		7-day		7-day	Rem.		7-day		7-day	Rem.				Rem.			cts/100 ml	7-day		
		Avg		Avg			Avg		Avg									GEO		
1																				
2																				
3																				
4	2.0		4.9		99	4.4		10.8		97	3.2	0.558	1.4	91	6.9	5	128			
5	3.2		7.0		99	6.4		14.0		96	1.6	0.842	1.8	85	6.9	5.4	52			
6	4.0		8.8		98	1.6		3.5		98	1.2	1.090	2.4	81	7.2	5.5	5			
7		3.1		6.9			4.1		9.4									32		
8		3.1		6.9			4.1		9.4									32		
9		3.1		6.9			4.1		9.4									32		
10		3.1		6.9			4.1		9.4									32		
11	2.4	3.2	6.0	7.3	98	8.8	5.6	22.0	13.2	97	5.6	0.720	1.8	85	6.7	5.5	20	17		
12	2.2	2.9	5.2	6.7	98	6.8	5.7	16.0	13.8	97	5.2	0.809	1.9	90	6.6	5.6	12	11		
13	2.3	2.3	5.6	5.6	99	7.2	7.6	17.6	18.5	96	6.0	1.070	2.6	77	6.6	5.7	21	17		
14		2.3		5.6			7.6		18.5									17		
15		2.3		5.6			7.6		18.5									17		
16		2.3		5.6			7.6		18.5									17		
17		2.3		5.6			7.6		18.5									17		
18	2.8	2.4	6.5	5.8	99	4.8	6.3	11.1	14.9	98	2.0	0.543	1.3	92	6.8	5.8	16	16		
19	2.2	2.4	5.2	5.8	99	2.8	4.9	6.6	11.8	99	1.2	0.563	1.3	89	7	5.8	21	19		
20	2.4	2.5	5.5	5.7	99	5.2	4.3	12.0	9.9	97	1.6	0.690	1.6	85	6.6	4.9	23	20		
21		2.5		5.7			4.3		9.9									20		
22		2.5		5.7			4.3		9.9									20		
23		2.5		5.7			4.3		9.9									20		
24		2.5		5.7			4.3		9.9									20		
25	2.5	2.4	7.3	6.0	99	10.4	6.1	30.3	16.3	96	8.0	0.571	1.7	88	6.9	5.2	24	23		
26	2.3	2.4	6.2	6.3	98	2.4	6.0	6.4	16.2	96	1.2	0.920	2.5	76	7.2	5.2	16	21		
27	2.2	2.3	5.9	6.4	96	3.6	5.5	9.6	15.4	98	2.4	0.871	2.3	80	7.0	5.9	18	19		
28		2.3		6.4			5.5		15.4									19		
29		2.3		6.4			5.5		15.4									19		
30		2.3		6.4			5.5		15.4									19		
31		2.3		6.4			5.5		15.4									19		
M/M																				
TL																				
GA																				
ME	2.5		6.2		98	5.4		13.3		97	3.3	0.77	1.9	85		5.5	21.3			
WGA																				
WA																				
M/M = Maximum/Minium; TL = Total; GA = Geometric Average; ME = Mean Average; WGA = Weighted Geometric Average; WA = Weigh																				
REMARKS:																				

Total pounds are the multiplication of the monthly average by the number of days in the month.

City of Portland, MI

- 1. Clear
- 2. P. Cloudy
- 3. Cloudy
- 4. Rain..
- 5. Snow
- 6. Windy

October 2021

RAW INFLUENT

DAY	WEATHER		FLOW DATA						TEMP	PH	CBOD - 5 Day		TSS		V.S.S	TOTAL		Day			
	Type	Precip	Total		Total		Peak	Min											PHOSPHORUS		
			Effluent	7-day	Influent	7-day					°C	SU	mg/l	lbs/day		mg/;	lbs/day		mg/l	mg/l	lbs/day
	Code	Inches	mgd	Avg	mgd	Avg	mgd	mgd													
1	1	0	0.260		0.345		0.63	0.19										1			
2	24	0.03	0.254		0.321		0.69	0.21										2			
3	34	0.75	0.280		0.339		0.85	0.24										3			
4	234	0.76	0.293		0.381		1.43	0.20	20.7	7.4	326	1036	168	534	132	6.5	21	4			
5	23	0.00	0.262		0.347		0.62	0.20	20.4	7.5	259	750	160	463	48	5.6	16	5			
6	23	0.00	0.265		0.351		0.64	0.21	20.1	7.5	206	603	96	281	64	5.8	17	6			
7	34	0.10	0.274	0.270	0.360	0.349	0.70	0.24										7			
8	234	0.77	0.308	0.240	0.391	0.310	1.10	0.24										8			
9	234	0.00	0.303	0.284	0.369	0.363	0.64	0.24										9			
10	1,2,3	0.00	0.303	0.287	0.364	0.366	0.66	0.24										10			
11	2	0.10	0.300	0.288	0.388	0.367	0.75	0.23	21.3	6.4	103	333	256	828	216	4.9	16	11			
12	34	0.02	0.282	0.291	0.373	0.371	0.60	0.24	21.0	7.1	137	426	264	821	244	8.1	25	12			
13	23	0.00	0.293	0.295	0.380	0.375	0.60	0.23	20.6	6.8	210	666	208	659	184	4.7	15	13			
14	3,4	0.45	0.291	0.297	0.379	0.378	0.80	0.25										14			
15	3,4	0.35	0.290	0.295	0.378	0.376	0.65	0.32										15			
16	2,3	0.00	0.242	0.286	0.352	0.373	0.60	0.20										16			
17	1	0.00	0.279	0.282	0.358	0.373	0.60	0.23										17			
18	1	0.00	0.277	0.279	0.366	0.369	0.65	0.24	19.3	7.4	249	760	256	781	208	6.4	20	18			
19	1	0.00	0.284	0.279	0.377	0.370	0.60	0.23	20.0	6.5	196	616	196	616	152	5.2	16	19			
20	24	0.10	0.277	0.277	0.369	0.368	0.65	0.23	20.0	6.6	165	508	204	628	144	4.7	15	20			
21	234	0.03	0.269	0.274	0.361	0.366	0.74	0.23										21			
22	12	0.00	0.267	0.271	0.368	0.364	0.73	0.22										22			
23	234	0.08	0.252	0.272	0.331	0.361	0.70	0.22										23			
24	234	1.10	0.275	0.272	0.354	0.361	0.61	0.34										24			
25	34	0.99	0.349	0.282	0.447	0.372	0.76	0.35	18.1	7.2	180	671	246	917	194	4.9	18	25			
26	234	0.05	0.322	0.287	0.423	0.379	0.65	0.25	18.3	7.3	136	480	64	226	44	3.8	13	26			
27	234	0.05	0.319	0.293	0.418	0.386	0.74	0.28	19.6	6.6	50	174	144	502	124	4.3	15	27			
28	23	0.00	0.325	0.301	0.421	0.395	0.69	0.21										28			
29	234	0.57	0.327	0.310	0.422	0.402	0.66	0.13										29			
30	34	0.06	0.324	0.320	0.398	0.412	0.65	0.27										30			
31	234	0.05	0.337	0.329	0.415	0.421	0.51	0.12										31			
TL		6.41	8.983		11.646		21.90	7.23	239.4	84.3											
MAX					0.447																
ME		0.21	0.290		0.376		0.71	0.23	20.0	7.0	185	637	189	605	146	5.4	17				
REMARKS:																					

City of Portland, MI

October 2021

ACTIVATED SLUDGE

DAY	Aeration Volume	Detent. Time	CRT Days	Organic Loading	MLSS	MLVSS	SETT.	SVI	DO	AIR SUPPLY	RASS	RASVS	WAS	WAS	Return Flow
	KCF	Hours		F/M	mg/l	mg/l	%		mg/l	CuFt./D	g/100 ml	g/100 ml	gal	lbs	(RAS)
1	24	7.1	6.0		2597		35	135	2.6	1.44	0.4237		18.31	647	0.258
2	24	7.7	9.6		2320		33	142	2.3	1.44	0.4684		9.26	362	0.239
3	24	7.3	12.8		2983		38	127	2.5	1.44	0.4945		8.42	347	0.251
4	24	6.6	3.6	0.30	3137	2348	44	140	2.2	1.44	0.6895	0.5290	22.64	1302	0.266
5	24	7.0	4.7	0.22	2961	2297	40	135	2.9	1.44	0.5682	0.4324	20.05	950	0.264
6	24	7.0	6.3	0.19	2889	2156	38	131	3.1	1.44	0.4115	0.3083	20.07	689	0.266
7	24	6.8	5.5		2848		38	133	2.4	1.44	0.4257		21.97	780	0.272
8	24	6.6	5.2		2639		35	133	2.9	1.44	0.4470		20.15	751	0.258
9	24	6.6	12.2		2722		34	125	2.8	1.44	0.4772		8.40	334	0.283
10	24	6.7	10.4		2914		36	124	2.5	1.44	0.5871		8.52	417	0.280
11	24	6.4	3.6	0.10	3002	2267	36	120	2.2	1.44	0.6615	0.4347	22.73	1254	0.280
12	24	6.6	4.5	0.12	3238	2448	37	114	2.2	1.44	0.5709	0.4210	22.77	1084	0.276
13	24	6.7	4.6	0.20	2923	2202	33	113	2.0	1.44	0.5348	0.3935	21.16	944	0.265
14	24	6.9	5.2		2797		31	111	1.3	1.44	0.4397		21.85	801	0.241
15	24	6.9	6.1		2711		34	125	2.0	1.44	0.4217		18.89	664	0.243
16	24	7.2	5.8		2178		29	133	3.1	1.44	0.4407		15.15	557	0.241
17	24	7.1	9.6		2272		29	128	4.0	1.44	0.4536		9.38	355	0.251
18	24	7.0	5.5	0.31	2207	1627	25	113	4.0	1.44	0.4011	0.2783	18.00	602	0.250
19	24	6.8	4.8	0.16	3434	2572	40	117	3.2	1.44	0.5745	0.4116	22.51	1079	0.257
20	24	6.7	5.3	0.13	3392	2548	38	112	2.9	1.44	0.5067	0.3612	22.50	951	0.271
21	24	6.8	2.7		3094		36	116	2.5	1.44	0.9060		22.50	1700	0.273
22	24	6.7	5.6		2896		36	124	4.9	1.44	0.4568		20.11	766	0.273
23	24	7.3	12.6		2943		33	112	5.3	1.44	0.4970		8.40	348	0.255
24	24	7.0	12.6		3156		39	124	5.6	1.44	0.5338		8.40	374	0.263
25	24	6.0	4.8	0.18	3357	2456	42	125	5.0	1.44	0.5309	0.3940	23.77	1053	0.264
26	24	6.2	4.2	0.14	3222	2367	41	127	6.5	1.44	0.6048	0.4548	22.63	1142	0.271
27	24	6.3	4.1	0.05	3111	2290	38	122	5.9	1.44	0.5875	0.4312	23.23	1138	0.268
28	24	6.2	4.0		2969		37	125	4.4	1.44	0.5675		23.34	1105	0.275
29	24	6.2	4.0		3025		37	122	4.0	1.44	0.6174		22.00	1133	0.276
30	24	6.3	9.0		2932		38	130	4.8	1.44	0.6881		8.43	484	0.281
31	24	6.2	10.6		3125		40	128	4.7	1.44	0.6273		8.40	440	0.282
TL													543.94	24551	8.194
ME	24	6.7	6.6	0.17	2903	2298	36	125	3.4	1.44	0.5360	0.4042	17.55	792	0.264
	REMARKS:														

Total lbs are figured by multiplying the monthly average by the number of days in the month.

City of Portland, MI

October 2021

MISCELLANEOUS DATA

DAY	OUTFALL	GRIT	NAT.	ELECT.	FERROUS	Polymer
	OBSERVATION		GAS	WWTP	CHLORIDE	Sludge
						Thickener
	yes/no	cf	cf	kwh	lbs	lbs
				1		
1	n		600	128	8	20.0
2	n		400	112	8	8.0
3	n		500	104	8	8.0
4	y		800	128	8	24.0
5	y		600	120	8	20.0
6	y		400	120	8	21.0
7	n		600	128	8	23.0
8	n		600	128	8	21.0
9	n		500	120	8	9.0
10	n		700	136	8	8.0
11	y		700	128	10	24.0
12	y		600	128	10	27.0
13	y		800	128	10	21.0
14	n		700	120	10	22.0
15	n		800	0	10	20.0
16	n		700	176	10	18.0
17	n		1000	120	10	10.0
18	y		600	120	10	17.0
19	y		1000	120	10	21.0
20	y		900	120	10	25.0
21	n		1300	120	10	20.0
22	n		1600	132	10	21.0
23	n		1500	120	10	8.0
24	n		2000	104	10	8.0
25	y		2700	128	10	24.0
26	y		2100	120	20	24.0
27	y		2000	128	20	26.0
28	n		1900	720	20	17.0
29	n		2700	960	20	20.0
30	n		1500	112	20	8.0
31	n		2700	120	20	7.0
TL		0.0	35500.0	5148	350	550.0
ME		#DIV/0!	1145	166	11	17.7
	REMARKS:					

Total lbs are figured by multiplying the monthly average by the number of days in the month.

City of Portland, MI

October 2021

DIGESTER BIOSOLIDS

	RAW SLUDGE					BIOSOLIDS							
	Amt.	Percent	Digester	Digester	PH	TEMP.	SLUDGE	PH	T. S.	V. S.	VA/TA	VOLATILE	
	Pumped	Total	% Vol.	Loading			TEMP.				RATIO	SOLIDS	
	gal	Solids	Solids	lbs/1000 cuft.		C.	C.		%	%		REDUCTION	
SF													
DAY													
1	3178												
2	1544												
3	1180												
4	4207												
5	4086												
6	4389	7	77	0.13	6.8	22.6	30.9	6.9	1.9	68	0.04	37	
7	4570												
8	1301												
9	1423												
10	5085												
11	5115												
12	4268												
13	4631	6.2	72	0.11	6.9	22.1	31.7	6.9	2.1	67	0.08	21	
14	3723												
15	2573												
16	1332												
17	3057												
18	5115												
19	5054												
20	4873	6.8	74		6.8	22.8	32.1	7.1	2.1	66	0.09	32	
21	4268												
22	1634												
23	1876												
24	7173												
25	6265												
26	5175												
27	5629	6.6	75	0.15	6.7	20.1	31.9	6.9	2	66	0.1	35	
28	5327												
29	1392												
30	1362												
31	1392												
TL	112196												
ME	3859	6.7	75	0.13	6.8	21.9	31.7	7.0	2.0	67		31	
	REMARKS:	Loading Rate = .02 -.10 lb/cu. ft.											

Digester Volume:
 Primary: 14700
 Secondary: 14700

Process Pattern:
 Primary, Secondary, Land Application

City of Portland, MI

October 2021

SOLIDS DISPOSAL

DAY	SUPERNATANT							BIOSOLIDS DISPOSAL				SITE #	DRY TONS APPLIED.
	AMT.	PH	TOTAL	VOL.	SUSP.	Phosp.	PHOSP.	SOLIDS	AMOUNT	TOTAL	VOL.		
			SOLIDS	SOLIDS	SOLIDS			TO BED	HAULED	SOLIDS	SOLIDS		
	gal.		%	%	mg/l	mg/l	lbs	lbs	gal	%	%		
1	0							0.0					
2								0.0					
3								0.0					
4								0.0					
5								0.0					
6								0.0					
7								0.0					
8								0.0					
9								0.0					
10								0.0					
11								0.0					
12								0.0					
13								0.0					
14								0.0					
15								0.0					
16								0.0					
17								0.0					
18								0.0					
19								0.0					
20								0.0					
21								0.0					
22								0.0					
23								0.0					
24								0.0					
25								0.0					
26								0.0					
27								0.0					
28								0.0					
29								0.0					
30								0.0					
31								0.0					
TL	0							0.0	0				
ME													

Supernatant to drying beds or storage tank and cycled back to plant headworks.
 Biosolids to farm land and landfill.

APPENDIX “B”

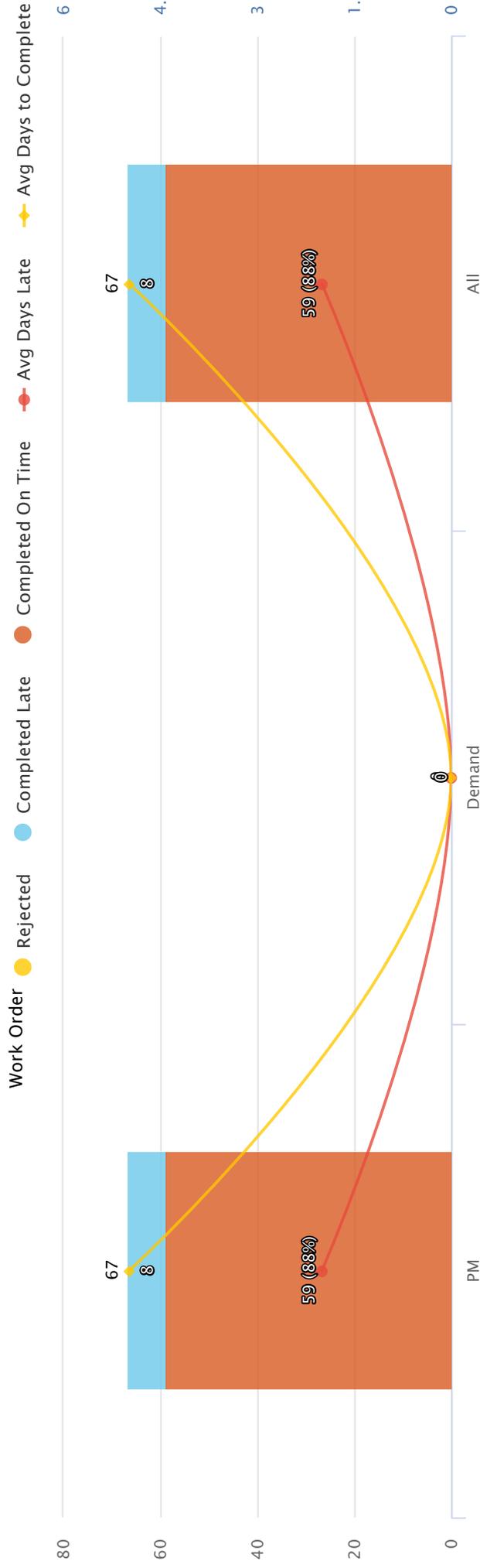


PORTLAND 10.2021

Tuesday, November 23, 2021 at 2:37:02 PM Eastern Standard Time



Summary



Portland 10.2021

	Demands			PMs	Costs
AT 100-3	0	0	0	0	0.00
AT-100-1	0	0	0	0	0.00
AT-100-2	0	0	0	0	0.00
AT-101	0	0	6	0	0.00
AT-102	0	0	0	0	0.00
AT-103	0	0	0	0	0.00
AT-104	0	0	0	0	0.00
AT-105	0	0	4	0	0.00
BST-100	0	0	0	0	0.00
BST-101	0	0	0	0	0.00
CLS-100	0	0	0	0	0.00
CLS-101	0	0	0	0	0.00
CR-100	0	0	0	0	0.00
CR-106	0	0	0	0	0.00
CR-107	0	0	0	0	0.00
CS-100	0	0	0	0	0.00
CS-101	0	0	0	0	0.00
DB-100	0	0	0	0	0.00
DB-101	0	0	0	0	0.00
DB-102	0	0	0	0	0.00
DB-200	0	0	4	0	0.00
DB-201	0	0	0	0	0.00
DB-202	0	0	0	0	0.00
DB-204	0	0	0	0	0.00
DB-205	0	0	0	0	0.00
DB-206	0	0	0	0	0.00
DB-207	0	0	0	0	0.00
DB-208	0	0	0	0	0.00
DB-209	0	0	0	0	0.00
DB-210	0	0	0	0	0.00
DB-300	0	0	0	0	0.00
DB-301	0	0	1	0	0.00
DB-302	0	0	0	0	0.00
DB-400	0	0	0	0	0.00
EM-100	0	0	0	0	0.00
EM-101	0	0	0	0	0.00
FC-100	0	0	5	0	0.00
FC-101	0	0	0	0	0.00
FC-102	0	0	0	0	0.00
FC-103	0	0	0	0	0.00
FE-100	0	0	0	0	0.00
GB 110	0	0	0	0	0.00
GB-101	0	0	5	0	0.00
GB-102	0	0	0	0	0.00
GB-103	0	0	0	0	0.00

	Demands			PMs	Costs
GB-104	0	0	4	0.00	
GB-105	0	0	0	0.00	
GB-106	0	0	0	0.00	
GB-107	0	0	0	0.00	
GB-108	0	0	0	0.00	
GB-109	0	0	0	0.00	
GB-110	0	0	0	0.00	
GB-111	0	1	1	0.00	
GR-101	0	0	0	0.00	
GR-102	0	0	0	0.00	
GR-103	0	0	0	0.00	
GR-104	0	0	0	0.00	
GR-105	0	0	0	0.00	
GR-106	0	0	0	0.00	
GR-107	0	0	0	0.00	
GR-108	0	0	0	0.00	
GR-112	0	0	0	0.00	
GR109	0	0	0	0.00	
GR110	0	0	0	0.00	
GR111	0	0	0	0.00	
Laboratory & Sampler Thermometers	0	0	0	0.00	
LB-100	0	0	0	0.00	
LB-101	0	0	0	0.00	
LB-102	0	0	0	0.00	
LB-103	0	0	0	0.00	
LB-105	0	0	0	0.00	
LB-106	0	1	1	0.00	
LB-107	0	0	0	0.00	
LB-108	0	0	0	0.00	
LB-110	0	0	0	0.00	
LB-111	0	1	1	0.00	
LB-112	0	4	4	0.00	
LB-113	0	0	0	0.00	
LB-114	0	0	0	0.00	
LB-115	0	0	0	0.00	
LB-116	0	0	0	0.00	
LB-117	0	0	0	0.00	
LB-118	0	0	0	0.00	
LB-119	0	0	0	0.00	
LB-120	0	0	0	0.00	
LB-121	0	0	0	0.00	
LB-122	0	0	0	0.00	
LB-123	0	0	0	0.00	
LB-125	0	0	0	0.00	
LB-126	0	0	0	0.00	
LB-127	0	0	0	0.00	
LB-128	0	0	0	0.00	

	Demands			PMs	Costs
LB-129	0	4	0.00		
LB-130	0	0	0.00		
LB-131	0	1	0.00		
LS-100	0	0	0.00		
Mag & Ultrasonic Flow Meters	0	0	0.00		
OF-100	0	0	0.00		
OF-101	0	0	0.00		
OF-102	0	0	0.00		
Process Blowers	0	0	0.00		
RHLS-100	0	0	0.00		
RHLS-101	0	0	0.00		
RSLs-100	0	0	0.00		
RSLs-101	0	0	0.00		
RSLs-102	0	0	0.00		
RSLs-103	0	0	0.00		
RSLs-104	0	0	0.00		
RSLs-105	0	0	0.00		
SA-100	0	0	0.00		
SA-101	0	0	0.00		
SA-102	0	1	0.00		
SA-103	0	0	0.00		
SB-100	0	0	0.00		
SB-101	0	0	0.00		
SB-102	0	0	0.00		
SB-103	0	0	0.00		
SB-104	0	0	0.00		
SB-105	0	0	0.00		
SB-106	0	0	0.00		
SB-107	0	0	0.00		
SB-108	0	0	0.00		
SB-109	0	0	0.00		
SB-200	0	0	0.00		
SB-201	0	4	0.00		
SB-202	0	5	0.00		
SB-203	0	0	0.00		
SB-204	0	0	0.00		
SB-205	0	0	0.00		
SB-300	0	1	0.00		
SB-301	0	1	0.00		
SB-302	0	1	0.00		
SB-303	0	0	0.00		
SB-304	0	0	0.00		
SB-305	0	0	0.00		
SDB-100	0	0	0.00		
SPB 102	0	0	0.00		
SPB-100	0	0	0.00		
SPB-101	0	0	0.00		

	Demands	PMs	Costs
TB-101	0	0	0.00
TB-102	0	0	0.00
TB-103	0	0	0.00
TB-104	0	4	0.00
TB-105	0	0	0.00
TB-106	0	0	0.00
UIS Cruise Scada Alarm System	0	4	0.00
UV-100	0	5	0.00

Portland 10.2021

ID	Work Order Name	Category	Days Late (+/-)	Days To Complete	Labor Hours	Parts	Part Costs	Invoices	Total	Variance	Facility	Resources
3226	Monthly Anoxic Surface Mixer Maintenance	PM	-12	3	.25	.00	.00	.00	.00	.00	City of Portland	Portland Resource
3906	Weekly Water Bath Maintenance	PM	-6	0	.50	.00	.00	.00	.00	.00	City of Portland	Portland Resource
3902	Weekly Vacuum Pump Maintenance	PM	-6	0	.50	.00	.00	.00	.00	.00	City of Portland	Portland Resource
3894	Weekly Composite Sampler Maintenance	PM	-6	0	.50	.00	.00	.00	.00	.00	City of Portland	Portland Resource
3892	Weekly D.O Sensor Maintenance	PM	-3	3	.50	.00	.00	.00	.00	.00	City of Portland	Portland Resource
3890	UIS Cruise Scada Alarm System	PM	-6	0	.50	.00	.00	.00	.00	.00	City of Portland	Portland Resource
3677	Weekly Vacuum Pump Maintenance	PM	-4	2	.50	.00	.00	.00	.00	.00	City of Portland	Portland Resource
3674	Weekly East & West Secondary Clarifier Maintenance	PM	-2	4	.50	.00	.00	.00	.00	.00	City of Portland	Portland Resource
3669	Weekly Composite Sampler Maintenance	PM	-4	2	.50	.00	.00	.00	.00	.00	City of Portland	Portland Resource
3668	Weekly Fine Maintenance	PM	-2	4	.50	.00	.00	.00	.00	.00	City of Portland	Portland Resource
3667	Weekly D.O Sensor Maintenance	PM	-4	2	.50	.00	.00	.00	.00	.00	City of Portland	Portland Resource
3666	Weekly UV Maintenance	PM	-2	4	.50	.00	.00	.00	.00	.00	City of Portland	Portland Resource
3465	Weekly Surface Mixer Inspection & Maintenance	PM	-3	3	.50	.00	.00	.00	.00	.00	City of Portland	Portland Resource
3463	Weekly Composite Sampler Maintenance	PM	-6	0	.50	.00	.00	.00	.00	.00	City of Portland	Portland Resource
3461	Weekly D.O Sensor Maintenance	PM	-3	3	.50	.00	.00	.00	.00	.00	City of Portland	Portland Resource
3236	Weekly Water Bath Maintenance	PM	-5	1	.50	.00	.00	.00	.00	.00	City of Portland	Portland Resource
3235	Weekly NP Booster system Maintenance	PM	-6	0	.50	.00	.00	.00	.00	.00	City of Portland	Portland Resource
3234	Weekly Gas Mixer Maintenance	PM	-4	2	.50	.00	.00	.00	.00	.00	City of Portland	Portland Resource
3232	Weekly Vacuum Pump Maintenance	PM	-5	1	.50	.00	.00	.00	.00	.00	City of Portland	Portland Resource
3231	Weekly Grit Auger & Classifier Maintenance	PM	-4	2	.50	.00	.00	.00	.00	.00	City of Portland	Portland Resource
3229	Weekly East & West Secondary Clarifier Maintenance	PM	-4	2	.50	.00	.00	.00	.00	.00	City of Portland	Portland Resource
3222	Weekly Composite Sampler Maintenance	PM	-6	0	.50	.00	.00	.00	.00	.00	City of Portland	Portland Resource
3219	Weekly Fine Maintenance	PM	-4	2	.50	.00	.00	.00	.00	.00	City of Portland	Portland Resource
3218	Portland Monthly Emergency Lighting Checks	PM	-14	1	.50	.00	.00	.00	.00	.00	City of Portland	Portland Resource
3217	Weekly D.O Sensor Maintenance	PM	-4	2	.50	.00	.00	.00	.00	.00	City of Portland	Portland Resource
3215	UIS Cruise Scada Alarm System	PM	-6	0	.50	.00	.00	.00	.00	.00	City of Portland	Portland Resource
3214	Monthly Trojan 3000 UV Maintenance	PM	1	16	.50	.00	.00	.00	.00	.00	City of Portland	Portland Resource
3124	Monthly BOD Incubator Maintenance	PM	-15	0	.50	.00	.00	.00	.00	.00	City of Portland	Portland Resource
3123	Monthly Drying Oven Maintenance	PM	-15	0	.50	.00	.00	.00	.00	.00	City of Portland	Portland Resource
3117	Monthly LB-131 Water Heater Maintenance	PM	-10	5	.50	.00	.00	.00	.00	.00	City of Portland	Portland Resource
3111	Monthly Influent Pump Maintenance 3	PM	-12	3	.50	.00	.00	.00	.00	.00	City of Portland	Portland Resource
3110	Monthly Influent Pump Maintenance 2	PM	-12	3	.50	.00	.00	.00	.00	.00	City of Portland	Portland Resource
3109	Monthly Influent Pump Maintenance	PM	-12	3	.50	.00	.00	.00	.00	.00	City of Portland	Portland Resource
3107	Monthly Greasing of the Sludge Recirculation Pumps	PM	-9	6	.50	.00	.00	.00	.00	.00	City of Portland	Portland Resource
3905	Weekly NP Booster system Maintenance	PM	-3	3	1.00	.00	.00	.00	.00	.00	City of Portland	Portland Resource
3904	Weekly Gas Mixer Maintenance	PM	-3	3	1.00	.00	.00	.00	.00	.00	City of Portland	Portland Resource
3901	Weekly Grit Auger & Classifier Maintenance	PM	-3	3	1.00	.00	.00	.00	.00	.00	City of Portland	Portland Resource
3896	Weekly Surface Mixer Inspection & Maintenance	PM	-3	3	1.00	.00	.00	.00	.00	.00	City of Portland	Portland Resource
3893	Weekly Fine Maintenance	PM	-5	1	1.00	.00	.00	.00	.00	.00	City of Portland	Portland Resource
3681	Weekly Water Bath Maintenance	PM	-4	2	1.00	.00	.00	.00	.00	.00	City of Portland	Portland Resource
3680	Weekly NP Booster system Maintenance	PM	-4	2	1.00	.00	.00	.00	.00	.00	City of Portland	Portland Resource
3679	Weekly Gas Mixer Maintenance	PM	-4	2	1.00	.00	.00	.00	.00	.00	City of Portland	Portland Resource
3676	Weekly Grit Auger & Classifier Maintenance	PM	-2	4	1.00	.00	.00	.00	.00	.00	City of Portland	Portland Resource
3675	Weekly Charter Thickener Maintenance	PM	-2	4	1.00	.00	.00	.00	.00	.00	City of Portland	Portland Resource
3665	UIS Cruise Scada Alarm System	PM	-4	2	1.00	.00	.00	.00	.00	.00	City of Portland	Portland Resource

ID	Work Order Name	Category	Days Late (+/-)	Days To Complete	Labor Hours	Labor	Parts	Part Costs	Invoices	Total	Variance	Facility	Resources
3475	Weekly Water Bath Maintenance	PM	-6	0	1.00	.00	.00	.00	.00	.00	.00	City of Portland	Portland Resource
3474	Weekly NP Booster system Maintenance	PM	-2	4	1.00	.00	.00	.00	.00	.00	.00	City of Portland	Portland Resource
3473	Weekly Gas Mixer Maintenance	PM	3	9	1.00	.00	.00	.00	.00	.00	.00	City of Portland	Portland Resource
3471	Weekly Vacuum Pump Maintenance	PM	-6	0	1.00	.00	.00	.00	.00	.00	.00	City of Portland	Portland Resource
3469	Weekly Charter Thickener Maintenance	PM	1	7	1.00	.00	.00	.00	.00	.00	.00	City of Portland	Portland Resource
3468	Weekly East & West Secondary Clarifier Maintenance	PM	1	7	1.00	.00	.00	.00	.00	.00	.00	City of Portland	Portland Resource
3462	Weekly Fine Maintenance	PM	-3	3	1.00	.00	.00	.00	.00	.00	.00	City of Portland	Portland Resource
3460	Weekly UV Maintenance	PM	1	7	1.00	.00	.00	.00	.00	.00	.00	City of Portland	Portland Resource
3459	UIS Cruise Scada Alarm System	PM	-3	3	1.00	.00	.00	.00	.00	.00	.00	City of Portland	Portland Resource
3230	Weekly Charter Thickener Maintenance	PM	-4	2	1.00	.00	.00	.00	.00	.00	.00	City of Portland	Portland Resource
3225	Weekly Surface Mixer Inspection & Maintenance	PM	-4	2	1.00	.00	.00	.00	.00	.00	.00	City of Portland	Portland Resource
3220	Monthly Fine Screen Maintenance.	PM	-11	4	1.00	.00	.00	.00	.00	.00	.00	City of Portland	Portland Resource
3216	Weekly UV Maintenance	PM	-2	4	1.00	.00	.00	.00	.00	.00	.00	City of Portland	Portland Resource
3122	Monthly NP Booster System Maintenance	PM	2	17	1.00	.00	.00	.00	.00	.00	.00	City of Portland	Portland Resource
3121	Monthly MUA-1 Maintenance	PM	-10	5	1.00	.00	.00	.00	.00	.00	.00	City of Portland	Portland Resource
3120	Monthly Thickener Maintenance	PM	-10	5	1.00	.00	.00	.00	.00	.00	.00	City of Portland	Portland Resource
2909	Weekly East & West Secondary Clarifier Maintenance	PM	-2	4	1.00	.00	.00	.00	.00	.00	.00	City of Portland	Portland Resource
3470	Weekly Grit Auger & Classifier Maintenance	PM	3	9	2.00	.00	.00	.00	.00	.00	.00	City of Portland	Portland Resource
2901	Weekly UV Maintenance	PM	-2	4	2.00	.00	.00	.00	.00	.00	.00	City of Portland	Portland Resource
3113	Monthly East & West Secondary Clarifier Maintenance	PM	4	19	2.50	.00	.00	.00	.00	.00	.00	City of Portland	Portland Resource
3671	Weekly Surface Mixer Inspection & Maintenance	PM	-4	2	3.00	.00	.00	.00	.00	.00	.00	City of Portland	Portland Resource
2148	Annual Anoxic Tank & Surface Mixer Maintenance	PM	-11	49	3.00	.00	.00	.00	.00	.00	.00	City of Portland	Portland Resource

APPENDIX “C”





IONIA COUNTY BOARD OF COMMISSIONERS
BOARD OF COMMISSIONERS MEETING
NOVEMBER 16, 2021 - 3:00 P.M.

THIS MEETING WILL BE HELD IN PERSON AND ZOOM

AGENDA

- I. Call to Order**
- II. Pledge of Allegiance**
- III. Invocation**
- IV. Approval of Agenda**
 - A. Consideration of additional items
- V. Public Comment** (Three-minute time limit per-speaker – please state name/organization)
- VI. Action on Consent Calendar**
 - A. Approve minutes of the previous meeting (s)
 - B. Approve per diem and mileage
 - C. Approve payments of General Fund Payroll and accounts payable for the month of October 2021- \$1,326,329.53
 - D. Approve payments of Health Department payroll and accounts payable for the month of October 2021-\$242,601.81
 - E. Approve payments of Road Department payroll and accounts payable for the month of October 2021-\$710,749.64
- VII. Unfinished Business**
- VIII. New Business**
 - A. Resolution for Cathy Jo Ross
 - B. Request approval of Roof Bids for COA and Airport Hanger- Rod Steel
 - C. Request Approval for Service Agreement with Schneider Geospatial GIS service- Stephanie Fox
 - D. Request approval on annual agreement between MSU extension and Ionia County- William Hendrian
 - E. Appointment of Ryan Wilson to the Brownfield Redevelopment Board- Stephanie Fox
 - F. Appointment of Mark Novak to the Solid Waste Committee-Stephanie Fox
 - G. FOIA appeal
 - H. Approval of Budget amendment 2021 Children’s Special Healthcare Services- Ken Bowen
- IX. Department Reports**

- A. Health Department
- B. Public Defenders
- X. Reports of Officers, Boards, and Standing Committees**
 - A. Chairperson
 - B. Board of Commissioners
 - C. County Administrator

XI. Reports of Special or Ad Hoc Committees

XII. Public Comment (3-minute time limit per speaker)

XIII. Closed Session

XIV. Adjournment

Board and/or Commission Vacancies

- Economic Development Corporation/Brownfield Redevelopment Authority – FOUR three-year terms.
- Tax Allocation Board – One –one-year term expired January 2021
- Board of Public Works-Two-three-year terms expired January 2021
- Central Dispatch-One-two-year term expired December 2020
- Commission on Aging Board-One-three-year term expired in September

Appointments for consideration in the month of October 2021:

Appointments for consideration in the month of December 2021:

- Substance Abuse Initiative- Four two-year terms available

**IONIA COUNTY BOARD OF COMMISSIONERS
BOARD OF COMMISSIONERS MEETING
DECEMBER 7, 2021 - 3:00 P.M.**

THIS MEETING WILL BE HELD IN PERSON AND ZOOM

AGENDA

- I. Call to Order**
- II. Pledge of Allegiance**
- III. Invocation**
- IV. Approval of Agenda**
 - A. Consideration of additional items
- V. Public Comment** (Three-minute time limit per-speaker – please state name/organization)
- VI. Action on Consent Calendar**
 - A. Approve minutes of the previous meeting (s)
- VII. Unfinished Business**
- VIII. New Business**
 - A. Discussion on American Rescue Funds
 - B. Amend American Rescue Plan additional General fund revenue- Linda Pigue
 - C. Cancel December 28th Board of Commissioners meeting-Stephanie Fox
 - D. Request to increase hours per week for Abstractor position in Register of Deeds Office- Rhonda Lake
 - E. Request Approval of 64A District Court Sobriety SCAO grant funding for 2022- Ron Morseau
 - F. Request Approval of 64A District Court Veterans’ SCAO grant funding for 2022- Ron Morseau
 - G. Request ratification of agency signature on MDOT project-Carol Hanulcik
 - H. Request ratification of agency signature on MDOT master agreement 2022-0075 for years 2022-2025-Carol Hanulcik
 - I. Request to change pay grade for In Home Aides-Carol Hanulcik
 - J. Request approval for budget amendment for the National Association of Nutrition and Aging Services Program Micro-grant-Carol Hanulcik
 - K. Request to hire a Substitute Home Delivered Meals Driver-Carol Hanulcik
 - L. Request to fill Friend of the Court Conciliator- Jessica Wietckz
- IX. Department Reports**
 - A.
- X. Reports of Officers, Boards, and Standing Committees**

- A. Chairperson
- B. Board of Commissioners
- C. County Administrator

XI. Reports of Special or Ad Hoc Committees

XII. Public Comment (3-minute time limit per speaker)

XIII. Closed Session

- A. Opioid litigation update
- B. Union Negotiations District Court
- C. Union Negotiations Corrections

XIV. Adjournment

Board and/or Commission Vacancies

- Economic Development Corporation/Brownfield Redevelopment Authority – FOUR three-year terms.
- Tax Allocation Board – One –one-year term expired January 2021
- Board of Public Works-Two-three-year terms expired January 2021
- Central Dispatch-One-two-year term expired December 2020
- Commission on Aging Board-One-three-year term expired in September

Appointments for consideration in the month of October 2021:

Appointments for consideration in the month of December 2021:

- Substance Abuse Initiative- Four two-year terms available

**STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION
NOTICE OF HEARING
FOR THE ELECTRIC CUSTOMERS OF
CONSUMERS ENERGY COMPANY
CASE NO. U-21134**

- Consumers Energy Company requests Michigan Public Service Commission's approval of Voluntary Green Pricing programs pursuant to Section 61 of 2016 PA 342.
- The information below describes how a person may participate in this case.
- You may call or write Consumers Energy Company, One Energy Plaza, Jackson, MI 49201, 517-788-0550 for a free copy of its application. Any person may review the documents at the offices of Consumers Energy Company or on the Commission's website at: michigan.gov/mpscedockets.
- A pre-hearing will be held:

DATE/TIME: Tuesday, November 30, 2021 at 9:00 AM

BEFORE: Administrative Law Judge Katherine Talbot

LOCATION: Video/Teleconferencing

PARTICIPATION: Any interested person may participate. Persons needing any assistance to participate should contact the Commission's Executive Secretary at (517) 284-8090, or by email at mpscedockets@michigan.gov in advance of the hearing.

The Michigan Public Service Commission (Commission) will hold a pre-hearing to consider Consumers Energy Company's October 18, 2021 application requesting the Commission to: 1) approve the proposed revisions to the Solar Gardens Pilot Program; 2) approve the proposed revisions to the Large Customer Renewable Energy Program; 3) approve the proposed revisions to the Renewable Energy Credit Program; and 4) grant Consumers Energy other and further relief.

All documents filed in this case shall be submitted electronically through the Commission's E-Dockets website at: michigan.gov/mpscedockets. Requirements and instructions for filing can be found in the User Manual on the E-Dockets help page. Documents may also be submitted, in Word or PDF format, as an attachment to an email sent to: mpscedockets@michigan.gov. If you require assistance prior to e-filing, contact Commission staff at (517) 284-8090 or by email at: mpscedockets@michigan.gov.

Any person wishing to intervene and become a party to the case shall electronically file a petition to intervene with this Commission by November 23, 2021. (Interested persons may elect to file using the traditional paper format.) The proof of service shall indicate service upon Consumers Energy Company's Legal Department – Regulatory Group, One Energy Plaza, Jackson, MI 49201.

The prehearing is scheduled to be held remotely by video conference or teleconference. Persons filing a petition to intervene will be advised of the process to participate in the hearing.

Any person wishing to participate without intervention under Mich Admin Code, R 792.10413 (Rule 413), or file a public comment, may do so by filing a written statement in this docket. The written statement may be mailed or emailed and should reference Case No. **U-21134**. Statements may be emailed to: mpscedockets@michigan.gov. Statements may be mailed to: Executive Secretary, Michigan Public Service Commission, 7109 West Saginaw Hwy., Lansing, MI 48917. All information submitted to the Commission in this matter becomes public information, thus available on the Michigan Public Service Commission's website, and subject to disclosure. Please do not include information you wish to remain private. For more information on how to participate in a case, you may contact the Commission at the above address or by telephone at (517) 284-8090.

Requests for adjournment must be made pursuant to Michigan Office of Administrative Hearings and Rules R 792.10422 and R 792.10432. Requests for further information on adjournment should be directed to (517) 284-8130.

For more information on how to participate in a case, you may contact the Commission at the above address or by telephone at (517) 284-8090.

Jurisdiction is pursuant to 1909 PA 106, as amended, MCL 460.551 et seq.; 1919 PA 419, as amended, MCL 460.54 et seq.; 1939 PA 3, as amended, MCL 460.1 et seq.; 1969 PA 306, as amended, MCL 24.201 et seq.; and Parts 1 & 4 of the Michigan Office of Administrative Hearings and Rules, Mich. Admin Code, R 792.10106 and R 792.10401 through R 792.10448.

**[THE MICHIGAN PUBLIC SERVICE COMMISSION MAY
APPROVE, REJECT, OR AMEND PROPOSALS MADE BY
CONSUMERS ENERGY.]**

**STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION
NOTICE OF HEARING
FOR THE ELECTRIC CUSTOMERS OF
CONSUMERS ENERGY COMPANY
CASE NO. U-21048**

- Consumers Energy Company requests Michigan Public Service Commission's approval to implement a power supply cost recovery plan for the twelve months ending December 31, 2022.
- The information below describes how a person may participate in this case.
- You may call or write Consumers Energy Company, One Energy Plaza, Jackson, MI 49201, 517-788-0550 for a free copy of its application. Any person may review the documents at the offices of Consumers Energy Company or on the Commission's website at: michigan.gov/mpscedockets.
- A pre-hearing will be held:

DATE/TIME: Tuesday, December 14, 2021 at 9:30 AM

BEFORE: Administrative Law Judge Dennis Mack

LOCATION: Video/Teleconferencing

PARTICIPATION: Any interested person may participate. Persons needing any assistance to participate should contact the Commission's Executive Secretary at (517) 284-8090, or by email at mpscedockets@michigan.gov in advance of the hearing.

The Michigan Public Service Commission (Commission) will hold a pre-hearing to consider Consumers Energy Company's (Consumers Energy) September 30, 2021 application requesting to the Commission to approve: 1) Consumers Energy's Power Supply Cost Recovery (PSCR) Plan for the 12-month period January through December 2022; 2) for 2022 a maximum monthly PSCR Factor of not less than \$0.00177 per kWh for all classes of customers as proposed for the 12-month period January through December 2022; and 3) Consumers Energy further and additional relief.

All documents filed in this case shall be submitted electronically through the Commission's E-Dockets website at: michigan.gov/mpscedockets. Requirements and instructions for filing can be found in the User Manual on the E-Dockets help page. Documents may also be submitted, in Word or PDF format, as an attachment to an email sent to: mpscedockets@michigan.gov. If you require assistance prior to e-filing, contact Commission staff at (517) 284-8090 or by email at: mpscedockets@michigan.gov.

Any person wishing to intervene and become a party to the case shall electronically file a petition to intervene with this Commission by December 7, 2021. (Interested persons may elect to file using the traditional paper format.) The proof of service shall indicate service upon Consumers Energy Company's Legal Department – Regulatory Group, One Energy Plaza, Jackson, MI 49201.

The prehearing is scheduled to be held remotely by video conference or teleconference. Persons filing a petition to intervene will be advised of the process to participate in the hearing.

Any person wishing to participate without intervention under Mich Admin Code, R 792.10413 (Rule 413), or file a public comment, may do so by filing a written statement in this docket. The written statement may be mailed or emailed and should reference Case No. **U-21048**. Statements may be emailed to: mpscedockets@michigan.gov. Statements may be mailed to: Executive Secretary, Michigan Public Service Commission, 7109 West Saginaw Hwy., Lansing, MI 48917. All information submitted to the Commission in this matter becomes public information, thus available on the Michigan Public Service Commission's website, and subject to disclosure. Please do not include information you wish to remain private. For more information on how to participate in a case, you may contact the Commission at the above address or by telephone at (517) 284-8090.

Requests for adjournment must be made pursuant to Michigan Office of Administrative Hearings and Rules R 792.10422 and R 792.10432. Requests for further information on adjournment should be directed to (517) 284-8130.

For more information on how to participate in a case, you may contact the Commission at the above address or by telephone at (517) 284-8090.

The Utility Consumer Representation Fund has been created for the purpose of aiding in the representation of residential utility customers in various Commission proceedings. Contact the Chairperson, Utility Consumer Participation Board, Department of Licensing and Regulatory Affairs, P.O. Box 30004, Lansing, Michigan 48909, for more information.

Jurisdiction is pursuant to 1909 PA 106, as amended, MCL 460.551 et seq.; 1919 PA 419, as amended, MCL 460.54 et seq.; 1939 PA 3, as amended, MCL 460.1 et seq.; 1969 PA 306, as amended, MCL 24.201 et seq.; 1982 PA 304, as amended, MCL 460.6j et seq.; and Parts 1 & 4 of the Michigan Office of Administrative Hearings and Rules, Mich. Admin Code, and R 792.10401 through R 792.10448.

[THE MICHIGAN PUBLIC SERVICE COMMISSION MAY APPROVE, REJECT, OR AMEND PROPOSALS MADE BY CONSUMERS ENERGY.]