



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

7:00 P.M. Monday, December 5, 2022

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>Acceptance of Agenda</u>	Decision
7:03 PM	IV. <u>Public Comment</u> (5-minute time limit per speaker)	
7:05 PM	V. <u>City Manager Report</u>	
7:15 PM	VI. <u>Presentations</u>	
7:25 PM	A. Bill Tucker, CPA with Maner Costerisan – 2021/2022 FY Audit	
	B. DDA Director ConnerWellman – Downtown Report	
	VII. <u>Public Hearing(s)</u> - None	
	VIII. <u>Old Business</u> - None	
	IX. <u>New Business</u>	
7:30 PM	A. Motion to Accept the FY 2021/2022 Audit as Presented by the	Decision
	Auditing Firm of Maner Costerisan	
7:32 PM	B. Proposed Resolution 22-90 a Resolution of Authorization and	Decision
	Support for Community Lake Park Improvements for the Michigan	
	Department of Natural Resources Spark Grant Program	
7:35 PM	C. Proposed Resolution 22-91 Approving the Michigan Public Power	Decision
	Agency’s (MPPA) Recommendation to Approve, Authorize, and	
	Direct the Member Authorized Representative to Sign the Energy	
	Services Project Amended and Restated Power Purchase	
	Commitment Authorization for Solar Power	
7:38 PM	D. Proposed Resolution 22-92 Approving Payment to F&V	Decision
	Construction for Work Performed for the Wastewater Treatment	
	Plant Project	
7:40 PM	X. <u>Consent Agenda</u>	Decision
	A. Minutes & Synopsis from the Regular City Council Meeting	
	held on November 21, 2022	
	B. Payment of Invoices in the Amount of \$200,030.72 and Payroll in	
	the Amount of \$173,965.37 for a Total of \$373,996.09	

**Estimated
Time**

**Desired
Outcome**

- C. Purchase Orders over \$5,000.00
 - 1. Farabee Mechanical in the Amount of \$10,685.82 for Repairs to the Nordberg Diesel Fuel Engine Generator
 - 2. Hammersmith Equipment Co. in the Amount of \$26,500.00 for Towable Air Compressor with Hose Reel and Jackhammer

XI. Communications

- A. Mike Judd – Board and Commission Application
- B. DDA Minutes for October 24, 2022
- C. DDA Treasurer’s Report for November 28, 2022
- D. Election Results – November 8, 2022
- E. Police Department Report for November 2022
- F. Utility Billing Report for October 2022
- G. Water Report for November 2022
- H. Wastewater Treatment Plant Report for October 2022
- I. Ionia County Board of Commissioners Agenda for November 22, 2022

7:42 PM

XII. Other Business – None

7:45 PM

XIII. City Manager Comments

7:50 PM

XIV. Council Comments

7:55 PM

XV. Adjournment

Decision

**CITY OF PORTLAND
IONIA COUNTY, MICHIGAN**

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

YEAR ENDED JUNE 30, 2022

**CITY OF PORTLAND
IONIA COUNTY, MICHIGAN
JUNE 30, 2022**

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

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

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 City of Portland, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise City of Portland's basic financial statements as listed in the table of contents.

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 City of Portland, as of June 30, 2022, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of City of Portland and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As discussed in Note 13 to the financial statements, the City adopted new accounting guidance, GASB Statement No. 87, *Leases*, during the year ended June 30, 2022. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about City of Portland's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City of Portland's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about City of Portland's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Portland's basic financial statements. The accompanying other supplementary information, as identified in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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, other supplementary information, as identified in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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 18, 2022, on our consideration of City of Portland's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 the effectiveness of City of Portland's 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 City of Portland's internal control over financial reporting and compliance.

Maney Costeiran PC

November 18, 2022

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, 2022.

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, 2022. 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 \$28,704,305 (excluding component units).
- Governmental activities net position was \$15,392,780.
- Business-type activity net position was \$13,311,525.
- Component Unit net position was \$677,850.

Fund Level

- At the close of the fiscal year, the City's governmental funds reported a combined ending fund balance of \$4,516,478 with \$3,518,905 being nonspendable, restricted, committed or assigned for specific purposes and \$997,573 being unassigned.
- The General Fund realized \$90,870 more in revenues and other financing sources than anticipated for the fiscal year. The General Fund operations also expended \$226,231 less than appropriated when including other financing uses.
- Overall, the General Fund balance increased by \$140,651.

Capital and Long-term Debt Activities

- The total additions to the capital asset schedules for the primary government were \$2,371,044, excluding reclassifications. Significant capital purchases during the year included the Splashpad, Grand River Ave Bridge Project, Grand River Ave Small Urban, River Trail updates, Wastewater Treatment Plant, a Leaf Machine and Police Car.
- The total long-term debt for the primary government was \$4,698,056, a net decrease of \$324,471 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 \$13,011,134.

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 16) 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 17) presents information showing how the City's net position changed during 2021/2022. 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 20 and 23 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 18, 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 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 29 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 \$28,704,305 at the end of this fiscal year's operations. The net position of the governmental activities was \$15,392,780; the business-type activities were \$13,311,525.

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, 2022 and 2021

	Governmental Activities		Business-type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Current and Other Assets	\$ 5,001,968	\$ 4,252,837	\$ 6,224,930	\$ 5,657,711	\$ 11,226,898	\$ 9,910,548
Capital Assets	15,210,424	14,448,687	14,939,248	15,163,910	30,149,672	29,612,597
Total Assets	20,212,392	18,701,524	21,164,178	20,821,621	41,376,570	39,523,145
Deferred outflows of resources	911,010	809,757	518,107	528,303	1,429,117	1,338,060
Current Liabilities	453,110	638,462	1,155,560	625,849	1,608,670	1,264,311
Noncurrent Liabilities	4,315,093	4,381,768	6,651,882	6,827,366	10,966,975	11,209,134
Total Liabilities	4,768,203	5,020,230	7,807,442	7,453,215	12,575,645	12,473,445
Deferred inflows of resources	962,419	493,353	563,318	263,240	1,525,737	756,593
Net Investment in Capital Assets	14,916,489	14,032,589	10,657,376	10,660,038	25,573,865	24,692,627
Restricted	858,854	761,390	1,149,112	1,086,116	2,007,966	1,847,506
Unrestricted	(382,563)	(796,281)	1,505,037	1,883,210	1,122,474	1,086,929
Total Net Position	\$ 15,392,780	\$ 13,997,698	\$ 13,311,525	\$ 13,629,364	\$ 28,704,305	\$ 27,627,062

Changes in Net Position for the Fiscal Year Ending June 30, 2021 and 2022

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 2021/2022 and 2020/2021.

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues						
Program Revenues						
Charges for Services	\$ 1,287,913	\$1,271,359	\$ 6,931,526	\$ 6,307,291	\$ 8,219,439	\$ 7,578,650
Grants and Contributions	1,325,576	773,194	-	-	1,325,576	773,194
General Revenues						
Property Taxes	1,314,275	1,245,207	-	-	1,314,275	1,245,207
State Shared Revenue	523,006	451,292	-	-	523,006	451,292
City Income Taxes	1,121,192	987,360	-	-	1,121,192	987,360
Local Community Stabilization	21	3,082	-	-	21	3,082
Investment Earnings	1,854	2,314	41	5	1,895	2,319
Miscellaneous	92,417	50,991	59,027	195,410	151,444	246,401
Transfers	233,455	114,310	(233,455)	(114,310)	-	-
Total Revenues	5,899,709	4,899,109	6,757,139	6,388,396	12,656,848	11,287,505
Expenses						
General Government	1,272,867	998,671	-	-	1,272,867	998,671
Public Safety	871,912	738,765	-	-	871,912	738,765
Public Works	1,078,391	1,441,394	-	-	1,078,391	1,441,394
Health and Welfare	836,253	550,910	-	-	836,253	550,910
Community and Economic Develop.	20,644	14,825	-	-	20,644	14,825
Recreation and Culture	413,541	231,843	-	-	413,541	231,843
Other	11,019	6,282	7,074,978	5,790,860	7,085,997	5,797,142
Total Expenses	4,504,627	3,982,690	7,074,978	5,790,860	11,579,605	9,773,550
Increase in Net Position	\$ 1,395,082	\$ 916,419	\$ (317,839)	\$ 597,536	\$ 1,077,243	\$ 1,513,955

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

Governmental Activities

The result of 2021/2022 governmental activity was an increase of \$1,395,081 in net position to \$15,392,780. Of the total governmental activities' net position, \$14,916,489 is invested in capital assets less related debt, \$858,854 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 (\$382,563) is listed as unrestricted, having no legal commitment.

Revenues

The three largest revenue categories were property taxes at 22.3%, charges for services at 21.8%, and grants and contributions at 22.5%. Net revenues were approximately 20.4% more than the prior year mainly due to grant and contributions increases in Revenue Sharing, and increased PILOT payments from Utilities in the current year. The City levied a property tax millage for the year ended June 30, 2022, for general government operations at 12.6574 mills, with an additional 1.0000 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

General government is the largest governmental activity, expending approximately 24.6% 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 works is the second largest governmental activity, expending approximately 23.9% of the governmental activities total. Public safety and health and welfare are the next largest governmental activities expending 16.6% and 17.4% of the governmental activities total, respectively.

Business-type Activities

Net position in business-type activities was decreased by a net of \$317,839 during fiscal year 2021/2022. Of the business-type activities' net position, \$10,657,376 is invested in capital assets net of related debt, \$1,149,112 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 \$1,505,037 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 2021/2022, its governmental funds reported *combined* fund balances of \$4,516,478. The net changes are summarized in the following chart:

	General Fund	City Income Tax	Major Street Fund	Ambulance	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balance 6/30/2021	\$ 1,911,897	\$ 738,914	\$ 376,989	\$ 177,549	\$ 418,350	\$ 3,623,699
Fund Balance 6/30/2022	\$ 2,052,548	\$ 1,403,633	\$ 416,841	\$ 156,632	\$ 486,824	\$ 4,516,478
Net Change	\$ 140,651	\$ 664,719	\$ 39,852	\$ (20,917)	\$ 68,474	\$ 892,779

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, 2022, the General Fund reported a fund balance of \$2,052,548. The 2021/2022 original budget was amended throughout the year as new information became available.

The General Fund 2021/2022 expenditures and other financing uses were less than 2021/2022 revenues and other financing sources by \$140,651 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 \$226,231. Actual revenues and other financing sources were more than of budgeted by approximately \$90,870. The final amended budget planned for a \$176,250 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.

The City's original General Fund revenue and other financing sources budget was increased by \$101,000 during 2021/2022. Actual General Fund revenues and other financing sources totaled \$2,572,462; \$90,870 more than the final amended budget.

The City's original General Fund expenditures and other financing uses budget was increased by \$277,488 during 2021/2022. The increase can be partly attributed to the Capital Outlay functions as expenditures exceeded initial projections.

Actual City expenditures and other financing uses for 2021/2022 were \$226,231 below the amended budget. The additions to the original budget were offset by the projects getting pushed into the 2022/2023 fiscal year due to supply chain issues due to the Pandemic.

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

City Income Tax Fund

As of June 30, 2022, the City Income Tax Fund reported a fund balance of \$1,403,633, an increase of \$664,719 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.

Major Street Fund

As of June 30, 2022, the Major Street Fund reported a fund balance of \$416,841, which is an increase of \$39,852 from the prior year. The increase is due to more Act 51 Revenue received than estimated.

Ambulance Fund

As of June 30, 2022, the Ambulance Fund reported a fund balance of \$156,632, which is a decrease of \$20,917 from the prior year fund balance due to increasing the number of full-time employees and wages for all employees in order to attract and retain quality employees.

Enterprise Funds

As the City completed 2021/2022, its enterprise funds reported *combined* net position of \$13,311,525. This is a net decrease of \$317,389 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 6/30/2021	\$ 8,253,927	\$ 1,529,828	\$ 3,824,280	\$ 21,329	\$ 13,629,364
Net Position 6/30/2022	\$ 8,234,002	\$ 1,344,959	\$ 3,711,197	\$ 21,367	\$ 13,311,525
Net Change	\$ (19,925)	\$ (184,869)	\$ (113,083)	\$ 38	\$ (317,839)

Electric Light and Power System Fund

As of June 30, 2022, the Electric Light and Power System Fund reported a net position of \$8,234,002, a decrease of \$19,925 from the prior year. Of the entire net position amount, \$5,360,439 is invested in capital assets, net of related debt, \$453,086 is restricted for utility reserve, \$137,432 is restricted for debt service, and \$2,283,045 is unrestricted.

Sewage Disposal System Fund

As of June 30, 2022, the Sewer Fund reported a net position of \$1,344,959 a decrease of \$184,869 from the prior year. Of the entire net position, \$2,050,450 is invested in capital assets, net of related debt, \$558,594 is restricted, and (\$1,264,085) is unrestricted.

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

Water System Fund

As of June 30, 2022, the Water System Fund reported a net position of \$3,711,197, a decrease of \$113,083 from the prior year. Of the entire net position, \$3,246,487 is invested in capital assets, net of related debt and \$464,710 is unrestricted.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets - At the end of Fiscal Year 2021/2022 the City had invested \$30,149,672, and \$358,648 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, 2022, 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	695,924	-	695,924
Land Improvements, net	110,312	-	110,312
Buildings, net	210,170	-	210,170
Equipment and Furniture, net	1,452,203	-	1,452,203
Electric System, net	-	6,310,439	6,310,439
Sewer System, net	-	5,142,450	5,142,450
Water System, net	-	3,486,359	3,486,359
Infrastructure:			
Streets and Bridges, net	<u>11,542,683</u>	<u>-</u>	<u>11,542,683</u>
Capital Assets, net	<u>\$ 15,210,424</u>	<u>\$ 14,939,248</u>	<u>\$ 30,149,672</u>

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

Outstanding Long-Term Obligations as of June 30, 2022:

Long-term Obligations - As of June 30, 2022, the City had \$4,697,032 in long-term obligations outstanding for the primary government. This level of net obligation is \$325,495 less than the obligation recorded as of June 30, 2021. A more detailed discussion of the City's long-term obligations is presented in Note 7 to the financial statements.

	<u>Balance June 30, 2021</u>	<u>Change</u>	<u>Balance June 30, 2022</u>
Primary Government			
Governmental Activities			
2016 Ambulance Installment Purchase Agreement (\$166,806)	\$ 75,424	\$ (24,455)	\$ 50,969
2016 Snow Plow Installment Purchase Agreement (\$147,582)	31,098	(31,098)	-
2020 Street Sweeper contract payable	193,881	(30,489)	163,392
2020 Heart Monitors contract payable	99,468	(19,894)	79,574
2021 Mailer contract payable	16,227	(16,227)	-
Accumulated compensated absences	61,364	6,938	68,302
Business-type Activities			
2020 Refunding Bonds (\$1,105,000)	1,025,000	(75,000)	950,000
2004 Water System Bonds (\$1,344,872)	319,872	(80,000)	239,872
2010 Sanitary Sewer System (\$2,900,000) (Build America Bonds)	710,000	(15,000)	695,000
2011 Sanitary Sewer System (\$840,000)	2,449,000	(52,000)	2,397,000
Accumulated compensated absences	41,193	11,730	52,923
Total Reporting Entity	<u>\$ 5,022,527</u>	<u>\$ (325,495)</u>	<u>\$ 4,697,032</u>

CITY OF PORTLAND GOVERNMENT ECONOMIC OUTLOOK:

- State revenue sharing is expected to increase 5% for the City's fiscal year 2022-2023 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 \$611,971 to \$713,468 which reflects a 14% 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 2022-2023.
- In 2020, the City's Income Tax revenues increased to \$922,888 (5% increase). In 2021, revenues increased to \$990,076 (7% increase). In 2022, revenues increased to \$1,123,349 (11% increase).
- The City's SEV increased from 2019 to 2020 to \$105,179,976 (increase of 4%). From 2020 to 2021 the SEV increased to 114,150,391 (increase of 7%). From 2021 to 2022 it increased again to \$121,704,200 (increase 6%). The outlook for the 2023 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, 2022

	Primary Government			Component Unit (DDA)
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current assets				
Cash and cash equivalents	\$ 3,577,217	\$ 3,264,072	\$ 6,841,289	\$ 348,420
Cash and cash equivalents - restricted	-	1,427,959	1,427,959	-
Investments	1,028,016	-	1,028,016	-
Receivables	294,449	1,038,317	1,332,766	-
Due from other governmental units	88,474	-	88,474	-
Internal balances	(4,930)	4,930	-	-
Prepays	18,742	13,857	32,599	-
Inventories	-	475,795	475,795	-
Total current assets	5,001,968	6,224,930	11,226,898	348,420
Noncurrent assets				
Capital assets not being depreciated	1,895,056	769,838	2,664,894	46,400
Capital assets being depreciated, net	13,315,368	14,169,410	27,484,778	312,248
Total noncurrent assets	15,210,424	14,939,248	30,149,672	358,648
TOTAL ASSETS	20,212,392	21,164,178	41,376,570	707,068
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pension	817,188	459,866	1,277,054	-
Deferred outflows related to OPEB	93,822	58,241	152,063	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	911,010	518,107	1,429,117	-
LIABILITIES				
Current liabilities				
Accounts payable	220,202	404,612	624,814	27,105
Accrued liabilities	86,647	39,324	125,971	2,113
Accrued interest payable	1,733	14,811	16,544	-
Unearned revenue	-	414,890	414,890	-
Current portion of compensated absences	68,302	52,923	121,225	-
Current portion of long-term debt	76,226	229,000	305,226	-
Total current liabilities	453,110	1,155,560	1,608,670	29,218
Noncurrent liabilities				
Customer deposits payable from restricted assets	-	278,847	278,847	-
Noncurrent portion of long-term debt	217,709	4,052,872	4,270,581	-
Net pension liability	3,582,955	1,946,029	5,528,984	-
Total OPEB Liability	514,429	374,134	888,563	-
Total noncurrent liabilities	4,315,093	6,651,882	10,966,975	-
TOTAL LIABILITIES	4,768,203	7,807,442	12,575,645	29,218
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pension	587,879	330,825	918,704	-
Deferred inflows related to OPEB	374,540	232,493	607,033	-
TOTAL DEFERRED INFLOWS OF RESOURCES	962,419	563,318	1,525,737	-
NET POSITION				
Net investment in capital assets	14,916,489	10,657,376	25,573,865	358,648
Restricted				
Utilities	-	596,938	596,938	-
Debt service	-	299,432	299,432	-
Equipment replacement	-	252,742	252,742	-
Other purposes	858,854	-	858,854	-
Unrestricted	(382,563)	1,505,037	1,122,474	319,202
TOTAL NET POSITION	\$ 15,392,780	\$ 13,311,525	\$ 28,704,305	\$ 677,850

See notes to financial statements.

**CITY OF PORTLAND
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022**

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	\$ 1,272,867	\$ 531,066	\$ 20,100	\$ -	\$ (721,701)	\$ -	\$ (721,701)	\$ -
Public safety	871,912	4,227	700	-	(866,985)	-	(866,985)	-
Public works	1,078,391	27,071	630,611	-	(420,709)	-	(420,709)	-
Health and welfare	836,253	671,636	-	-	(164,617)	-	(164,617)	-
Community and economic development	20,644	-	-	-	(20,644)	-	(20,644)	-
Recreation and culture	413,541	53,913	14,000	660,165	314,537	-	314,537	-
Interest on long-term debt	11,019	-	-	-	(11,019)	-	(11,019)	-
Total governmental activities	4,504,627	1,287,913	665,411	660,165	(1,891,138)	-	(1,891,138)	-
Business-type activities								
Electric Light and Power System	4,812,436	4,916,839	-	-	-	104,403	104,403	-
Sewage Disposal System	1,225,145	1,064,059	-	-	-	(161,086)	(161,086)	-
Water System	885,907	800,194	-	-	-	(85,713)	(85,713)	-
Refuse	151,490	150,434	-	-	-	(1,056)	(1,056)	-
Total business-type activities	7,074,978	6,931,526	-	-	-	(143,452)	(143,452)	-
Total primary government	\$ 11,579,605	\$ 8,219,439	\$ 665,411	\$ 660,165	(1,891,138)	(143,452)	(2,034,590)	-
Component unit								
Downtown Development Authority	\$ 972,402	\$ -	\$ -	\$ 76,222	-	-	-	(896,180)
General revenues								
Property taxes					1,314,275	-	1,314,275	236,525
City income taxes					1,121,192	-	1,121,192	-
State shared revenue					523,006	-	523,006	-
Local community stabilization					21	-	21	53,758
Investment earnings					1,854	41	1,895	53
Miscellaneous					92,417	59,027	151,444	16,976
Transfers					233,455	(233,455)	-	-
Total general revenues and transfers					3,286,220	(174,387)	3,111,833	307,312
Change in net position					1,395,082	(317,839)	1,077,243	(588,868)
Net position, beginning of the year					13,997,698	13,629,364	27,627,062	1,266,718
Net position, end of the year					\$ 15,392,780	\$ 13,311,525	\$ 28,704,305	\$ 677,850

See notes to financial statements.

**CITY OF PORTLAND
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2022**

	<u>General</u>	<u>City Income Tax</u>	<u>Major Street</u>
ASSETS			
Cash and cash equivalents	\$ 1,056,307	\$ 1,309,840	\$ 438,516
Investments	1,028,016	-	-
Receivables			
Taxes	462	146,271	-
Accounts	4,855	-	133
Due from other governmental units	-	-	66,562
Due from other funds	77,070	-	45,467
Prepays	<u>6,573</u>	<u>89</u>	<u>2,773</u>
TOTAL ASSETS	<u><u>\$ 2,173,283</u></u>	<u><u>\$ 1,456,200</u></u>	<u><u>\$ 553,451</u></u>
LIABILITIES			
Accounts payable	\$ 66,492	\$ 42	\$ 132,055
Accrued liabilities	54,243	3,676	4,555
Due to other funds	<u>-</u>	<u>48,849</u>	<u>-</u>
TOTAL LIABILITIES	<u>120,735</u>	<u>52,567</u>	<u>136,610</u>
FUND BALANCES			
Nonspendable			
Prepays	6,573	89	2,773
Perpetual care	-	-	-
Land held for resale	1,028,016	-	-
Restricted			
Streets	-	-	414,068
Public works	20,386	-	-
Committed			
Street improvements	-	1,403,544	-
Ambulance	-	-	-
Assigned			
Recreation	-	-	-
Unassigned	<u>997,573</u>	<u>-</u>	<u>-</u>
TOTAL FUND BALANCES	<u>2,052,548</u>	<u>1,403,633</u>	<u>416,841</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 2,173,283</u></u>	<u><u>\$ 1,456,200</u></u>	<u><u>\$ 553,451</u></u>

See notes to financial statements.

Ambulance	Nonmajor Governmental Funds	Total
\$ 45,998	\$ 474,355	\$ 3,325,016
-	-	1,028,016
-	-	146,733
142,663	-	147,651
-	21,912	88,474
-	3,382	125,919
5,222	3,494	18,151
<u>\$ 193,883</u>	<u>\$ 503,143</u>	<u>\$ 4,879,960</u>
\$ 8,902	\$ 8,959	\$ 216,450
16,349	7,360	86,183
12,000	-	60,849
<u>37,251</u>	<u>16,319</u>	<u>363,482</u>
5,222	3,494	18,151
-	192,308	192,308
-	-	1,028,016
-	232,092	646,160
-	-	20,386
-	-	1,403,544
151,410	-	151,410
-	58,930	58,930
-	-	997,573
<u>156,632</u>	<u>486,824</u>	<u>4,516,478</u>
<u>\$ 193,883</u>	<u>\$ 503,143</u>	<u>\$ 4,879,960</u>

See notes to financial statements.

**CITY OF PORTLAND
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2022**

Total fund balances - governmental funds \$ 4,516,478

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	\$ 28,913,429	
Accumulated depreciation is	<u>(14,237,581)</u>	
Capital assets, net		14,675,848

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. 311,111

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	792,414	
Deferred outflows of resources related to OPEB	90,020	
Deferred inflows of resources related to pensions	(570,056)	
Deferred inflows of resources related to OPEB	<u>(359,364)</u>	
		(46,986)

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	(67,279)	
Direct obligations	(79,574)	
Net pension liability	(3,426,007)	
Total OPEB Liability	<u>(490,811)</u>	
		<u>(4,063,671)</u>

Net position of governmental activities \$ 15,392,780

**CITY OF PORTLAND
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2022**

	General	City Income Tax	Major Street
REVENUES			
Taxes	\$ 1,201,229	\$ 1,100,748	\$ -
Licenses and permits	93,804	-	-
Intergovernmental	527,659	-	477,560
Charges for services	356,138	-	-
Fines and forfeits	42,181	20,444	-
Interest and rents	9,660	1,593	-
Other	108,330	564	2,737
TOTAL REVENUES	2,339,001	1,123,349	480,297
EXPENDITURES			
Current			
General government	892,659	232,274	-
Public safety	850,312	-	-
Public works	219,568	-	650,135
Health and welfare	50,478	-	-
Community and economic development	20,644	-	-
Recreation and culture	327,113	-	-
Capital outlay	15,037	-	-
TOTAL EXPENDITURES	2,375,811	232,274	650,135
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(36,810)	891,075	(169,838)
OTHER FINANCING SOURCES (USES)			
Transfers in	233,461	60,000	239,690
Transfers out	(56,000)	(286,356)	(30,000)
TOTAL OTHER FINANCING SOURCES (USES)	177,461	(226,356)	209,690
NET CHANGE IN FUND BALANCES	140,651	664,719	39,852
Fund balances, beginning of year	1,911,897	738,914	376,989
Fund balances, end of year	<u>\$ 2,052,548</u>	<u>\$ 1,403,633</u>	<u>\$ 416,841</u>

See notes to financial statements.

Ambulance	Nonmajor Governmental Funds	Total
\$ -	\$ 167,497	\$ 2,469,474
-	-	93,804
-	167,051	1,172,270
671,636	55,403	1,083,177
-	-	62,625
-	6	11,259
674	1,174	113,479
<u>672,310</u>	<u>391,131</u>	<u>5,006,088</u>
-	-	1,124,933
-	-	850,312
-	355,313	1,225,016
666,675	-	717,153
-	-	20,644
-	68,004	395,117
-	-	15,037
<u>666,675</u>	<u>423,317</u>	<u>4,348,212</u>
<u>5,635</u>	<u>(32,186)</u>	<u>657,876</u>
-	100,666	633,817
<u>(26,552)</u>	<u>(6)</u>	<u>(398,914)</u>
<u>(26,552)</u>	<u>100,660</u>	<u>234,903</u>
(20,917)	68,474	892,779
<u>177,549</u>	<u>418,350</u>	<u>3,623,699</u>
<u>\$ 156,632</u>	<u>\$ 486,824</u>	<u>\$ 4,516,478</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, 2022

Net change in fund balances - total governmental funds \$ 892,779

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

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

Capital outlay	\$ 1,009,216	
Depreciation expense	<u>(753,102)</u>	
Excess of capital outlay over depreciation expense		256,114

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 660,165

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		(79,187)
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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:

Long-term debt principal retirements		36,121
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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 compensated absences	(6,015)	
Change in net pension liability	(121,022)	
Change in total OPEB liability	100,930	
Change in deferred outflows of resources related to pensions	(419,518)	
Change in deferred inflows of resources related to pensions	39,691	
Change in deferred outflows of resources related to OPEB	521,047	
Change in deferred inflows of resources related to OPEB	<u>(486,023)</u>	
		<u>(370,910)</u>

Change in net position of governmental activities \$ 1,395,082

**CITY OF PORTLAND
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2022**

	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	\$ 2,003,978	\$ 225,596	\$ 1,020,882	\$ 13,616	\$ 3,264,072	\$ 252,201
Cash and cash equivalents - restricted	803,951	590,181	33,827	-	1,427,959	-
Accounts receivable	745,130	140,352	132,355	20,480	1,038,317	65
Due from other funds	600,000	-	70,000	-	670,000	-
Inventories	449,477	-	26,318	-	475,795	-
Prepays	11,469	1,420	968	-	13,857	591
Total current assets	4,614,005	957,549	1,284,350	34,096	6,890,000	252,857
Noncurrent assets						
Capital assets not being depreciated	275,807	479,678	14,353	-	769,838	-
Capital assets being depreciated, net	6,034,632	4,662,772	3,472,006	-	14,169,410	534,576
Total noncurrent assets	6,310,439	5,142,450	3,486,359	-	14,939,248	534,576
TOTAL ASSETS	10,924,444	6,099,999	4,770,709	34,096	21,829,248	787,433
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows related to pension	281,590	96,417	81,859	-	459,866	24,774
Deferred outflows related to OPEB	30,778	15,632	11,831	-	58,241	3,802
TOTAL DEFERRED OUTFLOWS OF RESOURCES	312,368	112,049	93,690	-	518,107	28,576
LIABILITIES						
Current liabilities						
Accounts payable	165,607	209,622	16,654	12,729	404,612	3,752
Accrued liabilities	23,435	8,811	7,078	-	39,324	464
Accrued interest payable	5,581	7,731	1,499	-	14,811	1,733
Due to other funds	-	665,070	-	-	665,070	70,000
Unearned revenue	-	-	414,890	-	414,890	-
Current portion of compensated absences	29,646	13,395	9,882	-	52,923	1,023
Current portion of long-term debt	80,000	69,000	80,000	-	229,000	56,332
Total current liabilities	304,269	973,629	530,003	12,729	1,820,630	133,304
Noncurrent liabilities						
Customer deposits payable from restricted assets	213,433	31,587	33,827	-	278,847	-
Noncurrent portion of long-term debt	870,000	3,023,000	159,872	-	4,052,872	158,029
Net pension liability	1,086,153	609,991	249,885	-	1,946,029	156,948
Total OPEB Liability	203,518	97,117	73,499	-	374,134	23,618
Total noncurrent liabilities	2,373,104	3,761,695	517,083	-	6,651,882	338,595
TOTAL LIABILITIES	2,677,373	4,735,324	1,047,086	12,729	8,472,512	471,899
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows related to pension	202,574	69,362	58,889	-	330,825	17,823
Deferred inflows related to OPEB	122,863	62,403	47,227	-	232,493	15,176
TOTAL DEFERRED INFLOWS OF RESOURCES	325,437	131,765	106,116	-	563,318	32,999
NET POSITION						
Net investment in capital assets	5,360,439	2,050,450	3,246,487	-	10,657,376	320,215
Restricted for utility reserve	453,086	143,852	-	-	596,938	-
Restricted for debt service	137,432	162,000	-	-	299,432	-
Restricted for equipment replacement	-	252,742	-	-	252,742	-
Unrestricted	2,283,045	(1,264,085)	464,710	21,367	1,505,037	(9,104)
TOTAL NET POSITION	\$ 8,234,002	\$ 1,344,959	\$ 3,711,197	\$ 21,367	\$ 13,311,525	\$ 311,111

See notes to financial statements.

**CITY OF PORTLAND
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2022**

	Business-type Activities				Total	Governmental Activities
	Electric Light and Power System	Sewage Disposal System	Water System	Nonmajor Enterprise Fund (Refuse)		Internal Service Fund
OPERATING REVENUES						
Charges for services						
User charges	\$ 4,916,839	\$ 1,062,559	\$ 800,194	\$ 150,434	\$ 6,930,026	\$ 275,697
Tap fees	-	1,500	-	-	1,500	-
Other	35,672	17,622	4,639	1,094	59,027	71,256
TOTAL OPERATING REVENUES	4,952,511	1,081,681	804,833	151,528	6,990,553	346,953
OPERATING EXPENSES						
Salaries and wages	583,493	217,466	187,703	-	988,662	22,266
Fringe benefits	521,040	202,558	135,797	-	859,395	42,465
Contractual services	152,512	204,228	32,328	151,478	540,546	1,449
Supplies	97,431	50,001	21,343	12	168,787	31,585
Heat, light, and power	2,418,689	64,999	39,938	-	2,523,626	4,604
Communications	12,033	2,532	1,844	-	16,409	1,643
Insurance and bonds	16,725	4,163	2,997	-	23,885	12,872
Repairs and maintenance	138,837	32,867	130,319	-	302,023	65,546
Administrative services	74,358	57,675	57,675	-	189,708	35,655
Building and equipment rental	132,434	39,729	40,545	-	212,708	-
Other	217,260	4,484	20,896	-	242,640	357
Depreciation	423,978	250,845	208,025	-	882,848	140,240
TOTAL OPERATING EXPENSES	4,788,790	1,131,547	879,410	151,490	6,951,237	358,682
OPERATING INCOME	163,721	(49,866)	(74,577)	38	39,316	(11,729)
NONOPERATING INCOME (EXPENSES)						
Interest earned	-	41	-	-	41	-
Loss on disposal of assets	-	-	-	-	-	(57,779)
Interest expense and fees	(23,646)	(93,598)	(6,497)	-	(123,741)	(8,231)
TOTAL NONOPERATING REVENUES (EXPENSES)	(23,646)	(93,557)	(6,497)	-	(123,700)	(66,010)
INCOME (LOSS) BEFORE TRANSFERS	140,075	(143,423)	(81,074)	38	(84,384)	(77,739)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	58,552
Transfers out	(160,000)	(41,446)	(32,009)	-	(233,455)	(60,000)
TOTAL OTHER FINANCING SOURCES (USES)	(160,000)	(41,446)	(32,009)	-	(233,455)	(1,448)
CHANGE IN NET POSITION	(19,925)	(184,869)	(113,083)	38	(317,839)	(79,187)
Net position, beginning of year	8,253,927	1,529,828	3,824,280	21,329	13,629,364	390,298
Net position, end of year	<u>\$ 8,234,002</u>	<u>\$ 1,344,959</u>	<u>\$ 3,711,197</u>	<u>\$ 21,367</u>	<u>\$ 13,311,525</u>	<u>\$ 311,111</u>

See notes to financial statements.

**CITY OF PORTLAND
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2022**

	Business-type Activities				Total	Governmental Activities
	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	\$ 4,320,718	\$ 1,044,896	\$ 1,203,777	\$ 152,421	\$ 6,721,812	\$ 341,596
Cash paid to suppliers	(3,360,330)	153,240	(335,614)	(151,415)	(3,694,119)	(171,664)
Cash paid to employees	(901,145)	(315,515)	(258,662)	-	(1,475,322)	(38,848)
NET CASH PROVIDED BY OPERATING ACTIVITIES	59,243	882,621	609,501	1,006	1,552,371	131,084
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Transfers in	-	-	-	-	-	58,552
Transfers out	(160,000)	(41,446)	(32,009)	-	(233,455)	(60,000)
Payments of borrowing	(75,000)	(67,000)	(80,000)	-	(222,000)	(86,042)
Interest paid	(24,087)	(93,765)	(6,997)	-	(124,849)	(7,428)
Purchase of capital assets	(169,327)	(448,875)	(39,984)	-	(658,186)	(43,477)
NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(428,414)	(651,086)	(158,990)	-	(1,238,490)	(138,395)
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest received	-	41	-	-	41	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(369,171)	231,576	450,511	1,006	313,922	(7,311)
Cash and cash equivalents, beginning of year	3,177,100	584,201	604,198	12,610	4,378,109	259,512
Cash and cash equivalents, end of year	<u>\$ 2,807,929</u>	<u>\$ 815,777</u>	<u>\$ 1,054,709</u>	<u>\$ 13,616</u>	<u>\$ 4,692,031</u>	<u>\$ 252,201</u>
Reconciliation of operating income (loss) to net cash provided by operating activities						
Operating income (loss)	\$ 163,721	\$ (49,866)	\$ (74,577)	\$ 38	\$ 39,316	\$ (11,729)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities						
Depreciation	423,978	250,845	208,025	-	882,848	140,240
(Increase) decrease in:						
Accounts receivable	(186,918)	(16,376)	(26,311)	893	(228,712)	32
Due from other funds	(450,000)	-	10,000	-	(440,000)	-
Inventories	(48,601)	-	13,256	-	(35,345)	-
Prepays	117	422	221	-	760	130
Deferred outflows of resources	7,950	3,085	(839)	-	10,196	276
Increase (decrease) in:						
Accounts payable	(51,567)	163,496	(1,206)	75	110,798	(8,083)
Accrued liabilities	12,819	2,883	3,403	-	19,105	823
Due to other funds	-	450,000	-	-	450,000	(10,000)
Unearned revenue	-	(20,974)	414,890	-	393,916	(5,389)
Customer deposits	5,125	565	365	-	6,055	-
Net pension liability	43,003	14,725	12,502	-	70,230	3,783
Total OPEB liability	(10,259)	(7,120)	(5,390)	-	(22,769)	(1,733)
Deferred inflows of resources	149,875	90,936	55,162	-	295,973	22,734
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 59,243	\$ 882,621	\$ 609,501	\$ 1,006	\$ 1,552,371	\$ 131,084

See notes to financial statements.

**CITY OF PORTLAND
 FIDUCIARY FUND
 STATEMENT OF FIDUCIARY NET POSITION
 JUNE 30, 2022**

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

See notes to financial statements.

**CITY OF PORTLAND
 FIDUCIARY FUND
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 YEAR ENDED JUNE 30, 2022**

	<u>Custodial Fund Tax Collection</u>
ADDITIONS	
Property tax collections for other governmental units	\$ 3,229,854
DEDUCTIONS	
Property tax distributions for other governmental units	<u>3,229,854</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, 2021, are available at PAMA's administrative offices. As of December 31, 2021, PAMA had a net position of \$91,439.

**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, 2021, are available at PAFA's administrative offices. As of June 30, 2021, the most recent financial statements available, PAFA had a net position of \$1,238,010.

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 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, 2022, the City levied 12.6574 mills per \$1,000 of taxable valuation for general governmental services, and 1.0000 mill for local streets. The total taxable value for the 2021 levy for property within the City was \$102,500,014.

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, 2022 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, 2022, \$6,287,969 of the City’s bank balance of \$7,554,174 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 \$7,672,710. The primary government cash and cash equivalents caption on the basic financial statements included \$893 of imprest cash and \$159,678 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	<u>\$ 944,065</u>	2.42

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			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
PRIMARY GOVERNMENT				
U.S. Governmental Securities	\$ 944,065	\$ -	\$ -	\$ 944,065
Land held for resale	-	-	1,028,016	1,028,016
	\$ 944,065	\$ -	\$ 1,028,016	\$ 1,972,081

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 deposits 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, 2022:

	<u>Primary Government</u>	<u>Component Unit</u>	<u>Fiduciary Fund</u>	<u>Reporting Entity</u>
Cash and cash equivalents	\$ 6,841,289	\$ 348,420	\$ -	\$ 7,189,709
Cash and cash equivalents - restricted	1,427,959	-	-	1,427,959
Investments	<u>1,028,016</u>	<u>-</u>	<u>-</u>	<u>1,028,016</u>
	<u>\$ 9,297,264</u>	<u>\$ 348,420</u>	<u>\$ -</u>	<u>\$ 9,645,684</u>

NOTE 3 - CASH AND CASH EQUIVALENTS - RESTRICTED

The following summarizes the restricted cash and cash equivalents as of June 30, 2022:

	<u>Customer Deposits</u>	<u>Debt Retirement</u>	<u>Repairs and Improvements</u>	<u>Restricted Utility Reserve</u>	<u>Total</u>
Enterprise Funds	<u>\$ 278,847</u>	<u>\$ 299,432</u>	<u>\$ 252,742</u>	<u>\$ 596,938</u>	<u>\$ 1,427,959</u>

NOTE 4 - INTERFUND RECEIVABLES AND PAYABLES

The amount of interfund receivables and payables at June 30, 2022, are as follows:

Due to General Fund from:	
Ambulance Fund	\$ 12,000
Sewage Disposal System Fund	<u>65,070</u>
	<u>\$ 77,070</u>
Due to Major Street Fund from:	
City Income Tax Fund	<u>\$ 45,467</u>
Due to Electric Light and Power System from:	
Sewage Disposal System Fund	<u>\$ 600,000</u>
Due to Water System Fund from:	
Internal Service Fund	<u>\$ 70,000</u>
Due to nonmajor governmental funds from:	
City Income Tax Fund	<u>\$ 3,382</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	\$ 160,000
Sewage Disposal System Fund	41,446
Water System Fund	32,009
Nonmajor governmental funds	<u>6</u>
	<u><u>\$ 233,461</u></u>
Transfer to Major Street Fund from:	
City Income Tax Fund	<u><u>\$ 239,690</u></u>
Transfer to City Income Tax Fund from:	
Internal Service Fund	<u><u>\$ 60,000</u></u>
Transfer to Internal Service Fund from:	
General Fund	\$ 32,000
Ambulance Fund	<u>26,552</u>
	<u><u>\$ 58,552</u></u>
Transfers to nonmajor governmental funds from:	
General Fund	\$ 24,000
Major Street Fund	30,000
City Income Tax Fund	<u>46,666</u>
	<u><u>\$ 100,666</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, City Income Tax 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, 2022 was as follows:

Primary Government

	<u>Balance July 1, 2021</u>	<u>Additions/ Reclassifications</u>	<u>Deletions/ Reclassifications</u>	<u>Balance June 30, 2022</u>
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 1,199,132	\$ -	\$ -	\$ 1,199,132
Construction in progress	<u>911,012</u>	<u>145,308</u>	<u>(360,396)</u>	<u>695,924</u>
Subtotal	<u>2,110,144</u>	<u>145,308</u>	<u>(360,396)</u>	<u>1,895,056</u>
Capital assets being depreciated				
Land improvements	181,107	-	-	181,107
Buildings and additions	408,481	51,328	-	459,809
Equipment and furniture	2,745,912	730,049	(65,002)	3,410,959
Infrastructure - streets and bridges	<u>23,712,792</u>	<u>1,146,569</u>	<u>-</u>	<u>24,859,361</u>
Subtotal	27,048,292	1,927,946	(65,002)	28,911,236
Less accumulated depreciation for:				
Land improvements	(59,014)	(11,781)	-	(70,795)
Buildings and additions	(237,771)	(11,868)	-	(249,639)
Equipment and furniture	(1,772,711)	(193,268)	7,223	(1,958,756)
Infrastructure - streets and bridges	<u>(12,640,253)</u>	<u>(676,425)</u>	<u>-</u>	<u>(13,316,678)</u>
Subtotal	<u>(14,709,749)</u>	<u>(893,342)</u>	<u>7,223</u>	<u>(15,595,868)</u>
Net capital assets being depreciated	<u>12,338,543</u>	<u>1,034,604</u>	<u>(57,779)</u>	<u>13,315,368</u>
Capital assets, net	<u>\$ 14,448,687</u>	<u>\$ 1,179,912</u>	<u>\$ (418,175)</u>	<u>\$ 15,210,424</u>

Depreciation expense was charged to the following governmental activities:

General government	\$ 103,874
Public safety	51,888
Public works	694,319
Health and welfare	27,909
Recreation and culture	<u>15,352</u>
 Total depreciation expense	 <u>\$ 893,342</u>

**CITY OF PORTLAND
NOTES TO FINANCIAL STATEMENTS**

NOTE 6 - CAPITAL ASSETS (continued)

Primary Government (continued)

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022
Business-type Activities (Electric Light and Power System)				
Capital assets not being depreciated				
Land	\$ 275,807	\$ -	\$ -	\$ 275,807
Capital assets being depreciated				
Buildings	4,951,243	61,287	-	5,012,530
Transmission and disbursement	6,941,149	108,040	-	7,049,189
Equipment	1,342,012	-	-	1,342,012
Subtotal	13,234,404	169,327	-	13,403,731
Less accumulated depreciation for:				
Buildings	(2,024,047)	(120,843)	-	(2,144,890)
Transmissions and disbursement	(4,114,938)	(190,938)	-	(4,305,876)
Equipment	(806,136)	(112,197)	-	(918,333)
Subtotal	(6,945,121)	(423,978)	-	(7,369,099)
Net capital assets being depreciated	6,289,283	(254,651)	-	6,034,632
Capital assets, net	<u>\$ 6,565,090</u>	<u>\$ (254,651)</u>	<u>\$ -</u>	<u>\$ 6,310,439</u>
Business-type Activities (Sewage Disposal System)				
Capital assets not being depreciated				
Land	\$ 11,003	\$ -	\$ -	\$ 11,003
Construction in progress	19,800	448,875	-	468,675
Subtotal	30,803	448,875	-	479,678
Capital assets being depreciated				
Buildings	4,455,040	-	-	4,455,040
Sewage Disposal System	3,920,478	-	-	3,920,478
Equipment	193,241	-	-	193,241
Subtotal	8,568,759	-	-	8,568,759
Less accumulated depreciation for:				
Building	(1,423,448)	(96,241)	-	(1,519,689)
Sewage Disposal System	(2,161,776)	(142,712)	-	(2,304,488)
Equipment	(69,918)	(11,892)	-	(81,810)
Subtotal	(3,655,142)	(250,845)	-	(3,905,987)
Net capital assets being depreciated	4,913,617	(250,845)	-	4,662,772
Capital assets, net	<u>\$ 4,944,420</u>	<u>\$ 198,030</u>	<u>\$ -</u>	<u>\$ 5,142,450</u>

**CITY OF PORTLAND
NOTES TO FINANCIAL STATEMENTS**

NOTE 6 - CAPITAL ASSETS (continued)

Primary Government (continued)

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022
Business-type Activities (Water System)				
Capital assets not being depreciated				
Land	\$ 14,353	\$ -	\$ -	\$ 14,353
Capital assets being depreciated				
Water System	6,758,737	21,435	-	6,780,172
Equipment	295,191	18,549	-	313,740
Subtotal	7,053,928	39,984	-	7,093,912
Less accumulated depreciation for:				
Water System	(3,263,100)	(192,746)	-	(3,455,846)
Equipment	(150,781)	(15,279)	-	(166,060)
Subtotal	(3,413,881)	(208,025)	-	(3,621,906)
Net capital assets being depreciated	3,640,047	(168,041)	-	3,472,006
Capital assets, net	<u>\$ 3,654,400</u>	<u>\$ (168,041)</u>	<u>\$ -</u>	<u>\$ 3,486,359</u>

Component Unit

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022
Component Unit (DDA)				
Capital assets not being depreciated				
Land	\$ -	\$ 46,400	\$ -	\$ 46,400
Construction in progress	44,912	615,253	(660,165)	-
Subtotal	44,912	661,653	(660,165)	46,400
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	(490,622)	(30,561)	-	(521,183)
City Hall building	(2,340,900)	(130,050)	-	(2,470,950)
Subtotal	(2,831,522)	(160,611)	-	(2,992,133)
Net capital assets being depreciated	472,859	(160,611)	-	312,248
Capital assets, net	<u>\$ 517,771</u>	<u>\$ 501,042</u>	<u>\$ (660,165)</u>	<u>\$ 358,648</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, 2022.

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022	Due Within One Year
Primary Government					
Governmental Activities					
Direct borrowings and direct placements					
2016 Ambulance contract payable	\$ 75,424	\$ -	\$ (24,455)	\$ 50,969	\$ 25,135
2016 Snow Plow contract payable	31,098	-	(31,098)	-	-
2020 Street Sweeper contract payable	193,881	-	(30,489)	163,392	31,197
2020 Heart Monitors contract payable	99,468	-	(19,894)	79,574	19,894
2021 Mailer contract payable	16,227	-	(16,227)	-	-
Compensated absences	61,364	95,572	(88,634)	68,302	68,302
Total governmental activities	477,462	95,572	(210,797)	362,237	144,528
Business-type Activities					
Other long-term obligations					
2020 Refunding Bonds - Electric	1,025,000	-	(75,000)	950,000	80,000
2004 Water System Bonds	319,872	-	(80,000)	239,872	80,000
2011 Sanitary Sewer System Bonds	710,000	-	(15,000)	695,000	15,000
2010 Sanitary Sewer System Bonds	2,449,000	-	(52,000)	2,397,000	54,000
Compensated absences	41,193	80,229	(68,499)	52,923	52,923
Total business-type activities	4,545,065	80,229	(290,499)	4,334,795	281,923
Total Long-term Obligations	\$ 5,022,527	\$ 175,801	\$ (501,296)	\$ 4,697,032	\$ 426,451

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 \$25,135 to \$25,834 through July 1, 2023, with interest at 2.78%, payable annually. The purchase agreement is secured by the real property purchased. The Agreement contains provisions that in an event of default the City will use any and all other resources available for payments. \$ 50,969

\$224,400 Installment Purchase Agreement dated July 10, 2020, due in annual installments ranging from \$31,197 to \$34,194 through June 1, 2027, with interest at 2.32%, payable annually. The purchase agreement is secured by the real property purchased. The Agreement contains provisions that in an event of default the City will use any and all other resources available for payments. 163,392

**CITY OF PORTLAND
NOTES TO FINANCIAL STATEMENTS**

NOTE 7 - LONG-TERM OBLIGATIONS (continued)

Primary Government - Direct Borrowings and Direct Placements (continued)

Installment Purchase Agreements (continued)

\$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. The Agreement contains provisions that in an event of default the lender has various options including declaring the entire unpaid balance due immediately, sue for any unpaid balance plus the purchase option of future payments and residual and interest, charge interest at a rate of 18% per year from the date of default until paid, and/or require immediately return of real property.

\$ 79,574

\$ 293,935

Primary Government - Other Long-term Obligations

\$1,105,000 General Obligation Limited Tax 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.

\$ 950,000

\$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.

239,872

\$840,000 Sanitary 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.

695,000

\$2,900,000 Sanitary Sewer System Revenue Bonds dated December 29, 2010, due in annual installments ranging from \$54,000 to \$121,000 through December 1, 2050, with interest of 3.00%, payable semi-annually.

2,397,000

\$ 4,281,872

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 City's financial statements. At June 30, 2022, bonds due and payable April 1, 2023 through April 1, 2033, for the 2008 Capital Improvement Bonds - Electric debt in the amount of \$935,000 are considered defeased.

**CITY OF PORTLAND
NOTES TO FINANCIAL STATEMENTS**

NOTE 7 - LONG-TERM OBLIGATIONS (continued)

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 \$122,249 at June 30, 2022. Of this amount, \$68,302 and \$52,923 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,	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Direct Borrowings and Direct Placements</u>		<u>Other Long-term Obligations</u>	
	<u>Equipment Purchase Agreements</u>		<u>Water System Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 76,226	\$ 5,208	\$ 80,000	\$ 4,997
2024	77,649	3,785	85,000	2,934
2025	52,555	2,326	74,872	936
2026	53,311	1,569	-	-
2027	34,194	793	-	-
	<u>\$ 293,935</u>	<u>\$ 13,681</u>	<u>\$ 239,872</u>	<u>\$ 8,867</u>

Year Ending June 30,	<u>Business-type Activities</u>			
	<u>Other Long-term Obligations</u>			
	<u>2020 Refunding Bonds</u>		<u>Sanitary Sewer System Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
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	85,000	14,805	77,000	82,965
2028-2032	445,000	43,710	423,000	378,135
2033-2037	100,000	1,175	490,000	309,630
2038-2042	-	-	565,000	230,775
2043-2047	-	-	655,000	139,245
2048-2051	-	-	594,000	36,360
	<u>\$ 950,000</u>	<u>\$ 137,946</u>	<u>\$ 3,092,000</u>	<u>\$ 1,531,170</u>

**CITY OF PORTLAND
NOTES TO FINANCIAL STATEMENTS**

NOTE 8 - RETIREMENT PLANS

Defined Benefit Plan

Plan Description

The City's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The City participates in the Municipal Employees' Retirement System (MERS) of Michigan. MERS is an agent multiple-employer, statewide public employee pension plan established by the Michigan's Legislature under Public Act 135 of 1945 and administered by a nine-member Retirement Board. MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained accessing MERS website at www.mersofmich.com.

Summary of Significant Accounting Policies

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

Benefits Provided

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

Inactive employees or beneficiaries receiving benefits	44
Inactive employees or beneficiaries entitled to but not yet receiving benefits	16
Active employees	<u>27</u>
	<u><u>87</u></u>

Contributions

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

**CITY OF PORTLAND
NOTES TO FINANCIAL STATEMENTS**

NOTE 8 - RETIREMENT PLANS (continued)

Contributions

Employer contributions range from 3.91% to 5.01% based on annual payroll for open divisions. Three divisions closed to new employees had a total annual contribution of \$655,992.

Payable to the Pension Plan

At June 30, 2022, there were no amounts outstanding by the City for contributions to the pension plan required for the year ended June 30, 2022.

Net Pension Liability

The employer's net pension liability was measured as of December 31, 2021, 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, 2021 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% plus merit and longevity, 3.00% in the long-term.

Investment rate of return: 7.00%, net of investment and administrative expense 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 3.00-4.00%.

Mortality rates used were based on a version of Pub-2010 and fully generational MP-2019.

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

Projected Cash Flows

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

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

**CITY OF PORTLAND
NOTES TO FINANCIAL STATEMENTS**

NOTE 8 - RETIREMENT PLANS (continued)

Projected Cash Flows (continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Total Allocation Gross Rate of Return</u>	<u>Long-term Expected Real Rate of Return</u>
Global equity	60.00%	4.50%	2.70%
Global fixed income	20.00%	2.00%	0.40%
Private investments	<u>20.00%</u>	7.00%	<u>1.40%</u>
	<u>100.00%</u>		4.50%
Inflation			2.50%
Administrative expense netted above			<u>0.25%</u>
Investment Rate of Return			<u>7.25%</u>

Discount Rate

The discount rate used to measure the total pension liability is 7.25%. The current discount rate shown for GASB 68 purposes is higher than the MERS assumed rate of return. This is because, for GASB 68 purposes, the discount rate must be gross of administrative expenses, whereas for funding purposes, it is net of administrative expenses. 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.

**CITY OF PORTLAND
NOTES TO FINANCIAL STATEMENTS**

NOTE 8 - RETIREMENT PLANS (continued)

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, 2020	\$ 15,379,981	\$ 10,046,032	\$ 5,333,949
Changes for the year			
Service Cost	143,412	-	143,412
Interest on total pension liability	1,135,430	-	1,135,430
Difference between expected and actual experience	378,416	-	378,416
Changes in assumptions	614,696	-	614,696
Employer contributions	-	662,379	(662,379)
Employee contributions	-	30,053	(30,053)
Net investment income	-	1,400,557	(1,400,557)
Benefit payments, including employee refunds	(1,023,655)	(1,023,655)	-
Administrative expense	-	(16,071)	16,071
Other changes	(1)	-	(1)
Net changes	1,248,298	1,053,263	195,035
Balances at December 31, 2021	\$ 16,628,279	\$ 11,099,295	\$ 5,528,984

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

The following presents the Net Pension Liability of the employer, calculated using the discount rates 7.25%, as well as what the employer's Net Position Liability would be using a discount rate that is 1% point lower or 1% higher than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
Net pension liability	\$ 7,517,570	\$ 5,528,984	\$ 3,868,277

**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, 2022, the City recognized pension expenses of \$770,452. The City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 252,277	\$ 138,898
Changes in assumptions	666,508	-
Net difference between projected and actual earnings on pension plan investments	-	779,806
Contributions subsequent to the measurement date*	358,269	-
Total	\$ 1,277,054	\$ 918,704

* 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, 2023.

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

Year Ending June 30,	Pension Expense
2023	\$ 342,314
2024	12,531
2025	(224,713)
2026	(130,051)
	\$ 81

Changes in Assumptions

The actuarial assumptions were changed during the year as follows:

Decrease in investment rate of return from 7.35% to 7.00%.

Change in discount rate from 7.60% to 7.25%.

Changes in Benefits

There were no changes of benefit terms during plan year 2021.

**CITY OF PORTLAND
NOTES TO FINANCIAL STATEMENTS**

NOTE 8 - RETIREMENT PLANS (continued)

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.

As established by the City Council, the City contributes 7% of the eligible employee wages. Of this 7%, a range of 3.90%-5.39% is allocated to the defined benefit portion and a range of 1.61%-3.10% 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, 2022, the City contributed \$57,476 for the defined benefit portion and \$30,484 for the defined contribution portion and the employees contributed \$37,860 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, 2022 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>

**CITY OF PORTLAND
NOTES TO FINANCIAL STATEMENTS**

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

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, 2022, 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, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2022.

Actuarial Assumptions

The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Discount Rate	4.09%
Healthcare Cost Trend Rates:	
Current Year Trend	7.25%
Ultimate Trend	4.50%
Year Ultimate Trend is Reached	2034
Salary Increases	3.00%

The discount rate was based on the yield or index rate for 20 year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Mortality rates used were based on a version of Pub-2010 and fully generational MP-2019.

The mortality assumptions include a margin for future mortality improvements using Scale MP-2019 projected fully-generationally from the central year of data, 2010.

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, 2022, the City had no fiduciary plan assets so net position at June 30, 2022, was \$0.

**CITY OF PORTLAND
NOTES TO FINANCIAL STATEMENTS**

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

Change in Total OPEB Liability

The change in the total OPEB liability for the year ended June 30, 2022 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, 2021	\$ 1,013,995	\$ -	\$ 1,013,995
Changes for the year			
Service cost	32,875	-	32,875
Interest on total OPEB liability	22,113	-	22,113
Difference between expected and actual experience	9,152	-	9,152
Changes in assumptions	(157,426)	-	(157,426)
Employer contributions	-	32,146	(32,146)
Benefit payments, including employee refunds	(32,146)	(32,146)	-
Net changes	(125,432)	-	(125,432)
Balances at June 30, 2022	\$ 888,563	\$ -	\$ 888,563

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 or 1-percentage-point higher than the current discount rate:

	1% Decrease	Current Discount Rate	1% Increase
Net OPEB liability	\$ 958,633	\$ 888,563	\$ 806,793

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 (8.25% trending to 7.25%) than the current healthcare cost rates:

	1% Decrease	Current Discount Rate	1% Increase
Net OPEB liability	\$ 786,511	\$ 888,563	\$ 986,685

**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

For the year ended June 30, 2022, the City recognized OPEB expense of \$4,860. At June 30, 2022, 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	\$ 8,275	\$ 440,511
Changes in assumptions	143,788	166,522
Total	\$ 152,063	\$ 607,033

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
2023	\$ (50,128)
2024	(50,128)
2025	(50,128)
2026	(50,128)
2027	(50,128)
Thereafter	(204,330)
	\$ (454,970)

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, 2022, the City contributed \$3,323. 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, 2022, employees contributed \$42,125.

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.

**CITY OF PORTLAND
NOTES TO FINANCIAL STATEMENTS**

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.

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 - 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, 2022:

PRIMARY GOVERNMENT	
Governmental Activities	
Other Purposes	
Streets	\$ 646,160
Leik Grove property - Public Works	20,386
Cemetery Perpetual Care, nonexpendable	<u>192,308</u>
	<u><u>\$ 858,854</u></u>

**CITY OF PORTLAND
NOTES TO FINANCIAL STATEMENTS**

NOTE 12 - RESTRICTED NET POSITION (continued)

PRIMARY GOVERNMENT (continued)	
Business-type Activities	
Restricted for utilities	
Electric Light and Power	\$ 453,086
Sewage Disposal System	<u>143,852</u>
	<u>\$ 596,938</u>
Restricted for debt service	
Electric Light and Power	\$ 137,432
Sewage Disposal System	<u>162,000</u>
	<u>\$ 299,432</u>
Restricted for equipment replacement	
Sewage Disposal System	<u>\$ 252,742</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.

NOTE 13 - CHANGE IN ACCOUNTING PRINCIPLE

For the year ended June 30, 2022, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, which was issued in June 2017. 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.

There was no material impact on the City's financial statement after the adoption of GASB Statement 87.

**CITY OF PORTLAND
NOTES TO FINANCIAL STATEMENTS**

NOTE 14 - 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, 2022:

Revenues	
Licenses and Permits	
Permits	\$ 75,866
Expenditures	
Salaries and wages	2,189
Fringe benefits	7,063
Contractual services	28,451
Supplies	612
Other	225
TOTAL EXPENDITURES	38,540
EXCESS OF REVENUES OVER EXPENDITURES	37,326
Code Enforcement (Deficit) at June 30, 2021	(959,182)
Code Enforcement (Deficit) at June 30, 2022	\$ (921,856)

NOTE 15 - UPCOMING ACCOUNTING PRONOUNCEMENTS

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.

In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*. This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior period, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The City is currently evaluating the impact this standard will have on the financial statements when adopted during the 2023-2024 fiscal year.

**CITY OF PORTLAND
NOTES TO FINANCIAL STATEMENTS**

NOTE 15 - UPCOMING ACCOUNTING PRONOUNCEMENTS (continued)

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used by not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. The City is currently evaluating the impact this standard will have on the financial statements when adopted during the 2024-2025 fiscal year.

NOTE 16 - SUBSEQUENT EVENT

On September 20, 2022, the City obtained the 2022 Sanitary Sewer System Junior Lien Revenue Bonds in the amount of \$13,000,000 to improve the City's sanitary sewer system. Future anticipated user charges are expected to be sufficient to cover this commitment.

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF PORTLAND
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2022**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Taxes				
Property taxes	\$ 1,097,465	\$ 1,137,465	\$ 1,151,588	\$ 14,123
Penalties and interest	5,350	5,350	3,528	(1,822)
Tax collection	45,450	45,450	46,113	663
Total taxes	<u>1,148,265</u>	<u>1,188,265</u>	<u>1,201,229</u>	<u>12,964</u>
Licenses and permits				
Cable television license	19,500	19,500	17,938	(1,562)
City licenses and permits	75,100	75,100	75,866	766
Total licenses and permits	<u>94,600</u>	<u>94,600</u>	<u>93,804</u>	<u>(796)</u>
Intergovernmental				
State				
Sales tax	463,516	463,516	523,006	59,490
Local community stabilization	3,000	3,000	21	(2,979)
Act 302 training funds	660	660	700	40
State liquor license	3,720	3,720	3,932	212
Total intergovernmental	<u>470,896</u>	<u>470,896</u>	<u>527,659</u>	<u>56,763</u>
Charges for services				
Cemetery fees and lot sales	34,200	34,200	26,265	(7,935)
Administrative charges	329,026	329,026	329,026	-
Other fees	1,900	1,900	847	(1,053)
Total charges for services	<u>365,126</u>	<u>365,126</u>	<u>356,138</u>	<u>(8,988)</u>
Fines and forfeits				
Parking	4,300	4,300	1,959	(2,341)
District court	9,000	9,000	6,103	(2,897)
Other	2,000	23,500	34,119	10,619
Total fines and forfeits	<u>15,300</u>	<u>36,800</u>	<u>42,181</u>	<u>5,381</u>
Interest and rents	6,000	6,000	9,660	3,660
Other				
Donations	10,000	10,000	20,100	10,100
Reimbursements	37,000	76,500	88,230	11,730
Total other	<u>47,000</u>	<u>86,500</u>	<u>108,330</u>	<u>21,830</u>
TOTAL REVENUES	<u>2,147,187</u>	<u>2,248,187</u>	<u>2,339,001</u>	<u>90,814</u>

**CITY OF PORTLAND
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE (CONTINUED)
YEAR ENDED JUNE 30, 2022**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
EXPENDITURES				
Current				
General government				
Council, boards, and commissions	\$ 5,160	\$ 5,160	\$ 4,032	\$ 1,128
Community promotions	128,150	132,700	119,736	12,964
City manager	182,506	182,506	178,169	4,337
Assessing services	52,280	54,240	54,200	40
Elections	5,950	6,550	4,047	2,503
City hall and grounds	67,530	74,090	68,581	5,509
General administrative	<u>432,411</u>	<u>464,641</u>	<u>463,894</u>	<u>747</u>
Total general government	<u>873,987</u>	<u>919,887</u>	<u>892,659</u>	<u>27,228</u>
Public safety				
Police department	752,296	801,163	689,349	111,814
Fire authority	120,559	124,000	122,423	1,577
Code enforcement	<u>53,371</u>	<u>53,011</u>	<u>38,540</u>	<u>14,471</u>
Total public safety	<u>926,226</u>	<u>978,174</u>	<u>850,312</u>	<u>127,862</u>
Public works				
Street lighting	49,000	49,000	44,396	4,604
Cemetery operations	<u>176,591</u>	<u>186,261</u>	<u>175,172</u>	<u>11,089</u>
Total public works	<u>225,591</u>	<u>235,261</u>	<u>219,568</u>	<u>15,693</u>
Health and welfare				
Ambulance service	<u>50,479</u>	<u>50,479</u>	<u>50,478</u>	<u>1</u>
Community and economic development				
Economic development	<u>25,000</u>	<u>29,000</u>	<u>20,644</u>	<u>8,356</u>
Recreation and culture				
Parks department	<u>215,271</u>	<u>365,641</u>	<u>327,113</u>	<u>38,528</u>
Capital outlay	<u>-</u>	<u>15,500</u>	<u>15,037</u>	<u>463</u>
TOTAL EXPENDITURES	<u>2,316,554</u>	<u>2,593,942</u>	<u>2,375,811</u>	<u>218,131</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(169,367)	(345,755)	(36,810)	308,945

**CITY OF PORTLAND
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE (CONTINUED)
YEAR ENDED JUNE 30, 2022**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 233,505	\$ 233,505	\$ 233,461	\$ (44)
Transfers out	<u>(64,000)</u>	<u>(64,000)</u>	<u>(56,000)</u>	<u>8,000</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>169,505</u>	<u>169,505</u>	<u>177,461</u>	<u>7,956</u>
NET CHANGE IN FUND BALANCE	138	(176,250)	140,651	316,901
Fund balance, beginning of year	<u>1,911,897</u>	<u>1,911,897</u>	<u>1,911,897</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,912,035</u>	<u>\$ 1,735,647</u>	<u>\$ 2,052,548</u>	<u>\$ 316,901</u>

**CITY OF PORTLAND
CITY INCOME TAX FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2022**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Taxes	\$ 728,300	\$ 728,300	\$ 1,100,748	\$ 372,448
Fines and forfeits	12,000	12,000	20,444	8,444
Interest	1,200	1,200	1,593	393
Other	-	-	564	564
TOTAL REVENUES	<u>741,500</u>	<u>741,500</u>	<u>1,123,349</u>	<u>381,849</u>
EXPENDITURES				
Current				
General government	<u>248,042</u>	<u>249,354</u>	<u>232,274</u>	<u>17,080</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>493,458</u>	<u>492,146</u>	<u>891,075</u>	<u>398,929</u>
OTHER FINANCING (USES)				
Transfers in	-	60,000	60,000	-
Transfers out	<u>(277,400)</u>	<u>(516,202)</u>	<u>(286,356)</u>	<u>229,846</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(277,400)</u>	<u>(456,202)</u>	<u>(226,356)</u>	<u>229,846</u>
NET CHANGE IN FUND BALANCE	216,058	35,944	664,719	628,775
Fund balance, beginning of year	<u>738,914</u>	<u>738,914</u>	<u>738,914</u>	<u>-</u>
Fund balance, end of year	<u>\$ 954,972</u>	<u>\$ 774,858</u>	<u>\$ 1,403,633</u>	<u>\$ 628,775</u>

**CITY OF PORTLAND
MAJOR STREET FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2022**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Intergovernmental	\$ 428,502	\$ 418,586	\$ 477,560	\$ 58,974
Other	1,000	1,000	2,737	1,737
TOTAL REVENUES	<u>429,502</u>	<u>419,586</u>	<u>480,297</u>	<u>60,711</u>
EXPENDITURES				
Current				
Public works	731,180	961,720	650,135	311,585
EXCESS OF REVENUES (UNDER) EXPENDITURES	<u>(301,678)</u>	<u>(542,134)</u>	<u>(169,838)</u>	<u>372,296</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	277,400	473,102	239,690	(233,412)
Transfers out	<u>(50,000)</u>	<u>(50,000)</u>	<u>(30,000)</u>	<u>20,000</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>227,400</u>	<u>423,102</u>	<u>209,690</u>	<u>(213,412)</u>
NET CHANGE IN FUND BALANCE	(74,278)	(119,032)	39,852	158,884
Fund balance, beginning of year	<u>376,989</u>	<u>376,989</u>	<u>376,989</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 302,711</u></u>	<u><u>\$ 257,957</u></u>	<u><u>\$ 416,841</u></u>	<u><u>\$ 158,884</u></u>

**CITY OF PORTLAND
AMBULANCE FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 637,366	\$ 640,131	\$ 671,636	\$ 31,505
Other	2,710	2,710	674	(2,036)
TOTAL REVENUES	<u>640,076</u>	<u>642,841</u>	<u>672,310</u>	<u>29,469</u>
EXPENDITURES				
Current				
Health and welfare	613,524	705,092	666,675	38,417
EXCESS OF REVENUES OVER EXPENDITURES	<u>26,552</u>	<u>(62,251)</u>	<u>5,635</u>	<u>67,886</u>
OTHER FINANCING (USES)				
Transfers out	(26,552)	(26,552)	(26,552)	-
NET CHANGE IN FUND BALANCE	-	(88,803)	(20,917)	67,886
Fund balance, beginning of year	177,549	177,549	177,549	-
Fund balance, end of year	<u>\$ 177,549</u>	<u>\$ 88,746</u>	<u>\$ 156,632</u>	<u>\$ 67,886</u>

**CITY OF PORTLAND
DEFINED BENEFIT PENSION PLAN
SCHEDULE OF CHANGES IN THE CITY'S
NET PENSION LIABILITY AND RELATED RATIOS
LAST EIGHT 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	2021
Total Pension Liability								
Service cost	\$ 195,518	\$ 191,696	\$ 184,007	\$ 176,437	\$ 185,869	\$ 179,089	\$ 143,073	\$ 143,412
Interest	996,910	1,014,053	1,042,491	1,069,900	1,079,521	1,110,014	1,098,267	1,135,430
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)	378,416
Changes of assumptions	-	650,689	-	-	-	463,664	422,387	614,696
Benefit payments including employee refunds	(668,323)	(667,741)	(732,278)	(802,498)	(861,043)	(893,118)	(892,299)	(1,023,655)
Administrative expense	(23,983)	(1)	-	-	-	-	-	-
Other changes	-	-	1	(2)	1	1	-	(1)
Net Change in Total Pension Liability	500,122	775,706	381,508	144,816	400,583	593,301	554,496	1,248,298
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	15,379,981
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>	<u>\$ 16,628,279</u>
Plan Fiduciary Net Position								
Contributions-employer	\$ 434,906	\$ 548,464	\$ 480,164	\$ 521,381	\$ 540,938	\$ 535,426	\$ 567,238	\$ 662,379
Contributions-employee	-	-	7,880	20,842	34,684	38,610	36,451	30,053
Net Investment income	481,656	(117,021)	861,635	1,082,559	(347,651)	1,127,693	1,160,296	1,400,557
Benefit payments including employee refunds	(668,323)	(667,741)	(732,278)	(802,498)	(861,043)	(893,118)	(892,299)	(1,023,655)
Administrative expense	(17,676)	(17,201)	(17,018)	(17,152)	(17,388)	(19,429)	(18,373)	(16,071)
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	1,053,263
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	10,046,032
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>	<u>\$ 11,099,295</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>	<u>\$ 5,528,984</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	63%	57%	60%	65%	59%	62%	65%	67%
Covered Employee Payroll	\$ 2,011,873	\$ 2,002,154	\$ 1,964,499	\$ 1,968,154	\$ 2,119,458	\$ 2,090,582	\$ 1,799,468	\$ 2,018,237
Employer's Net Pension Liability as a percentage of covered employee payroll	230%	283%	277%	243%	275%	269%	296%	274%

CITY OF PORTLAND
SCHEDULE OF EMPLOYER PENSION CONTRIBUTIONS
LAST EIGHT 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>	<u>2022</u>
Actuarial determined contributions	\$ 447,139	\$ 447,697	\$ 512,810	\$ 532,687	\$ 544,766	\$ 526,780	\$ 611,971	\$ 713,468
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>	<u>713,468</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	\$ 2,245,001
Contributions as a percentage of covered employee payroll	21%	21%	23%	26%	25%	22%	30%	32%

CITY OF PORTLAND
RETIRED EMPLOYEES' HEALTH CARE BENEFITS
SCHEDULE OF CHANGES IN THE CITY'S NET OPEB LIABILITY AND RELATED RATIOS
LAST FIVE MEASUREMENT DATES (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>	<u>2022</u>
Total OPEB Liability					
Service cost	\$ 68,758	\$ 45,128	\$ 39,990	\$ 47,183	\$ 32,875
Interest	33,145	32,943	32,300	28,836	22,113
Difference between expected and actual experience	(381,164)	(180,034)	-	(89,930)	9,152
Changes in assumptions	143,037	(7,663)	70,510	(22,870)	(157,426)
Benefit payments including employee refunds	<u>(55,913)</u>	<u>(35,346)</u>	<u>(28,583)</u>	<u>(19,373)</u>	<u>(32,146)</u>
Net Change in Total OPEB Liability	(192,137)	(144,972)	114,217	(56,154)	(125,432)
Total OPEB Liability - beginning	<u>1,293,041</u>	<u>1,100,904</u>	<u>955,932</u>	<u>1,070,149</u>	<u>1,013,995</u>
Total OPEB Liability - ending	<u>\$ 1,100,904</u>	<u>\$ 955,932</u>	<u>\$ 1,070,149</u>	<u>\$ 1,013,995</u>	<u>\$ 888,563</u>
Plan Fiduciary Net Position					
Contributions-employer	\$ 55,913	\$ 35,346	\$ 28,583	\$ 19,373	\$ 32,146
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>	<u>(32,146)</u>
Net Change in Plan Fiduciary Net Position	-	-	-	-	-
Plan Fiduciary Net Position - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan Fiduciary Net Position - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employer Net OPEB Liability	<u>\$ 1,100,904</u>	<u>\$ 955,932</u>	<u>\$ 1,070,149</u>	<u>\$ 1,013,995</u>	<u>\$ 888,563</u>
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	0%	0%	0%	0%	0%
Covered Employee Payroll	\$ 1,120,572	\$ 916,624	\$ 1,157,807	\$ 854,037	\$ 853,008
Employer's Net OPEB Liability as a percentage of covered employee payroll	98%	104%	92%	119%	104%

**CITY OF PORTLAND
 RETIRED EMPLOYEES' HEALTH CARE BENEFITS
 SCHEDULE OF EMPLOYER OPEB CONTRIBUTIONS
 LAST FIVE 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>	<u>2022</u>
Actuarially determined contributions	\$ 119,762	\$ 27,955	\$ 71,158	\$ 73,827	\$ 81,998
Contributions in relation to the actuarially determined contribution	<u>55,913</u>	<u>61,748</u>	<u>28,583</u>	<u>19,373</u>	<u>32,146</u>
Contribution deficiency (excess)	<u>\$ 63,849</u>	<u>\$ (33,793)</u>	<u>\$ 42,575</u>	<u>\$ 54,454</u>	<u>\$ 49,852</u>
Covered Employee Payroll	\$ 1,120,572	\$ 916,624	\$ 1,157,807	\$ 853,008	\$ 853,008
Contributions as a percentage of covered employee payroll	5%	7%	2%	2%	4%

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, 2022**

NOTE 1 - EMPLOYEE PENSION PLAN

Actuarial valuation information relative to the determination of contributions:

Valuation date	December 31, 2021
Measurement date	December 31, 2021

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll, open
Asset valuation method	5-year smoothing
Remaining amortization period	12 years
Investment rate of return	7.00%, net of investment and administrative expense including inflation
Discount rate	7.25%
Salary increases	3.00% in the long-term plus merit and longevity
Inflation rate	2.50%
Mortality	Version of Pub-2010 and fully generational MP-2019

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

Changes in Assumptions: Decrease in investment rate of return from 7.35% to 7.00%
Change in discount rate from 7.60% to 7.25%

NOTE 2 - OTHER POST-EMPLOYMENT BENEFITS PLANS

Actuarial valuation information relative to the determination of contributions:

Valuation date	June 30, 2022
Measurement date	June 30, 2022

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level dollar, closed
Remaining amortization period	27 years
Long-term expected rate of return	Not applicable, the Plan does not have an irrevocable trust.
Discount rate	4.09%
Salary growth rate	3.00%
Inflation rate	2.50%
Healthcare cost trend rate	7.25% graded down to 4.5% by 0.25% per year
AA 20-year municipal bond rate	4.09%
Utilization	100%, covered employees at the valuation date will elect the same coverage at retirement
Mortality	Version of Pub-2010 and fully generational MP-2019

**CITY OF PORTLAND
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2022**

NOTE 2 - OTHER POST-EMPLOYMENT BENEFITS PLANS (continued)

Changes of Benefits Terms: There were no changes of benefit terms during plan year 2022.

Changes in Assumptions: The Municipal Bond Rate increased from 2.18% to 4.09%.

The Discount Rate increased from 2.18% to 4.09% for GASB 75 purposes.

OTHER SUPPLEMENTARY INFORMATION

**CITY OF PORTLAND
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2022**

	<u>Special Revenue</u>		<u>Capital Projects</u>	<u>Permanent</u>	<u>Total</u>
	<u>Local Street</u>	<u>Recreation</u>	<u>Capital Projects</u>	<u>Cemetery Perpetual Care</u>	
ASSETS					
Cash and cash equivalents	\$ 215,652	\$ 63,033	\$ 3,362	\$ 192,308	\$ 474,355
Due from other governmental unit	21,912	-	-	-	21,912
Due from other funds	3,382	-	-	-	3,382
Prepays	2,772	722	-	-	3,494
TOTAL ASSETS	<u>\$ 243,718</u>	<u>\$ 63,755</u>	<u>\$ 3,362</u>	<u>\$ 192,308</u>	<u>\$ 503,143</u>
LIABILITIES					
Accounts payable	\$ 5,226	\$ 3,733	\$ -	\$ -	\$ 8,959
Accrued liabilities	6,990	370	-	-	7,360
TOTAL LIABILITIES	<u>12,216</u>	<u>4,103</u>	<u>-</u>	<u>-</u>	<u>16,319</u>
FUND BALANCES					
Nonspendable					
Prepays	2,772	722	-	-	3,494
Perpetual care	-	-	-	192,308	192,308
Restricted					
Streets	228,730	-	3,362	-	232,092
Assigned					
Recreation	-	58,930	-	-	58,930
TOTAL FUND BALANCES	<u>231,502</u>	<u>59,652</u>	<u>3,362</u>	<u>192,308</u>	<u>486,824</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 243,718</u>	<u>\$ 63,755</u>	<u>\$ 3,362</u>	<u>\$ 192,308</u>	<u>\$ 503,143</u>

**CITY OF PORTLAND
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2022**

	Special Revenue		Capital Projects	Permanent	Total
	Local Street	Recreation	Capital Projects	Cemetery Perpetual Care	
REVENUES					
Taxes	\$ 167,497	\$ -	\$ -	\$ -	\$ 167,497
Intergovernmental	153,051	14,000	-	-	167,051
Charges for services	-	53,913	-	1,490	55,403
Interest and rents	-	-	-	6	6
Other	1,170	4	-	-	1,174
TOTAL REVENUES	321,718	67,917	-	1,496	391,131
EXPENDITURES					
Current					
Public works	355,313	-	-	-	355,313
Recreation and culture	-	68,004	-	-	68,004
TOTAL EXPENDITURES	355,313	68,004	-	-	423,317
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(33,595)	(87)	-	1,496	(32,186)
OTHER FINANCING SOURCES (USES)					
Transfers in	76,666	24,000	-	-	100,666
Transfers out	-	-	-	(6)	(6)
TOTAL OTHER FINANCING SOURCES (USES)	76,666	24,000	-	(6)	100,660
NET CHANGE IN FUND BALANCES	43,071	23,913	-	1,490	68,474
Fund balances, beginning of year	188,431	35,739	3,362	190,818	418,350
Fund balances, end of year	\$ 231,502	\$ 59,652	\$ 3,362	\$ 192,308	\$ 486,824

**CITY OF PORTLAND
COMPONENT UNIT FUND
BALANCE SHEET - DOWNTOWN DEVELOPMENT AUTHORITY
JUNE 30, 2022**

ASSETS	
Cash	<u>\$ 348,420</u>
LIABILITIES	
Accounts payable	\$ 27,105
Accrued liabilities	<u>2,113</u>
TOTAL LIABILITIES	29,218
FUND BALANCE	
Unassigned	<u>319,202</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 348,420</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, 2022**

Total fund balance - governmental fund \$ 319,202

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	\$ 3,350,781	
Accumulated depreciation is	<u>(2,992,133)</u>	
Capital assets, net		<u>358,648</u>
Net position of governmental activities		<u><u>\$ 677,850</u></u>

**CITY OF PORTLAND
 COMPONENT UNIT FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 DOWNTOWN DEVELOPMENT AUTHORITY
 YEAR ENDED JUNE 30, 2022**

REVENUES	
Taxes	\$ 236,525
Intergovernmental	53,758
Interest	53
Other	<u>46,798</u>
TOTAL REVENUES	<u>337,134</u>
EXPENDITURES	
Current	
Community and economic development	151,626
Capital outlay	<u>615,253</u>
	<u>766,879</u>
NET CHANGE IN FUND BALANCE	(429,745)
Fund balance, beginning of year	<u>748,947</u>
Fund balance, end of year	<u><u>\$ 319,202</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, 2022

Net change in fund balance - governmental fund \$ (429,745)

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	\$	615,253
Depreciation expense		(160,611)
Capital contributions to primary government		<u>(660,165)</u>

Capital assets, net (205,523)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 46,400

Change in net position of governmental activities \$ (588,868)

**CITY OF PORTLAND
MISCELLANEOUS STATISTICAL DATA (UNAUDITED)
JUNE 30, 2022**

**Total Taxable Value
Fiscal Years Ended or Ending June 30, 2019 Through 2023**

Assessed Value as of <u>December 31</u>	Year of State Equalization and Tax <u>Levy</u>	City's Fiscal Year Ended or Ending <u>June 30</u>	Ad Valorem Taxable <u>Value (2)</u>	Equivalent Taxable Value of Property Granted Tax Abatement Under <u>Act 198(1)</u>	Total Taxable <u>Value</u>	Percent Increase Over Prior <u>Year</u>
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
2021	2022	2023	107,166,069	320,436	107,486,505	4.300

Per Capita Total Taxable Value for the Fiscal Year Ending June 30, 2023 (3)..... \$28,316.00

(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 2020 Census of 3,796.

Source: City of Portland

**Total Taxable Value by Use and Class
Fiscal Years Ended or Ending June 30, 2019 Through 2023**

<u>Use</u>	<u>Fiscal Year Ended or Ending June 30</u>				
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Residential.....	\$67,790,533	\$68,768,105	\$71,729,590	\$74,116,022	\$78,440,323
Commercial.....	23,765,400	23,827,614	24,496,262	25,716,291	26,251,148
Industrial.....	2,662,155	2,512,382	2,293,852	1,964,601	1,791,634
Utility.....	999,300	994,000	1,016,000	1,013,300	1,003,400
Development.....	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>\$ 95,217,388</u>	<u>\$96,102,101</u>	<u>\$ 99,535,704</u>	<u>\$102,810,214</u>	<u>\$107,486,505</u>
<u>Class</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Real Property	\$ 91,188,988	\$ 92,144,501	\$95,720,304	\$99,260,314	\$103,992,405
Personal Property.	<u>4,028,400</u>	<u>3,957,600</u>	<u>3,815,400</u>	<u>3,549,900</u>	<u>3,494,100</u>
	<u>\$ 95,217,388</u>	<u>\$ 96,102,101</u>	<u>\$ 99,535,704</u>	<u>\$102,810,214</u>	<u>\$107,486,505</u>

Source: City of Portland

**CITY OF PORTLAND
MISCELLANEOUS STATISTICAL DATA (UNAUDITED)
JUNE 30, 2022**

**Total State Equalized Valuation
Fiscal Years Ended or Ending June 30, 2019 Through 2023**

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
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
2021	2022	2023	129,790,900	320,436	130,111,336	6.400

Per Capita Total SEV for the Fiscal Year Ending June 30, 2023 (3) \$34,276.00

(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 2020 census of 3,796.

Source: City of Portland

**Total SEV by Use and Class
Fiscal Years Ended or Ending June 30, 2019 Through 2023**

Use	Fiscal Year Ended or Ending June 30				
	2019	2020	2021	2022	2023
Residential	\$ 71,409,100	\$ 75,948,300	\$ 84,359,091	\$ 91,642,800	\$ 99,606,300
Commercial.....	25,979,900	25,724,400	26,481,100	27,024,100	27,519,800
Industrial	2,667,272	2,513,276	2,294,200	2,024,000	1,981,836
Utility.....	999,300	994,000	1,016,000	1,013,300	1,003,400
Development.....	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>\$ 101,055,572</u>	<u>\$ 105,179,976</u>	<u>\$ 114,150,391</u>	<u>\$ 121,704,200</u>	<u>\$ 130,111,336</u>

Class	2019	2020	2021	2022	2023
Real Property	\$ 97,027,172	\$ 101,222,376	\$110,334,991	\$118,154,300	\$126,617,236
Personal Property.....	<u>4,028,400</u>	<u>3,957,600</u>	<u>3,815,400</u>	<u>3,549,900</u>	<u>3,494,100</u>
	<u>\$ 101,055,572</u>	<u>\$ 105,179,976</u>	<u>\$114,150,391</u>	<u>\$ 121,704,200</u>	<u>\$ 130,111,336</u>

Source: City of Portland

**CITY OF PORTLAND
MISCELLANEOUS STATISTICAL DATA (UNAUDITED)
JUNE 30, 2022**

**Maximum Property Tax Rates
Fiscal Year Ending June 30, 2023**

<u>Millage Classification</u>	<u>Millage Authorized</u>	<u>Millage Reduction Fraction (1)</u>	<u>Maximum Allowable Millage</u>
Operating (4)	15.0000	1.4656	13.5344

- (1) Cumulative.
(2) Includes 1.00 mill for local streets.
(3) Includes .9907 mill for local streets.
(4) Includes .9910 mill for local streets.
Source: City of Portland

**Property Tax Rates (1)
Fiscal Years Ended or Ending June 30, 2019 Through 2023**

<u>Levy July 1</u>	<u>Fiscal Year Ended or Ending June 30</u>	<u>Total Operating</u>
2018	2019	13.6574 (2)
2019	2020	13.6574 (2)
2020	2021	13.5303 (3)
2021	2022	13.6574 (2)
2022	2033	13.5344 (4)

- (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, 2019 Through 2023**

<u>Governmental Unit</u>	<u>Fiscal Year Ended June 30</u>				
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
City of Portland.....	13.6574	13.6574	13.5303	13.6574	13.5344
County of Ionia.....	4.6326	4.6265	4.6265	4.59410	4.5711
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	4.8690	4.8690	4.8527	4.8261
Intermediate School District-Tech Ed....	.9987	.9981	.9981	.9921	.9875
Library.....	1.9525	1.9108	1.2308	1.2308	1.8359
Seniors.....	.4988	.4981	.4981	.4981	.4921
Roads.....	<u>1.0000</u>	<u>.9987</u>	<u>.9987</u>	<u>.9987</u>	<u>.9867</u>
Total	<u>40.9636</u>	<u>40.9086</u>	<u>40.1015</u>	<u>40.1739</u>	<u>40.5838</u>

**CITY OF PORTLAND
MISCELLANEOUS STATISTICAL DATA (UNAUDITED)
JUNE 30, 2022**

**Non-Homestead (1) Property Tax Rates by Governmental Unit
Fiscal Years Ended June 30, 2019 Through 2023**

<u>Governmental Unit</u>	<u>Fiscal Year Ending June 30</u>				
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2022</u>
City of Portland.....	13.6574	13.6574	13.5303	13.6574	13.5344
County of Ionia.....	4.6326	4.6252	4.6265	4.59410	4.5711
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	4.8690	4.869	4.8527	4.8261
Intermediate School District-Tech. Ed...	.9987	.9981	.9981	.9921	.9867
Library.....	1.9525	1.9108	1.2308	1.2308	1.8359
Seniors.....	.4988	.4981	.4981	.4981	.4921
Roads.....	<u>1.0000</u>	<u>.9987</u>	<u>.9987</u>	<u>.9987</u>	<u>.9867</u>
Total	<u>58.9636</u>	<u>58.9086</u>	<u>58.1015</u>	<u>58.1739</u>	<u>58.5830</u>

(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, 2019 Through 2023**

<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>
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	1,207,492	97.70
2022	2023	1,289,407	(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, 2022**

**Ten Largest Taxpayers
Fiscal Year Ending June 30, 2023**

<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	\$2,765,999	2.5
Parkers Landing (Portland Partners)	Apartments	2,343,912	2.1
DFC of Portland (The Brook)	Senior Living	1,896,800	1.7
Portland Apartments (LAWCO)...	Apartments	1,066,075	.90
Consumers Energy	Utility	985,555	.90
Park View MHC LLC	Mobile Home Park	879,800	.80
THK.....	Tie Rods, Steering, Linkages.....	706,952	.60
Rindlehaven Land Co. LLC	Land	590,300	.50
CLNB LLC	Retail – Family Farm and Home	556,800	.50
Ryan, LLC.....	Gas Station (Speedway)	<u>514,600</u>	<u>.40</u>
		<u>\$ 12,306,793</u>	<u>10.90%</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 \$107,486,505, which is the City’s Total Taxable Value for the fiscal year ending June 30, 2023. 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, 2019 Through 2022**

<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>
2019	\$915,686	\$797,686	(5.835)
2020	845,111	777,780	(2.49)
2021	1,051,441	934,645	16.70
2022	1,117,835	1,022,246	8.50

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

Source: City of Portland

**CITY OF PORTLAND
MISCELLANEOUS STATISTICAL DATA (UNAUDITED)
JUNE 30, 2022**

**Revenues from the State of Michigan
Fiscal Years Ended or Ending June 30, 2018 through 2022**

	Fiscal Years Ended or Ending June 30				
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
State Revenue Sharing.....	\$ 427,283	\$ 442,936	\$ 455,931	\$ 451,292	\$ 523,006
Other	<u>4,529</u>	<u>4,685</u>	<u>4,752</u>	<u>4,391</u>	<u>4,632</u>
Total Revenues from the State of Michigan	<u>\$ 431,812</u>	<u>\$ 447,621</u>	<u>\$460,683</u>	<u>\$455,683</u>	<u>\$527,638</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, 2022**

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, 2022:

Debt Limit (1)	\$ 13,011,134
Debt Outstanding	\$ 4,281,872
Less: Exempt Debt (2).....	<u>(3,331,872)</u> \$950,000
Legal Debt Margin.....	<u>\$12,061,134</u>

(1) 10% of \$130,111,336 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, 2022, 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).....	\$ 695,000	\$ 695,000	\$ -0-
Dated December 29, 2010 (6)	\$ 2,397,000	\$ 2,397,000	\$ -0-
Dated September 25, 2003 (5)	<u>\$ 239,872</u>	<u>\$ 239,872</u>	<u>\$ -0-</u>
Subtotal	<u>\$ 3,331,872</u>	<u>\$ 3,331,872</u>	<u>\$ -0-</u>
Capital Improvement Bonds:			
Dated May 2020 (Limited Tax) (1).....	<u>\$ 950,000</u>	<u>\$ 950,000</u>	<u>\$ -0-</u>
Subtotal	<u>\$ 950,000</u>	<u>\$ 950,000</u>	<u>\$ -0-</u>
 Total City Direct Debt:	 <u>\$ 4,281,872</u>	 <u>4,281,872</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, 2022**

<u>Overlapping Debt (2)</u>	<u>Gross</u>	<u>City Share as a Percent of Gross</u>	<u>Net</u>
Ionia County	\$ 878,714	5.52%	\$ 48,505
Ionia County Intermediate School District.....	1,605,000	4.89	78,485
Portland District Library.....	215,000	29.71	63,877
Portland Public Schools.....	<u>35,593,384</u>	24.44	<u>8,699,023</u>
Total Overlapping Debt	<u>38,292,098</u>		<u>8,889,890</u>
Total City Direct and Overlapping Debt.....	<u>\$ 42,573,970</u>		<u>\$ 13,171,762</u>
Per Capita Net Overlapping Debt (3).....			\$2,341.90
Percent of Net Overlapping Debt to Total SEV (4)			6.0%
Per Capita Net Direct and Overlapping Debt (3).....			\$3,469.90
Percent of Net Direct and Overlapping Debt to Total SEV (4)			10.00%

-
- (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 2020 Census of 3,796.
- (4) Based on \$130,111,336, which is the City’s Total SEV for the fiscal year ending June 30, 2023. 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



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**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, 2022, 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 18, 2022.

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.

Report on 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 or other matters that are required to be reported under *Government Auditing Standards*.

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 18, 2022

PORTLAND CITY COUNCIL
Ionia County, Michigan

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

RESOLUTION NO. 22-90

**RESOLUTION OF AUTHORIZATION AND SUPPORT FOR COMMUNITY LAKE
PARK IMPROVEMENTS FOR THE MICHIGAN DEPARTMENT OF NATURAL
RESOURCES SPARK GRANT PROGRAM**

WHEREAS, the City of Portland supports the submission of an application titled, “Community Lake Park Improvements” to the Spark Grant Program for renovation of the City’s Park at Community Lake; and

WHEREAS, the City of Portland, through private contributions, is hereby making a financial commitment to the project in the amount of \$210,000 matching funds, in cash and/or force account; and

WHEREAS, if the grant is awarded the applicant commits its local match and donated amounts from the following sources:

Matt & Theresa Getchell	\$100,000 (cash)
Sinclair Recreation	\$34,000 (donated materials)
Wieland	\$76,000 (force account)
Total	\$210,000

NOW THEREFORE BE IT RESOLVED AS FOLLOWS:

1. The City of Portland hereby authorizes submission of a Spark Grant Application for \$630,000, and further resolves to make available a local match through private financial commitment and donation(s) of \$210,000 (25%) of a total \$840,000 project cost, during the 2023-2024 fiscal year.

Ayes:

Nays:

Absent:

Abstain:

RESOLUTION DECLARED ADOPTED.

Dated: December 5, 2022

Monique I. Miller, City Clerk

I HEREBY CERTIFY, that the foregoing is a Resolution duly made and passed by the City Council of Portland at their regular meeting held on December 5, 2020, at 7:00 P.M. in Portland, Michigan, with a quorum present.

Dated: December 5, 2022

Monique I. Miller, City Clerk

PORTLAND CITY COUNCIL
Ionia County, Michigan

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

RESOLUTION NO. 22-91

A RESOLUTION APPROVING THE MICHIGAN PUBLIC POWER AGENCY'S (MPPA) RECOMMENDATION TO APPROVE, AUTHORIZE, AND DIRECT THE MEMBER AUTHORIZED REPRESENTATIVE TO SIGN THE ENERGY SERVICES PROJECT AMENDED AND RESTATED POWER PURCHASE COMMITMENT AUTHORIZATION FOR SOLAR POWER

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, the City of Portland, as a member of the MPPA's Energy Services Project Committee, previously executed a Power Purchase Agreement (PPA) for a percentage of the output of renewable energy for solar projects in Calhoun County. MPPA and Invenergy have negotiated a Third Amendment to the PPA, a copy of the Energy Services Project Amended and Restated Power Purchase Commitment Authorization is attached as Exhibit A; and

WHEREAS, at its regularly scheduled meeting on November 29, 2022, the Board of Light and Power passed a recommendation to City Council to approve the Energy Services Project Amended and Restated Power Purchase Commitment Authorization, a copy of a memo from the Electric Superintendent is attached as Exhibit B.

NOW THEREFORE BE IT RESOLVED AS FOLLOWS:

1. The Portland City Council approves the Board of Light and Power's recommendation to approve, authorize, and direct the Member Authorized Representative to sign the Energy Services Project Amended and Restated Power Purchase Commitment Authorization, a copy of which 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 5, 2022

Monique I. Miller, City Clerk



ENERGY SERVICES PROJECT Amended and Restated Power Purchase Commitment Authorization

This Amended and Restated Power Purchase Commitment Authorization (“Authorization”) is made and entered into as of _____, 2022, by and between MICHIGAN PUBLIC POWER AGENCY (“MPPA”), a public body corporate and politic of the State of Michigan, created pursuant to 1976 PA 448 and the City of Portland (the “Participant”).

WHEREAS, MPPA and Participant previously executed a Power Purchase Commitment (“PPC”) for a percentage of the output of the renewable power supply from the Power Purchase Agreement (“Invenergy Calhoun Solar PPA or PPA”) executed between MPPA and Invenergy Solar Development North America, LLC, whose successor in interest is Calhoun Solar Energy LLC, a Delaware limited liability company (“Invenergy”); and

WHEREAS, MPPA and Invenergy entered into a First Amendment to the PPA on October 23, 2018 to address an edit to the termination calculation in the Defaults and Remedies Section and a Second Amendment on November 13, 2018 to allow for the use of Performance Bonds for Seller Development Security; and

WHEREAS, more recently MPPA and Invenergy mutually negotiated a Third Amendment to the PPA (“Third Amendment”) to resolve potential disputes under the PPA associated with delays to the Commercial Operation Date (“COD”) and a new Contract Rate driven by increased costs of solar modules caused by international trade disputes; and

WHEREAS, the MPPA Board of Commissioners passed a Resolution approving the Third Amendment to the PPA at its November 9, 2022 Board of Commissioner’s Meeting; and

WHEREAS, the Third Amendment changes the Contract Rate and COD in the previously executed PPC between MPPA and Participant; and

WHEREAS, this Amended and Restated Authorization is being executed by Participant as a PPC between the Participant and MPPA for the PPA, as amended, including the Third Amendment to modify the Contract Rate and COD from the previously executed PPC.

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements herein contained, it is agreed by and between the parties hereto as follows:

Section 1. Solar Power Supply Agreement

The PPA for the solar facility in Calhoun County is known as the Invenergy Calhoun Solar PPA. MPPA will allocate a pro-rata portion of MPPA’s right and obligations contained in the PPA, as amended, to the Participant, as provided in Section 4 of this Authorization.

Section 2. Delivery Point

The delivery point for solar power will be located at the solar facility’s interconnection point(s) with the transmission system.

Section 3. Term

The term of the PPC will begin upon the declared COD currently committed to be no later May 31, 2023 and shall continue for at least 25 years thereafter.

Section 4. Quantity

The Participant is allocated the following percentage share of the renewable energy, capacity and environmental attributes provided to MPPA under the PPA:

MPPA’s PPA Installed Capacity	Participant’s Allocation Percentage	Participant’s Installed Capacity (approximate)
50 MW	.70%	.35 MW

“MPPA’s PPA Installed Capacity” shall mean 50 MW, which may be reduced if Commercial Operation is declared with less than 50 MW of Installed Nameplate Capacity (but for avoidance of doubt, no less than 45 MW). If MPPA’s PPA Installed Capacity is reduced, Participant’s Installed Capacity will be reduced by MPPA’s PPA Installed Capacity total reduction multiplied by Participant’s Allocation Percentage.

Section 5. Product

Energy, Capacity and Environmental Attributes.

Section 6. Price

Each Participant will pay to MPPA the Contract Rate for each Contract Year of the PPA as depicted in Exhibit A attached hereto multiplied by the Quantity allocated to the Participant.

Section 7. Energy Services Agreement

This Authorization is subject to the terms and provisions of the Energy Services Agreement (“ESA”). In the event the terms of this Authorization conflict with the ESA, the ESA shall control.

Section 8. Evidence

Authority of the Participant’s Member Authorized Representative to execute this Authorization is evidenced through the Participant resolution passed appropriately by the Participant’s governing body or through the meeting minutes of the Participant’s governing body where approval was granted to the Member Authorized Representative to execute this Authorization.

Section 9. Effectiveness

This Authorization is not effective until MPPA has received a sufficient number of executed Amended and Restated authorizations from the other MPPA members who have their own PPC under the PPA.

Member Authorized Representative

By: _____

Its: _____

Dated: _____

EXHIBIT A

CONTRACT RATE

Contract Year	Contract Rate (\$/MWh)
Annual Escalation: 2%	
Year 1	42.45
Year 2	43.30
Year 3	44.16
Year 4	45.05
Year 5	45.95
Year 6	46.87
Year 7	47.81
Year 8	48.76
Year 9	49.74
Year 10	50.73
Year 11	51.75
Year 12	52.78
Year 13	53.84
Year 14	54.91
Year 15	56.01
Year 16	57.13
Year 17	58.27
Year 18	59.44
Year 19	60.63
Year 20	61.84
Year 21	63.08
Year 22	64.34
Year 23	65.63
Year 24	66.94
Year 25	68.28

RECOMMENDATION: Recommend City Council approve and authorize the City of Portland - Board of Light and Power Member Authorized Representative to execute the MPPA negotiated Invenergy Calhoun Power Purchase Amendment Commitment Authorization for an estimated net change in price of approximately \$2006/year for 25 years.

PORTLAND CITY COUNCIL
Ionia County, Michigan

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

RESOLUTION NO. 22-92

**A RESOLUTION APPROVING PAYMENT TO F&V CONSTRUCTION FOR
WORK PERFORMED FOR THE
WASTEWATER TREATMENT PLANT PROJECT**

WHEREAS, Fleis & VandenBrink, through F&V Construction is serving as the design-builder for the wastewater treatment plant project; and

WHEREAS, F&V Construction has performed work in accordance with the design-build agreement and has submitted a request for payment in the amount of \$30,699.00, a copy of which is attached as Exhibit A.

WHEREAS, the City Manager and Finance Director have reviewed the pay request and recommends that City Council approves same.

NOW THEREFORE BE IT RESOLVED AS FOLLOWS:

1. The Portland City Council approves the pay request from F&V Construction for work performed for the wastewater treatment plant project in the amount of \$30,699.00, 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 5, 2022

Monique I. Miller, City Clerk

APPLICATION & CERTIFICATE FOR PAYMENT

To (Owner):	City of Portland 259 Kent Street Portland, MI 48875	Project:	Wastewater System Improvements CWSRF No. 5758-01	Invoice No.:	2102
				Application No.:	10
				Application Date:	November 29, 2022
DESIGN-BUILDER:	F&V Construction 2960 Lucerne Drive SE Grand Rapids, MI 49546			Period to:	November 30, 2022
				FVC Proj No.:	1221
				Contract Date:	December 23, 2021

DESIGN-BUILDER'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the Contract. Continuation sheet is attached.

CHANGE ORDER SUMMARY

Change Orders Approved	ADDITIONS	DELETIONS
Change Order No. 1	\$ 28,649.69	\$0.00
TOTALS	\$ 28,649.69	\$ -
Approved this Month		
TOTALS	\$ -	\$ -
Net Change by Change Orders	\$ 28,649.69	\$ -

1. ORIGINAL CONTRACT SUM	\$	12,750,000.00
2. NET CHANGE BY CHANGE ORDERS	\$	28,649.69
3. ADJUSTED CONTRACT SUM TO DATE (Line 1 + Line 2)	\$	12,778,649.69
4. TOTAL COMPLETED & STORED TO DATE	\$	855,702.00
5. RETAINAGE	\$	11,570.20
6. TOTAL ELIGIBLE TO DATE (Line 4 - Line 5)	\$	844,131.80
7. LESS PREVIOUS PAYMENTS	\$	813,432.80
8. CURRENT PAYMENT DUE	\$	30,699.00
9. BALANCE TO FINISH, PLUS RETAINAGE (Line 3 - Line 4 + Line 5)	\$	11,934,517.89

AMOUNT CERTIFIED

(Attach explanation if amount certified differs from the amount applied for.)

\$ 30,699.00

DESIGN-BUILDER:

By: *Cocystee*
 This Certification is not negotiable. The AMOUNT CERTIFIED is payable only to party named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Design-Builder under this Contract.

Date: 11/29/2022

CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on on-site observation and the data comprising the above application, the Design-Builder certifies to the Owner that to the best of the Design Builder's knowledge, information, and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Design-Builder is entitled to payment of the AMOUNT CERTIFIED.

APPROVALS:

By: _____
CITY OF PORTLAND

Date: _____

Payment Application No. 10

City of Portland | Wastewater System Improvements, CWSRF No. 5758-01

Contract No.	Item Description	Original Contract Amount	Changes to Date	Adjusted Contract Amount	Previously Invoiced	Work Completed this Period	Total Completed to Date	Balance to Finish	Percent Complete
C1	Site Work & Excavation	\$ 1,557,040.00	\$ 15,000.00	\$ 1,572,040.00	\$ -	\$ -	\$ -	\$ 1,572,040.00	0%
C2	Concrete	\$ 684,595.00	\$ -	\$ 684,595.00	\$ -	\$ -	\$ -	\$ 684,595.00	0%
C3	General Trades	\$ 656,125.00	\$ -	\$ 656,125.00	\$ -	\$ -	\$ -	\$ 656,125.00	0%
C4	Painting	\$ 210,568.00	\$ -	\$ 210,568.00	\$ -	\$ -	\$ -	\$ 210,568.00	0%
C5	Mechanical	\$ 4,527,209.20	\$ 11,405.69	\$ 4,538,614.89	\$ -	\$ -	\$ -	\$ 4,538,614.89	0%
C6	Electrical, Instrumentation & Control	\$ 1,072,737.00	\$ -	\$ 1,072,737.00	\$ -	\$ -	\$ -	\$ 1,072,737.00	0%
C7	Biosolids Storage Tank	\$ 488,780.00	\$ -	\$ 488,780.00	\$ -	\$ -	\$ -	\$ 488,780.00	0%
C8	Sanitary Sewer Improvements (Not Used)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%
C9	Cured-in-Place Pipe (Not Used)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%
C10	River Crossing (Not Used)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%
C11	Masonry	\$ 225,000.00	\$ -	\$ 225,000.00	\$ -	\$ -	\$ -	\$ 225,000.00	0%
C12	Concrete Demo (Included in C1)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0%
C13	Owner's System Integrator	\$ 49,900.00	\$ -	\$ 49,900.00	\$ -	\$ -	\$ -	\$ 49,900.00	0%
	General Conditions	\$ 313,700.00	\$ -	\$ 313,700.00	\$ 75,200.00	\$ 10,700.00	\$ 85,900.00	\$ 227,800.00	27%
	Design-Builder's Fee	\$ 831,800.00	\$ 2,244.00	\$ 834,044.00	\$ 6,392.00	\$ 910.00	\$ 7,302.00	\$ 826,742.00	1%
	Basic Services - Design, VE & Pre-Con	\$ 740,000.00	\$ -	\$ 740,000.00	\$ 740,000.00	\$ -	\$ 740,000.00	\$ -	100%
	Basic Services - PM, Admin, SS	\$ 789,800.00	\$ -	\$ 789,800.00	\$ -	\$ 22,500.00	\$ 22,500.00	\$ 767,300.00	3%
	Design-Builder's Contingency	\$ 602,745.80	\$ -	\$ 602,745.80	\$ -	\$ -	\$ -	\$ 602,745.80	0%
	Contract Total	\$ 12,750,000.00	\$ 28,649.69	\$ 12,778,649.69	\$ 821,592.00	\$ 34,110.00	\$ 855,702.00	\$ 11,922,947.69	7%

City of Portland

Portland, Michigan

Minutes of the City Council Meeting

Held on Monday, November 21, 2022

In the City Council Chambers at City Hall

259 Kent St., Portland, MI 48875

Present: Mayor Barnes, Mayor Pro-Tem VanSlambrouck, Council Members Fitzsimmons, and Sheehan; City Manager Gorman; City Clerk Miller

Absent: Council Member Johnston

Guests: David Eberle, Shaydon Weaver, and Clinton Rosekopf of Bloom Sluggett, PC; Mike Judd; Kathy Parsons

The meeting was called to order at 7:00 P.M. by Mayor Barnes with the Pledge of Allegiance.

Motion by Fitzsimmons, supported by Sheehan, to approve the proposed agenda with a revision to excuse Council Member Johnston.

Yeas: Fitzsimmons, Sheehan, VanSlambrouck, Barnes

Nays: None

Absent: Johnston

Adopted

Motion by VanSlambrouck, supported by Fitzsimmons, to excuse the absence of Council Member Johnston.

Yeas: VanSlambrouck, Fitzsimmons, Sheehan, Barnes

Nays: None

Absent: Johnston

Adopted

There was no Public Comment.

Under City Manager Report, City Manager Gorman thanked the DPW crews for their prompt attention to cleaning the city streets after the recent snowfall.

City Manager Gorman thanked City Clerk Miller and the election workers for all their efforts on Election Day, November 8, 2022. He noted attorneys representing the City will be working to revise the Sign Ordinance to address issues related to political signs.

City Manager Gorman thanked the downtown business owners that attended the November 7, 2022, Council meeting and for their discussion related to the project. Funding for the project is still being finalized but the City is expecting to receive an update in the next couple of days. A

design review meeting will be held with City Engineers on December 6, 2022. Construction will likely take place in 2024; a more precise schedule will be available soon.

The City is working on a new or revised trash/recycle hauling contract. Granger has been a great partner to the City. The City Ordinance requires an RFP process for a new contract but is not required for an amendment. Previous updates to the Granger Contract have been done through amendments. City Manager Gorman stated he will have a recommendation for a new or amended contract update in January.

An employee training was held on November 16, 2022. A second session will be held in December, and a third in January. He thanked Council for their approval of this training as it is valuable to the employees.

The Zoning Ordinance update is currently under legal review.

City Manager Gorman noted he has been working with the new owners of Rindlehaven on a proposed rezoning of the property. A Public Hearing will likely be held at the January Planning Commission meeting.

New business owners are working to open a Mexican restaurant in the building that formerly housed the Looking Grand Café. They expect to open the new restaurant in late winter/spring 2023.

City staff received the Fiscal Year 2021-2022 Audit and has been reviewing it over the past week. The auditors will present the audit at the December 5, 2022, meeting.

The 2023 budget process will begin soon with the Goal Session expected to take place in late January.

Under Presentations, City Manager Gorman stated upon the recent notice of retirement from City Attorney Karen McFadden he has chosen David Eberle of Bloom Sluggett, PC as her replacement.

David Eberle, Shaydon Weaver, and Clinton Rosekopf of Bloom Sluggett, PC introduced themselves and noted their pleasure to serve as attorneys for the City of Portland.

Under New Business, the City Council considered Resolution 22-87 to approve the City Manager's appointment of David Eberle of Bloom Sluggett, PC as the Portland City Attorney.

Motion by Fitzsimmons, supported by Sheehan, to approve Resolution 22-87 approving and ratifying the City Manager's appointment of David Eberle of Bloom Sluggett, PC to serve as the Portland City Attorney.

Yeas: Fitzsimmons, Sheehan, VanSlambrouck, Barnes

Nays: None

Absent: Johnston

Adopted

The Council considered Resolution 22-88 to approve the purchase of a John Deere 3039R tractor in the amount of \$32,053.67, through the MiDEAL program for the Parks Department.

Motion by VanSlambrouck, supported by Fitzsimmons, to approve Resolution 22-88 approving the purchase of a John Deere tractor for the Parks Department.

Yeas: VanSlambrouck, Fitzsimmons, Sheehan, Barnes

Nays: None

Absent: Johnston

Adopted

The Council considered Resolution 22-89 to approve the Joint Funding Agreement for the operation of a Streamgaging Station at the hydroelectric plant as required by the Federal Energy Regulatory Commission (FERC).

Motion by Sheehan, supported by Fitzsimmons, to approve Resolution 22-89 approving, authorizing, and directing the Mayor to sign the Joint Funding Agreement for the operation of a Streamgaging Station.

Yeas: Sheehan, Fitzsimmons, VanSlambrouck, Barnes

Nays: None

Absent: Johnston

Adopted

Motion by Fitzsimmons, supported by VanSlambrouck, to approve the Consent Agenda which includes the Minutes and Synopsis from the Regular City Council Meeting on November 7, 2022, payment of invoices in the amount of \$183,590.54 and payroll in the amount of \$139,458.25 for a total of \$323,048.79. Purchase orders to the Portland Area Municipal Authority in the amount of \$5,945.10 for services provided by Cook Brothers Excavating, and in the amount of \$40,475.81 for a new roof were also included.

Yeas: Fitzsimmons, VanSlambrouck, Sheehan, Barnes

Nays: None

Absent: Johnston

Adopted

Under City Manager Comments, City Manager Gorman noted the last day for loose leaf pickup will be Monday, December 5, 2022.

City Manager Gorman reminded residents that no parking on City streets between 2:00 and 6:00 A.M. will begin November 1st through April 1st.

City Manager Gorman wished everyone a Happy Thanksgiving and noted his thankfulness for the support of the City Council and City Staff.

Under Council Comments, Mayor Pro-Tem VanSlambrouck stated the VFW will host Thanksgiving Dinner from 1:00 – 3:00 P.M. on Thanksgiving. This is free to the community.

Council Member Sheehan congratulated new Eagle Scout, Brandon Kowatch on his achievement.

Motion by Fitzsimmons, supported by VanSlambrouck, to adjourn the regular meeting.

Yeas: Fitzsimmons, VanSlambrouck, Sheehan, Barnes

Nays: None

Absent: Johnston

Adopted

Meeting adjourned at 7:33 P.M.

Respectfully submitted,

James E. Barnes, Mayor

Monique I. Miller, City Clerk

City of Portland
Synopsis of the Minutes of the November 21, 2022 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 Members Fitzsimmons, and Sheehan; City Manager Gorman; City Clerk Miller

Absent – Council Member Johnston

Presentation - David Eberle, Shaydon Weaver, and Clinton Rosekopf of Bloom Sluggett, PC introduced themselves and noted their pleasure to serve as attorneys for the City of Portland.

Approval of Resolution 22-87 approving and ratifying the City Manager’s appointment of David Eberle of Bloom Sluggett, PC to serve as the Portland City Attorney.

All in favor. Adopted.

Approval of Resolution 22-88 approving the purchase of a John Deere tractor for the Parks Department.

All in favor. Adopted.

Approval of Resolution 22-89 approving, authorizing, and directing the Mayor to sign the Joint Funding Agreement for the operation of a Streamgaging Station.

All in favor. Adopted.

Approval of the Consent Agenda.

All in favor. Adopted.

Adjournment at 7:33 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
FAMILY FARM & HOME	01972	SUPPLIES - WW	252.96
STAR THOMAS	01654	PHONE BILL REIM NOV 2022 - POLICE	40.00
KARA DOUGHERTY	02767	ASSESSING SERVICES 2ND HALF OF NOV 2022- ASSESS	1,583.33
ESI HEATING	01709	REFUND COED VBALL SPONSOR FEE - REC	210.00
FARABEE MECHANICAL, INC.	00148	COOPER BESSEMER TURBO RPR- ELE APR 22-55	29,640.98
FARABEE MECHANICAL, INC.	00148	COOPER BESSEMER TURBO RPR- ELE APR 22-55	68,718.16
FARABEE MECHANICAL, INC.	00148	COOPER BESSEMER TURBO RPR- ELE APR 22-55	13,608.61
HOMETOWN SPORTS, INC.	01326	EMBROIDERY ON JACKET G SCHNEIDER - ELECT, WATER	8.00
SPARROW IONIA OCCUP HEALTH SERVICE	02275	DOT PHYSICAL R SMITH - WATER	100.00
CULLIGAN	02130	2X WATER CITY HALL - GEN	15.50
APPLIED IMAGING	02493	PRINTER INVOICE - VARIOUS DEPTS	401.01
JOHN DEERE FINANCIAL	01818	VAR PURCHASES - VAR DEPTS	1,416.72
BOUND TREE MEDICAL LLC.	01543	MEDICAL SUPPLIES - AMB	153.90
BOUND TREE MEDICAL LLC.	01543	MEDICAL SUPPLIES - AMB	34.98
CMP DISTRIBUTORS INC.	01745	PANTS - POLICE	69.95
CMP DISTRIBUTORS INC.	01745	BALLISTIC VEST - POLICE	789.00
CORRIGAN OIL CO, NO. 11	02693	DIESEL FUEL - MTR POOL	867.27
OTIS ELEVATOR	00970	ELEVATOR MAINTENANCE FEE - CITY HALL	651.60
DON FOX	02717	TRAINING - AMB	225.00
CULLIGAN	02130	WATER 3X - POLICE	17.25
CULLIGAN	02130	WATER 1X - PARKS, CEM	8.75
GALL'S LLC	00159	HANDCUFF KEYS - POLICE	21.44
GALL'S LLC	00159	WINTER HATS, COATS - AMB, ELECT, WATER	278.14
HOMETOWN SPORTS, INC.	01326	POLO'S & HATS- AMB	496.00
K-13 LAWN CARE	00220	LAWN APPS POWERS PARK - PARKS	550.00
KEUSCH SUPER SERVICE	00228	CAR MAINTENANCE - POLICE	61.27
KEUSCH SUPER SERVICE	00228	DIAG, TUNE UP - POLICE	437.86
KODIAK EMERGENCY VEHICLES	02224	AMB REPAIR 45- AMB	546.70
MHR BILLING	01780	OCT 2022 BILLING - AMB	1,625.00
MUNICIPAL SUPPLY CO.	00324	HARDWARE - ELECTRIC	50.75
MUZZALL GRAPHICS	00326	WINDOW ENVELOPES - VAR DEPTS	2,006.84

VENDOR NAME	VENDOR	DESCRIPTION	AMOUNT
NYE UNIFORM CO.	00338	VEST CARRIERS - POLICE	189.00
PACE ANALYTICAL SERVICES, INC.	02435	GROUND WATER SAMPLE - ELECTRIC	108.60
PREMIER SAFETY	02465	ANALYZE CALIBRATION - ELECTRIC	240.92
STAR THOMAS	01654	SUPPLIES REIM - POLICE	113.64
ZERO9 SOLUTIONS	02707	HANDCUFF CASES - POLICE	72.20
HOMETOWN SPORTS, INC.	01326	EMB FOR UNIFORMS - AMB	362.00
TIMBER TREE SERVICES LLC	01817	TREE REMOVAL - MAJ STS	1,675.00
MICHIGAN COMPANY, INC.	00273	2 PALLETS ICE MELT - GEN, CITY HALL	1,274.94
FAMILY FARM & HOME	01972	HARDWARE - ELECTRIC	38.31
MUNICIPAL SUPPLY CO.	00324	FILTER FABRIC - ELECTRIC	210.00
KEUSCH SUPER SERVICE	00228	TIRE REPAIR - MTR POOL	50.00
STATE OF MICHIGAN	00428	BOILER INSPECTION FEE - ELECTRIC	250.00
STATE OF MICHIGAN	02577	WATER SAMPLES - WATER	212.00
AUTOMATED BUSINESS EQUIPMENT	00027	CLPIC40 INK CARTRIDGE - GEN	165.00
EAGLE ENTERPRISE OF MICHIGAN INC.	01986	ROOF HATCH GUARD RAIL LADDER DAM - ELEC, COUNC	25,050.00
LYDEN OIL COMPANY	01860	OIL FOR DAM - ELECTRIC	713.90
POWER LINE SUPPLY COMPANY	00389	HI VIS GEAR FOR WINTER - ELECTRIC	759.00
EAGLE ENTERPRISE OF MICHIGAN INC.	01986	DAM UNDERGRND WTR DOOR ACCESS REPAIR - ELECTRIC	1,673.00
KEUSCH SUPER SERVICE	00228	TIRE REPAIR #1 - POLICE	30.00
MARC'S MARINE	01867	PROP REPAIR - ELECTRIC	117.99
GREAT LAKES JANITORIAL SERVICES	02654	CLEANING SERVICES FOR NOV 2022 - ELECTRIC	140.00
POWER LINE SUPPLY COMPANY	00389	WIRE CONNECTORS - ELECTRIC	165.96
MUNICIPAL SUPPLY CO.	00324	HI VIS COAT - ELECTRIC	75.00
CHRIS WALKER	02779	9 HOLSTERS/RADIO CASE - POLICE	56.95
STAR THOMAS	01654	GAS STOVE - AMB	556.50
CIVIC PLUS	02335	WEBSITE UPDATE - COM PROMO APPROV RES 22.86	5,500.00
CULLIGAN	02130	1X WATER - WW	8.75
B&W AUTO SUPPLY, INC.	00030	VAR SUPPLIES - VAR DEPTS	1,611.76
INSOURCE SOLUTIONS GROUP INC.	01813	2022 EXTENDED SEASON E FINLING - INCOME TAX	170.00
MCFADDEN LAW OFFICE PLLC	02299	LEGAL SERVICES - POLICE	207.00
KEUSCH SUPER SERVICE	00228	TIRE DISPOSAL - MTR POOL	30.00

Date: 12/01/22

CITY OF PORTLAND INVOICE REGISTER

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VENDOR NAME	VENDOR	DESCRIPTION	AMOUNT
FAMILY FARM & HOME	01972	HARDWARE - MAJ STS	27.33
UPWORDS INC.	02780	3 PART LEADERSHIP WORKSHOP - VAR DEPTS	2,500.00
VAN BRO'S IRRIGATION INC.	01762	IRRIGATION WINTERIZATOIN TOAN PARK - PARKS	90.00
F&V CONSTRUCTION MANAGEMENT IN	00828	NOV 2022 WORK FOR WWTP #10 - WW	30,699.00
Total:			\$200,030.72

**BI-WEEKLY
WAGE REPORT
November 28, 2022**

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.	21,641.83	131,977.63	4,052.59	35,972.44	25,694.42	167,950.07
ASSESSOR	-	-	-	-	-	-
CEMETERY	5,230.90	57,853.90	509.12	13,490.25	5,740.02	71,344.15
POLICE	20,843.74	162,177.82	3,986.30	36,781.94	24,830.04	198,959.76
CODE ENFORCEMENT	81.08	995.44	6.21	77.31	87.29	1,072.75
PARKS	3,225.82	46,297.34	331.17	6,048.55	3,556.99	52,345.89
INCOME TAX	2,869.84	26,038.88	647.39	6,936.71	3,517.23	32,975.59
MAJOR STREETS	6,541.49	42,853.43	1,257.59	14,894.18	7,799.08	57,747.61
LOCAL STREETS	6,840.83	42,341.92	1,280.86	14,283.25	8,121.69	56,625.17
RECREATION	1,789.81	6,486.48	158.63	1,027.94	1,948.44	7,514.42
AMBULANCE	20,174.27	194,304.13	2,684.51	33,628.58	22,858.78	227,932.71
DDA	3,953.35	28,764.27	572.67	4,799.43	4,526.02	33,563.70
ELECTRIC	29,380.33	254,594.26	5,706.60	73,338.68	35,086.93	327,932.94
WASTEWATER	12,038.47	93,545.04	1,605.28	24,440.41	13,643.75	117,985.45
WATER	12,642.37	79,148.38	2,437.12	24,409.36	15,079.49	103,557.74
MOTOR POOL	1,247.98	8,505.07	227.22	2,128.66	1,475.20	10,633.73
TOTALS:	148,502.11	1,175,883.99	25,463.26	292,257.69	173,965.37	1,468,141.68



PURCHASE ORDER

City of Portland

P.O. 11324

259 Kent Street
Portland, MI 48875
(517) 647-7531

VENDOR Kurabe Mechanical

DATE: 12/1/22

DESCRIPTION	GL NUMBER	SPLIT	LINE TOTAL
<u>Nordberg Engine Repair</u>	<u>582.539.931</u>		<u>\$10,685.82</u>

DEPARTMENT HEAD (UP TO \$500) [Signature]

TOTAL \$10,685.82

[Signature]
Treasurer Initials

Authorized by City Manager
(For Purchases over \$500 and less than \$5,000)

Memo



To: Board of Light & Power

From: Todd Davlin, Electric Superintendent

Cc: Tutt Gorman, City Manager

Date: 11-29-2022

Re: Farabee Mechanical Invoice 11112022-01

During September Farabee Mechanical conducted work on two of the heads on the Nordberg dual fuel engine generator. The work addresses poor starting operation, dark smoke and erratic idling at initial starting and loading conditions. Farabee adjusted timing, replaced a metal shim/gasket, and conducted compressions checks underloaded and unloaded conditions. Exhaust conditions at start up are improved and the engine is more stable while idling.

RECOMMENDATION: Authorize and recommend City Council approve payment of Farabee Mechanical invoice number 11112022-01 in the amount of \$10,685.82 for top-end and timing service work to improve engine operations at start-up, idle, warm-up and initial loading.

.

abee Mechanical Inc.

PO Box 1748
Hickman, NE 68372

 **COPY**

Invoice

DATE	INVOICE #
11/11/2022	11112022-01

BILL TO
City of Portland, MI 259 Kent Street Portland, MI 48875

SHIP TO

P.O. NO.	TERMS	CONTRACT NUMBER
Nordberg	Net 15	23031422

DESCRIPTION	QTY	RATE	AMOUNT
Additional Nordberg Service Invoice Nordberg Service September 2022		0.00 10,685.82	0.00 10,685.82
Total USD			\$10,685.82



PURCHASE ORDER

City of Portland

P.O. 11666

259 Kent Street
Portland, MI 48875
(517) 647-7531

VENDOR Hammersmith Equipment Co

Grand Rapids MI 49503

DATE: 12-1-22

DESCRIPTION	GL NUMBER	SPLIT	LINE TOTAL
Sullivan model D185P124	661.441.977000	50	13,250 ⁰⁰
Towable air compressor w/ hose reel and jackhammer	582.539.977000	50	13,250 ⁰⁰
DEPARTMENT HEAD (UP TO \$500) <u>KG</u>		TOTAL	26,500 ⁰⁰

MT
Treasurer Initials

Authorized by City Manager
(For Purchases over \$500 and less than \$5,000)



Memo

To: Tutt Gorman, City Manager

From: Ken Gensterblum, Public Works Director

cc:

Date: December 1, 2022

Re: Portable Air Compressor

The purchase order from Hammersmith Equipment is for a portable air compressor which will replace our current portable air compressor which is a 1981 model year. The price from Hammersmith is less than the price quoted through a MIDEAL contract so we are purchasing from Hammersmith where we currently buy our air compressor accessories and related items so we have a good relationship with them. The purchase will be shared between motor pool and electric. The air compressor is used for multiple tasks by multiple departments, including jackhammering, blowing out debris from water shut off boxes, winterizing the splash pad, blowing rope in conduit to pull electric lines through, sand blasting, and various other jobs requiring air. This will be a nice addition to our fleet.

Recommendation is to purchase the portable air compressor from Hammersmith Equipment.



HAMMERSMITH

EQUIPMENT COMPANY

Quotation

Date 11/21/2022

Hammersmith Equipment Co.
 Grand Rapids, MI 49503
 Phone (616) 452-2400 Fax (616) 452-0353

Prepared By: Phil Quinn

Quotation For:
 City of Portland
 Attn: Ken

QUANTITY	DESCRIPTION	UNIT PRICE	TAXABLE?	AMOUNT
1	Sullivan model D185PIZ4 185CFM towable air compressor with an Isuzu 4 cylinder diesel engine and a 100' hose reel	24,700.00	n	24,700.00
1	Inbound freight charge	500.00	n	500.00
2	3/4"x 50' air hose	85.00	n	170.00
1	Tamco model TPB-90 90# class paving breaker (1-1/8" hex shank)	930.00	n	930.00
1	LED light kit	200.00	n	200.00
SUBTOTAL				\$ 26,500.00
TAX RATE				6.00%
SALES TAX				-
SHIPPING				-
TOTAL				\$ 26,500.00

NOTES

Ken, the air hose and paving breaker are in stock. Delivery is about 16 weeks on the air compressor.
 This quote is good for 30 days.
 Please call with any questions.
 Thank you,
 Phil

To accept this quotation, please sign and return: _____



2100 S CANAL ROAD
LANSING, MI 48917
517-394-2233



MacAllister Rentals

Contract No.	Invoice No.	Date
4932604	R87493260400	11NOV2022



Please Remit Your Payment to:
MacAllister Rentals
Dept. 78731
P.O. Box 78000
Detroit, MI 48278-0731

Page 1

COPY EQUIPMENT SALE QUOTE

4: 11 PM

L E S S E E	8303275	Date out	Date In
	CITY OF PORTLAND		
	259 KENT ST	Job Number	Purchase Order
	PORTLAND, MI 48875	1 - PORTLAND CITY BL	MI DEAL QUOTE
	Phone: 517-647-2948	Job Location	Ordered by
Fax: 517-647-2954	743 E GRAND RIVER AVE, PORTLAND	KEN GENSTERBLUM	
	WYNANDYC	000330	

Qty	B/O	Item Number	Bin Loc	Unit	Price	Amount
1.0		185CFM DIESEL COMPRESSOR, KUBOTA 185DPQ-KUB Lead time 52 weeks		EA	26950.00	26950.00
1.0		D185PI Z4 100PSI I SUZU ENGINE *SULLI VAND185		EA	26750.00	26750.00
1.0		SULLI VAN LEAD TIMES FEB/'23 SULLI VAN D185PKR COMPACT BODY *SULLI VAN185 ***PRICES SUBJECT TO CHANGE DUE TO UNFORSEEN MARKET CONDITIONS***		EA	25000.00	25000.00

DO NOT MAIL

Sub-total	78700.00
Total	78700.00

IMPORTANT! Please note and acknowledge safety instruction by initialing here: _____

By his/her Initial, Lessee will provide All safety accessories as required, per safety instructions. Initial here: _____
PAYMENT: Net-30 days from invoice date unless otherwise specified herein. A service charge will apply to all past due accounts.

RENTAL EQUIPMENT PROTECTION PLAN ("REP"): Lessee will purchase REP (terms at www.macallister.com/rep and incorporated herein by reference) if Lessee fails to obtain insurance coverage and provide MacAllister with proof of such coverage or if such insurance contains coverage amounts that are inadequate to cover the Equipment at any time.

TERMS AND CONDITIONS: The rental agreement terms and conditions found at www.macallister.com/rentalterms ("Rental Terms") are incorporated herein by this reference and apply to your rental of Equipment from or provision of Services by MacAllister (as defined in the Rental Terms). Please read carefully. This agreement includes an indemnification clause, a jury waiver, warranty disclaimers, and limitations of MacAllister's liability. By accepting delivery of or using the Equipment or Services or making payment(s) to MacAllister for the same, Lessee agrees to be bound by the Rental Terms and REP Terms, even if this Rental Out form has not been fully executed.

ACCEPTED BY CUSTOMER _____



Sullivan Palatek

D185PIZ4

TIER 4 FINAL \ ISUZU ENGINE \ PORTABLE COMPRESSOR



185CFM/100PSI

Dependable by design.™



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: 3/6/17

Name: MIKE JUDD

Address: 331 South Lincoln St.

Telephone No. (503) 285-0972

E-mail address Judd_michael@yahoo.com

Employer RETIRED Telephone No. —

How long have you lived in the City of Portland? 63 yrs

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, Portland*

College, University, or other school. State name and degree, certificate, etc., earned.

*Ferris STATE College
BA. Computer Science*

Professional and work experience

Community activities, interests, and service

*Portland Historical Society.
Community Orchestra
DDA/MAN ST. Volunteer (Design Committee)*

References (optional) Please provide name, address, and telephone number.

*Margery Briggs
Pastor Marilyn Davidson*

**Minutes of the Downtown Development Authority
City of Portland**

Held on Monday, October 24, 2022
In the Council Chambers at City Hall

Members Present: Grimminck, Barnes, Williamson, Madarang, Gorman, Ward, Briggs, Antaya

Members Absent: None

Staff: Director ConnerWellman, City Clerk Miller

Guests: None

Chair Grimminck called the meeting to order at 7:00 P.M.

Motion by Madarang, supported by Williamson, to approve the agenda as presented.
All in favor. Adopted.

Motion by Barnes, supported by Williamson, to approve the minutes of the September 26, 2022 meeting as presented.
All in favor. Adopted.

Motion by Williamson, supported by Madarang, to approve the October 2022 Treasurer's Report.
All in favor. Adopted.

There were no Team Reports.

Under Old Business, Director ConnerWellman shared results of the Strategic Planning survey for October 2022 through July 2024. She asked Board Members to choose what they will commit to.

City Manager Gorman provided an update on the Kent Street Improvement Project and stated the design will proceed with angle parking although the angle will be different than it is currently. Due to supply issues and the planning process construction will likely take place in 2024, but the City is still pursuing possible 2023 construction.

Director ConnerWellman provided an update on the easement process for the Kent St. Project.

Under New Business, Director ConnerWellman noted new Team Member, Mary Peterson of Independent Bank. She is a welcome addition to the team.

Director ConnerWellman noted the finishing touches were made to the mural painting on the building at 103 E. Grand River Ave. over the weekend. The building has been much improved.
Jim,

Director ConnerWellman provided an assessment of the TIF (Tax Increment Financing) Plan for review by the Board Members. The projects in the TIF need to be reviewed and evaluated. Any changes to the TIF Plan are required to go through a public review process.

There was discussion.

Director ConnerWellman stated that long-term parking has become an issue in the City parking lots. Most notably in the parking lot at Maple St. and Grand River Ave.

City Manager Gorman stated that a parking study was conducted during the Kent St. Design Process and several options for parking in the downtown are being evaluated. A specific plan to address the issues has not been determined. The City will use the current legal tools available to address the long-term parking issues.

Director ConnerWellman reported that volunteers have always been relied upon for staffing and the setting of barricades with no expense for community events; however, during a recent non-DDA event there was an issue with how some barricades were placed.

City Manager Gorman stated Police Chief Thomas has recently noted that for safety reasons volunteers should not be responsible for placing barricades. He further stated there are times the DPW Staff may be required to place barricades.

Director ConnerWellman stated there needs to be a discussion about how to accommodate the expenses to have City Staff come in after hours for this purpose for both DDA events and non-DDA events. Does the DDA bear the expense or share it with the City?

There was a lengthy discussion.

Under the Director's Report, Director ConnerWellman presented the monthly report.

Under Board Member Comments, City Manager Gorman provided development updates.

Motion by Williamson, supported by Madarang, to adjourn the meeting at 7:54 P.M.
All in favor. Adopted

Respectfully submitted,

Margery Briggs, Secretary



Date: November 28, 2022

REPORT OF FUNDS IN DDA AS OF: November 16, 2022

PRINCIPAL & INTEREST ACCOUNT

PREVIOUS BALANCE:	<u>9/31/2022</u>	<u>\$ 501.78</u>
NEW BALANCE:	<u>10/31/2022</u>	<u>\$ 501.78</u>

PRIME ACCOUNT

PREVIOUS BALANCE:	<u>9/31/2022</u>	\$ 22,898.03
DEPOSITS:		\$ (365.75)
Due to customers:		\$ -
NEW BALANCE:	<u>10/31/2022</u>	<u>\$ 22,532.28</u>

REGULAR ACCOUNT

PREVIOUS BALANCE:	<u>10/24/2022</u>	\$ 489,085.18
INTEREST EARNED:		\$ 117.90
DEPOSITS:		
Deposit Local Community Stabilization		\$ 60,718.08
Beerfest		\$ 3,000.00
Holiday Fest		\$ 575.00

CHECKS WRITTEN:

Ck No.	Payee:	<u>AMOUNTS</u>
	Admin charge October 2022	\$ 300.00
	Bank fee - Fraud Protection	\$ 30.00
2347	Action Awards, LLC - Holiday Fest Ribbons	\$ 163.00
2349	Cory Grimminck, Mileage Reimbursement for conference	\$ 128.75
2348	City of Portland, Reimbursements for credit card, phones, postage, etc.	\$ 1,570.18
2350	Kurt Fedewa, Article	\$ 25.00
2351	PE Office Solutions, Pocket Banners	\$ 1,303.99
2352	Portland Public Schools High School Music Program, Sound Equip Holiday Fest	\$ 150.00
2353	Tim Marshall, Horse & Carriage HolidayFest	\$ 700.00
2355	United Sign Company, Labor and install signs at Pavilion	\$ 395.00
2354	Tina ConnerWellman, phone reimbursement, mileage	\$ 40.00
	"Blank Checks" for Holidayfest window decorating contest	\$ 300.00
		\$ (5,105.92)

TRANSFER FOR DDA PAYROLL AND FRINGE BENEFITS FROM 10/17/2022 - 11/16/2022 \$ (8,488.01)

TOTAL EXPENSES: \$ (13,593.93)

NEW BALANCE: 11/28/2022 **\$ 539,902.23**

"The City of Portland is an equal opportunity provider and employer."

**GENERAL ELECTION
RESULTS
NOVEMBER 8, 2022**

RACE	PRECINCT 1	AVCB	CITY TOTAL	COUNTY	STATE
GOVERNOR					
Whitmer/Gilchrist II - Dem	501	500	1,001	10,845	2,422,650
Dixon/Hernandez - Rep	616	249	865	15,786	1,954,332
Buzuma/Ellison - Lib	23	10	33	314	38,764
Brandenburg/Carone - Tax	2	-	2	128	16,247
Hotgan/Clayton - Grn	3	3	6	85	10,772
Simpson/Dern - Law	2	1	3	48	4,954
SECRETARY OF STATE					
Jocelyn Benson - Dem	501	509	1,010	11,363	2,459,893
Kristina Karamo - Rep	587	231	818	14,747	1,846,464
Gregory Scott Stempfle - Lib	20	10	30	389	52,973
Christine C Schwartz - Tax	14	2	16	260	27,912
Larry James Hutchinson Jr. - Grn	8	1	9	115	16,610
ATTORNEY GENERAL					
Dana Nessel - Dem	453	488	941	10,387	2,321,680
Matthew DePerno - Rep	622	243	865	15,417	1,946,058
Joseph W. McHugh Jr. - Lib	30	14	44	516	67,714
Gerald T. VanSickle - Tax	12	2	14	323	32,389
REPRESENTATIVE IN CONGRESS - 2ND DISTRICT					
Jerry Hilliard - Dem	404	436	840	8,855	115,710
John Moolenaar - Rep	646	271	917	16,680	215,092
Nathan Hewer - Lib	42	20	62	656	6,818
STATE SENATOR - 33RD DISTRICT					
Mark Bignell - Dem	413	434	847	7,078	36,744
Rick Outman - Rep	648	275	923	12,772	76,700
Jay Gillotte - Lib	39	19	58	456	2,424
REPRESENTATIVE IN STATE LEGISLATURE - 78TH					
Leah M. Groves - Dem	419	440	859	6,836	13,533
Gina Johnson - Rep	677	286	963	13,151	25,764
MEMBER OF THE STATE BOARD OF EDUCATION - VOTE FOR 2					
Pamela Pugh - Dem	398	427	825	8,463	2,061,830
Mitchell Robinson - Dem	381	397	778	8,121	1,982,386
Tamara D. Carlone - Rep	594	245	839	15,065	1,908,265
Linda Dee Tarver - Rep	580	251	831	14,772	1,897,712
Donna Gundle-Krieg - Lib	36	11	47	647	87,518
Bill Hall - Lib	29	16	45	653	87,130
Ethan Hobson - Tax	13	5	18	382	48,175
Mary Anne Hering - Work	49	23	72	1,043	135,442
REGENT OF THE UNIVERSITY OF MICHIGAN - VOTE FOR 2					
Mike Behm - Dem	365	397	762	7,914	1,960,064
Kathy White - Dem	375	400	775	8,270	2,007,766
Lena Epstein - Rep	587	259	846	15,130	1,907,998
Sevag Vartanian - Rep	546	227	773	13,954	1,780,667
Eric Larson - Lib	46	22	68	949	128,721
Joe Sanger - Tax	20	12	32	634	71,334
Sherry A. Wells - Grn	28	8	36	506	77,848
Kathleen Oakford - Law	8	5	13	360	45,576

**GENERAL ELECTION
RESULTS
NOVEMBER 8, 2022**

RACE	PRECINCT 1	AVCB	CITY TOTAL	COUNTY	STATE
TRUSTEE OF MICHIGAN STATE UNIVERSITY - VOTE FOR 2					
Dennis Denno - Dem	351	396	747	7,785	1,937,701
Renee Knake Jefferson - Dem	359	407	766	8,211	1,983,945
Mike Balow - Rep	590	250	840	15,186	1,926,153
Travis Menge - Rep	571	249	820	14,689	1,845,163
Claranna Gelineau - Lib	45	15	60	750	99,393
Max Riekse - Lib	43	16	59	680	83,910
Robin Lea Laurain - Grn	24	11	35	542	78,838
GOVERNOR OF WAYNE STATE UNIVERSITY- VOTE FOR 2					
Danielle Atkinson - Dem	359	391	750	7,840	1,956,370
Marilyn Kelly - Dem	353	396	749	7,907	1,962,466
Christa Murphy - Rep	577	248	825	14,858	1,892,278
Craig Wilsher - Rep	557	237	794	14,376	1,813,293
Bruce Jaquays - Lib	35	11	46	784	100,825
Marc Joseph Sosnowski - Tax	22	11	33	591	71,337
Susan Odgers - Grn	18	12	30	468	71,218
COUNTY COMMISSIONER - 7TH DISTRICT					
Terence M. Frewen - Rep	824	396	1,220	2,933	
JUSTICE OF SUPREME COURT - VOTE FOR 2					
Richard Bernstein	488	443	931	11,186	
Kyra Harris Bolden	269	283	552	5,768	
Paul Hudson	239	131	370	5,730	
Kerry Lee Morgan	108	55	163	2,871	
Brian Zahra	375	244	619	10,161	
JUDGE COUT OF APPEALS - 3RD DISTRICT (INCUMBENT)					
James Robert Redford	674	406	1,080	16,253	
JUDGE COUT OF APPEALS - 3RD DISTRICT (INCUMBENT) - PARTIAL TERM					
Christopher Yates	674	423	1,097	15,956	
JUDGE COUT OF APPEALS - 3RD DISTRICT (NON-INCUMBENT)					
Raymond P. Voet	445	287	732	11,952	
Kathleen A. Feeney	319	258	577	7,871	
JUDGE OF CIRCUIT COURT - 8th CIRCUIT (INCUMBENT)					
Ronald J. Schafer	680	411	1,091	16,328	
PORTLAND PUBLIC SCHOOLS BOARD MEMBERS (3)					
Kurt Sandborn	521	259	780	2,599	
Linda Hoxie-Green	389	350	739	2,122	
Douglas A. Logel Jr.	334	365	699	1,896	
Susan L. Moyer	454	234	688	2,333	
Joe Polasek	159	114	273	673	
PROPOSAL 22-1					
YES	665	545	1,210	14,990	
NO	464	187	651	11,505	
PROPOSAL 22-2					
YES	547	526	1,073	12,687	
NO	585	212	797	13,863	

**GENERAL ELECTION
RESULTS
NOVEMBER 8, 2022**

RACE	PRECINCT 1	AVCB	CITY TOTAL	COUNTY	STATE
PROPOSAL 22-3					
YES	545	456	1,001	11,732	
NO	604	294	898	15,242	
*Results not listed					
	Voters	Registered Voters	% Turnout		
Precinct 1	1,156				
AVCB	765				
Total City of Portland	1,921	3,010	63.8%		

**PORTLAND POLICE DEPARTMENT
STATISTICAL INFORMATION
NOVEMBER 2022 STATS**

Calls for Service

Dispatched	80
Patrol Originated	5
Follow Up Complaints	34
Assist to PPD	5
Assist to Fire / EMS	8
Assist Other Depts	22

Other Functions

Subpoena Service	9
PBT's	0
Special Events	0
School Contacts (general)	3
Training	4
Administrative	21

Traffic Stops

Total Stops	43
Traffic Citations	14
Verbal Warnings	38
Parking Citations	20

Other

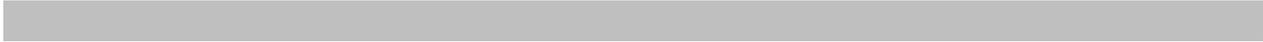
Physical Business Checks	
Interior	58
Exterior	268
Patrol Contacts	226

Arrests (Excluding Juvenile Apprehensions)

Misdemeanor Persons	5
Misdemeanor Charges	8
Felony Persons	1
Felony Charges	1

Code Enforcement / Blight

New Complaints	0
Follow up Complaints	3
Time Spent (in hours)	1



CITY OF PORTLAND

REPORT DATE
PERIOD COVERED

November 21, 2022
October 1-31, 2022

Kwh Consumed	2,621,520
DIESEL PRODUCTION	0
HYDRO GENERATION	67,397

Total Kwh Purchased	2,554,123	Total Dollars Paid	\$ 187,831.64
----------------------------	------------------	---------------------------	----------------------

Kwh Billed

Residential	1,113,075
Commercial	680,824
Large General	680,860
City St. Lites Metered	10,346
St. Lites Unmetered	
Rental Lights	
Demand	1,992
Total Kwh Billed	2,487,097

Dollars Billed

PCA Billed	\$ 69,767.67
Residential	\$ 153,939.56
Residential EO Charge	\$ 2,079.74
Geothermal Discount	\$ -
Commercial	\$ 88,595.63
Commercial/LG EO Charge	\$ 2,473.80
Large General	\$ 58,657.60
Large EO Charge	\$ 18.40
City St. Lights Metered	\$ 974.83
St. Lights Unmetered	\$ 1,543.05
Rental Lights	\$ 234.34
Demand	\$ 15,879.87
Tax	\$ 14,821.22
Total Dollars Billed	\$ 408,985.71

Arrears after billing	\$ 22,466.91
Penalties Added	\$ 2,791.82
Arrears end of month	\$ 42,922.68
Fuel Cost Billed	\$ 121,552.51
Amount Collected	\$ 572,505.47
Total Adjustments	\$ 1,408.73

Power Cost Adj. .02818

Residential Customers	2,248
Commercial Customers	329
Large General	15
Total Customers	2,592

11/02/22



**CITY OF PORTLAND
November-22**

WATER DEPARTMENT REPORT

MONTH	Oct-22	PERIOD COVERED	Oct 1-31, 2022
Customers Billed		Penalties Added	\$ 515.07
City	1,879	Dollars Collected	\$ 79,457.20
Rural	24	Arrears at end of Month	\$ 5,100.34
Total Customers	1,903	Adjustments	\$ 443.71
		Gallons Pumped	9,901,000
		Hydrant Flusing/Rental (unmetered)	0 (hydrant flushing)
Gallons Billed		Dollars Billed	
City	8,612,815		\$ 62,737.13
Rural	136,908		\$ 1,898.02
Total	<u>8,749,723</u>		<u>\$ 64,635.15</u>

SEWER DEPARTMENT REPORT

Customers Billed	1,822	Dollars Billed	\$113,858.69
		Sewer Credit	\$ -
		Total Sewer Billed	\$ 113,858.69

Penalties Added	\$ 868.10
Dollars Collected	\$ 127,777.89
Arrears at end of Month	\$ 9,505.09
Adjustments	\$ 695.62
Gallons Treated per Million	7.389



City Of Portland
Water Department
Monthly Water Report
November 2022

Monthly Water Production

Well #4	5,453,000 Gallons
Well #5	0 Gallons
Well #6	2,990,000 Gallons
Well #7	0 Gallons

Daily Water Production

Well #4	181,767 Gallons
Well #5	0 Gallons
Well #6	99,667 Gallons
Well #7	0 Gallons

Daily Average Water Production for All Wells 281,434 Gallons

Total Water Production for the Month 8,443,000 Gallons

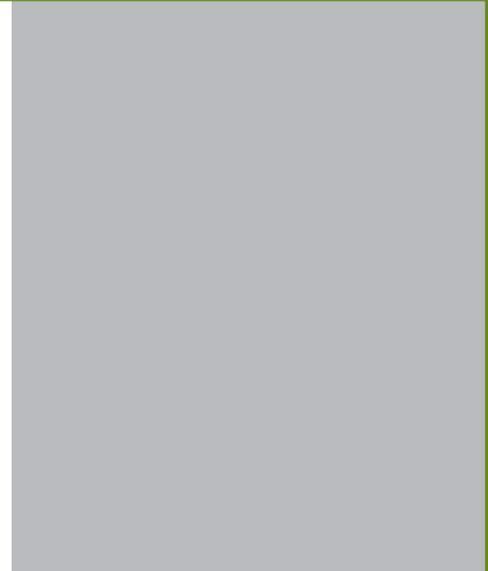
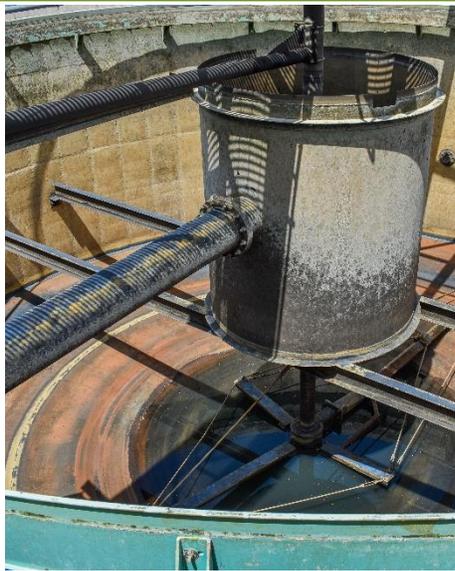
Total Water Production for the Previous Month 9,901,000 Gallons

Total Production decreased by 1,458,000 Gallons

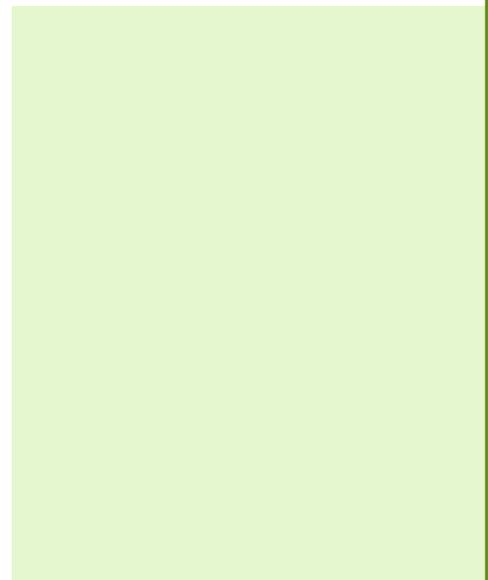
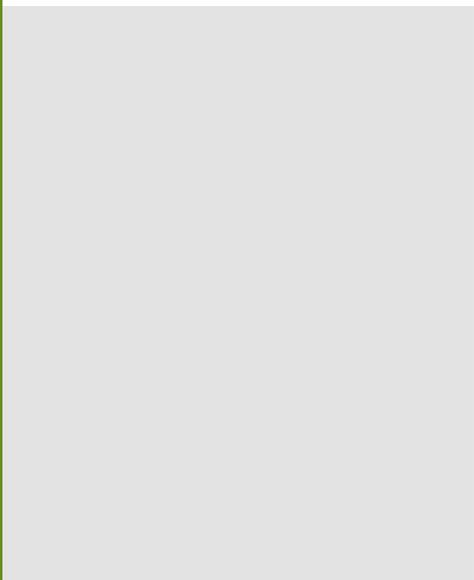
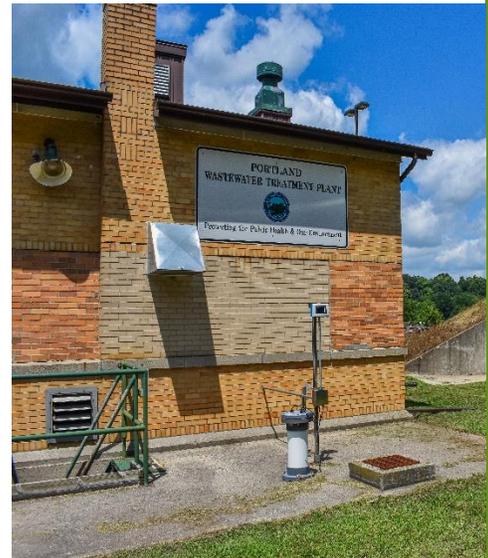
Total Production for This Month from the Previous Year 9,469,000 Gallons

Total Production decreased by 1,026,000 Gallons

Rodney D. Smith Jr.
Water Technician



The City of Portland Operations & Maintenance Report October 2022



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ADMINISTRATIVE REPORT

ADMINISTRATIVE

The October 2022 Discharge Monitoring Report (DMR) was submitted to the Michigan Department of Environment, Great Lakes, and Energy (EGLE). There were no violations for the month of October. The average influent flow was 322,000 gallons per day. The daily maximum influent flow was 342,000 gallons, which occurred on October 17, 2022. The Monthly Operating Report (MOR) will be provided upon request.

ACTION ITEMS

- The SRF upgrades to the plant will be starting soon. Demo to the drying beds and site prep is planning to start next month. Updates on progress and future steps will be submitted in the monthly report.

WASTEWATER MAINTENANCE

Maintenance was completed during the month of October 2022 in accordance with the computerized maintenance management system (CMMS.)

- Staff unclogged and de-ragged all three raw pumps.
- Cleaned both clarifiers and UV channel.
- Replaced mechanical seals in thickener sludge pump.
- Winter prep for plant and buildings.
- Staff completed 157 routine maintenance workorders.

OPERATIONS

- Polymer delivery.
- Tim and Tony assisted with leave/brush pickup
- Cleaned outfall with vector.

WORK PERFORMED ON THE COLLECTION SYSTEM

The following collection system tasks were completed during October 2022:

- Several Miss Digs were completed.
- Camera lateral repair for Cook Bros.
- Cook Bros repaired 5-foot section of sewer main on Smith St.
- Electrical department assisted in repairing power issue at Rindlehaven pump station.
- An estimated 2,400 feet of sewer mains were cleaned.

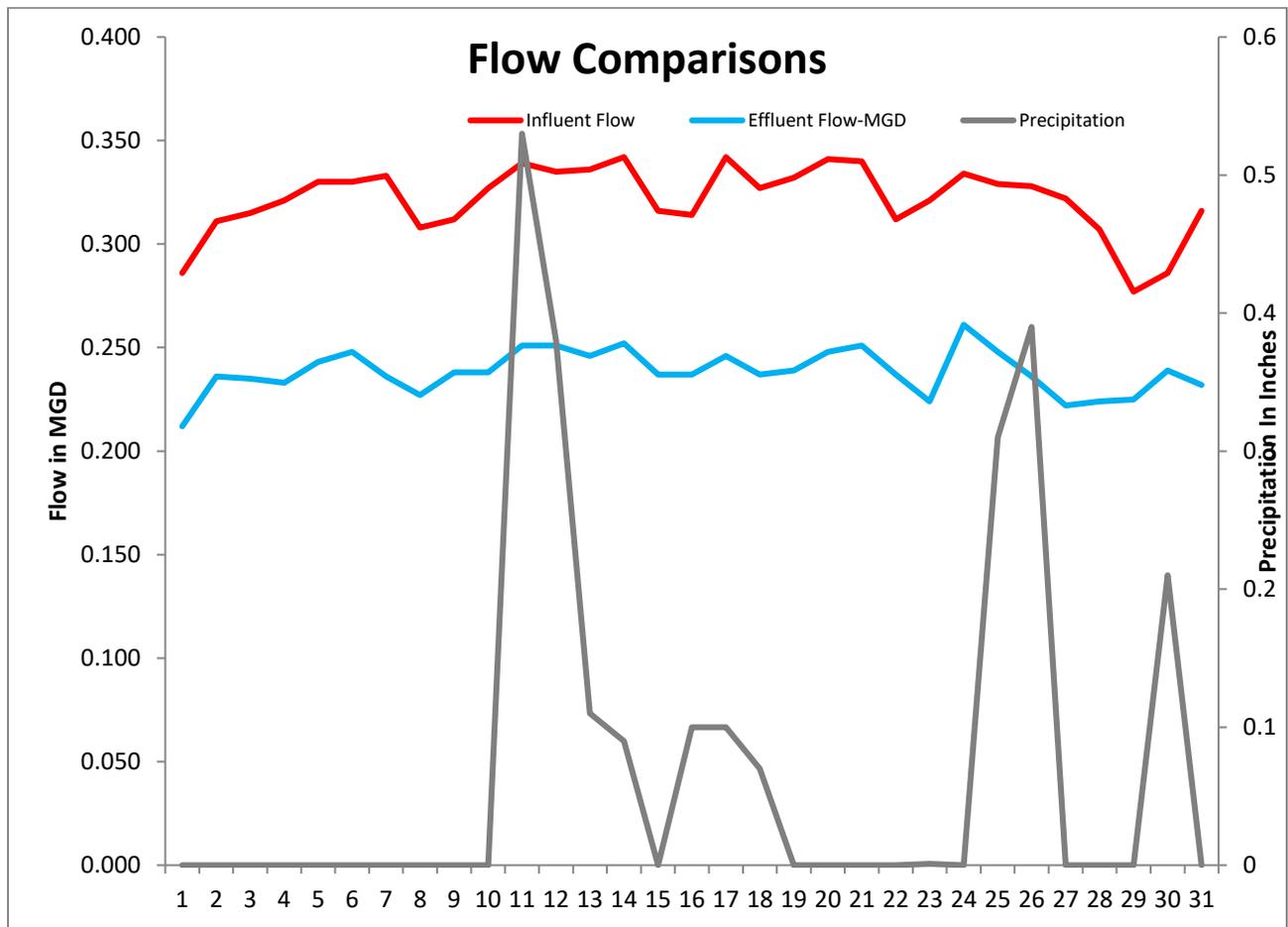
EMERGENCY ALARM CALL- OUTS

There was four (4) after- hours emergency call out for October 2022.

- 10-2-22 Raw #3 pump VFD fault. Alarm was reset and on Monday October 3rd.
- Low O2 sensor for headworks building. Faulty sensor. UIS ordered new part and replaced sensor on
- Call out for resident. No back up in sewer main. Owner to call sewer cleaner.
- Call out for high alarm at Riverside lift station. Both pumps ran until well returned to normal.

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 2022. The average influent flow during the period was 322,000 gallons per day and the average effluent flow during the period was 238,000 gallons per day. We had ten (10) days of measurable precipitation which totaled 2.29 inches. The influent flow is higher than the effluent flow due to recycle flows that are metered twice.



IONIA COUNTY BOARD OF COMMISSIONERS
BOARD OF COMMISSIONERS MEETING
NOVEMBER 22, 2022 - 7:00 P.M.
101 WEST MAIN STREET
IONIA, MICHIGAN

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. Request Approval Contract # 22-11 Dust Control Bid- John Niemela
 - B. Request Approval of Road Name-John Niemela
 - C. Request Approval of Central Dispatch Consoles/Workstations-Lance Langdon
 - D. Request Approval of Resource Recovery Agreement with Conservation District-Jason Eppler
 - E. Request Approval Scheduling of Public Hearing FY23 Budget-Jason Eppler
- IX. Department Reports**
- 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-Discussion regarding City Tax**
- XIV. Adjournment**

Board and/or Commission Vacancies

- Economic Development Corporation/Brownfield Redevelopment Authority – Four- three-year terms.
- Board of Public Works-Two-three-year terms
- Central Dispatch-One-two-year Emergency Medical Representative and one-two-year Township Board Representative
- Parks Advisory Board- Two-Two-year terms, Member-at-Large from Lyons Area
- West Michigan Regional Planning Commission-Two-One-year term
- Land Bank Authority- two-three-year term
- Solid Waste Planning Committee-three-two-year term, one serving as industrial waste generator representative, one management industry, and one regional Solid Waste Planning Agency rep.

Appointments for consideration in the month of November 2022:

- None

Appointments for consideration in the month of December 2022:

- Central Dispatch Board of Directors
- Substance Abuse Initiative
- West Michigan Regional Planning Commission